



# Investing in Borsa İstanbul Markets





# 1. Introduction

Borsa İstanbul A.Ş. (Borsa İstanbul), with roots dating back to 1873, ensures fair and well-organized trading of securities, derivatives, precious metals and diamonds as the primary exchange of Türkiye. Borsa İstanbul is integrated with post-trade institutions İstanbul Takas ve Saklama Bankası A.Ş. - Takasbank (Central Counterparty - CCP) and Merkezi Kayıt Kuruluşu A.Ş. - MKK (Central Securities Depository). Borsa İstanbul, Takasbank and MKK all together constitute Borsa İstanbul Group. Through its integrated pre-trade, trade and post-trade structures, cutting edge technology and diverse product range, Borsa İstanbul Group provides investors with

a modern and highly liquid trading platform based on international standards and best practices. Borsa İstanbul Group facilitates access for investors to Turkish capital markets and provides them with tools to hedge perceived risks. Türkiye's fast growing economy, strong financial and real sector with access to large domestic and regional markets, geographic proximity to Europe, Middle East and Asia, liberal investment climate with robust investor protection are just a few of the key factors that make it an attractive destination for investment. Turkish capital markets are preferred by the most renowned investors from all around the world.



Empowered by the Capital Markets Law, enacted in 1981, the Capital Markets Board of Türkiye (CMB) is the responsible regulatory and supervisory authority. CMB takes the necessary measures to foster the development of capital markets and contribute to the efficient allocation of financial resources while ensuring investor protection.

Borsa İstanbul operates four main markets; Equity Market, Debt Securities Market, Derivatives Market, and Precious Metals & Diamond Markets. In 2021, Borsa İstanbul had the highest turnover velocity among all the members of the World Federation of Exchanges (WFE), ranked first in single stock futures and precious metals futures trading volume, third in terms of the number of new listings for private market debt securities, and ranked tenth in value of bonds listed (WFE annual statistics). Almost 50% of the free float market cap of companies in BIST30, the blue chip index, is held in custody by foreign investors. Borsa İstanbul has been accredited by the European Securities and Markets Authority (ESMA) as a third country trading venue, and it is a Member of the Board at WFE, the global industry group for exchanges and clearing houses around the world. Borsa İstanbul also performs the secretariat function for the Organisation of Islamic Cooperation (OIC) Exchanges Forum, the umbrella organization for fifty nine exchanges and twenty two central securities depositories in OIC. Borsa İstanbul is also a member of the London Bullion Market Association (LBMA), the World Federation of Diamond Bourses (WFDB), the Intermarket Surveillance Group (ISG), the Sustainable Stock Exchanges Initiative (SSE), and SSE Derivatives Exchanges Advisory Group.

Takasbank operates as the central counterparty (CCP) on Borsa İstanbul's Equity Market, Debt Securities Market (including Swap Market and Money Market Excluding non-bank corporate bonds) and Derivatives Market. Takasbank also provides CCP services for Securities Lending Market and over-the-counter derivatives transactions that take place between the banks. Takasbank complies with International Organization of Securities Commissions (IOSCO) financial market infrastructure principles, and European Union regulations & technical standards. Takasbank is also a member of WFE, The European Association of CCP Clearing Houses (EACH), and CCP12 (Global Association of CCPs).

MKK, the central securities depository, provides its members with depository, trade repository & reporting, corporate governance and investor services. MKK also offers in-house developed data and technology systems and platforms to local and foreign capital and financial markets as part of its role as an R&D center. MKK serves safekeeping of securities on a beneficial owner basis and omnibus accounts, and provides global reach with its direct links with other CSDs. MKK, also complies with the PFMI-IOSCO principles for CSDs and SSS, holds ISO 27001 Information Security and ISO 22301 Business Continuity Management Certificates.

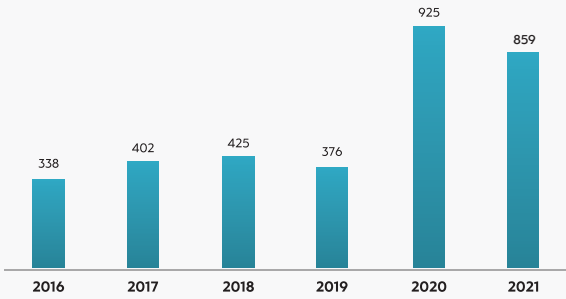
## 2. Equity Market

Borsa İstanbul Equity Market provides investment opportunities to the most prominent companies of the growing Turkish economy in various sectors.

