

“Law on Bank Cards and Credit Cards”, unanimously adopted at the Eleventh Session of the Assembly of the Turkish Republic of Northern Cyprus on 10 November 2014, has been published in the Official Gazette by the President of the Turkish Republic of Northern Cyprus pursuant to Article 94, paragraph (1) of the Constitution

LAW ON BANK CARDS AND CREDIT CARDS

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No: 58/2014

LAW ON BANK CARDS AND CREDIT CARDS

(as amended and consolidated by amending law no. 5/2016)

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

Short Title 1. This Law may be cited as the “Law on Bank Cards and Credit Cards”.

PART ONE
General Provisions

Definitions 2. In this Law, unless the context otherwise requires, the following terms shall have the meanings assigned to them below:
“Contract Interest” refers to the maximum contract interest determined by the Central Bank pursuant to article 12 of this Law.
“Credit Receipt” refers to a document issued by the member merchant to credit the account of the card holder in the event of return of goods, cancellation of services or cancellation of a transaction made using a bank card or credit card.
“Minimum Payment Amount” refers to the minimum portion of the period debt required to be paid.
“Minimum Wage” refers to the monthly gross minimum wage applicable on the date on which the violation is detected or the offence is committed.
“Ministry” refers to the Ministry responsible for Financial Affairs.
39/2001 “Bank” refers to a bank operating under the Law on Banks of the Turkish Republic
59/2002 of Northern Cyprus.
“Bank Card” refers to a card that allows the use of banking services, including deposit accounts or private current accounts.
“Interbank Credit Card Partnership” refers to an organization established through the shareholding of banks for the purpose of developing procedures applicable among shareholder banks in credit card practice, promoting standardization, conducting clearing and settlement transactions and providing centralized services at lower cost.
“Declaration, Demand, Complaint and Objection” refers to any declaration, demand, complaint and objection submitted by the card holder in writing, electronically or by recorded telephone call.
“Compound Interest” refers to the interest calculated by adding the accrued interest at the end of each interest period to the principal amount and calculating interest on the resulting balance.
“Period Debt” refers to the total balance of debit and credit records up to the statement due date, together with any outstanding balance from the previous account statement.
“Supplementary Credit Card” refers to a credit card issued, upon the written request of the principal card holder, in the name of a relative who is mentally competent and over the age of fifteen.
“Electronic Banking” refers to the provision of banking products and services through electronic channels such as automatic teller machines (ATM), telephone,

television, short message service (SMS), point-of-sale terminals (POS) and secure internet channels.

“Overdue Interest” refers to the maximum overdue interest determined by the Central Bank pursuant to article 12 of this Law.

“Expenditure Receipt” refers to a document issued by the member merchant in respect of transactions made using a bank card or credit card, indicating the card holder’s debt arising from the transaction and other relevant information, and signed by the card holder except where identification is made through a code, password or other authentication method.

“Card Holder” refers to a natural person or legal entity who is the bank card holder and credit card principal holder and supplementary card holder.

“Credit Card” refers to a physical card or a card number without physical form that enables its holder to purchase goods or services without using cash or to withdraw cash.

“Corporate Bank Card” refers to the bank card issued for legal entities or entities holding a commercial taxpayer registration certificate issued by the Revenue Administration or Tax Authority.

“Corporate Credit Card” refers to the credit card issued for legal entities or entities holding a commercial taxpayer registration certificate issued by the Revenue Administration or Tax Authority.

“Central Bank” refers to the Central Bank of the Turkish Republic of Northern Cyprus.

“Last Payment Date” refers to the last day on which the card holder may pay the period debt or minimum payment amount without being in default.

“Applied Contract Interest” refers to the interest applied by banks to credit card accounts.

“Consumer Credit Weighted Average Interest Rate” refers to the average interest rate calculated by correlating the credit amount actually extended to the consumer with the interest rate applied to that credit.

“Consumer Credit” refers to the types of credit extended to natural persons for the financing of goods or services for non-commercial and non-professional purposes.

