

# TABOGLU & DEMIRHAN

## Newsletter

### **CAPITAL MARKETS HIGHLIGHTS**

- In accordance with the statement released by Aselsan to the Public Disclosure Platform, the Company has signed an amendment protocol on 12 October 2009 in the amount of Euro 86 million for the inclusion of the second MILGEM class warship within the scope of the main agreement executed under MILGEM Corvette Project (Patrol and Anti-Submarine Warfare Ships Acquisition Project). The Company and Havelsan had entered into an agreement with the Undersecretariat of Defense Industries on 23 May 2007 for the provision of the combat systems to the first warship to be constructed as a prototype within the scope of the Project.
- As per the statement made by Dogan Yayin Holding, relevant tax offices have received necessary collateral provided by Dogan Group for tax fine imposed on the Group in the amount of TRY 4.8 billion to satisfy the demand of the tax offices and the Group has also initiated the procedures against the provisional attachment requested by the tax offices. The collateral includes all shares of D Yapim Reklamcilik, Dogan Produksiyon and Alp Gorsel Iletisim, forty-four properties belonging to third parties and a letter of guarantee amounting to TRY 2 million 693 thousand 114. According to another statement of Dogan Yayin Holding, Dogan Produksiyon's motion for stay of execution in relation to tax fines has been rejected by the competent tax court; however, Dogan Produksiyon will exercise its right of objection against such decision of the court.
- Buyuk Istanbul Otobus Isletmeleri has acquired the shares of Mirada Otel Isletmeciligi amounting to TRY 50,000 and corresponding to 50% of its share capital in return for TRY 12,500.

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- Pursuant to the data of the Central Registry Agency, share of foreign investors in the Istanbul Stock Exchange has risen to 66.84% in terms of market value and 53.10% in terms of share amount when compared to the preceding week. The foreign investors have 14 billion 39 million 393 thousand 642 shares in the companies traded on the Istanbul Stock Exchange.
- Upon registration of Sabanci Holding and Akbank shares by nine of the Sabanci family members with the Central Registry Agency back in February, Emine Kamisli has become the first family member to perform a sale transaction. She has sold 700 thousand Sabanci Holding shares and her shareholding ratio in Sabanci Holding has dropped to 2.910% from 2.947%. Certain family members had previously registered a combined stake of 15.8% in Sabanci Holding and 8.37% in Akbank for sale within the next 10-20 years.

### **BANKING SECTOR UPDATES**

- Total deposit amount in the Turkish banks has decreased to TRY 435 billion 240.9 million when compared to the preceding week. The deposit in terms of TRY currency has risen by TRY 1 billion 138 million to TRY 282 billion 29.4 million, whereas the deposit in terms of foreign currency has declined to TRY 146 billion 701.3 million from TRY 147 billion 716.6 million.
- Idas and Yapi Kredi Bankasi have signed a protocol for restructuring of short term credits. As per the announcement of Idas, the loan amounting to TRY 5 million 237 thousand arising out of the cash loans obtained from the Bank has been restructured with 36-month maturity. It has been further stated that the interest rate shall be 15.25% and Idas shall start principal repayment as of June 2010.

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#### *Highlights*

*a. Capital Markets Highlights*

*b. Banking Sector Updates*

*c. Energy Market News*

*d. Other News*

### ENERGY MARKET NEWS

- As per the dailies, the General Directorate of Petroleum Affairs has rejected the application of Calik Enerji to obtain a license to conduct exploration activities in Diyarbakir. On the other hand, the Directorate has extended the term of the licenses of Arar Petrol in relation to the exploration activities in Aksaray and Konya for two years until 11 September 2011 and determined the expiration date of the licenses of Hema Dogal Enerji regarding the exploration activities in Zonguldak and Bartin as 19 August 2011.
- Anel Group and Inci Holding have executed a memorandum of understanding for the incorporation of a new company to establish and operate solar power plants. According to the statement made by Anel Telekomunikasyon to the Public Disclosure Platform, Anel Enerji Elektrik Uretim, 70% of which is owned by Anel Elektrik Proje Taahhut, and Inci Holding will hold shares of the new company on 50-50 basis. Initially, a solar power plant with a 20 MW capacity will be established with an estimated investment amount of Euro 60 million.
- The Council of State has cancelled the provisions of the Regulation on Distribution System Investments in the Electricity Market and Audit of the Realization of the Plans regarding the transfer of the auditing of the electricity distribution services to private companies. Accordingly, the Energy Market Regulatory Authority is still the sole competent body to audit the electricity distribution facilities and assets.

### OTHER NEWS

- According to the announcement made by the Constitutional Court, the Court has cancelled several articles of the Income Tax Law regarding the time limitation in deduction of investment and the withholding provision stipulated for limited tax payers under Provisional Article 67 of the Law.
- Under the draft Code of Obligations, which is currently before the Parliament, the lessees will be entitled to freeze the rentals or ask for a reduction. Accordingly, annual inflation rate shall be taken into account during a period of 5-year. The increase rate to be applied for renewed lease terms shall not exceed increase rate in the producer price index of the previous year. Twenty-one provisions of the draft Code have been accepted by the Parliament and the discussions on the remaining provisions are still continuing.
- The General Manager of Groupama International has stated that they have decided to merge Basak Sigorta and Guven Sigorta under the tradenames of Groupama Sigorta and Groupama Emeklilik. The General Manager has further stated that the Group has achieved a turnover of TRY 879 million as of the end of August. Accordingly, the Group is the second largest company with a market share of 23% in life insurance sector and the fifth largest company with 7% market share in elementary insurance sector.
- The Competition Board has rejected the complaint against Turkcell regarding Turkcell's alleged violation of the Law No. 4054 on Protection of Competition through discriminatory applications and selective pricing.

*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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