

## Turkey Amends the Communiqué on the Financial Reporting Principles of Investment Funds and the Communiqué on Real Estate Investment Funds

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Turkey made amendments in the Communiqué on the Financial Reporting Principles of Investment Funds and the Communiqué on Real Estate Investment Funds, regarding the share groups and the transaction price constituting the basis for the purchase and sale of real estate and venture capital investment funds' units.

The Communiqué Amending the Communiqué on the Financial Reporting Principles of Investment Funds ("**Financial Reporting Amendment Communiqué**") and the Communiqué Amending the Communiqué on Real Estate Investment Funds ("**Real Estate Amendment Communiqué**") were published in Official Gazette number 30823 on 6 July 2019 and entered into force on the same date.

As per the Financial Reporting Amendment Communiqué,

the obligation of the transaction price constituting the basis for the purchase and sale of fund units of real estate and venture capital investment funds to be the price determined in the price report has been revoked.

As per the Real Estate Amendment Communiqué:

- The different fund units became able to be formed;
- By including the principles in the information documents
- Without limiting the purpose of differentiating the rights and / or obligations granted to the shareholders.

Prior to the amendment, those groups were only allowed to be formed by dividing the management fee, portfolio management fee and marketing sales distribution fee received by the fund or by applying the fund entry-exit commission.

- Carrying out the purchase and sale of shares at a price different from the unit share value, by including the calculation and application principles in the information documents has been made possible. Accordingly, this price constituting the basis for the purchase and sale of fund units will be notified to the shareholders by the founder, before each transaction.
- The possibility for the founder to take the up to 50% of the number of indefinitely established fund units into his portfolio has been revoked.
- The general principles regarding share groups have been added to the minimum elements that should be included in the fund bylaws.
- Principles for the rights and obligations of share groups, if any, and in case of a purchase and sale of fund units at a price different from the unit share value, the principles for calculating and implementation of this price will be included in the fund export document, fund internal regulation and investor information form.

Please see this [link](#) for the full text of the Financial Reporting Amendment Communiqué (only available in Turkish).

Please see this [link](#) for the full text of the Real Estate Amendment Communiqué (only available in Turkish).

## Related Practices

- Venture Capital and Private Equity
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