“Member Merchant” refers to a natural person or a legal entity that agrees, under an agreement concluded with a bank, to accept bank cards or credit cards for the sale of goods or services.

Purpose 3. The purpose of this law is to ensure the effective functioning of card payment systems by regulating the principles and procedures governing the issuance and use of bank cards and credit cards in the Turkish Republic of Northern Cyprus, in accordance with the monetary and credit policies required by the national economy.

Scope 4. This Law covers the obligations of banks, interbank credit card partnerships, member merchants and card holders in relation to bank cards and credit cards, the principles and procedures governing the issuance and use of bank cards and credit cards, as well as the obligations of the Central Bank.

However, the provisions of this Law shall not apply to natural persons or legal entities that issue a card or establish a system solely for the purpose of monitoring credit sales of goods or services and the debt-receivable status of the buyer, provided that such activities are limited to their own undertaking, or that issue a

card limited to a predetermined amount and not linked to any account or credit arrangement.

PART TWO Obligations of Banks

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|---|---|
| Obligations of
Banks | <p>5. Banks,</p> <ul style="list-style-type: none">(1) May issue a bank card or credit card upon the request of a natural person or legal entity and upon the execution of a bank card and/or credit card agreement.(2) Shall receive applications for bank cards and credit cards through their head office, branches or electronic banking channels. Banks shall not solicit or accept applications through any means other than the above-mentioned channels or on a mobile basis.(3) Shall be responsible for establishing and maintaining a system to ensure the regular and secure use of bank cards and/or credit cards and for taking the necessary measures for notifications, demands, complaints and objections.(4) Shall be liable for providing adequate information to the card holder upon issuing a bank card or credit card.(5) Upon the request of the card holder, for providing the records of transactions carried out within a reasonable period depending on the nature of the transaction, which shall in no case exceed 30 (thirty) days.
However, such period shall be 60 (sixty) days in the case of transactions carried out abroad.(6) If the use of a bank card and/or credit card requires a code number, password or another identification method, banks shall be responsible for taking the necessary measures to protect the confidentiality of such information and to ensure that the number of the bank card or credit card is not clearly indicated on the customer copy of the expenditure receipt or credit receipt or in correspondence.(7) Shall be responsible for delivering bank cards and credit cards to their holders.
However, bank cards and/or credit cards issued to card holders under 18 (eighteen) years of age shall be delivered to the principal card holder.(8) Shall offer a type of credit card that does not charge an annual membership fee or any other fee under a similar name. |
| Limits,
Minimum
Amounts Due
and Instalments
on Credit Cards
5/2016 | <p>6. (1) Banks shall assign a credit card limit by taking into account the economic and social status and the monthly and annual average income of natural persons wishing to benefit from credit card services, as well as the credit card limits assigned by other banks.</p> <p>(2) (A) Starting from the date of entry into force of this Law, the total credit card limit to be assigned to a natural person to whom a credit card is issued by banks for the first time shall not exceed twice the person's monthly average net income during the first year and four times that amount during the subsequent years. If the monthly or</p> |

annual average income of a natural person to whom a credit card is to be issued for the first time cannot be determined, the total credit card limit that may be extended by all banks shall not exceed the monthly net minimum wage.

However, with respect to credit card limits assigned before the date of entry into force of this Law, the rules set out in this paragraph shall apply if the relevant person requests a new card in addition to their existing cards or requests an increase in the existing total limit.

- (B) The rates specified in sub-paragraph (A) above shall not apply to guaranteed limits and/or limits assigned against deposits. Banks shall be responsible for determining guaranteed credit card limits and/or limits assigned against deposits.

However, the criteria specified in sub-paragraph (A) above shall, in any case, apply to credit card limits assigned to natural persons against a security guarantee.

