

## **LAW ON TURKISH EMPLOYMENT ORGANISATION**

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### **SECTION ONE** **Establishment and Responsibilities of Turkish Employment Organisation** **PART ONE** **Purpose, Scope, Definitions and Responsibilities of the Organisation**

#### **Purpose and scope**

##### **ARTICLE 1**

This law has been set out by the Turkish Employment Organisation in order to protect, develop and expand employment and to help activities for preventing unemployment.

The provisions of this law shall not apply in administrations included in general budget, administrations with added budget, affiliated organisations with revolving fund, funds established by the law, public institutions and organisations established by a special law or by basing on a power granted by the special law, indemnity funds, social security organisations, organisations obtaining assistance from transfer arrangements of the general and added budgets, state economic enterprises and their affiliated partnerships, provincial private administrations and municipalities, unions and institutions established by provincial private administrations and municipalities, and also shall not apply regarding the employment of civil servants, contracted personnel, temporary personnel and other public employees who take salary and wage in other public institutions and organisations and do not work in a worker status.

**(Amended in 20.05.2006 with no: 26173)** The Authority that is an affiliate of Ministry of Labour and Social Security, is an autonomous public agency in terms of administration and finance, is subjected to the provisions of private law, having corporate body.

The Organisation is an affiliated organisation of the Ministry of Labour and Social Security and is an administratively and financially autonomous public institution, which is subject to special law provisions, and has a legal entity.

Except for the provisions regarding approval and registry, the Organisation is subject to the Law on General Accounting No: 1050 and dated 26.5.1927 and Law on Audit Court No: 832. The bank accounts, properties and receivables belong the state according to the Execution and Bankruptcy Law No: 2004 and dated 9.6.1932, and Turkish Penal Code No: 765 and cannot be attached, and their receivables are privileged like State receivables. The provisions of the Execution and Bankruptcy Law pertaining to bankruptcy cannot apply for the properties of the Organisation. It is abbreviated as "İŞKUR".

#### **Definitions**

##### **ARTICLE 2**

In this law the following denote:

Ministry	: Ministry of Labour and Social Security
Minister	: Minister of Labour and Social Security
Organisation	: Turkish Employment Organisation
Director General	: Director General of Turkish Employment Organisation
General Board	: General Board of Turkish Employment Organisation
Administrative Board	: Administrative Board of Turkish Employment

	Organisation
Directorate General	: Directorate General of Turkish Employment Organisation
Fund	: Unemployment Insurance Fund

## **Responsibilities of the Organisation**

### **ARTICLE 3**

The responsibilities of the organisation are as follows:

- a) to help in activities for developing a national employment policy, protecting and enhancing employment, preventing unemployment, and to execute unemployment insurance procedures,
- b) to compile, analyse, interpret and publish labour market data on a local and national basis, to set up a Labour Market Information Counselling Board and coordinate Board's work, to analyse labour force requirements in order to determine labour force supply and demand, and to have them analysed,
- c) to make job and occupation analyses and to have them analysed, to provide consultancy services for job and occupation and enable them to be provided, to train labour force with the aim of increasing employment of the labour force, to develop and implement vocational training and labour force harmonisation programmes, to arrange training seminars for the labour force in employment,
- d) to carry out studies for regularising job search and worker demands, to mediate with the purpose of finding suitable jobs to the labour force both in home and abroad and concluding foreign service contracts, to contribute to employment of the labour force for whom it is difficult to create employment and to create employment for work places who legally have to employ labour force, **to fulfil responsibilities assigned to the Organisation regarding special employment offices, to carry out procedures related with permitting and abolishing mediation for finding employment and jobs with wages in agricultural works, and the employers' supply of workers whom he will employ in his own job and operations.**
- e) To provide training and consultancy services to organisations and institutions at a national or international level by participating the relevant tenders falling into the Organisation's field of operation.
- f) To follow up the decisions taken by the European Union and international organisations concerning labour force, employment and working life, to implement the decisions of the bilateral or multilateral agreements, contracts and recommendations falling into the Organisation's field of operation to which Turkish Republic Government is a party.

## **PART TWO**

### **Bodies of the Organisation**

#### **Bodies**

**ARTICLE 4-** The Organisation comprises of following bodies:

- a) General Board
- b) Administrative Board
- c) Directorate General
- d) Provincial Employment Boards

Organisation of the bodies is demonstrated in the annexed list 1.

