

PREVENTION OF LAUNDERING OF THE PROCEEDS OF CRIME, FINANCING OF
TERRORISM AND FINANCING THE PROLIFERATION OF WEAPONS OF MASS
DESTRUCTION LAW

The Republican Assembly of the Turkish Republic of Northern Cyprus enacts the following law:

Short Title 1. This Law shall be cited as the Prevention of Laundering of the Proceeds of Crime, Financing of Terrorism and Financing the Proliferation of Weapons of Mass Destruction Law.

PART ONE
General Provisions

Definitions 2. In this Law, unless the text otherwise requires;
“Means or Instruments” refer to any property used or attempted to be used in any manner, wholly or in part, to commit a criminal offence or criminal offences.
“Transactions Appearing to be Linked” refers to the transactions made by the customer or the principal beneficiary by dividing the cash into amounts lower than the limit, in order to avoid the legal obligations stipulated in this Law.
“Betting Service Providers” refer to natural or legal persons who provide any service that involves betting on a monetary value in games of chance such as lotteries, gambling games and betting transactions provided in a physical environment or from a certain distance through a virtual environment such as the internet.
“Ministry” refers to the Ministry to which the Department of Money, Foreign Exchange and Development Fund Affairs is affiliated.
Council of Ministers refers to the Council of Ministers of the Turkish Republic of Northern Cyprus.

62/2017 “Bank” refers to the banks operating in accordance with the Banking Law of the Turkish
22/2020 Republic of Northern Cyprus and the units operating in accordance with the
International Banking Units Law.

41/2008
33/2009
44/2011

“Unit” refers to the Financial Information Unit (MABEB) established pursuant to Article 45 of this Law and operating under the Department and responsible for receiving, requesting, analyzing and providing information to the competent authorities in cases of suspicion of laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction.
“Serious Negligence” refers to a conscious and/or deliberate disregard of a legal duty or responsibility in relation to the rights of others in such a way as to damage those rights or persons and property.
“Department” refers to the Department of Money, Foreign Exchange and Development Fund Affairs.
“Equivalent Countries” refers to the Member States of the European Union or the signatories to the Agreement on the European Economic Area or the countries that have

implemented and supervise the implementation of similar obligations provided for in this Law.

“Regulated Market” refers to a market that is subject to notification obligations in accordance with European Union legislation or the same or equivalent international standards.

“Electronic Money” refers to the monetary value accepted by the issuer and issued against funds, stored electronically, used to carry out payment transactions and accepted as a means of payment by natural and legal persons other than the issuer of electronic money.

“Depository Wallet Service Providers” refers to organizations that provide services to protect private encryption keys, hold, store and transfer crypto assets on behalf of their customers.

38/2007

“Real Estate Agent” refers to a person who operates in accordance with the Real Estate Agents Registration and Transactions Law.

“Real Estate Companies” refers to companies operating in accordance with the Real Estate Agents Registration and Transactions Law.

“Principal Beneficiary” refers to the natural person or persons referred to in Article 8 of this Law.

“Financial Group” refers to the financial institutions resident in the Turkish Republic of Northern Cyprus, which are affiliated to or controlled by a parent company headquartered in the Turkish Republic of Northern Cyprus or abroad, and their branches, agencies, representatives, commercial agents and similar affiliated units.

“Financial Institution” refers to the institutions specified in Article 10 of this Law.

“Forex Transaction” refers to the buying and selling transaction of all kinds of foreign currencies, precious metals and other assets to be determined by the competent authority on an electronically created platform in return for the deposited collateral amount.

“Work Day” refers to a period of twenty-four hours not including weekends and public holidays.

“Business Relationship” refers to a professional or commercial relationship that is related to the professional or commercial activities of the obliged parties and is expected to have a continuity at the time of its creation.

“Identification” refers to a passport or identity card or a driving license issued by a local or foreign authority for the purpose of establishing the identity of a person and bearing a photograph of that person.

“Offence of Financing the Proliferation of Weapons of Mass Destruction” refers to the acts specified in paragraph (2) of Article 6 of this Law.

“Crypto Asset” refers to intangible assets that are created virtually using distributed ledger technology or a similar technology and distributed over digital networks, but are not characterized as fiat money, fiduciary money, electronic money, payment instruments, securities or other capital market instruments.

“Crypto Asset Service Providers” refers to institutions that intermediate the trading of crypto assets through electronic trading platforms.

“Crypto Asset Issuer” refers to a legal person that prepares or organizes any type of crypto asset for public offering, or offers it to the public, or carries out the issuance of any type of crypto asset, or carries out the transactions related to the acceptance and placement of crypto assets on electronic trading platforms (crypto asset trading

exchange markets and marketplaces), without the requirement of its own creation, production and/or development.

“Board” refers to the Anti-Money Laundering Board established pursuant to Article 47 of this Law.

“Jeweler” refers to legal entities engaged in the domestic purchase and sale, manufacture, import and/or export of precious metals, precious stones and articles made of them.

“Asset” refers to any material or non-material, movable or immovable, tangible or intangible asset and any legal document or instrument in any form, including electronic or digital, documenting the right of disposition or right in rem in relation to such assets.

“Correspondent Banking Relationship” refers to a banking relationship in which one bank (the correspondent bank) provides banking services to the other bank (the drawee bank), where there is a local bank and a foreign bank involved in the banking transactions.

“Confiscation” refers to a penalty or a measure, ordered by a court resulting in the final deprivation of property or which may also be converted into a fine in accordance with paragraph (6) of Article 51 of this Law.

“Customer Acceptance Policy” refers to the regulation of customer risk categories, customer acceptance procedures and customer acceptance levels and types of products and services.

“Cash Limit” refers to 10,000.-Euro (Ten Thousand Euros) and/or its equivalent, including official money in circulation in the Turkish Republic of Northern Cyprus.

“Payment Services” refers to the transfer of cash, cheque or other payment instrument from its source at one point to the ultimate beneficiary at another point by means of an electronic network.

“Predicate Offence” refers to any offence punishable by imprisonment of one year or more for which the proceeds are obtained, or financing of terrorism or financing of the proliferation of weapons of mass destruction.

“Political and/or Influential Persons” refers to the natural persons referred to in Article 9 of this Law.

“Criminal Activity” refers to the activity of committing or participating in the predicate offence, including tax offenses within the scope of the predicate offence.

“Proceeds of Crime” refers to the value of assets resulting from criminal activity.

“Laundering Proceeds of Crime Offence” refers to the acts specified in paragraph (1) of Article 5 of this Law.

“Risk of Laundering Proceeds of Crime or Financing of Terrorism or Proliferation of Weapons of Mass Destruction” refers to the risk that the customer misuses the financial system for the purposes of laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction.

“Gambling Hall” refers to a gambling hall operating in accordance with the Gambling Law.

“Trust or Company Service Providers” refers to the natural or legal persons referred to in Article 11 of this Law.

31/2009

57/2011

1/2012

38/2015

“Suspicious Transaction” refers to the presence of any information, suspicion or reason to suspect that the assets subject to transactions made or attempted to be made in or through obliged parties have been obtained illegally or, even if they are legal assets, will be used for illegal purposes or for financing of terrorism or financing of the proliferation of weapons of mass destruction.

“Shell Bank” refers to a bank or an institution engaged in banking activities that is established in a country but has no physical presence in that country and is not affiliated with a regulated financial group.

“Confiscation” refers to transferring or destroying or altering or transforming assets, or temporarily prohibiting the authorization or transfer of the use of, or temporarily placing under supervision or control, upon a written instruction of the Civil Chamber (Attorney General’s Office) or an order given by the competent court under Article 50 of this Law, during the period that the instruction and order is valid.

“Terrorist Activity” refers to an act that is carried out through violence or the threat of violence, such as attacks endangering human life, kidnapping, hostage taking, damage to or destruction of buildings, facilities, infrastructure, seizure of aircraft, ships and other means of transportation, which constitutes a danger to the public and creates anxiety, uncertainty, fear, panic or terror in the public, and any activity and/or threat of terrorist activity whose purpose, nature or scope is to intimidate the public and/or draw attention to its purposes, or to compel a government or international organization to do or not to do something, or to secure a decision in favor of the terrorist structure or its purposes, and/or to destabilize or destroy the fundamental political, constitutional, economic or social structure of a country or international organization. In addition, for these purposes, the use of weapons of mass destruction that pose a danger to human life and threats of the use of any nuclear or biological or chemical substance shall be considered terrorist activities.

“Terrorism Financing Offence” refers to the acts specified in paragraph (1) of Article 6 of this Law.

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“Trust” bears the meaning given to it under the Trustees Law.

“International Institution or Organization” refers to an institution or organization operating at the international level or established by states.

“International Lists” refer to terrorist organization or terrorist lists published by the United Nations or the European Union or the Financial Action Task Force (FATF) or similar organizations or equivalent countries.

“Compliance Officer” refers to the person appointed by the obliged party pursuant to paragraph (1) of Article 38 of this Law who is responsible for the coordination of the institution’s policies and procedures established for the implementation of measures taken to prevent laundering proceeds of crime, financing of terrorism or financing of the proliferation of weapons of mass destruction, and for the reporting of suspicious transactions, as provided by this Law.

“Third Parties” refers to the obliged parties specified in Article 12 of this Law or obliged parties of third countries with equivalent practices.

“Third Country” refers to countries other than the equivalent countries.

“Senior Management” refers to the senior management of the institution or organization or legal person who has sufficient knowledge of the institution’s or organization’s or legal person’s exposure to the risks of laundering proceeds of crime or financing of

terrorism or financing the proliferation of weapons of mass destruction and who is in a position to make decisions affecting the institution's or organization's or legal person's exposure to risk.

"Foreign Financial Intelligence Unit" refers to the foreign unit responsible for receiving, requesting, analyzing information and providing information to the competent authorities in cases of suspicion of laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction.

"Authorized Supervision Authorities" refers to the supervision authorities referred to in Article 43 of this Law.

"Obligated parties" refer to the natural or legal persons referred to in Article 12 of this Law.

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| Purpose | 3. The purpose of this Law is to ensure compliance with international criteria in the fight against laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction, to secure the system with a risk-based approach and to determine the rules to prevent these offences. |
| Scope | 4. This law shall include; <ul style="list-style-type: none">(1) Measures to prevent and detect laundering proceeds of crime or financing of terrorism or the proliferation of weapons of mass destruction, in particular in banking, financial transactions and cash transactions;(2) Obligated parties and audit of obligated parties who take the necessary measures and carry out the necessary activities in accordance with the provisions of this Law;(3) Duties and authorities of the Board and the Unit;(4) The procedures and principles regarding the cooperation and coordination activities to be carried out with public institutions and organizations for the purpose of the implementation of this Law;(5) The offences that will arise in case of violation of this Law and the criminal and administrative sanctions to be applied against the offences;(6) Special rules on the cautionary judgements and/or confiscation of assets and/or confiscation related to laundering proceeds of crime or financing of terrorism or the proliferation of weapons of mass destruction; and(7) Other matters relating to the development of a system for the prevention of laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction. |

PART TWO

The Offence of Laundering Proceeds of Crime, the Offence of Financing Terrorism and the Offence of Financing the Proliferation of Weapons of Mass Destruction

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| The Offence of Laundering Proceeds of Crime | 5. (1) The actions that constitute the offence of laundering proceeds of crime are as follows: <ul style="list-style-type: none">(A) The conversion of assets obtained from, or known to be obtained from participation in a criminal activity, or transfer within our country or between our country and the jurisdictions or territories of other |
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countries, in order to possess them, to conceal or disguise their illicit source, or to assist a person who has participated in such criminal activity to avoid the legal consequences of such activity.

(B) Concealing or disguising the true nature, source, location, use, movement, rights to assets, ownership or possession of assets known to be resourced from a criminal activity or participation in a criminal activity.

(C) Acquisition, possession or use, at the time of receipt, of an asset that is known to have been obtained from criminal activity or participation in criminal activity.

(D) Participating in, co-operating in, attempting to commit, aiding and abetting, facilitating and/or guiding any of the acts listed in the paragraphs above.

(2) In cases where the criminal activity is committed abroad, if the criminal activity in question also constitutes an offence in the Turkish Republic of Northern Cyprus, this activity shall be considered as criminal activity.

(3) (A) Regardless of who commits the offence and/or who is the principal beneficiary, the benefit that a natural or legal person has obtained or will obtain in the future from a criminal activity shall be considered to be assets obtained directly or indirectly or in whole or in part from criminal activity.

