

# **Regulation On Measures Regarding Prevention Of Laundering Proceeds Of Crime And Financing Of Terrorism**

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## **CHAPTER ONE**

### **Objective, Scope, Legal Basis, Definitions**

#### **Objective and Scope**

**ARTICLE 1 – (1)** The objective of this regulation, for the implementation of Law No. 5549 on Prevention of Laundering Proceeds of Crime dated 11/10/2006, is to regulate principles and procedures regarding obliged parties, obligations and supervision of compliance with obligations, disclosure to customs administration and other measures for the purpose of preventing laundering proceeds of crime and financing of terrorism.

#### **Legal base**

**ARTICLE 2 – (1)** This Regulation has been drawn up on the basis of Article 27 of Law No. 5549.

#### **Definitions**

**ARTICLE 3 – (1)** In this Regulation;

a) Payable-through account means the type of account that is opened in a financial institution located in Turkey within the scope of correspondent relationship by a financial institution located abroad, and that enables customers of the foreign financial institution to draw cheques,

b) The Ministry means the Ministry of Treasury and Finance,

c) MASAK means Financial Crimes Investigation Board,

ç) Head of MASAK means Head of Financial Crimes Investigation Board,

d) Examiner means Tax Inspectors, Treasury and Finance Experts employed at MASAK, Customs and Trade Inspectors, Sworn-in Bank Auditors, Treasury Comptrollers, Insurance Supervisory Experts and Actuaries, Banking Regulation and Supervision Agency Experts and Capital Markets Board Experts and Auditors and Experts of the Central Bank of the Republic of Turkey,

e) Wire transfer means the transaction carried out to transfer a certain amount of money and securities from a financial institution on behalf of the originator to the beneficiary persons in another financial institution by using electronic means,

f) Financial Institution means obliged parties listed in subparagraphs (a) to (h) and (m) of paragraph 1 of Article 4 of this Regulation and General Directorate of Post pertaining only to its banking activities,

g) The Law means The Law No. 5549 on Prevention of Laundering Proceeds of Crime dated 11/10/2006,

ğ) Assets mean money, any kind of movable or immovable, tangible or intangible goods or rights which have monetary value, and any kind of legal documents or instruments certifying rights on them,

h) Beneficial owner means natural person(s) who ultimately control(s) or own(s) natural person who carry out a transaction within an obliged party, or the natural persons, legal persons or unincorporated organizations on whose behalf a transaction is being conducted within an obliged party,

ı) Risky countries mean the countries that are announced by the ministry out of those which do not have sufficient laws and regulations on prevention of money laundering and financing of terrorism, which do not cooperate on combating these offences or are considered risky countries by competent international organizations

i) Permanent Business Relationship means a business relationship that is established between obliged parties and their customers through services such as opening an account, lending loan, issuing credit cards, safe-deposit boxes, financing, factoring or financial leasing, life insurance and individual pension, and that is permanent due to its characteristics,

j) Shell bank means a bank which does not have any physical office in any country, does not employ full time staff and is not subject to control and authorization of an official authority in terms of banking transactions and registrations,

k) Compliance officer means the officer assigned by obliged parties who is vested the required authority for ensuring compliance with obligations introduced by law and legislation effected based on the law.

l) Traveller means persons holding valid passports or documents substituting passport, and arriving at border gates to enter into or to leave Turkey.

m) Designated non-financial businesses and professions means the obliged parties listed in subparagraphs (k), (n), (s), (ş), (t) and (u) of Article 4 of this Regulation,

## **CHAPTER TWO**

### **Obligations**

#### **Obliged party**

**ARTICLE 4-** (1) In implementation of the Law, obliged parties are the followings and their branches, agencies, representatives, commercial proxies and similar affiliated units:

- a) Banks.
- b) Institutions other than banks who have the authority to issue bank cards or credit cards.
- c) Authorized exchange offices given in legislation on foreign exchange.
- ç) Financing and factoring companies.
- d) Capital Markets Brokerage Houses and portfolio management companies.
- e) Payment service providers and electronic money institutions
- f) Investment partnerships.
- g) Insurance, reinsurance and pension companies, and insurance and reinsurance brokers.
- ğ) Financial leasing companies.
- h) Institutions furnishing settlement and custody services within the framework of capital markets legislation.
- ı) Borsa İstanbul A.Ş. (Incorporation) pertaining only to its custody service related with Precious Metals and Precious Stones Market.
- i) PTT Corporate (Company of Post and Telegraph Organisation) and cargo companies,
- j) Assets management companies.
- k) Those who deal with purchase and sale of precious metals, stones and jewelleryes and those who act as intermediaries for these transactions,
- l) Directorate General of Turkish Mint pertaining only to its activities of minting gold coins.
- m) Precious metals intermediaries.
- n) Those who buy and sell immovables for trading purposes and intermediaries of these transactions.
- o) Those who deal with purchase and sale of any kind of sea, air and land transportation vehicles including construction machines and those who act as intermediaries for these transactions,
- ö) Dealers and auctioneers of historical artifacts, antiques and works of art.

p) Those who operate in the field of lotteries and betting including Turkish National Lottery Administration, Turkish Jockey Club and Football Pools Organization Directorate.

r) Sports Clubs.

s) Public notaries.

ş) Freelance lawyers, pertaining only to conducting financial transactions related with their affairs of purchasing and selling real estate, establishing and repealing limited real rights, establishing, merging, managing, transferring and liquidating a company, foundation and association, and to managing bank accounts, securities accounts and any kind of accounts and assets in such accounts, on condition that it is not contrary to the provisions of other laws in terms of the right of defence, and excluding the information obtained through professional work performed under the scope of Article 35(1) of the Attorney's Law 1136 of 19/03/1969 and alternative dispute resolution.

t) Certified general accountants, certified public accountants and sworn-in certified public accountants operating without being attached to an employer.

u) Independent audit institutions authorized to conduct audit in financial markets

(2) Branches, agencies, representatives, commercial representatives and similar affiliated units located in Turkey and pertaining to obliged parties whose head offices are abroad shall be deemed obliged within the scope of Paragraph 1.

(3) Abroad branches, agencies, representatives, commercial representatives and similar affiliated units of obliged parties whose head offices are in Turkey shall implement at least the measures stated in this Regulation to the extent that the legislation and competent authorities of the country where they are located permits. If the legislation of the relevant country does not permit the implementation of the mentioned provisions, this shall be reported to MASAK.

## **CHAPTER THREE**

### **Principles Regarding Customer Due Diligence**

#### **Customer identification**

**ARTICLE 5 – (1)** Obligated parties shall identify their customers or those who act on behalf or for the benefit of their customers by receiving their identification information and verifying it and take necessary measures for revealing the beneficial owner of the transaction

a) Regardless of the monetary amount when establishing permanent business relationships;

b) When the amount of a single transaction or the total amount of multiple linked transactions is equal to or more than seventy five thousand;

c) When the amount of a single transaction or the total amount of multiple linked transactions is equal to or more than seven thousand five hundred **TL** in wire transfers;

ç) **(Abolished: Official Gazette – 02.01.2010 /27450)**

d) Regardless of the monetary amount in cases requiring STR;

e) Regardless of the monetary amounts in cases where there is suspicion about the adequacy and the accuracy of previously acquired identification information.

