

TABOGLU, ATEŞ & DEMIRHAN

Newsletter

PRIVATIZATION HIGHLIGHTS

- According to the dailies, BAT, Imperial Tobacco, Japan Tobacco International and Altadis are the potential bidders for the privatization tender of TEKEL.
- Pursuant to the dailies, the Privatization Administration stated that the resolution of the Privatization High Council was required for the privatization of Halk Bank and that no such resolution had been rendered. Therefore, the Administration recommended the investors not to rely on false statements on the matter.
- As per the dailies, Petrol-Is labor union has applied to the Capital Markets Board, the Istanbul Stock Exchange and the Privatization Administration for the prompt implementation of the Council of State's decision on the cancellation of 14.76% TUPRAS shares on the Istanbul Stock Exchange.

ENERGY MARKET UPDATES

- The Amending Regulation to the Regulation on Licensing in Natural Gas Market has been published on 1 February 2007. As per the amendments, the minimum capital requirement for the companies applying for natural gas licenses has been increased as follows: TRY 13,500,000 for transmission license, TRY 2,700,000 for wholesales license, TRY 1,400,000 for exportation license, TRY 270,000 for CNG sales, CNG transmission and CNG distribution license and TRY 680,000 for LNG transmission license.
- According to the disclosure made to the Capital Markets Board, Ayen Enerji has obtained authorization from the Energy Market Regulatory Board for the construction of wind-power plants. It is stated that the authorization has been granted for 25 years.
- The Energy Market Regulatory Board has authorized two auditing firms namely Birlesik Uzmanlar Audit and Gozet Audit to conduct auditing services in the energy market.

TELECOMMUNICATIONS NEWS

➤ The Regulation on Number Portability has been published in the Official Gazette on 1 February 2007. The Regulation determines the terms and principles regarding number portability among telephony networks. As per the Regulation, geographical numbers, non-geographical numbers and GSM numbers are within the scope of the number portability and the operators are under the obligation to ensure the number portability. Accordingly, the customers may apply to the operators for number portability and the operators are obliged to accept the number portability request of the customers if the customer duly proved its personal subscription information regarding the number. Such request of the customers should be deemed as the termination of the subscription contract between the customer and the operator. The operators are entitled to ask for a reasonable fee for the accomplishment of the requests of the customer and such fees should not be in a level discouraging requests. Fines ranging from 1 to 3% of the turnover of the operators impeding number portability are also determined. The Telecommunications Authority is under the obligation to set up a central data base and the operators will be obliged to implement the number portability within 6 months following the notification of the completion of the central data base by the Authority.

- As reported in the dailies; Tellcom, one of the Turkcell Group companies, was entitled to lease the fiber optic cables of TEIAS for 10 years by submitting the highest the bid amounting to Euro 18,102,000. It is also stated that Tellcom has obtained the telecommunications infrastructure operator license in March 2006 and willing to provide basic voice and data services and value added services to its subscribers.

Highlights

a. Privatization Highlights

b. Energy Market Updates

c. Telecommunication News

d. News re Banking Sector

e. Other News

NEWS RE BANKING SECTOR*cont'd.*

- Pursuant to the dailies, the Court of Appeals has awarded a temporary injunction in relation to the sales of Adabank's shares to The International Investor, Kuwait by the Savings and Deposit Fund. A lawsuit was filed before Sisli 3rd Court of Execution by Uzan Group, the former shareholder of Adabank, requesting temporary injunction of the transfer of shares which were possessed by the Savings and Deposit Fund via administrative confiscation. In the lawsuit, the court accepted the claim and The International Investor, Kuwait appealed the decision of the court. However, the Court of Appeals ratified the decision of the court of first instance and awarded the mentioned temporary injunction.
- The National Bank of Greece, who purchased 46% of Finansbank, increased its shares in the bank to 89.4% via the acquisition of additional shares from the shareholders other than Fiba Group via the tender offer realized between 8-29 January 2007. The price of each share was determined as TRY 5.9356 for the shares with TRY 1 nominal value.
- The Banking Supervision and Regulation Board has cancelled the operation license of 4 financial institutions, namely Doruk Finansal Kiralama, Dogus Finansal Kiralama, Soylu Finansal Kiralama and K Faktoring. The reason of cancellation is indicated as breach of Article 29 of the Regulation on Terms of Incorporation and Operation of Financial Leasing, Factoring and Financing Companies.
- The Regulation on the Ethical Principles for the personnel of the Banking Supervision and Regulation Authority has been published on 2 February 2007. The Regulation aims to provide that personnel fulfill their occupational assignments in an objective, unattached, fair and liberal manner.
- Deniz Bank has acquired Global Hayat, life insurance company, from Global Yatirim Holding in return for TRY 2,700,000.
- According to the dailies, the Chairman of the Union of Turkish Capital Markets Brokerage Houses has stated that during last two years foreign investors have acquired 17 small size brokerage houses and currently they have focused on acquisition of large and medium sized brokerage houses in Turkey.
- The Communiqué on the Maturity and Types of the Deposit and Participation Funds has been published on 3 February 2007. The Communiqué depicts maturity terms of deposits as drawing deposit, time deposit, deposit at notice and cumulative deposit and lists participation funds depending on their maturity terms as special current account, participation accounts and cumulative participation accounts.

OTHER NEWS

- The Competition Board has fined 6 pharmaceutical companies including, Bilim, Deva, Eczacibasi and Fako, as they have distorted the competition in the market via concerted action of boycotting the pharmaceutical product procurement tenders of the state hospitals in 2002.
- According to the disclosure made to the Capital Markets Board, Yunsa, a Sabanci Group company, has acquired Uptown which is a company active in men's wear market. It is reported that Yunsa paid TRY 14,615,000 for the 70% of the company.

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The aim of this weekly newsletter is to highlight mainly the regulatory changes made by the Turkish Government during the relevant week. The content of this bulletin is limited to those areas Taboglu, Ates & Demirhan advises its clients. It contains a general summary of the changes and the areas it covers are broader. Thus, one should not rely on it for specific advice. For further information or advice please contact Taboglu, Ates & Demirhan, a full-service law firm based in Istanbul.

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