- (3) If card holders exceed their credit card limits in their expenditures, no fee or interest shall be charged except for the contract Interest applicable to the period from the date of the overdraft to the date of payment.
- (4) Fees and/or interest collected in violation of paragraph (3) above shall be reimbursed to the card holder together with the relevant interest calculated for the period from the date of collection to the date of payment, using the interest rate applicable to the credit card account. The bank shall also pay compensation to the card holder equal to the amount of the fee or interest collected.
- (5) Upon the request of the credit card holder, banks may issue a supplementary credit card in the name of third persons that is linked to the principal credit card and does not exceed the limit of the principal credit card.
- (6) Minimum payment amount rates of credit cards shall be determined in a regulation prepared by the Ministry in consultation with the Central Bank, approved by the Council of Ministers and published in the Official Gazette.
- (7) (A) If the minimum payment amount is not paid by the due date specified in the credit card agreement, banks shall, within 7 (seven) business days following the deadline, serve a notification on the card holder informing them that the minimum payment amount must be paid by the next due date, failing which the account will be frozen and the credit card and any supplementary credit card will be blocked. If the amount remains unpaid by the following due date, the credit card and any linked supplementary credit cards shall be cancelled.
 - (B) If the minimum payment amount is not paid within the periods specified in sub-paragraph (A) above, the principal credit card issued to the card holder by the relevant bank and any linked supplementary credit cards shall be cancelled.
 - (C) No new credit card shall be issued to persons whose principal credit card and/or linked supplementary credit cards have been

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cancelled pursuant to sub-paragraph (B) above until the debt has been paid in full.

- (8) If the card holder makes a payment of less than 50% (fifty percent) of the period debt up to 3 (three) times within a calendar year, the credit card limit and the limits of other cards, if any, shall not be increased until the period debt has been paid in full, and cash withdrawal transactions shall be suspended.
- (9) The bank shall not increase a card holder's limits unless the card holder requests it. Requests for an increase in the limit shall be subject to the rules set out in this article.
- (10) The number of instalments applicable to purchases of goods and services made using a credit card, depending on the type of goods and services, shall be determined by a regulation prepared by the Ministry in consultation with the Central Bank, approved by the Council of Ministers and published in the Official Gazette.

Information
Provided in
Credit Card
Statements

7. (1) Credit card statements shall contain the following information:
 - (A) The credit card holder's name, surname and address.
 - (B) The period debt related to the transactions.
 - (C) The minimum payment amount
 - (C) The total credit card limit.
 - (D) The cash withdrawal limit.
 - (E) The statement due date and the statement due date of the following period.
 - (F) The last payment date and the last payment date of the following period.
 - (G) The amount and date of cash withdrawal transactions or purchases of goods or services made using the credit card.
 - (G) Details of interest, commission and all other similar fees charged on transactions made using the credit card.
 - (H) The overdue interest rate applicable to the credit card.
 - (I) The contract interest amount and the overdue interest amount accrued in the relevant statement relating to the credit card.
 - (I) In transactions in foreign currencies made using the credit card, the currency of the transaction and the amount thereof, as well as the currency debited to the card account.
- (2) In addition to the information specified in paragraph (1) above, the principles and procedures governing the form and content of the statement, as well as the manner in which the statement shall be delivered to card holders, shall be regulated by a regulation prepared by the Ministry, approved by the Council of Ministers and published in the Official Gazette.

Complaints
and
Objections

8. (1) If the card holder communicates their complaints or objections to the bank through a petition, e-mail or any other means, the bank shall communicate its reasoned decision to the card holder within 20 (twenty) business days at the latest, using the same method by which the complaint or objection was conveyed.

- (2) The card holder shall submit any complaint or objection relating to the statement within 20 (twenty) business days from the last payment date.
- (3) If the complaint or objection is not lodged within the specified period, the amount due on the statement shall become final.

Notification of the Interest Applied 9. Banks shall notify the Central Bank of the contract interest rate and the overdue interest rate applied to credit cards whenever there is a change in the interest rates and, in any case, every three (3) months.

Invalid Interest Calculation and Cash Advances 10.

