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News& Events

Bilateral Memorandum of Understanding Signed Between Capital Markets Board (CMB) and the Securities and Exchange Commission of Pakistan (SECP).

A Memorandum of Understanding (MoU) has been signed between the Capital Markets Board of Turkey (CMB) and the Securities and Exchange Commission of Pakistan (SECP).



The MoU signed by Chairman of the CMB, Dr. Vedat Akgiray and Chairman of the SECP, Muhammad Ali at CMB's Istanbul Representation Office on 14 September 2011 aims at fostering the cooperation and exchange of information between the authorities of the two countries.

In his speech at the signing ceremony, CMB Chairman Dr. Vedat Akgiray emphasized the importance of international cooperation.

SECP Delegation visited Istanbul Stock Exchange, Association of Capital Market Intermediary Institutions Turkish Derivatives Exchange, Istanbul Gold Exchange, Central Registry Agency, Istanbul Settlement and Custody Bank, Association of Turkish Intermediary Institutions and Corporate Governance Association during their stay in Istanbul.

G-20 Conference on Commodity Price Volatility held in İstanbul, Turkey on 12-13 September 2011

Istanbul hosted the conference on Commodity Price Volatility which was held at the Conrad Hotel on 12-13 September 2011. The opening session was chaired by the Deputy Prime Minister Ali Babacan and French Minister in charge of Industry, Energy and Digital economy, Eric Benson. Session 2 on financialization of commodity markets was chaired by the Chair of the CMB, Vedat Akgiray. The conference consisted of four sessions where experts and delegates from different countries discussed the current and recent evolutions of commodity markets, financialization of commodity markets, fossil fuel price volatility and agricultural commodities price volatility and food security.

COMCEC Conference held in İstanbul, Turkey on 16-17 September 2011

Within the framework of the Standing Committee for Economic and Commercial Cooperation (COMCEC), the Capital Markets Board of Turkey (CMB) and the Istanbul Stock Exchange (ISE) hosted the “COMCEC Capital Markets Regulatory Authorities Conference and Roundtable” and “OIC Capital Market Linkages and Technology Panel” held in Istanbul, the Marmara Taksim Hotel on 16-17 September 2011.

This conference served as a platform for the representatives of COMCEC Member State Capital Market Regulatory Authorities to share their views and ideas for potential cooperation topics and respond to the calls by the 25th and 26th COMCEC Meetings.

In order to increase the coordination between COMCEC member states’ capital market regulatory authorities, strengthen cooperation possibilities both at global and regional levels on behalf of the OIC member states, “COMCEC Capital Market Regulators Forum” with four task forces -market development, capacity building, Islamic finance, financial literacy- has been established among the COMCEC member countries’ regulators. Mr. Vedat AKGIRAY is designated as the Chairman of the Forum and the CMB, as being the secretariat. COMCEC Capital Market Regulators Forum will be held once a year.

First meeting of the Eurasia Group on Corporate Governance for Capital Market Development, Almaty, Kazakhstan, 27 September 2011

OECD (Organisation for Economic Co-operation and Development) Corporate Governance Committee; in co-operation with the Capital Markets Board of Turkey and Istanbul Stock Exchange launched the first meeting of the “*Eurasia Group on Corporate Governance for Capital Market Development*” on 27 September 2011 in Almaty, Kazakhstan, the event was hosted by the Kazakhstan Stock Exchange. This initiative is made within the context of the OECD corporate governance work for the Eurasia region. “Eurasia Group on Corporate Governance for Capital Market Development” aims to address the link between capital market development and economic growth, identify how better corporate governance practices can contribute to capital market development in Eurasia, reinforce the capacity of Eurasian regulators to efficiently exercise their responsibilities and suggest how existing policies, regulations and institutions can be improved to strengthen corporate governance and development of Eurasian capital markets. The Group’s First Meeting targets to create awareness in Eurasia of the role of corporate governance in capital market development through sharing of international best practices and knowledge with all relevant stakeholders and create awareness outside of Eurasia about efforts and progress made in the region. The Group’s first meeting focussed on the Eurasian corporate governance landscape and institutional frameworks of Eurasian capital markets, corporate governance reform priorities

and the role of stock exchanges and state owned enterprises in capital market development through a series of panels. The Group is made up of Afghanistan, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kirghizistan, Mongolia, Moldavia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan, and capital market authorities, ministries, stock exchanges, NGOs, academia, private and state owned company representatives in the region.

The Eurasia Group on Corporate Governance for Capital Market Development will develop a report in 2012 providing concrete and practical recommendations on corporate governance improvements that can be achieved to contribute to capital market development and economic growth in the Eurasia region.

