

Amendments to Turkish Commercial Code Regarding Bearer Share Certificates and Commercial Bookkeeping

10 Feb 2021

Canon 6102 of the Turkish Commercial Code ("**TCC**") regarding bearer share certificates and commercial bookkeeping was amended ("**Amendment**") in consideration of the Law on the Prevention of Financing the Propagation of Weapons of Mass Destruction number 7262.

The Amendment provides, in relevant part, as follows:

- Regarding bookkeeping obligations under TCC Article 64, the Ministry of Trade ("**Ministry**") now requires share ledgers, board resolution books, and books of general shareholder meetings and discussions to be kept electronically, provided, however, that Capital Market Law no. 6362 ("**CMB**") is unaffected by the foregoing.
- TCC Article 489 makes transfer of bearer shares effective upon notice to the Central Registry Agency ("**CRA**"), absent which a transfer is ineffective.

Ownership rights in transferred bearer instruments begin on the date of notice to CRA. Under applicable law, CRA may share its records with duly authorized institutions.

Additional rules regarding CRA notice, bearer share certificate registration, and associated fees will be published in a future Ministry communiqué.

- TCC Article 417:
 - Bearer shareholders may attend general shareholder meetings arranged according to the CRA schedule of shareholders. Prior to the Amendment, this provision was applicable only to shareholders scheduled by the CMB.
 - The process for obtaining CRA shareholder schedules will be published in a future Ministry communiqué.
 - Transfer of bearer shares on the day of a general shareholder meeting may be prohibited. Further details will be made available by the Ministry.
 - TCC Article 415/3 has been removed. When in effect, it opened general shareholder meetings to holders of bearer shares providing either certificate ownership documentation not later than one day before the meeting, or proof of ownership commenced on a date subsequent to the date of such documentation.
 - As a condition to exercising shareholder derivative rights, TCC Article 426 now requires, in addition to all other required proof of possession of bearer share certificates, proof of notice of share ownership made to CRA.
 - Notice to CRA's board of directors containing all relevant bearer shareholder information is required by TCC Article 486 to be made prior to issuance and distribution of bearer share certificates.
 - Under TCC Article 562, failure of a corporate board of directors to provide notice under TCC Article 486 is punishable by an administrative fine of TRY 20.000,00; and on anyone else for so failing, an administrative fine of TRY 5,000.00.

Provisional TCC Article 14 requires, until 31 December 2021, holders of registered shares to apply to the issuing company with shares subject to CRA notice; upon which the issuing company's board of directors will appropriately respond within 5 working days. Exercise of shareholder rights is conditioned upon such application.

Art.64 as amended is effective as of 31 December 2020. All other articles as amended are effective as of 1 April 2021. The Ministry may, from time to time, modify the Amendment.

The full text of the Law on the Prevention of Financing the Propagation of Weapons of Mass Destruction can be found at this [link](#). (Only available in Turkish)

Related Practices

- [Corporate and Commercial Litigation](#)
- [Securities and Capital Markets](#)
- [M&A and Shareholder Disputes](#)

Related Attorneys

- [DR. E. SEYFİ MOROĞLU, LL.M.](#)
- [BENAN ARSEVEN](#)
- [C. HAZAL BAYDAR, LL.M.](#)