

04 – FREE MOVEMENT OF CAPITAL

LEGISLATION CONSIDERED BENEFICIAL TO BE ENACTED (LAW)

I. LEGISLATION CONSIDERED BENEFICIAL TO BE ENACTED IN PERIOD 2007-2008 (01/10/2007 – 30/09/2008)

Reference No.	Name of the Legislation to be Amended/Enacted	Objective/Scope	Stage	EU Legislation Envisaged to Comply with	Institution Responsible for the Preparation of the Legislation
04.0007.1.01	Insurance Law (Also included in the article on Financial Services with reference number 09.0007.1.01 and Economic and Monetary Policy with reference number 17.0007.1.01.)	Aims at more effective regulation and supervision of the insurance sector. Aims at harmonization with the EU legislation regarding the licences of companies, minimum capital requirements in respect of branches, reasons of licence revocation, qualifications of the managers and the shareholders, tariff liberalisation, issues of liquidation, merger, acquisition and portfolio acquisition as well as bankruptcy, technical reserves, guarantees (deposits), guarantee fund, insurance intermediaries, etc.	At the GNAT	Directive 88/361/EEC	Undersecretariat of Treasury
04.0708.1.01	Amendment to the Decree Law No. 91 on Stock Exchanges (Also included in the article on Economic and Monetary Policy with reference number 17.0708.1.01.)	Removal of restrictions to capital movements		Directive 88/361/EEC	Capital Markets Board

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II. LEGISLATION CONSIDERED BENEFICIAL TO BE ENACTED IN PERIOD 2008-2009 (01/10/2008 – 30/09/2009)

NO LEGISLATIVE MEASURE HAS BEEN ENVISAGED.

III. LEGISLATION CONSIDERED BENEFICIAL TO BE ENACTED IN YEARS 2009 (01/10/2009) – 2013

Reference No.	Name of the Legislation to be Amended/Enacted	Objective/Scope	Stage	EU Legislation Envisaged to Comply with	Institution Responsible for the Preparation of the Legislation
04.0913.1.01	Amendment to the Law No. 3984 on the Establishment of Radio and Television Enterprises and Their Broadcasts	Annulment of regulations that include discrimination and restrict the activities of real or legal persons in the sector.		Articles 56 – 60 of the EC Treaty	Radio and Television Supreme Council
04.0913.1.02	Payment Systems Law (Legislation will be enacted shortly before membership and implemented no sooner than membership.) (Also included in the Chapter on Financial Services with reference number 09.0913.1.02.)	Providing refund guarantee in the event of non-execution of transfers by the institutions involved in the execution of a cross-border credit transfer Equalization of domestic and foreign transfer fees for cross-border Euro payments		Directive 97/5/EC Regulation No. 2560/2001	Central Bank of the Republic of Turkey
04.0913.1.03	Article 35 of Land Registry Law No. 2644 (It is envisaged to request a transition period after membership.)	Aims at regulating the acquisition of immovable properties in our country by foreigners within the framework of EU principles.		Articles 56 – 60 of the EC Treaty	The Ministry of Public Works and Settlement (General Directorate of Land Registry and Cadastral)

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Reference No.	Name of the Legislation to be Amended/Enacted	Objective/Scope	Stage	EU Legislation Envisaged to Comply with	Institution Responsible for the Preparation of the Legislation
04.0913.1.04	Amendment of the Law No. 4046 on Privatization Implementations (Harmonization will be ensured in the framework of full membership perspective to the EU legislation.)	Restriction of the time period concerning the golden shares implementation.		Commission Working Paper on the Preferred Voting Rights in Privatized Companies in the EU after enlargement	Privatization Administration
04.0913.1.05	Amendment of Telegraph and Telephone Law No. 406 (Harmonization will be ensured in the framework of full membership perspective to the EU legislation.)	Restriction of the time period concerning the golden shares implementation.		Commission Working Paper on the Preferred Voting Rights in Privatized Companies in the EU after enlargement	Privatization Administration Undersecretariat of Treasury
04.0913.1.06	Amendment of Electricity Market Law No. 4628	Annulment of restriction imposed on foreign capital		Directive 2003/54/EC	Privatization Administration Undersecretariat of Treasury Ministry of Energy and Natural Resources

