

Expedited route to Europe for Turkish issuers

On 8 February 2016 the European Securities and Markets Authority (ESMA) published an opinion which will make it easier for Turkish issuers to access the European equity capital markets.

Back in 2011, ESMA published a framework for third country share prospectuses, setting out how third country issuers can meet the requirements of the EU Prospectus Directive, allowing prospectuses from non-EU countries, drawn up in accordance with their national legislation, to have a "wrap" added, such that the resulting document meets the requirements of the Prospectus Directive.

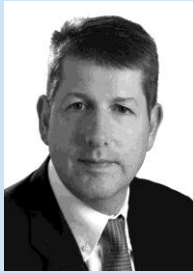
In its recent opinion, ESMA confirmed that a *share* prospectus drawn up in accordance with Turkish laws and regulations can constitute a valid prospectus under the Prospectus Directive for the purposes of its approval by the home competent authority of a Member State. Helpfully, ESMA also considers that it is not necessary for any "wrap" to accompany the Turkish prospectus in order for it to meet necessary equivalence requirements under the Prospectus Directive so long as the prospectus contains financial statements prepared in accordance with IFRS. Note the opinion does not limit the discretion of the approving national competent authority to require additional information either in the prospectus or an accompanying wrap. For the avoidance of doubt, Turkey is currently the only country to meet this criteria. ESMA gave a similar recommendation for Israel (with a "wrap") in 2011 but this was withdrawn in 2013.

For Turkish issuers considering making an offer of shares to the public in the EEA and/or seeking admission to trading on an EEA regulated market, this opinion is a very welcome development as it should both streamline the process and reduce the costs associated with any such offer or application.

A copy of the ESMA opinion is available at:

https://www.esma.europa.eu/sites/default/files/library/2016-268_opinion_on_equivalence_of_the_turkish_prospectus_regime.pdf

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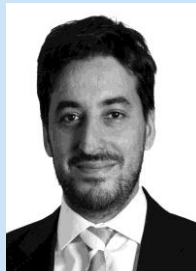
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