

- a) (Added: 13/6/2012-6327/47 Art.) Support Service Organization: Organizations that provide auxiliary or complementary services to institutions within the scope of this Law on matters related to their areas of activity.
- b) Account: The Guarantee Account.
- c) Business Plan: A detailed plan that outlines the purpose of establishment for insurance companies and reinsurance companies, including forecasts and obligations regarding their activities for at least the first three years, ensuring that they can continuously fulfill these obligations.
- ç) Commission: The Insurance Arbitration Commission.
- d) (Amended: 13/6/2012-6327/47 Art.) Board: The records of actively operating insurance companies, reinsurance companies in Turkey, and pension companies established under the Individual Retirement Savings and Investment System Law No. 4632 dated March 28, 2001, which will be separately arranged by the Union, as well as the records for insurance experts and insurance agents arranged by the Union of Chambers and Commodity Exchanges of Turkey.
- e) (Amended: 13/6/2012-6327/47 Art.) Minimum Guarantee Fund: The amount equivalent to at least one-third of the necessary equity for insurance companies and reinsurance companies.
- f) Undersecretariat: The Undersecretariat of the Treasury.
- g) Equity: The amount found after deducting any balance sheet losses and other values deemed appropriate by the Undersecretariat from the paid or allocated capital of insurance companies and reinsurance companies, any type of reserve funds, revaluation funds, undistributed profits, profit and capital reserves, and capital-like resources deemed appropriate by the Undersecretariat.
- h) Reinsurance Company: The organization of a reinsurance company established in Turkey as well as a reinsurance company established abroad operating in Turkey.
- i) Insurance Agent: A person who engages in brokering insurance contracts on behalf of insurance companies in a specific location or region on a permanent basis, based on a contract, without having a status such as a commercial representative, commercial agent, sales officer, or employee, who conducts preparatory work prior to the conclusion of contracts and assists in the implementation of contracts and payment of claims.
- j) Insurance Expert: An impartial and independent person who determines the quantity, causes, and nature of losses and damages that arise as a result of the occurrence of risks related to insurance and engages in activities such as mutually agreed valuation, preliminary expertise, and damage supervision as a regular profession.
- k) Insurance Arbitrator: A person who resolves disputes arising from insurance contracts between the insured or those benefiting from the insurance contract and the party assuming the risk.
- l) Insurance Reporter: A person who conducts a preliminary review of complaints referred to the Commission regarding disputes arising from insurance contracts between the insured or those benefiting from the insurance contract and the party assuming the risk.
- m) Insurance Company: The organization of an insurance company established in Turkey and an insurance company established abroad operating in Turkey.

SECTION TWO

Insurance Companies and Reinsurance Companies

Establishment of Insurance Companies and Reinsurance Companies

ARTICLE 3 – (1) Insurance companies and reinsurance companies that will operate in Turkey must be established as joint-stock companies or cooperatives. Insurance companies and reinsurance companies cannot engage in any operations other than insurance transactions and those directly related to them.

(2) For insurance companies and reinsurance companies to be established as joint-stock companies:

a) The founders must:

Not be bankrupt or declared in concordat;

Possess the financial strength and reputation required to be a founder or partner of an insurance or reinsurance company;

Not hold shares that provide privileges for determining members of the audit and management boards in financial institutions subject to liquidation or in companies where the provisions of Article 20, paragraphs two and three apply, with a direct or indirect voting right or capital of ten percent or more, or even if below this rate, in a manner that could influence the audit and management;

Not have been convicted of any offenses that would involve imprisonment or multiple judicial fines for acts contrary to insurance legislation or for disgraceful crimes such as embezzlement, extortion, bribery, theft, fraud, forgery, breach of trust, fraudulent bankruptcy, abuse of office, smuggling, corruption in official tenders and procurements, money laundering of assets derived from crime, financing of terrorism, disclosure of state secrets, or tax evasion, even if they have received amnesty, except for negligent offenses;

If they are a legal entity, the persons in charge of the management and audit of that legal entity must meet the other conditions required for founders, in addition to financial strength.

b) The shares must be issued for cash, and all shares, except for the publicly traded portion in public joint-stock companies, must be registered shares.

c) If operating within a holding company, the financial condition of the holding company must also be sufficient to sustain insurance activities.

(3) Insurance companies and reinsurance companies established as cooperatives that do not make insurance contracts with persons outside their members must:

a) Engage in mutual (reciprocal) insurance.

With Article 48 of Law No. 6327 dated 13/6/2012, the phrase "money laundering of assets derived from crime" in this subparagraph was amended to include the phrase "financing of terrorism" following it.

- a) Ortak sayısının ikiyüzden az olmaması,
- b) Yöneticilerine herhangi bir ayrıcalık vermemesi, zorunludur.

(3) Kooperatiflerin, üyeleri dışındaki kişilerle sigorta sözleşmesi yapabilmesi, bu hususun ana sözleşmelerinde açıkça yer alması şartıyla Müsteşarlığın iznine tâbidir. Kooperatif üyeleri dışındaki kişilerle sigorta sözleşmesi yapılabilmesi için kooperatiflerin sermayelerini, Müsteşarlıkça belirlenecek miktara yükseltmesi zorunludur.

(4) Yabancı sigorta şirketlerinin ve reasürans şirketlerinin Türkiye’de faaliyet göstermesine ilişkin usûl ve esaslar Cumhurbaşkanlığı tarafından belirlenir.⁴

Organization of Insurance Companies and Reinsurance Companies

- (2) Article 4 – (1) The boards of directors of insurance companies and reinsurance companies shall consist of at least five members, including the general manager, and the auditors shall consist of at least two members. The general manager is a natural member of the board of directors.
- (3) (2) The members of the board of directors must meet the conditions required of founders of insurance companies and reinsurance companies, except for financial strength; the majority must have at least four years of higher education and must be selected from individuals with a minimum of three years of experience in insurance, economics, business administration, accounting, law, finance, mathematics, statistics, actuarial science, or engineering.
- (4) (3) The general manager and their assistants must meet the conditions required of founders of insurance companies and reinsurance companies, except for financial strength, have at least four years of higher education, and the general manager must have at least ten years of experience in insurance or related fields; the assistants responsible for insurance or related technical matters must have at least seven years of experience in at least one of the fields mentioned, while other assistants must have at least seven years of experience in their respective areas of responsibility. At least one of the assistant managers must be responsible for insurance or technical insurance matters.
- (5) (4) It is mandatory for the representative members to meet the conditions required for the general manager.
- (6) (5) Other managers, regardless of their titles, who are in positions equivalent to or higher than the general manager's assistant in terms of authority and responsibilities, are also subject to the provisions regarding the general manager and the general manager's assistants.
- (7) (6) Auditors must meet the conditions required of founders of insurance companies and reinsurance companies, except for financial strength, have at least four years of higher education, and must be selected from individuals with a minimum of three years of experience in insurance, economics, law, finance, business administration, and accounting.
- (8) (7) For legal entities that are the majority shareholders of an insurance or reinsurance company, the individuals in charge of management and supervision must also meet the conditions required of founders of insurance companies and reinsurance companies, except for financial strength.

Article 4 – The phrase “Council of Ministers” in this paragraph has been changed to “President” by Article 182 of the Decree Law No. 700 dated July 2, 2018.

(Amended: 13/6/2012-6327/49) Insurance companies and reinsurance companies are required to establish an effective internal control system that includes internal audit and risk management to continuously monitor and audit the compliance of all their operations with insurance legislation and other relevant regulations, as well as the company's internal guidelines, management strategies, and policies. This system aims to detect and prevent errors, fraud, and irregularities. The execution of internal control systems may also be carried out through external service procurement, limited to the areas determined by the Ministry. The procedures and principles regarding the establishment of internal control systems shall be determined by the Ministry.

License

ARTICLE 5 – (1) Insurance companies and reinsurance companies must obtain a license from the Ministry to commence operations in each insurance branch they wish to operate. The obtained licenses are registered in the trade registry and announced in the Trade Registry Gazette as well as in two of the top ten daily newspapers distributed nationwide based on circulation.

(2) Insurance companies may operate in only one of the life and non-life insurance groups. The insurance branches within these groups are determined by the Minister.

(3) Insurance companies and reinsurance companies that have completed their establishment procedures and apply for a license must raise their paid-up capital to an amount determined by the Ministry, which shall not be less than five million Turkish Liras, based on the capital amounts specified for the requested insurance branches and the guarantees to be provided. The Ministry is authorized to increase this amount, provided that it does not exceed the rate of increase in the Producer Price Index announced by the Turkish Statistical Institute.

(4) Insurance companies and reinsurance companies that do not apply for a license within one year from the completion of their establishment procedures may not use the term "insurance company" or "reinsurance company" in their trade names.

Ruhsat talebinin deęerlendirilmesi

ARTICLE 6 – (1) License application;

a) Shall be rejected if the founders, managers, and auditors of insurance companies and reinsurance companies do not meet the conditions specified in this Law,

b) If it is understood from the business plan and the submitted documents that the rights and interests of the parties to the insurance contract cannot be adequately protected or that the obligations cannot be continuously and sufficiently fulfilled,

c) If the application does not contain sufficient declarations and information or if it is determined that it does not meet the conditions specified in this Law,

ç) If it is determined through inspection that insurance companies and reinsurance companies lack the necessary technical equipment or sufficient qualified personnel, or if they are not qualified to operate in the area for which the license is requested, the application shall be rejected if at least one of these conditions occurs.

License Cancellation

Article 7 – License Cancellation

- (1) Subject to the provisions of this Law regarding license cancellation;
- a) If part or all of the conditions for granting the license are lost, and if the situation has not been rectified within the period granted by the Ministry, which shall not be less than three months,
 - b) If no insurance or reinsurance contracts are made for a continuous period of six months, excluding those made with the Ministry's approval, within one year from the date the license is granted,
 - c) If it is understood that the rights and interests of persons related to the insurance contract are at risk due to practices contrary to insurance legislation,
 - ç) Except for the provisions of Article 20, in case of serious violation of obligations arising from the provisions of this Law, or if the violation of obligations becomes habitual, and if the situation has not been rectified within the period granted by the Ministry, which shall not be less than three months,
 - d) In case of excessive deviation from the objectives specified in the business plan without reasonable grounds, except for changes made with the knowledge of the Ministry,
- if at least one of the above cases occurs, the licenses of insurance companies and reinsurance companies in the relevant branch or all branches may be canceled by the Ministry. The cancellation of the license shall be registered in the trade registry and announced in two of the top ten daily newspapers distributed nationwide.

(2) Companies whose licenses are canceled are obliged to transfer their portfolios related to the canceled license within a period not exceeding six months, as specified by the Ministry. Otherwise, the Ministry is authorized to take all necessary measures for the liquidation of the portfolio, including ex officio transfer.

Article 8 – Amendments to the Articles of Association

- (1) In the amendment of the articles of association of insurance companies and reinsurance companies, the approval of the Ministry is required. Draft amendments deemed inappropriate by the Ministry cannot be included on the agenda of the general assembly and cannot be discussed at the general assembly. The registry officer cannot register amendments to the articles of association in the trade registry without the approval of the Ministry.

İntifa ve oy kullanma haklarının edinilmesi

MADDE 9 –

- (1) Doğrudan veya dolaylı olarak bir sigorta veya reasürans şirketinin sermayesinin yüzde onunu, yüzde yirmisini, yüzde otuzüçünü veya yüzde ellisini bulacak ya da aşacak şekildeki hisse edinimleri ile bir ortağa ait hisselerin söz konusu oranları bulması veya bu oranların altına düşmesi sonucunu doğuran hisse devirleri Müsteşarlığın iznine tâbidir.
- (2) Şirketin denetim ve yönetime etkili olabilecek şekilde yönetim kurullarına üye belirleme imtiyazını veren hisse devri, oransal sınırlamalara bakılmaksızın Müsteşarlığın iznine tâbidir.
- (3) Birinci ve ikinci fıkra hükümlerine aykırı olarak izin alınmaksızın yapılan hisse devirleri pay defterine kaydolunmaz.
- (4) İntifa hakkı ile oy hakkının edinilmesinde de bu madde hükümleri uygulanır.
- (5) Doğrudan veya dolaylı olarak sermayenin ya da oy ve intifa haklarının yüzde on ve daha fazlasına sahip olan veya bu oranların altında olsa dahi şirketin denetim ve yönetimine etkili olabilecek şekilde yönetim kurullarına üye belirleme imtiyazını veren hisselerine sahip olan

ortakların, sigorta şirketi ve reasürans şirketi kurucularında aranan nitelikleri taşıması şarttır. Sigorta şirketleri ile reasürans şirketleri, bu nitelikleri taşımayan ortaklarını Müsteşarlığa bildirir. Kurucularda aranan nitelikleri kaybeden ortaklar temettü dışındaki ortaklık haklarından yararlanamaz. Bu halde diğer ortaklık hakları kayyım tarafından kullanılır.

(6) Bakan, faaliyet alanları itibarıyla sigorta şirketlerinin ve reasürans şirketlerinin malî bünyelerini olumsuz etkileyecek durumdaki ortaklara, bu şirketlerde hisse sınırlamaları getirebilir.

Article 10 – Liquidation, Merger, Transfer, Portfolio Transfer, and Bankruptcy

(1) The voluntary liquidation of an insurance company, its merger with one or several companies, the transfer of its assets and liabilities to another company, or the partial or complete transfer of its insurance portfolio, including guarantees and provisions, are subject to the Minister's permission. The provisions of this paragraph also apply to reinsurance companies. Any liquidation, merger, acquisition, and portfolio transfers made contrary to the provisions of this paragraph shall be null and void.

(2) The Ministry may request, if necessary, the replacement of liquidators.

(3) Mergers, transfers, and portfolio transfers shall be announced by publishing them at least twice in two daily newspapers that are among the top ten in circulation, one week apart. Persons who have entered into insurance contracts with companies that transfer their portfolios or with companies that are merged or acquired, provided that the transferred portfolio includes insurance contracts, may terminate their contracts within three months from the date they learn of the transfer, merger, or portfolio transfer.

(4) In the event of the bankruptcy of an insurance company, policyholders shall participate in the bankruptcy estate in third place.

(5) The Ministry may request, if necessary, the replacement of the officials in charge of the bankruptcy estate.

SECTION THREE

Insurance Contracts

Article 11 – (1) The main content of insurance contracts shall be arranged in accordance with the general conditions approved by the Ministry and shall be uniformly applied by insurance companies. However, special conditions may be established in insurance contracts according to the nature of the work. These matters shall be explicitly stated on the insurance contract and under the title of special conditions in a way that does not cause any misunderstanding.

(2) If the insurance company does not reject the proposal for life insurance contracts within thirty days from the date it is received, the insurance contract shall be deemed to be concluded.

(3) The matters related to the information to be provided to the insured, beneficiary, and insured during the establishment of the contract as well as during its continuation by insurance companies and insurance agents shall be regulated by regulation.

(4) Risks that are excluded from coverage shall be explicitly stated in the insurance contracts, apart from the risks included in the coverage. Risks that are not specified shall be considered as included in the coverage.

(5) Foreign words may not be used in insurance contracts. The use of words determined by the Turkish Language Institution as equivalents for foreign words is essential.

(6) (Added: 18/1/2017-6770/32 article) (Amended: 9/3/2023-7440/21 article) The procedures and principles for the use of certified parts that have been documented as equivalent to originals and the procedures and principles regarding the use of reusable parts determined by the Ministry of Environment, Urbanization, and Climate Change shall be defined by the Insurance and Private Pension Regulation and Supervision Authority in relation to the elimination of damage and payment of compensation. Provisions of the relevant legislation concerning the preservation of guarantees in motor vehicles are reserved.

Rates

Article 12 – (1) Insurance rates shall be freely determined by insurance companies in accordance with the principles of insurance and generally accepted actuarial techniques. However, the coverage amounts for mandatory insurances established by this Law and other laws, as well as the rates and instructions, shall be determined by the Minister and published in the Official Gazette.

(2) The Minister may subject the implementation of life insurance, individual accident, health, illness, and optional earthquake insurance rates, premiums, formulas, and tables to the approval of the Ministry in cases deemed necessary. Additionally, unless otherwise stipulated in special laws, in cases deemed necessary, the Minister may release any rates and commissions determined and approved.

Mandatory Insurances

Article 13 – (1) The President may establish mandatory insurances when deemed necessary for the public interest. Insurance companies, with the exception of the provisions of the second paragraph (b) and the third paragraph of Article 20, cannot avoid conducting mandatory insurances within the scope of the insurance branches in which they operate.

