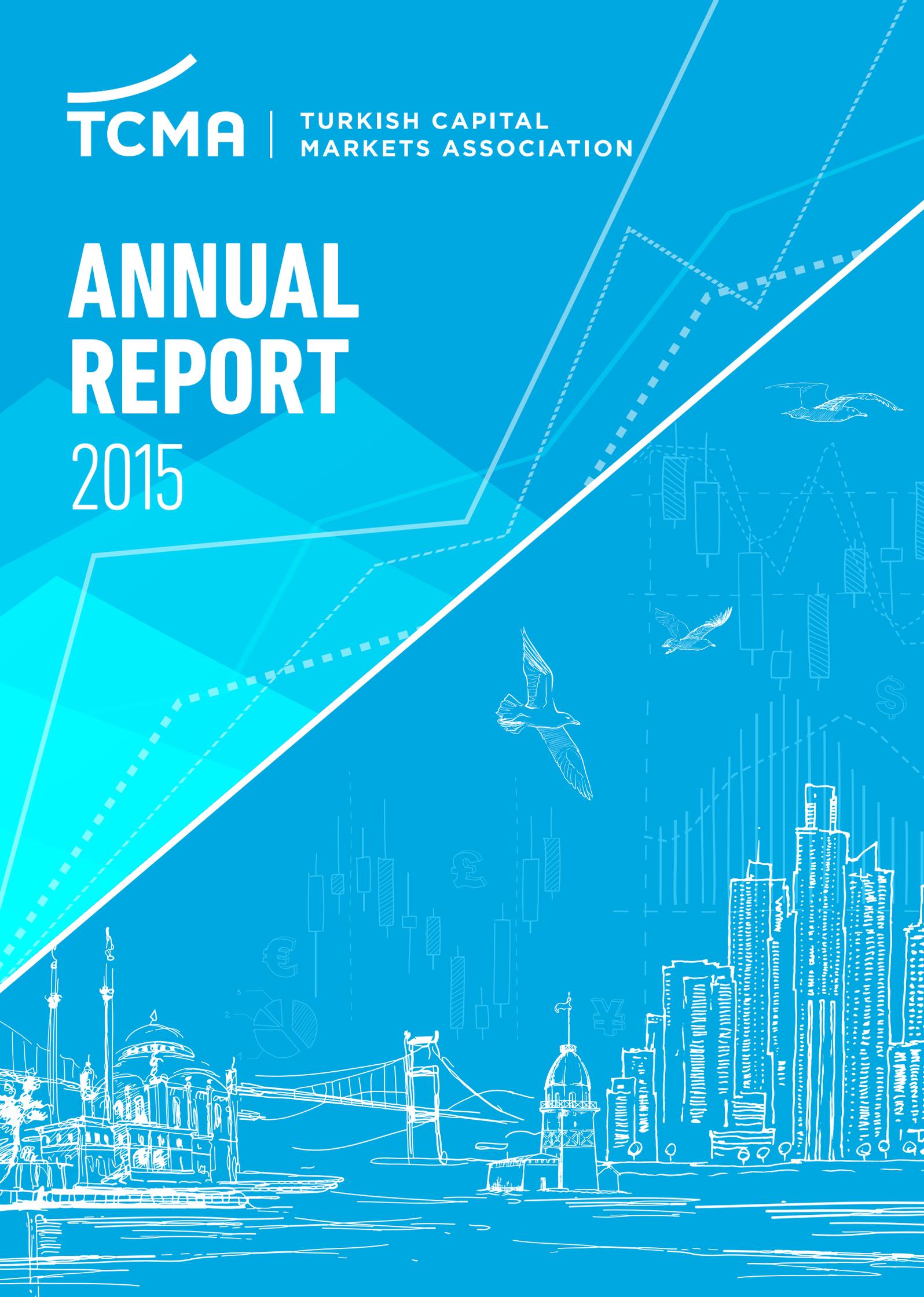


**TCMA**

TURKISH CAPITAL  
MARKETS ASSOCIATION

# ANNUAL REPORT

2015





To view TCMA Annual Reports, please visit:  
[www.tspb.org.tr](http://www.tspb.org.tr)

Some of the photographs used in this report  
taken by Serhat Keskin.

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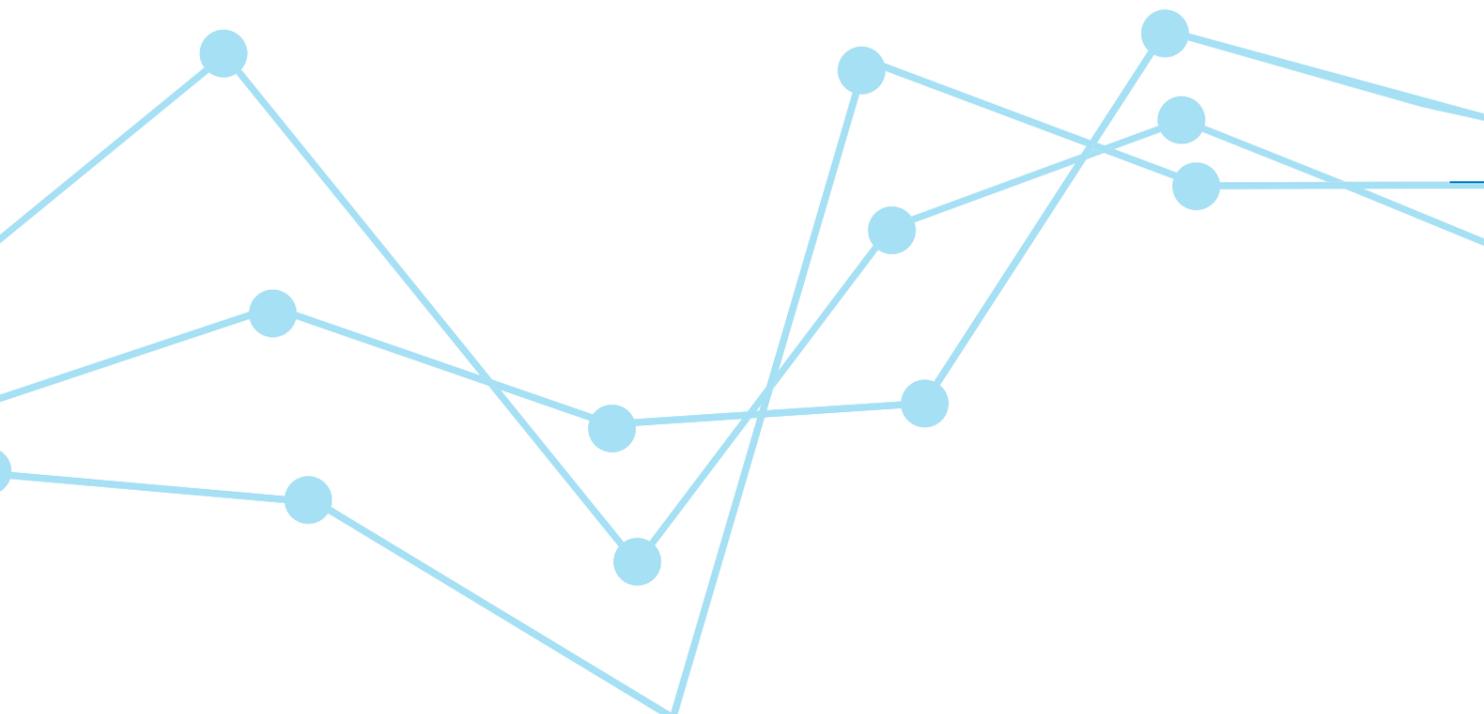
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# TURKISH CAPITAL MARKETS ASSOCIATION



We are a self-regulatory organization established in 2001 by the Capital Market Law. Our members are banks, brokerage firms and asset management companies, investment trusts that are authorized for capital market operations.



## WHAT WE DO?

- We set safety measures aimed at preventing unfair competition.
- We assist in the resolution of disputes arising from off-exchanges transactions among our members or between our members and investors.
- We cooperate with related foreign institutions.
- We conduct research for the development of the capital markets.
- We monitor professional developments, changes in rules and regulations and inform our members.
- We offer training programs for the market professionals.
- We design and run investor education programs.

# ORGANIZATION STRUCTURE

The average age of our staff is **35**



Employees having an average of **12** years of work experience.

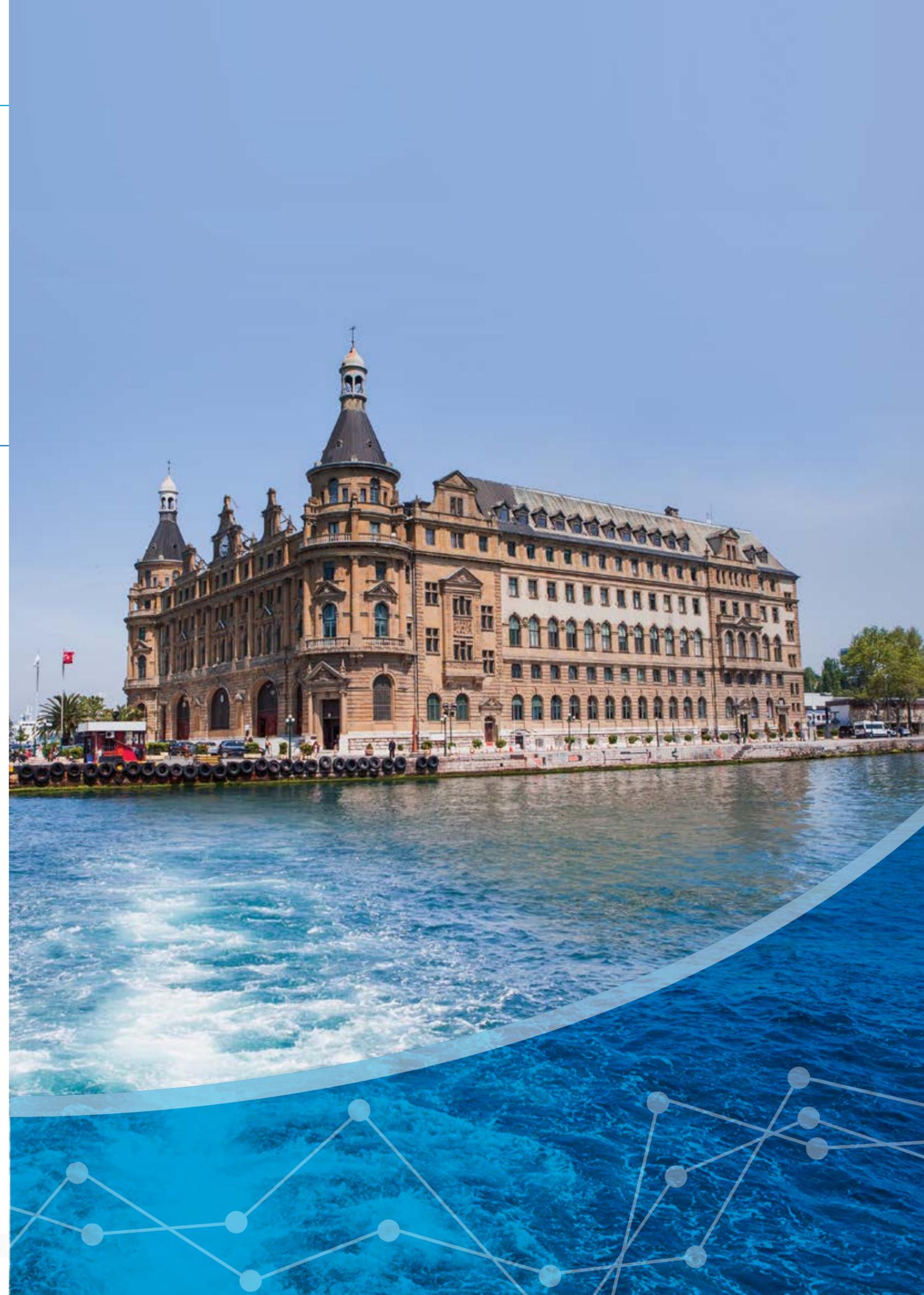
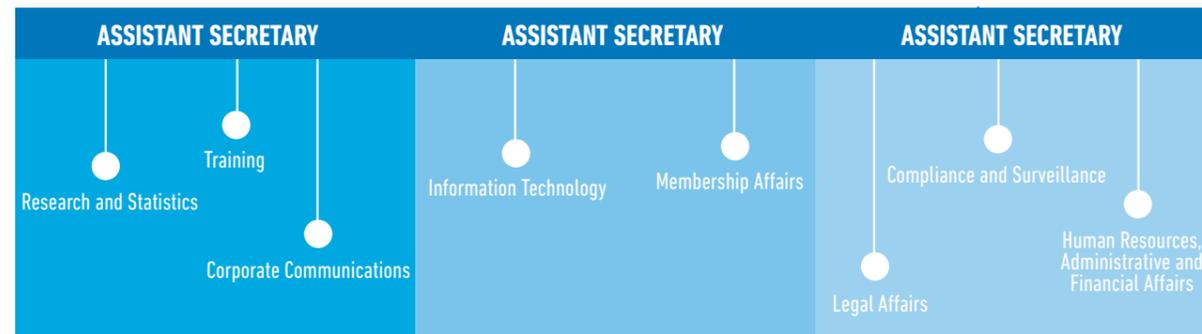
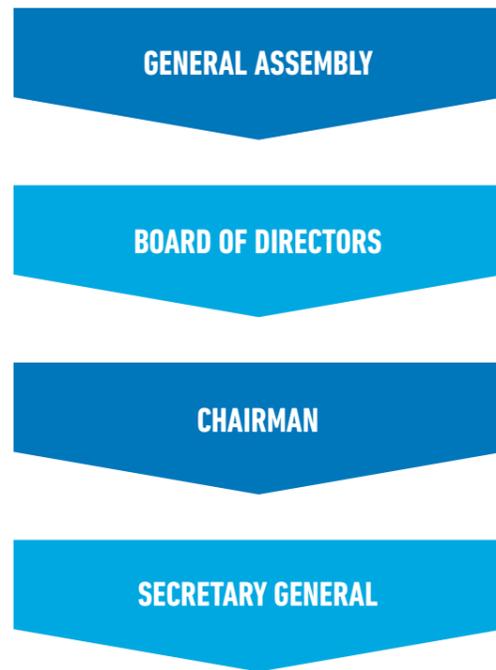
**1** of our employees holds a Ph.D. degree,