(B) Assets obtained from criminal activity shall also include assets obtained from criminal activity that have been altered, converted into another form, mixed together or income or other economic gains obtained or earned from such assets.

The Offence of
Financing
Terrorism and
the Offence of
Financing the
Proliferation of
Weapons of
Mass
Destruction

6. (1) Directly or indirectly obtaining or collecting or making available, directly or indirectly, legal or illegal funds or assets known to be used by a terrorist organization or terrorist for the purpose of carrying out or supporting terrorist activities, or processing them in any financial institution or bank, or encouraging or aiding or abetting or organizing or leading actions to carry out these acts shall constitute the crime of financing terrorism.

(2) The provision of funds or financial services known to be used, in whole or in part, for the manufacture, procurement, acquisition, development, export, transfer, intermediation, transport, storage or deployment of nuclear, chemical or biological weapons and their delivery vehicles shall constitute the offence of financing the proliferation of weapons of mass destruction.

(3) The following shall be considered terrorist organizations or terrorists:

(A) Natural or legal persons included in the order published in the Official Gazette by the Council of Ministers in accordance with Article 63 of the Criminal Code;

Chapter 154
3/1962
43/1963

15/1972	(B) Natural or legal persons or organizations involved in terrorist activities or facilitating or encouraging a terrorist activity; or
20/1974	
31/1975	(C) Natural or legal persons or organization or organizations included in an order to be published in the Official Gazette by the Council of Ministers, which is established pursuant to this Law with reference to international lists issued within the scope of the fight against terrorism.
6/1983	
22/1989	
64/1989	
11/1997	
20/2004	
41/2007	
20/2014	
45/2014	
26/2018	
14/2020	

Applicable Data for Offences	7. The information, suspicion, intention or purpose necessary for activities of laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction shall be derived from real objective circumstances.
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PART THREE

Principal Beneficiary, Political and/or Influential Persons, Financial Institutions and Trust or Company Service Providers

Principal Beneficiary	<p>8. The principal beneficiary shall be the natural person or persons who directly or indirectly command or control the natural and/or legal person on whose behalf a transaction or activity is carried out. The rules to be applied in determining the principal beneficiary shall be as follows:</p> <p>(1) In legal persons;</p> <p>(A) Natural person or persons who directly or indirectly hold or control 25% (twenty five per cent) or more of the shares or voting rights of a legal person;</p> <p>(B) A natural person or persons who control the management of a legal person by means other than those listed in subparagraph (A) above; and</p> <p>(C) In cases where the principal beneficiary referred to in the paragraphs given above cannot be identified, persons in senior management shall be accepted as the principal beneficiary.</p> <p>(2) In trust, foundation, probate and similar legal formations;</p> <p>(A) Founders;</p> <p>(B) Trustee/Executive;</p> <p>(C) Trustee/Custodian (entrusted party);</p> <p>(D) The beneficiaries or, if not yet identified, the group for which it was originally established;</p> <p>(E) Those who directly or indirectly own or otherwise have ultimate control in any other way, shall be accepted as the principal beneficiary.</p> <p>(3) The information of the principal beneficiaries of trusts and similar legal formations that do not have a registration obligation under any law, and the</p>
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assets of the formation must be registered in the registry established by the Income and Tax Department within 30 (thirty) days from the date of signing the contract and/or the establishment of the legal formation by the principal beneficiaries.

- (4) The procedures and principles regarding the records to be made pursuant to paragraph (3) above shall be determined by a regulation to be drafted by the Ministry upon the proposal of the Unit and ratified by the Council of Ministers and published in the Official Gazette.

Political and/or
Influential
Persons

9. (1) A political and/or influential person is a natural person who holds an important public office or has held such an office in the past, their first-degree relatives and persons who are publicly known to be close to such persons.
- (2) Natural persons who have undertaken an important public office in accordance with this Law shall be as follows:
- (A) Heads of State, Heads of Government, Members of Parliament, Members of the European Commission, Government Officials, Ministers, Undersecretaries, Coordinators, Directors General, Directors and Political Advisers;
 - (B) President and Members of the Supreme Court, Judges, Attorney General and Prosecutors;
 - (C) The Presidents and Members of the Court of Accounts, the Ombudsman and the institutions that carry out this function in different countries, the President of the Central Bank and the members of the Board of Directors,
 - (D) Ambassadors, Charge d’Affaires/Representatives, senior police and military officials;
 - (E) Members of the board of directors and supervisory boards of companies and/or institutions or banks in which the State is a shareholder and/or appoints directors; or
 - (F) The president and members of the board of directors, directors, deputy directors or persons holding equivalent positions in international organizations.
- (3) In the event that at least 18 (eighteen) months have elapsed since the departure from office of political and/or influential persons, the obliged parties shall not be obliged to accept this person, first-degree relatives of these persons and persons in close cooperation with them as political and/or influential persons.

However, the application of measures related to the enhanced customer due diligence principle on a risk-sensitive basis shall be decided on a case-by-case basis.

- (4) For the purposes of this Law, the first-degree relatives of the persons referred to in paragraph (2) of this Article shall mean their spouses, children, parents and spouses of their children.
- (5) Pursuant to the provisions of this Law, persons who are publicly known to be close to the persons referred to in paragraph (2) of this Article are:

- (A) Persons who, together with one of the persons referred to in paragraph (2) of this Article, own a legal person or legal formation or are the principal beneficiary or have a close business relationship with one of these persons;
- (B) Persons who are the owner or principal beneficiary of a legal person, structure or legal formation established for the benefit of one of the persons referred to in paragraph (2) of this Article.

Financial
Institutions

10. Financial Institutions shall be as follows:

- (1) Financial institutions shall be entities other than banks that engage in one or more of the following activities or transactions:
 - (A) All borrowing or lending activities, including consumer loan, mortgage loan, factoring services and financial leasing services,
 - (B) Payment services, including sending or transferring money,
 - (C) The issuance of travelers' cheques and bank cheques and other similar payment instruments and the withdrawal of payments, other than the activities referred to in subparagraph (B) of this Article,
 - (D) Guarantee and commitment procedures,
 - (E) Buying and selling on their own account or on the account of the customer in the following areas:
 - (a) Money market instruments such as cheques, notes, bonds, certificates of deposit;
 - (b) Forward transactions and options;
 - (c) All kinds of foreign exchange, precious metals and other assets to be determined by the competent authority on an electronically created platform (Forex transactions);
 - (d) Transferable securities and other financial instruments.
 - (F) Participation transactions in securities and other financial instruments by securitizing and selling, or selling and providing ancillary services;
 - (G) Advisory services on capital structure, business strategy and other related areas as well as other services related to mergers and acquisitions of undertakings and other advisory services;
 - (H) Portfolio management and consultancy;
 - (I) Protection and administration of financial instruments;
 - (J) Intermediation in the purchase and sale of securities in the interbank market;
 - (K) Safe deposit box storage/safe deposit box services;
 - (L) Issuing electronic money.
- (2) Insurance and reinsurance companies and insurance intermediaries,
- (3) Financial investment companies and investment consultation companies,
- (4) Foreign Exchange Offices,
- (5) Branches or agencies in the Turkish Republic of Northern Cyprus of the financial institutions specified in the paragraphs above and having their headquarters abroad,
- (6) Organizations other than those listed above, to be determined by the Council of Ministers according to need,

- (7) The organizations to be determined pursuant to paragraph (6) above shall be determined by a regulation to be drafted by the Ministry upon the proposal of the Unit and ratified by the Council of Ministers and published in the Official Gazette.

Trust or
Company
Service
Providers

11. Natural or legal persons providing any of the following services shall be trust or company service providers:

- (1) Creating legal entities such as companies or foundations or associations through trusts and similar legal formations;
- (2) Serving, or arranging for someone else to serve, as a director or secretary of the company, partner in a partnership or similar position;
- (3) Providing a company, partnership or any other legal person or formation with a registered office, business address, correspondence or administrative address or other related service;
- (4) Acting, or causing someone else to act, as the manager of an organization, fund or similar legal entity subject to the laws of a foreign country that provides, manages and distributes economic benefits for a specific purpose;
- (5) Except for the securities of companies traded on a regulated market, using or causing another person to use the shares of another person for the purpose of exercising voting rights.

PART FOUR

Obligated Parties and Obligations

Obligated Parties

12. Pursuant to the provisions of this Law, the following natural or legal persons shall be deemed liable:

- (1) Banks,
- (2) Financial Institutions,
- (3) In the framework of the provisions of this Law, the following natural or legal persons shall be deemed liable:
 - (A) Accountants, auditors and tax advisors,
 - (B) Lawyers acting for or on behalf of their customers in any financial or real estate transaction, or assisting the customer in the planning or execution of the transaction, in the following situations;
 - (a) In the purchase or sale of real estate or businesses;
 - (b) In the management of customers' money, securities or other assets;
 - (c) Opening or managing a bank, deposit or securities account;
 - (d) Organization of transactions necessary for the establishment, operation or management of companies;
 - (e) In the creation, operation or management of Trusts.
 - (C) Trust or company service providers;
 - (D) Real estate agents and/or real estate companies and/or natural or legal persons who make, sell or intermediate real estate for commercial purposes;

- (4) Jewelers;
- (5) Gambling Halls;
- (6) Betting service providers;
- (7) Public institutions and organizations;
- (8) Crypto asset service providers and crypto asset issuers;
- (9) Depository Wallet Service Providers;
- (10) Motor vehicle dealers and/or car dealerships;
- (11) Obligated parties to be determined by the Council of Ministers,
- (12) The obligated parties to be determined pursuant to paragraph (11) of this article shall be determined by a regulation to be drafted by the Ministry upon the proposal of the Unit and ratified by the Council of Ministers and published in the Official Gazette.

- Obligations
13. (1) In order to prevent the laundering of proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction, obliged parties shall be required to fulfil the following obligations in accordance with this Law and the regulations to be issued under this Law:
- (A) Establishing policies and procedures of the institution,
 - (B) Assessing the risk of laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction in connection with customers, business relationships, transactions and products,
 - (C) Taking the measures required by the principle of customer due diligence,
 - (D) Making suspicious transaction notifications,
 - (E) Making notifications about transactions exceeding the cash limit,
 - (F) Ensuring the preservation of data, protection of records and keeping records,
 - (G) Appointing the compliance officer and deputy compliance officer, notifying the names, authorities and responsibilities of the appointed persons to the Unit and providing the necessary conditions for these persons to fulfil their duties,
 - (H) Providing opportunities for employee training and ensuring regular internal audits,
 - (I) Fulfilling other duties and responsibilities set out in this Law.
- (2) Banks, financial institutions, gambling halls, betting service providers, crypto asset service providers, crypto asset issuers and depository wallet service providers shall be obliged to fulfil the obligations set forth below in addition to the obligations set forth in paragraph (1) of this Article:
- (A) Notifying the Unit of new suspicious transaction criteria and customer profile that arouse suspicion in their field of activity, other than the suspicious transaction criteria in the Regulation on laundering proceeds of crime or financing terrorism or financing the proliferation of weapons of mass destruction,
 - (B) Establishing an information system to ensure that, in the event that the unit and/or the authorized supervisory authorities request

information on any natural or legal person, they shall promptly and completely report whether they have a business relationship at the requested date or in the past and, if any, the nature of this relationship,

- (C) Carrying out the activities specified in subparagraph (H) of paragraph (1) of this Article at least once a year.

PART FIVE

Rules Regarding Customer Due Diligence Principle and Business Relations

- Customer Due Diligence Principle
14. (1) Banks, financial institutions, gambling halls, betting service providers, crypto asset service providers, crypto asset issuers and depository wallet service providers shall apply the customer due diligence principle procedures, together with the obligations set out in Article 13 of this Law, to prevent their customers from being misused in the context of laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction financing activities.
- (2) Customer due diligence principle procedures shall be established by the obliged parties in accordance with the nature, volume, complexity and field of activity of the obliged party, adapted according to the customer groups it serves, the risk level of the products or services offered, and other procedures and measures to be recommended by the authorized supervisory authorities, and shall include at least the following elements:
- (A) Establishing a separate customer acceptance policy for each customer group,
 - (B) Establishing customer identification and continuous monitoring procedures that categorize customers into specific groups and allow customers to change groups,
 - (C) Establishing standardized, enhanced and simplified customer due diligence principle measures to be applied for products and transactions for customer groups,
 - (D) Establishing procedures for continuous monitoring of transactions carried out by customers in order to detect unusual, suspicious, complex or large transactions,
 - (E) Establishing procedures for transactions with third countries and customer relations with these countries,
 - (F) Establishing procedures for keeping records referred to in Article 24 of this Law,
 - (G) Establishing standards for the recruitment and training program of personnel working in the field of customer due diligence principle,
 - (H) Establishing procedures for internal reporting and reporting to the authorized supervisory authorities.

