

INVESTOR COMPENSATION CENTRE REGULATION

(Published by Capital Markets Board)

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List of Amendments:

1. Regulation Amending the Investor Compensation Centre Regulation published in the Official Gazette edition 31074 on 20.03.2020

FIRST CHAPTER

Purpose, Scope, Grounds and Definitions

Purpose

ARTICLE 1 – (1) The purpose of this Regulation is to determine and set down the procedures and principles regarding the operation of Investor Compensation Centre founded as a public legal entity.

Scope

ARTICLE 2 – (1) This Regulation covers terms and provisions regarding duties, management, revenues and modes of operation of Investor Compensation Centre.

Grounds

ARTICLE 3 – (1) This Regulation has been prepared in reliance upon Article 83 and sixth paragraph of Article 85 of the Capital Markets Law no. 6362 dated 06.12.2012.

Definitions and Abbreviations

ARTICLE 4 – (1) For the purposes and in the context of this Regulation:

- a) **“President”** refers to President of Board of Directors of Investor Compensation Centre;
- b) **“BİAŞ”** refers to Borsa İstanbul Anonim Şirketi (Istanbul Stock Exchange Co., Inc.);
- c) **“Association”** refers to the Turkish Capital Markets Association;
- ç) **“Law”** refers to the Capital Markets Law no. 6362 dated 06.12.2012;
- d) **“Board”** refers to the Capital Markets Board;
- e) **“CRA”** refers to Merkezi Kayıt Kuruluşu Anonim Şirketi (Central Registry Association Co., Inc.);

- f) **“Special Fund”** refers to a fund established for partial repayment of investor claims arising out of capital market activities of intermediary institutions all authorization certificates of which were cancelled by the Board prior to 18.12.1999 pursuant to and under Transitional Article 3 of the Law;
- g) **“Takasbank”** refers to İstanbul Takas ve Saklama Bankası Anonim Şirketi (Istanbul Settlement and Custody Bank Co., Inc.);
- ğ) **“Investment firm”** refers to investment firms as defined in Article 3 of the Law;
- h) **“Board of Directors”** refers to Board of Directors of Investor Compensation Centre;
- ı) **“ICC”** refers to Investor Compensation Centre.

SECOND CHAPTER

Tasks and Authorities and Personnel of ICC

Tasks and Authorities of ICC

ARTICLE 5 – (1) Tasks and authorities of ICC are as listed below:

- a) To take necessary actions for implementation of compensation and gradual liquidation decisions taken by the Board under the Law;
- b) To take necessary actions for transfer to ICC account and for sale of capital market instruments transferred to ICC due to non-delivery until the end of the seventh year following the starting date of dematerialisation under the fourth paragraph of Article 13 of the Law;
- c) To assume the management and representation of the Special Fund and the management of assets of the Special Fund and to perform other transactions and affairs relating to the Special Fund, under Transitional Article 3 of the Law;
- ç) To take necessary actions for registration as income to ICC of all kinds of time-barred security deposits and receivables, under the fourth paragraph of Article 83 of the Law;
- d) To take necessary actions for claim and collection of revenues of ICC;
- e) To manage and invest assets of ICC;
- f) To take necessary actions for handling and resolution of all kinds of disputes relating to ICC in the juridical and administrative authorities and the execution offices;
- g) To determine the operating policies of ICC;

- ğ) Becoming a member in international organizations participated by foreign counterparts;
- h) To exercise the powers of general assembly of shareholders in publicly-held corporations which fail to convene annual general assembly meetings within the legal time specified for two consecutive accounting periods, and the directors of which are partially or fully appointed by the Board, under principles stipulated by the Board, pursuant to subparagraph (k) of the first paragraph of Article 128 of the Law;
- ı) To perform other tasks and exercise other authorities vested in it by relevant legislation.

Personnel of ICC

ARTICLE 6 – (1) Business and operations ICC shall primarily be conducted by the Board personnel and personnel to be recruited for this purpose. An adequate number of Board personnel shall be assigned for performance of ICC activities upon consideration of service requirements of ICC, with prior approval of the Chairman of the Board.

