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Double Reform for Transparency and Sustainability: Assessment of CMB Bulletin No. 2026/51

2026 September

In the Bulletin of the Capital Markets Board (the "**Board**") dated 13 August 2026 and numbered 2026/51, the announcement (the "**Announcement**") made pursuant to the decision of the Board's Decision-Making Body dated 13 August 2026 and numbered 49/1489, and Principle Decision i-SPK 128.29 (decision dated 13 August 2026 and numbered 49/1500) (the "**Principle Decision**") have been published. With the Announcement, the scope of the obligation to publish material event disclosures in English has been expanded; with the Principle Decision, the existing regulation on sustainable finance instruments has been renewed under two separate guides, and social and sustainability-linked capital markets instruments have been brought within the scope of the regulation.

Key Highlights

- With the Announcement published in the Capital Markets Board's Bulletin dated 13 August 2026 and numbered 2026/51, the obligation to publish material event disclosures in English has ceased to be limited to first-group companies only and has been expanded so as to cover all publicly held companies whose shares are traded on the stock exchange. The expanded scope will enter into force on 1 October 2026.
- With the Principle Decision published in the same Bulletin, the Guide on Green Debt Instruments, Sustainable Debt Instruments, Green Lease Certificates and Sustainable Lease Certificates adopted in 2022 has been repealed and, in its place, the Guide on Green, Sustainable and Social Capital Markets Instruments and the Guide on Sustainability-Linked Capital Markets Instruments have been adopted.
- With the New Guides, social capital markets instruments and sustainability-linked capital markets instruments have been regulated as independent instrument types for the first time. In social instruments, the allocation of the proceeds to social projects is taken as the basis, whereas in sustainability-linked instruments, the issuer's achievement of predetermined performance targets is taken as the basis.
- A discount of 50% will be applied to the Board fees in issuances under the New Guides, and this incentive has also been extended to social and sustainability-linked instruments.
- Publicly held companies newly falling within the scope must establish their English disclosure infrastructure by 1 October 2026, while issuers must assess separately their new applications and their transactions under existing issuance ceilings in accordance with the transitional provisions of the relevant Guide.

Expansion of the scope of the obligation to publish material event disclosures in English

The section of the Board's Guide on Material Events titled "Language and Form of Notification of Material Event Disclosures" sets out the principles regarding the publication of material event disclosures in English in addition to Turkish. This obligation currently applies to companies included in the first group determined within the framework of the Board's corporate governance regulations.

With the Announcement, the scope of the said obligation has been expanded so as to include all publicly held companies whose shares are traded on the stock exchange. Accordingly, the obligation will not be limited to companies included in the first group in terms of corporate governance regulations; it will also cover other publicly held companies whose shares are traded on the stock exchange. Therefore, in determining the scope, whether the company's shares are traded on the stock exchange will be taken as the basis instead of the company's corporate governance group.

Companies falling within the scope will be required to publish their material event disclosures in English simultaneously with the Turkish disclosure. The English disclosure will not be an alternative disclosure replacing the Turkish disclosure, but will be made in addition to the Turkish disclosure. The Announcement does not change the scope of the events requiring a material event disclosure or the content of the disclosure; it adds to the existing disclosure obligation the requirement to make a simultaneous disclosure in English.

The responsibility for the English disclosure being consistent with and accurate in relation to the Turkish disclosure will rest with the relevant company. In addition, the English disclosure will be required to include a disclaimer stating that the Turkish disclosure will be taken as the basis. Thus, it will have been expressly stated that, in the event of a discrepancy between the two texts, the Turkish disclosure will be taken as the basis.

The expanded scope of the obligation will begin to be applied on 1 October 2026. Until that date, the current practice will continue and the obligation will be applied only in respect of companies included in the first group. Publicly held companies whose shares are traded on the stock exchange but which are not currently within the scope of the obligation will be required to complete, by 1 October 2026, the necessary preparations regarding translation, review, approval and simultaneous publication processes.