#### **General Board and its Responsibilities**

### **ARTICLE 5**

Under the presidency of the Minister or the person to be assigned by the Minister, the General Board consists of

- a) One representative at the level of Director General participating from the Ministry of Justice, Ministry of National Defence, Ministry of Interior, Ministry of Foreign Affairs, Ministry of Finance, Ministry of National Education, Ministry of Public Works and

Settlement, Ministry of Health, Ministry of Transportation, Ministry of Agriculture and Rural Affairs, Ministry of Labour and Social Affairs, Ministry of Industry and Commerce, Ministry of Energy and National Resources, Ministry of Culture and Tourism, Ministry of Environment and Forestry, European Union General Secretariat, Undersecretariat for Treasury and Foreign Trade, State Planning Organisation, State Personnel and Privatisation Administration, State Institute of Statistics, South Anatolian Project (GAP) Regional Development Administration, Administration for Developing and Supporting Small and Middle Scale Industry, Head Office of Administration for Disabled, National Productivity Centre, Directorate General for Women's Status and Problems, Society for Protection of the Children and Social Services, Fund for the Encouragement of Social Assistance and Solidarity, Social Insurance Institution, Social Security Agency for Artisans and the Self-Employed and the Organisation.

b) Seventeen representatives to be determined by the first three Workers' Confederation who have the highest number of workers, ten representatives to be determined by the employers' confederation who have the highest number of members, five representatives from Turkish Chamber of Commerce, Industry, Maritime Trade and Union of Commercial Exchange, three representatives from Turkish Tradesman and Artisans Confederation, three representatives from Fund for Encouraging Social Mutual Aid and Solidarity, one representatives for each group of disability from the Turkish Confederation of the Disabled, two representatives from Union of Turkish Agricultural Chambers, four academicians to be determined by the Institution of Higher Education, one representative to be determined by the union of public officials who have the representative power in the Organisation.

Representatives of the General Board work for two years. Instead of those whose commission expires due to any reason, a new representative is appointed to complete the resting period by the units who send their representatives to the General Board. General Board hold an ordinary meeting upon the request of the Minister in November once in two years. The Minister can call an extraordinary meeting if he finds it necessary.

The responsibilities of the general Board are as follows:

a) To assist in establishing a national employment policy in line with the economic and social policies of the state, to evaluate developments in the implemented policies within the period,

b) To assist in activities for protecting, developing and extending employment and preventing unemployment and put forward proposals,

c) To discuss the periodical activity report of the Organisation, put forward proposals for improving the services of the Organisation.

The results of the General Board's meetings are determined with a report. This report is submitted to the Ministry within two months at latest.

The decisions of the General Board are taken into consideration before all else in establishing and implementing policies of the other relevant institutions and organisations.

## **Organisation, Responsibilities and Authorities of the Administrative Board**

### **ARTICLE 6**

The Administrative Board is the body having the utmost administrative and decision - making powers, authority and responsibility. It is comprised of six members including members determined by the Turkish Tradesman and Artisans Confederation, employer's confederation, worker's confederation who have the highest number of members, and also one representatives appointed by a joint decision upon the proposal of the Minister

to whom Ministry of Labour and Social Security and Undersecretariat for Treasury are affiliated. Term of office of the members of the Administrative Board is three years.

It is obligatory for the members of the Administrative Board to meet the necessary conditions for being appointed as civil servant and not to work in political party organs. It is also mandatory for the members who participate through appointment to have experience in finance and to have at least a bachelor's degree in law, economics, finance, management, public administration, social politics or business law.

The Administrative Board convenes at least once a week with the absolute majority of the exact number of the members. Decisions are taken with the majority. In the event that there is the equality of the votes, the President's side is considered to constitute a quorum. In the absence of the Director General, the representative of the Ministry presides the board. Wages of the members who do not participate the meeting without an excuse is deduced in accordance with the regulation of the Administrative Board. The principles and procedures of working, authorities of the administrative board that they can transfer to sub- units, and other issues, are fixed by the regulations to be issued upon the proposal of the Administrative Board and the approval of the Minister. The President of the Administrative Board and its members appointed by a joint decree are granted an additional monthly salary which is equal to the amount paid to the president and members of the administrative board of the State Economic Enterprises according to the Article 34 of the Decree Law No: 399 dated 22.01.1990. Other members of the Administration Board are granted the salaries corresponding to their position and other financial rights are granted. For transportation allowances, the provisions of the Law on Travel Allowances No. 6245 dated 10.02.1954 shall apply.

The authorities and responsibilities of the Administrative Board are as follows:

- a) To evaluate proposals for obtaining extra funds and transfer funds between the parts of the budget upon the Organisation's budget proposal prepared by the Directorate General and submit them to the Ministry,
- b) To examine the drafts for regulations and bylaw, decree law and law prepared by the Organisation and submit them to the Ministry,
- c) To present the periodical activity reports concerning the activity field of the Organisation to the attention of the General Board,
- d) To examine and evaluate the reports of the Provincial Employment Boards and overture to the Directorate General.
- e) To permit to the operations of the special employment offices, evaluate reports on activity observations and to decide on such issues as renewal of permissions and cancellation of permissions,
- f) To decide on consultancy service and training costs that the Organisation shall arrange at home and abroad on international and national levels and the amount of costs and from which services they shall be taken,
- g) To propose to the relevant authorities in issues regarding the necessary changes to be made and establishment of the head quarters and rural offices of the Organisation, to make appointments to the vacancies of the ranks 1-4 by reserving the provisions specified in special laws, and to determine the personnel to be granted an authority of signature on behalf of the Organisation.
- h) To approve annual training programmes which are held for the training of the Organisation personnel,

