

**COMMUNIQUÉ****Published by the Capital Markets Board****COMMUNIQUÉ ON PROSPECTUS AND ISSUE DOCUMENT  
(II-5.1)****FIRST PART****Purpose, Scope, Grounds, Definitions and Abbreviations****Purpose:**

**ARTICLE 1 – (1)** The purpose of this Communiqué is to set down principles as to preparation, approval and promulgation of prospectus and issue document, and as to the advertisements and announcements relating thereto, pursuant to the Law no. 6362 dated 6/12/2012.

**Scope:**

**ARTICLE 2 – (1)** Prospectus and issue document to be issued for issuance or trading of capital market instruments in the exchange are covered by the provisions of this Communiqué.

- (2)** This Communiqué shall not be applied on issuance or trading in the exchange of:
- a)** Capital market instruments issued by public authorities and entities covered by the national budget, or by private budgeted administrations, or by the Turkish Central Bank; and
  - b)** Capital market instruments that are unconditionally and irrevocably guaranteed by the Treasury Undersecretariat; and
  - c)** Derivative instruments described in paragraph (u) of article 3 of the Law, except for third paragraph of this article.
- (3)** The issuance or trading in the exchange of covered warrants and certificates shall be subject to the provisions of this Communiqué.
- (4)** The issuance of investment fund participation shares, pension investment fund shares and variable capital investment partnership shares is not subject to the provisions of this Communiqué. The issue of shares by the said entities shall be governed by the regulations of the Board pertaining to such entities.

(5) Prospectus or issue document may optionally be prepared also in the issuance of capital market instruments listed in second paragraph of this article. In this case, prospectus or issue document shall not be approved by the Board, and it shall be clearly stated in the relevant documents that prospectus or issue document is not approved by the Board.

### **Grounds:**

**ARTICLE 3 – (1)** This Communiqué is prepared and issued in reliance upon articles 4, 5, 6, 7, 11 and 33 of the Law no. 6362.

### **Definitions and Abbreviations:**

**ARTICLE 4 – (1)** For the purposes and in the context of this Communiqué:

a) **“Offering Program”** refers to a schedule allowing the issuance of non-equity securities, also including covered warrants and certificates, repeatedly along a predetermined period of issue and within a maximum period of five years; and

b) **“Base Prospectus”** refers to a prospectus containing the relevant information about non-equity securities, also including covered warrants and certificates, to be issued or admitted to trading on the exchange within the context of the offering program, and about the issuers thereof, prepared and published by the issuers referred to in article 14 of this Communiqué pursuant to and under the procedures and principles determined by the Board; and

c) **“Bank”** refers to banks as defined in the Banking Law no. 5411 dated 19/10/2005; and

d) **“Exchange”** refers to the exchange as defined in sub-paragraph (ç) of first paragraph of article 3 of the Law; and

e) **“Emerging Companies Market (ECM)”** refers to such market defined in the exchange regulations; and

f) **“Public offering”** refers to a general call made by any ways for purchase of capital market instruments and the sales executed subsequent to and upon this call; and

g) **“Public offerer”** refers to a natural person or legal entity who applies to the Board for public offering of its capital market instruments; and

h) **“Issue”** refers to the issue of capital market instruments by issuers and sale of them with or without public offering; and

i) **“Issue document”** refers to a document containing information about description and sales conditions of capital market instruments to be issued in the case of issuance of capital market instruments without public offering, or in the case of issues at abroad, or in the case of

issuance of all types of capital market instruments by issuers without a prospectus, except for the issuance of capital market instruments with an announcement text prepared within the context of provisions of this Communiqué; and

**j) “Issuer”** refers to a legal entity that issues capital market instruments or files an application to the Board for issuance, and a legal entity whose capital market instruments are offered to public; and

**k) “Issue ceiling”** refers to maximum nominal value of non-equity securities, also including covered warrants and certificates, that may be sold either throughout the validity time of prospectus, or in sales without public offering, within a period of one year following the date of decision of the Board; and

**l) “Prospectus”** refers to a public disclosure document containing all information required for a conscious assessment and choice of investors, with respect to the issuer’s or if any, the guarantor’s financial situation and performance, prospects and activities, and characteristics of and rights and risks associated to capital market instruments to be issued or admitted to trading on the exchange;

**m) “Public Disclosure Platform (PDP)”** refers to an electronic system to which the information required to be disclosed to public pursuant to the applicable laws are transmitted with electronic signature and are then disclosed to public; and

**n) “Law”** refers to the Capital Markets Law no. 6362 dated 6/12/2012; and

**o) “Board”** refers to the Capital Markets Board; and

**p) “Qualified investor”** refers to persons defined in the regulations of the Board pertaining to sales of capital market instruments; and

**q) “Company”** refers to a joint-stock company; and

**r) “Equity securities”** refers to shares and share-like securities; and

**s) “Non-equity securities”** refers to all capital market instruments other than the equity securities; and

**t) “Capital market instruments”** refers to securities, derivatives and investment contracts and other capital market instruments classified as such by the Board;

**u) “Tenor”** refers to a certain portion of capital market instruments offered for sale at different times up to the issue ceiling; and

- v) **“Tenorissue document”** refers to a document containing information about characteristics and sales conditions of capital market instruments with respect to their portion offered for sale at different times under an issue document approved by the Board; and
- x) **“TTRG”** refers to the Turkish Trade Registry Gazette; and
- y) **“Authorized institution”** refers to intermediary institutions and investment and development banks authorized by the Board to act as an intermediary in public offering sales of capital market instruments.

## **SECOND PART**

### **General Principles on Preparation of Prospectus and Issue Document, and Exemptions From Preparation of Prospectus**

#### **Obligation to Prepare Prospectus or Issue Document:**

**ARTICLE 5 – (1)** In order for capital market instruments to be offered to public or admitted to trading on the exchange, a prospectus is required to be prepared, and to be approved by the Board.

**(2)** In the case of issuance of capital market instruments without public offering, or in the case of issues at abroad, or in the case of issuance of all types of capital market instruments by issuers without a prospectus, except for the issuance of capital market instruments with an announcement text prepared within the context of provisions of this Communiqué, an issue document is required to be prepared, and to be approved by the Board.

