

Unofficial Translation

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Document	Type	Announcement
	No	2020/58
	Subject	Market Segmentation in Equity Market
	Approval Date	9/17/2020
	Prepared by	Equity Market Operations Directorate, Listing Directorate, Data, Technology and Member Services Directorate
	Distribution	Borsa İstanbul Members, Data Vendors, Companies with Securities Listed in Equity Market, Independent Software Vendors

To Whom It May Concern,

Within the scope of Borsa İstanbul A.Ş. Board of Directors' decision dated 9/10/2020 and Capital Markets Board's (CMB) decision dated 9/14/2020, for the purpose of increasing depth in trading of the equities, some changes have been made in Equity Market structure, trading principles, Market segment change-over criteria and listing requirements.

- Sub segment grouping as BIST Stars Group 1 and BIST Stars Group 2 and BIST Main Group 1, BIST Main Group 2 has been abolished.
- BIST Stars Group 1 and BIST Stars Group 2 are changed into BIST Stars; BIST Main Group 1 is changed into BIST Main; and BIST Main Group 2 is changed into "BIST SubMarket".
- Related changes have been made in the Equity Market Directive regarding the trading principles of this re-structured markets and market segment change-over criteria.
- Emerging Companies Market segment is combined with the "BIST SubMarket".
- Total market cap of companies trading in Emerging Companies market segment will be listed in "BIST SubMarket" and the shares will continue to be traded in "BIST SubMarket" as of 10/1/2020.
- Procedure regarding Market Advisory in Emerging Companies market segment is abolished.
- To emphasize that a single class of shares is ideal for public companies, a "preference" criterion is introduced to promote equality for the shareholders of the companies with high market-caps.
- For companies to be traded in Borsa İstanbul, listing criterion of minimum market cap is changed from 150 Million TL to 200 Million for BIST Stars, remained the same as 50 Million TL for BIST Main, and set as 20 Million for the "BIST SubMarket".
- Free float ratio being an important criteria for a fair price formation, companies with less than 5% free float ratio, may be traded in Pre-Market Trading Platform. It is decided to give time to companies that are being traded with a current free float ratio less than 5% to raise their free float ratio above 5% until 1/1/2021; and those to be warned that their shares can be traded in Pre-Market Trading Platform as of 1/1/2021 in case they fail to do so. Therefore, companies that are supposed to be traded in Pre-Market Trading Platform and increased their free float ratio to more than 5%, may be traded in corresponding market segment.
- In this context, related changes have been made in Listing Directive and Listing Price Tariff.
- Market segment criteria are regulated as below in the Equity Market Directive:

Criteria for trading in Market Segments	BIST Stars	BIST Main	"BIST SubMarket"
Market Cap (MC)	> 500 Million TL	> 60 Million TL	

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Criteria for trading in Market Segments	BIST Stars	BIST Main	“BIST SubMarket”
Market Cap of Shares in Actual Free Float (MCFE)	> 100 Million TL	> 30 Million TL	
Free Float Ratio (FFR)	>10%	>10%	
Number of Domestic Retail Investors	>1000	>500	
Preference	If preferred FFR<90%	If preferred FFR<90%	
Domestic Funds	>3 Million TL		
Liquidity	<2.5	<7.5	
(*)	MCFE>750 Million TL and Liquidity<2.5	Dividend>10% and MCFE>30 Million TL	

Requirements for companies for their shares to be traded in BIST Stars:

- Market cap to be greater than 500,000,000 TL
- Market cap of shares in actual free float to be greater than 100,000,000 TL
- Free float ratio to be greater than 10%
- Number of domestic retail investors to be greater than 1,000
- If the company has preferred stocks, free float ratio to be smaller than 90%
- Total domestic fund investment to be greater than 3,000,000 TL
- Liquidity to be smaller than 2.5.

- Moreover, companies that have more than 750,000,000 TL of market cap of shares in actual free float and liquidity less than 2.5; will be traded in BIST Stars, regardless of the other criteria.

Requirements for companies for their shares to be traded in BIST Main:

- Market cap to be greater than 60,000,000 TL
- Market cap of shares in actual free float to be greater than 30,000,000 TL
- Free float ratio to be greater than 10%
- Number of domestic retail investors to be greater than 500
- If the company has preferred stocks, free float ratio to be smaller than 90%
- Liquidity to be smaller than 7.5.

- Moreover, companies of which the shares are traded in the “BIST SubMarket” that have market cap of shares in actual free float greater than 30,000,000 TL and –Additional criterion- Dividend yield more than 10% will be traded in BIST Main regardless of the other criteria.