I) To examine and to reach a decision on the proposals for purchasing any and all kinds of services and chattels and immovable properties, and management of these properties, constructing building, selling, exchanging and bartering them, allocating the buildings belonging to the Organisation as service buildings, training centres, kindergartens and for such purposes,

j) To examine to and to reach a decision on, the proposals for hiring the immovables of the Organisation to the Ministries and relevant and affiliated organisations over the current price or a similar value, and granting the right to use free of charge mutually in the event that the current prices are equal or the difference between prices do not exceed 10%,

k) To decide on deeds and contracts of which value exceed more than a hundred billion liras and of which value is to be raised in new valuation proportions determined annually by the Ministry of Finance.

l) To reach a conclusion in proposals for not opening a file and an execution investigation that are not beneficial for the Organisation, settling the disputes that have not reached to a stage of an action and an execution investigation through arbitration and offering abandoning money of them, waiving from action and execution investigation in cases when it is not beneficial to the Organisation, not resorting to legal procedures, abandoning money and properties of them, settling the actions and execution investigations filed against the Organisation through arbitration,

m) To evaluate the resources of the funds in terms of the market conditions,

n) To ensure the inspection of the income and expenditures of funds quarterly and announcement of the inspection reports to the public,

o) To develop actuarial projections regarding the fund,

p) To ensure the follow - up and the registration of daily fund movements and translate them into accounting terms in line with the generally accepted accounting standards,

r) To examine the other proposals of the members of the Administration Board and Director General and reach a decision, and carry out the similar responsibilities assigned by this Law.

## **Directorate General**

### **ARTICLE 7**

Directorate General is composed of a head quarters and a rural office.

Director General executes all deeds in harmony with the Organisation legislation and decisions of the Administrative Board by taking into account the proposals of the General Board. He ensures coordination and cooperation with other organisations in issues falling into the activity field of the Organisation and represents the Organisation against administrative and legal authorities, and third persons. If necessary, he can assign his representative authority in accordance with the general provisions. When and where there is no Organisation attorney, the Director General can assign his representative authority before executive and juridical authorities to the Organisation personnel whom s/he finds appropriate in order to carry out the responsibilities of these people.

Those who shall be appointed to vacancies for Director General, Deputy Director General, Head of Inspection Board, First Legal Counsellor, Head of Department, should have a four-year education and graduate from a faculty or a college. Director General, Deputy Director General and First Legal Counsellor are appointed through a joint Decree. Appointments to the vacancies of the ranks 1-4 are made by the decision of Administration Board upon the proposal of the Director General. Appointments to the

other vacancies other than these vacancies are made with the approval of the Director General.

## **Headquarters**

### **ARTICLE 8**

The headquarters of the Organisation is composed of principal service units, counselling and inspection units and subsidiary services units.

## **Principal Service Unit**

### **ARTICLE 9**

a) Department of Labour Market Information Services

The responsibilities of the Department of Labour Market Information Services are as follows:

To compile, analyse, interpret and publish labour market data on a local and national basis, form labour market information system, coordinate Labour Market Information Counselling Board's works, enable services of the Organisation to be provided with the support of information technology, enable the computer hardware, software and communication infrastructure of the organisation to work uninterruptedly and develop, execute the Organisation's research and planning works and its relations with public and press.

b) Department of Labour Force Harmonisation

The responsibilities of the Department of Labour Force Harmonisation are as follows:

To make job and occupation analyses, to have them analysed, define occupations and publish them as classified, provide career guidance services to students who are on the verge of choosing an occupation or a field of study, provide job and career guidance services to adults and enable these services to be provided, enable them to have an occupation in coordination with the relevant institutions and organisations within the understanding of life- long education, arrange courses for changing or developing an occupation, provide vocational training and vocational rehabilitation services, enable these services to be provided, arrange working programmes for the benefit of the society in places where and when unemployment is intensive, conduct training seminars for the labour force in employment and implement similar labour force harmonisation programmes within the framework of active labour market policies.

c) Department of Employment

The responsibilities of the Department of Employment are as follows:

To conduct studies with the aim of assisting national employment policies to be formed, carry out the necessary studies for regularising job search and worker demand, help those whose unemployed for a long period of time, women, young people, disabled people, ex- convicts and similar groups for whom they have difficulty in finding jobs to be employed, to mediate with the purpose of finding suitable jobs to the labour force both in home and abroad and concluding foreign service contracts, fulfil responsibilities that are assigned to the Organisation on special employment offices and agricultural mediators.

d) Department of Unemployment Insurance

The responsibilities of the Department of Unemployment Insurance are as follows:

To conduct unemployment insurance procedures within the framework of the provisions of the Law on Unemployment Insurance No: 4447, carry out procedures regarding evaluation of the Unemployment Insurance Fund within the framework of the decisions of the Administration Board, perform procedures concerning job loss compensation according to the provisions of the Law on Arranging the Privatisation Implementations and Amending the Laws and Law Decrees No: 4046.

e) Department of Foreign Affairs

The responsibilities of the Department of Foreign Affairs are as follows:

To conduct necessary studies with European Union and other international organisations in issues falling into the working field of the Organisation, prepare projects to be realised in cooperation with these organisations, follow up the developments in foreign countries regarding the issues which interest the Organisation such as working life, employment, unemployment, active and passive labour force programmes, developing the nature of the labour force and its vocational quality, support the relevant units for preparation and alteration of the international protocols and agreements, and bilateral labour force agreements and social security agreements concluded with foreign countries.