(2) For the purpose of efficient and effective performance of business and activities of ICC, personnel may be recruited in worker status under employment contracts with costs to be covered from ICC budget in accordance with the provisions of the Labour Law no. 4857 dated 22.05.2003.

(3) If and when deemed necessary, legal attorney services or similar other services may be outsourced for ICC business and activities under the terms and conditions to be determined by the Board of Directors.

(4) ICC may request temporary personnel from BİAŞ, CRA, Takasbank, and the Association solely for the performance of tasks vested in it by the Law. ICC shall not separately pay any fee to such temporary personnel.

(5) ICC personnel may not disclose any secrets they learn in the course of performance tasks to any individuals or entities other than those specifically authorized as per this Regulation, the Law and special laws, and may not use the same in their own interests or in interests of third parties. Individuals or entities providing services to ICC and their employees are also subject to this provision. This liability shall remain in effect after departure from office.

Conditions to be sought for in Personnel:

ARTICLE 7 – (1) Personnel to be employed in worker status in ICC are required to have the general qualifications and to meet the general conditions set forth in Article 4 of the Regulation on Procedures and Principles to be Applicable in Recruitment of Workers for Public Entities and Administrations put into force by the Council of Ministers Decree no. 2009/15188 dated

29.06.2009. In addition, depending on the job description , special conditions may also be sought for in personnel to be employed under contract.

THIRD CHAPTER **Administration and Representation of ICC**

Administration and Representation of ICC

ARTICLE 8 – (1) ICC shall be administered and represented by the Board under this Regulation.

Board of Directors

ARTICLE 9 – (1) The Board of Directors, being the decision-making body of ICC, is comprised of the Decision Making Body of the Board. Chairman of the Board is the President of Board of Directors, and Second Chairman of the Board is the Deputy President of Board of Directors. In absence of the President for any reasons whatsoever, the Board of Directors is to be chaired by the Deputy President. The Board of Directors shall meet with presence of at least five members, including the President, and shall take its decisions with the affirmative vote of at least four members. The Board of Directors shall meet to discuss and decide on agenda items determined by the President or in their absence, by the Vice President. The Board of Directors may at any time be convened upon of the President or in their absence, of the Vice President.

(2) The Board of Directors shall take all decisions required for conduct of ICC business and activities as stipulated in legislation. The Board of Directors shall be authorized to issue and approve budget, financial statements and annual report of ICC, and to take decisions on purchase, leasing or disposal of real properties.

President of Board of Directors

ARTICLE 10 – (1) The President, as the most senior executive of ICC, is responsible for overall administration and representation of ICC and for implementation of the decisions taken by the Board of Directors.

(2) The President is authorized to purchase all kinds of goods and services as and when needed for business activities of ICC and to dispose of them, and to employ personnel in ICC.

(3) The President may delegate a part of their tasks and authorities to their subordinates, providing that delegation is made in writing and the limits of delegation are stated clearly.

Manager

ARTICLE 11 – (1) A manager shall be appointed by a decision of the Board of Directors to assist the President in conduct of ICC business and activities.

(2) The manager shall carry out ICC business and activities in the name of the President and within the frame of the powers delegated by the President, and shall give required instructions to service units under their responsibility, and shall follow up their implementation.

FOURTH CHAPTER

Service Units and Their Duties

Service Units

ARTICLE 12 – (1) Headquarters of ICC is in Istanbul.

(2) ICC is comprised of the following service units:

- a) Asset Management Unit;
- b) Finance and Accounting Unit;
- c) Compensation and Settlement Unit;
- ç) Legal Affairs Unit;
- d) Support Services Unit.

(3) With the intention of efficient and effective conduct of business and activities of ICC, temporary or permanent working groups may be established by a decision of the Board of Directors.