Inclusion of social and sustainability-linked capital markets instruments within the scope and the Board fee discount

With the Principle Decision, to replace the Guide on Green Debt Instruments, Sustainable Debt Instruments, Green Lease Certificates and Sustainable Lease Certificates adopted in 2022 under the Board's Principle Decision i-SPK 128.18 (decision dated 24 February 2022 and numbered 10/296) (the "**Former Guide**"), the Guide on Green, Sustainable and Social Capital Markets Instruments (the "**Green, Sustainable and Social Guide**") and the Guide on Sustainability-Linked Capital Markets Instruments (the "**Sustainability-Linked Guide**") (together, the "**New Guides**") have been adopted.

The Green, Sustainable and Social Guide has been prepared on the basis of the Green Bond Principles, the Sustainable Bond Principles and the Social Bond Principles of the International Capital Market Association (the "**ICMA**"), which are widely adopted in financial markets and bear the quality of a global standard in relation to green, sustainable and social bonds; and the Sustainability-Linked Guide has been prepared on the basis of ICMA's Sustainability-Linked Bond Principles.

Under the Former Guide, capital markets instruments such as asset covered and mortgage covered securities, asset-backed and mortgage-backed securities, project-backed securities and real estate certificates could be issued as green or sustainable themed, provided that they satisfied the necessary conditions. With the Green, Sustainable and Social Guide, the possibility has been afforded for these instruments to be issued as social capital markets instruments as well. For this purpose, the proceeds obtained from the issuance must be used in the financing or refinancing of eligible social projects and the other conditions envisaged in the relevant Guide must be satisfied. Blue capital markets instruments, on the other hand, have been accepted as green capital markets instruments in parallel with the previous regulation.

With the Green, Sustainable and Social Guide, social capital markets instruments have been regulated for the first time as an independent instrument type. The proceeds obtained from social capital markets instruments will have to be used solely in the partial or full financing of new or existing social projects having positive social impacts, or in the refinancing of existing social projects. Accessible infrastructure and housing, access to essential services such as education, health, vocational training and financial services, job creation, food security, socioeconomic advancement and accessible psychosocial support services have been listed among the types of social projects that may be financed within this scope. The issuer will also be required to determine the target population to which the social project relates.

The scope of green project types has also been expanded by adding new fields of activity. Waste treatment facilities compatible with circular economy principles, as well as projects that may contribute to the green energy transition, such as hydrogen, carbon capture and storage, clean gases and their derivatives and nuclear energy activities, have been expressly included among the examples of green projects. Until the Türkiye Green Taxonomy is established, it will continue to be possible to benefit from internationally recognized taxonomies, primarily the European Union Taxonomy. In addition, it has been recommended that, in the event that the look-back period envisaged for research, development and supporting expenditures subject to refinancing exceeds thirty-six months, the reasons for this be explained.

With the Sustainability-Linked Guide, sustainability-linked capital markets instruments, which the Former Guide expressly excluded from its scope, have been regulated in detail for the first time. The fundamental element distinguishing these instruments from green, sustainable and social capital markets instruments is that it is not mandatory for the proceeds obtained from the issuance to be used in a specific green or social project. The element taken as the basis in sustainability-linked instruments is the issuer's performance in relation to predetermined environmental, social and/or corporate governance targets.

The issuer will first determine key performance indicators that are material, measurable, verifiable and comparable in terms of its activities, together with sustainability performance targets linked to those indicators. The targets will be required to be tied to a specific timeline and to be consistent with the issuer's overall sustainability strategy and sufficiently ambitious. Depending on whether the determined targets are achieved, changes may be made to the coupon payment or other financial and/or structural features of the instrument. For this reason, the element producing consequences for the investor in sustainability-linked instruments is not the place of use of the proceeds, but the level of realization of the performance undertaken by the issuer.

In domestic issuances to be carried out under the New Guides, a framework document containing the minimum elements determined in the relevant Guide and resolved upon by the issuer's board of directors will have to be prepared, and an independent second-party opinion assessing the framework document's compliance with the relevant guide will have to be obtained. It will be expressly stated in the resolution of the authorized body regarding the issuance that the instrument planned to be issued is green, sustainable, social or sustainability-linked. The framework document and the second-party opinion will be submitted to the Board at the time of the application relating to the issuance ceiling and, following the Board's approval, will be publicly disclosed on the issuer's website and on the Public Disclosure Platform (the "**KAP**").