- (3) Customer due diligence principle procedures shall be approved by the board of directors and/or authorized bodies of banks, financial institutions, gambling halls, betting service providers, crypto asset service providers, crypto asset issuers and depository wallet service providers and reviewed as necessary and at least annually. After being amended and/or approved by the board of directors and/or authorized bodies, the procedures of the customer due diligence principle shall be submitted to the Unit and Authorized Supervisory Authorities within 5 (five) work days at the latest.
- (4) Banks, financial institutions, gambling halls, betting service providers, crypto asset service providers, crypto asset issuers and depository wallet service providers shall ensure that these procedures are explained to the personnel working in the field of the customer due diligence principle and assuming responsibilities within this framework in order to prevent laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction.
- (5) When assessing the risks of laundering proceeds of crime or financing terrorism or financing the proliferation of weapons of mass destruction, obliged parties shall decide to what extent to apply the customer due diligence principle, taking into account the following risk variables:
 - (A) The purpose of the account or business relationship,
 - (B) The monetary size of the assets to be deposited by the customer or the size of the transactions performed,
 - (C) The continuity or duration of the business relationship.

Standard
Customer Due
Diligence
Principle

15. Obligated parties shall apply the standard customer due diligence principle measures set out in Article 16 of this Law in the following cases:

- (1) (A) When creating a business relationship,
- (B) When performing a transaction equal to and/or exceeding 10,000.-Euros (Ten Thousand Euros) and/or equivalent currency in a single transaction or in transactions that appear to be linked to each other;

However, for gambling halls and betting service providers, the monetary value shall be taken into consideration as an amount equal to and/or above 2,000.-Euros (Two Thousand Euros) and/or equivalent currency; for the transaction amount in electronic fund transfer services, the monetary value shall be taken into consideration as an amount equal to and/or above 1,000.-Euro (One Thousand Euros) and/or equivalent currency.
- (C) Where there is a suspicion that the transaction, regardless of the amount of money involved, serves the purposes of laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction;
- (D) In case of suspicion about the accuracy and adequacy of customer identification information previously obtained;

- (E) If the obliged parties do not know the amount of the transaction at the time of acceptance of the transaction, but when they are aware of the amount of the transaction, this amount reaches the minimum limit specified in subparagraph (B) above.
- (F) Every time a safety deposit box is visited.

The identification and confirmation shall apply to all natural persons who have actual access to the safe deposit box, regardless of whether they are the actual user of the safe deposit box specified in the safe deposit box contract or their legal representative or a person authorized by the legal user or their legal representative by proxy.

- (2) The procedures and principles regarding the customer due diligence principle measures to be observed in electronic fund transfer services shall be regulated by a regulation to be drafted by the Ministry, ratified by the Council of Ministers and published in the Official Gazette.

Measures
related to the
Standard
Customer Due
Diligence
Principle

- 16. (1) Measures related to the standard customer due diligence principle shall be as follows:
 - (A) (a) Identification of the customer,
 - (b) The identity of the customer being confirmed by seeing the original identity document issued by local or foreign authorities and/or by information obtained from official sources,
 - (B) In the case of legal persons, trusts or company service providers, or trusts and similar legal formations and probates, taking risk-oriented and adequate measures to present the ownership and control structure of the customer and to determine the identification of the principal beneficiary,
 - (C) Obtaining information about the purpose of the business relationship and the targeted business relationship,
 - (D) Control and continuous monitoring of the transactions carried out during the business relationship in order to ensure the consistency of the information on the customer's risk profile, including the source of financing and keeping the existing documents, data and information up to date.
- (2) Before establishing a business relationship or carrying out a transaction, obliged parties shall verify the identity of the customer or principal beneficiary.

However, in the case of life insurance, authentication of the beneficiary of the policy can be done after the business relationship is established. In such case, identity authentication shall be carried out before or at the time of payment or before or at the time the beneficiary intends to exercise their rights under the policy.

- (3) (A) Obligated parties must apply standardized customer identification measures to all new customers.
- (B) They shall apply to existing customers after a risk-based assessment or in case of any change in the customer situation.

- (4) Banks and financial institutions may not open and/or operate accounts that directly or indirectly conceal the identity of the customer, such as anonymous accounts or accounts where the identity of the account holder is unknown or cannot be documented, or accounts with numbers that are not written in the name. In addition, they terminate the business relationship with their customers who are found to have allowed others to use their accounts.
- (5) When applying customer identification measures to their customers living abroad, banks and financial institutions shall take the necessary measures to determine whether these persons are political and/or influential persons.
- (6) The procedures and principles regarding the standard customer due diligence principle measures to be observed and determining the identification and authentication shall be regulated by a regulation to be drafted by the Ministry, ratified by the Council of Ministers and published in the Official Gazette.

Termination of
Business
Relationship

17. (1) In cases where the rules of paragraph (1) of Article 16 of this Law cannot be applied, the obliged parties shall not initiate the business relationship and/or shall not carry out the transaction and/or shall terminate the business relationship. If a business relationship has been initiated, obliged parties shall assess whether there is reason to suspect laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction and report suspicious transactions to the Unit in accordance with the rules of Article 26 of this Law.

However, if there is no reason for the obliged parties to report suspicious transactions, they shall keep an official record of the reason for not reporting and keep it for submission to the authorized supervisory authority.

- (2) The rules of paragraph (1) of this Article shall not apply to accountants, auditors, tax advisers and lawyers acting in the course of their professional activities, except as provided in paragraph (3) of Article 12 of this Law, when they are assessing the legal position of their customers or when they are engaged in initiating or representing legal proceedings for their customers.

Improved
Customer Due
Diligence
Principle

18. (1) In addition to the measures set out in paragraph (1) of Article 16 of this Law, obliged parties shall apply improved customer due diligence measures on a risk-sensitive basis, in addition to the measures set out in paragraph (1) of Article 16 of this Law, where there is or may be a higher risk of laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction due to the nature of the business relationship, the manner or method of carrying out the transaction, the business profile of the customer or the circumstances relating to the customer or the principal beneficiary.

- (2) The obliged parties shall apply improved customer due diligence measures in the following situations, including but not limited to the situations listed below:
 - (A) In case the customer is not personally present during the identification and verification of customers or during the implementation of the customer due diligence principle measures,
 - (B) In the case of correspondent banking relationships with banks in third countries,
 - (C) In the case of transactions or business relations carried out by political and/or influential persons residing in a foreign country.
- (3) The business relationship in cases where the customer referred to in subparagraph (A) of paragraph (2) of this Article is not present in person shall also include business relationships initiated by correspondence, telephone, electronic mail, internet or any other modern means of communication enabling access to the services provided by the obliged parties.

Measures
related to the
Improved
Customer Due
Diligence
Principle

- 19. (1) In the cases referred to in subparagraph (A) of paragraph (2) of Article 18 of this Law, obliged parties shall apply at least one of the following measures:
 - (A) To ensure that the first transaction is made from an account opened in the customer's name at a bank established in the equivalent country,
 - (B) To establish the identity of the customer with additional documents, data or information,
 - (C) To request the verification of information from banks or financial institutions established in the equivalent country with which the customer has a business relationship, which apply the customer due diligence procedure, in order to control and verify the documents submitted by the customer.
- (2) Banks shall be obliged to apply at least the following measures in the cases specified in subparagraph (B) of paragraph (2) of Article 18 of this Law:
 - (A) Gather sufficient information on third country correspondent banks, based on publicly available information, to fully understand the nature and reputation of the organization and its activities and the quality of its audit,
 - (B) Evaluate the control mechanisms implemented by third country correspondent banks to prevent laundering proceeds of crime or fight against financing of terrorism or the proliferation of weapons of mass destruction,
 - (C) Obtain the approval of senior management before establishing new correspondent banking relationships with third country correspondent banks,
 - (D) Determine the responsibilities of themselves and the third country bank on the documents,

- (E) Ensure that the relevant correspondent bank has fulfilled the customer due diligence principle measures for all of their customers who have direct access to correspondent bank accounts to carry out transactions on their behalf and that they are able to provide, upon request, the information and data obtained on these customers.
- (3) In the cases referred to in subparagraph (C) of paragraph (2) of Article 18 of this Law, the obliged parties shall be obliged to apply at least the following measures:
 - (A) Establish a risk-orientated procedure that ensures the identification of political and/or influential customers,
 - (B) Obtain the approval of senior management before initiating a business relationship with political and/or influential customers or in cases where a customer falls into this category,
 - (C) Take adequate measures to determine the source of income of funds in the business relationship or in the transactions carried out,
 - (D) Continuously monitor the business relationship with political and/or influential customers according to the improved customer due diligence principle.

Monitoring the
Business
Relationship

- 20. (1) Obligated parties must pay attention to transactions and products that are anonymous in nature or that may be linked to laundering proceeds of crime or financing of terrorism or the proliferation of weapons of mass destruction.
- (2) Obligated parties shall closely monitor business relationships and transactions involving natural and/or legal persons from countries lacking adequate regulations for the prevention of laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction, and in countries that do not cooperate in fighting against these crimes and are considered risky by international organizations and institutions that combat these crimes.
- (3) Banks providing personalized banking services shall be obliged to apply customer due diligence measures developed for their customers receiving such services.
- (4) By using risk indicators such as the size of the customer's assets and income, the types of services provided to the customer, the customer's field of activity, economic background, the reputation of the country of origin of the customer, the accuracy of the customer's motivation, the value limits of each transaction type and similar risk indicators, obliged parties shall be obliged to identify their high risk customers and transaction classes specified in paragraph (5) of this article.
- (5) High risk customers and transaction classes shall be as follows:
 - (A) Customers not residing in the Turkish Republic of Northern Cyprus.
 - (B) Investment fund portfolio or trusts and similar legal formations.
 - (C) Companies with bearer shares.
 - (D) Legal persons with an unusual or extremely complex ownership structure, given the company's field of activity.

- (E) Businesses with high cash flow.
- (F) Business relationships between banks and financial institutions and their customers that cannot be explained due to geographical distance and are conducted under unusual conditions.
- (G) Customers from countries that are subject to sanctions, embargoes and similar measures imposed by international organizations, or from countries where there are high levels of risk in terms of corruption or other criminal activities.
- (H) Payments received from unrelated third parties.
- (I) Political and/or influential persons.
- (J) Crypto asset service providers, crypto asset issuers and depository wallet service providers;
- (6) When implementing paragraphs (1), (2), (3) and (4) of this Article, obliged parties shall apply standard customer due diligence principle measures for their high risk customers and customers identified as having engaged in high risk transactions, as well as improved customer due diligence principle measures, including the following:
 - (A) Obtaining the approval of senior management for all transactions in continuing business relationships with high risk customers and/or performing high risk transactions and/or ongoing business relationships,
 - (B) Requesting that the first transaction be made from an account opened in a bank that meets the standards set out in this Law and is subject to obligations to prevent laundering proceeds of crime or to fight against financing of terrorism or the proliferation of weapons of mass destruction,
 - (C) Continuous improved monitoring of the business relationship,
 - (D) Taking adequate measures to identify or verify the source of funds,
 - (E) Persons responsible for the sale and implementation of services for risky customers should be familiar with the personal circumstances of their customers and pay special attention to information received from third parties about their customers.

Simplified
Customer Due
Diligence
Principle and
Measures
Related to
Simplified
Customer Due
Diligence
Principle

- 21. (1) The Unit may allow obliged parties to apply simplified customer due diligence principle measures in areas where the Board has identified a low risk as a result of a risk threat assessment conducted in accordance with subparagraph (I) of paragraph (1) of Article 49 of this Law in relation to laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction.

- (2) If approved by the Unit in cooperation with the authorized supervisory authorities, the following customers shall be subject to simplified customer due diligence principle measures by the obliged parties:
 - (A) Companies whose securities are traded on a regulated market,
 - (B) Public institutions and organizations,
 - (C) Life insurance policy holders with low instalments,
 - (D) Retirement insurance policyholders for whom there are no repurchase (surrender) rules and the policy cannot be used as security deposit.
- (3) Obligated parties shall determine simplified customer due diligence measures on a risk basis and in a manner that prevents the risks of laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction.
- (4) For the simplified customer due diligence principle, obliged parties shall, in each case, collect sufficient information to determine whether the customer meets the requirements for the relevant principle and shall review this information to update it as necessary.
- (5) In the simplified customer due diligence principle, the minimum measures to be taken by the obliged parties shall be regulated by a regulation to be drafted by the Ministry, ratified by the Council of Ministers and published in the Official Gazette.