(2) The Ministry is authorized to conduct mandatory insurance audits by obtaining the opinions of relevant institutions and organizations regarding transactions related to the interests

subject to mandatory insurance.

(3) Authorities authorized to grant permits or licenses for the execution of an activity or the use of an item, along with institutions and organizations identified under the second paragraph, are required to investigate whether mandatory insurances have been obtained within the valid coverage amounts during their operations. If it is determined that valid coverage has not been obtained by the authorities granting permits or licenses, no action will be taken. Until valid coverage is obtained, the activity subject to mandatory insurance will be suspended by the authorized authorities.

Guarantee Account

Article 14 – (1) A Guarantee Account shall be established at the Turkey Insurance, Reinsurance, and Pension Companies Association for the purpose of covering the damages arising from the mandatory liability insurances established under Article 13 of this Law, the Highway Traffic Law dated 13/10/1983 and numbered 2918, and the Highway Transport Law dated 10/7/2003, up to the valid coverage amounts determined by these insurances, provided that the following conditions are met.

(2) Claims can be made from the account for:

- a) Bodily injuries to individuals when the insured cannot be identified,
- b) Bodily injuries caused by those who did not obtain insurance within the valid coverage amounts at the time the risk occurred,
- c) Material and bodily damages that the insurance company is obliged to pay due to the continuous revocation of licenses in all branches or bankruptcy due to financial instability,
- ç) Bodily injuries to individuals in accidents involving stolen or hijacked vehicles when the operator is not held liable under the Highway Traffic Law,
- d) Payments to be made by the Turkey Motor Vehicles Bureau for Green Card Insurance applications.

The phrase "Council of Ministers" in this paragraph has been changed to "President" by Article 182 of the Decree Law No. 700 dated 5/2/2018.

The phrase "Turkey Insurance and Reinsurance Companies Association" in the first paragraph of this article has been changed to "Turkey Insurance, Reinsurance, and Pension Companies Association" by Article 50 of Law No. 6327 dated 13/6/2012, and the phrase "and green card insurances" has been removed from the first sentence of the third paragraph.

The President is authorized to decide whether the damages to property will be partially or fully covered by the Fund in cases deemed necessary.

(2) The revenues of the Fund consist of the participation shares to be paid by insurance companies at a rate of one percent of the total premiums collected for the mandatory insurances specified in the first paragraph, along with the participation shares to be collected from the insured at a rate of two percent of the net premiums. The Minister is authorized to reduce these rates by up to half or increase them by up to double, or to determine the participation shares as a fixed amount.

(3) Insurance companies are required to deposit the participation shares that they are obliged to pay for a calendar year by the end of February of the following year; the participation shares collected from the insured must be deposited in the Fund by the end of the month following the month in which they were collected.

(4) A separate account shall be opened for each mandatory insurance and green card insurance within the scope of the Fund, and their income and expenses shall be monitored in these accounts.

(5) The income and expenses of the Fund, as well as its operations, shall be audited by the Ministry each year.

(6) The principles related to the establishment, operation, promotion, administrative expenses, investment of fund assets, payments to be made from the Fund, reimbursements to both the relevant parties and the Turkish Motor Vehicle Bureau, contributions to the Insurance Information and Monitoring Center, Insurance Training Center, and Commission, as well as expenses arising from the supervision and monitoring of mandatory insurances within the scope of the Fund and other expenditures shall be regulated by a regulation.

Insurance Policies That Can Be Obtained Abroad

Article 15 – (1) Individuals residing in Turkey are required to insure their insurable interests in Turkey through insurance companies operating in Turkey.

- (2) However:
- a) Transportation insurance for goods involved in export and import,
 - b) Hull insurances for aircraft, ships, and helicopters purchased with external financing, limited exclusively to the amount of external credit until the external debt is paid; and in cases where they are brought in through financial leasing from abroad, limited to the duration of the financial leasing agreement,
 - c) Liability insurance arising from the operation of ships,
 - d) Life insurances,
 - e) Personal accident, illness, health, and motor vehicle insurances that individuals may obtain for the duration they will be outside Turkey or during their temporary stay abroad can also be obtained abroad.

(3) The President is authorized to expand the scope of insurances that can be obtained abroad.

The phrase "Council of Ministers" in this paragraph has been changed to "President" by Article 182 of the Decree Law No. 700 dated 2 July 2018.

8 By the Decision of the Council of Ministers No. 2008/14373 dated 18 November 2008, the insurance of ships and yachts registered in the Turkish International Ship

Registry has been included in the scope of the insurances that can be obtained abroad, as specified in the second paragraph of this article.

FOURTH CHAPTER

Financial Structure

Technical Reserves

Article 16 – (1) Insurance companies and reinsurance companies must allocate sufficient reserves for their obligations arising from insurance contracts according to the principles specified in this article.

(2) The reserve for unearned premiums is formed from the portion of the gross premium written for each active insurance contract that extends to the following accounting period(s) on a daily basis; for active annual life insurance policies and life insurance policies where accumulation premiums exceed one year, it consists of the remaining amount after deducting the portion allocated for accumulation and the expense shares related to accumulation premiums from the gross premiums written. However, in reinsurance and retrocession transactions where it is not possible to calculate reserves on a daily basis, it is permissible to allocate reserves for unearned premiums based on an eighth principle. (Additional sentence: 13/6/2012-6327/51 art.) Additionally, in insurance branches where the risk level assumed during the duration of the insurance contract is considered incompatible with the time-based distribution of earned premiums, methods of calculation determined by the Authority that take into account the different formation of the risk over time are used for this reserve.

(3) (Amended: 13/6/2012-6327/51 art.) The reserve for ongoing risks is allocated when the reserve for unearned premiums is insufficient in relation to the risk carried by the company and the expected level of expenses.

(4) (Amended: 13/6/2012-6327/51 art.) The balancing reserve is an allocation made to balance fluctuations in the compensation rates that may occur in the following accounting periods and to cover special risks determined by the Authority.

(5) The mathematical reserve consists of reserves calculated using statistical and actuarial methods as specified in the technical principles of the contract to cover the obligations of insurance companies to policyholders and beneficiaries for life, health, sickness, and personal accident insurance contracts longer than one year, and if committed, the total of the share allocated to policyholders from the income obtained from the investment of these reserves.

(6) The reserve for outstanding claims consists of recorded but unpaid claims amounts, estimated claims amounts that have occurred but not yet been recorded, the expense reserves related to these claims, and additional reserves allocated to ensure adequacy in the event that these amounts are insufficient, as determined by the Authority.

(7) The reserve for bonuses and discounts consists of the bonuses and discount amounts allocated for policyholders or beneficiaries according to the technical results of the current year in the event that insurance companies apply bonuses or discounts.

(8) In technical reserves, the reinsurer's share should be proportional to the transferred risk and premium. However, the Authority may require that the reinsurer's share not be deducted for businesses transferred to reinsurers that do not meet the financial criteria determined by the Authority.

(9) The assets of insurance companies and reinsurance companies must be sufficient to cover the technical reserves. The procedures and principles regarding technical reserves and the

assets in which the technical reserves will be invested are regulated by regulations.

9 The phrase "Council of Ministers" in this paragraph was changed to "President" by Article 182 of the Decree Law No. 700 dated 2 July 2018.

10 The phrase "the portion allocated for accumulation, if any" in this paragraph was amended to include "and the expense shares related to accumulation premiums" by Article 51 of the Law No. 6327 dated 13 June 2012.

Guarantees

ARTICLE 17 – (1) Insurance companies are required to allocate guarantees in accordance with the principles specified in this article for their commitments arising from insurance contracts concluded within the country.

(2) Insurance companies operating in the life branch must block or mortgage the assets corresponding to the remaining amount after deducting the mathematical reserves related to loans made under the Turkish Commercial Code No. 6762 dated 29 June 1956 and accounts receivable for premiums not yet collected from the total of the mathematical reserves and the outstanding claims reserves allocated for the periods determined by the Ministry. However, the provisions of the fourth paragraph apply to life, personal accident, health, and illness guarantees provided by these companies for one year or shorter terms.

(3) During the accounting year, if insurance companies in the life branch are required to make payments to insured parties that exceed their collections in that branch, the Ministry will release a portion of the blocked assets shown as guarantees, including the exceeded amount, deemed appropriate.

(4) (Amended: 13/6/2012-6327/52 md.) Non-life insurance companies must establish a minimum guarantee fund as a guarantee, which shall not be less than one-third of the necessary equity to be determined by the calculation method specified in the regulation. The minimum guarantee fund cannot be less than one-third of the minimum capital requirements for the branches worked in any period. The provisions of the second paragraph shall apply to the guarantees to be allocated by these companies for personal accident, illness, and health insurance contracts that exceed one year. However, the Ministry may determine the calculation method, which it deems necessary for certain insurance branches, within the limits specified in this article through a regulation.

11. With Article 52 of Law No. 6327 dated 13 June 2012, paragraphs seven and eight were added after the sixth paragraph of this article, and the existing seventh paragraph was renumbered as the ninth paragraph.

FOURTH CHAPTER

Financial Structure

Technical Provisions

Article 16

(1) Insurance and reinsurance companies are required to set aside adequate provisions for their liabilities arising from insurance contracts, in accordance with the principles specified in this article.

(2) The unearned premium provision is derived from the portion of the gross premiums written for each active insurance contract that extends into the following accounting period(s) on a daily basis. For active annual life insurance contracts and life insurance policies that include accumulated premiums lasting more than one year, it is calculated by deducting the portion allocated for accumulation and the expense share related to accumulated premiums from the gross premiums written. However, for reinsurance and retrocession transactions where it is not possible to calculate provisions on a daily basis, it is permissible to set aside unearned premium provisions on the basis of one-eighth. (Additional sentence: 13/6/2012-6327/51) Additionally, for insurance branches where the risk level assumed during the contract period is not in harmony with the time-based distribution of earned premiums, methods of calculation defined by the Undersecretariat are employed that take into account the varying risk formation over time.

(3) (Amended: 13/6/2012-6327/51) The provision for ongoing risks is set aside when the unearned premium provision is insufficient relative to the risk and expected expense level borne by the company.

(4) (Amended: 13/6/2012-6327/51) The balancing provision is set aside to balance fluctuations in claim rates that may occur in the following accounting periods and to cover special risks determined by the Undersecretariat.

(5) The mathematical provision is calculated for life, health, illness, and personal accident insurance contracts lasting more than one year, using statistical and actuarial methods as specified in the technical principles of the contracts to meet the obligations of insurance companies to policyholders and beneficiaries. If promised, this includes the total share allocated to policyholders from the income generated by investing these provisions.

(6) The outstanding claim provision consists of recorded but unpaid claim amounts and estimated claim amounts that have occurred but not yet been recorded, along with provisions related to these claims and additional provisions set aside for sufficiency, as determined by the principles established by the Undersecretariat.

(7) The bonuses and discounts provision consists of the bonuses and discounts allocated for policyholders or beneficiaries in the event that insurance companies implement bonuses or discounts according to the technical results of the current year.

(8) In technical provisions, the reinsurer's share must be proportional to the transferred risk and premium. However, the Undersecretariat may request that the reinsurer's share be excluded for businesses transferred to reinsurers that do not meet the financial criteria determined by it.

(9) The assets of insurance and reinsurance companies must be at a level sufficient to cover technical provisions. The procedures and principles regarding technical provisions and the types of assets in which they will be invested are regulated by regulation.

Guarantees

Article 17

(1) Insurance companies must set aside guarantees in accordance with the principles specified in this article for the commitments arising from the insurance contracts they have entered into domestically.

(2) The guarantee blockage for branches where insurance companies have ceased operations will be released by the Undersecretariat, provided that all payments related to that branch have been made to policyholders. However, in the event of the company's financial difficulties, the Undersecretariat may decide to make payments to policyholders from the guarantees.

(3) Guarantees cannot be included in bankruptcy or liquidation proceedings, seized, or subjected to precautionary measures until all receivables of the policyholders are paid. However, the Undersecretariat reserves the right to impose precautionary measures on guarantees to protect policyholder receivables.

(4) (Added: 13/6/2012-6327/52) The Undersecretariat is authorized to increase or decrease guarantees by up to fifty percent based on the status of the insurance sector and general economic conditions.

(5) (Added: 13/6/2012-6327/52) The Undersecretariat may decide on the allocation of special guarantees not exceeding ten percent of the guarantees calculated according to this article. Special guarantees are used in cases where insurance companies whose authorization to contract in all branches has been revoked or whose licenses have been canceled do not have the necessary resources to carry out their ordinary operations. The procedures and principles regarding the allocation and use of these guarantees will be determined by the Undersecretariat.

(6) The Undersecretariat is authorized to regulate the financial structure and equity adequacy of insurance and reinsurance companies and other organizations engaged in insurance, as well as to determine the type and valuation principles of blocked assets and the procedures for blocking, unblocking, establishing, and lifting mortgages. The costs related to these transactions shall be borne by the respective company.

Accounting Principles, Record System, and Basic Financial Statements and Financial Structure Regulations

Article 18

(1) Insurance and reinsurance companies are required to organize, publish, and submit their accounts and financial statements in accordance with the principles and examples determined by the Undersecretariat.

(2) Insurance and reinsurance companies are obligated to have their balance sheets, profit and loss statements, and other financial statements deemed appropriate by the Undersecretariat audited by independent auditing firms and published. The Undersecretariat is authorized to regulate the auditing of insurance and reinsurance companies by independent external auditors.

(3) In the event that the financial statements published by insurance and reinsurance companies are found to be inaccurate, the Undersecretariat may require the relevant financial statements to be republished in a corrected form, taking into account generally accepted accounting principles and rules.

(4) The Undersecretariat may request insurance and reinsurance companies to maintain special ledgers in addition to those mandated by other laws, determine the principles and procedures applicable to these ledgers, request any information, tables, reports, account summaries, and financial statements in accordance with the principles and examples it establishes, and may publish the financial statements if deemed necessary, and is authorized to determine financial ratios to strengthen the financial structure of the insurance sector and to identify which assets company resources will be invested in and to what extent.

(5) The Undersecretariat is authorized to request any information, documents, and reports from insurance companies, reinsurance companies, brokers, and insurance experts as necessary. For the preparation of consolidated statements, the Undersecretariat is authorized to request any information and documents from the parent company, and the parent company may request any information and documents from organizations related to consolidated financial reporting.

Prohibition of Active Reduction Transactions

Article 19

(1) The shareholders, members of the board of directors, auditors, and employees of insurance and reinsurance companies are prohibited from using company resources, directly or indirectly, except for payments, assistance, or advances made to personnel as determined by the company's articles of association or decisions of the general assembly or board of directors. They cannot engage in transactions that reduce the value of assets in violation of good faith principles, nor can they, in any way, carry out concealed profit transfers. Insurance and reinsurance companies cannot pledge their assets as collateral for the benefit of their employees, shareholders, affiliates, or other individuals and institutions, except for their own debts or those arising from insurance transactions, nor can they act as guarantors or provide loans.

Strengthening the Financial Structure

Article 20

(1) If it is determined that an insurance or reinsurance company cannot meet the minimum guarantee fund amount, cannot establish the required collateral, does not have sufficient or appropriate assets to cover technical provisions, fails to fulfill its obligations arising from contracts, or if the company's financial structure is weakening to the extent that it endangers the rights and interests of policyholders, the Minister may set a reasonable period and request the relevant insurance and reinsurance company to:

- a) Present and implement a comprehensive improvement plan that includes how to remedy the financial shortcomings and protect the rights and interests of policyholders,
- b) Increase its capital, pay the unpaid portion, make payments to the company in lieu of capital, suspend profit distribution, or establish additional collateral,
- c) Partially or completely dispose of its assets or cease disposals and refrain from acquiring new subsidiaries or fixed assets,
- ç) Take similar measures that strengthen its financial structure and liquidity and reduce risk,
- d) Call for an extraordinary meeting of the general assembly with an agenda to be determined or postpone the meeting,
- e) Fulfill other similar requirements.

(2) In addition, the Minister is authorized to:

- a) Transfer the insurance portfolio, including collateral and provisions, from the insurance branches in which the company operates, or the insurance groups in the case of reinsurance companies, to other companies; if no acquiring company is found, leave the portfolio's management to the Account, or take any necessary measures for the liquidation of the transferred portfolio,
- b) Limit the insurance portfolio,
- c) Dismiss some or all members of the management or supervisory board, increase the number of members in these boards, appoint new members, or request the management of the insurance or reinsurance company to be placed under guardianship,
- ç) Take other similar measures to strengthen the financial structure. Conditions stipulated in Article 4 are also sought for those appointed under this paragraph (c).