- (1) Any provision stating that interest may be applied to the total debt or balance of an account period starting from a date prior to the statement due date of the relevant period shall be invalid.
- (2) The transaction date shall be taken as the basis for debts arising from cash withdrawals.
- (3) Transactions to be considered as cash withdrawals shall be regulated by a regulation prepared by the Ministry in consultation with the Central Bank, approved by the Council of Ministers and published in the Official Gazette.
- (4) The portion of the credit card limit that may be used for cash withdrawals and the principles and procedures relating to cash withdrawals from the credit card shall be regulated by a regulation prepared by the Ministry in consultation with the Central Bank, approved by the Council of Ministers and published in the Official Gazette.

Application of Interest 11.

- (1) If a portion of the period debt has been paid, interest shall be calculated on the remaining account balance.
- (2) The remaining account balance shall be subject to the applied contract interest where a payment equal to or higher than the minimum payment amount has been made, and to the overdue interest where a payment less than the minimum payment amount or no payment has been made.
- (3) Debts arising from the use of credit cards, including cases of default, shall not be subject to compound interest.
- (4) The bank shall not charge any interest under any name whatsoever other than the applied contract interest and overdue interest.
- (5) Amounts of interest collected in contravention of paragraphs (3) and (4) above shall be reimbursed to the card holder together with interest calculated for the period from the date of collection to the date of payment using the interest rate applicable to the credit card account. The Bank shall also pay compensation to the card holder equal to the amount of interest collected.

Determination of Credit Card Interest Rates 12. (1) Banks shall notify the Central Bank of the interest rates they apply to consumer credit transactions and all relevant information, in accordance with the principles, procedures and methods to be determined by the Central Bank and in accordance with the predetermined schedule. The Central Bank shall use the information received to calculate the weighted average monthly interest rate for consumer credit separately for Turkish Lira and foreign currency.

- 5/2016 (2) Maximum monthly contract interest rates and maximum monthly overdue interest rates shall be calculated once a month through the method indicated in paragraph (3) below and published by the Central Bank at least once every three months.
- 5/2016 (3) (A) The monthly contract interest rate applicable to credit card transactions in Turkish Lira shall not exceed 1.5 times the weighted average monthly interest rate for consumer credit in Turkish Lira calculated in accordance with the principles set out in paragraph (1) above, and the overdue interest rate shall be 0.5 (half) percentage points higher than the contract interest rate.
- 5/2016 (B) The monthly contract interest rate applicable to credit card transactions in foreign currency shall not exceed 1.75 times the weighted average monthly interest rate for consumer credit in foreign currency calculated in accordance with the principles set out in paragraph (1) above, and the overdue interest rate shall be 0.5 (half) percentage points higher than the contract interest rate.

PART THREE Bank Cards

- Procedures and Principles Governing the Issuance of Bank Cards to Card Holders 13. (1) Banks may open an account and issue a bank card upon the request of a natural person or legal entity and upon the execution of a bank card agreement.
- (2) No fee shall be charged by the bank from the card holder in relation to the opening of a bank card account and/or the issuance of a bank card.
- (3) The bank shall not charge any fee to the card holder under the name of a bank card fee.
- (4) Fees collected in contravention of paragraphs (2) and (3) above shall be reimbursed to the card holder together with the relevant interest calculated for the period from the date of collection to the date of payment using the interest rate applicable to the credit card account. The bank shall also pay compensation to the card holder equal to the amount of the fee collected.
- Bank Card Agreement Between the Bank and the Card Holder 14. (1) The agreement to be signed between the bank and the card holder for the issuance of a bank card,
- (A) Shall be in writing.
- (B) Shall contain the bank's identification and address.
- (C) Shall contain card holder's identification and address.
- (Ç) Shall be written in a legible style with a minimum font size of twelve points.
- (D) Shall indicate the clauses to be applied in case of loss of the bank card in accordance with the provisions of this Law.
- (E) Shall be signed by the card holder and the bank.
- (2) A copy of the signed agreement shall be provided to the card holder.