**Counselling and Inspection Units**

**ARTICLE 10**

a) Department of Inspection Board

The responsibilities of the Department of Inspection Board are as follows:

To carry out inspection, examination and interrogation works concerning any and all kinds of deeds and procedures of the Organisation, examine the studies of the Organisation in public and private offices, inspect procedures, registration and documents, put forward proposals for improving the services and activities of the Organisation.

b) Department of Legal Consultancy

The responsibilities of the Department of Legal Consultancy are as follows:

To express his/her views on draft code, regulation and bylaws prepared by the Organisation, or on issues for which his/her opinion is requested, and legal matters asked by the Directorate General units and rural offices, follow up action and attachment prosecutions for and against the Organisation from the Headquarters or on the spot, represent the Organisation before legal authorities, official bodies and organisations, take necessary precautions that protect the interests of the Organisation and prevent disputes.

**Subsidiary Service Units**

**ARTICLE 11**

a) Department of Personnel and Training

The responsibilities of the Department of Personnel and Training are as follows:

To conduct necessary studies concerning the personnel policy of the Organisation, perform appointment, retirement and matters pertaining to personnel and similar deeds, plan and implement personnel training, execute organisation and total quality management works of the Organisation.

b) Department of Administrative and Financial Works

The responsibilities of the Department of Administrative and Financial Works are as follows:

To prepare the budget for realising activities and services of the Organisation, submit it to the authorised bodies and follow up its implementation, record, follow and evaluate the accounts of the General Directorate, follow up and conclude debts and receivables of the Organisation, follow up and direct accounting implementations of the rural offices, issue balance at the end of a year and submit it to the authorised bodies, conduct such works as supply, maintenance and repair of immovable properties and chattels for the headquarters and rural office, tax, insurance, hiring, purchase and expropriation, run training facilities and kindergarten, to carry out any and all kinds of document, archive, printing and communication, health and social security works of the Organisation.

c) Department of Defence Expertise

The responsibilities of the Department of Defence Expertise are as follows:

To realise, control and implement the planning activities of the Organisation for all-out defence, civil services and war dispositions and mobilisation in accordance with the bases of the legislation and enable them to be implemented,

## **Rural Organisation**

### **ARTICLE 12**

The rural organisation of the Organisation is composed of provincial directorates to be established at a provincial level, directorate of branch offices to be established in necessary districts of which central population is 100.000 or more or the number of workers who are subject to Social Security Institution is more than 10.000.

## **Provincial Employment Boards and Their Responsibilities**

### **ARTICLE 13**

Under the presidency of the Governor in provinces, the Provincial Employment Boards are composed of Mayors, Regional Director in places where there is Regional Directorate of Ministry of Labour and Social Security, Director of Provincial National Education, Provincial Director of Society for Protection of the Children and Social Services, Provincial Director of Youth and Sport, Provincial Director of Industry and Commerce, Provincial Director of the Organisation and Directors of District Branch, Heads of Provincial Chamber of Commerce and/or Trade, Heads of Provincial Chamber of Tradesman and Artisans' Union, Head of Provincial Administration for Support and Development of Small and Medium Scale Industry, Director of Provincial Organised Industry regions, maximum three academicians to be selected from faculties or colleges in the province, one representative to be determined by the Turkish Confederation of the Disabled, **one representative both from quarter and village reeves of the province**, representatives from the institutions of education to be invited by the Governor by taking into account the employment status of the province, non- governmental organisations and other institutions and organisations, and one representative from the confederation of employer and employee who have the highest number of members in that province. The Provincial Employment Boards hold their usual meetings in September every year. Upon the call of the President, the Board can always hold extraordinary meetings.

The responsibilities of the Provincial Employment Boards are as follows:

- a) To determine measures preventing unemployment, and enhancing and protecting employment at a provincial level,
- b) To assist in establishing a provincial employment policy, determine principles and policies to be valid at a local level with the purpose of directing labour force training activities,
- c) To examine the annual labour training plans prepared by the Provincial Directorate of the Organisation and if necessary, make necessary changes,
- d) To observe and evaluate the labour training and employment activities related with the implementation of the training plan.

Provincial Directorates notify the Provincial Employment Board's works to the Directorate General in reports.

### **THIRD PART** **Assignment of Responsibility and Authority**

#### **Assignment of Responsibility and Authority**

##### **ARTICLE 14**

The administrators of the headquarters and rural organisation of the Organisation in each rank are answerable for carrying out their duties in accordance with the legislation to their seniors.

The Director General or administrators of the Organisation in each rank can assign a part of their authority to their inferior provided that its limitations are clearly fixed. However, assignment of the authority does not remove the responsibility of the person who assigned his/ her authority.

The Head of the Administration Board, members of the administration board and Organisation personnel are regarded as civil servants in terms of their responsibilities in applying the Turkish Penal Code No: 765. The provisions of the Law on Judgement of Civil Servants and Other Public Officials shall not apply to these people.

