

COMMUNIQUÉ ON THE PRINCIPLES REGARDING THE COMPANIES WHOSE SHARES WILL BE TRADED IN VENTURE CAPITAL MARKET ENTERED INTO FORCE

Communiqué on the Principles Regarding Companies Whose Shares Will Be Traded in Venture Capital Market No. II-16.3 has entered into force by being published in the Official Gazette dated May 18th, 2023, and numbered 32194.

1. Introduction

With the publication of the Communiqué on the Principles Regarding Companies Whose Shares Will Be Traded In Venture Capital Market No. II-16.3 (“**Communiqué**”), the procedures and principles regarding the sale of the shares of joint stock companies issued through capital increase to the qualified investors without public offering are regulated. Within this scope, joint stock companies will have the chance to sell their shares to the qualified investors without public offering, which will then be traded in the Venture Capital Market of Borsa İstanbul A.Ş. (“**Venture Capital Market**”).

2. Principles Regarding the Sales to the Qualifies Investors Without Public Offering

In order to issue shares and sell to qualified investors without a public offering, such joint stock company is required to obtain the approval of the Capital Markets Board (“**CMB**”) through submitting a prospectus and relevant ancillary documents. However, the joint stock company shall also complete the necessary arrangements with regards to its articles of association and capital increase procedure before the CMB application.

Further to this, certain adequacy requirements have been determined. Accordingly; (i) the total asset value of the joint stock company shall be at least twenty million Turkish Lira, (ii) the net sales

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revenue shall be at least ten million Turkish Liras and (iii) the registered share capital must be at least ten million Turkish Liras as per the audited financial statements of the previous year.

3. Venture Capital Market and the Abolished Provision on Sales to the Qualified Investors

Together with the regulation on the sales of the shares to qualified investors without public offering under the Communiqué, Article 5/3 of the Communiqué on Shares No. VII-128.1 is repealed pursuant to the Communiqué No. No. VII-128.1.e Amending the Communiqué on Shares No. VII-128.1 published in the Official Gazette dated May 18th, 2023, and numbered 32194.

Before the amendment the repealed provision was allowing CMB to request from the companies that have applied to CMB for first public offering/trading in the exchange, but do not meet certain financial thresholds, to sell their shares to qualified investors without public offering instead of public offering. However, after the amendment, such companies' sale of their shares to qualified investors and trading of such shares in the Venture Capital Market will be subject to the Communiqué.

4. Principles Applicable After the Completion of Sales to the Qualified Investors

Pursuant to the Communiqué, the shares of the joint stock companies which are listed to the Venture Capital Market can not be publicly offered before the 2 years period as of the first trading date. Further to this, such joint stock companies are obliged to submit an application to CMB for a public offering through capital increase to ensure that their shares are traded in other markets of the exchange within five years following the first trading date.

5. Other Obligations of Companies

In addition to the procedures and liabilities explained above, the joint stock companies shall prepare annual and half-yearly financial statements, subject to the independent audit rules under CMB regulations. The joint stock companies subject to the Communiqué are also under certain public disclosure obligations such as major changes in shareholding structure, dividend distributions, general assembly meetings etc.; however, the scope of scenarios requiring public disclosures are limited compared to the scenarios applicable to public companies.

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