(3) If the measures specified in this article are not implemented or it is understood that they cannot be, if the insurance or reinsurance company suspends payments, fails to meet its obligations to policyholders, or if the company's equity falls below the minimum guarantee fund, the Minister is authorized to revoke the insurance or reinsurance company's authority to enter into new insurance contracts in all branches or relevant branches, cancel their licenses, and block their assets.

(4) If other institutions and organizations that engage in insurance or reinsurance

contracts under their special laws cannot fulfill their obligations arising from contracts, and their financial structure is found to be weakening to the extent that it jeopardizes the rights and interests of policyholders, the Minister is authorized to take measures to strengthen the financial structure, dismiss all or some of those involved in management and supervision, appoint new individuals, or request the management to be placed under guardianship.

(5) The criteria for financial structure deficiencies will be determined by regulation.

(7) Individuals appointed to the management and supervision of the company under this article cannot be held responsible for public debts incurred or to be incurred by the company, debts to social security institutions, or the company's other financial obligations. Legal actions against public officials appointed under this article are subject to the Minister's permission, and lawsuits filed against these individuals are considered as having been filed against the Ministry. Except for lawsuits initiated by the Ministry, litigation costs and attorney fees specified in the minimum fee schedule announced by the Turkish Bar Association in actions taken against these individuals and investigations are covered by the Ministry's budget. The provisions of the Turkish Commercial Code concerning the approval of the board of directors do not apply to those appointed under this article.

FIFTH CHAPTER

Actuaries, Intermediaries, and Insurance Experts

With the 53rd article of the Law No. 6327 dated 13/6/2012, the phrase "if no company is found" in this subparagraph has been supplemented with "or leave the management of the portfolio to the Account."

Actuaries and Brokers

ARTICLE 21 – (1) Insurance companies and reinsurance companies are required to work with a sufficient number of actuaries. The Ministry maintains a registry of actuaries. No actuarial work can be performed without being registered in the registry. The procedures and principles related to the duties and powers of actuaries shall be determined by regulation.

(2) Brokerage is conducted with a brokerage license obtained from the Ministry. The Ministry may assign tasks to relevant civil society and professional organizations to prepare the processes related to the license for examination and approval. The procedures and principles regarding the duties and powers of brokers shall be determined by regulation.

(3) The partners, management and supervisory personnel of insurance companies, insurance agents, and insurance experts, as well as those authorized to sign on their behalf and the employees engaged in professional activities; cannot act as brokers, serve on the management and supervisory boards of corporate brokers, work with signing authority, become partners, or accept any job for a fee from them. These restrictions also apply to the spouses and children under the guardianship of the aforementioned individuals.

(4) Those prohibited from acting as insurance brokers cannot be employed in brokerage-related activities, and no cooperation for the practice of the brokerage profession can be established with these individuals in any form.

(5) Insurance brokers and their employees cannot disclose information and secrets learned in the course of their work without the consent of the concerned parties. However, it is mandatory to report situations that constitute a crime to the competent authorities.

Insurance Experts

ARTICLE 22 – (1) Insurance expertise is carried out by natural or legal persons.

(2) Individuals wishing to perform insurance expertise must: a) Obtain an insurance expertise license from the Ministry, b) Be registered in the registry.

(3) The President is authorized to determine the procedures and principles regarding the activities of foreign insurance experts.

(4) The title of insurance expert is acquired after obtaining the insurance expertise license. Those who will perform insurance expertise must apply to the Union of Chambers and Commodity Exchanges of Turkey for registration in the registry after obtaining their licenses. The Ministry may assign tasks to relevant civil society and professional organizations regarding the examination and approval processes related to the license.

(5) The registration of an insurance expert shall be canceled if: a) All obtained licenses have been revoked, b) A decision has been made for their expulsion from the profession, c) They do not practice their profession within six months from the date of registration in the registry, ç) They have withdrawn from insurance expertise.

13 The phrase "Council of Ministers" in this paragraph has been changed to "President" by Article 182 of the Decree Law No. 700 dated 2/7/2018.

(1) If the determined registration fee is not paid within the specified time or if the dues have not been paid for three consecutive years, the individual is removed from the registry.

(3) Before the decision for removal from the registry is made, the insurance expert's written defense is requested. Furthermore, for a decision to be made regarding the removal from the registry, it must be established that the insurance expert either did not present their defense or did not respond to the summons for their defense to be heard. The decision for removal from the registry is given with justification.

(4) An insurance expert who proves that the circumstances requiring removal from the registry have ceased will regain the right to re-register. However, a person who has been subjected to a decision of expulsion from the profession cannot be re-registered. No registration fee is charged for those re-registering.

(5) Those requesting re-registration must be obliged to prove that the conditions for registration still exist. A decision rejecting the request for re-registration is given with justification.

(6) A person who is removed from the registry or whose request for re-registration is rejected may file a written objection to the Ministry within fifteen business days. The Ministry must provide its opinion within fifteen business days at the latest regarding the objection. This decision is final.

(7) Individual insurance experts must practice insurance expertise as a regular profession. They cannot engage in other businesses that are incompatible with the nature of the profession, nor can they operate as insurance agents or brokers during the period they continue this activity.

(8) An individual insurance expert cannot open more than one office.

(9) Legal entity insurance experts must exclusively engage in insurance expertise. When doing business with a legal entity insurance expert, the expertise work is assigned to the legal entity. However, a power of attorney is issued by the legal entity for the insurance expert who will follow the job. The expertise report must bear the signature of the individual insurance expert along with the company seal. Insurance experts employed by legal entities cannot accept jobs independently of the legal entities, nor can they hold paid positions, and they cannot work on behalf of another legal entity insurance expert in any way.

(10) Insurance experts must remain impartial. They cannot accept the role of insurance expert if there are significant reasons that would cast doubt on their impartiality with one of the parties, or if there is kinship or business partnership with one of the parties as specified in the provisions (1), (2), and (3) of Article 245 of the Civil Procedure Law No. 1086 dated 18/6/1927. This provision also applies to insurance experts working alongside legal entity insurance experts. Reports prepared in violation of this provision are deemed invalid.

(11) Shareholders, management and audit members of insurance companies, insurance agencies, and brokers, as well as those authorized to sign on their behalf and employees engaged in professional activities, cannot practice as insurance experts; they cannot serve in the management and audit boards of legal entity insurance experts, work as authorized signatories, become partners, or accept any job for a fee from them. These restrictions also apply to the children of the aforementioned individuals under their custody.

(12) Insurance experts and their employees cannot disclose information and secrets learned in the course of their work without the consent of the concerned parties. However, it is mandatory to report any situations constituting a crime to the relevant authorities.

(13) Those prohibited from practicing as insurance experts cannot be employed in any insurance expertise-related activities, nor can there be any cooperation with them in carrying out the profession of insurance expertise.

(14) For traffic accidents resulting in material damage, the report prepared by authorized insurance experts will be considered as proof of the insurance compensation payment, in accordance with the provisions related to accident and damage records stated in Article 99 of the Traffic Law. Reports prepared by experts hold evidentiary value.

(15) (Repealed: 27/3/2015-6637/10 Article.)

(16) The procedures and principles regarding the appointment of insurance experts by the insurer or the insured or by persons benefiting from the insurance contract, the acceptance

of work by the expert, and the determination of the minimum wage tariff, including the determination of expert fees, shall be regulated by a regulation after obtaining the opinions of the Union and the Insurance Experts Executive Committee.

(17) The qualifications of those who will perform insurance expertise, the classification of insurance experts, the determination of their duties and authority by branches, the procedures and principles regarding the license, registration to the registry, and activity, and other matters regarding the implementation of this article shall be determined by regulation.

(18) Insurance expertise courses, exams, and internships will be conducted separately for each branch of expertise, as specified by regulation. The insurance expertise course and other training activities are not subject to the Private Education Institutions Law No. 5580 dated 8/2/2007.

(19) No person, other than those authorized under this Law, may engage in insurance expertise activities, nor may they use words or signs in trade names or any documents that would give the impression that they are involved in insurance expertise transactions.

Insurance Agencies

Article 23 – (1) Insurance agency can be conducted by real or legal persons. Those who wish to act as insurance agents must be registered in the registry maintained by the Union of Chambers and Commodity Exchanges of Turkey.

(2) The procedures and principles regarding the qualifications of those who will act as insurance agents are determined by regulation. Those who will act as insurance agents must apply to the Union of Chambers and Commodity Exchanges of Turkey for registration in the registry by obtaining a document from the Ministry proving that they possess these qualifications.

14 The Constitutional Court's ruling dated 9/6/2011, with reference number E.: 2009/11 and K.: 2011/93, annulled the phrase "...spouse..." in the last sentence of this paragraph.

Insurance Agencies

Article 23

(1) Insurance agency activities can be carried out by both natural and legal persons. Those who wish to operate as insurance agents must be registered in the registry maintained by the Union of Chambers and Commodity Exchanges of Turkey.

(2) The qualifications required for insurance agents are determined by regulations. Those wishing to operate as insurance agents must obtain a document from the Ministry of Treasury and Finance demonstrating that they possess these qualifications and then apply to the Union of Chambers and Commodity Exchanges of Turkey for registration.

(3) The registration of an insurance agent may be canceled in the following cases:

- a) If they have lost the necessary qualifications to operate as an insurance agent,
- b) If a decision has been made for their expulsion from the profession,
- c) If they do not commence activities within six months following their registration,
- ç) If they resign from their position as an insurance agent,
- d) If their registration with the trade or commerce and industry chamber has been canceled,
- e) If they fail to pay the determined registration fee within the required time or have not paid their dues for three consecutive years.

(4) Before a decision is made to cancel the registration, a written defense from the insurance agent is requested. For a cancellation decision to be made, either the defense of the insurance agent must be heard, or they must fail to respond to a request to be heard. The decision to cancel registration must be justified.

(5) An insurance agent who can prove that the reasons for their cancellation of registration have ended gains the right to be re-registered. However, a person who has been expelled from the profession cannot be registered again. No registration fee will be charged for re-registration of the insurance agent.

(6) Those requesting re-registration may be required to prove that the conditions for registration still exist. A decision rejecting the request for re-registration will be justified.

(7) A person whose registration has been canceled or whose request for re-registration has been denied can file a written objection to the Board of Directors of the Union of Chambers and Commodity Exchanges of Turkey within fifteen business days of these decisions. In response to the objection, the Board of Directors of the Union must provide its opinion within a maximum of fifteen business days. This decision is final.

(8) The provision of the third paragraph of Article 4/A of the Consumer Protection Law No. 4077 dated 23/2/1995 applies to insurance agencies only for services provided as part of agency activities. The insurance agency is not responsible for defective services provided by the insurance company as a supplier.

(9) (Amended: 3/4/2013-6456/ 44 article) Except for banks and institutions established by special laws that are authorized to operate as insurance agencies, insurance agencies cannot engage in any commercial activities other than mediation related to individual retirement transactions and other intermediation activities related to insurance deemed appropriate by the Ministry.

(10) The President is authorized to regulate the activities of foreign insurance agents in Turkey and the brokerage services provided by Turkish insurance agents on behalf of foreign insurance companies.

(11) Persons who are involved in the management and supervision of insurance companies, brokers dealing with insurance contracts, and insurance experts, as well as those authorized to sign on their behalf, cannot serve on the management and supervisory boards of insurance agencies; they cannot work as authorized signatories; they cannot be partners in these companies, nor can they accept any paid work from them. These restrictions also apply to the spouses and minor children of such individuals. However, for the spouses and minor children of those involved in the management and supervision of insurance companies, the restriction applies only to the insurance agency in which these individuals are active.

(12) No natural or legal person other than those authorized by this Law can engage in insurance agency activities, nor can they use words or signs in their trade titles or any documents that create the impression that they are involved in insurance agency work and

transactions.

(13) Those prohibited from engaging in insurance agency activities cannot be employed in activities related to insurance agencies, nor can they cooperate in any way with such individuals for the execution of the insurance agency profession.

(14) Upon the termination of the agency contract, the insurance agent is entitled to the commission they would have earned had the contractual relationship with the insured continued for any work done or to be done shortly after.

(15) If, after the termination of the contractual relationship, the insurance company derives significant benefits from the insurance agent's portfolio, and it is just, the insurance agent can claim compensation from the insurance company. However, if the insurance agent terminates the contract without just cause or causes the termination due to their fault, their right to compensation is lost.

(16) Insurance agents and their employees cannot disclose information and secrets learned in the course of their work without the consent of the concerned parties. However, it is mandatory to report cases constituting a crime to the relevant authorities.

(17) The provisions of the Turkish Commercial Code regarding agencies also apply to insurance agencies.

SIXTH CHAPTER

Professional Organizations

Union of Insurance, Reinsurance, and Pension Companies of Turkey

Note 15: The phrase "Council of Ministers" in this paragraph was changed to "President" by Article 182 of the Decree Law No. 700 dated 2/7/2018.

Note 16: The title of this article was "Union of Insurance and Reinsurance Companies of Turkey," but it was amended to the current wording as per Article 54 of Law No. 6327 dated 13/6/2012.

Article 24 – (Amended: 13/6/2012-6327/54)

(1) Insurance companies, reinsurance companies, and pension companies established under Law No. 4632 are required to pay the membership fee and join the Union of Insurance, Reinsurance, and Pension Companies of Turkey, which is a public institution located in Istanbul. This obligation must be fulfilled within one month of obtaining an insurance license for insurance and reinsurance companies, or a pension license for pension companies. However, the President has the authority to waive the membership requirement. The provisions of the seventh paragraph of Article 9 of the Law on the Union of Chambers and Commodity Exchanges of Turkey and Chambers and Exchanges Law No. 5174 dated 18/5/2004 do not apply to insurance companies, reinsurance companies, and pension companies.

(2) Two separate Registers are maintained within the Union: one for insurance companies and reinsurance companies, and the other for pension companies. The relevant insurance company, reinsurance company, and pension company that completes its membership procedures will be registered immediately in the relevant Register by the Board of Directors of the Union.

(3) Deletion from the Register occurs under the following circumstances: a) For insurance and reinsurance companies:

1. The authorization to enter into new insurance and reinsurance contracts in all branches is revoked,
2. Failing to conclude insurance or reinsurance contracts for an uninterrupted period of six months, without the knowledge of the Ministry, within one year from the date the license was granted or in the following years,
3. Failing to pay their share of expenses and fees within the specified time despite notification,
4. Loss of Union membership.

b) For pension companies:

1. The activity license becomes invalid under the second paragraph of Article 9 of Law No. 4632,
2. The authorization to conclude new contracts is revoked,
3. The total funds established under Law No. 4632 are transferred to another company,
4. The Minister requests bankruptcy under Law No. 4632,
5. Failing to pay their share of expenses and fees within the specified time despite notification,
6. Loss of Union membership.

(4) Insurance companies, reinsurance companies, and pension companies not registered in the Register do not have the right to vote or be elected in the General Assembly. Insurance companies, reinsurance companies, and pension companies that prove that the reasons for deletion from the Register have ended regain the right to be registered again, and no membership fee will be charged for these companies.

Note 17: The phrase "Council of Ministers" in this paragraph was changed to "President" by Article 182 of the Decree Law No. 700 dated 2/7/2018.

