

# Turkey

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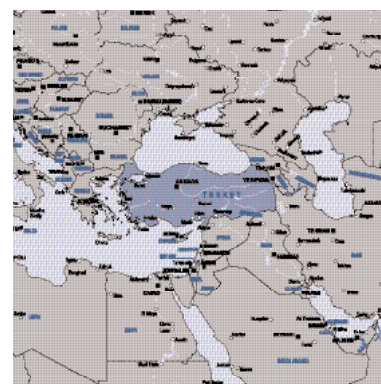
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## Onwards and upwards: recent developments in Turkish capital market regulation

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Last year was a quiet year in the equity capital markets in Turkey, with no IPOs of any meaningful size launched. This was due to a combination of a bad global market for equities and a Turkish economy whose recovery only gathered momentum in the second half of 2003.

However, a stronger economic outlook, increased trading on the Istanbul Stock Exchange (the ISE) and the return of issuers wanting to tap the capital markets for financing has raised expectations for increased activity in 2004. To date, more than 15 companies have applied to the Turkish Capital Markets Board (the CMB) for registration of new offerings, and several sizable offerings that were postponed in 2002 and 2003 have come back to life.

The CMB has taken advantage of this quiet period to improve regulation of the equity capital markets in Turkey, amending regulations governing public offers, underwriting, tender offers, voting rights, disclosure and corporate governance and insider trading. Much of the regulation that came into force in 2003 is in the nature of fine-tuning, addressing and attempting to resolve questions and issues that had nagged players in the market for years. There are other instances in which the new regulation sought to bring Turkey's regulation more in line with its EU or US counterparts, such as the new provisions governing corporate governance and disclosure. And finally, in a few cases, such as the introduction of shelf registration, the CMB has introduced concepts that have so far been absent from the Turkish capital markets.

Although it has been market practice for many years, the CMB has only just introduced express provisions relating to and allowing market stabilization activities. The three noteworthy introductions were rules governing: (i) the exercise of greenshoe options; (ii) price stabilization; and (iii) stock lending activities. The new rules fail to provide for the same greenshoe options available in other markets, but they are a good start. The additional sale permitted by the new rules refers to sale of a predetermined number of additional shares, which undercuts the reasoning for a greenshoe option. However, Turkish underwriters are now allowed to sell additional shares if demand at the end of the book-building process exceeds the shares originally allocated for offering to the public; these

shares cannot exceed 15% of the shares offered. The CMB has failed to address the situation where the demand exceeds the pre-determined percentage, although the CMB will probably be flexible and will approve the sale of additional shares up to the statutorily permitted 15% limit.

In connection with the exercise of greenshoe options, the CMB has introduced rules authorizing Turkish underwriters to borrow stock from selling shareholders to meet additional demand from investors. The new rules require execution of a stock lending agreement between the underwriter and the selling shareholders, and further require that the underwriter must return the borrowed shares within 30 days of execution of the stock lending agreement.

The most significant of these three changes are the new rules relating to price stabilization activities, because these activities previously faced the threat of being classified as market manipulation, a criminal offence in Turkey. Although the new rules envision enactment of further legislation and are not clear enough, they have created a legal basis for price stabilization activity. Turkish underwriters are now allowed to engage in price stabilization activities for a period of 30 days after shares start trading on the ISE.

Because the rules allow only domestic underwriters to engage in such activity, price stabilization activities that were primarily undertaken by international underwriters in simultaneous global offerings are likely to engender lengthy negotiations between Turkish and international underwriters. During the stabilization period, underwriters may not issue purchase orders with a price higher than the offering price, but they are allowed to purchase shares if the share prices falls below it. Underwriters are also restricted in that they may not sell shares they have acquired during the stabilization period at any price below the offering price.

Developments in corporate governance and disclosure closely mirror developments in Europe and the US in the wake of the corporate governance scandals of 2001 and beyond. In corporate governance, the CMB has adopted the EU approach to compliance, which makes compliance voluntary, but requires that public companies disclose the extent to which they have complied or failed to comply, together with the reasons for such failure (the so-called *comply or explain* approach).

