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Main Legislative Developments

New Amendments to the Communiqué on Recordkeeping of Dematerialized Securities

The dematerialized system for equities traded in ISE became effective as of November 28, 2005. Currently, equities traded in ISE are kept under custody at the Central Registry Agency under a system that keeps securities in intermediary accounts divided into individual client sub-accounts, over which clients have direct access and control, thereby providing protection for client assets.

Following the new Communiqué on foreign securities and DRs, which had entered into force in October 2010, the Communiqué Serial: IV, No: 28 on Procedures and Principles with regard to record keeping of dematerialized securities, was also amended in November 2010, with respect especially to foreign instruments. The amendments are summarized below:

The Amendment of the regulation regarding the Establishment, Activity and Supervisory of the Central Registry Agency (MKK) was published in the Official Gazette on November 2, 2010.

- The amendment enables the Central Registry Agency (CRA) to open accounts at foreign custodian institutions under principles and procedures it will determine.

Foreign securities may not be required to be deposited to the Central Registry Agency.

- It was previously determined that dematerialized capital market instruments including government debt instruments would be kept under investor accounts. With the amendment, the CMB was authorized to determine cases where a capital market instrument should be kept under the account of the intermediary, depending on the instruments' nature or the nature of a transaction on such an instrument.
- With regard to foreign securities issued in accordance with the new Communiqué on foreign securities and DRs, the CMB will be authorized to determine different conditions from those already specified in relation to notifications to be made to the CRA.
- Furthermore it will no longer be mandatory to deposit foreign securities that are issued and sold within Turkey in the Central Registry Agency, where such securities are already deposited at a custodian in accordance with the rules and regulations of the related foreign country.

Click [here](#) for the amended Communiqué (available only in Turkish)

News

CMB and Bilkent University Signed an Agreement for Cooperation

- Capital Markets Board (CMB) and the İhsan Doğramacı Bilkent University signed an agreement with the purpose of cooperation for academic research and education. This agreement is a part of the CMB's efforts aiming at developing institutional cooperation with universities.
- The agreement signed on November 3, 2010 Wednesday in a ceremony with the attendance of CMB Chairman Prof.Dr. Vedat Akgiray and the İhsan Doğramacı Bilkent University Rector Prof.Dr. Abdullah Atalar.

New Product: Turkdex ISE 30-100 Index Spread Futures

- With the addition of "TurkDEX-ISE 30-100 Index Spread" futures contract, TurkDEX expands its product range offering a spread contract on the "TurkDEX-ISE 30" futures contract, one of the most liquid investment tools in Turkey, and "TurkDEX-ISE 100" futures contract.
- This new product differs from other futures contracts by offering an investment opportunity not only on the price movements but also on the spread of the two indices. This contract enables investors to generate high investment returns by only depositing a low initial collateral. "TurkDEX-ISE 30-100 Index Spread" futures contract allows investors to profit from arbitrage trades among "TurkDEX-ISE 30", "TurkDEX-ISE 100" and "TurkDEX-ISE 30-100 Index Spread" futures contracts.
- Offering the investment opportunity on two different underlying assets, "TurkDEX-ISE 30-100 Index Spread" futures contract, is expected to break new ground in the financial markets of Turkey.
<http://www.turkdex.org.tr/VOBPortalEng/DetailsPage.aspx?tabid=447>

IPO Summit Held in Bursa

- After the Istanbul summit in May 2010, second IPO summit was held in Bursa on 23-24 November 2010. The summit was organized with the cooperation of Capital Markets Board, The Union of Chambers and Commodity Exchanges of Turkey, Istanbul Stock Exchange and the Association of Capital Market Intermediary Institutions of Turkey and Bursa Chamber of Trade and Industry.
- Over 600 participants and 100 companies attended the conferences in Bursa Merinos Atatürk Kongre Kültür Merkezi. The summit was held in three sessions and brought together the companies with IPO potential, intermediary institutions, law firms, auditors, capital market institutions, consultancy firms and regulators.
- http://www.halkaarzseferberligi.com/duyurular/duyurudetay/10-11-24/Halka_Arz_Seferberli%c4%9fi_Bursa_Zirvesi_sonu%c3%a7_bildirgesi_yay%c4%b1nland%c4%b1.aspx

Financial Literacy Project

- Within the framework of the financial literacy project , the CMB organized meetings with Bogaziçi University, 9 Eylül University, Bilkent University and METU. During these meetings, the participants were informed about the capital markets, mission and functions of the CMB, admission procedures, working conditions and licensing examinations.

Events

Main Indicators

ISE 25
Annive
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	December 2008	December 2009	August 2010
Number of ISE Companies	317	315	337
Market capitalization of ISE companies (Million \$)	119,698	235,996	276.555
Market capitalization as a % of GDP	16.15	38.21	44.77 **
Number of investors in ISE	989,853	1,000,261	1,028,766
Investors Deposit Balance (% of Total)			
-Foreign	67.5	67.3	66.5
-Domestic	32.5	32.7	33.5
Number of open mutual fund accounts	2,938,904	2,998,648	3,384,416
Number of pension funds participants	1,859,824	2,141,287	2,361,644
Intermediary Institutions	145	144	144
-Brokerage Firms	104	103	103
-Banks	41	41	41
Investment Funds NAV*	19,776	26,086	26,370
-Mutual Funds NAV (\$ Million)	15,768	19,921	19,179
-Pension Funds N AV (\$ Million)	3,973	6,126	7,157
-Foreign Funds NAV (\$ Million)	35	39	34
NAV of investment funds as a % of GDP	3.20	4.22	4.27*
Investment Trusts NAV (\$ Million)	364	479	474
Real Estate Investment Trusts NAV (\$ Million)	2,808	3,172	3,295
Venture Capital Investment Trusts NAV (\$ Million)	90	103	99
Total Investment Trusts NAV as a % of GDP	0.44	0.61	0.63**
Number of Portfolio Management Companies	23	23	24
Portfolio value of port. man. comp. (\$ Million)	20,213	26,694	27,163
Number Of Independent Auditing Companies	97	95	93
Number Of Real Estate Appraisal Firms	50	63	79
Number Of Rating Agencies	8	9	9
*NAV: Net Asset Value, ** GDP as of December 2009			

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