

**LAW ON PAYMENT AND SECURITIES SETTLEMENT SYSTEMS, PAYMENT SERVICES AND
ELECTRONIC MONEY INSTITUTIONS**

SECTION ONE

Objective, Scope and Definitions

Objective

ARTICLE 1–(1) The objective of this Law is to regulate the procedures and principles regarding payment and securities settlement systems, payment services, payment institutions and electronic money institutions.

Scope

ARTICLE 2 – (1) This Law shall apply to payment and securities settlement systems, payment services, payment institutions and electronic money institutions.

Definitions

ARTICLE 3 – (1) For the purposes of this Law, the following terms shall have the meanings indicated below:

- a) Payee: Natural or legal person who is the intended receiver of a fund that is the subject of a payment transaction,
- b) Bank: The Central Bank of the Republic of Turkey Joint Stock Company,
- c) Electronic communication operator: Operator defined within the Electronic Communications Law No. 5809 of November 5, 2008.
- c) Electronic money: Monetary value that is issued on the receipt of funds by an electronic money issuer, stored electronically, used to make payment transactions defined in this Law and also accepted as a payment instrument by natural and legal persons other than the electronic money issuer,
- d) Electronic money institution: Legal person who has been granted authorization to issue electronic money under this Law,
- e) Fund: Banknotes, coins, bank money or electronic money,
- f) Payer: Natural or legal person who gives a payment order either from his payment account or without having a payment account,
- g) Participant: Legal person with the right to give a direct transfer order by participating in the system and obliged to comply with the system rules,
- ğ) Personal security information: Information such as a password, expiration date, or security number that identifies the payment instrument and the identity of the payment instrument user and that can be used while carrying out a transaction with the payment instrument,
- h) Control: The power to appoint or dismiss the decision-making majority of the members of the board of directors through direct or indirect possession of the majority of a legal person's capital, irrespective of the requirement of owning a minimum fifty-one per cent of its capital, or by having control over the majority of the voting right as a consequence of holding privileged shares, or of agreements with other shareholders or of any other means although not owning the majority of capital,
- ı) Board: The Banking Regulation and Supervision Board,
- i) Agency: The Banking Regulation and Supervision Agency,
- j) Securities settlement system: The structure that has common rules and provides the infrastructure required for the clearing and settlement transactions carried out in order to realize securities transfers arising from transfer orders among three or more participants,
- k) Central counterparty: The entity that guarantees finalizing transactions by acting as seller to every buyer and buyer to every seller between the parties of financial contracts traded in one or more markets,
- l) Settlement: Fulfillment of obligations arising from funds or securities transfers between two or more parties,
- m) Settlement account: An account at the Bank, a settlement institution or a central counterparty used to hold funds or securities and to ensure the settlement of the transactions among the participants in a system,
- n) Settlement institution: The entity that holds a settlement account and can grant a loan to the participant for the purpose of settlement when necessary,
- o) Netting: The process of obtaining a single credit or liability position for a participant by offsetting credits or liabilities arising from the transfer orders sent and received by this participant,
- ö) Payment instrument: Card, cell phone, password and similar personal instruments determined between the payment service provider and user and used by the payment service user to initiate a payment order,
- p) Payment order: Instruction given by the payment service user to his payment service provider for the purpose of executing a payment transaction,
- r) Payment account: An account opened in the name of the payment service user and used for the execution of a payment transaction,

- s) Payment service: Services stated in Article 12 of this Law,
- s) Payment service user: Natural or a legal person making use of a payment service as payer, payee or both,
- t) Payment service provider: Institutions stated in Article 13 of this Law,
- u) Payment transaction: Act of depositing, transferring or withdrawing funds upon the order of payer or payee,
- ü) Payment institution: Legal person authorized pursuant to this Law to provide and execute payment services,
- v) Payment system: The structure that has common rules and provides the infrastructure required for clearing and settlement transactions carried out in order to realize fund transfers arising from transfer orders among three or more participants,
- y) Money remittance: Payment service in which the payer sends fund to the payee or to a payment service provider that acts on behalf of the payee, without any accounts opened in the name of the payer or payee,
- z) System: Payment system and securities settlement system,
- aa) System operator: Legal person responsible for the daily operations of the system and holds the required license for operating a system,
- bb) Clearing: Activities including transmitting the transfer orders sent to the system, mediating in the mutual reconciliation of these orders and in the provision process before settlement, in cases where such provision is required, and netting of these orders in some cases,
- cc) Clearing house: Institution responsible for calculating the net liability or credit position of the participants,
- çç) Transfer order:
 - 1) Participant order regarding the transfer of a certain amount of funds among the participants in the system,
 - 2) Instruction, appropriate to the system rules, resulting in the assumption or fulfillment of a payment obligation,
 - 3) Participant order for the transfer of the rights on securities and other capital market instruments by means of a book entry or otherwise within the system.
- dd) **(Added by Law No.7192 of November 12, 2019)** Association: The Payment and Electronic Money Institutions Association of Turkey.

SECTION TWO System

General provisions

- ARTICLE 4-** (1) The system shall be operated by the system operator. No other persons except the Bank and those who received an operating license pursuant to Article 5 of this Law shall function as system operator.
- (2) The rules and contracts regarding the operation of the system and the participation in the system shall be determined by the system operator in accordance with the regulation to be issued by the Bank.
- (3) The Bank has the right to make the necessary regulations to ensure a smooth and uninterrupted operation of the systems.

Operating license of the system operator

- ARTICLE 5-** (1) The system operator may operate a system under the scope of this Law, only if it is granted an operating license by the Bank.
- (2) The system operator is required:
- a) To be established as a joint stock company.
 - b) To have at least five million Turkish liras of paid-in capital that is cash and free of all kinds of collusions.
 - c) To employ a sufficient number of qualified staff and to have adequate technical equipment and management to operate the system.
 - c) To have sufficient risk management and to take necessary measures regarding information security, information reliability and business continuity.
 - d) To ensure that the system, participants and operating rules comply with this Law and with the regulations to be issued pursuant to this Law.
 - e) To have its shares issued against cash and be fully registered in its name,
 - f) To have a transparent and open partnership structure and organizational chart that will not constitute an obstacle for the efficient oversight of the Bank.
 - g) To have its shareholders, who own ten percent or more shares in capital and who have the control, meet the bank founders' eligibility criteria laid down in the Banking Law No. 5411 of October 19, 2005.
- (3) **(Repealed by the Law No. 7192 of November 2019)**
- (4) The system operator who is granted an operating license shall inform the Bank about the commencement of its operations within ten days following the date of commencement of operations.
- (5) The procedures and principles regarding the implementation of this Article shall be set by the

regulation to be issued by the Bank.