The Corporate Governance Principles (CGPs) promulgated by the CMB deal primarily with shareholders' rights, the board of directors, disclosure and transparency, and protection of interested parties (such as workers, lenders, customers and suppliers). The CGPs also improve company disclosure by requiring enhanced disclosure of relations among the company and its shareholders, directors and managers, greater periodic reporting of financial information and audit results and material events and developments. The CGPs also stress that trade secrets are not subject to disclosure requirements, and that companies should not suffer competitive harm through forced disclosure of such commercially sensitive information.

The CGPs are in addition to a new communiqué, which replaced the previous disclosure communiqué in its entirety. The new disclosure communiqué mandates enhanced disclosure in eight categories: share structure and management control, fixed assets, operational issues, investments, financial position, financial assets (that is, participations), administrative issues and other key developments (for example, change of auditors).

The CMB has also defined for the first time what constitutes materiality in the context of disclosure requirements. Materiality is any development or circumstance that might impact the value of securities or investment decisions and that would either be deemed material under the then-existing circumstances of the company or cause at least a 10% change in the value of an asset or financial statement item.

Finally, the CMB has become the first government authority in Turkey to require the use of digital signatures for all disclosures to stock exchanges or to the CMB.

## Banking

### Recommended firms

Birsel Law Offices

Derman Ortak Avukat Bürosu

Hergüner Bilgen Özeke

Pekin & Pekin

Çakmak Ortak Avukat Bürosu

M Fadlullah Cerrahoglu Law Offices

M Fethi Pekin & Sefika Pekin

Paksoy & Co

Reisoglu-Ensari-Budak Law Firm

Tekinalp Lawyers

Hidayetoglu & Co

Özel & Özel

Somay Hukuk Bürosu

## Capital markets

### Recommended firms

Derman Ortak Avukat Bürosu

Hergüner Bilgen Özeke

Pekin & Pekin

Birsel Law Offices

Çakmak Ortak Avukat Bürosu

Dogru Law Office

M Fethi Pekin & Sefika Pekin

Özel & Özel

Paksoy & Co

## Mergers and acquisitions

### Recommended firms

Derman Ortak Avukat Bürosu

Hergüner Bilgen Özeke

Pekin & Pekin

Birsel Law Offices

M Fadlullah Cerrahoglu Law Offices

M Fethi Pekin & Sefika Pekin

Özel & Özel

Çakmak Ortak Avukat Bürosu

Gürcan Law Offices

Paksoy & Co

## Project finance

### Recommended firms

Birsel Law Offices

Çakmak Ortak Avukat Bürosu

Derman Ortak Avukat Bürosu

Hergüner Bilgen Özeke

M Fethi Pekin & Sefika Pekin

Paksoy & Co

Pekin & Pekin

Özel & Özel

Reisoglu-Ensari-Budak Law Firm

### Birsel Law Offices

Birsel Law Offices is one of Turkey's most solid law firms for corporate and financial advice, and this year the firm has maintained its reputation with another strong showing across the practice areas. The firm's three offices – in Istanbul, Ankara and Izmir – comprise three partners and 18 associates.

Birsel is particularly renowned for the quality of its project finance practice, and again this year the firm has been visible on many of the leading projects to take place in Turkey. The projects team increased its capacity too, by hiring two new associates, Nilüfer Türkçü and Seda Külahcioglu, who both joined in October 2003. Over the past year the team advised the senior lenders in connection with the \$3.2 billion financing of the Baku-Tbilisi-Ceyhan

international transit petroleum project, acted for a European export credit agency on its proposed \$170 million financing of Socar's participation in the Shah Deniz and South Caucasus international transit natural gas pipeline project, and represented the senior lenders on, and prepared the security package in connection with, the \$366 million financing of the Ankara natural gas-fired power plant. It also advised the senior lenders on and prepared the security package in connection with, the \$597 million financing of the Izmir natural gas-fired power plants.

