

Legal Alert

Capital Markets
22 June 2026

Resolutions from CMB on Banks' Cross-Border Order Transmission Activities and Foreign ETFs

Capital Markets Board's recent resolutions have amended the principles governing (i) deposit and participation banks' intermediation to transmission of orders to institutions residing abroad and (ii) trading of foreign exchange traded funds.

| Legal Framework

Resolution of the Capital Markets Board (the "**Board**") dated 17 June 2026 and numbered 37/1118 (the "**Resolution**") was published in the Board Bulletin dated 17 June 2026 and numbered 2026/39. The Resolution has amended (i) the Guide on Investment Services and Activities and Investment Institutions with Principle Decision No. i-SPK.37.9 and (ii) Principle Decision dated 27 February 2015 and numbered 5/263 on foreign exchange traded funds ("**ETF(s)**").

| Key Changes

In the Resolution, Board has evaluated the intermediation activities on foreign order transmission of deposit and participation banks. With Principle Decision No. i-SPK.37.9, it has been stipulated that:

- Deposit or participation banks shall not engage in foreign order transmission intermediation activities for shares, as well as derivatives on shares and share indices;
- Deposit or participation banks may provide intermediation services to their customers wishing to execute foreign trading transactions on shares and derivatives on shares or share indices, for opening accounts with or transmitting orders to, brokerage firms authorized by the Board to engage in foreign transaction

intermediation activities and with which the banks have signed an order transmission intermediation agreement.

With the Resolution, the Board has also amended Article 1 of the Principle Decision dated 27 February 2015 and numbered 5/263 which stated that trading of foreign ETFs fell within the scope of Communiqué on Foreign Capital Market Instruments, Depository Certificates and Foreign Investment Funds No. VII-128.4 (“Communiqué”). Pursuant to the amended provision:

- Trading of ETFs traded on foreign exchanges does not fall within the scope of the Communiqué, save for the Board Resolution dated 27 November 2017 and numbered 43/1445 regarding the restriction on executing spot or derivative transactions based on crypto assets;
- Such transactions may be conducted by investment institutions in accordance with the rules governing intermediation to order transmission or to execution of orders under the III-37.1 Communiqué on Principles Regarding Investment Services, Activities and Ancillary Services.

| Comments

The amendments follow CMB’s general approach to deposit and participation banks in share-related transactions and position such banks as bridges between their customers and authorized brokerage firms; leaving the share-related transactions mostly in the field of authorized brokerage firms.

Additionally, amendments concerning foreign ETFs clarify the application scope of local regulations and exclude crypto asset related foreign ETF transactions outside the activity scope of Turkish investment institutions.

Should you have any queries on the matters above, please do not hesitate to contact us.

Yours faithfully,

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