(6) The provisions of this Article shall not apply to the systems operated by the Bank.

Assessment of the application for an operating license

ARTICLE 6- (1) In the case that the requirements, qualifications and competencies required by this Law are fulfilled, the information and documents requested by the Bank are fully submitted, and it is decided by the Bank that the application is favorable, then a license for functioning as a system operator pursuant to Article 5 of this Law shall be granted and the decision regarding granting of an operating license shall be published in the Official Gazette.

(2) The application made to the Bank pursuant to this Law to be a system operator shall be finalized by the Bank within six months following the delivery of all information and documents requested for the application without any deficiency. If negative, this decision- shall be communicated to the relevant parties together with its reasons.

Termination of an operating license

ARTICLE 7- (1) The operating license of the system operator terminates automatically,

a) On the date when the legal personality terminates, if the system operator's legal personality terminates as a result of a transaction, such as a merger or disintegration, which alters the legal status of the system operator,

b) On the date when the system operator ceases to exist pursuant to Articles 529, 530 and 531 of the Turkish Commercial Code No. 6102 of January 13, 2011,

c) On the date when the period of six months expires, if the system operator does not operate for more than six months within one year following the date of commencement of its operations.

(2) The Bank publishes the termination of the operation license in the Official Gazette, following the system operator's notification of the situations stated in the first paragraph to the Bank pursuant to the third paragraph of Article 23 of this Law or upon detection of these situations.

Oversight of the system

ARTICLE 8- (1) The Bank is authorized to oversee the systems established or to be established in order to ensure their uninterrupted operation. **(Added by Law No.7192 of November 12, 2019)** The oversight power of the Bank shall apply to all parties whose operations are closely related to the functioning of the system, such as the system operator, system participants, the settlement institution, other interlinked systems and outsourcing institutions.

(2) **(As amended by Law No.7192 of November 12, 2019)** If it deems necessary, the Bank may request instantly and on a transaction basis all types of records, information and documents related to all transactions carried out by the institutions subject to its oversight activities. The institutions subject to the Bank's oversight activities are obliged to submit all types of records, information and documents to the Bank, even if they are confidential, with respect to the procedures and principles to be determined by the Bank, and make them available for the Bank's oversight.

(3) The procedures and principles regarding the oversight of the system shall be set in the regulation to be issued by the Bank.

(4) **(Added by Law No.7192 of November 12, 2019)** The Bank may be a shareholder of any systemically important system operators established and to be established in order to ensure an uninterrupted operation of the systems.

Incidents that require taking measures and measures to be taken

ARTICLE 9- (1) The Bank takes the appropriate measures with respect to the operation of the system upon detection of the following incidents:

a) Acting beyond the scope of the operation license.

b) Acting contrary to this Law and to the regulations issued pursuant to this Law.

c) Jeopardizing the security, soundness and stability of the system.

ç) Detecting any situation in which the system operator no longer meets the requirements specified in Article 5 of this Law.

d) The system operator ceasing to cooperate in the oversight of the system.

e) Failing to begin operations within one year after acquiring an operation license.

f) The system operator notifying the Bank that the system operator clearly renounces its operation license or terminates system activities.

g) Detecting any situation in which the operating license is obtained by misstatements and non-factual documents.

ğ) Violating the third paragraph of Article 23 of this Law,

h) The Bank deducing that the stability of the financial system could be endangered if the system operator continues to operate the system.

(2) If the Bank detects the incidents in the first paragraph, it will take the measures listed below according

to the severity of the violation:

- a) Granting a reasonable period of time for the system operator to remove the violation.
 - b) Requesting from the system operator to take necessary measures approved by the Bank in order to ensure the realization of settlement.
 - c) Requesting from the system operator to dismiss the participants from the system who do not fulfill their obligations arising from this Law.
 - c) Withdrawing the operation license of the system operator or temporarily suspending the operation license granted to the system operator until the detected violation is removed.
 - d) Temporarily taking over the management of the system operator with the purpose of avoiding systemic risks that could threaten financial stability.
- (3) The Bank will notify the relevant system operator of the measures to be taken pursuant to the second paragraph of this article with the reasons of these measures.
- (4) In case the Bank takes the measures stated in subparagraphs (ç) and (d) of the second paragraph of this article, it shall publish this matter in the Official Gazette.

SECTION THREE

Transfer Order, Netting, Collateral and Designation of the Systems

Transfer order, netting and collateral

ARTICLE 10– (1) The moment when the transfer order becomes irrevocable shall be clearly determined in the system rules and the transfer order cannot be revoked by the participant or any third party thereafter.

(2) The moment of entry of a transfer order into the system is defined in the system rules.

(3) All kinds of measures and decisions that are regulated by Laws and preclude the participant or the system operator to make transactions with their funds or securities including the temporary suspension, imposition of restrictions or permanent suspension of a participant's or system operator's fund or securities transfers apply only to the transfer orders that enter into the system after the notification regarding the aforementioned measures and decisions is made to the system operator.

(4) In case the system works according to the netting principle, the transfer orders, which have entered into the system before the measures and decisions stated in the third paragraph are conveyed to the system operator, shall be included in the netting process.

(5) The funds and securities, which are present in the settlement account of the participant on the day the measures and decisions defined in the third paragraph are notified to the system operator, shall primarily be used to fulfill the participant's obligations in the system.

(6) The measures and decisions defined in the third paragraph shall become effective in terms of the participant's or the system operator's rights and obligations within the system, only after these measures or decisions are notified to the system operator.

(7) **(As amended by Law No.7192 of November 12, 2019)** The system operator may require collaterals from the participants to be used in case the transactions in the system cannot be finalized for any reason or a participant fails to fulfill their obligations to the system. The collaterals are tracked in a separate account. The measures and decisions defined in the third paragraph shall not apply to these collaterals. In case capital market instruments are taken as collaterals within the scope of this article, Article 47 of the Capital Market Law No. 6362, dated 6/12/2012 shall apply. In case assets other than capital market instruments are taken as collaterals within the scope of this article, the system operator shall cash and use these collaterals within the framework of system rules with no preconditions such as issuing a notification or warning, giving a period of time, or getting the authorization or approval of a judicial or administrative authority for finalizing the transactions and fulfilling the participant's obligations in the system.

Designation and announcement of the systems

ARTICLE 11 – (1) The Bank shall determine the systems which will be subject to the provisions of Article 10 of this Law and shall announce them to the public in the Official Gazette.

