

LAW

LAW ON CONSUMER PROTECTION

Law No: 6502

Acceptance Date: 7/11/2013

PART ONE

Purpose, Scope and Definitions

Purpose

ARTICLE 1- The purpose of this Law is to take measures that protect the health, safety and the economic interests of the consumer, to compensate the loss of the consumers, to ensure protection of the consumers from environmental hazards, which inform and educate the consumers in accordance with public interest; to promote self-protecting initiatives by the consumers and to regulate particulars on the promotion of the voluntary organizations for establishing policies regarding this matter.

Scope

ARTICLE 2- (1) This Law covers all consumer transactions and consumer oriented implementations.

Definitions

ARTICLE 3- In the implementation of this law, the definitions shall have the following meanings;

- a) The Minister: The Minister of Customs and Trade,
- b) The Ministry: The Ministry of Customs and Trade,

- c) General Director: General Director of Consumer Protection and Market Surveillance,
- d) General Directorate: General Directorate of Consumer Protection and Market Surveillance,
- e) Service: The subject matter of any type of consumer transaction, except for supply or undertaking to supply of goods in return for a (fee) or interest,
- f) Importer: Real person or legal entities including the public legal entities, who import goods or services or the raw material or the intermediate goods of such goods, for commercial or professional purposes, and launch such through sale, leasing, financial leasing or other similar means,
- g) Durable media: All kinds of tools or media such as texting, e-mail, internet, discs, CD, DVD, memory card and alike, enabling the information sent by or to the consumer, to be recorded and to be reproduced without alteration, and to reach invariably the recorded information that will enable them to examine such information in a reasonable time, in accordance with the purpose of that information,
- h) Housing Finance Institute: Financial leasing companies or financing companies that give direct loans to consumers under the scope of housing finance or which have been deemed as suitable for engaging in housing finance activities by banks that provide financial leasing and the Banking Regulation and Supervision Agency,
- i) Creditor: Real person or legal entities authorized to give out credits to consumers as per their legislation,
- j) Goods: Movable goods, immovable goods for dwelling or for vacation, and all kinds of intangible goods such as software, sound audio, display image, etc. prepared for use with electronic media that are the subject matter of purchase or sale ,
- k) Supplier: Real person or legal entities including the public legal entities, offering or undertaking to offer services on behalf or on account of those offering services to the consumer for commercial or professional purposes,
- l) Seller: Real person or legal entities including the public legal entities, offering or undertaking to offer goods on behalf or on account of those offering the goods to the consumer for commercial or professional purposes,
- m) Technical regulation: The definition included in Law No: 4703 on Drafting and Implementation of Technical Legislation on Products, dated 29/6/2001.
- n) Consumer: Real person or legal entity acting with non-commercial or non-professional purposes,
- o) Consumer transaction: All contracts and legal transactions including independent contract, shipping, brokerage, insurance, proxy, banking and similar contracts established between

consumer and real persons or legal entities, including the public legal entities, acting with commercial or professional purposes or on behalf or on account of such, in the goods and service markets,

- p) Consumer organizations: Associations, foundations, or their supreme organizations established for the protection of the consumer,
- q) Manufacturer: Real person or legal entities including public legal entities, manufacturing the goods or the raw material of such goods or the intermediate goods of such, which have been presented to the consumer, and those presenting themselves as the manufacturer by putting its brand, title or any other distinguishing mark on such goods.

PART TWO

General Principles

Basic Principles

ARTICLE 4 – (1) Contracts and notifications stipulated in this Law to be regulated in writing shall be at least twelve (12) points in character size, drafted in a comprehensible language, in a clear, simple, and legible manner and a copy of these shall be given out the consumer either on paper or on any other durable media. In the event, one or a few of the conditions that must be included in the contract are lacking, such omission shall not affect the validity of the contract. The party regulating the contract shall remedy such omission immediately.

(2) The conditions set forth in the contract cannot be altered to the detriment of the consumer during the period of the contract.

(3) An additional fee cannot be claimed from the consumer for the acts that are among the legal obligations of the party drafting the contract and which the consumer rightly expects relative to the good or service presented to the consumer, and for the expenses made in line with the benefits of the party drafting the contract. All types of fees, commissions and expenses that will be claimed from the consumer, other than interest, and the principles and rules related to such for goods or services provided to the consumer by banks, financial institutions offering consumer credits or issuing cards, shall be regulated by the Banking Regulation and Supervision Agency, obtaining the opinion of the Ministry, in line with the spirit of this Law and in a manner that protects the consumer.

(4) The information regarding all kinds of fees and expenses that will be claimed from the consumer referring to the contracts drafted with this Law, must be given out to the consumer in writing on paper as an attachment to this contract. In contracts established through telecommunication, such information shall be presented in accordance with the distance communication means used. Proving such information has been submitted to the consumer is the responsibility of the party drafting the contract.

(5) A bill may be drawn, only in the name of the holder and one for each installment, as valuable paper for the transactions performed by the consumer. Bills drafted in contradiction to the provisions of this paragraph shall be invalid for the consumer.

(6) In consumer transactions, the personal guarantees obtained in return for the acts of the consumer shall be deemed as ordinary guarantee, regardless of any name given to them. Personal guarantees given by the other party regarding the receivables of the consumer shall be deemed as joint guarantees, unless there is a contradictory provision in other laws.

(7) Compound interest shall not be applied in consumer transactions, including the case of default.

(8) This law also covers participation banks in terms of all of its regulations. Implementation shall be done considering profit share.

Unfair Terms in Consumer Contracts

ARTICLE 5- (1) Unfair terms are contractual terms, which are included in the contract without negotiating with the consumer and that create an imbalance against the consumer in a manner that is contradictory to good faith in the rights and obligations of the parties arising from such contract.

(2) Unfair terms included in the contracts signed with the consumer are absolutely void. The provisions of the contract other than the unfair terms are valid. In this case, the party drawing up the contract cannot argue that such party would not have engaged in a contract with the other provisions, if it were not for the terms deemed absolutely void.

(3) If, a contract condition had been prepared previously, and if it was not able to affect the consumer content due to being in the standard contract, it is deemed that such contract condition has not been negotiated with the consumer. If the party drawing up the contract is arguing that a standard condition has been solely negotiated, such party has the burden of proof. If from the overall evaluation of the contract, it is agreed that it is a standard contract, the negotiation of certain elements of a condition or a sole provision in this contract does not prevent the implementation of this article to the rest of the contract.

(4) If the contract terms are in writing, the language used must be a clear and comprehensible one that the consumer can understand. In the event a provision included in the contract is not clear and comprehensible or carries multiple meaning, such provision will be interpreted to be to the benefit of the consumer.

(5) The provisions of this article also apply to contracts drawn up by people or institutions carrying out their activities with permission granted by the law or authorized bodies, without taking into consideration the qualifications of such contracts.

(6) The unfairness of a contract term shall be determined while the contract is being drawn up, taking into account the qualification of the good or service that is the subject matter of the contract, the existing conditions during the drawing up of the contract, and the other provisions of the contract or the provisions of another contract to which the unfair term is related to.

(7) In the event of discretion of the unfairness of the contract terms, provided such terms are written in a clear and comprehensible manner, an appraisalment cannot be made between the balance of both the fundamental performance obligations; and the market value of the good or service and the price determined in the contract.

(8) The Ministry shall take the necessary precautions to delete out or prevent the use of unfair terms existing in contractual texts in contracts that were drawn up for general use.

(9) The procedures and principles related to the determination and inspection of unfair terms and without being limited to contract terms accepted as unfair conditions shall be determined by the regulation.

Refusal to Sell

ARTICLE 6- (1) Unless there is a sign indicating that it is not for sale, a sale of a good that is on display in a window, shelf, on an electronic media or any other place that is in a clearly visible area cannot be refused.

(2) Unless it is for a valid reason, providing services cannot be refused.

(3) Those acting with commercial or professional purposes cannot bind the sale of a good or service to the condition of amount, number, dimension and similar conditions, which have been determined by themselves, or to the purchase of another good or service, if there are no practices, commercial custom or tradition to the contrary or a right cause.

(4) The Ministry and the Municipalities are in charge of carrying out all work related to the implementation and supervision of the provisions of this article.

Unordered goods or services

ARTICLE 7- (1) No rights against the consumer can be claimed in the delivery of unordered goods or offer of unordered services. The consumer remaining silent or using the good or service in such cases cannot be deemed as the consumer's declaration of the acceptance of a contract. The consumer is not liable to return or retain the good.

(2) The one claiming that a good or service has been ordered, is liable to prove such claim.

PART THREE

Defective Goods and Services

SECTION ONE

Defective Goods

Defective goods

ARTICLE 8- (1) A defective good is a good that does not comply with the sample or model agreed on by the parties or lacking the characteristics it objectively should have, during its delivery to the consumer, thus, is against the contract.

(2) Goods that have material, legal or economic deficiencies that reduces or removes the benefits the consumer reasonably expects, that do not correspond to the usage purpose of goods that are equal, that are not in conformity with the characteristic/s that appear on the packaging, label, introductory or user's manual, internet portal or in the advertisements and announcements and that are not in conformity with the characteristics notified by the seller or determined in its technical regulation; are also deemed as defective goods.

(3) The failure to deliver the good that is the subject matter of the contract within the due course set forth in the contract, or failure to install the good in line with the required conditions in cases where installation is made by the seller or under the responsibility of the seller, such shall be evaluated as non-compliant performance. In cases where it is anticipated that the consumer will install the good, if the installation of good is erroneous due to an error or a shortcoming in the installation instructions, such shall be identified as non-compliant performance.

Liability to defective good

ARTICLE 9 – (1) The seller is obliged to deliver the good to the consumer in conformity with the sale contract.

(2) The seller shall not be bound by the contents of an announcement if he proves that he was not and could not have been expected to be aware of the announcements made by means of advertisements or announcements which were not initiated by him or that the content of the relevant announcement had been corrected at the time of the conclusion of the sale contract or that the decision to conclude the sale contract does not demonstrate causality with the announcement in question.

Burden of proof

ARTICLE 10 – (1) Any defect that becomes apparent within six (6) months of delivery of the good shall be accepted to have existed at the date of delivery. In this case, the seller has to prove

that the good was not defective. This presumption shall not apply if it is incompatible with the nature of the good or the defect.

(2) Nonconformity with the contract cannot be mentioned where the consumer was aware of the defect or was expected to be aware of the defect at the date of the conclusion of the contract. The consumer's right of choice is reserved for defects other than those.

(3) The manufacturer, importer or seller shall affix an eligible label on the defective good that will be sold or on its packaging, containing clear information regarding the defect of the good that can be easily read by the consumer. It is mandatory to give this label to the consumer or to display it clearly on the invoice, receipt or sale document submitted to the consumer. The products that are not suitable to the technical regulation must not be launched in the market in any way. "Law concerning the Preparation and Implementation of the Technical Legislation on Products" and the provisions of other relevant legislation shall be implemented for such products.

