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Competition in Capital Markets – Note by Türkiye

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Türkiye

The Functioning of Capital Markets in Türkiye and the Dynamics of Competition Law

1. Companies as key drivers of economic growth meet their financing needs not only through the traditional banking system but also through capital market instruments such as initial public offers, factoring and financial leasing, capital provided by existing partners, strategic investors, venture capital, and private equity funds, as well as investment funds, crowdfunding, and government incentives. For this reason, the corporate financing system in Türkiye encompasses a broad financing ecosystem. This leads to varying degrees of competition among financing sources. In this regard, capital market instruments can serve as an alternative source of capital—particularly for entrepreneurial companies (e.g., start-ups) that struggle to obtain loans from banks—thereby enabling them to compete on an equal footing with incumbent players in their respective markets. On the other hand, companies' ability to utilize capital market instruments is subject to strict regulations in Türkiye—as in many jurisdictions—for purposes such as investor protection, preventing market manipulation, and mitigating systemic risk. In this regard, it would be helpful to first address the key aspects of how this issue is addressed under Turkish law.

1. The Legal Framework for Sources of Financing and Capital Market Instruments

2. The Turkish Commercial Act No. 6102 (Commercial Act) establishes the fundamental legal framework governing commercial enterprises and companies in Türkiye from their establishment to their dissolution while the Capital Markets Act No. 6362 (CMA) establishes the fundamental legal framework for capital markets.

3. The provisions of the Commercial Act, on the other hand, contain regulations pertaining to partnerships and corporations. In corporations, the liability of shareholders is, as a general rule, limited to the capital they have committed to contribute to the company. Joint-stock companies, which are classified as corporations, are particularly significant in terms of capital markets and corporate finance. Joint-stock companies may issue shares and, under certain conditions, raise funds from capital markets through public offers. Public joint-stock companies, on the other hand, are subject not only to the provisions of the Commercial Act but also to CMA and relevant capital markets legislation.

4. Under the CMA, the Capital Markets Board of Türkiye (CMB) is the primary regulatory and supervisory public authority responsible for regulating, supervising, and monitoring the capital markets; protecting investors; ensuring transparency and confidence in the market; and supporting the development of the capital markets[1].

5. According to the CMA, an initial public offer encompasses a general invitation to purchase capital market instruments and the subsequent sale resulting from that invitation. The primary purpose of a public offer is to increase a company's value and reputation by securing the financial resources necessary for its growth, as well as to reach a broader investor base. In this context, companies may choose not to opt for a public offer until they reach a certain size, especially when considering the responsibilities that come with it. In Türkiye, many small and large businesses are founded on family-owned enterprises, and as

[1]See. https://spk.gov.tr/hakkimizda/gorev-yetki-ve-sorumluluklar (September, 2026).

these businesses grow, it becomes increasingly important to adopt a professional management approach and align the goals of the family with those of the business. At this point, it becomes crucial to organize the goals of the family and the business within a common framework to contribute to the business's sustainability and continuity across generations.

6. CMB regulations do not apply solely to publicly traded companies. Companies whose shares are not traded on Borsa Istanbul AS (stock exchange market in Türkiye, Borsa Istanbul) may also issue capital market instruments other than shares, either through a public offer or without one[2]. CMB also regulates companies that issue capital market instruments other than shares without a public offer—even if their shares are not traded on Borsa Istanbul—under the category of "*non-public issuers*"[3]. This issue is important from the perspective of corporate finance. It is not mandatory for a company to offer its shares to the public and become a publicly traded company in order to raise funds from the capital markets.

7. Another important capital market financing method available to privately held companies is the issuance of debt instruments. The principal regulations governing the issuance of debt instruments are set out in the CMA and the CMB's Communiqué No. VII-128.8 on Debt Instruments, which establish the principles to be observed in the issuance of debt instruments and regulate the characteristics of the instruments to be issued. Under this framework, companies may obtain financing from investors through instruments such as bonds and bills (commercial paper). These instruments may be issued either through a public offer or without a public offer[4], providing businesses with a source of financing. Accordingly, a company can obtain debt financing from the capital markets without going public, transferring control of the company to investors, or having its shares listed (quotation/listing[5]) on a stock exchange. This feature enables capital market debt instruments to serve as an alternative to bank loans, particularly for companies of a certain size.

1.1. Capital Markets from the Perspective of SMEs

8. In Türkiye, small and medium-sized enterprises (SMEs) rely more heavily on external sources of funding compared to internal sources, a pattern that differs from the situation across Europe. While SMEs in EU countries tend to utilize a relatively balanced mix of internal resources and external financing—such as bank loans—the use of internal resources by SMEs in Türkiye remains limited.

9. Furthermore, whereas debt instruments do not play a significant role for SMEs in the EU, they hold a substantial place in Türkiye. Regarding the utilization of these funds, medium-sized enterprises typically employ them for investment financing and working capital, while small businesses often use them to settle existing obligations. Given that the

[2] In general, it refers to the direct sale of shares or similar instruments to specific individuals, institutions, or qualified investors without making a public offer to all investors.

[3] See. https://spk.gov.tr/sirketler/duzenlemeler-ve-surecler/halka-acik-olmayan-ihraccilarin-yukumlulukleri (September, 2026).

