



This issue

News&Events	P.1
Developments in the Markets	P.4
Main Legislative Amendments	P.5
Main Indicators	P.6

News& Events

MENA-OECD Capital Markets Taskforce launched

Being an active participant in the topics initiated by the OECD such as the corporate governance and capital markets, the Capital Markets Board (CMB) took part in the MENA (Middle East North African)-OECD Capital Markets Taskforce launch at the "Round Table for Effective and Efficient Regulation in the MENA Region" on 6-7 December in Qatar. The Round Table was co-chaired by the Qatar Financial Centre Regulatory Authority and the US Securities and Exchange Commission. The main objective of the Capital Markets Task Force is to serve as a platform for dialogue and exchange of experiences and best practice on issues relating to the regulation of capital markets in MENA and in OECD economies. The Task Force will also establish a network of MENA and OECD regulators, policy makers and experts, which will contribute to heightening the policy impact of the Task Force's activities. Among the issues addressed are the need for increased transparency, more effective surveillance and greater accountability of financial systems. A benchmarking exercise is being supported based on the High Level OECD Checklist of the Policy Framework for Effective and Efficient Financial Regulation for MENA countries (Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestinian Authority, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates and Yemen).

Summit on the Global Agenda held in Dubai, UAE between 29 November-01 December 2010

Prof Dr. Vedat Akgiray, Chairman of the Capital Markets Board, participated in the three-day summit on the Global Agenda which was held by the World Economic Forum in partnership with the United Arab Emirates. The Summit attracted more than 600 leading experts from government, business, academia and civil society and offered the participants the opportunity to shape solutions to pressing global challenges.

CMB is in the “OECD Corporate Governance Committee” Bureau

CMB Vice Chairman Bekir Sitki SAFAK is elected to the “OECD Corporate Governance Committee Bureau“ in the 16-17 November 2010 Committee Meeting held in the OECD Headquarters in Paris. Turkey being a member and represented by the Capital Markets Board at the OECD Corporate Governance Committee is now also represented at the bureau of this influential unit of the OECD. The bureau is strategically assisting the Committee in its moves and work agenda.

2nd Islamic Financial Stability Forum held in Jeddah, Saudi Arabia on 14 December 2010

Chairman of the Capital Markets Board, participated in the 2nd Islamic Financial Stability Forum which was held in Jeddah, Saudi Arabia on 14 December 2010.

The forum agenda included the following topics:

- Liquidity Management in Institutions Offering Islamic Financial Services
- Role and Practices of Central Banks and Supervisory Authorities in Addressing Liquidity Management Issues in the Islamic Financial Services Industry

25th Anniversary Conference of ISE, Istanbul, Turkey



Founded in December 1985, Istanbul Stock Exchange (ISE) organized a two-day-conference at Haliç Congress Center in Istanbul on 9-10 December 2010 to mark its 25th anniversary.

The opening speeches of the conference were delivered by H.E. Mr. Recep Tayyip Erdoğan, Prime Minister, H.E. Mr. Ali Babacan, State Minister and Deputy Prime Minister of Turkey, Prof. Dr. Vedat Akgiray, Chairman of the Capital Markets Board and Mr. Hüseyin Erkan, Chairman & CEO of Istanbul Stock Exchange.

Furthermore, Prof. Dr. Vedat Akgiray spoke at the panel session on “Capital Markets Regulation in the New Era” The conference which aimed at providing an international platform for promoting the Istanbul Stock Exchange, the efforts within the framework of Istanbul International Financial Center project, and the developments in the Turkish economy and capital markets brought together the investors and prominent speakers from all over the world.



FEAS events organized in Istanbul Turkey between 6-10 December 2010

Federation of Euro-Asian Stock Exchanges (FEAS) organized a series of events in Istanbul, Turkey between 6-10 December 2010 which are as follows:

- Marketing Seminar on IPO (6 December 2010)
- 16th General Assembly with Working and Executive Committee Meetings (7-8 December 2010)
- Marketing Exhibition (9-10 December 2010)

FEAS was established in 1995 with a leading role of the ISE. Since its establishment, ISE has been holding the position of President of FEAS.

Developments in the Markets

New Product: Turkdex ISE 30-100 Index Spread Futures

TurkDEX launched TurkDEX-EUR/USD Cross Currency and TurkDEX-USDollar/Ounce Gold Futures on December 22, 2010. The new instruments expand the range of futures contracts available on TurkDEX and providing investors with new investment and risk management tools.

With the TurkDEX-USDollar/Ounce Gold futures contract enables investors to invest in the most actively followed price of gold in terms of USD/Ounce in addition to the existing TL/gram measure

The “TurkDEX EUR/USD Cross Currency” futures contract enables investors to trade the US Dollar/Euro currency pair, which is an important indicator for the global economy. Especially institutional investors that have exposure to risk arising from price movements in both currencies are expected to show high interest in the new contract.