Consumer's right of choice

ARTICLE 11 – (1) When it is understood that the good is defective, the consumer may exercise one of the following rights of choice;

- a) Rescinding the contract, informing that consumer is ready to return the sold good,
- b) Requesting a discount from the sale price in proportion to the defect that keeping the sold good,
- c) Requesting a free of charge by repair with all expenses borne by the seller, if it does not require an extensive expense,
- d) Requesting a replacement of the defective good with a defect free one, if possible.

(2) The right to free of charge by repair or replacement of the good with a defect free one, may be used against the manufacturer or the importer as well. The seller, manufacturer and the importer are severally liable in performing the rights in this paragraph. In cases where the manufacturer or the importer proves that the defect happened after the good was launched in the market by them, they shall not be liable.

(3) In the event, free of charge by repair or replacement of the good with a defect free one brings along disproportional difficulties to the seller, the consumer shall exercise one of the two rights;

rescinding the contract or discount from the price in proportion to the defect. In determining the disproportion, matters such as the non-defective value of the good, the importance of the defect and whether or not it would create a problem for the consumer to exercise other rights are taken into account.

(4) In the event, the consumer chooses to exercise the right of requesting of the free of charge by repair or replacement of the good with defect free, this request must be fulfilled within maximum thirty (30) business days of notifying the seller, manufacturer or importer of such request. For immovable property intended for housing or vacations, this period is sixty (60) business days. However, for goods included in the attached list of the regulation issued in accordance with Article 58 of this Law, the consumer's free of charge by repair request shall be fulfilled in the maximum repair period stated in this regulation. Otherwise, the consumer is free to exercise other rights of choice.

(5) In cases where the consumer chooses to exercise the right to rescind the contract or request a discount from the price in proportion to the defect, the complete amount paid or the amount of the discount made from the price shall be refunded to the consumer immediately.

(6) All expenses arising from the exercise of rights of choice shall be borne by the party realizing the right the consumer chose. The consumer may also demand compensation with one of these rights of choice, in line with the Turkish Code of Obligations numbered 6098 and dated 11/1/2011.

Limitation

ARTICLE 12 - (1) Unless, a longer period has been stipulated in the laws or the contract executed between the parties, the liability to the defective good shall be subject to a limitation period of two (2) years from the time of delivery of the goods to the consumer, even if the defect becomes apparent afterwards. This period shall be five (5) years for immovable property intended for housing or vacationing, as of the date of delivery of the immovable.

(2) Without prejudice to paragraph 3 of Article 10 of this Law, the liability of the seller for defective good cannot be less than one (1) year in second hand sales, and less than three (3) years for immovable property intended for housing or vacationing.

(3) If the defect has been hidden through gross negligence or deceit, the provisions of limitation shall not be applied.

SECTION TWO

Defective Services

Defective service

ARTICLE 13 - (1) Defective service is the service that is not in conformity with the contract due to failing to start in the period set forth in the contract, or which lacks the characteristics that have been agreed on by the parties and which it should objectively contain.

(2) Those services containing material, legal or economic deficiencies and failing to conform with the characteristics announced by the service supplier or which were included in an internet portal, or in the advertisements and announcements, or which reduces or removes the value, for purposes of benefiting from it, or the benefits expected reasonably from it by the consumer, are defective services.

Liability to defective service

ARTICLE 14 - (1) The supplier is obliged to perform the service in conformity with the contract.

(2) The supplier shall not be bound by the contents of an announcement, if he proves that he was not and could not have been expected to be aware of the announcements made by means of advertisements or announcements, which were not initiated by him or that the content of the relevant announcement had been corrected at the time the of the conclusion of the service contract or that the decision to conclude the service contract does not demonstrate causality with the announcement in question.

Consumer's right of choice

ARTICLE 15 – (1) In cases where the service was performed defectively, the consumer is free to use one of these rights against the supplier; the re-performance of the service, the free of charge repair of the piece resulting from the performing service, discount from the price in proportion to the defect or rescinding the contract. The supplier is obliged to realize the consumer's preferred request. All expenses arising from the exercise of right of choice shall be

borne by the supplier. The consumer may also request compensation with one of these rights of choice, in line with the provisions of the Turkish Code of Obligations.

(2) In the event free of charge by repair or re-performance of the service brings along disproportional difficulties to the supplier, the consumer shall not exercise these rights. In determining the disproportion, matters such as the non-defective value of the service, the importance of the defect and whether it would create a problem for the consumer to exercise other rights of choice are taken into account.

(3) In cases where the consumer chooses to exercise the right to rescind the contract or request a discount from the price in proportion to the defect, the complete amount paid or the amount of the discount made from the price shall be refunded to the consumer immediately.

(4) In cases where free of charge by repair or the re-performance of the service rights are chosen, this request shall be fulfilled by the supplier in a reasonable amount of time and in a manner that will not cause significant problems for the consumer, taking into account the characteristic of the service and the consumer's usage purposes of such service. This period may under no circumstance exceed thirty (30) business days, as of the submission of the claim to the supplier. Otherwise, the consumer is free to exercise other rights of choice.

Limitation

ARTICLE 16 - (1) Unless a longer period has been stipulated in the laws or the contract executed between the parties, the liability to the defective service shall be subject to a limitation period of two (2) years from the time of performance of the service, even if the defect becomes apparent afterwards.

(2) If the defect has been hidden through gross negligence or deceit, the provisions of limitation shall not be applied.

PART FOUR

Consumer Contracts

SECTION ONE

Installment Sales

Installment Sale Contracts

ARTICLE 17-(1) an installment sale contract is a contract where the seller or the supplier assumes the supply of the good or performance of the service and the consumer pays the price in installments.

(2) Provisions of this section shall also apply to financial leasing contracts where the consumer must obtain the ownership of a good at the end of the lease period.

(3) An installment sale contract will not be valid unless it is drawn up in written. The seller or supplier failing to make a valid contract cannot claim the invalidity of the contract afterwards, in a manner that is to the detriment of the consumer.

Right of Withdrawal

ARTICLE 18 – (1) The consumer is entitled to withdraw from the installment sale contract without giving any reason and without incurring any penalties within seven (7) days.

(2) It is sufficient for the notification regarding the use of the right of withdrawal to be submitted to the seller or supplier in such time. The seller or supplier is liable to prove that the consumer has been informed regarding the right of withdrawal.

(3) If the seller has delivered the good to the consumer within the withdrawal period, the consumer may only use the good to the extent required for an ordinary revision; otherwise, the consumer cannot exercise the right of withdrawal. In addition, in service contracts where the performance of the service has commenced with the approval of the consumer, prior to the expiration of the right of withdrawal, the consumer cannot exercise the right of withdrawal.

(4) In financial leasing transactions where the consumer gets a hold of the seller, the right of withdrawal cannot be exercised.

Default

ARTICLE 19 – (1) In the event the consumer falls into default in paying the installments in the installment sale contracts, and if the seller or the supplier have kept their right to claim the payment of the whole of the remaining debt as reserved; this right may only be exercised in the event, when the seller or the supplier has performed all actions, and the consumer is in default for paying at

least two consecutive installments that constitute at least one tenth of the remaining debt or, an installment constituting at least one fourth of the remaining debt. In order for the seller or the supplier to exercise this right, they must allow at least thirty (30) days to the consumer and warn of maturity.

(2) In the calculation of the matured installments, interest, commission and similar costs shall not be taken into account.

Early Payment

ARTICLE 20 – (1) The consumer may prepay the total amount of debt owed, as well as prepay one or more undue installments. In both cases, the seller or the supplier is obligated to give a discount in the interest and commission, in accordance with the paid amount if interest or commission is received.

Other Issues

ARTICLE 21 – (1) Provisions of the Turkish Code of Obligations on prepaid installment sales shall apply for contracts where the consumer assumes to pay the price of a movable good beforehand in parts, and the seller assumes to deliver the sold good to the consumer after the full payment of the price and where the payment period is longer than one year or is indefinite.

(2) The compulsory content of the contract, right and obligations of the consumer and the seller and the supplier, right of withdrawal, early payment and the procedures and principles related to other issues are set forth by regulation.

SECTION TWO

Consumer Credits

Consumer Credit Contracts

ARTICLE 22- (1) A consumer credit contract means the agreement, whereby a creditor grants or promises to grant credit to the consumer in return for interest or a similar benefit in the form of a deferred payment, loan or other similar financial accommodation.

(2) Credit card contracts shall be deemed as consumer credit contracts in the event they offer postponement of payment for three (3) months or longer, or offer payment in installments in a

similar fashion, in return for interest or a similar benefit. However, the interest rate that will be applied in such a case cannot exceed the amount determined by the credit card contract.

(3) Consumer credit contracts shall not be deemed valid unless drawn up in written. The creditor making a contract that is not valid cannot claim the invalidity of the contract afterwards in a manner that is to the detriment of the consumer.

Pre-contractual information Liability

ARTICLE 23 – (1) The creditor, and if any, the credit intermediary is obliged to submit the pre- contractual information form that contains the conditions of the credit contract they are offering to the consumer, at a reasonable time prior to the conclusion of the contract.

Right of Withdrawal

ARTICLE 24- (1) The consumer has the right to retract from the consumer credit contract without penalty and with no obligation to provide justification within fourteen (14) days.

(2) The creditor is liable to prove that the consumer has been informed regarding the existence of a right of withdrawal. Despatching the notification that the right of withdrawal has been used to the creditor within the withdrawal period is sufficient.

(3) The consumer is liable to pay to the creditor the capital and the interest accrued thereon from the date the credit was drawn down until the date the capital is repaid, without any undue delay and no later than 30 calendar days after the despatch by him to the creditor of notification of the withdrawal. If payment is not made within such period, it will be deemed as not retracting from the consumer credit agreement. The interest shall be calculated on the basis of the agreed borrowing rate. The creditor shall not be entitled to any other compensation from the consumer in the event of withdrawal, except compensation for any non-returnable charges paid by the creditor to any public administrative body.

Interest Rate

ARTICLE 25 - (1) The interest rate in fixed term consumer credit contract is determined as fixed. The rate that has been determined at the execution date of the contract cannot be changed to the detriment of the consumer at any time throughout the duration of the credit agreement.

(2) If contractual interest, effective annual interest or the total cost of the credit is not included in consumer credit contracts, the credit amount shall be used without interest for the whole duration of the credit agreement. If the effective interest rate was displayed as lower than it actually is, the contractual interest rate that will be taken as the basis in the calculation of the total cost of credit shall be redetermined on the basis of the effective interest rate displayed as lower. In such cases, the payment schedule will be rearranged according to the changes made.

Amendment to the Contract

ARTICLE 26 – (1) The terms of a fixed term credit contract cannot be changed to the detriment of the consumer.

(2) In the event of the interest rate changes are made in indefinite period contracts, it is mandatory to notify the consumer of such amendment drawn up on paper or on another durable medium, thirty (30) days prior to the effectiveness of such amendment. This notification shall include details related to the changes in the amount, the number and frequency of the payments that will be made after the new interest rate comes into effect. If the interest rate is increased, the new interest rate cannot be implemented retroactively. In the event the consumer pays the whole of the debt and ceases using the credit within maximum sixty (60) days of the notification date, the consumer shall not be affected from the increased interest rate.