(2) Customer identification shall be completed before the business relationship is established or the transaction is conducted.

(3) When establishing permanent business relationship, information on the purpose and intended nature of the business relationship shall be received.

### **Customer identification of natural persons**

**ARTICLE 6 – (1)** In customer identification of natural persons, their name, surname, place and date of birth, nationality, type and number of the identity card, address, sample of signature, information on his/her occupation and profession and telephone number, fax number, e-mail, if any, and information on job and profession, and for Turkish citizens, as additional information, the names of mother and father and T.R. identity number shall be received.

(2) Name and surname, place and date of birth, mother's and father's name, nationality, type and number of the identity card of the person concerned shall be verified through

a) T.R. identity card, T.R. driving license or passport for Turkish citizens;

b) Passport, certificate of residence or any type of identity card considered proper by the Ministry for non-Turkish citizens.

After originals or notarized copies of documents which are subject to verification are submitted, their legible photocopy or electronic image shall be received or information regarding the identity shall be recorded in order for submittal upon request of authorities.

(3) The address submitted while establishing permanent business relationship shall be verified through a certificate of residence, any utility bill drawn up within the previous three months from the date of transaction for a service requiring subscription such as electricity, water, natural gas, telephone, any document issued by a public institution or through any other documents or methods approved by MASAK. Legible photocopies or electronic image of the documents to be verified shall be received or the information specific to them shall be received.

**(4) (Abolished: Official Gazette – 02.01.2010 /27450).**

## **Remote Customer identification of natural persons**

**Article 6/A-** If the legislation regarding the main activity field of the obliged party allows to conclude / draw up contracts using methods for verifying customer identification without being face-to-face, remote customer identification methods may be used for verifying customer identification in the establishment of permanent business relationships with natural persons. The Ministry shall be authorised to determine the methods to be used in remote customer identification and other CDD measures, and other transactions types for each group of obliged parties in which remote customer identification may be done.

## **Customer identification of legal persons registered to trade registry**

**ARTICLE 7 – (1)** In customer identification of legal persons registered to trade registry, the title of the legal person, its trade registry number, tax identity number, field of activity, full address, telephone number, fax number and e-mail, if any, and the name, surname, place and date of birth, ,nationality, type and number of the identity card, and a sample signature of the person authorized to represent the legal person and for Turkish citizens, as additional information, the names of mother and father and T.R. identity number shall be received.

(2) The title of the legal person, its trade registry number, field of activity, full address shall be verified through documents of registration to the trade registry; its tax identity number shall be verified through documents drawn up by the related unit of Revenue Administration.

(3) Identification information of persons authorized to represent the legal person shall be verified through identity cards stipulated in Article 6; and their authority to represent shall be verified through documents of registration.

(4) After originals or notarized copies of documents which are subject to verification are submitted, their legible photocopy or electronic image shall be received or information regarding the identity shall be recorded in order for submittal upon request of authorities.

(5) In establishing permanent business relationship, financial institutions shall verify through consulting records kept by the related trade registry office or the database of Turkish Union of Chambers and Commodity Exchanges whether the information given in registration documents submitted to them are up-to-date and correct.

**(6) (Abolished: Official Gazette – 02.01.2010 /27450)**

(7) In case of a request of transaction, within the scope of an existing permanent business relationship, on behalf of the legal person by a written instruction of the person authorized to represent the legal person the authenticity of the identification information of the person authorized to represent the company may be verified through a notarized signature circular comprising the information in identity cards provided that there is no doubt that the instruction is from the representative of the company.

## **Customer identification of associations and foundations**

**ARTICLE 8 – (1)** In customer identification of associations the name of the association, its aim, log number, tax ID number, full address, telephone number, fax number and e-mail, if any, and the name, surname, place and date of birth, nationality, type and number of the identity card and sample signature, and for Turkish citizens, as additional information, the names of mother and father and T.R. identity number of the person authorized to represent the association shall be received. The name, aim, log number and full address of the association shall be verified through the charter of the association and documents of registry in the associations' log; tax ID number shall be verified through documents issued by the relevant unit of the Revenue Administration; the identification information of the person authorized to represent the association shall be verified through identity cards stipulated in Article 6; and the authority to represent shall be verified through documents of authorization to represent.

(2) In customer identification of foundations the name of the foundation, its aim, central registry record number, tax ID number, full address, telephone number, fax number and e-mail address, if any, and the name, surname, place and date of birth, names of mother and father, nationality, type and number of the identity card and sample signature of the person authorized to represent the foundation and for Turkish citizens the additional information as the names of mother and father and T.R. identity number shall be received. Name, central registry record number, full address of the foundation shall be verified through foundation deed and records kept by the General Directorate of Foundations; tax ID number shall be verified through documents issued by the relevant unit of the Revenue Administration; the identity information of the person authorized to represent the foundation shall be verified through identity cards stipulated in Article 6; and the authority to represent shall be verified through documents of authorization to represent.

(3) After originals or notarized copies of documents which are subject to verification are submitted, their legible photocopy or electronic image shall be received or information regarding the identity shall be recorded in order for submittal upon request of authorities.

**(4) (Abolished: Official Gazette – 02.01.2010 /27450)**

(5) Customer identification for branches and representatives of foreign associations and foundations in Turkey shall be conducted depending on registry documents in the Ministry of Interior.

## **Customer identification of trade unions and confederations**

**ARTICLE 9 – (1)** In customer identification of trade unions and confederations the name of the organization, its aim, registry number, tax ID number, full address, telephone number, fax number and e-mail, if any, and the name, surname, place and date of birth, nationality, type and number of the identity card of the person and sample signature of the person authorized to represent the trade unions and confederations and for Turkish citizens the additional information as the names of mother and father and T.R. identity number shall be received. The information

gathered shall be verified through charter of these organizations and the records kept by local directorates of Ministry of Family, Labour and Social Services; tax ID number shall be verified through documents issued by the relevant unit of the Revenue Administration; the identity information of the person authorized to represent the organization shall be verified through identity cards stipulated in Article 6; and the authority to represent shall be verified through documents of registration or documents of authorization to represent.

(2) After originals or notarized copies of documents which are subject to verification are submitted, their legible photocopy or electronic image shall be received or information regarding the identity shall be recorded in order for submittal upon request of authorities.

**(3) (Abolished: Official Gazette – 02.01.2010 /27450)**

### **Customer identification of political parties**

**ARTICLE 10-** (1) In the customer identification of political parties, the name of the relevant unit of the political party, its full address, telephone number, fax number and e-mail address, if any, and name, last name, place and date of birth, nationality, type and number of the identity card and sample signature of the person authorized to represent and for Turkish citizens the additional information as the names of mother and father and T.R. identity number shall be received. Name and address of the relevant unit of the political party shall be verified through their charter identity of the person authorized to represent shall be verified through the identity documents stipulated in Article 6, the authority to represent shall be verified through documents of authorization to represent.

