

# **BORSA İSTANBUL A.Ş. REGULATION ON PRINCIPLES RELATING TO EXCHANGE ACTIVITIES**

(Published in the Official Gazette edition 29150 on 19/10/2014)

List showing the amendments and revisions in the Regulation:

- 1) Regulation Revising the Regulation on Principles Relating to Exchange Activities has been published in the Official Gazette edition 29459 on 28/08/2015.
- 2) Regulation Revising the Regulation on Principles Relating to Stock Exchange Activities has been published in the Official Gazette edition 29698 on 29/04/2016.
- 3) Regulation Revising the Regulation on Principles Relating to Stock Exchange Activities has been published in the Official Gazette edition 30734 on 03/04/2019.
- 4) Regulation Revising the Regulation on Principles Relating to Stock Exchange Activities has been published in the Official Gazette edition 30821 on 04/07/2019.
- 5) Regulation Revising the Regulation on Principles Relating to Stock Exchange Activities has been published in the Official Gazette edition 30949 on 15/11/2019.
- 6) Regulation Revising the Regulation on Principles Relating to Stock Exchange Activities has been published in the Official Gazette edition 31248 on 18/09/2020.

## **FIRST PART General Provisions**

### **Purpose**

**ARTICLE 1 – (1)** The purpose of this Regulation is to regulate the principles and procedures relating to trading of capital market instruments and other contracts, instruments and assets deemed appropriate by the Capital Markets Board within the body of Borsa İstanbul Anonim Şirketi in a reliable, transparent, efficient, stabilized, fair and competitive atmosphere.

### **Scope**

**ARTICLE 2 – (1)** This Regulation regulates the principles and procedures relating to:

- a) Listing, delisting as well as trading and suspension of trading in the Exchange,
- b) Transmitting and matching of orders,
- c) Performing in due time obligations related to the executed orders,
- ç) Granting authorization to trade in the Exchange,
- d) Carrying out discipline regulations,
- e) Revenues of the Exchange and their collection,
- f) Resolution of disputes,
- g) Prevention of probable conflicts of interests between the Exchange, the Exchange's shareholders and/or market operator,
- ğ) Operation, audit and surveillance systems of the Exchange,
- ğ) Establishing, operating and managing markets.

## **Grounds**

**ARTICLE 3 – (1)** This Regulation has been issued in reliance upon Article 67 of the Capital Markets Law no. 6362 dated 6/12/2012.

## **Definitions and abbreviations**

**ARTICLE 4 – (1)** For the purposes and in the context of this Regulation:

- a)** “The Exchange” refers to Borsa İstanbul Anonim Şirketi; and
- b)** “Electronic signature” refers to electronic signature defined in sub-paragraph (b) of first paragraph of Article 3 of the Electronic Signature Law no. 5070 dated 15/1/2004; and
- c)** “Operational subscription fee” refers to a subscription fee deposited for only once for each marketplace, market, platform or system to be operated; and
- ç)** “Fund founder” refers to portfolio management companies being a founder of exchange traded funds, and founders of exchange traded funds operating as of the effective date of this Regulation, and founders of housing finance funds and asset finance funds; and
- d)** “General Manager” refers to Exchange’s General Manager; and
- e)** “Access fee” refers to a subscription fee deposited for only once before an authorization to trade is granted; and
- f)** “Surety deposit” refers to an amount collected for compensation of damages caused by those authorized to trade to the Exchange due to transactions other than the Exchange transactions, and of obligations arising out of transactions other than the Exchange transactions, not performed in due; and
- g)** “Public offeror” refers to real persons or legal entities applying to the Board for public offering of capital market instruments they possess; and
- ğ)** “Issuer” refers to legal entities and Exchange traded funds, housing finance funds, asset finance funds and mortgage financing institutions which issue capital market instruments, or apply to the Capital Markets Board for issuing, or whose capital market instruments are offered to public; and
- h)** “Trading” refers to being tradable of investment instruments in the Exchange; and
- ı)** “Trading day” refers to a day when marketplaces, markets, platforms and systems are open for trading; and
- ıi)** “Those authorized to trade” refers to those who are authorized to trade in the Exchange by becoming a member of the Exchange pursuant to first paragraph of Article 24 of the Regulation on Principles of Foundation, Operations, Activities and Audit of Exchanges and Market Operators published in the Official Gazette edition 28172 on 19/7/2013 or without becoming a member of the Exchange pursuant to third paragraph thereof; and
- j)** “Public Disclosure Platform (PDP)” refer to the system defined in sub-paragraph (k) of first paragraph of Article 3 of the Law; and
- k)** “Law” refers to the Capital Markets Law no. 6362 dated 6/12/2012; and
- l)** “Listing” refers to listing of capital market instruments for trading in the Exchange; and
- m)** “Trading without listing” refers to the trading of capital market instruments in the Exchange without any assessment by the Exchange as to the requirements of listing; and

- n) “Board” refers to the Capital Markets Board; and
- o) **(Added by the Regulation published in the Official Gazette edition 29459 on 28/8/2015/Article 1)** “Central counterparty service” refers to the central counterparty service defined in Istanbul Settlement and Custody Bank Incorporation Central Counterparty Regulation published in the Official Gazette edition 28375 on 14/8/2013; and
- ö) “Market advisor” refers to a company authorized by the Exchange for performing market consultancy services; and
- p) “Marketplaces, markets, platforms and systems” refers to trading media established according to types, modus operandi or other specified characteristics of investment instruments traded therein; and
- r) “Session” refers to the time slice when the marketplaces, markets, platforms and systems in the Exchange are open for trading; and
- s) “Capital market instruments” refers to securities and derivative instruments as well as other capital market instruments designated in this context by the Board, including investment contracts; and
- ş) “Capital market institutions” refers to the institutions listed in Article 35 of the Law,
- t) “CBRT” refers the Central Bank of the Republic of Turkey; and
- u) “Guarantee” refers to guarantees listed in Article 25 of the Regulation on Principles of Foundation, Operations, Activities and Audit of Exchanges and Market Operators, as well as trading deposit and other guarantees; and
- ü) “Representative” refers to a person who is authorized to represent in the Exchange or settlement and custody operations those authorized to trade, and to whom notices and correspondences can be delivered by hand in the name of the represented person or entity; and
- v) “Member” refers to those stated in first paragraph of Article 24 of the Regulation on Principles of Foundation, Operations, Activities and Audit of Exchanges and Market Operators, who are authorized by the Board of Directors for trading in the Exchange; and
- y) “Investment instruments” refers to capital market instruments and other contracts, certificates and assets deemed appropriate by the Board; and
- z) “Investment institutions” refers to the institutions defined in sub-paragraph (v) of first paragraph of Article 3 of the Law; and
- aa) “Annual subscription fee” refers to the subscription fee due and payable by those authorized to trade for each calendar year; and
- bb) “Board of Directors” refers to the Exchange Board of Directors.

## **SECOND PART**

### **Authorization to Trade in the Exchange**

#### **Granting of authorization to trade**

**ARTICLE 5 – (1)** Pursuant to the principles determined by the Board of Directors and approved by the Board within the framework of Article 24 of the Regulation on Principles of

Foundation, Operations, Activities and Audit of Exchanges and Market Operators, an application may be filed to the Exchange for only an authorization to trade in any one or more of the marketplaces, markets, platforms and systems within the body of the Exchange or for both an authorization to trade and becoming a member therein.

(2) Application to the Exchange should be made by a petition bearing the authorized signatures and accompanied by the required submittals and documents. The petition must further refer to marketplaces, markets, platforms or systems where an authorization to trade is requested for the Exchange.

(3) The petition of application is accompanied by:

- a) Articles of association,
- b) Distribution of capital shares of the company,
- c) Address of registered offices and communication information of the company,
- ç) Curriculum vitae of its executives,
- d) Information about data processing systems and technological infrastructure,
- e) Information about the relevant personnel,
- f) General information about accounting program and infrastructure used,
- g) Disaster recovery plan,
- ğ) Other information and documents that may be requested pursuant to the relevant applicable laws and regulations.

(4) The Exchange personnel may conduct an official examination in those who apply for an authorization to trade in the Exchange. As a result of official examinations, the Board of Directors decides whether the requirements specified in the Exchange regulations are satisfied or not.

(5) Applicants for an authorization to trade are, within a period of 1 (one) month following receipt of the decision of the Board of Directors pertaining to authorization to trade, required to deposit the respective ones of the following, depending on whether they become a member of the Exchange or not:

- (a) Access fee; operation fee for each marketplace, market, platform or system applied for operations; annual subscription fee; relevant guarantees,
- (b) Surety deposit.