Early Repayment

ARTICLE 27 – (1) The consumer shall be entitled at any time to pay one or more undue installments, as well as pay the whole credit debt early. In such cases, the creditor is obligated to make reduction in the total interest and other cost elements according to the amount of early repayment.

Default

ARTICLE 28 - (1) In the event the consumer falls into default for payment of installments in a fixed term credit contract and if the creditor has kept its right to claim the payment of the whole of the debt as reserved, this right may only be exercised in the event when the creditor has performed all actions, and the consumer is in default for paying at least two consecutive installments. In order for the creditor to exercise this right, the creditor must allow a period of at least thirty (30) days to the consumer and warn of maturity.

(2) Interest, commission and similar costs shall not be taken into account in the calculation of the matured installments.

Issuing Insurance

ARTICLE 29 – (1) Insurance regarding a ~~loan~~ credit cannot be made without the clear request of the consumer either in written or through a durable medium. If the consumer wants to insure, the guarantee provided from the insurance company that the consumer preferred, has to be accepted. This insurance should comply with the subject matter of the credit, and the debt amount remaining in the fixed sum insurance and its maturation.

Linked Credit Agreements

ARTICLE 30- (1) A linked credit agreement is a credit agreement granted exclusively for the financing of a contract related to the provision of a good or service and these two contracts objectively constitute a commercial unit.

(2) A commercial unit shall be deemed to exist when at least one of the following exists:

- a) supplier or service provider himself finances the credit for the consumer
- b) if it is financed by a third party, where the creditor uses the services of the supplier or service provider in connection with the conclusion or preparation of the credit agreement
- c) The specific goods or the provision of a specific service are explicitly specified in the credit agreement.

(3) Where the consumer has exercised a right of withdrawal concerning a contract for the supply of goods or services addressed to the creditor within the withdrawal period, the ~~tied credit contract~~

linked credit agreement shall also be finalized without the liability of any compensation or penal payments.

(4) Where the goods or services covered by a linked credit agreement are not supplied, or are supplied only in part, or are not in conformity with the contract for the supply thereof, the seller, supplier and creditor are liable severally if the consumer retracts from the contract or exercises the right to discount from the price. In the event the consumer exercises the right of discount from price, the linked credit is also decreased in this rate and the payment schedule is changed accordingly. In the event the consumer exercises the right of withdrawal from the contract, the seller, supplier and creditor are severally liable for reimbursing the consumer for the payments made until then.

However, the liability of the creditor is one (1) year, limited to the amount of credit used; in cases where the good is not-supplied or service is not performed, from the date of supply of the good and performance of the service stipulated in the sales contract or in the linked credit agreement and, in cases where the good is delivered and service is performed, from the date of the supply of the good or performance of the service.

(5) Credits made available through the creditor paying for the price of the good or service determined by the consumer himself, without a contract related to the supply of a certain good or service between the creditor and the seller or the supplier, shall not be deemed as linked credits.

Other Issues

ARTICLE 31- (1) If an account has been opened for a fixed term credit contract and transactions related only to the Credit are carried out from this account, any fees or expenses shall not be claimed from the consumer related to such account under any name. This account shall be closed with the repayment of the credit, unless there is a contrary request from the consumer in written.

(2) A credit deposit account contract related to the fixed term credit contract cannot be made, without the clear direction of the consumer.

(3) Card issuing institutions must offer a type of credit card to the consumers where they do not collect fees under the name of annual membership or similar.

(4) Procedures and principles related to the pre-contract notification liability, the compulsory contents of the contract, out of scope contracts, rights and obligations of the consumer and the creditor, the right to retract, early payment, calculation of effective annual interest, the compulsory content of advertisements related to consumer credits, use of cancellation rights, default, transfer or credit, linked credit and other matters shall be determined by regulations.

SECTION THREE

Housing Finance

Housing Finance Agreements

ARTICLE 32- (1)

(1) A housing finance agreement is an agreement intended at providing loan facilities to consumers for acquiring a house, leasing of houses to the consumers through financial leasing, extension of loans to consumers where such loans are secured by the houses that the consumer owns and loans extended to refinance the loans explained in this context.

(2) A housing finance shall not be valid unless made in written. Housing finance institutions failing to prepare a valid agreement cannot argue the invalidity of the detriment of the consumer.

Pre-Contract Notification Liability

ARTICLE 33- (1) Housing finance institutions are obliged to provide the pre-contractual information sheet to the consumer containing the conditions of the housing finance, agreement at a reasonable period prior to the drawing up of the agreement.

Default

ARTICLE 34- (1) In the event the consumer falls into default in the payment of the installments, and if the housing finance institution kept the right to claim the payment of the whole of the remaining debt as once; this right may only be used in the event the housing finance institution has performed all actions, and the consumer is in default for paying at least two consecutive installments. For the mortgage finance institution to use this right, it has to give at least a month notice that the payment is due.

(2) In the calculation of the due installments, interest, commission and similar costs are not taken into account.

(3) In the event the consumer fails to perform its deed within the given time period in a maturity warning notice in financial leasing transactions, if the housing finance institution cancels the financial leasing contract in order to receive the remaining credit amount following the expiry of maturity notice, the housing finance institution is under the obligation of putting such house up for sale immediately. Before the sale, the housing finance institution assigns appraisers or appraisal companies which are authorized by Capital Markets Law No. 6362, and dated 06/12/2012 of the house. The appraised value shall be notified to the consumer at least ten (10) business days before the sale. The housing finance institution shall sell the house acting like a prudent merchant, taking into account the appraised value of the house. If the amount obtained through the sale of the house is above the remaining debt, then the amount exceeding the debt will be paid to the consumer immediately. Article 33 of Law No. 6361 on Financial Leasing, Factoring and Financing Companies, dated 21/11/2012 shall not be applied to the financial leasing contracts regarding the housing finance.

(4) Following the sale of the house under the scope of paragraph 3 of this Article and, if any, payment of the remaining debt above the sale value to the consumer, the consumer, or in the event the possession has been transferred, third parties holding the right of possession are obligated to vacate the house. In the event the house is not vacated, the owner of the house has the right to exercise foreclosure against the consumer or third parties holding the right of possession, in accordance with Articles 26 and 27 of Enforcement and Bankruptcy Law numbered 2004 and dated 09/06/1932.

Linked credits

ARTICLE 35 – (1) A linked credit agreement is an agreement granted exclusively for financing an agreement for the supply of specific house and these two agreements form, from an objective point of view, a commercial unit.

(2) In linked credits, the seller, and the housing finance institution shall be jointly liable to the consumer, if the house is not delivered at all or in time, thus, leading the consumer to exercise one of the rights of choice set forth in Article 11 of this Law. However, the liability of the housing

finance institution is one year, limited to the amount of credit used, from the date of the delivery of the house set forth in the housing sale contract or in the ~~the~~ linked credit agreement ~~contract~~ in the event the house is not delivered, and from the date of delivery in the event the house is delivered.

(3) Even in the event credits granted by housing finance institutions are transferred to mortgage finance, housing finance funds or mortgage covered bond cover pools, the housing finance institution who grants credit keeps the liability. Transferee is not held liable under this article.

(4) Credits made available through the payment of the price of a house determined by the consumer itself by a credit issuing housing finance institution, without a contract related to the provision of a certain house between the housing financing institution and the seller, shall not be deemed linked credits.

Interest Rate

ARTICLE 36- (1) The repayment amounts for loan agreement, the lease payments for leasing agreements that are above principal will be accepted as interest payment.

(2) The interest rates issued for housing finance credits and for financial leasing transactions may be determined as fixed or variable or by considering both methods for the same credit; provided it is mentioned in the contract. If the interest rate is determined as a fixed rate, the rate determined during the drawing up of the contract cannot be changed without the consent of both parties. In case the interest rate is decided to be variable, the interest rate determined by the contract can be changed according to an index stated in the contract which must be a generally accepted and widely used index in national or international level, however maximum amount of periodic repayment amount stated in the contract cannot be exceeded by periodic repayment amount. If the rates are determined as a variable rate, the consumers must be notified of the possible effects of this method. Reference interest rates and indexes that might be used for such purposes are determined by the Central Bank of the Republic of Turkey.

Early RePayment

ARTICLE 37 - (1) The consumer may pay one or more undue installments, as well as prepay the total sum of the housing financing debt. In such cases, the housing finance institution is obligated to make the necessary deductions in interest and other cost elements, corresponding to the early paid amount.

(2) In cases where the interest rate is determined to be fixed, on condition that it is stated in the contract, the housing finance institution may demand an early payment compensation from the consumer, in the event one or more payments are made before their due dates. The early repayment compensation shall not exceed, one percent (1%) of the amount calculated by making the necessary interest deductions and that is paid early to the housing financing institution by the consumer and, for which the remaining maturity does not exceed thirty-six months; and two percent (%2) in loans exceeding thirty-six months for their remaining maturity. In cases where the rates are determined as variable, an early repayment compensation cannot be demanded from the consumer.

Issuing Insurance

ARTICLE 38 – (1) Insurance regarding a loan cannot be made without the clear request of the consumer either in written or through a durable medium. If the consumer wants insurance, the guarantee obtained from the insurance company the consumer chooses must be accepted by the housing finance institution. This insurance should comply with the subject matter of the credit, the debt amount remaining in the fixed sum insurance and its maturation.

Other Matters

ARTICLE 39 - (1) If an account has been opened for a housing finance contract, and transactions related only to the credit are carried out in this account, any fees or expenses shall not be claimed from the consumer related to such account under any name. This account shall be closed with the payment of the credit, unless there is a contrary request from the consumer in written

(2) A credit deposit account contract related to a housing finance contract cannot be made, without the clear instructions of the consumer.

(3) Real person shareholders of housing cooperatives shall also be deemed as consumers in the implementation of the provisions of this section.

(4) Procedures and principles related to the scope of pre-contract notification, rights and obligations of the consumer and the house financing institution, the compulsory content of the contract, house financing advertisements, refinancing, linked credit, default, early payment and the calculation of the annual cost rate and other matters should be determined by regulations.

SECTION FOUR

Pre-paid House Sale

Pre-paid House Sale Contracts

ARTICLE 40- (1) A prepaid house sale contract is a contract where the consumer undertakes to pre pay the cost of an immovable for purposes of housing in cash or in installments, and where the seller undertakes to transfer or deliver the immovable to the consumer following the full or partial payment of such cost.

(2) A pre-information form containing the matters determined by the Ministry must be given to the consumers at least one day prior to the establishment of the contract.

(3) A prepaid house sale contract cannot be made with consumers before a construction permit is obtained.

Requirement as to Form

ARTICLE 41 – (1) A prepaid house sale must be registered with the registry of title deeds, and the promise of sale contract must be prepared at a notary public. Otherwise, afterwards the seller shall not argue the invalidity of the contract to the detriment of the consumer.

(2) Unless a valid contract is drawn up, the seller cannot request the consumer to make payments under any name or ask the consumer to give a document that will burden the consumer with debt.

Guarantee

ARTICLE 42 – (1) Prior to commencing the sale of prepaid house for projects exceeding the size that will be determined by the Ministry based on the number of houses in the project or in accordance with the criteria of total price of the project, the seller must obtain the building completion insurance for which the scope, conditions and implementation principles are determined by the Undersecretariat of the Treasury or provide the other guarantees and conditions set forth by the Ministry.

