

REGULATORY UPDATES IN TURKISH CAPITAL MARKETS

This Legal Alert seeks to provide information regarding the recent amendment to the Equity Communiqué numbered VII-128.1 (“Equity Communiqué”).

On February 13, 2018, Capital Markets Board (“**Board**”) published a Communiqué numbered VII-128.1.ç for the **annulment** of **Article 12/Sub-Paragraph (7)** and of **Article 27** of Equity Communiqué, taking effect as from the date it has been published in the Official Gazette.

The recent amendments to the Equity Communiqué are as follows:

- Article 12/7 of the Equity Communiqué that is granting sell-out rights to shareholders in case the shares of a public company are offered to public via capital increase and where the aggregate debt average of such company due to the non-cash assets transferred from the Related Parties*** is more than 20% of the total assets average of the company - excluding the afore-mentioned debts - as per the financial tables of the last 4 (four) accounting periods prior to the capital increase, (although the increased amount will not be used for the satisfaction of company debts to the related parties) has been annulled. Given this, such companies in the afore-mentioned case, will no longer be required to grant sell-out rights to their shareholders and complete the sell-out process prior to submitting the capital increase prospectus to the approval of the Capital Markets Board (“**CMB**”).
- Article 27 of the Equity Communiqué requiring the controlling shareholders of listed public companies who are planning to sell their shares exceeding 10% of their share capital for the last 12 months’ period or 50% of the nominal value of their free float shares in the

stock change, to provide and submit an information form to the CMB has been annulled. Given this, such shareholders in the afore-mentioned case, are no longer required to submit the information forms to the CMB.

*** Related Party is defined under Article 3 of the Communiqué on Corporate Governance numbered II-17.1 with a reference to Turkish Accounting Standards.

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