The Organisation shall be entitled to no claims in cases when it mediates for service contracts and due to the inability to meet the demands of those who seek job and worker.

### **THIRD PART** **Personnel Status and Organisation's Revenues**

#### **Personnel Status**

##### **ARTICLE 15**

This law and the provisions of the Law on Civil Servants No: 657, which are not in contradiction with this Law, shall apply to the personnel of the Organisation.

The Organisation may employ as many attorneys as necessary for any and all kinds of action and attachment prosecutions by signing a power of attorney according to the General Provisions. The Law on Proxy Charges to Be Paid to the Attorney of the State Actions and the Others shall apply to the Legal Counsellors, regular Attorneys and personnel actively working in Law services.

The Organisation may employ an Employment and Occupation Expert in order to fulfil its duties efficiently. Those having the necessary qualifications specified in the Article 48 of the Law on Civil Servants No: 657 whose age do not exceed 30, who are found

successful as a result of the special examination to be made between the graduates of the Faculties of Political Sciences, Law, Economics, Management, Economic and Administrative Sciences, Labour Economics and Industrial Relations, Education, Communication and of the departments of the faculties and colleges in home and abroad granting at least an education of four years of which equivalence is accepted by the authorised bodies are appointed to the vacancies for Deputy Employment and Occupation Expert. Those who are appointed as Deputy Employment and Occupation Expert are appointed to the vacancies of the Employment and Occupation Expert if they become successful in the qualifying examination provided that they work actively at least for three years and have no black work on his employment record. Those who do not have a clean sheet, cannot be successful twice in the examination and do not take the examination even though they had the right to take the examination lose this title and are transferred to other vacancies suitable to their status.

For every work of the Organisation requiring additional work, the Organisation personnel (including those in the administration positions of 1-2-3 rank) may have to assume extra work. Other issues related with extra work and wage for extra work are determined upon the decision of the Administration Board and proposal of the Ministry.

Double wage (including additional salary indicator) is granted to the personnel of the Organisation every year who work actively provided that it is not less than the minimum wage. The Administration Board is authorised to determine the dates of the double wages.

**Under the last clause of the Article 30 of the Law on Labour No: 4857, additional payments from the revenues of the Organisation at the rate and amount approved by the Ministry and the Administration Board by taking into account the principles which provide the rationality of the services, efficiency of work, and the title of the duty are made to the permanent staff who actively work in the Organisation, including those employed in the Ministry of Labour and Social Security. Monthly total of the additional payments cannot exceed 150% of the gross amount of the salary of the civil servant with the highest rank specified in the Law on Civil Servants No: 657. In additional payments, the provisions of the Law on Civil Servants No: 657 regarding the salaries apply and they are not subject to any kind of tax or deduction except for stamp tax. The procedures and principles concerning the additional payment are determined by a regulation to be issued.**

## **Revenues of the Organisation**

### **ARTICLE 16**

The revenues of the Organisation are as follows:

- a) allowance granted to the budget of the Ministry for the Organisation,
- b) money taken in return for costs from special employment offices and agricultural mediators and employers, and consultancy services and training costs to be provided by the Organisation,
- c) **administrative fines transferred to the Organisation under the last clause of the article 30 of the Law on Labour No: 4857,**
- d) administrative fines collected from special employment offices as required by this law,
- e) revenues from the chattels and immovable properties of the Organisation,
- f) donations and devises by natural and legal persons and revenues to be obtained from sale of the standard forms or similar forms to be prepared by the Organisation.

Rents of the real estate properties belonging to the Organisation are determined by the current and similar prices provided that they are not less than the increase rate of the Consumer's Price Index declared by the State Institute of Statistics.

## **SECTION TWO Special Employment Offices, Various Provisions**

### **PART ONE Special Employment Offices**

#### **Establishment of special employment offices, permission, renewal and inspection**

##### **ARTICLE 17**

The task of mediating for finding suitable workers for various jobs and finding suitable jobs to job seekers is executed by the special employment offices established by the natural and legal persons. The Special Employment Offices may perform activities of employment outside the public organisations and institutions provided that these people are permitted and selected at a number to be determined by the Organisation by taking into account the requirements of the labour market and have the necessary qualifications.

Upon the announcement of the Organisation, those people who are authorised to represent, act on behalf of and direct those legal and natural persons who applied for establishing a special employment office

- a) shall be a Turkish citizen, have at least a bachelor's degree, and shall not declare bankruptcy or insolvency,
- b) shall not be sentenced due to such offences as tax evasion, disclosing a secret of state, laundering black money, fraudulence in purchase and sale and in official tenders, smuggling except for use and consumption; or infamous or offences against honour and dignity like bankruptcy with fraudulence, abuse of belief, fraudulence, forgery, theft, bribery, misappropriation, embezzlement, debit, and offences committed against the state even if they were pardoned; or shall not be sentenced to an imprisonment of more than six months or heavy imprisonment except for offences listed below excluding the deferred provisions.

