

MEMORANDUM OF UNDERSTANDING

Between

Banking Regulation and Supervision Agency of Turkey

and

National Bank of Belgium

MEMORANDUM OF UNDERSTANDING

SECTION I INTRODUCTION

The supervisory authorities of Turkey and Belgium have reached the following understanding in order to establish an arrangement for the sharing of supervisory information to facilitate the performance of their respective duties and to promote the safe and sound functioning of financial institutions in their respective countries.

The supervisors of Turkey and Belgium express, through this understanding, their willingness to cooperate with each other on the basis of mutual trust and understanding in the supervision of cross-border establishments within their respective jurisdictions. The supervisors in Turkey and Belgium will use their best endeavors to cooperate in routine supervisory procedures, and to notify and provide to each other relevant information in a prompt and timely manner regarding any material supervisory concerns in respect of a cross-border establishment.

The Memorandum of Understanding hereby signed between two Authorities does not have the feature of an international agreement which binds the states of parties in terms of international law. None of the provisions under this Memorandum shall be interpreted or applied in a way to bear any legal right or obligation for the states of the parties.

SECTION II DEFINITIONS

For the purposes of this Memorandum of Understanding,

1. "Supervisor of Turkey" and "relevant authority" refer to Banking Regulation and Supervision Agency of Turkey (BRSA) and Banking Regulation and Supervision Board as its decision making body.
2. "Supervisor of Belgium " and "relevant authority" refer to National Bank of Belgium (NBB),
3. "Financial institution" is not restricted to banks, but may include other financial institutions, all of which are the institutions and persons regulated and supervised by the supervisory authorities which undersign this agreement.
4. "Cross-border establishment" is defined to include a branch, a representative office, a subsidiary or any other entity within their respective jurisdictions which gives rise to the need for consolidated supervision,
- 5 "Jurisdiction" means the country, state or other territory, as the case may be, in which a supervisor has legal authority, power and/or jurisdiction by law.

6. "Host Country Supervisor" is the responsible supervisory authority of the country where a Cross-border establishment is established.
7. "Home Country Supervisor" is the responsible supervisory authority of the country where the head office or the parent company of a Cross-border establishment is established.
8. "Requested authority" is the supervisory authority from which assistance is requested.
9. "Requesting authority" is the supervisory authority, which initiates a request for assistance.

SECTION III SHARING OF INFORMATION

1. The Relevant Authorities in Turkey and Belgium recognize that information should be shared in order to facilitate effective consolidated supervision of Financial Institutions operating across their national borders.
2. Information-sharing shall include contact during the authorization and licensing process, in the supervision of the on-going activities of such Cross-border establishment, in the setting up of further branches, when there is a change in ownership that is subject to the permission of the Relevant Authority and in case of revocation of a license.
3. In connection with the authorization and licensing process,
 - (a) The Host Country Supervisor shall notify the Home Country Supervisor, without delay, of applications for approval to establish Cross-border establishments in the host Jurisdiction;
 - (b) Upon request, the Home Country Supervisor shall inform the Host Country Supervisor whether the applicant Financial Institution is in substantial compliance with home country banking laws and regulations and whether the Financial Institution may be expected, given its administrative structure and internal controls, to manage the Cross-border establishment in an orderly manner;
 - (c) The Home Country Supervisor shall inform the Host Country Supervisor about the nature of its regulatory and supervisory system and the extent to which it will conduct consolidated supervision over the applicant Financial Institution. Similarly, the Host Country Supervisor shall indicate the scope of its supervision and indicate any specific features that might give rise to the need for special arrangements;
 - (d) To the extent reasonable and permitted by law, the Home and Host Country Supervisors will share information on the fitness and properness of the prospective directors, managers and relevant shareholders of a Cross-border establishment.
4. In connection with the ongoing supervision of their Cross-border establishments, the two supervisors undertake to use their best endeavors to:
 - (a) Provide relevant information to their counterpart regarding material developments or supervisory concerns in respect of the operations of Cross-border establishments;

- (b) Respond to requests for information on their respective national regulatory systems and inform each other about major changes, in particular those, which have a significant bearing on the activities of Cross-border establishments;
 - (c) Inform their counterpart about any event which has the potential to endanger the stability of the Cross-border establishments;
 - (d) Inform their counterpart of material administrative penalties imposed, or other formal enforcement action taken against a Cross-border establishment; and
 - (e) Facilitate the transmission of other relevant information that might be required to assist with the supervisory process.
5. In cases of the opening of further branches or a change in the ownership structure that is subject to the permission of the Relevant Authority, the two supervisors shall notify each other.
6. In cases of revocation of the license and operating permission or voluntary liquidation of a Financial Institution or intervention to a Financial Institution that has branches and undertakings abroad, the two supervisors shall promptly notify each other and provide reasons behind such action.

SECTION IV ON-SITE INSPECTIONS

1. The supervisors of Turkey and Belgium agree that co-operation is particularly useful in assisting each other in carrying out on-site inspections of Cross-border establishments in the host country. Therefore, the Host Country Supervisor will allow the Home Country Supervisor to conduct on-site inspections in its territory.
2. The Home Country Supervisor will notify the Host Country Supervisor of the plans and scheduled period of the inspection or examination of a Cross-border establishment and will indicate the purposes, scope and expected duration of the visit and also the names of examiners.
3. All examinations or inspections to be carried out in the host country by the Home Country Supervisor may be accompanied by the Host Country Supervisor.
4. Following an inspection, the supervisory authorities may exchange views on their findings. On finalizing an inspection report, the Home Country Supervisor upon request will provide the Host Country Supervisor with an executive summary of the report.

