

Legal Alert

Capital Markets
27 October 2026

CMB Resolutions on Investment Funds and Investor Categorisation

Capital Markets Board (“CMB”) has introduced resolutions (i) further amending the Guide on Investment Funds to remove the exemptions on capital market instruments issued by certain public sector entities from the restrictions recently introduced with respect to investment funds, and amending compliance calendar for portfolio structures, and (ii) significantly raising the financial thresholds under the professional (upon request) and qualified investor criteria.

| Legal Framework

CMB’s Resolution numbered i-SPK.52.4.ao (dated 26 October 2026 and numbered 75/1897) regarding the amendments on the Guide on Investment Funds and the Resolution numbered i-SPK.37.10 (dated 26 October 2026 and numbered 75/1899) regarding the professional/qualified investor criteria, were published in the CMB Bulletin dated 26 October 2026 and numbered 2026/74.

| Key Changes

1. Amendments to the Guide on Investment Funds

1.1. Concentration Limits of Hedge Funds

Previously, as introduced under the CMB’s Resolution dated 28 August 2026 and numbered 52/1589, hedge funds’ holdings of money market and capital market instruments issued by the Turkish Treasury, the Central Bank of the Republic of Türkiye (CBRT), mortgage finance institutions, Türkiye Wealth Fund and its subsidiaries, public institutions and their subsidiaries and affiliates, as well as companies directly or indirectly controlled by one or

more of these entities, were exempt from certain concentration limits. This exemption has now been removed, and hedge funds' holdings in such instruments will be subject to the concentration limits in the Guide on Investment Funds and the general rules in the Communiqué on Investment Funds No. III-52.1.

1.2. Restrictions on Shares

Shares issued by the entities mentioned in Section 1.1., which were likewise exempt, will now also be subject to the restrictions below, introduced by the same Resolution of CMB dated 28 August 2026 and numbered 52/1589:

- (i) the requirement of investment funds to prepare a share sale information form for the conversion of non-traded shares of publicly held companies, transferred to the portfolios of real estate investment funds and venture capital investment funds, into tradable shares for the purpose of their sale; and
- (ii) the acquisition limits applicable to all investment funds established by a single founder, other than special funds, hedge funds, real estate investment funds and venture capital investment funds, in respect of share acquisitions through special order transactions on Borsa Istanbul or on Borsa Istanbul's Wholesale Transactions Market, limited to 1% of the shares representing the share capital or voting rights of a publicly held company in a single transaction and 3% in aggregate over any twelve-month period.

1.3. Compliance Calendar

In addition, hedge funds were obliged to comply with the concentration limits brought with the CMB's Resolution dated 28 August 2026 and numbered 52/1589, in three stages. With the amendment, the compliance calendar is unified and extended to 31 January 2027.

2. Updates on the Professional/Qualified Investor Criteria

2.1. Financial Status Criteria

Minimum total financial assets threshold required for investors to be classified as professional clients upon request has been increased from TRY 10 million to TRY 50 million, while the minimum transaction volume threshold, subject to the execution of at least 10 transactions in a quarter, has been increased from TRY 5 million to TRY 25 million.

In parallel, the financial thresholds prescribed under the applicable legislation for legal entities to qualify as professional clients have also been increased to TRY 2.5 billion for assets, TRY 4.5 billion for yearly net sales and TRY 250 million shareholders' equity.

In line with these amendments, the qualified investor criteria determined by reference to the professional client requirements have also been updated.

2.2. Venture Capital and Real Estate Investment Funds

Qualified investors eligible to invest in participation units of real estate investment funds and venture capital investment funds will also be subject to the updated financial thresholds applicable to qualified investors in general.

2.3. Status of Previous Investor Categorisation

Under the previous framework, existing qualified investors were permitted to retain their status despite subsequent increases in the applicable financial thresholds. However, CMB has revoked the protection on previously gained professional client/qualified investor statuses.

Accordingly, clients who obtained professional client and/or qualified investor status based on the previously applicable lower financial thresholds, including investors holding participation units of real estate investment funds and venture capital investment funds, are required to demonstrate to

their investment institutions, in writing or electronically, that they meet the updated regulatory requirements. Otherwise, clients holding capital markets instruments restricted to qualified investors will only be permitted to place sell orders in respect of such instruments.

Where clients who have obtained professional client and/or qualified investor status subsequently fall below the financial thresholds prescribed under the applicable legislation, they are required to notify their investment institutions of such changes and remain responsible for ensuring the accuracy and currency of the information provided.

| Comments

The amendments to the Guide on Investment Funds further tighten the regulatory framework introduced by the CMB on 28 August 2026 by removing the exemptions previously granted to instruments and shares issued by public sector entities, balanced by the new compliance calendar.

In addition, the significantly higher financial thresholds for professional clients (*upon request*) and qualified investors, together with the requirement for existing investors to evidence their status under the newly applicable threshold, appear to aim at restricting access to higher-risk instruments by retail investors who lack sufficient financial means or investment experience.

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

Yours faithfully,

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