Also, the special employment offices shall have an appropriate office, technical equipment, qualified expert personnel and administration personnel, having the necessary qualifications to realise employment activities, and shall submit a bank performance bond for an indefinite period of time which amounts to ten billion liras for the permission of employment mediation, and other documents and information to the Organisation and pay the costs.

Applications are evaluated by the Organisation in line with the principles and procedures to be fixed by the regulation. As a result of the evaluation, eligible ones are declared and notified to the applicant in writing.

Permissions given by the Organisation are valid for three years. The period of permission can be renewed in periods of three years with the condition that a written request is made at least one month prior to the date the permission period expires, necessary criteria for taking permission are met, an additional performance bond for an indefinite period of time is submitted, and renewal costs are paid. The amount required for the permission of finding job and workers is taken with annual raises as a result of the evaluation determined and declared as provided by the repeated Article 298 of the Law on Procedures for Taxation No: 213 dated 4.1.1961. Special Employment Offices have to complete their performance bond which they submitted for permission to the amount which is re-fixed each year. The performance bonds submitted to the

Organisations are returned within one month after expiration date of the permission in the event that there is no renewal request as of the date of the notification of the decision in case of rejection of the request. If the permission is cancelled, performance bond is recorded as revenue to the Organisation pursuant to finalisation of the decision. The performance bond recorded as a revenue cannot be debited from the debts of the relevant person.

The Organisation collects the costs of permission for finding job and worker and renewal procedures of the permission.

Inspectors of the Organisation are authorised to inspect the activities of the special employment offices regarding the implementation of this law and other relevant activities. Special Employment Offices are obliged to provide any and all kinds of information required by the inspectors and present them registries, records and documents for proving the accuracy of this information.

### **Objection against decisions, cancellation and non-renewal of the permissions** **ARTICLE 18**

The renewal request is rejected if the conditions stipulated for the renewal of the permission which is granted under the Article 17 of this Law are not met.

The permissions granted to the special employment offices are cancelled in cases when no employment activity is carried out within 18 months as of the renewal or granting date of the permission, it is determined that conditions for permission and renewal are not met, the liabilities in the first and second clause of the Article 19 of this law are not obeyed despite the written warnings of the Organisation, an agreement is made according to the paragraphs (a),(b),(c) of the same article and acts specified in the paragraphs (a),(b),(c) of the Article 20 are reiterated three times.

Special employment offices can object to the Authority within 15 days pursuant to the notification date of the decision against non-renewal and cancellation of permissions. Objections must be concluded within 30 days. That objection is resorted does not remove the right to refer to appeal.

### **Liabilities of the special employment offices to collect, utilise information and to inform the Organisation.**

#### **ARTICLE 19**

Special employment offices may collect information when employment activities necessitate information exclusively on job-seekers and empty vacancies, and process or utilise them.

Special employment offices cannot in any way demand fees or make profit from job-seekers. Fees for finding someone a job can only be taken from an employee. However, fee may be demanded from those who find a job.

Regarding the activities for finding job and worker;

- a) In the event that offices make wage deals with job-seekers except for those envisaged in the regulation, obtain money from them and make profit in any way; those agreements with special employment offices and employees;
- b) agreements including provisions for employing the labour force without insurance and membership to a union or paying wages lower than minimum wage
- c) agreements preventing an employer or an employee from obtaining services from other special employment offices or the Organisation for employment activities are invalid.

Special employment offices are obliged to submit regularly to the Organisation statistics related with finding an employment, vacant positions, and job – seekers which is necessary for following the labour market, and hand in other information and documents necessary for implementations of the Organisation.

### **Administrative Fines**

#### **ARTICLE 20**

Revealing its base by the Organisation;

a) two hundred and fifty million liras for each service contract is fined to special employment offices which do not have their service contracts approved by the Organisation concerning employment activities for abroad.

b) Five hundred million liras is fined to special employment offices which do not submit statistical information necessary for following the labour market, documents and information requested by the Organisation within 15 days pursuant to the notification of the request.

c) One billion liras is fined to special employment offices which do not present information, document, registry and records requested by the inspectors of the Organisation within 15 days.

d) One billion liras is fined to legal and natural persons acting against the paragraph (d) of the Article 3 of this law even if the act constitutes another offence; moreover, two hundred and fifty million liras is fined for each foreign service contract which is not approved by the Organisation.

Administrative fines are taken with annual increases as a result of the evaluation determined and declared as provided by the repeated Article 298 of the Law on Procedures for Taxation No: 213 dated 4.1.1961 and becomes valid at the beginning of each calendar year.

Administrative fines are paid within 7 days pursuant to the notification date or objections may be directed to the Organisation within the same period of time. Objection ceases the prosecution. The appeal for decision is reserved. Appeal does not cease the prosecution or collection of fine.

## **PART TWO Various Provisions**

### **Informing and confidentiality**

#### **ARTICLE 21**

When information regarding employment is required by the Organisation from public and private sector offices, it is obligatory to inform the Organisation within the assigned period. Information collected from the employees cannot be used for other purposes rather than services of the Organisation. Relevant provisions of the Turkish Penal Code No: 765 shall apply to those who acted in contradiction with the article.

