ABSTRACT

For the last ten years, the term of corporate governance has become an important issue one of the reasons behind the international financial crisis and company scandals which happened in the past, is thought to be inefficiency of public and private sectors policies. Those views increased the term of corporate governance.

Developed countries and international finance organization have begun the give high priority to his subject before investing developing countries and companies operating in this countries, they have started checking the practices of corporate governance which they see as important as financial performance. In this context, creating public trust and continuing having this trust in the frame of social responsibility and ethical valves has become one of the important subjects in the companies’ agenda. The processes of corporate governance which are built on the principles of “equality”, “responsibility”, “transparency”, “accountability” have gained importance company management.

There are three reasons in Turkey for applying the rules of corporate governance. First reason, to make Turkey attractive to foreign investment. Secondly, as a candidate country for the EU the comply with the EU norms. Thirdly, to make capital market efficient in the frame of these principles.