With the strength of the project finance team, it is no surprise that the finance team is highly regarded overall, and Birsel gains promotion to the top tier in banking this year on the recommendation of the market. All three partners and four associates handle banking work for the firm, and over the year the team acted for Ordu Yardimlasma Kurumu on the \$100 million term facility granted to it by a consortium of international banks, including HSBC, ABN AMRO and Société Générale, advised Banca Intesa on extending the term of its \$150 million loan facility to Dogus Holding, and represented Opet Petrolcülük in connection with a \$21 million loan granted to it. Birsel also acts as general legal adviser in Turkey to the International Finance Corporation on its various financings in the country, including the capital markets aspects of loans granted by it to Banvit and Isiklar. Although the capital markets practice is not quite as prominent as the projects finance or banking practices, the firm did win a role advising on the proposed sale of shares in a Turkish company at the Istanbul stock exchange.

Birsel's corporate practice certainly holds its own too, and the two-partner and four-associate M&A team has managed to keep itself busy over the past year. Among the year's highlights, the firm advised the senior creditors in connection with the amendment of financing and security documents in the \$600 million merger of the Turkish GSM operators, acted for Taylor Nelson Sofres in the acquisition of minority shares in Piar/Siar, represented the senior creditors in the share acquisition by Enka of 9% of Intergeren's shareholdings in Adapazari Elektrik Üretim Limited Sirketi, and advised ZMB in the acquisition of 40% of Tur Enerji's shares in Bosphorus Gaz Corporation Anonim Sirketi.

The firm's partners are all highly regarded, but Arku Aksac and name partner Mahmut Birsel come in for particular praise from peers and clients, Birsel being described by one peer as a "universally praised individual."

### Key contact partner

Mahmut Birsel

### Leading lawyers

Arku Aksac

Mahmut Birsel

### Çakmak Ortak Avukat Bürosu

Ankara firm Çakmak Ortak Avukat Bürosu works closely with US firm White & Case, as well as with Turkish firm

Derman Ortak Avukat Bürosu in Istanbul. The firm is particularly well-known for its project finance capabilities, but recent work handled by the firm in the banking and, perhaps to a lesser extent, M&A sectors shows that it is making a mark there too. Two partners – Mesut Çakmak and Mehtap Yildirim-Öztürk – run the firm, which also comprises eight associates, one of-counsel and four other fee earners.

Yildirim-Öztürk, a recognized finance law expert, acted for the Inmet Mining Corporation in connection with restructuring a share pledge (provided to it by a number of Canadian banks) over its shares on its Turkish subsidiary Cayeli Bakir Isletmeleri. This deal was made rather tricky by the existence of a pre-existing first degree security over Cayeli pledges in favour of the International Finance Corporation, as well as by the fact that government ownership in Cayeli necessitated a flexible approach. The banking team also acted for Visa International in developing a cross-border electronic money transfer service to be known as Visa Direct, and in November 2003 represented Agilent Technologies World Trade in restructuring the security structure of the acquisition of one of its Turkish subsidiaries.

Mesut Çakmak, described by one peer as “excellent on some recent power projects,” heads up the fantastic project finance practice, which has had another great year. Çakmak comes in for more praise than any other project finance lawyer, another rival saying that he is “...a stand-out ... he can deal with local law at the development stage and the financing phase, and has good contacts in Ankara ... he can steer a project.” Peers also single out Tugda Bayman, describing her as “excellent for project finance”. In one ongoing matter, the team is acting on behalf of PSEG Global, which has filed a claim against the Turkish Republic in respect of the non-realization of the Konya Ilgin power project. Because the Turkish government has abandoned many infrastructure projects, the firm expects an increase in this type of work, and as such this matter sets a precedent.

However, many projects have of course been successful. In the largest project finance deal to date in Turkey, Çakmak Ortak is advising on the Siemens/STEAG consortium in connection with the development and financing on a build-operate basis of a \$1.25 billion 1210MW imported coal-fired power plant in Iskenderun. It is also acting for a consortium including Edison Mission Energy and the Capan family in respect of the 180MW gas-fired plant in Esenyurt, Istanbul on a build-operate-transfer (BOT) basis, representing a consortium consisting of Midlands Electricity, The Wing Group and Gama in connection with a 500MW gas-fired, combined cycle BOT project in Marmara Ereglisi, and advising Ayen Ostim Enerji Otoproduksiyon on the financing of the 35MW Ostim cogeneration project.

