



TCMA
TURKISH CAPITAL
MARKETS ASSOCIATION

Turkish Capital Markets

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New Capital Markets Law



New capital market law adopted in December 2012 to modernize the capital market legislation

- Better compliance with international standards, EU regulations and the new Turkish Commercial Code
- Significant changes for market institutions



Previous capital market law was in force since 1981

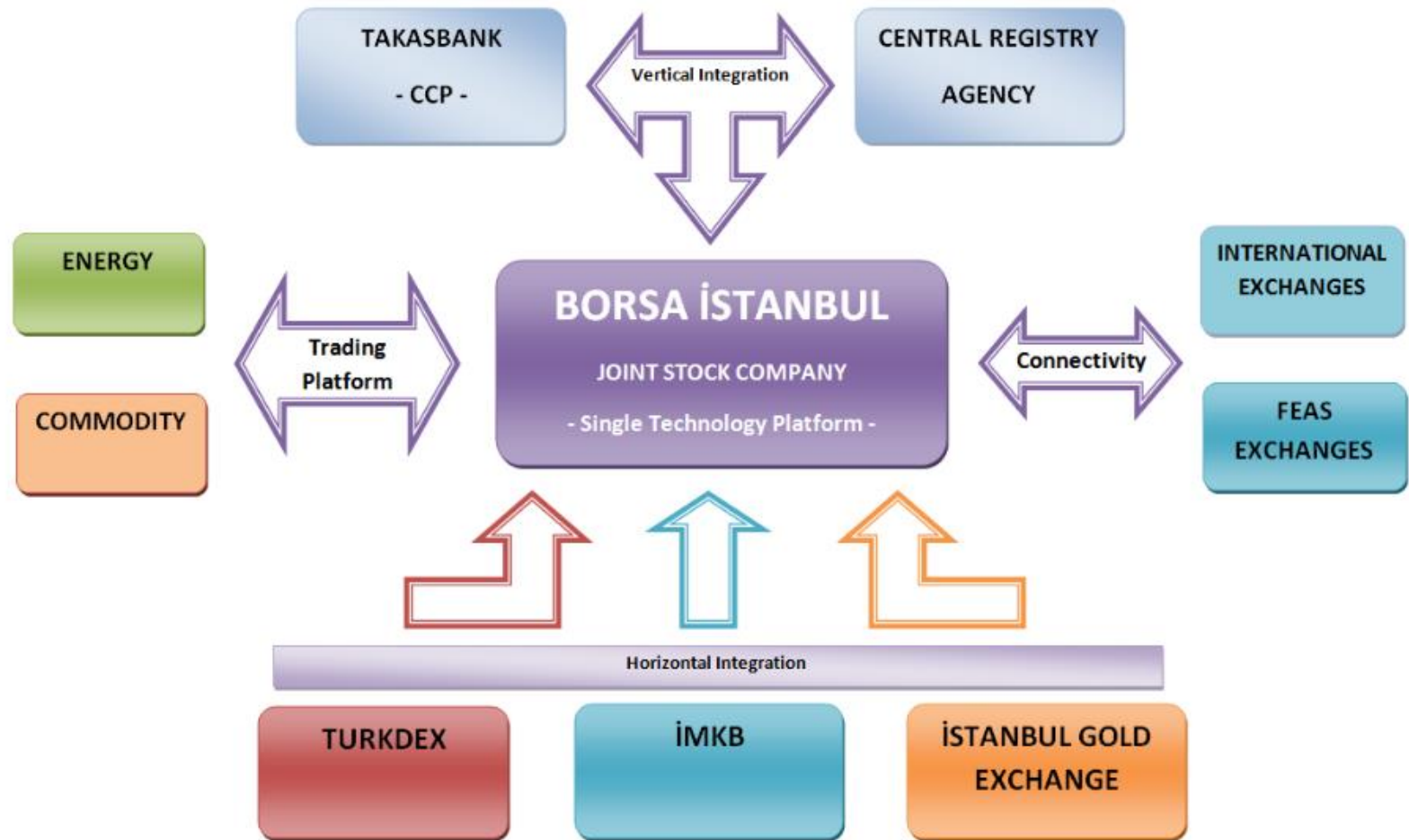
- It became out-dated and inadequate to meet investors' needs and the fast-paced innovations taking place globally
- The introduction of a new commercial code increased the need for compatible legislation for the capital markets