Trust in Third
Parties

22. (1) To implement the standard customer due diligence principle measures outlined in subparagraphs (A), (B) and (C) of paragraph (1) of Article 16 of this Law, obliged parties may also utilize customer-related information obtained from third parties if it is presented in a format different from their own.

However, it is the responsibility of the obliged party to ensure that the information obtained is compatible with the measures of the customer due diligence principle.

- (2) If for any reason the obliged party doubts the accuracy or completeness of the information obtained pursuant to paragraph (1) of this Article, they shall not use the information obtained.
- (3) Third parties sending information pursuant to paragraph (1) of this Article shall disclose to the obliged party applying the customer due diligence principle measure all information obtained pursuant to their identification or confirmation procedures. In this case, the obliged party shall fulfil the requirements set out in subparagraphs (A), (B) and (C) of paragraph (1) of Article 16 of this Law.
- (4) The obliged parties shall take from the third parties referred to in paragraph (1) of this Article copies of the documents providing for the identification or confirmation of the customer or the principal beneficiary.
- (5) Obligated parties cannot use information from third parties that have received a negative decision by an international institution or organization or an institution or organization in an equivalent country related to the prevention of laundering proceeds of crime or financing of terrorism or

financing of the proliferation of weapons of mass destruction in order to apply the customer due diligence principle.

- Other
Regulations
Related to the
Customer Due
Diligence
Principle
23. (1) For outsourced activities and/or services carried out by their agents, obliged parties must ensure that the rules of this Law and the regulations issued under this Law are applied.
- (2) Banks and financial institutions apply the customer due diligence principle and record-keeping measures in all branches and majority-owned subsidiaries in third countries. Where this arrangement does not contravene the legal regulations of the third country, these shall be at least the same as those laid down in this Law.
- (3) Banks and financial institutions;
- (A) Where third country legislation does not allow the application of the customer due diligence principle measures set out in this Law, they shall notify the Unit and the authorized supervisory authorities in writing.
- (B) In order to effectively fight against the risk of laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction, they shall immediately notify the Unit and the authorized supervisory authorities in writing of the measures they will take.
- (4) Banks may not enter into and/or maintain a correspondent banking relationship with a shell bank or a bank known to have authorized the use of its accounts by a shell bank.
- (5) Obligated parties shall pay particular attention to all risks of laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction that may arise from both new and pre-existing anonymized enabling technology and business practices, and take measures by establishing policies to prevent the use of new technology and business practices for laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction.
- (6) Obligated parties shall pay special attention to complex or unusually large transactions and types of transactions, even if no suspicion of laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction has been identified in such transactions. The obliged parties shall examine the main purpose of such transactions, keep written records of the results of the analyses and make these records available to the Unit and the authorized supervisory authorities upon request.

PART SIX

Record Keeping

- Keeping
Records
24. (1) Obligated parties are required to keep a copy of the documents used for identification purposes or as an identity reference for at least 12 (twelve) years from the date of termination of the business relationship with their customers or the date of realization of the transaction.

- (2) Obligated parties are required to keep secondary and transactional information and all transaction records in the business relationship or transactions carried out for at least 12 (twelve) years from the date of termination of the business relationship or the date of realization of the transaction, in a format sufficient to be used as evidence in court.
- (3) The transaction records referred to in the preceding paragraphs, in addition to enabling the tracing of individual transactions, may, if necessary, constitute evidence for the investigation of criminal activities. The content of the transaction records shall include at least the following:
 - (A) The name and address of the customer and the principal beneficiary giving the instruction or other identifying information recorded by the obliged party,
 - (B) Type and date of the transaction,
 - (C) Currency and amount used,
 - (D) Account numbers used in the transaction or, if no account is used, identifying information about the transaction.
- (4) Information, documents or transaction records subject to investigation and/or prosecution shall be kept by the obliged parties until the conclusion of the investigation and/or prosecution, regardless of the minimum period set forth in paragraphs (1) and (2) above.
- (5) Obligated parties must provide access to all transactions so that compliance officers can provide the Unit and/or the authorized supervisory authorities with all information and documents, including customer-related records and documents, unusual or suspicious transactions, analyses conducted to assess the level of risk associated with the transaction or customer.

Internal
Processes and
Systems
Ensuring
Keeping
Records

25. Banks and financial institutions shall be obliged to establish and maintain internal processes and systems to ensure that information on the identity of the customer with whom they establish or maintain a business relationship and the nature of the business relationship is transferred within the requested period.

PART SEVEN

Obligations to Notify

Notification of
Suspicious
Transactions

26. (1) (A) In the event that the obliged parties suspect or have reasonable grounds to suspect that the transaction and/or transactions to be carried out have the purpose of laundering proceeds of crime or financing terrorism or financing the proliferation of weapons of mass destruction, the suspicious transaction shall be immediately notified to the Unit by the compliance officer before the relevant transaction is carried out.
- (B) In the event that the obliged parties suspect or have reasonable grounds to suspect that the transactions and/or transactions are intended for laundering proceeds of crime or financing terrorism or financing the proliferation of weapons of mass destruction,

suspicious transactions and/or transactions shall be immediately reported to the Unit by the compliance officer as soon as they are detected.

- (C) In the event that a suspicious transaction initiated by the customer is abandoned or not finalized in line with the customer's request, the obliged parties shall be obliged to notify the Unit of the suspicious transaction on the next work day at the latest.
 - (D) In the event that there is a suspicion that a transaction gives rise to laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction, but it is not possible to avoid carrying out the transaction, or where failure to carry out the transaction is likely to affect efforts to trace the beneficiaries of the laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction, the obliged party must notify the Unit of the suspicious transaction immediately after the transaction is carried out.
- (2) The Unit shall confirm that they have received a suspicious transaction report at the time of receipt.
 - (3) (A) (a) For notifications made pursuant to the rule laid down in subparagraph (A) of paragraph (1) of this Article, in cases where the obliged party requests a hold for a justified reason, or the transaction is of an unusual nature, or as a result of the controls made from various databases or other sources, it is evaluated that the person or persons who made the transaction are or may be related to the crime, or there is a dangerous situation that the completion of the transaction will prevent or make it difficult to impose measures on funds or proceeds from crime that are thought to be related to financing of terrorism or financing of the proliferation of weapons of mass destruction, and in similar cases, the Unit may hold the transaction for 2 (two) work days.
 - (b) If the Unit does not provide feedback within 2 (two) work days, the obliged party shall be free to carry out the action in question.
 - (c) If the Unit requires more time due to the risk related to the difficulty of analyzing the transaction in question, it may notify the compliance officer to hold the transaction for up to 5 (five) work days in addition to 2 (two) work days. This amount shall be blocked by the obliged party until the end of the holding period of the transaction.
 - (d) If the Unit decides that there is no reasonable suspicion and/or serious finding and/or evidence of laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction within the holding period, they shall inform the obliged party and approve the transaction.
 - (e) If the Unit has reasonable suspicion and/or serious findings and/or evidence of laundering proceeds of crime or financing

of terrorism or financing of the proliferation of weapons of mass destruction and is of the opinion that the deadline set out in subparagraph (c) above is not sufficient, they shall, before the expiry of the deadline, refer the matter to the Board on the grounds set out in this subparagraph.

- (B) In the notifications made pursuant to the rule set out in subparagraph (B) of paragraph (1) of this Article, the Unit shall refer the matter to the Board in case of reasonable suspicion and/or serious findings and/or evidence of laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction.
- (4) (A) If a written request for clarification is received from the Foreign Financial Intelligence Unit in accordance with the rules set out in this Law and on the basis of the principle of reciprocity regarding any event or person, and the event or person containing the request is the subject of a suspicious transaction report specified in subparagraph (A) of paragraph (1) of this Article, the Unit may request the obliged party to hold the transaction for up to 5 (five) business days. If the Unit has reasonable suspicion and/or serious findings and/or indications regarding laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction, and if they are of the opinion that the specified period of time is not sufficient, they shall, before the expiry of the period of time, refer the matter to the Board.
- (B) The Unit shall not be obliged to consider requests from Foreign Financial Intelligence Units concerning transactions that are not related to laundering proceeds of crime, financing of terrorism or financing the proliferation of weapons of mass destruction and that are not the subject of a suspicious transaction report.
- (5) (A) If the Department of Customs and Excise authorities detect cash suspected of laundering proceeds of crime or financing terrorism or financing the proliferation of weapons of mass destruction while entering or exiting the country, they must notify the Unit regarding all of the information on the transaction on the first work day after the transaction takes place. The cash subject to the suspicious transaction shall be kept by the authorities of the Department of Customs and Excise.
- (B) According to subparagraph (A) above, the Unit may hold the transaction for up to 5 (five) business days from the receipt of the suspicious transaction notification. If the Unit has reasonable suspicion and/or serious findings and/or indications regarding laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction and is of the opinion that the specified period of time is not sufficient, they shall refer the matter to the Board before the expiry of this period of time.

- (C) If the cash subject to the transaction pursuant to this paragraph is not subject to an injunction pursuant to Article 50 of this Law, the cash subject to the transaction shall be returned to the person.
- (6) The Board shall evaluate the matters referred on the grounds specified in clause (e) of subparagraph (A) of paragraph (3), subparagraph (B) of paragraph (3), subparagraph (A) of paragraph (4) and subparagraph (B) of paragraph (5) of this article and shall refer the matter to the Department of Law (Attorney General's Office) in case of reasonable suspicion and/or serious findings and/or evidence as a result of their evaluation.
- (7) The Department of Law (Attorney General's Office) shall notify the Board immediately and in writing of their decision on the matter referred to them.
- (8) In the event that the authorized supervisory authorities referred to in Article 43 of this Law or other State institutions authorized to conduct audits in the fiscal or financial fields, during the course of their audits of obliged parties or in any other way, detect findings that may be linked to laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction, they shall be obliged to report suspicious transactions to the Unit on the first business day following the date of detection.
- (9) If a natural or legal person receives advice from accountants, auditors, tax consultants and lawyers acting within the framework of their professional activities on avoiding measures to launder proceeds of crime or to finance terrorism or proliferation of weapons of mass destruction, these obliged parties shall not be obliged to report suspicious transactions to the Unit on the first work day after the date on which the natural or legal person requested such advice.

However, the obliged persons referred to in this paragraph shall not be obliged to report information acquired in the process of determining the legal status of a natural or legal person or in defending or representing the customer in certain legal or judicial proceedings or related matters, regardless of whether such information was acquired or learnt before or after the commencement of the proceedings.

- (10) If an employee fails to fulfil the suspicious transaction reporting obligation referred to in subparagraph (A) of paragraph (1) of this Article due to carelessness or misconduct and/or for any reason prior to the transaction, obliged parties shall fulfil the reporting obligation as soon as the grounds for suspicion are understood or realized and shall explain the reasons for the delay in fulfilling the obligation in the suspicious transaction report.
- (11) Suspicious transaction notification shall be sent to the Unit by the compliance officer. The name of the personnel who detected the suspicious transaction shall not be included in the suspicious transaction notification.
- (12) Suspicious transaction criteria and the procedures and principles of suspicious transaction notification shall be regulated by a regulation to be drafted by the Ministry, ratified by the Council of Ministers and published in the Official Gazette.