Asset Management Unit

ARTICLE 13 – (1) Asset Management Unit shall perform the following tasks:

- a) To decide on the investment of ICC assets according to the current economic conjuncture within the frame of principles determined by the Board of Directors, by also considering relevant legislation, and to notify decisions to the Finance and Accounting Unit,;
- b) To follow up and control accounts opened in investment firms and other institutions in the name of ICC, and if and when needed, to inform other units about said accounts;
- c) To perform necessary operations in coordination with other units in relation to capital increase, dividend payment and other cases relating to assets held in ICC accounts;
- ç) To take necessary actions for safeguarding and sales of assets transferred to ICC pursuant to fourth paragraph of Article 13 and fourth paragraph of Article 83 of the Law;
- d) To perform other duties that may be vested in it by the President.

(2) At least three officers shall be assigned by a decision of the Board of Directors from among the personnel of Asset Management Unit for taking decisions on investment of ICC asset, and decisions shall be taken jointly with the signatures of at least two of these three officers.

Finance and Accounting Unit

ARTICLE 14 – (1) Finance and Accounting Unit shall perform the following tasks:

- a) To take necessary actions for calculation of subscription fees, to claim and collect subscription fees and other revenues, and to report those unpaid in a timely manner to the Legal Affairs Unit;
- b) To carry out operations within the frame of decisions taken by the Asset Management Unit for the investment of ICC assets ;
- c) To effectuate and realize payments and expenses required to be paid for performance of the tasks of ICC arising out of the Law;
- ç) To perform the accounting and record-keeping procedures of ICC;
- d) To prepare the ICC annual reports;
- e) To submit reports to the Board of Directors on quarterly basis in coordination with the Legal Affairs Unit and the Asset Management Unit with respect to ICC assets, investment of these assets, outstanding receivables, and claim and collection of these receivables;
- f) To perform other duties that may be vested in it by the President.

Compensation and Liquidation Unit

ARTICLE 15 – (1) Compensation and Liquidation Unit shall perform the following tasks:

- a) To conduct investor compensation proceedings in accordance with relevant legislation;
- b) To conduct gradual liquidation proceedings in accordance with the relevant legislation;
- c) To conduct business and transactions regarding the Special Fund in accordance with the relevant legislation;
- ç) To perform other duties that may be vested in it by the President.

Legal Affairs Unit

ARTICLE 16 – (1) Legal Affairs Unit shall perform the following tasks:

- a) To offer legal advice to the Board of Directors and other service units, and to express opinions on other legal issues upon request of other public entities and administrations or private entities and organizations;
- b) To prepare regulations with respect to issues within the field of activity of ICC, to review and examine draft regulations prepared by other units, and to present the same to the approval of the Board of Directors, together with the relevant unit; and
- c) To represent or ensure representation of ICC for handling and resolution of all kinds of disputes regarding ICC in juridical and administrative authorities, execution and bankruptcy offices, and other administrative bodies , and to provide information to relevant units about pending and completed lawsuits ;
- ç) To file lawsuits decided to be started by ICC, and if needed, to file a criminal complaint, to join criminal actions as an intervening party, and to take all types of measures of conservation requested to be taken about relevant parties;
- d) To file proposals to the Board of Directors for peaceful settlement through recognition of a right or renunciation from an interest of any disputes which have already been referred to juridical authorities or have not yet been referred thereto;
- e) To take necessary actions for enforcement of court decisions required to be collected or followed up;
- f) If and when needed, to take necessary actions for outsourcing of advice and attorney services, and to determine the working procedures and principles of contracted lawyers hired from outside ICC, and to ensure reporting about case files assigned to the lawyers, and to present the same to the Board of Directors;
- g) To take in a timely manner all kinds of legal actions for protection of ICC interests and prevention of disputes, and to ensure that contracts and agreements are concluded in compliance with these principles;
- ğ) To conduct within the frame of relevant decisions of the Board of Directors all proceedings and affairs regarding participation in general assembly meetings of companies where ICC holds shares; and
- h) To perform other duties that may be vested in it by the President.

