

**COMMUNIQUE ON FOREIGN CAPITAL MARKET INSTRUMENTS AND
DEPOSITARY RECEIPTS AND FOREIGN INVESTMENT
FUNDS
(VII-128.4)**

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FIRST PART

Purpose, Scope, Grounds and Definitions

Purpose:

ARTICLE 1 – (1) The purpose of this Communiqué is to set down principles regarding the issuance of foreign capital market instruments and depositary receipts and sales of foreign investment funds.

Scope:

ARTICLE 2 – (1) The below mentioned transactions related to sales of foreign capital market instruments and depositary receipts and foreign investment funds units through or without public offering in Turkey are subject to the provisions of this Communiqué, and it is required to file an application to the Board for these transactions:

- a) Public offering of foreign capital market instruments and depositary receipts; and
- b) Sales of foreign investment fund units through or without public offering; and
- c) Sales of foreign capital market instruments and depositary receipts, except for shares, by private placement without public offering, and/or to qualified investors; and
- ç) Sales of foreign capital market instruments and depositary receipts of foreign corporations the shares or depositary receipts of which are listed and traded in stock exchange, by private placement without public offering, and/or to qualified investors; and
- d) Rights issue and gratis share issue of foreign corporations shares of which are listed and traded in stock exchange; and
- e) Starting of listing and trading in stock exchange of shares of foreign corporations the shares of which are already listed and traded in foreign stock exchanges.

(2) Principles as to sales in Turkey of foreign capital market instruments of foreign states and local administrations will be determined by the Board depending on the kind of application within the frame of provisions of this Communiqué.

(3) The concept of sales of foreign investment fund units refers to and covers sales of fund units against payment, and one-to-one or collective promotions by letter or all kinds of other communication means for the sake of marketing of fund units, and all kinds of activities aimed at establishing relations with investors.

(4) Purchase and sales of foreign capital market instruments and foreign investment fund units, listed and traded in foreign financial markets, by persons resident in Turkey, through institutions authorized as per the capital markets laws and regulations are excluded from the scope of this Communiqué, providing that such act does not constitute a public offering within the frame of the capital markets laws and regulations.

(5) Sales of capital shares and foreign investment fund units to be allocated and distributed by foreign corporations to their employees in Turkey pursuant to and under employee stock option plans and similar schemes do not require an application to the Board, providing that sales are not executed in Turkey, and any action covered by the public offering definition is not taken, and information to be provided to employees does not contain phrases or expressions giving the impression of a public offering.

(6) Other collective investment schemes which are by nature similar to foreign investment funds are not considered and treated as a foreign corporation, and the provisions of eighth part of this Communiqué shall be applicable on them.

(7) The prospectus, representative, issuer and custodian terms used in eighth part of this Communiqué setting down the principles relating to foreign investment fund units refer to and mean, respectively, fund prospectus, fund representative, fund issuer and fund custodian.

Grounds:

ARTICLE 3 – (1) This Communiqué is prepared and issued in reliance upon Articles 12 and 13, and subparagraph (e) of first paragraph of Article 128, and third paragraph of Article 130 of the Capital Markets Law no. 6362 dated 6/12/2012, and subparagraph (c) of Article 15 of the Governmental Decree on Protection of Value of Turkish Currency no. 32.

Definitions and Abbreviations:

ARTICLE 4 – (1) For the purposes and in the context of this Communiqué:

- a) “**Exchange**” refers to the Exchange defined in subparagraph (ç) of first paragraph of Article 3 of the Law; and
- b) “**Depository receipt**” refers to capital market instruments which are issued by a depository in representation of foreign capital market instruments kept in custody in custodians, and grant their holders the same rights as granted by said instruments, and are identical to them, and nominal value of which is expressed in Turkish Lira or in foreign currencies the daily buying and selling exchange rates of which are published by the Turkish Central Bank; and

- c) **“Depository”** refers to banks and broadly authorized intermediary institutions, as further defined in regulations of the Board pertaining to investment services and activities, which issue depository receipts in representation of foreign capital market instruments kept in custody in a custodian in their own name and in the account of depository receipt holders; and
- ç) **“Rating agencies”** refers to rating agencies authorized by the Board for rating activities and operations pursuant to regulations of the Board pertaining to rating activities, and to international rating agencies permitted by the Board to engage in rating activities in Turkey; and
- d) **“Fund”** refers to foreign investment funds founded abroad; and
- e) **“Fund issuer”** refers to founder or manager of a foreign investment fund; and
- f) **“Fund prospectus”** refers to a public disclosure document prepared and issued for sales of foreign investment fund units in Turkey; and
- g) **“Fund custodian institution”** refers to an institution authorized by the relevant authority resident abroad to deal with and provide custodian services to foreign investment funds; and
- ğ) **“Fund representative”** refers to banks and broadly authorized intermediary institutions, resident in Turkey, as further defined in regulations of the Board pertaining to investment services and activities; and
- h) **“Public Disclosure Platform (PDP)”** refers to an electronic system defined in subparagraph (k) of first paragraph of Article 3 of the Law; and
- ı) **“Law”** refers to and stands for the Capital Markets Law no. 6362 dated 6/12/2012; and
- İ) **“PSA”** refers to and stands for the Public Supervision, Accounting and Audit Standards Agency; and
- j) **“Board”** refers to and stands for the Capital Markets Board; and
- k) **“CRA”** refers to and stands for the Central Registry Agency Incorporation; and
- İ) **“Qualified investor”** refers to qualified investor defined in the relevant regulations of the Board; and
- m) **“Custodian institution”** refers to institutions assented by the Board to deal with custody services and activities, out of the institutions authorized to keep capital market instruments in custody pursuant to the laws of its country of registry; and

- n) **“TCB”** refers to and stands for the Turkish Central Bank Incorporation; and
- o) **“Representative”** refers to and stands for broadly authorized intermediary institutions or development and investment banks, resident in Turkey, which have an agency or similar other contractual relationship with foreign corporations applying to the Board for sales of foreign capital market instruments, except for foreign investment fund units, and/or with shareholders of foreign corporation, or with depositary; and
- ö) **“TTRG”** refers to and stands for the Turkish Trade Registry Gazette; and
- p) **“Foreign corporation”** refers to a corporation issuing capital market instruments according to laws of the relevant country, out of persons resident abroad, as defined in the Governmental Decree on Protection of Value of Turkish Currency no. 32; and
- r) **“Foreign corporation shares”** refers to capital market instruments which are issued by foreign corporations in accordance with laws of the relevant country, and which grant partnership rights; and
- s) **“Foreign capital market instruments”** refers to securities issued by foreign corporations or foreign states and local administrations, except for foreign investment fund units, as further defined in subparagraph (ş) of first paragraph of Article 3 of the Law; and
- ş) **“Foreign investment fund units”** refers to securities which are issued by a foreign investment fund classified as a collective investment scheme founded abroad, and are considered as other capital market instruments; and
- t) **“Investor information form”** refers to a summary form reflecting the structure, investment strategy and risks of the fund.

