

Turkey Continues Capital Markets Reforms, Updating Rules and Processes for Material Events Disclosures

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Turkey's Capital Markets Board ("**Board**") has introduced new thresholds, scope of information and processes for disclosing material events, as well as amended announcement processes for the Public Disclosure Platform to ensure the market activities are in line with the government's project to establish Istanbul as an international financial center.

Changes to Material Events Disclosures

Notable changes include:

- The obligation to disclose material events will now arise on the prospectus or issue document's approval date. Previously, no specific start date was stated for this obligation.
- The combined total annual limit has increased from 50,000 to 250,000 Turkish Lira for transactions by persons with administrative responsibility (plus closely related persons and the issuer's parent company) regarding shares and other securities relying upon such shares.
- The announcement threshold has increased from 100,000 to 250,000 Turkish Lira for transactions executed within a calendar year by persons with administrative responsibility (plus closely related persons and the issuer's parent company) regarding the issuer's securities (except publicly offered shares).
- The disclosure requirements for non-listed companies which have issued capital market instruments for qualified investors will now also apply to:
 - Fund users while issuing lease certificates.
 - Companies which have issued domestic capital markets instruments via private placement.
- New disclosure requirements now apply to companies with debt securities in the Offering Market for Qualified Investors.
- The scope of issues which must be disclosed has been expanded.
- Fund users must now also publicly disclose certain specified events, similar to issuers.
- The Board can now request announcements be made in other languages besides Turkish, if it considers necessary.
- The procedures required for efficient execution of public disclosure procedures must now be fulfilled by the issuer's board of directors.

Changes to the Public Disclosure Platform

Notable changes include:

- Under certain conditions, disclosures by foreign companies or entities, whose capital market instrument are traded in the Turkish stock market, can now be made by third party service providers.
- The Public Disclosure Platform operator will determine the circumstances for cancelling and re-instating electronic certificates (which allow access to the platform), subject to the Board's approval.

Please see these links for the full text of the amendment regulations published in Official Gazette number 29975 on 10 February 2017 (only available in Turkish):

- Amendments to the Communique on Public Disclosure Platform (VII-128.1)
- Amendments to the Communiqué on Material Events Disclosure (II-15.1a)

Related Practices

- Corporate
- Private Client

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