

TABOGLU & DEMIRHAN

Newsletter

CAPITAL MARKETS UPDATES

- The Capital Markets Board has issued a draft Communiqué regarding the Principles on Lease Certificates and Asset Leasing Companies. The draft Communiqué basically governs the principles on registration of lease certificates with the Board, issuance and offering of the same as well as establishment and activities of asset leasing companies. The asset leasing company has been defined as a joint stock company established by banks, intermediary institutions and source companies in order to issue exclusively lease certificates. Source companies, on the other hand, are defined as companies which transfer their assets to the asset leasing company for their lease. Pursuant to the draft Communiqué, asset leasing company is incorporated in order to derive revenues through leasing back the assets to the source companies, to issue lease certificates and to sell back the related assets to the source companies at the end of the lease period. The draft Communiqué also requires that the asset leasing companies issue only one plot of lease certificates at the same time. New lease certificates cannot be issued before the ones already issued are paid. In addition to those, the incorporation of the asset leasing companies is subject to the permission of the Board, and if banks want to establish an asset leasing company, the permission of the Banking Regulation and Supervision Agency is required. The lease certificates are among the debt instruments available to the investors; however these certificates enable lease income instead of interest. As per the dailies, through such instruments, bridges, highways and dams may be leased out to raise funds. Being considered as an investment instrument without interest, the lease certificates are expected to attract the Gulf capital and increase the amount of respective investments in Turkey.

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- The Capital Markets Board has amended the Communiqué regarding Independent Audit Standards on 25 October 2009. The respective amendment introduces a major benefit in favor of the leading audit firms and provides that the independent audit firms evidencing their sufficiency in corporate governance and independence of their auditors shall be entitled to rotate merely the chief auditor for any given customer after completion of 7 consecutive periods of service. Before the amendment, the Communiqué had prohibited audit of the publicly traded companies by the same audit firm for more than 7 consecutive periods.
- Shuaa Securities Holding, a leading investment bank in the Gulf region, has sold Orion Menkul Degerler to Omer Zuhtu Topbas and Murat Bahadir Teker. Pursuant to the dailies, Shuaa Securities Holding continues its concentration in fund management and consultancy sectors. The new shareholders of Orion Menkul Degerler have stated that their priority is to present new products to Turkish capital markets.
- As per the dailies, the Capital Markets Board has granted its permission for the acquisition of Aksu Iplik as a whole by Ak-Al Tekstil. It is announced that the share capital of Ak-Al Tekstil will be increased by approximately TRY 12 million to reach approximately TRY 42 million. Ak-Al Tekstil and Aksu Iplik, members of Akkok Group, had made a public disclosure regarding the acquisition back in January.
- Petkim Petrokimya Holding has declared that Petkim and NPC International, an Iranian company, have executed a memorandum of understanding on 28 October 2009 for establishment of a factory and ancillary chemical plants in Iran on fifty-fifty basis.

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Highlights

a. Capital Markets Updates

b. Energy Market News

c. Other News

ENERGY MARKET NEWS

- Alcen Enerji Dagitim, a subsidiary of Alsim Alarko and Cengiz Holding, has purchased Meram Elektrik Dagitim in return for US\$ 440 million. Alcen Enerji Dagitim has paid the transfer amount to the Privatization Administration in cash. Meram Elektrik Dagitim has operations in Konya, Karaman, Nigde, Aksaray, Nevsehir and Kirsehir.
- According to the announcement made by Turcas Petrol to the Public Disclosure Platform, RWE & Turcas Guney Elektrik Uretim, a subsidiary of Turcas Petrol, has executed an engineering-purchase-construction agreement with METKA, a German company, regarding a natural gas power plant to be established in Denizli with the capacity of 775 MW. The construction of the plant is to be commenced by the beginning of 2010, and the power plant is planned to be put into operation by 2012.
- The Chairman of Yircali Group has stated that the Group has initiated negotiations with foreign investors for wind energy investments planned to start in 2010 and the Group is waiting for the adoption of the new legislation in order to invest in solar energy.

OTHER NEWS

- Bankpozitif Kredi ve Kalkinma Bankasi, a subsidiary of Bank Hapoalim, has obtained a foreign loan amounting to US\$ 150 million with a 5-year maturity. Bankpozitif has announced that the loan obtained will be used as customer loans for investment and working capital requirements of firms in various sectors.

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- Koc Holding and General Electric Power & Water have executed a memorandum of understanding regarding water treatment projects. It has been noted that the memorandum of understanding covers collaboration of two companies in the areas of desalination, treatment of wastewater and mobile water treatments.
- The Privatization Administration has called a tender for the five pieces of immovable owned by Tutun, Tutun Mamulleri, Tuz ve Alkol Isletmeleri. The deadline to submit bids for respective pieces of immovable located in Adana, Ankara, Balikesir, Denizli and Izmir is declared as 25 December 2009, and the provisional bond amount is determined as TRY 25 thousand.
- Celebi Hava Servisi has announced to the Public Disclosure Platform that the board of directors of the Company has adopted a resolution to participate in the tender announced by Mumbai International Airport Private Ltd. for airport cargo services of Chhatrapati Shivaji International Airport in India.
- Pursuant to the dailies, three shareholders of Grundig Elektronik have filed a law suit for the cancellation of the general assembly resolution regarding the Company's dissolution without liquidation and its merger with Arcelik under the tradename Arcelik.
- Anel Telekomunikasyon has won a part of the tender held by TNet for the purchase of wireless ADSL modem in return for US\$ 6.5 million excluding VAT. The related agreement has been executed on 26 October 2009.

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 & 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 & Demirhan, a full-service law firm based in Istanbul.

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