

**PRINCIPLES THAT THE CORPORATIONS MAKING
REVALUATION WILL FOLLOW WITH REGARD TO THE CAPITAL
MARKETS LAW**

(Published at the Official Gazette dated 15 March 1983 No: 17988)

Serial : VIII

No : 3

Abbreviations

Law : The Capital Markets Law

Board : Capital Markets Board

Corporation : Joint Stock Corporation

The topics that should be clarified with regard to the capital markets law about the transactions that should be done in relation with Article 11 of Tax Procedure Law, which has been added to the Tax Procedure Law with the Law numbered 205 and amended by law dated 21 January 1983 No:2791, is regulated by this communique.

Revaluation and Bonus Shares

Article 1- Distribution of bonus shares arising from capital increase due to revaluation fund by publicly held corporations, whose shares have been offered to the public or which are considered to have been offered to the public as the number of shareholders exceed 100, are not subject to Boards permission.

Giving Information to the Board

Article 2- The corporations under the scope of the Law which make revaluation have to inform the Board by submitting a formal document indicating the amount of the special fund and the amount added to the capital within 6 days following;

- the formation of the special fund resulting from revaluation,
- any changes made in the fund due to the result of a legal audit,
- and the addition of the special fund to the capital.

Limit in case of bond issuance

Article 3- Since the provisional article 11 of Law 2791 treats the revaluation funds, shown in a special fund in the owner's equity part of balance sheet as paid-in capital in application of Article 422 of the Turkish Commercial Code; for corporations making revaluation, bond issuance limit is equal to the amount calculated by subtracting the losses from the the paid-in capital shown in last balance sheet approved by the general assembly, plus the special fund.

When calculating the bond issuance limit of the public companies which are in the scope of article 13 of the Law, capital reserves are also added to the amount described above.

Registered Capital Limit

Article 4- If the corporations that adopt the registered capital system in accordance with Article 12 of the Law, make revaluation and add the special fund formed by this way to their capital, the following procedures, whichever is suitable, do apply:

-If the registered capital limit is not exceeded, a document is given by the Board to the corporation in order for the corporation to register the new capital amount formed by adding the special fund to the capital.

- If the registered capital limit is exceeded by adding the revaluation fund to the capital, the new capital amount is accepted as the new registered capital limit and a document is given by Board to the corporation in order for the corporation to register this new amount.

If the corporation demands a higher registered capital limit, a permission for this must be taken from the Board.

Entry into force

Article5- This Communique shall enter into force on the date of publication and shall be valid for the period beginning from 1 January 1983.