**(3)** In the case of absence of Board regulations pertaining to a capital market instrument being the subject matter of prospectus, the Board gives its approval for the prospectus subject to the condition that the information about the rights, obligations and risks relating to the subject capital market instruments and about the issuer or public offerer thereof are given in the prospectus within the context of procedures and principles set down in this Communiqué. The provisions of this paragraph are applicable by analogy on the issue document as well.

**(4)** If and when it is intended to issue capital market instruments which are required to be traded on the exchange pursuant to the Board regulations, the issuers are required to apply not only to the Board for approval purposes, but also to the exchange for trading of capital market instruments to be issued.

#### **Exemptions From Obligation to Prepare Prospectus, and When No Prospectus is Required To Be Prepared:**

**ARTICLE 6 – (1) a)** In public offerings towards investors who purchase capital market instruments of minimum two hundred and fifty thousand TL per investor, separately for each public offering; and

- b)** In public offerings of capital market instruments the per unit nominal value of which is minimum two hundred and fifty thousand TL; and
- c)** In the case of trading in the exchange among qualified investors of capital market instruments issued for sale to qualified investors; and
- d)** In the case of trading in the exchange of capital market instruments issued upon merger, acquisition, split-up, injection of a part of assets as capital in kind, or exchange of shares, within the context of the regulations of the Board pertaining to merger and split-up, providing that an announcement text containing the required information and issued in a format determined by the Board is advertised for public disclosure purposes,

the issuer or the public offerer is exempted from the obligation to prepare a prospectus.

**(2)** No prospectus shall be prepared and issued:

- a)** in sales of capital market instruments only to qualified investors; and
- b)** in private placement of capital market instruments; and
- c)** in the case of shares being the subject matter of combination or division of denominations, tenors or shares in such manner not to change the capital of a company; and
- d)** in the case of issuance of capital market instruments upon merger, acquisition, split-up, injection of a part of assets as capital in kind, or exchange of shares, within the context of the regulations of the Board pertaining to merger and split-up, providing that an announcement text containing the required information and issued in a format determined by the Board is advertised for public disclosure purposes; and
- e)** in the case of issuance of shares which are offered free of charge to existing shareholders also including dividend paid outs in the form of shares; and
- f)** if and when the consideration payable for a take-over bid is paid in the form of capital market instruments within the context of the regulations of the Board pertaining to take-over bids (call) for the shares; and
- g)** in the case of issue of shares through conversion or exchange of or through use of rights associated to capital market instruments issued within the context of the relevant regulations of the Board, providing that the prospectus and other required documents

are published beforehand, and the shares are in the same group with shares of the issuer traded on the exchange.

(3) Except for initial public offering of shares, if and when total consideration of capital market instruments offered by issuers to public is below five million TL calculated by offering price, providing that an announcement text containing the required information and issued in a format determined by the Board is advertised for public disclosure purposes, the Board may grant an exemption from the obligation to prepare a prospectus. This total consideration limit relating to exemption from the obligation to prepare a prospectus shall be calculated by taking into consideration all issues to be realized within a period of twelve months. In calculation of this amount, shares which are offered, allocated and distributed free of charge to existing shareholders, also including distribution of dividend paid outs in the form of shares shall not be taken into consideration.

(4) Except for sub-paragraph (b) of first paragraph of this article, if and when capital market instruments issued with an exemption from the obligation to prepare a prospectus or when no prospectus is required to be prepared are reoffered for sales through public offering, then and in this case, a prospectus is required to be prepared.

(5) If, after the shares which are not traded on the exchange of a company listed and quoted in the exchange are converted into shares traded on the exchange within the context of the relevant Board regulations, these shares are offered for sale through public offering, and the ratio of total nominal value of these shares to total nominal value of all existing shares in the same group traded on the exchange is lower than ten percent, then the public offerers are exempted from the obligation to prepare a prospectus. This ratio shall be calculated by considering all sales realized within the context of the exemption cited in this paragraph within a period of twelve months.

#### **Prospectus Preparation Principles:**

**ARTICLE 7 – (1)** The prospectus and all information contained in the prospectus must be prepared in adequate details for provision of all information about the issuer and if any, the public offerer and the issue, as envisaged by the applicable laws and as required by the Board, and must be complete, current and in conformity with standards determined by the Board, and must be formulated in such manner to be easily analyzed, understood and assessed by investors, and must also contain additional information that may be requested by the Board at the time of application to the Board for its approval, and all information and statements included therein must, if required, be relied upon documents.

(2) If and when a third party guarantees the fulfillment of obligations relating to capital market instruments to be offered to public, the prospectus shall also contain information about guarantor and the kind and description of guarantee.

(3) Name and job position of natural persons responsible for the prospectus, and name, head offices and communication data of legal entities responsible for the prospectus are also required to be clearly stated in the prospectus.

(4) The prospectus must be signed by the issuer and if any, the public offerer and the authorized institution. In the case of a consortium, the prospectus must be signed by consortium leader and if any, co-leaders. In the case of change of the authorized institution in public offerings within the validity time of the prospectus, the registration document or the prospectus already approved by the Board must be signed by the new authorized institution, and must be announced just like the previous registration document or prospectus. In this case, without prejudice to the provisions of article 24 of this Communiqué, the re-signed registration document or prospectus is not submitted again to the Board for approval, but the information on the place where the registration document or prospectus is published is required to be registered in trade registry and announced in TTRG.

(5) The prospectus basically contains audited and/or limited reviewed financial statements, and data based upon such financial statements. If and when it is intended to give in the prospectus certain information which is not based upon financial statements, together with and in addition to information based upon audited and/or limited reviewed financial statements:

- a) The data not audited and/or not limited reviewed must be consistent to and must not contain any contradiction with the information given in audited and/or limited reviewed financial statements; and
- b) The audited and/or limited reviewed financial data must be presented more conspicuously than the financial data not audited and/or not limited reviewed; and
- c) The data not generated from financial statements must be clearly specified and be current, together with the terms used therein and the principles of preparation thereof; and
- d) It must be stated which past, forecasted, prospective and predictive on pro forma financial data are associated with the data not generated from financial statements; and
- e) It must be clearly emphasized that the data are not generated from audited and/or limited reviewed financial statements.