[4] In general, this refers to the direct sale of shares or similar instruments to specific individuals, institutions, or qualified investors, without making an offer to all investors.

[5] Listing, or initial listing, refers to the initial admission of shares traded in the capital markets to the exchange trading list (See. https://koteder.org.tr/bilgi-merkezi/halka-acilma-ve-kotasyon-743.html).

financing preferences of SMEs in Türkiye vary, this aspect should be carefully considered when formulating policy.

10. On the other hand, SMEs are sometimes unable to benefit from the support mechanisms available in the capital markets. In the Turkish context, the main reasons for this situation include low levels of knowledge and awareness regarding capital market instruments; reluctance in family-owned businesses to share control and ownership with others; the audit and transparency obligations to which publicly traded companies are subject; the negative impact of off-the-books transactions on financial statements; and investors' preference for larger businesses.

11. As SMEs have more limited capacities to develop technology and innovation than new technology ventures, public institutions formulate policies to support the entrepreneurship and innovation ecosystem. These policies aim to promote alternative sources of financing, such as venture capital and angel investment, provide support for start-ups, and strengthen cooperation between large companies and start-ups. Since younger companies face high levels of risk at the idea stage, they primarily rely on sources such as crowdfunding, angel investors, and venture capital. As a business grows, becomes more institutionalized, and its risk level decreases, bank loans and capital market instruments become increasingly important sources of financing[6].

12. Venture capital is particularly important for SMEs, especially businesses with growth potential, and is regarded as a significant alternative source of financing. In this context, CMB established the regulatory framework for Venture Capital Investment Trusts (VCITs)[7] and, in 2014, for Venture Capital Investment Funds (VCIFs)[8]. Under Turkish legislation, VCIFs may be established by portfolio management companies. These funds do not have legal personality and are managed by portfolio management companies. Under the applicable legislation, a VCIF is defined as "*an asset which does not have a legal entity, established under fund rules with limited term, by portfolio management companies and venture capital portfolio management companies which hold an operating license received from the Board in order to manage the portfolios comprised of assets and transactions -specified in the third paragraph-, with money and/or capital stocks collected from qualified investors*[9] *in return for fund units, in accordance with fiduciary ownership principles and pursuant to the provisions of the Law (CMA)*"[10] This method can provide an alternative or complementary source of financing to bank loans, particularly for companies that are growing rapidly, engaged in technological development, or seeking to enter new markets.

[6] See: https://acikerisim.uludag.edu.tr/server/api/core/bitstreams/7ea50ce0-67cf-4959-a950-d7dc82d60073/content (September 2026)

[7] See: https://spk.gov.tr/kurumlar/yatirim-ortakliklari/girisim-sermayesi-yatirim-ortakliklari/tebligler (September 2026).

[8] See: https://spk.gov.tr/kurumlar/fonlar/yatirim-fonlari/girisim-sermayesi-yatirim-fonlari/tebligler (September 2026).

[9] Qualified investor: Individuals whose total financial assets amount to 10 million TL are considered qualified investors. (See. https://spk.gov.tr/data/61e496a11b41c60d1404d6b2/Yat%C4%B1r%C4%B1m_Hizmetleri_ve_Kurulu%C5%9Flar%C4%B1_Rehberi%20(i-SPK.37.7)_19122025.pdf).

[10] See: https://cmb.gov.tr/data/628162651b41c617eced0fc9/b74003a890695d8a00dbd98bdae3bbec.pdf (September 2026).

13. The legal framework governing angel investment in Türkiye[11] is described as "*natural persons who invest their personal assets, experience, and accumulated knowledge in companies at the start-up or growth stage."* Under the Individual Participation Investor model, these investors provide Individual Participation Capital (angel investment) financing to entrepreneurs with business ideas in exchange for an equity stake in their ventures. Since financing new ideas and projects involves a high level of risk, the applicable legislation requires individuals seeking an angel investor licence to have a high-income level and sufficient experience; in other words, they must meet the criteria for qualified investor status.

14. Crowdfunding is a method that brings together entrepreneurs in need of funding and groups of people seeking investment opportunities through digital platforms. Crowdfunding models are generally classified into four categories: reward-based, donation-based, equity-based, and debt-based crowdfunding. While reward-based and donation-based models are assessed within the frameworks of fundraising and the law of obligations, equity-based and debt-based crowdfunding, which offer financial returns, are regulated under capital markets legislation. In Türkiye, Communiqué No. III-35/A.2 on Crowdfunding consolidates the regulations governing equity-based and debt-based crowdfunding under a single framework. Under this regulation, crowdfunding is defined as the collection from the public, through platforms, of the funding required for a project. The establishment of crowdfunding platforms and the granting of operating licences fall within the CMB's jurisdiction. Crowdfunding continues to serve as an alternative financing channel for start-ups that do not yet have sufficient financial track records or collateral to access conventional bank financing.

15. Türkiye also has publicly supported financing sources. These include public support mechanisms that reduce businesses' direct financing needs or facilitate their access to private financing, such as the Small and Medium Enterprises Development Organization of Türkiye, the Scientific and Technological Research Council of Türkiye, the Credit Guarantee Fund, the investment incentive system, and export support programmes. Consequently, businesses in Türkiye have several alternative financing sources available to meet their funding needs.