(2) After the originals or notarized copies of documents which are subject to verification are submitted, their legible photocopy or electronic image shall be received or information regarding the identity shall be recorded in order for submittal upon request of authorities.

**(3) (Abolished paragraph: Official Gazette – 02.01.2010 /27450)**

### **Customer identification of non-resident legal persons and trust agreements established abroad**

**ARTICLE 11-** (1) Customer identification of non-resident legal persons shall be made through copies of the documents approved by the consulates of the Republic of Turkey corresponding to the documents in related country required for legal persons residing in Turkey or through the copies of the documents attached apostille by an authority of the country which is a party to the “Convention on Abolishing the Requirement of Legislation for Foreign Public Documents”. Also, in the framework of risk-based approach, when necessary, identity information shall be verified through notarized Turkish translations of copies of the documents.

(2) In case that a transaction requiring customer identification is requested from obliged parties by a natural or legal person trustee defined in trust deed for the benefit of asset of a trust agreement established abroad, it shall be disclosed,

before conducting the transactions, in writing that the transaction is requested for the benefit of the asset of the trust agreement, in accordance with the Article 15 of the Law. Customer identification within the scope of trust agreement established abroad is conducted through copies of trust deed approved by consulates of Republic of Turkey or through its copies to which apostille is attached by an authority of the country which is a party to the "Convention on Abolishing the Requirement of Legislation for Foreign Public Documents". Where necessary, customer identification information shall be verified through the notarized Turkish translations of these documents within the risk based approach. Additionally, identity information of the trustee taken for customer identification shall be verified under Article 6 or 7. For determination of the beneficial owner, identity information of the settlor, beneficiary or groups of beneficiaries and protectors, if any, shall be received and reasonable measures shall be taken for verifying this information. Necessary measures shall be taken for revealing the natural person(s) who ultimately control(s) the mentioned assets.

(3) In application of paragraph two, trust agreement means a legal relationship ensuring that an asset is confided to the control of a trustee by the settlor who is the owner of the asset for the purpose of its management, use or other dispositions defined in the trust deed for ensuring that a beneficiary or a group of beneficiaries benefit from it.

### **Customer identification of unincorporated organizations**

**ARTICLE 12-** (1) In transactions carried out on behalf of unincorporated organizations such as building, housing estate or office block management, the name of the organization, its full address, telephone number, and fax number and e-mail address, if any, and name, last name, place and date of birth, nationality, type and number of the identity document and sample signature of the person authorized to represent the organization and for Turkish citizens the additional information as the names of mother and father and T.R. identity number shall be received. The identity information of the person authorized to represent the organization shall be verified through the identity documents stipulated in Article 6, and the organization information and the authorization of the person acting on behalf of the organization shall be verified through notarized docket.

(2) In customer identification of organizations such as unincorporated joint venture the name of the joint venture, its aim, its full address, telephone number, and fax number and e-mail address, if any, and name, last name, place and date of birth, nationality, type and number of the identity document and sample signature of the person authorized to represent the organization and for Turkish citizens the additional information as the names of mother and father and T.R. identity number shall be received. Information indicating the name, aim, activity field and the address of the partnership shall be verified through notarized partnership agreement, tax identification number shall be verified through the certificates drawn up by the relevant unit of Revenue Administration, identity of persons requesting transaction on behalf of the joint venture shall be verified through identity documents stipulated in Article 6, authorization shall be verified through the documents indicating the authority to represent.

(3) After the originals or notarized copies of documents which are subject to verification are submitted, their legible photocopy or electronic image shall be received or information regarding the identity shall be recorded in order for submittal upon request of authorities.

(4) **(Abolished: Official Gazette – 02.01.2010 /27450)**

### **Customer identification of public institutions**

**ARTICLE 13-** (1) In transactions in which the public administrations in the scope of general administration in accordance with the Public Financial Management and Control Law No. 5018 and quasi public professional organizations are customers, the person making transactions on behalf of these bodies shall be identified in accordance with Article 6. Authorization is verified through the certificate of authority arranged in accordance with the legislation.

### **Customer identification of those acting on behalf of others**

**ARTICLE 14-** (1) In the event that a transaction is requested on behalf of legal persons or unincorporated organizations by persons who are given the authority by the persons authorized to represent;

a) Customer identification of legal persons and unincorporated organizations shall be carried out in accordance with Articles 7 to 12.

b) Customer identification of persons authorized to represent legal persons or unincorporated organizations and the persons who are given the authority by persons authorized to represent shall be carried out in accordance with the procedure in Article 6. In cases where the customer identification of the person authorized to represent cannot be carried out through the identity documents specified in Article 6, the customer identification shall be carried out through power of attorney or circular of signature provided that they contain the information specified in identity documents and that they are notarized.

c) Authorization of persons who are given the authority by the persons authorized to represent shall be verified through notarized proxy or a written instruction of persons authorized to represent. The signatures on the written instruction of persons authorized to represent are verified through their signatures on the notarized circular of signature.

(2) In the event that transactions are made by another person on behalf of a customer that is natural person, customer identification of the person acting on behalf of the customer shall be carried out in accordance with Article 6. Besides, authorization of the person acting on behalf of the customer shall be verified through the notarized power of attorney. In cases where identification of the customer on behalf of whom the act is carried out cannot be conducted in accordance with Article 6, it shall then be conducted through the notarized power of attorney. In the event that the identification of the customer on behalf of whom the act is carried out has already been made due to previous transactions, the requested transaction can be conducted through the written instruction of the customer on behalf of whom the act

is carried out provided that the customer's signature on the written instruction is verified through his/her signature which is already available to the obliged party.

3) In transactions carried out on behalf of minors and persons under legal disability by their legal representatives, the authority of those appointed as guardian by court decision, curators and trustees are verified through the original or notarized copy of the relevant court decision. In the event that fathers and mothers request a transaction on behalf of their minor child, it shall be sufficient to identify the child on behalf of whom the transaction is requested and the parent requesting the transaction in accordance with Article 6.

(4) After documents which are subject to verification are submitted, legible photocopy or electronic image of their originals or notarized copies shall be received or information regarding the identity shall be recorded in order for submittal upon request of authorities.

### **Control of the authenticity of documents subject to verification**

**ARTICLE 15-** (1) Obligated parties shall verify the authenticity of documents as much as possible by applying to person or institution arranging the document or to other competent authorities in cases where they suspect of the authenticity of documents used for the verification of the information recorded within the scope of Articles 6 to 14.

