



# Private Equity in Legal Perspective

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# Type of Transfer

- ◆ Asset Deal
- ◆ Share Deal
- ◆ Successio Universalis

# Legal Measures/Steps

## ◆ Due Diligence

- Scope
- It is a must but is it sufficient?



# Contractual Measures

- ◆ Representations, Warranties and Covenants
- ◆ Share Purchase/Subscription Agreement
- ◆ Shareholders Agreement
- ◆ Articles of Association



# Securing Contractual Rights

- ◆ Conditional Payment of Purchase Price
- ◆ Share Pledge and/or Escrow
- ◆ Bank Letter of Guaranty
- ◆ Mortgage
- ◆ Personal Guaranty/Check
- ◆ Commercial Enterprise Pledge
- ◆ Promissory Note
- ◆ Joint and Several Liability



# Amendment of the Articles of Association

- ◆ Minority Rights under Turkish law
- ◆ Preferred Rights
- ◆ Deadlock and Remedies
- ◆ Penalty Provisions in case of Default
- ◆ Exit Provisions



# Type of Investor

- ◆ Financial Investors
- ◆ Strategic Investors
- ◆ Qualified Institutional Buyers (QIBs)
- ◆ Public Investors in case of an IPO



# Deal Flow

- ◆ Letter of Intent
- ◆ Due Diligence
- ◆ Signing
- ◆ Closing and Conditions Precedent:
  - FID Approval/Competition Board
  - Approval/Capital Markets
  - Exemptions/Amendment of the Articles
- ◆ Funding





# Recommendations (de lege ferenda)

- ◆ Abolish the outright transfer ban (lex commissoria)
- ◆ Enhance minority rights at the stage of pre-litigation: introduce active minority voting/action at board and shareholders meeting level
- ◆ Introduce exemptions for preferred share class approval
- ◆ Clarify and relax CMB regulation on exemptions
- ◆ Introduce “class action” provisions
- ◆ Simplify DFI application and approval process

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