ARTICLE 24 – (Amended: 13/6/2012-6327/54)

1. The Board of Directors of the Union may require insurance companies, reinsurance companies, and pension companies that request to be re-registered in the Registry to prove that the conditions for registration in the Registry continue to exist, along with explanations for their decision. A reasoned decision is required for the rejection of the re-registration request.
2. An insurance company, reinsurance company, or pension company that has been deleted from the Registry or whose request for re-registration has been rejected may file a written objection to the Ministry within fifteen business days against the deletion or rejection decision of the Board of Directors. The Ministry must notify its decision regarding the objection within a maximum of fifteen business days. The decision made by the Ministry in this regard is final.
3. The membership of the Union will cease in the following cases:
 - a) For insurance and reinsurance companies:
 1. Cancellation of all their licenses,
 2. Being subject to a bankruptcy or liquidation decision, or ceasing operations for other reasons.
 - b) For pension companies:
 3. Invalidity of pension activity licenses and insurance licenses,
 4. Being subject to a bankruptcy or liquidation decision, or ceasing operations for other reasons.
4. The purpose of the Union is to ensure the development of the profession, to provide for the solidarity and collaboration of its members within the dignity and discipline required by the profession, and to take and implement the necessary decisions to prevent unfair competition.
5. The duties and authorities of the Union are as follows:
 - a) To take measures to ensure the development of the profession, establish research institutions for this purpose, and support research and studies in this area.
 - b) To represent and promote insurance and individual retirement savings and investment systems in Turkey and to engage in necessary initiatives, join relevant organizations at home and abroad when needed, and send delegates.
 - c) To prepare and present guiding tariff schedules related to insurance contracts to the sector when necessary.
 - ç) To fulfill the responsibilities assigned to it by the legislation regarding insurance and individual retirement savings and investment systems, and to monitor the implementation of the decisions and measures taken.
 - d) To determine compulsory professional rules, ensure that its members work in line with the needs of the economy within the discipline required by the profession, and take and implement any necessary measures to prevent unfair competition among members.
 - e) To collaborate with relevant organizations and associations to provide training on insurance and individual retirement savings and investment systems, organize seminars and conferences, and publish books, magazines, and brochures.
 - f) To establish the necessary number and quality of examination and research committees regarding insurance and individual retirement savings and investment systems; to regulate their duties, authorities, and working methods.
 - g) To prepare annual reports on the operational results of its members and distribute these reports to its members and interested parties.
 - ğ) To regulate the functioning of arbitration in insurance and maintain a list of insurance arbitrators.
6. The Union monitors the implementation of the legislation related to the professions it is concerned with, as well as the decisions and measures it has taken, and takes the measures requested by the Ministry.
7. The Union is authorized to establish and participate in legal entities such as offices, companies, and foundations related to insurance and individual retirement savings and investment systems, within the framework of the provisions of this Law, after obtaining the favorable opinion of the Ministry.
8. The bodies of the Union are as follows: General Assembly, President of the Union, Board of Directors, Non-Life Management Committee, Life and Retirement

Management Committee, Discipline Committee, and Audit Committee. Except for the Board of Directors, insurance, reinsurance, and pension companies are represented in only one of these bodies outside the General Assembly.

9. Insurance companies, reinsurance companies, and pension companies are represented in the General Assembly by the general manager or a manager with first-degree signing authority authorized for this purpose. The Ministry may have an observer present at the General Assembly of the Union.
10. The President of the Union and the members of the Non-Life Management Committee, Life and Retirement Management Committee, Discipline Committee, and Audit Committee are elected by the General Assembly for two years. The President of the Union is also the Chair of the Board of Directors.
11. The Non-Life Management Committee consists of nine members elected by representatives of non-life companies, while the Life and Retirement Management Committee is composed of members elected by representatives of life and retirement companies. The committee chairs and a committee member who will represent the committee on the Board of Directors are determined through elections among the members of the Non-Life Management Committee and the Life and Retirement Management Committee.
12. In the elections for the Non-Life and Life and Retirement management committees, five members are determined from the top ten companies in terms of premium production in the relevant area, three members from companies outside the top ten in the relevant area, and one member from reinsurance companies primarily operating in the relevant area, through an election involving all companies operating in the relevant area. When determining the top ten companies in the life or retirement sector, the total premiums and contributions closed at the end of the previous year are taken into account. If there are no reinsurance companies operating primarily in the relevant area or if no reinsurance companies nominate themselves for committee membership, the quota allocated to reinsurance companies will be added to the quota of the top ten companies, increasing their quota from five to six. If there are no candidates from the specified groups to ensure the distribution mentioned above, the distribution among groups will be decided by the General Assembly.
13. Member companies in the Union bodies are represented at the level of a manager with first-degree signing authority who has the qualifications of a general manager. Membership in the Board of Directors, Non-Life Management Committee, Life and Retirement Management Committee, Discipline Committee, and Audit Committee is not personal; in the event of the termination of the relationship of the person representing the company in these bodies, a general manager or a manager with first-degree signing authority will replace them. If the membership of the member companies serving in the Union bodies is deleted from the Registry, an election will be held according to procedure for the vacant membership.
14. In the event that the relationship of the President of the Union with their company is terminated, the presidency of the Union will cease. A President of the Union will be elected within two months to complete the remaining term of the President who has been removed from office.
15. The Board of Directors consists of the President of the Union, the heads of the Non-Life Management Committee and the Life and Retirement Management Committee, and one committee member elected by each of the two committees, making a total of five members. The President of the Union is the Chair of the Board of Directors, and the committee chairs are also the vice-chairs of the Board of Directors. One of the committee members in the Board of Directors is selected as the accountant member by the Board.
16. The Audit Committee and the Discipline Committee consist of three members each. The Audit Committee and the Discipline Committee will elect a president in their first meeting.
17. Insurance companies, reinsurance companies, and pension companies pay an entry fee determined each year by the General Assembly upon joining the Union. Contributions to

the expenses of the Union are calculated and distributed based on the principles in the regulation, considering the direct premium revenues obtained in Turkey over one year for insurance and reinsurance companies, and the retirement contribution payments and direct premium revenues obtained in Turkey for pension companies. If the dues and participation fees for expenses are not paid within the time specified in the regulation, they will be collected by the Union through enforcement. Decisions regarding the payment of participation fees for expenses are considered official documents as defined in Article 68 of the Enforcement and Bankruptcy Law No. 2004 dated 9/6/1932.

18. Income and expenses related to life, non-life, reinsurance, and individual retirement savings and investment systems are monitored under separate items in the Union's budget.
19. Members who do not comply with the decisions and measures taken by the Union in accordance with this article on time and completely will face an administrative monetary fine ranging from five thousand to fifty thousand Turkish Lira, as determined by the Board of Directors.
20. The working principles of the Union are determined by the regulation prepared by the Union and approved by the Ministry.
21. All activities of the Union are audited by the Ministry.

(2) ARTICLE 25 – (1) The elections for the bodies of the Union are conducted by secret ballot and open counting, and each member has one voting right in the bodies.

- (3) 🗳️ At least fifteen days before the General Assembly meeting where elections will be held, a list identifying the representatives of the Union members, along with the agenda of the meeting, its location, date, and time, and details regarding the second meeting to be held in case of a lack of quorum, shall be submitted in three copies to the judge who is the president of the local electoral board. If there are multiple local electoral boards in the place where the election will take place, the judge in charge will be determined by the Supreme Election Council. (Amended last sentence: 13/6/2012-6327/55 article.) The dates of the meetings must be organized so that discussions regarding other agenda items will be concluded within a maximum of two days.
- (4) 🗳️ The judge, if necessary, will call for related records and documents to be examined, and after any deficiencies are completed, will approve the list of members participating in the election and other matters mentioned in the second paragraph. The approved list and other matters related to the meeting shall be posted in the Union's announcement places for three days.
- (5) 🗳️ Objections to the list made within the announcement period will be reviewed by the judge and decided upon within two days at the latest.
- (6) 🗳️ The finalized lists and other matters related to the meeting will be approved and sent to the Union.
- (7) 🗳️ The judge appoints a voting committee consisting of a president and two members from the non-candidate members. Additionally, three substitute members will also be appointed by the judge. In the absence of the voting committee president, the oldest member will preside over the committee.
- (8) 🗳️ The voting committee is responsible for conducting the elections according to the principles set forth by the law, managing the process, and counting the votes, and these duties will continue without interruption until the election and counting processes are completed.
- (9) 🗳️ At the end of the election period, the election results will be documented and signed by the voting committee president and members. If there are multiple ballot boxes, the reports will be consolidated by the judge. Copies of the reports will be posted at the election site to announce the provisional election results. The used ballots and other documents will be submitted to the local electoral board for safekeeping for three months along with a copy of the report.
- (10) 🗳️ Objections to the election results made within two days from the preparation of the reports will be examined by the judge on the same day, and a final decision will be made. After the objection period has passed and the objections have been resolved, the judge will announce the final results according to the above provisions and inform the Union.
- (11) 🗳️ Members whose names are not listed cannot vote. Votes can only be cast after the voter proves their identity with a document provided by the Union or an official authority and signs next to their name on the list. Votes will be cast using ballots prepared together or separately for the various organs, which will be placed in envelopes bearing the seal of the local electoral board and provided by the voting committee president at the time of voting. Votes placed in envelopes other than these will be considered invalid. The tools and materials to be used in the elections will be obtained from the local electoral board, and the locations for the ballot boxes will be determined by the judge.
- (12) 🗳️ If the judge decides to annul the elections due to procedural violations or illegal applications that may affect the election results, they will notify the Union of the Sunday on which the elections will be renewed, within a timeframe of not less than one month and not more than two months. Only elections will be held on the determined date, and election procedures will be conducted in accordance with this article and other provisions of the law.
- (13) 🗳️ The president of the local electoral board, the judge, and the president and members of the voting committee will be paid fees according to the principles

specified in the Law No. 298 dated 26/4/1961 on the Basic Provisions of Elections and Voter Registers. This fee and other election expenses will be covered by the Union's budget.

- (14) 🏛️ Crimes committed against the president and members of the voting committee during elections will be punished as if they were committed against public officials.
- (15) 🏛️ The Union cannot engage in activities outside its founding purposes. Political parties cannot nominate candidates in the elections of the Union's organs. If the Union's responsible organs engage in activities outside their purposes, their duties can be terminated by court order upon the request of the Minister or the public prosecutor, and new members will be elected in their place.
- (16) 🏛️ New members will be elected to replace those whose duties have been terminated within a maximum of one month. The newly elected will complete the term of the previous members.
- (17) 🏛️ The provisions for termination of duties do not apply to the General Assembly of the Union.
- (18) 🏛️ The Minister or Undersecretary is obliged to ensure that decisions made regarding the processes carried out by the Union's organs in accordance with this law are implemented exactly by the responsible organs. The provisions of the fourteenth paragraph will also apply to Union organs that fail to implement these decisions without a legal reason or issue a new decision that resists the previous one or fail to execute processes required by law despite warnings.
- (19) 🏛️ The criminal responsibilities of the members of the terminated organs and legal representatives are preserved. Any actions that cause the termination of these organs' duties according to the seventeenth paragraph are null and void.
- (20) 🏛️ In cases where national security, public order, prevention of crime or its continuation, or arrest requires immediate action, the Minister may prohibit the Union from conducting activities. The Minister's decision will be submitted for approval to the competent judge within twenty-four hours. The judge will announce the decision within forty-eight hours; otherwise, this administrative decision will automatically cease to be effective.
- (21) 🏛️ Those involved in the management and supervision of the Union, as well as Union employees, cannot disclose any information or secrets learned in the course of their work without the permission of the concerned parties. However, it is mandatory to report any situations that constitute a crime to the relevant authorities.

Insurance Experts Executive Committee

Article 26 – (1) The Insurance Experts Executive Committee, elected for four years and consisting of nine members, includes seven main and seven substitute members. These members are selected from insurance experts registered with the Chamber of Commerce and Industry of Turkey, who possess reputation and experience in their profession, according to the procedures and principles determined by the Ministry. Additionally, one member from the Board of Directors of the Chamber of Commerce and Industry of Turkey and the Secretary-General of the Chamber or their appointed assistant is appointed as a permanent member of this Committee. To be elected to the Insurance Experts Executive Committee, one must have at least ten years of actual experience in insurance expertise. Substitute members must also meet the same qualifications as main members. The Insurance Experts Executive Committee elects a president and a vice president from among its members during its first meeting. Corporate insurance experts are represented in the Insurance Experts Executive Committee by their general managers or authorized representatives. Individuals who have received disciplinary penalties in the past five years or against whom prosecution has been decided due to a crime that prevents them from practicing insurance expertise cannot be elected to the Insurance Experts Executive Committee and cannot represent the corporate entity until the prosecution is completed. Membership of those who lose election eligibility while being part of the Insurance Experts Executive Committee will automatically cease if they fail to attend three consecutive meetings without a valid excuse, whether personally or through their representatives.

(2) The Insurance Experts Executive Committee carries out the following duties: a) To create professional rules to ensure that insurance expertise activities are fair and honest, to maintain business ethics, and to ensure that members work with the diligence, discipline, and solidarity required by the profession. b) To take and implement all necessary measures to prevent unfair competition among members. c) To monitor professional developments and administrative and legal regulations both domestically and internationally, and to inform its members on these issues. ç) To establish relationships with national or international financial, economic, and professional institutions and organizations regarding insurance expertise activities. d) To organize courses, seminars, and conferences as educational activities for the development of the insurance expertise profession. e) To monitor developments related to insurance and the profession of insurance expertise, compile publications and precedents in this field, and present them for the benefit of professionals. f) To provide opinions on professional matters and convey views to relevant authorities. g) To carry out the registration processes required to practice insurance expertise according to insurance legislation, as well as the processes for removal from the registry. ğ) To impose disciplinary penalties regarding insurance experts on issues related to insurance activities. h) To fulfill other duties assigned by the Ministry.

(3) Decisions made by the Insurance Experts Executive Committee shall be reported to the Board of Directors of the Chamber of Commerce and Industry of Turkey within a maximum of fifteen days. The procedures necessary for the implementation of the decisions made by the Insurance Experts Executive Committee will be carried out by the Board of Directors of the Chamber of Commerce and Industry of Turkey. The Board of Directors must implement the decisions reported by the Insurance Experts Executive Committee within fifteen days from the date of notification. To fulfill the procedures listed in the second paragraph, the Insurance Experts Executive Committee may assign tasks to the Chamber of Commerce and Industry with the approval of the Board of Directors and the Ministry, when necessary.

(4) The provisions of Article 94 of the Law on Chambers of Commerce and Industry also apply to the Insurance Experts Executive Committee. The honorarium and other payments to be made to the members of the Insurance Experts Executive Committee are determined by the General Assembly of the Chamber of Commerce and Industry of Turkey, based on the proposal of the Board of Directors and the approval of the Ministry.

(5) Disciplinary penalties are imposed on insurance experts who engage in actions contrary to the dignity and honor of the profession, who fail to fulfill their duties, who perform them defectively, or who engage in actions that undermine the trust required by their duty,

based on the nature and severity of the situation: a) Warning; a written notification to the insurance expert that they need to act more carefully in the performance of their profession. b) Reprimand; a written notification that the insurance expert is considered at fault in their duty and behavior. c) Temporary suspension from professional activity; suspension from professional activity for a period of less than six months but no more than one year, while retaining the title of insurance expert. ç) Expulsion from the profession; the insurance expert is expelled from the profession and is not allowed to practice it again.

(6) Those who have been expelled from the profession and are authorized to represent and bind a corporate insurance expert, as well as those responsible for the decision of expulsion, cannot practice insurance expertise again and cannot work as an auditor or authorized representative in another corporate insurance expert.

(7) A warning is applied to insurance experts who engage in acts contrary to professional rules, dignity, and honor, while a reprimand is imposed for any recurrence of the behavior.

(8) Temporary suspension from professional activity is imposed on insurance experts who do not perform their duties independently, impartially, and honestly, or who act contrary to the general principles of the profession.

(9) Insurance experts who intentionally issue false expert reports, as determined by a court decision, will be expelled from the profession.

(10) An insurance expert under investigation for acts that could lead to expulsion from the profession may be temporarily relieved from duty by a decision of the Insurance Experts Executive Committee. The relief from duty decision is immediately communicated to the relevant authorities. This decision will automatically cease if the investigation is halted or if a penalty that does not prevent insurance expertise is imposed. The decision to relieve from duty can be lifted if it is established that the conditions that necessitated this decision are no longer present or have changed.

(11) An insurance expert who commits two or more acts requiring disciplinary penalties within a three-year period will receive a more severe penalty for each new offense than for the previous one.

(12) Insurance experts who re-offend after being punished with temporary suspension from professional activity within a five-year period will be expelled from the profession.

(13) Prosecution and conviction do not prevent disciplinary investigation and the imposition of disciplinary penalties.

(14) Investigations regarding members of the Insurance Experts Executive Committee are conducted by the Ministry. Decisions made by the Ministry are final.

(15) A disciplinary investigation cannot be initiated if three years have passed since the commission of acts requiring disciplinary penalties. However, if the Insurance Experts Executive Committee has seized the matter, this period does not count.

(16) Disciplinary penalties cannot be imposed if five years have passed since the commission of acts requiring disciplinary penalties.

(17) If the act requiring a disciplinary penalty also constitutes a crime and a longer statute of limitations is prescribed in the relevant laws, the statute of limitations in those laws will apply instead of the periods specified in this article.

(18) Appeals against disciplinary decisions can be made to the Ministry within fifteen days from the notification of the decision by the Insurance Experts Executive Committee. The Ministry will resolve the appeal within one month at the latest. Decisions made by the Ministry are final.

(19) Disciplinary penalty decisions cannot be executed until they become final.

(20) Insurance experts who receive disciplinary penalties other than expulsion from the profession and temporary suspension from professional activity may request the removal of their disciplinary penalties from their records after five years from the date of imposition of these penalties, provided that they have not received any disciplinary penalties during this period. If the individual has not received a disciplinary penalty during this period, the penalty will be removed.