(6) **(Amended by the Regulation published in the Official Gazette edition 30734 on 3/4/2019)** Entrance fee and operational subscription fee are non-refundable. The General Manager decides within the framework of the principles determined by the Board of Directors whether the annual subscription fees will be refunded proportionately on the principle of per diem deduction or not.

(7) Access fee, surety deposit, operational subscription fee and annual subscription fees and the relevant principles are determined by the Board of Directors and become effective upon an approval of the Board.

(8) **(Amended by the Regulation published in the Official Gazette edition 30734 on 3/4/2019)** If an applicant fails to perform all of its obligations arising out of fifth paragraph of this Article within the specified period of time, its application is removed. The General Manager may grant an additional time not exceeding one month. The General Manager may further decide to restart the application process.

(9) Those who perform their obligations and are authorized to trade will be required to receive a certificate showing their areas and scope of activities.

(10) **(Amended by the Regulation published in the Official Gazette edition 30734 on 3/4/2019)** Those who are authorized to trade in any specific marketplace, market, platform or system will, when they subsequently intend to operate in another marketplace, market, platform or system, or those whose authorization to trade is temporarily suspended will, when they subsequently intend to restart their operations, apply to the Exchange with a petition accompanied by documents of proof evidencing that all of the requirements specified by the Board of Directors are satisfied. The General Manager may have an official examination conducted in the relevant one's stead also with respect to these applications.

(11) Those who are authorized by the Board of Directors for trading in the Exchange may engage in trading for each of marketplaces, markets, platforms or systems established in the Exchange within the frame of the principles set forth in the relevant regulations.

(12) With regard to the provisions of this Article, different procedures and principles may be determined by the Board of Directors separately for each of marketplaces, markets, platforms, systems, investment instruments and those authorized to trade. These principles become effective upon an approval of the Board.

#### **Exception relating to the CBRT**

**ARTICLE 6 – (1)** The CBRT is authorized to trade in marketplaces, markets, platforms or systems of the Exchange, and is not subject to any of the obligations pertaining to acceptance for membership, granting of authorization to trade, guarantees, audit, supervision and discipline set forth in the pertinent regulations of the Exchange. In addition, the CBRT is exempted from subscription fees, fees charged on orders and transactions, exchange transaction fees, listing and annual listing fees, and other fees.

#### **Representation of those authorized to trade**

**ARTICLE 7 – (Amended by the Regulation published in the Official Gazette edition 30734 on 3/4/2019)**

(1) Those authorized to trade name and designate to the Exchange their representatives by issuing certificates of representation in a format and under the conditions to be specified by

the Exchange. Principles of notification of the conditions and qualifications to be sought for in representatives, and of changes in their status, will be determined by the General Manager.

(2) The General Manager may determine different procedures and principles separately for each of marketplaces, markets, platforms or systems with regard to the issues mentioned in first paragraph hereof.

### **Obligations of those authorized to trade**

**ARTICLE 8 – (1)** Those authorized to trade are under obligation:

- a) To treat their customers and those others authorized to trade in accordance with the good faith and honesty principles,
- b) To comply with the capital markets laws and regulations, the Exchange regulations, decisions of the Exchange, other relevant laws and regulations, and order and discipline of the Exchange,
- c) To comply with the terms and conditions of general and special insurance covers, etc. which cover the financial and legal responsibilities towards their customers and other third parties and are specified by the Exchange,
- ç) To deposit the margins specified in the Exchange regulations in a timely manner, and if and when it is decided to increase the margins, or in the case of decrease of margins, to make up and complete the margins,
- d) To permit the official examinations to be conducted by the Exchange or the Exchange personnel, and to provide all kinds of information and documents that may be requested, and to give full assistance and facilities if and to the extent required,
- e) To submit to the Exchange within the periods of time specified in the relevant regulations one copy of their annual results of operations, financial statements, independent audit reports and other documents and reports that may be requested by the Exchange, with respect to the Exchange transactions,
- f) To notify to the Exchange the lawsuits and legal and execution proceedings commenced by them immediately upon commencement, or the lawsuits and legal and execution proceedings commenced against them immediately upon becoming aware of them,
- g) To pay the exchange transaction fees and other subscription fees and other financial obligations in a timely manner,
- ğ) To establish the audit and supervision processes and take the actions required for prevention of frauds, corruptions and other breaches of the provisions of the Law and other applicable laws and regulations,
- h) To transmit to the Exchange all of the orders given by customers for execution in the Exchange in accordance with the relevant customer instructions and the Exchange regulations,
- ı) To conduct all kinds of controls and constitute the monitoring and control practices for minimizing the existing risks with respect to the orders sent to the Exchange system, and not to take any action which may test, threaten or jeopardize the security of modus operandi of the Exchange information systems or marketplaces, markets, platforms and

systems, and to take all kinds of measures and precautions in order to prevent any acts of their own employees or third parties which may prevent, jeopardize or break down the modus operandi of the Exchange information systems or marketplaces, markets, platforms and systems, by making use of capabilities and information infrastructure allocated by the Exchange to them, and not to pave the way for unauthorized access, unauthorized information distribution and unauthorized exchange of information towards the Exchange information systems, and to apply controls for minimization of said risks,

- i) To notify to the Exchange immediately upon occurrence any of the changes occurring in their financial situation, partners or capital shares of partners, members of board of directors, auditors or other top echelon managers and executives, authorized signatories, addresses and communication information, and powers of their representatives, and any of the changes or amendments in the regulations issued separately for each activity at any time after granting of the authorization to trade.

(2) Other obligations applicable and enforceable on those authorized to trade will be determined by the Board of Directors.

### **Obligations of representatives**

**ARTICLE 9 – (1)** Obligations of the representatives are as listed below:

- a) To act in compliance with the good faith and honesty principles,
- b) To comply with the capital markets laws and regulations, the Exchange regulations, decisions of the Exchange, other relevant laws and regulations, and order and discipline of the Exchange,
- c) To provide all kinds of information and documents that may be requested by the Exchange or the Exchange personnel,
- ç) To provide full assistance and facilities to the Exchange personnel.

(2) Other obligations applicable and enforceable on representatives will be determined by the Board of Directors.

### **Guarantees**

**ARTICLE 10 – (1)** As a security for the damages that may be caused by those authorized to trade in the Exchange to their customers, to the others authorized to trade, or to the Exchange due to granting of authorization to trade in the Exchange or due to their transactions, or as a security for timely performance of their obligations towards the Exchange, those authorized to trade in the Exchange are required to deposit such guarantees as Turkish Lira, foreign currencies freely traded by and convertible in CBTR, Turkish Lira and foreign exchange deposits blocked in the name of the Exchange, precious metals, government debt securities, liquidity bonds issued by CBTR, lease certificates, or bank letters of guarantee as may be deemed appropriate by the Exchange. Other assets that may be accepted as a guarantee hereunder will be determined by the Board of Directors and presented to the approval of the Board.

(2) Amount of guarantees to be deposited, and principles and procedures as to collection of guarantees, completion of guarantees, use and release of guarantees, use of guarantees for compensation of damages, and in the case of termination of the authorization to trade for any reason whatsoever, timing and conditions of release and return of guarantees, and other terms and conditions in connection therewith will be determined by the Board of Directors and presented to the approval of the Board. Risk management principles, and procedures and principles relating to revaluation of guarantees deposited will also be determined by the Board of Directors.

(3) The Board of Directors may necessitate deposit of a higher amount of guarantee if and when required by taking into consideration the transaction volume, activities, financial position and risk elements and factors of those authorized to trade, and other criteria deemed appropriate in relation therewith.

(4) Different procedures and principles may be determined separately for each of marketplaces, markets, platforms and systems with regard to the issues mentioned in first and second paragraphs of this Article.

#### **Precautionary suspension of authorization to trade**

**ARTICLE 11 – (1)** If and when it is detected during an audit or otherwise that their financial situation has weakened to such extent that they become insolvent and cannot meet their obligations, or substantial deficits have occurred in their custody accounts, or in the case of temporary suspension or cancellation of their operations and activities, settlement or custody membership by a decision of the official authorities or governmental bodies, or in the case of their failure in making up their margins, or if and when the official examinations and audits to be conducted by the Exchange personnel are not permitted, then and in this case, their authorization to trade may be suspended as a precaution by the General Manager for a period up to five trading days, and such suspension is advised to the Board. Suspension of authorization to trade as a precaution for a period of more than five trading days is decided by the Board of Directors, and such suspension is advised to the Board, and if required, to the relevant central settlement and custody organizations, and to Turkish Capital Markets Association.

