



Definition of Proceeds of Crime

According to the Prevention of Laundering Proceeds of Crime Law no 5549, money laundering offence means the offences defined in Article 282 of Turkish Criminal Law.

Because the proceeds of crime are raised by such activities that represent crimes as per the law, the said proceeds are usually in cash and for this reason, the purpose is to disguise the ultimate origin of said proceeds of crime (this is also called the "camouflaging"), pretending that they are raised from seemingly legal activities so that the said cash sum shall be freely used or put into circulation in a short span of time.

As it should be known, the Anti-money Laundering Law was published on 19.11.1996 for the prevention of money laundering activities and afterwards the Financial Crimes Investigation Board published a Regulation on 2.7.1997 which governs the enforcement of the said law, followed by four separate Communiqués which shed light to the implementations defined in the Regulation.

On 18.10.2006, the Prevention of Laundering Proceeds of Crime Law no 5549 was published and enacted.

The afore-mentioned legislation shows parallelism to the regulations published by FATF (Financial Action Task Force) operating under OECD.

The Law no 5549 defines the laundering crime as an offence defined in Article 282 of Turkish Commercial Code, whereby in general terms:

- Assets or properties
- Raised by committing all offences that require, as a bottom line, one year or longer imprisonment
 - which are taken abroad
 - origins of which are disguised;
 - which create the illusion to be of a legitimate origin
 - which are treated in various processes

Are made legitimate.

Customer Identification

In commercial relations to be established with customs who are to be served either with or without an account, it is mandatory for our employees to heed to the following issues in order to prevent the financing of terrorism acts and to launder proceeds of crime.

- To make customer identification in accordance with the procedures defined herein and to keep and retain copies of identification documents obtained from the customer for a minimum term of ten years;
- To get a full-fledged knowledge about the customer prior to the transaction;
- To check the consistency of documents and information available about the customer;
- To ensure that branch management gets to know those sources from which the funds are raised or obtained and to inquire into the revenue-raising business line;

Oyak Bank A.Ş.
Head Office



- To evaluate the business profile and transaction schedule of the customer;
- Other buyers and sellers with whom the customer is in trade relation shall be potentially identified.
- To ensure that no account relation with a finance institution which is known as a shell bank,
- To ensure that customer names are not listed in OFAC SDN data.

Regular Reporting to Financial Crimes Investigation Board

A communiqué enacted by the Financial Crimes Investigation Board (MASAK) makes it obligatory that a Compliance Officer shall be appointed to the obliged banks with reference to the laws no 4208 and 5549 for the prevention of the laundering of proceeds of crime as well as the legislation for the enforcement of the said laws.

Following this task, an Compliance Officer has been assigned with the task to report the conclusion derived from inspection and internal audit works in his organization on a yearly basis and the results of total personnel and training hour studies completed in the past year for the prevention of the laundering of proceeds of crime.

In this frame, reports generated following the works in the past year in terms of the relevant General Directorate units shall be consolidated by the Compliance Officer and shall be sent to the address of MASAK Ankara by March 15th of each year.

Risky Business Lines

Following business lines are considered to be risky business lines, and for the purposes of banking services to be provided to those operating in these lines, customer transaction requests as well as account movements should be taken under close monitoring and the personnel must have full knowledge over the contents of the transactions.

- Foreign exchange kiosks
- Precious stone and mineral traders
- Transactions committed by the residents of risky geographical territories and areas (non-cooperating countries and regions)
- Travelling agencies, passenger and cargo carriers
- Casino operators
- Luxury car dealers
- Antique dealers
- Art galleries
- Carpet sellers
- Large real estate agents and their agencies
- Leather item manufacturers and their traders
- Auto spare part manufacturers and sellers
- Cash-intense business lines (restaurants, car parking operators, toy and stationery sellers, lottery dealers, newspaper dealers, service stations etc)
- Factoring companies



Transactions requiring customer identification

- Safe deposit box services
- Any and all purchases and sales
- Money transfers
- Payments
- Custody
- Settlement
- Clearing
- Borrowing
- Mending
- Debt transfer
- Debt assignment
- Rental
- Hire-out
- Insuring
- Opening deposit accounts
- Withdrawal funds from the account
- Depositing funds to the account
- Accounting closure
- Collection of checks and notes
- Repurchasing Agreement and capital market transactions
- Capital market transactions
- Similar transactions

Transactions subject to monetary limit

Customer identification shall be duly performed where the value of any buy and sell, money transfer, payment, custody, clearing, settlement, borrowing, lending, debt transfer, debt assignment, hiring, rent-out, deposit, profit-loss sharing or withdrawal from or deposit to current accounts, check and note collections as well as capital market transactions or similar transactions exceeds YTL 12.000 (or its equivalent in any other currency).

