

**THE REGULATION ON THE PRINCIPLES AND PROCEDURES REGARDING THE
ARBITRAL TRIBUNAL FOR PRIVATE CUSTOMER OF PAYMENT AND ELECTRONIC
MONEY INSTITUTIONS ASSOCIATION OF TURKEY**

Purpose and Scope

ARTICLE 1 - (1) Without prejudice to the provisions of the Law on the Protection of the Consumer numbered 6502 and dated 7/11/2013 and application rights set out under other laws, the purpose of this Regulation is to regulate the principles and procedures regarding the establishment of the Arbitral Tribunal for Private Customer of Payment and Electronic Money Institutions Association of Türkiye in order to ensure the evaluation of the settlement of disputes between members of Payment and Electronic Money Institutions Association of Republic of Turkey and private customers and such Tribunal's competence, jurisdiction and responsibility along with to regulate the procedures and principles regarding the application to the Arbitral Tribunal for Private Customer.

Legal Basis

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

Definitions

ARTICLE 3 –

(1) The terms in this Regulation shall have the meanings indicated below:

- a) Bank: means the Central Bank of the Republic of Turkey Joint Stock Company;
- b) Private Customer: means the real person who benefits from the services of payment institutions and electronic Money institutions;
- c) Association: means the Payment and Electronic Money Institutions Association of Republic of Turkey;
- ç) Disciplinary Regulation: The Disciplinary Regulation of Payment and Electronic Money Institutions Association of Türkiye;
- d) Electronic money institution: means the legal entity which has been granted authorization to issue electronic money under the Law;
- e) Tribunal: means Arbitral Tribunal for Private Customer of Payment and Electronic Money Institutions Association of Türkiye
- f) Law: means the Law on Payment and Securities Settlement Systems, Payment Services And Electronic Money Institutions dated 20/6/2013 and numbered 6493;
- g) Institution: means the member payment institutions and member electronic money institutions of the Association;
- ğ) Payment institution: means the legal person authorized pursuant to the Law to provide and execute payment services;
- h) PTT: means Organization on Post and Telegraph Joint Stock Company;
- i) Statute: means the Statute on Payment and Electronic Money Institutions Association which was published on Official Gazette dated 28/06/2021 and numbered 31169;
- ı) Tribunal Member: means the real person who is appointed by the members among from employed or contracted legal counsels and lawyers in order to join the Tribunal;
- j) Member: member of association means electronic money institution, payment institution and PTT in the event it has applied to become a member of Association

Establishment of the Tribunal

ARTICLE 4 - (1) Tribunal is established by the Board of Association in order to serve within the body of the Association. The secretariat services are conducted by the Association. If deemed necessary by the Board of Association more than one Tribunal may be established.

(2) The Tribunal consists of five Tribunal Members appointed by the Association's board of directors among the candidates nominated by the members; provided that there is an electronic money institution and a payment institution among them. The Tribunal Members must satisfy the requirements of having at least bachelor's degree in the fields of law, economy, finance, treasury, banking, business administration, public administration, engineering and having at least 5 years of experience in banking, finance, or payments.

(3) The Members convey to the Association the names of the candidates for the Tribunal Members who meet the professional experience and education requirements specified within the second paragraph for the establishment of the Tribunal within the time period to be determined by the Board of Association. The board of directors of the Association elects five permanent and three substitute Tribunal Members among the candidates nominated. The Tribunal Members convey 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. As per this paragraph, only one candidate of a member may be elected as a Tribunal Member, at most. The Tribunal Members elects the president among themselves.

(4) In the case that more than one Tribunal is established, the Board of Directors of the Association shall be entitled to appoint a Head of Tribunal as the coordinator for the sole purpose of ensuring coordination between the tribunals and assisting in procedural transactions. At least one of the Members of each Tribunal must have a bachelor's degree in law. The elected Tribunal Members may serve as permanent or substitute members in more than one Tribunal.

Term and expiration of Tribunal membership

ARTICLE 5 - (1) The term of service for the permanent and substitute Tribunal Members is two years. The Tribunal Member whose service term has expired may be re-elected for the same assignment.