#### **Cancellation or temporary suspension of authorization to trade**

**ARTICLE 12 – (1)** Authorization to trade will be cancelled by a decision of the Board of Directors if and when those authorized to trade lose their qualifications sought for in the relevant Exchange regulations, or a final adjudication of bankruptcy is issued for them, or due to breach of disciplinary provisions set down in Article 53 hereof.

(2) For those whose authorization to trade is cancelled due to loss of the qualifications sought for in the relevant Exchange regulations, the authorization to trade may be restituted, providing that they perform all of their covenants and obligations arising out of this Regulation and other relevant regulations.



(3) The authorization to trade may also be temporarily suspended by a decision of the Board of Directors due to breach of disciplinary provisions.

(4) Decisions as to cancellation or temporary suspension of the authorization to trade are advised to the Board, and if required, to the relevant central settlement and custody organizations, and to Turkish Capital Markets Association.

#### **Waiver from authorization to trade**

**ARTICLE 13 – (1) (Amended by the Regulation published in the Official Gazette edition 30734 on 3/4/2019)** Those wishing to waive from their authorization to trade advise their wish to the Exchange in writing. Applications filed for waiver from authorization to trade are decided by the General Manager. Decisions as to acceptance of a request of waiver are advised to the Board.

(2) Those whose request of waiver is accepted and whose authorization to trade is cancelled may again become eligible for authorization to trade only if and when they perform all of their covenants and obligations arising out of this Regulation and other relevant regulations.

### **THIRD PART**

#### **Listing**

##### **Principles applicable on listing**

**ARTICLE 14 – (1)** The competent authority for all decisions as to listing of capital market instruments is the Board of Directors. The Board of Directors may delegate its such powers to the General Manager in full or in part, providing that the limits thereof are clearly delineated.

(2) Principles as to listing of capital market instruments are determined by the Board of Directors and approved by the Board.

(3) **(Amended by the Regulation published in the Official Gazette edition 29459 on 28/8/2015/Article 2)** The conditions of listing required for listing of a capital market instrument are determined by the Board of Directors by taking into consideration the issuer's past period of operations, financial and legal situations, shareholders' equity, market value of the capital market instrument offered to public, free float rate and amount of issue, and similar other criteria. Furthermore, conditions of listing may also be determined on the basis of discrete measures and criteria as to legal status, experience, financial power and reputation of directors of the issuer, and executives who are solely and individually authorized to manage and represent the issuer, and their partners holding the management control thereof. Different listing conditions may be determined according to the types of capital market instruments, and the marketplace, market, platform or system where they will be traded, and the characteristics of issuer and of investors buying the issued stocks. For some marketplaces, markets, platforms and systems, a market advisor's report containing a positive opinion for listing of capital market instruments therein may also be sought for.

**(4) (Amended by the Regulation published in the Official Gazette edition 29459 on 28/8/2015/Article 2)** The Exchange traded fund units are listed upon an application filed by the fund founder or issuer without any separate assessment or decision of the Exchange and following approval of the relevant prospectus by the Board.

**(5)** The principles of listing stipulated in this Regulation are applicable in listing of capital market instruments, also including depositary receipts, previously issued or to be issued by foreign organizations in Turkish Lira or in foreign currencies, and of capital market instruments issued abroad by the institutions resident in Turkey. Capital market instruments already listed and being traded in main markets of foreign Exchanges to be determined by the Board of Directors may be listed without any further condition, providing that their prospectus is approved by the Board.

**(6)** Capital shares to be issued by corporations due to capital increases through rights issues and/or bonus issues in consideration of their shares listed in the Exchange are listed in the Exchange without any further transaction or decision, following registration in the trade registry of the new post-increase capital.

**(7)** In the case of acquisition of a corporation the shares of which are listed in the Exchange to another corporation the shares of which are not listed in the Exchange, or in the case of establishment of a new corporation through merger of them, the principles of listing of this Regulation are applicable and enforceable for surviving or newly-founded corporations.

**(8)** In the case of establishment of a new corporation through partial split-up by protecting the existing shareholding structure and by injection as capital in kind of a part of the assets of a corporation the shares of which are listed in the Exchange, the new to-be-founded corporation is required to meet all of the listing conditions, but the Board of Directors may decide not to seek for some of these conditions.

**(9)** Capital market instruments issued or to be issued by corporations more than half of capital shares of which are individually or collectively held by Public Administrations included in National Budget or by Special Budgeted Administrations as listed in attachment to the Public Fiscal Administration and Control Law no. 5018 dated 10/12/2003, or the management control of which is individually or collectively held by such administrations, regardless of the rate of shareholding therein, or by subsidiaries where such corporations hold capital shares of the same rate or hold management control regardless of the rate of shareholding therein, or directly by the said Administrations, are listed in the Exchange without any further transaction or decision relating thereto. The conditions and principles of listing specified in this Regulation are applicable in the applications filed for listing of capital market instruments to be issued by local administrations covered by the same Law, or by corporations of these administrations, or by subsidiaries where such corporations hold capital shares of the same rate, or directly by the said administrations.

(10) Capital market instruments issued by the CBRT, Treasury Undersecretariat or asset leasing companies founded by Treasury Undersecretariat or asset leasing companies founded by institutions with public capital designated and assigned by Treasury Undersecretariat are traded without being listed in the Exchange without any further transaction or decision relating thereto.

### **Application for listing**

**ARTICLE 15 – (1)** Application for listing is filed to the Exchange with a petition submitted by the issuer, public offeror, fund founder, market advisor together with issuer, or investment firm acting as an intermediary in issue.

(2) Issuer or fund founder, public offerors, investment firm acting as an intermediary in issue, consortium or its co-leaders in the case of issues where several investment firms act as an intermediary, market advisor, and if any, guarantor and independent auditor are held liable for mistakes or deficiencies in information and documents submitted to the Exchange, to the extent of their faults and mutatis mutandis. Substantial developments or changes, if any, in the contents of such information and documents at any time before the relevant capital market instrument is started to be traded in the Exchange will be immediately reported by these entities to the Exchange in writing.

(3) **(Amended by the Regulation published in the Official Gazette edition 29459 on 28/8/2015/Article 3)** The institutions which may serve as a market advisor will be determined by the Board upon a proposal of the Board of Directors separately for their types of operations. Procedures and principles as to authorization, performance assessment, and operations of market advisor, and sanctions applicable on market advisor will be regulated by the Board of Directors.

### **Delisting**

**ARTICLE 16 – (1)** Conditions of delisting are determined by the Board of Directors and presented to the approval of the Board by taking into consideration the issuer's or fund founder's financial and legal situations, and their compliance with public disclosure procedures and principles, and insolvency or bankruptcy of issuer, and loss of qualifications required for conduct of primary activities and operations, and payment of listing fees, and non-compliance with the pertinent laws and regulations and the related regulations and decisions of the Exchange, and failure in provision of information requested by the Exchange, and provision of incomplete or untrue or inaccurate information and documents, and similar other factors pertaining thereto.

(2) Upon occurrence of any one of the conditions of delisting, the capital market instruments listed in the Exchange may be delisted from the Exchange by a decision of the Board of Directors. The Board of Directors may delegate its such powers to the General Manager in full or in part, providing that the limits thereof are clearly delineated. If and when deemed necessary, before a decision of delisting is taken, the relevant issuer or fund founder

may be warned to remedy its defaults, or may be granted an additional time or other actions deemed fit may be taken in relation therewith.

(3) Capital market instruments which expire or are redeemed will be deemed to have been delisted from the Exchange as of the date of expiration or redemption, without any further action relating thereto.

(4) Issuers or fund founders may apply to the Exchange for delisting of their capital market instruments listed in the Exchange. The competent authority for delisting of capital market instruments upon the issuer's or fund founder's own demand is the General Manager.

(5) If the issuer or fund founder whose capital market instruments are delisted as above have other capital market instruments traded in the Exchange, such other capital market instruments may also be delisted.

(6) Listing fees are not refunded in the case of or upon delisting of capital market instruments from the Exchange.

(7) Shares of corporations representing their capital reduced upon a capital reduction in shares listed in the Exchange are delisted from the Exchange without any further transaction or decision pertaining thereto, following registration of the new capital in trade registry.

(8) The Board of Directors may decide relisting of capital market instruments permanently delisted from the Exchange, by taking into consideration the principles of listing and/or the conditions of delisting stipulated in this Regulation.

### **Staying listed**

**ARTICLE 17 – (1)** The Exchange regularly checks and reviews at least once a year whether the listed capital market instruments fulfill conditions for staying listed as will be determined in the light of Articles 14 and 16 hereof or not, and advises the results of such review to the Board.

### **Capital market instruments not listed**

**ARTICLE 18 – (1)** Capital market instruments not listed in the Exchange may be traded without being listed by an approval of the Board without any further decision of the Exchange. Approval of the Board is not sought for capital market instruments issued by the CBRT or Treasury Undersecretariat or by companies to be founded by them.

