

EIGHTH SECTION

Final and Transitional Provisions

Reserved provisions and exemptions

ARTICLE 136 – (1) Except for the Article 47, the provisions of this Law shall not be applied to the CBRT, the transactions of CBRT, the markets within the body of the CBRT as well as payment, security transfer and consensus systems established at the CBRT.

(2) Except for the Article 13, provisions of the first and second chapters of the second section of this Law as well as its 31st article and the first paragraph of its 69th article shall not be applied to the capital market instruments issued by the CBRT, the Undersecretariat of Treasury and the asset leasing companies established in the framework of the Law on the Regulation of Public Finance and Debt Management dated 28/3/2002 and numbered 4749. The principles regarding the application of articles 13 and 80 to the capital market instruments issued by the CBRT, the Undersecretariat of Treasury and the asset leasing companies established in the framework of the Law numbered 4749 shall be designated by the Board, without prejudice to the regulations concerning the monitoring, custody and trading of these instruments before the CBRT.

(3) Provisions of the Law on the Central Bank of the Turkish Republic dated 14/1/1970 and numbered 1211 and the provisions of other laws giving tasks and authorities to the CBRT shall be reserved.

(4) The special status to be applied in the membership of the CBRT to the bodies entering into the scope of this Law as well as the principles to be applied before these bodies shall be determined in the related regulations by the Board by taking the opinion of the CBRT.

(5) Banks which sell their own capital market instruments through public offer or private sale as well as banks carrying out the investment services and activities defined in this Law, shall be subject to this Law in the framework of these activities. The provisions of this Law shall not apply to banks in terms of the number of partners. Banks subject to the Law numbered 5411 and insurance companies shall be subject to their special legislation in what concerns establishment, surveillance, accounting and independent audit as well as the distribution of the dividends and the usage of the equity capital of revaluation funds by banks shares of which have been sold through public offer shall also be subject to its special legislation.

(6) The Undersecretariat of Treasury and the asset leasing companies established according to the Law numbered 4749 shall be exempt from the provisions of Article 61, first paragraph of Article 71 and Article 130 of this Law.

(7) The provisions of Article 53 of the Law of The Union of Chambers and Commodity Exchanges of Turkey, and Chambers and Commodity Exchanges dated 18/5/2004 and numbered 5174 concerning the commodity stocks and the time bargain contracts shall be reserved.

Miscellaneous provisions

ARTICLE 137 – (1) Article 47 may also be applied to contracts of guaranty concerning all or certain capital market instruments that are not monitored in a dematerialized form at the CRA with the decision of the Council of Ministers.

(2) Strike and lock-out are not allowed in services carried out by exchanges and other organised market places, central clearing institutions, central securities depositories and the CRA, which are established and performing their activities according to this Law.

(3) It is not possible to refrain from registering the shares of publicly held corporations purchased as a result of the transactions at the exchange to the share registry. Articles 493 and 494 of the Law numbered 6102 shall apply to the shares of these corporations which are not traded on the exchange.

Borsa Istanbul A.Ş.

ARTICLE 138 – (1) A joint stock company subject to the provisions of this Law with the trade name Borsa Istanbul A.Ş. has been established in order to carry out the exchange activities mentioned in Article 67. The related Incorporation shall be registered ex-officio to the trade registry at the date when this Law enters into force, without the need for any other transaction. Upon the registration of its articles of association to be prepared according to the second paragraph of this Article to the trade registry, Borsa Istanbul A.Ş. shall be deemed to have taken the permissions concerning the establishment and

activity of exchanges and market operators mentioned in Article 65 of this Law.

(2) The articles of association of Borsa Istanbul A.Ş. which includes its field of activity and purpose, its amount of capital, its shares, its principles of share transfer, the privileges to be granted to shares without being subject to the fourth paragraph of Article 478 of the Law numbered 6102, liquidation, acquisition, merger,, dissolution, public offer restrictions, its organs and committees as well as their formation, its tasks, authorities and responsibilities, operating principles and procedures, its accounts, the principles concerning the distribution of its profits, its organisation and other issues shall be prepared by the Board and be directly registered and announced without being subject to general provisions within six months starting from the date when this Law enters into force, following the approval of the related Minister. This duration may be prolonged for maximum up to three months with the decision of the related Minister. Until the registration and announcement of the articles of association, the provisions of the existing regulations concerning the establishment and organs of Stock Exchanges which are not contrary to this Law shall continue to be applied.