SECOND PART

Sales of Foreign Capital Market Instruments Through or Without Public Offering

Preconditions for Public Offering:

ARTICLE 5 – (1) Application filed for listing in exchange or issuance of foreign capital market instruments to be offered to public in Turkey must not have been refused by an exchange authority or an authorized capital markets authority for protection of investors or due to a similar other reason.

(2) Foreign capital market instruments must have been issued in Turkish Lira or in foreign currencies the daily buying and selling exchange rates of which are published by the Turkish Central Bank.

(3) The country where foreign capital market instruments are issued must not have imposed any restriction on sales of them in Turkey, and on execution of transactions and making of payments with regard to fiscal rights associated thereto and use of administrative rights arising therefrom in Turkey.

(4) Foreign capital market instruments must not have been encumbered by restrictions on transfer or circulation thereof or by restrictions on use of rights associated thereto by their holders, and must not be subject to any rights in rem or liens or similar other restrictive rights.

(5) For their issues other than shares, foreign corporation must have received a long-term rating score equivalent to “investable” level according to the scoring and grading scale from a rating agency within one year prior to the date of application therein for.

(6) The Board may impose preconditions , other than and in addition to those enumerated hereinabove, depending on the kind of issuance or capital market instruments, for protection of investors or due to a similar other reason, providing that it informs the applicant beforehand.

Conditions of Eligibility for, and Appointment of Representative:

ARTICLE 6 – (1) A representative is required to be appointed in public offering of foreign capital market instruments, and may further be appointed optionally in applications filed for sales of foreign capital market instruments by private placement without public offering and/or to qualified investors.

(2) In the case of public offering of foreign capital market instruments, a written agreement is required to be signed by and between foreign corporation and representative, and in the case of public offering of said instruments via depositary receipts, a written agreement is required to be signed by and between depositary and representative. In initial public offering of foreign capital market instruments by their holders in Turkey, the agreement is signed by and between that person and representative; provided, however, that the liabilities and obligations of foreign corporation are also included in the agreement, and the agreement is required to be signed by foreign corporation as well.

(3) Term of the agreement mentioned in the preceding second paragraph must be equal at least to the maturity of foreign capital market instrument, if any. However, the agreement may at any time be terminated by parties thereto with a 60-days’ prior notice of termination or upon subsequent occurrence of events preventing continuity of the agreement. If and when it is intended to terminate the agreement with a prior notice, for the period from the date of notice to the date of termination, foreign corporation must, alone or jointly with foreign partner or depositary, appoint a new representative and designate and name the representative to the Board. Upon occurrence of such events as bankruptcy which makes it impossible for the representative to perform its obligations, a new representative is immediately appointed and named to the Board. All obligations arising out of the signed representative agreement remain

in force and valid until a new agreement is signed and presented to the Board. This will also be stated in the representative agreement.

(4) In public offering of foreign capital market instruments via depositary receipts, depositary may also be appointed as a representative, providing that it bears the qualifications required to be representative. Thereupon, the representative agreement referred to in second paragraph hereinabove is signed by and between depositary and foreign corporation.

(5) As for capital market instruments having a market maker, the market maker may also be appointed as representative, providing that no conflict of interests arises therefrom, and the market maker bears the qualifications required to be representative.

Application to Board and Sales Processes:

ARTICLE 7 – (1) Foreign corporations, depositories or representatives apply to the Board in sales of foreign capital market instruments and in issuance of depositary receipts with the submittals listed in Exhibit-1 hereof.

(2) Prospectus, statement of sales to savers, issue certificate and other documents of this kind will be issued, and the associated public offering and sales processes will be carried out, within the framework of provisions of communiqués fit to the kind of the relevant capital market instrument, unless otherwise specified in the Board regulations pertaining thereto. However, provisions of second paragraph of Article 28 of the Communiqué on Prospectuses and Issue Certificates (II-5.1) published in the Official Gazette edition 28685 on 22/06/2013 are not applicable.

(3) In the event that foreign capital market instruments and depositary receipts are issued in foreign currencies the daily buying and selling exchange rates of which are published by the Turkish Central Bank, sales processes will be handled in Turkish Lira. In this case, the currency to be applied, effects of change of currency, expenses, who will pay the expenses, and similar other matters will be clearly specified in the prospectus.

(4) Foreign capital market instruments are required to be dematerialized on book-entry basis via electronic media. Foreign capital market instruments kept in custody in an account to be opened in authorized custodians in the name of CRA are required to be dematerialized on book-entry basis in CRA on the basis of right owners. Provisions of the regulations relating to dematerialization procedures and principles are, however, reserved.

(5) If needed so due to the kind of sales, it is required to file an application to Exchange at the same time with the application to the Board.

Subjects to be Placed in Prospectus:

ARTICLE 8 – (1) In public offering of foreign securities and depositary receipts, all information required to be included in the prospectus pursuant to Articles 7, 10, 11, 14, 15 and 16, and information referred to in items 8, 9 and 13 of Annex-1 are to be incorporated in the prospectus, and statements requested to be submitted to the Board as per items 2, 3, 4, 5 and 6 of Annex-1 are to be attached to the prospectus.

(2) The prospectus must further contain information about places of publishing of prospectus, statement and other announcements, if any, published or to be published abroad for foreign securities.