Support Services Unit

ARTICLE 17 – (1) Support Services Unit shall perform the following tasks:

- a) To carry out documentation, recording and archiving operations;

- b) To prepare meeting agenda of the Board of Directors and circulate it to members; to offer rapporteur services; to prepare minutes and decisions and have them signed and keep them, and take all necessary actions in connection therewith;
- c) To take necessary actions regarding information systems;
- ç) To take necessary actions for recruitment of new personnel and for other personnel affairs;
- d) To take necessary actions for creation of on-the-job training policies and methods of ICC;
- e) To organize international meetings to be held in Turkey on issues within the fields of activity of ICC, and to take necessary actions for participation in meetings to be organized abroad;
- f) To conduct all kinds of construction, purchasing, furnishing, leasing, maintenance and repair, cleaning, carriage, heating, lighting, communication, transportation, security and similar other services if and when needed by ICC;
- g) To take necessary actions with respect to movable and immovable assets of ICC in compliance with the legislation;
- ğ) To take necessary actions in respect of civil defence and mobilization services in compliance with relevant legislation;
- h) To regulate and conduct internal and external protocol affairs of ICC;
- ı) To perform other duties that may be vested in it by the President.

FIFTH CHAPTER

Principles on Revenues of ICC and on Investment of its Assets

Revenues of ICC

ARTICLE 18 – (1) Revenues of ICC shall be comprised of:

- a) Entrance fees, annual subscription fees and additional subscription fees to be deposited by investment firms;
- b) Fifty percent of administrative fines to be imposed under the Law;
- c) Proceeds of sales of capital market instruments transferred to ICC pursuant to fourth paragraph of Article 13 of the Law;

- c) All kinds of security deposits and receivables registered as income of ICC upon being time-barred pursuant to fourth paragraph of Article 83 of the Law;
- d) Proceeds from assets of ICC;
- e) Other revenues.

Principles of Use of Assets of ICC

ARTICLE 19 - (1) Assets of ICC shall be used within the frame of principles determined by the Board of Directors to the extent allowed by relevant legislation.

(2) Assets of ICC may not be used outside their purposes, provided as guarantee, attached even for public receivables, pledged, included in the bankruptcy estate and be subject to any cautionary injunction.

SIXTH CHAPTER ICC Subscription Fees, Calculation and Collection

Entrance Fees

ARTICLE 20 – (1) All investment firms are under obligation to enrol in ICC by paying an entrance fee. After it is deemed appropriate by the Board to grant an operating license to an investment firm, the investment firm is required to deposit an entrance fee of 50,000 Turkish Liras to ICC before issuance of an authorization certificate.

Annual Subscription Fees

ARTICLE 21 – (1) Annual subscription fee requirements of investment firms shall be calculated pursuant to the provisions of this Regulation and the principles determined by the Board on the basis of data of the previous year kept by the Board, central clearing and custody institutions and other relevant entities and organizations.

(2) Annual subscription fees required to be deposited by investment firms for the current year shall be paid upon a notice of ICC until the end of March.

(3) Annual subscriptions shall be calculated separately for each investor by multiplying the coefficients set down in the fifth paragraph by the average, determined by taking into account the number of business days the relevant investment firm was active, of the total sum of daily amounts of:

- a) balances of custody accounts held with central clearing and custody institutions, with respect to dematerialised capital market instruments, except for those which are the subject of repo transactions;

b) margins held with central clearing and custody institutions, with respect to derivative instruments traded in organized markets.

For the purposes of this paragraph, total sum, specifically for each investment firm, of average of balances of custody accounts and margins held separately for each investor shall be calculated by CRA and reported to ICC.

(4) With respect to leveraged trading transactions, annual subscription fees shall be calculated by multiplying the daily average of total margin amounts kept at central clearing and custody institutions separately for each customer computed by considering the number of business days the investment firm was active with the coefficients of 4, 8, 16 and 31 per thousand respectively, under the grouping set down in the fifth paragraph. Daily average of total sum of margins used in this calculation shall be calculated by Takasbank and reported to ICC.

(5) For the calculation of annual subscription fees of intermediary institutions, annual averages of the rate calculated by dividing the Capital Adequacy Base computed as of the end of each month pursuant to the capital adequacy regulations of the Board by the largest one of Required Minimum Shareholders' Equity, Risk Provision and Last Quarter's Operating Expenses shall be multiplied by the following coefficients:

- a)** If the yearly average is threefold or more, a coefficient of two per ten thousands;
- b)** If the yearly average is between twofold and threefold (threefold excluded), a coefficient of four per ten thousands;
- c)** If the yearly average is between one fold and twofold (twofold excluded), a coefficient of eight per ten thousands;
- ç)** If the yearly average is less than one fold, a coefficient of sixteen per ten thousands.

