

**COMMUNIQUÉ ON PRINCIPLES REGARDING
JOINT-STOCK CORPORATIONS UNDER MANAGEMENT
CONTROL OF COOPERATIVES OR COOPERATIVE UNIONS OR
CENTRAL UNIONS OF COOPERATIVES*
(II-16.2)**

(Published in the Official Gazette edition 30540 on 19.09.2018)

List of amendments:

- (1) The Communiqué (II-16.2.a) Amending Communiqué (II-16.2) on Principles Regarding Joint-Stock Corporations under Management Control of Cooperatives or Cooperative Unions or Central Unions of Cooperatives published in the Official Gazette edition 30666 on 25.01.2019.
- (2) The Communiqué (II-16.2.b) Amending Communiqué (II-16.2) on Principles Regarding Joint-Stock Corporations under Management Control of Cooperatives or Cooperative Unions or Central Unions of Cooperatives published in the Official Gazette edition 30712 on 12.03.2019.

**FIRST CHAPTER
Purpose, Scope, Grounds and Definitions**

Purpose and Scope

ARTICLE 1 – (Amended: OG 25.01.2019 – 30666)

(1) The purpose of this Communiqué is to regulate the principles regarding requirements and exemptions relating to capital markets laws and regulations of the joint-stock corporations which have reached total annual sales revenue of minimum fifty million Turkish Liras and are under management control of:

- a) Cooperatives having at least five hundred shareholders,
- b) Cooperative unions composed of cooperative partners which alone or collectively have at least five hundred shareholders,
- c) Central unions of cooperatives.

(2) Shares of joint-stock corporations meeting the conditions referred to in the first paragraph hereinabove shall be deemed to have been offered to public.

Grounds

ARTICLE 2 – (1) This Communiqué has been prepared in reliance upon the provision of the third paragraph of Article 16 of the Capital Markets Law no. 6362 dated 6/12/2012.

* Title of this Communiqué has been amended as recorded in the text of the Communiqué published in the Official Gazette edition 30666 on 25.01.2019.

Abbreviations and Definitions

ARTICLE 3 – (1) In the context of this Communiqué:

- a) **“Financial reports”** refers to reports comprised of financial statements, board of directors’ activity reports and statements of responsibility;
- b) **“Financial statements”** refers to consolidated or individual annual financial statements prepared to the Communiqué on Principles Regarding Financial Reporting in Capital Markets no. II-14.1 published in the Official Gazette edition 28676 on 13.06.2013;
- c) **“Publicly-held corporations, joint-stock corporations”** refers to joint-stock corporations the shares of which are offered or are deemed to have been offered to public pursuant to Article 16 of the Law;
- ç) **“Law”** refers to the Capital Markets Law no. 6362 dated 06.12.2012;
- d) **(Amended: OG 25.01.2019 – 30666) “Cooperative”** refers to partnerships as defined in Article 1 of the Law on Cooperatives no. 1163 dated 24.04.1969, and agricultural credit cooperatives as defined in the Law on Agricultural Credit Cooperatives and Unions no. 1581 dated 18.04.1972, and agricultural sales cooperatives regulated by the Law on Agricultural Sales Cooperatives and Unions no. 4572 dated 01.06.2000;
- e) **(Amended: OG 25.01.2019 – 30666) “Cooperative Union”** refers to cooperative unions as defined in Law no. 1163, and regional unions of agricultural credit cooperatives regulated by Law no. 1581, and the unions of agricultural sales cooperatives regulated by Law no. 4572;
- f) **(Added: OG 25.01.2019 – 30666)* “Central Union of Cooperatives”** refers to the central unions of cooperatives as defined in the Law no. 1163, and the Central Union of Agricultural Credit Cooperatives regulated by the Law no 1581;
- g) **“Board”** refers to the Capital Markets Board;
- ğ) **“TAS/TFRS”** refers to the Turkish Accounting Standards and the Turkish Financial Reporting Standards and attachments and comments thereon, put into force by the Public Oversight, Accounting and Auditing Standards Authority;
- h) **“TCC”** refers to and stands for the Turkish Commercial Code no. 6102 dated 13.01.2011;
- ı) **“Management control”** refers to the control power as defined in Article 26 of the Law.