THIRD PART

Special Provisions Regarding Depositary Receipts

Depositary Receipts:

ARTICLE 9 – (1) Foreign capital market instruments represented by depositary receipts are stored in custodian in the name of depositary prior to the application to be filed to the Board. Following approval by the Board of prospectus or issue certificate submitted as part of application, depositary certificates are issued by depositary via dematerialization in CRA. Depositories are required to be member of the CRA

(2) Foreign capital market instruments represented by depositary receipts are kept in custodian institution in an account of CRA, if CRA has any account, in that authorized custodian institution. In this case, the obligation of representative as described in subparagraph (b) of first paragraph of Article 17 is performed by the CRA.

(3) If and when a foreign corporation issuing foreign shares represented by depositary receipts makes a cash and/or gratis issue capital increase, the to-be-issued foreign shares are also required to be issued as depositary receipts.

Exchange of Depositary Certificates with Foreign Capital Market Instruments:

ARTICLE 10 – (1) Depositary certificates are, if and when requested, exchanged by depositary receipt holders with foreign capital market instruments represented by them. Principles as to method and period of exchange of depositary receipts, as will be determined by depositary, need to be included in prospectus. However, the Board may request amendments in these principles. If and when depositary receipts are kept in custody in CRA's account as stipulated in second paragraph of Article 9 hereinabove, the depositary determines the principles as to method and period of exchange of depositary receipts with a prior assent of the CRA.

FOURTH PART

Payments For Foreign Capital Market Instruments and

Language of Information and Documents To Be Submitted to the Board

Payments Regarding Foreign Capital Market Instruments:

ARTICLE 11 – (1) Principal, interest, dividend and coupon payments of foreign capital market instruments and depositary receipts may be made in Turkish Lira or in the currency of relevant capital market instrument. Payment dates, currency to be applied, expenses, issue of who will pay these expenses, and principles related to similar payments shall be stated in the prospectus.

Language of Information and Documents to Be Submitted to the Board:

ARTICLE 12 – (1) All information and documents requested to be submitted in this Communiqué, if relied upon the Board regulations, are required to be prepared originally in Turkish, and others are required to be translated into Turkish, and the resulting originals or translations are to be sent to the Board. The Board may request the documents in foreign languages to be translated into Turkish by a sworn translator.

FIFTH PART

Public Disclosure and Other Obligations of Foreign Corporations

Public Disclosure:

ARTICLE 13 – (1) Foreign corporations are under obligation to perform all public disclosure requirements applicable on corporations resident in Turkey the shares of whom are similar to capital market instruments and/or are listed and traded in the same market/platform of the exchange, except for the differences set forth in this Article and in Articles 14, 15 and 16 hereinbelow.

(2) In the case of information, events and developments which may affect the value, price of foreign capital market instruments or the investment decisions of investors, as to the material events to be disclosed to public by foreign corporations, foreign partners, depositories or other relevant parties and as to the principles of disclosure of them, the relevant regulations of the Board applicable on corporations resident in Turkey the shares of whom are similar to capital market instruments and/or are listed and traded in the same market/platform of exchange are complied with. In the disclosure, information about internet site where the public disclosure made abroad is published. Language of public disclosures of material events is Turkish.

Financial Reporting:

ARTICLE 14 – (1) In financial reports to be issued by foreign corporations (financial statements, board of directors' activity reports and statements of liability) and in their

preparation, compliance is required with the accounting / financial reporting standards accepted in the relevant Board regulations for corporations the capital market instruments of which are listed and traded in exchange. Compliance with the International Accounting / Financial Reporting Standards issued by the International Accounting Standards Board or with the version thereof as accepted and adopted by the European Union is construed as compliance with the accounting standards accepted by the Board. Use of financial reports issued in accordance with other generally accepted accounting standards requires a prior consent of the Board. Even if the Board accepts the application of different generally accepted accounting standards, it may ask the corporations listed in exchange to clarify the accounting standards applied and the differences therein between.

(2) Financial statements to be issued and published by foreign corporations in Turkey are required to be expressed and presented in Turkish Lira.

(3) Foreign corporations are not obliged to comply with regulations pertaining to formats of financial statements and their footnotes applicable on corporations which are similar and/or capital market instruments of which are listed and traded in the same market / platform of exchange.

(4) Where total nominal value of issued depositary receipts is equal to or above TL 100,000, and International Accounting / Financial Reporting Standards are not used, depositary receipts may be issued, under the condition that the prospectus refers to this difference in applications, and states that it may lead to material differences in financial reports, and describes the accounting policy differences between accounting / financial reporting standards employed by the depositary receipt issuer on one hand and International Accounting / Financial Reporting Standards on the other hand.

(5) The following principles will be complied with in disclosure of financial reports of foreign corporations to public:

- a)** In disclosure of financial reports of foreign corporations to public, it is a must to abide by the dates of submission to the Board or PDP of financial reports of corporations which are similar and/or capital market instruments of which are listed and traded in the same market / platform of exchange,
- b)** Announcements of financial reports and public disclosures of material events with respect thereto are required to contain information about the internet website where the versions and copies of financial reports issued in original language and in a different currency are published. The prospectus also refers to the place of publishing of the versions and copies of financial reports issued in original language and in a different currency, and gives information about differences, if any, between dates of announcement.

- c) If and when the maximum periods of time valid for public disclosure of financial reports in other countries where the relevant foreign capital market instruments are listed/issued are shorter than the periods of time determined by the Board, then and in this case, Turkish translations of financial statements issued and presented in Turkish Lira (except their footnotes), and of statement of liability and opinion page of independent audit report are required to be disclosed to public simultaneously with the aforesaid countries, and Turkish translations of all of financial reports issued and presented in Turkish Lira and of independent audit report are required to be disclosed to public within the period of time set forth for corporations which are similar and/or capital market instruments of which are listed and traded in the same market / platform of exchange, as stipulated in the relevant Board regulations.
- ç) If and when the maximum periods of time valid for public disclosure of financial reports in other countries where the relevant foreign capital market instruments are listed/issued are longer than the periods of time determined by the Board, then and in this case:
- 1) within the period of time set forth for public disclosure of financial reports of corporations which are similar and/or capital market instruments of which are listed and traded in the same market / platform of exchange, a public disclosure of material events is required to be issued to give information about the date of public disclosure of Turkish translations of all of financial reports issued and presented in Turkish Lira and of independent audit report; and
 - 2) it is required to disclose to public the Turkish translations of financial statements issued and presented in Turkish Lira (except their footnotes), and of statement of liability and opinion page of independent audit report, simultaneously with the aforesaid countries, and the Turkish translations of all of financial reports issued and presented in Turkish Lira and of independent audit report, within no later than 10 business days following that date.
- (6) If and to the extent financial reports issued in the country where the relevant foreign capital market instruments are listed/issued contain additional information, these details are also given in the disclosures in Turkish.