- Trading principles for market segments are regulated as below in the Equity Market Directive:

Trading Principle	BIST Stars	BIST Main	“BIST SubMarket”	Watchlist	Pre-Market Trading Platform
Trading Method	Continuous Trading	Continuous Trading	Continuous Trading	5 Call Auctions	5 Call Auctions
Short-Sell and Margin-Trading	YES	YES	NO	NO	NO
Gross Settlement	NO	NO	YES	YES	YES
Margin Ratio	General Provisions	75%	0%	0%	0%

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Trading Principle	BIST Stars	BIST Main	“BIST SubMarket”	Watchlist	Pre-Market Trading Platform
Open Clearing Position /Margin Ratio	General Provisions	50%	100%	100%	100%
Price Margin	20%	15%	10%	10%	10%
Short Sell Uptick Rule	NO	YES	-	-	-
Price Change Triggering Circuit Breaker	10%	7.5%	5%	-	-
Circuit Breaker Call Period	5 minutes	15 minutes	15 minutes	-	-
Circuit Breaker Uncrossing Period	2 minutes	2 minutes	2 minutes	-	-
Restraining of Data Dissemination During Call Auction Call Periods (*)	NO	NO	YES	YES	YES
Order Cancellation in the Last 5 Minutes of Opening Session (*)	YES	NO	NO	NO	NO
Market Order in Opening Session (*)	YES	NO	NO	NO	NO

(*) New session states and trading sessions that will be created according to the new trading principles will be shared via “connect.borsaistanbul.com”.

- Above trading principles are general principles, however it must be noted that the below applications implied by our announcements 2020/20, 2020/21 and 2020/50 and CMB decisions are still in effect until further notice:
 - Short selling is limited to BIST30 shares.
 - Price margin is 10% for equities in BIST Stars, BIST Main, exchange traded funds, real estate certificates, real estate investment funds and venture capital investment funds.
 - Circuit breaker for all equities is triggered at 5% and in downward trend only.
 - Order collection period for circuit breaker is 15 minutes for all equities.
- Regarding the application of margin ratio, for a duration of 1-month; calculations for securities that have been accepted in margin ratio before the effective date of the Directive, can be made as per previous ratios.
- Calculation of open clearing position / margin ratio, set per market segment can be made as per the previous ratios for the duration of 1-week as of the effective date of the Directive changes.

Above regulations will be in effect along with the changes in Equity Market Directive and Listing Directive as of 10/1/2020.

Furthermore, regarding the buy order acceptance by the intermediaries for shares in “BIST SubMarket”:

- Risk Statement Form including the text stated below must be taken from the order transmitting investor in writing or electronically.

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- This issue must be reminded to the investors for each order given in physical presence or via phone, although the full statement is not required to be read; and for each order given electronically, this text must be presented to the investor.
- This risk statement application must be put in effect latest by 11/2/2020 by the intermediaries.

Risk Statement:

It is presented to your attention with due importance, that for equities in “BIST SubMarket” in which the equity you want to trade is traded, order depth/liquidity may be limited, therefore you must be fully aware of the market risk, taking into consideration that the probability of sharp downward/upward price movements is high, evaluating these risks while trading, and in order to limit the price risk, buy and sell orders should be transmitted as limit orders as much as possible.

Kindly submitted for your information.

Mehmet Hakan ATILLA
CEO
Member of the Board of Directors

Appendix: Distribution of equities for BIST Stars, BIST Main and “BIST SubMarket” as of 10/1/2020 (1-page)

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APPENDIX: Distribution of equities for BIST Stars, BIST Main and “BIST SubMarket” as of 10/1/2020

