

This Issue

News& Events	P.1
Main Legislative Amendments	P.3
Main Indicators	P.5

News& Events

Bilateral Memorandum of Understanding Signed Between the Capital Markets Board of Turkey and the Financial Services Commission and Financial Supervisory Service of Korea

The Memorandum of Understanding signed by Mr. Seok-Dong Kim, Chairman of the Financial Services Commission (FSC) of Korea and Mr. Vedat Akgiray, Chairman of the Capital Markets Board (CMB) of Turkey on 25 November 2011, aims to enhance the mutual cooperation between the institutions through the exchange of information on matters related to the supervision of financial institutions and the establishment of a communication channel.

During their stay in Turkey, the Korean Delegation also visited the Istanbul Stock Exchange and Banking Regulation and Supervision Agency.



German Equity Forum

A series of events were organized between 21-23 November 2011 aiming to present the Turkish capital markets to foreign investors and companies with the support of the Turkish capital markets participants and the Deutsche Börse.

Istanbul Stock Exchange was one of the sponsors of the annual German Equity Forum (GEF) which is held on 21-23 November 2011 in Frankfurt. There were stands of the Turkish capital markets participants and private sector on the forum area in order to present the market, institutions and the services.



Besides the presentations with the stands, on 22 November there was a Turkey Investment Forum where Turkish capital market participants (CMB, ISE, Association of Capital Market Intermediary Institutions, and Turkish Association of Institutional Investment Managers) had the opportunity to present the Turkish capital markets and the opportunities and trends in the market. CMB Acting

Chairman Mr. M. Emin OZER participated in the forum as a panelist in the “Turkish Markets Appeal to Investors and Companies” panel. Further, the private sector companies from the energy, wholesale and retail trade, real estate and transportation sectors contributed to the Turkey Forum with their sector and company presentations. The forum received a lot attention of the foreign investors and companies.

Meeting on Investments, Capital Markets and Securities Exchanges in Turkey

In order to promote the Turkish capital markets to Turkish citizens living abroad and attract investors, a meeting was organized in Frankfurt on 23 November 2011. Individual investors were the main target group of the meeting.



The meeting, supported by CMB was organized in coordination with the Istanbul Stock Exchange and with the participation and contribution of the Turkish Derivatives Exchange, Association of Capital Market Intermediary Institutions of Turkey.

Furthermore, the Turkish Consulate in Frankfurt took actively part in the organization of the event.

Main Legislative Amendments

Amendment on the Communiqué Serial: IV, No: 39 on Principles Regarding Exemption Conditions and Exclusion of Issuers from the Board Register (1.11.2011)

The amendment will enable corporations whose shares have not been offered to the public, to be exempt from the obligation of the auditing of the quarterly financial reports, in case of the issuance of the capital market instruments other than the shares, as long as the following requirements are fulfilled:

- There has to be credit rating regarding the capital market instrument to be issued or regarding the issuer,
- The credit rating has to be updated at least annually,
- The credit rating has to be disclosed to the public if there are capital markets instruments of the issuer offered to the public previously.

Amendment on the Communiqué Serial: I, No: 31 on Principles Regarding Merger Proceedings (4.11.2011)

As a result of the efforts which aimed to meet the need for a basic and regulatory framework, to simplify the procedures and to minimize the difficulties encountered in practice on de-merger proceedings of publicly held corporations, the Communiqué Serial: I, No: 44 has been published in the Official Gazette.

Key points of new regulation are as follows.

- Board application has become mandatory for all de-mergers at which at least one party of the process is publicly held corporation.
- The definitions of “split-up”, “partial de-merger”, “partial de-merger by forming subsidiary” and “partial de-merger by transferring shares” have been introduced, and publicly held corporations has been provided to perform split-up de-mergers. The definition “partial de-merger” has been used as a fundamental conception and includes two sub-definitions such as “partial de-merger by forming subsidiary” and “partial de-merger by transferring shares.”
- The requirement that the acquirer corporation be newly established has been abolished. Thereby, existing corporations are allowed to be the acquirer party of de-merger proceedings.
- Drawing up a report on determining the value of the assets subjected to de-merger by the institutions matching the characteristics determined by the Board has become mandatory in the event of publicly held corporations are the “acquirer” party in de-merger process.
- Drawing up a report on determining the value of the assets subjected to de-merger and the shares of the acquirer corporation that would be given to the

shareholders of the de-merging corporation, by the institutions matching the characteristics determined by the Board has become mandatory in the event of publicly held corporations are the “de-merging” party in de-merger process.

- An exception has been implemented in the Communiqué. In partial de-mergers by forming subsidiary, report on valuation and special independent audit report shall not be required provided that the acquirer corporation is newly established and 99,9 % of its capital belongs to the de-merging corporation. In case of the said reports be carried out, they should be submitted to the Board in the application for the Board approval.

Main Indicators

	December 2010	September 2011	December 2011
Number of ISE Companies	344	361	366
Market capitalization of ISE companies (Million \$)	307,551	291,179	225,691
Market capitalization as a % of GDP	41.79	39,57	30,67
Number of investors in ISE	1,043,135	1,092,791	1,097,037
Investors Deposit Balance (% of Total)			
-Foreign	66.2	62.2	61.9
-Domestic	33.8	37.8	38.1
Number of open mutual fund accounts	3,248,601	3,536,645	3,817,617
Number of pension funds participants	2,460,096	2,680,074	2,735,521
Intermediary Institutions	144	142	142
-Brokerage Firms	103	102	102
-Banks	41	40	40
Investment Funds NAV*	29,477	28.863	27,049
-Mutual Funds NAV (\$ Million)	21,620	20,536	19,186
-Pension Funds N AV (\$ Million)	7,822	8,291	7,832
-Foreign Funds NAV (\$ Million)	35	36	31
NAV of investment funds as a % of GDP	4.00	3.9	3,6
Investment Trusts NAV (\$ Million)	488	451	398
Real Estate Investment Trusts NAV (\$ Million)	11,189	11,808	11,808
Venture Capital Investment Trusts NAV (\$ Million)	121	119	119
Total Investment Trusts NAV as a % of GDP	1.6	1.68	1,67
Number of Portfolio Management Companies	28	29	31
Portfolio value of port. man. comp. (\$ Million)	30,304	24.753	29,676
Number Of Independent Auditing Companies	92	93	93
Number Of Real Estate Appraisal Firms	82	96	98
Number Of Rating Agencies	9	9	9

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

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
34367Sisli/Istanbul-Turkey
Phone +90 (212) 334 5500
Fax +90 (212) 334 5600

E-mail

spk@spk.gov.tr