1.2. Bank Financing, Capital Market Instruments, and Other Sources of Financing

16. As is the case globally, capital markets and the banking sector in Türkiye complement one another. In this respect, capital markets, alongside the banking sector, play a significant role in Türkiye's financial markets. This indicates that banks face competition from other sources of financing in the provision of corporate finance. For example, bank loans for short-term working capital can be substituted, to some extent, by factoring; investment loans for machinery and equipment investments can be substituted by financial leasing; and bank loans used for the medium- and long-term financing of large companies can be substituted by bonds and other debt instruments. Therefore, although banks occupy an important position in corporate financing, they are not the only financing option available to a company, as the alternatives depend on the company's characteristics.

17. The relationship between bank loans and the issuance of bonds or bills is one of the clearest examples of competition between financing sources. Under both methods, a company essentially obtains debt financing. However, the party providing the funds differs.

[11] The legal framework governing angel investment dates back to 2012 and entered into force following its publication in the Official Gazette dated 15 February 2013, No. 28560, under the title "Regulation on Individual Participation Capital".

In the case of bank loans, financing is provided directly by a bank, whereas in the issuance of bonds and bills, funds are supplied by financial investors who invest in these instruments. In return, while a company repays the bank principal, interest, and other financing costs on a bank loan, in the case of a bond or bills issuance, the company pays investors the principal and the relevant return in accordance with the terms of the issuance. Consequently, a significant degree of substitutability exists between bank loans and capital market debt financing, particularly for large companies with high creditworthiness.

18. On the other hand, these two financing methods are not equally accessible to all companies. Considering the obligations imposed on companies under Türkiye's capital markets legislation, the fixed transaction costs associated with capital market issuances, investor demand, and companies' financial size, smaller companies may have more limited access to capital market instruments than larger companies.

19. Factoring and financial leasing also play an important role among companies' non-bank financing sources. In particular, a degree of substitutability exists between bank loans and factoring in relation to short-term working capital financing. Financial leasing, meanwhile, is used to finance machinery, equipment, and investment goods. Rather than purchasing the machinery it needs with a bank loan, a company may finance its acquisition through a financial leasing company.

2. Information on Companies Going Public and Investors under the Capital Markets Act

2.1. Information Regarding the Companies and the Markets Where the Issued Capital Market Instruments Are Traded

20. With regard to publicly held companies, there are 758 companies operating with their shares listed on Borsa Istanbul[12]. On the other hand, a total of 748 companies falls within the scope of the CMA, which regulates the capital markets. These companies are referred to as publicly held companies, of which 626 are listed on an exchange, while 122 are classified as publicly held companies whose shares are not traded on an exchange. This distinction is primarily based on Article 16 of the CMA. Pursuant to this provision, corporations with more than 500 shareholders are deemed to have been publicly offered and are therefore subject to the provisions applicable to publicly held companies. The subsequent provisions of the same Act indicate that companies acquiring publicly held status are required to apply to the CMB within two years at the latest for their shares to be traded on an exchange. Accordingly, under the current conditions, at least 122 companies may be expected to apply within two years for their shares to be admitted to trading on an exchange. With regard to applications for public offers, a total of 33 companies completed their public offers during the first eight months of 2026[13]. In this respect, companies that become listed on an exchange through a public offer of their shares are traded[14] on the Star Market (Yildiz Pazar), Main Market (Ana Pazar), Sub-Market (Alt Pazar), and Watchlist Market (Yakin Izleme Pazari)[15].

[12] See. https://www.kap.org.tr/en/bist-sirketler (September 2026).

[13] See. https://spk.gov.tr/ihrac-verileri/halk-acilan-sirket-sayisi (September 2026).

[14] See. https://www.borsaistanbul.com/piyasalar/pay-piyasasi/pazarlar (September 2026).

[15] This is the market where shares of companies are traded that have experienced developments—as defined in the Listing Guidelines—that would result in delisting from the three markets mentioned earlier (such as an independent audit report containing an adverse opinion or a refusal

21. Although the information above primarily concerns relatively large publicly held companies, the Turkish capital markets framework also provides mechanisms enabling companies whose shares are not publicly offered to obtain financing through capital market instruments. In this regard, the Emerging Companies Market (*Gelisen Isletmeler Piyasasi*—GIP)[16] was established in 2009 under the IMKB (the former name of Borsa Istanbul), for the trading of securities issued by companies that did not satisfy the applicable listing requirements but had growth and development potential. In order to facilitate their access to capital market financing and encourage public offers, various regulatory exemptions, fee reductions, reduced obligations, and other incentives were introduced. In 2020, the GIP was abolished, and the companies traded on this market were transferred to the Sub-Market of Borsa Istanbul. Under the current framework, the Pre-Market Trading Platform (*Piyasa Oncesi Islem Platformu*) provides a trading venue for shares of publicly held companies that are not admitted to trading on Borsa Istanbul[17].