### **Inspections on issuer and fund founder**

**ARTICLE 19 – (1)** The Exchange personnel may conduct inspections in the relevant issuer or its subsidiaries or affiliates or the fund founder with respect to the transactions related to listing under third part of this Regulation. As a part of these inspections, the Exchange personnel may request all kinds of information and documents and may inspect all and any accounts and transactions in connection therewith. The relevant persons or entities are

required to permit these inspections, and to provide full assistance and facilities to the Exchange personnel, and to sign the prepared minutes, and to abide by the obligations stipulated in the regulations to be issued by the Exchange.

### **Listing fees**

**ARTICLE 20 – (1) (Amended by the Regulation published in the Official Gazette edition 29698 on 29/4/2016/Article 1)** Listing fees are:

- a) Application fee,
- b) Listing fee,
- c) Additional listing,
- ç) Annual listing fee,
- d) Relisting fee,
- e) Wholesale Market purchase and sale transaction fee.

(2) Listing fees are determined by the Board of Directors and approved by the Board.

(3) (Amended by the Regulation published in the Official Gazette edition 29698 on 29/4/2016/Article 1) Listing, additional listing, annual listing, and relisting fees are applicable also for the corporations and issuers the capital market instruments of which are not listed, but are traded in the Exchange.

(4) Different tariff rates may be determined for listing fees to be charged on capital market instruments issued by public administrations, or corporations headquartered abroad, or international financial institutions, or central banks and governments.

(5) (Amended by the Regulation published in the Official Gazette edition 29698 on 29/4/2016/Article 1) Listing fees are not refundable in the case of and upon delisting of capital market instruments from the Exchange.

### **Principles on determination of listing fee**

**ARTICLE 21 – (1)** A fixed application fee is charged on applications made for listing of capital market instruments representing shareholding rights, and on market shift applications. Application fee is refunded through offsetting from the listing fee to be initially charged if and when the application is accepted. Application fee is not refunded to corporations whose application is not accepted or who withdraw their applications.

(2) (Amended by the Regulation published in the Official Gazette edition 29698 on 29/4/2016/Article 2) Listing fee is not charged over capital market instruments representing shareholding rights initially listed. In additional listing applications made by corporations whose capital market instruments representing shareholding rights are listed in the Exchange, an additional listing fee is charged over the nominal value of their increased capital.

(3) No fee is charged for capital market instruments representing shareholding rights that are listed upon sale of capital market instruments representing shareholding rights held ready for sales pursuant to and under Article 9 of the Communiqué on Stocks (VII-128.1) of the Board promulgated in the Official Gazette edition 28685 on 22/6/2013.

(4) For capital market instruments representing indebtedness, the listing fee is calculated over the amount of issue.

(5) **(Amended by the Regulation published in the Official Gazette edition 29698 on 29/4/2016/Article 2)** For the Exchange investment funds, the listing fee is calculated over the fund value.

(6) A fixed listing fee is charged for each new trading series opened for warrants and certificates.

(7) **(Amended by the Regulation published in the Official Gazette edition 29698 on 29/4/2016/Article 2)** In wholesale purchase and sales transaction of capital market instruments representing shareholding rights which are not traded in the Exchange, a wholesale purchase and sales transaction fee is charged over wholesale amount. No fee will be charged over sales through capital increase method of capital market instruments representing shareholding rights which are traded in the Exchange. In the case of sales of capital market instruments representing shareholding rights held and owned by partners, a fee at the same rate with the additional listing tariff rate will be charged thereon.

(8) **(Amended by the Regulation published in the Official Gazette edition 29698 on 29/4/2016/Article 2)** Fees determined under this Article are paid within 30 business days following the date of invoice relating thereto.

#### **Principles on determination of annual listing fee**

**ARTICLE 22 – (1)** Corporations whose capital market instruments are listed in the Exchange are liable to pay an annual listing fee every year as long as the relevant capital market instruments are staying listed in the Exchange. This fee is not charged for the year when the listing fee is paid or when the capital market instruments representing shareholding rights are listed.

a) **(Amended by the Regulation published in the Official Gazette edition 29698 on 29/4/2016/Article 3)** Annual listing fee for capital market instruments representing shareholding rights is comprised of the amount calculated over nominal capital of the corporation listed in the Exchange as of the end of December of the relevant year, plus the amount calculated over annual average total market value of these shares. Fees will be charged on the same principles also over corporations the capital market instruments representing shareholding rights of which are not listed, but are traded in the Exchange.

b) **(Amended by the Regulation published in the Official Gazette edition 29698 on 29/4/2016/Article 3)** A fixed listing fee is charged for capital market instruments

representing indebtedness for each scheme listed as of the end of December of the previous year.

- c) **(Amended by the Regulation published in the Official Gazette edition 29698 on 29/4/2016/Article 3)** For exchange traded funds, the annual listing fee is calculated over the total value of fund listed in the Exchange as of the end of December of the previous year.
- ç) Annual listing fee is not charged for warrants and certificates.
- d) Procedures and principles of calculation of annual listing fee for other capital market instruments are determined by the Board of Directors and approved by the Board.

**(2) (Amended by the Regulation published in the Official Gazette edition 29698 on 29/4/2016/Article 3)** Fees determined under this Article are paid within 30 business days following the date of notification relating thereto.

#### **Relisting fee**

**ARTICLE 23 – (1) (Amended by the Regulation published in the Official Gazette edition 29698 on 29/4/2016/Article 4)** If and when delisted capital market instruments are relisted in the Exchange, a relisting fee is calculated according to the additional listing fee tariff rates and is paid by the relevant corporation within 30 business days following the date of invoice relating thereto.

### **FOURTH PART**

#### **Trading in the Exchange, and Suspension or Termination of Trading in the Exchange**

#### **Trading in the Exchange**

**ARTICLE 24 – (1)** Investment instruments are traded in marketplaces, markets, platforms and systems included in the Exchange within the frame of principles to be determined by the Board of Directors and to be approved by the Board.

**(2)** On which underlying assets the derivatives will be traded, and minimum contents of these assets are decided by the Board upon a proposal of the Board of Directors. These minimum contents are as follows:

- a) Type of contract,
- b) **(Abolished by the Regulation published in the Official Gazette edition 30821 on 4/7/2019)**
- c) Method of settlement of contracts,
- ç) Settlement price calculation method,
- d) Guarantee calculation method,
- e) Type and class of option.

**(3) (Added by the Regulation published in the Official Gazette edition 30821 on 4/7/2019)** With regard to futures and options contracts, contracts with different underlying

assets under the same underlying asset group, which have the same minimum elements as those of the contracts previously approved by the Board, are not subject to the Board's approval set forth in the second paragraph and the Board is notified 15 business days before these contracts are put into trade. If a negative opinion is not given by the Board within 10 working days from the date of receipt of the notification, the contracts begin to be traded without need for any further action. However, foreign currency futures and options contracts and contracts based on shares not included in the BIST 100 index are subject to the Board's approval in any case.

### **Temporary suspension of trading**

**ARTICLE 25 – (1)** Upon occurrence of any one of the following events, the General Manager may temporarily suspend the trading of relevant investment instrument and/or other investment instruments relying upon the relevant investment instrument:

- a) If and when it is learned that there is important information which may affect the decisions of investors relating to the investment instrument, or that an important disclosure will be made with the same effect, and it is deemed necessary to make the investors and those authorized to trade aware of such information during the session,
- b) Occurrence of abnormal market movements preventing the creation of a healthy marketplace for an investment instrument, or emergence of material factors preventing the healthy execution of transactions,
- c) If and when the issuer or fund founder of the investment instrument, although it has previously been warned on the same issue, fails to provide the information and documents requested by the Exchange and the records, also including those records kept in electronic medium, or does not provide the same in a timely manner or as requested, or does not permit the official examinations or audits.

**(2) (Amended by the Regulation published in the Official Gazette edition 30734 on 3/4/2019)** The General Manager may suspend the trading of an investment instrument in the Exchange for maximum one month. A decision of the Board of Directors is required for periods in excess of a month.

**(3)** The General Manager may delegate his powers set forth in the first paragraph to Deputy General Manager or Deputy General Managers to be designated.

**(4)** In the case of temporary suspension of trading of an investment instrument in the Exchange, this suspension, together with its reasons, is announced in PDP and is advised to the Board.

**(5)** The Board of Directors is authorized to determine the principles and codes of practice relating to temporary suspension of trading separately for marketplaces, markets, platforms and systems. Said principles and codes are presented to the approval of the Board.



