

REGARDING THE INDIVIDUAL CUSTOMER ARBITRATION COMMITTEE OF THE UNION OF PAYMENT AND ELECTRONIC MONEY INSTITUTIONS OF TURKEY

REGULATION ON PRINCIPLES AND PROCEDURES

Purpose and scope

ARTICLE 1 - (1) The purpose of this Regulation is to regulate the procedures and principles regarding the formation, powers, duties and responsibilities of the Individual Customer Arbitration Committee of the Association of Payment and Electronic Money Institutions of Turkey, and the procedures and principles regarding the application to the Individual Customer Arbitration Committee in order to ensure that the disputes between the members of the Association of Payment and Electronic Money Institutions of Turkey and their individual customers are evaluated and resolved, without prejudice to the provisions of the Law on the Protection of Consumers dated 7/11/2013 and numbered 6502 and the application rights granted by other laws.

Basis

ARTICLE 2 - (1) This Regulation has been prepared based on the provisions of subparagraph (ğ) of the second paragraph of Article 1 of the Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions dated 20/6/2013 and numbered 6493, subparagraph (ğ) of the first paragraph of Article 6 and subparagraph (g) of the first paragraph of Article 18 of the Statute of the Association of Payment and Electronic Money Institutions of Turkey, which entered into force with the Presidential Decree numbered 2678 published in the Official Gazette dated 28/06/2020 and numbered 31169.

Definitions

ARTICLE 3 - (1) In this Regulation;

- a) Bank The Central Bank of the Republic of Turkey,
- b) Retail Customer: Natural persons benefiting from the services of payment institutions and electronic money institutions,
- c) Union The Association of Payment and Electronic Money Institutions of Turkey,
- d) Disciplinary Regulation: Disciplinary Regulation of the Association of Payment and Electronic Money Institutions of Turkey,
- e) Electronic money institution: A legal entity authorized to issue electronic money under the Law,
- f) Panel Individual Customer Arbitration Committee of the Association of Payment and Electronic Money Institutions of Turkey,
- g) Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions dated 20/6/2013 and numbered 6493,

- h) Institution: Payment institutions and electronic money institutions that are members of the Association,
- i) Payment institution: A legal entity authorized under the Law to provide and perform payment services,
- j) PTT: Post and Telegraph Organization Joint Stock Company,
- k) Statute: The Statute of the Association of Payment and Electronic Money Institutions of Turkey published in the Official Gazette dated 28/06/2020 and numbered 31169,
- l) Panel Member: Real persons appointed by the Members among their staff or contracted legal advisors and lawyers to participate in the delegation,
- m) Member: The electronic money institution, payment institution and PTT if it applies to become a member of the Association means.

Composition of the delegation

ARTICLE 4 - (1) The Panel shall be established by the Board of Directors of the Association to serve within the Association. Secretariat services of the Committee shall be fulfilled by the Association. If deemed necessary by the Board of Directors of the Association, more than one Committee may be established.

(2) The Committee shall consist of five Committee Members appointed by the Board of Directors of the Association among the candidates nominated by the Members, provided that there is one electronic money institution and one payment institution among them. Members of the Committee must have at least a bachelor's degree in law, economics, finance, banking, business administration, public administration, engineering and at least 5 years of experience in banking, finance or payments.

(3) Within the period of time to be determined by the board of directors of the Association, the Members shall submit to the Association the names of the candidates who fulfil the professional experience and education requirements specified in the second paragraph for the formation of the Panel. The Board of Directors of the Association shall elect five full and three substitute Panel Members from among the persons nominated as candidates. The Members of the Panel shall submit the information and documents to be requested by the Association to the Association within the period determined by the board of directors of the Association. Pursuant to this paragraph, at most one candidate of a Member may be elected as a Member of the Panel. The Panel shall elect a chairman from among itself.

(4) In the event that more than one Panel is established, the Board of Directors of the Association may designate the Chairman of a Panel as a coordinator for the sole purpose of ensuring coordination between the Panels and assisting in procedural procedures. At least one of the members of each Panel must have a bachelor's degree in law. Members of the Panel may serve in more than one Panel as a full or substitute member.

Duration and termination of committee membership

ARTICLE 5 - (1) The principal and substitute term office of the Members of the Board is two years.