SECTION V

REQUESTS FOR INFORMATION AND INSPECTIONS

1. Upon receipt of a written request, the requested supervisor shall use its best endeavors to provide the requested information or process the request for on site inspections regarding the Cross-border establishments of a Financial Institution incorporated in the requesting supervisor's country.
2. Requested information normally would not include customer account information unless this is of particular relevance to the supervisory concern prompting the request and if this is the case, such customer account information shall be collected and, to the extent permitted by law, provided by the requested supervisor itself.
3. Requests for information shall be made in writing. However, where the supervisory authorities perceive a need for expedited action, requests may be initiated in any form but should be confirmed within 10 working days subsequently in writing.
4. Where one authority has information that will assist the other authority in the performance of its regulatory and supervisory functions, the former may provide such information, or arrange for it to be provided, on a voluntary basis even though the other authority has made no request.

SECTION VI

PROTECTION OF INFORMATION

1. Information should be shared to the extent reasonable and subject to relevant statutory provisions, including those restricting disclosure.
2. Any confidential information received from the other supervisor will be used exclusively for lawful supervisory purposes.
3. To the extent permitted by law, each supervisor shall hold confidential all information obtained and documents received from the other party. In this regard, employees of both supervisory authorities are generally bound to hold confidential all information obtained in the course of their duties.
4. Subject to the provisions of paragraphs 1-3 above, with regard to (not legally compelling) requests from third parties for confidential information provided pursuant to this Memorandum, the party receiving such requests shall, as soon as feasible prior to releasing such information, notify the providing party and solicit the providing party's previous consent for releasing such information to the third party, and shall cooperate in seeking to preserve the confidentiality of such information.
5. All documents provided pursuant to this Memorandum shall remain the property of the Authority providing such information. Subject to the provisions of paragraphs 1-4 above, if the BRSA or the NBB is legally compelled to disclose any confidential information provided pursuant to this Memorandum, the BRSA or the NBB, as the case may be, will promptly notify the Authority that originated the information and will co-operate in seeking to preserve the confidentiality of such

SECTION VII ONGOING COORDINATION

1. The supervisors in Turkey and Belgium may promote their co-operation through visits for information purposes and by exchanges of staff.
2. In addition, the supervisory authorities in the two countries would pursue staff training programs that would incorporate input and support from both their supervisors and would reinforce sound supervisory practices in both countries.
3. The supervisors of Turkey and Belgium would conduct meetings as often as appropriate to discuss issues of supervisory concern.

SECTION VIII OTHER PROVISIONS

1. The arrangements outlined in this Memorandum are intended to enhance the existing working relationship, but they are not restrictive.
2. The supervisory authorities may make amendments to this Memorandum of Understanding by mutual agreement and by a written notice specifying the reasons behind such action.
3. If any of the authorities refuse to meet a request for information or to make onsite inspections, it shall notify the Requesting Authority, without undue delay, of the reasons behind such action.
4. If it appears that the Requested Authority will incur substantial costs in responding to a request for assistance under this Memorandum of Understanding, the authorities will establish a cost-sharing arrangement before responding to such a request.
5. The parties shall continue to honor the terms of this Memorandum of Understanding unless one of the parties request its termination. This Memorandum of Understanding will then stay in effect until the expiration of 30 days after either supervisory authority gives written notice to its counterpart indicating its intention to terminate this Memorandum of Understanding. However, the last and existing request for assistance made prior to such notification shall be honored by the authorities if possible under the conditions set forth under this Memorandum of Understanding.
6. In the event of termination of this Memorandum, information obtained under this Memorandum will continue to be treated confidentially.
7. Both supervisory authorities shall designate contact persons for carrying out the provisions of this Memorandum of Understanding. The Authorities shall exchange lists of contact persons with full contact details. The list will be updated on a regular basis or if the list is changed.
8. In the case that one of the parties merge with another authority or Agency or their competence is transferred to another Authority or Agency within their Jurisdiction, this Agreement shall be maintained with the same provisions, unless otherwise determined.

9. The Authorities will inform the public about the principles and procedures of the Memorandum of Understanding.

10. This Memorandum of Understanding is written both in English in duplicate, both text being equally authentic and each party obtaining a copy.

11. This Memorandum of Understanding comes into force as of 18/11 2011 when it is signed by both parties.

Republic of Turkey

Belgium

For the

For the

Banking Regulation and
Supervision Agency

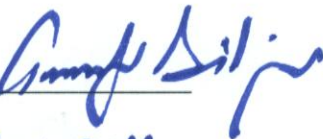
National Bank of Belgium

Tevfik BİLGİN
Chairman

Luc COENE
Governor

Signature

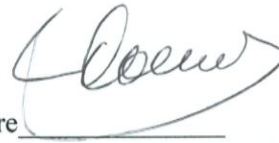
Date



18.11.2011

Signature

Date



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