(3) The transactions to be carried out in the context of the establishment and registration of Borsa Istanbul A.Ş. under this Article and the preparation, registration and announcement of its articles of association shall be exempt from charges and the papers to be prepared shall be exempt from stamp duty. No fee shall be taken from the transactions concerning the registration to the Trade Registry.

(4) The legal entities of Istanbul Stock Exchange established according to the Decree Having the Force of Law numbered 91 repealed with this Law and Istanbul Gold Exchange established according to Article 40/A of the Law numbered 2499 be repealed with this Law shall be terminated upon the registration of the articles of association of Borsa Istanbul A.Ş..

(5) Upon the registration of the articles of association of Borsa Istanbul A.Ş., all kinds of assets, debts and receivables, rights and obligations, all kinds of records including those in the electronic environment and other documents belonging to Istanbul Stock Exchange and Istanbul Gold Exchange shall be deemed to be transferred to Borsa Istanbul A.Ş. as a whole without the need for any other transaction apart from the exceptions mentioned in this Article. This much that, the immovable assets in the annexed list number (2), the property of which belongs to Istanbul Stock Exchange and their innovations have been transferred to the Board. The immovable assets in the annexed list number (3), the property of which belongs to Istanbul Stock Exchange, shall be registered ex-officio free of charge in the name of the Treasury at the title deed and shall be deemed to be allocated to the Ministry of National Education. The opinion of the Ministry of Finance shall be taken regarding the intended use of the immovable assets in the annexed list number (3). The immovable assets in the annexed list number (4), the property of which belongs to Istanbul Stock Exchange, shall be registered ex-officio free of charge in the name of the Treasury at the title deed. The immovable assets in the annexed list number (4) shall be directly left to the utilization of Borsa Istanbul A.Ş. for twenty nine years together with the constructions on them, the first fifteen years being free of charge. The Undersecretariat of Treasury is authorised to make a protocol with the Borsa Istanbul A.Ş. regarding the intended use of immovable assets left to the utilisation of Borsa Istanbul A.Ş., their cost of use, the principles concerning their building, construction and modification and other issues. Following the transfer to be made according to the first sentence of this paragraph, the positive balance between the liabilities and the assets other than the immovable assets transferred to the Treasury and the Board, shall constitute the founding capital of Borsa Istanbul A.Ş.. The transactions to be made under this Article shall be exempt from inheritance and succession tax and charges and the papers to be prepared shall be exempt from stamp duty.

(6) In the articles of association of Borsa Istanbul A.Ş., forty nine percent of its shares shall be registered in the name of the Treasury, all the transactions concerning this share ownership to be carried out by the Undersecretariat of Treasury and fifty one percent shall be registered in the name of Borsa Istanbul A.Ş., to be used primarily for the following purposes:

a) Upon the registration and announcement of the articles of association, four percent of the capital shall be transferred to the existing members of the Istanbul Stock Exchange, three per thousand shall be transferred to the existing members of Istanbul Gold Exchange equally and free of charge; and the part corresponding to one percent shall be transferred

to the Capital Markets Association of Turkey free of charge.

b) Within one month starting from the date when the articles of association of Borsa Istanbul A.Ş. has been registered, in case when they request, the existing shareholders of Turkish Derivatives Exchange shall be given a proportion of the shares of Borsa Istanbul A.Ş. to be calculated by multiplying the share rate they own with 0,05 in return for the shares they hold in Turkish Derivatives Exchange. Article 7 of the Law dated 7/12/1994 and numbered 4054 shall not be applied in this share transfer.

c) When necessary, a certain part of the shares belonging to Borsa Istanbul A.Ş. may be transferred with the approval of the Board to the related parties in consideration of the establishment of strategic partnerships and/or to other exchanges and markets or system operators in consideration of technology, technical information and competence transfer.

ç) In the event that any shares remain at Borsa Istanbul A.Ş. within three years starting from the publication date of this Law, these shares shall devolve to the Treasury free of charge.