**10** have a master's degree,

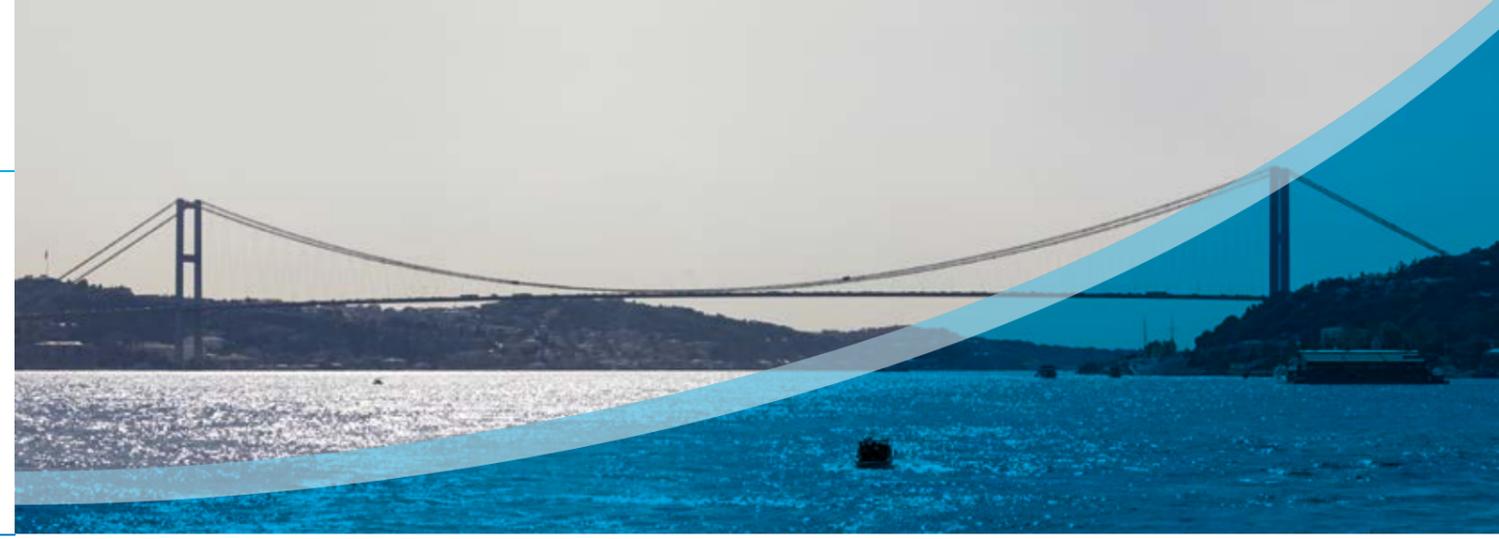
**15** are university graduates.



We have **29** employees

# 2015 BOARD OF DIRECTORS



**İlhami Koç**

Chairman  
İşbank  
Board Member  
Assistant General Manager



**M. Berra Doğaner, Ph.D.**

Deputy Chairman  
Turkish Investment  
General Manager and Board Member



**Didem Gordon**

Board Member  
Ashmore Asset Management  
Chairman and General Manager



**İsmail Kazanç**

Board Member  
Torunlar Real Estate  
Investment Company  
Assistant General Manager



**Gülsevin Çipli**

Board Member  
Yapı Kredi Invest  
General Manager  
and Board Member



**Mehmet Gönen**

Board Member  
Ziraat Securities  
General Manager and Board Member



**Prof. Mehmet Şükrü Tekbaş**

Independent Board Member



**Assoc. Prof. Abdülmecit Karataş**

Independent Board Member



**Ersin Akyüz**

Board Member  
Deutsche Bank  
General Manager and Board Member



**Ş. Alp Keler, Ph.D.**

Board Member  
Ak Asset Management  
General Manager



**Atty. Şebnem Ergün**

Board Member  
Association of Appraisal Experts of Turkey  
Attorney



# BOARD OF AUDITORS

# DISCIPLINE COMMITTEE



**C. Özgür Güneri**

Audit Board Member  
Finans Invest  
General Manager



**Mustafa İleri**

Audit Board Member  
Tacirler Securities  
Board Member and  
Assistant General Manager



**Hasan Hüsnü Güzelöz**

Discipline Committee Chairman  
Doğuş Real Estate  
Investment Company  
Board Member



**Gül Ayşe Çolak**

Discipline Committee Member  
Tera Menkul Değerler A.Ş.  
Board Member



**İ. Namık Aksel**

Audit Board Member  
HSBC Asset Management  
General Manager



**M. Aşkın Dolacı**

Audit Board Member  
Turkish Economy Bank  
Assistant General Manager



**Ceyhun Egemen Erden**

Discipline Committee Member  
Finans Securities  
Assistant General Manager



**Tolga Ataman**

Discipline Committee Member  
TEB Asset Management  
Board Member



**Oktay Aydın**

Audit Board Member  
Yeni Gimat Real Estate  
Investment Company  
Assistant General Manager



**İzzet Şahin**

Discipline Committee Member  
Anadolubank  
Board Member



# EXECUTIVES



**İlky Arıkan**  
Secretary General

**O. İlker Savuran**

Assistant Secretary General  
Research and Statistics  
Corporate Communications  
Training



**Süleyman Morbel**

Assistant Secretary General  
Legal Affairs  
Compliance and Surveillance  
Human Resources, Administrative  
and Financial Affairs



**Adalet Polat**

Assistant Secretary General  
Information Technology  
Member Relations



# DIRECTORS AND EMPLOYEES

## EXECUTIVES

1- İlkay Arıkan - Secretary General 2- O. İlker Savuran - Assistant Secretary General 3- Adalet Polat - Assistant Secretary General 4- Süleyman Morbel - Assistant Secretary General

## DIRECTORS

5- Ekin Fıkrıkoca Asena - Research and Statistics Director 6- Engin Turan - Human Resources, Administrative and Financial Affairs Director 7- Esra Esin Savaşan - Compliance and Surveillance Director 8- Gökhan Büyüksengür, PhD.- Training Director 9- Telman Şahbazoğlu - Information Technology Director 10- Tuğba Oğan - Corporate Communications Director

## EMPLOYEES

11- Aslı Hondu İmamoğlu - Member Relations / Senior Specialist 12- Cihan Coşgun - Information Technology / Software Support 13- Çağla Savuran - Training / Specialist 14- Deniz Bayram - Research and Statistics / Assistant Specialist 15- Dimitri Lazaridi - Information Technology / Technical Support 16- Eda Cabbar - Corporate Communications / Senior Specialist 17- Emine Huban - Training / Assistant Specialist 18- Gökben Altaş Çevikcan - Research and Statistics / Assistant Director 19- Gülcan Yalçın - Human Resources, Administrative and Financial Affairs / Officer 20- Hülya Kandemir Yılmaz - Human Resources, Administrative and Financial Affairs / Chief 21- Kerim Karakaya - Human Resources, Administrative and Financial Affairs / Assistant Director 22- Mustafa Özer - Research and Statistics / Specialist 23- Muzaffer Demirci - Human Resources, Administrative and Financial Affairs / Administrative Support 24- Nilüfer Gevenoğlu - Corporate Communications / Senior Specialist 25- Nil Ayav - Legal Affairs / Assistant Specialist 26- Onur Saltürk - Research and Statistics / Specialist 27- Serhat Tahsin İşler - Compliance and Surveillance / Senior Specialist 28- Sevda Uslu - Compliance and Surveillance / Specialist 29- Şadiye Selek - Human Resources, Administrative and Financial Affairs / Office Services 30- Ünal Özkan - Legal Affairs / Assistant Specialist



# OVERVIEW OF 2015

## *Distinguished Members,*

As the board of directors elected in July 2014, we are about to complete our second year in office. In this annual report, I would like to present my assessment of the year we left behind.

In 2015, emerging countries suffered from decelerated growth, whereas developed countries led by the US maintained their recovery trend. While the US initiated rate hike after a long break, the Eurozone and Japan remained adhered to expansionary monetary policies. 2015 was noted also with the downturn in commodity prices, particularly in that of oil.

In Turkey, on the other hand, the burdensome election agenda, internal security concerns and geopolitical risks gained the foreground. Defying all these negative factors, the Turkish economy was able to display a moderate growth performance. While domestic demand was the driver of growth in this period, the foreign trade deficit that contracted in parallel with the declined energy prices in particular brought about a reduction in the current deficit, which represents a key vulnerability for our country.

Amid such an investment environment, TL interest rates went up in Turkey, as the BIST-100 index ended the year down 16%. On the other hand, trading volumes went up 18% in stocks and 15% in futures, while slimming down by 10% in fixed-yield securities. The greatest change, however, occurred in options: the trading volume of options on Borsa İstanbul boomed by 582%. On the mutual funds front, the TL 100 billion mark was surpassed for the first time with the support lent by pension funds. The market



value of real estate investment companies remained substantially flat, resisting the downturn in the stock exchange.

Our members' revenues performed along the lines of this change. Total profit booked by intermediary institutions increased 33% in the first nine months of 2015, going up from TL 273 million to TL 362 million as compared with end-September 2014. Over the same period, total profit of asset management companies climbed from TL 46 million to TL 65 million, up 42%.

We are anticipating the Turkish economy to register a more positive performance in 2016 as compared with 2015 that was dominated by critical uncertainties.

As the TCMA administration, we have focused on the primary concerns of our capital markets within the frame of our duties and powers deriving from our statute, and collaborated with all capital market institutions and our members to devise solutions. In this context, non-expansion of long-term savings, failure to broaden the investment base, the limited number of corporate investors, and the tax issues of capital market activities and instruments ranked high on our agenda in the reporting period.