BIST Stars			BIST Main				“BIST SubMarket”	
AEFES	GSDHO	TMSN	ACSEL	EDIP	MEPET	UTPYA	ADESE	MARKA
AGHOL	GUBRF	TOASO	ADEL	EGSER	MERKO	VAKFN	AKMGY	MEGAP
AKBNK	HALKB	TRGYO	AFYON	ERBOS	METRO	VAKKO	ARMDA	METUR
AKCNS	HEKTS	TRKCM (*)	AGYO	ERSU	MIPAZ	VERTU	ATAGY	MRSHL
AKFGY	HLGYO	TSKB	AKENR	ESCOM	MNDRS	VERUS	ATLAS	MTRYO
AKGRT	INDES	TTKOM	AKSUE	EUHOL	MRGYO	VESBE	AVHOL	NIBAS
AKSA	IPEKE	TTRAK	AKYHO	FADE	MSGYO	VKFYO	AYCES	NUGYO
AKSEN	ISCTR	TUPRS	ALCAR	FENER	NATEN	VKGYO	BANVT	OLMIP
AKSGY	ISDMR	TURSG	ALKA	FLAP	NUHCM	YAYLA	BEYAZ	OSMEN
ALARK	ISFIN	ULKER	ANELE	FMIZP	ORGE	YESIL	BRKSN	OZRDN
ALBRK	ISGYO	VAKBN	ARENA	FONET	OSTIM	YGYO	BRMEN	PKENT
ALCTL	ISMEN	VESTL	ARSAN	GEDZA	OYAYO	YKGYO	BURVA	POLTK
ALGYO	KAREL	YATAS	ASUZU	GENTS	OYLUM	YKSLN	CELHA	QNBFB
ALKIM	KARTN	YGGYO	ATEKS	GEREL	OZBAL	YUNSA	CMENT	QNBFL
ANACM (*)	KCHOL	YKBNK	AVGYO	GLYHO	OZGYO	YYAPI	CRFSA	RALYH
ANHYT	KERVY	ZOREN	AVOD	GOLTS	PAGYO		DAGHL	RAYSG
ANSGR	KONYA		AVTUR	GSDDE	PAPIL		DGGYO	RHEAG
ARCLK	KORDS		AYEN	GSRAY	PARSN		DOGUB	RODRG
ARDYZ	KOZAA		BAKAB	GYHOL	PEGYO		DOKTA	SAMAT
ASELS	KOZAL		BAYRK	HATEK	PEKGY		EGPRO	SANEL
AVISA	KRDMD		BERA	HDFGS	PENGD		EMKEL	SANFM
AYGAZ	LOGO		BFREN	HUBVC	PINSU		ETYAT	SANKO
BAGFS	MAVI		BJKAS	HURGZ	PKART		EUKYO	SEKFK
BIMAS	MGROS		BLCYT	IHEVA	POLHO		EUYO	SEKUR
BIZIM	MPARK		BNTAS	IHLAS	PRKME		FORMT	SEYKM
BRISA	NETAS		BOSSA	IHLGM	PRZMA		GARFA	SMART
BRSAN	NTHOL		BRYAT	IHYAY	PSDTC		GEDIK	SNPAM
BSOKE	ODAS		BTCIM	ISBTR	RTALB		GLBMD	SONME
BUCIM	OTKAR		BURCE	ISGSY	RYGYO		GLRYH	SRVGY
CCOLA	OYAKC		CEMAS	ISYAT	RYSAS		GRNYO	TDGYO
CEMTS	OZKGY		CEOEM	ITTFH	SAFKR		ICBCT	TKURU
CIMSA	PETKM		CMBTN	JANTS	SAYAS		IDEAS	TSGYO
CLEBI	PETUN		CRDFA	KARSN	SILVR		IDGYO	ULAS
DEVA	PGSUS		CUSAN	KATMR	SKTAS		IEYHO	ULUSE
DOAS	PNSUT		DAGI	KFEIN	SNGYO		IHGZT	VANGD
DOCO	PRKAB		DENCM (*)	KLGYO	TBORG		INFO	VKING
DOHOL	SAHOL		DERAS	KLMSN	TEKTU		INTEM	YAPRK
ECILC	SARKY		DERIM	KNFRT	TGSAS		ISATR	
ECZYT	SASA		DESA	KRDMA	TIRE		ISKUR	
EGEEN	SELEC		DESPC	KRDMB	TKNSA		IZFAS	
EGGUB	SISE		DGATE	KRGYO	TLMAN		IZMDC	
EKGYO	SKBNK		DGKLB	KRONT	TMPOL		IZTAR	
ENJSA	SODA (*)		DITAS	KUTPO	TRCAS		KAPLM	
ENKAI	SOKM		DMSAS	KUYAS	TSPOR		KENT	
EREGL	TATGD		DNISI	LINK	TUCLK		KLNMA	
FROTO	TAVHL		DOBUR	LKMNH	TUKAS		KRSTL	
GARAN	TCELL		DURDO	MAALT	TURGG		KRTEK	
GOODY	THYAO		DYOBY	MAKTK	ULUUN		LIDFA	
GOZDE	TKFEN		DZGYO	MARTI	USAK		LUKSK	

(*) ANACM, DENCM, SODA and TRKCM shares are projected to be merged under SISE as of 10/1/2020.