Independent Auditing:

ARTICLE 15 – (1) Financial statements of foreign corporations are, in terms of independent audit obligation, subject to the same principles applied on financial statements of corporations which are similar and/or capital market instruments of which are listed and traded in the same market / platform of stock exchange. Independent auditing of financial statements is required to be conducted in accordance with the principles determined by the Board or the International Audit Standards published by the International Federation of Accountants (IFAC). This is clearly stated in the independent audit opinion.

(2) Where total nominal value of issued depositary receipts is equal to or above TL 100,000, and International Audit Standards are not used, depositary receipts may be issued, providing that the prospectus refers to the audit standards applied by depositary receipt issuer, and to their material differences from International Audit Standards.

(3) Independent auditing is conducted by independent audit firms named in the list of authorized institutions of the Board or by international independent audit firms where the former is a member or affiliate. The Board may further request submission to the Board, together with application for approval, of a statement certifying that such conditions as quality control, recruitment and training of foreign independent audit firms are compliant with those of the institutions named in the Board's list.

Compliance With Other Capital Market Regulations:

ARTICLE 16 – (1) Financial and administrative rights associated to foreign capital market instruments and use of them are subject to the pertinent laws of the home country of foreign corporation. Prospectus gives information about laws and regulations of that country pertaining to these rights and about how these rights will be used within the frame of CRA regulations.

(2) Voting right of foreign shares in depositary receipts cannot be used by depositary ex officio as and in the capacity of a proxy, unless otherwise instructed by depositary receipt holders.

(3) Foreign corporations are exempted from regulations of the Board pertaining to profit distribution and corporate governance, unless deemed necessary by the Board. Furthermore, as for regulations pertaining to mandatory take-over bid, the laws of the country which are more favorable and advantageous for investors in terms of conditions leading to mandatory take-over bid will be applied.

SIXTH PART

Obligations and General Liability Principles Relating to Foreign Capital Market Instruments and Depositary Receipts

Representative's Obligations:

ARTICLE 17 – (1) Representatives are liable:

- a) to ensure that financial and administrative rights associated to foreign capital market instruments are used in accordance with provisions of the preceding Article 16 within the framework of laws of the relevant country and provisions of agreement signed with foreign corporation; and

- b) to send to PDP within one week following the end of each month a form of statement containing the information listed in Annex-2 relating to total number of foreign capital market instruments and depositary receipts kept in the custodian as of the end of that month, and total number of depositary receipts bought and sold during that month, and total number of depositary receipts exchanged with foreign capital market instruments; and
 - c) to send to PDP within the first business day after the date of public disclosure of material events issued by the foreign corporation about payment a statement showing the amount of payments for depositary receipts and methods and dates of payment; and
 - ç) to effect payments in Turkey with respect to foreign capital market instruments securities; and
 - d) to disclose to public all information on public disclosure provided to it by the foreign corporation within the frame of procedures and principles set forth in the relevant Board regulations.
- (2) Representatives are further liable to publish in their own internet page on daily basis the exchange closing prices of capital market instruments securities of the foreign corporation which are listed and traded in foreign stock exchanges and are identical to those offered to public in Turkey.
- (3) In public offering of foreign capital market instruments, the prospectus is required to be signed also by the representative, in addition to persons held liable to sign the prospectus in the relevant Board regulations. In public offerings made through issuance of depositary receipts, the obligation to sign the prospectus is fulfilled by depositary instead of issuer.
- (4) In public offering of foreign capital market instruments through depositary receipts, if depositary and representative are different entities, then depositary and representative will be held jointly and severally liable for non-performance of obligations set forth in the first paragraph hereof.

Principles of Liability:

ARTICLE 18 – (1) In public offering of foreign capital market instruments, issuer is liable for prospectus and other public disclosure documents pursuant to Articles 10 and 32 of the Law. Representative is held liable for prospectus as the leader intermediary institution referred to in Article 10 of the Law.

- (2) In the case of public offering of foreign capital market instruments through issuance of depositary receipts, it is accepted that the issuer liability is borne also by the depositary.

SEVENTH PART

Conversion of Foreign Corporation Shares Into Shares Listed And Traded in Exchange, and Board's Fee Relating to Foreign Capital Market Instruments and Depository Receipts

Conversion of Foreign Corporation Shares Into Shares Listed And Traded in Exchange:

ARTICLE 19 – (1) Regulations of the Board pertaining to conversion of shares unlisted in stock exchange into shares listed and traded in stock exchange are not applicable on foreign corporations the shares of which are listed and traded in stock exchange.

Board's Fee Relating to Foreign Securities and Depository Receipts:

ARTICLE 20 – (1) The Board's fee relating to foreign capital market instruments/depository receipts is required to be paid within the frame of principles set down in the relevant Board regulations depending on the nature and kind of capital market instruments. In the case of issuance of depository receipts in representation of shares, the Board's fee will be charged only on the depository receipts to be sold.

(2) The Board's fee relating to foreign capital market instruments/depository receipts is calculated as follows:

- a)** Three months after offering for sales of foreign capital market instruments/depository securities/depository receipts listed and traded abroad as well:
 - 1)** The day when the amount of foreign capital market instruments/depository receipts in circulation, as calculated by considering the end-of-day balances of each trading day during this period of time, is the highest is deemed and treated as "maximum circulation day"; and
 - 2)** Average of weighted average prices in first and second sessions of foreign capital market instruments/depository receipts in each trading day during this period of time is deemed and treated as "sales price"; and
 - 3)** Amount found by subtraction of nominal value from sales price of foreign capital market instruments/depository receipts is deemed and treated as "corrected sales price".

Trading days of no-price are not taken into consideration in determination of sales price.

b) If the number of foreign capital market instruments/depository receipts available as of the “maximum circulation day” is higher than the number of foreign capital market instruments/depository receipts for which a Board’s fee has already been paid over the issue value, then, a fee to be determined in accordance with Article 130 of the Law over the amount found by multiplication of the difference between them by the corrected sales price will be deposited by foreign corporation/depository in the account declared by the Board within 6 business days following the end of the relevant period of three months. A copy of each of the relevant advice notes and calculation matrix is sent to the Board in the same day.