2015 saw the introduction of ancillary regulations following the Capital Market Law. Of significance to us, the founder status of mutual funds passed over to asset management companies on one hand, and securities accounts maintained at banks acting as agencies were transferred to intermediary institutions. Besides those, the technological transformation in

Borsa İstanbul was a key topic that our members dealt with. Regarding the transformation, we have worked in close cooperation with our members to develop our feedback, which was conveyed firstly to the Capital Markets Board (CMB), as well as to other related agencies.

A new platform introduced last year was the Turkey Electronic Fund Trading Platform (TEFAS), which allows investors to trade in all funds in Turkey via the respective institution that they maintain their accounts with. We are expecting that TEFAS will pave the way for fairer competitive terms and will put the spotlight on successful fund managers.

Helping TEFAS gain increased recognition has been a key topic on the Association's agenda. In February, we organized a panel entitled "TEFAS: Opportunities and New Initiatives" in cooperation with the Turkish Institutional Investment Managers' Association (TKYD), which attracted great attention and interest from our members and industry professionals. In addition to our communication activities that used conventional media channels, we have produced a commercial that we will frequently see next year on various media and platforms with the support of Borsa İstanbul, İstanbul Settlement and Custody Bank (Takasbank), Central Registry Agency (CRA) and asset management companies, in line with a comprehensive communications strategy.

Also among our goals was to get our members acquainted with new products and services. In this frame, we organized a conference on "crowdfunding", the new focal point of financial markets that emerged from the fast-paced progress of the Internet and social media channels. John Callaghan, the founder of the iCrowd platform operating in the US, was the keynote speaker of this event. The conference also covered a presentation by Borsa İstanbul Private Market representatives who gave an introduction to the Private Market Platform, the first of its kind in Turkey that brings investors and entrepreneurs together.

During 2015, we have also dealt with public offerings. The report containing the suggested solutions of the IPO Principles Task Force formed under the Association's roof was submitted to the Board. Moreover, aiming for a thorough analysis of the topic, we have organized a conference in September with the support of the Association of Listed Companies' Executives (KOTEDER), the Turkish Institutional Investment Managers' Association (TKYD) and the Turkish Investor Relations Society (TÜYİD). Drawing great interest from the industry, the conference involved the participation of Prof. Jay R. Ritter, regarded as a worldwide authority, who shared his views with the attendants.

We are expecting the tax regulations of 2015 encouraging equity financing to give a push to public offerings, depending on the overall investment environment in the period ahead.

Additionally, we are keeping a close eye on international developments that have the potential to affect our country and our industry. To this end, we have held many member meetings, conferences and panels during the reporting period. We have also taken steps abroad in an effort to increase the prevalence of global collaborations. We have met with the representatives of the International Council of Securities Associations (ICSA) and International Forum for Investor Education (IFIE), and discussed international issues. To increase cooperation opportunities regarding capital markets, we have hosted the Poland - Turkey Cooperation Meeting at our Association. Furthermore, the Islamic Financial Services Board (IFSB) Task Force meetings hosted by the CMB also took place in our Association.

## *Distinguished members,*

Shortage of savings and the fact that existing savings have very short maturities take the lead among the fundamental problems of the national economy. It is a widely agreed fact that measures must be adopted in the short and long run to resolve this problem. Achieving the desired result in the short term is possible through development of incentive systems. During the reporting period, an important development came into being in our country regarding the encouragement of long-term savings. The Turkish Parliament made the housing and dowry account system into a law, which went into force. The Association worked to contribute to the enactment of this system, which we believe will help increase long-term savings in our country as it entails government subsidy like private pension accounts.

Financial literacy, which is one of the Association's missions, has been gaining increasing importance all over the world. We have carried on with the projects that we have been working on at the Association to raise public awareness of saving and investment. Along the line, we have organized the second edition of the short film contest "Kamera Elinde Geleceğin Cebinde" ("Camera In Your Hand, Future In Your Pocket), which is intended to canalize individuals to plan for their financial future. Having attracted a large number of entrants from all over Turkey as it did in the previous year, the contest themed "The Secret to Wealth" received more than 80 applications.

During our participation in the General Assembly of the International Forum for Investor Education (IFIE) convened in Malaysia in May, we had the chance to screen the films that were placed in the contest for the other representatives. The recognition these films garnered on a global platform offered further proof that we are on the right track.

Apart from these activities, we are also continuing with our projects on our social media channels for spreading our investor education initiatives to broad audiences. We are getting positive feedback from a large number of users from different professions and age groups on all social media channels and particularly on our Param ve Ben (My Money and I) Facebook page that currently has nearly 80,000 followers. During the reporting period, we have compiled all our written and visual resources at the

redesigned [www.paramveben.org](http://www.paramveben.org) website. With that, we have created one of the most comprehensive investor education websites in Turkey.

As TCMA, we are holding training programs in various fields for the industry professionals. Our training programs under the heading 'Birlikte Eğitim' (TCMA Training) continued and were supported with online and mobile applications. The programs organized by the Association were attended by a total of 4,237 people in 2015.

In 2015, we carried on with our publications that are followed up with interest and considered as reference in the industry. While preparing our publications in Turkish and English languages, we paid attention to creating informative content about internationally addressed current topics.

#### ***Distinguished Members,***

As the Association, we are envisaging to take on a more active role in dispute resolution in the near future. With the use of the arbitral tribunal and arbitration method, disputes between customers and our members will be resolved more quickly with a system to be established by and between our members, without referring the case to the judiciary. We have arrived at the final stage in the creation of a dedicated center in this area. These activities will be carried out with the active participation of all our members.

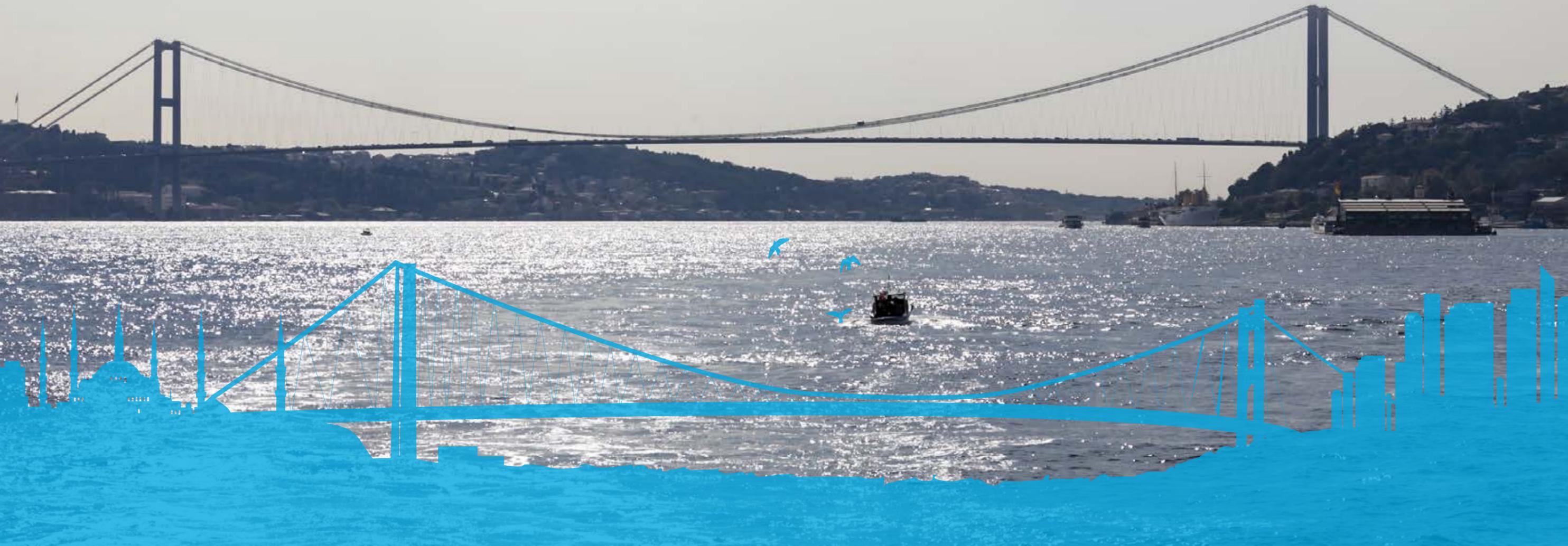
Pension funds keep expanding with the subsidy granted by the state. We believe that the growth in long-term savings allowed by the private pension system will gain momentum if and when automatic participation can be introduced. To this end, we are working together with the Insurance Association of Turkey to convince governmental authorities.

In 2016, we will have the opportunity to publicize our capital markets on global platforms. First, we will be hosting the General Assembly of the International Forum for Investor Education (IFIE), of which we are a member, in June 2016. We will also be hosting the 2017 forum meeting of the Asia Securities Forum. We are expecting all our members to actively take part in these international organizations.

As I present the 2015 annual report, I would like to extend my thanks particularly to Dr. Vahdettin Ertaş, CMB Chairman, as well as to all the valuable administrators of the Board and other capital market institutions for their unrelenting support, to all our members for actively participating in our activities, and last but not least, to our Association's administrative team members and employees.

Yours sincerely,

**İlhami Koç**  
**Chairman**



# INITIATIVES

## Borsa İstanbul Sustainability Platform Statement

Inaugurated by the initiative of Borsa İstanbul in 2013, Sustainability Platform aims to create a sharing network, which enables assessments for effective realization of the sustainability activities and discussions on future joint steps in this field.

The TCMA is a member of this platform, which has become official with the signing of a joint statement on 03 March 2015. In the signing ceremony, the Association was represented by İlkay Arıkan, Secretary General of the Association, and Deniz Bayram, Research Specialist.

The Platform targets to bring together the sectoral unions, nongovernmental organizations, international associations and regulatory authorities working in the field of sustainability in Turkey.

## Turkish Capital Markets Association Disciplinary Regulation

The Turkish Capital Markets Association Disciplinary Regulation, which has been drafted within the frame of the provisions of the Association's new Statute, went into force upon its publication in the Official Gazette issue 29308 dated 27 March 2015.

## Revised Circular on the Principles regarding Engagement in Rating and Ranking Activities

The provisions for facilitating application processes for those that will be engaged in rating and ranking of collective investment instruments have been communicated to our members with our Circular no. 27. Based on the decision of the TCMA Board of Directors, Ludens İleri Finansal Hizmetler ve Danışmanlık Ltd. Şti., Saha Kurumsal Yönetim ve Kredi

Derecelendirme Hizmetleri A.Ş. and Milenyum Teknoloji ve Bilişim Ar-Ge San. Tic. Ltd. Şti. were included in the list of providers of rating and ranking services for collective investment instruments.

The up-to-date list of providers of rating and ranking services for collective investment instruments has been posted on the Association's website.

## Investor Questionnaire

The Association co-conducted a questionnaire with Borsa İstanbul and the Central Registry Agency (CRA) to measure the interest of qualified investors in borrowing instruments to be issued by Venture Capital Investment Funds (VCIF) and the SMEs. The questionnaire was intended to provide a reference for the activities of the Access to Finance Technical Committee working under The Coordination Council for the Improvement of Investment Environment, and the results have been submitted to Borsa İstanbul.

## Our Feedback on Draft Communiqués

The CMB sought the sector's opinions on the regulations drafted by the Board within the frame of alignment with the Capital Market Law no. 6362. Accordingly, our members' feedback on the same have been presented to the CMB.

## Standards Committee and Appraisal Committee Established

The Capital Markets Board of Turkey (CMB) assigned the Association with the development of the grounds for regulatory changes in the appraisal of non-property assets in the capital markets. To this end, the Association set up the "Appraisal Committee" and the "Standards Committee".

## Promotion Campaigns

Pursuant to the CMB requirements, promotion campaigns in relation to capital market activities by intermediary institutions and banks are notified to the Association prior to implementation, and planned campaigns can be held only after applications are reviewed and approved.

During 2015, the Association reviewed 191 campaign applications by members and informed the related parties on its conclusions.