### **Archiving and executing operations of the Organisation in an information – processing environment**

#### **ARTICLE 22**

All operations to be performed by the Organisation according to the law in question can be carried out and archived through electronic means and environments of information and communication including internet. Information or documents may be requested or submitted in an electronic environment.

The Organisation is obliged to keep the originals of the documents pertaining to the activities of the Organisation; or if that is not possible, their sound copies, and printed copies of letters. It is possible to keep these documents as microfilm or microfiche, or in an electronic, magnetic environment or in similar environments.

In determining and documenting archived information and any and all kinds of operation including those performed in an electronic or information – processing environment ; records of the Organisation are taken as a base. These documents and information are valid before legal and administrative bodies. If objected, burden of proof belongs to the objecting party.

Procedures and principles pertaining to archiving and exchanging document and information in an electronic environment are determined by the regulation.

## **Exemptions**

### **ARTICLE 23**

- a) All chattels and immovable properties of the Organisation , their purchase and sale procedures, and rights and revenues acquired from them ,
- b) action and attachment prosecutions to which the Organisation is a party, and which are filed by the Organisation, and announcements,
- c) deed procedures pertaining to real estate properties that are sold and purchased,
- d) all operations performed by the Organisation, letters, documents to be submitted to the relevant bodies or to be obtained from them, and their copies

are exempted from charges taken in return for all kinds of services provided by the Municipalities, any and all kinds of taxes, charges, levies even if the name of the Organisation is not specified in relevant laws or Articles of Association, and contribution charges for organisations or funds of which services the Organisation cannot utilise directly. All exemptions and exceptions stated in other laws are reserved.

## **PART THREE**

### **Provisions Amending Some Decree Laws and Laws**

### **ARTICLE 24-**

- a) The expression "Deputy Employment and Occupation Expert" is added to the paragraph A/11 of the Part "Joint Provisions of the Article 36 of the Law on Civil Servants No: 657 which shall succeed the expression "Deputy Planning Experts of the Ministry of the Interior" and the expression " Employment and Occupation Expertise" shall succeed the expression " Planning Expertise of the Ministry of the Interior".
- b) The expression "Employment and Occupation Experts" is added to the paragraph (ı/h) of the Chart No :1 of the Law on Civil Servants No: 657 which shall succeed the expression "Patent Experts".
- c) The expression "Employment and Occupation Experts" is added to the subparagraph (i) of the paragraph "A-Special Service Compensation" of " II Compensations" of the Article 152 titled as "Raises and Compensations" of the Law on Civil Servants No: 657 which shall succeed the expression "Expert for the Disabled".

### **ARTICLE 25**

Vacancies specified in the Annexed List 2 were opened and added to the Chart No: III Decree Law Annex No: 190 as being Turkish Employment Organisation.

Vacancies listed in the Annexed List 3 were personalised and added to the Chart No :IV Decree Law Annex No: 190 as being Turkish Employment Organisation.

### **ARTICLE 26**

"Fund Management Board" in the second sentence of the fourth clause of the Article 46 of the Law No: 4447 was amended as "Management Board" and the expression "or to relevant funds" was added to succeed the expression "illness and maternity insurance premiums to the Social Security Institution".

**ARTICLE 27**

The expression "or to relevant funds" was added to succeed the expression "to Social Security Institution" in the first sentence of the clause 5 of the Article 50 of the Law No: 4447.

**ARTICLE 28**

The following paragraph (g) was added to the first paragraph of the Article 51 of the Law No: 51 of the Law No: 4447 and its second clause was amended as follows:

"g) Expiration of service contracts of those insured people not within the scope of the labour laws specified in the above paragraphs in parallel with the provisions in paragraphs (a),(b),(c),(d) and (e) in accordance with the provisions of the Code of Obligations in cases where there is no collective labour agreement contracted within the scope of Law on Collective Agreement and Strike and Lock- out No: 2822 and Law on Unions No: 2821".

"However, in order to acquire the right for unemployment allowance, service contract should not be suspended during the application due to tasks arising from strike, lock- out or laws ."

**ARTICLE 29**

The paragraph (b) of the clause 1 of the Article 52 of the Law No: 4447 was amended as follows:

"Those who were found out to obtain salary from any of the social security organisations or to work in a job with income during the period when s/he receives unemployment allowance".

**ARTICLE 30**

Article 53 of the Law No: 4447 was amended as follows:

"Unemployment Insurance Fund " was established to provide financial resources for duties and services required by the Law, make payments envisaged by the law and evaluate the resources within market conditions. The fund is run and managed by the decisions of the Administration Board of the Organisation.

Procedures and principles pertaining to the evaluation of fund resources are determined by a regulation to be prepared jointly and by the Ministry of Finance , Undersecretariat for Treasury, Central Bank of Turkish Republic and Capital Market Board and to be issued by the Board of Ministers. Fund is not subject to approval and registration of the Audit Court. The fund is inspected by the Audit Court.