(21) Members who do not comply in a timely and complete manner with the decisions

and measures taken by the Insurance Experts Executive Committee under this article will be subject to an administrative fine of between two thousand Turkish Lira and six thousand Turkish Lira.

(22) The Chamber of Commerce and Industry of Turkey provides the appropriate environment, sufficient personnel, and necessary technical equipment for the Insurance Experts Executive Committee to effectively carry out its duties.

(23) The Insurance Experts Executive Committee is authorized to determine the registration fee or dues to the registry, with the approval of the Board of Directors of the Chamber of Commerce and Industry of Turkey. These payments are recorded as income in the budget of the Chamber of Commerce and Industry of Turkey.

(24) The Ministry may request the annulment of regulations regarding insurance experts made by the Chamber of Commerce and Industry of Turkey or changes to these regulations if they find them contrary to legislation and the general interests of the insurance sector.

(25) The working principles and procedures of the Insurance Experts Executive Committee are determined by a regulation to be issued by the Ministry of Industry and Trade, with the approval of the relevant Ministry.

Insurance Agents Executive Committee

ARTICLE 27 – (1) An Insurance Agents Sector Council is established within the Union of Chambers and Commodity Exchanges of Turkey. The Council, consisting of forty members, is selected from reputable and experienced insurance agents who are members of trade chambers or chambers of commerce and industry, according to the procedures and principles jointly determined by the Union of Chambers and Commodity Exchanges of Turkey and the Ministry. The provision of Article 57, paragraph two, of the Chambers of Commerce and Industry Law does not apply to the Insurance Agents Sector Council.

(2) The members of the Insurance Agents Sector Council elect seven principal and seven alternate members to serve on the Insurance Agents Executive Committee, which consists of nine members and serves a term of four years. One member from the Board of Directors of the Union of Chambers and Commodity Exchanges of Turkey and the Secretary-General of the Union or an appointed assistant shall be permanently appointed to this Committee. To be eligible for election to the Insurance Agents Sector Council and the Committee, an individual must have at least ten years of active experience as an insurance agent. The same qualifications required for principal members also apply to alternate members. The Insurance Agents Executive Committee shall elect a president and a vice-president from among its members at its first meeting. Corporate insurance agents are represented in the Insurance Agents Sector Council and the Insurance Agents Executive Committee by their general managers or individuals authorized to represent the company. Those who have received disciplinary penalties in the last five years or against whom prosecution has been initiated for a crime that prevents them from acting as insurance agents cannot be elected to the Insurance Agents Executive Committee or represent a corporate entity until the prosecution is completed. Membership automatically ceases for those who are members of the Insurance Agents Executive Committee but subsequently lose their eligibility, or for members who do not attend three consecutive meetings without a valid excuse, either personally or through their representatives.

(3) The Insurance Agents Executive Committee performs the following duties: a) To establish professional rules to ensure that insurance agency activities are carried out fairly and honestly, to maintain business ethics, and to foster solidarity among professionals while ensuring the

diligence and discipline required in the insurance agency profession. b) To define the ethical rules of insurance agency and work towards unity in insurance agency practices. c) To take and implement all necessary measures to eliminate unfair competition and unjust practices among insurance agents. ç) To gather information by monitoring developments in insurance and insurance agency, as well as administrative and legal regulations both domestically and internationally, and to disseminate this information to its members and stakeholders. d) To establish relationships with other professional organizations related to insurance agency, both domestically and internationally. e) To organize courses, seminars, and conferences for training activities as necessary to improve the insurance agency profession. f) To determine the minimum physical conditions necessary for insurance agency activities. g) To prepare an annual report to be submitted to the Board of Directors of the Union of Chambers and Commodity Exchanges of Turkey. ğ) To carry out registration processes and deregistration procedures required for insurance agency activities as per the insurance legislation. h) To impose disciplinary penalties regarding issues related to insurance agency activities. ı) To define the qualifications of personnel authorized to draft contracts in insurance agencies and maintain records related to them. i) To perform other duties assigned by the Ministry.

(4) Decisions made by the Insurance Agents Executive Committee are communicated to the Board of Directors of the Union of Chambers and Commodity Exchanges of Turkey within fifteen days at the latest. The procedures for executing the decisions taken by the Insurance Agents Executive Committee are carried out by the Board of Directors of the Union of Chambers and Commodity Exchanges of Turkey. The Board is required to implement the decisions communicated by the Insurance Agents Executive Committee within fifteen days from the notification date. To perform the tasks outlined in paragraph three, the Insurance Agents Executive Committee may delegate duties to trade chambers or chambers of commerce and industry with the approval of the Board of Directors of the Union of Chambers and Commodity Exchanges of Turkey.

(5) Article 94 of the Chambers of Commerce and Industry Law is also applicable to the Insurance Agents Executive Committee. The compensation and other payments to be made to the members of the Insurance Agents Executive Committee are determined by the General Assembly of the Union of Chambers and Commodity Exchanges of Turkey, based on the proposal of the Board of Directors of the Union and the Ministry's favorable opinion.

(6) The powers outlined in Articles 87, 88, and 89 of the Chambers of Commerce and Industry Law concerning disciplinary penalties related to the insurance agency profession are exercised by the Insurance Agents Executive Committee. Article 87 of the aforementioned law applies to disciplinary offenses and penalties for insurance agents as well. However, the provisions concerning temporary and long-term suspension from membership, as stated in Article 87, shall apply in the form of temporary and long-term suspension from the profession. Additionally, a ban from the profession can be imposed for offenses determined by regulation related to insurance agency activities. Individuals responsible for a decision to expel a corporate insurance agent from the profession are prohibited from practicing insurance agency or working as a supervisor or authorized representative in another corporate insurance agency. An insurance agency under investigation for actions that could warrant expulsion from the profession may be

suspended from work by a decision of the Insurance Agents Executive Committee. This suspension automatically ceases if the investigation is halted or if a penalty that does not prevent insurance agency activities is imposed. The decision to lift the suspension will also be made by the Insurance Agents Executive Committee if it is established that the conditions leading to the suspension no longer exist or have changed. Both the decision to suspend and the lifting of the suspension will be immediately communicated to the chamber to which the insurance agency is registered and the relevant authorities. Disciplinary investigations against the members of the Insurance Agents Executive Committee concerning activities related to insurance agency and the imposition of disciplinary penalties in this paragraph fall under the jurisdiction of the High Disciplinary Board of the Union of Chambers and Commodity Exchanges of Turkey. Article 92 of the Chambers of Commerce and Industry Law is applicable for disciplinary penalties against insurance agents.

(7) The Insurance Agents Executive Committee is authorized to determine the registration fee or dues with the approval of the Board of Directors of the Union of Chambers and Commodity Exchanges of Turkey. These payments are recorded as revenue in the budget of the Union of Chambers and Commodity Exchanges of Turkey.

(8) The Union of Chambers and Commodity Exchanges of Turkey shall provide suitable facilities, sufficient personnel, and the necessary technical equipment to ensure that the Insurance Agents Executive Committee can effectively carry out its duties.

(9) The Ministry may request the annulment or modification of the regulations concerning insurance agents made by the Union of Chambers and Commodity Exchanges of Turkey if it determines a violation of the legislation or the general interests of the insurance sector.

(10) The principles and procedures for the operation of the Insurance Agents Sector Council and the Insurance Agents Executive Committee shall be determined by the regulation to be issued by the Ministry of Industry and Trade with the approval of the relevant Ministry.

SEVENTH CHAPTER

Audit and Information Provision

Audit

Article 28 – (1) The audit of all insurance transactions conducted by insurance companies, reinsurance companies, organizations engaged in insurance activities according to their special laws, insurance and reinsurance brokers, insurance appraisal activities, actuaries, and other individuals engaged in insurance transactions or activities in the field of insurance operating in Turkey shall be carried out by the Insurance Audit Board.

(2) The Insurance Audit Board consists of a president, insurance audit experts, insurance audit actuaries, and their assistants. The inspection, auditing, examination, and investigation duties and powers granted by this Law and other laws concerning insurance and persons and organizations engaged in the insurance sector are performed and exercised by insurance audit experts, insurance audit actuaries, and their assistants.

(3) The relationship and balances among the activities, assets, subsidiaries, receivables, equity, and liabilities of insurance companies and reinsurance companies, as well as all other factors affecting their financial structure and administrative organization, the evaluation and protection of collected premiums and reserves, and the examination, identification, and auditing of actuarial and financial accounts and balances shall be conducted by insurance audit experts, insurance audit actuaries, and their assistants.

(4) Insurance audit experts, insurance audit actuaries, and their assistants are authorized to request the necessary information from insurance companies and reinsurance companies, their affiliates, subsidiaries, branches, and representative offices, as well as from other persons, including brokers and banks, regarding the provisions related to insurance in this Law and other laws, and to examine all their books, records, and documents.

paragraph has been changed to "internal control system."

5. Public institutions and organizations, the Union, and other similar civil society and professional organizations, within the scope of this article and limited to relevant issues and transactions, are obliged to provide any information and documents requested by insurance audit experts, insurance audit actuaries, and their assistants, even if confidential, without regard to prohibitory and restrictive provisions in special laws, provided that the provisions concerning state security, essential foreign interests, the privacy of family life, and the right of defense are reserved. They must present requested books and documents for examination and be ready for inspection, open their information processing systems for audit purposes, and ensure the security of the data. Insurance audit experts, insurance audit actuaries, and their assistants are authorized to request the minutes of meetings of the management and supervisory boards of organizations covered by this article, as well as reports submitted to these boards, and to conduct investigations concerning other individuals, institutions, and organizations related to the transactions under examination.

(2) During audits, inspections, and investigations conducted by insurance audit experts, insurance audit actuaries, and their assistants, the organizations subject to examination, audit, or investigation shall provide all kinds of support, including assistance from employees working in internal control systems, if requested.

(3) Within the framework of the provisions of this Law and other laws, the Ministry shall conduct the monitoring activities of the operations of organizations subject to this Law, their risk structures, assets, receivables, equity, liabilities, obligations, commitments, and the relationships and balances among income and expense accounts, as well as all other factors affecting the financial structure and the risks faced by these organizations, according to a regulation to be issued.

(4) The Ministry is authorized to evaluate the information and documents belonging to organizations subject to this Law, analyze the compliance of their consolidated and unconsolidated financial structures and administrative organizations with the legislation, compare reports, tables, and internal control reports related to these organizations with the results of the Ministry's audits and monitoring, and to take and conclude all necessary measures regarding the types, magnitude, and impact of risks borne by the organizations, taking into account the reliability of the risk management system and the audit risk. The Ministry may also follow practices that significantly affect or may affect the operations of the subsidiaries, financial affiliates, and branches of these organizations and may intervene with relevant parties if necessary.

(5) Individuals and organizations subject to this Law are obliged to submit the information, documents, schedules, reports, and financial statements they produce in accordance with the account and record arrangements to the Ministry within the specified periods using the communication channels determined by the Ministry, in compliance with the formats designated by the Ministry. The information sent electronically by organizations is under the responsibility of the board of directors within the scope of the internal control

system.

Obligation to Provide Information, Membership, and Cooperation with International Organizations

19 This article heading has been changed to "Obligation to Provide Information" as incorporated into the text by Article 57 of Law No. 6327 dated 13/6/2012.

ARTICLE 29 – (1) Individuals subject to this Law, as well as those engaging in any type of professional activity related to insurance, subsidiaries of insurance companies and reinsurance companies, banks, and other entities, are obligated to provide any information and documents requested by the Ministry regarding the implementation of this Law, even if confidential, without regard to the prohibitory and restrictive provisions in special laws. Provisions concerning the confidentiality of family life and the right to defense are reserved.

(2) In the context of reciprocity and in relation to the implementation of this Law, the requests of authorized bodies for inspections according to foreign country laws regarding organizations operating in the insurance sector in their own countries to inspect and request information from their organizations or partnerships in Turkey subject to this Law are subject to the Ministry's permission. The information requested by these authorities may be provided by the Ministry on the condition that it remains undisclosed. The Ministry may engage in any form of cooperation and information exchange regarding insurance with the authorized inspection bodies of foreign countries within the framework of agreements made.

(3) (Added: 13/6/2012-6327/57) The Ministry may become a member of international financial, economic, and professional organizations that include inspection and regulatory authorities related to insurance and may sign memoranda of understanding with international professional organizations and competent authorities of foreign countries to facilitate cooperation and information sharing. The memorandum of understanding shall come into force with the approval of the Minister.

EIGHTH CHAPTER

Arbitration

Arbitration in Insurance

ARTICLE 30 – (1) To resolve disputes arising between the policyholder or individuals benefiting from the insurance contract and the risk-bearing party regarding the insurance contract, or between individuals benefiting from the Account and the Account, an Insurance Arbitration Commission is established within the Union. Organizations engaged in insurance that wish to become members of the insurance arbitration system are required to notify the Commission in writing of their status. Individuals involved in a dispute with organizations that are members of the insurance arbitration system can benefit from the arbitration process, even if there is no specific provision in the contract regarding the dispute. (Added sentence: 3/4/2013-6456/45) For disputes arising from mandatory insurances stipulated by the relevant legislation, rights holders can benefit from the arbitration process according to the provisions of this section, even if the relevant organization is not a member of the insurance arbitration system. (Added sentence: 3/4/2013-6456/45) For organizations that are not members of the insurance arbitration system, the participation in the costs of the Insurance Arbitration Commission shall be determined separately by the Treasury Undersecretariat.

(2) The Commission is composed of a representative from the Ministry, two representatives from the Union, a representative from a consumer association, and a legal academician representative to be determined by the Ministry. The representative from the Ministry must have at least ten years of experience in public service, have experience in the insurance sector, and at least hold the level of department head; the representatives from the Union must also meet the conditions prescribed for deputy general managers in Article 4.

With the law numbered 6327 dated 13/6/2012, the seventeenth paragraph has been added to this article, and the numbering of the other paragraphs has been adjusted accordingly.

With the law numbered 6327 dated 13/6/2012, the phrase "between the insurance contract" in this paragraph has been followed by the phrase "or between individuals benefiting from the Account and the Account," which has been incorporated into the text.

Here's the translation of the provided text regarding arbitration in insurance:

****EIGHTH CHAPTER**

Arbitration

Arbitration in Insurance**

****ARTICLE 30****

(1) To resolve disputes arising between the insured or those benefiting from the insurance contract and the party assuming the risk, a Insurance Arbitration Commission shall be established under the Union. Organizations engaged in insurance that wish to join the insurance arbitration system must notify the Commission in writing. Individuals who have disputes with organizations that are members of the insurance arbitration system may benefit from the arbitration procedure even if there is no special provision in the contract concerning the dispute. (Added sentence: 3/4/2013-6456/45 art.) For disputes arising from mandatory insurance stipulated by the relevant legislation, beneficiaries can benefit from the arbitration procedure according to the provisions of this chapter, even if the relevant organization is not a member of the insurance arbitration system. (Added sentence: 3/4/2013-6456/45 art.) The participation in the costs of the Insurance Arbitration Commission for organizations that are not members of the insurance arbitration system shall be determined by the Treasury Undersecretariat.

(2) The Commission shall perform the following duties:

- a) Appoint the director and deputy directors.
- b) Prepare the budget of the Commission, which will be tracked separately by the Union, and present it to the Union.
- c) Take necessary measures to ensure that the arbitration system operates fairly, impartially, and effectively.
- ç) Prepare an annual report on the results of the Commission's activities and send it to the Union and the Undersecretariat.
- d) Prepare the information processing infrastructure.
- e) Carry out other duties assigned to it by law.

(3) The Commission is authorized to open offices where deemed necessary. The office director must possess the same qualifications as the Commission director. The tasks assigned to the office director shall be determined by the Commission.

(4) A director and two deputy directors, rapporteurs, and a sufficient number of personnel shall be appointed to work under the Commission. The director and deputy directors are appointed by the Commission, while the rapporteurs and other personnel are appointed by the Commission upon the director's recommendation. Removal from duty and appointment shall be subject to the same procedure. The Commission director must:

- a) Possess the qualifications required of founders of insurance companies and reinsurance companies, excluding financial strength,
- b) Be a graduate of a higher education institution for at least four years,
- c) Have at least two years of experience in insurance law or at least five years of experience in the insurance sector.

(5) Deputy directors must possess the qualifications listed in the fifth paragraph, excluding clause (c). Additionally, at least one of the deputy directors must have two years of experience in the insurance sector.

(6) Disputes shall be resolved through insurance arbitrators and rapporteurs who will

work solely in one of the life and non-life insurance groups.