PART FOUR Obligations of Card Holders

Obligations Related to the Use of Bank Cards and Credit Cards	15. Liability arising from the use of a bank card and/or credit card shall lie with the card holder from the moment the bank card agreement and/or credit card agreement has been signed and the bank card and/or credit card has been delivered to the card holder, or the card holder has become aware of the card number of a non-physical credit card or bank card.
Submission of Identification Documents	16. (1) If the member merchant requests identification from the card holder when a bank card and/or credit card is used, the card holder shall present an identification document. (2) No transaction shall be carried out unless an identification document issued by official authorities is presented.
Password Confidentiality Obligations	17. The card holder shall be responsible for securely protecting the code number, password or information relating to other identification methods defined for the use of the bank card or credit card issued to them, and for taking the necessary measures to prevent others from using such information.
Loss of Bank Cards and Credit Cards	18. If a bank card or credit card is lost or stolen, or if the card holder becomes aware of any transaction carried out without their authorization, the card holder shall immediately notify the bank. Damages arising from unlawful use within the 24 (twenty-four) hours preceding the notification shall be the responsibility of the card holder, provided that such liability is limited to one tenth of the monthly gross minimum wage. However, if the unlawful use is caused by the card holder's gross negligence and/or willful act, or if no notification has been made, the damages caused shall be borne entirely by the card holder.
Non-Application of Certain Provisions of the Law to Corporate Bank Cards and Credit Cards	19. Corporate bank cards and corporate credit cards shall be excluded from the scope of the provisions set out in article 5, paragraphs (7) and (8); article 6, paragraphs (1), (2), (3), (4), (6), (7), (8) and (10); article 10, paragraphs (1), (3) and (4); article 11, paragraphs (3), (4) and (5); article 12, paragraphs (1) and (2); and article 18.

PART FIVE

Obligations of Member Merchants and Banks Entering into Card Acceptor Agreements

Acceptance and Verification of Bank Cards and Credit Cards by Member Merchants	20. (1) Member merchants shall accept requests from card holders to pay for goods and services purchased using a bank card or credit card. This obligation shall also apply during discount periods. (2) (A) Member merchants shall not request card holders to pay any commission or any additional payment under a similar name on account of the use of a bank card or credit card. (B) If the rule set out in paragraph (A) above is violated; (a) The commission or similar payments received by the member merchant shall be returned to the card holder, and
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compensation equal to the amount of the fee received under such a name shall also be paid to the card holder.

- (b) The card acceptor agreement between the member merchant and the bank shall be terminated, and no other agreement shall be concluded with such member merchant for a period of 1 (one) year.
- (3) In transactions requiring the signature of card holders wishing to pay for goods or services using a bank card or credit card, the member merchant shall check the signature and identification document.
- (4) The member merchant shall check whether the bank card or credit card has been damaged.
- (5) Banks entering into a card acceptor agreement shall check the validity of the credit card or bank card within the scope of the information provided to them and shall request the presentation of a valid identification document when necessary in order to compare the information on the credit card or bank card.
- (6) The member merchant shall compare and verify the information on the expenditure receipt with the information on the credit card.

Agreement
Between the Bank
and the Member
Merchant

- 21. (1) The bank entering into a card acceptor agreement shall establish the infrastructure necessary to obtain authorization from the bank for the acceptance of a bank card or credit card.
- (2) The bank entering into a card acceptor agreement may set a transaction limit for member merchants with whom it has concluded an agreement. The following rules shall apply when setting such a transaction limit:
 - (A) If the member merchant has been assigned the responsibility of obtaining the bank's authorization for the acceptance of a card where the amount of an expenditure to be incurred using a single credit card exceeds the prescribed transaction limit, the member merchant shall request authorization for the entire expenditure.
 - (B) No more than one expenditure receipt shall be issued for a single card and a single payment transaction.
- (3) If the rules set out in paragraph (2) above are violated, the member merchant shall not request payment from the bank under the card acceptor agreement for the goods or services sold.
- (4) Banks concluding member merchant agreements shall pay the transaction amounts incurred by card holders to the member merchant with whom they have concluded an agreement in accordance with the provisions of the agreement.
- (5) The member merchant shall not request the bank under the card acceptor agreement to pay for the goods or services.