### **Customer identification in subsequent transactions**

**ARTICLE 16-** (1) In the subsequent face-to-face transactions requiring customer identification conducted in the scope of permanent business relationship of those who were duly identified formerly, identity data shall be received and compared with the data already available to obliged parties. After making comparison, the name and surname of the natural person who is conducting the transaction shall be entered into the related document and his/her sample signature shall be received. In the event that there is suspicion on the authenticity of the data received, these data shall be verified after the submission of identity documents which are subject to verification or of their notarized copies through comparing the data stated on these documents with the data already available to obliged parties. As to the subsequent transactions conducted by using the systems allowing non-face-to-face transactions requiring customer identification, necessary measures shall be taken for authentication of the customer and updating the information for customer identification.

### **Customer identification of those acting for the benefit of others**

**ARTICLE 17-** (1) Obligated parties shall be required to take necessary measures in order to detect whether action is carried out for the benefit of another person. Within this scope, obliged parties shall put up required notices in workplaces where they run service in a way that all customers can easily see in order to remind the persons, who act in their own name but for the benefit of others, of their responsibilities. Financial institutions shall also receive, in the establishment of permanent business relationship, the written declaration of the customer indicating whether the act is

carried out for the benefit of someone else. This declaration can be specified in the customer contract or be received by using appropriate forms.

(2) In cases where the person requesting the transaction declares that he/she is acting for the benefit of someone else, the identity and the authority of the person requesting the transaction and the identity of the person for the benefit of whom the transaction is conducted shall be identified in accordance with Articles 6 to 14.

**(3) (Abolished: Official Gazette – 10.06.2014/29026)**

**(4) (Abolished: Official Gazette – 10.06.2014/29026)**

(5) In cases where there is a suspicion that the person is acting in his/her own name but for the benefit of someone else although he/she has declared that he/she is not acting for the benefit of someone else, measures for the identification of the beneficial owner shall be applied.

### **Identification of Beneficial Owner**

**ARTICLE 17/A-** (1) Obligated parties shall take necessary measures in order to detect the beneficial owner.

(2) When establishing permanent business relationship with legal persons registered to trade registry, obligated parties shall identify, in accordance with article 6, the natural person partners holding more than twenty-five percent of the legal person's shares as the beneficial owner.

(3) In cases where there is a suspicion that the natural person partner holding more than twenty-five percent of the legal person's shares is not the beneficial owner or where there is no natural person holding a share at this rate, necessary measures shall be taken in order to detect the natural person(s) who is/are ultimately controlling the legal person. And natural person(s) detected shall be considered as beneficial owner.

(4) In cases where the beneficial owner is not detected within the scope of paragraphs 2 and 3, the natural person(s) holding the position of senior managing official, whose authorization to represent the legal person is/are registered to trade registry, shall be considered as beneficial owner.

(5) Within the scope of permanent business relationship with other legal persons and unincorporated organizations, necessary measures shall be taken in order to detect the natural person(s) who is/are ultimately controlling the legal person. In case where the beneficial owner is not detected, the natural person(s) holding the position of senior managing official within them shall be considered as beneficial owner.

(6) In the scope of the paragraphs (1) to (5), obligated parties shall identify the beneficial owner and take necessary measures in order to verify the beneficial owner. In this framework, a notarized circular of signature including identity information can be used.

(7) When establishing permanent business relationship with legal persons registered to trade registry, obliged parties shall also identify, in accordance with article 7, the legal person partners holding more than twenty-five percent of the legal person shares. Identity information required to be taken from non-resident legal person partners may be verified through open sources of the institutions in relevant country which are counterparts of the Union of Chambers and Commodity Exchanges of Turkey or other institutions which keep data officially.

### **Transactions requiring special attention**

**ARTICLE 18-** (1) The obliged parties shall be required to pay special attention to complex and unusual large transactions and the ones which have no apparent reasonable legitimate and economic purpose, to take necessary measures in order to obtain adequate information on the purpose of the requested transaction, and to keep the information, documents and records obtained in this scope in order for submittal upon request of authorities.

### **Monitoring the customer profile and the transactions**

**ARTICLE 19 (1)** – The obliged parties shall be required to follow up permanently the transactions conducted by their customers whether they are in compliance with the information regarding the customer’s profession, commercial activities, business history, financial status, risk profile and sources of funds within the scope of permanent business relationships and keep up-to-date information, documents and records regarding the customer. Furthermore, the accuracy of information regarding the telephone and fax number and e-mail address of customers received for customer identification shall be verified, if necessary, within the scope of risk-based approach using these means by contacting with the relevant person. Financial institutions shall also take the necessary measures in order to follow up the transactions conducted out of permanent business relationship in risk-based approach. Financial institutions shall establish, with this purpose, appropriate risk-management systems.

### **Taking measures against technological risks**

**ARTICLE 20-** (1) Financial institutions and designated non-financial businesses and professions shall be required to pay special attention to the risk of using facilities introduced by new and developing technologies, existing and new products including new delivery channels, and new business applications for money laundering and terrorist financing and to take appropriate measures for its prevention.

(2) Financial institutions and designated non-financial businesses and professions are required to take appropriate and effective measures including paying special attention to operations such as establishment of permanent business relationship, depositing, withdrawing and wire transfers which are carried out by using methods and systems enabling the institutions to conduct non face-to-face transactions, closely monitoring the transactions that are not consistent with financial profile or activities of the customer or do not have connection with his/her activities, and establishing a limit to amounts and number of transactions.

## **Reliance on third party**

**ARTICLE 21-** (1) Financial institutions can establish business relationships or carry out transactions by relying on measures taken related to the customer by another financial institution on identification of the customer, the person acting on behalf of customer and the beneficial owner, and on obtaining of information on the purpose of business relationship or transaction. In such a circumstance, the ultimate responsibility shall remain with the financial institution carrying out transaction by relying on the third party under the Law and the related regulations.

(2) Reliance on third parties shall be possible only if it is ensured that;

a) the third parties have taken other measures which will meet the requirements of customer identification, record keeping and the principles of “customer due diligence”, and are also subject to regulations and supervision in combating money laundering and terrorist financing in accordance with international standards if the third parties are resident abroad,

b) The certified copies of documents relating to customer identification shall immediately be provided from the third party when requested.

(3) The financial institution which establishes a business relationship or conducts a transaction by relying on a third party shall immediately receive the identity data of the customer from the third party.

(4) The transactions which the financial institutions conduct between themselves on behalf of customers and relationships between financial institution and its agents, similar units or outsourcing entities are not within the scope of the principle of “reliance on third parties.

(5) The principle of “reliance on third parties” may not be applied to the cases where the third party is resident in a risky country.

## **Rejection of transaction and termination of business relationship**

**ARTICLE 22-** (1) The obliged parties, in cases where they cannot make customer identification or obtain information on the purpose of the business relationship, shall not establish business relationship and not conduct the transaction which they are requested. In such a circumstance they cannot open an anonymous account or account in a fictitious name

(2) In cases where customer identification and its verification which are required to be conducted due to suspicion on the adequacy and accuracy of the previously obtained customer identification information cannot be carried out, the business relationship shall be terminated.

(3) Obligated parties shall also assess whether the situations specified in the first and second paragraphs of this Article are suspicious transactions or not.

