

Communiqué on the Notification of Bearer Share Certificates to the Central Registration Agency and Recording

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The Ministry of Trade has determined the procedures and principles for the notification of bearer share certificates to the Central Registration Agency (the “**CRA**”) and the recording of bearer share certificates.

Law No. 7262 on the Prevention of the Financing of the Proliferation of Weapons of Mass Destruction (the “**Law**”) was published on 31 December 2020 with the objective to prevent the laundering of crime revenues and financing of terrorism. The Law introduced procedures on electronic record keeping, tracking of bearer certificates and the notification of share transfers to the CRA for non-public joint stock companies.¹ Provisions of the Law regarding the tracking of title and transfer of bearer share certificates through the CRA and share transfer notifications have entered into force on 1 April 2021. As expected, the Communiqué on the Notification of Bearer Share Certificates to the Central Registration Agency and Recording (the “**Communiqué**”) was published and entered into force on 6 April 2021, and regulates the procedure to be followed for the registration of bearer shares by the CRA and the applicable fees.

- **Tracking of Bearer Certificates:** The authorized representatives of non-public joint stock companies must submit to the CRA the board of directors (the “**BoD**”) resolution on the printing of bearer share certificates together with certain information of the real person and/or legal entity shareholder(s) (as listed in the Communiqué), and contact information of the shareholder(s) and the company. Following such notification, the shareholder(s) will be registered to the CRA’s system and each share certificate will be assigned a unique number which will also be referred to on the certificate to be printed by the company. The BoD resolution on issuance of bearer share certificates will be registered with the relevant trade registry and announced in the trade registry gazette. Before the registration of the relevant BoD resolution, the trade registry is required to confirm that such bearer certificates have been recorded to the CRA system. The issuance of bearer share certificates, notification to the CRA, and delivery of bearer share certificates to the shareholders must be completed within three months following the full payment of the capital amount. The same procedure also applies to new bearer share certificates to be issued following a capital increase.
- **Notification of Share Transfers:** For tracking purposes, transfers of bearer share certificates must also be notified to the CRA. A transfer of bearer share certificate will only be valid vis-à-vis the company and third parties following the transfer of physical possession of the certificate and the notification of the transfer to the CRA by the transferee (i.e. the new shareholder). If the transferee applies to the company, the company will notify the CRA. The CRA will register the new shareholder under the number assigned to such certificate.

¹ Please see our Client Alert dated 4 January 2021 regarding the amendments to the Turkish Commercial Code.

- **Shareholding Chart:** For the purpose of the preparation of lists of attendants for anticipated general assembly meetings, the shareholding chart to be provided by the CRA will be taken as the basis. Accordingly, those who call the general assembly meeting should apply to the CRA, through the CRA system two days prior to the scheduled general assembly meeting date, upon which the chart will be prepared based on the shareholding structure registered in the system as of the end of the day prior to the general assembly meeting to be held.
- **Record Keeping:** The bearer share certificates and notifications to be made thereof will be kept on the Bearer Share Registration System by the CRA. Shareholders may check the shares registered in their names via such electronic system and obtain evidencing documents electronically. In case of cancellations of the share certificates for reasons such as share capital decreases, the CRA records regarding such certificates will also be cancelled upon notification by the company's authorized representatives.
- **Effect of the Notification:** The shareholder rights arising from bearer share certificates cannot be exercised until the registration is completed, and the date of notification shall be taken as basis with respect to such exercise of shareholder rights.

The shareholders holding bearer share certificates must apply to the company for notifying the CRA. The provisional articles of the Communiqué further provide that the shareholders having applied to the relevant companies should also be considered in the calls for general assembly meetings until 31 December 2021, even if the companies have not notified the CRA yet. The fees payable for the services of the CRA as set out in the Communiqué have also been published as attached to the Communiqué.

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