

Turkey Streamlines Financial Reporting for Investment and Real Estate Investment Funds

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Turkey has introduced new preparation and disclosure requirements for financial reports by investment funds, as well as a complete exemption for foreign investment funds. Financial table and auditing requirements related to real estate investment funds and venture capital investment funds have also been simplified.

The Communiqué Amending the Communiqué on Principles Regarding Financial Reporting of Investment Funds (Serial No: II- 14.2) ("**Amendment Communiqué**") was published in Official Gazette number 29636 on 26 February 2016, entering into effect on the same date.

Significant changes introduced by the Amendment Communiqué include:

- Housing and asset finance funds must now submit financial reports to interested persons and make the necessary related public disclosures. Annual financial reports must be disclosed within 60 days of finalizing the relevant accounting year. Disclosures must be made on:
 - The official founder's website, and
 - The Public Disclosure Platform (if their asset or mortgage backed securities are publically offered).
- Foreign investment funds are now completely exempt from the Communiqué. Previously, foreign funds still had to submit certain information to the Capital Markets Board.
- Semi-annual financial statements are now only required from real estate investments and venture capital investment funds which disclose the value of more than one fund within an accounting period.
- Real estate investments and venture capital investment funds which are required to issue consolidated financial statements, must now also issue individual financial statements during the preparation period.
- Semi-annual financial statements prepared by the real estate investments and venture capital investment funds are now only subject to a limited independent audit.
- The scope of provisions regarding real estate investments and venture capital investment funds have changed, as well as introducing new details:
 - Price reports must be prepared for the period determined under a fund's issuance document.
 - Detailed rules are introduced for determining portfolio asset values for preparing price reports. Separate rules are outlined respectively for real estate investments and venture capital funds separately.
 - The fee determined in the price report will now be taken as the basis for determining the Strike price, which is the basis for share sale and purchase.

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

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