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News& Events

The Turkish Capital Market Days in Taipei, Taiwan

Within the framework of reaching out to foreign investors, the Turkish Delegation composed of representatives from the Capital Markets Board of Turkey, İstanbul Stock Exchange, Association of Capital Market Intermediary Institutions of Turkey, Turkish Derivatives Exchange, Cooperate Governance Association of Turkey, Licensing, Registration and Education Association paid a visit to Taipei on 27-28 October 2011. The main aim of this visit is to introduce the Turkish Capital Markets to Taiwanese counterparts through a series of meetings including a roundtable meeting mainly focused on the exploration of opportunities and challenges of the Turkish Economy which was organized on 28 October 2011. The meetings were followed by bilateral talks.

Within the scope of the visit, the Turkish officials had the opportunity to visit the local stock and derivative markets, Settlement and Custody Institution of Taiwan and various intermediary institutions.



IOSCO EMC Meetings & Conference in Dominican Republic

2011 EMC Annual Meeting and Conference were held in Punta Cana, Dominican Republic on 17- 19 October 2011. As the Chairman of the EMC, Mr. Vedat Akgiray has chaired the EMC Annual meeting and participated in several meetings to discuss the current topics in the financial markets with other securities regulators. In the EMC meeting, completed projects such as corporate bond markets and nominee accounts have been presented and approved by the members of the Committee. New IOSCO principles have also been discussed among the members during the workshops. The meetings and workshops were followed by a conference covering recent topics on financial agenda of emerging markets. The opening speeches of the conference were delivered by Mr .Vedat Akgiray and Mr. Temístocles Montás, Minister of Economy of the Dominican Republic.

In addition, Mr. Vedat Akgiray moderated a public panel discussion titled “Facilitating SMEs participation in Emerging Markets”.



During the conference, Mr. Bekir Sıtkı Şafak, CMB Vice Chairman and the Bureau member of the OECD Corporate Governance Committee made a presentation on corporate governance applications in Turkey.

Joint Seminar on “Regulation, Inspection and Oversight of Market Intermediaries”, İstanbul, Turkey

Capital Markets Board of Turkey (CMB) launched an international capital market program which has been co-organized by the U.S. Securities and Exchange Commission (SEC) between the dates 11-13 October 2011.



The program which is titled “Regulation, Inspection and Oversight of Market Intermediaries” is designed to be a seminar for the exchange of best practices in the development and regulation of market intermediaries. Senior experts shared their insights related with the above-mentioned topics. The program also explored the recent growth of electronic trading and the problem of market fragmentation, provided observations comparing and contrasting approaches by regulatory systems around the world, and highlighted international best practices.

Please visit <http://www.cmb.gov.tr/filesys/riomi/?yanmenuid=1> to see all related information about the program.

The visit of the Thai Bond Market Delegation to the CMB , İstanbul, Turkey

The meeting held on 10 October 2011 at the Istanbul Representation Office of the Capital Markets Board was realized with the participation of high level representatives from the Thai Bond Market Association (ThaiBMA). The opening speech of the meeting was delivered by Mr. Muhammed Emin ÖZER, the Acting Chairman of the CMB. During the meeting, the CMB experts gave detailed information on the structure and supervision of the CMB, its role and functions in capital markets, CMB's jurisdiction area, regulations for bond/repo market and new developments concerning the bond market.

Both the Turkish and Thai Delegation emphasized their willingness to further strengthen the cooperation between the two countries.

Main Legislative Amendments

Changes have been made with respect to the registration fee taken from the lease certificates and the shares of the companies which are registered to the CMB and are not traded at the Stock Exchange.

The calculation of the registration fee taken for issuing the lease certificates, known as bonds without interest, has been changed by a decision taken by the Council of Ministers on 25.08.2011. With this new decision the registration fee for issuing lease certificates are now compatible with other bonds issued according to the Capital Market Law.

According to the CMB decision No: 17/519 dated 03.06.2011 the shares of the companies which are registered to the CMB but not traded at the stock exchange will start to be trading at the relevant markets of the stock exchange. According to the mentioned CMB decision a registration fee has to be taken from those companies which is equal to the amount between the nominal value and the market value of the shares. However, for the purpose of promoting those companies for trading at the stock exchange and helping to improve public offerings with the suggestion of the CMB, it has been decided not to take the registration fee from the mentioned companies for trading at the stock exchange through the Council of Ministers decision dated 25.08.2011.

Decree-Law No. 654 and the Communiqué Serial: IV, No: 54 on Principles Regarding Determination and Application of Corporate Governance Principles (date of official gazette: 11.10.2011)

The Capital Markets Board of Turkey (“CMB”), authorized by Decree-Law No. 654 to determine and implement corporate governance principles in capital markets, published the relevant Communiqué on 11.10.2011.

The Communiqué Serial: IV, No: 54 introduces the obligation for ISE National-30 Index companies (excluding banks) to comply with some of the corporate governance principles. Main requirements for ISE-30 companies are summarized below:

- ✓ at least one third of the Board must be composed of independent directors,
- ✓ detailed disclosure provisions are foreseen regarding general shareholders meetings,
- ✓ major material decisions like the sale or purchase of material tangible assets or the issuance of guarantees in favor of third parties cannot be executed without a general assembly approval.

Meanwhile, corporate governance principles of CMB have been revised and attached in the annex of the Communiqué.

Amendment on Communiqué on Principles Regarding Accounts of Intermediary Institutions and Using of those Accounts (date of official gazette: 9.10.2011)

Intermediation in trades involving the leveraged sale of foreign exchange, commodities, precious metals or other assets that may be determined by the CMB have been listed among capital market activities with the amendment made by the article 155 of Law No 6111 on Article 30 of the CML. Authorized by Law No. 6111 for the supervision and surveillance of the leveraged transactions, the Capital Markets Board of Turkey (CMB) published the relevant Communiqué on 27.8.2011.

With the amendment, accounts that shall be used for the forex transactions have been determined.

The Communiqué Serial: VI, No: 31 Amending the Communiqué Serial: VI, No: 30 on Principles Regarding Closed-end Investment Companies (Date of Official Gazette: 9.10.2011)

The amendment will enable closed-end investment companies to outsource portfolio management function or investment advisory activities to licensed brokerage firms in addition to the portfolio management companies. However, portfolio management services and intermediary activities cannot be provided by the same brokerage firms. For this provision, a transitional period until 1.1.2013 is provided for the existing closed-end investment companies.

The Communiqué Serial: V, No: 128 Amending the Communiqué Serial: V, No: 59 on Principles Regarding Portfolio Management Activities and Portfolio Management Companies (Date of Official Gazette: 9.10.2011)

The amendment will enable portfolio management companies to invest in participation accounts opened by participation banks for the managed portfolios.

The requirement for all shareholders of portfolio management companies to be sufficiently experienced has changed parallel to the other capital market institutions. Only, shareholders own 10% or more of the capital of the portfolio management companies are required to have sufficient experience in financial markets.

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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