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| <p>Transactions
Exceeding the
Cash Limit</p> <p>38/1997</p> | <p>27. (1) Obligated parties are required to notify the Unit of transactions exceeding the cash limit, including transactions that appear to be linked.</p> <p>(2) Money transfer transactions exceeding the cash limit for which banks act as intermediaries shall be within the scope of transactions exceeding the cash limit and must be notified to the Unit.</p> <p>(3) The cash accompanying the passengers, which the passengers declare with the declaration required to be submitted in accordance with paragraph (3) of Article 7 of the Law on Money and Foreign Exchange upon entry to the Turkish Republic of Northern Cyprus, shall be within the scope of the transaction exceeding the cash limit and must be notified to the Unit by the Department of Customs and Excise.</p> <p>(4) Interbank transactions carried out within the boundaries of the Turkish Republic of Northern Cyprus, transactions between banks in the Turkish Republic of Northern Cyprus and the Central Bank of the Turkish Republic of Northern Cyprus or transactions between these banks and the Department of Treasury and Accounts, transactions between the Central Bank of the Turkish Republic of Northern Cyprus and the Department of Treasury and Accounts and transactions carried out by these legal persons on their own behalf shall be exempt from the notification obligation specified in paragraph (1) above.</p> <p style="padding-left: 40px;">However, interbank transactions involving customers within the boundaries of the Turkish Republic of Northern Cyprus shall be outside the exemption and shall be subject to notification.</p> <p>(5) The procedures and principles of notification of transactions exceeding the cash limit shall be regulated by a regulation to be drafted by the Ministry, ratified by the Council of Ministers and published in the Official Gazette.</p> |
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PART EIGHT

Rules on Request for Information and Documents and Keeping Statistics

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| <p>Request for
Information and
Documents
from Obligated
Parties</p> | <p>28. (1) If the Unit suspects laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction in relation to transactions or customers, the Unit may request from the obliged parties any data, information and documents necessary to detect and/or prove laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction in relation to customers and other persons who have participated in transactions with customers.</p> <p>(2) Obligated parties shall send the data, information and documents to the Unit within the period specified by the Unit.</p> <p>(3) Obligated persons from whom data, information or documents are requested may not refrain from providing information on the grounds of confidentiality rules written in their own special laws. The transfer of this and similar information by the obliged persons and/or their officials who provide data, information or documents to the Unit shall not violate the principle of confidentiality. Such persons may not be held liable for breach of confidentiality.</p> |
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- (4) (A) If the Unit suspects laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction in relation to certain transactions or natural and/or legal persons, they may issue a written instruction to the obliged parties to monitor all transactions of such natural and/or legal persons for a period they deem appropriate.
- (B) In accordance with the instruction referred to in subparagraph (A) above and within the periods specified in the instruction, the obliged parties shall inform the Unit before carrying out the transactions and when the transaction or work will be carried out.
- (C) If the obligors are unable to fulfil the obligations specified in subparagraph (B) above due to the nature of the transaction or business or for any other reasonable justification, they shall inform the Unit within 1 (one) work day at the latest after the transaction or business is carried out and specify the reasons for not fulfilling the obligations in subparagraph (B) of this paragraph in the information letter.
- (D) The monitoring referred to in subparagraph (A) above shall be valid for a period of three months from the day the instruction is issued by the Unit. If deemed necessary by the Unit, the monitoring period may be extended for a one-off period of 3 (three) months with a new written instruction.

Request for
Information and
Documents
from Public
Institutions and
Organizations

29. (1) The Unit may request from all public institutions and organizations the data, information and documents necessary to assess whether there is a suspicion of laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction in relation to natural and/or legal persons and/or to detect and/or prove laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction.
- (2) Public institutions and organizations shall be obliged to send the requested data, information or document to the Unit in writing, without any charge, within the period specified in the Unit's request, and/or to make such data, information or document available to the Unit in writing and/or electronically without any charge.
- (3) Public institutions and organizations shall be obliged to report to the Unit all information they obtain in case they encounter any transaction and/or event and/or situation that they believe to be related to laundering proceeds of crime or financing terrorism or financing the proliferation of weapons of mass destruction while performing their duties.

Request for
Information and
Documents to
Meet the
Request of
Foreign

30. Upon receipt of a written request from the Foreign Financial Intelligence Unit for an explanation of any event or person, the Unit may, on the basis of reciprocity, request data, information and documents from obliged persons and/or public institutions and organizations necessary to detect and prove laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction in order to respond to the request.

Financial
Intelligence
Unit

- Access System 31. Pursuant to their special laws and fields of activity, the Ministry may establish an access system to the information processing systems of public institutions and organizations that keep records on economic events, wealth elements, tax obligations, population information and illegal activities, and of institutions and organizations with the status of public institutions, within the procedures and principles to be determined mutually by the Ministry and the competent bodies of the relevant Ministry and of the institutions and organizations with the status of public institutions.
- Using
Information 32. (1) The Unit shall process and use the information received pursuant to Articles 26, 27, 28, 29, 30 and 31 of this Law in the framework of confidentiality.
- (2) The Unit shall analyze and evaluate the information received and in case of reasonable suspicion and/or serious findings and/or indications that acts of laundering proceeds of crime or financing terrorism or financing the proliferation of weapons of mass destruction have been committed, they shall report the matter to the Board.
- (3) The identity of the natural person or persons reporting suspicious transaction notifications to the Unit shall not be disclosed.
- (4) If, after receiving suspicious transaction reports, reasonable grounds are found to believe that offences other than laundering proceeds of crime or financing of terrorism or the proliferation of weapons of mass destruction have been committed, the Unit shall immediately notify the Department of Law (Attorney General's Office), the General Directorate of Police and the competent authorities.
- (5) The Unit shall be obliged to keep all notifications made to them and records of their analyses and/or assessments for at least 12 (twelve) years.
- Providing
Information and
Keeping
Statistics 33. (1) (A) The Department of Law (Attorney-General's Office) shall immediately inform the Unit of the opening and conclusion of all criminal proceedings filed under this Law and of all requests for mutual legal assistance under this Law.
- (B) The General Directorate of Police shall immediately notify the Unit of any investigations initiated under this Law and of any requests for international cooperation.
- (2) Banks, financial institutions, gambling halls and the obliged parties listed in the circular to be published by the Ministry upon the recommendation of the Unit shall keep statistics on the training activities carried out pursuant to Article 42 of this Law and shall send this statistical information to the Unit by the end of March of each year.
- (3) The content of statistical information and the procedures and principles regarding the submission thereof shall be determined by a regulation to be

drafted by the Ministry, ratified by the Council of Ministers and published in the Official Gazette.

PART NINE

Rules on Confidentiality of Information

Confidentiality
of Information,
Secrecy and
Prohibition of
Disclosure

34. (1) Except for the exceptions to confidentiality of information set out in Article 35 of this Law, obliged parties or their managers or employees cannot disclose information relating to suspicious transaction reports and investigations relating to laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction, and cannot warn their customers or other persons about suspicious transaction reports sent to the Unit.
- (2) Pursuant to paragraph (1) of this Article, the obliged parties referred to in Article 12 of this Law, the employees, members of the board of directors, members of the supervisory board, other governing bodies of the obliged parties, and other persons who have any access to or ability to obtain the data collected pursuant to this Law cannot disclose the following information to customers or third parties:
- (A) Information that data, information or documents have been or will be provided about the customer or transaction subject to the notification.
 - (B) Information that the implementation process is temporarily on hold in relation to a suspicious transaction.
 - (C) Information that the Unit has requested ongoing reviews of a customer's financing transactions.
 - (D) Information that preliminary inquiry proceedings have commenced or may commence against a customer or third party on suspicion of laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction.
 - (E) Information that the Unit has provided feedback pursuant to paragraph (2) of Article 37 of this Law.
- (3) Employees of the Board and/or the Unit and/or the authorized supervisory authority and/or persons who obtain information as a result of their duties cannot disclose information obtained during their work, except as provided in this Law.
- (4) The information referred to in paragraph (2) of this Article may not be used for personal interests by the Board and/or the Unit and/or the Authorized Supervisory Authority employees and/or obliged persons and/or their managers and/or employees during or after the activity.
- (5) The confidentiality obligation specified in paragraphs (1), (2) and (3) of this Article shall continue even if the persons specified in the relevant articles leave their duties.

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| <p>Exceptions to Confidentiality of Information</p> | <p>35. (1) The following acts of directors or employees of obliged parties in the performance of their activities shall not contravene the requirement of confidentiality of information given in Article 34 of this Law:</p> <ul style="list-style-type: none"> (A) Providing information to the unit and/or the authorized supervisory authorities in order to enable them to fulfil their duties. (B) Providing information to the General Directorate of Police, the Department of Law (Attorney General's Office) and the court competent to hear cases relating to laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction. (C) Ensuring the exchange of information between banks and financial institutions of equivalent countries belonging to the same financial group. <p>(2) Actions taken by the obliged parties referred to in subparagraphs (A) and (B) of paragraph (3) of Article 12 of this Law, pursuant to the authority conferred by their special laws, to try to prevent a customer from committing an offence shall not be considered a breach of the obligations set out in Article 34 of this Law.</p> |
| <p>Disclosure Prohibitions and Exceptions Regarding Suspicious Transaction Notifications</p> | <p>36. (1) The identity of the natural person or persons who report suspicious transactions to the Unit cannot be disclosed to anyone, including the parties to the transaction, except the judicial authorities during the judgement stage.</p> <p>(2) In judicial prosecution or court proceedings carried out under this Law, the suspicious transaction notification form may not be made part of the case file.</p> <p>(3) Obligated parties shall implement internal confidentiality measures to ensure the protection and anonymity of employees who identify suspicious transactions.</p> <p>(4) Reporting to the Unit of a suspicion or action relating to laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction shall not constitute a breach of any contract or any restriction imposed by legislation or regulatory or administrative decision on the disclosure of such information. This notice shall not expose the obliged parties or their directors or employees to any liability whatsoever and shall not impose any disciplinary, financial or criminal liability on them.</p> <p>(5) If the person who provides the Unit with information regarding the suspicious transaction that facilitates the identification and tracking of those who participate in the crime commits the crimes specified in Articles 5 and 6 of this Law or is an accomplice with those who commit the crimes, the Unit shall provide information about the person in question to the General Directorate of Police and/or or confidentially to the Department of Law (Attorney General's Office) shall not be considered a violation.</p> |

PART TEN

Feedback

Feedback

37. (1) On the basis of a procedure deemed appropriate, the Unit shall provide general information to obliged parties and authorized supervisory authorities regarding suspicious transactions and typologies of laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction.
- (2) The Unit shall carry out the following when deemed necessary to provide feedback:
- (A) In order to allow banks to detect suspicious transactions, they shall provide information about the customer profile regarding the risk of laundering proceeds of crime or financing of terrorism or financing of proliferation of weapons of mass destruction, provided that confidentiality rules are adhered to and a secure communication method is used.
 - (B) If the case regarding the suspicious transaction has been closed or completed and the information regarding it has become accessible, the decision regarding the case or the outcome of the case shall be notified to the obliged parties who reported this transaction.
 - (C) They shall publish statistical information regarding the suspicious transaction reports received and the status or results of the transactions made regarding these reports in their activity report once a year.
 - (D) They shall provide or publish information on current techniques, methods, trends, typologies and summarized examples of cases related to laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction.

PART ELEVEN

Rules Regarding Compliance Officer and Assistant Compliance Officer

Rules Regarding the Appointment of Compliance Officer and Assistant Compliance Officer

38. (1) It is mandatory for legal persons to appoint a compliance officer and assistant compliance officer. In the case of obliged parties that are natural persons, the obliged party themselves shall be the compliance officer. The conditions and qualifications required for compliance officer and assistant compliance officer shall be as follows:
- (A) Obligated parties that are legal persons shall be equipped with powers that enable them to fulfill all duties specified in this Law in an effective, efficient, timely and qualified manner, affiliated with the board of directors and/or a body that serves as an equivalent to the board of directors, they shall be independent in their work, and shall be in a position to communicate directly with the senior management and being assigned from within the organizational structure.

- (B) The compliance officer and the assistant compliance officer of the obliged parties that are legal persons shall not have been sentenced to imprisonment for more than one year for breach of any rule of law, except for negligent offenses, even if they have been pardoned and/or their criminal records have been expunged, and shall not be subject to criminal prosecution or final conviction for breach of other rules of law relating to banks and/or financial institutions and/or for offenses related to laundering proceeds of crime or financing terrorism or financing the proliferation of weapons of mass destruction.
 - (C) They shall have the appropriate qualifications, skills and experience for the sensitive elements of the sector in which they will be assigned to fulfill the duties related to preventing and detecting financing of laundering proceeds of crime or financing of terrorism or the proliferation of weapons of mass destruction, and have received the necessary training in this regard.
- (2) The unit or authorized supervisory authorities may, when deemed necessary, control whether the conditions and qualifications specified in paragraph (1) above are met.
 - (3) Obligated parties shall send the names, position information and contact information of the compliance officer and, if any, assistant compliance officers to the Unit within 10 (ten) days at the latest after the appointment is made.
 - (4) The working procedures and principles of compliance officers and assistant compliance officers shall be determined by a regulation drafted by the Ministry, ratified by the Council of Ministers and published in the Official Gazette.