Transactions subject to no monetary limit

As for safe deposit box, insurance, financial leasing, repurchasing agreement services and for opening deposit accounts or similar account openings to be offered to our customers, customer identification without being subject to any monetary limit shall be made in accordance with those procedures and rules defined herein (with reference to the legislation for the prevention of laundering)



Procedures for customer identification

Pursuant to the Communiqué no 1 of the Financial Crime Investigation Board published on the Official Gazette on 31.12.1997 under the issue number 23217:

As a general rule, it is strictly required that a photocopy should be taken; unless there are very compelling reasons, the information of the identity card should not be recorded.

Moreover, the address declared by the natural person who is undergoing customer identification process shall be fully recorded on the form. At this stage, no other document verifying the address shall be required from the customer.

Photocopies of documents used in the customer identification shall be retained and kept for a term of 10 years starting from the beginning of the calendar year following the date of the most recent transaction.

Customer identification of a real or legal person means the collection of a clear photocopy of his/ its identity cards. For this reason, when a person is said to undergo customer identification, what must be understood is this.

Suspicious Transactions

Suspicious transaction is defined as the case that there is a suspicion or a suspicious situation in which money or convertible assets used in transactions carried out or attempted to be carried out within the obliged parties mentioned above or through them stem from illegal activities (banks, branches and representative offices) are raised.

Financial Crimes Investigation Board defined 21 different suspicious transactions which are based on the same essences stated by the FATF.

A branch employee may treat those transactions with following characteristics as suspicious ones:

- A transaction that does not seemingly pursue a legal and/ or economic objective;
- There is an incongruity between the transaction sum and the customer's revenues or his business line in which he is active;
- An unwilling attitude to giving information and producing documentation;
- Providing misleading information;
- The customer operates in risky business lines and risky geographical territories and makes transfers involving large volumes;
- Application for borrowing of loan backs, the purpose of which is not economical where the customer fails to state the application of the loan.

For other circumstances, our Compliance Officer should be directly reported in order to ensure that he makes the right decision and based on the instructions received, it may be decided that:

- The business relation established with the customer should be maintained; or
- The business relation established with the customer may be maintained under close surveillance;

Oyak Bank A.Ş.
Head Office



- The customer accounts may be closed, and the established relation should be terminated.

Compliance Officer

It is mandatory under the Communiqué no 4 by MASAK as published on 10.11.2002 under no 24932 that a Compliance Officer must be appointed to banks.

Subject to the Communiqué no 4, the liability for both the evaluation and reporting of the suspicious transaction subject to the available documentation, information and applicable legislation is entrusted to the Compliance Officer.

Mr. Nusret SANCI, the Branch Operations Group Manager (nsanci@oyakbank.com.tr) Phone number: +90 212 335 14 90) was appointed as the Compliance Officer.

Procedures by the Branch

It is obligatory that copies of documents and/or advice notes used for the customer identification purposes must be kept and retained for a term of ten years.

With reference to the legislation for the prevention of laundering proceeds of crime, in case of a suspicious transaction, the power and responsibility to report the said transaction is entrusted to the Compliance Officer posted in the Head Office.

As soon as a suspicious transaction is unearthed in a branch, the Compliance Officer must be instantly contacted and all available data and documentation at hand should be delivered to him by the shortest cut.

Reporting Suspicious Transaction

Where, considering the content of the performed transaction, the previous relations and operations of the customer with our Bank, the customer's business line, the sum of the transaction and other criteria, the Branch considers a transaction as a suspicious one, our Compliance Officer shall be informed and a Suspicious Transaction Reporting Form shall be completed, which shall be signed by the person authorized to conclude and close the transaction and the person that performed the transaction. This form shall be faxed directly together with other documents.