(2) The Tribunal Member's service is terminated if one of these cases occur; incapacity to work, death, being placed under custody, resignation due to serious disease or disorder and the fact that the Tribunal Member starts working in a field outside the field of payments, termination of his/her business relationship with the Member, failure to notify the Association of matters that may affect its objectivity and/or independence as stipulated in the second paragraph of Article 12 or his/her failure to attend two meetings in one calendar year without any excuse. The board of the Association evaluates whether the Tribunal Members shall continue conducting their services or not depending on their excuses. The appointment is carried out among the substitute members by the decision of the board of Association instead of the Tribunal Member whose service is expired or changed according to this paragraph and who is not able to continue his/her services in the Tribunal. The newly appointed Tribunal Member serves for the remaining term of the Tribunal Member that he/she replaces. In the event that the Member of the Tribunal whose relationship with the member has ended, takes charge in another Member, the continuation of the duty of the Tribunal Member shall be evaluated by the Board of Directors.

(3) In the case that it is not possible to make an assignment among substitute members pursuant to the second paragraph, in lieu of the Tribunal Member whose duty has ended or changed and who is not able to continue his/her duty before the Tribunal, assignments shall be made by the Board of the Association among the candidates previously conveyed by the Members within the scope of the procedures and principles specified in Article 4. In the event that it is not possible to make an assignment

within this scope, new candidates with the qualifications specified in Article 4 shall requested from the Members to be conveyed to the Association, and an assignment shall made by the Board of Directors of the Association from among the conveyed new candidates. The newly appointed Tribunal Member pursuant to this paragraph shall serve for the remaining term of the Tribunal Member that he/she replaces.

Payment and expenses

ARTICLE 6 - (1) The Tribunal Members shall only be paid for such service within the framework of principles and procedures to be determined by the Board of Association. The expenses that are required for the activities of the Tribunal shall be paid from the annual budget of the Association.

(2) A contribution may be received from the members who are parties to the dispute with the decision of the Board of Association with respect to the payments and expenses to be paid from the Association's budget. The contribution to be received from the Members shall be determined for each member according to the application number that occurred in the previous calendar year and were submitted to the Tribunal for resolution.

The scope of the applications to be submitted to the Tribunal

ARTICLE 7- (1) The Tribunal evaluates all of the applications concerning Members except for those stipulated below. The following applications are rejected by the secretariat without being put on the agenda of the Tribunal by the Association:

a) The applications submitted to the Association without making an application to the Member regarding the dispute within two years at the latest as of the date of the transaction or action being the subject of the application and applications that did not reach to the Association to be forwarded to the Tribunal within the scope of the procedures and principles set forth in the first paragraph of Article 10, although the relevant Member was applied to within the aforementioned period.

b) The applications submitted to the jurisdiction or Consumer Arbitration Committees before or after the application to the Association.

c) The applications that are arising from transactions with respect to non-individual commercial activities and the applications filed by legal entities.

ç) The applications regarding the personnel of the Institutions or applications in general nature concerning the product and services that they were provided.

d) The applications about the decisions taken by an institution which has been decided to be gone bankrupt or liquidated

e) The applications concerning the transactions that have not executed yet.

f) Except those rejected due to procedural grounds, the applications that have been previously examined, decided on by the Tribunal on the merits, or were subject to a finalized court decision or decision of the Consumer Arbitration Committee.

g) The applications that have been settled between the applicant and the members, without prejudice to the applicant's right to object

ğ) The applications that are outside the scope of the activities regarding the payment service and electronic money exportation

h) The applications about the requests matters that are within the authority of jurisdiction.

ı) The applications about the actions that are set forth as crime under the laws.

i) Matters for which a written agreement has been reached between the applicant and the member of the Association, and transactions released in writing.

j) Applications which do not concretely and clearly include within the application form what the disputed transaction and request are.

(2) The applicant shall be informed through electronic mail regarding the applications that are not included in the Tribunal's agenda within thirty days from the date of registration of the application.

(3) After the application was conveyed to the Tribunal, the Tribunal's service regarding the applications which has been submitted to the court or the Consumer Arbitration Committees shall be terminated. The applications that have been submitted to the court or the Consumer Arbitration Committees are notified to the Tribunal by the applicant or relevant Member.

(4) Repeated applications to be made by the applicant on the same subject of dispute shall not be evaluated by the Tribunal.