Rules for the
Appointment of
Compliance
Officer and
Assistant
Compliance
Officer

- 39. (1) The compliance officer shall perform the following duties to prevent and detect laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction:
 - (A) Compliance officers for natural person obliged parties shall ensure that;
 - (a) A system to prevent and detect laundering proceeds of crime or financing of terrorism or the proliferation of weapons of mass destruction is established, operated and improved;
 - (b) In accordance with the rules of this Law, information is delivered to the Unit accurately and on time;
 - (c) Information technology support is established and developed.
 - (B) Compliance officers for obliged parties that are legal persons;
 - (a) Shall make attempts and recommendations to the Board of Directors for the establishment, operation and improvement of

a system to prevent and detect laundering proceeds of crime or financing of terrorism or the proliferation of weapons of mass destruction;

- (b) Shall ensure accurate and timely delivery of information to the Unit in accordance with the rules of this Law.
 - (c) Shall contribute to the development of internal documents, guidelines and internal control of the institution in which they work.
 - (d) Shall be involved in establishing and developing information technology support.
 - (e) Shall contribute to the development of programs related to awareness raising, professional training, in-service training and service improvement for employees.
 - (f) Shall reports information and statistics regarding internal audit and training activities to the Unit.
- (2) The assistant compliance officer shall assist the compliance officer and carry out the duties of the compliance officer in cases where the compliance officer is not available.
 - (3) While performing their duties as compliance officer or assistant compliance officer in legal person obliged parties, they shall act completely independently and shall be directly responsible to the board of directors.
 - (4) In the case of obliged parties that are legal persons, the compliance officer or the assistance compliance officer shall notify the board of directors in writing if they encounter difficulties in fulfilling their duties as a result of failure to fulfill the responsibilities set forth in Article 40 of this Law.
 - (5) For obliged parties that are legal persons, if the necessary measures recommended by the compliance officer or the assistant compliance officer are not taken by the board of directors within an appropriate period of time, the compliance officer or the assistant compliance officer shall send the report to the Unit and/or the authorized supervisory authority in order not to jeopardize the fulfillment of their duties. If it is sent to the authorized supervisory authority, the authorized supervisory authority shall check the report, take the necessary actions and notify the Unit in accordance with subparagraph (A) of paragraph (4) of Article 44 of this Law.

Responsibilities
of Obligated
Parties that are
Legal Persons
towards the
Compliance
Officer

- 40. (1) Obligated parties that are legal persons must provide the compliance officer with the following facilities in the performance of their duties:
 - (A) Unlimited access to data, information and documents necessary for the performance of the mission.
 - (B) Suitably qualified personnel, material, information technology (IT) and other working resources.

- (C) Adequate office space and technical conditions to protect confidential information accessible to the compliance officer.
 - (D) Continuous professional training.
 - (E) Appointing an assistant compliance officer who can deputize in their absence.
 - (F) Keeping personal information about the compliance officer confidential in order to prevent unauthorized persons from obtaining it and taking the necessary measures to ensure that they can fulfil their duties without intervention.
- (2) All internal corporate units, including senior management, shall provide assistance and support to the compliance officer in the performance of their duties and regularly provide information on incidents that are or may be linked to laundering proceeds of crime or financing of terrorism or the proliferation of weapons of mass destruction.
 - (3) The obliged parties shall establish a procedure for cooperation between the compliance officer and all its units, and this procedure shall be set out in detail in the obliged parties' internal rules or regulations.
 - (4) The obliged parties shall ensure that the persons acting as compliance officers and assistant compliance officers work and perform their duties exclusively and on a full-time basis.

PART TWELVE

Internal Audit and Training

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| Internal Audit | <p>41. (1) Banks, financial institutions, gambling halls and the obliged parties listed in the circular to be published by the Ministry upon the proposal of the Unit;</p> <ul style="list-style-type: none"> (A) Shall ensure that the institution's policies and procedures, risk management, monitoring and control activities and training activities are adequate and efficient, the adequacy and effectiveness of the risk policy, whether the transactions are carried out in accordance with this Law and the regulations issued under this Law and the policies and procedures of the institution are examined and inspected annually and with a risk-based approach. (B) The internal audit report containing the deficiencies, errors and misconduct uncovered as a result of the internal audit and the opinions and suggestions for preventing their re-emergence shall be approved by the board of directors of the obliged party. <p>(2) The scope of the audit shall be determined by taking into account the deficiencies detected in the monitoring and control activities, customers, services and transactions involving risk.</p> <p>(3) While determining the units and transactions to be inspected, the size of the business and the volume of transactions shall be taken into consideration. In this context, it is ensured that the units and transactions in quantity and quality that can represent all of the transactions performed by the obliged party are inspected.</p> |
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- (4) (A) The report prepared as a result of the internal audit shall be given and/or sent to the requesting Unit or authorized audit authority upon request.
- (B) Regarding the work carried out within the scope of internal audit activity, statistics containing information on the annual transaction volume of the obliged party, total number of personnel and total number of branches, agencies and similar affiliated units, number of inspected branches, agencies and similar units, dates of audits conducted in these units, total audit period, personnel employed in the audit and number of inspected transactions shall be sent to the Unit by the compliance officer by the end of March of each year.
- (5) If the unit or the authorized supervisory authority identifies significant or repeated deficiencies during the surveillance and audit, they may request an external audit at the expense of the obliged parties.

Training
Obligation

- 42. (1) Banks, financial institutions, gambling halls and the obliged parties listed in the circular to be published by the Ministry upon the proposal of the Unit:
 - (A) In order to ensure that their employees who will be responsible for the prevention of laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction and who may come into contact with suspicious transactions during the fulfilment of their professional duties have adequate training, they shall be obliged to provide adequate training in this field and to ensure that each employee who starts to work within their organization is provided with on-the-job training before starting to perform his/her duties.
 - (B) (a) In order to ensure compliance with this Law and the regulations and circulars issued under this Law, to create a corporate culture by increasing the personnel's awareness of responsibility in terms of corporate policies and procedures and risk-based approach, and to continuously update the knowledge of the personnel, they establish a training policy in line with their business size, business volumes and changing conditions.
 - (b) Training policy shall include the functioning of training activities, carrying out training, determination and training of personnel and trainers to participate in training activities, training methods and similar issues.
- (2) Training activities shall be carried out under the supervision and coordination of the compliance officer. The obliged parties referred to in paragraph (1) of this Article shall carry out their training activities within a specific training program. The training program shall be prepared by the compliance officer with the participation of the relevant departments and/or units. The effective implementation of the training program shall be overseen by the compliance officer.

- (3) (A) Obligated parties referred to in paragraph (1) of this Article shall periodically subject their employees referred to in subparagraph (A) of paragraph (1) of this Article to training and examinations in order to ensure that they are informed about their responsibilities and to ensure their development in their fields.
- (B) Training activities shall be reviewed with the participation of the relevant units according to the results of measurement and evaluation and shall be repeated according to the need.
- (4) The unit and/or the authorized supervisory authorities may contribute to the training programs organized by the obligated parties referred to in paragraph (1) of this Article for their employees or organize training seminars for the obligated parties. The Unit shall be authorized to issue training certificates for the training seminars they organize.
- (5) Obligated parties referred to in paragraph (1) of this Article shall notify the Unit through the compliance officer until the end of March of each year in relation to the information and statistics regarding the training activities they have implemented.
- (6) The training methods to be applied during the fulfilment of the training obligation, the minimum training subjects to be given, the reporting of training statistics, the procedures and principles regarding the exams to be held and the measurement and evaluation shall be determined by a regulation to be drafted by the Ministry, ratified by the Council of Ministers and published in the Official Gazette.

PART THIRTEEN

Authorized Supervisory Authorities and Liability Audit

Authorized
Supervisory
Authorities

- 43. (1) The supervision of compliance with the provisions of this Law shall be carried out by the following authorized supervisory authorities:
 - (A) The Central Bank of the Turkish Republic of Northern Cyprus shall be the authorized supervisory authority for the supervision of financial institutions other than banks and the financial institutions listed in Article 10 of this Law and specified in subparagraph (B) below.
 - (B) The Department shall be the authorized supervisory authority for the supervision of exchange offices, insurance and reinsurance companies and insurance intermediaries.
 - (C) The authorized supervisory authority for the audit of gambling halls shall be the Department of State Estates and Supplies.
 - (D) The authorized supervisory authority for the audit of betting service shall be is the Department of Sports.
 - (E) The authorized supervisory authority for the audit of accountants, auditors and tax advisors shall be the Ministry of Finance.
 - (F) The authorized supervisory authority for the audit of real estate agents and/or real estate companies and/or natural or legal persons

who make, sell or broker real estate for commercial purposes shall be the Ministry to which the Land Registry and Cadastre Department is affiliated.

(G) The authorized supervisory authority for the audit of the obliged parties other than the obliged parties listed in the subparagraphs above shall be the institution, organization or the Ministry that issues a license and/or supervises and/or is affiliated to the relevant obliged party.

(2) Upon request of the authorized supervisory authorities, the Unit shall carry out joint and/or individual controls and audits in terms of liability control together and/or alone with the authorized supervisory authorities.

However, if deemed necessary by the Unit manager, the liability audit referred to in Article 44 of this Law may also be carried out by the personnel assigned by the Ministry upon the proposal of the Unit.

- Liability Audit 44. (1) The authorized supervisory authorities shall inspect obliged parties, including on-site audits, to assess whether the obligations imposed by this Law and the rules of this Law are being complied with.
- (2) The authorized supervisory authorities shall provide adequate training to their personnel involved in audits.
- (3) In the event of a written request by the authorized supervisory authority, obliged parties shall be obliged to provide and/or submit all relevant records, documents or information without any court order.
- (4) (A) If the authorized supervisory authorities find non-compliance with this Law and the rules of the regulations issued under the provisions of this Law, they shall prove such violations with conclusive findings and shall notify the Unit with a report in order to initiate proceedings for the imposition of administrative fines on the supervised obliged parties or their directors or senior managers for failing to comply with the requirements for fighting against laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction, or for failing to implement them correctly.
- (B) The authorized supervisory authorities shall immediately notify the Unit of any findings indicating irregularities related to the failure to report suspicious transactions and violations of the obligations set out in this Law, in particular where the information obtained as a result of the audit raises suspicion of laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction, together with a copy of the relevant document revealed in the annex of a report prepared as a result of the audit, in order to initiate proceedings for the imposition of administrative fines.
- (5) The authorized supervisory authorities shall determine the frequency of supervision or monitoring with a risk-oriented approach based on the characteristics, types of business, amount and volume of activities and other factors of the obliged party they supervise when conducting

supervision of laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction.

- (6) The procedures and principles concerning the liability audit shall be determined with a regulation to be drafted by the Ministry, ratified by the Council of Ministers, and published in the Official Gazette.

PART FOURTEEN Rules Regarding the Unit

Formation,
Duties and
Authorities of
the Unit

45. (1) A Unit shall be established under the Department to exercise the duties and powers set out in this Law. The head of the unit is the Director of the Department.
- (A) The Unit shall be composed of persons who are independent in their work, independent of any influence and interference and specialized in their field in order to prevent and fight against the laundering of proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction.
- (B) The duties of the unit shall be carried out by the personnel to be assigned by the Director of the Department. Employees of the Unit must have sufficient qualifications and appropriate professional experience.
- (2) The duties and powers of the Unit in relation to the prevention of laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction shall be as follows:
- (A) To carry out activities to prevent the laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction, to take all necessary measures to be taken in this regard, to request a written defense from the relevant party in case of any violation of this Law and the regulations to be issued under this Law, and to transfer the file prepared at the end of the defense period together with the written defense, if any, to the Board to impose an administrative fine,
- (B) To collect information, data and documents provided by obliged parties, authorized supervisory authorities or public institutions and organizations in relation to laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction, request additional information and documents as necessary and give necessary instructions to obliged parties to temporarily suspend the processing of suspicious transactions in accordance with Paragraph (3) of Article 26 of this Law,
- (C) To conduct analyses in order to reveal whether any suspicious transactions have been or will be carried out in terms of laundering proceeds of crime or financing terrorism or financing the proliferation of weapons of mass destruction and, when deemed necessary, to request the relevant units to conduct investigations and research within their areas of responsibility,

- (D) In the event of a suspicion of laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction in relation to a transaction or a person within the country or abroad, to report the matter to the Board or the Department of Law (Attorney General's Office) or the General Directorate of Police or foreign financial intelligence units on a reciprocity basis,
 - (E) To inspect the implementation of the provisions of this Law and to take precautions and measures within their competence to eliminate observed irregularities and to this end to carry out audits or to participate in joint audits with other authorized supervisory authorities,
 - (F) To exchange, on a reciprocal basis, data, information and documents with foreign financial intelligence units and other internationally authorized institutions on the prevention of laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction,
 - (G) To carry out studies in case it is necessary to amend this Law and/or the regulations issued under this Law,
 - (H) To establish a list of suspicious criteria together with the authorized supervisory authorities to identify transactions and persons suspected of being involved in laundering proceeds of crime or financing terrorism or proliferation of weapons of mass destruction,
 - (I) To give opinions and issue guidelines for the implementation of this Law and the regulations issued under this Law,
 - (J) To develop and implement plans for the training of their employees and contribute to training and awareness-raising activities organized by obliged parties for their employees and by the authorized supervisory authorities for their employees,
 - (K) To make cooperation agreements with public institutions and organizations,
 - (L) To inform the public in order to raise public awareness of laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction,
 - (M) In accordance with a written request sent by the Courts of the Turkish Republic of Northern Cyprus or the Department of Law (Attorney General's Office), to provide these institutions with the information necessary for the confiscation of assets and cautionary judgements to be taken,
 - (N) To prepare and submit the annual activity report to the Board and relevant authorities,
 - (O) To fulfil other duties assigned under this Law.
- (3) The decisions taken regarding the transactions envisaged to be carried out as a result of the analyses conducted to reveal whether a suspicious transaction has been or will be carried out in terms of laundering proceeds of crime or financing terrorism or financing the proliferation of weapons of mass destruction, and the decisions taken regarding the transactions

envisaged to be carried out following the suspicious transaction notifications received from the obliged parties shall be recorded in writing by the Unit.