## Title Deed Formalities Relating to Real Estate Investment Funds

The Association conveyed its feedback and suggestions to the Ministry of Environment and Urban Planning, Directorate General of Land Registry and Cadaster regarding the execution of registration and other formalities of unincorporated "real estate investment funds" at the land registers with the joint signatures of the "asset management firms that founded the real estate investment fund" and the "depository institution providing the depository service for the real estate investment fund".

## Regulatory Work on Private Pension Products

The Association presented the T.R. Prime Ministry Undersecretariat of Treasury with its feedback and suggestions regarding the facilitation of the sales of private pension products in view of all applicable regulations and laws including the Private Pension Savings and Investment System Law no. 4632. The Association's feedback will be taken into consideration within the scope of regulatory work undertaken by the T.R. Prime Ministry Undersecretariat of Treasury.

## Tax Report

Based on the decision of the Association's Board of Directors, a comprehensive tax report was composed to compile our members' taxation issues in relation to capital market instruments, and to suggest solutions. The said report was brought to completion by a tax consultancy firm. The Association intends to share the report with the related authorities so as to help resolve the taxation issues of our capital markets.

## FATCA Agreement Review

Our members' questions, feedback and opinions regarding the Agreement between the Government of the Republic of Turkey and the Government of the United States of America to Improve International Tax Compliance through Enhanced Exchange of Information (FATCA Agreement) were presented to the T.R. Ministry of Finance Revenue Administration.



# TASK FORCES

## IPO Principles Task Force

Based on the industry's joint efforts moderated by the Association, the industry principles regarding public offerings were spelled out, and announced as "TCMA IPO Principles" upon their adoption by the Association's Board of Directors.

The "IPO Principles Task Force" was set up, which is responsible for updating the public offering principles, as well as for reviewing and giving feedback on the existing issues related to the qualities and performances of the IPO activities.

The IPO Principles Task Force worked in line with the identified goals and gave priority to formulating the opinions and suggestions that will support the qualitative and quantitative enhancement of public offerings, which were presented for consideration by the CMB.

## Leveraged Trading Task Force

The Task Force, which was set up to establish the professional guidelines for leveraged trading, carries on with its activities.

## Task Force for Intermediary Institution Chart of Accounts and Accounting Practices

A Task Force for Intermediary Institution Chart of Accounts and Accounting Practices was set up at the Association with participation from ten intermediary institutions. The Task Force developed a draft chart of accounts covering all transactions, operations and accounting practices, and presented the same to the CMB.

## Task Force for Minimum Required Content in Framework Agreements

The Task Force identified the minimum aspects required to be covered in framework agreements for trading intermediation, public offering intermediation, leveraged trading, portfolio management, investment consultancy, general custody, credit buying, short selling and borrowing and lending transactions, and presented the same to the CMB.



# INVESTOR EDUCATION

To help raise awareness of financial literacy among large segments of the society, we carried on with our efforts uninterrupted in 2015. As part of our investor education activities, we organized competitions, meetings, seminars and various educational programs, as well as producing films and interviews where investors shared their own experiences, which were posted on social media channels.

## My Money and I Facebook Page

ParamveBen (My Money and I) Facebook page reached more than 80,000 fans as of 31 December 2015 after its launch in December 2012. The page was established as part of the activities of the Financial Education Committee, formed of volunteer market professionals at the Association. Our Facebook page is followed by users from 45 different countries.

## My Money and I Twitter Account

Opened in June 2013 and designed in parallel content with the Facebook page, ParamveBen (My Money and I) Twitter account had 2,000 followers as of 31 December 2015.

## My Money and I Youtube Channel

ParamveBen (My Money and I) Youtube channel features videos about saving and investment that address users from diverse backgrounds. "Real-Life Investor Stories" cover interviews with people who made successful investments in real life. The series "Interviews with Celebrities" presents interviews about saving and investment habits of celebrities.

The page also covers short films selected by the jury of the Association's annual "Kamera Elinde Geleceğin Cebinde" (Camera In Your Hand, Future In Your Pocket) Short Film Contest, which aim to encourage people to save up and invest. A total of 90 videos featured on the ParamveBen Youtube page that went live in February 2013 reached more than 80,000 views.

## Paramveben.org Website

Intending to raise awareness of saving and investment, www.paramveben.org website went live in June 2013. The website's interface was revamped in a bid to interact

more effectively with the target audience through a visually functional, lively and aesthetic internet site. Upon completion of the design and development work initiated in January 2015, the website was introduced in December with its new interface. Designed to offer a more interactive communication with the users, the website covers real life examples and success stories, reminding the undesired consequences of careless spending.

In addition, short films intended to promote saving and investing are also available on the website. The short films are produced in parallel content with the website to reach wider audiences. The website also covers interviews with celebrities, real-life investor stories, and the films selected by the jury of the "Kamera Elinde Geleceğin Cebinde" (Camera In Your Hand, Future In Your Pocket) Short Film Contest. Also, the website contains approximately 40 stories and articles. The website was visited 69,000 visitors in 2015, including people from different countries such as UK, Azerbaijan, Cyprus and Bulgaria.

## My Money and I Google+ Channel

ParamveBen (My Money and I) Google+ channel went live in July 2014 in line with the objective of reaching broader audiences via social media. The channel offers informative and educational content about saving and investment. The page was viewed approximately 45,000 times in 2015, although it is relatively newer as compared with our other channels.



## Facebook Wall Contests

To engage users, wall contests were organized via ParamveBen Facebook page in 2015. The following contests were held with the intention of raising widespread public awareness of saving and investment:

- "Any Quatrains to Write?" quatrain competition (14-30 January 2015)
- "Write Your Own Savings Story" competition (6 May-9 June 2015)
- "What Not To Do With Your Money?" essay competition (23 July - 3 August 2015)
- "Caps'i Yap Ödülü Kap" photo captions competition (10-19 August 2015)
- "Bayram Mesajım" holiday message competition (2-11 September 2015)
- "Ailemiz Biriktiriyor" competition themed family savings (30 September-9 October 2015)

Entrants who were placed in the competitions won the right to visit Borsa İstanbul where they were given a tour by the experts, and also received coin-counting money boxes as a prize. The competitions have been instrumental in interacting with nearly 4,000,000 people.

## Investor Education Platform

The Investor Education Platform was established in 2013 to bring together the nongovernmental organizations and other related institutions engaged in financial literacy to encourage collaboration and continuous information sharing. Within this context, a meeting attended by the NGOs engaged in financial literacy and our related members was held on 21 April 2015 at the Association. In the meeting, representatives of banks, intermediary institutions and nongovernmental organizations had the chance to review the investor education activities and the developments in the area of financial literacy.

## The Secret to Wealth Theater Play Videos

The video of the play "The Secret to Wealth", which was produced by experts on the Financial Education Committee, was posted in episodes on ParamveBen Facebook, Twitter, Youtube, Googleplus and LinkedIn channels. After each episode was aired, the followers were asked questions about the upcoming parts of the play.

## "I Can Manage My Money" Master Trainers Training

The Association held a training program for the master trainers of the "I Can Manage My Money" project on 20 February 2015 at the Association. In the first part of the training program attended by 20 master trainers, Sefer

Özbay, Borsa İstanbul CFE, presented information about the administrative structure and operation of Borsa İstanbul. The second part of the program comprised a presentation entitled "Reading Financial Markets" by Alparşlan Budak, TCMA Assistant Secretary General at the time.

## "I Can Manage My Money" University Training

Within the frame of investor education activities, the Association extended support to the "I Can Manage My Money" project co-conducted by VISA Europe and Habitat Center for Development and Governance. The Association started giving support to training programs held in universities across Turkey. The first training was carried out at Erciyes University on 12 May 2015. Mustafa Özer, Research and Statistics Specialist, represented our Association in the 'Financial Literacy and Investment Instruments Seminar' and made a presentation on 'Investment Instruments'. The second program took place at Hacı Bektaş Veli University on 20 May 2015. Our Association was represented in the program by Gökben Altaş Çevikcan, Research and Statistics Department Assistant Director.

## "Camera in Your Hand, Future In Your Pocket" Short Film Contest

The second edition of the "Camera in Your Hand, Future in Your Pocket" short film contest themed "The Secret to Wealth" was organized from 01 April to 30 June 2015 under the tagline "Don't expect to get rich overnight to make your dreams come true!". A total of 81 films submitted by the entrants from all over Turkey have been assessed by a jury constituted by Uğur Vardan, chief sports editor for the daily Hürriyet, Selin Gürel, film critic and news editor, Cüneyt Cebenoyan, columnist and film critic for the daily Birgün, Alp Birol, lecturer in the Faculty of Communications at Galatasaray University, and Attila Köksal, Head of the TCMA Financial Education Committee. The short films that were placed in the competition were rewarded.

The award ceremony at Borsa İstanbul involved the participation of Dr. Vahdettin Ertaş, CMB Chairman, Dr. Talat Ulussever, Chairman of the Board at the time Borsa İstanbul, Tuncay Dinç, Borsa İstanbul CEO at the time and İlhami Koç, TCMA Chairman. Top three places were awarded TL 15,000, TL 10,000 and TL 7,500 prize money. Additionally, participants who ranked in the top 10 received one-day training from TCMA.

## "I Can Manage My Money" Project Coordination Meeting

'I Can Manage My Money Project Coordination Meeting' was held on 5 December 2015 at Sürmeli Hotel. The meeting composed of two sessions attended by different groups of participants formed of 80 instructors assigned to the Project. Our Association was represented by Dr. Gökhan Büyükşengür, Training Director, who made a presentation on the financial system, the structure of the capital market, and investor instruments.

## 5<sup>th</sup> CMB Essay Competition

The Capital Markets Board of Turkey (CMB) organized the 5<sup>th</sup> Essay Competition, which was sanctioned by the Ministry of National Education, among secondary and high school students to raise awareness of financial markets, market institutions, and saving and investment starting with school-age children.

Within the frame of the competition, a total of 368 essays were evaluated: 195 for the secondary school section and 173 for the high school section. The jury composed of representatives from the CMB, Ministry of National Education, Borsa İstanbul and the Association made a screening to determine the essays to be placed. Training Director Dr. Gökhan Büyükşengür and Corporate Communications Director Tuğba Oğan served on the jury.

A three-day cultural trip program was organized from 14 to 16 September 2015 for the students who were placed. A boat trip was arranged for the students, parents and teachers on the first day of the program. A gong ceremony at Borsa İstanbul was the highlight of September 15<sup>th</sup>, which was followed by an award ceremony held at Borsa İstanbul Conference Hall during which the students were presented their awards. The last day of the program was devoted to a comprehensive cultural tour that covered guided tours of the Hagia Sophia Museum, the Basilica Cistern and the Topkapı Palace.

## Capital Market Perception and Investment Potential Survey

In 2015, the Association conducted the second Capital Market Perception and Investment Potential Survey. The questionnaire-based survey measured awareness and perception of investment instruments, stock exchange and intermediary institutions, and consisted of a qualitative and a quantitative leg.

The outcomes of the study that covered interviews with 2021 people in 18 cities will be made public in a press conference to be held in 2016.

## 7 Universities in 7 Regions

Organized by the CMB and the Association, the 3-day certification seminars conducted under the title "7 Universities in 7 Regions" targeting undergraduate students in seven universities across the seven geographical regions of Turkey ended in 2015.

With its target audience set as students attending the Faculty of Economics and Administrative Sciences, the certification program was organized in one university in the spring semester of 2015 academic year. The participating students were given an introduction to the capital markets and institutions, as well as information on career opportunities.

In 2015, a total of 50 students attended the certification programs organized in one university and received their certificates. In addition, as a result of the lots drawn, 3 students earned the right to attend any one of the Association's training programs on licensing examination preparation or professional development.

### 2014-2015 Academic Year

1-3 April 2015 Kocaeli University

### 2014-2015 Academic Year

3 March 2015	Eskişehir Osmangazi University
10 March 2015	Adana Science and Technology University
11 March 2015	Çağ University
24 March 2015	Celal Bayar University
31 March 2015	Bozok University
21 April 2015	İstanbul University
27 April 2015	Gaziosmanpaşa University
29 April 2015	Doğuş University
6 May 2015	Anadolu University
14 May 2015	University of Turkish Aeronautical Association

### 2015-2016 Academic Year

6 October 2015	Marmara University
10 November 2015	Okan University
16 December 2015	İzmir Katip Çelebi University
21 December 2015	Karabük University

## Seminars

Upon invitations received from various universities, the Association participated in career days to help the students with their career choice. Students were given an introduction to the capital markets, intermediary institutions and activities, as well as detailed information on licensing exams and career opportunities. The Association participated in the seminars held in 30 different universities during 2015.