Borsa Istanbul

- **Istanbul Stock Exchange was established in 1985 as the only securities exchange in Turkey. It became a joint stock company named Borsa Istanbul with the new Capital Markets Law in 2012.**
- **Istanbul Gold Exchange merged with Borsa Istanbul at end-2012. Precious metals started trading on Borsa İstanbul since 2013.**
- **Turkish Derivatives Exchange (TurkDex), which was established in 2005, merged with Borsa Istanbul in 2013. Derivatives started trading on Borsa Istanbul exclusively as of August 2013.**
- **Strategic partnership with Nasdaq in 2014.**
- **Expected IPO of Borsa Istanbul in 2015.**

Borsa İstanbul - New Structure



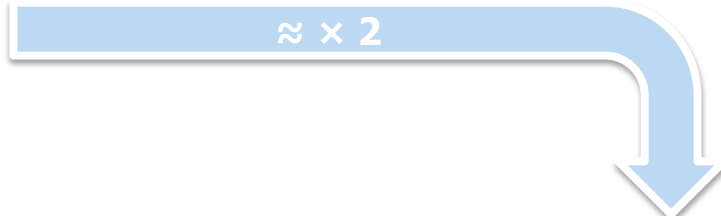
Borsa Istanbul - Corporate Structure

Shareholder Structure of Borsa Istanbul

	Type	Share	Board Members
Treasury	A	0,1%	2
Treasury	B	48,9%	
Borsa Istanbul	B	40,7%	4
OMX Technology AB	B	5,0%	
TCMA	C	1,3%	
Investment Companies	C	3,7%	3
Banks	C	0,3%	
Total		100%	9

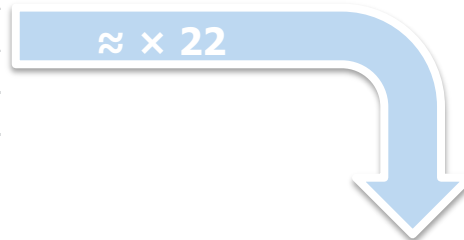
Capital Requirements

Investment Companies - Current Licenses		US\$
Securities Trading		400,000
Leveraged FX Trading (Market Maker)		3,800,000
Leveraged FX Trading (White Label)		1,100,000
Public Offering		200,000
Repo/Reverse Repo Agreements		200,000
Asset Management		200,000
Investment Consultancy		40,000
Total (Inc. Market Making in Leveraged FX)		4,800,000



Investment Companies - New Activities		US\$
Order Routing		900,000
Investment Advisory		
Limited Custody Services		
Best Effort Public Offering		4,500,000
Securities Trading		
Complementary Services		
Underwriting		
Full Custody Services		11,200,000
Asset Management		

Asset Management Cos.	US\$
	200,000



Asset Management Companies - New	
AUM	Minimum Capital (US\$)
Up to \$ 50 mn.	900,000
\$ 50-60 mn.	1,300,000
\$ 60-2,250 mn.	2,200,000
> \$ 2,250 mn.	4,500,000
Paid-in Capital	900,000

**TRANSITION
PERIOD UNTIL
JULY 2015**

TCMA Membership Structure

Previous

Banks
Investment companies

Current

Banks
Investment companies
Asset management co.
Investment trusts

- ❖ **Financial education became one of the main duties of the Association.**

TCMA Management Structure

Previous BoD

Banks (3)
Investment companies (4)

Current BoD

Banks (2)
Investment companies (3)
Asset management co. (2)
Investment trusts (1)
Independent members (2)
Turkish Association of Appraisers (1)



National Financial Education Strategy

- ❖ **Announced in June 2014.**
- ❖ **Three pillars:**
 - **Financial Inclusion (Financial Stability Committee)**
 - **Financial Education (Capital Markets Board)**
 - **Financial Consumer Protection (Banking Regulation and Supervision Authority)**
- ❖ **38 partner institutions from government bodies to NGOs.**
- ❖ **55 actions and targets identified. TCMA has a role in 36 of them.**
- ❖ **Division of tasks among institutions.**
- ❖ **Regular overview of targets.**



Final Remarks

- ❖ New capital markets law brought significant changes to the investment industry.**
- ❖ Three exchanges merged under Borsa Istanbul and demutualised. IPO expected in 2015.**
- ❖ Membership of our Association was expanded and management structure changed accordingly.**
- ❖ Capital requirements for investment companies and asset management companies will be raised significantly until July 2015.**
- ❖ Financial education became one of the main duties of the Association.**

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THANK YOU!

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