(7) Insurance arbitrators must:

- a) Possess the qualifications required of founders of insurance companies and reinsurance companies, excluding financial strength,
- b) Be a graduate of a higher education institution for at least four years,
- c) Have at least five years of experience in insurance law or at least ten years of experience in the insurance sector. (Added sentence: 13/6/2012-6327/58 art.) The Undersecretariat is authorized to determine the criteria for assessing the experience and knowledge required under this paragraph.

(8) Insurance rapporteurs working under the Commission must have the qualifications required of the Commission director.

(9) Individuals wishing to become insurance arbitrators must apply to the Commission by proving that they possess the necessary qualifications. Those whose applications are deemed appropriate are reported to the Undersecretariat for acceptance. If accepted by the Undersecretariat, the individual's name shall be registered in the insurance arbitration list, which will be maintained by the Commission, and a copy will be sent to the Ministry of Justice. Any changes to this list shall be reported to the Ministry of Justice and the Undersecretariat every six months.

(10) An insurance arbitrator's name shall be removed from the list:

- a) Permanently, if they lose the qualifications required to be an insurance arbitrator or if it is determined that they acted contrary to the principle of impartiality,
- b) For one year, if they do not conclude the cases they receive within one year at most three times.

(11) Those wishing to join the arbitration system must pay a participation fee, while those applying to the Commission for dispute resolution must pay an application fee. (Revised second and third sentences: 3/4/2013-6456/45 art.) Arbitration decisions for disputes under five thousand Turkish Liras are final. Decisions regarding disputes of five thousand Turkish Liras or more may be appealed to the Commission within ten days from the notification of the decision to the relevant party. (Added sentence: 3/4/2013-6456/45 art.) To appeal, it is necessary to deposit the application fee determined according to this article with the Commission. (Added sentence: 3/4/2013-6456/45 art.) The execution of the arbitration decision is suspended upon an appeal request. (Added sentence: 3/4/2013-6456/45 art.) Appeal requests are examined solely by the arbitration panels established by the Commission for this purpose. (Added sentence: 3/4/2013-6456/45 art.) A decision shall be made on the appeal request within two months from the time the matter is referred to the panel. (Added sentence: 3/4/2013-6456/45 art.) Arbitration decisions regarding disputes of five thousand Turkish Liras or more shall become final if no timely appeal is made according to this article. (Added sentence: 3/4/2013-6456/45 art.) The decision given upon the appeal regarding these disputes is final according to this article. (Added sentence: 3/4/2013-6456/45 art.) Decisions made regarding disputes over forty thousand Turkish Liras may be appealed. (Revised sentence: 13/6/2012-6327/58 art.) However, if a decision is made after the expiration of the arbitration period, if a decision is made regarding something that has not been requested, if decisions are made on matters outside the arbitrators' authority, and if the arbitrators fail to decide on the parties' claims, the right to appeal is open in all cases. The procedure and principles regarding appeals shall be governed by the Code of Civil Procedure.

(12) To go to the Commission, the individual with a dispute with an insurance organization must have made the necessary applications to the insurance organization regarding the incident that constitutes the subject of the dispute and must have documented that their request was partially or fully rejected. The failure of the insurance organization to respond in

writing within fifteen business days from the date of application is also sufficient for an application to the Commission.

(13) Applications to the Commission cannot be made regarding disputes that have been referred to the court and the Consumer Arbitration Board under the Law on the Protection of Consumers.

(14) The application to the Commission by an individual with a dispute with an insurance organization is primarily examined by the rapporteurs. Rapporteurs must complete their examinations within a maximum of fifteen days. Applications that cannot be resolved by rapporteurs are referred to an insurance arbitrator. The Commission shall select from the list of insurance arbitrators which arbitrator will handle the dispute. Depending on the nature of the case, the Commission may decide to form a panel consisting of at least three insurance arbitrators. However, in cases where the amount in dispute is fifteen thousand Turkish Liras or more, the formation of a panel is mandatory. The panel makes its decision by majority. Arbitrators shall only make decisions based on the documents presented to them. The selected insurance arbitrator may not refuse the duty except in cases of force majeure and unforeseen circumstances. However, the parties may reject the arbitrator based on the grounds for disqualification mentioned in the Code of Civil Procedure. The request for disqualification must be made to the Commission by petition within five business days from the date the situation becomes known.

(15) Arbitrators must make a decision within four months from the date they are assigned. Otherwise, the dispute shall be resolved by the competent court. However, this period may be extended with the explicit and written consent of the parties. The arbitrator submits their decision to the Commission director. (Revised last sentence: 22/7/2020-7251/56 art.) The Commission Director shall notify the decision to the parties within a maximum of three business days; in addition, the original decision shall be kept with the Commission along with the file.

(16) (Added: 13/6/2012-6327/58 art.) The attorney's fee to be determined against those whose requests are partially or wholly rejected shall be one-fifth of the attorney's fee specified in the Minimum Attorney's Fee Schedule.

(17) The arbitration fee, application fee to the Commission, and membership participation fee shall be determined by the Undersecretariat based on the Commission's opinion; the arbitration fee shall be paid by the Commission.

(18) Insurance arbitrators and rapporteurs must be impartial. Partners, managers, and those authorized to sign on behalf of insurance companies, reinsurance companies, and other organizations engaged in insurance, as well as those engaged in professional activities in these organizations, and insurance experts, insurance agents, and brokers, cannot serve as insurance arbitrators. These restrictions also apply to the spouses and children of the mentioned individuals. Article 28 of the Code of Civil Procedure also applies to insurance arbitrators.

(19) Individuals serving on the Commission, arbitrators, and reporters may not disclose information and secrets learned in the course of their duties without the consent of the concerned parties. However, it is mandatory to report to the relevant authorities any situations constituting a crime.

(20) The structure and duties of the Commission, as well as the qualifications of the Commission's chairman and deputy chairmen, the working procedures and principles, the working procedures and principles of reporters and insurance arbitrators, how decisions are to be organized, the application principles to the Commission, and the principles regarding the maintenance of lists and budgets, as well as participation fees, shall be determined by regulation.

(21) The Ministry is authorized to increase the fixed monetary amounts specified in this article, not to exceed the rate of increase in the Producer Price Index announced by the Turkish Statistical Institute.

(22) In cases not covered by this Law, the provisions of the Civil Procedure Law shall also apply by analogy to arbitration in insurance matters.

(23) Arbitrators selected for arbitration to be conducted under the framework of the Civil Procedure Law must also possess the qualifications required for insurance arbitrators as stated in this article.

NINTH CHAPTER

Various Provisions

Insurance Training Center, Support Services, and Other Organizations

Article 31 – (1) The Minister is authorized to establish an insurance training center to ensure that necessary examinations related to insurance matters are conducted impartially, to meet domestic or international training demands under international agreements, and for similar purposes. The expenses of the insurance training center shall be covered in accordance with the principles to be determined by regulation, from the contributions of professional organizations operating in the field of insurance, the contribution transferred from the Account, related public and private sector organizations served by the center, and from grants. The training activities carried out by the insurance training center are not subject to the Private Educational Institutions Law.

(2) Except for organizations established under specific laws such as associations, federations, and unions, the establishment of organizations related to insurance and reinsurance practices is subject to the Minister's approval.

(3) (Added: 13/6/2012-6327/59) Individuals and entities operating under this Law must prepare a written report evaluating the risks that may arise from the services they will receive, the management of those risks, the expected benefits, and costs before obtaining supportive or complementary services to their areas of activity, which may be presented to the Ministry if necessary. The supportive service to be obtained cannot hinder the fulfillment of the obligations arising from the legislation of those receiving the supportive service or impede their auditing.

(4) Matters related to the insurance training center, organizations to be established pursuant to the second paragraph, the manner in which support services are provided, and support service organizations shall be regulated by a decree.

22 The heading of this article is "Insurance Training Center and Other Organizations," and it has been amended as incorporated into the text by Article 59 of the Law No. 6327 dated 13/6/2012.

23 By Article 59 of Law No. 6327 dated 13/6/2012, after the phrase "from the contributions of professional organizations" in the first paragraph of this article, the phrase "from the contribution transferred from the Account" has been added, and a third paragraph has been added after the second paragraph. The existing third paragraph has been renumbered as the fourth paragraph, and after the phrase "organizations" in this paragraph, the phrase "and the manner in which support services are provided, and support service organizations" has been added.

(1) **Confidentiality Obligation**

ARTICLE 31/A – (Added: 13/6/2012-6327/60)

(1) Those involved in the implementation and supervision of this Law, the officials and representatives of entities subject to this Law, individuals subject to this Law, as well as employees working with them and those operating in the insurance sector through external service procurement, cannot disclose secrets related to persons and entities operating under this Law to anyone other than the authorities expressly authorized by law, nor can they use them for their own or others' benefit due to their roles and responsibilities. This obligation continues even after the termination of these roles and responsibilities.

(2) However, any information and document exchanges made directly between insurance companies, reinsurance companies, and pension companies for risk assessment purposes, under confidentiality agreements, are exempt from the confidentiality obligation. This includes sharing secret information related to incorrect insurance practices concerning insurance companies, reinsurance companies, and pension companies, either directly or through the Insurance Information and Monitoring Center.

(2)

(3) **Insurance Information and Monitoring Center**

ARTICLE 31/B – (Added: 13/6/2012-6327/61)

(1) An Insurance Information and Monitoring Center is established under the Association of Insurance, Reinsurance, and Pension Companies of Turkey to collect information essential for risk assessment, including incorrect insurance practices, regarding policyholders and those who indirectly benefit from the insurance contract, and to share this information with pension companies and individuals determined by the Ministry.

(2) The companies specified in the first paragraph of this article are obliged to become members of the Insurance Information and Monitoring Center. Member organizations are required to provide any information requested by the Center.

(3) In line with its purposes, the Insurance Information and Monitoring Center is authorized to request information from private legal entities, public institutions, professional organizations of public institution quality, and other information centers established by relevant legislation, and to sign contracts for information exchange based on the approval of the Ministry. These institutions and organizations are obliged to provide the information requested by the Center. The sharing of information collected by the Insurance Information and Monitoring Center with private legal entities, public institutions, and professional organizations that enter into a contract for information exchange in accordance with this article is evaluated within the scope of the second paragraph of Article 31/A.

(4) The Insurance Information and Monitoring Center is managed and administered by its own management. Its management is authorized and responsible for the operations and transactions of the Center, and the necessary expenses are covered from its own budget. The Ministry supervises the Insurance Information and Monitoring Center. The Center carries out all tasks requested by the Ministry, including monitoring policy writing and claims processes, and establishes the necessary infrastructure for this purpose.

(5) All transactions and records of the Insurance Information and Monitoring Center are confidential. The Center is obliged to provide any information it collects to the Ministry in the requested format and timeframe. Such information may be provided to a designated person for a specific fee, provided that the owner has given explicit consent.

(6) Those who disclose confidential information held by the Insurance Information and Monitoring Center to authorities other than those legally authorized, those who unlawfully use such information for their own or others' benefit, disseminate, give, transmit, or seize it will be subject to the provisions of paragraphs nine and ten of Article 35. If the crimes defined in this paragraph are committed within the scope of a legal entity's activities, the relevant legal entity will be subject to security measures specified in the Turkish Penal Code No. 5237 dated 26/9/2004.

(7) The contribution shares of the member companies towards the expenses of the Insurance Information and Monitoring Center shall not exceed one-thousandth of the premium production

realized by those companies in the previous year, as determined by the Ministry. The Ministry may decide to increase or decrease this ratio by fifty percent. If the determined contribution shares do not cover the expenses of the Center, additional contributions may be requested from member companies according to the procedures and principles specified in the regulations to be published under this article. Contributions to the expenses of the Insurance Information and Monitoring Center may also be provided from the Account in accordance with the principles determined by the Ministry.

(8) The organization, operational procedures, asset investment directives, authority, and responsibilities of the Insurance Information and Monitoring Center, as well as other procedures and principles regarding the implementation of this article, will be determined by the regulations to be issued by the Insurance and Private Pension Regulation and Supervision Authority.

(4)

(5) **Good Faith**

ARTICLE 32 – (1) Insurance companies and intermediaries must not structure brochures, explanations, and other documents, advertisements, and promotions in a way that leads to an understanding outside the scope and limits of the rights and benefits they will provide to the insured. They also cannot make statements that are false, misleading, deceptive, or that lead to unfair competition. In case of detection of a violation of this provision, the situation shall be reported to the Advertising Board operating under the Law on the Protection of Consumers.

(2) Insurance companies, reinsurance companies, intermediaries, and insurance experts are obliged to avoid actions that may jeopardize the rights and interests of the insured, to act in accordance with regulations and operational plans, and to conduct activities in accordance with the principles of insurance and good faith.

(3) Insurance companies cannot delay the payment of insurance compensation in violation of good faith principles.

(4) The Ministry is authorized to take all necessary measures to ensure compliance with the above-mentioned rules by insurance companies, reinsurance companies, intermediaries, and insurance experts.

(5) The right of individuals to choose an insurance company cannot be restricted. Any condition imposed in a contract that requires one party to insure against any matter in this contract with a specific company shall be deemed invalid.

(6)

(7) **Special Risk Management Center and Insurance in Extraordinary Situations**

ARTICLE 33/A – (Added: 29/3/2011-6215/25) (Changed with Title: 20/5/2021-7319/12)

(1) For risks for which insurance or reinsurance coverage cannot be found from domestic or international markets or where there are difficulties in providing coverage, such as nuclear risks, as well as risks that are of public interest in being insured, a Special Risk Management Center has been established to provide coverage, coordinate the establishment of insurance or reinsurance pools, and facilitate cooperation among insurance and reinsurance companies.

(2) The risks to be managed under the Special Risk Management Center will be determined by the Ministry of Treasury and Finance upon the recommendation of the Insurance and Private Pension Regulation and Supervision Authority; whether the State will provide premium or reinsurance support for the covered risks, and if so, the scope of that support, and whether reinsurance support from the State will be obtained for a fee will be determined by a Presidential decision based on the proposal of the Insurance and Private Pension Regulation and Supervision Authority and the approval of the Ministry of Treasury and Finance.

(3) The operations and processes of the Special Risk Management Center are carried out by a public insurance or reinsurance company. The Center establishes the operational principles and procedures in a contract with the managing company.

(4) The headquarters of the Special Risk Management Center is located in Istanbul. The Center is not subject to the Public Financial Management and Control Law No. 5018 dated 10/12/2003 and the Public Procurement Law No. 4734 dated 4/1/2002 in terms of its activities under this Law.

(5) The Special Risk Management Center is governed by a Board of Directors. The Board

consists of a member from the Ministry of Treasury and Finance at least at the level of department head, a member from the Insurance and Private Pension Regulation and Supervision Authority at least at the level of department head, a member to be proposed by the Union of Chambers and Commodity Exchanges of Turkey, and one member to be determined from among three candidates proposed by the Union, in accordance with the conditions determined by the Insurance and Private Pension Regulation and Supervision Authority, along with a representative of the managing company. The representative from the Ministry of Treasury and Finance is the chair of the Board. Board members receive a meeting fee, calculated by multiplying the indicator number (3000) by the monthly coefficient applied to civil servants for each meeting day, up to a maximum of four times per month.

(6) The revenues of the Special Risk Management Center consist of premiums collected from insured persons within the Center's scope, their returns, and other income that may be obtained within the framework of insurance and reinsurance transactions, as well as other income. The expenses of the Center consist of compensations to be paid for the insurances covered by the Center, payments related to protection obtained from reinsurance and similar markets, expenses for promotion and information, expenses related to damage detection processes, payments to the managing company, and other payments to be made in line with the objectives of the Center.

(7) The Special Risk Management Center is exempt from income and corporate taxes. This exemption does not cover tax deductions to be made under the Income Tax Law No. 193 dated 31/12/1960 and the Corporate Tax Law No. 5520 dated 13/6/2006. The Center is also exempt from inheritance and transfer taxes for donations and aids made to it, as well as stamp taxes for the documents related to the transactions it engages in.

(8) If deemed necessary in terms of public interest, the Special Risk Management Center, in accordance with insurance principles, may provide reinsurance coverage to the Natural Disaster Insurance Institution and the Agricultural Insurance Pool through a Presidential decision, or may receive reinsurance support from these institutions.

(9) The organization, operational procedures, investment directives for assets, authorities and responsibilities of the Special Risk Management Center, and other procedures and principles regarding the implementation of this article will be determined by the regulations to be published by the Insurance and Private Pension Regulation and Supervision Authority.