The firm’s corporate capabilities are certainly noteworthy too. Among the top deals of the year, the M&A team advised Avenue Energy on its acquisition of certain petroleum licences from a number of Sayer Group companies, as well as on setting up its Turkish branch. It also boasts experienced competition credentials, last year acting for HSBC with respect to competition aspects of its acquisition of

Benkar, and advised the Lafarge Group on compliance with Turkish antitrust laws, including recent merger notifications concerning the acquisition of concrete production plants from Lafarge Beton by Baticim and Cimbeton.

#### Key contact partners

Mesut Çakmak  
Mehtap Yildirim-Öztürk

#### Derman Ortak Avukat Bürosu

White & Case’s other affiliate firm (along with Ankara firm Çakmak Ortak Avukat Bürosu), Derman Ortak Avukat Bürosu, in Istanbul and has 27 lawyers. The firm is without doubt one of the best firms for corporate and financial law advice in Turkey, and is one of only two firms to be ranked in the top tier for every practice area again this year (the other firm being Hergüner Bilgen Özeke).

Derman Ortak has one of the strongest finance practices in Turkey, and many in the market mention the skills and experience of Emre Derman and Aydin Duren, who are “both excellent for both banking and capital markets.” The firm’s extensive representation of major institutions in bank finance matters ensures its top-tier ranking again this year. Practice head Mine Taygun is seen advising on almost all the top deals, for long-established clients such as WestLB, Akbank, Türkiye İş Bankası and Société Générale. For example, it advised on a \$70 million club loan from a syndicate of banks including Société Générale, Citibank and ING Bank to Coca-Cola Dagitim ve Satis and Coca-Cola Icecek Üretim.

An integral part of the finance practice is the firm’s stellar projects practice, and it is here that the firm really shines. In the stand-out deal of the year, it represented Akbank on a loan to the Turkish State Petroleum Company to increase the capacity of the Azeri-Cirali-Gunesli oil basin. This was a landmark deal for two reasons: it was the highest project credit provided by a Turkish bank on its own, and was the highest project credit that a Turkish state-owned entity has obtained without the guarantee of the Turkish Treasury. The firm also advised Garanti Bank in a sovereign financing provided to the Turkish Treasury for the construction of a natural gas pipeline between Malatya and Gaziantep.

The projects team also receives a steady stream of work from loyal client Isbank. In recent times this relationship has yielded mandates to advise on a \$12 million loan to the Republic of Turkey for the construction of the Bursa motorway, a €94.6 million (\$115.8 million) loan to the Republic of Turkey in connection with the Ankara railway rehabilitation project, a \$150 million loan for the construction of the Izmir Aydin motorway, a \$85 million loan for the construction of various sections of the Gaziantep-Sanlıurfa motorway, and a \$9.5 million loan to the Republic of Turkey for the financing of the Cyprus water supply project.

As a result of the economic downturn in Turkey, there were a limited number of capital markets transactions in 2003. However, Derman Ortak managed to win roles on

most of the deals that did make it to market. In the most innovative deal of the year, Mine Taygun led a team that advised WestLB on the \$150 million first tranche of the new TIB Card Receivables Funding Company future flow securitization programme for Türkiye İş Bankası. The financing was backed by present and future card receivables, and the deal represents the first new card receivables securitization programme to have been executed in Turkey for about five years.

On the equity side, head of the capital markets practice Aydin Duren advised on the domestic and international initial public offerings (IPO) of Coca-Cola İçecek and Gama Holding, among the first IPOs to be done under the new regulations issued recently by the Turkish Capital Markets Board. Meanwhile, on the debt side the firm advised on a eurobond offering by a special purpose vehicle to be set up by Dogan Yayin Holding, which will also guarantee the bonds.

Three partners and 12 associates handle M&A work for the firm, and the practice is run by name partner Emre Derman. In January 2004 the firm advised TEB Portfolio Management on its merger with the Turkish subsidiary of ABN AMRO Portfolio Management. In August 2003 it represented Cargill on the merger of its two subsidiaries in Turkey, Cargill Gıda Sanayi ve Ticaret and Cargill Tarım Sanayi ve Ticaret. And in July 2003 it acted for Nestlé Waters in connection with its \$150 million acquisition of 45% minus one share of Sansu.