(6) As for banks, in calculation of subscription fees, the coefficient given in subparagraph (a) of the fifth paragraph shall be taken into consideration.

(7) In the event that balances of custody accounts and margins mentioned in the third and fourth paragraphs are less than the maximum compensation amount determined separately for each investor and updated every year pursuant to fifth paragraph of Article 84 of the Law, the full amount thereof shall be included in the calculation, if they are more than the maximum compensation amount, then, only a portion of them equal to said maximum compensation amount shall be included in the calculation. Maximum compensation amount shall be taken into account separately for leveraged trading transactions and other capital market instruments.

(8) With respect to over the over-the-counter derivative instruments, subscription fees shall be calculated according to the number of investors. Accordingly, subscription fees shall be calculated by taking into account the following amounts with respect to sum of contracts in over-the-counter derivative transactions effected by investment firms with each investor during the year:

- a) 50 Turkish Liras for each investor the total sum of contracts of whom is below 1,000,000 Turkish Liras,
- b) 100 Turkish Liras for each investor the total sum of contracts of whom is equal to or above 1,000,000 Turkish Liras.

Investment firms are under obligation to report to CRA both the total sum of contracts of over-the-counter derivative instruments effected with each investor during the previous year, and the amount of subscription fees payable by them, and to pay their subscriptions to ICC within the period of time set forth in the second paragraph. Over-the-counter derivative transactions executed by an investment firm with other investment firms shall not be taken into consideration.

(9) The Board is authorized to increase or reduce by half both the coefficients referred to in the fourth, fifth and seventh paragraphs and the amounts referred to in the eighth paragraph upon considering the existing assets of ICC, types and risks of investment firms, and characteristics of capital market instruments.

(10) ICC is duly authorized to determine the principles regarding collection of data to be used in calculation of annual subscription fees and to request all kinds of information and documents with respect to the aforesaid data from investment firms and other relevant institutions.

(11) In calculation of subscription fees, accounts frozen by investors, and margins provided by investment firms for capital market instruments included in their own portfolio or for transactions effected in the name of their own portfolio shall not be taken into consideration.

Additional Subscription Fees

ARTICLE 22 – (1) Where existing assets of ICC are not adequate to meet requirements, under principles set forth in Article 21, an additional subscription may be charged on investment firms up to the total sum of subscriptions paid by them in the previous year. Additional subscriptions shall be paid within a period of time to be determined by the Board of Directors.

(2) Additional subscription fees may be deducted from the annual subscription fees required to be deposited by investment firms in the first year following satisfaction of said requirements.

Principles on Subscription Fee Requirements

ARTICLE 23 – (1) If and when it is detected that subscription fees not paid in a timely manner and subscription fee obligations fulfilled differ to such extent to create a requirement for additional subscription fees, then, the discrepancies in subscription fees arising therefrom shall be collected by ICC in accordance the Execution and Bankruptcy Law no. 2004 dated 09.06.1932, with interests to be accrued over the current default interest rate in accordance with

the Law on Procedures of Collection of Public Receivables no. 6183 dated 02.07.1953 to be calculated for the period starting from the last payment date of subscription fees.

(2) Subscription fees determined to have been paid in excess shall be refunded to the relevant investment firm without any interest within the frame of procedures and principles to be determined by ICC.

(3) If it is determined that the subscription fee obligations are not fulfilled in a timely manner, or that data used in subscription calculations are false, then, the relevant investment firms shall be reported by ICC to the Board and the Association.

SEVENTH CHAPTER

Transfer to ICC and Sales of Time-Barred Assets and Undelivered Capital Market Instruments

Statute of Limitation

ARTICLE 24 – (1) All kinds of security deposits and receivables arising out of investment services and activities and the interests, profit shares and other returns associated thereto shall be time-barred and registered as income to ICC if and to the extent they are not claimed and collected within ten years following the date of the last claim or transaction made or the last instruction given by any means whatsoever by the account holder, or following the date of liquidation for investment funds and investment companies with capital .

