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CLIENT ALERT

New Restrictions Introduced on Off-Exchange Share Sales in Publicly Traded Companies

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JURISDICTION
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PRACTICE AREA
Capital Markets

The Capital Markets Board ("**CMB**") introduced new restrictions on off-exchange share sales to be carried out by certain shareholders of publicly traded companies through its Decision No. 52/1589 (the "**Principle Decision**"), published in Bulletin No. 2026/54 dated 28 August 2026. Subsequently, through its announcement published in Bulletin No. 2026/55 dated 31 August 2026, the CMB updated the relevant regulation by introducing an additional restriction concerning the conversion of non-traded shares into exchange-traded status, along with exemptions for certain companies.

Under the Communiqué on Shares No. VII-128.1, shareholders who directly own more than 20% of a company's share capital, or who hold privileged shares granting the right to elect or nominate at least one board member at the general assembly were required to prepare a CMB-approved share sale information form for on-market sales exceeding 10% of the company's share capital within any 12 month period. With the Principle Decision, various thresholds have been introduced for off-exchange sales to be carried out by such shareholders, and makes a CMB-approved share sale information form mandatory where the relevant thresholds are exceeded.

The principal changes introduced by the Principle Decision are summarised below:

- **Off-exchange share sale thresholds:** In any 12-month period, shareholders may not sell off-exchange, without CMB approval, shares representing more than 2% of the share capital or voting rights in companies where the actual free-float ratio exceeds 50%, or more than 4% in companies where such ratio is 50% or below. Transactions carried out by way of special orders, the Borsa Istanbul Wholesale Transactions Market (WTM) and book-entry or other transfers are also subject to this restriction. The applicable threshold will be determined based on the actual free-float ratio as of the sale date.

- **Information form requirement:** Where the relevant thresholds are exceeded, a share sale information form must be prepared and submitted to the CMB for approval prior to the transfer. Without an approved information form, the shares may not be the subject of a special order or WTM transaction, may not be transferred off-exchange and may not be transferred between accounts. Non-traded shares held by shareholders subject to the restriction may not be converted into exchange-traded shares until the information form has been approved by the CMB. The transferring shareholder and the intermediary institution executing the transaction will be responsible for the preparation of the information form.

In addition, companies included in the BIST 30 Index and companies whose management control is held directly or indirectly by the Ministry of Treasury and Finance of the Republic of Türkiye, Türkiye Wealth Fund Management Joint Stock Company or public institutions have been exempt from this restriction. Off-exchange sales completed before 29 August 2026 will not be taken into account when calculating the 12-month sales ratio.