#### Key contact partner

Emre Derman

#### Leading lawyer

Emre Derman

### Hergüner Bilgen Özeke

Winning the unofficial award for most improved firm in this year's rankings, Hergüner Bilgen Özeke gains promotion to the top tiers in both banking and project finance, on the unequivocal recommendation of everyone interviewed. The firm comprises 40 lawyers, six of whom are partners, which makes it the largest firm in Turkey.

On the banking side, Hergüner's close relationship with the International Finance Corporation (IFC) means that it gets a good flow of high-level work. In 2004 the firm acted for the IFC, Deutsche Entwicklungsgesellschaft (DEG) and Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO) on providing financing to Opet Petrolcülük (OPET) to support the construction of a greenfield marine terminal and tank storage facility and the acquisition of a small terminal. The financing was composed of \$25 million from the IFC's own account and \$10 million loans each from FMO and DEG, with a further \$40 million raised through a syndicated B-loan.

In 2004, the firm extended its banking practice by adding the Islamic Development Bank (IDB) to its clientele. This

year, Hergüner advised the IDB in connection with financing a listed company active in the home appliances sector. And at the time of writing the firm is acting for the IDB again, this time in connection with the financing of a private hospital.

In 2003, the firm provided legal advice and assistance to one of the largest Turkish banks on its restructuring to ensure compliance with Turkish banking legislation. The scope of legal assistance provided was wide, due to the complex conglomerate structure of the bank, which had over 250 subsidiaries.

Hergüner also boasts a strong capital markets department, which has worked on some landmark transactions, such as the first securitization of lease receivables of a Turkish financial leasing company and the first lending to a private university in Turkey. The firm also recently acted for JP Morgan (as joint-lead manager) in connection with the \$175 million bond issue by PO Oil Financing, the Luxembourg listed bonds backed by a guarantee from its parent company, leading Turkish fuel distributor Petrol Ofisi. Hergüner also acted for Merrill Lynch's private equity investment arm and Bank America International Investment Corporation in relation to their equity investments in BIM Birlesik Magazalar.

Few would argue that Hergüner has one of the best corporate practices in Turkey, and it is no accident that the firm has been involved in almost every large, high-profile deal over the past few years. Some highlights in 2003 included advising on the acquisition of Kipa Kitle Pazarlama Ticaret ve Gıda Sanayi by international retailer Tesco, handling the restructuring of the Huntsman Group's Turkish operations, acting on the sale of the shares of Vantico Kimyevi Ürünler Sanayi ve Ticaret to Huntsman Advanced Materials (Belgium), and advising on the restructuring of Worldcom's Turkish subsidiary's shareholding structure.

The firm's visibility on the top deals continued in 2004. Hergüner advised Japanese Tobacco – the winning bidder for the privatization of Tekel – in connection with Tekel's privatization, represented the Tatneft Group in relation to the privatization of Tüpras. At the time of writing the firm is acting for Italian lottery company Lottomotica on the privatization of Milli Piyango, Turkey's National Lottery Authority.

The firm's project finance practice has also been extremely active of late, advising the consortium of oil companies on the multibillion dollar Baku-Ceyhan-Tbilisi pipeline project and getting involved in a number of infrastructure projects in the transportation sector. In the last non-recourse project financing deal in Turkey, Hergüner acted for the project company and sponsors, Tractebel, and local construction company Mimag, in relation to the development and financing of a 763MW gas-fired power plant project in Ankara. The firm continues to advise InterGen and ENKA in relation to the development and financing of three combined cycle natural gas power plants in Adapazarı, Gebze and İzmir with a total capacity of 3854MW. Name partner Ümit Hergüner is picked out as "a project finance star," being described as a lawyer who "has lots of experience, especially in the development phase."

**Key contact partners**

Gökhan Eraksoy  
 Ümit Hergüner  
 Ender Özeke

**Leading lawyers**

Ümit Hergüner  
 Ender Özeke

**M Fethi Pekin & Sefika Pekin**

The “perennially solid” M Fethi Pekin & Sefika Pekin has eight partners and 14 associates working across four Turkish offices – in Istanbul, the firm’s headquarters, and in branch offices in Ankara, Izmir and Adana.