(6) The resources used in preparation of prospectus must be prepared by independent parties, and if these resources are not disclosed to public in attachment of the prospectus, the prospectus must clearly explain for information of investors how these resources can be retrieved and accessed.

(7) The provisions of article 8 of this Communiqué are, however, reserved.

#### **Conditions of Omission of Information in Prospectus:**

**ARTICLE 8 – (1)** If the prospectus does not specify the final price of capital market instruments to be offered to public, or in the case of collection of demands within a price range, that price range, or interest or discount rate, or interest or additional yield range, then the prospectus must state according to which criteria and/or conditions the said prices, rates or ranges shall be determined.

(2) The Board may, upon demand of the issuer or the public offerer, permit omission of the said information in the prospectus if and when:

- a) the disclosure of such information is contradictory to public benefits; or
- b) the disclosure to public of the information regarding the rights associated to or the issuer, public offerer or if any, guarantor of capital market instruments covered by the prospectus shall cause a substantial loss to the issuer, providing that such information does not prevent a conscious assessment and choice of investors; or
- c) the relevant information is trivial for public offering or trading in exchange of the subject capital market instruments, and it is costly and difficult to have access to the said information, and such information does not affect the assessment of existing financial situation and future prospects of the issuer, public offerer or if any, guarantor.

(3) Providing that investors have access to adequate information, if and when some information required to be included in the prospectus are not in conformity with the issuer's fields of business or legal structure, or the capital market instruments to be issued, then and in this case, information equivalent to the information required to be contained in the prospectus must be given in the prospectus. If such information does not exist, this condition is not applied.

**Information Included in Prospectus by Reference:**

**ARTICLE 9 – (1)** Information about the issuer or public offerer may also be included in the prospectus by making reference to certain information previously disclosed to public in the Board's or exchange's internet website or PDP. Information included in the prospectus by reference must be the most current and recent information held by the issuer or public offerer. In the summary, no reference may be made to information other than the information contained in the prospectus. However, a mention of the sources used in preparation of the prospectus in footnotes of the summary does not construe as a reference made thereto.

(2) A reference may be made to the following documents within the context of the first paragraph of this article:

- a) Financial statements and independent audit and/or limited review reports;
- b) Prospectuses previously approved by the Board;



- c) Articles of association;
  - d) Public disclosures of material information;
  - e) Announcement texts relating to merger, split-up and similar other events;
  - f) Annual reports;
  - g) Corporate governance principles compliance reports, rating notes and reports, and assessment and appraisal reports; and
  - h) Other documents deemed fit by the Board, providing that investors may easily access thereto, and they are prepared by independent parties other than issuer, public offerer or related parties of issuer and public offerer as defined in the relevant regulations of the Board.
- (3) In the case of inclusion of information in the prospectus by reference thereto, the prospectus must refer to the source of such information, and must state how such information may be accessed.

#### **General Principles on Financial Statements To Be Included in Prospectus:**

**ARTICLE 10 – (1)** A prospectus relating to equity securities must include financial statements issued for the recent three years and if any, for the relevant interim period and audited and/or limited reviewed, while a prospectus relating to non-equity securities, also including covered warrants and certificates, must include financial statements issued for the recent two years and if any, for the relevant interim period and audited and/or limited reviewed. In the case of absence of said financial statements due to foundation or similar other reasons, the existing audited and/or limited reviewed financial statements are included in the prospectus.

(2) If the issuer is under obligation to regularly publish in PDP its audited and/or limited reviewed financial statements, the prospectus does not need to contain audited and/or limited reviewed financial statements. In this case, the prospectus states that the said financial statements are already published in PDP, and refers to the date of publication therein.

(3) In evaluation of application filed by banks and asset management companies governed by the Banking Law no. 5411 and by insurance companies governed by the Insurance Law no. 5684 dated 3/6/2007 and by companies governed by the Financial Leasing, Factoring and Finance Companies Law no. 6361 dated 21/11/2012 to the Board for approval of prospectus or issue document, and in fulfillment of their obligations relating to preparation of financial statements and independent audit, the financial statements and independent audit reports prepared and issued in accordance with the special laws and regulations applicable on the said companies shall be used.

(4) Financial statements to be included in prospectuses to be prepared by the issuers established through merger or split-up shall be determined on the basis of the date of foundation of the relevant company. The provisions of this paragraph are applicable also if and when the pre-foundation activities of issuers established through split-up are traced separately from other activities of the split company.

(5) In the initial public offering of shares, if, as of the date the shares are started to be traded on the exchange, the last date for public disclosure of interim period financial statements not included in the prospectus has exceeded, then and in this case, these financial statements and annual report and statements of liability are sent to PDP by the end of the last trading day of the third week following the date the shares are started to be traded on the exchange. In the event that financial statements are required to be subject to limited review within the context of the regulations of the Board pertaining to financial reporting, the said obligation shall be fulfilled.

### **Financial Statements To Be Included in Prospectus:**

**ARTICLE 11 – (1)** Financial statements to be included in the prospectus shall be determined according to the following principles. For the purposes of this paragraph, sales period is determined on the basis of the first day the capital market instruments are offered for sale. In determination of the first day the shares are offered for sale, the starting day of use of preemptive rights by shareholders, if any, is taken into consideration.

a) Without prejudice to sub-paragraph (b) of this paragraph, the following table shall be used in initial public offering of shares of non-public companies:

	<b>Sales Period</b>	<b>Financial Statements To Be Included in Prospectus and Subject to Special Independent Audit</b>
1	1 January – 15 February	Financial statements of the last three years or of three years prior to the current year and financial statements of interim period of nine months
2	16 February – 15 May	Financial statements of the last three years
3	16 May – 15 August	Financial statements of the last three years and financial statements of interim period of three months
4	16 August – 15 November	Financial statements of the last three years and financial statements of interim period of six months
5	16 November – 31 December	Financial statements of the last three years and financial statements of interim period of nine months

b) The following table shall be used in initial public offering of shares of non-public companies for trading in ECM:

	<b>Sales Period</b>	<b>Financial Statements To Be Included in Prospectus and Subject to Special Independent Audit</b>
1	1 January – 15 February	Comparative financial statements of the last year or of the year prior to the current year and financial statements of interim period of six months

2	16 February – 15 August	Comparative financial statements of the last year
3	16 August – 31 December	Comparative financial statements of the last year and of interim period of six months

c) Except for initial public offering of shares of non-public companies pursuant to and under sub-paragraphs (a) and (b) of this paragraph, the following table shall be used for public offering of capital market instruments by issuers:

	Sales Period	Audited and/or Limited Reviewed Financial Statements To Be Included in Prospectus and, in Public Offering of Equity Securities	Audited and/or Limited Reviewed Financial Statements To Be Included in Prospectus, in Public Offering of Non_Equity Securities, Also Including Covered Warrants and Certificates
1	1 January – 15 February	Financial statements of the last three years or of three years prior to the current year and financial statements of interim period of six months	Financial statements of the last two years or of two years prior to the current year and financial statements of interim period of six months
2	16 February – 15 August	Financial statements of the last three years	Financial statements of the last two years
3	16 August – 31 December	Financial statements of the last three years and financial statements of interim period of six months	Financial statements of the last two and financial statements of interim period of six months

d) If the starting date of sale of capital market instrument is a date coinciding with the next sales period, not exceeding fifteen days following the end of each period, then the audited financial statements of last period, which shall be used in the next sales period, shall be given as an attachment to the prospectus. In this case, the content of the prospectus is not required to be updated according to the financial statements of last period. However, depending upon demand of the issuer or public offerer, the content of the prospectus may be updated.

e) In the transactions referred to in sub-paragraphs (a), (b) and (c) of this paragraph, if the issuers have prepared interim period financial statements, not required to be included in the prospectus as of the sales period, that are audited or limited reviewed, then these financial statements may be included in the prospectus.

(2) The companies subject to a special accounting period shall adapt the provisions of this article to their own accounting period.

(3) If and when the prospectus is prepared in the form of more than one document, and the registration document has previously been approved by the Board, and if the issuer is required to prepare financial statements not included in the registration document prior to the starting date of the first public offering to be held within the validity time of the prospectus, then and in this case, the registration document is required to be updated so as to contain the said new financial statements. In the subsequent public offerings to be held within the validity time of the prospectus, if financial statements not included in the registration document or in the

prospectus are published in PDP, then the issuers shall be exempted from the obligation to update the registration document or prospectus.

### **Principles on Preparation of Issue Document:**

**ARTICLE 12 – (1)** In the case of issuance of capital market instruments without public offering, or in the case of issues at abroad, or in the case of issuance of all types of capital market instruments by issuers without a prospectus, except for the issuance of capital market instruments with an announcement text prepared within the context of provisions of this Communiqué, the issue document is prepared and designed so as to contain general information about characteristics and sales conditions of capital market instruments to be issued and to be easily understood and assessed by investors.

## **THIRD PART**

### **Special Provisions on Preparation of Prospectus, and Validity of Prospectus and Issue Document**

#### **Preparation of Prospectus Consisting of More Than One Document:**

**ARTICLE 13 – (1)** The prospectus may be prepared as one or more than one document so as to contain information about the issuer and the issued capital market instruments, as well as a summary section. The Board may require preparation of prospectus as single or more than one document, by considering the nature of the issue or the capital market instrument to be issued.

**(2)** If prepared as more than one document, the prospectus shall consist of three different documents, namely:

- a)** A registration document containing such information as capital, management and activities, financial situation and profitability of the issuer and if any, the guarantor, and persons in charge of management and audit of the issuer; and
- b)** A securities note containing such information as characteristics of and rights, obligations and risks associated with the capital market instrument to be issued or admitted to trading on exchange, and information about public offering and trading on exchange; and
- c)** A summary composed of brief, clear and comprehensible statements prepared by making use of the information contained in the registration document and securities note, and containing basic characteristics and risks relating to guarantor (if any), issuer and capital market instrument to be issued.

**(3)** If prepared as one single document, all information required to be included in registration document, securities note and summary are given in the same document.

(4) If the prospectus is prepared as more than one document, the information given in the registration document and the securities note should not be repeated.

(5) If the prospectus is prepared as more than one document and the public offering is scheduled to occur later, first of all, the registration document is approved by the Board within the period specified in article 19 of this Communiqué. In this case, the registration document together with the securities note and the summary constitute a valid prospectus, and the registration document is not required to be updated until the securities note and the summary are sent to the Board for the purpose of approval.

(6) If capital market instruments of an issuer or a public offerer who has a valid registration document previously approved by the Board are offered to public or are admitted to trading on the exchange, the issuer or public offerer is required to prepare a securities note and a summary prior to the date of issue or trading on the exchange, and these documents are required to be approved by the Board. In this case, if changes are required in the registration document within the context of article 24 of this Communiqué, the changes in the registration document are also presented to the approval of the Board.

(7) Until a non-public issuer who has a currently valid registration document previously approved by the Board applies to the Board for the approval of securities note and summary, the issuer cannot be requested to perform its obligations arising out of the Law solely due to approval of its registration document. The provisions pertaining to issuers the issued capital market instruments of which have not yet been redeemed are, however, reserved.

(8) If and when non-equity securities, also including covered warrants and certificates, are intended to be offered for sale through public offering more than once, the registration document or base prospectus refers to the issue ceiling of said capital market instruments to be issued throughout the validity time of the prospectus.

(9) In their application to be filed to the Board before sale of each tenor for approval by the Board of the relevant securities note and summary or the final terms, the issuers shall clearly state which portion of the capital market instruments under the issue ceiling is sold. Capital market instruments under the issue ceiling shown in the prospectus pertaining non-equity securities, also including covered warrants and certificates, may be sold without public offering. However, in this case, the relevant registration document or the prospectus must have been published, and it must have been clearly stated in the registration document or the prospectus that these capital market instruments to be issued may be sold without public offering. In this case, the Board does not separately approve the issue document. Approval of the registration document or the prospectus construes as approval of the issue document, and the sales period of one year starts upon announcement of the registration document or the prospectus in accordance with the provisions of article 28 of this Communiqué.