(3) As of quarterly periods following completion of the transactions described in the preceding second paragraph, if the number of foreign capital market instruments/depository receipts available as of the “maximum circulation day” calculated separately for each quarterly period is higher than the number of foreign capital market instruments/depository receipts for which a Board’s fee has already been paid, then, the difference between them is multiplied by the corrected sales price valid for the relevant period, and a fee to be determined over the result of multiplication in accordance with Article 130 of the Law will be deposited by foreign corporation/depository in the account declared by the Board within 6 business days following the end of the relevant period of three months. A copy of each of the relevant detailed account and calculation matrix is sent to the Board in the same day.

(4) If the end of maturity of foreign capital market instruments does not coincide with the end of quarterly periods, then, the transactions referred to in the preceding third paragraph are conducted at the end of maturity.

(5) In determination of sales price and maximum circulation day, the exchange’s and CRA’s records are used. It is the responsibility of foreign corporation/depository to calculate and deposit the Board’s fee.

EIGHTH PART

Provisions on Foreign Investment Fund

Conditions Precedent on Funds and Their Fund Units To Be Sold:

ARTICLE 21 - (1) Funds the shares of which will be sold in Turkey are required to meet the following conditions:

- a) Units of foreign investment fund must be traded in Turkish Lira or in any one of foreign currencies the daily buying and selling exchange rates of which are published by the Turkish Central Bank; and
- b) A prior permission or consent of the relevant authority of home country of the issuer must have been taken for sales of the subject fund units; and

- c) A minimum period of three years must have lapsed from the date of initiation of sales of fund units abroad, and current value of fund units to be sold must be minimum EUR 2,000,000 or its equivalent sum in any other currency as of the date of application; and
 - ç) Relevant laws of the issuer's home country must not have imposed any restriction on sales of the subject fund units in Turkey and on execution of payments and conduct of transactions with regard to the resulting financial rights in Turkey; and
 - d) Net asset value of the fund must be minimum EUR 10,000,000 or its equivalent sum in any other currency; and
 - e) At least 80% of net asset value of the fund must be invested in money and capital market instruments and transactions, as well as assets, the Turkish public debt instruments, of issuers resident in Turkey; and
 - f) If portfolio management service is purchased from an institution other than issuer, that institution must hold a portfolio management authorization certificate in its home country; and
 - g) More than 10% of net asset value of the fund must not have been invested in money and capital market instruments of the same entity or corporation, providing that a limit of maximum 35% is applicable for money and capital market instruments issued by public entities and institutions; and
 - ğ) The fund must not alone hold more than 10% of capital shares or all voting rights in any corporation; and
 - h) Regulations of the relevant country pertaining to indebtedness of the fund and lending of its assets must be in harmony with the legislation applicable on investment funds founded in Turkey; and
 - ı) At least once a year, financial statements of the fund prepared and issued within the frame of international accounting standards must be audited by an independent audit firm; and
 - i) A commitment note issued by the fund's authorized organ and addressed to the Board, certifying that all kinds of information and documents which may be requested by the Board, also including the public disclosure information and documents listed in Article 31 hereof, will be provided and that the fund will be auditable by persons or entities to be designated by the Board, in the sole cost of fund and/or representative, must be given.
- (2) Fund units may be offered and sold to public in Turkey only if they have already been offered to public in the home country of the fund.

(3) The Board may impose conditions in addition to the above listed ones for protection of investors or due to a similar other reason.

(4) If and when a fund the units of which are to be sold in Turkey does no more meet any one of the conditions imposed by this Communiqué, then and in this case, the Board may temporarily or permanently cease the sales thereof by clarifying the justification of it. If the Board orders to permanently stop the sales of foreign investment fund units, the representative is required to apply to the Board for deletion from the trade registry of the information as to the place of publishing of prospectus in connection therewith.

Fund Representative and Representation Agreement:

ARTICLE 22 – (1) Fund must have a representative in Turkey, and a written agreement at least containing the items enumerated in Annex-3 must be signed between the fund and its representative. Upon expiration or termination of this agreement, all obligations and duties arising out of the agreement and this Communiqué will survive and remain in force until a new successor agreement is signed and is approved by the Board.

(2) A decision must not have been taken pursuant to the representative's specific laws and regulations and the capital markets legislation for full or suspension of its activities or for suspension of its activities in specific fields of business permanently or temporarily for one month or a longer period during the recent one year.

Liabilities of Fund Representative:

ARTICLE 23 – (1) Fund representative is liable:

- a) to ensure that unit holders of the fund in Turkey have equal rights with unit holders resident abroad, and that all payments relating to such fund units are made in Turkey; and
- b) to make sure that all information required to be disclosed to public are disclosed in a timely manner, and all notices and reports required to be submitted to the Board are delivered on time, and all documents, prospectuses and investor information notes to be attached to applications and all other information disclosed to public are true and accurate; and
- c) for trading of foreign investment fund units in compliance with principles determined by the fund; and
- ç) if and to the extent the fund fails to make payment for any reason whatsoever upon return of fund units to the foreign investment fund, to ensure that the price of fund units is paid fully in cash and the relevant fund units are repurchased from investors within

maximum two business days following the end of the period of time granted for repurchase of fund units; and

- d) to procure that records relating to fund units sold in Turkey, and identity of buyers thereof, and number of fund units traded as above, and dates of trading, are kept accurately, and records and information to be transmitted to the issuer are transferred accurately, and records kept in Turkey and records kept abroad are consistent with each other.

Fund Custodian:

ARTICLE 24 – (1) Fund assets are required to be kept in custody in at least one fund custodian as defined in this Communiqué.

Application to the Board for Sales of Foreign Investment Fund Units:

ARTICLE 25 – (1) For sales of foreign investment fund units through or without public offering, the fund representative is required to apply to the Board claiming approval of the fund prospectus relating to sales of foreign investment fund units in Turkey, by submitting a prospectus, an investor information form and an application form, as detailed by the Board, as well as all of other information and documents that may be requested by the Board. The Board may, if deemed necessary, ask the relevant authority of home country of the fund its opinion about the fund and its officials.