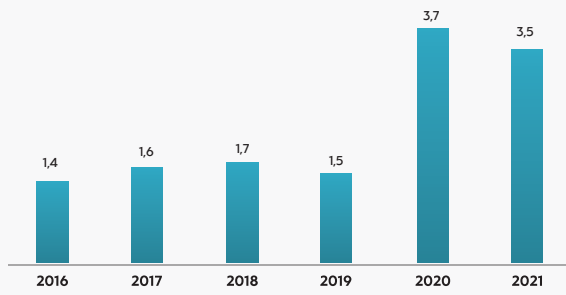


Some of the key metrics for Equity Market depicted below:

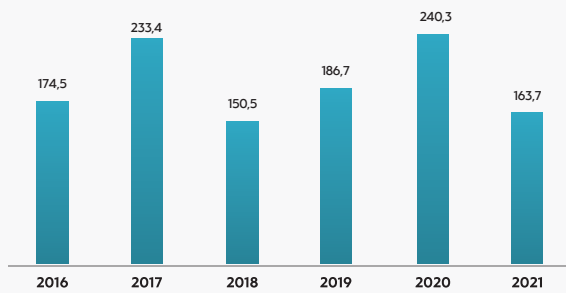
#### Total Traded Value (USD Billions)



#### Average Daily Traded Value (USD Billions)



#### Market Capitalization (USD Billions)



For up-to-date historical monthly data please visit Borsa İstanbul website.





**Stocks, Exchange Traded Funds (ETFs), Warrants, Certificates, Venture Capital Investment Funds, Real Estate Investment Funds, and Real Estate Certificates are traded at Borsa İstanbul Equity Market.**

In order to facilitate the decision making process and guide investors, market segments are defined based on criteria including market capitalization, free float, and liquidity among others. The main equity market segments of Borsa İstanbul are Stars, Main and Submarket.

Trading on the Equity Market is carried out based on price and time priority through (i) "continuous trading", (ii) "continuous trading with market maker", and

(iii) "single price" trading methods, with a fully automated electronic trading system. The clearing and settlement of securities and cash regarding Borsa İstanbul Equity Market are realized on T+2 basis.

Daily price limits are applied for stocks traded in the Equity Market. Additionally, to reduce risks resulting from market wide or stock specific price volatility, circuit breakers are triggered if predetermined thresholds are reached.

Borsa İstanbul Private Market is a web-based platform launched in 2014, which brings start-up companies and rising companies together with qualified or business angel investors in order to buy or sell shares without going public.

Equity Market trading hours for normal days are between 09:40-18:10 local time (GMT+3). For further details please visit Borsa İstanbul website.