(7) The public offer of the shares of Borsa Istanbul A.Ş. belonging to the state or their sales through other methods shall be realised in the framework of the principles and procedures to be determined by the Council of Ministers upon the proposal of the Minister to whom the Undersecretariat of Treasury is affiliated.

(8) Until the chairman and members of the executive board of Borsa Istanbul A.Ş. have been elected according to its articles of association, the existing chairman of Istanbul Stock Exchange shall officiate as the chairman of the executive board of Borsa Istanbul A.Ş.; and the executive board members of Istanbul Stock Exchange shall officiate as the executive board members of Borsa Istanbul A.Ş..

The Chairman of the executive board of Borsa Istanbul A.Ş. is authorised to conduct, manage and solely represent and bind the company as the highest executive manager. In cases where the executive board chairmanship or memberships become vacant for any reason until the election of the chairman and members of the executive board of Borsa Istanbul A.Ş. have been realised, the Undersecretariat of Treasury shall make assignments at their place. The assignments of the Chairman and executive board members of Istanbul Gold Exchange shall be terminated as of the date when the articles of association of Borsa Istanbul A.Ş. has been registered.

(9) a) The provisions of the existing regulations concerning Istanbul Stock Exchange and Istanbul Gold Exchange which are not contrary to this Law shall continue to be applied until the regulations to be made according to this Law enter into force.

b) The references made in the legislation to Istanbul Stock Exchange and Istanbul Gold Exchange shall be deemed to be made to Borsa Istanbul A.Ş., as to their relevancy.

(10) With the termination of the legal entities of Istanbul Stock Exchange and Istanbul Gold Exchange, all their exchange activities that are being carried out as well as all their other ongoing businesses, transactions and activities shall be conducted by Borsa Istanbul A.Ş.. Borsa Istanbul A.Ş. shall automatically acquire the title of party in the suits opened or to be opened in favor of or against these exchanges and in executive proceedings.

(11) Until the share of the state in Borsa Istanbul A.Ş. falls below fifty percent, the auditing of all kinds of accounts and transactions of itself and its associates shall only be carried out by an independent audit firm to be selected by the Undersecretariat of Treasury among the independent audit firms list of the Board. The report prepared at the end of the independent auditing shall be submitted simultaneously to the Board and the Undersecretariat of Treasury. The first and third paragraphs of Article 72 of this Law shall also be applied to Borsa Istanbul A.Ş..

(12) Borsa Istanbul A.Ş. and its associates and subsidiaries, shall not be subject to the legislations, applications and restrictions implemented to public bodies, institutions and corporations where more than half of the capital belongs to the state, including state economic enterprises, or to those established with special laws.

Regarding the securities they issue, the Undersecretariat of Treasury as well as the asset leasing companies established according to the Law numbered 4749 shall be exempt from the registration fee and quotation fee that have to be paid by the issuers to Borsa Istanbul A.Ş..

(13) Provisions of the Decree Having the Force of Law numbered 233, the Decree Having the Force of Law dated

22/1/1990 and numbered 399 on the Regulation of the Personnel Regime of State Economic Enterprises and on the Repeal of Certain Articles of the Decree Having the Force of Law numbered 233, the Law numbered 657, the Decree Having the Force of Law dated 4/7/2001 and numbered 631 on the Regulations Concerning the Financial and Social Rights of Civil Servants and Other Public Officials and on the Amendment of Some Decrees Having the Force of Law, the Decree Having the Force of Law numbered 190, the Travel Expense Law dated 10/2/1954 and numbered 6245, Law on the Court of Accounts dated 3/12/2010 and numbered 6085, the Law on the Regulation of the Supervision of State Economic Enterprises and Funds by the Turkish Grand National Assembly dated 2/4/1987 and numbered 3346, the Public Procurement Law dated 4/1/2002 and numbered 4734, the Public Procurement Contracts Law dated 5/1/2002 and numbered 4735, the State Procurement Law dated 8/9/1983 and numbered 2886, the Law numbered 5018, the Vehicle Law dated 5/1/1961 and numbered 237, the Public Housing Law dated 9/11/1983 and numbered 2946, the Law on the Foundation of the Press Release Institution dated 2/1/1961 and numbered 195, the Law on Privatisation Applications dated 24/11/1994 and numbered 4046, the Decree Having the Force of Law dated 18/5/1994 and numbered 527, the Law on the Protection of Competition dated 7/12/1994 and numbered 4054 as well as the provisions of their annexes and amendments shall not be applied for Borsa Istanbul A.Ş. as well as for its associate and subsidiaries which have become subject to it due to the direct or indirect share ownership of Borsa Istanbul A.Ş.. The first sentence of this paragraph shall also apply to exchanges established according to the Decree Having the Force of Law numbered 91 repealed with this Law and those established according to Article 40/A of the Law numbered 2499 repealed with this Law as well as to their associates and subsidiaries, effective starting from the date when their legal entities have been established; no transaction can be made for the periods prior to the date of entry into force of this Law with the ground or the assertion to be subject to the laws and decrees having the force of law mentioned in the first sentence of this paragraph, and those that have been made shall automatically be cancelled.