Liability of the
Member Merchant

22. The member merchant shall carry out the checks set out in article 20 of this Law. Any problems arising from a failure to carry out these checks shall be the responsibility of the member merchant.

23. The member merchant;

Information to the Card Holder and Ensuring System Security	<ul style="list-style-type: none"> (1) Shall inform card holders of the acceptance of bank cards and credit cards by displaying signs and/or boards at the entrance of the undertaking and at points easily visible to card holders. (2) Shall remove the signs and/or boards referred to in paragraph (1) above from the undertaking, if the agreement expires. (3) Shall ensure the secure functioning of the system established to allow transactions to be carried out through order forms or other means of communication without issuing an expenditure receipt. (4) Shall not keep, copy or disclose card information to third parties without the written consent of the card holder, except for persons, institutions or organizations authorized by law.
Expenditure and Credit Receipts	<p>24.</p> <ul style="list-style-type: none"> (1) If a bank card or credit card is used to pay for goods or services, the member merchant shall issue an expenditure receipt or credit receipt using electronic or magnetic devices, without prejudice to the provisions of article 23 of this Law, and shall keep the original copy of the document issued for a period of 5 (five) years and provide a copy thereof to the card holder. (2) If paragraph (1) above is violated, the member merchant shall not request the bank to pay for the goods or services sold. (3) If goods or services purchased with a card are returned or exchanged, or if the transaction carried out is cancelled, a credit receipt shall be issued. One copy of the credit receipt shall be kept by the card holder and one copy by the member merchant. (4) The principles and procedures governing the form, content and scope of the expenditure receipt shall be regulated by a regulation prepared by the Ministry, approved by the Council of Ministers and published in the Official Gazette.
Transactions That Do Not Require Signature	<p>25. If the issuance of an expenditure receipt or credit receipt is not possible due to the nature of the transaction, bank cards and credit cards may be used by the card holder by declaring the card number or by carrying out the transaction through a code number, password or another identification method replacing a signature through various means of communication.</p>
Retention of Data	<p>26.</p> <ul style="list-style-type: none"> (1) The member merchant; <ul style="list-style-type: none"> (A) Shall not keep, copy or disclose to third parties the information relating to the card or the card holder obtained as a result of the use of a bank card or credit card without the written consent of the card holder and, (B) Shall not sell the information obtained relating to the holder of a bank card or credit card, provide such information to any natural person or legal entity other than the bank and/or the interbank credit card partnership with which the member merchant has concluded a card acceptor agreement, or share or exchange such information. (2) The bank or the interbank credit card partnership with which the member merchant has concluded a card acceptor agreement shall monitor whether the member merchant violates the rules set out in paragraph (1) above.

- (3) The bank and the interbank credit card partnership shall ensure that the personal data obtained relating to holders of bank cards and credit cards are not used for purposes other than the marketing of their own services and shall take the necessary measures to prevent access to such information by persons, institutions or organizations other than those authorized under the applicable legislation.

PART SIX

Content, Conditions and Amendments of the Credit Card Agreement

Content of the
Credit Card
Agreement

27. (1) The credit card agreement shall be prepared in a clear and intelligible manner and shall comply with the following rules:

