

# TABOGLU & DEMIRHAN

## Newsletter

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### **ENERGY SECTOR NEWS**

- As per the dailies, the shareholders of Aksa Enerji Uretim, an electricity producers in Turkey, have decided to sell 26.6% of their shares in the Company to Goldman Sachs before the deal with the Privatization Administration concerning the Bogazici Electricity Distribution tender is closed.
- Pursuant to the statement made by Aksa Enerji Uretim to the Public Disclosure Platform, the installed power of the Company has reached to 1,997 MW.

### **BANKING SECTOR HIGHLIGHTS**

- Pursuant to the dailies, Turk Eximbank has signed a cooperation agreement with the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC). According to the agreement, these two entities aim to help Turkish investors and contractors to conduct business in the member countries of ICIEC. ICIEC specifically aims to provide political risk insurance to Turkish companies in order to conduct business in ICIEC member countries.
- Pursuant to the dailies, Ceylan Holding and Turkiye Is Bankasi have executed a protocol regarding restructuring of the current debt of the Holding. According to the protocol, the Holding will repay its debt together with interest in 5 installments by 23 March 2012.

### **CAPITAL MARKETS UPDATES**

- Pursuant to the statement made by the Undersecretariat of Treasury, the Treasury has held two auctions on 11 October 2011. The first auction has been held to sell 966 day fixed coupon TL denominated bonds with a settlement date of 12 October 2011 and a maturity date of 4 June 2014, and the second auction has been held to sell 644 day zero coupon TL denominated governmental bonds with a settlement date of 12 October 2011 and a maturity date of 17 July 2013.

- As per the announcement made by Net Holding, the Holding has sold its 45% stake in Opus Dis Ticaret in return for approximately Euro 47 million; its 45% stake in Net Magaza Isletmeciligi ve Ticaret in return for approximately Euro 3 million and its 44.99% stake in Uart Gumruksuz Magaza Isletmeciligi in return for approximately Euro 51 million to Stamos B.V., a member of The Nuance Group A.G. Upon completion, the Holding has no stake in the said companies and Stamos B.V. has the entire ownership.

- According to the Official Gazette published on 11 October 2011, a subparagraph has been added to Article 22 of the Capital Markets Law. Such subparagraph stipulates that, the Capital Markets Board is entitled to issue and announce the corporate governance principles.

- The Capital Markets Board has issued a new communiqué on 11 October 2011 regarding the corporate governance principles. According to the Communiqué, as a principle, the members of the board of directors of a joint stock company are prohibited from engaging in transactions competing with the company. However, the Communiqué allows the members of the board of directors to engage in transactions competing with the company subject to the approval of the ¾ of the company's shareholders. Moreover, the Communiqué introduces new rules concerning the number of independent board members. Accordingly, all companies must have two independent directors (or 1/3 of the board must be independent). In addition, if the minority shareholders with a total stake of 5% or more do not agree with the nominee independent directors, then the Capital Markets Board shall decide on the approval of the independent director. Through the amendments, the Capital Markets Board intends to improve the corporate governance arena of Turkey.

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#### *Highlights*

*a. Energy Sector News*

*b. Banking Sector Highlights*

*c. Capital Markets Updates*

*d. Other News*

**OTHER NEWS**

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- As per the Official Gazette published on 11 October 2011, the adaptation period for the amendment of the articles of associations regarding the privileges stipulated under Article 401 of the Turkish Commercial Code has been extended to 29 March 2012. Additionally, the Decree Law Concerning the Organization and Duties of the Ministry of Customs and Trade states that the Ministry of Customs and Trade is entitled to prolong the said period for another three months.
- As per the announcement made by the Turkish Statistical Institute, the Industrial Production Index in August 2011 has increased by 3.8% compared to same month of the previous year. In the sub sectors level of industry, the Mining and Quarrying Index has decreased by 3.7%, the Manufacturing Index has increased by 4.9%, the Electricity, Gas, Steam and Air Conditioning Supply Index has decreased by 0.8% in August 2011 compared to the same month of the previous year.
- As per the announcement made by Esas Holding, the Holding is planning to realize an investment in the amount of US\$ 100 million in their hospitals within next 3 years.
- As per the dailies, the Board of Internet has prepared a draft legislation containing the amendments to the Act of Crimes on the Internet. According to the draft prepared, the obstacles to open the representative offices of Google and Youtube are repealed. Additionally, according to the draft legislation, imprisonment provisions will be repealed and claims regarding blocking access from Turkey will be made through court.
- As per the statement made by CBS Boya to the Public Disclosure Platform, the Company has applied to Kadikoy 4<sup>th</sup> Commercial Court of First Instance regarding the extension of the postponement of the bankruptcy decision for another one year.
- According to the statement made by the Chairman of Renault, Renault will invest around Euro 280 million to increase its production capacity in Brazil. Additionally, OYAK Group has issued a call to Renault to make an investment together; however, the meeting has not been conducted, yet.
- As per the dailies, Aselsan Elektronik has signed 3 agreements. The first agreement with an amount of US\$ 172,950,000 has been signed with the General Command of Gendarmerie regarding the gendarmerie integrated wireless communication system. The second and the third agreements have been signed with Saudi Arabic Armed Forces. The subjects of the second agreement with an amount of US\$ 5,778,300 and the third agreement with an amount of US\$ 8,057,846 are thermal weapon sights and electronic war protected tactical communication system, respectively.
- As per the announcement made by the International Investors Association, Turkey is expected to attract US\$ 12 billion in foreign direct investment in 2011. Additionally, 55% of the investors expects a slowdown in the Turkish economy in line with problems in the world economy and the investors also expect an increase in Turkish inflation within next 6 months.

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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 & 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.*