

**From:** BTS&Partners  
**To:** BRN Metaverse -Seyran Görür  
**Date:** 18 August 2022  
**Subject:** BRN Token—Turkish Capital Market Law Analysis

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## **1. Introduction**

This legal opinion is prepared in order to provide an analysis whether BRN Token could be considered to be “securities” or another capital market instrument under the Turkish Capital Market legislation.

## **2. BRN Token Project**

### **2.1. The White Paper**

It is understood that the White Paper has been made available to the public ([WhitePaper | BRN Token - Builds Future](#)). According to the White Paper BRN Token is created and generated on Binance Smart Chain (BSC) network and supported with Metaverse, GameNFT and Web 3.0.

### **2.2. Features of BRN Token**

Even though, the White Paper does not provide a specific description of the BRN Token, after analyzing the White Paper, the following appear to be the predominant features of the BRN Token:

- BRN Token provides the ability to holders/investors to participate in the battles (games) which takes place within the BRN Game. In other words, Players use BRN Token as a deposit in order to join the game and/or enter different fields of the BRN Game.
- It is used as a rewarding tool for participants of BRN Game.
- It is utilized as medium of exchange (currency) solely valid within the BRN Game

## **3. Turkish Capital Market Law Analysis of the BRN Token**

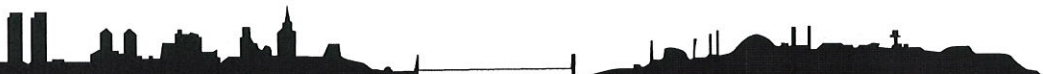
### **3.1. Current Regulatory Framework for Securities in Turkey**

#### **3.1.1. Securities**

Under the Capital Market Law numbered 6362 (“CML”), “**securities**” are defined as:

*“With the exception of money, cheques, bills of exchange and promissory notes;*

- 1) *Shares, other securities similar to shares and depositary receipts related to these shares,*



2) *Debt instruments or debt instruments based on securitized assets and revenues as well as depository receipts related to these securities”*

According to the criteria based on the “securities” definition provided under the previous version of the CML<sup>1</sup>, BRN Token could be classified as securities by the Capital Market Board (“CMB”) in case (i) it provides its owner rights such as the status of a shareholder or credit, (ii) it represents a certain value, (iii) it is used as an investment tool, (iv) it brings periodic income to its owner and (v) it is fungible and issued serially with the same form whose terms are determined by the CMB. Although the previous version of the CML is currently repealed, CMB continues to base its assessments onto the aforementioned criteria.

**Analysis on BRN Token in the context of the criterions of the CMB:**

Criteria	Yes	No	Rationale
<i>“It provides owner rights such as the status of a shareholder or credit”</i>		<b>x</b>	Pursuant to the White Paper BRN Token does not provide any ownership rights in terms of capital markets law. BRN Token is more likely a utility token than a security token as it solely allows players to enter and participate in BRN games. It does not give any voting rights on the BRN Metaverse (or any other company) or right to the receive interest. Hence, this criterion is not met.
<i>“it represents a certain value”</i>	<b>x</b>		BRN Token represents a certain value. While this value may fluctuate in the markets, as a tradable utility token, it holds an intrinsic property of representing a monetary value.
<i>“it is used as an investment tool”</i>		<b>x</b>	BRN Metaverse is planning on distributing its BRN Tokens through a sale, as stipulated in the White Paper. Those sales represent an investment of money. However, BRN Token does not seem to promise an income or a return to the buyers. In order for a token to be considered as an investment tool purchasers must reasonably expect to profit from holding the token. We believe that the statements in the White Paper do not create an expectation that the BRN Token will provide income or a return to the purchaser. Further, White Paper does not include any wording that the BRN Token shall be tradable in the secondary markets. If such statement would have been included, the holders could have a means to realize profits

<sup>1</sup> Capital Markets Law numbered 2499 (annulled on 30.12.2012).

