

TABOGLU & DEMIRHAN

Newsletter

CAPITAL MARKETS UPDATES

- The Capital Markets Board has issued a new communiqué amending the Communiqué on Principles Regarding Intermediary Activities and Intermediary Institutions. Through the amendments, the licenses of the intermediary institutions, whose activities have been suspended upon their request, shall be cancelled if such intermediary institutions do not apply to the Board within 12 months to re-start their activities or to cancel their licenses in order to establish a new intermediary institution. According to the amendments, the Board can grant permission for establishing a new intermediary institution when a non-public intermediary institution ceases its intermediary activities by applying to the Board in order to cancel its licenses to establish a new intermediary institution; provided that the founders of such institution satisfy the respective criteria. According to the Provisional Article, 12-month application period shall apply as 3 years on the intermediary institutions whose activities have already been suspended upon their request prior to the effective date of the amendments.
- The Istanbul Stock Exchange has launched a campaign to attract more Turkish companies to be listed and traded on the Istanbul Stock Exchange. The President of the Stock Exchange has stated that 872 companies from among the 1000 largest companies in Turkey are not traded on the Stock Exchange. It has also been stated that the number of the companies traded on the Stock Exchange has dropped from 317 to 314 in 2009.
- Ran Lojistik Hizmetleri has announced that the Company has applied to the Istanbul Stock Exchange to sell its 25.2% stake by way of an initial public offering. Public offering of shares representing a share capital of TRY 3.2 million will be held on 26-27-28 October 2009.

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- The Chief Executive Officer of TAV Havalimanlari Holding has stated that TAV will transfer its shares in Havas, a ground handling company wholly-owned by TAV, to a new company whose shareholders will include Is Girisim Sermayesi, HSBC Investment Bank and TAV. TAV will participate in such company with Euro 78 million capital and hold 65% of the shares whereas HSBC Investment Bank and Is Girisim will hold 28.33% and 6.67% of the shares, respectively. The shares of Havas will be transferred for an amount of Euro 180 million and it is anticipated that TAV will receive Euro 102 million income upon such transfer. The new company will utilize its own share capital and external financing in order to purchase Havas shares.

PRIVATIZATION NEWS

- As per the tender announcement published in the Official Gazette on 22 October 2009, the Privatization Administration has put out a tender for the sale of 20% public shares in Kazakhstan JTI Cenral Asia LLP. The public shares owned by Tutun, Tutun Mamulleri, Tuz ve Alkol Isletmeleri will be privatized through block sale method. The tender will be performed through bargaining method upon receipt of bids in sealed envelopes. However, the tender may be finalized through auction method, if deemed necessary by the tender commission.
- The Privatization Administration has announced the names of enterprises which applied to the tenders for the privatization of Coruh, Osmangazi and Yesilirmak electricity distribution companies. It has been stated that 24 enterprises have submitted their offers for the tenders for Yesilirmak and Osmangazi electricity distribution companies whereas 5 companies have applied to the tender for Coruh electricity distribution company.

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Highlights

a. Capital Markets Updates

b. Privatization News

c. News re Competition

d. Other News

NEWS RE COMPETITION

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- The Competition Authority has announced that the Authority and the Public Procurement Authority have signed a cooperation agreement, which aims to create, improve and develop fair competitive environment in public procurement procedures. It has been noted that by way of the agreement, the Public Procurement Authority will provide data to the Authority for investigations regarding public tenders while the Authority will allow the Public Procurement Authority to access information regarding its sphere of duties. The Electronic Public Procurement System, which will be effective in 2010, will constitute the basis of such exchange of information.
- As per the data released by the Undersecretariat of Foreign Trade, trade volume in free zones has decreased by 35.5% between the period of January and September 2009 when compared to the same period of last year. Istanbul Leather Free Trade Zone has carried out the greatest level in trade volume among all the free trade zones with US\$ 2.8 billion although the trade volume has decreased by 42.2% as compared to the same period of 2008. It has been noted that the largest amount of trade in free zones was made with countries in the Organization for Economic Cooperation and Development and the European Union between January and September 2009.

OTHER NEWS

- As per the announcement made by Hitay Yatirim Holding, Arena Factoring, a Hitay group company, has started its operations subsequent to the approval of the operation license by the Banking Regulation and Supervision Agency and aims to reach TRY 200 million turnover next year and TRY 500 million in 2011.
- The Information and Communication Technologies Board has decided that Turkcell has applied termination fees in excess of the pre-determined limits, and therefore Turkcell is in breach of its concession agreement, related provisions of the Electronic Communications Law and the Board's decisions regarding minimum GSM fees tariffs. The Board has ordered Turkcell to repay the excess fees it had collected from its customers within 1 month and decided to launch an investigation against Turkcell.
- As per the announcement made by Eczacibasi Yapi Gerecleri to the Public Disclosure Platform, the Company has increased its share ratio up to 95% in Burgbad AG, its affiliate in Germany. Accordingly, the Company has become a majority shareholder of Burgbad AG. It has been also noted that under the German Law, the majority shareholders can purchase the remaining shares in the company. Thus, the respective extraordinary general assembly of Burgbad AG will be convened by Eczacibasi to purchase the remaining shares of the Company.
- AYT Group has announced that a solar panel manufacturing factory in Kutahya Tavsanlı will start its operations by June 2010. It is further noted that the factory, which is being established by AYT Group and the German Sitizn Group Holding AG on 50-50 basis, will be the first solar panel-producing factory in Turkey.

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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.

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