As a back to back event to the first meeting of the OECD Eurasia Group, Kazakhstan Stock Exchange and Federation of Euro-Asian Stock Exchanges (FEAS) have conducted FEAS 17th General Assembly, executive and working committees on September 27–29, 2011 in Almaty. The event has been organized with the support of the National Bank and Central Securities Depository of the Republic of Kazakhstan. The decision on holding the Annual General Assembly in Almaty was made in Istanbul (Turkey) during the 16th General Assembly which took place in December 2010. During this event KASE also became a member of the FEAS Executive Committee.



Main Legislative Amendments

Transitional Period Regarding the Communiqué Serial: V, No: 125 on Principles Regarding Leveraged Transactions and Institutions which are Authorised to Provide Those Transactions

Intermediation in trades involving the leveraged sale of foreign exchange, commodities, precious metals or other assets which is widely known as “forex” is one of the capital market activities under the responsibility of the Capital Markets Board since 31.08.2011. The Communiqué Serial: V, No: 125 on Principles Regarding Leveraged Transactions and Institutions Which are Authorised to Provide Those Transactions has been published on 27.8.2011 in the Official Gazette and entered into force starting from 31.08.2011.

With the new Communiqué only licensed brokerage firms and derivatives intermediary institutions will act as fundamental service providers for “forex” transactions. There are applications made to the CMB for licence however as the applications have not been not finalised yet presently there are no authorised intermediary institutions for these activities.

The intermediary institutions which conduct “forex” market making activities at the time of the enactment of the Communiqué has been given the opportunity to continue their activities on the condition that they will apply to the CMB for licensing within two weeks after the Communiqué entered into force. These institutions shall fulfil conditions determined by the Communiqué. The Board announced the intermediary institutions applied to the Board for this purpose on 26.09.2011 through its website.

During this transitional period, except those intermediary institutions who have applied for authorisation to the Board, any brokerage firms, derivatives intermediary institutions and internet sites performing those transactions without an authorisation will be infringing capital market legislation. CMB will take appropriate measures including administrative and criminal sanctions to prevent such activities.

The Minimum Aspects to be Included in Framework Agreement for Leveraged Transactions has been Determined by the CMB

According to article 8 of the Communiqué Serial: V, No: 125, the brokerage houses have to conclude a written agreement with their customers prior to providing intermediation services in trades involving the leveraged sale of foreign exchange, commodities, precious metals or other assets.

In accordance with the Communiqué, the minimum aspects to be included in this agreement has been determined by the Board and disclosed on the CMB website.

The Communiqué Serial: V, No: 127 Amending the Communiqué Serial: V, No: 46 on Principles Regarding Intermediary Activities and Intermediary Institutions (date of official gazette: 12.9.2011)

The amendment stipulates that apart from the customer, the persons who want to make transaction on behalf of the customer must have been authorized through a proxy drawn up by public notary. Identity of the proxy holder's and any amendment regarding the identification should be submitted to the Central Registration Agency by the intermediary institutions.

Amendment on “Regulation Concerning the Conditions of the Foundation And Operation Principles of Precious Metal Exchange Brokerage Houses” (date of official gazette: 14.9.2011)

A new provision is added as Article 12-b to the Regulation. With this amendment, precious metal exchange brokerage houses are allowed to perform the activity of purchasing and selling of processed or unprocessed precious stones at the Precious Metal Exchange.

Main Indicators

	December 2009	December 2010	June 2011
Number of ISE Companies	322	344	361
Market capitalization of ISE companies (Million \$)	235,996	307,551	291,179
Market capitalization as a % of GDP	38.21	41.79	39.57
Number of investors in ISE	1,000,261	1,043,135	1,092,791
Investors Deposit Balance (% of Total)			
-Foreign	67.3	66.2	62.2
-Domestic	32.7	33.8	37.8
Number of open mutual fund accounts	2,998,648	3,248,601	3,536.645
Number of pension funds participants	2,141,287	2,460,096	2,680.074
Intermediary Institutions	144	144	142
-Brokerage Firms	103	103	102
-Banks	41	41	40
Investment Funds NAV*	26,086	29,477	28.863
-Mutual Funds NAV (\$ Million)	19,921	21,620	20,536
-Pension Funds N AV (\$ Million)	6,126	7,822	8,291
-Foreign Funds NAV (\$ Million)	39	35	36
NAV of investment funds as a % of GDP	4.22	4.00	3.9
Investment Trusts NAV (\$ Million)	479	488	451
Real Estate Investment Trusts NAV (\$ Million)	3,172	11,189	11,808
Venture Capital Investment Trusts NAV (\$ Million)	103	121	119
Total Investment Trusts NAV as a % of GDP	0.61	1.6	1.68
Number of Portfolio Management Companies	23	28	29
Portfolio value of port. man. comp. (\$ Million)	26,694	30,304	24.753
Number Of Independent Auditing Companies	95	92	93
Number Of Real Estate Appraisal Firms	63	82	96
Number Of Rating Agencies	9	9	9

*NAV: Net Asset Value, ** GDP as of December 2010 (735,828 \$ Million)

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