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Reference No.	Name of the Legislation to be Amended/Enacted	Objective/Scope	Stage	EU Legislation Envisaged to Comply with	Institution Responsible for the Preparation of the Legislation
04.0913.1.07	Draft Law on the Approval of Turkey-Bangladesh bilateral agreement on the protection of investments (Also included in the article on Foreign Relations with reference number 30.0913.1.01.)	Amendment of Regional Economic Cooperation Agreement so as to assure it to become a saving clause to the article on “The Most Favored Nation”.		Although there is not any legislation to be harmonized with, in case of full membership it will not be possible to implement the disposition on equal treatment with member states, which is required by “the most favored country” provision in bilateral investment agreements. Therefore, the scope of the saving clause of the Agreement will be renegotiated in order to be expanded.	Undersecretariat of Treasury
04.0913.1.08	Draft Law on the Approval of Turkey-Japan bilateral agreement on the protection of investments (Also included in the article on Foreign Relations with reference number 30.0913.1.02.)				
04.0913.1.09	Draft Law on the Approval of Turkey-USA bilateral agreement on the protection of investments (Also included in the article on Foreign Relations with reference number 30.0913.1.03.)				

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Reference No.	Name of the Legislation to be Amended/Enacted	Objective/Scope	Stage	EU Legislation Envisaged to Comply with	Institution Responsible for the Preparation of the Legislation
04.0913.1.10	<p>Law Amending the Insurance Law</p> <p>(Also included in the article on Financial Services with reference number 09.0913.1.04.)</p> <p>Legislation will be enacted shortly before membership and implemented no sooner than membership.</p>	Adoption of rules such as the EU passport and Home Member State supervision in case of membership to the EU.		Directives 2002/83/EEC, 73/239/EEC, 73/240/EEC, 88/357/EE, 90/618/EEC, 92/49/EEC, 95/26/EC, 2000/64/EC, 88/361/EEC	Undersecretariat of Treasury
04.09138.1.11	Amendment of Article 80 of the Banking Law No. 5411	Establishment of appropriate methods in resolving controversies, which may arise in cross-border money transfers, between corporate customers and banks.		Directive 97/5/EC	<p>Banking Regulation and Supervision Agency</p> <p>Sectoral Associations (TBA, TPBA)</p>

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SECONDARY LEGISLATION (REGULATIONS, IMPLEMENTING REGULATIONS, COMMUNIQUÉS, CIRCULARS, ETC) ENVISAGED TO BE ENACTED AND DOCUMENTS SUCH AS STRATEGIES, PLANS AND PROGRAMS ENVISAGED TO BE DRAFTED

I. SECONDARY LEGISLATION ENVISAGED TO BE ENACTED IN YEAR 2007

Reference No.	Name of the Secondary Legislation to be Amended/Enacted	Objective/Scope	Stage	EU Legislation Envisaged to Comply with	Institution Responsible for the Preparation of the Legislation
04.2007.2.01	Implementing Regulation on the Technical Reserves and Assets covering Technical Reserves of Insurance, Reinsurance Companies	Specification of investment principles of technical reserves of companies. Enables the investment of technical reserves in foreign financial instruments.		- Directive 73/239/EEC - Directive 87/343/EEC	Undersecretariat of Treasury
04.2007.2.02	Implementing Regulation Amending the Implementing Regulation on Technical Reserves to be Held by Insurance, Reinsurance and Pensions Companies (It will be enacted after the enforcement of the Law with reference number 04.0007.1.01.)	Specification of technical reserves within the scope of the EU Directive establishing accounting rules.		Directive 91/674/EEC	Undersecretariat of Treasury

