



Press Release

Subject : Serial: I, No: 44 "Communiqué on the Amendment of the Communiqué on the Principles Regarding Merger Proceedings"

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, Serial: I, No: 44 "Communiqué on the Amendment of the Communiqué on the Principles Regarding Merger Proceedings" that includes reorganizing the Article 3 and Article 20/A of Communiqué Serial: I, No: 31, has been published in the Official Gazette dated 04.11.2011 and numbered 28105.

Please click for the relevant text.

Some of the 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. In other words, publicly held corporation's all de-merger processes has been required to take the Board approval.

- The definitions of "split-up", "partial de-merger", "partial de-merger by forming subsidiary" and "partial de-merger by transferring shares" have been added to the Article 3 of the Communiqué 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 suspended. 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.

- On the other hand, an exception has 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.