The Committee Member whose term expires may be re-elected to the same position.

(2) In the event of inability to work due to a serious illness or disease, death, being placed under guardianship, resignation, or in the event that the Committee Member starts to work in a field other than the field of remuneration, the business relationship with the Member is terminated, the matters that may affect the impartiality and/or independence as stipulated in the second paragraph of Article 12 are not notified to the Association, or in the event of one of the following situations: failure to attend a total of two meetings in a calendar year without an excuse, the duty of the Committee Members shall be terminated. The Board of Directors of the Association shall evaluate whether the members of the Panel will continue their duties depending on their excuses. In accordance with this paragraph, a substitute member shall be appointed by the decision of the Board of Directors of the Association in place of the Committee Member whose duty is terminated or whose duty is changed and who cannot continue his/her duty in the Committee. The newly appointed Panel Member shall serve for the remaining term of the Panel Member he/she replaced. In the event that the Panel Member whose relationship with the Member is terminated takes office in another Member, the continuation of the Panel Membership duty shall be evaluated by the Board of Directors.

(3) In the event that it is not possible to make an appointment from among the substitute members pursuant to the second paragraph, the Board of Directors of the Association shall make an appointment from among the candidates previously submitted by the Members within the framework of the procedures and principles specified in Article 4, in place of the Member of the Panel whose duty has been terminated or whose duty has been changed and who cannot continue his/her duty in the Panel. In the event that it is not possible to make an appointment within this framework, the Members shall be requested to submit new candidates who have the qualifications specified in Article 4 to the Association and an appointment shall be made by the Board of Directors of the Association from among the new candidates submitted. The newly appointed Board Member pursuant to this paragraph shall serve for the remaining term of the Board Member he/she replaces.

Fees and expenses

ARTICLE 6 - (1) Members of the Committee may be paid a fee for their duties within the framework of the principles and procedures to be determined by the Board of Directors of the Association. Expenses to be required for the activities of the Committee shall be met from the annual budget of the Association.

(2) With the decision of the Board of Directors of the Association regarding the expenses and fees to be covered from the budget of the Association, a participation fee may be collected from the members' party to the dispute. The participation fee to be collected from the members shall be determined for each member according to the number of applications realized in the previous calendar year and referred to the Panel for resolution.

Scope of the applications to be submitted to the committee

ARTICLE 7- (1) The Panel shall examine all applications concerning the Members other than those mentioned below. The applications specified below shall be rejected by the secretariat without being included in the agenda of the Panel by the Association:

a) Applications submitted to the Association without applying to the Member related to the dispute within two years at the latest from the date of the transaction or action subject to the application, and applications that have not reached the Association to be forwarded to the Panel within the framework of the procedures and principles specified in the first paragraph of Article 10, although the relevant Member has been applied to within the said period.

b) Applications that have been referred to the judiciary or Consumer Arbitration Committees before or after the application to the Union.

c) Those arising from transactions related to commercial activities that are not of an individual nature and applications made by legal entities.

d) Applications about the personnel of the organizations or applications of a general nature about the products and services they offer.

e) Applications concerning decisions taken by an organization that has been declared bankrupt or liquidated.

f) Applications for transactions that have not yet taken place.

g) Except for those rejected procedurally, those that have been subject to a court or Consumer Arbitration Committee decision that has been previously examined by the Committee and decided on the merits or finalized.

h) Applications that have been resolved between the applicant and the members, without prejudice to the applicant's right of appeal.

i) Applications other than payment service and electronic money issuance activities.

j) Claim matters within the jurisdiction of the judicial jurisdiction. ı) Acts prescribed as offences by law.

k) Matters on which a written agreement has been reached between the applicant and the

member of the Association and transactions that have been released in writing.

(1) Applications that do not specify concretely and clearly what the transaction and request subject to the dispute is in the application form.

(2) For the applications that are not included in the agenda of the committee, the applicant shall be notified by e-mail within thirty days from the date of registration of the application.

(3) After the submission to the Committee, the duty of the Committee regarding the applications referred to the judiciary or the Consumer Arbitration Committees shall be terminated. The applications referred to the judiciary or Consumer Arbitration Committees shall be notified to the Panel by the applicant or the relevant Member.