## **Correspondent relationship**

**ARTICLE 23-** (1) Financial institutions shall take necessary measures in foreign correspondent relationships in order to;

- a) Obtain, by making use of publicly available resources, reliable information on whether the respondent financial institution has been subject to a money laundering and terrorist financing investigation and been punished or warned, its business nature and field, reputation and the adequacy of supervision on it,
- b) Assess anti-money laundering and terrorist financing system of the respondent financial institution and to ascertain that the system is appropriate and effective,
- c) Obtain approval from a senior manager before establishing new correspondent relationships
- ç) Clearly determine their and the respondent financial institution's responsibilities by a contract in a way that meets the obligations in Chapter 3 of this Regulation
- d) In cases where the correspondent relationship includes the use of payable-through account be satisfied that the correspondent financial institution has taken adequate measures pursuant to principles in the Chapter 3 of this Regulation and will be able to provide the identification information of the relevant customers when requested.

(2) Financial institutions shall not establish correspondent relationship with shell banks and financial institutions about which they cannot be sure that these institutions do not permit their accounts to be used by shell banks.

### **Wire transfers**

**ARTICLE 24-** (1) It is required that the following information of the originator is included in the cross border and domestic wire transfer messages which amount to seven thousand five hundred TL or more;

- a) Name and surname, title of the legal person registered to trade registry, full name of the other legal persons and unincorporated organizations,
- b) Account number or reference number of the transaction where no account number exists,
- c) The address or birth of place and date or at least one of the numbers such as TR-ID number, passport number, tax ID number for identifying the originator,

The abovementioned information shall be verified. Wire transfer messages shall include the information of the beneficiary listed in (a) and (b) above.

(2) Domestic and international wire transfer messages under seven thousand five hundred TL shall include information of the originator and the beneficiary listed in (a) and (b) above. Verification of this information is not mandatory.

(3) The transfers carried out between the banks on behalf of themselves or for their own benefit and the transfers carried out by using credit or bank cards provided that card numbers are included in the messages shall be out of the scope of paragraph (1);

(4) In the event that financial institution receives a wire transfer message not including the information specified in paragraph (1), either it shall return the said wire transfer message or it shall complete short-coming information through the financial institution who sent the message.

(5) In the event that the messages sent include short-coming information permanently and they may not be completed although they are requested, either the wire transfers received from originator financial institution may be refused or transactions carried out with related financial institution may be restricted or business relationship with related financial institution may be ceased.

(6) The originator information required to be included in wire transfer messages shall be included by every intermediary financial institution in the whole message chain from the financial institution where the transfer order is made to the financial institution which makes the payment. Special attention shall be paid to transfer this information in every stage of the wire transfer.

### **Relationships with risky countries**

**ARTICLE 25-** (1) Financial institutions and designated non-financial businesses and professions are required to pay special attention to business relationships and transactions with the natural and legal persons, unincorporated organizations and the citizens located in risky countries and to obtain information about the purpose and the nature of the transactions, as far as possible, which have no apparent reasonable legitimate and economic purpose and to record them.

(2) The Ministry shall be authorised to take necessary measures regarding risky countries, including the measures accepted by international organisations of which Turkey is a member.

### **Simplified measures**

**ARTICLE 26-** (1) The Ministry may allow obliged parties to take more simplified measures in terms of customer due diligence in the following situations;

a) In transactions carried out between financial institutions on behalf of themselves,

b) In transactions where the customer is a public administration or quasi public professional organization in the scope of general administration in accordance with the Public Financial Management and Control Law No. 5018,

c) In establishing a business relationship within the scope of salary payment by accepting a batch of customers,

ç) In transactions related to pension schemes that provide retirement benefits to employees by way of deduction from their salaries and of pension agreements,

d) In transactions where the customer is a public company and its shares are listed on the stock exchange.

The Ministry is authorized to determine applicable measures within the scope of this Article and the transaction types apart from the ones listed above.

(2) Obligated parties may not apply simplified measures in cases where money laundering or terrorist financing risks might occur due to the transaction and shall take into account that the transaction is possibly a suspicious transaction in accordance with Article 27.

### **Enhanced measures**

**ARTICLE – 26/A-(1)** Financial institutions and designated non-financial businesses and professions shall apply, in proportion to the identified risk, one or more or all of the following enhanced measures for transactions within the scope of articles 18, 20 and 25 and for high risk situations they identify in the framework of risk based approach.

a) Obtaining additional information on the customer and updating more regularly the identification data of customer and beneficial owner,

b) Obtaining additional information on the intended nature of the business relationship,

c) Obtaining information, to the extent possible, on the source of the asset subject to transaction and source of funds of the customer,

ç) Obtaining information on the reasons for the transaction,

d) Obtaining approval of senior manager to commence or continue business relationship or carry out transaction,

e) Conducting enhanced monitoring of the business relationship by increasing the number and frequency of the controls applied and by selecting the patterns of transactions that needs further examination,

f) Requiring that in the establishment of permanent relationship the first financial transaction is carried out through another financial institution subject to customer due diligence principles.

(2) The Ministry shall be authorized to determine high risk situations to be taken into account within the scope of this Article and enhanced measures other than ones above.

## **CHAPTER FOUR**

## **Procedures of Suspicious Transaction Reporting**

### **Suspicious transaction reporting**

**ARTICLE 27-** (1) Suspicious transaction is the case where there is any information, suspicion or reasonable grounds to suspect that the asset, which is subject to the transactions carried out or attempted to be carried out within or through the obliged parties, has been acquired through illegal ways or used for illegal purposes and is used, in this scope, for terrorist activities or by terrorist organizations, terrorists or those who finance terrorism.

(2) Suspicious transactions shall be reported to MASAK by obliged parties regardless of the amounts. Suspicious transaction reporting is carried out personally by natural person who is an obliged party, by legal representatives of legal person who is an obliged party, by managers of unincorporated organizations or those who are authorized by them and compliance officers where an obliged party assigns a compliance officer.

(3) When necessary, multiple transactions shall be taken into consideration together in order to determine whether there is suspicion or a reasonable ground to suspect.

(4) The fact that suspicious transactions have been reported within the scope of ongoing reporting does not remove the obligation of reporting suspicious transactions.

(5) MASAK is authorized to determine suspicious transaction types.

### **Filling in suspicious transaction reporting forms and time limit for reporting**

**ARTICLE 28-** (1) When obliged parties encounter a suspicious transaction, they shall report it to MASAK by filling in a Suspicious Transaction Reporting Form taking into account the information and the findings obtained from an inquiry that they carried out, if necessary, to the extent of their authority and capability.

(2) Suspicious transactions shall be reported to MASAK within ten workdays starting from the date when the suspicion occurred.

(3) In the event that new information and findings in relation to the reported transaction are obtained afterwards, another Suspicious Transaction Reporting Form shall be filled and sent to MASAK without delay by addressing that it is an additional report to the previous one.