(14) The related Minister shall be authorised to clarify the hesitations that may arise in the application of this Article.

Amended and repealed provisions

ARTICLE 139 – The Capital Market Law dated 28/7/1981 and numbered 2499 has been repealed. The references made in the legislation to the provisions of the Law numbered 2499 shall be deemed to be made to relevant provisions of this Law.

ARTICLE 140 –Decree Having the Force of Law on Stock Exchanges dated 3/10/1983 and numbered 91 has been repealed.

ARTICLE 141 – The paragraph below has been added to the additional Article 4 of the Law on the Establishment and Duties of the Undersecretariat of Treasury dated 9/12/1994 and numbered 4059.

“In the event that a negative development which can affect to the whole financial system arises and that the Financial Stability Committee determines this situation, the Council of Ministers shall be authorised to determine the measures to be taken, and all the related institutions and organisations shall be authorised to and responsible with applying immediately these determined measures.”

ARTICLE 142 – The fourth paragraph of Article 6 of the Law on the Liquidation of Certain Funds dated 23/5/2000 and numbered 4568 has been repealed.

ARTICLE 143 – The first paragraph of Article 53 of the Law numbered 5174 shall be repealed and the following paragraphs shall be added to the same article.

“Commodity exchanges having a national or international field of activity, bringing together the demand and supply of one or more products in its quotation in confidence and under free competition and stability by considering the economic requirements, mediating the purchase and sale of products classified according to the product standards in force in physical or electronical forms, carrying out the trade of products physically as well as through commodity stocks representing the commodity and issued by licensed depository entities operators and through time bargain contracts, having safe recording and safekeeping facilities related to transactions, possessing a data processing infrastructure, a technical and electronic

equipment infrastructure as well as an institutional and financial infrastructure that can announce the prices formed within, the information produced and other similar and alternative markets monitored and announced shall be established under the status of joint stock company with the decision of the Council of Ministers upon the proposal of the Ministry and the Capital Markets Board. The commodity exchanges can make agreements with one or more market operators subject to the provisions of the Capital Market Law for the purpose of operating and/or managing themselves or the markets within their body. This agreement shall not be in force without the approval of the Ministry and the Capital Markets Board. Upon the given approval, the market operators shall use the rights held by the commodity exchanges and shall provide the fulfillment of the obligations foreseen in the Capital Market Law and the related legislation in the framework of the agreement made with the commodity exchange.”

“Actions which cannot be explained with a reasonable economic or financial justification and are of a nature deteriorating the functioning of commodity exchanges in confidence, clarity and stability, shall be deemed as market abuse actions unless they constitute a crime. Administrative fines shall be imposed according to the Capital Market Law to those committing market abuse actions.

The principles and procedures concerning the intermediary services related to the purchase and sale of commodity stocks and time bargain contracts in commodity exchanges, the authorisation of mediators and the suspension and cancellation of this authority, the monitoring and auditing of mediators and the other transactions concerning intermediary services related to commodity stocks and time bargain contracts shall be established with by-laws to be issued jointly by the Ministry and the Capital Markets Board.

