

From the Banking Regulation and Supervision Agency:

**THE COMMUNIQUE ON THE PRINCIPLES AND PROCEDURES ON THE
ACTIVITIES OF REPRESENTATIVE OFFICES OPENED IN TURKEY**

(Published in the Official Gazette dated April 01, 2008, Nr. 26834)

SECTION ONE

Objective and Scope, Basis and Definitions

Objective and Scope

ARTICLE 1- (1) The purpose of this Communiqué is to lay down the principles and procedures concerning the activities of representative offices opened in Turkey.

(2) This Communiqué applies to the representative offices opened in Turkey.

Basis

ARTICLE 2- (1) This Communiqué has been prepared on the basis of Article 6 and 93 of the Banking Law Nr. 5411 dated October 19, 2005 and Article 10(1) of the Regulation on Operations of Banks Subject to Permission and Indirect Shareholding published in the Official Gazette dated November 01, 2006, Nr. 26333.

Definitions and Abbreviations

ARTICLE 3- (1) The following terms and expressions used in this Communiqué are defined as follows;

Bank(s): Bank(s) which are defined by Article 3 of the Law,

Financial institutions: Financial institutions as defined by Article 3 of the Law,

Law: The Banking Law Nr. 5411,

Participation funds: Participation funds as defined by Article 3 of the Law,

Loan: Operations stipulated in Article 48 of the Law,

Credit institutions: Credit institutions as defined by Article 3 of the Law,

Board: Banking Regulation and Supervision Board,

Agency: Banking Regulation and Supervision Agency,

Deposit: Deposit as defined by Article 3 of the Law,

Representative office: Representative office as defined by Article 3 of the Regulation,

Regulation: the Regulation on Operations of Banks Subject to Permission and Indirect Shareholding.

SECTION TWO

The Principles and Procedures on Activities

The Scope of the Activities

ARTICLE 4- (1) The representative offices shall only carry out the activities for the publicity of the affiliated bank and services thereof, strengthening of the relationships with credit institutions or financial institutions established in Turkey, conducting market research and reporting the collected data to the head office; they can not have any income bearing activities or expense-bearing activities other than compulsory expenditures and donation in no way.

Notification to the Agency

ARTICLE 5- (1) Representative offices inform the Agency in six-month periods about the activities they carry out including the negotiations they made with natural persons and legal entities resident in Turkey, within the scope of Article 4. Notification is made within one month following the related period.

(2) The Agency is informed on the list of those who visited the representative office among the persons employed in the bank or another bank or financial institution within these periods and on their purpose of visit. In case a report has been drawn up addressing the representative office by these persons or addressing these persons by the representative office, the Agency is informed on the content of this report.

Personnel

ARTICLE 6- (1) It is obligatory that personnel working in the representative offices including the representative are residents in Turkey. The Agency is informed on credentials, resumes and residential addresses of the personnel working in the representative offices in fifteen days following the date of employment, excluding the personnel carrying out services in the nature of support service such as cleaning and security. The Agency is informed also in case these persons leave work, in fifteen days following the date they resigned.

Covering the Operation Expenses

ARTICLE 7- (1) All of the expenses of representative offices are covered by the affiliated Bank. A deposit or participation fund account is opened in only one credit institution established in Turkey to meet the payments to be made by the bank for the expenses such as the salaries and similar compensations of personnel employed, including the representative himself/herself, and other representative office costs. Representative offices shall not realize

any money transfers to the affiliated bank using the deposit or participation fund account to be opened within the mentioned scope by no manner of means.

Keeping the documents

ARTICLE 8- (1) Representative offices shall keep a monthly detailed document of the deposit or participation account opened pursuant to the Article 7, approved by the related credit institution as well as detailed information concerning their expenditure for at least ten years.

Prohibitions

ARTICLE 9- (1) Representative offices cannot not accept deposit or participation funds on behalf of the affiliated bank or any other bank or financial institutions, they cannot grant loans in this respect or carry out any banking activities stipulated in Article 4 of the Law; they cannot keep any documents or bank passbooks or employ personnel for this purpose.

(2) Devolution of authority such as loan allocation or borrowing on behalf of the affiliated bank or any other bank or financial institution can not be made to representative offices and the personnel employed in representative offices including the representative himself/herself cannot receive the access to the information systems of the affiliated bank or any other bank or financial institutions as to enter data or realize registrations which may be evaluated as activities prohibited pursuant to the first paragraph.

(3) For those who are detected while conducting representative activities without taking the necessary licenses from the Board, proceedings are started pursuant to the Article 150(1) of the Law and the Agency notifies this situation to the competent authorities of the country in which the head office of the bank on behalf of which these persons have operated is located.

SECTION THREE

Final Provisions

Adaptation

PROVIVIONAL ARTICLE 1- Representative offices shall adapt their conditions to the provisions of this Communiqué in six month.

Entry into Force

ARTICLE 10- (1) This Communiqué shall enter into force on the date of its publication.

Enforcement

ARTICLE 11- (1) The provisions of this Communiqué are enforced by the Chairman of the Banking Regulation and Supervision Agency.