* Subparagraph (f) has been inserted after subparagraph (e) of Article 3 of this Communiqué, according to the Communiqué published in Official Gazette edition 30666 on 25.01.2019, and subsequent subparagraphs have been renumbered accordingly.

SECOND CHAPTER

Inclusion in Scope of the Law

Principles on Determination of Sales Revenue

ARTICLE 4 – (1) In determination of net sales revenue mentioned in third paragraph of article 16 of the Law:

a) as for joint-stock corporations subject to independent audit under the regulations of the Public Oversight, Accounting and Auditing Standards Authority, annual financial statements audited by independent auditor;

b) as for the joint-stock corporations not covered by subparagraph (a), financial statements issued under the regulations of the Ministry of Finance pursuant to fifth paragraph of Article 397 of TCC.

(2) In the implementation of subparagraph (a) of the first paragraph, in the case of availability of both consolidated and non-consolidated financial statements, the consolidated financial statements shall be relied upon.

(3) In the case of implementation of TAS/IFRS on optional basis, the financial statements issued in accordance with TAS/IFRS shall be relied upon.

(4) (Repealed: OG 25.01.2019 – 30666)

Application to the Board

ARTICLE 5 – (1) Joint-stock corporations covered by this Communiqué are must file an application to the Board together with documents listed in Annex-1 within ten business days after it becomes definite that all conditions are met.

THIRD CHAPTER

Requirements and Exemptions

General Principles

ARTICLE 6 – (1) With respect to requirements and exemptions of joint-stock corporations covered by this Communiqué which arise out of capital market legislation and are not regulated by this Communiqué, the provisions applicable for corporations the shares of which are not traded in the exchange shall be applied by analogy in accordance with their relevance.

(2) Joint-stock corporations covered by this Communiqué are not under obligation to file an application to the exchange for listing purposes.

Financial Reports and Independent Audit

ARTICLE 7 – (1) Joint-stock corporations covered by this Communiqué shall be treated as corporations the capital market instruments issued by which are traded in an exchange or in

other organized marketplaces, for the purposes of enforcement of the Communiqué on Principles Regarding Financial Reporting in Capital Markets (II-14.1) published in the Official Gazette edition 28676 on 13.06.2013 and the Communiqué on Independent Audit Standards in Capital Markets (Serial X No. 22) published in the Official Gazette edition 26196 on 12.06.2006.

(2) Information and documents to be publicly disclosed pursuant to the Communiqués referred to in the first paragraph shall be delivered to the Board, and the Board shall disclose such information and documents to public on its website.

Corporate Governance

ARTICLE 8 – (1) Joint-stock corporations covered by this Communiqué are under obligation to implement the provisions of the Corporate Governance Communiqué (II-17.1) published in the Official Gazette edition 28871 on 03.01.2014 with respect to corporations in the first group as determined as per the aforesaid Communiqué. Rates determined in relation with transaction prices in the Corporate Governance Communiqué shall not be taken into consideration.

(2) Information and documents to be publicly disclosed pursuant to the Corporate Governance Communiqué shall be delivered to the Board, and the Board shall disclose such information and documents to public on its website.

Exclusion from Scope of the Law

ARTICLE 9 – (1) Applications filed by corporations covered by this Communiqué for exclusion from scope of the Law shall be concluded under the Communiqué on Principles Regarding Exclusion of Corporations from Scope of the Law and Obligation of Trading of Shares in the Exchange (II-16.1) published in the repeated edition 28867 of the Official Gazette on 30.12.2013.