The monitoring and auditing activities regarding transactions realised on commodity stocks and time bargain contracts shall be established with a by-law to be issued jointly by the Ministry and the Capital Markets Board. The measures to be taken and the transactions to be made on the issues that would arise as a result of these activities shall be subject to the Capital Market Law and the related legislation.”

ARTICLE 144 – The second paragraph of Article 15 of Law on Licensed Depository Entities for Agricultural Products dated 10/2/2005 and numbered 5300 has been repealed.

ARTICLE 145 – a) The first paragraph of Article 33 of the Law numbered 5411 has been amended as follows.

“The additional conditions to be requested from independent audit firms authorised by the Public Oversight, Accounting and Auditing Standards Authority in the context of Article 15 shall be determined by the Board by taking the opinion of the Central Bank and institution associations and the list of independent audit firms meeting these criteria shall be declared to public. The Board is authorised to delist temporarily or permanently the independent audit firms taking place on the list, which have been determined to have acted against the standards and the legislation, following the quality controls and supervisions it conducts on independent auditing activities of these listed independent audit firms within the scope of this Law. The Board shall notify to the Public Oversight, Accounting and Audit Standards Authority the results of the quality controls and supervisions it would carry out. Independent audit firms shall be responsible for the damages they have caused to third persons as a result of the activities they have performed according to this Law.”

b) The first paragraph of Article 37 of the Law numbered 5411 has been amended as follows.

“Banks are obliged to apply the uniform accounting system in accordance with the principles and procedures that the Board has determined by taking the opinions of the Public Oversight, Accounting and Auditing Standards Authority and institution associations; to make the accounting of all their transactions in line with their real characteristics, in accordance with the accounting and financial reporting standards published by the Public Oversight, Accounting and Auditing Standards Authority and to prepare their financial statements in a form and content so as to meet the demand of knowledge acquisition, in an understandable, trustable and comparable manner, on time and correctly, convenient to auditing, analysing and interpretation.”

c) Article 72 of the Law numbered 5411 has been repealed.

ARTICLE 146 – The following paragraph has been added to Article 23 of the Decree Having the Force of Law on the Organisation and Responsibilities of the Public Oversight, Accounting and Auditing Standards Authority dated 6/9/2011

and numbered 660.

“(4) The provisions of the Capital Market Law and Banking Law shall be reserved in the application of this Article.”

ARTICLE 147 – The following paragraph has been added to Article 26 of the Decree Having the Force of Law numbered 660.

“(3) An administrative fine from ten thousand Turkish Liras up to fifty thousand Turkish Liras shall be imposed by the Board to independent audit firms for infringements of the regulations, forms and standards determined on the basis of the provisions of this Decree Having the Force of Law as well as the general and special decisions taken by the Board. The administrative fines imposed according to this Article shall be recorded as revenue to the budget.”

ARTICLE 148 – The third paragraph of Article 27 of the Decree Having the Force of Law numbered 660 has been amended as follows.

“(3) Institutions and boards founded by laws for regulation and supervision of particular areas, may do regulations limited with details in what concerns the standards that would be valid for their domains, on condition that they conform to the Turkish Accounting Standards.”

ARTICLE 149 – The following sentence has been added to the fourth paragraph of Transitional Article 1 of the Decree Having the Force of Law numbered 660.

“The Capital Markets Board and the Banking Regulation and Supervision Agency reserve the right to impose administrative fines to independent audit firms authorised according to their own legislations.”

Regulatory actions

TRANSITIONAL ARTICLE 1 – (1) The regulations concerning the implementation of this Law shall be put into force within one year starting from the date of publication of this Law. Until the regulations that would be put into force according to this Law enter into force, the provisions of existing regulations which are not contradictory to this Law shall proceed to be applied.

(2) The existing applications which had not been discussed and finalized by the Decision Making Body of the Board at the date of publication of this Law shall be concluded according to the provisions of this Law.

Transitional provisions concerning intermediary institutions and derivatives intermediary institutions

TRANSITIONAL ARTICLE 2 – (1) Principles and procedures concerning the offering of investment services and activities as well as ancillary services shall be determined by the Board within six months starting from the publication date of this Law. Relevant institutions shall comply with these principles and procedures within a reasonable period to be granted, during the preparation and assignment of new licenses to intermediary institutions and derivatives intermediary institutions. Otherwise, the relevant institution shall not carry out the investment services and activities in question.

