

## Capital Market Board Published Communiqué on the Procedures and Principles Regarding the Secured Issue of Capital Market Instruments

*15 Apr 2022*

Within the Communiqué on the Procedures and Principles Regarding the Secured Issue of Capital Market Instruments ("**Communiqué**"), which was published by the Capital Market Board ("**Board**"), the procedures and principles regarding the collateralized issue of capital market instruments, the assets which can be collateralized, the collateral management agreement, the rights and obligations of the issuer and the collateral manager are regulated.

The said Communiqué was entered into force after being published in Official Gazette dated 26 January 2022 and numbered 31731.

In this context, the regulations about the secured issue of capital market instruments are as follows:

- Issuers can collateralize capital market instruments to be issued, with certain assets determined by the Board. Depending on the event, the Board may impose collateralization of issued capital market instruments as well.
- In case collateralized issuance of capital market instruments, the ownership of the assets subject to collateral may be transferred to the collateral manager or a limited real right may be established on these assets in favor of the collateral manager in order to fulfill the obligations of the issuer arising from these instruments at maturity.
- The condition stipulated for starting the sale of the capital market instrument with collateral is the completion of the transactions regarding the transfer of the ownership of the assets subject to the collateral to the collateral manager or the establishment of limited real rights on them in favor of the collateral manager.
- Collateralized assets shall be differentiated from the assets of the collateral manager and no lien, preliminary or cautionary or other attachment can be placed over such assets, even for public debts and they cannot be recorded to the bankruptcy estate.
- Collateral manager cannot be a related party of the issuer.
- Collateral manager shall be an authorized institution having general depository authority under the legislation.
- Upon an event of default, or the other reasons stipulated in the law or the provisions of the agreement, the collateral manager shall be able to sell the assets subject to the collateral and distribute the returns among the investors, without any prior notice or condition.
- The collateral management agreement is terminated in the events that the payment obligation arising from the issuance of the capital market instrument with collateral is fulfilled, the capital market instruments are redeemed, or the payment transactions to be made to the investors by converting the collateral assets into money are completed.
- Public disclosure requirements on collateralized instruments are also regulated under the Communiqué.

Please see this [link](#) for the full text of the Communiqué published in Official Gazette dated 26 January 2022 and numbered 31731 (only available in Turkish).

### Related Practices

- [Securities and Capital Markets](#)
  - [Venture Capital and Private Equity](#)
-

## Related Attorneys

- DR. E. SEYF? MORO?LU, LL.M.
- C. HAZAL BAYDAR, LL.M.

---

Moroglu Arseven | [www.morogluarseven.com](http://www.morogluarseven.com)