### **Permanent termination of trading in Exchange**

**ARTICLE 26 – (1)** Conditions and principles relating to permanent termination of trading of investment instruments in the Exchange are determined by the Board of Directors separately for marketplaces, markets, platforms and systems, and are presented to the approval of the Board.

**(2)** In the case of permanent termination of trading of investment instruments in the Exchange, this termination, together with its reasons, is announced in PDP and is advised to the Board.

### **Trading in Foreign Currencies**

**ARTICLE 27 – (1)** The Board of Directors may decide trading of investment instruments in foreign currencies in the Exchange within the frame of procedures and principles to be determined by itself.

### **Notification and registration of over-the-counter transactions to the Exchange**

**ARTICLE 28 – (1)** The purchase and sale transactions realized outside the Exchange in what concerns the securities traded, listed or existing in the record of the Exchange by investment firms must be registered to the Exchange under conditions determined by the Board of Directors and approved by the Board. Information about the transactions registered to the Exchange may be disclosed to public within the frame of procedures and principles to be determined by the Board of Directors.

## **FIFTH PART**

### **Transmission and Matching of Orders**

#### **Method of transmission of customer orders**

**ARTICLE 29 – (1)** Orders for trading of investment instruments traded in the Exchange are transmitted by customers to those authorized to trade within the frame of the pertinent regulations of the Board. Procedures and principles as to access of customers to the Exchange through different communication channels of those authorized to trade are determined by the Board of Directors.

**(2)** Orders transmitted to the Exchange may, before being executed in the Exchange, be changed or cancelled by those authorized to trade within the frame of procedures and principles determined by the Board of Directors.

**(3)** Those authorized to trade may partially or fully reject the purchase and sale orders of their customers. However, in this case, they are required to immediately advise their decision, together with the reasons thereof, to their customers or their representatives.

**(4)** Orders given by the customers for execution in the Exchange and accepted by those authorized to trade are transmitted to the Exchange.

### **Transmission of orders to Exchange**

**ARTICLE 30 – (1)** Those authorized to trade transmit or cause others transmit to the Exchange the orders issued in accordance with the order types determined by the Board of Directors separately for marketplaces, markets, platforms and systems, by using the methods and the order transmission tools determined by the Board of Directors.

**(2)** Orders transmitted to the Exchange are accepted or rejected within the frame of the procedures and principles determined by the Board of Directors and approved by the Board, and according to the sessions of marketplaces, markets, platforms and systems where relevant investment instrument is traded, and the order acceptance periods and principles valid in the relevant sessions, and the order trading methods and rules.

### **Matching of orders**

**ARTICLE 31 – (1)** The Board of Directors may determine different trading methods and matching principles separately for marketplaces, markets, platforms and systems, and traded investment instruments, order types, and specified parts of sessions.

**(2)** Basically, “single price” and “multiple price” trading methods are used in trading of investment instruments in the Exchange. These trading methods may be used separately or together within the frame of principles to be determined by the Board of Directors.

**a)** Single price is the method of matching of orders transmitted to the Exchange for an investment instrument at a single trading price in accordance with the specified priority and trading rules in such manner to realize the maximum trading volume through collection of orders throughout the time slices determined by the Exchange and execution of orders once or more than once during the day.

**b)** Multiple price is the method of matching of orders transmitted to the Exchange for an investment instrument at different price levels in accordance with the specified priority and trading rules and continuously throughout the trading periods determined by the Exchange.

**(3)** An order number is assigned by the Exchange system to all orders transmitted to and accepted by marketplaces, markets, platforms and systems. Orders to which an order number is assigned are either matched to other pending orders and converted to trades in accordance with the valid order, trading and priority rules and within the frame of procedures and principles determined by the Board of Directors, or are not converted to trades and are recorded in the relevant order book.

**(4)** As the rule of priority in matching of orders registered in the Exchange System, respectively price and time priority rules are applied. Price priority rule requires execution of lower priced selling orders before higher priced selling orders, and execution of higher priced buying orders before lower priced buying orders, while time priority rule requires execution of orders registered in the system before the others with priority in the case of equality of prices.

(5) Types of trades and types of order to be applied in the marketplaces, markets, platforms and systems included in the Exchange, and the modus operandi in connection therewith are determined by the Board of Directors and presented to the approval of the Board.

(6) If deemed necessary by the Exchange, market makers and/or liquidity providers may be assigned to operate within the frame of the specified rules and to give support to operations of market. Marketplaces, markets, platforms and systems where market makers and liquidity providers will operate, and the rules applicable on them, are determined by the Board of Directors.

### **Registration, notification and announcement of resulting prices and trades**

**ARTICLE 32 – (1)** Prices and amounts of trading operations executed in the Exchange are registered in the Exchange.

(2) Information on trading operations executed in the Exchange is notified to the relevant parties within the frame of procedures and principles determined by the Exchange. In the case of any discrepancy on contents of such information, the Exchange's records will prevail.

(3) Prices and amounts of trading operations registered in the Exchange are announced and published within the frame of procedures and principles determined by the Board of Directors.

(4) Different registration and announcement conditions may be determined and applied for trades executed in different marketplaces, markets, platforms and systems included in the Exchange.

### **Principles of financial benchmark**

**ARTICLE 32/A- (Added by the Regulation published in the Official Gazette edition 30949 on 15/11/2019)**

The Exchange discloses to the public the list of financial benchmark indices which are in compliance with the principles of the International Organization of Securities Commissions and information on compliance.

### **Cancellation of orders and trades by the Exchange**

**ARTICLE 33 – (1)** Upon occurrence of the following conditions, upon application of at least one of those authorized to trade and being parties to the transaction or ex officio, all or some of the pending orders or executed trades may be cancelled by the Exchange.

- a) Errors arising out of computer systems.
- b) Trades executed as a result of erroneous order or orders transmitted by at least one of those authorized to trade or by the Exchange personnel to trading systems.

c) Other material factors suspending the trades of those authorized to trade and/or traded investment instruments.

(2) Cancellation may affect the whole session or only a part thereof. Orders or trades may be cancelled on the basis of ordering parties and/or traded investment instruments.

(3) Decision of cancellation may be taken by the General Manager or the designated Deputy General Managers in the case of conditions stipulated in sub-paragraphs (a) and (c) of first paragraph, or by the General Manager or the designated Deputy General Managers or the relevant Market Manager in the case of conditions stipulated in sub-paragraph (b) of first paragraph hereof.

(4) Decisions of cancellation are announced in PDP in the same day.

(5) The Board of Directors may determine additional cancellation rules for the orders entered or the trades executed in the primary market with respect to issue of capital market instruments in marketplaces, markets, platforms and systems included in the Exchange.

## **SIXTH PART**

### **Obligations on Executed Trades**

#### **Exchange transaction and settlement of exchange transaction**

**ARTICLE 34 – (1)** An Exchange transaction covers transmission of purchase and sale orders to the Exchange, and matching of these orders according to the Exchange rules, and performance of obligations relating to trades executed as above by the methods and within the periods of time specified in the regulations of the Exchange and the relevant settlement and custody organizations.

(2) The Exchange may conduct the settlement operations in its own organization, or may assign a central settlement organization. This decision of the Exchange is subject to the approval of the Board.

(3) If the settlement operations are conducted in the Exchange's own organization, the Exchange becomes subject to provisions of the General Regulation on Foundation and Operation Principles of Central Settlement Organizations promulgated in the Official Gazette edition 28662 on 30/5/2013, and issues regulations relating to trading guarantees, default and guarantee fund and other required regulations.

#### **Performance of obligations related to purchase and sale, and default**

**ARTICLE 35 – (1)** In the Exchange, trading operations are affected in Turkish Lira on cash basis. Cash basis is comprised of finalization of all obligations arising out of trading operations as of the day of execution of the transaction in the Exchange, and of payment of price and delivery of stocks and securities by the method and within the periods specified in the relevant Exchange regulations and in the applicable laws and regulations.

(2) The Board of Directors may, within the framework of the applicable laws and separately for marketplaces, markets, platforms and systems, decide that trades will be executed in foreign currencies, and price will be paid in foreign currencies, and cash basis will not be applied therein. The provisions of sixth paragraph of Article 52 of the Law are, however, reserved.

(3) Obligations arising out of the finalized trading operations are required to be performed by the methods and within the periods specified in the applicable laws pertaining thereto. Those who do not perform their obligations within the specified periods of time are deemed to have fallen in default without any separate notice thereof. Actions to be taken for termination of the event of default are carried out in accordance with the applicable laws and regulations.