(2) Until necessary regulations enter into force according to the first paragraph, intermediary institutions and derivatives intermediary institutions shall carry out their activities according to their existing licenses.

(3) Intermediary institutions and derivatives intermediary institutions which had been given previously granted permission for activity by the Board at the date of publication of this Law, shall continue the activities they were performing in accordance with the Law numbered 2499 repealed with this Law until the end of the period mentioned in the first paragraph.

Special Fund

TRANSITIONAL ARTICLE 3 – (1) A Special Fund has been established for the purpose of partial compensation in the framework of the principles in this Article, of receivables arising from capital market activities of investors working with intermediary institutions all licenses of which have been cancelled by the Board prior to 18/12/1999. The management and representation of the Special Fund shall be carried out by the ICC.

(2) In order to be able to make a payment to the claimants of related intermediary institutions by also considering the resources of the Fund, a bankruptcy suit should be filed about these institutions before or after 18/12/1999 and during the winding-up of bankruptcy, the receivables should be documented by a certificate of insolvency in execution proceedings. Without prejudice to the rights of those who have applied before the date of entry into force of this Law, no payment shall be

made from the Special Fund to the claimants who did not apply to the bankruptcy estate for registering their receivables within two years starting from the publication date of this Law.

(3) In the calculation to be made by the bankruptcy administration during the winding-up of bankruptcy, the amount of the receivables in cash or securities as of the date of cancellation of licenses shall be converted into US Dollars with the foreign exchange buying rate of the CBRT at the date when licenses of intermediary institutions had been cancelled. After the announcement of the bankruptcy of these intermediary institutions, payments made during the winding-up of bankruptcy shall be converted into US Dollars with the foreign exchange buying rate of the CBRT at the date of payment and then deducted from the principal receivable on a US Dollar basis. The remainder calculated by this method shall be converted into Turkish Liras with the foreign exchange buying rate of the CBRT at the date of the certificate of insolvency in execution proceedings and then it shall be paid to right holders according to principles indicated in the fourth paragraph.

(4) The amount of payment to be made to a claimant until 31/12/2012 shall not exceed 18.729 Turkish Liras. After 1/1/2013, this amount shall be increased at the rate of the revaluation coefficient announced each year. However, according to the third paragraph, the amount of interim payments deducted from the principal receivable on a US Dollar basis shall be converted into Turkish Liras on the foreign exchange buying rate of the CBRT as of the date of cancellation of licenses, and then it shall be deducted from the maximum payment amount mentioned in this paragraph in order to determine the maximum amount to be paid to right holders.

(5) The principles concerning the management and accretion of the assets of the Special Fund shall be determined with a by-law to be prepared by the ICC and approved by the Board. The Special Fund shall not be used for purposes other than payments to be made in accordance with this Article. In the event that the Special Fund is not sufficient to meet the payments to be made, the additional resource to be determined by the decision of the Council of Ministers shall be met by the Treasury. Assets of the Special Fund which are within the body of the Istanbul Stock Exchange as of the publication date of this Law shall be transferred within three months starting from the date when receivables, debts and rights have devolved from the Investors Protection Fund to the ICC.

(6) Payments to be made for receivables submitted by bankruptcy administrations, that have been documented by a certificate of insolvency in execution proceedings shall be determined according to the calculation method under the third and fourth paragraphs and made by the Special Fund to the bankruptcy administrations. For the purpose of making payments in accordance with the provisions of this Article, the Special Fund holds the right to make cross examinations on the basis of the final list of the sequence of payments to creditors, documents in the bankruptcy file, and documents it may request from the bankruptcy administration and the bankruptcy office; and to reject payment claims which are in violation of this Article and provisions of other related legislation.

(7) Payments to right holders shall be made by bankruptcy administrations. No payments shall be made in the context of this Article to the partners, the members of the board of directors and board of auditors and the employees of the bankrupt intermediary institution who appear to be its claimants as well as their spouses and relatives by blood or marriage including the third degree and the capital market institutions. The rights of claimants arising from general provisions shall be reserved for their receivables exceeding payments made according to this Article.