(2) **(Amended: OG 20.03.2020 – 31074)** With respect to accounts frozen, attached or otherwise restricted by an injunctive relief by official authorities, the period of limitation shall cease as of the date such restriction is imposed. The period of limitation shall resume as of the date the of freezing, attachment or injunctive relief imposed on the account is removed. In the case of accounts opened in the name of minors, the period of limitation shall start as of the date the relevant individual reaches the age of majority.

(3) Payment of interests or profit shares or transfer of bonus shares to the account beyond the will of the account holder shall not suspend the period of limitation. If and when an investor holds more than one account in an investment firm, any transaction effected in any one of these accounts shall suspend the period of limitation also for the other accounts of that investor. Other events suspending or ceasing the period of limitation shall be determined by the Board.

Notice of Limitation

ARTICLE 25 – (1) Investment firms must notify account holders of security deposits and receivables of an amount equal to or more than 100 Turkish Liras to be time-barred during the next calendar year pursuant to Article 24, by sending a notice by registered letter with return receipt, until the end of March of the current year, that their accounts will be transferred to ICC unless they file an application in connection therewith.

(2) All kinds of security deposits and receivables to be time-barred during the next calendar year, shall be announced, regardless of the amount thereof in the form of a list on the investment firm's own website for the period from the beginning of April of the current year to the end of the next calendar year. The lists to be published as above shall also refer to dates the subject security deposits and receivables are going to be time-barred. The relevant investment firm is further required to make public that said lists are published on its own website by publishing an advertisement through the Press and Advertisement Agency in two of the top five newspapers in terms of circulation according to the lists of the Press and Advertisement Agency during the month of April in the current year.

(3) Lists published on websites shall be sent by investment firms to ICC by the end of May of the current year, together with a statement on the fulfilment of the advertisement requirement under this Article. Then, ICC shall publish these lists in consolidated form on its own website for the period from the beginning of July of the current year to the end of the next calendar year.

(4) Obligations arising out of this Article with regard to security deposits and receivables kept in accounts held with investment firms the activities which have been permanently stopped are to be performed by the investment firm to which said security deposits and receivables are transferred. At the time of transfer of security deposits and receivables held in these accounts, the dates they are going to be time-barred shall be reported in the form of a list to the investment firm to which they are transferred.

(5) With respect to assets the notification and advertisement obligations for which are not fulfilled on time, but which are nevertheless detected by the investment firm before the end of the period of limitation, the notification and advertisement obligations under this Article shall be performed immediately, and the announcement shall be continued until the end of the next calendar year.

(6) The assets the notification and advertisement obligations of which are not fulfilled on time, and the period of limitation of which has expired shall be registered as income to ICC, regardless of whether the required notification and advertisement obligations are fulfilled not.

(7) All kinds of civil and criminal liabilities arising out of failure in fulfilment of notification and advertisement obligations in accordance with this Article shall be borne by the relevant investment firm.

Registration of Time-Barred Security Deposits and Receivables as Income to ICC

ARTICLE 26 – (1) Only ICC shall be the holder of rights on time-barred security deposits and receivables, and investment firms are under obligation to hold said security deposits and receivables in a separate account until they are transferred to ICC.

(2) A list of security deposits and receivables time-barred during the previous year, also indicating the identity data and address of the relevant right holders, and the recent amounts of their rights together with interests, profit shares and other returns thereof, shall be prepared by investment firms and sent to ICC by the end of January every year, and said assets shall be transferred by investment firms to ICC within the same period of time.

(3) Samples of lists to be prepared about all kinds of time-barred security deposits and receivables arising out of investment services and activities and about interests, profit shares and other returns associated thereto, and information on accounts they will be deposited or how they will be presented and delivered are required to be announced by ICC to investment firms through the Association.