(2) Compensation, guarantee and similar securities provided within the scope of the building completion insurance cannot be included in the administration of bankruptcy or liquidation, they

cannot be attached, and an interim injunction or a provisional attachment cannot be imposed on such.

Right of Withdrawal

ARTICLE 43 – (1) The consumer has the right of withdrawal from a prepaid house sale contract, within fourteen (14) days without stating a reason or having to pay any penalties. Sending the notification related to the use of the right of withdrawal to the seller within this period is sufficient. The seller is responsible from proving that the consumer has been informed on the right of withdrawal.

(2) If the immovable is purchased partially or completely by a tied credit, the tied credit contract becomes valid at the end of the withdrawal period stipulated in this article, to be effective on the establishment date of the contract. The housing finance institution cannot claim any expenses from the consumer during the withdrawal period under the name of interest, commission, legal obligation and alike.

(3) The consumer shall return all its deeds within ten (10) days, as of the date the seller returns the amount received and all kinds of documents indebting the consumer.

Delivery of the House

ARTICLE 44 – (1) In a prepaid house sale the transfer or delivery date cannot exceed thirty six (36) months of the contract date. Handover will be deemed as made, in the transfer of possession with the registry of the construction servitude in the land registry under the consumer's name.

Retraction from contract

ARTICLE 45 – (1) In a prepaid house sale, the consumer has the right to retract from the contract without stating any reason until the transfer or delivery date. In the event of retraction from the contract, the seller may request the payment of up to two percent (2%) of the contract price as compensation as well as the expenses arising from the tax, duty and similar legal obligations related to the sale of the house or the preliminary sales contract.

(2) The seller cannot claim any price from the consumer, if the seller fails to fulfill its obligations at all or as should be. In the event the consumer dies or becomes unable to pay the prepayments due to a constant inability of earning an income, or the seller refuses to accept the replacement of the

contract with an installment sale agreement that will be drafted under usual circumstances; thus leading to retraction from the contract, no fees shall be requested from the consumer.

(3) In the event of retraction from contract, the amount that must be reimbursed to the consumer and all kinds of documents binding the consumer should be returned to the consumer in no later than ninety (90) days, as of the delivery of the retraction notice to the seller. Ten (10) days from the date the seller reimburses the received amount and returns all kinds of documents binding the consumer, the consumer shall return all its deeds.

Other Matters

ARTICLE 46 – (1) Procedures and principles related to the pre-contractual notification, the compulsory contents of the contract, the rights and obligations of the consumer and the seller, the right of withdrawal and retracting from the contract and other implementations shall be determined by regulations.

SECTION FIVE

Other Consumer Contracts

Off-Premises Contract

ARTICLE 47- (1) The contracts concluded between the seller or supplier and the consumer;

- a) During the simultaneous physical presence of the parties, outside the business premises, regardless of whether the consumer or the seller or supplier made the proposal,
- b) At the business premises of the seller or supplier or through a means of telecommunication, immediately after engaging with the consumer outside the business premises in the simultaneous physical presence of the parties,
- c) During an excursion organized by the seller or supplier for promoting or selling the good or services to the consumer, shall be called contracts negotiated away from business premises.

(2) Off-premises contracts shall be concluded by the seller or supplier that has been authorized by the Ministry.

(3) The consumer must be notified in a clear and eligible manner of the details of matters determined by the contract before the consumer is bound by an off-premise contract or by a suggestion corresponding to such. The seller or supplier is liable for proving that the consumer has been notified.

(4) Off-premises contracts shall not be valid unless they are drawn up in writing. The seller or supplier failing to establish a valid contract cannot argue the invalidity of the contract later, to the detriment of the consumer. The seller or supplier is responsible for having the consumer sign the contract and write down the date of the contract in his/her own handwriting and then, giving a copy of the contract to the consumer and providing the good or service to the consumer. Proving that the contract has been delivered to the consumer and that good or service has been presented, is the responsibility of the seller or supplier.

(5) The consumer has the right to withdraw from the contract without giving any reasons and without incurring any penalties within fourteen (14) days. Sending the notification declaring that the right of withdrawal has been used to the seller or supplier within this period is sufficient. During the withdrawal period, the seller or supplier cannot ask the consumer to make a payment under any name or submit a document that will bind the consumer, in return for the good or service that is subject matter of the contract. The seller or supplier is liable for proving that the consumer has been notified regarding the use of right of withdrawal. The consumer is not liable for the changes and deterioration due to the ordinary use of the good during the withdrawal period.

(6) If the seller or supplier acts contrary to the obligations set forth in this article or fails to notify the consumer in the necessary manner regarding the right of withdrawal, then the consumer shall not be bound by the period of fourteen (14) days to exercise the right of withdrawal. In any case, this period ends one (1) year after the expiration of the withdrawal period.

(7) Procedures and principles related to the compulsory contents of the contract, out of scope contracts, direct sales, the rights and obligations of the consumer and the seller and supplier, the right of withdrawal, obligation of notification, delivery, qualities to be sought in those that will conduct sales and other implementations shall be determined by regulations.

Distance Contracts

ARTICLE 48- (1) Distance contracts are contracts concluded between the seller or supplier and the consumer without the simultaneous physical presence of the parties, within the framework of a system established for the distant marketing of goods or services until the moment of the conclusion of the contract and including the moment of its conclusion between the parties, through the use of a means of telecommunication.

(2) The consumer shall be notified in a clear and eligible manner by the seller or the supplier, prior to accepting the distance contract or any offer corresponding to such about the matters for which details are determined by the regulation and that the consumer will be bound by a payment liability should the order be approved. The seller or the supplier is liable for proving that the consumer has been notified.

(3) The seller or the supplier is responsible of performing within the promised period, as of the moment the consumer's order is received. In any case, this period shall not exceed thirty (30) days in the sale of goods. The consumer may cancel the contract if the seller or supplier fails to perform within such period.

(4) The consumer has the right of withdrawal from the distance contracts within fourteen (14) days without giving any reasons and paying any penalties. Sending the notification declaring the right of withdrawal has been used to the seller or supplier within this period is sufficient. The seller or supplier is liable for proving that the consumer has been notified regarding the right of withdrawal. If the consumer is not adequately informed of the right of withdrawal, the consumer shall not be bound by the fourteen-day (14) period for the use of such right. In any case, this period ends a year after the expiry date of the right of withdrawal. The consumer is not liable for the changes and deterioration due to the ordinary use of the good during the right of withdrawal period.

(5) Intermediaries in distance contracts acting on behalf of the seller or supplier via distance communication means within the frame of a system they have formed, are responsible for keeping the records of the transactions with the seller or supplier as a result of the matters in this article and from submitting such to the relevant institution, corporation and consumers, if requested. However, those mediating under the scope of this paragraph are responsible for the wrongful acts against the contract they have made with the seller or supplier.

(6) Procedures and principles related to out of scope contracts, the rights and obligations of the consumer and the seller and supplier, the right of withdrawal, obligation of notification, delivery, and other implementations shall be determined by regulations in distance contracts.

Distance Contracts concerning Financial Services

ARTICLE 49- (1) Financial services shall mean all kinds of banking services, services concerning credit, insurance, private pension, investment and payment. Distance contracts related to financial services are contracts concluded between the supplier and the consumer within the framework of a scheme established for the distant marketing of financial services, by using distance communication means.

(2) In distance contracts concerning financial services, it is mandatory that the consumer is notified accordingly regarding the right of withdrawal, that the consumer will undertake responsibility once the consumer grants an approval declaration and other matters details of which will be determined by the Ministry, in a clear and eligible manner, in accordance with the used communication tools, prior to the consumer expressing the consumer's will on the establishment of the contract. It must be comprehensible that such notification is being made for commercial purposes, and in cases where audio communication tools are used the identification of the supplier and the reason for the call request shall be clarified at the beginning of each call. The consumer's approval declaration for the establishment of a contract shall be recorded or determined in a physical or electronic medium, in accordance with the communication tools used. The supplier is responsible for taking all the precautions for the notification of the right of withdrawal and for the determination or recordings that will be made on a physical or electronic medium.

(3) The supplier must deliver all the terms of the contract and other matters to be determined by the Ministry, to the consumer on a piece of paper or on a durable media. This liability shall be performed prior to the consumer directing the declaration of will that establishes the contract or upon the request of the consumer, immediately after the establishment of the contract in the event a contract has been concluded through the use of a distance communication means not suitable for a written notification.

(4) The consumer may request a written copy of the contract printed on paper during the continuation of the contract relationship, without making any payments. Moreover, if it complies with the characteristics of the financial service, the consumer has the right to change the distance communication means used.

(5) The consumer is entitled to withdrawing from distance contracts concerning financial services within fourteen (14) days, without having to state any reason or incurring any penalties. The submission of the notification regarding the use of the right to withdraw to the supplier in such time is sufficient. The supplier is liable to prove that the consumer has been notified regarding the right of withdrawal. In contracts related to insurance agreements and private pension, provisions that are to the benefit of the consumer which are included in the other legislation shall be used regarding the withdrawal period.

(6) It is sufficient for the consumer to communicate the request for terminating the contract, in distance contracts concerning financial services via a distance communication means. To terminate a contract, the consumer may not be forced to use a method that contains heavier conditions than the one used in establishing the contract.

(7) Procedures and principles related to the use of distance communication means, out of scope contracts, payment by card, the right and obligations of the consumer and the supplier, the right of withdrawal and other implementations shall be determined by regulations in distance contracts concerning financial services.

Timeshare vacation and long-term holiday service contracts

ARTICLE 50- (1) Time share contracts are agreements that are established for a period of more than one year and which allow the consumer to have one or more overnight accommodation throughout this time for more than one period.

(2) The fact that the right provided by timeshare vacation contracts is a personal and real right does not prevent the implementation of this article. A prepaid time share vacation contract cannot be made with consumers before a construction permit is obtained for the land the time share vacation immovable will be built on.

(3) A long-term holiday service contract is a contract that is established for a period longer than one year, and which allows the consumer discounts or other benefits related to accommodation, as well as travel and other services along with accommodation.

(4) The consumers must be given the pre-notification form covering matters determined by the Ministry, at least one (1) day prior to drawing up the following contracts:

- a) Time share vacations,
- b) Long-term holiday service contracts,
- c) Exchange contracts
- d) Resale agreements where the seller or supplier help the consumer with buying and selling of a timeshare or long-term holiday service.

(5) The seller or supplier is responsible from having the consumer sign the contract and write down the date of the contract in his/her own handwriting, except for contracts drawn up via the distance sale method. A written copy on paper or on a durable media of these contracts established as written or distance contracts must be given to the consumer. Law provisions stipulating heavier requirements as to form are reserved.

(6) The consumer has the right to exercise its right of withdrawal from the contract within fourteen (14) days, without giving any reasons and paying any penalties. The seller or supplier cannot request the consumer to make any payments or submit any documents binding the consumer before the withdrawal period is up, except in contracts granting the timeshare right. Timeshare vacation, long-term holiday services contracts, and resale, exchange agreements and all other relevant contracts that have been drawn up with these contracts shall automatically expire upon the exercise of the right of withdrawal.