(10) The summary briefly explains the basic characteristics and risks of the guarantor (if any), the issuer and the capital market instruments to be issued, in a comprehensible manner for investors, and is designed and prepared so as to contain appropriate basic information, consistent with the rest of the contents of the prospectus, which shall help the investor in deciding whether to invest in the relevant capital market instrument or not. The summary is further prepared in such manner to allow the comparison of summaries and contents of similar other capital market instruments.

(11) The summary further contains warnings stating:

- a) that the summary must be taken and read as an introduction to the prospectus, and investment decisions should be taken upon review of the prospectus in full; and
- b) that if the summary, when taken and read together with other sections of the prospectus, is misleading, erroneous or inconsistent, the related persons shall be held legally liable pursuant to the Law.

(12) In the prospectus to be prepared with respect to capital increases of public corporations and of corporations going public through capital increase, the information on the use of preemptive rights due to issuance of new shares shall, if the prospectus is a single document, be included in the relevant section of the prospectus, or if the prospectus consists of more than one document, be included in the capital market instrument note.

### **BaseProspectus:**

**ARTICLE 14 – (1)** If and when banks repeatedly issue non-equity securities, also including covered warrants and certificates, pursuant to and under a public offering program, then a base prospectus may optionally be prepared. The term “capital market instruments issued repeatedly” refers to the issuance of similar types of capital market instruments at least twice in a period of twelve months.

(2) An offering program which is prepared within the context of first paragraph of this article and which contains information about the type, issue ceiling and estimated issue calendar of capital market instruments to be issued, and duration of program, and other important matters relating to the issue, must cover non-equity securities, to be issued within a maximum period of five years, and must be discussed and approved in a separate item of agenda in the meeting of the general assembly of shareholders of the issuer. Quorums relating to the meeting of the general assembly are subject to and governed by provisions of article 418 of the Turkish Commercial Code no. 6102 dated 13/1/2011. Offering program is mentioned in the base prospectus. Provisions of this paragraph are applicable on the issuers resident abroad, with reference to the organ authorized in accordance with the laws and regulations of their home country.

(3) Baseprospectus is prepared so as to contain information about the issuer and the capital market instrument to be issued. With respect to capital market instruments to be offered to public under a base prospectus, before each issue, final terms is required to be prepared, and this final terms is required to be approved by the Board before sale.

(4) A baseprospectus is not prepared if and when all non-equity securities, covered by an offering program are issued without public offering. This offering program is published in the issuer's internet website and if the issuer is a member of PDP, on PDP.

(5) The provisions of this communiqué pertaining to prospectus are applicable by analogy on the preparation of baseprospectus and final terms, and their submission to the Board's approval, and their registration and announcement, and responsibility from these documents, and amendments therein, and other relevant issues.

### **Announcement Text of Sale:**

**ARTICLE 15 – (1)** With respect to sales of shares remaining after use preemptive rights, or if preemptive rights are not allowed to be used, with respect to shares to be offered to public, in capital increases of public corporations and of corporations going public through capital increase and sales of existing shares of shareholders, an announcement text of sale is required to be prepared, and this announcement is required to be approved by the Board.

**(2)** If and when total nominal value of shares remaining after use of preemptive rights in capital increases of public corporations remains below one hundred and fifty thousand TL, or below one percent of nominal value of all shares offered for sale, these corporations may refrain from making an announcement of sales by publishing a public disclosure of material information without consent of the Board.

**(3)** Provisions of article 24 of this Communiqué are applied on amendments to be made in the announcement of sale.

### **Provisions on Issue Document and Tenor Issue Document:**

**ARTICLE 16 – (1)** In the event that non-equity securities, also including covered warrants and certificates, shall be sold in the domestic market without public offering or shall be issued at abroad, the issuers shall first apply to the Board for the approval of an issue document relating to non-equity securities, scheduled and planned to be sold within a period of one year. This issue document is prepared for all capital market instruments under the issue ceiling. The period of one year starts from the date of decision of the Board approving the issue document.

**(2)** If capital market instruments are to be sold in the domestic market without public offering, following approval by the Board of an issue document containing the issue ceiling, a separate tenor issue document is issued for sales of each tenor of capital market instruments, and is approved by the Board before sale. However, providing that it is stipulated so in the relevant regulations of the Board, if capital market instruments are to be sold in the domestic market without public offering, following approval by the Board of an issue document containing the issue ceiling, the issuers are not required to apply to the Board separately for sale of each tenor of capital market instruments. In this case, following delivery of the issue document approved by the Board, without any further action to be taken by the issuers with the Board, the sales process is completed through application to CRA before sale of each tenor within the issue ceiling, and submission of a receipt evidencing payment of the fee payable to the Board, and completion of the required transactions by CRA with the Board.

**(3)** If and when non-equity securities, also including covered warrants and certificates, are to be issued at abroad, following approval by the Board of an issue document containing the issue ceiling, a separate tenor issue document is prepared for sale of each tenor of capital market instruments, and is approved by the Board before sales.



(4) A different tenor issue document is prepared for each non-equity securities, also including covered warrants and certificates, having different characteristics, offered for sale at the same time in the domestic market or at abroad, and such tenor issue document is approved by the Board.

#### **Validity Time of Prospectus:**

**ARTICLE 17 – (1)** The prospectus shall be valid for all issues to be realized within twelve months following the date of first publication thereof, providing that it remains up-to-date in accordance with article 24 of this Communiqué. In public offerings to be made after the end of this period, the prospectus is required to be fully approved. In the case of a prospectus prepared as more than one document, validity time of the prospectus starts as of the date of first publication of the registration document approved by the Board. Validity time of the securities note and summary can not exceed validity time of the registration document.

(2) Provisions of first paragraph of this article are applicable in determination of validity time of the base prospectus.

(3) In the event that the prospectus is prepared as more than one document, and the registration document is previously approved by the Board, if any amendment is not required in this document in the public offerings to be carried out throughout the validity time of the registration document, then the issuer or public offerer is required to submit a written statement thereon to the Board.