22. In addition to the aforementioned market, there is also the Venture Capital Market (*Girisim Sermayesi Pazarı*—VCM), where shares—notably those of SMEs—are traded. In this market, shares of non-public companies are issued without a public offer. Consequently, the VCM enables companies to sell shares—issued through capital increases—to qualified investors within this market, where these shares can subsequently be traded. In other words, the VCM allows companies seeking to secure growth financing through equity to raise capital by issuing shares—via capital increases—exclusively to qualified and institutional investors, while also facilitating the trading of these shares on Borsa Istanbul[18].

23. On the other hand, in Türkiye, public authorities also support SMEs in raising the capital they require through capital market instruments. In this regard, the CMB is among the institutions responsible for the functioning of the Turkish capital markets and provides support and guidance to such companies[19]. In particular, SMEs may obtain funding from the capital markets by offering their shares to the public or selling them without a public offer, as well as by issuing capital market instruments such as debt instruments and lease certificates. These mechanisms provide companies with access to capital market instruments and facilitate liquidity for their shares. In addition to generating funding for investments and providing liquidity for their shares, SMEs may benefit from the enhanced reputation associated with becoming publicly held, increased access to company information resulting from the public disclosure obligations of publicly held companies, greater visibility in the media, and the adoption of corporate governance structures associated with public-company status. These constitute among the principal benefits that SMEs may derive from offering their capital market instruments to the public offer[20].

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to express an opinion, or the suspension of operations for a period exceeding three months without reasonable cause, etc.).

[16] See: https://www.borsaistanbul.com/data/yonetmelikler/IMKB_Gip_Yonetmeligi.pdf (September 2026).

[17] See: https://www.borsaistanbul.com/piyasalar/pay-piyasasi/pazarlar (September 2026).

[18] See. https://www.borsaistanbul.com/piyasalar/pay-piyasasi/pazarlar (September 2026).

[19] See. https://spk.gov.tr/sirketler/kobiler-ve-halka-acilma/kobiler-ve-halka-acilma (September 2026).

[20] See. https://dergipark.org.tr/tr/pub/mufad/article/396832 (September 2026).

24. In addition to share issuances by publicly traded companies, other sources of capital are also available, including debt instruments, lease certificates[21], and other capital market instruments[22]. In this regard, apart from share issuances, Borsa Istanbul has a Structured Products Market, where investment fund participation units, warrants, certificates, and similar instruments can be traded. In addition to these instruments, capital market instruments are also issued in Türkiye for sustainability-related purposes. Within this framework, as of September 2026, issuances for use in sustainability-related areas had been carried out in 2026:

- Debt instruments exceeding TRY 137 billion (USD 2.8 billion) and
- Project finance funds exceeding TRY 1,25 billion (USD 25 million)[23].

2.2. Quantitative Data on Fund Providers

25. The preceding section presented information on companies obtaining financing through capital market instruments on Borsa Istanbul, namely, information concerning the supply side of capital market instruments. It is also useful, however, to briefly consider the demand side, namely the investors in these instruments. In this regard, the number of investors in different categories of capital market instruments is approximately as follows:

- Nearly 7 million equity investors,
- Nearly 6 million investment fund investors,
- Nearly 40.000 investors in private-sector debt instruments and
- Nearly 225.000 investors in other securities[24].

26. Furthermore, it is necessary to briefly address the institution/mechanism of "*market making*"[25], which plays an important role in ensuring the liquidity of capital market instruments. These financial institutions serve as an important mechanism for providing liquidity to capital market instruments. Currently, there are 57 institutions authorized to conduct market-making activities in the equity market[26], 11 in the debt securities market[27],

[21] A security which is issued by an asset lease company for the purpose of financing all kinds of assets and rights, and which enables its holders to get a proportionate share from the revenues derived out of such assets and rights.

[22] See: https://spk.gov.tr/ihrac-verileri/satisi-gerceklesen-pay-harici-sermaye-piyasasi-araclari-ihrac-toplam-tutarlari (September 2026).

[23] See: https://spk.gov.tr/ihrac-verileri/yesil-surdurulebilir-ayriminda-ihrac-toplam-tutarlari (September 2026).

[24] See: https://spk.gov.tr/ihrac-verileri/urun-bazinda-yatirimci-sayilari (September 2026).

[25] Market making is a specialized trading activity carried out on a continuous trading basis by members authorized by the relevant department in accordance with the criteria established by the Board of Directors of Borsa Istanbul. It aims to ensure that trading in the capital market instruments for which these members are responsible is conducted fairly, orderly, and efficiently, while also contributing to market liquidity, in accordance with the specified principles and procedures.

[26] See: https://www.borsaistanbul.com/files/pay-piyasasinda-piyasa-yapicilik-faaliyetinde-bulunabilecek-uyeler-listesi.pdf (September 2026).

[27] See: https://www.borsaistanbul.com/files/piyasa-yapiciligi-dibs.pdf (September 2026).

and, within the Futures and Options Market (VIOP), 3 market makers for equity options and 11 for equity futures[28].

