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Main Legislative Developments

Amendments at Regulations of Debt Instruments

Serial:II, No: 22 Debt Instruments Regulation was amended with the Communique Serial:II, No: 25 (the "Amendment") which was published in the Official Gazette on September 12, 2010.

Find below the main amendments:

-Companies are no longer required to have a clause in their articles of incorporation in order to issue debt instruments.

-Registration document is required to be received after the registration and before the sale regarding the amount of the debt instruments planned to be sold.

-Companies are no longer required to obtain permissions for announcements and advertisements two days before the publication.

Find the new regulation [here](#).

CMB published a draft amending the Communique on Foreign Capital Market Instruments.

Companies are no longer required to have a clause in their articles of incorporation in order to issue debt instruments

Management fees now disclosed in CMB web site.

24 stocks are in C and 45 stocks are in C lists.

Trading party member codes shall not be displayed in ISE.

Management Fees and Trading Commissions

Investment funds management fees and trading commissions are now available in CMB web site [here](#) in Turkish. Management fees were regulated with the Communiqué Serial VII, No:39 (the "Amendment") amending Serial:VII, No:10 Investment Funds Communiqué and was published in the Official Gazette on August 7, 2010.

The new regulation empowered the Board to determine a regulatory cap for the management fees. A temporary article already determines a cap of 0,00012 per day between 1.10.2010 and 31.12.2010 and a cap of 0,00010 between 1.1.2011 and 30.6.2011. This rate will be applied directly to funds which has a higher management fee rate in their fund rules. Only the hedge funds will be excepted from the cap.

A/B/C Stock Lists Announced

24 stocks are in the C list and 45 stocks are listed in the B category. Find the lists [here](#) in Turkish.

CMB decision dated July 23, 2010 (the "Decision") was classifying the stocks traded on the ISE into 3 groups (A, B or C). Some trading rules were differentiated based on this classification. For example, Group B and Group C stocks cannot be subject to margin trading and short sale. The Decision was based on detailed research and technical analysis completed in three months and aimed at ensuring conditions that will prevent the formation of artificial prices and support efficient price discovery.

New Practices in the Istanbul Stock Exchange Stock Market

Istanbul Stock Exchange (ISE) has announced a series of new practices that will come into force gradually in the Stock Market, starting from October 1, 2010.

Accordingly,

- As a result of the extension of its trading hours, the Watchlist Companies Market session will be held between 14:00 – 17:30, starting from October 1, 2010.
- Trading party member codes included in inquiries of transactions executed in the Stock Market shall not be displayed, whereas executed transactions shall be sent to the data vendors without buyer and seller information, starting from October 8, 2010. Trading books including member codes will be available for the ISE members at the end of day T+1.
- Order cancellation shall be unconditionally allowed in the ISE Stock Market, effective from October 8, 2010. Henceforth, orders pending in the Stock Market Trading System may be cancelled one by one, on order basis, in full or in part. This new arrangement however, does not hold for the quotation orders entered for the securities traded with market making method on the Collective Products Market and the Warrants Market. The ISE will charge a fee equal to 0.025 basis points (2.5 millionths) of the TL amount of the cancelled orders.
- Stock Market price ticks will start to be reduced gradually on November 1, 2010.

Events

IOSCO 2010 EMC Meeting & Conference

- **IOSCO 2010 Emerging Market Committee Meeting & Conference**
October 13-15, 2010

Swissotel-the Bosphorus
Istanbul, Turkey

- The Program will be a series of events that consists of the EMC Committee meeting (Committee members only) and the EMC Conference. The Conference agenda includes;
- *The new global financial architecture along with the new measures taken on the financial crisis: Are securities regulators in Emerging Markets properly equipped to manage systemic risk?*
- *Corporate Bond Markets in the Emerging Markets: setting the scene for their development*
- *Implementation of IFRS in Emerging Markets, recent discussions and experiences*
- *Algorithmic and High -Frequency trading, and the challenges it poses to markets and regulators.*

- **Please find detailed information below:**

- http://www.cmb.gov.tr/filesys/EMC2010_Istanbul/?yanmenuid=1

ISE 25th Anniversary Conference

- Founded on December 26, 1986, the Istanbul Stock Exchange (ISE) is organizing a series of activities to mark its twenty-fifth anniversary.
- On this occasion, the ISE organizes a two-day conference at Haliç Congress Center, Istanbul on December 9-10, 2010. The conference is 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; and will bring together esteemed colleagues, investors and prominent speakers from all around the world.
- Up-to-date information about the Conference is available at the ISE web site <http://www.ise.org>. Please contact Media and Public Relations Department for stand rental, sponsorship and similar organizational deeds.

- **Date** : 09-10 December 2010

- **Place** : Haliç Congress Centre

- **Address** : Eski Karaağaç Cad. Sötlüce Şantiyesi, Sötlüce Beyoğlu / İstanbul
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Main Indicators

	December 2008	December 2009	June 2010
Number of ISE Companies	317	315	332
Market capitalization of ISE companies (Million \$)	119,698	235,996	246.725
Market capitalization as a % of GDP	16.15	38.21	39.94**
Number of investors in ISE	989,853	1,000,261	1,030,418
Investors Deposit Balance (% of Total)			
-Foreign	67.5	67.3	66
-Domestic	32.5	32.7	34
Number of open mutual fund accounts	2,938,904	2,998,648	3,302,886
Number of pension funds participants	1,859,824	2,141,287	2,316,367
Intermediary Institutions	145	144	144
-Brokerage Firms	104	103	103
-Banks	41	41	41
Investment Funds NAV*	19,776	26,086	25,343
-Mutual Funds NAV (\$ Million)	15,768	19,921	18,728
-Pension Funds N AV (\$ Million)	3,973	6,126	6,583
-Foreign Funds NAV (\$ Million)	35	39	32
NAV of investment funds as a % of GDP	3.20	4.22	4.10**
Investment Trusts NAV (\$ Million)	364	479	445
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	0.62**
Number of Portfolio Management Companies	23	23	23
Portfolio value of port. man. comp. (\$ Million)	20,213	26,694	26,686
Number Of Independent Auditing Companies	97	95	94
Number Of Real Estate Appraisal Firms	50	63	75
Number Of Rating Agencies	8	9	9

*NAV: Net Asset Value, ** GDP as of December 2009

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