<http://www.turkdex.org.tr/VOBPortalEng/detailsPage.aspx?tabid=444>

Main Legislative Amendments

Amendments to the Communiqué on the Public Disclosure Platform

The Public Disclosure Platform (PDP) is an electronic system for the public disclosure of all notifications made by publicly held companies and capital market institutions as required by relevant Turkish Capital Market Legislation. The PDP was established by the joint efforts of the Capital Markets Board of Turkey, the Scientific and Technical Research Council of Turkey and the Istanbul Stock Exchange and since the end of 2009 it is the sole venue for the dissemination of public disclosure documents. The secure collection of financial statements, material events and other type of the disclosures from publicly held companies and capital market institutions via the Internet is regulated with the Communiqué Serial: VII, No: 61 on Principles Regarding Sending Information, Documents and Notifications by Electronic Signature to the Public Disclosure Platform.

At the time of the establishment of the infrastructure of PDP, qualified electronic certificates were not yet in use in Turkey, therefore the PDP system was originally designed to depend on electronic signatures that were not qualified. In accordance with the Electronic Signature Law No. 5070 and related secondary legislation the PDP infrastructure was modified later on to allow the transition to electronic signatures based on qualified electronic certificates, which are also valid and binding in legal terms. With an amendment to the Communiqué on the Public Disclosure Platform completed in December 2010, technical adjustments to the Communiqué were made as necessitated by the modifications to the PDP infrastructure.

Proposed amendments to Communiqués on Mutual Funds and Portfolio Management

The CMB has published two proposals on its Internet website for consultation with regard to amending the Communiqués on mutual funds and portfolio management.

With the draft Communiqué amending the Communiqué Serial: VII, No: 10 on Principles Regarding Mutual Funds a new fund category has been defined as “short term bonds and bills funds”. Pursuant to the draft communiqué provisions; these funds should invest at least 51% of their portfolio permanently in public and private debt instruments and the monthly weighted average of the maturity of these funds must be between 45 days and 90 days.

On the other hand, the draft Communiqué amending the Communiqué Serial: V, No: 59 on Principles Regarding Portfolio Management Activities enables portfolio management companies to be authorized for the distribution of participation certificates of mutual funds they manage as well as those that are managed by other companies. Restricted to this intermediation activity, the portfolio management companies will be treated as brokerage firms, pursuant to the article 31 paragraph one of Capital Market Law.

Main Indicators

	December 2008	December 2009	September 2010
Number of ISE Companies	317	315	338
Market capitalization of ISE companies (Million \$)	119,698	235,996	320,032
Market capitalization as a % of GDP	16.15	38.21	51.82 **
Number of investors in ISE	989,853	1,000,261	1,025,175
Investors Deposit Balance (% of Total)			
-Foreign	67.5	67.3	67.8
-Domestic	32.5	32.7	32.2
Number of open mutual fund accounts	2,938,904	2,998,648	3,309,325
Number of pension funds participants	1,859,824	2,141,287	2,385,784
Intermediary Institutions	145	144	144
-Brokerage Firms	104	103	103
-Banks	41	41	41
Investment Funds NAV*	19,776	26,086	28,013
-Mutual Funds NAV (\$ Million)	15,768	19,921	20,193
-Pension Funds N AV (\$ Million)	3,973	6,126	7,785
-Foreign Funds NAV (\$ Million)	35	39	35
NAV of investment funds as a % of GDP	3.20	4.22	4.54*
Investment Trusts NAV (\$ Million)	364	479	514
Real Estate Investment Trusts NAV (\$ Million)	2,808	3,172	3,847
Venture Capital Investment Trusts NAV (\$ Million)	90	103	105
Total Investment Trusts NAV as a % of GDP	0.44	0.61	0.72**
Number of Portfolio Management Companies	23	23	24
Portfolio value of port. man. comp. (\$ Million)	20,213	26,694	29,065
Number Of Independent Auditing Companies	97	95	93
Number Of Real Estate Appraisal Firms	50	63	80
Number Of Rating Agencies	8	9	9
*NAV: Net Asset Value, ** GDP as of December 2009			

CAPITAL MARKETS BOARD OF TURKEY

Home Office

Eskisehir Yolu 8. Km No: 156
06530 Ankara-Turkey
Phone +90 (312) 292 9090
Fax +90 (312) 292 9000

Istanbul Representative

Harbiye Mah. Askerocađı Cad. No: 15
34367 Sisli/Istanbul-Turkey
Phone +90 (212) 334 5500
Fax +90 (212) 334 5600

E-mail

spk@spk.gov.tr