#### **Validity Time of Issue Document:**

**ARTICLE 18 – (1)** In the event that non-equity securities, also including covered warrants and certificates, shall be sold in the domestic market without public offering or shall be issued at abroad, the issue document containing the issue ceiling shall be valid for all issues to be realized within a period of one year following the date of decision of the Board approving this document.

### **FORTH PART**

#### **Application Processes and Principles on Examination of Applications by Board**

##### **Application Processes:**

**ARTICLE 19 – (1)** A decision regarding application for approval of prospectus or issue document is taken by the Board, and is notified to the related persons within ten business days after the prospectus or issue document and other required documents and information prepared in accordance with the Board regulations are submitted to the Board. This period is twenty business days in the case of initial public offering of shares.

**(2)** In the case of a deficiency in the information and documents submitted in an application for approval of prospectus or issue document, or if additional information and documents are required, then, within ten business days following the date of application, the applicant is informed in writing or electronically and is asked to complete the deficiency within twenty business days. In this case, the periods specified in first paragraph of this article start from beginning as of the date of submission of the deficient or additional information and documents to the Board. The applicant may be granted an additional time of up to twenty business days for reasonable causes and upon demand of the applicant to the Board.

**(3)** In applications to the Board:

- a)** if the prospectus or issue document is determined to be so deficient that it does not allow an adequate review by the Board; or
- b)** if the information and documents required to be given to the Board at the time of application and specified in the Board regulations pertaining to the capital market instrument covered by the prospectus or issue document requested to be approved by the Board are not given to the Board at all or completely; or
- c)** if additional information and documents requested by the Board or required to complete the deficiencies in the information and documents submitted with the application are not presented to the Board within a period of time granted by the Board,

then and in this case, the application shall be cancelled by the Board.

**(4)** Failure of the Board to take a decision regarding approval of prospectus or issue document within the periods of time specified in this article does not construe as approval or non-approval of the prospectus or the issue document by the Board.

**Special Provisions on Application Processes:**

**ARTICLE 20 – (1)** For approval of prospectus or issue document, all information and documents referred to in the Board regulations pertaining to the capital market instrument covered by the prospectus or issue document are required to be submitted to the Board.

(2) At the time of application, the prospectus or the issue document is to be submitted to the Board both in printed copies and electronically so as to allow a review thereof by the Board. The issuer or the public offerer represents and warrants to the Board in writing that the prospectus or the issue document submitted electronically is same as their printed copies.

**Minimum Information in Documents Relating to Issue and Sale:**

**ARTICLE 21 – (1)** Minimum information required to be given in prospectus, issue document and other sales-related announcement texts shall be determined by the Board depending upon type and nature of the issue, issuer and capital market instrument, and the standards determined by the Board are to be made public.

(2) If and when a registration document is prepared with respect to public offering of shares, this document may, within its validity time, be used by the issuer also in public offering of debt instruments referred to in the regulations of the Board pertaining to issuance of debt instruments. Thereupon, the securities note and the summary must be prepared in accordance with the standards determined by the Board with respect to debt instruments, and information about the guarantor, if any, must also be given in the said documents.

(3) If and when capital market instruments not covered by the prospectus standards determined by the Board are intended to be offered to public, an application is filed to the Board by using any one of the current prospectus standards which is most appropriate for the nature of the relevant capital market instrument.

**Approval and Delivery of Prospectus and Issue Document:**

**ARTICLE 22 – (1)** If the information given in the prospectus or the issue document is found consistent, comprehensible and complete according to the standards determined by the Board, the Board decides to approve the prospectus or the issue document. During its review, the Board may, by considering the issuer and issuer's activities, or existing situation of the public offerer, or nature of the capital market instrument to be issued, request inclusion of additional information in the prospectus or the issue document. Thereupon, the additional information requested by the Board must be included in the prospectus or the issue document before their delivery.

(2) The prospectus and the issue document constitute a whole, together with their exhibits.

(3) Approval of the prospectus or the issue document does not construe as a warranty or representation given by the Board with respect to the issued capital market instruments, issuers or public offerers or on accuracy of information included in such documents, nor can it be used for advertisement purposes, and nor can it be considered and treated as an advice with respect to the subject capital market instruments. Any statement which clearly states or creates the impression that approval of the prospectus or the issue document construes as a warranty or representation given by the Board thereto cannot be used in the prospectus, the issue document and advertisements, statements and disclosures relating to issues.

(4) If an application filed to the Board for approval of prospectus or issue document is responded negatively upon review, the response is notified to the relevant person in writing together with reasons thereof.

(5) If the prospectus or the issue document is not received within twenty business days following the date of decision of the Board approving them, or is not published within the period of time specified in article 28 of this Communiqué, it shall be required to have the prospectus or the issue document re-approved by the Board.

#### **Fee Payable to the Board:**

**ARTICLE 23 – (1)** Sales process cannot be started without a prospectus or issue document approved by the Board. The fee to be determined pursuant to third paragraph of article 130 of the Law is required to be deposited and recorded as income to the Board's budget before:

- a) the prospectus (if the prospectus consists of single document); or
- b) the securities note or summary (if the prospectus consists of a set of documents; or
- c) the issue document or the tenor issue document

is approved and delivered to the issuer. However, if different principles are determined in the relevant regulations of the Board, the principles set forth in the relevant regulations shall be applied.

(2) If, though the fee payable to the Board is deposited, the prospectus or the issue document is not received within the period of time stated in fifth paragraph of article 22 of this Communiqué, or following delivery of the prospectus or the issue document, it is decided to renounce from sales, or sales are not completed or are completed partially, the fee deposited in the Board's account pursuant to third paragraph of article 130 of the Law cannot be claimed to be refunded, or to be set off for other issues to be carried out.

**Amendments in Prospectus or Additions to Prospectus:**

**ARTICLE 24 – (1)** In the case of changes or amendments in the information made public in a prospectus or upon occurrence of new events which may affect the investment decisions of investors at any time before start of sales or during the sales period, such amendments or new events shall be immediately notified in writing by the issuer or the public offerer to the Board. Upon occurrence of amendments or new events, the sales process may be suspended by the issuer or the public offerer or by the authorized institutions with prior consent of the issuer or the public offerer, as the case may be. This case is also immediately notified to the Board in writing. If the sales process is not suspended or stopped by the issuer, public offerer or authorized institutions, and if deemed necessary, the Board decides to suspend and stop the sales process.