Fund's

- A) Revenues are composed of
- a) Unemployment Insurance Premium,
  - b) Profits and incomes earned over these premiums,
  - c) Contributions of the State in case deficit in fund occurs,
  - d) Fine, delay fine and interests to be collected from the insured and employees as required by the law,
  - e) Other revenues, profits and donations
- B) Expenditures are composed of
- a) allowances granted to the insured people,
  - b) illness and maternity insurance premium,
  - c) expenses of the training for developing and acquiring an occupation,
  - d) other expenditures of the Organisation in order to provide unemployment insurance services pursuant to the approval of the Administration Board , and expenditures for purchasing services, computer, computer hardware and software system and renting a service building.

This fund is not within the scope of the budget and no deductions can be made from its revenues in any way and recorded as revenue for the General Budget Revenues and expenditures of the Fund are inspected by the Financial Advisor under on oath having the authority to inspect who obtained his/ her licence according to the Law No: 3568 dated 1/6/1989 in periods of three months, and the results of the reports are declared.

The fund is not subject to the Law on General Accounting No: 1050 dated 26/5/1927. Fund revenues and properties bought with these revenues belong to the Organisation. Properties of the Organisation are regarded as the property of state according to the Turkish Penal Code No: 765, dated 1/3/1926 and the Law on Execution and Bankruptcy No: 2004, dated 9/6/1932 and their receivables are as privileged as State receivables. The Fund is exempted from all taxes, charges and levies except for stamp tax.

### **ARTICLE 31**

Second clause of the Article 54 of the Law No: 4447 was amended as follows:

"Administrative fines are paid within 7 days pursuant to the notification date or objections may be directed to the relevant units of the Organisation within the same period of time. Objection ceases the prosecution. The appeal for decision is reserved. Appeal does not cease the prosecution or collection of fine.

### **Regulation**

#### **ARTICLE 32**

Considering this law,

- a) principles and procedures on convening and working of the General Board, Administration Board and Provincial Employment Boards,
- b) principles and procedures on tasks, authorities and responsibilities of the units belonging to headquarters and rural offices of the Organisation,
- c) principles and procedures on harmonisation services and labour force training ,
- d) principles and procedures on archiving and performing the operations of the Organisation in an electronic and information processing environment,
- e) principles and procedures on recruitment, training and appointment of inspector assistants, and working of the Inspection Board,
- f) principles and procedures on working of Legal Counsel
- g) principles and procedures on working, qualifying and competition examinations for recruiting Employment and Occupation Experts and Assistants,

- h) principles and procedures on working o the Labour Market Information Counselling Board,
- i) principles and procedures on and inspection of offices and, selection and permission of special employment offices.
- j) principles and procedures on costs values,
- k) principles and procedures on Examinations to be Held For Ex – Convicts and the Disabled to be Employed as Worker in Public Institutions and Organisations,
- l) principles and procedures on budget and accounting deeds and administrative works

are determined by the regulations.

## **SECTION FOUR Provisional and Final Provisions**

### **PART ONE Provisional Provisions**

#### **Provisional Article 1**

- a) The first General Board meeting pursuant to entry into effect of this law is held in November of the year 2003.
- b) Office term of the members of the Administration Board and Fund Management Board of the Organisation expires pursuant to publishing of this law. The Administration Board specified in the Article 6 of this law is established within 3 months at latest. Within this period current Administration Board and Fund Management Board continue their work.
- c) (Amended in 12.8.2003 with no: 25197) Due to new arrangement required by this law, the Director General, Deputy Director General, 1. Legal Counsellor, Head of Inspection Board and Head of the Department are regarded as appointed to personalised vacancies within at least one year. Other civil servants of the Organisation whose vacancy and titles of duty, for which they get their salary, do not change are regarded as appointed to new vacancies.

Those whose vacancy and titles of duty change and are removed are appointed to new vacancies in headquarters or rural offices within 6 months upon entry into effect of this law. Until their appointments are made they can be employed in positions required by the Organisation. Until they are appointed to a new vacancy, they continue to get their salaries, additional salary indicator, any and all kinds of increases and compensations, and their other rights of their old vacancies. In the event that total net amount of the salaries, additional salary indicators, any and all kinds of increases and compensations, and their other financial rights of the vacancies of the respective staff and others in the cadre is less than total net amount of the salaries, additional salary indicators, any and all kinds of increases and compensations, and their other financial rights of their previous vacancies in the last month, the difference is paid as a compensation without any deductions during the period they work in their new vacancies.

d) Arrangements envisaged by this law are made within one year pursuant to the date the law enters into effect. Until arrangements are made, the services of the Organisation are executed by the headquarters and rural offices that executed these tasks before this law is published.

## **SECOND PART**

### **Final Provisions**

#### **Abolished Legislation**

##### **ARTICLE 33**

The second clause of the Article 16 of the Law on Establishment and Responsibilities of the Employment Authority abolishment No: 4837 and dated 21.01.1946.

#### **Enforcement**

##### **ARTICLE 34**

This law's

- a) Provision of the last clause of the article 1. As "...the Organisation is subject to the Law on General Accounting No: 1050, dated 26.5.1927" shall enter into effect on 01.01.2005
- b) other provisions shall enter into effect at the date of publication date.

#### **Execution**

##### **ARTICLE 35**

The provisions of this Law are executed by the Board of Ministers.