



**TÜRKİYE CUMHURİYET
MERKEZ BANKASI**

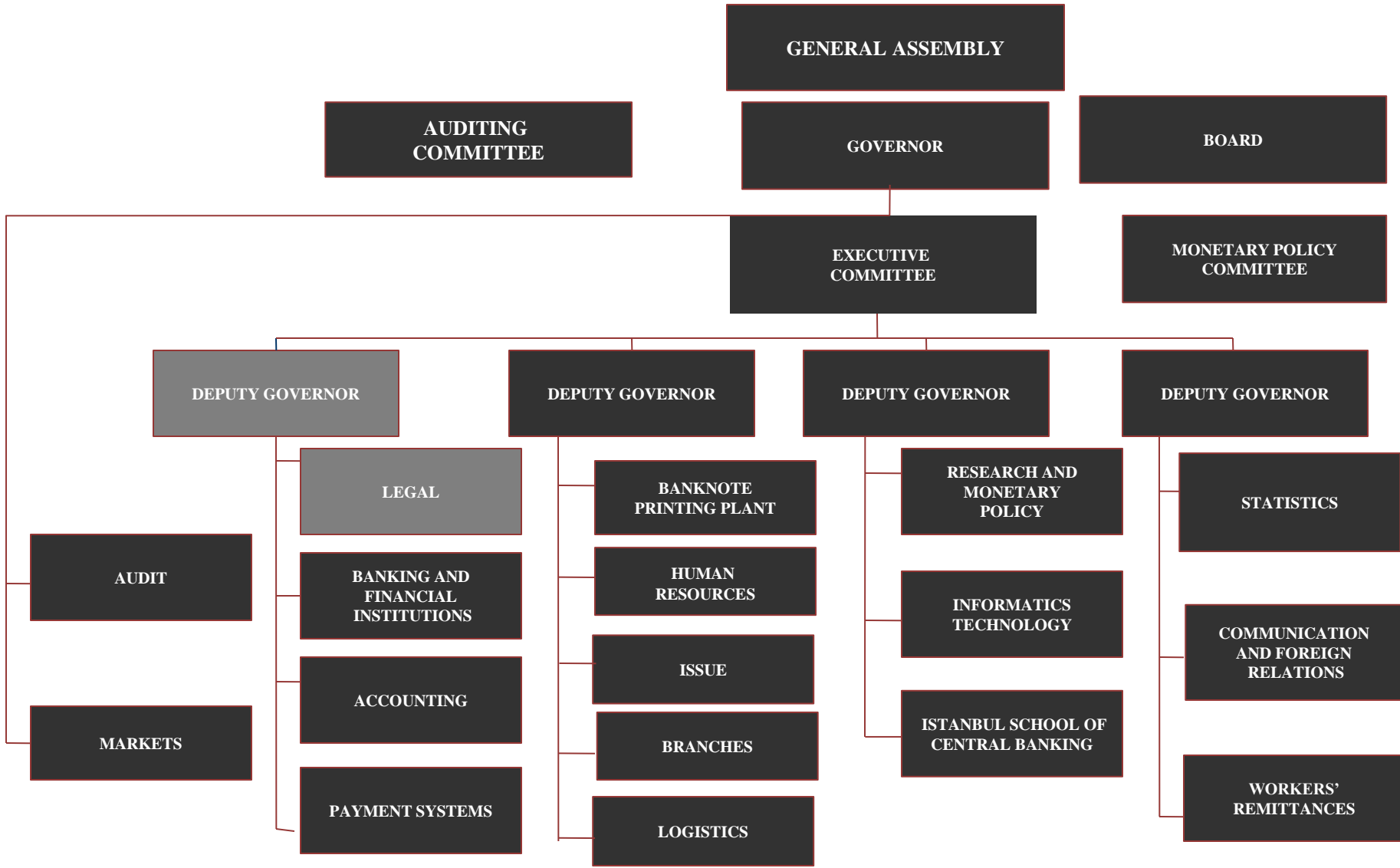
**INTRODUCTION OF THE LEGAL
FUNCTION AT THE CENTRAL BANK OF
THE REPUBLIC OF TURKEY**