(2) Information and documents required to be submitted for an application for approval of the fund prospectus relating to sales of foreign investment fund units are determined and announced by the Board.

(3) In applications composed of multiple portfolios, each portfolio is considered and treated as a separate fund for the purposes of this Communiqué.

(4) In the case of application of a bank to the Board for approval of the fund prospectus relating to sales of foreign investment fund units in Turkey, a prior opinion of the Banking Regulation and Supervision Agency is taken.

Sales of Foreign Investment Fund Units:

ARTICLE 26 – (1) The Board reviews the applications within the frame of principles of public disclosure by taking into consideration whether the prospectus contains all information relating to the fund and the sales of foreign investment fund units as specified in the related laws or other information relating thereto as requested by the Board or not, and whether representative and representation agreement meet all conditions sought for in this Communiqué or not.

(2) Information contained in the prospectus must be consistent, understandable and complete according to the prospectus standards determined by the Board. The fund prospectus must be prepared in Turkish and in sufficient details for clear reflection of all information relating to the fund and the sales of foreign investment fund units as specified in the related laws or other information relating thereto as requested by the Board, and must be signed by representative and officials of the fund, and the information and statements must, if needed, be relied upon documentary evidences.

(3) Approval of a prospectus relating to foreign investment fund units by the Board is subject to and governed by the following principles:

a) Prospectus is examined and approved in the light of information and documents presented to the Board, within 20 business days, and the result is reported to the relevant authorities. The approved prospectus refers to the number of shares to be sold in Turkey. A prior consent or approval of the Board is required also for sales of new shares to be sold in excess of the number of shares referred to in the prospectus. However, in this case, minimum sales amount envisaged in subparagraph (c) of first paragraph of Article 21 hereof is not sought for.

b) If all of the required information and documents are not presented, or additional information and documents are needed, the applicant is informed within 10 business days following the date of application. Missing information and documents must be completed within 20 business days. In this case, the period of 20 days referred to in subparagraph (a) hereinabove starts to count as from the date of delivery of said information and documents to the Board.

(4) Approval of prospectus does not construe as a warranty given by the Board as to accuracy of information contained in this document, nor can it be accepted as recommendation about the relevant foreign investment fund units. Prospectus or relevant advertisements and statements cannot contain any explicit or indirect phrase or expression which may lead to interpretation of the Board's approval as a warranty given by the Board or the public.

(5) If a review to be conducted under this Article reveals that statements given in prospectus are inadequate, or do not reflect the truth fairly, thereby misleading the investors, or that the fund representative and representation agreement do not meet the conditions set forth in this Communiqué, then the Board may withstand its consent or approval for the subject prospectus by justifying its such decision. If prospectus is not approved, it is notified to the applicant together with reasons thereof. If the Board does not approve a prospectus, the relevant foreign investment fund units cannot be sold in Turkey.

(6) Prospectus and investor information form are published in PDP and in the fund representative's official internet site within 10 business days following the date of receipt of the letter of permission, and are not separately registered in trade registry or announced in TTRG. However, the place of publishing of prospectus is registered in trade registry and announced in TTRG. Said date of registration is stated also in investor information form.

(7) If deemed fit by the Board, upon occurrence of such emergencies as war, natural disasters, economic crisis and collapse of communication systems, trading of foreign investment fund units may be stopped.

(8) Foreign investment fund units sold in Turkey are required to be recorded collectively or individually by right owners in accounts to be opened in the name of fund representative in the organization of registry where ownership records are kept abroad. In addition, foreign investment fund units are further required to be registered on dematerialized basis separately for right owners in a sub-account of fund representative in CRA.

Investor Information Form:

ARTICLE 27 – (1) Investor information form is prepared and published in accordance with the principles set forth in regulations of the Board pertaining to investment funds. The fund representative is responsible for accuracy and currency of contents of this form.

Changes in Fund Prospectus and Investor Information Form:

ARTICLE 28 – (1) Changes in, or additions to, the information disclosed to public through prospectus and investor information form, which occur before initiation of sales or at any time after the date of sales, are, if and to the extent they do not conflict with the provisions of this Communiqué, required to be reported by the fund representative to the Board in no later than the business day immediately after the date of learning thereof. Said changes are, unless otherwise specified or requested by the Board, published in PDP and in the representative's official Internet website within 10 business days following the date of registration of the notice thereof by the Board.

(2) If and to the extent prospectus changes constitute a conflict with the provisions of this Communiqué, then the Board may stop the sales of fund units by justifying its such decision.

Trading of Foreign Investment Fund Units:

ARTICLE 29 – (1) Foreign investment fund units are required to be traded via the fund representative.

(2) Purchased fund units may be sold back only to the fund or if authorized so by the fund, to the fund representative.

Private Placement:

ARTICLE 30 – (1) Foreign investment fund units may be sold through private placement only to qualified investors. In applications to be filed to the Board for sales of these fund units, an issue certificate is prepared and issued instead of prospectus.

- (2) In funds the units of which are to be sold through private placement:
- a) Conditions precedent, except for subparagraph (e), of first paragraph of Article 21 hereof are not sought for.
 - b) Provisions of Articles 25 and 26 hereof pertaining to prospectus are applied on issue certificate by analogy.
 - c) Provisions of sixth paragraph of Article 26 pertaining to announcement and registration obligations and provisions of Articles 27 and 31 hereof are not applied.
- (3) Fund representative is under obligation to obtain and regularly keep all information and documents proving that the investors to whom fund units are sold have the qualified investor qualifications set forth in this Communiqué.
- (4) Funds the units of which are to be sold through private placement may in no case make any advertisement or publish any announcement.

Public Disclosure Principles:

ARTICLE 31 – (1) Originals and Turkish summaries of financial reports, independent audit report and other periodical reports issued and prepared in accordance with national laws and international accounting standards applicable on funds are required to be published in PDP. The fund representative is responsible for such reporting.

- (2) Furthermore, the table prepared by fund representative in the format shown in Annex-4 on monthly basis is required to be published in PDP during the first week of the subsequent month at the latest.
- (3) If the Board finds the reporting made for public disclosure purposes inadequate, it may demand additional information, and may require them to be published.

Principles on Announcements and Advertisements :

ARTICLE 32 – (1) Relevant regulations of the Board are complied with in the fund-related announcements advertisements.

