

Turkey's Capital Markets Board Updates Regime for Issuing Debt Instruments

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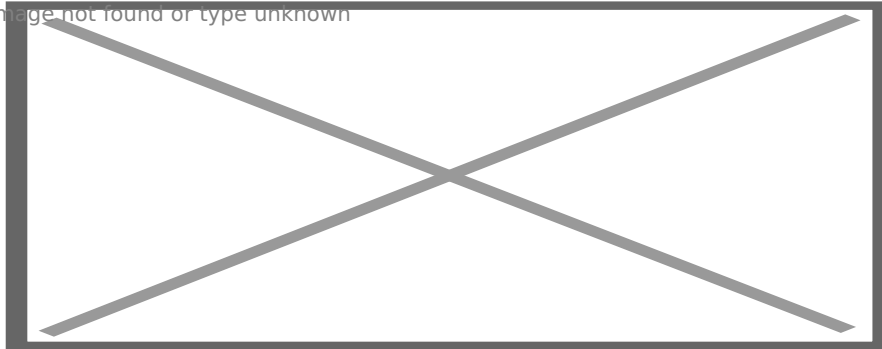
Turkey's Capital Markets Board has announced a range of changes regarding debt instruments. Among other changes, an entity's board of directors can now make decisions about issuing debt instruments. Also, the requirement to ratify issuing documents for foreign debt instruments has also been removed.

The Communiqué (II-31.1a) Amending the Communiqué on Debt Instruments II-31.1 ("**Amendment Communiqué**") was published in Official Gazette number 29983 on 18 February 2017, entering into effect on the same date.

Changes introduced by the Amendment Communiqué include:

- The "competent authority" for making decisions about issuing debt instruments has been extended to now also include an entity's board of directors (in addition to its general assembly).
- Foreign issues of a debt instrument must be registered with the Central Registry Agency ("**Agency**"). The Capital Markets Board's ("**Board**") discretion to grant exemptions to this requirement has been removed.
- The regulation regarding ratification of issuing documents for foreign debt instruments is abolished. Information about sale of such instruments must now be transmitted to the Board, including electronic signature, before each placement.
- The issue limit for debt instruments will now be calculated based on the date an application is made to the Board for approval of the prospectus or issue document.

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- Board fees for debt instruments with a term longer than 730 days are reduced from 0.2% to 0.15%.
- The Agency's obligation to notify the Board about payment of Board fees is abolished.
- A minimum nominal value of 100,000 Turkish Lira is introduced for private placements.
- Issued bonds may now be returned by the issuers. Returned bonds can be sold, kept or cancelled up until the due date.

- If the bond issuing company is a public company, the shareholders' profit share cannot be decreased due to profits paid to bondholders.
- All issuers can now return an issued debt instruments to the secondhand market. Previously, only banks could do this.

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

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