

By the Banking Regulation and Supervision Agency:

REGULATION ON VOLUNTARY LIQUIDATION OF BANKS

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PART ONE

Objective and Scope, Basis and Definitions

Objective

ARTICLE 1 — (1) The objective of this Regulation is to regulate the procedures and principles for suspension of activities and voluntary liquidation of banks.

Scope

ARTICLE 2— (1) The provisions of this Regulation applies for the voluntary liquidation of banks.

(2) Provisions of this Regulation do not apply for the liquidation by bankruptcy and voluntary liquidation included in the Article 106 of the Law of banks of which operating license has been terminated or partnership rights excluding dividend and management and supervision has been taken over by the Fund.

Basis

ARTICLE 3 — (1) This Regulation has been prepared on the basis of the Articles 20 and 93 of the Banking Law Nr. 5411 dated October 19, 2005.

Definitions

ARTICLE 4— (1) The following terms used in this Regulation shall have the meanings expressly designated to them below:

- a) Bank: Banks defined in the Article 3 of the Law,
- b) Fund: Savings Deposit Insurance Fund,
- c) Voluntary liquidation: Suspension of activities of a bank by its competent organs and with this object cashing its assets, collecting its receivables, paying its debts and distributing positive balance-sheet, if any, to shareholders and deleting record from trade registry.
- ç) Law: Banking Law Nr. 5411,
- d) Participation Fund: Participation fund defined in the Article 3 of the Law.
- e) Board: Banking Regulation and Supervision Board,
- t) Agency: Banking Regulation and Supervision Agency.
- g) Deposit: Deposit defined in the Article 3 of the Law.

PART TWO
Board Permission, Initiating Voluntary Liquidation and Announcement

Board Permission

ARTICLE 5 — (1) Suspension of activities and voluntary liquidation of banks are subject to the permission of the Board. It is obligatory for banks to include detailed financial and judicial reports displaying the justification for suspension of activities and voluntary liquidation as well as the possible results of liquidation to their letter of application. The Agency is authorized to demand additional information and documents from banks as it deems necessary and the said detailed reports to be prepared by institutions authorized as per the Regulation on Authorization and Activities of Institutions to Perform External Audit in Banks.

Suspension of activity and initiating voluntary liquidation transactions

ARTICLE 6 — (1) Without the permission of the Board, activity cannot be self-suspended and voluntary liquidation cannot be initiated. In three months following the permission of the Board for suspension of activities and voluntary liquidation, decision to initiate liquidation is adopted by the bodies of the related bank authorized by the law.

(2) It is obligatory that liquidation decision to be adopted by general board of the related bank within three-month period stated in paragraph one according to the procedures for joint-stock companies in Turkish Commercial Code dated June 29, 1956 and Nr. 6762, in accordance with the related meeting and resolution quorum and general board meeting record in which this decision has been adopted and list of attendants to be submitted to the Agency in seven days following the date the decision has been made.

(3) It is obligatory for branches of banks established abroad in Turkey that the decision of board of managers in Turkey, as well as decision model to be taken by the related bank authority in the country in which the centers of branches to be suspended from activities and to be liquidated and which will be translated via notary to be submitted to the Agency in three months following the permission of the Board. The Agency is authorized to demand apostil annotated copy of this decision as per the provisions of the Convention on Lifting Requirement for Certification of Foreign Official Documents prepared by the embassy or consulate of Turkey in that country or in the framework of the Conference of The Hague on Inter-State Particular Law.

(4) In case no liquidation decision has been adopted in three months following the permission date, the permission given renders null and void. Unless taking permission again, suspension of activity and liquidation transactions cannot continue. Liquidation transactions are initiated in fifteen days after the liquidation decision has been adopted at the latest.

(5) Banks which adopted liquidation decision by no means and on no condition can transact banking transactions with the exclusion of transactions for liquidation.

(6) Transactions relating to suspension of activities and liquidation of banks are subject to the supervision of Banks. The Board is authorized to assign one or more than one member to liquidation board, if necessary, as a representative for the Agency.

Announcement

ARTICLE 7 — (1) According to Article 6(1), banks initiated liquidity transactions are obliged to refund any deposit or participation funds- commodity or cash and escrows and current account balance-sheets and other debts they hold, without any delay even if they are forward, in two months following the last announcement date together with accrued interest or dividend, if any, by issuing three times in at least two papers which is published and distributed throughout Turkey one week intermittent and announcing to deposit or participation fund holders and creditors or persons or entities that can be counted as such and to entrust any deposit, participation fund, escrow and receivables- commodity or cash, of which holder has not applied yet within this period to the Agency in fifteen days following the end of the two-month period.

(2) In case the fulfillment of the responsibility stated in paragraph one partially or fully or in time, the Board is authorized to abolish the liquidation license that has been granted initially, as it deems necessary.

PART THREE Miscellaneous and Final Provisions

Responsibility of the Agency

ARTICLE 8 — (1) The Agency keeps the values transferred by banks according to the Article 7 by announcing in new-year for a period of ten years in due form beginning from the following new-year. These values which are not required for six months as of the last announcement date are sent to the Fund so as to be recorded as income.

(2) Matters on which accounts or how the assets entrusted to the Agency would be recorded and from which resources the losses stemmed from announcement obligations concerning those would be met are determined by the Board.

Notification of liquidation record

ARTICLE 9 — (1) Banks submit the documents to the Agency in seven days following the registry of liquidation decision to Trade Register.

Enforcement of voluntary liquidation

ARTICLE 10— (1) Provisions of Turkish Commercial Code concerning liquidation applies in liquidation stage of banks established and operate in Turkey.

(2) In liquidation of branches of banks established abroad in Turkey, if no other liquidation board has been assigned, board of managers of liquidated branches enforces liquidation operations being qualified with authorities and liabilities included in provisions of Turkish Commercial Code concerning liquidation.

Other provisions

ARTICLE 11 — (1) The Board is authorized to establish transactions different from the principles defined in this Regulation and take additional measures concerning a bank initiated voluntary liquidation, pursuant to the Law and the related legislation.

Entry into force

ARTICLE 12— (1) This Regulation enters into force in the date of publication.

Enforcement

ARTICLE 13— (1) The provisions of this Regulation are enforced by the Chairman of the Banking Regulation and Supervision Agency.