Filing an application to the member

ARTICLE 8 - (1) Before applying to the Tribunal, the application regarding the dispute must be filed to the relevant member of the Association by the applicant within two years at the latest from the occurrence of the transaction and act, which are subject to the dispute. The relevant application for dispute is required to be conveyed to the relevant Member in writing through the Member's internet page, customer complaint line, or electronic mail.

(2) The Members must establish relevant systems in order to enable their customers to convey their applications for dispute.

(3) The Member should inform the applicant about the receipt of his/her application through the system that the application for dispute has been filed from.

The processes to be conducted by the Member

ARTICLE 9 - (1) The Member concludes the application within time period starting from the date of receipt of application until the time stipulated in the first paragraph of Article 74 with the title of "Complaints and Objections" of the Regulation on the Payment Services and Electronic Money Issuance and Payment Service Providers. If no response is provided within such time period, the application shall be deemed to be rejected.

(2) If a negative response has been provided, the applicant must be notified that he/she has right to convey his/her application to the Tribunal within sixty days following the date of the institution's response. The text to be used by the Member for such notification is determined by the Association.

(3) The Member must include on the website the brochure prepared by the Association, application form published on the Association's website and information regarding Arbitral Tribunal for Private Customer in order to inform customers with respect to Tribunal's jurisdiction and authority and its working principles and procedures.

Filing an application to the Tribunal

ARTICLE 10 - (1) In the event the response provided by the Member is not found sufficient by the applicant, the applicant may apply to the Tribunal by filling the form that is created by the Association through the website of the Association within sixty days following the date of the response or if the Member has not responded in due time, following the expiry of the time period when a response should have been given.

(2) In the application form following shall be indicated: the clear identity, Turkish Identity number -if the applicant is a Turkish citizen-, electronic mail address of the applicant, the Member of the Association whom the statement is made about, the subject of the dispute, material facts, legal reason, if known, and the date of application; and proving evidence, information and documents related to the matter shall be attached to the application form. In the application form, it is mandatory to state clearly and perceptibly what the process and the request are; and in terms of the applications that do not include

this issue, the Association shall take action in accordance with subparagraph (j) of the first paragraph of Article 7.

(3) Filing an application to the Tribunal is free of charge. However, if it is determined that the application rights are abused, the Association's right of action and right to claim regarding the collection of expenses from the applicant that is incurred for the dispute resolution are reserved.

Evaluation of the application

ARTICLE 11 - (1) With respect to the duly filed applications, the relevant Member is requested by the Association to submit his/her opinions on the subject matter and necessary information and documents within thirty days from the date of registration of the application. The information and documents must be submitted to the Association by the relevant member within thirty days after the request is delivered to the Member by the Association. Upon Member's written request to be submitted to the Association, such time period may be extended for ten days, for once.

(2) In the event the Association has been provided with the response and other relevant information and document concerning the resolution of the dispute by the Member, the applicant shall be informed by the Association through the electronic mail address mentioned on the application form with respect to the fact that the application was not put on the agenda of the Tribunal within thirty days following the receipt of Member's response. If the applicant has an objection regarding the fact that his/her application was not put on the agenda, it shall be required that the applicant should notify the Association concerning his/her objection in writing by replying to the mentioned electronic mail within thirty days after the delivery of the Association's electronic mail within this regard.

(3) Without prejudice to the provisions under article 7 of this Regulation, the objection made within the scope of the second paragraph shall be evaluated by the Association. In the event the application is put on the agenda, the ninety-day time limit stipulated in the first paragraph of article 18 of this Regulation shall commence on the date when the applicant's objection is received.

(4) The Tribunal is informed regarding the information and documents submitted by the Member after the time periods stipulated in the first paragraph of this article have passed. The Tribunal determines whether the information and documents that are submitted after their time-period shall be evaluated or not.

(5) During the evaluation of the application, the Tribunal may request for additional evidence, information, and document by providing time to the parties by way of granting an interim decision. The interim decision granted by the Tribunal suspends the ninety-day time limit.

(6) The Tribunal, upon the request of the parties to the dispute or in ex-officio, may invite the parties to listen to them individually, physically or by using remote communication means. The outcomes of the negotiations shall be recorded through the minutes and signed by the members of the Tribunal. Those who do not comply with the invitation without a justified reason shall not be listened to.