ARTICLE 33/A – (10) In cases of terrorism, war, natural disasters, and similar extraordinary situations, if insurance or reinsurance coverage cannot be obtained from domestic or international markets, or if difficulties arise in providing such coverage, and if deemed necessary by the Presidency, the Minister of Treasury and Finance is authorized to decide to provide insurance or reinsurance coverage for civil air and maritime transport vehicles. The scope, duration, type, limits of the coverage to be provided, whether a fee will be charged in exchange, the amount of that fee, and the procedures and principles regarding the management and investment of the fee will be determined by the Minister of Treasury and Finance.

ARTICLE 33/B – (Added: 3/4/2013-6456/47)

(1) If any funds that must be paid or refunded to beneficiaries under the scope of private law insurance become time-barred according to relevant legislation, or if the entity carrying out insurance activities cannot reach the beneficiary according to the provisions of related special laws, these funds will be recorded as revenue for the Guarantee Fund or organizations established based on special laws, according to their relevance, following the announcement to be made.

(2) The procedures and principles related to the implementation of this article will be determined by the Undersecretariat.

TENTH CHAPTER

Penalties

Administrative Penalties

ARTICLE 34 – (1) Businesses that act contrary to the principles to be determined under the fourth and fifth paragraphs of Article 3 of this Law, as well as those that operate without a license contrary to Article 5, shall have their workplaces temporarily closed by the provincial authorities for a period not exceeding one year, upon the request of the Minister. Additionally, advertisements and promotions may be halted or confiscated.

(2) The penalties for violations of this Law are as follows:

- a) A penalty of twenty-five thousand Turkish Liras for violating the prohibition of engaging in other activities specified in the first paragraph of Article 3,
- b) A penalty of eight thousand Turkish Liras if the company does not fulfill the requirements after being warned due to the appointment of individuals who do not possess the qualifications specified in the second to seventh paragraphs of Article 4 within one month; a penalty of ten thousand Turkish Liras if the company fails to correct its situation within six months after being warned regarding the requirement of establishing an effective internal control system and employing adequate internal control staff as per the eighth paragraph,
- c) A penalty of eight thousand Turkish Liras for not completing the necessary registration and announcement procedures as required by the first paragraph of Article 5,
- ç) A penalty of twelve thousand Turkish Liras for not completing the necessary registration and announcement procedures as required by Article 7,
- d) A penalty of eight thousand Turkish Liras for failing to notify the Undersecretariat as required by the fifth paragraph of Article 9,
- e) A penalty of twelve thousand Turkish Liras for not obtaining the necessary permission as required by Article 10,
- f) A penalty of ten thousand Turkish Liras for acting contrary to the general terms and conditions specified in the first paragraph of Article 11.

(Note: The reference to the amendments made by Law No. 6327 dated June 13, 2012, regarding the terms "internal audit" changed to "internal control" and the penalty of "twelve thousand Turkish Liras" changed to "from one thousand Turkish Liras to twelve thousand Turkish Liras" is acknowledged.)

(2) The penalties for violations of this Law are as follows (continued):

- a) A penalty of five thousand Turkish Liras for violating the fourth paragraph of Article 14,
- b) A penalty of two thousand Turkish Liras for failing to cover the necessary expenses as required by the seventh paragraph of Article 17,
- c) A penalty of twelve thousand Turkish Liras for acting contrary to the first, second, and third paragraphs of Article 18, for failing to keep special records, for not publishing financial statements, and for acting contrary to the principles and procedures determined by the Undersecretariat, including the company's active structures as per the fourth paragraph,
- ç) A penalty of eighteen thousand Turkish Liras for failing to comply with the obligation to employ an actuary as per Article 21,
- d) A penalty of twenty thousand Turkish Liras for acting contrary to the measures taken under the fourth paragraph of Article 32 and the provisions of the fifth paragraph,
- e) A penalty of one thousand to twelve thousand Turkish Liras for failing to comply with the decisions made according to this Law by the President, the Ministry to which the Undersecretariat is subordinate, and the Undersecretariat itself, in cases where no other penalties are specified in this Law.

(3) Administrative monetary penalties shall be applied by the Undersecretariat.

Criminal Penalties

ARTICLE 35 – (1) Individuals and authorized representatives of legal entities who engage in insurance activities without obtaining a license in accordance with this Law, or who use the names of organizations specified in this Law in their commercial titles, documents, advertisements, or public statements, and who create the impression that they are engaged in activities regulated by this Law, shall be punished with imprisonment for a term of three to five years and a judicial fine of up to one thousand days, not less than six hundred days.

(2) The authorized representatives of cooperatives that enter into insurance contracts without obtaining permission from the Undersecretariat contrary to the fourth paragraph of Article 3 shall be punished with a judicial fine of up to one thousand days, not less than five hundred days.

(3) The chairpersons and members of the boards of directors of insurance companies and reinsurance companies, as well as other members, who misappropriate money or other assets belonging to the organization entrusted to them due to their duties, shall be punished with imprisonment for a term of six to twelve years. Additionally, they shall be liable to compensate for the damage caused to the organization.

Note: The phrase "Council of Ministers" in this paragraph was changed to "President" by Article 182 of the Decree Law No. 700 dated July 2, 2018.

(2) If the crime indicated in the third paragraph is committed through any fraudulent activities that will deceive the organization and ensure that the act remains undiscovered, the perpetrator shall be punished with a prison sentence of not less than twelve years and a judicial fine. However, the amount of the judicial fine cannot be less than three times the damage caused. If the damage is fully paid before prosecution, the penalty shall be reduced by one-third.

(3) (2) Individuals and legal entities who do not provide the requested information and documents to the authorized authorities and supervisory officers specified in this law, or who obstruct the duties of the supervisory officers, shall be punished with a prison sentence of one to three years and a judicial fine of not less than two hundred days.

(4) (3) Individuals and legal entities who provide misleading false or contrary information or documents to the authorities, supervisory officers, courts, and other official offices specified in this law shall be punished with a prison sentence of one to three years and a judicial fine of not less than three hundred days.

(5) (4) Those who intentionally cause harm to the reputation of organizations subject to this law or damage their assets, or spread false news in this regard, shall be punished with a prison sentence of one to two years and a judicial fine of not less than two hundred days. If this act is committed using the means specified in the Press Law No. 5187 dated June 9, 2004, or through radio, television, video, internet, cable broadcast, or electronic communication tools and similar publication means, the prison sentence shall be from two to four years. Those who spread unfounded news that may raise doubts in the public mind about the reliability of organizations subject to this law, even if not named, and negatively impact their financial structure through the aforementioned means shall be punished with a judicial fine of not less than four hundred days and up to one thousand days.

(6) (5) Those involved in the application and supervision of this law, as well as insurance arbitrators and reporters, who disclose the secrets of persons and organizations operating under this law, including their affiliates, establishments, and those related to insurance contracts, that they learned by virtue of their position or duty, even after leaving their duties, to anyone other than those authorized under this law and special laws for their own benefit shall be punished with a prison sentence of two to four years and a judicial fine of not less than three hundred days.

(7) (6) Employees and officials of organizations subject to this law, except for the individuals specified in the eighth paragraph, who disclose the secrets of persons subject to this law or those working for them and those working in the insurance sector through outsourcing learned by virtue of their positions and duties, to anyone other than the authorities explicitly authorized by law, shall be punished with a prison sentence of one to three years and a judicial fine of not less than two hundred days.

(8) (7) Individuals specified in the eighth and ninth paragraphs who disclose the kinds of secrets mentioned in these paragraphs for their own or others' benefit shall be punished with a prison sentence of three to five years and a judicial fine. Additionally, depending on the seriousness of the act, their duties may be prohibited either permanently or temporarily for six months to one year.

(9) (8) Those who prepare false financial statements and the auditors of insurance companies and reinsurance companies who certify them shall be punished with a judicial fine. However, the amount of the judicial fine cannot be less than one percent of the amount of falsity.

(10) (9) Those who fail to obtain the permits specified in the first, second, and fourth paragraphs of Article 9 of this law shall be punished with a judicial fine of not less than three hundred days; those who do not comply with the share limitations determined in accordance with the sixth paragraph shall be punished with a judicial fine of not less than four hundred days; those who record share transfers made without obtaining permission in violation of the third paragraph shall be punished with a judicial fine of not less than four hundred days.

(11) (10) Those who apply tariffs without the approval of the Undersecretariat in violation of the second paragraph of Article 12 of this law shall be punished with a judicial fine of not less than five hundred days; those who pay commissions other than those determined and announced by the Undersecretariat shall be punished with a judicial fine of not less than three hundred days; those who receive these commissions shall be punished with a judicial fine of not less than one hundred days.

(12) (11) Those who avoid making contracts in violation of the provision of the first paragraph of Article 13 of this law shall be punished with a judicial fine of not less than five hundred days.

(13) (12) Those who insure insurable interests in Turkey outside of the insurance companies operating in Turkey shall be punished with a judicial fine in violation of Article 15 of this law.

(14) (13) Those who do not allocate sufficient reserves in violation of the first paragraph of Article 16 of this law, as well as those who allocate technical reserves in violation of the second to seventh paragraphs and those who determine the reinsurer's share in violation of the eighth paragraph; those who do not make payments from guarantees in violation of the first and second paragraphs of Article 17, and those who establish minimum guarantee funds in violation of the fourth paragraph shall be punished with a judicial fine. (Amended last sentence: 13/6/2012-6327/64 md.) However, the amount of the judicial fine cannot be less than two percent of the unfulfilled obligation or, if the obligation has been partially fulfilled, the shortfall amount cannot be less than two percent and more than twelve percent.

(15) (14) Those who act in violation of the first paragraph of Article 19 of this law shall be punished with a judicial fine of up to one thousand days; those whose violations reduce the asset value in a way that violates good faith rules shall be punished with a judicial fine of up to two thousand days. (Amended last sentence: 13/6/2012-6327/64 md.) However, the amount of the judicial fine cannot be less than five percent of the decrease in the asset and more than twenty percent.

(16) (15) Brokers who act contrary to the third paragraph of Article 21 of this law shall be punished with a judicial fine of not less than three hundred days; those who engage in activities other than insurance brokerage shall be punished with a judicial fine of not less than four hundred days; those who act contrary to the fourth paragraph shall be punished with a

judicial fine of not less than two hundred days.

(17) (16) Those who act contrary to the principles to be determined in accordance with the third paragraph of Article 22 of this law shall be punished with a judicial fine of not less than three hundred days; those who engage in activities other than insurance adjusting shall be punished with a judicial fine of not less than one hundred days; those who open more than one office in violation of the eleventh paragraph shall be punished with a judicial fine of not less than sixty days; individuals and officials of legal entities who are insurance adjusters shall be punished with a judicial fine of not less than one hundred days; those who accept duties contrary to the thirteenth paragraph and those who violate impartiality while working as insurance adjusters or insurance adjusters working alongside adjusters shall be punished with a judicial fine of not less than five hundred days; those who act contrary to the fourteenth paragraph shall be punished with a judicial fine of not less than three hundred days; those who act contrary to the sixteenth paragraph and those who should not be working according to this paragraph but are working shall be punished with a judicial fine of not less than two hundred days; those who allow others to use their insurance adjusting powers or titles contrary to the twenty-second paragraph and those who use these powers and titles shall be punished with a judicial fine of not less than five hundred days; those who create the impression of being an insurance adjuster shall be punished with a judicial fine of not less than one hundred days.

(18) (17) Those engaging in commercial activities in violation of the tenth paragraph of Article 23 of this law shall be punished with a judicial fine of not less than one hundred days; those who act contrary to the twelfth paragraph shall be punished with a judicial fine of not less than three hundred days; those who allow others to use their insurance agency powers or titles in violation of the thirteenth paragraph, as well as those who use those powers and titles, shall be punished with a judicial fine of not less than five hundred days; those who create the impression of being an insurance agency shall be punished with a judicial fine of not less than one hundred days; those who act contrary to the fourteenth paragraph and those who should not be working in activities related to insurance agency according to this paragraph but are working shall be punished with a judicial fine of not less than two hundred days.

(19) (18) Those responsible for insurance agency contracts who are unable to perform due to being unable to do so under this law shall be punished with a judicial fine of not less than five hundred days; those responsible for insurance companies who grant the authority to collect premiums or make contracts to those who cannot be granted such authority shall be punished with a judicial fine of not less than three hundred days; those who accept such authority shall be punished with a judicial fine of not less than two hundred days.

(20) (19) Those working as authorized representatives or having the authority to represent and obligate within a legal entity insurance expert, despite a decision for their removal from profession, in violation of the sixth paragraph of Article 26 of this law, as well as those employing them, and those working as authorized representatives or having the authority to represent and obligate within a legal entity insurance agency despite a decision for their removal from profession in violation of the sixth paragraph of Article 27 shall be punished with a prison sentence of one to two years and a judicial fine of not less than three

hundred days.

(21) (20) Those who conduct brokerage and insurance adjusting without a license in violation of this law; those who conduct insurance agency without a suitability certificate in violation of the third paragraph of Article 33 and those who perform transactions without being a natural person shall be punished with a judicial fine of not less than five hundred days.

(22) (21) Those who transfer their activities and authorities related to their transactions to others in violation of the first paragraph of Article 37 of this law shall be punished with a judicial fine of not less than five hundred days; those who fail to comply with the transfer limitation specified in the second paragraph shall be punished with a judicial fine of not less than three hundred days; those who fail to meet the conditions for granting permission as specified in the third paragraph shall be punished with a judicial fine of not less than two hundred days; those who conduct activities against their obligations specified in the fourth paragraph shall be punished with a judicial fine of not less than five hundred days.

(23) (22) Those who act contrary to the obligations specified in Article 40 of this law shall be punished with a judicial fine of not less than five hundred days; those who create false insurance policies shall be punished with a judicial fine of not less than one hundred days; those who engage in actions contrary to the prohibitions in the third paragraph shall be punished with a judicial fine of not less than two hundred days; those who fail to establish adequate and necessary control systems to protect policyholders and beneficiaries, as well as those who fail to implement the necessary measures to protect the rights of policyholders and beneficiaries shall be punished with a judicial fine of not less than four hundred days.

(24) ((24) Those who act contrary to the second paragraph of Article 32 of this Law and those who delay insurance compensation in a manner that violates good faith rules, in contravention of the third paragraph, shall be punished with a judicial fine of not less than three hundred days.

(25) **Prosecution**

ARTICLE 36 – (1) The prosecution for the crimes specified in this Law is contingent upon a written request from the Undersecretariat to the Chief Public Prosecutor's Office. With this request, the Undersecretariat also gains the status of a participant.

(2) If the public prosecutor decides that there are no grounds for prosecution, the Undersecretariat is entitled to appeal against the decisions that will be notified to it in accordance with the Code of Criminal Procedure No. 5271 dated 4/12/2004.

(3) The provisions of this article do not apply to prosecutions concerning the acts considered crimes under this Law committed by brokers and insurance experts, nor do they apply to prosecutions related to violations of the first paragraph of Article 15 and the sixth to ninth paragraphs of Article 35 of this Law.

(26) **Duties and Authority**

ARTICLE 36/A – (Added: 3/4/2013-6456/48)

(1) The judges and courts designated by the High Council of Judges and Prosecutors as specialized courts are authorized to conduct trials for the crimes defined or referred to in this Law, including peace courts, civil courts, or heavy penal courts.

CHAPTER ELEVEN

References, Amended and Repealed Provisions

Atıflar

ARTICLE 37 – (1) References made in other legislation to the repealed Law No. 7397 on Insurance Supervision dated December 21, 1959, shall be considered as references made to the relevant provisions of this Law.

(2) All terms used in other laws to refer to actuaries working in the supervisory unit of the Undersecretariat shall be applied as "Insurance Supervisory Actuary."

ARTICLE 38 – (1) (This is a provision of the Law No. 5174 dated May 18, 2004, regarding the Union of Chambers and Commodity Exchanges of Turkey and the Chambers and Exchanges Law, and has been incorporated here.)

ARTICLE 39 – (1) (This is a provision of the Law No. 2918 dated October 13, 1983, concerning the Highway Traffic Law, and has been incorporated here.)

ARTICLE 40 – (1) (This is a provision of the Decree Law No. 587 dated November 25, 1999, on Compulsory Earthquake Insurance, and has been incorporated here.)

ARTICLE 41-42 – (1) (This is a provision of the Law No. 4632 dated March 28, 2001, regarding the Individual Retirement Savings and Investment System, and has been incorporated here.)

ARTICLE 43 – (1) (This is a provision of the Law No. 657 dated July 14, 1965, concerning Civil Servants, and has been incorporated here.)

ARTICLE 44 – (1) (This is a provision of the Law No. 5363 dated June 14, 2005, concerning Agricultural Insurance, and has been incorporated here.)

ARTICLE 45 – (1) The Insurance Supervision Law No. 7397 dated December 21, 1959, has been repealed.

