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**REGULATION ON NOT USING CRYPTO
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PUBLISHED**



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REGULATION ON NOT USING CRYPTO ASSETS IN PAYMENTS HAS BEEN PUBLISHED

A short while ago, Ministry of Treasury and Finance has requested some information from crypto exchanges operating in Turkey about users' IDs and amount of crypto holdings in their wallets. On 16 April 2021, not long after this incident, "Regulation on not Using Crypto Assets in Payments" (**Regulation**) has been published in the Official Gazette. With the Regulation, which is adopted by Central Bank of Turkey, definition of crypto assets is provided for the first time in Turkish law. By the Regulation, (i) direct or indirect use of crypto assets in payments and (ii) providing services for direct or indirect use of crypto assets in payments are prohibited. Although Regulation does not impose a direct ban on trading crypto assets; payment and electronic money institutions are prohibited from mediating platforms and fund transfers from the platforms that offer trading, custody, transfer or issuance services for crypto assets.

Within the scope of Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions, payment service providers are enumerated as banks, electronic money institutions, payment institutions and Turkish Postal and Telegraph Corporation. Regulation used the term "payment and electronic money institutions" in the provision regarding the transfer of funds to/from the aforementioned platforms. However, in the other provision of the same article, Regulation used the term "payment service providers". By this provision, it is prohibited for payment service providers to develop business models in a way that crypto assets are used directly or indirectly in the provision of payment services and electronic money issuance, and to provide any services related to such business models. As a result of these differences in the choice of terms, overall interpretation of the Regulation is that banks will not be affected by prohibitions on fund transfers to/from the aforementioned platforms.

Crypto assets are defined in the Regulation as "intangible assets that are created virtually using distributed ledger technology or a similar technology and distributed over digital networks, but are not qualified as fiat money, fiduciary money, electronic money, payment instrument, securities or other capital market instrument."

It should be noted that this definition is limited to the implementation of Regulation. Therefore, it is possible to come across different crypto asset definitions in future legislation.

Regulation will enter into force on 30 April 2021. You can find the text of the Regulation [here](#) (Only available in Turkish).

E-SCOOTER REGULATION HAS BEEN PUBLISHED!

Electric Scooter Regulation (**Regulation**), which regulates shared electric scooter management activities, market entry conditions and service conditions entered into force further to being published in Official Gazette dated 14 April 2021.

Regulation is significant as it is the first legislation that introduces regulations regarding e-scooter usage and management. In this context, e-scooter users are obliged to comply with rules such as maximum speed limit and age limit, and an authorization certificate or shared e-scooter permission is required in order to perform shared e-scooter management activities.

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Obtaining authorization certificate and shared e-scooter permission has been subjected to general and special conditions by the Regulation. One of these conditions is that those who apply for authorization certificate must have a minimum capital or working capital of TRY 500,000 or have at least 250 e-scooter of their own, provided that they register their serial/plate/ID numbers in the Transportation Automation System. Another condition is that applicants shall have a website and mobile app in accordance with standards determined by Ministry of Transport and Infrastructure (**Ministry**), servers hosting the database on which data on such activities is stored shall be within the borders of Turkey and it shall be open to the access of Ministry. Additionally, applicants are required to have certain quality certificates.

It shall be obligatory for persons who acquired authorization certificates as per the Regulation to obtain permission from UKOME, provincial traffic commission, and authorized relevant institutions and enterprises.

Another significant provision of the Regulation is that except for the areas secured by special laws and under the responsibility of the authorized institution/business, natural or legal persons who perform shared e-scooter management prior to the date Regulation came into force will be exempted from the provisions of this Regulation.

You can find the full text of the Regulation [here](#) (Only available in Turkish).

EU Artificial Intelligence Regulation Draft Is Published!

Artificial Intelligence (**AI**) is a technology that invades every aspect of our lives and provides several economic and social benefits; however, its technical capabilities also allow the violation of individual rights and freedoms. Thus, it is essential to establish a regulatory framework that both supports technological development of AI and protects individual rights and freedoms. In this context, European Commission has published its first AI Regulation Draft (**Draft**) on 21 April 2021, which will set a precedent for regulatory works worldwide regarding AI. Draft brings forth detailed and influencing regulations regarding the definition of AI, technical issues, forbidden AI applications, high risk AI applications and responsibilities of European Union (**EU**) member states.

According to Draft, in a general context, AI systems used to manipulate human behaviour through subliminal techniques, exploits any of the vulnerabilities of a specific group of persons due to their age, physical or mental disability, used to carry out social scoring or the use of “real-time” remote biometric identification systems in publicly accessible spaces for the purpose of law enforcement shall be banned within EU borders with specific exceptions reserved.

Draft also defines high risk AI systems such as systems used for purposes of biometric identification and categorization, management and operation of critical infrastructure, education and vocational training, employment and access to essential private and public services. Draft sets forth some requirements for such services, such as the establishment of a risk management system, development of training, validation and testing data sets in compliance with the regulations, technical documentation, recording of events (logs), certification and registration of the system to EU database.

Draft also envisions the establishment of a European Artificial Intelligence Board. You can find the full text of the Draft [here](#).

Administrative Fine to Google by The Competition Authority

The investigation by the Competition Authority regarding the allegation that Google; which consists of Google Reklamcılık ve Pazarlama Ltd. Şti., Google International LLC, Google LLC, Google Ireland Limited and Alphabet Inc., abused its dominant position in the market and excluded its competitors, has been completed.

In this context, due to Google obstructing its competitors' activities and distorting competition in the market for local search services and accommodation price comparison services by providing advantage for its own local search and accommodation services in the general search results page compared to its competitors and preventing rival local search engines from accessing Local Unit, it was decided by the Authority to impose an administrative fine of TRY 296 million on Google.

In line with this decision, it has been held that in order to terminate the violation and to ensure effective competition in the market, Google shall provide competitor local search services and competitor accommodation price comparison services the conditions in which they will not be disadvantaged from their respective services on the general search results page, and it shall annually and periodically report to the Authority for five years from the beginning of the implementation of Google's first compliance measure.

You can find description published for announcing the final decision [here](#) (Only available in Turkish).

Importance of cyber security: Is our personal data secure?

People are using digital platforms far much than in the past due to development of technology day by day. Usage areas of digital platforms are diversifying over time in addition to the frequency of use. For this reason, almost everyone's personal data are stored in the information systems of these platforms. This made cyber security more important than ever. The most critical question is whether our personal data is secure or not.

Regulations in many countries including Turkey, oblige data controllers that process and store personal data to implement viable security precautions for their information systems. Also, data controllers who cannot ensure data security encounter serious penalties. Article 11 of Personal Data Protection Law sets forth the data controllers' obligations in means of data security. In addition to preventing data breaches, data controller has an obligation to notify Personal Data Protection Board (**Board**) and data subjects, as has recently been reflected in the public. Where necessary, Board may announce such breach to the public.

In this context it is seen that, with establishing preventive mechanisms, many data controllers attach importance to cyber security and actualize various measures. However, security breaches are regarded as one of the most serious risks by digital worlds inherently, since not all attack is preventive. The reason for that is, the occurrence of cyber threats is evolving and transforming rapidly each passing day.

Data breaches even in leading companies in their sectors, which take many security measures and attach importance to the matter show the importance of cyber security and that this matter concerns everyone. Board gives due importance to such data breaches and informs data subjects by announcing them.

The unlawful seizure of the personal data of hundreds of millions of people as a result of data breaches within these companies reveal the extent of damage that data breaches can cause. As it is understood, there is a silent war between information systems owners and cyber attackers.

Answers. Not theories.

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About our firm

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