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Reference No.	Name of the Secondary Legislation to be Amended/Enacted	Objective/Scope	Stage	EU Legislation Envisaged to Comply with	Institution Responsible for the Preparation of the Legislation
04.2007.2.03	<p>Implementing Regulation on Obligations and other Measures to Prevent the Laundering Proceeds of Crime</p> <p>(Also included in the article on Justice, Freedom and Security with reference number 24.2007.2.01.)</p>	<p>Specification of procedures and principles on the obliged parties', obligations, supervision of obligations, the operations carried out on behalf of other persons, statements made to the customs administration, and other measures to be taken in order to prevent the laundering proceeds of crime and financing of terror.</p>	<p>Technical studies are in progress within the institution</p>	<p>Directive 2005/60/EC</p> <p>Council Framework Decision 2001/500/JHA dated 26 June 2001 on money laundering, the identification, tracing, freezing, seizing and confiscation of instrumentalities and the proceeds of crime</p> <p>Joint Action 98/699/JHA dated 3 December 1998 on Money Laundering, the Identification, Tracing, Seizing and Confiscation of Proceeds from Crime</p>	<p>Ministry of Finance</p>

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Reference No.	Name of the Secondary Legislation to be Amended/Enacted	Objective/Scope	Stage	EU Legislation Envisaged to Comply with	Institution Responsible for the Preparation of the Legislation
04.2007.2.04	<p>Implementing Regulation on the Procedures and the Principles of Investigation and Inspection</p> <p>(Also included in the article on Justice, Freedom, and Security with reference number 24.2007.2.05.)</p>	Specification of the procedures and the principles of investigations and inspections, which will be carried out under the scope of Law No. 5549.	Technical studies are in progress within the institution	<p>Directive 2005/60/EC</p> <p>Council Framework Decision 2001/500/JHA dated 26 June 2001 on money laundering, the identification, tracing, freezing, seizing and confiscation of instrumentalities and the proceeds of crime</p> <p>Joint Action 98/699/JHA dated 3 December 1998 on Money Laundering, the Identification, Tracing, Seizing and Confiscation of Proceeds from Crime</p>	Ministry of Finance

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Reference No.	Name of the Secondary Legislation to be Amended/Enacted	Objective/Scope	Stage	EU Legislation Envisaged to Comply with	Institution Responsible for the Preparation of the Legislation
04.2007.2.05	<p>Implementing Regulation on Training, Internal Audit, Control and Risk Management Systems along with other Measures</p> <p>(Also included in the article on Justice, Freedom, and Security with reference number 24.2007.2.05.)</p>	Specification of the procedures and the principles of training, internal audit, control and risk management systems along with other measures, which will be carried out under the scope of Law No. 5549.	Technical studies are in progress within the institution	<p>Directive 2005/60/EC</p> <p>Council Framework Decision 2001/500/JHA dated 26 June 2001 on money laundering, the identification, tracing, freezing, seizing and confiscation of instrumentalities and the proceeds of crime</p> <p>Joint Action 98/699/JHA dated 3 December 1998 on Money Laundering, the Identification, Tracing, Seizing and Confiscation of Proceeds from Crime</p>	Ministry of Finance
04.2007.2.06	<p>Implementing Regulation on Travel Agencies under the Law No. 5571 Amended by Law No. 1618</p> <p>(Also included in the article on the Protection of the Consumer and Consumer Health with reference number 28A.2007.2.01.)</p>	Aims at specifying the implementation principles in view of the amendment made in Travel Agencies and Travel Agencies Association Law No. 1618.	Technical studies are in progress within the institution	Articles 56 – 60 of the EC Treaty, which establishes the principles on prohibition of restrictions imposed upon the free circulation of capital among EU member states and between member states and third countries	Ministry of Culture and Tourism

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Reference No.	Name of the Secondary Legislation to be Amended/Enacted	Objective/Scope	Stage	EU Legislation Envisaged to Comply with	Institution Responsible for the Preparation of the Legislation
04.2007.2.07	Implementing Regulation on Sea Tourism under Law No. 5571 Amended by Law No. 2634 (Also included in the article on the Protection of the Consumer and Consumer Health with reference number 28A.2007.2.01.)	Aims at specifying the implementation principles in view of the amendment made in the Law No. 2634 on Encouragement of Tourism.	Technical studies are in progress within the institution	Articles 56 – 60 of the EC Treaty, which establishes the principles on prohibition of restrictions imposed upon the free circulation of capital among EU member states and between member states and third countries	Ministry of Culture and Tourism
04.2007.2.08	Implementing Regulation on the Establishment and Operation Principles of Insurance and Reinsurance Companies (It will be enacted after the enforcement of the Law with reference number 04.0007.1.01.)	Specification of implementation principles in view of the Law amendment.		Directive 88/361/EEC	Undersecretariat of Treasury

II. SECONDARY LEGISLATION ENVISAGED TO BE ENACTED IN YEAR 2008

NO LEGISLATIVE MEASURE HAS BEEN ENVISAGED.