(4) Security deposits and receivables kept in accounts held with investment firms the activities of which have been permanently stopped shall be transferred to ICC by the investment firm to which they are transferred.

(5) Security deposits and receivables determined not to have been transferred to ICC although they are time-barred shall be subject to interest over the current default interest rate applied to receivables covered by Law no. 6183 for the period starting from the date they should have been registered as income to ICC. No fee shall be paid by ICC to CRA or to Takasbank for assets transferred to ICC as such.

Transfer of Undelivered Capital Market Instruments to ICC

ARTICLE 27 – (1) Capital market instruments undelivered by the end of the seventh year following the date they were dematerialised pursuant to the fourth paragraph of Article 13 of the Law shall be transferred by CRA to ICC accounts, and the limited real rights associated thereto shall be deemed to have automatically terminated. Dividends which are paid in previous years with respect to capital market instruments transferred to ICC accounts as above, and held with issuers thereof, and can be transferred to ICC pursuant to relevant legislation shall also be transferred by the relevant issuers to ICC accounts. No fee shall be paid by ICC to CRA and to Takasbank for capital market instruments transferred to ICC as above.

Sale of Time-Barred Assets and Undelivered Capital Market Instruments

ARTICLE 28 – (1) Security deposits and receivables registered as income to ICC pursuant to Article 24 and capital market instruments transferred to ICC pursuant to Article 27 are essentially required to be sold in BİAŞ within three months following the date of transfer to ICC. However, the principles regarding actions required to be taken about assets which cannot be sold in BİAŞ or cannot be sold within the aforesaid period of time shall be determined by the Board of Directors.

(2) A written application shall be filed by ICC to BİAŞ for sales operations. Sales operations may be realized either during trading of the relevant capital market instrument in case it is not

deemed necessary to open a separate official auction sequence, depending on the liquidity status of the asset to be sold by BİAŞ, or in a separate official auction market to be opened.

(3) In the case of opening of a separate official auction market, the advertisement regarding assets to be offered for sale thereat shall be published in the Public Disclosure Platform at least one day prior to the scheduled date of sale.

(4) Principles regarding official auction procedures shall be determined by BİAŞ. No commissions, costs and similar other fees are payable to BİAŞ, CRA or Takasbank for any transactions, also including auctions, to be effected in the name of ICC,

(5) If and to the extent the assets not transferred to ICC in a timely manner pursuant to this Regulation are conveyed to ICC after the end of sales process mentioned in this Article, then, said assets shall be taken into consideration in the first sale to be effected.

EIGHTH CHAPTER

Miscellaneous Provisions

Expenses

ARTICLE 29 – (1) Expenses incurred by ICC for the purpose of performance of its tasks arising out of the Law and other relevant applicable laws and regulations, and general administration expenses shall be met out of assets of ICC. The procedures and principles relating thereto shall be determined by the Board of Directors.

(2) Payments which become due with respect to investment firms the gradual liquidation of which has already been started prior to the publication date of the Law shall be effected by ICC to CRA on a quarterly basis pursuant to the second paragraph of Transitional Article 4 of the Law.

Budget, Financial Statements and Reports

ARTICLE 30 – (1) ICC budget and final account shall be approved by the Board of Directors. Budget shall show income and expense forecasts of ICC during the budget year. Budget year is a calendar year. If and to the extent ICC income is adequate, allowances may be added by the Board of Directors to existing or to-be-opened allocations for probable allowance needs during the year. The President is authorized to transfer allowances among budget items.

(2) ICC shall prepare an annual report containing its annual financial statements and its activities during the accounting period and its comments and suggestions about the next accounting period and the measures required to be taken in connection therewith, and send it to the Board by the end of March of the following year.

Books and Records of ICC

ARTICLE 31 – (1) In the course of implementation of this Regulation, ICC shall keep a board of directors' resolution book and sub-ledgers and other books required to be kept pursuant to the relevant legislation. Procedures and principles relating to recordkeeping shall also be determined by the Board of Directors.

Investor Notification and Advertising Ban

ARTICLE 32 – (1) Investment firms must provide adequate information to investors about ICC and scope of ICC protection during their capital market activities and transactions.