# RESEARCH AND PUBLICATIONS

In 2015, we continued to publish magazines, brochures and reports for informing the public about various topics including financial data and analyses, market developments and regulations.

## Turkish Capital Markets 2014

The 2014 issue of our annual report "Turkish Capital Markets" was released in April 2015. As well as a wrap-up of macroeconomic developments in 2014, the report reviewed the position of the Turkish capital market in the financial system, analyzed its size and international standing, and evaluated the activities, organization, human resources and financial statements of brokerage firms, along with the investor profile.

## While Investing – Questions and Answers

The fifth edition of the "While Investing" booklet providing answers to basic questions about financial markets was released in April. Intended as a guide for investors, the booklet offers the answers to simple questions about financial markets in a plain and understandable language, and aims to provide information about the operation of the market to investors from any level. Covering fundamental information about everything ranging from financial market institutions to investment instruments, the booklet "While Investing – Questions and Answers" is accessible at [www.tspb.org.tr](http://www.tspb.org.tr).

## Quarterly Journal Indicator

Research articles prepared by the Association are being made public in our new quarterly Indicator journal since 2014. Aspiring to become a rich reference about the developments in the financial markets, the journal will hopefully turn out to be a comprehensive source for anyone wishing to keep track of the market developments.

The summer, fall and winter issues of the Indicator magazine published in 2015 analyzed the data on brokerage and asset management firms compiled by the Association and also featured articles on the topics below:

- A Joint Market in Latin American Countries: MILA
- Analysis of Liquidity in Debt Instruments Market
- ASEAN Capital Markets Integration
- Credit Measurement Systems in the World and in Turkey
- Crowdfunding Regulations
- Financial Development and Economic Growth
- Financial Development, Income Inequality and Poverty
- Financial Market Regulators
- The Financial Transaction Tax in the European Union
- Fund Distribution Platforms
- Investment Fund Rating
- Structural Reform in the European Union Banking System

## Turkish Capital Markets Review

Analyzing the developments in the capital markets and the brokerage industry during 2014, "Brokerage Industry Review 2014" was published in English in May 2015. In 2015, the report also included an analysis of the data gathered from asset management firms. Along this line, our report focusing on the capital market, brokerage and asset management industry activities during the first half of the year was published in October under the title "Turkish Capital Markets Semi-Annual Review".

## The Handbook of the Turkish Capital Markets Published

Explaining the structure of the Turkish capital market, the 2015 edition of "The Handbook of the Turkish Capital Markets" in English was published in February. Updated within the frame of the New Capital Market Law and reviewing the existing requirements, the publication provides a comprehensive source on the Turkish capital market regulations and operations.

## Brochures in English

The Association updated its brochures in English in the light of the new regulations in the Turkish capital market and also added new headings. The below brochures covering basic information regarding the Turkish capital market were published in June:

- Licensing of Brokerage Firms
- Licensing of Asset Management Firms
- Licensing of Investment Trust in Turkey
- Licensing of Real Investment Trust in Turkey
- Licensing of Venture Capital Investment Trust in Turkey
- Licensing of Market Professionals in Turkey
- Forex Trading in Turkey
- Handling Investor Complaints in Turkey
- Initial Public Offerings and Listings in Turkey
- Short Selling in Turkey
- TCMA in a Nutshell

## Industry Data Bank

Gathering various operational and financial data from intermediary institutions ever since its establishment, the Association started collecting the data from the asset management firms on a quarterly basis.

The data received are posted on our website under the section "Data Bank", which provides the capital market factsheet, aggregate financial statements and operational data of brokerage firms and asset management firms, and comparative data on brokerage firms and asset management firms.

Furthermore, certain data are submitted to the Central Bank of the Republic of Turkey (CBRT), Istanbul Clearing, Settlement and Custody Bank Inc and the Turkish Statistical Institute. Our data are used as benchmark by other agencies including the Banking Regulation and Supervision Agency (BRSA), as well as the organizations named above.



# MEETINGS AND EVENTS

**||** We organized educational and constructive events bringing capital market institutions together, such as meetings, seminars, conferences and panels intended to tackle the sector's deficiencies, needs, expectations and demands. **||**

## Training for İstanbul Clearing, Settlement and Custody Bank Employees

A training program was held on 13 January 2015 at the Association for the recently hired management trainees at İstanbul Clearing, Settlement and Custody Bank Inc. In the training, Ekin Fıkrkoca Asena, Research and Statistics Director, provided information on the capital market structure and current developments.

## TEFAS: Opportunities and New Initiatives Panel

The panel entitled "TEFAS: Opportunities and New Initiatives", which was co-organized by the Association and the Turkish Institutional Investment Managers' Association (TKYD), took place on 5 February 2015. The inaugural speeches delivered by Dr. Vahdettin Ertaş, CMB Chairman, Murat Ulus, Takasbank CEO at the time, İlhami Koç, TCMA Chairman, and Dr. Alp Keler, TKYD President were followed by a comprehensive deliberation on the opportunities and novelties the TEFAS platform brought to the industry. The event also covered two sessions entitled "Asset Management" and "Expectations of Distribution Channels from the Platform".

The first session entitled "Asset Management" focused on the asset management companies' expectations from the platform, overseas experiences of foreign companies incorporated in Turkey, and the impact of independent financial advisory upon the industry. The second session titled "Expectations of Distribution Channels from the Platform" stressed that the platform serves as a new alternative also to the distribution channels.

## Funding From the Crowd: Four Perspectives Seminar

The TCMA and Borsa İstanbul jointly organized the "Funding from the Crowd: Four Perspectives" seminar on 25 February 2015 to analyze the global practices for "crowdfunding" models, the most remarkable alternative finance model of recent years. The seminar held at the Association involved the participation of John Callaghan, New Rye Securities President and iCrowd platform co-founder, who shared global practices and regulations for crowdfunding models. The seminar also covered

a section on "Meeting Point of Entrepreneurs and Investors: Borsa İstanbul Private Market".

## Member Management System Training

A training program for asset management companies was held on 22 May 2015 at the Association, aiming to facilitate easier and efficient use of the Member Management System that collects member data. Given by Telman Şahbazoğlu, TCMA Information Technology Director, and Gökben Altaş Çevikcan, Research and Statistics Department Assistant Director, the training program was attended by representatives from 25 asset management companies.

## 15<sup>th</sup> Ordinary General Meeting

The 15<sup>th</sup> Ordinary General Meeting was held on 25 May 2015 at the Wyndham Grand Hotel Levent with the participation of Ali Babacan, Deputy Prime Minister at the time. The meeting brought together capital markets representatives and was attended by 200 members. Following the inaugural speech by Deputy Prime Minister at the time Ali Babacan, speeches were also delivered by Dr. Vahdettin Ertaş, CMB Chairman, Tuncay Dinç, Borsa İstanbul CEO at the time, and İlhami Koç, the Association's Chairman.

After the opening speeches, the meeting agenda was discussed, and the Board of Auditors' report, balance sheet, income/loss statement and final chart of accounts were approved unanimously.

## İstanbul Financial Institutions Introductory Program

The second "İstanbul Financial Institutions Introductory Program" supporting the professional and personal development of the newly hired career officers at the Undersecretariat of Treasury and giving them an introduction to the key regulatory and executive bodies in this field took place on 25 to 29 May 2015. As part of the program, assistant specialists who recently joined the Undersecretariat of Treasury paid a visit to the Association on 26 May 2015. Alparslan Budak, TCMA Assistant Secretary General at the time, made a presentation on the structure and operation of the Association and on the capital market industry.

## Meeting for the "Authorization of Direct Trading without Brokers in the Derivatives Market"

The Association and Borsa İstanbul Derivatives Market (VIOP) jointly organized a meeting for the "Authorization of Direct Trading without Brokers in the Derivatives Market" on 10 June 2015. Matters related to direct trading in the Derivatives Market by legal entities without engaging an investment firm were discussed in the meeting.

## Training Programs by the Association and ATTF

The Association and The Financial Technology Transfer Agency, Luxembourg (ATTF) jointly organized training programs on "Mutual Funds" and "Asset Management" on 11-12 June 2015. In the two-day program, Philippe Maclot, Portfolio Manager at the Rothschild Group, shared international developments and new practices in mutual funds and asset management with the participants.

## Leveraged Trading Members Meeting

The industry's feedback and suggestions were sought for the "Draft Communiqué Amending the Communiqué on Principles Regarding Investment Services, Activities and Ancillary Services" and the "Draft Communiqué Amending the Communiqué on Principles of Establishment and Activities of Investment Firms" prepared by the Capital Markets Board (CMB).

In this context, Members' Meeting was held on 27 August 2015 where member representatives reviewed the regulations governing leveraged trading activities.

## Digital Marketing Solutions for the Financial Services Industry Seminar

A free-of-charge "Digital Marketing Solutions for the Financial Services Industry Seminar" addressing our members was organized at the Association. 40 people attended the seminar that took place on 7 September 2015.

## Investment Trusts Professional Committee

Three meetings were held on 19 February 2015, 24 June 2015 and 13 November 2015, which were chaired by İsmail Kazanç, TCMA Board Member and Torunlar REIT Assistant General Manager, and coordinated by Dr. Gökhan Büyükşengür, TCMA Training Department Director, where the industry's issues were addressed and opinions were exchanged.

## 17<sup>th</sup> Extraordinary General Meeting

The 17<sup>th</sup> Extraordinary General Meeting convened on 4 December 2015 at the Association with the participation of 117 of our 232 members. Inaugurated by the TCMA Chairman İlhami Koç, the General Meeting continued with the election of the presiding board. In the General Meeting, the Association's 2016 budget was approved and 2016 membership dues and pro-rata share of expenses were determined.

## MASAK Workshop

T.R. Ministry of Finance Financial Crimes Investigation Board (MASAK) held a MASAK Workshop with the support of the Association on 9 December 2015 at Sürmeli Hotel İstanbul. The workshop was intended to increase the effectiveness of the implementation of the applicable legislation, and to jointly deliberate on related current topics. 168 attendants of the workshop consisted of MASAK specialists and the Association members.

## IPOs: Issues and Solutions Conference

The IPOs: Issues and Solutions Conference took place on 22 December 2015, which was organized under the leadership of the Association and with the cooperation of the Turkish Institutional Investment Managers' Association (TKYD), the Association of Listed Companies' Executives (KOTEDER) and the Turkish Investor Relations Society (TÜYİD). The conference held in the Hacı Ömer Sabancı Conference Hall focused on public offerings that represent the starting point of capital markets. During the Conference that was inaugurated by the TCMA Chairman İlhami Koç, Dr. Vahdettin Ertaş, CMB Chairman, and Tuncay Dinç, Borsa İstanbul CEO at the time each delivered a speech.

Prof. Jay R. Ritter, the worldwide famous expert, was the keynote speaker in the conference that brought together the private sector, public agencies, academics and media members. Attended by approximately 500 people, the event provided a setting for discussing the status of public offerings and new regulations, and for analyzing the IPO instances in global markets. The first of the two sessions was entitled "Going Public: Reasons, Benefits, Issues" and moderated by KOTEDER Chairwoman Nalan Erkarakaş, during which leading market professionals focused on the advantages of going public and the problems the companies experienced in this process. The second session entitled "IPO Intermediation and Demand" was moderated by Servet Yıldırım, Head of Economics Group at Doğuş Media Group, where representatives of the companies leading IPOs discussed the topic from the demand perspective.