### **Gross settlement and deposit requirement**

**ARTICLE 36 – (1)** The General Manager may, if and to the extent deemed necessary, impose a gross settlement obligation on the basis of marketplace, market, platform or system, investment instruments, issuers, fund founders, those authorized to trade, or natural persons or legal entities giving orders or trading in the Exchange, or require that cash funds and/or investment instruments required for the transmitted trading orders be fully or partially deposited in the Exchange, those authorized to trade, a bank or a settlement and custody organization, before the order is transmitted to the Exchange and for a specific period of time, separately on the basis of marketplace, market, platform or system, investment instruments or investors.

## **SEVENTH PART**

### **Establishing, Operating and Managing of Marketplaces, Markets, Platforms and Systems**

#### **Marketplaces, markets, platforms and systems established in the Exchange**

**ARTICLE 37 – (1)** By a decision of the Board of Directors, different marketplaces, markets, platforms and systems may be established for trading of investment instruments in the Exchange by taking into consideration the specifications of investment instruments, issuers, buyers and sellers, and listing or trading conditions, and liquidity and similar other criteria. Different operational rules may be determined and applied for each of marketplaces, markets and platforms. Marketplaces, markets and platforms of the Exchange may be operated in the same system, or may be operated in different systems separately or in groups. The Board of Directors issues the regulations required on these issues and presents the same to the approval of the Board.

(2) By a decision of the Board of Directors, marketplaces, markets, platforms and systems may be combined, or be fully or partially closed, and if required, operational infrastructures may be renewed or modified, and order, trading and operational principles of marketplaces, markets, platforms and systems may be revised and amended.

(3) Upon occurrence of emergencies such as factors, developments or contingencies which arise out of the conditions or infrastructure of marketplaces, markets, platforms and systems operating in the Exchange and prevent or may prevent settlement of trades in a regular and reliable manner, the General Manager will, for the sake of continuity of trades, be authorized to make and implement temporary changes in the order, trading and operational principles of the relevant marketplaces, markets, platforms and systems, such as changing the opening and closing time of sessions, or suspending or restricting the trades, or changing the daily price change limits, as long as the emergency continues.

#### **Operation and management of marketplaces, markets, platforms and systems**

**ARTICLE 38 – (1)** By scaling the marketplaces, markets, platforms and systems established in its own organization, the Exchange procures the technical infrastructure, hardware and software required for regular and rapid transmission of trading orders in line with the kind of investment instruments traded therein, and according to the trading conditions required by them, and for matching of orders, and for determination and announcement of trades executed and resulting prices, and for registration of order and trading information in databases and storage of them ready for access and use.

(2) The Exchange makes business continuity plans against all kinds of interruptions that may be faced in the course of daily operation of its Exchange activities.

(3) The Board of Directors issues the required administrative, technical and financial regulations in connection therewith.

#### **Temporary closing of marketplaces, markets, platforms and systems**

**ARTICLE 39 – (1)** Upon occurrence of emergencies, the Board of Directors may decide to temporarily close the marketplaces, markets, platforms and systems operating in the Exchange for a period up to five trading days. The Board of Directors may delegate its power to the General Manager. Decisions of temporary closing for more than five trading days are taken by the Board of Directors and presented to the Board for approval.

(2) Procedures and principles relating to causes of closing of the Exchange on the basis of marketplaces, markets, platforms and systems, and periods of closing, and release of reopening date to the public are determined by the Board of Directors.

#### **Working time of the Exchange**

**ARTICLE 40 – (1)** Days and hours of sessions in marketplaces, markets, platforms and systems included in the Exchange are determined by the Board of Directors. Furthermore, solely in the case of emergencies determined by the Board of Directors, session days and hours may be determined by the General Manager separately for each of marketplaces, markets, platforms and systems, and are announced in PDP.

## **EIGHTH PART**

### **Audit and Surveillance**

#### **Regulatory, audit and surveillance powers of the Exchange**

**ARTICLE 41 – (1)** The Exchange is liable and authorized to issue regulations relating to the powers and duties entrusted with it by the Law and other applicable laws, and the Exchange operations and activities to be carried out under the Law, and to ensure that the Exchange operations are carried out in a reliable, transparent, efficient, stabilized, fair, honest and competitive atmosphere, and to take measures and actions for prevention of probable breaches, and to carry out surveillance and audit activities and to establish systems in order to determine whether the said regulations are complied with or not.

#### **Audit activities**

**ARTICLE 42 – (1)** Audit activities are comprised of official examination, audit, assessment and reporting activities conducted in order to determine whether all kinds of activities, operations, accounts and systems relating to the Exchange activities of:

- a) those authorized to trade in marketplaces, markets, platforms and systems included in the Exchange, and their representatives, and the capital market institutions operating in the Exchange,
- b) issuers and fund founders whose investment instruments are listed or traded in the Exchange,
- c) natural persons or legal entities giving orders or trading in the Exchange,
- ç) other institutions and organizations governed by the regulations of the Exchange

are in compliance with the Exchange regulations or not, and/or whether the information provided by them to the Exchange is true and accurate or not.

**(2)** As a part of the audit activities of the Exchange, it is determined whether the purchase and sale transactions realized outside the Exchange are registered by investment institutions to the Exchange in accordance with the conditions determined by the Exchange and approved by the Board or not, pursuant to Temporary Article 9 of the Law.

#### **Surveillance activities**

**ARTICLE 43 – (1)** The Exchange establishes the required surveillance system and may take all kinds of preventive actions and measures in its own organization in order to ensure that all Exchange transactions are effected in a reliable, transparent, efficient, stabilized, fair, honest and competitive atmosphere and to determine the transactions effected in violation of the Law. The Exchange further fulfills other tasks that may be entrusted by the Board to it with respect to supervision.

#### **Measures and sanctions**

**ARTICLE 44 – (1)** With respect to breaches, violations, faulty acts and fraudulent acts detected in the course of audit and surveillance activities, the Exchange may, if and to the

extent required under the existing circumstances, warn the relevant persons, and ask them to remedy their breaches and violations, and impose the disciplinary punishments and other sanctions on them in accordance with the Exchange regulations.

(2) In order to prevent breaches, and to ensure that investment instruments can be easily and safely traded in the Exchange under free competition conditions, and that fair trading principles are developed and applied on the stocks and securities of the same characteristics in the markets, and that acts and transactions which cannot be explained with a reasonable economic or financial grounds and may distort the operation of markets in safety, openness and stability are prevented, and that all Exchange operations are conducted in a reliable, honest and competitive atmosphere, and that prices are determined in a healthy manner in the markets, or upon written demand of the Board, the General Manager may take all kinds of preventive actions and measures, also including the gross settlement and deposit condition referred to in Article 36 hereinabove, separately for marketplaces, markets, platforms or systems, and investment instruments, issuers, fund founders, those authorized to trade, or natural persons or legal entities giving orders or trading in the Exchange.

(3) Upon detection of acts in breach of the capital markets laws and regulations, particularly the information abuse and market fraud offences defined in Articles 106 and 107 of the Law, and the acts mentioned in the Market Abuses Communiqué (VI-104.1) of the Board, or upon detection of a breach of the Exchange rules by gross negligence and intention, it will be reported and advised to the Board.

(4) Procedures and principles relating to scope, application and announcement of measures to be taken by the Exchange are determined by the Board of Directors. Those authorized to trade in the marketplaces, markets, platforms and systems included in the Exchange and the capital market institutions operating therein are under obligation to take all kinds of actions for implementation of these measures.

#### **Obligation to provide information and documents**

**ARTICLE 45 – (1)** The Exchange or the Exchange personnel assigned for audit and surveillance duties may request information and documents from those authorized to trade in the marketplaces, markets, platforms and systems included in the Exchange, and from their representatives, and from the capital market institutions operating therein, and from issuers and fund founders whose investment instruments are listed or traded in the Exchange, and from natural persons or legal entities giving orders or trading in the Exchange, and from other entities and institutions governed by the Exchange regulations, in connection with all and any matters relating to the Exchange activities, and may inspect all of their books, documents, and records, also including those kept in electronic media, and similar other tools and media containing information and/or information systems, and may request access thereto, and may take copies and extracts thereof, and may request input and/or transfer of information to the databases or applications used by the Exchange under conditions and via methods determined by the Exchange, and may audit the transactions and accounts of the relevant persons, and



may take their verbal or written statements, and may draw up the necessary minutes in connection therewith.

(2) The relevant persons are under obligation to satisfy the demands of the Exchange or the Exchange personnel entrusted with the tasks of audit and surveillance, as listed in the first paragraph hereinabove, and to sign the prepared minutes. If a person refrains from signing, the reasons thereof are clearly specified in the minutes.

(3) The persons from whom information and documents are requested may not refrain from providing information on matters within the frame of the areas of responsibility of the Exchange, by relying on the privacy and secrecy and confidentiality provisions in their special legislation.