(4) The Ministry is authorized to determine, separately for each obliged party, principles and procedures of filling Suspicious Transaction Reporting Forms, making it obligatory to report by using electronic and IT means, and using electronic signature in suspicious transaction reports.

(5) MASAK may prepare guidelines for reports and the guidelines might be published electronically. Reports shall be made in accordance with these guidelines.

## **Confidentiality of suspicious transaction reports and protection of the persons reporting suspicious transactions**

**ARTICLE 29-** (1) Obligated parties shall not disclose any information that the suspicious transaction has been or will be reported to anyone including the parties of the transaction, except for the information provided for the examiners assigned for supervision of obligations and for the courts during trial.

(2) This obligation covers the persons and the institutions who report suspicious transactions or members of them who carry out and manage the transactions or their legal representatives and proxies, and the other personnel who knows in any way that the suspicious transactions have been reported. As to the obligated parties where a compliance officer is assigned, internal reports sent to the compliance officer shall also be within the scope of confidentiality. The compliance officers who carry out reporting electronically shall not render anyone any card, password, other types of information and means ensuring access to the system.

(3) Obligated parties shall not disclose their head offices, branches, agencies, representatives, commercial proxies and similar affiliated units abroad any information that they have reported a suspicious transaction in relation to their customers.

(4) Natural and legal persons, their compliance officers, legal representatives of the obligated parties, their managers and personnel complying with the obligation of reporting suspicious transaction, shall not be held responsible judicially and criminally in any way.

### **Feedback**

**ARTICLE 30-** (1) MASAK shall inform the obligated parties reporting suspicious transaction when the report is recorded.

(2) MASAK periodically carries out general evaluation on effectiveness of suspicious transaction reports received. MASAK may also publish statistical data through annual activity reports, guidelines or periodicals regarding suspicious transaction reports, methods used in money laundering and terrorist financing, rising trends, case studies prepared by using process after suspicious transaction reports and by benefiting from findings and use them for the purpose of training.

## **CHAPTER FIVE**

### **Principles of Providing Information and Documents**

#### **Providing information and documents**

**ARTICLE 31-** (1) When requested by MASAK or examiners, public institutions and organizations, natural and legal persons, and unincorporated organizations shall fully and accurately provide all kinds of information, documents and related records in every type of environment including microchips, microfilms, magnetic tapes, disks, and any kind of information and passwords necessary for accessing to or making

these records decipherable in line with required way, form and duration without delay and render necessary convenience.

(2) Those from whom information and documents are requested shall not avoid giving information and documents by alleging the provisions of special laws, provided that the defense right is reserved.

(3) Obligated parties shall ensure to make available their books and documents for supervision to be carried out within the scope of on-site supervision; to open overall data processing system in conformity with the purposes of the supervision; and to provide security of the data.

(4) Information and documents shall be requested in writing except for urgent situations. A certain period of not less than 7 days is determined for submission of information and documents requested in writing. When information and documents are requested verbally, the request is confirmed in written form.

### **Periodically reporting by obliged parties**

**ARTICLE 32-** (1) The obliged parties shall report to MASAK the transactions to which they are parties or intermediaries exceeding the amount determined by the Ministry.

(2) The transactions which are linked to each other as to their natures shall be considered as a single transaction.

(3) The transactions carried out at weekends, on holidays and during night shall be considered as the transaction of the first workday following the date when the transactions were carried out.

(4) The transaction types subject to periodically reporting, reporting procedure and periods, excluded obliged parties and other implementation principles and procedures shall be determined by the Ministry.

(5) The Ministry is authorized to determine, separately for each obliged party, the principles and procedures of filling the periodical reporting forms, submitting them to MASAK through all types of electronic means and communication forms and using electronic signature in the reports. Application dates for electronic reporting shall be determined by the Ministry.

(6) MASAK may issue guidelines for electronic reporting and the guidelines may also be published electronically. Reporting shall be carried out in accordance with these guidelines.

### **Exceptions and exemptions in periodically reporting**

**ARTICLE 33-** (1) In periodically reporting to MASAK by obliged parties the transactions carried out by and between banks on behalf of themselves and for their own benefit and the transactions conducted between financial institutions and the administrations under general administration, public economic enterprises, quasi-

public professional organizations in accordance with the Law No.5018 are not within the scope of obligation for periodically reporting.

### **Periodically reporting by public institutions**

**ARTICLE 34-** (1) Public institutions and organizations, quasi-public professional organizations which give permission of foundation and operation to the obliged parties, and which are required to keep record related to them in accordance with their laws shall inform MASAK of name, surname and title of the obliged party, information and contact information about shareholders holding shares more than 10 %, chairman and members of board of directors, their general director and managers.

(2) Any change in the information specified in paragraph (1) shall be informed by related institution or organization to MASAK until the fifteenth day following the date of change.

(3) The provision of paragraph (1) shall not apply where the stipulations in paragraph (1) and (2) are provided by the accession system installed in accordance with Article 9 of the Law.

(4) The Ministry is authorized to determine the other principles and procedures of reporting.

## **CHAPTER SIX**

### **Supervision of Obligations**

#### **Scope of supervision**

**ARTICLE 35-** (1) Supervision of obligation covers supervision of compliance with obligations conducted with risk based approach for the purpose of detecting the obliged parties' compliance with the obligations and examination of obligation violations carried out for the purpose of detecting obligation violations. On-site and off-site supervision methods may be used in supervision of obligations.

(2) MASAK may request for supervision of obligation in the scope of either one case or a supervision program. MASAK may prepare a supervision program by asking opinion of the related supervision unit regarding the application time and it may also request the supervision unit to include the supervision of obligation in its supervision program.

(3) MASAK is authorized to determine the scope and period of the supervision of compliance with obligations and the examination of obligation violations.

(4) The unit which is to conduct supervision of obligations shall carry out this request.

(5) MASAK is authorized to determine the other principles and procedures of supervision of obligations and to issue supervision guidelines in this framework.

### **Examiners and their powers**

**ARTICLE 36-** (1) Supervision of obligations is carried out by examiners.

(2) The examiners assigned to conduct supervision are authorized to request all kinds of information, documents and legal books from natural and legal persons including the public institutions and organizations, and unincorporated organizations, to examine all kinds of documents and records within them and to receive information from the relevant authorities verbally or in writing. They also use the powers given to them by other laws.

(3) Obligated parties shall provide all necessary facilities including to ensure proper working conditions for examiners during supervision process.

### **Assignment of examiners**

**ARTICLE 37-** (1) Upon the assignment request of the Head of MASAK, an examiner shall be assigned for supervision of obligations with the proposal of the director of the related unit and by the approval of the Minister to whom he/she is attached or related. The assignment shall be carried out in ten days at the latest as from the date of request.

(2) The examiner assigned for supervision of obligations which will be conducted separately shall take office within fifteen days at the latest as from the date on which MASAK submits him/her the assignment letter and shall within this period inform, in writing, MASAK and his/her unit of the date of taking up office. In supervision of obligations conducted in the scope of an supervision program, the examiner shall notify the date he/she actually takes up office to MASAK in writing.