(8) The Board is authorised to determine principles and procedures concerning the implementation of this Article and to make the necessary regulations.

Transitional provisions concerning the Investor Protection Fund

TRANSITIONAL ARTICLE 4 – (1) Rights, receivables and debts of the Investor Protection Fund shall be transferred to the ICC within six months starting from the publication of this Law.

(2) Lawsuits concerning institutions the gradual liquidation of which had started before the date of publication of this Law as well as the operations and transactions with regard to their liquidations shall be finalised by the CRA. The ICC shall

make necessary payments to the CRA for these operations and transactions.

(3) Article 84 shall not be applied to intermediary institutions the gradual liquidations of which continue according to Article 46/B of the Law numbered 2499 repealed by this Law. Cash payment including accretions and stock delivery obligations of these institutions against their customers due to their capital market activities and transactions, arising from transactions in stocks shall be met.

Transitional provisions concerning the Capital Markets Association of Turkey and the Appraisal Experts Association of Turkey

TRANSITIONAL ARTICLE 5 – (1) The title of the Association of Capital Market Intermediary Institutions of Turkey established by article 40/B of the Law numbered 2499 repealed with this Law has been changed to Capital Markets Association of Turkey established by Article 74 of this Law. This title change shall be implemented starting from the date when, according to the third paragraph of Article 75 of this Law, the Statute change would enter into force with the decision of the Council of Ministers.

(2) The institutions that have to become a member of the Capital Market Association of Turkey, other than the existing members of the Association of Capital Market Intermediary Institutions of Turkey, are obliged to apply to the Capital Market Association of Turkey within one month starting from the date when the Statute changes enter into force. Within the two months following this duration, the Association shall call its members to the general assembly meeting in order to elect its organs in accordance with the new Statute.

(3) The appraisal institutions that have to become a member of the Appraisal Experts Association of Turkey, are obliged to apply to the Appraisal Experts Association of Turkey within three months starting from the date when the Statute prepared according to the third paragraph of Article 75 enter into force. Within the three months following this duration, the Appraisal Experts Association of Turkey shall call its members to the general assembly meeting in order to elect its organs in accordance with the new Statute.

(4) The Board is authorised to clarify any ambiguity that may arise by implementation of this article.

Transitional provisions concerning collective investment schemes

TRANSITIONAL ARTICLE 6 – (1) The principles and procedures regarding the regulations included in Articles 48 to 56 shall be determined by the Board within six months starting from the date of publication of this Law.

(2) Until the regulations necessary in the framework of the first paragraph enter into force, the regulations made on the basis of the Law numbered 2499 repealed with this Law shall continue to be implemented and the applications shall be concluded according to these regulations.

(3) Investment funds and investment companies which have been established prior to the date of publication of this Law are obliged to apply to the Board within one year starting from the entry into force of the secondary legislation mentioned in the first paragraph in order to bring their fund rules or their articles of association, structures and organisations in conformity with the related regulations. Otherwise, the Board shall decide to liquidate or transfer the investment funds. On the other hand, investment companies shall be deemed to have left the investment company status, in this case, the fifth paragraph of Article 26 shall be applied by analogy.

(4) The portfolio management companies which have been established prior to the date of publication of this Law shall bring their articles of association, structures and organisations in conformity with the related regulations within one year starting from the entry into force of the secondary legislation mentioned in the first paragraph. Otherwise, they are obliged to apply to the Board in order to change their main fields of activity and the expression of portfolio management company taking place in their trade names.

(5) The Board shall be authorised to prolong the durations mentioned in this Article up to two folds.