(2) Relevant sections of the prospectus containing the amendments or additions shall, within seven business days following the date of notification to the Board, be approved by the Board, and be immediately published as stipulated in article 28 of this communiqué. Furthermore, information allowing comparison of former and new versions of relevant sections of the prospectus, and post-amendment version of the prospectus as a single and whole document covering all amendments shall be published in the issuer's and authorized institution's internet websites and if the issuer is a member of PDP, in PDP.

(3) If an amendment made in sections, other than summary section, of the prospectus requires change and amendment of summary section of the prospectus as well, the required amendment is made in the summary section. Thereupon, if the summary is republished as a whole, the amended parts thereof are required to be highlighted so as to enable investors to easily recognize and understand the amendments therein.

(4) Investors who have filed a demand to purchase capital market instruments before publication of amendments or editions shall, within two business days following the date of publication thereof, be entitled to withdraw their demands. The period set forth in this paragraph may be determined and applied as a longer period by the issuer and/or the public offerer, provided that it is duly stated in the prospectus.

**Persons Responsible For Prospectus:**

**ARTICLE 25 – (1)** Issuers are responsible for all kinds of damages and losses arising out of wrong, misleading and deficient information contained in the prospectus. If and to the extent the damages and losses cannot be compensated from the issuers or it is clearly understood that they shall not be compensated, then and in this case, the public offerers, the consortium leader(s) intermediating the issue, the guarantor (if any) and the members of the board of directors of the issuer shall be held liable to the extent they may be held liable for damages depending on their faults and the current requirements.

(2) The persons and entities such as independent audit, rating and appraisal firms which prepare and issue reports for inclusion in the prospectus shall also be held liable for wrong, misleading and deficient information contained in their reports, within the context of pertinent provisions of the Law and this Communiqué.

(3) Unless the summary, if taken and read together with other sections of the prospectus, is misleading, inaccurate or inconsistent, no legal liability may be imposed on relevant persons only due to and for the summary.

### **Liabilities Arising Out of Prospectus, Issue Document and Other Public Disclosure Documents:**

**ARTICLE 26 – (1)** The provisions of articles 10, 32 and 63 of the Law are applicable for liabilities arising out of or in connection with prospectus, issue document, tenor issue document and other sales-related public disclosure documents.

(2) The issuer and if any, the public offerer and the authorized institutions shall be liable to take the required actions and measures so as to ensure that any action which may preclude the investors from taking their investment decisions consciously and that an artificially functioning market is not created with respect to value of the capital market instrument to be issued.

(3) Persons who have access to insider information due to their duties and functions at any time during the issue process are liable to keep all such insider information in strict confidence until they are made public in the prospectus or the issue document.

## **FIFTH PART**

### **Advertisements and Promotions, and Registration and Announcement**

#### **Advertisements and Promotions:**

**ARTICLE 27 – (1)** Information given in the advertisements and promotions, also including verbal statements, with respect to capital market instruments to be offered to public or to be admitted to trading on the exchange must not be wrong, misleading, groundless, exaggerated or deficient, and must not lead the investors to wrong opinions or impressions about the situation of the issuer and/or the public offerer, or the relevant capital market instrument, or the guarantor, if any, and must be consistent to the information given in the prospectus. If a public offering price is also given in advertisements and promotions, it should clearly be emphasized that the Board or the exchange has no right of discretion or of approval in determination of public offering price of capital market instruments to be offered for sales. Texts shall be drafted and designed so as to be easily recognized as an advertisement. The advertisements and promotions covered by this article are required to contain a warning stating that the investment decisions must be given upon review of the prospectus.

(2) Advertisements and promotions to be published after the date of application filed to the Board for approval of prospectus, but before the date of publication of the prospectus advertisements and promotions are required to be only about the sector where the issuer operates, and its position in the sector, its fields of business, and goods or services produced by it. In these advertisements and promotions, if the prospectus has not been approved, it shall be clearly stated that the prospectus is not yet approved, or if the prospectus has been approved, the place of publication thereof shall be stated.

(3) In advertisements and promotions to be made with respect to public offering after the prospectus is approved and published, the places from where the prospectus copies may be obtained, and the internet websites, including PDP, where the prospectus is published shall be stated.

(4) Where capital market instruments are to be sold only through a call to qualified investors, the advertisements and promotions must contain a definition of qualified investor as included in the Board regulations, and it must be stated therein that the instruments shall be sold only to qualified investors who meet the required conditions.

(5) The information declared by the issuer, public offerer or authorized institution with respect to public offering or admitted to trading on exchange of capital market instruments addressed to investors in general or to a specific investor group, also including the foreign investors, are required to be included in the prospectus as well, and any actions which may lead to inequality of information among investors cannot be taken.

#### **Registration and Publication of Prospectus, and Publication of Issue Document:**

**ARTICLE 28 – (1)** Without prejudice to provisions of fifth paragraph of article 2 of this Communiqué, and second paragraph of this article, no prospectus or issue document which are not approved by the Board can be published.

(2) A prospectus prepared and submitted to the Board's approval before public offering or admitted to trading on exchange of capital market instruments shall, within five business days following the date of application to the Board, be published in the issuer's internet website and if the issuer is a member of PDP, in PDP, and in internet website of the authorized institution, if any. If the prospectus consists of a set of documents, the advertisement obligation starts upon submission of each such document to the Board. At the beginning of the prospectus, it must clearly be stated to investors that the prospectus is not yet approved by the Board.

(3) The prospectus approved by the Board shall, within fifteen business days following the date of receipt, be published in the issuer's internet website and if the issuer is a member of PDP, in PDP, and in internet website of the authorized institution, if any. The issuer may further optionally publish the Board-approved prospectus in press and media as well.

**(4)** If the prospectus consists of a set of documents which are approved by the Board at different dates, the publication obligation starts upon receipt of each document approved by the Board.

**(5)** Validity time of prospectus starts when the prospectus:

**a)** is published in PDP (if the issuer is a member of PDP); or

**b)** is published in the issuer's internet website (if the issuer is not a member of PDP).

**(6)** If the documents constituting the prospectus are published at different times, each document shall clearly show where other documents constituting the prospectus are published and from where they can be obtained.

