

Unofficial Translation

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Document	Type	Announcement
	Subject	Changes in Operating Principles of Derivatives Market
	Prepared by	Borsa İstanbul Derivatives Market (VIOP)
	Distribution	VIOP Members, Data Vendors and Independent Software Vendors (ISVs)

To Whom It May Concern

Borsa İstanbul A.Ş. as of January 25, 2024 has decided:

- to determine the minimum amount of loss realized from erroneous transaction/transactions cancellation as for normal session, a minimum of 100,000 TRY for applications made before 17:30 on a full business day (before 12:00 on a half business day), a minimum of 400,000 TRY for applications made on or after 17:30 on a full business day (and or after 12:30 on a half business day), for applications made for evening session, a minimum of 100,000 TRY,
- to revise the rules of user allocation to market makers considering that contracts and accounts which can be traded on users allocated to market makers are restricted by our Exchange,
- to revise the content of the PTRM application in the Derivatives Market Procedure since it has become possible to set a different value for the risk limits determined as zero intraday,
- to make the other changes as shown in the attached comparison chart of the Derivatives Market Procedure.

Derivatives Market Procedure will be updated as in Attachment. The updated version of Derivatives Market Procedure is available on Borsa İstanbul website under “Corporate” tab, “Regulations” section (<https://www.borsaistanbul.com/en/sayfa/4028/procedures>).

Kindly for your information.

Korkmaz ERGUN
CEO and Board Member

Attachment: Changes in Borsa İstanbul A.Ş. Derivatives Market Procedure

Attachment: Changes in Borsa İstanbul A.Ş. Derivatives Market Procedure

OLD TEXT	NEW TEXT
<p>19. Trade cancellation</p> <p>...</p> <p>iv. Minimum Loss Amount Generated As A Result of Trade/Trades Which Is/Are Subject To Cancellation: Minimum loss amount calculated by comparing reference price and prices of trade/trades subject to erroneous trade cancellation shall be TRY 50,000 for applications before 17:30 for full business day normal session and before 12:00 for half day normal session; TRY 200,000 for applications made at 17:30 and thereafter during the normal session, for half day normal session at 12:00 and thereafter during the half day normal session; and TRY 50,000 for the applications made during the evening session.</p> <p>...</p>	<p>19. Trade cancellation</p> <p>...</p> <p>iv. Minimum Loss Amount Generated As A Result of Trade/Trades Which Is/Are Subject To Cancellation: Minimum loss amount calculated by comparing reference price and prices of trade/trades subject to erroneous trade cancellation shall be TRY 100,000 for applications before 17:30 for full business day normal session and before 12:00 for half day normal session; TRY 400,000 for applications made at 17:30 and thereafter during the normal session, for half day normal session at 12:00 and thereafter during the half day normal session; and TRY 100,000 for the applications made during the evening session.</p> <p>...</p>
<p>37. Determination of the daily and expiry date settlement price by the committee</p> <p>The daily settlement price will be determined at the end of Normal Session by methods indicated in related contract specifications. In this respect, daily settlement prices for future contracts determined by the System, and they are determined by Takasbank for option contracts.</p> <p>The committee can determine a new price in accordance with the methods envisaged in the contract specifications. Market will convey demand for changes to committee via e-mail. Then, determined prices will be presented to be voted. Each committee member holds one vote. The price with the most votes will be accepted as the price determined by the committee. In the case of equality of votes, the committee chairman's vote will prevail. In the direction of committee approval, settlement prices of futures contracts will be changed by the</p>	<p>37. Determination of the daily and expiry date settlement price by the committee</p> <p>The daily settlement price will be determined at the end of Normal Session by methods indicated in related contract specifications.</p> <p>The committee can determine a new price in accordance with the methods envisaged in the contract specifications. Market will convey demand for changes to committee via e-mail. Then, determined prices will be presented to be voted. Each committee member holds one vote. The price with the most votes will be accepted as the price determined by the committee. In the case of equality of votes, the committee chairman's vote will prevail. In the direction of committee approval, settlement prices of contracts will be announced by the Exchange in the System.</p>

