

**Number : 2013 / 32**

**November 25, 2013**

### **PRESS RELEASE**

Lately, various news about “Bitcoin” are seen in some media organs and on the internet.

As it is known, the "Law on Payment and Securities Reconciliation Systems, Payment Services and Electronic Money Institutions" number 6493 (Law) has been entered into force following its publication on the Official Gazette dated June 27, 2013 number 28690. Pursuant to the temporary article 1 of the Law, the regulations anticipated in this Law shall be prepared and put into force within one year after the publication of the Law. Pursuant to the temporary article 2 of the Law, as of the date of entry into force of this Law, institutions providing payment services or issuing electronic money and which may be included into payment and electronic money institution created within the scope of this Law are obligated to grant necessary permissions by applying to our Agency within one year beginning from the date of publication of related regulations by the Agency and they must adapt their practices to the provisions taking place in these regulations.

Bitcoin, known as a virtual money unit for which there are no guarantees for its collateral and which is not issued by a any official or private institution, is not considered as electronic money within the scope of the Law by its present structure and functioning, and thus its surveillance and supervision are not possible within the frame of the Law.

On the other hand, the lack of identification of the parties in operations realized using Bitcoin and other similar virtual money creates a suitable environment for these virtual monies to be used in illegal activities. Moreover, Bitcoin has risks due to its market value which may be extremely volatile, or it may be stolen from digital wallets or get lost or may be used illegally outside the owners' knowledge; but also it is open to risks arising from the operational errors due to the irreversibility of the transactions made or from the abuse of malignant vendors.

To prevent any grievance it is important to announce the above-mentioned matters and within this frame to remind the public about possible risks accommodated by Bitcoin and similar virtual monies.