## Products in the Equity Market



**Stocks**



**Exchange Traded Funds**



**Warrants**



**Certificates**



**Venture Capital Investment Funds**



**Real Estate Investment Funds**

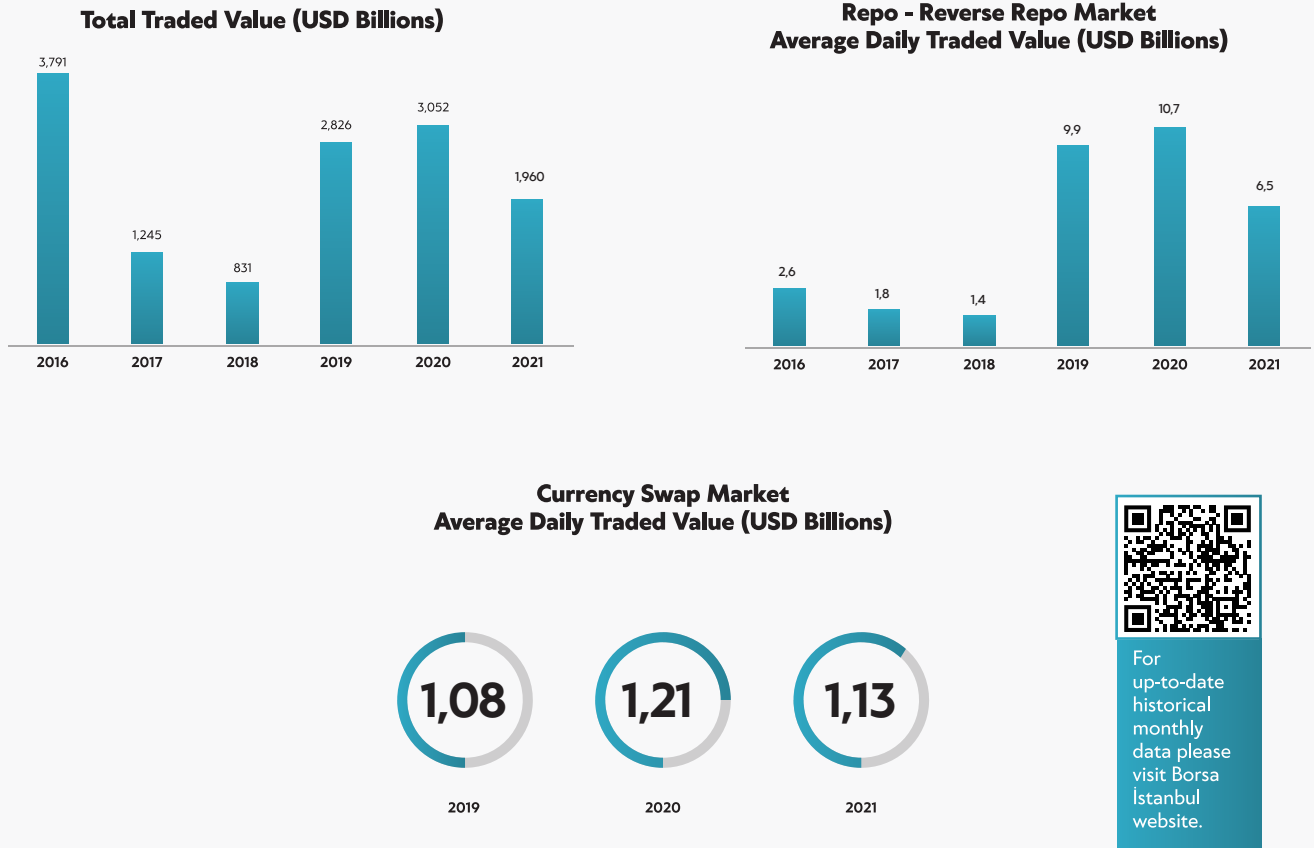


**Real Estate Certificates**

# 3. Debt Securities Market

Borsa İstanbul Debt Securities Market provides investment opportunities to the most prominent fixed income assets issued by the Turkish Treasury and the private sector.

Some of the key metrics for the Debt Securities Market are depicted below:



Debt Securities Market is comprised of Outright Purchases and Sales Market, Offering Market for Qualified Investors, Repo-Reverse Repo Market, Repo Market for Specified Securities, Equity Repo Market, International Bonds Market, Committed Transactions Market, Watchlist Market, Money Market, and Swap Market.

Debt securities, securitized asset and income backed debt securities, lease certificates (Sukuk), liquidity bills issued by the Central Bank of the Republic of Türkiye and other securities which are approved by Borsa İstanbul Board of Directors, denominated in TRY and foreign currency can be traded at Debt Securities Market. General collateral repo, special repo, committed transactions, money market and swap market segments also offer investors the opportunity to trade in different products.

Trading is conducted electronically at Debt Securities Market via an automated multiple price-continuous auction system.

Central Bank of the Republic of Türkiye, banks and intermediary institutions, which are authorized to trade, can carry out transactions at Debt Securities Market.

Debt Securities Market main trading hours for normal days are between 09:30-14:00 for same value dated transactions and 09:30-17:30 for forward value dated transactions local time (GMT+3). For further details please visit Borsa İstanbul website.





