



DISPUTE RESOLUTION PROCEDURES UNDER TURKISH REGULATIONS

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SCOPE

- I. Forms of Dispute Resolution Under Turkish Law
 - Litigation
 - Alternative Dispute Resolutions (ADR)
- II. Alternative Consumer Dispute Resolutions in Financial Markets
 - General consumer protection rules
 - Bank consumers
 - Policyholders
 - Capital market investors
- III. ADR in Turkish Capital Markets
 - Exchange transactions
 - Other than exchange transactions



FORMS OF DISPUTE RESOLUTION UNDER TURKISH LAW



I. Litigation

II. ADR

Under Turkish Civil Procedure Code (No.1086), **ARBITRATION** procedure is regulated.

Arbitration is a process by which a dispute between two or more parties as to their mutual legal rights and liabilities is referred to and determined judicially and with binding effect by the application of law by one or more persons (the arbitral tribunal) instead of by court of law.



ALTERNATIVE CONSUMER DISPUTE RESOLUTIONS IN FINANCIAL MARKETS

- General consumer protection rule: Arbitration Committee For Consumer Problems - Disputes regulated under Law On The Protection of Consumers (No.4077) * Mandatory for the consumer disputes under 938 TL (for 2010).
- For bank consumers: Banks Association of Turkey - Disputes between members of the association and their clients.
- For policyholders: Association of Insurance and Reinsurance Companies of Turkey - Disputes arising from the insurance contracts between the policyholders and insurance carriers (risk undertakers).
- For investors: Turkish Capital Markets Regulations



ADR IN TURKISH CAPITAL MARKETS

- Related exchange is authorized for the resolution of disputes arising from **exchange transactions**.
 - ✓ Istanbul Stock Exchange - ISE Regulation
 - ✓ Turkish Derivatives Exchange - TDE Regulation (Same process with ISE Regulation)

- The role of the Association of Capital Market Intermediary Institutions of Turkey with regard to disputes arising from **other than exchange transactions**.



LEGAL FRAMEWORK AND JURISDICTION

- Decree Law No.91 Concerning Securities Exchange - Article 13 and
- ISE Regulation Article 42-49:
 - Disputes between the exchange members
 - Disputes between the exchange members and their clients.





DISPUTES BETWEEN EXCHANGE MEMBERS AND THEIR CLIENTS

- An application may be submitted to the Board of the Exchange for resolution of the disputes between the exchange members and their clients, without prejudice to the rights of the parties thereto to apply to the courts and other judicial authorities for resolution of such disputes.
- Dispute resolution system comprises any complaints that arise from client order, transmission of client order to the exchange, settlement and clearing of exchange transactions.
- The parties may also apply to judicial authorities during the examination . In this case, the file in the Exchange shall be set aside until the lawsuit is finalized.



DISPUTE RESOLUTION PROCESS AT ISE



- A petition to the Presidency of Exchange.
- Sending the copy of the petition to the other party (3 working days)
- After the answer (5 working days) transferring the file to the Committee of Disputes
- Board of Directors's decision
- Objections to the CMB (10 working days)
- Final decision of CMB (7 working days)
- Judicial review is available against the decisions of the CMB.



THANK YOU

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