- (4) The annual report prepared by the Unit shall contain broad, comprehensive statistics on relevant issues, legislative developments and data on the activities of the Unit in order to review the effectiveness and efficiency of the system for fighting against laundering proceeds of crime or financing of terrorism or the proliferation of weapons of mass destruction.
- (5) The Unit shall fulfil their duties in line with their functions effectively and independently of any pressure, grounded in its work autonomy.

Authorizations
in the Exchange
of Information
and Documents
with Foreign
Financial
Intelligence
Units

- 46. (1) The Unit and/or the Board may request the necessary data, information and documents from foreign financial intelligence units on the basis of reciprocity in order to fulfil their duties to prevent and detect the laundering of proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction.
- (2) The Unit and/or the Board may use the data, information and documents received pursuant to paragraph (1) above only for their analytical intelligence needs and for the purposes set out in this Law. The Unit and/or the Board shall not use the data, information and documents for purposes contrary to the conditions and restrictions set by the foreign financial intelligence unit providing them and shall be obliged to apply confidentiality classification to such data.
- (3) The Unit and/or the Board may not send the data, information and documents received from the foreign financial intelligence unit to third parties or allow third parties to examine them without the written permission of the foreign financial intelligence unit that provided them.
- (4) The Unit and/or the Board may, upon written request from a foreign financial intelligence unit, send the data, information and documents collected and stored pursuant to the provisions of this Law in relation to persons or transactions in respect of whom there is a suspicion of laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction, provided that such data, information and documents are used only for their needs for analytical intelligence work and in the fight against laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction, on the basis of reciprocity and provided that they are not contrary to the conditions and restrictions determined by the Unit and/or the Board.
- (5) In case of reasonable suspicion and/or serious findings and/or indications of laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction in connection with a person or transaction, the Unit and/or the Board may make a written request to the foreign financial intelligence unit to temporarily hold the transaction pending completion.

PART FIFTEEN

Constitution, Working Procedures and Principles, Duties and Authorities of the Board

- Constitution of the Board 47. (1) A Board operating in a strategic, organizational and functional structure shall be established to examine the relevant information provided by the Unit on the prevention of laundering proceeds of crime or financing of terrorism or the proliferation of weapons of mass destruction and to make an assessment in the light of this information and to transfer their findings to the Department of Law (Attorney General's Office) and other relevant authorities and to cooperate and share information with public institutions and organizations in general.
- (2) The Board shall consist of the following members:
- (A) Undersecretary of the Ministry,
 - (B) Director of the Department,
 - (C) Representative of the Central Bank of the Turkish Republic of Northern Cyprus,
 - (D) Representative of the General Directorate of Police,
 - (E) Representative of the Department of Customs and Excise,
 - (F) Representative of the Income and Tax Department,
 - (G) Director of the Department of State Estates and Supplies representing the Games of Chance Board.
- (3) The Chairperson of the Board shall be the Undersecretary of the Ministry and the Vice Chairperson of the Board shall be the Director of Department. Representatives of the Institution or Department must be from the managerial service class.
- Rules of Procedures of the Board 48. (1) The Board shall convene once a month or whenever necessary upon the call of the Chairperson. In the absence of the Chairperson of the Board, the Vice Chairperson shall act as the Chairperson.
- (2) The quorum for meetings and decision-making shall consist of the absolute majority of the members.
- (3) Board decisions shall be kept in the Board Decision File and signed by the members attending the meeting. No decision shall be taken by circular signature.
- (4) The decisions of the Board shall include the date and number of the meeting, the names and surnames of the members attending and not attending the meeting, the text of the decision, the voting result and, if necessary, the justifications of the members for their votes.
- Duties and Powers of the Board 49. (1) Duties and Powers of the Board are:
- (A) To evaluate the matters referred by the Unit on the grounds specified in clause (e) of subparagraph (A) of paragraph (3), subparagraph (B) of paragraph (3), subparagraph (A) of paragraph (4) and subparagraph (B) of paragraph (5) of Article 26 and in case of reasonable suspicion and/or serious findings and/or evidence as a result of their evaluation, to refer the matter to the Department of

- Law (Attorney General's Office) or to request for an investigation and examination or to refer it to the relevant institutions;
- (B) To impose administrative fines in this Law;
 - (C) To exchange data, information and documents with foreign financial intelligence units and other internationally authorized institutions related to the prevention of laundering proceeds of crime or financing of terrorism or financing the proliferation of weapons of mass destruction, on the basis of reciprocity, or to conclude an agreement with any of them to ensure the exchange of information and documents and to authorize the Chairperson of the Board to sign the agreement;
 - (D) To establish a framework for cooperation to harmonize the activities of public institutions and organizations with responsibilities in the field of laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction;
 - (E) To inspect the implementation and administration of cooperation agreements between public institutions and organizations;
 - (F) To monitor and ensure the independence of the Unit in their work;
 - (G) To benefit from the consultancy services of the technical persons they deem appropriate to conduct research on the subjects they deem necessary, to authorize the relevant persons to examine the relevant information and documents for this purpose, to make a decision to ensure cooperation between the public institutions and organizations they deem appropriate under the supervision of the Board and/or to assign experts working in public institutions and organizations to conduct research;
 - (H) To examine the annual activity report of the Unit;
 - (I) On the basis of the annual activity report prepared by the Unit, to conduct risk threat assessments on laundering proceeds of crime or financing of terrorism or proliferation of weapons of mass destruction and, if necessary, to make recommendations to the Department for amendments to legal regulations in line with international standards;
 - (J) To fulfil other duties assigned under this Law.
- (2) On the basis of the assessment referred to in subparagraph (I) of paragraph (1) above, the Board shall make recommendations to the Ministry or the relevant authorities on the prioritization and redirection of efforts to fight against laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction where threats and vulnerabilities are high.

PART SIXTEEN

Taking Cautionary Judgement on Assets, Confiscation, Special Rules Regarding Confiscation, Revenues Obtained from Confiscation and Their Use

Taking
Cautionary
Judgement on
Assets

50. (1) A one-time cautionary judgement may be taken for a period of 60 (sixty) days with the written instruction of the Department of Law (Attorney General's Office) to assets in the possession or disposal of natural or legal persons against whom an investigation has been initiated on suspicion of committing the offence of laundering proceeds of crime or financing terrorism or financing the proliferation of weapons of mass destruction, or assets in the possession or disposal of natural and/or legal persons who have a relationship with these persons in relation to laundering proceeds of crime or financing terrorism or financing the proliferation of weapons of mass destruction, and for which there is reasonable suspicion and/or serious findings and/or evidence of proceeds of crime, so that they are not used and/or disposed of. For cautionary judgements exceeding sixty days, the Department of Law (Attorney General's Office) must apply to the Court and obtain an order to that effect from the Court.
- (2) The Court may, upon the application of the Department of Law (Attorney General's Office), order the continuation of the cautionary judgement for a period of 2 (two) years, not exceeding 6 (six) months each time during the investigation, or until the final judgement in the event of a lawsuit.
- (3) The court order shall be issued for the natural and/or legal persons with whom an investigation has been initiated as of the date of the decision and/or for the assets of natural and/or legal persons who have a relationship with these persons in relation to laundering proceeds of crime or financing terrorism or financing the proliferation of weapons of mass destruction, and/or for additional income such as rental or interest income that is part of these assets, and/or for the relevant assets belonging to natural and/or legal persons who are the new owners of the assets in question in the event that the owner of the assets disposes of the assets in order to cover their tracks. A cautionary judgement may also be ordered by the court in respect of new proceeds of crime that may arise during the court proceedings.
- (4) The application for a cautionary judgement for an asset shall be made with an ex parte application by the Department of Law (Attorney General's Office) and the case shall be heard by the competent court.
- (5) (A) In the event that any natural person and/or director or shareholder of a legal person or a person authorized to represent a legal person, against whom an investigation and/or prosecution has been initiated and whose assets are subject to a cautionary judgement and whose exit out of the country is secured, leaves the country by not complying with the conditions of the warrant and does not return, the cautionary judgement imposed on the assets of the natural and/or legal person shall continue for a period of 2 (two) years starting from the date of the last appearing in person of this person to the competent authorities without the need for another cautionary judgement by the Court and at the end of the 2 (two) year period, the assets subject to the cautionary judgement shall be recorded as income to the relevant budget item in the income cash desk of the Ministry by order of the Court.

- (B) In the event that any natural person and/or director or shareholder of a legal person or a person authorized to represent a legal person, against whom an investigation and/or prosecution has been initiated and whose assets are subject to a cautionary judgement and whose exit from abroad is secured, goes out of the country by amending the surety conditions with an order taken from the Court and does not return to the Turkish Republic of Northern Cyprus within the period given by the Court, the cautionary judgement imposed on the assets of the natural and/or legal person shall continue for a period of 2 (two) years starting from the date of exiting out of the country and at the end of 2 (two) year period, the assets subject to the cautionary judgement shall be recorded as income to the relevant budget item in the income cash desk of the Ministry by order of the Court.
- (6) During the investigation, the burden of proof that the assets subject to the cautionary judgement are not assets obtained from the offence shall belong to the person and/or persons against whom the investigation is initiated. If it is reasonably proved that the assets subject to the cautionary judgement are received from lawful activities or are owned or disposed of in good faith, the cautionary judgement on the relevant assets may be lifted by the court.
- (7) Natural and/or legal persons against whom an order has been issued and third parties affected by the situation, if any, may apply to the Court that issued the order for the imposition of a cautionary judgement on assets to change the terms of the order issued by the court.
- Confiscation 51. (1) No one may dispose of assets derived from criminal activity.
- (2) If the court decides that the offence of laundering proceeds of crime has been committed, the assets proven to have been obtained from the criminal activity shall be confiscated.
- (3) Any means or instruments used or attempted to be used to launder the proceeds of crime shall also be subject to confiscation.
- (4) Even if the assets proven to have been obtained from criminal activity are transferred to a third party, such assets shall be subject to the rules set out in this Article.
- (5) If the third party proves to the court that they acquired the asset in good faith and/or purchased it at its current market value, the asset shall be deemed to have been acquired legally and confiscation measures shall not be applied.
- (6) Where confiscation of assets is not possible, the court may order the payment of a sum of money equivalent to the value of the assets instead of confiscation of the assets.
- Specific Requirements for Confiscation 52. (1) (A) Where there is concrete evidence that the assets were obtained through criminal activity, but no criminal proceedings have been initiated, or criminal proceedings have been terminated and/or are

pending due to failure to prosecute, for the following reasons, the court may, upon the ex parte request of the Department of Law (Attorney General's Office), order a confiscation without conviction if it is proved by evidence that the assets were obtained as a result of criminal activity. The court may order confiscation pursuant to this paragraph in the following cases

If the person who acquired the assets;

- (a) Passes away,
- (b) Escapes,
- (c) Is in any country outside the boundaries of the Turkish Republic of Northern Cyprus,
- (d) Is unknown,
- (e) Cannot be prosecuted due to procedural or technical reasons of the predicate offence,
- (f) Is convicted for the offence of laundering the proceeds of crime or financing terrorism or financing the proliferation of weapons of mass destruction or for predicate offences in another country outside the boundaries of the Turkish Republic of Northern Cyprus.