(4) Duplicate applications to be made by the applicant on the same dispute subject shall not be taken into consideration by the Panel.

Application to the member

ARTICLE 8 - (1) Before applying to the Panel, the applicant must have made an application to the relevant Association Member regarding the dispute within two years at the latest as of the date of the transaction or action subject to the dispute. The relevant dispute application must have been submitted to the relevant Member in writing, via the Member's website, customer complaint line or electronic mail.

(2) Members are obliged to establish the relevant systems to enable their customers to submit dispute applications.

(3) The member must notify the applicant of the receipt of the application via the system through which the dispute application is made.

Actions to be taken by the member

ARTICLE 9 - (1) Starting from the date of receipt of the application, the Member shall finalize the application within the period stipulated in the first paragraph of Article 74 titled "Complaints and Objections" of the Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers. In case no response is given within the said period, the application shall be deemed rejected.

(2) In the case of a negative reply, the applicant shall be informed that he has the right to submit his application to the Panel within sixty days following the date of the Organization's reply. The text to be used in this notification by the Member shall be determined by the Association.

(3) The Member is obliged to include the brochure prepared by the Association, the application form announced on the Association's website and information on the Union Individual Customer Arbitration Panel in order to inform the customers about the duties and powers of the Panel and its working procedures and principles on its website.

Application to the committee

ARTICLE 10 - (1) The applicant may apply to the Panel through the website of the Association by filling in the application form created by the Association within sixty days following the date of the response or the expiry of the period within which the response should be given if the response is not given by the Member in due time.

(2) In the application form, the clear identity of the applicant, his/her Turkish ID number in case he/she is a Turkish citizen, his/her e-mail address, the Union Member about whom the notification is made, the subject of the dispute, the material facts, the legal grounds if known, and the date of application shall be specified, and the relevant proving evidence and information and documents shall be attached to the application form. In the application form, it is obligatory to state concretely and clearly what the transaction and the request is, and the Union shall take action in accordance with subparagraph (j) of the first paragraph of Article 7 for the applications that do not include this issue.

(3) Applications to the Panel are free of charge. However, in cases where it is determined that the application is made by abusing the right to apply, the Association reserves the right to sue and claim for the collection of the expenses incurred for dispute resolution from the applicant.

Evaluation of the application

ARTICLE 11 - (1) With respect to the duly filed applications, the relevant Member shall be requested by the Association within thirty days following the date of registration of the application to convey its opinions on the subject matter and the necessary information and documents. The information and documents requested by the Member concerned must be submitted to the Association within thirty days following the delivery of the request to the Member by the Association. Upon the written request of the Member to the Association, this period may be extended for ten days for one time only.

(2) In the event that the Member submits to the Association a reply stating that the application has been resolved together with all relevant information and documents, the Association shall inform the applicant via the e-mail address specified in the application form that the application in question has not been included in the agenda of the Panel within thirty days following the receipt of the Member's reply. If the applicant has an objection regarding the non-inclusion of the application on the agenda, he/she must notify the Association of his/her objection by replying to this e-mail within thirty days from the date of receipt of the electronic mail of the Association on the subject.

(3) The objection made under the second paragraph shall be evaluated by the Association without prejudice to the provisions of Article 7 of this Regulation. If the application is placed on the agenda, the ninety-day period referred to in the first paragraph of Article 18 of this Regulation shall commence on the date of receipt of the applicant's objection.

(4) The Panel shall be informed about the information and documents submitted by the Member after the deadlines specified in the first paragraph of this Article. The Panel shall determine whether the information and documents submitted outside the deadline shall be taken into consideration or not.

(5) During the evaluation of the applications, the Panel may request additional evidence, information and documents by giving time to the parties by making an interim decision. An interim decision of the Panel shall suspend the ninety-day period.

(6) The Panel may, upon the request of the parties to the dispute or ex officio, invite those concerned to be heard separately physically or by using remote communication facilities. The results of the meeting shall be recorded in minutes and signed by the members of the Panel. The hearing of those who do not comply with the invitation without a justified reason shall be cancelled.

Meeting of the committee and quorum

ARTICLE 12- (1) The agenda of the meeting shall be determined by the Association on the basis of the application dates and notified to the Members of the Delegation via electronic mail at least seven days before the meeting.

