

Turkey Introduces Investor Repayment Mechanism for Dematerialized Capital Markets Instruments Transferred to Investor Compensation Center

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Turkey has introduced principles and procedures for investors to claim payments for capital market instruments which have been transferred to the Investor Compensation Center ("**Centre**"). The compensation mechanism applies to circumstances where a capital market instrument is dematerialized. In such circumstances, investors must deliver the physical capital market instrument to the Centre within seven years of the dematerialization date. Failure to deliver it by the deadline results in the instrument being transferred to the Centre. The new mechanism allows investors to claim for such transfer.

The Regulation on the Principles and Procedures Regarding the Payment to be Made to the Investors by the Investor Compensation Center due to the Partial Cancellation of the Article 13 Paragraph 4 of the Capital Market Law no. 6362 ("**Regulation**") was published in Official Gazette number 29824 on 7 September 2016, coming into force on the same date.

Under the Regulation, investors receive until 7 September 2026 to apply for payment regarding capital markets instruments transferred to the Centre.

The Centre will make the requested payments if claimants submit a letter of undertaking and a release of debt, as set forth under Annex-1 of the Regulation.

The Centre will make payments in accordance with the following principles, depending on whether the Centre has sold the capital market instruments or not:

- If the Centre has not sold the instruments: The exact amount of the instrument will be paid to the claimant, plus non-paid up share amounts (calculated up until the return date) and dividends with interest (except those transferred to the Treasury within the scope of Law no 2308).
- If the Centre has sold the instruments: The instrument's sale amount will be paid, plus the non-paid up share amount (calculated up until the sale date) and dividends with interest (except those transferred to the Treasury within the scope of Law no 2308).

The Regulation outlines detailed provisions for delivery and annihilation proceedings in relation to capital markets instruments, application processes, as well as principles for assessing claimants.

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

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