(B) The confiscation order issued pursuant to this paragraph shall be published in the Official Gazette and in a local daily newspaper for one day. Any person affected by the order may apply to the court no later than 30 days from the date of this publication. If there is no application to the court at the end of this period, proceedings shall be carried out in accordance with the confiscation order of the court.

- (2) In the event of the death of the person who committed the offence and/or benefited from the offence and/or the ownership of the property changes hands through inheritance or merger or liquidation or any other means, the assets shall be taken from the heir.
- (3) Assets derived from the offence may also be confiscated if the offender's location is unknown and/or if they cannot be prosecuted due to mental illness and/or if the offender has been declared incapable of exercising civil rights and/or if they enjoy political or diplomatic immunity.

Registration of
Confiscation
Proceeds to the
Budget

53. (1) The income to be obtained from the confiscated assets shall be deposited in the income cash desk of the Ministry in charge of Finance Affairs under the relevant budget item.

(2) An appropriation item under the name of "Anti-Laundering of Proceeds of Crime Project" shall be created in the budget each year for the following purposes:

and Creating
Appropriation
Item

(A) Improvement of technical resources used in the fight against offences covered by this Law.

(B) Training of personnel involved in the fight against laundering proceeds of crime or financing of terrorism or the proliferation of weapons of mass destruction in such institutions as the Unit deems

appropriate, including the General Directorate of Police, the Department of Law (Attorney General's Office) and the Courts.

- (C) Informing the public in the fight against laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction.
- (D) Informing the public in the fight against laundering proceeds of crime or financing of terrorism or financing of the proliferation of weapons of mass destruction.

PART SEVENTEEN

Administrative Fines and Offences and Penalties

- | | | |
|--|-----|--|
| Method to be Applied in Administrative Fines and Authority | 54. | <ul style="list-style-type: none">(1) In the event of a breach of the provisions of this Law, the Unit shall request a written defense from the obliged party and/or the relevant natural and/or legal person. The defense shall be submitted in writing to the Unit within 1 (one) month at the latest from the date of notification.(2) In the event that the written defense is not submitted within the period specified in paragraph (1) of this Article, it shall be deemed that the obliged party and/or the relevant natural and/or legal person waives the right of defense.(3) The Unit shall transfer the file to the Board within 1 (one) month at the latest from the date of submission of the defense and in any case from the end of the defense period.(4) <ul style="list-style-type: none">(A) In the event that no defense is given or the written defense received is deemed insufficient, an administrative fine shall be imposed on the obliged party and/or the relevant natural and/or legal person in accordance with the provisions of this Law.(B) If the contravention is not eliminated despite the administrative fine imposed, a letter requesting the elimination of the contravention shall be sent according to the nature of the contravention and in any case not exceeding 6 (six) months. If the contravention is not remedied within the relevant period, the administrative fine shall be doubled.(5) Administrative fines under this Law shall be imposed by the Board and shall be notified in writing to the obliged parties and/or the relevant natural and/or legal persons together with the justifications thereof. |
| Administrative Fines | 55. | <ul style="list-style-type: none">(1) <ul style="list-style-type: none">(A) An administrative fine amounting to 15 (fifteen) times the monthly gross minimum wage shall be imposed on obliged parties and/or natural and/or legal persons who act contrary to the following rules of this Law;<ul style="list-style-type: none">(a) subparagraph (G) and (H) of paragraph (1) of Article 13,(b) paragraph (2) of Article 33,(c) Article 38,(d) Article 39,(e) Article 40,(f) Article 41, |

(g) Article 42.

(B) An administrative fine amounting to 30 (thirty) times the monthly gross minimum wage shall be imposed on obliged parties and/or natural and/or legal persons who act contrary to the following rules of this Law;

(a) subparagraph (A), (B), (C) and (I) of paragraph (1) of Article 13,

(b) Paragraph (2) of Article 13,

(c) Article 14,

(d) Article 15,

(e) Article 16,

(f) Article 17,

(g) Article 18,

(h) Article 19,

(i) Article 20,

(j) Article 21,

(k) Article 22,

(l) Article 23,

(m) Article 25,

(n) paragraph (2) of Article 28.

(2) The administrative fines specified in this article shall be deposited in the Ministry's income cash desk within 30 (thirty) days following the imposition of the fine. Administrative fines shall be public receivables and administrative fines not paid in due time shall be collected in accordance with the Rules of the Law on the Procedures of the Collection of Public Receivables.

48/1977

28/1985

31/1988

31/1991

23/1997

54/1999

35/2005

59/2010

13/2017

(3) In case of imposition of administrative fines specified in paragraph (1) above, the Board may inform the authorities authorized to regulate and inspect the relevant obliged parties and/or natural and/or legal persons.

(4) The right of obliged parties and/or natural and/or legal persons to apply for judicial remedy against administrative fines imposed pursuant to the provisions of this Article shall be reserved.

Offences and 56.
Penalties

(1) Natural persons and/or legal persons and/or authorities of legal persons who commit the offence of laundering proceeds of crime specified in Article 5 of this Law or the offence of financing terrorism or financing the proliferation of weapons of mass destruction specified in Article 6 of this Law will be committing an offence and, in case of conviction, may

be sentenced to a fine of up to 200,000.- Euros (Two Hundred Thousand Euros) equivalent Turkish Liras or imprisonment up to 15 (fifteen) years or both.

- (2) Natural persons and/or legal persons and/or authorities of legal persons who, through the use of their business, profession, office or position, violate the rules of this Law and facilitate the commission of the offences referred to in paragraph (1) of this Article, will be committing an offence and, in case of conviction, may be sentenced to a fine of up to 200,000.- Euros (Two Hundred Thousand Euros) equivalent Turkish Liras or imprisonment up to 15 (fifteen) years or both.
- (3) Natural persons and/or legal persons and/or authorities of legal persons who, by gross negligence, facilitate the commission of the offences referred to in paragraph (1) of this Article will be committing an offence and, in case of conviction, may be sentenced to a fine of up to 100,000.- Euros (One Hundred Thousand Euro) equivalent Turkish Liras or to imprisonment up to 8 (eight) years or both.
- (4) Natural persons and/or legal persons and/or authorities of legal persons who fail to fulfil the registration obligation by violating paragraph (3) of Article 8 of this Law will be committing an offence and, in case of conviction, may be sentenced to a fine of up to 6,000.- Euros (Six Thousand Euros) equivalent Turkish Liras or imprisonment up to 5 (five) years or both.
- (5) Natural persons and/or legal persons and/or authorities of legal persons who violate the provisions of subparagraph (D) of paragraph (1) of Article 13 and Article 26 of this Law will be committing an offence and, in case of conviction, may be subject to a fine up to 6,000.- Euros (Six Thousand Euros) equivalent Turkish Liras or imprisonment of up to 5 (five) years or both.
- (6) Natural persons and/or legal persons and/or authorities of legal persons who violate the provisions of subparagraph (D) of paragraph (1) of Article 13, and Article 27 of this Law will be committing an offence and, in case of conviction, may be subject to a fine up to 6,000.- Euros (Six Thousand Euros) equivalent Turkish Liras or imprisonment for a term of up to 5 (five) years or both.
- (7) Natural persons and/or legal persons and/or authorities of legal persons who fail to fulfil the obligation to keep the records referred to in subparagraph (F) of paragraph (1) of Article 13 and Article 24 of this Law and/or who deliberately destroy and/or corrupt and/or erase any record that should be kept will be committing an offence and, in case of conviction, may be sentenced to a fine up to 60,000.- Euros (Sixty Thousand Euros) equivalent Turkish Liras or imprisonment of up to 7 (seven) years or both.
- (8) Natural persons and/or legal persons and/or authorities of legal persons who fail to comply with the confidentiality and secrecy requirements set out in Article 34 of this Law and/or who damage the investigation process will be committing an offence and, in case of conviction, may be

- sentenced to a fine of up to 60,000.- Euros (Sixty Thousand Euros) equivalent Turkish Liras or imprisonment of up to 7 (seven) years or both.
- (9) Natural persons and/or legal persons and/or authorities of legal persons who refuse or obstruct an audit initiated in accordance with this Law pursuant to Article 44 of this Law, or who deliberately conceal records required to be kept and/or submitted pursuant to this Law, will be committing an offence and, in case of conviction, may be sentenced to a fine of up to 100,000.- Euros (One Hundred Thousand Euro) equivalent Turkish Liras or imprisonment of up to 8 (eight) years or both.
 - (10) Natural persons and/or legal persons and/or authorities of legal persons who deliberately violate and/or facilitate the violation of and/or fail to comply with a decision to impose an injunction on their assets pursuant to Article 50 of this Law will be committing an offence and, in case of conviction, may be sentenced to a fine of up to 50,000.- Euros (Fifty Thousand Euros) equivalent Turkish Lira or imprisonment of up to 6 (six) years or both.
 - (11) Natural persons and/or legal persons and/or authorities of legal entities who deliberately fail to fulfil their obligations and/or continue to fail to fulfil their obligations despite the imposition of an administrative fine in accordance with this Law, will be committing an offence and, in case of conviction, may be sentenced to a fine of up to 50,000.- Euros (Fifty Thousand Euros) equivalent Turkish Liras or imprisonment up to 6 (six) years or both.
 - (12) The following natural persons who carry out and/or instruct and/or are responsible for the transaction in contravention of this Law shall be deemed to be authorized persons of the legal person for the purposes of this Article;
 - (A) Directors, managers or persons in senior management of a legal person,
 - (B) Persons authorized to represent the legal person,
 - (C) Persons authorized to make decisions on behalf of the legal person,
 - (D) Persons who have control power within the legal person.
 - (13) The fact that a legal person is found guilty shall not prevent the real persons responsible for the events that constitute the offence from being held responsible.
 - (14) When sentencing, the Court may consider the following circumstances of the offender as aggravating circumstances:
 - (A) If the person personally organized the offence, if the person is a member of the organizing group, a member of a secret alliance established for this purpose or committed the offence in connection with an organized group operating in a foreign country.

For the purposes of this paragraph, an organized group shall mean a group consisting of more than one person who has come together with the intention of committing an offence under this Law.

 - (B) If the offence was committed in connection with a value or asset deriving from a grievous offence.

- (C) If the person has made a significant profit for themselves or another person through their criminal activity.
- (15) In the event that the Court considers that there are aggravating circumstances, the penalty amounts specified in this Article may be increased by the Court up to 2 (two) times.

PART EIGHTEEN

Provisional and Final Provisions

Provisional Article Rules for Existing Customers of Obligated Parties	1. Within 1 (one) year at the latest starting from the date of entry into force of this Law, the obliged parties shall apply the customer identification procedures and principles introduced by this Law to their existing customers.
Provisional Article Rules Regarding Criminal Cases Filed Before the Effective Date of this Law and Not Yet Finalized	2. The Department of Law (Attorney General's Office) shall notify the Unit immediately upon the conclusion of the relevant cases of information regarding criminal cases that have been opened and not yet finalized before the effective date of this Law.
Provisional Article Authority for Regulation	3. The regulations to be issued under paragraph (4) of Article 8 of this Law shall be issued within 3 (three) months at the latest starting from the date of entry into force of this Law
Provisional Article Rule Regarding Trusts and Similar Legal Formations Established Before the Effective Date of this Law	4. Trusts and similar legal formations established before the date of entry into force of this Law shall be obliged to register in the registry referred to in paragraph (3) of Article 8 of this Law within 6 (six) months at the latest starting from the date of entry into force of the regulation issued under Provisional Article 3 of this Law.
Provisional Article Penalty Related to	5. Natural persons and/or legal persons and/or authorities of legal persons who fail to fulfil their registration obligation in violation of Provisional Article 4 of this Law will be committing an offence and, in case of conviction, may be sentenced to a fine of up

Provisional Article 4	to 6,000.- Euros (Six Thousand Euros) equivalent Turkish Liras or imprisonment for up to five years or both.
Repeal 4/2008 73/2009	<p>57. With effect from the date of entry into force of this Law, the Law on Prevention of Laundering Proceeds of Crime shall be abolished without prejudice to any action taken and/or continuing to be taken under this Law.</p> <p>However, until the regulations envisaged to be made pursuant to this Law are made, the rules of the notifications made under the Law on Prevention of Laundering Proceeds of Crime repealed by this Law, which are not contrary to this Law, shall remain in force.</p>
Executive Power	58. This Law shall be executed by the Ministry to which the Department is affiliated.
Effective Date	59. This Law shall become effective as of the date of its publication in the Official Gazette.