

# TABOGLU & DEMIRHAN

## Newsletter

### **BANKING SECTOR NEWS**

- The Vice President of the European Investment Bank has stated that the Bank will provide loans to Turkey in 2011 up to Euro 2 billion. Accordingly, Euro 1.8 billion will be made available to small and medium-sized enterprises, energy and climate sector and infrastructure sector and the remaining part will be distributed to the other sectors. He has added that they are negotiating with 6 Turkish banks for the provision procedure of the loans. Apart from such loans, the Bank will make a Euro 100 million loan available for financing the High Speed Train Project to be realized between Ankara and Istanbul.
- As per the written statement released by the Turkish Participation Banks Association concerning the activity results of the participation banks in 2010, the banks have gained a total net income amounting to TL 759.5 million with an increase of 9%. It has been further stated that the value of the collected funds has increased by 29% to TL 33.8 billion whilst the number of branches and personnel has reached 607 and 12 thousand 694, respectively.
- As per the dailies, Turkiye Finans Katilim Bankasi has obtained a US\$ 300 million usurious syndicated loan from a consortium consisting of 20 banks under the leadership of Citigroup. Such loan 60% of which is provided in US\$ and the rest in Euro is the largest usurious syndicated loan obtained in Turkey ever.
- Pursuant to the dailies, the Banking Regulation and Supervision Agency has granted permission to Eximbank for conducting sale and purchase activities in relation with foreign exchange options. The decision of the Agency has been published in the Official Gazette dated 16 March 2011.

### **ENERGY SECTOR NEWS**

- As per the Memorandum of Understanding (MoU) executed between Turkey and Qatar, Turkiye Petrolleri Anonim Ortakligi and Qatari Gas will explore and produce gas in Qatar within the context of Turkey-Qatar Joint Economic Commission meetings. In line with the MoU, investors of both countries will be supported for joint investment to other countries and for solving the problems to be faced by the potential investors. Furthermore, Turkey and Qatar will sign an agreement for the transfer of liquefied natural gas from Qatar to Turkey and establishment of a liquefied natural gas re-gasification plant in Turkey.
- Polat Enerji and Demirer Enerji will jointly establish a wind energy plant in Kepsut, Balikesir with an investment of Euro 75 million. According to the Chairman of Polat Enerji's Board of Directors, the plant that is planned to be completed by the end of 2011 will have an installed capacity of 54.9 MW with 28 wind tribunes. He has added that such plant will generate 150 million kW/h per year and meet the electricity demand of around 75 thousand people.
- Pursuant to the dailies, D-Enerji, a subsidiary of Doganlar Group has applied for licences with respect to a number of 24 wind energy plant projects with a total capacity of 900 MW to be realized in Balikesir and Canakkale.
- The Constitutional Court has decided that a part of Article 9 of the Electricity Market Law, which regulates the status, appointment procedure and personal rights of the Energy Market Regulatory Authority's employees, is conflicting with the Constitution and thus cancelled such part. Accordingly, the cancellation decision will come into force one year after the date on which the decision is published in the Official Gazette.

#### *Highlights*

*a. Banking Sector News*

*b. Energy Sector News*

*c. Capital Markets Updates*

*d. Competition News*

*e. Other News*

### CAPITAL MARKETS UPDATES

- Due to the declaration published in the official web site of the Istanbul Stock Exchange, within the framework of the cooperation protocol executed among the Capital Markets Board, Union of Chambers and Commodity Exchanges of Turkey, Stock Exchange and the Association of Capital Market Intermediary Institutions of Turkey, the latest IPO Mobilization Meeting took place on 17 March 2011 in Eskisehir. The aim of these meetings is to inform and enlighten the companies on the procedure of providing funds by way of public offering. Previous meetings took place in Istanbul, Samsun, Kocaeli and Bursa.
- Vanet Gida has applied to the Emerging Companies Market of the Istanbul Stock Exchange for admittance of its TL 8,950,000 nominal valued shares that will be issued through capital increase to TL 20 million.

### COMPETITION NEWS

- The establishment of a joint venture company between Turkish Airlines and Zorlu O/M Enerji Tesisleri Isletme ve Bakim Hizmetleri to provide maintenance, repair and revision services for industrial gas tribunes, acquisition of all shares of Set Group Holding by Limak Anadolu Cimento and finally acquisition of 7 stores from Karadag Marketcilik through leasing by Makro Market have obtained clearance from the Competition Board as it would not create or strengthen a dominant position as described under the Communiqué regarding the Mergers and Acquisitions.

### OTHER NEWS

- According to the data of the Tobacco and Alcohol Market Regulatory Agency, after the law banning smoking in public places came into effect, sales of cigarettes in Turkey has decreased by 13.2% in 2010 compared to the previous year and the number of cigarettes sold in Turkey in the same year has dropped below 100 billion. Moreover, the number of packages of cigarettes consumed in 2010 has decreased from 14.73 million to 12.78 million.
- According to statement made by the CEO of Koc Holding, Yapi Kredi Bankasi and TUPRAS, which have been acquired by the Holding in recent years, have gained a net profit of TL 9.8 billion in the past five years. It has been added that two-thirds of Holding's income is provided from the energy and finance sectors.
- Due to the data based on the International Direct Investment Data Bulletin published by the Undersecretariat of the Treasury, non-residents' net direct investment in Turkey has decreased by 6.9% to US\$ 402 million in January 2011 over the same month of 2010.
- As per the statement made by Armada Bilgisayar Sistemleri to the Public Disclosure Platform, the Company has signed a distribution agreement with US based Riverbed, one of the leading technology and service companies in the world with its more than one thousand employees.

*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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