Meeting of the Tribunal and quorum

ARTICLE 12- (1) The agenda of the meeting is determined by the Association based on the dates of application and is notified to the Tribunal Members through electronic mail at least seven days before the meeting.

(2) The Tribunal gathers with the presence of at least three Tribunal Member and by considering the workload of the filed applications. It is mandatory to have one Tribunal Member who has degree in law during the meetings of the Tribunal. The decisions are taken by majority of votes. The Tribunal Members are not allowed to abstain from a vote. The Tribunal Members are not allowed to participate

in discussions and finalizations of the applications related to themselves, their spouse, and their blood relatives and in-laws up to the third-degree (including third-degree) or the Member to whom he/she is affiliated. In the case that it is understood that the quorum for the meeting cannot be met due to the occurrence of situations that prevent taking part in the Tribunal meetings within the scope of this paragraph, or if it is revealed that the lawyer Tribunal Member cannot attend the meetings, a substitute Tribunal Member shall participate in the meeting.

(3) It is essential for the Tribunal Members to attend all of the meetings. Tribunal Members who have excuses, shall notify the Association in writing regarding their excuse at least three business days before the meeting, if they know the issue that caused the excuse before. In such a case, a substitute Tribunal Member shall be invited to the meeting by the Association, in the case where it is understood that the quorum for the meeting cannot be achieved, or the statement of the excuse specified in this paragraph belongs to the lawyer Tribunal Member.

Discussion and voting

ARTICLE 13 - (1) The applications are discussed in chronological order. The president of the Tribunal allows in a row to those who have requested permission to speak during the discussion of the application. After the discussions are concluded the agenda item is put to the vote. Voting is conducted by the open ballot system. A re-vote cannot be held regarding an application that is discussed and resolved in the Tribunal. The Tribunal renders decision of lack of jurisdiction regarding the applications submitted to the court and claims with respect to material and immaterial damages.

Tribunal's decisions

ARTICLE 14 - (1) The decisions of the Tribunal are signed by the Tribunal Members who attended the meeting. The Tribunal Members sign the decisions that they are dissenting to by stating their reasons.

The matters that must be included in the decisions

ARTICLE 15 - (1) The decisions must include the following matters:

- a) Date and number of the decision
- b) The name, surname, and signature of the Tribunal Member who rendered the decision
- c) The name, title and electronic mail addresses of the parties along with applicant's Turkish identity number
- ç) Application and summary of the defense
- d) Summary of technical and legal issues that have been evaluated and discussed
- e) Evaluation of all submitted evidence and explanations
- f) Reasoning and basis of the decision
- g) If any, dissenting vote and its reasons
- ğ) In the application where the result or subject of it may be measured in terms of money, the amount subject to the decision

Coming to an agreement and abandonment of the dispute

ARTICLE 16 – (1) The applicant shall be entitled to waive his/her request partially or completely at any stage of the examination.

(2) After the matter of the dispute is referred to the Tribunal, it shall always be possible for the parties to reach to an amicable agreement.

(3) In the case of coming to an agreement, the Member shall be obliged to immediately notify the Association about the situation.

(4) In the case that the application is abandoned, or a settlement is reached, the Tribunal shall decide to remove the file from the process by clearly stating such reasons in its decision.

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

(6) No re-application shall be allowed to be made to the Tribunal regarding the dispute subject to the file that has been removed from the process due to the reasons stated in the first and second paragraphs of this article.

Decision of lack of jurisdiction

ARTICLE 17 – (1) Applications submitted to jurisdiction or Consumer Arbitration Committees must be notified to the Association together with the documents proving this situation within three working days as of the date of being informed of this situation by the applicant or the Member.

(2) The Committee renders a decision of lack of jurisdiction regarding the claims for pecuniary and non-pecuniary damages and the applications submitted to jurisdiction or Consumer Arbitration Committees until the Tribunal's decision on the relevant dispute, and the Tribunal's duty ends.

(3) The decision of lack of jurisdiction rendered pursuant to the second paragraph shall be notified to the Member and the applicant within thirty days as of the date of the decision, within the scope of the procedures and principles mentioned within the first paragraph of Article 18.