Transitional provisions concerning the Chairman and members of the Board and the Board staff

TRANSITIONAL ARTICLE 7 – (1) The memberships of the Chairman and members of the Board who were taking office at the date of publication of this Law shall be terminated at the date of publication of this Law. These persons shall be deemed to be appointed to the cadres of Advisor to the Chairman created with the attached list number (5) without

the need for any action in order to take office until the end of their terms of duty according to the legislation establishing their appointments and they shall perform the consultative duties determined by the Chairman. The cadres of Advisor to the Chairman created with this paragraph shall be deemed to be cancelled without the need for any action as they become vacant for any reason and in any case as the remaining terms of duty of the Chairman and members who are deemed to be appointed to the related cadres terminates according to the legislation establishing their appointment. The payments made in the context of financial and social rights as Chairman and Board member to those deemed to be appointed to the cadres of Advisor to the Chairman according to this paragraph shall continue in the framework of the second paragraph until the end of their terms of duty according to the legislation establishing their appointment.

(2) Regarding the staff that was present in the cadres of the Board on 15/1/2012, legislation provisions that were in force prior to that date shall continue to be applied, by also taking into consideration the provisions of interim Article 10 of the Decree Having the Force of Law numbered 375. In the event that the total payment calculated according to the provisions that are continued to be applied is lower than the total payment calculated according to the provisions of this Law, the payments of the related persons shall be made according to the provisions of this Law. The relations of those who are subject to social security institutions other than the Social Security Institution at the date of entry into force of this Article shall continue.

(3) The staff the cadre titles of whom do not change due to this Law shall be deemed to be appointed to their cadres with the same title. Those whose cadre titles have changed or have been cancelled shall be appointed to a new cadre suitable to their situations within one year starting from the date of entering into force of this Article; until the appointment is made they may be charged in tasks required by the Board. Until they are appointed to a new cadre, these persons shall continue to receive the monthly wage, bonus and payments made under similar names belonging to their former cadre titles, by considering the provisions of the second paragraph.

(4) The legislation provisions that were in force prior to the publication date of this Law shall continue to be applied about the financial and social rights and other employment issues concerning the staff who were employed at the Board as contracted employees according to the Law numbered 2499 repealed with this Law as of the date when this Article entered into force. (5) The headquarters of the Board shall be in Ankara until the processings and operations concerning moving of the Board headquarters to Istanbul have been completed.

(6) The provisions of the fourth and sixth paragraph of Article 121 shall not be applied to the Chairmen and members of the Board and professional staff who have left the Board prior to the date of publication of this Article.

Other transitional provisions

TRANSITIONAL ARTICLE 8 – (1) Istanbul Stock Exchange Clearing and Custody Incorporation shall continue to perform operations and transactions concerning capital market activities it is carrying out at the date of publication of this Law as the central clearing institution, without the need for any permission or authorisation.

(2) The provision of the fourth paragraph of Article 13 shall be applied to dematerialised and delivered capital market instruments prior to the date of publication of this Law as well as to capital market instruments that had not been delivered yet although the dematerialisation decision had been taken.

(3) For corporations that were publicly held according to this Law but the shares of which were not traded at the stock exchange at the publication date of this Law, the two year period in Article 16 shall start from the publication date of this Law.

(4) For corporations, the number of shareholders of which was between 250 and 500 as of the publication date of this Law and which were thus regarded as publicly held corporation under the Law numbered 2499 repealed with this Law, that do not qualify as publicly held corporations according to this Law, the third sentence of the fourth paragraph of Article 33 shall be applied

(5) The restriction mentioned in the sixth paragraph of Article 26 shall be implemented starting from the publication date of this Law.

(6) The five year period mentioned in the second paragraph of Article 28 shall start from the publication date of this

Law.

(7) The provision of Article 32 shall be applicable to the responsibility that would arise from public disclosure documents to be disclosed to the public after the publication date of this Law.

(8) The implementation of the revaluation coefficient ratio set in the fifth paragraph of Article 84 of this Law shall start from the date 1/1/2014.

Registration of trading transactions of securities

TRANSITIONAL ARTICLE 9 – (1) The trading transactions realised by investment firms outside Borsa Istanbul A.Ş. in what concerns the securities traded on, quoted to or recorded at Borsa Istanbul A.Ş. must be registered to Borsa Istanbul A.Ş. under the condition determined by Borsa Istanbul A.Ş. and approved by the Board.

Entry into Force

ARTICLE 150 – (1) This Law shall enter into force at the date of its publication.

Execution

ARTICLE 151 – (1) The provisions of this Law shall be executed by the Council of Ministers.

29/12/2012