(2) Investment firms may not use the protection provided by ICC to investors for advertisement purposes.

Measures Applicable in Case of Failure in Performance of Obligations

ARTICLE 33 – (1) Those who fail to perform their obligations arising out of this Regulation at all or completely or those who have been detected to act in violation of relevant legislation shall be reported by ICC to the Board.

Revaluation of Amounts

ARTICLE 34 – (1) Amounts referred to in Article 20 and in the second paragraph of Transitional Article 4 of this Regulation shall be increased by a rate to be determined by the Board up to the maximum revaluation rate announced every year pursuant to the Tax Procedures Code no. 213 dated 04.01.1961.

NINTH CHAPTER Temporary and Final Provisions

Reserved Provisions

ARTICLE 35 – (1) The Board shall be authorized to take decisions on and to guide the enforcement regarding all and any matters which are not dealt with at all or clearly in this Regulation, by also taking into account the general law provisions applicable thereon.

Repealed Regulation

ARTICLE 36 – (1) The Investor Compensation Centre Regulation, published in the Official Gazette edition 28669 on 06.06.2013, is repealed and superseded by this Regulation.

Transitional Provision Relating to Headquarters of ICC

TRANSITIONAL ARTICLE 1 – (1) ICC will be headquartered in Ankara until the actions regarding the process relating to moving the Board's headquarters to Istanbul are completed.

Investment Firms Not Liable to Pay Entrance Fee

TRANSITIONAL ARTICLE 2 – (1) Entrance fees mentioned in Article 20 hereof are not due and payable by investment firms which have already joined the Investor Protection Fund established under the repealed Capital Markets Law no. 2499 dated 28.07.1981.

Transitional Article on Calculation of Annual Subscriptions

TRANSITIONAL ARTICLE 3 – (1) The provisions of this Regulation shall be applied in calculation of annual subscriptions in the year 2015 over the data of the year 2014 of investment firms.

Discounts to be provided to Intermediary Institutions in Case of Merger or Acquisition

TRANSITIONAL ARTICLE 4 – (1) If an application is filed with the Board until 31.12.2017, by an intermediary institution actively operating under capital markets legislation:

- a) for acquisition of assets and liabilities of another intermediary institution;
- b) for cancellation of an authorization certificate held by another intermediary institution in favour of applicant;
- c) for establishment of a new intermediary institution by terminating their the legal personalities of two or more intermediary institutions by a merger of their assets and liabilities through dissolution without liquidation,

then, the annual subscription fees payable by said intermediary institution to ICC will be accrued in an amount equal to half of the amounts to be calculated according to the principles set down in this Regulation for four accounting periods starting from the year following the date of decision of the Board in connection therewith.

(2) However, total sum of discounts to be provided to intermediary institutions as per this Article may not exceed 2,288,746.46 Turkish Liras. In determination of total sum of discounts to be provided to said intermediary institutions, the revalued level of the amount mentioned in this paragraph as determined for the first year the relevant intermediary institution is eligible for discounts shall be taken into account.

Claims Collection of Receivables Transferred to ICC

TRANSITIONAL ARTICLE 5 – (1) With respect to the receivables transferred to ICC pursuant to Transitional Article 4 of the Law, the legal proceedings initiated under the provisions of the Law no. 6183 shall be resumed in accordance with the provisions of the Law no. 6183.

Determination of Period of Limitation for Investment Firms the Accounts of Which are Transferred

TEMPORARY ARTICLE 6 – (1) In the event of failure in determination of the dates of limitation of security deposits and receivables held in accounts of investment firms the business activities of which are permanently stopped and the accounts of which are transferred to another investment firm prior to the date of publication of this Regulation, the date of transfer shall be taken as basis in determination of the period of limitation.

Effective Date

ARTICLE 37 – (1)

- a) Eighth paragraph of Article 21 of this Regulation shall become effective as of 01.01.2016,
- b) All other provisions hereof shall become effective as of the date this Regulation is published.

Enforcement

ARTICLE 38 – (1) The provisions of this Regulation shall be enforced and executed by the Capital Markets Board.