- (A) It shall be in writing.
- (B) It shall contain the bank's identification and address.
- (C) It shall contain the identification and address of the card holder and of the guarantor, if any.
- (Ç) It shall be written in a legible style with a minimum font size of 12 points.
- (D) It shall indicate the principles for determining the exchange rate applicable to transactions in foreign currency and the manner in which such rate is reflected in the account statement.
- (E) It shall specify the credit card limit.
- (F) It shall specify the contract interest rate and the delay interest rate to be applied.
- (G) It shall indicate the final payment date.
- (Ğ) It shall indicate that the limit shall not be increased unless requested by the card holder.
- (H) It shall indicate the procedures to be applied in the event of loss or theft of the card in accordance with the provisions of this Law.
- (I) It shall indicate that compound interest shall not be applied.
- (İ) In agreements where there is a guarantor, it shall state that the guarantor's liability shall be subject to the provisions governing guarantees under the applicable Law on Contracts and shall clearly indicate the scope of the guarantee.
- (J) It shall specify the minimum payment amount.
- (K) In accordance with article 6 paragraphs (6) and (7) of this Law, it shall specify how many times the minimum payment amount may remain unpaid before the account is suspended, the card is blocked, and the card is cancelled.

Chapter 149
6/1959
21/1989

- (2) In accordance with paragraph (1) above, one copy of the agreement concluded shall be provided to the card holder and, where there is a guarantee, to the guarantor.

Rules Relating to
the Amendment of

28. (1) Amendments to the credit card agreement shall be notified to the card holder in writing or by electronic means, and the following rules shall apply:

the Credit Card Agreement

- (A) Amendments to the credit card agreement shall take effect from the final payment date relating to the period in which the notification has been made.
 - (B) If the card holder continues to use the card after the final payment date relating to the period in which the notification of the amendments to the credit card agreement has been made under this paragraph, the amendments to the agreement shall be deemed to have been accepted.
- (2) For any increase in the interest rate to be valid, the card holder shall be notified in writing or by electronic means at least 30 (thirty) days in advance.
 - (3) The increased interest rate shall not be applied if the card holder pays off all outstanding debt within at most 60 (sixty) days from the date of notification of the increased interest rate and ceases to use the credit card.
 - (4) The card holder shall have the right to cancel the card upon request and terminate the agreement.
 - (5) The card holder shall not be liable for transactions, fees or charges after the cancellation of the card.
 - (6) Notwithstanding any provision to the contrary in any other law, if the credit card agreement has been concluded with a guarantor, the written approval of the guarantor shall be obtained for amendments increasing the guarantor's liability or increasing the credit card limit to become valid.

PART SEVEN

Administrative Fines and Procedures

Administrative Fines and Procedures 5/2016

- 29. (1) The Central Bank may impose the following administrative fines:
 - (A) A fine of 10 (ten) times the minimum wage on banks that violate articles 5, 6, 7, 8 paragraph (1), and article 9,
 - (B) A fine of 20 (twenty) times the minimum wage on banks that violate articles 11 and 12 paragraph (3),
 - (C) A fine of 10 (ten) times the minimum wage on banks that violate articles 13, 14, and article 20 paragraph (2) subparagraph (B) sub-item (b),
 - (C) A fine of 20 (twenty) times the minimum wage on banks that violate articles 27 and 28.
- (2) (A) The Central Bank shall notify in writing any bank found to have acted contrary to the provisions of paragraph (1) above of the violations requiring the imposition of an administrative fine and shall request a defense statement.
- (B) A decision on whether to impose an administrative fine shall be made after the receipt of the defense of the relevant party.
- (C) If a defense statement is not submitted within 1 (one) month following the service of the letter requesting such defense, the bank shall be deemed to have waived its right to defense and the administrative fine shall be paid within 15 (fifteen) days from the date of notification.

(Ç) The Central Bank shall state the reasons for imposing an administrative fine.

(3) If it is decided to impose an administrative fine after the bank's defense has been received, the administrative fine shall be paid within 15 (fifteen) days from the date of notification.

(4) Administrative fines collected under this article shall be recorded as revenue of the Treasury account held with the Central Bank.

48/1977

28/1985

31/1988

31/1991

23/1997

54/1999

35/2005

59/2010

(5) Administrative fines not paid within 15 (fifteen) days shall be collected in accordance with the provisions of the Law on the Procedures for the Collection of Public Receivables and shall be subject to the delay interest applicable to public receivables.