(3) The examiners shall complete the supervision by including the issues conveyed to him/her by MASAK in relation to the ongoing supervision within the scope of the initial approval of assignment without seeking for another one.

(4) The examiner, who will vacate the job before concluding the supervision, shall prepare an interim report demonstrating the attained stages of the supervision and send it to MASAK. The related unit shall assign a new examiner at least ten days before the present examiner leave office. The examiner who will vacate the job shall deliver with minutes all related documents and one copy of the interim report to the new examiner in this period. The new examiner shall send copies of the minutes to his/her unit and to MASAK. The date of the minutes is deemed the date for taking up and leaving office. Required measures shall be taken by the related unit for completing these procedures in time.

(5) MASAK may form a team of examiners for supervision. MASAK shall charge one of the examiners with ensuring the coordination. The examiner charged with coordination shall ensure the flow of information and documents within the team. It is essential that the works of the team are planned, carried out and completed together, and that the reports are drawn up together.

(6) In the event that more than one team is formed, one of the examiners charged with coordination may be charged by MASAK with ensuring general coordination.

(7) It is essential that the supervision of obligations is carried out where the transactions subject to supervision have been realized. The examiners shall have an official document with their photograph on it demonstrating their employment position and they shall show this document to the persons concerned before they take up the job where they are assigned.

(8) The duty shall end on the date when the report prepared is decided to be processed by MASAK. It is reported to the examiner and the unit which he/she attached.

### **Temporary Assignment of Examiners to MASAK and their working procedures**

**ARTICLE 37/A-** (1) MASAK may also perform its duty of supervision of obligations through examiners temporarily assigned to MASAK under Additional Article 1 of the Law.

(2) Examiners assigned temporarily shall work under the supervision and as per the directions of the Head of MASAK, or the Deputy Head of MASAK nominated by the Head of MASAK during their assignment period.

(3) Examiners assigned temporarily shall be appointed through approval given by Head of MASAK. MASAK may make multiple assignments within the scope of supervision of obligations and examiners shall immediately take office as of the notification date of the approval.

(4) The termination for the conclusion of supervision duty shall be determined by MASAK. Examiners assigned temporarily shall submit a report to MASAK at the end of this period.

(5) Databases and access systems at MASAK shall be used by examiners within the frame of access authorization determined by MASAK. Supervision of obligations shall be performed and concluded by examiners personally.

(6) As to matters that are related to working principles and procedures of examiners assigned temporarily and that are not covered in this Article, other provisions of the Regulation related to supervision shall apply.

### **Assigning Treasury and Finance Experts as examiners and their principles of working**

**ARTICLE 37/B –** (1) MASAK may perform its function of supervision of obligations through Treasury and Finance Experts employed at MASAK and assigned for this duty.

(2) Treasury and Finance Experts assigned for supervision of obligations shall work under the surveillance and coordination of the head of department responsible for supervision of obligations.

(3) Treasury and Finance Experts shall be assigned through an assignment approval of the Head of MASAK. MASAK may make multiple assignments for supervision of

obligations. Experts shall start their duties immediately after being notified about the assignment approval.

(4) MASAK shall determine the time period for concluding the supervision of obligation. A report to be written at the end of this period shall be submitted to MASAK.

(5) Supervisions of obligations shall be conducted and concluded personally by Treasury and Finance Experts. Article 36 of this Regulation shall be implemented when conducting the supervision.

(6) Issues regarding working procedures and principles of Treasury and Finance Experts which are not included in this Article shall be regulated by other provisions of this Regulation regarding supervision of obligations.

### **Supervision reports**

**ARTICLE 38-** (1) As the result of the supervision of compliance with obligations, supervision report on compliance with obligations shall be drawn up, and examination report on violation of obligation shall be drawn up as the result of examination of obligation violation.

(2) The examiners shall also draw up examination report on violation of obligations for the violations of obligations which they have detected during the supervision of compliance with obligations.

(3) Principles and procedures regarding the supervision reports shall be determined by MASAK.

### **Process to be applied on reports**

**ARTICLE 39-** (1) The reports which are prepared by examiners and conveyed to MASAK shall be evaluated in terms of compliance with the standards determined by MASAK and whether there is any material or legal mistake. The process shall be carried out in accordance with the evaluation done by MASAK.

(2) Administrative fine shall be imposed on obliged parties who violate the provisions stated in Section Three and Articles 27 and 28 of this Regulation, on their employees carrying out the transaction actually, on their managers having mission and responsibility in terms of concluding the transaction and on obliged parties who violate the provisions stated in Article 32 of this Regulation.

(3) Obligated parties who fail to comply with the obligations within the scope of training, internal control, developing control and risk management systems, assigning compliance officer and the other measures to be determined by the regulation to be issued by the Ministry they shall be warned in writing and given time not less than thirty days. If they do not address the deficiencies by the end of the given time, they shall be punished with an administrative fine of five hundred thousand TL. While notifying the administrative fine, a written warning shall be made and an additional time not less than sixty days shall be given. If deficiencies are not addressed again at

the end of this period, then an administrative fine shall be imposed equal to two-fold of the first administrative fine. If deficiencies are not addressed within thirty days following the notification of second administrative fine, it shall be reported to the relevant institution for taking necessary measures regarding suspension or restriction of obliged party's activities for a determined period, or cancellation of its operation license. The responsible executive board member, or the senior manager who does not comply with the mentioned obligations defined in article 5(1) of the Law shall be punished with one quarter of the administrative fine imposed on the obliged party, by making the mentioned warnings and obeying the time periods.

(4) Examination reports on violation of obligations prepared on violation of obligations given in Articles 29, 31 and 46 of this Regulation shall be sent to competent Public Prosecutor's Office by MASAK.

5) Monitoring of examination reports on violation of obligations by Public Prosecutor's Office and processes relating to the pursuing of cases and the other procedures shall be carried out in accordance with the Decree Law 178 dated 13/12/1983 and Decree Law 659 dated 26/9/2011.

## **Notification**

**ARTICLE 40-** (1) The examiners shall immediately report violations of obligations they encounter to MASAK, in writing, while fulfilling their own duties entrusted to them by their units and conducting laundering offence examinations.

(2) Those within obliged parties with the supervision authority given by a law shall inform MASAK, via their unit, of violation of obligations within the scope of the Law which they encounter while fulfilling duties entrusted to them by their unit.

(3) In case of determining any matter relating to laundering and terrorist financing during supervision of obligations or suspecting that such a situation exists, the matter shall be notified, in writing, immediately by examiners to MASAK.

(4) If the examiners determine, while carrying out supervision of obligations, any matter contrary to the legislation concerning sphere of duties of other institutions or suspect that such a situation exists, they shall convey the matter to the related units and also give information to MASAK

## **CHAPTER SEVEN**

### **Disclosure to Customs Administration**

#### **Procedures and principles of disclosure**

**ARTICLE 41-** (1) Travelers making a physical cross-border transportation of Turkish currency, foreign currency or instruments ensuring payment by them, shall disclose them fully and accurately upon the request of Customs Administration.