SECTION FOUR

Payment Services and Payment Institutions

Payment service

ARTICLE 12- (1) Pursuant to this Law, payment services are defined as:

- a) All the transactions required for operating a payment account including the services enabling cash to be placed on and withdrawn from a payment account,
- b) Execution of payment transactions, including transfers of funds on a payment account with the user's payment service provider, direct debits, including one-off direct debits, payment transactions through a payment card or a similar device, credit transfers including standing orders,
- c) Issuing or acquiring payment instruments,

- c) Money remittance,
- d) Execution of payment transaction, where the consent of the payer to execute a payment transaction is given by means of any telecommunication, digital or IT device and the payment is made to the telecommunication, IT system or network operator, acting only as an intermediary between the payment service user and the supplier of the goods and services,
- e) Corresponding services enabling bill payments.
- f) **(Added by Law No.7192 of November 12, 2019)** At the request of the payment service user, the payment initiation service related to the payment account at another payment service provider.
- g) **(Added by Law No.7192 of November 12, 2019)** Upon approval of the payment service user, the online provision of consolidated information of one or more payment accounts held at payment service providers by payment service users.
- ğ) **(Added by Law No.7192 of November 12, 2019)** Other transactions and services reaching the level to be determined by the Bank in terms of total size or impact in payments.

(2) The following transactions and services shall not be considered as a payment service within the scope of this Law:

- a) Payment transactions made in cash directly from payer to payee, without any intermediary intervention,
- b) Payment transactions from payer to payee through a commercial agent authorized to negotiate or conclude the sale or purchase of goods or services on behalf of the payer or the payee,
- c) Payment transactions consisting of cash collection and delivery within the framework of a non-profit or charitable activity,
- c) Services where cash is provided by the payee to the payer as part of a payment transaction following an explicit request by the payment service user just before the execution of the payment transaction through a payment for the purchase of goods or services,
- d) Cash to cash foreign exchange operations, where the funds are not held on a payment account,
- e) Payment transactions based on valuable papers, foreign bank's cheques, traveler's cheques and paper-based postal money orders within the scope of the Law No. 6102,
- f) Payment transactions executed by the Bank, settlement institutions, central counterparties, clearing houses, payment service providers and other participants of the system on behalf and account of their own in the systems,
- g) Payment transactions regarding capital markets activities under Capital Market Law No. 6362 of 06.12.2012 performed by the legal persons and capital market institutions designated in subparagraph (f) of this paragraph,
- ğ) Services that are provided by technical service providers, without them coming into possession of the funds to be transferred at any time, support the provision of payment services, and include processing and storing data, trust and privacy protection services, data and entity authentication, information technology (IT) and communication network provision, provision and maintenance of terminals and devices used for payment services,
- h) Services based on instruments that can be used to acquire goods or services only on the premises used by the issuer or under a commercial agreement with the issuer either within a limited network of service providers or for a limited range of goods or services,
- i) Payment transactions executed by means of any telecommunication and IT device, where the goods or services purchased are delivered to and are to be used through a telecommunication and IT device, provided that the telecommunication and IT operator does not act only as an intermediary between the payment service user and the supplier of the goods and services,
- i) Payment transactions carried out between payment service providers, their agents or branches on their behalf and on their own account,
- j) Payment transactions between a parent undertaking and its subsidiary or between subsidiaries of the same parent undertaking, without any intermediary intervention by a payment service provider other than an undertaking belonging to the same group,
- k) Services by providers to withdraw cash by means of automated teller machines (ATMs) acting on behalf of one or more card issuers, which are not a party to the framework contract with the customer withdrawing money from a payment account and do not conduct any payment services,
- l) Other transactions and services to be determined by the Bank.¹

(3) **(As amended by Law No.7192 of November 12, 2019)** The procedures and principles regarding payment services, the rights and obligations of the parties within the scope of payment services, information and conditions to be provided regarding payment services and the framework contract are determined by the regulations to be issued by the Bank in consultation with the Financial Crimes Investigation Board. **(Added by Law No.7247 of June 18, 2020)** The framework contract shall be set by in written form or by using remote communication instruments distantly or not by the methods which the Bank has determined to replace the written form, which will enable the verification of customer identity through an information technology or electronic

¹As amended by Law No. 7192 of November 12, 2019, "Board" has been changed as "Bank"

communication device.

(4) **(Added by Law No.7192 of November 12, 2019)** The Bank shall be authorized to determine and partially or completely release the qualifications and the maximum amounts or the rates of fees, charges, commissions and other benefits received by one of the parties of any transaction under any name regarding a particular type of transaction within the scope of the payment services.

(5) **(Added by Law No.7192 of November 12, 2019)** Should the transactions stated in subparagraphs (b) and (h) of the second paragraph reach the level to be set by the Bank in terms of total size and impact area, they may be considered as payment services within the scope of this Law by the Bank.

(6) **(Added by Law No.7192 of November 12, 2019)** The legal affairs to which the payment service providers are parties due to their activities under this Law shall be monitored by the Bank. The Bank shall be authorized to set the procedures and principles for the legal affairs as being one of the parties of the due to their activities under this Law in case of the detection of practices that may adversely affect the development of the payments area in the context of the legal affairs to which the payment service providers are parties due to their activities under this Law.

(7) **(Added by Law No.7192 of November 12, 2019)** Should situations and practices arise that may adversely affect the development of the payments area regarding the activities under this Law, the Bank shall be authorized to establish working committees, determine the working procedures and principles of these committees by taking opinions of the involved parties and perform the necessary work and transactions to implement the decisions taken by these committees.

Payment service provider

ARTICLE 13-(1) Pursuant to this Law, the payment service providers are:

- a) banks within the scope of the Law No. 5411,
- b) electronic money institutions,
- c) payment institutions,

ç) (Added by Decree Law No. 690 of April 17, 2017 and amended by Law No. 7077 of February 1, 2018)

Postal and Telegraph Corporation.

(2) Any legal person other than the banks and payment service providers listed in the first paragraph of this Article shall not provide payment services.

Payment institution

ARTICLE 14- (1) Any payment institution which intends to operate in the payment services area within the scope of this law shall be required to obtain authorization from the Bank.¹

(2) For authorization as a payment institution, the following requirements must be fulfilled:

- a) it shall be established as a joint stock company,
- b) those having ten percent or more shares in a payment institution's capital and having control over the payment institution shall meet the bank founders eligibility criteria as set forth in the Law No. 5411,
- c) its shares shall be issued against cash and be fully registered in its name,
- ç) its paid-up capital, consisting of cash and free of all kinds of fictitious transactions, should not be less than one million Turkish Liras for the payment institutions, which provide the services stated in paragraph (1) (e) of Article 12 of this Law and not be less than two million Turkish Liras for other payment institutions,
- d) it is required to have sound and prudent management, adequate personnel and technical equipment to perform the payment services business within the scope of this Law and establish necessary units for complaints and objections,
- e) it should take necessary measures for the continuity of the activities to be conducted within the scope of this Law, and for the security and confidentiality of the payment service user's funds and information,
- f) it shall have a transparent and clear partnership structure and organization chart that will not prevent supervision of the Bank,²

(3) While providing payment services, the payment institution may hold payment accounts on condition that they are used exclusively for payment transactions. Any funds received by the payment and electronic money institutions concerning payment services shall not be considered as a deposit or participation fund pursuant to Article 60 of the Law No. 5411, or electronic money within the scope of this Law.