2.3. Current Status of Savings/Funds

27. In addition to discussing the participants in capital markets and the platforms operating in these markets, it is also necessary to examine trends in the funds available for financing. As is the case globally, access to funding sources for companies in Türkiye has slowed, primarily due to regional and global developments[29]. Global and regional instability makes fund providers more hesitant to invest in young and innovative companies, representing one of the most significant obstacles to channelling funds to these businesses. In this context, declining funding availability, combined with global instability, increases the cost of financing corporate investments. In particular, policy rate increases implemented by the central banks of the United States and the EU, as well as by the Central Bank of the Republic of Türkiye (CBRT), may discourage funds from being allocated even to firms with high growth potential. This is because increases in international interest rates may lead to capital outflows from countries. It is particularly important to note that global and regional instability plays a significant role in prompting major central banks to raise interest rates. This situation is not limited to capital resources within Türkiye. Rather, it causes capital to flow towards regions or countries where perceived risk is lowest. Ultimately, this cautious approach to foreign capital, which constitutes an important source of financing for all firms, limits competition among investment opportunities for access to capital, including profitable investments and those with high growth potential. Furthermore, while increases in global interest rates may lead to capital outflows from national economies, thereby reducing the supply of capital, the demand for the funds and capital required for investment remains unchanged[30]. In summary, this imbalance between the two components may lead to an increase in the cost of capital.

3. Funds as an Important Source of Finance for Companies

28. Another important source of capital for companies is investment funds, which are widely used both in Türkiye and globally and constitute collective investment pools formed by bringing together the funds of a large number of investors. These funds primarily consist of financial assets pooled from multiple natural or legal persons[31]. Investment funds allocate these pooled resources to appropriate investment instruments with the objective of generating returns and meeting investors' future financial objectives.

29. Today, savers invest in companies both directly through the capital markets and indirectly through investment funds. In terms of investor preferences, investment funds are generally preferred over individual capital market instruments because they involve comparatively lower risk and are professionally managed. Investment funds may also

[28] See: https://www.borsaistanbul.com/piyasalar/viop/piyasa-isleyisi/piyasa-yapicilik (September 2026).

[29] See: https://www.tcmbblog.org/wps/wcm/connect/blog/tr/main+menu/analizler/dogrudan-yabanci-yatirim-kararlarini-etkileyen-unsurlar (September 2026).

[30] See: https://dergipark.org.tr/en/download/article-file/602420 (September 2026).

[31] CMB (2024a), Investment Funds, Investor Information Booklets, https://spk.gov.tr/data/61e34f9a1b41c61270320792/Yat%C4%B1r%C4%B1m%20Fonlar%C4%B1.pdf (September 2026).

invest in a broad range of financial instruments. Accordingly, under the applicable legislation in Türkiye, investment funds may invest, with a view to achieving their investors' objectives and generating returns, in:

- Shares of issuers, as well as private-sector and public-sector debt instruments;
- Tradable foreign private-sector and public-sector debt instruments and shares of foreign issuers;
- Time deposits, participation accounts, and certificates of deposit with maturities not exceeding 12 months;
- Investment fund participation units;
- Repurchase and reverse repurchase transactions;
- Real estate and lease certificates; and
- Cash collateral and premiums relating to derivative transactions, among other instruments[32].

30. VCIFs are among the alternative financing methods. These funds are established using savings collected from qualified investors in exchange for fund units and are managed on the basis of fiduciary ownership for the benefit of the unit holders. Lacking legal personality, these funds are established for specified terms by portfolio management companies or venture capital portfolio management companies and operate for the purpose of managing portfolios consisting of assets and transactions determined by CMB. In general, VCIFs may hold the aforementioned assets and engage in the aforementioned transactions within their portfolios[33]. In Türkiye, these funds generally provide financing to small-scale enterprises that are young and dynamic, have high growth and profitability potential, but face difficulties obtaining the financial resources required for investment and expansion. They typically do so by injecting capital into these businesses or acquiring ownership interests in them. Furthermore, investments by these funds may be made by acquiring direct or indirect ownership interests in venture companies or by providing financing through the purchase of debt instruments issued by such companies. In addition, these funds transfer resources to small-scale enterprises that have high growth and profitability potential but struggle to obtain the financial resources necessary for investment and expansion by injecting capital into these businesses, that is, by purchasing their shares.

31. Although VCIFs may invest in the instruments referred to above, the venture capital investments eligible for investment by these funds are specifically regulated under Article 18(3) of Communiqué No. III-52.4 on the Principles Regarding Venture Capital Investment Funds. In this context, the following instruments are among those in which VCIFs may invest:

- Debt instruments issued by venture companies whose shares are not traded on a stock exchange, and lease certificates for which such venture companies are the fund users,
- Capital market instruments issued by VCITs,

[32] CMB (2024a), Investment Funds, Investor Information Booklets, https://spk.gov.tr/data/61e34f9a1b41c61270320792/Yat%C4%B1r%C4%B1m%20Fonlar%C4%B1.pdf (September 2026).

[33] See: https://spk.gov.tr/kurumlar/fonlar/yatirim-fonlari/girisim-sermayesi-yatirim-fonlari/tanitim-rehberi (September, 2026).