(7) If the price to be paid by the consumer is borne completely or partially by a creditor, based on a contract between the seller or supplier and the creditor, in the event the right of withdrawal is exercised and the notification regarding such is forwarded also to the creditor within the withdrawal period, the tied credit contract is also automatically terminated without the liability of any compensation or penal payments.

(8) The seller or supplier must obtain the building completion insurance for which the scope, conditions and implementation principles are determined by the Undersecretariat of the Treasury or provide the other guarantees and conditions set forth by the Ministry, prior to commencing the sale of immovable for the prepaid timeshare vacation, for projects exceeding the size that will be determined by the Ministry based on the number of time shares in the project or in accordance with the criteria of total cost of the project. Compensation, guarantee and similar securities provided within the scope of the building completion insurance cannot be included in the administration of bankruptcy or liquidation, they cannot be attached, and an interim injunction or a provisional attachment cannot be imposed on such.

(9) In a prepaid sale of the immovable that is the subject matter of the timeshare vacation, the consumer has the right to retract from the contract without stating any reason until the transfer or delivery date. In the event of withdrawal from the contract, the seller may request the payment of a compensation of up to two percent (2%) of the contract price. The seller cannot claim anything from the consumer, if the seller fails to fulfill its obligations at all or as should be. In the event of withdrawal from contract, the amount that must be reimbursed to the consumer and all kinds of documents binding the consumer should be returned to the consumer in no later than ninety (90) days, as of the delivery of the withdrawal notice to the seller. Ten days from the date the seller reimburses the amount received and all kinds of documents binding the consumer, the consumer returns all its deeds.

(10) The transfer and delivery period in the pre-paid sale of the immovable that is the subject matter of the timeshare vacation shall not exceed thirty-six (36) months commencing with the contract date.

(11) Procedures and principles related timeshare vacations, long-term holiday services, resale, exchange agreements and contents of pre-notification, the rights and obligations of the consumer and the seller and supplier, the right of withdrawal, prepaid sales, and other implementations shall be determined by a regulation.

Package Tour Contracts

ARTICLE 51- (1) Package tour contracts are a combination of at least two of the following, when sold or offered for sale at an inclusive price by package tour organizers or intermediaries,

and when the service covers a period longer than twenty-four (24) hours or includes an overnight accommodation:

- a) Transport,
- b) Accommodation,
- c) Other tourist services not ancillary to transport or accommodation services.

(2) The provisions of this article shall also apply where the package tour organizers, intermediaries or the consumer determines the details of the package tour or if the services in the same package tour are billed separately.

(3) In the event the package tour organizer does not have a representative in Turkey, the package tour intermediaries shall be held responsible as the package tour organizer.

(4) Prior to the drawing up of the package tour contract, the consumer must be given a pre-notification brochure.

(5) Package tour organizers or their intermediaries are responsible for giving the consumer a copy of the package tour contracts established in writing or via distance, on paper or on a durable media device.

(6) The consumer has the right to retract from the agreement as well as accept such amendments or an alternative offered by package tour organizer if one of the essential components of the package tour changes or the tour is cancelled prior to its start, due to reasons not originating from the consumer. In case of withdrawal from the contract, package tour organizers or their intermediaries must reimburse the whole price paid by the consumer immediately without any cuts, as of the date they receive such withdrawal notification.

(7) The consumer has the right to request a discount in the price for all kinds of deficiencies that surface during the performance of the contract. The consumer may withdraw from the contract if it is determined that the package tour organizer failed to fulfill a significant liability, or will not be able to fulfill such liability after the start of the tour. In such cases, the right of the package tour organizer or its intermediary to request a price shall be terminated. The payments received must be reimbursed to the consumer immediately as of the date such withdrawal. However, the package tour organizer may request a suitable amount from the

consumer to the extent of the consumer's use of the service until then, for the performances of the package tour organizer.

(8) Without prejudice to the relevant articles concerning compulsory insurance as per Law No. 1618 *concerning Travel Agencies and the Association of Travel Agencies date 14/9/1972*, the package tour organizer is responsible for all the damages incurred by the consumer due to the complete failure of the contract's performance or from the failure of its performance as it should be. The consumer may also request a suitable compensation for wasted vacation time.

(9) Persons benefiting from package tour services within the frame of their commercial or professional activities are also deemed as consumers.

(10) Procedures and principles related to pre-notification, the content of the contract, the transfer of package tours, terms for amending the contract and the rights of the consumer in such cases, the consequences of the cancellation of package tours, the responsibilities of the package tour organizer and its intermediary, the conditions under which the consumer may claim reimbursement, withdrawal from the contract, and its consequences and other implementations shall be determined by regulations.

Subscription Agreements

ARTICLE 52- (1) Subscription agreements are agreements that enable the consumer to obtain a certain good or service continuously or in regular intervals.

(2) It is mandatory to deliver to the consumer a copy of these contracts on paper or on a durable media, which have been drawn up in writing or through a durable media.

(3) Provisions related to time extension for the determined period cannot be included in timed subscription contracts; however, the contract may be extended if the consumer requests it until the expiry date of the contract or if the consumer approves such extension.

(4) The consumer has the right to cancel the subscription contracts without a defined time or contracts that are longer than one year, without presenting any reason and without paying any penalties. In timed subscription contracts with a period of less than one year, the consumer may also cancel the contract if the supplier or seller makes amendments to the contract terms.

Delivering the cancellation notification to the seller or supplier either on paper or on durable media is sufficient. The seller or supplier shall not determine a method containing heavier conditions than the ones enabling the establishment of the contract for the cancellation of the subscription contract.

(5) The seller or supplier is responsible for fulfilling the consumer's wish to terminate the subscription within the time determined by regulation. In the event the subscription is not terminated within the determined period, the consumer cannot be asked to make any payment, even if the good or service has been used following the termination of these periods. The seller or supplier is responsible for reimbursing the remainder of the price paid by the consumer without any deductions, within fifteen (15) days from the inurement of the termination contract.

(6) The seller or supplier is responsible for taking all the necessary measures to perform the transactions related to the notifications and requests concerning the termination of the subscription contract, and to set up a system when necessary and to keep this system on uninterruptedly.

(7) Procedures and principles related to the compulsory context of the contract, the rights and obligations of the consumer and the seller and the supplier and other implementations shall be determined by regulations.

Promotions Arranged by Institutions Publishing Periodicals

ARTICLE 53- (1) Goods or services other than the cultural goods or services suitable for the purposes of periodical publishing determined by a regulation cannot be provided in the promotion implementations organized by a periodical publishing institution and where a secondary product or service is promised or given other than the periodical through tickets, coupons, participation number, game, draws and alike for whatever purpose.

(2) The period of promotion campaigns requiring the purchase of the periodical more than once and which extends to a certain period may not exceed seventy-five (75) days for daily periodicals, eighteen (18) weeks for weekly periodicals and twelve months (12) for periodicals spanning a longer time.

(3) The institution publishing the periodicals is obliged to declare its schedule for the delivery and performance of the goods or services subject to such implementation throughout Turkey in relevant promotion advertisements and to deliver and provide the goods or services in a period of forty-five (45) days, following the end of the promotion.

(4) The sale price of the periodical cannot be increased throughout the promotion campaign, due to the cost increase incurred by the good or service promised to be delivered as a second product. The consumer cannot be asked to cover all or part of the good or service cost that is the subject matter of the promotion.

(5) The commitment and distribution of goods or services subject to promotion cannot be divided; also the inseparable or complementary parts of this good or service may not be the subject matter of a separate campaign. In the enforcement of this Law, the transactions related to each good or service promised to be offered as a secondary product shall be accepted as an independent promotion.

(6) Promotions not organized by periodical publishing institutions, but which are directly or indirectly associated with the periodical are also subject to the provisions of this article.

(7) Procedures and principles related to promotions shall be determined by regulation.

Notification of Consumer and Security of Benefits

Price Tag

ARTICLE 54- (1) Labels indicating the actual total price including all taxes and unit price that the consumer will pay, place of production and distinctive characteristics relating to the product shall be affixed on the goods offered for retail or on the packages or containers thereof, in an easily visible and legible manner; and where no labeling is possible, lists showing the same information shall be displayed on appropriate places in a visible manner. The lists showing the tariffs and prices of services shall also be displayed by preparing them as laid down in this article's provision.

(2) Where there is a difference between the price indicated on the label, price list or tariffs and the price at the cashier, the price that is in favor of the consumer will be implemented.

(3) The discounted sale price of the good or service subject to discount, the price prior to the discount shall be displayed on tariff and price lists and on labels. The seller or supplier is responsible from proving that the price for the good or services subject to discount that are on sale, is actually lower than the price before the discount.

(4) The Ministry, municipalities and the relevant chambers are authorized for the implementation and monitoring of the article provisions.

(5) Procedures and principles related to labels, tariff and price lists, term and other implementations related to discounted sales shall be determined by regulations.

Introductory Guideline and User Manual

ARTICLE 55- (1) The introduction, usage, installation, maintenance and simple repair of goods offered to the consumer must be put on sale with a Turkish introductory guideline and user manual, with a label including international symbols and signs if required.

(2) If the issues related to the safe use of the good is found on the good, the visual and audible expressions must be in Turkish.

(3) In the event the goods may be harmful or hazardous to the person's health or to the environment as per their relevant technical regulation, for the safe use of such good the explanatory information and warnings related to this situation shall be included or written on the good or in the introductory guideline and user manual in a visible and legible manner.

(4) The liability for the preparation of the Turkish introductory guideline and user manual shall be borne by the manufacturer and the importer, and the liability to give and to prove that it has been delivered to the consumer shall be borne by the seller.

(5) Procedures and principles related to which goods must be sold with an introductory guideline and a user manual and a label, and the minimum elements these shall include and other implementations shall be determined by regulations.

Certificate of Warranty

ARTICLE 56 – (1) The manufacturer and importers must prepare a warranty certificate for the products manufactured or imported for the consumers in which the content is determined by the regulation. Consummating and giving this certificate to the consumer is the seller's responsibility.

(2) The warranty period is minimum two (2) years starting from the delivery date of the good. However, based on their characteristics the warranty conditions for certain goods may be determined by the Ministry in another measurement unit.

(3) If the consumer has used the right to repair among his/her rights of choice stipulated in Article 11 of this law, the consumer may exercise the other rights of choice included in Article 11 in cases where the good breakdowns again within the warranty period or the maximum period for repair is exceeded or the repair is not possible. The seller shall not reject the consumer's request. In the failure of realizing this request the seller, manufacturer and the importer are severally liable.

(4) Procedures and principles related to which goods must be sold with a warranty certificate and the other implementations shall be determined by regulations.

Voluntary Warranty

ARTICLE 57 – (1) The voluntary warranty means the additional commitment given by the seller, supplier, manufacturer or the importer related to the good or service, without prejudice to the legal rights of the consumer, for change, repair, maintenance, reimbursement and similar issues.

(2) Expense may not be claimed from the consumer for the use of the rights promised, throughout the voluntary warranty commitment.