### **Cooperation and notification obligations**

**ARTICLE 46 – (1)** With a view to preventing the offences and market abuses listed in the Law, and for the sake of audit and surveillance thereof, and in order to ensure that the regulations adopted in reliance upon the Law are implemented efficiently, the Exchange may, within the frame of procedures and principles determined by the Board, request other Exchanges and related institutions to provide all kinds of technical support and to provide full assistance and to share information as and to the extent required.

(2) As a part of its audit and surveillance activities, the Exchange may enter into cooperation and exchange information with foreign exchanges and international organizations on the basis of the principle of reciprocity.

(3) The Exchange may request assistance and support as a part of efficient cooperation from public administrations and institutions on matters relating to exchange activities, and particularly audit and surveillance.

(4) Information exchange, transactions and acts to be conducted under this Article do not constitute a breach of secrecy obligations and confidentiality rules set forth in the Law and other applicable laws and regulations.

## **NINTH PART Disputes and Discipline**

### **Authority in resolution of disputes**

**ARTICLE 47 – (1)** Disputes arising out of the Exchange transactions of those authorized to trade among themselves are resolved by the Board of Directors upon application of either party thereto, while disputes of the same character between those authorized to trade and their customers are resolved by the Board of Directors upon application of the customer. The Board of Directors is assisted by the Dispute Committee in resolution of disputes.

(2) The Exchange cannot ever be held liable for implementation of the decision relating to resolution of dispute.

(3) The parties reserve their rights to apply to judicial authorities for resolution of disputes.

### **Procedures and principles on application and resolution of dispute**

**ARTICLE 48 – (1)** An application for dispute resolution is made by a written petition and against payment of a dispute resolution service fee to be determined by the Board of Directors and approved by the Board.

(2) If an application is not made properly, and the procedural breaches are not remedied within the time granted therefor, then the Dispute Committee decides that the application will be deemed not made. In this case, if the dispute resolution service fee has already been paid, this fee is refunded to the relevant person.

(3) Applications not filed within two years following the date of the first Exchange transaction in dispute are not handled and accepted by the Exchange. In this case, if the dispute resolution service fee has already been paid, this fee is refunded to the relevant party.

(4) Form of application, required contents of petition, working procedures and principles of the Dispute Committee, and procedures and principles relating to examination, resolution and awarding of dispute are determined by the Board of Directors and approved by the Board.

### **Appeal against award of dispute**

**ARTICLE 49 – (1)** If the amount of the decision of the Board of Directors resolving disputes arising out of the Exchange transactions among the investment institutions or between the investment institutions and their customers is above the amount determined according to fifth paragraph of Article 84 of the Law, both parties may file an appeal to the Board through the Exchange within fifteen days following the date of notification of the decision.

(2) The decisions of the Board resolving the disputes are final.

### **Cancellation of dispute file**

**ARTICLE 50 – (1)** If a complaint is withdrawn, or if the parties enter into an amicable settlement, or if an application is made to judicial authorities, the Dispute Committee decides to cancel the dispute file.

(2) If the parties enter into an amicable settlement or refer the dispute to arbitration or to judicial authorities, then those authorized to trade are under obligation to inform the Exchange thereabout in writing within three business days after they become aware thereof.

(3) If an application is deemed not made, or a complaint is withdrawn, or the parties refer the dispute to arbitration or judicial authorities or enter into an amicable settlement, then a re-application cannot be filed to the Exchange about the same dispute.

(4) If a complaint is withdrawn, or the parties refer the dispute to arbitration or judicial authorities or enter into an amicable settlement, then the dispute resolution service fee already paid therefor is not refunded, and is recorded as income to the Exchange. If the applicant partially or fully wins the case, as a part of the decision to be taken about its application, other party is ordered to reimburse the dispute resolution service fee to the applicant.

#### **Authority in disciplinary proceedings**

**ARTICLE 51 – (1)** The Discipline Committee is liable and authorized to conduct disciplinary proceedings about the acts requiring disciplinary punishments as listed in Article 53 hereinbelow. Formation, duties, meeting and decision quorums, working procedures and principles, reporter and similar other issues relating to the Discipline Committee are decided and regulated by the Board of Directors and presented to the approval of the Board. The competent authority to take decisions on the basis of results arrived at by the Discipline Committee is the Board of Directors.

#### **Types of disciplinary punishments**

**ARTICLE 52 – (1)** Disciplinary punishments to be inflicted on those authorized to trade and/or their representatives are as follows:

- a) Admonition: A written notice warning the related person that it should act more carefully and diligently.
- b) Reprimand: A written notice stating that the related person is deemed blameworthy.
- c) **(Amended by the Regulation published in the Official Gazette edition 31248 on 18/9/2020)** Fine: A fine of TL 10,000 to TL 5,000,000 is inflicted on the related person.
- ç) Temporary suspension of authorization to trade or of representative status: Temporary suspension of authorization of the related person to directly or indirectly trade in one or more marketplaces, markets, platforms and systems of the Exchange and/or temporary suspension of representative status of the related person therein for a period of up to three months as will be determined by the Board of Directors depending on nature and significance of the underlying act.
- d) Cancellation of authorization to trade or of representative status: Cancellation of authorization of the related person to trade in all of the marketplaces, markets, platforms and systems of the Exchange and/or cancellation of representative status of the related person therein.

#### **Acts requiring disciplinary punishments**

**ARTICLE 53 – (1)** Acts requiring the disciplinary punishments defined in the preceding Article 52 are as follows:

a) Admonition:

- 1) Not to show care and diligence in compliance with and implementation of the Exchange regulations, the decisions of the Exchange, or the customer orders.

- 2) To violate the general morals, good manners and courtesy rules in the Exchange.
- 3) To disturb the working order and discipline of the Exchange or its employees.

b) Reprimand:

- 1) Misconduct in implementation of the Exchange regulations, the decisions of the Exchange, or the customer orders.
- 2) To make false charges or issue false publications tarnishing the image and reputation of the Exchange or the Exchange personnel.

c) Fine:

- 1) To pave the way for frauds or corruptions of its representatives or other personnel through lack of required supervision.
- 2) To fail to take actions for preventing the acts of its managers and employees relating to market abuse as stipulated in the Law and in the regulations of the Board.
- 3) To act intentionally in non-compliance with the Exchange regulations, the decisions of the Exchange, or the customer orders.
- 4) To swear, insult or threaten other persons in the Exchange.
- 5) Not to provide in a timely manner or as requested the information, documents and records, also including those kept in electronic media that may be requested by the Exchange or the Exchange personnel.
- 6) To come to the Exchange drunken or under the effect of narcotic drugs, or to take alcohol or narcotic drugs in the Exchange.
- 7) **(Added by the Regulation published in the Official Gazette edition 31248 on 18/9/2020)** To make false, untruth and misleading comments and recommendations about capital market instruments by using newspapers, television, internet, social media accounts or similar mass media.
- 8) **(Added by the Regulation published in the Official Gazette edition 31248 on 18/9/2020)** Collaborating with those who try to manipulate investors by creating false, untruth and misleading impressions regarding the prices, price changes, supply and demand of capital market instruments through social media or membership-based online closed groups or to be a member of membership-based online closed groups established or operating for this purpose.

ç) Temporary suspension of authorization to trade or of representative status:

- 1) To continuously breach the provisions of fourth paragraph of Article 29 hereof.
- 2) To assault to persons or properties in the Exchange.
- 3) To swear, insult or threaten the Exchange personnel during performance of or due to their job duties.
- 4) To intentionally damage the properties of the Exchange.
- 5) To fall in default and cause the payment of the resulting liability out of the guarantee in an amount above the amount to be determined by the Board of Directors in the same marketplace, market, platform or system twice a year.
- 6) Not to provide the information, documents and records, also including those kept in electronic media, that may be requested by the Exchange or the Exchange

personnel, or to maliciously give incomplete, inaccurate or misleading information, or not to permit inspections or audits, or not to provide the required help or facilities.

- 7) To trade, give orders, cancel orders, change or modify orders, or realize account movements in such manner to commit the offences described in Articles 106 and 107 of the Law or the market abuse offences as stipulated in the Law and in the regulations of the Board, or to intentionally facilitate, enable and/or help its customers to commit such acts and offences in the Exchange.

**d) Cancellation of authorization to trade or of representative status:**

- 1) Even if the periods specified in Article 53 of the Turkish Criminal Code no. 5237 dated 26/9/2004 have expired, to be sentenced to imprisonment for five years or more due to a crime committed intentionally; or to be condemned for crimes against security of the government, crimes against constitutional order and operations of this order, embezzlement, extortion, malversation, bribe, theft, swindling, fraud, abuse of confidence, fraudulent bankruptcy, bid rigging, conspiracy in performance of obligations, prevention or distortion of information system, elimination or alteration of data, abuse of bank or credit cards, laundering proceeds of crime, smuggling, tax evasion or unjustified benefit.
- 2) To destroy or falsify the documents and records of the Exchange in order to put the Exchange or the Exchange personnel in an awkward position, or to conceal his own faults, or to confer benefits for himself.

