



# **AUTHORISED CAPITAL SYSTEM**



## RELEVANT LEGISLATION

- **Capital Market Law**
- **Capital Markets Board (CMB) Communiqué Serial:IV No:7 on Principles regarding Authorised Capital System**



## **AUTHORISED CAPITAL SYSTEM**

- **Publicly held companies (joint stock companies whose shares have been offered to the public and/or that has more than 250 shareholders) may adopt authorised capital system, provided that they obtain the permission of the Capital Markets Board.**
- **In this system, the board of directors may increase the capital of the company by issuing new shares up to the amount of authorised capital stated in the Articles of Association without complying with the provisions of the Turkish Commercial Code concerning capital increases.**



**(cont.)**

- **In order for the Board of Directors to adopt resolutions to issue privileged shares and shares with a premium over their nominal value or to limit shareholders' pre-emptive rights, or to restrict the rights of holders of privileged shares, the Articles of Association must authorise such actions.**
- **The decision on limiting the pre-emptive rights of shareholders must be announced.**



**(cont.)**

- **In case of limiting pre-emptive rights, the members of board of directors, auditors and shareholders may bring an action for annulment before the commercial court against the decisions of the board of directors in 30 days following the publication of decision.**
- **The CMB has also power to file a case for annulment against the decisions taken by the board of directors in accordance with the principles of Capital Market Law on authorised capital system within 30 days beginning from the announcement of these resolutions.**



**THANK YOU FOR YOUR ATTENTION**