

Turkey Announces Further Details for Turkish Wealth Fund Management Company's Operation and Structure

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Turkey has announced operational and structural details for the newly established Turkish Wealth Fund Management Company (Türkiye Varlıklar Fonu Yönetimi Anonim Şirketi; "**Management Company**"). Details address auditing requirements, activity disclosures, exercising management rights, handling and registering assets, as well as certain restrictions on how assets can be used.

Legislative basis for the Management Company was introduced in August 2016 by Law No. 6741 (more information). The latest details were announced via Decree No. 2016/9429 ("**Decree**"), published in Official Gazette numbered 29883 on 9 November 2016.

The Decree describes the Management Company's operations as the establishment and management of the Turkish Wealth Fund ("**Wealth Fund**") and other affiliated sub-funds, intended to carry out project development, generate resources on a project basis, as well as establish domestic and international partnerships (among other purposes).

Notable points from the Decree include:

- The Wealth Fund's assets, as well as assets and rights transferred to the Management Company for management purposes, will be separated from the Management Company's assets.
- The Wealth Fund will be a legal entity incorporated solely to register assets and rights with relevant registries, as well as other registrable items gained as a result of the Management Company's operations.
- The Wealth Fund's assets cannot be pledged, provided as a guarantee, or otherwise disposed of, attached, subject to injunctions, included to the bankrupt's estate for any reason (including the collection of public receivables) if such actions are not within the scope of transactions carried out for authorized operations of the Wealth Fund and its sub-funds.
- The Wealth Fund is entitled to receive financing and resources from all domestic and foreign monetary and capital markets, without being subject to the permits and approvals required under the relevant legislation.
- It is possible to establish collateral, pledge, bailment and mortgage on Wealth Fund's portfolio in order to obtain finance.
- The Management Company exercises management and financial rights for assets in the fund portfolio. However, these rights could also be exercised by outsourced companies, provided they have executed a fund/portfolio management agreement with the Wealth Fund.
- Sub-fund assets can be reserved by a domestic or foreign fiduciary company, if authorized under the internal regulations and fund incorporation deed.

- The Management Company can only use services provided by real estate appraisal companies which have been authorized by the Capital Market Board to value real estates, real estate projects and real estate-based rights.
- Independent audit companies (authorized under the Capital Market legislation) will audit the financial reports of the Management Company, the Wealth Fund, its sub-funds and other companies to be incorporated by the Management Company.
- The Management Company will publically announce annual activity reports on its website regarding the Management Company and the Wealth Fund.

Please see this [link](#) for the full text of the Decree (only available in Turkish).

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