(4) The payment institution shall not extend loans. Whether or not the activities carried out related to payment services shall be regarded as extending loans shall be determined by the regulation to be issued by the Bank. ²

(5) The Bank shall be authorized to define the activities which shall not be carried out by the payment institution.¹

(6) The procedures and principles regarding the implementation of this Article, information and documents to be requested concerning the establishment of the payment institution, operations, capital and equity capital structure, use of branch, agent or outsourcing institution, corporate governance principles, internal systems,

¹As amended by Law No. 7192 of November 12, 2019, "Board" has been changed as "Bank"

²As amended by Law No. 7192 of November 12, 2019, "Agency" has been changed as "Bank"

management of IT system management and other activities which are not covered by this Law are defined in the regulation to be issued by the Bank in consultation with the Financial Crimes Investigation Board.¹

Payment services with special features

ARTICLE 14/A– (Added by Law No.7192 of November 12, 2019)

(1) The liabilities set forth in this Law of issuing shares against cash, fully registered to name and the liabilities of minimum capital shall not be required for the payment institutions which provide the services stated exclusively in paragraph (g) of the first paragraph of Article 12 of this Law.

(2) The Bank shall be authorized to set the procedures and principles regarding sharing the data of a payment service provider with another payment service provider within the scope of the activities stated in subparagraphs (f) and (g) of the first paragraph of Article 12.

Assessment of an application for an operating license

ARTICLE 15- (1) An operating license shall be granted pursuant to Article 14 of this Law to operate as a payment institution provided that the conditions, qualifications and competencies required under the scope of this Law are met, the information and documents to be requested by the Bank are fully declared and the application is approved by the Bank and the decision to grant an operating license shall be issued in the Official Gazette.²

(2) **(Repealed by Law No.7192 of November 22, 2019)**

(3) The Bank may require the establishment of a separate entity for the payment services business, in which the non-payment services activities of the payment institution impair or are likely to impair either the financial soundness of the payment institution or the ability of the Bank to monitor the payment institution's compliance with all obligations laid down by this Law and by the regulation to be issued based on this law.³

(4) The application for the operating license submitted to the Bank within the scope of Article 14 of this Law shall be concluded by the Bank within six months following the date of completion of all the required information and documents in relation to the application. In case the decision is negative, the relevant parties shall be informed about the decision together with the reasons.⁴

(5) An institution to which an operating license is granted shall notify the Bank about commencement of operations within ten days following the date of starting operations.²

Revocation of operating license

ARTICLE 16- (1) The Bank may revoke the operating license granted to the payment institution should the following conditions occur:⁵

a) the payment institution has failed to commence using this authorization within one year after obtaining the operating license,

b) the payment institution notifies the Bank of clear renouncement of this power or of termination of its operations,³

c) it is detected that the operating license has been obtained with false statements and documents,

c) it is determined that the payment institution no longer meets the qualifications specified in Article 14 of this Law,

d) it is detected that a payment institution violated the third paragraph of Article 23 of this Law,

e) a Bank concludes that by continuing its business, a payment institution would constitute a threat to the security of its payments,⁴

(2) The Bank shall notify to the relevant payment institution about the revocation of the operating license along with the reasons.²

(3) The Bank shall publish the revocation of the operating license in the Official Gazette. Publication of the decision of revocation in the Official Gazette shall be considered a notification to the relevant parties.²

Termination of operating license

ARTICLE 17- (1) Except for the cases defined in the first paragraph of Article 16 of this law, the operating license is automatically terminated on the date when:

a) the legal personality of the payment institution terminated, in which cases such as merger or disintegration causes a change in the legal structure of the payment institution terminating the legal personality of the payment institution,

¹As amended by Law No. 7192 of November 12, 2019, "Agency" has been changed as "Bank" and "and the Bank" has been repealed.

²As amended by Law No. 7192 of November 12, 2019, the terms of "Board" have been changed as "Bank"

³As amended by Law No. 7192 of November 12, 2019, "Agency" has been changed as "Bank"

⁴As amended by Law No. 7192 of November 12, 2019, "Agency" and "Board" have been changed as "Bank"

⁵As amended by Law No. 7192 of November 12, 2019, "Board" has been changed as "Bank"

b) the legal personality of the payment institution is terminated pursuant to Articles 529, 530 and 531 of the Law No. 6102,

c) the six-month-period is over, during which the payment institution has ceased to engage in business for more than six months within a year after commencing its activities,

(2) The Bank shall publish the termination of the operating license in the Official Gazette following the notification of the situations set out in the first paragraph to the Bank or identification of these situations in accordance with the third paragraph of Article 23 of this Law.¹

SECTION FIVE

Electronic Money Institutions and Issuance of Electronic Money

Electronic money issuers

ARTICLE 18-(1) It is prohibited to issue electronic money for those other than the banks operating pursuant to the Law No. 5411, the Postal and Telegraph Corporation and the electronic money institutions granted permission to issue electronic money within the scope of this Law.²

(2) An electronic money institution who intends to issue electronic money within the scope of this Law shall do so provided that it obtains permission from the Bank.³

(3) An electronic money institution is required to fulfill the following obligations:

a) It should be established as a joint stock company,

b) Those holding ten percent or more share in its capital and those having control over it should meet the eligibility criteria sought from founders of a bank as set forth in the Law No. 5411,

c) Its shares should be issued against cash, all to be registered in the name of the holder,

ç) Its paid-up capital, consisting of cash and free of collusion, should not be less than five million Turkish Liras,

d) It should have a competent management, adequate personnel and technical equipment to perform the electronic money business defined within the scope of this Law, and it should establish units for complaints and objections,

e) It should take necessary precautions for the continuity of the operations conducted under the scope of this Law and for the security and confidentiality of the electronic money user's funds and information,

f) It should have a transparent and clear partnership structure and organization chart that will not hamper the effective supervision of the Bank.⁴

(4) The electronic money institutions execute their activities through the banks defined in the Law No. 5411.