Notification on Transactions Executed Within the Frame of Legislation on Protection of Value of Turkish Currency:

ARTICLE 33 – (1) Information relating to trading of foreign investment fund units by persons resident in Turkey outside the scope of this Communiqué and within the frame of the Legislation on Protection of Value of Turkish Currency are required to be reported on monthly basis to the Board by the institutions intermediating such transactions in the form of a table as shown in Annex-5 within six business working days following the end of the relevant month.

Board’s Fee For Foreign Investment Funds:

ARTICLE 34 – (1) A fee calculated by fund representative as of the last business day of each quarterly period on calendar year basis pursuant to third paragraph of Article 130 of the Law by multiplying five per one hundred thousands of the portion of fund net asset value corresponding to the part thereof sold in Turkey by the then-current foreign exchange selling rate published by TCB as of the same day, will be deposited by the fund representative in the Board’s account within the subsequent 10 business days, and a copy of each of the relevant detailed account and calculation matrix is sent to the Board.

NINTH PART
Miscellaneous and Final Provisions

Revaluation:

ARTICLE 35 – (1) Amounts referred to in this Communiqué may, if and to the extent deemed fit by the Board, be subject to revaluation. Revalued amounts are announced by the Board’s Bulletin.

Repealed Legislation:

ARTICLE 36 – (1) The Communiqué on the Principles Regarding the Registration with the Board and Sales of Foreign capital market instrumentsSecuritiesand Depositary Receipts (Serial: III, No: 44) published in the Official Gazette edition 27738 on 23/10/2010 is hereby repealed, and all and any references made to the Communiqué on the Principles Regarding the Registration with the Board and Sales of Foreign capital market instrumentsSecuritiesand Depositary Receipts (Serial: III, No: 44) in other regulations of the Board will hereafter be deemed to have been made to this Communiqué.

(2) The Communiqué on Principles Regarding Registration withthe Board and Sales of Foreign Investment Fund Units (Serial: VII, No: 14) published in the Official Gazette edition 23515 on 06/11/1998 is hereby repealed, and all and any references made to the Communiqué on Principles of Quotation in the Board and Sales of Foreign Investment Fund Units (Serial: VII, No: 14) in other regulations of the Board will hereafter be deemed to have been made to this Communiqué.

Finalization of the Current Applications:

TEMPORARY ARTICLE 1 – (1) Applications which have not been resolved by the Board on the date of enactment of this Communiqué shall be finalized in accordance with the provisions of this Communiqué.

(2) Validity of prospectuses issued for foreign capital market instruments securities quoted and registered in the Board for public offering purposes effective term of the repealed Capital Markets Law no. 2499 will be governed by the provisions of the Communiqué on Prospectus and Issue Document (II-5.1). In sales of these foreign capital market instruments during the validity time of prospectus, the additional conditions precedent imposed by Article 5 hereof are not applied.

(3) Funds the units of which are quoted and registered in the Board prior to the date of publishing of this Communiqué are required to adapt themselves to the provisions of this Communiqué within one year following the effective date hereof, or otherwise, the fund representative is liable to apply to the Board for deletion of fund prospectus from trade registry.

(4) Amounts referred to in subparagraphs (c) and (d) of first paragraph of Article 21 are not applicable for funds the units of which are quoted and registered in the Board prior to the date of publishing of this Communiqué.

(5) In applications for approval of fund prospectus relating to sales of foreign investment fund units which are not responded by the Board prior to the date of publishing of this Communiqué, amounts referred to in subparagraphs (c) and (d) of first paragraph of Article 21 are applied for current value of fund units to be sold and for net asset value of the fund.

Transitory Provisions:

TEMPORARY ARTICLE 2 – Until the relevant articles of this communiqué enter into force, the relevant corresponding provisions of the Communiqué on the Principles Regarding the Registration with the Board and Sales of Foreign Capital Market Instruments Securities and Depositary Receipts (Serial: III, No: 44) published in the Official Gazette edition 27738 on 23/10/2010 are to be applied.

Effective Date:

ARTICLE 37 – (1)

- a)** Articles 14 and 15 of this communiqué become effective with effect from the date of financial reports issued for the period ending after 31/12/2013; and
- b)** Second paragraph of Article 36 and Articles 21 to 34, except for subparagraphs (c) and (d) of first paragraph of Article 21, become effective as of 1/7/2014; and

- c) Subparagraphs (c) and (d) of first paragraph of Article 21 and all other provisions of this Communiqué become effective as of the date of publishing hereof.

Enforcement:

ARTICLE 38 – (1) The provisions of this Communiqué shall be enforced by the Board.

ANNEX/1

SUBMITTALS TO BE ATTACHED TO THE APPLICATION AT THE TIME OF APPLICATION TO THE BOARD WITH RESPECT TO FOREIGN CAPITAL MARKET INSTRUMENTS AND DEPOSITARY RECEIPTS (*) ()**

- (1) Information and documents set down in the Board's communiqués pertaining to issue of foreign capital market instruments, depending on kind of instruments (shares, bonds, etc.); and
- (2) Statement of foreign corporation/depositary certifying that holders of foreign capital market instruments/depositary receipts resident in Turkey have the same rights with holders resident abroad; and
- (3) Statement of foreign corporation/depositary certifying that all kinds of disputes arising out of or in connection with legal nature, public offering, and sales of foreign capital market instruments sold pursuant to the provisions of this communiqué and with acts and transactions of fund representatives shall, both in procedural matters and in merits of the case, be governed by and construed according to the Turkish laws, and submitting to the jurisdiction of the Turkish courts and execution offices in resolution of such disputes; and
- (4) Explanatory information about the legal system and regime governing the capital market instruments and the foreign corporation in their home country, and statement of foreign corporation/depositary certifying that the foreign corporation has properly and duly fulfilled all of the legal requirements applicable thereon in the relevant home country in terms of foundation and operations or of issuance of capital market instruments; and
- (5) Statement of foreign corporation/depositary certifying that relevant laws of the home country of issuance of foreign capital market instruments do not impose any restriction on sales of them in Turkey, and on execution of payments and conduct of transactions with regard to the resulting financial rights in Turkey, and on use of administrative rights associated thereto; and
- (6) Statement of foreign corporation/depositary as to whether foreign capital market instruments are subject to any restrictions on transfer or circulation of them or on use of associated rights by holders thereof, and whether they are encumbered by a right of usufruct, or not; and
- (7) Documents demonstrating quotation or trading in stock exchange, if any, of the subject foreign capital market instruments; and