# INTERNATIONAL EVENTS

“ We organized international events, or attended those organized by other parties, so as to enable market professionals and investors to keep a close eye on the developments in the world capital markets, to exchange opinions and thoughts with foreign specialists and investors, to capture the chance to cooperate in the area of economics, and also to showcase the practices in our country on global platforms. ”

## Asia Forum for Investor Education (AFIE)

The Association attended the General Assembly of the Asia Forum for Investor Education (AFIE), which was established in 2010 as a subcommittee of the International Forum for Investor Education (IFIE), held in Seoul between 20 and 22 September 2015.

Attending the General Assembly on behalf of our Association, İlker Arıkan, Secretary General, and O. İlker Savuran, Assistant Secretary General, each made a presentation on the regulatory changes in Turkey and investor education activities conducted by the Association, respectively.

## Federation of Euro-Asian Stock Exchanges (FEAS)

The Working Committee and the Board of Directors meeting of the Federation of Euro-Asian Stock Exchanges (FEAS), of which the Association is a member, took place on 21 May 2015 in Yerevan, the capital city of Armenia.

The Working Committee Meeting and the 21<sup>st</sup> General Assembly Meeting of the Federation, on the other hand, took place on 17 and 18 November 2015 in Esfahan, Iran. Ekin Fıkrkoca Asena, Director of the Research and Statistics Department, attended both meetings on behalf of the Association.

## International Council of Securities Associations (ICSA)

Our Association attended the 28<sup>th</sup> Annual General Meeting of the International Council of Securities Associations (ICSA) held in Mumbai from 15 April to 17 April 2015. On behalf of the Association, İlhami Koç, TCMA Chairman, and Alparslan Budak, Assistant Secretary General at the time, attended the meeting. TCMA Chairman İlhami Koç was a speaker in the panel “The Impact of Tapering QE on Capital Flows to Emerging Countries”.

## International Forum for Investor Education (IFIE)

The General Meeting of the International Forum for Investor Education (IFIE), of which the Association is a member, was held from 18 May to 20 May 2015 in Kuala Lumpur. On behalf of the Association, TCMA Chairman İlhami Koç and Secretary General İlker Arıkan attended the Assembly.

İlhami Koç made a presentation on investor education in Turkey during the panel entitled “Financial Capability&Investor Engagement: Implementation Challenges in Growth and Emerging Markets Jurisdictions”. In addition, Alparslan Budak, the Association’s Assistant Secretary General at the time, was elected as Vice-Chair of IFIE during the General Assembly.

## International Organization of Securities Commissions (IOSCO)

Our Association was represented by Alparslan Budak, Assistant Secretary General at the time, in the meeting of the International Organization of Securities Commissions, Affiliate Members Consultative Committee (IOSCO AMCC), which was held in June in London.

O. İlker Savuran, Assistant Secretary General, attended the meeting of the Affiliate Members Consultative Committee held in Zurich in October on behalf of the Association.

## World Bank Representatives' Visit

The leaders of the initiative “Capital Markets Deep Dive” introduced by the World Bank to offer long-term financing facilities and to improve capital markets in emerging countries, and the World Bank’s Country Director for Turkey paid a visit to the Association on 5 February 2015. During the visit, TCMA Chairman İlhami Koç, Research and Statistics Director Ekin Fıkrkoca Asena and Research and Statistics Assistant Director Gökben Altaş exchanged opinions with the World Bank experts on increasing corporate bond and other long-term instrument issues in Turkey, the feasibility of the initiative in Turkey, and the new structure and the role of the Association.

## Poland – Turkey Cooperation Meeting

A committee consisting of Katarzyna Kacperczyk, Ministry of Foreign Affairs Undersecretary of the Republic of Poland, Mieczysław Cieniuch, Ambassador of Poland to Turkey, Grzegorz Michalski, Consul General of Poland in İstanbul, and concerned officials paid a visit to the Association on 18 February 2015. İlker Arıkan, TCMA Secretary General, Alparslan Budak, Assistant Secretary General at the time, and Ekin Fıkrkoca Asena, Research and Statistics Director attended the meeting where opportunities for economic cooperation between Poland and Turkey were addressed.

After this visit, the Association hosted the Poland – Turkey Cooperation Meeting on 26 March 2015, which sought to steer the future of capital markets and to build on the collaborations of our members on the global arena. Inaugurated by the Association President İlhami Koç and Warsaw Stock Exchange President Pawel Tamborski, the meeting was attended by senior executives and representatives from the Polish and Turkish public and private financial services sector.

During the meeting, evaluations were made on the opportunities for economic cooperation between Poland and Turkey, and discussions were held about the trends in capital markets, cooperation opportunities between

Polish and Turkish financial markets, and the role of the capital market in economic growth.

## B-20 Meeting

Bringing business leaders together in parallel with the Turkish term presidency of G-20, B-20 activities are carried out under the leadership of the Union of Chambers and Commodity Exchanges of Turkey (TOBB).

In this context, a meeting was organized in Washington on 16-17 April 2015. The Association was represented by Ekin Fıkrkoca Asena, Research and Statistics Director. The Association is extending support to the Financing Growth Task Force.

## Visit by the Advisor to the Embassy of France

Financial Advisor to the Embassy of France in Ankara and Banque de France representative Eric Plaisant paid a visit to the Association on 26 May 2015. Hosted by İlhami Koç, TCMA Chairman, İlker Arıkan, Secretary General, Alparslan Budak, Assistant Secretary General at the time, and Ekin Fıkrkoca Asena, Research and Statistics Director, opinions were exchanged with Eric Plaisant, Advisor to the Embassy of France in Ankara, regarding capital markets and the Turkish economy.

## Visit by the Capital Markets Authority of Kenya

Capital Markets Authority of Kenya paid a visit to the Association on 2 September 2015. During the meeting, O. İlker Savuran, Assistant Secretary General, Ekin Fıkrkoca Asena, Research and Statistics Director, and Gökben Altaş, Research and Statistics Assistant Director informed the visitors about the structure of the Association, which is a self-regulatory agency, as well as its objectives and membership.

## Visit by the Bangladesh Delegation

On 18 September 2015, officials from the Bangladesh Securities and Exchanges Commissions and the Chittagong Stock Exchange paid a visit to the Association. The Delegation held meetings with various financial institutions as part of the country visit coordinated by the CMB, and was given a presentation on the Turkish capital market by our Association.

During the meeting attended by O. İlker Savuran, Assistant Secretary General, Ekin Fıkrkoca Asena and Gökben Altaş, Director and Assistant Director of Research and Statistics Department, respectively, opinions were exchanged regarding the operation of the Turkish capital market and investor education.



# TRAINING

In 2015, we continued with the training programs that we organize every year in an effort to help build on the know-how in the sector.

## Licensing Exam Preparation Programs

The Capital Markets Licensing Registration and Training Agency (CMLTA) held two licensing exams on 30-31 May and 19-20 December 2015. The Association organized public, company-specific and individual training programs in preparation for these exams. Demands for training programs concentrated mostly in the topics covered by Capital Market Activities Level 1, Level 2, Level 3, Derivatives and Corporate Governance examinations.

Under the company-specific programs held upon members' request, classroom training sessions were held in İstanbul, Ankara and İzmir for the personnel of five banks and two intermediary institutions in 2015. In addition to classroom sessions, "questions and solutions sessions" and "video training" were broadcast live. Furthermore, personalized one-on-one programs were provided to two senior executives from the manufacturing industry and the financial sector. A total of 3,616 individuals attended 163 public and company-specific programs offered during 2015.

## Professional Development Courses

In 2015, courses were offered in banking, tax, economy, finance, derivatives, real estate, legislation and personal development. Real estate, banking, derivatives and legislation programs drew particularly great interest.

The training programs were attended by the manufacturing industry employees, as well as bank and intermediary institution staff. Some of the courses were organization-specific.

In 2015, 31 organization-specific and public courses in professional development were held, which were attended by a total of 621 participants.

## TCMA Training Mobile Application

"Birlikte Eğitim" (TCMA Training) mobile application, developed for helping prepare for licensing exams in relation to Capital Market Activities, was used by 3,506 individuals during 2015. Providing a question bank for candidates preparing for the Licensing Exams, the mobile application content has been developed by experienced trainers. Compatible with mobile devices with Android operating systems, the application has been instrumental in better preparation of the candidates who have solved the question sets.

## Free Training for University Students

In 2015, the Association continued to offer free training to students attending the relevant departments of universities, an initiative commenced in 2012. Quotas for 5 students were reserved in each of the licensing exam preparation programs, professional development and personal development courses, which were allocated free of charge on a first-apply, first-served basis.

During 2015, a total of 31 students attended the Association's training programs within the scope of the free quotas assigned.

## Capital Markets Scholarship

Based on the Board of the Directors decision, the Association instituted a "Capital Markets Scholarship" program for undergraduate students effective from 2014/2015 academic year. Within this frame, a total of 12 university students are provided with scholarships through the Turkish Education Foundation (TEV) until the end of their undergraduate studies.

In 2015-2016 academic year, 9 graduate students gained access to the "Capital Markets Scholarship". While questions relating to the "Capital Markets Scholarship" can be mailed to [info@birlikteegitim.org](mailto:info@birlikteegitim.org), applications are collected from [www.tev.org.tr](http://www.tev.org.tr).

## LinkedIn

Launched on 11 January 2012 to announce our training activities and to discuss current educational matters, "TCMA Training Department" LinkedIn group's followers reached 1,822 people by the end of 2015. In addition, Facebook and Twitter accounts are established under the name "Birlikte Eğitim" (TCMA Training).

## 2015 Training Programs

	Number of Programs	Number of Participants
Licensing	163	3,616
Professional Development	31	621
<b>TOTAL</b>	<b>194</b>	<b>4,237</b>

## Istanbul International Financial Center Initiatives

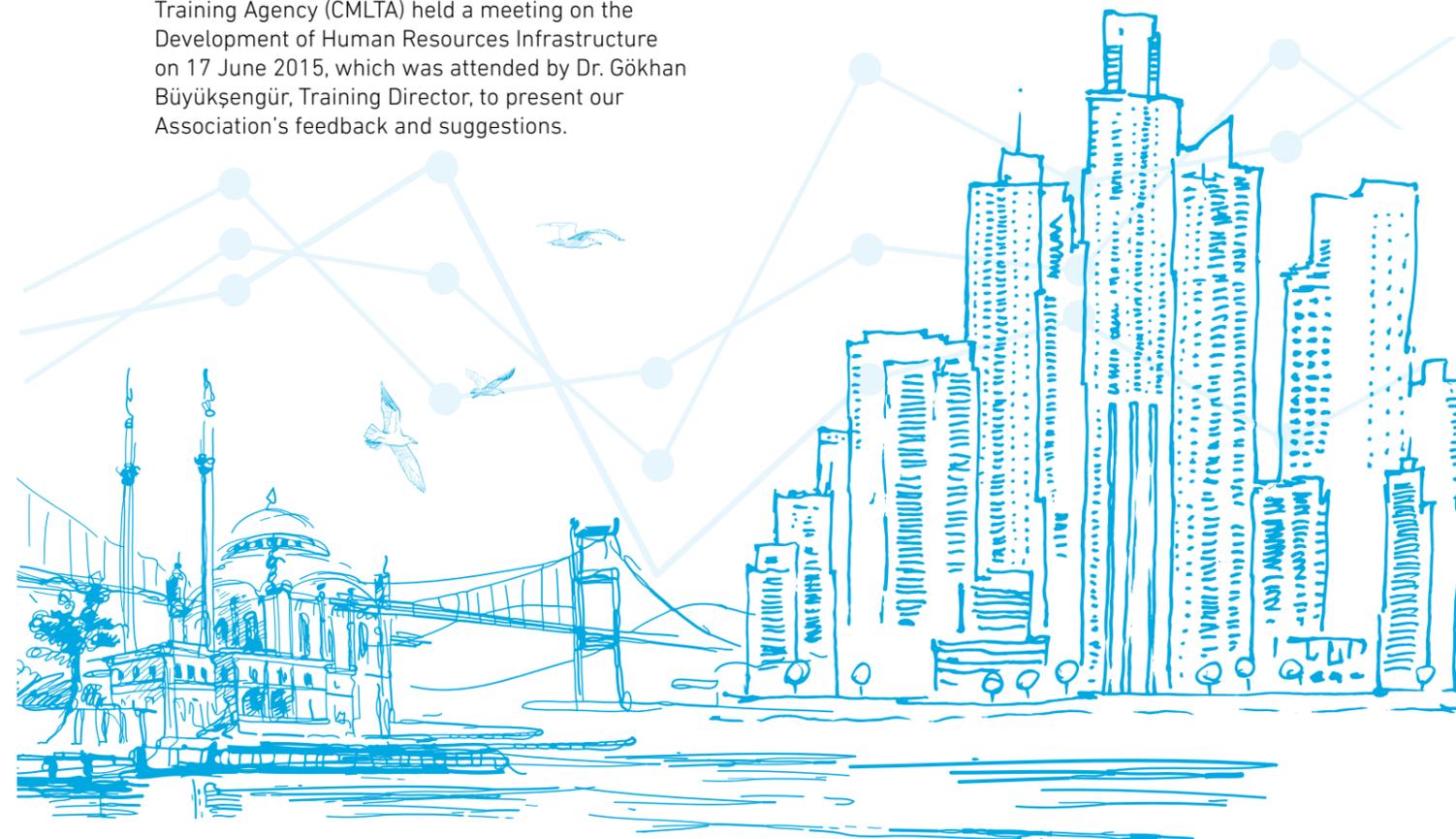
Chapter 6 entitled "Developing the Qualified Human Resource" initiative under the Istanbul International Financial Center (IFC- İstanbul) Program No. 4 is being coordinated by the Ministry of Education.