# Markets within Debt Securities Market

Outright Purchases and Sales Market | Secondary market transactions of debt securities

Repo-Reverse Repo Market | Repo-reverse repo transactions

Repo Market for Specified Securities | Repo-reverse repo transactions with specified debt securities

Equity Repo Market | Repo-reverse repo transactions with the shares of the companies included in BIST 30 Index

Offering Market for Qualified Investors | Primary market for debt securities issued to “qualified investors” as defined in capital market regulations

International Bonds Market | Foreign debt instruments issued by the Ministry of Treasury and Finance and capital market instruments denominated in foreign currency within the scope of listing regulation of Borsa İstanbul

Committed Transactions Market | Sale with a commitment to repurchase and purchase with a commitment to the resale of predetermined capital market instruments with same day or forward beginning value date

Watchlist Market | Capital market instruments that are previously traded at Outright Purchases and Sales Market and decided to be traded at Watchlist Market pursuant to the Listing Regulations

Money Market | Collateralized money purchase and sale transactions by banks and intermediary institutions with Turkish Lira fund supply and demand

Swap Market | Swap transactions aiming the exchange of different currencies with each other or the exchange of currencies with precious metals within determined conditions

For further  
details please visit  
Borsa İstanbul website.

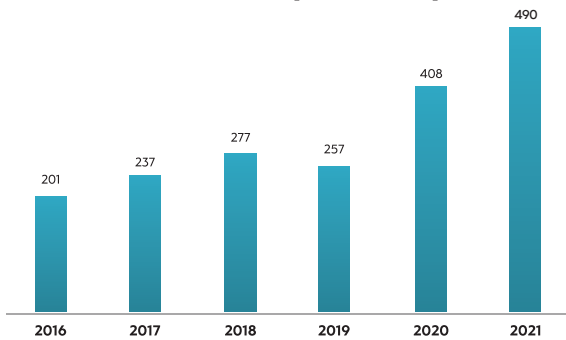


## 4. Derivatives Market

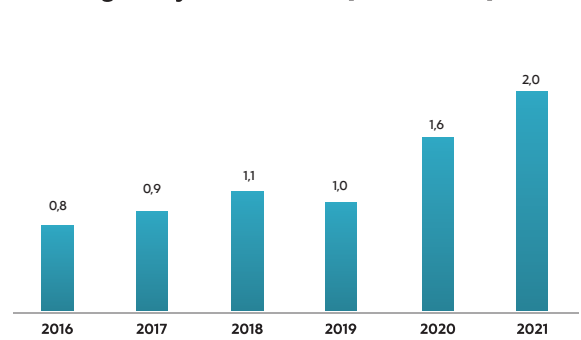
By creating a transparent and secure investment environment for domestic and foreign investors, the Derivatives Market provides investors with opportunities such as hedging, portfolio diversification, leverage effect, effective price formation and access to high liquidity.

Some of the key metrics for the Derivatives Market are depicted below:

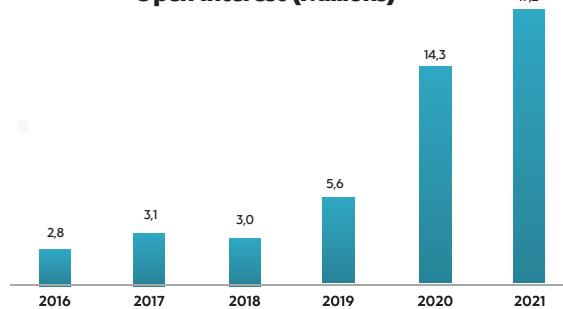
**Total Traded Value (USD Billions)**



**Average Daily Traded Value (USD Billions)**



**Open Interest (Millions)**



For up-to-date historical monthly data please visit Borsa İstanbul website.

Stock index, single stock, currency, precious metals, energy, interest rate, foreign index futures contracts and stock index, single stock, currency option contracts are traded at Borsa İstanbul Derivatives Market. In order to see the contract specifications please visit Borsa İstanbul website.



Derivatives Market normal session trading hours for normal days are between 09:30-18:10 for equity derivatives and 09:30-18:15 for other instruments (local time, GMT+3). To integrate with international markets and to allow investors to trade in the daytime session of foreign markets Borsa İstanbul also operates an evening session at Derivatives Market covering continuous trading of BIST30 index futures, BIST liquid banks index futures, BIST liquid 10 ex banks index futures, USD/Ounce gold and silver futures. The trading hours for the evening session are 19:00-23:00 local time (GMT+3).