- Participation units of other VCIFs,
- Shares of publicly held companies that qualify as venture companies but are not traded on a stock exchange,
- Financing provided to venture companies whose shares are not traded on a stock exchange in the form of financing structured as a combination of debt and equity financing,
- Asset-backed securities issued based on loans granted or to be granted exclusively to venture companies, or based on interest-free financing and similar instruments[34].

32. In terms of the number of such funds, there are currently 546[35] VCIFs in Türkiye for which issuance certificates have been approved by the CMB.

33. In addition to VCIFs, private pension funds also play an important role in Türkiye. Within the private pension system, savings are invested in pension funds managed by professional portfolio management companies, in accordance with the risk and return preferences determined by each participant. Under this system, an amount equivalent to 20% of the contributions made by participants is transferred by the government to the participant's government contribution account[36]. Private pension companies offer participants both interest-bearing and interest-free fund options. These funds are established by private pension companies. Pension investment funds are classified according to the investment instruments they contain, and their names are determined by the weight of the instruments in which they invest[37]. Pension investment funds may only be purchased by individuals participating in the private pension system. In summary, these funds may invest in government debt securities, equities, bank deposits, foreign currencies, commodities, and other similar assets.

4. Access to Capital Markets

34. Individual/household and corporate savings gain access to capital markets through different channels. From the perspective of both types of savers, access to capital market instruments may be obtained through banks and intermediary and investment institutions operating as subsidiaries of banks; investment funds managed by portfolio management

[34] Communiqué No. III-52.4 on the Principles Governing Venture Capital Investment Funds, Article:18

[35] See: https://spk.gov.tr/kurumlar/fonlar/yatirim-fonlari/girisim-sermayesi-yatirim-fonlari/ihrac-belgesi-onaylanan-girisim-sermayesi-yatirim-fonlari (September 2026).

[36] Frequently Asked Questions, see https://spk.gov.tr/kurumlar/fonlar/emeklilik-yatirim-fonlari/sik-sorulan-sorular. (September 2026).

[37] For example, if at least 80% of a fund's total value is continuously invested in a specific asset class (such as equities or debt instruments) in accordance with its investment strategy, the fund's name must include a reference to that asset class (https://spk.gov.tr/data/6a91fe7d8f95db1fb01ff366/Yat%C4%B1r%C4%B1m%20Fonlar%C4%B1na%20%C4%B0li%C5%9Fkin%20Rehber.pdf).

companies[38]; private pension funds[39] in which individual pension savings are held; and crowdfunding, through which numerous individual investors contribute collectively. In addition, investments can be made in capital market instruments through real estate investment companies and VCIFs[40]; however, only qualified investors who meet certain requirements may invest in these funds[41].

35. Companies' core business activities are also important in terms of access to finance. As noted above, when SMEs face difficulties accessing external resources, sales revenues become particularly important for market entry, growth and the development of innovations.

36. Financiers expect the funds they provide to be used for genuine investments and purposes with potential returns. Large-scale companies are in a more advantageous position than smaller companies, particularly in innovation and R&D, because they have a greater opportunity to use internal resources. Smaller companies may be required to disclose their business investments when seeking financing, which may produce adverse consequences for them[42]. Consequently, a company seeking financing may find its market entry, growth or innovation investments directly affected by its ability to obtain funding. This, in turn, may cause the company to exit the market if it cannot compete sufficiently effectively.

4.1. Sample Competition Authority Decision and Study Conducted by the CBRT Regarding Access to Finance Opportunities

37. In this regard, in its decision concerning META Platforms, Inc. (META), which was found to hold a dominant position, the Turkish Competition Authority (TCA) assessed that META's position enabled it to allocate more resources to service development and made it more difficult for competitors to access advertisers and, consequently, financial resources. META's activities were therefore considered to create barriers to entry. In the investigation, an interim measure was imposed first, followed by an administrative fine. Accordingly, TCA also examined the effects of the conduct of a dominant undertaking on the financing opportunities available to competing undertakings[43].

[38] CMB (2024a), Investment Funds, Investor Information Booklets, https://spk.gov.tr/data/61e34f9a1b41c61270320792/Yat%C4%B1r%C4%B1m%20Fonlar%C4%B1.pdf (September 2026).

[39] Frequently Asked Questions see. https://spk.gov.tr/kurumlar/fonlar/emeklilik-yatirim-fonlari/sik-sorulan-sorular (September 2026).

[40] For example: If, as part of a fund's investment strategy, at least 80% of the fund's total value is continuously invested in a specific asset class (stocks, debt instruments, etc.), the fund's name must include a reference to that asset class (https://spk.gov.tr/data/6a91fe7d8f95db1fb01ff366/Yat%C4%B1r%C4%B1m%20Fonlar%C4%B1na%20%C4%B0li%C5%9Fkin%20Rehber.pdf).

[41] CMB (2024b), Venture Capital Investment Companies, Investor Information Booklets, https://spk.gov.tr/data/61e34f9a1b41c61270320792/Girisim%20Sermayesi%20Yat%C4%B1r%C4%B1m%20Ortakl%C4%B1klar%C4%B1.pdf (September 2026).

[42] See: https://www.rekabet.gov.tr/Dosya/uzmanlik-tezleri/12-pdf (September 2026).