(3) The promisor is also bound by the expressions included in the relevant advertisement and announcements as well as its commitment. This warranty must include that the legal rights of the consumer are reserved, the conditions for benefiting from the warranty, the duration, the name of the warrantor and communication information.

(4) The voluntary warranty commitment must be given to the consumer either written or via durable media.

(5) The voluntary warranty commitment binds the one making the undertaking, even if it does not possess the qualities set forth in this article.

After-sales services

ARTICLE 58- (1) The manufacturers or the importers are obligated to provide after sale maintenance and repair services throughout the useful life determined by the Ministry for the goods they have manufactured or imported.

(2) The manufacturers or the importers are obligated to obtain an after sale service adequacy certificate approved by the Ministry, for the goods determined by regulation.

(3) The repair period of a good at service stations shall not exceed the maximum period set forth in the regulation.

(4) The manufacturers or the importers may establish the authorized service stations themselves or they may benefit from service stations or service organizations already established, provided that they shall be responsible from the services provided by such service stations.

(5) Service stations operating without being bound to any manufacturer or importer are also responsible against the consumer for the services they provide.

(6) In the event the commercial activity of the importer comes to an end in any way, the seller, manufacturer or the new importer shall be responsible from providing the maintenance and repair services throughout the warranty period. After the expiration of the guarantee period, the manufacturer or the new importer must provide the maintenance and repair services throughout the useful life.

(7) Procedures and principles related to the establishment, operation, numbers, characteristics, and the other issues regarding service stations shall be determined by regulations.

Raising the Awareness of the Consumer

ARTICLE 59- (1) The Ministry of National Education shall make the necessary additions to the curriculum of organized and extensive educational establishments to raise the awareness of the consumer, by taking the view of the Ministry.

(2) It is obligatory for national radio and televisions to broadcast programs to raise the awareness of the consumer between 08.00 and 22.00 for a duration of not less than fifteen (15) minutes in a month. Every month, the date, time, duration and content information of the broadcast shall be regularly delivered to the Radio and Television High Council as a list. Broadcasts made outside these hours cannot be included in the monthly fifteen-minute period. The Radio and Television High Council shall inspect these durations and the Ministry shall be notified of the results.

Consumer Awards

ARTICLE 60- (1) Consumer awards are awards given out for the protection of the consumer and raising the awareness of the consumer as well as encouraging the consumers for exercising their legal rights.

(2) Awards granted under the name of consumer awards or alike must be given out without obtaining any benefit and based on the previously announced objective criteria.

(3) Procedures and principles related to consumer awards shall be determined by regulations.

PART SIX

Commercial Advertisement and Unfair Trade Implementations

Commercial Advertisement

ARTICLE 61- (1) Commercial advertisement are announcements that are like marketing communications made through written, visual, audio and similar methods in any medium by the advertisers, in order to provide the sale or lease of a good or service, inform or convince the target audience in connection with a trade, work, craft or profession.

(2) It is essential that commercial advertisements conform to the principles adopted by the Board of Advertisement, public morality, public order and personal rights and are honest and true.

(3) Commercial advertisements that deceive or mislead the consumer, or abuse the consumer's lack of experience or knowledge, threatening the life of the consumer and safety of his property, encouraging the acts of violence or inciting to commit crime, endangering public health, abusing the sick, elderly, children or disabled people shall not be allowed.

(4) Including trade name or organization names through name, brand, logo or other signifying symbols or expressions for the goods and services in articles, news or programs without clearly stating that it is an advertisement and presentation of such in a promotional manner shall be deemed as implicit advertisement. Aural, written, or visual implicit advertisements are prohibited in all kinds of communication tools.

(5) Advertisements comparing the goods or services offered by a competitor meeting the same needs or intended for the same purpose, is allowed.

(6) The advertisers must prove the material claims made in their commercial advertisements.

(7) Advertisers, advertising agencies and media companies have to comply with the provisions of this Article.

(8) The limitations to commercial advertisements and the procedures and principles that must be complied with in these advertisements shall be determined by regulations.

Unfair Commercial Practices

ARTICLE 62- (1) If a commercial practice does not comply with the requirements of professional care and is significantly affecting the economic course of conduct of the ordinary consumer or target group it aims or is highly likely to affect the consumers course of conduct, then it shall be deemed as unfair. Especially deceitful or aggressive practices and practices included in the annex to the regulation are deemed as unfair commercial practices. Unfair commercial practices directed at the consumer are prohibited.

(2) In the event a commercial practice is claimed to be unfair, the party engaged in the commercial practice is liable to prove that such practice is not unfair commercial practice.

(3) When unfair commercial practices are performed by means of advertising, provisions of Article 61 of this Law shall apply.

(4) Principles and procedures with regard to detection and control of unfair commercial practices and practices that will in any case be deemed as unfair practice shall be governed by the regulation.

Board of Advertisement

ARTICLE 63- (1) An Advertisement Board shall be established to set the principles to be complied by in commercial advertisements and to make the regulations for the protection of the consumer against unfair commercial practice, to review commercial advertisements within the framework of these principles and inspect them when necessary, and suspend or to correct or impose a fine with the same method as a result of the review and inspection or when necessary, to impose a precautionary suspension up to three (3) months. The Board may transfer its authority of precautionary suspension to the President of the Board of Advertisement. The decisions of the Advertisement Boards are implemented by the Ministry.

(2) The chairman of Advertisement Board will be carried out by the relevant General Director that will be appointed by the Minister and is composed of nineteen members including the President:

- a) One member to be assigned by the Ministry among the relevant Deputy General Directors,
- b) One member among the judges or prosecutors at administrative positions to be assigned by the Ministry of Justice,
- c) One member to be assigned by the Ministry of Food, Agriculture and Livestock,
- d) One member to be assigned by the Ministry of Health,
- e) One member to be assigned by the Ministry of Culture and Tourism,
- f) One member to be assigned by the Radio Television Supreme Council,
- g) One member from the Turkish Standards Institute,
- h) One member to be elected among the greater city municipalities of Ankara, Istanbul and Izmir.
- i) One member to be appointed by the Board of Higher Education who is an expert faculty member in advertisement/communications department or commercial law department,
- j) One member to be appointed by the Union of Chambers and Commodity Exchanges of Turkey, from among the members of the Media and Communication Council of Turkey,
- k) One member to be assigned by the Confederation of Turkish Tradesmen and Craftsmen,
- l) One member to be elected by the Consumer Council, from among the consumer organizations participating in the Council,
- m) One member to be elected by the Advertisers Associations or if any, by their higher organizations,
- n) One member to be elected by the Association of Advertising Agencies or if any, by their higher organizations,
- o) A pharmacist member to be assigned by the Turkish Pharmacists Association,
- p) A dentist member to be assigned by the Turkish Dental Association,
- q) A doctor member to be assigned by the Turkish Medical Association, Central Council,
- r) A lawyer member to be assigned by the Turkish Bar Associations.

(3) Board members serve for a period of three (3) years. At the end of their term, they can be re-appointed or re-elected. In the event there is a vacancy for any reason, a new member shall be assigned or an election shall be made for the vacant position within a month, in accordance with the principles of paragraph two. The duty of the member whose membership has been expired continues until the new member starts the post.

(4) The Board meets at least once every month or when necessary upon the call of the chairman.

(5) The Board convenes when there are at least eleven (11) members present, including the chairman and decisions are made with the absolute majority of those attending the meeting. In case the votes are tied, the side that the chairman votes for constitutes a quorum.

(6) In order to assist the Board in making a decision, specialized commissions shall be established in sectoral fields by the Ministry. Commissions shall be comprised of at least three (3) people and maximum five (5) people, including the chairman.

(7) The per diem and daily allowance to be paid to the Commission chairman and its members and the specialized commission chairman and its members and the procedures and principles related to such shall be determined by the Ministry with the assent of the Ministry of Finance.

(8) The Board makes its investigation over the files involving the relevant documents. The secretariat works of the Board are fulfilled by the General Directorate.

(9) If deemed necessary, the Board may get opinions from expert universities, private law legal entities and real persons for matters requiring expertise.

(10) Decisions of the board are declared by the Ministry so as to inform, illuminate the consumers and protect their economic interests.

(11) Principles and procedures with regard to the foundation of Advertisement Board and specialized commissions, their duties, working principles and procedures, secretariat services and other matters shall be governed by regulation.

PART SEVEN

Consumer Organizations

SECTION ONE

Consumer Council and Advertisement Council

Consumer Council

ARTICLE 64- (1) The Consumer Council convenes at least once a year under the coordination of the Ministry, to research the measures necessary to determine and deal with consumer problems and needs, and to convey to the relevant authorities the views for the measures primarily to be taken, regarding the implementation of this Law.

(2) The number of the representatives in the Consumer Council from public institutions and corporations shall under no circumstances exceed fifty percent (%50) of the total number of the members of the Council.

(3) The members of the Consumer Council and their working principles and procedures and other matters shall be determined by the regulation.

Advertisement Council

ARTICLE 65- (1) The Advertisement Council convenes at least once a year under the coordination of the Ministry, to follow up the modern communication practices for creating and applying advertisement policies, to carry out research and studies for the development of the advertisement sector and the advertisement supervision function, to offer opinions and suggestions in this field and to forward these opinions and suggestions to the relevant authorities.

(2) The number of the representatives in the Advertisement Council from public institutions and corporations shall under no circumstances exceed fifty percent (%50) of the total number of the members of the Council.

(3) The members of the Advertisement Council and their working principles and procedures and other matters shall be determined by the regulation.

SECTION TWO

Arbitration Committee for Consumer Problems

Establishment and Scope of Duties

ARTICLE 66- (1) The Ministry is obligated to form at least one Arbitration Committee for Consumer Problems in the province centers, and in town centers for which adequacy

qualifications are determined by a regulation, in order to find resolutions for disputes that may arise in consumer transactions and implementations directed at the consumer.

(2) The Arbitration Committee for Consumer Problems consists of five members including the president, whose presidency is carried out by the trade provincial director in provinces and by the district governor or officials to be appointed by such in towns:

a) One member to be appointed by the Mayor from among the expert municipal personnel in the field,

b) One member to be appointed by the Bar, from among its members,

c) One member to be appointed by the chamber of trade and industry in disputes where the seller is a merchant, or by the chamber of commerce where such are organized separately; where the seller is a merchant and craftsmen, by union of chamber of merchants and craftsmen in provinces, by the merchant and craftsmen chamber with the most members in towns,

d) One member to be appointed from among the consumer organizations. The substitutes for the president and the members possessing the qualities set forth in this paragraph are also determined.

(3) In places where the formation of the Arbitration Committee for Consumer Problems cannot be obtained, the missing memberships shall be completed by the trade provincial director in provinces, and by the district governor in towns to be selected from among the state officials possessing the qualities set forth in the regulation.

Rapporteur

ARTICLE 67 – (1) Rapporteurs may be employed at the Arbitration Committee for Consumer Problems present in province or town centers. In provinces where the number of rapporteurs are not enough, the trade provincial director may appoint adequate number of rapporteurs to be chosen among the trade province directorate personnel in provinces, and the district governor may appoint such in towns from among the state officials.