(2) The Panel convenes with the presence of at least three Panel Members and taking into account the workload of the applications. One legal expert Panel Member must be present at the meetings of the Panel. Decisions are taken by majority of votes. Members of the Panel may not abstain from voting. Members of the Panel may not take part in the discussion and decision-making of applications related to themselves, their spouses and blood relatives and in-laws up to third degree (including third degree) or related to the Member to which they belong. In the event that it is understood that the quorum of the meeting cannot be met due to the existence of circumstances preventing them from taking part in the meetings of the Panel within the scope of this paragraph, or in the event that the legal expert Panel Member is unable to attend the meetings, one of the substitute Panel Members shall attend the meeting.

(3) It is essential for the Committee Members to be present at all meetings. The excused members of the Panel shall notify the Association in writing of their excuses at least three business days prior to the meeting date, provided that the matter giving rise to the excuse is known in advance. In this case, if it is understood that the quorum of the meeting will not be met or if the excuse notification mentioned in this paragraph belongs to the legal expert Board Member, one of the substitute Board Members shall be invited to the meeting by the Association.

Discussion and voting

ARTICLE 13 - (1) Applications are discussed in order of date. The chairman of the committee gives the floor to those who want to speak during the discussion of the application in an order. After the discussions are completed, the agenda item is put to vote. Voting is done by open ballot. An application that has been discussed and resolved by the committee cannot be voted on again.

Panel decisions

ARTICLE 14 - (1) The decisions of the Committee shall be signed by the Committee Members attending the meeting. The Committee Members shall sign the decisions they dissent from by stating their reasons.

Matters to be included in the decisions

ARTICLE 15 - (1) The following matters must be included in the decisions:

- a) Date and number of the decision.
- b) The names, surnames and signatures of the members of the Committee who rendered the decision.
- c) The names, titles and e-mail addresses of the parties and the applicant's Turkish ID number.
- d) Summary of the application and defense.
- e) Summary of technical and legal issues analyzed and discussed.
- f) Evaluation of all evidence and explanations put forward.
- g) Justification and basis for the decision.
- h) Reasons for dissenting votes, if any.
- i) For applications whose outcome and subject matter can be measured in money, the amount subject to the decision.

Settlement and waiver of dispute

ARTICLE 16 - (1) The applicant may partially or completely abandon his request at any stage of the examination.

(2) After the dispute has been referred to the Panel, the parties may at any time reach an agreement by way of settlement.

(3) In the event of a settlement, the Member is obliged to notify the Association immediately.

(4) In the event that the application is withdrawn or a settlement is reached, the Panel decides to remove the file from the process by clearly stating these reasons in its decision.

(5) The decision of the Committee to remove the file from the process shall be notified to the Member and the applicant within 30 days from the date of the decision within the framework of the procedures and principles in the first paragraph of Article 18.

(6) No reapplication can be made to the Panel regarding the dispute subject to the file that has been cancelled due to the reasons specified in the first and second paragraphs of this Article.

Decision of Non-Jurisdiction

ARTICLE 17 - (1) It is obligatory to notify the Association of the applications that have been referred to the judiciary or the Consumer Arbitration Committees together with the documents certifying this situation within three business days from the date of learning of this situation by the applicant or the Member.

(2) The Panel decides to dismiss the applications that have been submitted to the judiciary or Consumer Arbitration Committees until the material and moral compensation claims and the decision of the Panel on the relevant dispute, and the duty of the Panel is terminated.

(3) The decision on lack of jurisdiction rendered pursuant to the second paragraph shall be notified to the Member and the applicant within thirty days from the date of the decision within the framework of the procedures and principles set forth in the first paragraph of Article 18.

Finalization of the application and notification of the decisions to those concerned and their effects **ARTICLE 18-** (1) The matter in dispute between the Member and the applicant by the Panel

The application shall be examined and concluded with justification within ninety days at the latest from the date of registration of the application and the decision shall be notified by the Association to the relevant Member and the applicant via electronic mail within thirty days from the date of the decision, without specifying the clear identities of the Members of the Panel.

(2) The Panel may decide on each application made by the same person in relation to more than one type of transaction by treating each application as a single application.