[43] See: https://www.rekabet.gov.tr/tr/Guncel/meta-hakkinda-alinan-gecici-tedbir-nihai-karari-40c853bbb20bef1193c90050568585c9 (September 2026).

38. A study conducted by CBRT[44] likewise states that, if the financial system makes effective and productive use of funds, companies facing capital constraints may invest in projects that increase productivity. Projects that generate innovation-based productivity gains require high-cost investments. The study notes in particular that innovative firms often possess tangible assets associated with R&D activities and have limited access to finance because these assets are difficult to use as collateral. When a firm's access to external funding/capital is limited, it becomes dependent on internal financing. In other words, capital-market imperfections and borrowing constraints that limit access to finance adversely affect firms' investment decisions.

39. The study also emphasises that, in the absence of public intervention, financing is more likely to flow to firms with stronger collateral and asset positions, and that financiers tend to prioritise companies' current financial condition over their expected long-term repayments. Conversely, firms facing financial constraints are more likely to improve productivity and grow if they gain access to capital. It follows that allocating limited financial resources to companies with high productivity potential would increase the total output and growth that can be generated from capital, both in Türkiye and in other countries.

5. Exit Routes for Undertakings as an Alternative to Being Acquired

5.1. Comparison of Initial Public Offers and Mergers/Acquisitions

40. A comparison of acquisitions and initial public offers shows that, in 2025, 68 undertakings applied[45] to CMB for the public offer of their shares, whereas TCA reviewed notifications concerning 416 merger and acquisition transactions in the same year (TCA, 2025). One important consideration when comparing these two figures is whether the undertakings subject to acquisition are established in Türkiye. Undertakings to be listed in Türkiye must be established in Türkiye. In 2025, the acquired undertaking was established in Türkiye in 162 transactions. In addition, foreign investors were expected to invest in undertakings established in Türkiye in 55 merger and acquisition transactions[46]. From the perspective of financial investors, as of June 2026, VCIFs had invested in or taken stakes in 1,402 different ventures in Türkiye, while venture capital investment companies had done so in 144 ventures[47].

5.2. Alternative Exit Routes and Corporate Preferences

41. Türkiye's competition-law framework does not provide a separate exit route specifically for fast-growing undertakings. Shares in an undertaking may be transferred not only to undertakings established in the market (incumbent) in which it operates, but also to undertakings established in Türkiye or abroad that wish to enter the relevant market for the first time. Accordingly, acquisitions may be carried out by undertakings that are not active

[44] See: https://www.tcmb.gov.tr/wps/wcm/connect/04de0a32-d48b-4d31-b12e-25aa0a0be018/wp2132.pdf?MOD=AJPERES&CACHEID=ROOTWORKSPACE-04de0a32-d48b-4d31-b12e-25aa0a0be018-nRqVssT (September 2026)

[45] See. https://spk.gov.tr/istatistikler/basvurular/ilk-halka-arz-basvurusu (September 2026).

[46] "Mergers and Acquisitions Outlook Report", https://www.rekabet.gov.tr/Dosya/2025-yili-bd-gorunum-rapor.pdf (September 2026).

[47] See. https://tspb.org.tr/veriler/ (September 2026).

in the relevant product market or in horizontally or vertically related markets, including new entrants established in Türkiye or abroad. The shares and control of an undertaking may therefore be acquired by new domestic or foreign entrants, as well as by a VCIFs resident in Türkiye or abroad.

42. Where the acquiring parties do not operate in the market in which the undertaking or assets being acquired operate, or in markets related to that market, the transaction has no affected market. TCA decision dated 2 April 2026, No. 26-11/327-126, concerning Efor Holding AS's acquisition of Bankpozitif Kredi ve Kalkınma Bankası AS, may serve as an example of an acquisition by an undertaking not already established in the market[48]. There are also acquisitions carried out by undertakings not established in Türkiye that have been cleared by TCA[49]. Finally, there are examples of acquisitions in which private equity funds themselves were the parties, meaning that the acquisition took place through financial investors[50].

43. It is therefore possible to regard exit alternatives other than acquisition by an incumbent undertaking as options for fast-growing firms. Apart from an initial public offer and acquisitions cleared by TCA involving sales to investors (private equity or venture capital funds), founders or investors may sell all or part of their shares to a new investor that does not hold control over any undertaking, rather than selling to an undertaking operating in the relevant product market. Shareholders may also transfer their shares to individuals already involved in the company's management (a management buyout)[51].

6. Capital Markets Within the Framework of Competition Law

44. In reviewing merger and acquisition and exemption applications, agreements between undertakings, and potential abuse of a dominant position, TCA examines in detail how transactions, requests or conduct across all sectors—including financial markets—affect market entry, innovation, growth and the exit of undertakings from the market. Some of TCA's decisions are briefly discussed below.

45. In its decision dated 10 October 2024, No. 24-41/979-473, TCA examined a merger/acquisition application in the market for investment brokerage services in financial markets. The decision noted that strong international undertakings also operate in the market for technology and software services supplied to this market, meaning that the market is open to global competition. It also found that competitors with access to financing had entered the market later and that opportunities for entry and growth existed. TCA's assessment therefore considered undertakings' access to financing alongside their opportunities to enter and grow in the market.