C. Murat Baykal
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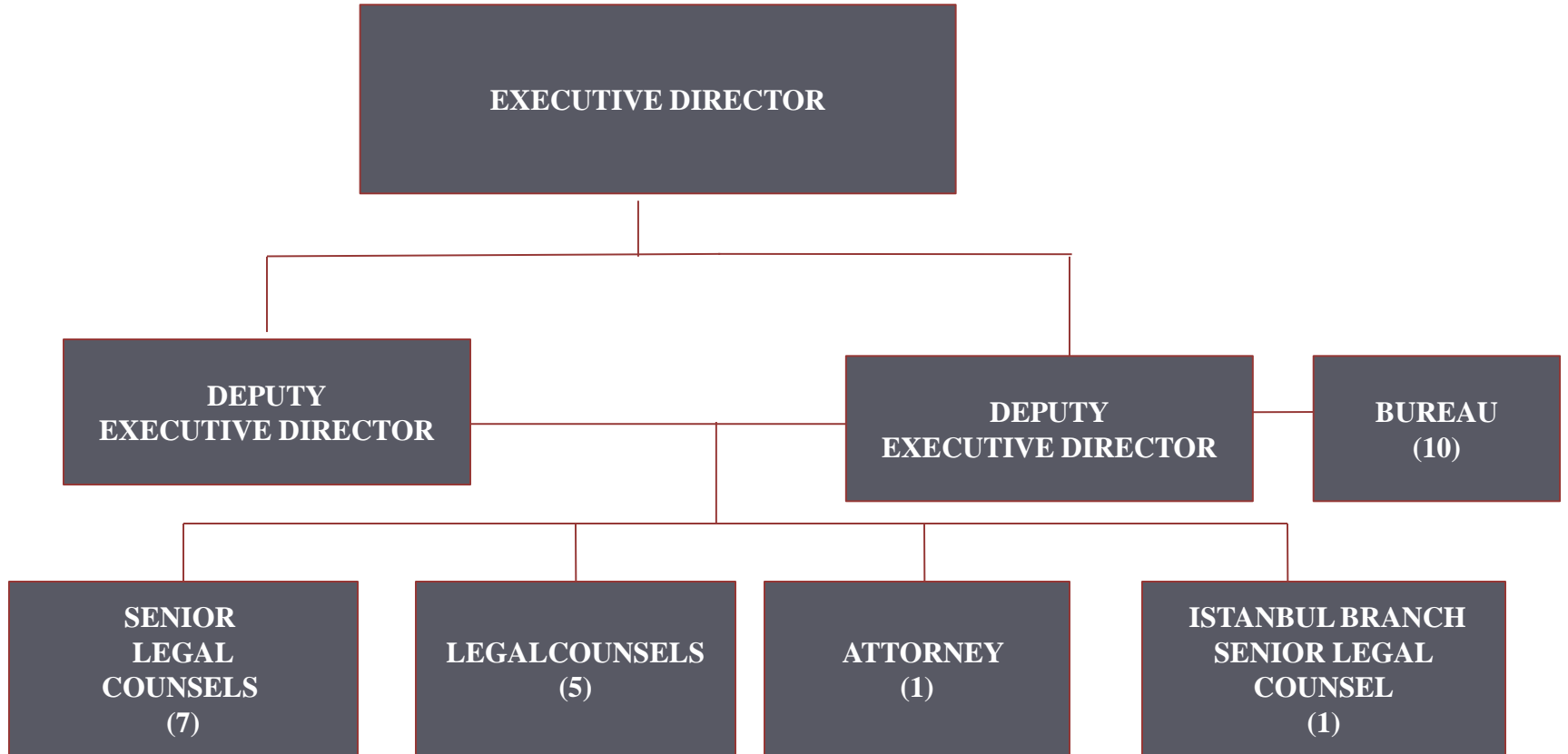
Antalya, 2014

THE GENERAL STRUCTURE AND ORGANIZATION OF THE LEGAL DEPARTMENT

ORGANIZATION CHART (CBRT)



ORGANIZATION CHART (LEGAL DEPARTMENT)



THE GENERAL STRUCTURE AND ORGANIZATION OF THE LEGAL DEPARTMENT

Each lawyer within the Legal Department;

- acts as the legal representative of the Bank in all facets of legal matters.
- is linked by an employment relationship with the Bank.
- exercises activity with due regard to the general principles and rules applicable to all lawyers.

Executive Director is a natural member of the Disciplinary Board of the Bank.

THE GENERAL STRUCTURE AND ORGANIZATION OF THE LEGAL DEPARTMENT

In general, structure and organization (as well as the functions) are embedded in the 'Regulation on the Organization and Duties of the CBRT'. Detailed explanations are described in the 'Regulation on the Services of the Legal Department (1999)'. E.g:

- Submits its legal opinions on various legal matters as requested by the Office of the Governor or by the units of the Head Office upon the directive of the Office of the Governor,
- Examines the drafts of regulations, contracts, written engagements and other such regulatory documents sent by the Office of the Governor, and presents its opinions thereupon,
- Follows, monitors, defends, carries out all necessary procedures to conclude the administrative and judicial (legal and criminal) lawsuits and debt enforcement procedures in which the bank is a party to at the relevant courts and authorities (including the disputes submitted to arbitration) or have such duties carried out,
- Receives notifications from judicial and administrative courts, arbitrators, debt enforcement offices and public notaries sent to the Head Office and divisions of the Head Office on behalf of the Head Office; informs the former of the legal requirements and procedures.

THE FUNCTIONS OF THE LEGAL DEPARTMENT

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A) Advisory functions

- To give oral or written legal memoranda and written legal opinions,
- To review and interpret proposals-draft legislation,
- To negotiate agreements.

The functions (cont'd)

B) Representational functions

- To take legal actions against the conflicts,
- To contribute the drafting of a legislation,
- To negotiate on all legal issues regarding CBRT.

The functions (cont'd)

C) Other functions

- To offer training to the Bank employees,
- To provide practical training to law students,
- To attend seminars/conferences/meetings/workshops.

THE LEGAL RISK MANAGEMENT POLICY OF THE CBRT

What is 'legal risk'?

Legal risk can be defined as the risk associated with a defect or failure in the following areas undertaken by the Legal Department:

- Meeting legal or regulatory requirements,
- Giving legal opinions (e.g. delay in giving opinion on the basis of which the concerned department had to take decision within stipulated time),
- Commencing litigation,
- Other tasks (such as adverse judgements, enforcement of contracts, the inability or difficulty in enforcing its legal rights against third parties due to legal impediments, etc.)

What is 'legal risk'? (cont'd)

There is not an official definition or an explicit and direct referral to the term “*legal risk*” within the Central Bank of the Republic of Turkey. While the term “*legal risk*” is not officially mentioned in any document of our Bank concerning the responsibilities of the Legal Department, the duties entrusted to the Legal Department according to the “*Regulation on the Services of the Legal Department*” (Regulation) inevitably includes legal risk management.



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