

Share Buy-Back Procedure Simplified for Public Companies

A. Introduction

In accordance with the Capital Markets Board of Türkiye (“CMB”) principal decision numbered 16/531 (“Principal Decision”) published in bulletin numbered 2025/16 dated 19.03.2025, it has been decided that listed companies and their subsidiaries may initiate a buy-back program with the decision of the board of directors without a general assembly resolution.

B. Significant Regulations in the Principal Decision

Buy-Back Program Can Be Initiated with the Decision of the Board of Directors

In order to maintain market stability in response to developments in capital markets, the Principal Decision stipulates that listed companies and their subsidiaries may initiate a buy-back program through a board of directors’ resolution, without requiring a general assembly resolution, provided that the matter is submitted for the information of shareholders at the next general assembly meeting.

The board of directors’ resolution regarding the share buy-back program must include the following elements:

- Purpose of the buy-back,
- Maximum foreseen duration of the buy-back program
- Maximum number of shares to be repurchased
- Maximum amount of funds to be used.

The board of directors’ resolution adopted in accordance with the principles and procedures set forth in the Principal Decision must be

publicly disclosed in compliance with the CMB’s regulations on material event disclosures.

Relaxations Introduced in Share Buy-Back Limitations

In addition, with the Principal Decision, in order to accelerate companies’ buy-back processes, it has been decided that certain limitations and obligations set forth in the Communiqué on Buy-Backed Shares numbered II-22.1 (“Communiqué”) shall not be temporarily applied. Within this scope:

- The nominal value limit stating that the nominal value of the buy-backed shares may not exceed 10% of the company’s paid-in or issued capital, and
- The daily transaction limit stating that the total number of shares to be buy-backed by the company in a single day may not exceed 25% of the average daily trading volume over the previous 20 trading days

shall not be applied.

It is also stated that the public disclosure obligations set forth in the first four paragraphs of Article 12 of the Communiqué will not be applied temporarily. In this context, the obligation to make a material event disclosure regarding the start and end dates of the repurchase period, the nominal amount of the shares subject to buy-back and their ratio to the capital by the corporation and/or its subsidiary before the buy-back transactions are initiated will not be applied.

In addition, the restriction on share buy-backs/sales during capital increase periods, as set forth in the second paragraph of Article 10 of the Communiqué, will be temporarily applied only in connection with cash capital increase processes.

Time Limits for the Sale and Disposal of Buy-Backed Shares Have Been Introduced

Under the scope of the Principal Decision, buy-backed shares may not be sold for a period of 30 days from the date of repurchase, and the “*first in, first out*” method shall be applied in calculating this period. Following the expiration of the 30-day period, such shares may be disposed of within a maximum period of three years in accordance with Article 19 of the Communiqué, or may be retained subject to compliance with the limitations set forth in the Communiqué.

C. Conclusion

The measures adopted by the CMB under the Principal Decision allow companies to react to market dynamics in a faster and more efficient manner.

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