(5) **(As amended by Law No.7192 of November 12, 2019)** The pre-paid instruments that can be used only in the electronic money issuer's own store network, only to acquire a specific range of goods or services or within only a limited network of service providers under a commercial agreement with a professional issuer are out of the scope of this law. In the case that the transactions made by the payment instruments stated in this paragraph reach the level to be determined by the Bank in terms of total size and impact area, the Bank shall decide evaluation of these instruments within the scope of this Law.

(6) **(As amended by Law No.7192 of November 12, 2019)** The procedures and principles regarding the implementation of this Article, information and documents to be requested regarding the establishment of an electronic money institution, its operations, capital and own funds structure, whether the institution has a branch, agency or outsourced service provider, its corporate governance principles, internal systems, information systems management and other activities not covered by the scope of this Law, issuing and redeeming electronic money shall be set out in a regulation to be issued by the Bank through consultation with the Financial Crimes Investigation Board.

Miscellaneous provisions applied to the electronic money institution

ARTICLE 19- (1) The provisions set out in Articles 15, 16 and 17 of this Law shall also be applied to electronic money institutions.

Issuance of electronic money

ARTICLE 20- (1) The electronic money institution shall issue electronic money at par value on the receipt of funds.

(2) The electronic money institution shall convert the funds deposited by the electronic money user into electronic money without any delay and make them ready for use.

¹As amended by Law No. 7192 of November 12, 2019, the terms of "Agency" have been changed as "Bank"

²As amended by Decree Law No. 690 of April 17, 2017, "Postal and Telegraph Corporation" has been added and as amended by Law No. 7077 of February 1, 2018

³As amended by Law No. 7192 of November 12, 2019, "Board" has been changed as "Bank"

⁴As amended by Law No. 7192 of November 12, 2019, "Agency" has been changed as "Bank"

(3) **(As amended by Law No.7192 of November 12, 2019)** The electronic money institution is obliged to transfer the funds it will collect in exchange for electronic money to a separate account to be opened at the banks as defined in the Banking Law No. 5411. The procedures and principles regarding the enforcement of this paragraph shall be determined by the Bank.

(4) Electronic money institutions shall not grant credit. **(Added by Law No.7192 of November 12, 2019)** Whether the activities to be conducted by the electronic money institution in relation to payment services shall be included in the scope of lending activity shall be determined by a regulation to be issued by the Bank.

(5) The electronic money institutions shall not grant interest or any other benefit related to the length of time during which the electronic money holder holds electronic money.

(6) The Bank is authorized to determine the other activities that cannot be carried out by the electronic money institution.¹

(7) The funds received from the electronic money users in exchange for issuing electronic money shall not be considered as deposit or participation fund pursuant to Article 60 of the Law No. 5411.

SECTION SIX Other Provisions

Supervision

ARTICLE 21- (As amended by Law No.7192 of November 12, 2019)

(1) Supervision of the banks defined in the Banking Law No. 5411, the payment institution, the electronic money institution and Postal and Telegraph Corporation under the scope of this Law shall be carried out by the Bank.

(2) The Bank shall be authorized to supervise the branches and the agents of the institutions described under the first paragraph or the entities from which these institutions outsource service.

(3) The institutions stated in the first paragraph as well as other relevant real and legal persons shall be obliged to provide all kinds of information and documents, submit all their ledgers, records and documents requested, and keep them available for examination by the Bank staff that are authorized to supervise on-site.

(4) The Bank shall request all types of records, information and documents related to all the transactions carried out by the institutions that the Bank is responsible to supervise within the scope of this article immediately and on transaction basis when deemed necessary. The institutions subject to supervision within the scope of this Article shall be obliged to submit all types of records, information and documents, even if they are confidential, to the Bank in accordance with the procedures and principles set out by the Bank and make them available for supervision by the Bank.

(5) Without prejudice to the provisions pertaining to cases that could give rise to severe consequences for the security and the main international interest of the State as well as professional discretion, privacy of family life, confidentiality of investigation and right to defend, public institutions and agencies shall be obliged to provide all kinds of information and documents, including those classified as confidential, in proper time and place, at regular intervals or on one-off occasions to be requested by the Bank in connection with its duties to be granted under the scope of this Law regardless of the prohibitive and restrictive provisions of special laws.

(6) Payment and electronic money institutions are subject to an independent audit. An independent financial audit of the payment and electronic money institutions shall be carried out within the scope of the Statutory Decree dated 26/9/2011 and No. 660 on the Organization and Duties of the Public Oversight, Accounting and Auditing Standards Authority. However, the information systems audit of the payment and electronic money institutions shall be conducted by the independent audit institutions pursuant to the procedures and principles determined by the Bank.

(7) The Bank, in case needed, is authorized to stipulate additional conditions for the independent audit institutions that carry out independent audit pursuant to this Law among those authorized by the Public Oversight, Accounting and Auditing Standards Authority and disclose the list of those institution that fulfill the required conditions to the public. In case the Bank stipulates additional conditions for those who will carry out independent audit pursuant to this Law, it shall be authorized to delist the independent audit institutions if it detects any violation of the regulations and standards during the quality control and supervision of those institutions' independent audit activities to be conducted under this Law,. Other procedures and principles regarding the audit activities to be performed by independent audit institutions pursuant to this article shall be determined by the Bank.

(8) The Bank shall be authorized to ask for the necessary measures to be taken about the payment institutions and electronic money institutions, to give a reasonable period of time (of no longer than six months) for these measures to be taken, to temporarily suspend the operating permission of the payment institution and electronic money institution until necessary measures are taken within the specified period, and to revoke the operating permission if the measures are not taken within this period of time.

(9) Other procedures and principles regarding the supervision of institutions stated in the first paragraph shall be determined by the regulation to be issued by the Bank.

¹As amended by Law No. 7192 of November 12, 2019, "Board" has been changed as "Bank"

(10) The Bank, if it deems necessary, may ask independent audit institutions to audit the information systems of the banks defined in the Banking Law No. 5411 for their activities within the scope of this Law.

(11) The Bank shall be authorized to ask for the necessary measures to be taken about the issues concerning the banks defined in the Banking Law No. 5411 and the Postal and Telegraph Corporation, to give a reasonable period of time (of no longer than six months) for these measures to be taken, to temporarily suspend the operating permission of related institutions to provide payment services and to issue electronic money until necessary measures are taken within the specified period, and to indefinitely suspend the related activities if the measures are not taken within this period of time.

(12) Measures to be introduced by the Bank under this Law regarding the banks defined in the Banking Law No. 5411, and the matters that require measures to be taken shall be shared with the Agency.