- (8) Information introducing the foreign stock exchange or exchanges, if any, where the subject foreign capital market instruments are quoted or traded, and if not quoted, information about reasons thereof; and
- (9) Information introducing the custodian where foreign capital market instruments will be kept in custody in the case of sales of the subject foreign capital market instruments through depositary receipts; and
- (10) All transactions and actions to be completed until the stage of sales in Turkey, and one copy of each agreement to be signed, and signature circulars of contractual parties certified by the relevant authorities, and information about all entities to be involved in this process; and
- (11) Rating reports; and
- (12) One copy of each of prospectuses, announcement, and other advertisements , if any, published abroad about foreign capital market instruments; and
- (13) Information on performance of capital market instruments of the issuer listed and traded in stock exchange; and
- (14) A certified copy of a statement of the relevant custodian certifying that all of the subject foreign capital market instruments represented by depositary receipts are kept in custody in the custodian in the name of depositary; and
- (15) Electronic certificate application document filed by foreign corporation, fund representative and depositary to electronic certificate service provider.

(*) Only the documents listed in items 1, 2, 4, 5, 6 and 14 are requested in sales through private placement or to qualified investors.

() If and to the extent it is not possible to obtain any one of these information and documents in accordance with laws of the relevant home country, their equivalents deemed fit by the Board may also be accepted.**

ANNEX/2

**DEPOSITARY RECEIPTS
MONTHLY STATEMENT FORM**

Name of Representative / Depositary :

Name of Issuer of Foreign Capital Market Instruments Represented by Depositary Receipts
:

Name, Address & Telephone Number of Custodian:

Total Nominal Value of Depositary Receipts
Offered to Public in Turkey :

Total Nominal Value of Depositary Receipts
Held by Custodian as of the End of Month :

Total Nominal Value of Foreign Capital Market Instruments Held by Custodian as of the End
of Month:

Total Nominal Value of Depositary Receipts
Bought During the Month :

Total Nominal Value of Depositary Receipts
Sold During the Month :

Total Nominal Value of Depositary Receipts
Exchanged by Foreign Capital Market Instruments During the Month :

ANNEX-3

MINIMUM CONTENTS OF FUND REPRESENTATION AGREEMENT

- (a) Trade name, nationality, registered office address, paid capital, date of foundation, and fields of business of the fund issuer; and
- (b) Name, registered office address and paid capital of the fund representative; and
- (c) Groups and current value of foreign investment fund units; and
- (ç) Principles as to method of determination of trading price, and trading venues, and announcement of price; and
- (d) Principles of use of rights associated with foreign investment fund units, and method of fund-related payments, and method of determination of payment date; and
- (e) Principles as to transfer of payments relating to foreign investment fund units within the frame of the legislation; and
- (f) That the fund representative is authorized to sell and buy back the foreign investment fund units in the account of fund and/or in its own account in Turkey; and
- (g) Principles as to daily disclosure of information about trading prices and if any, stock exchange prices of foreign investment fund units by fund issuer to fund representative, and of information about fund units traded in the name of fund by fund representative to fund issuer, similar requirements.; and
- (ğ) Date and agenda of general assembly meetings of fund issuer, and principles as to disclosure by fund issuer to fund representative of the legal amendments relating to fund issuer and fund, etc.; and
- (h) Principles as to the obligation of fund issuer to disclose to fund representative all kinds of information required to be provided to the Board and disclosed to public pursuant to this Communiqué, and all kinds of developments that may affect the price of foreign investment fund units; and
- (ı) That the information required to be disclosed to public as per the Board regulations will be published by fund representative in PDP; and
- (i) Information deemed necessary by fund issuer to be disclosed to public, other than and in addition to the information required to be disclosed to public as per the Board regulations, and way of disclosure of such information; and
- (j) Information on actions to be taken if the parties fail to perform their obligations; and
- (k) Statement of fund issuer certifying that it will abide by the Board's decisions if and when the agreement is terminated earlier than the end of its term and a new contract is not signed with another fund representative, and that obligations of the parties arising out of the provisions of this agreement will remain in force and be valid until completion of all transactions deemed fit by the Board; and
- (l) Rate or amount of commissions to be charged in consideration of services of fund representative; and
- (m) Principles on currency to be used in trading of fund units; and
- (n) Names, titles and communication data of persons authorized to act for and on behalf of fund issuer, fund representative and other relevant entities and institutions; and

- (o) Who will pay the expenses of sales of foreign investment fund units, and expenses of advertisements and disclosures, and similar other expenses; and
- (ö) That if an arbitration clause is not incorporated in the agreement signed by and between the parties, or if the parties have not entered into a separate arbitration agreement, all kinds of disputes arising out of or in connection with legal description, issue and/or sales of foreign investment fund units sold pursuant to the provisions of this Communiqué shall be governed by the Turkish laws , and the Turkish courts will have jurisdiction in resolution of such disputes.

ANNEX-4

**TABLE TO BE USED FOR DISCLOSURE
OF FUND-RELATED INFORMATION
BY FUND REPRESENTATIVES**

FUND-RELATED INFORMATION:

Name of Fund	Net Asset Value of Fund	Total Number of Fund Units in Circulation in Turkey	Sales Price As of the End of Month	Total Market Value of Fund Units in Circulation in Turkey

ANNEX-5

**TABLE TO BE USED IN STATEMENTS BY INSTITUTIONS
INTERMEDIATING THE TRADING OF FOREIGN INVESTMENT
FUND UNITS BY PERSONS RESIDENT IN TURKEY,
OUTSIDE THE SCOPE OF THIS COMMUNIQUÉ, AND
WITHIN THE FRAME OF LEGISLATION ON PROTECTION
OF VALUE OF TURKISH CURRENCY**

INFORMATION ABOUT INTERMEDIATED FUND TRANSACTIONS

RELEVANT PERIOD:

Date of Transaction	Name of Fund	Home Country of Fund	Number of Fund Units Sold	Number of Fund Units Returned	Price Per Fund Unit	Total Amount