A separate issuance ceiling will have to be obtained for issuances under the New Guides, and only capital markets instruments falling within the scope of the relevant Guide may be issued under that ceiling. In respect of projects based on the same environmental and social purposes, or the same performance indicators and targets, the framework document and the second-party opinion may be used in different issuance ceiling applications, provided that the necessary conditions are satisfied. In addition, it will be possible for a framework document prepared for group companies to be used by the relevant issuer, provided that it is resolved upon by that issuer's board of directors.

In green, sustainable and social capital markets instruments, a report on the places of use of the proceeds obtained from the issuance will have to be prepared at least once a year, and such reporting will have to continue until the proceeds have been fully used. In the event that a material development occurs, the report will be updated within six weeks at the latest. Following the full use of the proceeds, the final report on the use of the proceeds and the verification opinion regarding the use of the proceeds will be published within three months. Within the same period, an impact report showing the estimated or realized environmental and social impacts of the financed projects will also have to be disclosed.

In sustainability-linked capital markets instruments, on the other hand, the issuer will disclose the realizations regarding the determined performance targets by means of a performance assessment report at least once a year. Reporting will also have to be made in the event that a development arises that may require a change in the financial or structural features of the instrument. The level of realization of each key performance indicator against the relevant target will be subject to independent verification, and the verification opinion will be published on the issuer's website and on KAP.

In the New Guides, external review services have been regulated under two principal service types, namely second-party opinion and verification. Certification and scoring or rating, which were listed as separate types of external review in the Former Guide, have not been included in the New Guides as independent service types. Institutions that will provide external review services will be required to possess the necessary technical competence, expertise and equipment and to be deemed appropriate by the Board. For these institutions, maintaining an adequate organizational structure and personnel and obtaining professional liability insurance have also been made mandatory.

The New Guides envisage that, in issuances abroad of green, sustainable and social capital markets instruments, a framework document prepared in accordance with the relevant foreign standards and resolved upon by the board of directors, together with a second-party opinion assessing the compliance of this document with the foreign standards taken as the basis, be submitted to the Board. A separate issuance ceiling will also have to be obtained for issuances abroad. With the adoption of the Sustainability-Linked Guide, these principles have been regulated for the first time in respect of issuances abroad of sustainability-linked instruments as well.

In the issuance of capital markets instruments under the New Guides, a discount of 50% will be applied to the fees collected by the Board pursuant to the relevant provisions of the capital markets legislation. Thus, while the existing discount provided for green and sustainable instruments is maintained, social and sustainability-linked capital markets instruments have also been brought within the scope of the discount. In respect of lease certificates, this discount will be applied in addition to the existing discount of 50% provided, by the Board Decision dated 24 June 2016 and numbered 20/710, for the Board fees collected in the issuance of lease certificates.

The Green, Sustainable and Social Guide will be applied to issuance applications to be made after 13 August 2026. The Sustainability-Linked Guide, on the other hand, will not be applied to issuances carried out under an issuance ceiling approved by the Board before 13 August 2026 and declared by the issuer to be sustainability-linked. For this reason, it will be necessary to assess separately, taking into account the application and issuance dates, the provisions of which guide new applications and transactions under existing issuance ceilings are subject to.

GenTemizer is a Turkish law firm based in Istanbul, Türkiye. We advise various businesses in relation to their investments, M&A, competition law/antitrust, project financing and construction projects as well as on operational and dispute resolution matters in the context of the Turkish regulatory framework. We have also advised investors in relation to government sponsored privatisation projects.

We are listed in *Legal 500, IFLR1000* and *Chambers and Partners* as one of the leading law firms in Türkiye. Each of our partners have also been recognised as one of the leading lawyers in Türkiye. We understand and can meet the demanding requirements and innovative, responsive thinking required for an investment transaction in Türkiye.

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