Safeguarding funds and the collateral

ARTICLE 22- (1) The funds received by the payment institution for the execution of payment services and the funds collected by the electronic money institution in exchange for issuing electronic money shall be safeguarded pursuant to the procedures and principles to be determined in the regulation issued by the Bank.¹

(2) The Bank may require the payment and electronic money institutions covered by this Law to maintain collateral with the Bank in accordance with the procedures and principles it sets forth.²

(3) The funds received by payment and electronic money institutions and the accounts at which these funds are held shall be used to compensate the fund holders for any losses incurred and to fulfill the liabilities arising from this law regardless of the priorities given under the other laws, in the event of voluntary or compulsory liquidation of payment or electronic money institution and cancellation of their operating permission. Payment and electronic money institutions are responsible for reimbursing the claims of fund holders.

(4) The Bank may require the system operators within the scope of this Law to keep collateral in accordance with the procedures and principles to be determined by the Bank.

Keeping records and documents, protection of personal information, notification of changes

ARTICLE 23- (As amended by Law No. 6637 of March 27, 2015) (1) The system operator, payment institution and electronic money institution shall be required to keep all the documents and records related to the matters within the scope of this Law for at least ten years in the country, in a secure and accessible manner. The system operators shall be required to keep information systems and their substitutes which are used to carry out its activities in the country. The procedures and principles regarding the information systems which are used by the payment institution and the electronic money institution to carry out their activities shall be determined by the Bank.³

(2) When needed to prevent, investigate and detect payment fraud, payment systems operators and payment service providers shall use personal data by taking necessary measures for the protection of personal information.

(3) In the case that any change occurs that shall affect the validity of the information and documents requested by the Bank, the system operator, the payment institution and the electronic money institution shall promptly inform the Bank of this change.⁴

Exemptions and exceptions

ARTICLE 24 –(1) The provisions of this Law shall not be applied to the matters related to bank cards and credit cards which are under the scope of the Law No. 5464 dated 23 February 2006 on bank cards and credit cards and the regulations issued in accordance with that Law.

(2) The payment systems regarding the bank and credit cards are not within the scope of the first paragraph.

(3) The authority of the Capital Markets Board and the Board stemming from other regulations regarding the system shall be reserved.

(4) **(As amended by Law No.690 of April 17, 2017)** The Postal and Telegraph Corporation is not subject to provisions of the first and second paragraphs of Article 14, and second and third paragraphs of Article 18 of this Law. The procedures and principles regarding the enforcement of other provisions of this Law to the Postal and Telegraph Corporation shall be determined by the Bank. Following the audit it shall conduct under this Law, the Bank may temporarily or indefinitely suspend the operating permission of the Postal and Telegraph Corporation for providing payment services or issuing electronic money within the scope of this Law.^{1,2}

¹As amended by Law No. 7192 of November 12, 2019, “Agency” has been changed as “Bank”

²As amended by Law No. 7192 of November 12, 2019, the terms of “Board” have been changed as “Bank”

³As amended by Law No. 7192 of November 12, 2019, “Board” has been changed as “Bank”

⁴As amended by Law No. 7192 of November 12, 2019, “competent authority” has been changed as “Bank” and “the system operator will promptly inform the Bank; the payment institution and electronic money institution will inform the Agency” has been changed as “the system operator, the payment institution and the electronic money institution shall promptly inform the Bank”

Acquisition and transfer of shares and notification of changes

ARTICLE 25- (1) Any acquisition of shares that results in the acquisition directly or indirectly of shares representing ten percent or more of the capital of a bank or that results in a situation in which shares held directly or indirectly by a shareholder exceed ten percent, twenty percent, thirty-three percent or fifty percent of the capital, and transfers of shares that result in a decline of a shareholder's shares below these percentages, shall require the permission of the Bank. Establishment and termination of usufructuary rights that include voting rights shall be considered as acquisition and transfer within the ratios stated in this paragraph.³

(2) Assignment and transfer of preferential shares granting the right to promote a member to the board of directors or the audit committee, or issuance of new preferential shares shall be subject to the Bank's permission irrespective of the ratio thresholds stated in the first paragraph.¹

(3) The transfer of shares resulting in the change of control of legal persons that have ten percent or more of the institution's capital shall be subject to the Bank's permission.¹

(4) The person who acquires the shares during the share transfers subject to permission shall meet the qualifications required for bank founders pursuant to the Law No. 5411.

(5) The share transfers which are subject to permission but performed without any permission shall not be recorded in the book of shares. Records recorded in the book of shares in contravention of this provision shall be considered as null and void.

(6) The procedures and principles regarding the implementation of this article shall be set by the regulation to be issued by the Bank.¹

Cooperation among institutions

ARTICLE 26- (1) **(As amended by Law No.7192 of November 12, 2019)** The Agency and the Bank shall share their views or exchange information regarding the issues relevant to the enforcement of the provisions on payment and electronic money institutions under this Law, and regarding the activities that the banks subject to the Banking Law No. 5411 conduct pursuant to this Law.

(2) **(As amended by Law No.7192 of November 12, 2019)** Upon the request of the Bank, the Agency shall, under the seal of confidentiality, share the information in their databases with the Bank so that the Bank can fulfill its duties stated in this Law.

(3) The procedures and principles regarding cooperation with competent domestic and foreign authorities on supervision, information sharing and other issues shall be set by the Bank by taking the views of the relevant parties.²

SECTION SEVEN

Sanctions, Investigations and Legal Proceedings

Violation of regulations and decisions

ARTICLE 27- (1) **(As amended the first and second sentences by Law No.7192 of November 12, 2019)** For the legal persons functioning as a system operator or a payment service provider who violate the provisions within this Law and within the regulations and decisions issued pursuant to this Law as well as the provisions which are not subject to a separate criminal sanction in this Section, an administrative fine ranging from forty thousand Turkish liras to nine hundred thousand Turkish liras shall be imposed by the Bank's Executive Committee. However, if a benefit is gained or a damage is caused as a result of this violation, the administrative fine cannot be less than twice the amount of such benefit or damage. If this violation is committed more than once until the administrative sanction is imposed, only one administrative fine shall be imposed and the fine shall be increased by two times. However, in case a benefit is gained or loss is caused due to this violation, the administrative fine cannot be less than three times this benefit or loss.

(2) The decisions taken pursuant to the first paragraph shall be communicated to the relevant institution together with its reasons.

(3) The decision regarding the administrative fine shall be made only after the defense of the relevant party is taken. If the defense is not submitted within one month from the date of receipt of the notification for the defense request, the relevant party shall be deemed to waive its right of defense.

(4) The administrative fines imposed pursuant to this Law shall be paid within one month after notification.