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III. SECONDARY LEGISLATION ENVISAGED TO BE ENACTED IN YEAR 2009

Reference No.	Name of the Secondary Legislation to be Amended/Enacted	Objective/Scope	Stage	EU Legislation Envisaged to Comply with	Institution Responsible for the Preparation of the Legislation
04.2009.2.01	Decree No. 32 on the Protection of the Value of Turkish Currency, The Communiqué No. 2007/32 – 33, Circular No. I – M and Circular No. 2002 – YB – 1 of the Central Bank of the Republic of Turkey	Enables resident companies in Turkey to extend long-term credit to their subsidiaries and group companies abroad		Directive 88/361/EEC	Undersecretariat of Treasury
04.2009.2.02	Amendment of the Implementing Regulation on the Establishment and Working Principles of Stock Exchanges (It will be enacted after the enforcement of the Decree Law with reference number 04.0708.1.01.) Also included in the article on Financial Services with reference number 09.2009.2.01.	Removal of restrictions to capital movements.		Directive 88/361/EEC	Capital Markets Board

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Reference No.	Name of the Secondary Legislation to be Amended/Enacted	Objective/Scope	Stage	EU Legislation Envisaged to Comply with	Institution Responsible for the Preparation of the Legislation
04.2009.2.03	Amendment of Implementing Regulation on Istanbul Stock Exchange (ISE) Quotation (It will be enacted after the enforcement of the Decree Law with reference number 04.0708.1.01.) Also included in the article on Financial Services with reference number 09.2009.2.02.	Removal of restrictions to capital movements.		Directive 88/361/EEC	Capital Markets Board
04.2009.2.04	Amendment of the Communiqué Series III No. 20 on registering Foreign Capital Market Instruments with the Board and their Sale	Removal of restrictions to capital movements.		Directive 88/361/EEC	Capital Markets Board
04.2009.2.05	Amendment of the Communiqué Series VII No. 14 on Entering Foreign Investment Fund Share to the Board Records and their Sale	Removal of restrictions to capital movements.		Directive 88/361/EEC	Capital Markets Board

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Reference No.	Name of the Secondary Legislation to be Amended/Enacted	Objective/Scope	Stage	EU Legislation Envisaged to Comply with	Institution Responsible for the Preparation of the Legislation
04.2009.2.06	<p>Amendment of the Communiqué Series V No. 46 on the Principles Concerning Intermediation Activities and Intermediary Institutions</p> <p>(Also included under the articles on Financial Services with reference number 09.2009.2.07 and Protection of the Consumer and Consumer Health with reference number 28A.2009.2.02.)</p>	Removal of restrictions to capital movements.		Directive 88/361/EEC	Capital Markets Board
04.2009.2.07	<p>Amendment of the Implementing Regulation on the Principles concerning the Establishment and Activities of Pension Mutual Funds</p> <p>(It will be enacted after the enforcement of the Law No. 04.0007.1.01.)</p> <p>Also included in the article on Economic and Monetary Policy with reference number 17.2009.2.01.</p>	Enables private sector securities to be supplied in a more competitive environment and allows to raise the demand.		Directive 88/361/EEC	Capital Markets Board

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Reference No.	Name of the Secondary Legislation to be Amended/Enacted	Objective/Scope	Stage	EU Legislation Envisaged to Comply with	Institution Responsible for the Preparation of the Legislation
04.2009.2.08	Amendment of the Implementing Regulation on Stock Exchanges (It will be enacted after the enforcement of the Decree Law with reference number 04.0708.1.01.)	Enables private sector securities to be supplied in a more competitive environment and allows to raise the demand.		Directive 88/361/EEC	Capital Markets Board
04.2009.2.09	Amendment of Implementing Regulation Investors' Protection Fund	Enables private sector securities to be supplied in a more competitive environment and allows to raise the demand.		Directive 88/361/EEC	Capital Markets Board