(2) In checking whether the conditions for exclusion from scope of the Law are satisfied or not, the conditions mentioned in Articles 6 and 7 of the Communiqué no. (II-16.1) shall be taken into consideration for cooperatives, and the condition that “more than fifty percent of capital thereof must be held directly and/or indirectly by provincial special administrations, municipalities or other public authorities and entities” referred to in subparagraph (b) of the first paragraph of Article 6 of the same Communiqué, as well as conditions mentioned in Article 7 thereof shall be taken into consideration for cooperative unions. Upon satisfaction of the conditions set down in the mentioned articles, joint-stock corporations covered by the Communiqué may be excluded by the Board from scope of the Law.

(3) Joint-stock corporations covered by this Communiqué may be excluded by the Board from scope of the Law also in case of satisfaction of the conditions specified in Articles 8 and 9 of the Communiqué no. (II-16.1).

FOURTH CHAPTER

Other Provisions

Responsibility

ARTICLE 10 – (1) Compliance of joint-stock corporations covered by this Communiqué with the procedures and principles set down in this Communiqué is under responsibility of boards of directors of corporations.

Board Fee

ARTICLE 11 – (Amended: OG 12.03.1019 – 30712)

(1) A Board fee shall be charged at a rate of one thousandth of nominal value of shares representing capital of joint-stock corporations covered by this Communiqué.

(2) The Board's Decision Making Bodu may also determine rates different from the rates specified in this Article, depending upon the nature of joint-stock corporations covered hereunder.

TRANSITIONAL ARTICLE 1 – (1) Until the regulation referred to in subparagraph (b) of the first paragraph of Article 4 enters into force, income statements of the relevant annual accounting period prepared under tax laws and declared to relevant tax administration shall be taken into consideration.

(2) With respect to joint-stock corporations subject to independent audit under the regulations of the Public Oversight, Accounting and Auditing Standards Authority, net sales revenues reported in financial statements audited by independent auditor for the first annual accounting period following the effective date of third paragraph of Article 16 of the Law shall be taken into consideration.

TRANSITIONAL ARTICLE 2 – (Added: OG 25.01.2019 – 30666) (1) The period of ten days mentioned in Article 5 of this Communiqué shall start thirty days after the effective date of the subject subparagraph for joint-stock corporations under management control of central unions of cooperatives referred to in subparagraph (f) of first paragraph of Article 3 of this Communiqué.

Effective Date

ARTICLE 12 – (1) This Communiqué shall become effective thirty days after the date of its publication.

Enforcement

ARTICLE 13 – (1) The provisions of this Communiqué shall be enforced and executed by the Capital Markets Board.

ANNEX-1**DOCUMENTS REQUIRED TO BE SUBMITTED IN ATTACHMENT TO
AN APPLICATION TO BE FILED BY JOINT-STOCK CORPORATIONS THE
CAPITAL SHARES OF WHICH ARE DEEMED TO BE OFFERED TO PUBLIC
PURSUANT TO THIRD PARAGRAPH OF ARTICLE 16 OF THE LAW**

- (1) Application form;
- (2) (Amended: OG 25.01.2019 – 30666) A notary-certified list of authorised signatures of the relevant cooperative or cooperative union or central union of cooperatives and the relevant corporation;
- (3) (Amended: OG 25.01.2019 – 30666) Articles of association, consolidated as a single text containing all amendments and revisions made so far, and signed by authorized signatories, of the relevant cooperative or cooperative union or central union of cooperatives and the relevant corporation;
- (4) Statement of the corporation regarding determination as to acquisition of publicly-held corporation status, and information and documents evidencing satisfaction of conditions specified in the Communiqué;
- (5) (Amended: OG 25.01.2019 – 30666) Minutes of the recent general assembly meetings, lists of attendees, and a copy of the share register indicating the current number of shareholders, and other documents underlying the determination of the number of shareholders, of the relevant cooperative or cooperative union or central union of cooperatives and the relevant corporation;
- (6) Financial statements of the last annual accounting period of the corporation;
- (7) (Added: OG 25.01.2019 – 30666) A public accountant's report regarding determination of payment of the existing capital of the corporation.