(5) **(Added by Law No.7192 of November 12, 2019)** A lawsuit can be filed in the competent administrative court against the administrative fines imposed pursuant to this Article.

Operating without license

ARTICLE 28- (1) Natural persons and officers of legal persons who act as system operators, payment

¹As amended by Law No. 7192 of November 12, 2019, "for system operator and the Board's permission for payment institutions and electronic money institutions" has been repealed

²As amended by Law No. 7192 of November 12, 2019, "for system operator, by the Board for payment and electronic money institutions" has been repealed

institutions or electronic money institutions without having licenses which should be obtained pursuant to this Law, shall be sentenced to imprisonment from one year to three years and a judicial fine of up to five thousand days.

(2) Natural persons or officers of legal persons, who use words and expressions which could create an impression that they are acting as system operators, payment institutions or electronic money institutions in their business titles, all kinds of documents, notices and advertisements or public statements without having the license which should be obtained pursuant to this Law, shall be sentenced to imprisonment from one year to three years and a judicial fine of up to five thousand days.

(3) In cases where the offenses defined in the first and second paragraphs are committed within the body of a business place, such business places may be closed from two months to six months, and permanently if such acts are repeated.

(4) Provisions of this article shall be enforced in cases in which a system operator, payment institution or electronic money institution, whose operating license granted pursuant to this Law has been withdrawn, continues its activity.

Preventing supervision and oversight activities and nondisclosure of the requested information

ARTICLE 29- (1) The person who prevents the fulfillment of supervision and oversight duties of the Bank within the context of this Law shall be sentenced to imprisonment from one year to three years.¹

(2) The person who does not disclose the information and documents requested within the scope of the supervision and oversight activities carried out by the Bank within the context of this Law shall be sentenced to imprisonment from three months to one year and a judicial fine of up to one thousand five hundred days.²

False statement

ARTICLE 30- (1) The person or persons signing false statements in the documents that a system operator, payment institution and electronic money institution within the scope of this Law published or submitted to the authorities specified in this Law and to the officers conducting supervision and oversight activities and to the courts, shall be sentenced to imprisonment from one year to three years and a judicial fine up to two thousand days.

Acting against the obligation of safekeeping of the documents and information security

ARTICLE 31- (1) The parties who do not abide by the obligation stated in the first paragraph of Article 23 of this Law shall be sentenced to imprisonment from one year to three years and a judicial fine from five hundred to one thousand and five hundred days.

(2) Without prejudice to the payment service user's liabilities regarding the payment instrument, the officers of the institutions which do not take the precautions required to prevent the access of third parties other than the persons authorized to use the payment instrument, to the personal security information regarding the payment instrument, and which do not ensure the safe arrival of the payment instrument and the personal security information regarding the payment instrument to the payment service user and the parties making the related transactions, shall be sentenced to imprisonment from one year to three years and a judicial fine up to one thousand days.

(3) In the case where the offense defined in the second paragraph of this Article is committed due to carelessness or negligence or insufficiency in profession, the officers of the relevant institutions and the persons who perform the transaction shall be sentenced to a judicial fine of up to one thousand days.

Disclosure of confidential information

ARTICLE 32- (1) In the case where the shareholders, board members, employees, parties acting on behalf and officers of a system operator, payment institution and electronic money institution within the scope of this Law disclose any confidential information about these institutions and their customers, which they acquire as a result of their positions and duties to anybody other than those who are clearly authorized by Law, they shall be sentenced to imprisonment from one year to three years and a judicial fine of up to one thousand days even if they are dismissed from their duties.

(2) The provisions of the first paragraph shall be enforced for the employees of the outsourcing institutions and third parties who disclose confidential information of the institutions listed in the first paragraph and their customers.

Damage of reputation

ARTICLE 33- (1) Those who intentionally cause a matter that may damage the reputation or prestige or assets of a system operator, payment institution and electronic money institution within the scope of this Law through the instruments stated in the Press Law No. 5187 dated June 9, 2004 or radio, television, video, internet, wire broadcast or electronic data communication devices and similar broadcast tools, or those who disseminate

¹As amended by Law No. 7192 of November 12, 2019, "and the Agency" has been repealed

inaccurate news through this way shall be sentenced to imprisonment from one year to three years and a judicial fine from one thousand days to two thousand days.

Criminal liability of officers and relevant parties of the electronic money institutions

ARTICLE 34- (1) The officers and relevant parties of the electronic money institution who violate the provisions in the fourth paragraph of Article 18 and in Article 20 of this Law shall be sentenced to imprisonment from one year to three years and a judicial fine of up to five thousand days.

Leaving the transactions unrecorded, nonfactual accounting

ARTICLE 35- (1) The person or persons, who have signed documents leaving the transactions of a payment institution and electronic money institution within the scope of this Law unrecorded and accounting these transactions in a manner not conforming to their nature, shall be sentenced to imprisonment from one year to three years and a judicial fine of up to two thousand days.

Embezzlement

ARTICLE 36- (1) The partners, chairman or members of the board, employees, parties acting on behalf and officers of the system operator, payment institution and electronic money institution within the scope of this Law, who embezzle any money and money substitutes as precious documents or notes as well as other assets which have been entrusted to them in connection with their duties or put under custody and supervision thereof, in their own or another's favor shall be sentenced to imprisonment from six years to twelve years and a judicial fine of up to five thousand days and to compensate for the losses incurred by the relevant institution as well.

(2) In the case that the offense has been committed by fraudulent behaviors such that the embezzlement will not be discovered, the offender shall be sentenced to imprisonment no less than twelve years and a judicial fine of up to twenty thousand days; however, the amount of the judicial fine shall not be less than three times the loss suffered by the relevant institution. Furthermore, in case that the loss caused is not compensated, the court shall issue a judgment for the collection of the loss *ex officio*.

(3) In the case that the embezzled money, money substitute precious documents or notes as well as other assets have been fully returned or the loss suffered is fully compensated prior to the initiation of investigation, the punishment shall be reduced by two thirds. In the case that the embezzled money and money substitutes as precious documents or notes as well as other assets have been voluntarily returned fully or the loss suffered is fully compensated prior to the initiation of legal proceedings, the punishment shall be reduced by half. If such case takes place prior to the verdict, the punishment shall be reduced by one third.

(4) In case the value of the money and money substitutes as precious documents or notes or as well as other assets that compose the subject of the embezzlement crime is low, the punishment shall be reduced from one third to up to one half.

Investigation and prosecution procedure

ARTICLE 37- (1) Investigating and prosecuting the offenses stated in Articles 28, 29 and 31 of this Law shall be subject to a written application to the Chief Public Prosecutor's Office by the Bank. Such application shall be accepted as trial clause.¹

(2) If the relevant parties apply to the Chief Public Prosecutor's Office due to the offense stated in Article 31 of this Law, a written application clause shall not be required.