(6) The right to appeal against administrative fines imposed may be exercised before the Supreme Court acting as the Supreme Administrative Court.

(7) Administrative fines imposed on Banks shall be made public by the Central Bank through the press or other media outlets.

(8) Following the payment of administrative fines by banks, the conditions that gave rise to the imposition of the administrative fine shall be corrected and brought into compliance with the provisions of this Law.

Offenses and Penalties

30. (1) The Central Bank shall be authorized to determine whether Banks have committed acts or conduct constituting offences under the provisions of this Law and to conduct investigations in this regard. Where the findings and investigations conducted by the Central Bank indicate that an offence has been committed, the matter shall be referred to the Legal Department (Attorney General's Office) of the Turkish Republic of Northern Cyprus in order to initiate the necessary legal proceedings.

(2) Member merchants and/or managers and/or partners and/or employees of a member merchant who violate the provisions of articles 20 and 21 of this Law shall be deemed to have committed an offence and, upon conviction, may be sentenced to a fine of up to 30 (thirty) times the minimum wage, or imprisonment for up to 5 (five) years, or both.

(3) Member merchants and/or managers and/or partners and/or employees of a member merchant who violate the provisions of article 23 paragraphs (1) and (2) of this Law shall be deemed to have committed an offence and, upon conviction, may be sentenced to a fine of up to 5 (five) times the minimum wage.

(4) Member merchants who violate the provisions of article 23 paragraph (3) of this Law shall be deemed to have committed an offence and, upon conviction, may be sentenced to a fine of up to 20 (twenty) times the minimum wage.

(5) Member merchants and/or managers and/or partners and/or employees of a member merchant who violate the provisions of article 23 paragraph (4) or article 26 paragraph (1) of this Law shall be

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deemed to have committed an offence and, upon conviction, may be sentenced to a fine of up to 90 (ninety) times the minimum wage, or imprisonment for up to 6 (six) years, or both.

- (6) The chairperson of the executive board of the bank, members of the executive board, the general manager, persons serving as managers in positions above the deputy general manager, deputy general managers, and staff members who give instructions, receive instructions and/or actually carry out transactions in violation of article 26 paragraph (3) of this Law shall be deemed to have committed an offence and, upon conviction, may be sentenced to a fine of up to 90 (ninety) times the minimum wage, or imprisonment for up to 6 (six) years, or both.
- (7) Natural persons or legal entities who establish a card system, issue a card, or enter into a card acceptor agreement with member merchants in contravention of the provisions of this Law shall be deemed to have committed an offence and, upon conviction, may be sentenced to a fine of up to 90 (ninety) times the minimum wage, or imprisonment for up to 6 (six) years, or both.
- (8) The chairperson of the executive board of the bank, members of the executive board, the general manager, persons serving as managers in positions above the deputy general manager, deputy general managers, and staff members who give instructions, receive instructions and/or actually carry out transactions and who continue not to fulfil their obligations despite the imposition of an administrative fine under article 29 paragraph (1) of this Law, or who commit twice an offence punishable by an administrative fine, shall be deemed to have committed an offence and, upon conviction, may be sentenced to a fine of up to 20 (twenty) times the minimum wage, or imprisonment for up to 5 (five) years, or both.

PART EIGHT

Provisional and Final Rules

Provisional Article Rules of Application 5/2016 1.(1) Banks and interbank credit card partnerships that issued a bank card and/or credit card before the date of entry into force of this Law shall implement the provisions of this Law within 6 (six) months at the latest.

However, the Central Bank may grant an additional period of up to 12 (twelve) months to those that cannot complete the implementation within the said period.

- (2) The provisions of article 6 paragraphs (1) and (2) of this Law shall apply from the date of entry into force of this Law, while the provisions of article 12 shall apply from 1 January 2015.

Executive Power 31. This Law shall be implemented by the Ministry.

Effective Date 32. This Law shall enter into force on the date of publication in the Official Gazette.