

## TAWARRUQ CONTRACT CUSTOMER INFORMATION FORM

This Information Form has been created for information of customers in line with the BRSA Communiqué<sup>1</sup>.

**1. Contract Type:** Tawarruq (Commodity Sale by Declaration of Profit)

**2. Key Features of Contract:**

Tawarruq refers to the cash sales of a commodity purchased on credit to a third party other than the commodity's first seller in order to generate cash.

In case of tawarruq contract, the parties' declaration of will should have been obtained (proposal-acceptance), the commodity subject to contract should be definite and should not be specified as gold, silver or money, which are not suitable for sales, and should be taken delivery by the customer, who can be either a natural or a legal party, and should not be returned to its first owner through fictitious transactions.

**3. Compliance of the Product or Service with the Interest-Free Banking Principles and Standards**

Tawarruq product is used only in the areas determined by the Advisory Board of the Participation Banks Association of Turkey (TKBB).

**4. Position of the Customer under the Contract:**

In case of tawarruq contracts, the customer shall be in the position of the buyer of the commodity within the scope of its relationship with the bank and in the position of the seller of the commodity within the scope of its relationship with the third party. In addition, since the customer has appointed the participation bank as its agent to sell the commodity to a third party, it is also in the position of principal within the scope of such relationship.

**5. Process and Operation:**

The participation bank shall sell to its customer on credit the commodity it has purchased in cash from the organized markets upon adding a profit to the purchasing price. The customer shall also sell in cash the commodity it has purchased on credit to other buyers via organized markets by means of appointing the participation bank as its agent.

Documents related to the purchasing and sales of commodity (agreement, etc.) shall be provided by the participation bank.

**6. Rights and Obligations Imposed by the Contract on the Parties:**

The participation bank shall be responsible for the purchasing of the commodity from organized markets and then the subsequent sale of such commodity to the customer on credit upon duly performance of the transactions. The customer's responsibility shall consist of making the financing payments in line with the payment schedule created specifically for the tawarruq transaction.

**7. Bank Application in case of Late Payment:**

It is in line with the interest-free financing principles to add a provision to the contract stating that a delay penalty shall be collected by the participation bank in the event that the debts are not paid on the dates determined; however, the participation bank and customers may not benefit from these amounts collected as delay penalty. These amounts collected shall be classified according to the Uniform Chart of Accounts, and be used in line with the interest-free banking principles and standards.

**8. Corporate Website Address where the Customer Can Get Further Information on the Products and Services:**

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<sup>1</sup> Communiqué on the Principles and Procedures Governing the Information of Customers and the Public in line with the Interest-Free Banking Principles and Standards issued by the Banking Regulation and Supervision Agency (BRSA) and published in the Official Gazette dated 30 November 2021 and numbered 31675

For more information and consent certificates related to our products and services, please visit our Bank's website at [www.turkiyefinans.com.tr](http://www.turkiyefinans.com.tr)

Information Form Delivery Date: ... / ... /.....

**Name and Last Name/Trade Name of the Customer:** .....

**Turkish Identity Number/Tax Identity Number:** .....

(Information may be provided either face to face or via remote communication means/in the electronic environment/by remote communication, and in case of face-to-face information, you will need to write the following on the form in your handwriting: "**Verbal and written information has been provided to me, and my declaration of will has been obtained**".)

**Stamp/Signature:**