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III. SECONDARY LEGISLATION ENVISAGED TO BE ENACTED IN YEARS 2010 – 2013

Reference No.	Name of the Secondary Legislation to be Amended/Enacted	Objective/Scope	Stage	EU Legislation Envisaged to Comply with	Institution Responsible for the Preparation of the Legislation
04.1013.2.01	<p>Circular No. I/M of the Central Bank of the Republic of Turkey on Decree No. 32 on the Protection of the Value of Turkish Currency and The Communiqué No. 2007/32-33 of the Treasury Undersecretariat of the Prime Ministry</p> <p>(Legislation will be enacted shortly before membership and implemented no sooner than membership.)</p>	Aims at resolving possible incongruities regarding foreign exchange deposit accounts with credit letter and super foreign exchange accounts.		Directive 88/361/EEC	Central Bank of the Republic of Turkey
04.1013.2.02	<p>Decree No. 32 on the Protection of the Value of Turkish Currency and Circular No. I/M and Circular No. 2002-YB-1 of the Central Bank of the Republic of Turkey on The Communiqué No. 2007/32-33 of the Prime Ministry Undersecretariat of Treasury</p> <p>(Legislation will be enacted shortly before membership and implemented no sooner than membership.)</p>	Regulates the foreign exchange legislation in order to allow Turkish residents to obtain consumer and real estate credit from abroad.		<ul style="list-style-type: none"> - Directive 88/361/EEC - Directive 2000/12/EC 	Undersecretariat of Treasury

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Reference No.	Name of the Secondary Legislation to be Amended/Enacted	Objective/Scope	Stage	EU Legislation Envisaged to Comply with	Institution Responsible for the Preparation of the Legislation
04.1013.2.03	<p>Secondary legislation on Payment Systems</p> <p>(It will be enacted after the enforcement of the Law with reference number 04.0913.1.02.)</p>	<p>Providing refund guarantee in the event of non-execution of transfers by the institutions involved in the execution of a cross-border credit transfer</p> <p>Equalization of domestic and foreign transfer fees for cross-border Euro payments</p>		<p>- Directive 97/5/EC - Regulation No. 2560/2001</p>	Central Bank of the Republic of Turkey
01.1013.2.04	<p>Council of Ministers Decision on the Operation of Foreign Insurance Companies in Turkey</p> <p>(Depends on the enforcement of Law No. 04.0007.1.01.)</p> <p>Also included in the article on Financial Services with reference number 09.1013.2.02.</p> <p>Legislation will be enacted shortly before membership and implemented no sooner than membership.</p>	Adoption of rules such as the EU passport and Home Member State supervision.		<p>Directives 2002/83/EC, 73/239/EEC, 73/240/EEC, 88/357/EEC, 90/618/EEC, 92/49/EEC, 95/26/EC, 2000/64/EC, 88/361/EEC</p>	Undersecretariat of Treasury

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Reference No.	Name of the Secondary Legislation to be Amended/Enacted	Objective/Scope	Stage	EU Legislation Envisaged to Comply with	Institution Responsible for the Preparation of the Legislation
04.1013.2.05	<p>Implementing Regulation Amending Implementing Regulation on Establishment and Operation Principles of Insurance and Reinsurance Companies</p> <p>Also included in the article on Financial Services with reference number 09.1013.2.02.</p> <p>(Legislation will be enacted shortly before membership and implemented no sooner than membership.)</p>	Adoption of rules such as the EU passport and Home Member State supervision.		<p>Directives 2002/83/EC, 73/239/EEC, 73/240/EEC, 88/357/EEC, 90/618/EEC, 92/49/EEC, 95/26/EC, 2000/64/EC, 2005/68/EC, 64/225/EEC 87/334/EEC, 88/361/EEC</p>	Undersecretariat of Treasury
04.1013.2.06	Amendment to the Supreme Board of Privatization Decisions	Restriction of the time period concerning the golden shares implementation.		Commission Working Paper (including Maastricht Treaty dated 22.07.2005) on the Preferred Voting Rights in Privatized Companies in the EU after enlargement	Privatization Administration