(3) Investigating and prosecuting the Bank personnel due to their actions during performance of their duties stated in this Law and the regulations to be issued pursuant to this Law shall be subject to a written application of the Bank to Chief Public Prosecutor's Office.

ARTICLE 38- 39- (Related with the Law No.1211 of January 1, 1970 and inserted)

ARTICLE 40- 41-(Related with the Law No.5411 of October 19, 2005 and inserted)

The Payment and Electronic Money Institutions Association of Turkey

ADDITIONAL ARTICLE 1- (Added by Law No. 7192 of November 12, 2019)

(1) Payment institutions and electronic money institutions are obliged to apply to the Payment and Electronic Money Institutions Association of Turkey for membership, which is a professional organization having the status of public legal entity, within one month following the date of receipt of their operation permission.

(2) The duties and powers of the Association shall be as follows;

a) To carry out education, promotion and research activities to contribute to the development of the profession,

¹As amended by Law No. 7192 of November 12, 2019, "for system operator and the Agency for payment and electronic money institutions" has been repealed

- b) To ensure that members function in collaboration and with a professional discipline as required by the business and in line with the needs of the economy, by setting professional principles,
- c) To set professional principles and standards to be followed by the employees of member institutions,
- c) To announce the decisions taken pursuant to the related legislation and the measures required to be taken by the Bank,
- d) To take and implement any measures necessary to prevent unfair competition among members,
- e) To set the principles and conditions for type, format, quality and quantity of announcements and advertisements that the members shall comply with ,
- f) To file lawsuits regarding common interests of its members upon a board of directors' decision,
- g) To facilitate cooperation among the members for joint projects,
- ğ) To set up a board of arbitrators as per the principles and procedures to be prepared thereby and approved by the Bank, in order to evaluate and settle the disputes between the members and their individual clients, without prejudice to their application rights governed by Law No. 6502 on the Protection of Consumers dated 7/11/2013 and other laws,
- h) To fulfill other duties stated in this Law.

(3) The elections for the Association's organs shall be carried out via secret voting and under judiciary supervision, within the framework of the principles set out in this Law. Minimum fifteen days prior to the general assembly meeting during which the election will take place, three copies of a list of the members of the Association and their representatives that will participate in the elections and a cover letter indicating the agenda, venue, date, time of the meeting, and the matters pertaining to the second meeting to be held in case of a failure in attaining quorum shall be submitted to the chairman of the electoral board that has to be a judge to be selected by the Supreme Election Board.. The judge shall approve the list and other matters by making necessary reviews and shall appoint one balloting committee chairperson, two balloting committee members and one substitute for each them. The voting shall be carried out based on secret ballot- open vote count principle. After the end of the election period, the results of the election shall be recorded in a minutes, signed by the chairperson and members of the balloting committee. Any objection against the election results to be made within two days following the signing of the minutes shall be reviewed and decided upon by the judge on the same day.

(4) The Association's organs, income, expenditures, working principles and scope of activity, acceptance for membership, principles for temporarily and permanently suspension of membership shall be regulated by a statute. This statute shall be prepared by taking the opinion of sector representatives and shall enter into force upon the proposal of the Bank and with a Presidential decree of the Republic of Turkey. The members shall abide by the statutes of the Association, and the decisions and measures to be taken by the Association. The expenditures of the Association shall be distributed to the members in accordance with the number of votes determined in the statute. The members are obliged to pay their share of expenditures within the period specified in the statute. In case the contributions to expenditures are not paid within the specified period, the Association shall collect these amounts through legal proceedings. The decisions pertaining to the payment of contributions to expenditures have the status of official documents as indicated in Article 68 of the Law No. 2004 on Enforcement and Bankruptcy dated 9/6/1932.

(5) The Association shall impose an administrative fine ranging from TL 1,000 to TL 10,000 to its members that do not fully and timely comply with its decisions and measures of general or special nature.

SECTION EIGHT

Provisional and Final Clauses

Regulation

PROVISIONAL ARTICLE 1 - (1) The regulations set forth in this law shall be prepared and put into force within one year as of the issue date of this law.

Transitional provisions

PROVISIONAL ARTICLE 2- (1) The system operators, which are already operating on the date of effect of this law, shall harmonize their systems with this law within one year as of the date of publication of the relevant regulations to be issued by the Bank within the scope of this law, and obtain required permissions by applying to the Bank.

(2) The institutions, which are already providing payment services as of the date of effect of this Law and that may be included in the payment institution category developed within the scope of this Law, shall obtain required permissions by applying to the Agency within one year following the relevant regulations to be issued by the Agency under the scope of this Law.

(3) The institutions, which have been already issuing electronic money as of the date of effect of this law and that may be included in the electronic money institutions category developed within the scope of this law, shall obtain required permissions by applying to the Agency within one year as of the publication date of the relevant

regulations to be issued by the Agency.

(4) The institutions, which have the liability to obtain a license from the Agency in accordance with the provisions of the second and third paragraphs of this article as well as other payment service providers apart from them, shall adapt their operations to this Law and the provisions of the secondary regulations issued based on this Law within one year as of the date of publication date of the relevant regulations to be issued by the Agency within the scope of this Law.

(5) The institutions, which are required to obtain an operating license within the periods stated in the first, second and third paragraphs of this article, shall not execute their activities under the scope of this Law without obtaining this license.

Transitional provisions regarding the regulations in force

PROVISIONAL ARTICLE 3- (Added by Law No.7192 of November 12, 2019)

(1) The regulations issued by the Agency and the decisions of the Board shall prevail until necessary regulations are issued by the Bank in accordance with the amendments of the Law establishing this article.

(2) References to the Agency and the Board in the regulations issued by the Agency pursuant to this Law before the date of effect of this article shall be deemed to have been made to the Bank.

(3) As of the date of effect of this article, the institutions, which are providing payment services defined in subparagraphs (f) and (g) of the first paragraph of Article 12 of this Law and may be included in the payment institution category of this Law, shall obtain necessary permissions from the Bank within one year as of the publication date of related secondary regulations by the Bank.

(4) The payment institutions and the electronic money institutions, which have been already operating before the date of effect of this article, shall become a member of the Association within one month following the operation date of the Association.

(5) The regulations to be prepared in accordance with the amendments of the Law establishing this article shall be prepared and enter into force within one year after the date of effect of this article.

Entry into force

ARTICLE 42- (1) This Law shall enter into force on the day of its publication.

Enforcement

ARTICLE 43- (1) The provisions of this Law shall be enforced by the Council of Ministers.