The Capital Markets Licensing Registration and Training Agency (CMLTA) held a meeting on the Development of Human Resources Infrastructure on 17 June 2015, which was attended by Dr. Gökhan Büyüksengür, Training Director, to present our Association's feedback and suggestions.

In the meeting organized by the CMB in Ankara on 19 October 2015 to determine the "Number of Foreign Language Speaking Professionals in the Financial Services Industry", O. İlker Savuran, Assistant Secretary General and Dr. Gökhan Büyüksengür, Training Director, shared the results of the questionnaire the Association conducted on the topic among its members.

## Services Initiative within the Frame of the Relations with T.R. Ministry for EU Affairs

"Technical Assistance Project for Development of National Strategy for Alignment with the EU Acquis Covered by the Right of Establishment and the Freedom to Provide Services Chapter" (Services Initiative) developed within the context of accession negotiations conducted by the T.R. Ministry for EU Affairs officials started on 17 September 2014. Training Director Dr. Gökhan Büyüksengür attended all workshops and events held within the scope of the "Services Project" during 2015 on behalf of the Association.



# INFORMATION TECHNOLOGY

“ We closely monitored the latest developments in technology in the world and strengthened our infrastructure to be able to enhance the efficiency of our activities and to produce higher quality, more reliable service for our members and users in Turkey and abroad. ”

## Document Management System

Improvements were achieved in the performance and reports through hardware and software upgrades made to the Document Management System that is used for the Association's information, document and process management needs. A total of 5,368 new documents were added to the Document Management System during 2015, which brought the total number of documents kept on the system to 70,997 as at 31 December 2015.

## Corporate Website

The content management system infrastructure of our web page was revamped, bringing it into alignment with the current technology in terms of visuals, operation, performance and security. Launched with its new interface, the website presents constantly updated content. During 2015, our website was visited 370,468 times by users from nine different countries (Turkey, England, United States of America, Brazil, China, Germany, the Netherlands, Russia, India and Denmark).

## Member Management System

Active since November 2012, the Member Management System collected various data about intermediary institutions. Periodic and annual reports were produced. Work was undertaken to eliminate the size limit of data files to be uploaded to the "E-signature Notification Module" designed for official notifications to be given by members to the Association. As a result of data integration projects conducted with the Banks Association of Turkey, data integrity was secured in official notifications pertaining to banks between the two organizations.

## Software Project Management and User Helpdesk System

Used for the management of software projects and functioning as Helpdesk, an open source system was integrated with "Git", a code tracker, and the reportability of code changes related to software developers' requests was increased. In 2015, the system has been instrumental in tracking a total of 624 processes, 482 of which have been finalized.

## IT Audit

The software and hardware vulnerabilities of the data center were identified in line with the report that resulted from the penetration/attack tests co-conducted with the data security consultancy firm. Necessary steps were taken in line with the suggested solutions devised. Later, the annual security vulnerability tests were transformed into monthly security maintenance, thus creating a more up-to-date and more secure environment against attack methods that keep abreast of advancing technology.

## Infrastructure Updates and Security

Within the frame of infrastructure updates, servers, virtualization, replication and security software were upgraded while firewall and other hardware equipment were updated. The disorderly cabling that was impossible to be handled due to the reflooring in office spaces and changes in the employees' seating areas were refitted beneath the new, elevated floor and renewed technologically. In addition, the infrastructure made compatible with the rearranged workplaces of the employees. The PSTN Fax infrastructure used for bulk fax transmissions from the Association was replaced with the Internet Fax System, thus acquiring the capability to transmit several faxes at the same time and to receive faxes while transmitting. The renewals made in the sound system of the training halls resulted in a better quality training delivery to participants.







# MEMBERSHIPS

## DEIK

The Foreign Economic Relations Board (DEIK) was founded in 1988, in order to handle the foreign economic relations of the private sector. Our Association became a member of DEIK in 2008 in "founding member" status to represent our industry more effectively on international platforms.

## AFIE

The Asia Forum for Investor Education (AFIE) was established as a regional subcommittee of the International Forum for Investor Education (IFIE) in 2010. Our Association participated in the Forum as a founding member, which is intending to develop investor education in the securities markets and to serve as a platform for sharing information and experience among its members in the Asia-Pacific region. The Association served as the Chairman of the Forum in 2013.

## ASF

The Asia Securities Forum (ASF) was founded in 1995 with the aims of improving the securities market, contributing to economic development and promoting exchange of information between members in the Asia-Pacific region. Our Association became a member of this forum, whose members are associations, exchanges and various institutions in the region, in September 2009.

## FEAS

The Federation of Euro-Asian Stock Exchanges (FEAS), which was founded in 1995 under the leadership of the Istanbul Stock Exchange, is an institution with which exchanges, settlement and custody institutions affiliate. The aim of FEAS is to promote cooperation between members so as to build a more fair, effective and transparent market environment. Our Association became an affiliate member of the Federation in September 2009. The Association holds a seat on the Board of Directors of FEAS since November 2014.

## ICSA

The International Council of Securities Associations (ICSA) is a global organization representing industry associations. The aim of the Council, which was founded in 1988, is to contribute to the development of the capital market by ensuring cooperation between member associations. The Association has been a member of ICSA since 2006.

## IFIE

The aim of the International Forum for Investor Education (IFIE), which was set up in 2005 as an independent organization, is to enhance investor education on a global level and to support investors in taking well-informed decisions. Our Association joined the Forum in September 2009, where self-regulatory, regulatory and various non-profit organizations are represented. The Association is a member of the Board of Directors of IFIE since 2011.

## INFE

The Organization for Economic Cooperation and Development (OECD) set up the International Network on Financial Education (INFE) in 2008 to promote financial literacy across member countries. The Association joined the platform in 2015 as an affiliate member.

## IOSCO

The International Organization of Securities Commissions (IOSCO) was founded in 1983 to set global standards in the capital markets. Our Association joined the organization, as an affiliate member in 2003. The Association applied to IOSCO to be removed from membership as of end-2015.

# INVESTMENTS



With its objectives of improving the capital markets, the Association acquires equity stakes in capital market institutions and participates in their management.



## Borsa İstanbul Inc.

The Association holds 1.03% equity stake in Borsa İstanbul Inc. The Association has an interest of TL 5,502,042 in the company's capital of TL 423,234,000. The Association was represented with one member on the Board of Directors of Borsa İstanbul Inc. in 2015.

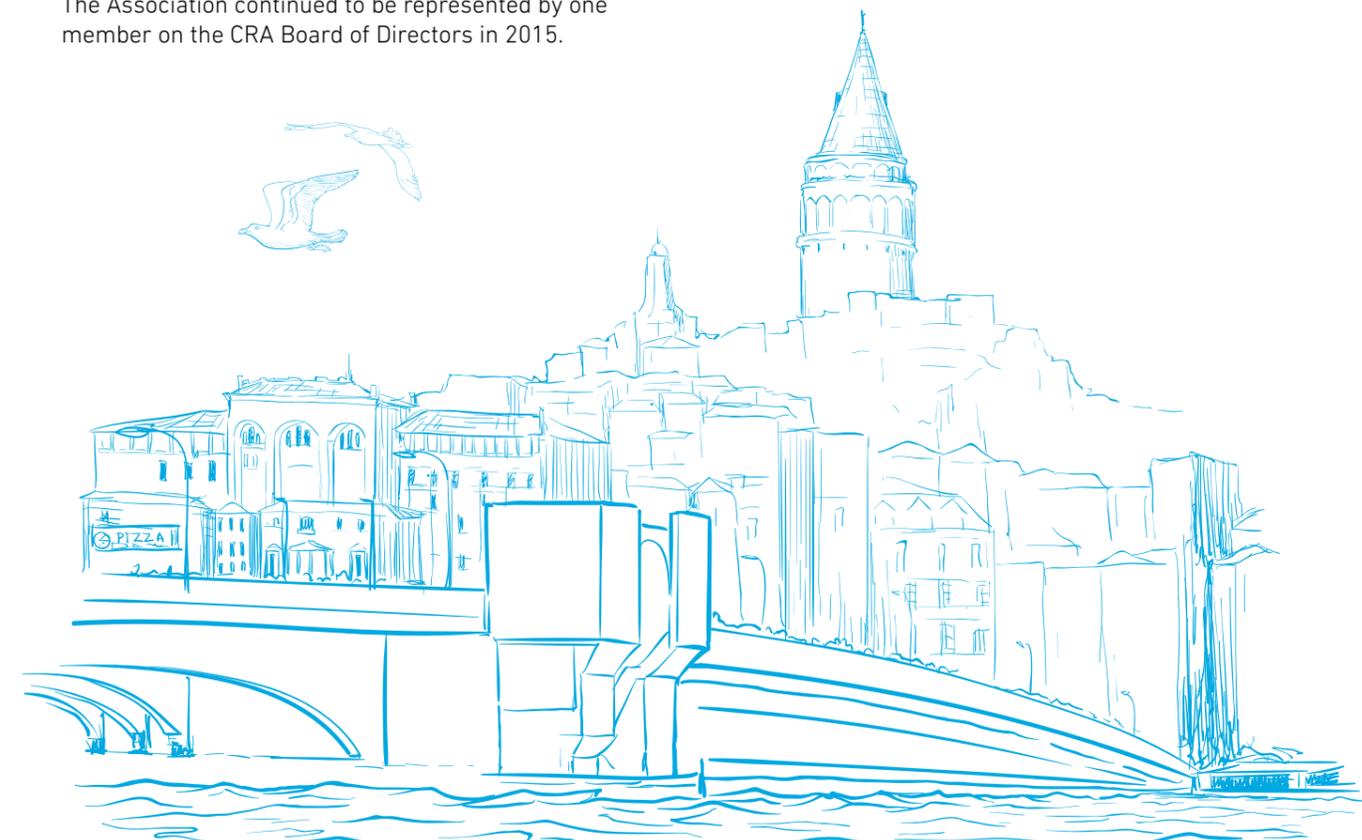
## Central Registry Agency Inc.

TCMA has a 5% share in the Central Registry Agency Inc. (CRA). Our Association holds TL 1,800,000 of the company's total capital of TL 36,000,000. The Association continued to be represented by one member on the CRA Board of Directors in 2015.

## Capital Markets Licensing Registration and Training Agency

Capital Markets Licensing Registration and Training Agency Inc. (CMLTA) was founded on 16 June 2011 to organize training programs, issue licenses and keep records of the market professionals.

The Association holds TL 980,000 in the company's total capital of TL 2,000,000 and was represented by two members on the CMLTA Board of Directors in 2015.



