

Summary

Derin, Selen, Public Disclosure and Transparency as a Component of Corporate

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SUMMARY

Corporate governance has become a key element in improving the transparency of countries, markets and companies. The major components of almost all corporate governance approaches are transparency, accountability, fairness and responsibility.

The principle of “disclosure and transparency” included in both the OECD Principles of Corporate Governance and those published by the CMB, is basically based on the establishment of disclosure policies towards the shareholders of companies.

Good corporate governance today necessitates not only the disclosure of the operating results but also the transparency of the objectives and policies or ownership and management structure of the companies, as a more dynamic process.

Concerning the implementation of the corporate governance principles that were first published in Turkey in 1999 by the CMB, “partly compulsory” systems were adopted in the sense that the implementation of the principles is optional and “comply or explain” approach is followed.

However, as transparency and corporate governance targets cannot be attained by leaning on the market discipline only, they need to be supported through the regulations as well as the supervision of compliance and imposition

of sanctions when needed.

The surveys concerning the corporate governance and transparency/disclosure in Turkish capital markets suggest that further efforts towards enhanced transparency are needed and disclosure standards for non-financial performance of the companies should be developed and minimum transparency should be made compulsory for all companies.

The objective of this paper is, within the framework of “partly compulsory” system and capital market legislation, to determine the extent to which the principles on the transparency included in the CMB’s Corporate Governance Guide have been covered by legally binding regulations. It has been concluded the principles mostly have been regulated , and those that have not been covered under the regulations as mentioned in the conclusion of this paper should be subject to statutory regulations to achieve greater transparency in non-financial areas and to complete the basic legal framework on that matter.