(2) The Law No. 1160 on Repeated Insurance dated June 25, 1927, has been repealed.

(3) The third paragraph of Article 107, Article 108, and the first and second paragraphs of the supplementary Article 8 of the Highway Traffic Law No. 2918 dated October 13, 1983, have been repealed.

(1) **TWELFTH CHAPTER**

Temporary and Final Provisions

(2) **ADDITIONAL ARTICLE 1** – (Added: 13/6/2012-6327/65)

(1) Special provisions in this Law are reserved; the regulations regarding the implementation of this Law and the persons and entities covered by this Law shall be issued by the Ministry to which the Undersecretariat is affiliated.

(3) **ADDITIONAL ARTICLE 2** – (Added: 13/6/2012-6327/66)

(1) References made in other legislation to the Turkish Insurance and Reinsurance Companies Association shall be deemed to have been made to the Turkish Insurance, Reinsurance, and Pension Companies Association.

(4) **ADDITIONAL ARTICLE 3** – (Added: 13/6/2012-6327/67)

(1) The Insurance Information and Monitoring Center, which continues its activities according to the Regulation published in the Official Gazette No. 26962 dated August 9, 2008, shall be deemed established pursuant to Article 31/B without requiring any further action as of the date of publication of this Law.

(5) **ADDITIONAL ARTICLE 4** – (Added: 17/1/2019-7161/46)

(1) In order to increase the domestic reinsurance capacity and ensure coverage for various risks that may result in material and bodily damages for which guarantees cannot be provided across the country, the Turkish Reinsurance Joint Stock Company, owned by the Ministry of Treasury and Finance, has been established to provide insurance and reinsurance coverage.

(2) The Company is subject to the provisions of the Turkish Commercial Code No. 6102 dated January 13, 2011, and private law provisions, except for the provisions related to establishment and registration specified in this Law. The articles of association of the Company, prepared with the approval of the Ministry, shall come into force upon the approval of the first general assembly to be held within three months from the date this article enters into force. Matters regarding the Company's area of activity, headquarters, purpose, resources, capital structure, shares, organs, accounts, and distribution of profits shall be specified in the articles of association.

(3) Company personnel shall be employed under a labor contract in accordance with the provisions of the Labor Law No. 4857 dated May 22, 2003. Labor courts shall be competent to resolve disputes arising between employees working under the Law No. 4857 and the Company. Monthly salaries and other financial rights of the personnel shall be determined by the Company's General Assembly. The General Assembly may delegate these powers to the Board of Directors. The Board of Directors is authorized to make decisions on other matters related to personnel employment.

(4) The Company and its affiliates are not subject to the provisions of the Law No. 6245 on Allowances dated February 10, 1954, the Law No. 195 on the Establishment of the Press Announcement Institution dated January 2, 1961, the Law No. 237 on Vehicles dated January 5, 1961, the Law No. 2886 on Public Tenders dated September 8, 1983, the Law No. 4734 on Public Procurement dated January 4, 2002, the Decree Law No. 233 on Public Economic Enterprises dated June 8, 1984, the Decree Law No. 399 on the Regulation of the Personnel Regime of Public Economic Enterprises and the Repeal of Some Provisions of the Decree Law No. 233 dated January 22, 1990, the Decree Law on Amendments to Some Laws and Decree Laws Related to Public Employees dated May 27, 1994, and the Decree Law on Regulations Regarding the Financial and Social Rights of Public Employees and Amendments to Some Laws and Decree Laws dated July 4, 2001, except for Article 12.

(5) The Company is exempt from fees collected under the Law No. 492 on Fees dated July 2, 1964, due to its transactions, and from the bank and insurance transactions tax on amounts receivable in its favor. In any requests for precautionary measures, precautionary attachments, and the postponement of execution, no security is required.

(6) **Provisions Related to the Insurance and Private Pension Regulation and Supervision Authority**

(7) **ADDITIONAL ARTICLE 5** – (Added: 5/12/2019-7194/49)

(1) The President and members of the Insurance and Private Pension Regulation and

Supervision Authority shall swear before the Supreme Court Presidency that they will perform their duties with utmost care, integrity, and impartiality, and that they will not act contrary to the provisions of relevant legislation. The application for the oath shall be considered urgent by the Supreme Court. The President and members shall not be deemed to have commenced their duties until they take the oath.

(2) The following conditions are required for those to be appointed to the positions of Vice President, Department Head, and Group Head in the Insurance and Private Pension Regulation and Supervision Authority:

a) To meet the general conditions specified in Article 48 of the Law No. 657 on Civil Servants dated July 14, 1965.

b) To be a graduate of at least a four-year higher education program.

c) To have worked for at least five years in public service and/or social security institutions or in international organizations, the private sector, or as a freelancer.

(3) The financial and social rights of the President, members, and personnel of the Institution shall be paid in accordance with the same procedures and principles applied to similar personnel as defined in Article 11 of the Decree Law No. 375 dated June 27, 1989. Those payments not subject to taxes and other legal deductions for similar personnel shall also not be subject to taxes and other deductions under this Law. The President and members, as well as the Institution personnel, shall be considered equal to the similar personnel in terms of their retirement rights.

(4) The President and members, as well as the Institution personnel, shall be deemed insured under the provisions of paragraph (c) of the first paragraph of Article 4 of the Social Insurance and General Health Insurance Law No. 5510 dated May 31, 2006. For those appointed as President and members while insured under paragraph (c) of the first paragraph of Article 4 of Law No. 5510, the periods of service spent in these positions shall be taken into account when determining earned rights for monthly payments, grades, and steps. For those who fall under the temporary Article 4 of Law No. 5510 during their tenure in these positions, the periods spent in these positions shall be considered as the duration for which compensation and representation allowances should be paid. The severance pay or end-of-service compensation shall not be required for those who have been appointed as President and members while insured under paragraph (a) of the first paragraph of Article 4 of Law No. 5510 and whose ties with their previous institutions and organizations have been severed. In this case, the periods of service for which severance pay or end-of-service compensation is due shall be combined with the periods spent in the presidency and membership, and evaluated as the duration for which retirement bonuses are to be paid.

(5) Those who are subject to other statuses regarding social security prior to their appointment as President and members may continue to be affiliated with those statuses upon their request, and the provisions of paragraph four shall not apply to them.

(6) The Institution may assign personnel in accordance with the provisions of the additional Article 25 of the Decree Law No. 375.

(7) The Institution may employ IT personnel on a contractual basis in accordance with the procedures and principles specified in the additional Article 6 of the Decree Law No. 375. The conditions specified in subparagraphs (a) and (b) of the third paragraph of that article shall not be sought for the Institution.

(8) The authority to grant permission for investigations regarding alleged crimes committed in connection with the duties of the President, members, and Institution personnel lies with the relevant Minister for the President and members, and with the President for the Institution personnel. In investigations regarding alleged crimes committed in concert related to the duties of the President, members, and Institution personnel, the authority to grant permission for investigation regarding the Institution personnel lies with the relevant Minister. Investigations and prosecutions initiated against the President and members, as well as Institution personnel, for alleged crimes related to their duties, shall be followed by a lawyer appointed by the Institution upon the request of the relevant member or personnel, even if they have resigned from their positions. The legal expenses related to these cases, as well as the attorney fees determined not to exceed fifteen times the minimum fee specified by the Turkish Bar

Association, shall be covered by the Institution's budget. In the event of a conviction resulting from the prosecution of the President, members, and Institution personnel, and the decision becomes final, the attorney fees covered by the Institution's budget shall be collected from the relevant President, members, and Institution personnel according to general provisions.

(9) The President and members are subject to the Law No. 3628 on Declaration of Property, Fighting Bribery and Corruption dated April 19, 1990.

(10) The President and members shall not be able to take positions in private organizations within the sector and area under the supervision and regulation of the Institution for two years following their departure from their positions. Those who violate this provision shall be subject to the provisions of Article 4 of the Law No. 2531 on Jobs That Cannot Be Held by Those Who Have Left Public Service dated October 2, 1981.

(11) The properties, assets, rights, and receivables that are established and will be established by the Institution are not subject to attachment, and the principles and procedures regarding administrative enforcement shall not apply to these properties, assets, rights, and receivables, and they shall not be able to be affected by any other seizure or attachment procedures.

The following revenues are included among the revenues of the Institution:

a) Participation shares collected from the organizations of insurance, reinsurance, and pension companies established in Turkey, as well as from insurance, reinsurance brokers, and those established abroad.

b) Participation shares transferred to the Institution by deducting amounts collected by the Union of Chambers and Commodity Exchanges of Turkey as registration fees or dues from insurance agents and insurance experts.

c) Fees for registration, permission, and license services determined by the Institution.

(13) The amounts to be collected as participation shares in accordance with the twelfth paragraph shall not exceed five per ten thousand of the total balance sheets of the institutions specified in subparagraph (a) of that paragraph for the previous year, and one-fifth of the amount specified in subparagraph (b).

(14) The financial rights of those appointed to the Institution's positions, regarding whom the provisions of temporary Articles 12 and 16 of the Decree Law No. 375 are applied, shall continue to be governed by those provisions.

ADDITIONAL ARTICLE 6 – (Added: 22/7/2020-7251/57)

(1) Compensation claims to be requested from the institutions or organizations engaged in insurance under this Law or from the Account can only be pursued by:

- a) The creditor in person,
- b) The legal representative of the creditor or an attorney authorized by the legal representative,
- c) The spouse, children, mother, father, or siblings of the creditor who has personally authorized an attorney,

The authority to pursue includes transactions to be carried out with insurance institutions or organizations or with the Account.

(2) Compensation claims are payable only to the rightful owner or their attorney and cannot be transferred to anyone, including the persons specified in the first paragraph.

(3) The procedures and principles regarding the implementation of this article shall be determined by the Insurance and Private Pension Regulation and Supervision Authority.

TEMPORARY ARTICLE 1 – (1) The liabilities, assets, receivables, and obligations of the Road Traffic Guarantee Insurance Account shall be transferred to the Account within one month from the date of entry into force of this Law. Lawsuits and proceedings related to the Road Traffic Guarantee Insurance Account shall continue in connection with the Account.

TEMPORARY ARTICLE 2 – (1) Regulations regarding the implementation of this Law shall be issued by the Ministry to which the Undersecretariat is attached within one year from the date of publication of this Law.

(1) Until the provisions provided in this Law are put into effect, the provisions of existing regulations that do not contradict this Law shall continue to apply.

(2) The provisions of the first paragraph of Article 12 of this Law regarding tariff freedom and the provisions of the fourth paragraph of Article 17 regarding the blocking of guarantee fund assets and the establishment of mortgages shall continue to be applied until they come into force, and the relevant provisions of the repealed Insurance Supervision Law No. 7397 shall continue to apply.

TEMPORARY ARTICLE 3 – (1) Those who do not comply with the branch distinction to be determined in accordance with Article 5 of this Law within one year from the date this Law enters into force shall not be able to enter into new insurance contracts, and shall not be able to make amendments, extensions, or renewals that increase risk.

(1) Insurance companies that have not transferred their portfolios related to life insurance at the time this Law enters into force must transfer these portfolios within one year from that date. If there are one or more insurance companies willing to accept the partial or total acquisition of the insurance portfolio of companies that do not fulfill this obligation, the portfolio shall be transferred ex officio by the Minister. Companies that have not transferred their portfolios shall not be able to enter into new insurance contracts in the life insurance branch, nor shall they be able to make amendments, extensions, or renewals that increase risk until the transfer process is completed.

TEMPORARY ARTICLE 4 – (1) The provision of the sixth paragraph of Article 20 of this Law also applies to persons appointed under the repealed Insurance Supervision Law No. 7397 and to lawsuits and proceedings initiated against these persons.

TEMPORARY ARTICLE 5 – (1) The earthquake damage reserves separated in accordance with Article 25 of the repealed Insurance Supervision Law No. 7397 shall be transferred to voluntary reserve funds within three months following the entry into force of this Law.

TEMPORARY ARTICLE 6 – (1) The licenses for expertise and brokerage issued before the date of publication of this Law shall remain valid until they are amended by the Undersecretariat. Those who do not carry out this amendment within one year from the entry into force of this Law shall not be able to engage in professional activities. For insurance experts to continue their expertise activities, they must register with the Registry within four months from the date this Law enters into force.

TEMPORARY ARTICLE 7 – (1) Insurance agents are required to obtain a suitability certificate from the Undersecretariat and to register with the Registry within one year from the publication of this Law. Those who do not fulfill this obligation shall not be able to engage in insurance agency activities.

TEMPORARY ARTICLE 8 – (1) Those who have been convicted of serious crimes, including bribery, theft, fraud, forgery, abuse of trust, fraudulent bankruptcy, abuse of duty, and other similar offenses, even if they have been pardoned before the entry into force of the Turkish Penal Code No. 5237, shall not be able to be founders in insurance or reinsurance companies, nor engage in insurance agency, brokerage, or expertise activities, and cannot be partners or work in legal entities established for these purposes.

(2) The provision of the first paragraph shall also apply to references regarding the qualifications of founders of insurance and reinsurance companies in this Law.

TEMPORARY ARTICLE 9 – (1) The term "Turkish Lira" used in this Law shall continue to be used as long as the currency in circulation in the country is referred to as the New Turkish Lira in accordance with the provisions of Law No. 5083 on the Currency of the Republic of Turkey dated 28/1/2004.

TEMPORARY ARTICLE 10 – (Added: 3/4/2013-6456/49)

(1) Transactions completed under the legislation in force prior to the date of entry into force of Article 33/B regarding payments or refunds to be made or returned to the beneficiaries shall retain their validity. Transactions that have not been completed under the legislation in force prior to the date of entry into force of the mentioned article shall be finalized in accordance with the provisions of Article 33/B.

TEMPORARY ARTICLE 11 – (Added: 3/4/2013-6456/50)

(1) The provisions of Article 23, tenth paragraph, in force before being amended by the Law that establishes this article, shall continue to apply for two years from the date of publication of this article concerning insurance agents who were authorized to conclude contracts and collect premiums only in relation to compulsory insurances and life insurances.

TEMPORARY ARTICLE 12 – (Added: 3/4/2013-6456/51)

(1) Ongoing cases regarding the offenses defined or referenced in this Law shall continue to be heard in the courts where they are pending as of the date this article enters into force. Cases opened for the aforementioned offenses after the entry into force of this article shall be handled by the penal courts to be assigned by the High Council of Judges and Prosecutors within the framework of Article 36/A of this Law.

TEMPORARY ARTICLE 13 – (Added: 20/5/2021-7319/13)

(1) Pools, organizations, or cooperation mechanisms established and operating before the entry into force of this article in accordance with Article 33/A of this Law shall pass to the Special Risk Management Center by a contract made between the operating company and the Board of Directors.

(2) Appointments made and contracts concluded before the entry into force of this article for pools, organizations, and cooperations that are transferred to the Special Risk Management Center shall terminate without the need for any further action apart from those carried out under the first paragraph.

Enforcement

ARTICLE 46 – (1) The provisions of this Law;

a) The provision of the first paragraph of Article 12 regarding tariff freedom and the provision of the fourth paragraph of Article 17 regarding the blocking of guarantee fund assets and the establishment of mortgages shall come into force three months after the date of publication,

b) Other provisions shall come into force on the date of publication.

Execution

ARTICLE 47 – (1) The provisions of this Law shall be executed by the Council of Ministers

Table Showing the Dates of Entry into Force for Legislation Amending or Supplementing Law No. 5684 or Decisions of the Constitutional Court

Number of the Amending Law/Decree Law or the Number of the Canceling Constitutional Court Decision	Number of the Amending Law/Decree Law or the Canceling Constitutional Court Decision	Effective Date
6215	33/A	12/4/2011
6327	1, 2, 3, 4, 14, 16, 17, 20, 24, 25, 28, 29, 30, 31, 31/A, 31/B, 33/A, 34, 35, Ek Madde 1, 2, 3	29/6/2012
6456	22, 23, 30, 31/B, 33/B, 36/A, Temporary Article, 10, Temporary Article 11, Geçici Madde 12	18/4/2013
	30/12	18/10/2013
6637	22	7/4/2015
6770	11	27/1/2017
KHK/700	3, 13, 14, 15, 22, 23, 24, 33/A, 34	On the date the President took office after taking the oath, following the parliamentary and presidential elections held on June 24, 2018. (9/7/2018)
7161	Additional Article 4	18/1/2019
7194	Additional Article 5	7/12/2019
7251	30, Additional Article 6	28/07/2020
7319	33/A, Temporary Article 13	25/5/2021
7440	11	12/3/2023