

**CAPITAL MARKETS LAW NEWSLETTER**

This newsletter updates readers on the recent developments occurred in June 2024 in the capital markets. It includes (i) the recent developments for Amendments to Capital Markets Law Regarding Crypto Assets ("**Crypto Law**"), which was submitted to the Grand National Assembly of Türkiye on May 16, 2024; (ii) the 2024 Annual Conference of Green Bond Principles dated June 25, 2024; and (iii) recent initial public offerings ("**IPO**") in Türkiye.

**1. The Recent Developments for the Crypto Law**

The Crypto Law, which envisages the regulations on crypto assets, was placed on the agenda of the Grand National Assembly of Türkiye in January 2024. Subsequently, it was finalized on May 16, 2024 and submitted to the General Assembly of the Grand National Assembly of Türkiye ("**General Assembly**") for consideration.

On June 28, 2024, the articles of the Crypto Law were discussed and adopted without any amendments in the General Assembly. Following its approval by the President, it was published in the Official Gazette on July 2, 2024 and entered into force.

Within the scope of the Crypto Law, the Capital Markets Board of Türkiye ("**Board**") is expected to regulate the sub-framework legislation on crypto assets.

With the Draft Crypto Law, crypto asset service providers are required to obtain permission from the Board to initiate their activities.

In this regard, companies wishing to operate must apply to the Board with the necessary documents within 1 (one) month from the entry into force of the Crypto Law.

**2. The 2024 Annual Conference of Green Bond Principles and the New Guidelines**

Unlike traditional bonds, Sustainability Bonds are issued to finance or refinance both Green and Social Projects.

Conversely, Sustainability-Linked Bonds ("**SLBs**") popularity has grown significantly since they were first introduced in 2019. SLBs were one of the fastest growing sustainable debt instruments due to increasing appetite from investors, supportive policy, and rising awareness regarding climate change risks.

With increasing climate change awareness, investors seek to align their portfolios with their financial objectives and internationally recognized sustainability goals such as the Paris Agreement and the United Nations Sustainable Development Goals.

Green bonds enable capital-raising and investment for new and existing projects with environmental benefits. The Green Bond Principles ("**GBP**") seek to support issuers in financing

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environmentally sound and sustainable projects that foster a net-zero emissions economy and protect the environment.

In this regard, International Capital Market Association organizes an annual conference on green bonds principles.

The 2024 Annual Conference of Green Bond Principles (“**Conference**”) was held on June 25, 2024, in Amsterdam. At the Conference, (i) the Green Enabling Projects Guideline, and (ii) the Sustainability-Linked Loan Financing Bonds Guidelines (“**SLLB Guidelines**”) which were developed jointly with the Loan Market Association were announced.

The Green Enabling Projects Guideline aims to provide guidance for green enabling projects, by addressing both the induced and avoided emissions dimensions, as well as the management of related environmental and social risks.

Furthermore, the SLLB Guidelines define SLLB, which are any type of bond instrument (i) where the proceeds or an equivalent amount will be exclusively applied to finance or re-finance, in part or in full, a portfolio of new and/or existing eligible Sustainability-Linked Loans aligned with the SLL Eligible Portfolio.

The SLLB Guidelines comprise four principal elements: (i) the use of proceeds, (ii) the process for SLL evaluation and selection, (iii) management of proceeds, and (iv) reporting.

With the SLLB Guidelines, a new financing instrument is introduced in the capital markets and an important step has been taken for a sustainable market environment.

### 3. Recent IPOs

In June 2024, the Board authorized 2 (two) companies’ IPO application: (i) Seğmen Kardeşler Gıda Üretim ve Ambalaj Sanayi A.Ş., and (ii) Efor Çay Sanayi ve Ticaret A.Ş.

Should you have any inquiries, please do not hesitate to contact us.

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