



SECONDARY LEGISLATION ON THE CRYPTO-ASSET SERVICE PROVIDERS: TURKIYE EXPERIENCE

Emine Elif ZENGİN

Expert, Intermediary Activities Department, CMB Türkiye



Overview

- Law No.7518 Amending the Capital Markets Law
- Definitions
- CASPs
- Transition Process
- Secondary Legislations
- Services and Activities
- Conditions of CASPs
- Application of CASPs



Amendments

Law No.7518 Amending the Capital Markets Law:

- Definitions (wallet, crypto assets, crypto asset service provider, crypto asset custody service, platform)
- Issuance of capital market instruments as crypto assets
- General principles regarding crypto assets and crypto asset service providers (CASPs)
- Principles regarding activities of CASPs and transfer and custody of crypto assets
- Preventing Access
- Measures and sanctions regarding activities of CASPs
- Measures to be applied in the investigations of market abuse actions
- Unauthorised CASP activities
- Embezzlement
- Personal liability
- Specific legal proceedings
- Transitional provisions



Definitions

**Crypto
assets**

Wallet

Platform

**Crypto asset
custody
service**

**Crypto asset
service
provider**



CASPs

- Obligation to obtain permission of CMB to be established and commence activities
- Exclusivity of activities (Banks for custody - excepted)
- CMB has the authority to determine the principles and procedures regarding establishment and commencing activities of CASPs.
- Qualifications that must meet by shareholders and managers



CASPs

1. Authority to regulate crypto assets that offer rights similar to capital market instruments
 - Taking regulatory actions
 - Imposing measures and sanctions
2. Authority to regulate selling or distribution of crypto assets that are created by distributed ledger or similar technology (on platforms)
 - Not subject to provisions related with capital market instruments
 - Technical report from TÜBİTAK*
3. Authority to regulate principles of listing procedure.
 - Each platform
 - Technical assent from TÜBİTAK or other related jurisdictions

**TÜBİTAK: The Scientific and Technological Research Council of Türkiye*



Transition Process on the Law

- Declaration – to continue to operate or liquidation (in a month)
 - Can operate until the secondary legislations being published
- After secondary legislations
 - All parties must obtain permission of CMB to be established and commence activities
- CMB Decisions dated 08.08.2024 and 19.09.2024
 - Conditions of establishment of platforms
 - Some needed principles on operation of CASPs



Secondary Legislations

- 13.03.2025 – Communiqués
 - Communiqué Regarding Principles on the Establishment and Operation of Crypto Asset Service Providers (III-35/B.1)
 - Communiqué Regarding Operating Procedures and Principles and Capital Adequacy of Crypto Asset Service Providers (III-35/B.1)
 - Communiqué Regarding Procedures and Principles of Management of Information Systems (VII-128.10)
- 30.04.2025 by *TÜBİTAK*– Criteria For Information Systems and Technological Infrastructures of Crypto Asset Service Providers



Services and Activities

- Services and activities regulated by the Communiqués and permitted to be performed with a prior license received from the Board:
 - Reception and execution of orders regarding crypto assets, clearing and transfer of crypto assets, and custody services needed in relation therewith
 - Intermediation in initial sales or distribution of crypto assets
 - Custody and management of crypto assets and private keys used for crypto assets, and other custody services that may be determined by the Board
 - Investment consultancy activities relating to crypto assets
 - Other services and activities that may be determined by the CMB



Platform Activities

- Executing customer orders in a trading marketplace.
- Matching customer orders in a trading marketplace through a customer order which is an entity resident domestically or abroad and is providing both bid price and ask price for the relevant asset.
- Executing customer orders outside the trading marketplace by directly meeting the same from their own wallets.



Custody Service

- It is essentially required to hold crypto assets of platform customers in the related customers' own wallets.
- Refer to custody and management of crypto assets which the platform customers do not prefer to hold in their own wallets
- By banks or other organizations duly authorized by the CMB to provide crypto asset custody services.



Conditions of CASP's

- **Establishment Conditions of Crypto Asset Service Providers** (*Joint stock company, registered shares, cash paid capital shares, initial capital requirements, articles of association and transparent and open shareholding structure, trade name including crypto asset trading platform or crypto asset depository institution*)
- **Conditions Regarding Founders and Shareholders, Personnel** (*not being adjudged bankrupt, not holding directly or indirectly capital shares of ten percent or more in the capital of listed companies whose operating licenses were cancelled or with the exception of voluntary liquidation, not being convicted of listed crimes, having the financial strength, honesty and reputation required for conduct of business, etc*)
- **Conditions for Launching Activities** (*not being lost their qualifications sought for establishment, fully paid in cash capital, organization structure, requirements for personnel, general manager and deputy general managers, building security infrastructure in compliance with the conditions and rules specified in the Communiqué VII-128.10 and with TÜBİTAK Infrastructural Criteria, systems and functions regarding internal audit, control and risk management including prevention of fraud of every description which may cause loss of crypto assets, completed technical and system integration tests with MKK (CRA), building an infrastructure for storage of private keys, and provision of their security, and have completed its integration with distributed ledger networks, etc.)*)



Relations with Customers

- Obligation to sign a framework agreement
- Obligation to report risks to customers
- Obligation to assign a unique customer number to each customer with respect to each customer with whom a framework agreement is signed
- Obligation to obtain a registry number from MKK (CRA), and to match this registry number to the customer number
- Know your customer process
- Obligation to issue a trading results form and an account statement



Independent Audit

- Information systems independent audit (at least once a year)
- Audit of information systems with regard to compliance of the functioning of their internal control systems and their operations with business processes, and compliance of their information systems with TÜBİTAK Infrastructural Criteria (at least once a year)
- Proof of reserve (quarterly)
- Financial statement and capital adequacy (yearly)



Listing Principles

- Listing Committee
- Listing (and Delisting) Procedures
- Compliance with principles of CMB
- Delisting: obligation to notify to customers of crypto assets planned to be delisted



Capital & Capital Adequacy

- Required min. Capital:
 - Platform – TRY 150.000.000
 - Depository institutions: TRY 500.000.000
 - *An additional shareholders' equity shall not be sought for if total amount of customer assets held in custody by depository institutions.*
- Capital Adequacy Base Requirement
- Borrowing Limit Requirement
- Liquidity Requirement
- Liquid Reserve Requirement



Applications of CASPs

- July 2024 - Declaration to continue to operate until secondary legislations
- March 2025 – Publication of secondary legislations
- June 2025 – Deadline to application to license
- Pre examination of applications
- Onsite inspections
- June 2026 – Deadline to get licensed



THANK YOU/TEŞEKKÜRLER

elif.zengin@spk.gov.tr