3) The decisions of the Panel regarding disputes up to an amount of ten thousand Turkish Liras per transaction shall be deemed as the decision of the Association for the Member and shall be implemented by the Members with open judicial remedy. Within thirty days following the receipt of the decision, the Member shall fulfil the requirements of the decision, inform the applicant and inform the Association in writing about each transaction. Without prejudice to the decisions rendered by the judicial authorities, the mere application for judicial remedy shall not prevent the implementation of the decision by the Member. The applicant, the Panel

Within thirty days following the expiry of the thirty-day period following the date of receipt of the notification made by the Association regarding the decision, the Member may apply to the Association about the non-implementation of the decision by replying to the electronic mail message in which the decision was transmitted by the Association. The process to be carried out upon the applications regarding the non-implementation of the decisions of the Panel regarding the

disputes up to the amount specified in this paragraph by the Members shall be carried out within the framework of the provisions of the Disciplinary Regulation.

(4) In the notification of the decisions of the Panel regarding the disputes above the upper limit specified in the third paragraph of this Article to the applicants and the relevant Members, it shall be informed that the Association does not have the authority to sanction the Members in case of failure to fulfil the decisions of the Panel in question, but that the parties may apply for judicial remedy.

(5) The upper limit specified in the third paragraph of this Article shall be increased every year in January by the revaluation rate announced. Penny digit shall not be taken into account in the calculation of these increases.

Keeping the decisions of the committee and the documents subject to the application

ARTICLE 19 - (1) The decisions of the committee and the documents subject to application shall be kept by the Association for three years.

(2) The Bank may make assessments on the decisions of the Panel if it deems necessary and is authorized to request the replacement of the Panel Members if it is determined that the decisions taken by the Panel are clearly contrary to the relevant legislation, particularly the Law and the relevant secondary regulations, with exceptions.

Information

ARTICLE 20- (1) The Association shall publish the necessary announcements, information on the functioning of the Panel and the conditions for application to the Panel on its website in order to inform the sector and the public in relation to disputes.

(2) Statistical information on the disputes referred to the Panel and resolved, exemplary cases and the decisions taken on these cases may be anonymized and published on the website of the Association.

(3) Publications to be made by the Association to the public may under no circumstances include the identities of the parties, their legal representatives and Panel Members or information specific to dispute resolution.

Annual activity report

ARTICLE 21 - (1) The members shall submit the total number of individual applications and the number of resolved applications to the Association in a manner to be determined by the Association until the end of September for the first six months of the calendar year and until the end of March for the year-end. The Association shall submit the annual activity report of the Panel, including this information and statistical information on the applications referred to the Panel and resolved, to the Bank by the end of May of each year at the latest and publish it on its website.

(2) The information required to be transmitted to the Association by the Members pursuant to the first paragraph shall be transmitted through this system in case a system is established by the Association.

Member and customer confidentiality

ARTICLE 22 - (1) The Members of the Panel and the employees and members of the Association shall not disclose to third parties the secrets of the Members and customers which they have learnt due to their title and duties. This obligation shall continue indefinitely after the relevant persons leave their duties in the Panel and the Association. Legal action shall be taken against those who disclose the secrets of members and customers in accordance with the provisions of the relevant legislation.

Sanction

ARTICLE 23 - (1) In the event that the decisions of the Board up to the amount specified in the third paragraph of Article 18 are not implemented by the Members, the Members alleged to have acted in breach of this Regulation shall be dealt with under the Disciplinary Regulation.

(2) The provisions of the Disciplinary Regulation shall apply to the Members who are alleged to have acted contrary to this Regulation.

Enforcement

ARTICLE 24 - (1) This Bylaw enters into force 6 months after its approval by the General Assembly of the Union.

Execution

ARTICLE 25 - (1) The provisions of this By-Law shall be executed by the President of the Association.

*This Regulation was approved by the General Assembly Resolution dated 24.05.2021 and entered into force on 24.11.2021 following the approval of the Central Bank of the Republic of Turkey dated 16.09.2021. The amendments approved by the General Assembly Resolution dated 17.05.2022 entered into force on 14.12.2022 following the approval of the Central Bank of the Republic of Turkey dated 14.11.2022 and adopted by the Board of Directors resolution dated 14.12.2022