

Amendments to the Financial Reporting of Investment Funds

27 Oct 2020

Capital Markets Board of Turkey ("**CMB**") has published the Communiqué Amending the Principles Regarding Principles on Financial Reporting on Investment Funds ("**Amendment Communiqué**"), in the Official Gazette dated 9 October 2020 and entered into force on the same date. Changes introduced by the Amendment Communiqué can be summarized as follows:

- Principles on portfolio valuation regarding price reports have been changed. Repo and reverse repo transactions and money market transactions in domestic exchanges shall be valued over the internal rate of return pertaining to transaction, until the date of maturity.
- Specific rules applicable to real estate investment funds and venture capital investment funds have been changed:
- Real estate investment funds and venture capital investment funds are now to include valuation reports pertaining to their investments and to submit them for the investors' review, upon the request of investors.
- For the venture capital investment funds, principles for determining the value of portfolio assets in price reports have been changed.
- Exemptions granted to real estate investment funds and venture capital investments funds regarding the public disclosure of financial reports have been removed. Those funds are now also subject to the disclosure and announcement determined under the Communiqué.
- Section on "fund value" and "monthly average circulation ratio" have been removed in the sample on portfolio distribution reports.

You can see the full text of the Amendment Communiqué through this [link](#) (Only available in Turkish).

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