**(7)** The Board may require the publication of the prospectus also in places, also including foreign countries, other than those referred to in this article. The issuer and if any, the authorized institution shall take necessary actions for easy access of investors to the prospectus published in the internet site and for keeping the prospectus, as approved by the Board, in the internet site for a minimum period of five years. However, for capital market instruments subject to a maturity, this obligation is limited by maturity of capital market instruments issued under the prospectus.

**(8)** The Board-approved prospectus shall, simultaneously with the date of publication in PDP, be further published in internet site of source institution or asset lease company in the case of issue of lease certificates, or of fund founder in the case of issue of asset-based securities, or of market maker in the case of issue of capital market instruments admitted to trading on market making basis in the market.

**(9)** Place of publication of the prospectus is registered in trade registry and announced in TTRG within ten business days following the date of publication. However, it is not required to register the place of publication of the prospectus for starting of sales of capital market instruments. If the prospectus consists of a set of documents which are approved by the Board at different dates, the place of publication of the documents constituting the prospectus shall be registered in trade registry and announced in TTRG after the date of publication of the last document of the prospectus. Amendments to the prospectus are also subject to provisions of this paragraph.

**(10)** Where the prospectus is published electronically, a printed copy thereof is required to be freely delivered to the investor upon its demand.

**(11)** Issue document or tenor issue document approved by the Board is not registered in trade registry. Publication of issue document or tenor issue document shall be subject to provisions of third paragraph of this article.



**Publication of Announcement Texts and Final Terms:**

**ARTICLE 29 – (1)** The announcement of sales shall be published on the same day in the issuer's internet site, and if the issuer is a member of PDP, in PDP, and in the internet site of the authorized institution, if any, after the end of the period of use of the preemptive rights on newly issued shares, or if the preemptive rights are not allowed to be used, after the date of publication of the prospectus.

**(2)** The announcement text prepared within the context of provisions of third paragraph of article 6 of this Communiqué shall be announced and published in accordance with provisions of this Communiqué pertaining to publication of prospectus.

**(3)** The final terms prepared in accordance with pertinent provisions of this Communiqué shall be published on the same day in the issuer's internet site, and if the issuer is a member of PDP, in PDP, and in the internet site of the authorized institution, if any, after the date of publication of the base prospectus.

**(4)** The issuer may further optionally publish the documents mentioned in this article in press and media as well. The Board may require the publication of the documents mentioned in this article also in places, also including foreign countries, other than those referred to in this article.

**Notification to the Board:**

**ARTICLE 30 – (1)** Information on the edition number and date of TTRG where the announcement relating to registration of the place of publication of the prospectus by the issuer or the public offerer is published shall be sent in writing to the Board within six business days following the date of publication. This obligation may be performed by authorized institutions as well.

**SIXTH PART****Final and Temporary Provisions****Language of Issue and Sales-Related Documents:**

**ARTICLE 31 – (1)** Language of the prospectus, issue document, tenor issue document, announcement of sales, final terms and other information and documents required to be submitted to the Board at the time of application must be Turkish. The prospectus must be written in clear and plain language and with comprehensible and easily understandable sentences.

(2) If and when the documents referred to in first paragraph of this article are wished to be translated into a foreign language, the translation text thereof shall also be published at the same time and in the same place with the original document.

(3) If and when the documents used in preparation of prospectus and not made public in the attachment to prospectus are written in a foreign language, the prospectus must clearly state to investors from where they can access the portions of such documents used in preparation of prospectus. If deemed necessary, the Board may require that the portions of source documents used in preparation of prospectus be translated into Turkish by a sworn translator.

#### **Revaluation:**

**ARTICLE 32 – (1)** The amounts given in this Communiqué are required to be revalued and re-determined by the Board by using the revaluation coefficient published by the Ministry of Finance every year. Thereupon, the revalued amounts are published in the Board's Bulletin. However, the Board may also decide not to revalue the amounts given in this Communiqué.

#### **Other Regulations:**

**ARTICLE 33 – (1)** The Board's pertinent regulations are, however, reserved for implementation of the provisions of this Communiqué on investment company.

#### **Finalization of Current Applications:**

**TEMPORARY ARTICLE 1 – (1)** Applications not yet determined by the Board as of the effective date of this Communiqué shall be finalized and responded according to the provisions of this Communiqué.

#### **Other Provisions:**

**TEMPORARY ARTICLE 2 – (1)** Prospectuses prepared and issued with respect to debt instruments and coveredwarrants and certificates mentioned in the Board's related regulations and registered with the Board for public offering while the repealed Capital Markets Law no. 2499 was valid and in force shall remain valid until the end of the period stated therein.

(2) Validity time of prospectuses approved by the Board during the time between the effective date of the Law and the effective date of this Communiqué shall be determined in accordance with provisions of article 17 of this Communiqué.

(3) Before sales of capital market instruments to be issued in reliance upon prospectuses covered by first and second paragraphs of this article, an application is required to be filed to the Board for approval of the sales circular.

(4) Debt instruments which are mentioned in the Board's related regulations and registered with the Board for sales in the domestic market without public offering or for issue at abroad while the repealed Capital Markets Law no. 2499 was valid and in force, but are not yet sold, may be offered for sales within one year following the date of resolution of the Board with respect to registering them with the Board.

(5) Capital market instruments, other than shares, to be offered for sale under issue documents approved by the Board during the time between the effective date of the Law and the effective date of this Communiqué may be offered for sales within one year following the date of resolution of the Board with respect to approval of the relevant issue document.

(6) In the transactions referred to in fourth and fifth paragraphs of this article, in the case of sales of debt instruments in the domestic market without public offering, the principles cited in second paragraph of article 16 of this Communiqué shall be applied, and in the case of issue of debt instruments at abroad, the principles cited in third paragraph of article 16 of this Communiqué shall be applied.

**Effective Date:**

**ARTICLE 34 – (1)** This Communiqué shall become effective one month after the date of publication.

**Enforcement:**

**ARTICLE 35 – (1)** The provisions of this Communiqué shall be enforced by the Board.