Implementation of this Article shall not differ with regard to whether these values are with the traveller, in his/her bag or baggage.

(2) In the implementation of this Article; bonds, policies and cheques, traveler's cheques, postal cheques, instruments in the nature of payment order given by the organizations located at home and abroad are considered as documents ensuring payment in Turkish currency or foreign currency. The fact that this sort of document containing an amount has deficiencies such as date, beneficiary, signature, address and suchlike facts shall not remove responsibility of disclosure.

(3) The personnel of Customs Administration charged at customs gate is authorized to request disclosure from travellers.

(4) The values held by the travellers shall be determined by the authorized personnel of Customs Administration regardless of the fact that whether any disclosure has been made or not.

(5) The reporting obligation in this Article shall not remove the reporting obligation established by the legislation regarding the protection of the value of the Turkish Currency.

### **Drawing up official form**

**ARTICLE 42-** (1) Detections regarding the travellers from whom a disclosure is requested shall be recorded in official form.

(2) The following minimum information must be included in the official form drawn up.

a) The place where the form have been drawn up and the date of the form.

b) The identification information of the traveller which is determined through one of the ID cards stated in Article 6.

c) Profession or occupation of the traveller.

ç) The address of residence, destination address and telephone number of the traveller, if any, which he/she declared.

d) Disclosures of the traveller regarding the values with them concerning their type, quantity, amount and to whom they belong.

e) The detailed list of values held by the traveller determined by customs officer according to their type, quantity and amount.

f) The explanations relating to the situation occurred in terms of liability in Article 16 of the Law.

g) Number of pages and copies of the form.

ğ) The signature of the traveller.

h) The name, surname, title, personnel record number and signature of the officer who has drawn up the form.

(3) The official form shall be drawn up in sufficient numbers considering the copies which shall be delivered to the related authorities and parties.

### **Lack of disclosure or misleading disclosure**

**ARTICLE 43-** (1) In case no disclosure is made or false or misleading disclosure is made despite being requested by the authorities, transfer of values held by the traveller shall be ceased and those values shall be sequestrated by the Customs Administration. Besides, this shall be deemed suspicious and notified to MASAK within seven days together with the official form, and also conveyed to other authorities.

(2) An administrative fine equal to one tenth of the value held shall be imposed on the travellers who do not make disclosure; and an administrative fine equal to one tenth of the difference between the value held and the value disclosed on the travellers who make false disclosure.

(3) The provisions of paragraphs (1) and (2) shall not apply to the differences up to one thousand five hundred Turkish Liras.

(4) The other procedures and principles relating to the disclosure to be required by Customs Administration shall be determined by the Ministry of Customs and Trade by asking opinion of MASAK.

### **Search**

**ARTICLE 44-** (1) Clothes, belongings and vehicles of the travellers who do not make it easier to determine their values shall be searched by law enforcement officers according to the Judicial and Prevention Searches Regulation.

### **Notification to MASAK**

**ARTICLE 45-** (1) The Ministry of Customs and Trade shall take the necessary measures for recording in electronically the findings in the official form drawn up in accordance with Article 42 and retaining these records. MASAK may request preparation of statistics using data recorded in electronically and transmission of data to MASAK in various formats.

## **CHAPTER EIGHT**

### **Retaining and Submitting**

#### **Obligation of retaining and submitting**

**ARTICLE 46-** (1) Obligated parties shall retain documents, books and records, identification documents and records kept in all forms regarding their transactions and obligations for eight years starting from the drawn up date, the last record date, the last transaction date respectively and submit them when requested. The starting date of retaining period relating to documents on customer identification concerning the accounts within obliged parties is the date when the account has been closed.

(2) Documents and records of suspicious transactions reports made to MASAK or internal reports made to the compliance officer, documents attached to reports, the written reasons relating to suspicious transactions decided not to be reported by compliance officers are all in the scope of obligation of retaining and submitting.

## **CHAPTER NINE**

### **Miscellaneous Provisions**

#### **Central Registry Agency**

**ARTICLE 47-** (1) The obligation of Central Registry Agency in respect to provisions in chapter three and four of this Regulation is limited to Central Registry Agency members stated in The Regulation Concerning Incorporation, Operation and Supervision of the Central Registry Agency which was put into force by the Decision of Council of Ministers dated 14/05/2001 with the number 2001/2475.

#### **Foreign exchange rates**

**ARTICLE 48-** (1) In determination of Turkish Lira equivalence of foreign currency and amounts of documents ensuring payment in foreign currency, **foreign exchange buying rate shall be taken as a base which is in the nature of indicator** or informative exchange rate which is not subject of purchase and sale **announced by Central Bank of the Republic of Turkey for the concerning day.**

#### **Keeping peculiar records**

**ARTICLE 49-** (1) The Ministry is authorized to set forth the principles and procedures for obliged parties in keeping peculiar records, when it deems necessary, by taking into consideration the nature of the transactions stated in Article 32.

#### **The provisions abolished**

**ARTICLE 50-** (1) The Regulation Regarding Implementation of the Law No. 4208 on Prevention of Money Laundering put into force upon the Decision of Council of Ministers dated 3/6/1997 and numbered 97/9523 has been abolished.

## **CHAPTER TEN**

### **Provisional Articles and Final Provisions**

**PROVISIONAL ARTICLE 1-** Article 14/A, second paragraph of Article 16 and Article 16/A of The Regulation Regarding Implementation of the Law No. 4208 on Prevention of Money Laundering put into force upon the Decision of Council of Ministers dated 3/6/1997 and numbered 97/9523 shall be in effect until the Regulation to be issued in accordance with Article 5 of the Law is put into force.

**PROVISIONAL ARTICLE 2–** Obligated parties shall adjust the information on customer identification of their customers with whom they are in permanent business relationship as of the date of entry into force of this Regulation to the Regulation by

December 31, 2008. With respect to implementation of this Article, the Ministry of Finance determines the scope of the procedures regarding the obliged parties, re-determination of time periods, and the other principles and procedures on implementation.

**PROVISIONAL ARTICLE 3 – 1)** Obligated parties shall complete the verification of address and contact information, which is mandatory, related to transactions between 1/4/2008 and 30/6/2008 until 31.12.2008, without being bound to dates given in paragraph three of article five.

**PROVISIONAL ARTICLE 4- (Added: Decision of Council of Ministers 1/6/2010/582)**  
1) Article 24 amended by Article 13 of the Regulation Amending the Regulation on Measures Regarding Prevention of Laundering Proceeds of Crime and Financing of Terrorism enacted with Decision of Council of Ministers No 2009/15720 of 28/12/2009

### **Entrance into force**

**ARTICLE 51-** (1) This Regulation shall be put into force on 1/4/2008.

### **Execution**

**ARTICLE 52-** (1) The Minister of Treasury and Finance executes the provisions of this Regulation.