(2) Arbitration Committee for Consumer Problems Rapporteurs are commissioned to prepare the files that will be the basis of the committees' work and decisions and to present the report regarding the dispute.

Application

ARTICLE 68 – (1) It is mandatory to apply to the town Arbitration Committee for Consumer Problems for disputes that are under two thousand Turkish Liras (2.000 TL), to the province Arbitration Committee for Consumer Problems that are under three thousand Turkish Liras (3.000 TL), and in provinces that fall under the category of greater city municipalities, to the province consumer arbitration committees for disputes that are between two thousand Turkish Liras (2.000 TL) and three thousand Turkish Liras (3.000 TL). Applications cannot be made to consumer arbitration committees for values exceeding these.

(2) Arbitration Committee for Consumer Problems must accept applications made to them to do what is necessary.

(3) Applications shall be made to the Arbitration Committee for Consumer Problems where the consumer resides or where the consumer transactions were made. In places where there are no Arbitration Committee for Consumer Problems, regulation binds where to apply to and which Arbitration Committee for Consumer Problems shall be determined by the regulation on these applications.

(4) The monetary limits stated in this article shall be increased to the extent of revaluation that has been determined and announced as per the provisions of repeated Article 298 of the Tax Procedural Law No 213, dated 04/01/1961, for that year, valid as of the beginning of the calendar year. The change from ten Turkish Liras is not taken into account during the calculation of these increases.

(5) This article does not prevent the consumers from applying to alternative resolution authorities in accordance with the relevant legislation.

Inspection

ARTICLE 69 – (1) The Arbitration Committee for Consumer Problems may ask for all kinds of information and documents from the parties, related institutions and establishments.

Decision and Objection

ARTICLE 70 – (1) The decisions of the province and town Arbitration Committee for Consumer Problems are binding for parties. Arbitration Committee for Consumer Problems shall not decide to pay attorney's fee.

(2) The decisions of the Arbitration Committee for Consumer Problems shall be notified to the parties in accordance with Notification Law No. 7201 dated 11/02/1959. The decisions of the Arbitration Committee for Consumer Problems shall be executed in accordance with the provisions of the Enforcement and Bankruptcy Law awards.

(3) The parties may appeal to the decision of the Arbitration Committee for Consumer Problems at the consumer court where the Arbitration Committee for Consumer Problems is, within fifteen (15) days of the notification. The appeal shall not stop the enforcement of the decision of the Arbitration Committee for Consumer Problems. However, provided it has been requested, the judge may stay the execution of the Arbitration Committee for Consumer Problems decision by an injunction.

(4) In cases where the appeal must be accepted for the erroneous implementation of the law to the case or when a trial regarding the non-statutory case is not required, the consumer court may ratify the decision by amending or correcting the decision on the document. This provision shall also apply to the errors made in the identifications, trade names of the parties and for material errors in writing, calculation or other explicit expressions. If the decision is in accordance with the principles and law, but if the preamble is not deemed as correct, the preamble will be ratified by amendment or correction.

(5) The decision of the consumer court is final upon the appeals made against the Arbitration Committee for Consumer Problems.

(6) In the action of appeal cases filed against the decisions of the Arbitration Committee for Consumer Problems in favor of the consumer, retainer may be awarded to the detriment of the consumer, based on the minimum attorney ship fee tariff if the decision is cancelled.

(7) In decisions awarded by the Arbitration Committee for Consumer Problems regarding dispute that are to the detriment of the consumer, notification and expert fees shall be covered by the Ministry. In the event the dispute is resolved to the benefit of the consumer, then, the notification and expert fees shall be collected from the other party, pursuant to the provisions of the Act Pertaining to the Procedure for the Collection of Public Receivables, No. 6183, dated 21/07/1953 and shall be included in the budget as revenue.

Per Diem and Fee

ARTICLE 71 – (1) The per diem and fee to be paid to the president and members of the Arbitration Committee for Consumer Problems, to the other public personnel that will be appointed as rapporteurs, and the expert fee, and the procedures and principles related to such payments shall be determined by the Ministry, obtaining the assent of the Ministry of Finance.

Other Matters

ARTICLE 72 – (1) Principles and procedures regarding the formation, working procedures and principles of consumer arbitration committees, the qualities of the rapporteurs, and the experts and other matters shall be determined by regulation.

PART EIGHT

Provisions related to Judgment, Supervision and Penalty

Consumer Courts

ARTICLE 73 – (1) Consumer courts are authorized in cases related to the disputes that may arise from consumer transactions and implementations directed at the consumer.

(2) Cases filed by the Ministry, consumers and consumer associations before the consumer courts are exempt from the charges regulated by Act on Fees numbered 492 and dated 2/7/1964.

(3) The expert's fee and, the ruled attorney's fee in cases where the case is resolved against the complainant in cases to be filed by the higher institutions of consumer organizations shall be borne by the Ministry. In the event the case is awarded against the respondent, the experts' fee shall be collected from the defendant pursuant to the provisions of the Act Pertaining to the Procedure for the Collection of Public Receivables, and included in the budget as revenue.

(4) The cases that will be heard at consumer courts shall be conducted in accordance with the provisions of part six of the Civil Procedure Law, numbered 6100 and dated 12/1/2011.

(5) The cases relating to consumer affairs can also be filed before the court at the district where the consumer resides.

(6) Except for provisions for unfair commercial practices and commercial advertisement, in cases that generally involve the consumers and in cases where there is a threat that a contradiction to Law may arise, consumer organizations, the relevant public institutions and corporations and the Ministry may file a lawsuit in consumer courts to impose an interim injunction to prevent or suspend such, or to detect, prevent or suspend the unlawful condition.

(7) In cases that generally involve the consumers, the claimant may request the publication of the decision. If the request is accepted by the court, it shall be announced forthwith in at least three (3) national newspapers printed in the country at large, provided the defendant pays for the expenses.

(8) Final decisions awarded by consumer courts shall be notified to the Ministry through the National Judiciary Informatics System. Decisions awarded as a result of the objection to the decisions of the consumer arbitration committees shall be forwarded to the relevant arbitration committee by the deciding court.

Suspension of Production or Sale and Product Recalls

ARTICLE 74- (1) The Ministry, consumers or consumer organizations can file a lawsuit to detect whether a series of goods offered for sale are defective, to suspend the production and sale of such, to remedy the defect and to recall such from those who are holding such goods for sale.

(2) In the event that a series of goods offered for sale has been found to be defective by a court judgment, the court may decide to temporarily suspend the sale of the good or to remove the defect depending on the quality of such defect. The manufacturer or importer is obliged to remove the defect of the good at the latest within three (3) months from the date of notification of the court's judgment. Where it is impossible to remove the defect, the good shall be recalled or collected by the manufacturer and importer. The recalled goods shall be partially or fully destroyed or caused to be destroyed, depending on the risks they involve. The rights of the consumer to a court case and compensation regarding the destroyed good remains as reserved.

(3) If a series of goods offered for sale has a defect that involves risks endangering the consumer's safety, the provisions of the Act on the Preparation and Implementation of Technical Legislation Relating to Products, are reserved.

Supervision

ARTICLE 75 – (1) In the implementation of this Act, the inspectors of the Ministry, customs and trade auditors and any other personnel to be designated by the Ministry for this purpose shall be authorized to inspect and supervise and conduct researches at any place where goods or services are provided.

(2) Officers and organizations who are authorized and appointed, shall be presented true and accurate documents and information or presented with the original and the approved copy of such in matters falling under the scope of this Law.

Supervision of Consumer Product and Service

ARTICLE 76- (1) Consumer product is all kinds of new, used or improved product designed for the use of the consumers or stipulated to be used by the consumer in reasonable conditions, obtained both through commercial actions and other means or made to be useable, including those used in the service sector.

(2) Provided the manufacturer or distributor notifies the consumer clearly, antiques or second hand products that must be first repaired or improved before use, shall not be evaluated under the scope of paragraph one.

(3) Services offered to the consumer through consumer products should not harm the security of life and property, and the environment and must be in accordance with all administrative and technical regulations.

(4) The Ministry is responsible from market surveillance and supervision for consumer goods it is responsible from, in accordance with the provisions of Drafting and Implementation of Technical Legislation related to Goods.

Penalty Provisions

ARTICLE 77 – (1) An Administrative fine of two hundred Turkish Liras (200 TL) shall be imposed for each unlawful action or contract detected, for those violating the liabilities set forth in Articles 4, 6, 7, 18, 19, 20, 21, 23, 26, 30, 33, 35,48, 49, 51, 52, 54 and 57 of this Law.

(2) In the event the unfair terms set forth in Article 5 of this Law are used in consumer contracts, failing to remove the unfair term from the contract text in the time allowed by the Ministry will result in a two hundred Turkish Liras (200 TL) administrative fine for each contract where conflict is determined.

(3) An Administrative fine of one thousand Turkish Liras (1,000 TL) shall be imposed for each unlawful action or contract detected, for those violating the liabilities set forth in Articles 24, 25, 27, 28, 29, 34, 36, 37, 38, 39, 41, 43, 45, 46, and paragraphs one, two, and four of article 31, paragraph two of article 40, paragraphs three, four, five, seven of article 47, paragraphs four, five, six, seven, nine and eleven of Article 50 of this Law.

(4) An Administrative fine of twenty thousand Turkish Liras (20.000 TL) shall be imposed for each undelivered house, for those violating the liabilities set forth in Article 44 of this Law; and one thousand Turkish Liras (1,000 TL) administrative fine shall be imposed for each unlawful action or contract detected, for those violating the liabilities set forth in Article 50 paragraph ten of this Law.

(5) An Administrative fine of hundred thousand Turkish Liras (100.000 TL) shall be imposed for those violating the liabilities set forth in the third paragraph of Article 40 and second paragraphs of Articles 47 and 50 of this Law.

(6) An Administrative fine of two hundred Turkish Liras (200 TL) shall be imposed for each good that has been supplied to the market by the manufacturer and importer; and for each good sold to the consumer by the seller, violating the liabilities set forth in Articles 55 and 56 of this Law.

(7) An Administrative fine of hundred Turkish Liras (100 TL) shall be imposed for those granting awards acting against the issues set forth in Articles 60 of this Law.

(8) A month is granted to those violating the liabilities set forth in paragraph three of Article 31, Article 42 and paragraph eight of Article 50 to remedy such contradiction to law. In the failure of remedying the situation by the end of given period, an administrative fine of five million Turkish Liras (5.000.000 TL) shall be imposed to institutions issuing cards violating paragraph three of Article 31; and an administrative fine of five hundred thousand Turkish Liras (500.000 TL) shall be imposed to those violating Article 42 and paragraph eight of Article 50 of this Law.

(9) An Administrative fine of five thousand Turkish Liras (5,000 TL) shall be imposed on periodical publishing institutions violating the liabilities set forth in Article 53 of this Law, and a hundred thousand Turkish Liras (100,000 TL) administrative fine if the breach is through a periodical distributed nationwide. Periodical publishing institution shall call off the campaign and all kinds of advertisements and announcements related to the campaign. Should the contradiction to law continue, a ten thousand Turkish Liras (10,000 TL) administrative fine shall be imposed for each issue/day as of the day on which the advertisements and announcements are to be ceased.