Sefika Pekin heads up the banking practice, leading a department of three other partners and six associates. The team acts mainly for banks, and as such its list of clients includes ABN AMRO, Deutsche Bank and Credit Suisse First Boston (CSFB). The team was especially busy during the last quarter of 2003, in October acting for Finansbank on a \$265 million syndicated loan facility, in November advising Barclays on a \$15 million loan to Dogan Yayin Holding and Hürriyet Gazetecilik, and in December representing Standard Bank on a \$50 million term loan facility. More recently, in March 2004, lending specialists Selin Bayar and Sila Yavuz acted for CSFB in connection with a \$150 million term loan facility.

As well as handling much of the firm’s syndicated lending work, Bayar also runs the capital markets practice, which at the time of writing is working on a number of interesting deals. These include advising on two public offerings, the first by Turkey’s first movie theatre operator, and the second by one of the country’s biggest textile and yarn producers.

Sefika Pekin also manages the M&A team, which in December 2003 recruited new associate Ozgür Bahri Kayali. Four partners and 10 associates now focus their attention on M&A work; one of the associates is US-qualified, bringing further international knowledge to the firm’s already capable team. In October 2003 Sefika Pekin led a team advising Profilo BSH, and Deutsche Bank in connection with the €70 million (\$85.8 million) buyout of Profilo’s minority shareholders, and in February 2004 acted for Türk Edison on its merger with Entek Elektrik Üretimi. In the past 12 months the firm has also represented Zorlu Holding in respect of its \$1.4 billion joint venture with Russian crude oil company Tatneft, and advised British American Tobacco on the \$1.15 billion privatization of Tekel.

M Fethi Pekin & Sefika Pekin has also been increasingly visible in the project finance market over the past year, and rightly earns its first appearance in the rankings this year. Selin Bayar heads a team of five associates that in August 2003 advised Finansbank on granting two loan facilities (worth \$19.6 million and €2.3 million) to Ayen Ostim Enerji Otoproduksiyon Sanayi ve Ticaret to finance the

building of a 35MW combined cycle power plant in the organized industrial zone of Ostim. At the time of writing the firm is acting on two projects that are yet to close: the €437 million modernization of the Istanbul-Ankara railway project, advising Obrascon Huarte Lain, and the \$50 million financing of the purchase of two 35-metre flying catamarans by Istanbul Deniz Otobüsleri Sanayi ve Ticaret, advising ABN AMRO and the other lenders.

Meanwhile, general corporate work has included advising Kaucuk Sanayi ve Ticaret on its restructuring, acting for a number of GE Group companies on capital increases and share transfers, and representing the Turkish branch of ING Bank on its voluntary liquidation.

**Key contact partners**

Selin Bayar  
 Sefika Pekin  
 Deniz Sorguç  
 Sila Yavuz

**Özel & Özel**

Until 2003 Özel & Özel was affiliated with the now-defunct Altheimer & Gray and, because of Salans’ move to catch many of Altheimer’s partners, it now has an alliance with Salans.

The firm’s strongest suit is corporate work, and the department has had a pretty good year. Some of the work the firm has handled includes representing a subsidiary of the Hedef Group on its participation in two joint ventures, the first formed by Koc and Ata Holdings to engage in agribusiness, and the second with a Turkish holding company to engage in business-to-business dealings; advising Finans Yatirim in connection with the privatization of Samsun Fertilizer; acting for Altadis, a Franco-Spanish tobacco company, with respect to the privatization of Tekel Cigarette by the Turkish Privatization Administration; advising a local petroleum distribution company in connection with the hostile takeover of a foreign petroleum distribution company; and representing Hedef Group again, this time in connection with its acquisition of the shares of a pharmaceutical distribution company in Egypt, a joint-venture matter with Alliance-Unichem.

Özel & Özel picks up some good work on the finance side too. Recent mandates have included advice to Turkcell in connection with the consent solicitation for the redemption of \$311.2 million-worth of notes, and further advice to Turkcell in connection with \$100 million of financing granted to it by HSBC and the Islamic Development Bank.

