



OPINION

ESMA assessment of Turkish laws and regulations on prospectuses

Legal basis

1. Article 20 of the Prospectus Directive¹ (“PD”) provides that the competent authority of the home Member State of issuers having their registered office in a third country may approve a prospectus for an offer to the public or for admission to trading on a regulated market, drawn up in accordance with the legislation of a third country.
2. This opinion on Turkish laws and regulations on prospectuses should be read in conjunction with ESMA’s opinion on the “Framework for the assessment of third country prospectuses under Article 20 of the Prospectus Directive”².
3. ESMA’s competence to deliver an opinion is based on Article 29(1)(a) of the ESMA Regulation³. In accordance with Article 44(1) of the ESMA Regulation, the Board of Supervisors has adopted this opinion.

Background

4. Following a request from the Capital Markets Board of Turkey, ESMA agreed to assess the requirements of Turkish laws and regulations on prospectuses. ESMA carried out a review of Turkish laws and regulations on securities and prospectuses as they currently stand and a comprehensive comparison between Turkish requirements and EU requirements set out in the Prospectus Regulation⁴ regarding minimum disclosure requirements for share prospectuses.
5. Based on this assessment work and in accordance with the ESMA opinion on the framework for third country prospectuses under Article 20 of the Prospectus Directive (ESMA/2013/317), ESMA considers that a prospectus drawn up according to Turkish laws and regulations can constitute a valid prospectus under the Prospectus Directive for the purposes of its approval by the home competent authority of a Member State.

¹ Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC.

² ESMA/2013/317

³ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC

⁴ Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended.

6. Furthermore, on the basis of the assessment of the Turkish prospectus regime as it currently stands, ESMA considers that a wrap accompanying a Turkish prospectus for shares, in order that such may be approved by a competent authority of a home Member State as a prospectus under the PD, is not necessary to make it equivalent with the requirements under the PD, provided that the prospectus contains financial statements in accordance with IFRS (see Item 20.1. of Annex I and Article 35 (5) (b) of the Prospectus Regulation). This opinion does not however limit the discretion of national competent authorities to require additional information either in the prospectus or a wrap thereto.
7. This opinion is limited to ESMA's view on the requirements for Turkish share prospectuses as they currently stand; it does not include the disclosure requirements for rights issue prospectuses and prospectuses for SMEs and companies with reduced market capitalisation drawn up in accordance with the proportionate disclosure regimes which were not assessed.