# OVERSIGHT AND DISPUTE RESOLUTION

## Oversight

The Association is authorized to regulate, supervise and enforce issues delegated to it by legislation or by the CMB. In this context, various audits are conducted when necessary, and the provisions of the legislation are applied in case of non-compliance.

## Dispute Resolution

Investor complaints related to intermediary institutions are handled within the context of the Association's duty and authority of "assisting in the resolution of conflicts between members or between members and their customers arising from non-market transactions." Efforts are spent to resolve conflicts between our members and investors without resorting to legal action.

## Arbitration Rules

The Association presented its feedback on the İstanbul Arbitration Center's Draft Fast Track Arbitration Rules, Draft Emergency Arbitrator Rules, and Draft Mediation Rules to the İstanbul Arbitration Center.

# INQUIRIES

Within the frame of the Law on the Right to Information, the Association received a total of 36 inquiries during 2015. Out of these 36 inquiries, positive responses were given to 10, which were provided with access to information and documents. Access to documents and information was granted to 4, which were partly responded positively and partly rejected, while 5 applications were rejected. 17 applications were referred to other institutions and organizations due to their relevance.



# AUDITORS REPORT

## TO THE GENERAL ASSEMBLY OF TURKISH CAPITAL MARKETS ASSOCIATION AUDITORS REPORT

23 March 2016

The Association's accounts and transactions have been audited on a monthly basis in accordance with Article 20 of the Statute of the Turkish Capital Markets Association.

It has been established that the records of the Turkish Capital Markets Association have been kept in accordance with the relevant regulations and accounting principles, and that they present a true and fair view of the financial position of the Association.

We hereby present the balance sheet, income statement and final chart of accounts as well as the Auditors' Report for the year ended 31.12.2015 for your approval, and hereby recommend that the Board of Directors be acquitted from its liabilities.

### BOARD OF AUDITORS



C. Özgür GÜNERİ  
AUDITOR



Mustafa İLERİ  
AUDITOR



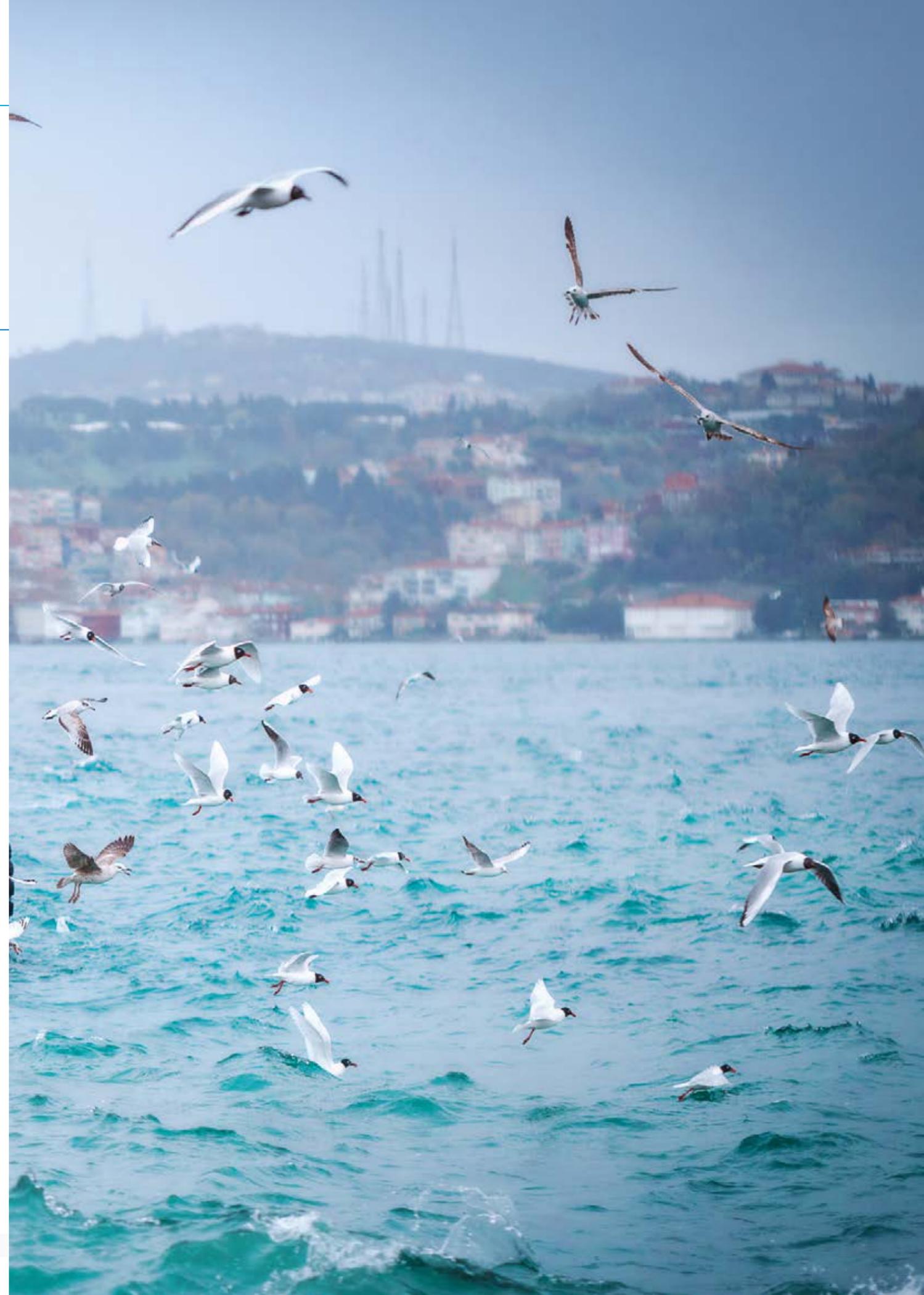
M. Aşkın DOLAŞTIR  
AUDITOR



İ. Namık AKSEL  
AUDITOR



Oktay AYDIN  
AUDITOR





Güney Bağımsız Denetim ve  
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Eski Büyükdere Cad.  
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Ticaret Sicil No: 479920-427502

**(Convenience translation of a report originally issued in Turkish)**

To the Board of Directors of Turkish Capital Markets Association:

**Report on the consolidated financial statements**

We have audited the accompanying consolidated balance sheet of Turkish Capital Markets Association and Its Operating Entity (will be referred to as "the Association") as at December 31, 2015 and the related consolidated statement of profit and loss for the year then ended and a summary of significant accounting policies as disclosed in the Note II of financial statements ("Note II") and some explanatory notes.

**The Association's responsibility for the financial statements**

The Association management is responsible for the preparation and fair presentation of financial statements in accordance with the accounting policies disclosed in Note II of the accompanying financial statements and for such internal controls as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to error and/or fraud.

**Independent auditors' responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our audit was conducted in accordance with Auditing Standards which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey. Those standards require that ethical requirements are complied with and that the independent audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

Independent audit involves performing independent audit procedures to obtain independent audit evidence about the amounts and disclosures in the consolidated financial statements. The independent audit procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to error and/or fraud. In making those risk assessments, the Association's internal control system is taken into consideration. Our purpose, however, is not to express an opinion on the effectiveness of internal control system, but to design independent audit procedures that are appropriate for the circumstances in order to identify the relation between the consolidated financial statements prepared by the Association and its internal control system. Our independent audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Association's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained during our independent audit is sufficient and appropriate to provide a basis for our qualified audit opinion.



**Basis for qualified opinion**

Based on its status, the Association recognizes income surplus realized in previous period in the statement of profit and loss of current period as an income surplus of the previous period. As it is presented separately in the statement of profit and loss for the year ended December 31, 2015, the amount recognized as an income surplus in 2015 is TL 1.589.320. Since we were assigned as an auditor of the Association in 2015, we did not perform any audit procedures on the income surplus recorded in the statement of profit and loss for the year ended December 31, 2015.

**Qualified opinion**

In our opinion, except for the possible effects of the matter mentioned above in "Basis for qualified opinion" section, the accompanying financial statements present fairly, in all respect, the financial position of the Association and Its Operating Entity as of December 31, 2015 and their financial performance for the year then ended in accordance with accounting policies mentioned in Note II.

**Other matter**

The accompanying financial statements as of and for the year ended December 31, 2014 which were presented for comparative purposes were not audited by us.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited

Metin Canoğulları, CPA  
Engagement Partner

March 23, 2016  
Istanbul, Turkey

(2)

A member firm of Ernst & Young Global Limited

# FINANCIAL STATEMENTS (CURRENCY – TURKISH LIRA (TL))

ASSETS	CURRENT PERIOD	PRIOR PERIOD
	AUDITED	UNAUDITED
	DECEMBER 31, 2015	DECEMBER 31, 2014
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	2,982,153	2,944,905
Receivables From Operations	437,406	232,071
Prepaid Expenses	855,711	670,337
Other Current Assets	29,642	21,677
<b>TOTAL CURRENT ASSETS</b>	<b>4,304,912</b>	<b>3,868,990</b>
<b>NON - CURRENT ASSETS</b>		
Financial Investments	8,282,042	6,782,042
Property and Equipment	3,574,802	3,688,567
Intangible Assets	209,832	209,832
Accumulated Deprecation and Amortization	(3,742,351)	(3,850,687)
Prepaid Expense	-	256,572
Other Non-Current Assets	4,572	4,572
<b>TOTAL NON-CURRENT ASSETS</b>	<b>8,328,897</b>	<b>7,090,898</b>
<b>TOTAL ASSETS</b>	<b>12,633,809</b>	<b>10,959,888</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Trade Payables	444,343	664,967
Other Payables	9,052	21,109
Advances Received	26,406	25,865
Taxes and Other Obligations	166,613	204,290
Deferred Income and Expense Accrual	347,706	217,571
Liabilities for Employees	624,105	825,769
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,618,225</b>	<b>1,959,571</b>
<b>NON-CURRENT LIABILITIES</b>		
Reserve for Employee Termination Benefits	774,124	623,955
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>774,124</b>	<b>623,955</b>
<b>TOTAL LIABILITIES</b>	<b>2,392,349</b>	<b>2,583,526</b>
<b>EQUITY</b>		
Funds	8,287,042	6,787,042
Income Surplus	1,954,418	1,589,320
<b>TOTAL EQUITY</b>	<b>10,241,460</b>	<b>8,376,362</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>12,633,809</b>	<b>10,959,888</b>

INCOME STATEMENT	CURRENT PERIOD	PRIOR PERIOD
	AUDITED	UNAUDITED
	JANUARY 1 - DECEMBER 31, 2015	JANUARY 1 - DECEMBER 31, 2014
<b>INCOME</b>		
Membership Fee and Expense Contribution from Members	6,108,872	4,068,815
Operating Income	1,278,320	874,323
Non-Operating Income	1,046,856	1,040,485
Previous Year's Income Surplus	1,589,320	3,065,576
Other Income	306,901	267,454
<b>TOTAL INCOME</b>	<b>10,330,269</b>	<b>9,316,653</b>
<b>EXPENSES</b>		
Personnel Expenses	(4,655,280)	(4,228,094)
Board of Director's Fee	(240,000)	(103,800)
Outsourced Services	(458,354)	(491,663)
Advertisement and Meeting Expenses	(1,182,591)	(763,228)
Research and Publication Expenses	(117,685)	(115,852)
Information Technology Expenses	(472,806)	(513,102)
Training, Courses and Seminars Expenses	(388,015)	(377,875)
Travel and Accommodation Expenses	(175,464)	(170,335)
Fixed Asset Purchases Expenses	(52,332)	(91,883)
Financial Assets Purchase	-	(130,000)
Membership Fees Expenses	(136,012)	(129,574)
Other Expenses	(497,312)	(611,927)
<b>TOTAL EXPENSE</b>	<b>(8,375,851)</b>	<b>(7,727,333)</b>
<b>INCOME SURPLUS</b>	<b>1,954,418</b>	<b>1,589,320</b>
Provision For Taxes and Other Legal Liabilities (-)	-	-
<b>NET INCOME SURPLUS</b>	<b>1,954,418</b>	<b>1,589,320</b>

[www.tspb.org.tr](http://www.tspb.org.tr)

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