**Key contact partners**

Haluk Can Özel  
 Onur Kordel

## Paksoy & Co

The departure of leading partner Esin Taboglu last year may be seen as a blow to the firm's standing in this area. The market, however, seems divided on the issue. Some say that it is "too early to say" whether the move will have a negative effect, while others comment that the firm "hasn't been seen quite as much," particularly on the top capital markets and banking deals to come to market over the past year. Taboglu, a lawyer with considerable experience of M&A, initial public offerings and privatizations, left to set up her own law firm.

Still, in "sound and commendable" name partner Serdar Paksoy the firm retains a serious rainmaker, and it may well be the case that the above doubts cast by the market will be nothing but a temporary blip. His name is certainly the one the crops up on several deals: in recent times he has advised the country's banking regulatory authority on HSBC's purchase of the Savings Deposits Insurance Fund's shares in Demirbankto, and acted for Türk Ekonomi Bankasi on its intended purchase of shares in Türkiye Vakıflar Bankasi, the transaction being part of the privatization programme recently initiated by the Turkish government.

### Key contact partner

Serdar Paksoy

## Pekin & Pekin

Established in 1971, Pekin & Pekin is one of the largest law firms in Turkey, with 25 lawyers working on the full range of corporate and financial law matters from the main office in Istanbul. Unfortunately the firm's policy does not allow it reveal names of clients, or details of work done over the past year. However, the firm does report that it acts for a number of international banks and large multinational corporations, Fortune 500 companies, and leading European and Japanese companies.

Pekin & Pekin achieves a promotion to the top tier in the M&A rankings this year, on the strength of many recommendations from the market, who "see it a lot" on the biggest deals, and who say "M&A is the backbone of its international practice." The firm's two name partners, Ahmed Pekin and Fethi Pekin, are both listed in Euromoney's *Guide to the World's Leading Project Finance Lawyers*, and Ahmed Pekin also appears in Euromoney's *Guide to the World's Leading Banking Lawyers*.

The firm is the exclusive Turkish member of international law firm networks Lex Mundi and Terralex.

### Key contact partners

Ahmed Pekin  
Fethi Pekin

### Leading lawyers

Ahmed Pekin  
Fethi Pekin

## Foreign firms active in Turkey

### Recommended firms

Denton Wilde Sapte & Güner

GLN Müsavirlik

Ledingham Chalmers

White & Case Müsavirlik Limited Sirketi

**Denton Wilde Sapte & Güner** was established in 1996 and is headed by resident partner David Nanson. The firm advised CGNU on the \$17 million acquisition from the Finansbank group of 30% of CGNU's subsidiary Commercial Union Sigorta, as well as in connection with the proposed takeover offer by CGNU for the remaining shares of the company, which were listed on the Istanbul Stock Exchange.

**GLN Müsavirlik** is the Istanbul office of Gide Loyrette Nouel, and is the only French firm providing services in Turkey. The office is managed by Guillaume Rougier-Brierre, and comprises 10 Turkish and French legal professionals.

In June 2004 the Turkish operation of Scottish firm **Ledingham Chalmers** underwent some organizational changes, following its merger with local firm Senguler & Senguler.

Jonathan Blythe, who managed Ledingham Chalmers' Istanbul office, joined the young head of Senguler & Senguler, Selcuk Senguler, to co-manage the new business. The firm reports that in most cases clients will be instructing Senguler & Senguler directly unless a formal opinion is required on a matter of English or Scottish law. It will be interesting to see how this new firm fares among the well-established local firms over the coming year.

**White & Case** has without doubt the most firmly entrenched presence in Turkey among the few foreign firms that have offices there. This is because, in addition to its own office, staffed by the well-respected, US-qualified Asli Basgoz, it has strong and fruitful alliances with two leading local firms – Istanbul firm Derman Ortak Avukat Bürosu and the Ankara-based Çakmak Ortak Avukat Bürosu. In June 2003 the firm acted for Royal Caribbean International on the privatization of the long-term operation rights of the Kusadasi and Bodrum cruise ship ports and marinas. And in a number of ongoing matters, it is acting for Coca Cola Icecek and Gama Holding on each company's domestic and international initial public offerings, the first to come out of Turkey since 2002.