Finalization of the application and notification of the decisions to the relevant parties and their effects

ARTICLE 18- (1) The application is finalized with its reasons by the Tribunal through the evaluation of the disputed issue between the Member and the applicant within ninety days at the latest after the registration date of application and within thirty days as of the date of the decision, the decision shall be notified by the Association to the relevant Member and the applicant via electronic mail without specifying the clear identities of the Tribunal Members.

(2) The Tribunal may decide on each application filed by the same person with respect to more than one transaction, relating to the same type of Tribunal by treating such as one application.

(3) The decisions of the Tribunal on the disputes up to ten thousand Turkish Liras per transaction have the force of a decision taken by the Association as to the Member and are implemented by the Members to be subject to a judicial remedy. The Member complies with the decision and notifies the applicant within thirty days following the receipt of the decision and informs the Association in writing regarding each transaction. Without prejudice to the decisions rendered by the judicial authorities, only resorting to the jurisdiction shall not prevent the implementation of the decision by the Member. The applicant may make an application by replying to the electronic mail message sent to her/him by the Association about the decision not being implemented, within thirty days following the end of the thirty-day period following the date of receipt of the notification made to her/him by the Association regarding the decision of the Tribunal. The process to be carried out upon applications regarding the non-implementation of the decisions of the Tribunal on 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) Within the notification of the decisions of the Tribunal regarding the disputes above the upper limit specified in the third paragraph of this article to the applicants and relevant Members, the applicants and the members shall be informed that the Association is not entitled to sanction in the event that the said Tribunal's decisions are not fulfilled, but that the parties are entitled to resort to the jurisdiction.

(5) Every year in January, the upper limit set out in the third paragraph of this article is increased in the proportion of announced reassessment. The last digits in the currency are not taking into account in the calculation of the increase.

Keeping the decisions of the Tribunal and the documents which are subject to the application

ARTICLE 19 - (1) The decisions of the Tribunal and the documents which are subject to the application must be kept by the Association for three years.

(2) The Bank may make evaluations regarding the decisions of the Tribunal if needed and, in the event, it is determined that the decisions granted before the Tribunal is in clear violation of the Law and relevant secondary regulations, in particular, the relevant legislation except for the exceptions, the Bank is authorized to request the Tribunal Members to be changed.

Information

ARTICLE 20– (1) The Association publishes necessary announcements, information on the operation of the Tribunal, and requirements for applying to the Tribunal at the website concerning the disputes in order to inform the sector and public.

(2) The disputes which are submitted to the Tribunal and finally settled and relevant statistical information, the events which shall be served as an example and the decisions which are granted regarding such events may be published at the Association's website by anonymizing the same.

(3) In the publications to be made to the public, in no event the information regarding dispute resolution or identity of the parties, their legal representatives, and Tribunal Members shall be included.

Annual activity report

ARTICLE 21 - (1) The Members shall submit to the Association the total number of applications with individual content and the number of resolved applications, to be determined by the Association, until the end of September for the first six-month period of the calendar year, and until the end of March for the end of the year. The Association submits to the Bank the Tribunal's annual report containing such information and statistical information regarding the applications that are submitted to the Tribunal and settled finally and publish such at its own website by the end of May of each year, at the latest.

(2) Information required to be submitted to the Association by the Members in accordance with the first paragraph, shall be transmitted through the system, if such a system is established by the Association.

Secrets of member and customer

ARTICLE 22 - (1) The Tribunal Members and employees and members of the Association shall not disclose the secrets of the Members or customers that they have learned due to their titles and roles with the third parties. Such obligation shall continue after the resignation of relevant people from their role in the Tribunal and Association for an indefinite time period. Legal process shall be initiated 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 case that the decisions of the Tribunal up to the amount specified in the third paragraph of Article 18 are not implemented by the Members, actions shall be taken against the Members who are alleged to act in violation of this Regulation, within the scope of the Association's Disciplinary Regulation.

Entry into Force

ARTICLE 24 - (1) This Regulation shall enter into force 6 months after its approval by the General Assembly of Association

Enforcement

ARTICLE 25 - (1) The provisions of this Regulation shall be enforced by the President of the Association.

**This Regulation was approved through 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 through the General Assembly Resolution dated 17.05.2022 were accepted through the decision of the Board of Directors dated 14.12.2022 following the approval of the Central Bank of the Republic of Turkey dated 14.11.2022 and entered into force on 14.12.2022.