<p>Exchange personnel, and settlement prices determined by Takasbank for option contracts will be announced by the Exchange in the System.</p> <p>The expiry date settlement price of the contracts traded on the Market may be corrected by a committee decision as envisaged in this Implementing Procedures and Principles.</p>	<p>The expiry date settlement price of the contracts traded on the Market may be corrected by a committee decision as envisaged in this Implementing Procedures and Principles.</p>
<p>45.7. The users allocated to Market Makers</p> <p>Market Makers are provided with Market Maker FixAPI or OUCH users, which are allocated to send orders from only the market maker accounts and to responsible contracts. In case of a detection of a contradiction to the related regulations from these users, 50% more of the related user type maximum monthly usage fee will be charged in proportion to the number of days the contradiction continues. In addition, the number of Market Maker users allocated free of charge to market makers can be reduced, or all Market Maker users can be retrieved. When contingent use is being assessed, the possibility to send order to the contracts that the market maker is not responsible with market maker account is taken into consideration. Any problems arising from technical errors will be evaluated separately by the General Management.</p>	<p>45.7. The users allocated to Market Makers</p> <p>Market Makers <u>may be</u> provided with <u>free of charge</u> Market Maker FixAPI or OUCH users, which are allocated to send orders from only the market maker accounts and to responsible contracts. <u>When allocating the users, the possibility to send orders for risk management purposes from market maker accounts to the contracts that the market maker is not responsible is taken into consideration.</u> The number of Market Maker users allocated free of charge to market makers can be reduced, or all Market Maker users can be retrieved.</p>
<p>APPENDIX-6: PRE-TRADE RISK MANAGEMENT</p> <p>...</p> <p>2. RISK GROUP CHECKS (USER LIMITS)</p> <p>...</p> <p>PTRM provides below risk group checks:</p> <ul style="list-style-type: none"> • Pre-Order Risk Controls <ul style="list-style-type: none"> o Maximum Order Size o Restricted Contracts o Price Tolerance Limit • Post-Order and At Trade Risk Controls <ul style="list-style-type: none"> o Order rate limitations o Intraday position limits 	<p>APPENDIX-6: PRE-TRADE RISK MANAGEMENT</p> <p>...</p> <p>2. RISK GROUP CHECKS (USER LIMITS)</p> <p>...</p> <p>PTRM provides below risk group checks:</p> <ul style="list-style-type: none"> • Pre-Order Risk Controls <ul style="list-style-type: none"> o Maximum Order Size o Restricted Contracts o Price Tolerance Limit • Post-Order and At Trade Risk Controls <ul style="list-style-type: none"> o Order rate limitations o Intraday position limits

<div>o Duplicate order limit</div> <div>In addition to these functionalities all open orders of a risk group or of a user of a risk group can be manually cancelled at once. Open orders can also be automatically cancelled at once when limits (Position Risk Limits, Order Rate Limits and Duplicate Order Limits) set by the Market members in the PTRM application are breached or when the monitored user disconnects as described in detail under heading 2.3.</div> <div>...</div> <div>2.2.1 Position Risk Limits</div> <div>...</div> <div>When the risk limit set as zero, it means its infinite. System will not make any control when the limits are set as zero. When an instrument class or instrument type set as zero before is changed intraday, unexpected problem in position risk calculations may occur at the system. For that reason, intraday change in limits set as zero for instrument class or type is not recommended.</div>	<div>o Duplicate order limit</div> <div><u>Post-order and at trade risk controls are performed after orders and trades. If the consumption is equal to or greater than the given limit, breach occurs. The order or trade causing the limit to be exceeded is not blocked. Consumption is updated after the orders or trades are processed by PTRM. It is possible for a breach to occur during the time elapsed until the transmission of orders or the realization of trades is reflected in consumption. After the breach occurs, actions are implemented in accordance with the predetermined rules of Exchange or Member.</u></div> <div>In addition to these functionalities all open orders of a risk group or of a user of a risk group can be manually cancelled at once. Open orders can also be automatically cancelled at once when limits (Position Risk Limits, Order Rate Limits and Duplicate Order Limits) set by the Market members in the PTRM application are breached or when the monitored user disconnects as described in detail under heading 2.3.</div> <div>...</div> <div>2.2.1 Position Risk Limits</div> <div>...</div> <div>When the risk limit set as zero, it means its infinite. System will not make any control when the limits are set as zero.</div>
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