

From the Banking Regulation and Supervision Agency:

**REGULATION ON THE DONATIONS AND AIDS TO BE MADE BY  
BANKS AND INSTITUTIONS SUBJECT TO CONSOLIDATED SUPERVISION<sup>1</sup>**

*(Published in the Official Gazette Nr. 26333 dated November 1, 2006)*

**SECTION ONE**

**Objective and Scope, Basis and Definitions**

**Objective and Scope**

**ARTICLE 1** – (1) The objective of this Regulation is to regulate the principle and procedures concerning the donations and aids to be made by banks and institutions subject to supervision within one financial year.

**Basis**

**ARTICLE 2** – (1) This Regulation has been prepared based on the Articles 47, 59 and 93 of the Banking Law Nr. 5411 dated October 19, 2005.

**Definitions**

**ARTICLE 3** – (1) The following terms used in this Regulation shall have the meaning expressly designated to them below;

- a) **Donation**: Full or partial assignation or transfer gratuitously of the goods and rights owned by banks and institutions subject to consolidated supervision to other persons or institutions, purchase of goods or services on behalf of other persons or institutions or operations releasing other persons or institutions from debt or reducing the amount of this debt, excluding the operations regarding re-structuring of credit receivables,
- b) **Bank**: Banks as defined within the Article 3 of the Law,
- c) **Accounting period**: One calendar year,
- ç) **Law**: Banking Law Nr. 5411,
- d) **Institutions subject to consolidated supervision**: Domestic and foreign affiliates of banks qualified as parent company, subject to consolidated limitations and

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<sup>1</sup> As amended pursuant to the Regulation published in the Official Gazette dated June 9, 2009 Nr. 27253.

ratios pursuant to the first sub-clause of the Article 43 of the Law, as well as jointly controlled partnerships, branches and representative offices thereof,  
e) Agency: Banking Regulation and Supervision Agency.

**SECTION TWO**  
**Practice Regarding the Limits of Donations**  
**and Aids**

**Accounting Period**

**ARTICLE 4** – (1) The end of accounting period is taken into consideration in calculating the limit regarding the total amount of donations and aids made by banks and institutions subject to consolidated supervision within one accounting period.

**Restrictions on Donations and Aids**

**ARTICLE 5** – (1) The banks and institutions subject to consolidated supervision may not make donations and aids to;

- a) All natural persons or legal entities taking place within the risk group in which the bank is included but excluding the foundations not having the qualifications specified within the sub-clause (b)<sup>2</sup>,
- b) Funds and foundations, belonging exclusively to their employees founded within the aim of procuring sources for health, social aid, retirement, caution and savings,
- c) Political parties and syndicates.

(2) Banks and institutions subject to supervision, who have declared losses in their consolidated and non-consolidated financial statements as of the end of accounting period cannot make any donations and aids within the next period.

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<sup>2</sup> Before the amendment: “All natural persons and legal entities taking place within the risk group to which the bank is included.”

### **Limits of Donations and Aids**

**ARTICLE 6** – (1) Total amount of donations and aids made by banks and institutions subject to supervision within one accounting period cannot exceed four per mille of the amount of non-consolidated own funds of the bank to be calculated pursuant to the Regulation on the Own Funds of Banks based on the Article 4. At least half of this amount must be formed by donations and aids which may taken into consideration as amount deductible from corporate income or a discount while determining the corporate tax assessment according to the Act on Corporate Tax Nr. 5529 dated June 13, 2006.

(2) Operations as assignment or transfer gratuitously of natural movables of banks and institutions subject to supervision which were part of their assets for at least four years and aids made to General Directorate of Social Services and Child Protection for the needs of homeless and abandoned children taking shelter in the dorms of this Institution and who are obliged to leave because of their age, pursuant to the provisions of relevant legislation are not subject to the limits specified within this Article.

## **SECTION THREE**

### **Miscellaneous and Final Provisions**

#### **Miscellaneous Provisions**

**ARTICLE 7** – (1) Banks shall review their compliance to the Article 59 of the Law and to this Regulation, basing on their non-consolidated financial statements prepared by the end of monthly and quarterly periods as well as the information they will receive from institutions subject to consolidated supervision regarding the donations and aids they have made within these periods.

(2) In the event of exceeding the ratio specified within the first sub-clause of the Article 6 because of the decreases occurred in the non-consolidated own funds of the bank, these exceeding shall be corrected by augmenting the non-consolidated own funds as to cover them, within the six months following the end of accounting period during which the donations and aids are made.

**Entry into Force**

**ARTICLE 8** – (1) This Regulation enters into force on the date of publication.

**Enforcement**

**ARTICLE 9** – (1) The provisions of this Regulation are enforced by the Chairman of the Banking Regulation and Supervision Agency.