(10) An Administrative fine of hundred thousand Turkish Liras (100,000 TL) shall be imposed on manufacturers and importers breaching Article 58 of this law if they fail to obtain an after sale service adequacy certificate; a ten thousand Turkish Liras (10,000 TL) administrative fine for each service station that has not been established; and a thousand Turkish Liras (1,000 TL) administrative fine shall be imposed for each service station for the detected deficiencies and contradictions in service stations.

(11) An Administrative fine of ten thousand Turkish Liras (10.000 TL) shall be imposed for radio and television stations violating the liabilities set forth in paragraph two Article 59 of this Law.

(12) Suspension or correction by means of the same method or an administrative fine and when necessary, a precautionary suspension for three months shall be imposed, for the advertisers,

advertising agencies and media establishments violating the liabilities stated in Article 61 of this Law. If the contradiction;

a) has been committed by a local television channel, 10,000 TL;

b) has been committed by a nationwide broadcasting television channel, 200,000 TL;

c) has been committed by periodical publications, half of the penalties stated in subparagraphs (a) and (b),

d) has been committed by a local radio channel, 5,000 TL;

e) has been committed by a nationwide radio channel, 50,000 TL

f) has been committed by internet, 50,000 TL,

g) has been committed by short message service (SMS), 25,000 TL,

h) has been committed by other means, 5,000 TL

administrative fines shall be imposed. The Board of Advertisement may impose the above administrative fines by increasing them up to ten times, if the infringement subject to administrative act is repeated within a year.

(13) A precautionary suspension sanction for up to three months, or suspension or a 5,000 TL administrative fine shall be imposed on the unfair commercial practice, for those violating the liabilities set forth in Article 62. The Board may fine these together or separately depending on the nature of the violation. Administrative fine shall be imposed as fifty thousand Turkish Liras (50,000 TL) if the contradiction was nationwide. If it is determined that the infringement was performed by means of advertisement, provisions of paragraph twelve of this Article shall be applied.

(14) An Administrative fine of 100,000 TL shall be imposed on manufacturers and importers violating the liabilities set forth in Article 74 of this Law; and an administrative fine of five thousand Turkish Liras (5.000 TL) shall be imposed on those violating the liabilities set forth in paragraph one of Article 79.

(15) Those violating the liabilities set forth in paragraph two of Article 75, are warned to provide the information and documents appropriately or provide an onsite inspection within seven (7) days. In the continuation of the infringement despite the warning, an administrative fine up to one percent of their annual gross income accumulated at the end of the previous fiscal year prior to the detection of the infringement, not to be less than twenty five thousand Turkish Liras (25.000 TL) shall be imposed. If the contradictory act is repeated within a year, the

administrative fine shall be doubled.

(16) An Administrative fine of two hundred Turkish Liras (200 TL) shall be imposed on suppliers providing services contradictory to the obligations set forth in paragraph three of Article 76 of this Law, for each transaction.

(17) The relevant provisions of the Turkish Penal Code, numbered 5237 and dated 26/9/2004 shall be applied for those initiating, organizing a pyramid sale system or distributing such through meetings, emails or methods that are suitable for obtaining the participation of many people, or for those supporting the distribution of such a system by another way for commercial purposes, against to the Article 80 of this Law.

(18) An Administrative fine of one thousand Turkish Liras (1.000 TL) to fifty thousand Turkish Liras (50.000 TL) shall be imposed on those violating liabilities that are not listed above but which are introduced by this Law, or violating the measures determined by the Ministry through a regulation or a communiqué.

(19) Excluding the administrative fines in paragraphs eight, nine, twelve and thirteen of this Article; in cases where the total administrative fines exceeds twenty five thousand Turkish Liras (25.000 TL) in one calendar year as of the determination date of the infringement; provided it is not less than this amount and does not exceed hundred million Turkish Liras (100.000.000 TL); the total administrative fine shall not exceed:

a) Five percent of the annual gross revenues accumulated at the end of the previous financial year, prior to the determination of the infringement of the real or legal entity subject to fine. If the previous year gross revenue did not accumulate, the gross revenue as of the determination date will be taken into consideration. In cases where the gross revenue is not reported or reported erroneously, this sub-paragraph provision shall not be applied.

b) Five per thousand of the equity published in the latest financial tables for banks, financing institutions issuing consumer credits and institutions issuing cards.

(20) Implementation of administrative sanctions as per this Law does not prevent the actions that will be performed by the other laws. The Ministry is authorized to eliminate the

uncertainties that may arise in the implementation of this article.

Authority and Objection in Penalties

ARTICLE 78- (1) Administrative sanctions set forth in paragraphs two, seven, eight, nine and eleven of Article 77 of this law shall be imposed by the Ministry; the administrative sanctions decided on by the Advertisement Board as per paragraphs twelve and thirteen shall be imposed by the Ministry. The administrative sanctions in other paragraphs shall be imposed by the governorship where the imposing entity has its headquarters.

(2) The provisions of the Administrative Jurisdiction Procedures Law No. 2577 dated 06/01/1982 shall be sought for appeal against the administrative sanction decisions made in accordance with the provisions of this Law. However, a case at the administrative court shall be filed within thirty (30) days following the notification of the transaction. Filing a nullity suit at the administrative court shall not cease the enforcement of the decision.

(3) The administrative fines issued in accordance with this Law must be paid within a month of their notification.

PART NINE

Miscellaneous Provisions

Imitation Food Products

ARTICLE 79- (1) The production, marketing, importation and exportation of goods, which appear different than they are because of their form, odor, appearance, packaging, labeling, volume or size, even though they are not foodstuffs, and which can be mistaken for foodstuffs by the consumers, and especially children; thus, jeopardizing the health and safety of consumers, is prohibited. Products that are not actually foodstuffs but are manufactured looking like foodstuffs, as a traditional craft/art and, which are not harmful to health, are excluded from this provision, providing a warning sign and an inscription on such.

(2) The Ministry is authorized to take the necessary measures and make the necessary arrangements against these products that threaten the health and safety of consumers by appearing different than they really are.

(3) Provisions of Drafting and Implementation of Technical Legislation related to Goods shall be applied for the measures that will be taken, if the insecurity of these products that have been presented to the market is determined and for notifying such measures to the European Commission.

(4) The Ministry is appointed for the market surveillance and inspection of the products falling under this scope.

(5) The right of the consumers for filing a case due to pecuniary or non-pecuniary damages they have suffered for purchasing imitation foodstuff is reserved.

Pyramid Selling Schemes

ARTICLE 80 – (1) Pyramid sale; is the unrealistic or difficult to be realized gain expectation system that offers the hope of money or assets to its participants in consideration of some amount of money or assets, provided that the participants who have put some amount of money or assets in the system find other participants under the same conditions and, which binds obtaining the gain of assets completely or partially to other participants complying with the conditions as well.

(2) Establishing, distributing or suggesting a pyramid sale scheme is prohibited.

(3) The Ministry is authorized to make the necessary inspections related to pyramid sale schemes and to take the necessary measures in cooperation with its relevant public institutions and corporations, including ceasing the electronic system in our country, if any.

Test, Examination and Analysis,

ARTICLE 81 – (1) The Ministry may use the laboratories of public or private institutions for the implementation of this Law. Test and examination expenses are covered from the budget of the Ministry.

(2) In the event test and examination results are contrary to the relevant administrative and technical regulations, all expenses related to such shall be collected from the manufacturer or the importer, in accordance with the provisions of the Law on Collection Procedure of Assets. The collected test and examination fees shall be recorded as income in the budget.

Allowance

Article 82 - (1) Expenses related to the activities of the Board of Advertisement, Advertising Council, Consumer Council and Consumer Arbitration Committee, the Ministry's expenses incurred for the protection of the consumer and other expenditures shall be covered by the allowance that will be included in the budget of the Ministry.

Other Provisions

ARTICLE 83 – (1) General provisions shall apply in cases for which a provision does not exist in this Law.

(2) A regulation made in other laws for transactions where the consumer is one of the parties, does not prevent such transaction from being a consumer transaction and does not hinder the implementation of the provisions of this law related to duty and authority.

Regulations and other Regulatory Acts

ARTICLE 84 – (1) The Ministry is authorized to take the necessary measures and make the necessary arrangements within the framework of the legislation, with regard to the implementation of this Law.

(2) Regulations set forth by this Law shall be issued by the Ministry, within six (6) months of the date of its entry into force.

(3) Views of relevant public institutions and authorities, professional organizations with public institution status, non-governmental organizations and trade bodies shall be obtained for the secondary regulations that will be issued by the Ministry.

Cadre Formation

ARTICLE 85 – (1) The-cadre included in the attached list are formed and included in the table numbered (I) of the attached Statutory Decree on General Staff and Procedures, in the section that belongs to the Ministry of Customs and Trade.

Abolished Provisions

ARTICLE 86- (1) Law No. 4077 on the Protection of the Consumer, dated 23/02/1995 has been abolished. References made to the Law on the Protection of the Consumer in the other legislation shall be deemed to have been made to this law.

Transitory Provisions

PROVISIONAL ARTICLE 1 – (1) Cases filed before the entry into force of this Law, shall continue in the courts they were filed in.

(2) As a rule, law provisions that were valid at the time are applied to the consumer transactions, whether they are binding or not by law and their consequences, which were realized prior to the effective date of this law. However:

a) The contradictory provisions of the contracts which were established before the date of entry into force of this Law and that are still valid, shall not be implemented after the effective date of this Law.

b) If the final terms and the period of limitations that commenced prior to the date of entry into force of this law, the final terms and the period of limitations will be completed after the time set forth in this law passes.

(3) Until the regulations set forth in this law entered into force, the provision of the regulation and other legislation that has been issued based on the Law on the Protection of the Consumer that are not contradictory to his law shall be applied.

Entry into Force

ARTICLE 87- (1) This Law shall go into effect six (6) months after the date of its publication.

Execution

ARTICLE 88- (1) The Council of Ministers shall execute the provisions of this Law.

27/11/2013

INSTITUTION : MINISTRY OF CUSTOMS AND TRADE

ORGANIZATION : RURAL

POSITIONS CREATED				
<u>CLASS</u>	<u>TITLE</u>	<u>POS LEVEL</u>	<u>No of AVAILABLE POSITIONS</u>	<u>TOTAL</u>
G1H	Consumer Arbitration Committee Rapporteur	1	50	50
G1H	Consumer Arbitration Committee Rapporteur	2	50	50
G1H	Consumer Arbitration Committee Rapporteur	3	50	50
G1H	Consumer Arbitration Committee Rapporteur	4	50	50
G1H	Consumer Arbitration Committee Rapporteur	5	50	50
G1H	Consumer Arbitration Committee Rapporteur	6	50	50
G1H	Consumer Arbitration Committee Rapporteur	7	50	50
G1H	Consumer Arbitration Committee Rapporteur	8	100	100
G1H	Consumer Arbitration Committee Rapporteur	9	100	100
G1H	Consumer Arbitration Committee Rapporteur	10	100	100
	TOTAL		650	650