(2) Same types of disciplinary punishments will be inflicted also on the acts which are similar by nature or significance thereof to the acts listed in this Article and requiring disciplinary punishments hereunder.

(3) **(Added by the Regulation published in the Official Gazette edition 31248 on 18/9/2020)** If the action in the seventh and eighth sub-paragraphs of the first paragraph (c) is committed, the amount of the fine to be imposed cannot be less than 50,000 TL.

#### **General provisions on determination and imposition of punishments**

**ARTICLE 54 – (1)** By considering the nature and significance of the acts requiring a punishment hereunder, if and when required, it may be decided to impose a one degree heavier or one degree lighter punishment for such acts.

(2) In the case of availability of strong suspicion relying upon concrete evidences showing that the acts requiring punishments mentioned in sub-paragraphs (ç) and (d) of first paragraph of Article 52 hereinabove may have been committed, at any time prior to or during the investigation, all powers and/or representative status of those authorized to trade and/or their representatives may be temporarily suspended by the General Manager until a final decision is taken thereabout, providing that such suspension is immediately presented to the Board of Directors for approval purposes.

**(3) (Added by the Regulation published in the Official Gazette edition 31248 on 18/9/2020)** In the case of imposition of the punishments mentioned in sub-paragraphs (ç) and (d) of first paragraph of Article 52 about the related persons or if a penalty is imposed due to acts that are in violation of the capital market legislation among the acts listed in Article 53, such punishment is advised to the Board and as the case may be, to the Turkish Capital Markets Association as soon as possible.

**(4)** Date of imposition of the punishments mentioned in sub-paragraphs (ç) and (d) of first paragraph of Article 52 is determined by the Board of Directors, together with its decision as to merits of the case.

**(5)** Disciplinary punishments imposed on a representative while he is still a representative are enforced even after termination of his representative status.

**(6)** If a new act requiring the same punishment is committed within one year following the date of decision relating to disciplinary punishments listed in Article 52, a one degree heavier punishment is inflicted on the related person.

**(7)** Amounts specified in sub-paragraph (c) of first paragraph of Article 52 may be increased by the Board of Directors every year at the rate of the revaluation coefficient.

**(8)** If a disciplinary fine is not paid by those authorized to trade, then, without any further legal or execution proceedings, said amount may be recovered and collected from the security deposit of those authorized to trade held with the Exchange. If a representative of those authorized to trade fails to pay a disciplinary fine, then, without any further legal or execution proceedings, a one degree heavier punishment is inflicted on the representative pursuant to Article 53.

### **Statute of limitations on investigation and disciplinary punishments**

**ARTICLE 55 – (1)** A disciplinary proceeding cannot be initiated after the end of one year following the date when the Exchange becomes cognizant of the act requiring disciplinary punishments, and in any case, after the end of two years following the date of this act.

**(2)** In any case, a disciplinary punishment cannot be inflicted after the end of three years following the date of the act requiring disciplinary punishments.

**(3)** A disciplinary punishment which cannot be enforced within three years following the date of decision of the Board of Directors is quashed.

**(4)** If the act requiring a disciplinary punishment is at the same time a crime, and a longer limitation of actions is specified for that crime in the pertinent laws, then, the legal limitation of actions is applicable in lieu of periods mentioned in first and second paragraphs of this Article.

### **Simultaneous conduct of disciplinary and legal investigations**

**ARTICLE 56 – (1)** Initiation of an investigation about the related persons by judicial authorities does not prevent the conduct of a disciplinary proceeding for the same reason.

## **TENTH PART**

### **Miscellaneous and Final Provisions**

#### **Provisions on committees**

**ARTICLE 57 – (1)** In order to assist the Board of Directors in performance of the duties and tasks entrusted by the applicable laws on the Board of Directors, a Dispute Committee, a Discipline Committee and other committees deemed necessary are appointed. Formation, duties and functions, meeting and decision quorums, working procedures and principles, reporter and similar other issues relating to the committees appointed as above or other committees that may be formed as a requirement of operations of markets are determined and regulated by the Board of Directors.

#### **Rules on conduct of activities, prevention of conflicts of interests, and compliance with ethical principles**

**ARTICLE 58 – (1)** Procedures and principles as to how the activities of the Exchange will be carried out in accordance which rules and principles, and as to ethical rules and principles required to be complied with by all employees, and as to actions to be taken for prevention of probable conflicts of interests between the Exchange, shareholders and/or market operator are determined by the Board of Directors and approved by the Board.

#### **Revenues of the Exchange**

**ARTICLE 59 – (1)** Fees and commissions, also including exchange transaction fees, which are charged in consideration of basic services rendered by the Exchange and are applied in reliance upon the Exchange's status of being sole provider thereof, and the timing and method of collection of them are decided by the Board of Directors and presented to the approval of the Board. A decision of the Board of Directors relating to fees and commissions presented for approval becomes effective if the Board does not express a negative opinion within thirty days thereafter.

**(2)** Fees and commissions relating to non-mandatory services of the Exchange, and the timing and method of collection of them are determined by the Board of Directors and presented to the Board for information purposes. Training services rendered by the Exchange are considered under this paragraph, even if they are made obligatory for those authorized to trade.

**(3)** Other revenues beyond the scope of first and second paragraphs of this Article, and the timing and method of collection of them are determined by the Board of Directors.

### **Collection of revenues**

**ARTICLE 60 – (1)** The Exchange revenues which are duly accrued and become due and payable are paid and settled by the related persons within the specified periods of time. Unpaid debts are recovered and collected from the debtor's guarantees or security deposit, if any.

**(2)** The rate of interest to be applied upon non-payment of debts owed to the Exchange on due dates thereof may be determined by the Board of Directors, but may not exceed twice the then-current interest rate applied on public receivables. Unless a different interest rate is determined by the Board of Directors or by a contract, the rate of interest applicable in commercial deals is to be applied.

### **Announcements, advertisements and notices**

**ARTICLE 61 – (1)** Format of announcements, advertisements and notices to be addressed to those authorized to trade and/or to their representatives is decided by the General Manager.

**(2)** Said announcements, advertisements and notices may be sent by electronic methods, the Exchange Bulletin or press and media.

**(3)** Decisions of the Board of Directors relating to disciplinary proceedings are sent by registered mail, return requested, to the last address of the related persons known by the Exchange or to their corporate electronic mail address, or are delivered to them or to their authorized representatives in the Exchange by hand against a signed acknowledgement of receipt.

**(4)** In disciplinary proceedings handled by an attorney, notices are delivered to the attorney.

### **The Exchange Bulletin**

**ARTICLE 62 – (1)** The Exchange publishes an Exchange Bulletin in electronic media.

**(2)** Contents and format of the Exchange Bulletin are determined by the General Manager.

### **Matters on which this regulation remains silent**

**ARTICLE 63 – (1)** On all and any matters on which this Regulation remains silent or is not sufficiently clear, the Board of Directors is authorized to take decisions and to direct and regulate the practices within the frame of the applicable laws, the articles of association, and the capital markets laws and regulations, except for the cases requiring a prior approval or consent of the Board.

### **Repealed and superseded regulations**

**ARTICLE 64 – (1)** The following regulations are hereby repealed and superseded:

**a)** Regulation on Istanbul Exchange promulgated in the Official Gazette edition 22559 on 19/2/1996,



- b) Regulation on Settlement and Custody Centers of Istanbul Exchange promulgated in the Official Gazette edition 22559 on 19/2/1996,
- c) Regulation on Futures and Options Exchange promulgated in the Official Gazette edition 25415 on 27/3/2004.

**Transitory provisions on regulations to be adopted**

**TEMPORARY ARTICLE 1 – (1)** The provisions of the existing regulations which are not contradictory with this Regulation will be continued to be applied until the date of adoption of the regulations specified in this Regulation.

(2) The provisions of the previous legislation are applicable on the disciplinary proceedings initiated prior to the date of publishing of this Regulation.

(3) Regulations specified in this Regulation will be adopted and issued within no later than one year following the effective date of this Regulation. The Exchange carries out its activities in accordance with the existing regulations until the said regulations are adopted.

**Effective date**

**ARTICLE 65 – (1)** This Regulation becomes effective as of the date it is published.

**Execution**

**ARTICLE 66 – (1)** The provisions of this Regulation are enforced and executed by the Board of Directors.