46. In its exemption decision dated 5 August 2024, No. 24-33/783-330, TCA considered not only undertakings' access to sources of finance but also their access to information about those sources. The decision assessed that detailed data on the types of financing needed in different markets and the types of equipment rented in different sectors

[48] TCA decision dated 05.03.2026, No. 26-08/250-88, is also an example of this situation.

[49] TCA decision dated 18.01.2024, No. 24-05/90-38.

[50] TCA decisions dated 10.10.2024, No. 24-41/976-422; and 07.08.2025, No. 25-29/693-420.

[51] See. https://www.sec.gov/Archives/edgar/data/1854445/000149315225016073/R14.htm?utm_source (September 2026).

could enable undertakings to make better-informed decisions, thereby contributing to economic or technical progress in the production, distribution and supply of goods and services.

47. In addition, in its decision dated 19 October 2006, No. 06-77/992-287, TCA assessed that capital-market imperfections create barriers to market entry and that information asymmetry between lenders and borrowers particularly restricts undertakings' access to finance. This may ultimately increase the cost of capital. Thus, undertakings whose access to finance is constrained by capital-market imperfections and which are considered risky because of their relatively small balance sheets may face capital constraints not only when entering markets, but also in pursuing innovation and growth.

48. In addition to the decisions mentioned above, TCA has issued other decisions concerning capital markets or undertakings active in these markets. Examples, without limitation, include the Syndicated Loans[52] decision, the Bonds[53] decision, the acquisition decision involving Atlas Venture Capital Investment Fund[54], and the Transfer of Securities Custody Services[55] decision.

49. The Syndicated Loans decision examined allegations that banks providing loans to corporate customers shared competitively sensitive information concerning interest rates, maturities, loan amounts and other credit terms. The possible effects of these information exchanges on competitive conditions in the credit market and banks' independent pricing behaviour were assessed. Following the investigation, administrative fines were imposed on certain undertakings under Article 4 of Law No. 4054 on the Protection of Competition. The decision considered, from a competition-law perspective, how the sharing of competitively sensitive information in financial markets affects price competition, the determination of credit terms and access to finance.

50. The Bonds decision examined an allegation that capital-market institutions operating in the primary and secondary markets for private-sector debt instruments shared competitively sensitive information. On-site inspections were conducted at numerous banks and investment institutions, and cooperation with the CMB also took place. The decision assessed that sharing information such as pricing, fees, timing and issuance terms could undermine intermediaries' independent competition under normal conditions and weaken the bidding process they conduct for issuers. However, it was concluded that the evidence obtained was insufficient to establish an infringement of Article 4 of Law No. 4054 on the Protection of Competition, and that there was no need to open an investigation.

51. Another decision concerned the acquisition of part of the shares in Nishane İstanbul Tasarım Organizasyon Turizm Ticaret ve Sanayi AS by Atlas Büyüme Sermayesi VCIF and Beylerbeyi Investment B.V. TCA assessed a VCIF's investment in a company with growth potential using resources obtained through capital markets and cleared the transaction. This decision illustrates the role of merger control in relation to venture capital funds' financing of companies and their participation in corporate ownership structures.

52. The Transfer of Securities Custody Services decision examined the transfer of securities custody and sub-custody services provided in capital markets. It addressed the protection of competition among service providers within capital-market infrastructure. In

[52] TCA decision dated 28.11.2017, No. 17-39/636-276.

[53] TCA decision dated 20.03.2025, No. 25-11/250-129.

[54] TCA decision dated 07.08.2025, No. 25-29/693-420.

[55] TCA decision dated 20.06.2007, No. 07-53/587-198.

the transaction that was ultimately cleared, TCA assessed the implications for access to services and competition for financial institutions, brokerage firms and portfolio managers.

53. Taken together, the foregoing indicates that capital markets constitute an important channel through which companies and undertakings in Türkiye obtain financing. Access to capital-market instruments is not restricted to large businesses; such access is available to many undertakings regardless of their scale or size. In addition to capital-market instruments, public-support mechanisms are also available to finance companies' investments. Significant regulations have been introduced both to facilitate access by companies seeking financing to the funds available for financing and to protect the rights of savers and other providers of funds. Through the CMB, one of the principal bodies responsible for the functioning of Türkiye's capital markets, important legal and structural certainty has therefore been provided for undertakings seeking finance.

54. Ultimately, a company's access to capital-market instruments is not limited to the public offer of its shares. A variety of instruments are available, including crowdfunding, pension funds, VCIFS, bonds and bills. Capital-market instruments provide companies with an alternative source of finance, contribute to the healthy development of competition across sectors and may increase entry into new markets. However, access to these instruments also entails certain regulatory obligations. Excessively restrictive regulation may make access to capital-market instruments more difficult and suppress the positive externalities expected from them. Conversely, an excessively flexible approach may conflict with the objectives of protecting investors/fund providers and maintaining financial stability, thereby creating systemic risk. It is therefore important to strike a careful balance between safeguarding financial stability and promoting competition in markets, and to formulate policies accordingly. Cooperation and coordinated policymaking among the relevant institutions are considered critical in this regard.