# Products in the Derivatives Market

## Future Contracts

- Stock Index (BIST 30, BIST Liquid Banks, BIST Liquid 10 ex Banks indices)
- Single Stock (49 equities from BIST 100 Index)
- Currency (FX) (six different currency pairs, USDTRY - including physical delivery - EURTRY, EURUSD, RUBTRY, CNHTRY, GBPUSD)
- Precious Metals (Gold ounce/dollar, Gold TRY/gram, Silver ounce/dollar, Platinum ounce/dollar, Palladium ounce/dollar)
- Energy (Electricity Base Load Contracts, monthly/quarterly/yearly)
- Interest Rate (TLREF - Turkish Lira O/N Reference Rate)
- Foreign Index (SASX 10 index)
- Government Bond Futures (2, 5, and 10 year benchmark government bonds)

## Underlying Assets of Option Contracts

- Stock Index (BIST 30)
- Single Stock (24 equities)
- Currency (USDTRY - including physical delivery)

In addition to trading opportunities, investors may hedge their risk at the cash equity market through stock index and single stock contracts. The Derivatives Market also offers efficient hedging tools for companies to manage their currency risk. Besides, precious metals and energy futures meet different trading or hedging needs of investors.

All these different products may be reached by a single account at an intermediary institution. USDTRY currency contracts are both settled in cash and physically delivered. Government bond futures and single stock contracts are physically settled at maturity, while the other contracts are settled in cash. The contracts have standard end-of-month expiry dates, however, the investors themselves may create flexible contracts by choosing maturity date for futures and options and choosing strike price for options.

The positions are held and marked to market daily by Takasbank at the account level. Risk management of the whole market is carried out by Takasbank through an effective risk monitoring and collateral management system. Trades executed in the Market are subject to portfolio based margining method. For further information regarding risk management, margining or clearing issues visit Takasbank website.



Market making program in Derivatives Market includes revenue sharing scheme. Accordingly, for some of the contracts traded, Borsa İstanbul shares a portion of the revenue coming from those contracts with market makers who meet their obligations. The market makers have also connection incentives. Further details of the market making program is available on the Borsa İstanbul website.





# 5. Precious Metals and Diamond Markets

The Precious Metals and Diamond Markets comprises of Precious Metals Market, Precious Metal Lending Market, and Diamond and Precious Stone Market.

Borsa İstanbul is a member of the London Bullion Market Association and the World Federation of Diamond Bourses and is the competent authority for import and export of rough diamonds within the framework of Kimberley Process Certification.

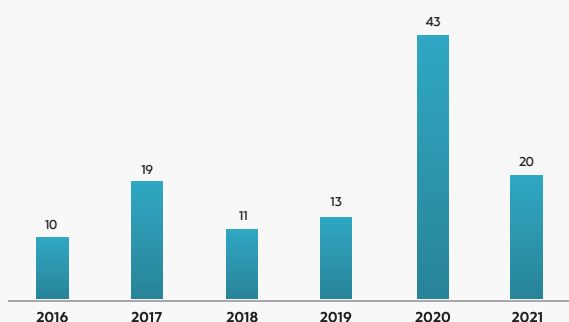
Borsa İstanbul works with OECD on responsible gold principles to ensure that the gold transactions performed in the Precious Metals Market are in line with international standards. For further details please visit Borsa İstanbul website.



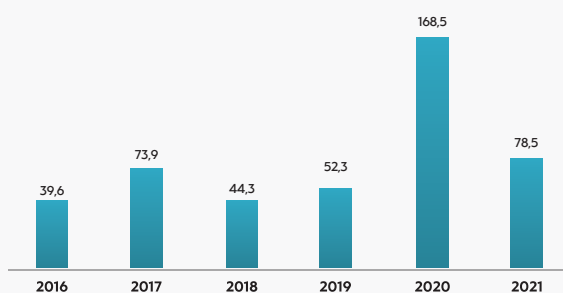
BISTANTREPO is a bonded warehouse (customs free) where domestic and foreign institutions can store their precious metals, especially gold, without being a member of Borsa İstanbul and physically transfer these metals to Türkiye or regional countries when necessary.

Some of the key metrics for the Precious Metals and Diamond Markets are depicted below:

**Total Traded Value (USD Billions)**



**Average Daily Traded Value (USD Millions)**



For up-to-date historical monthly data please visit Borsa İstanbul website.



Precious Metals Market trading hours for normal days are between 16:10-23:45 and continue between 08:00-16:00 in next trading day local time (GMT+3). For further details please visit Borsa İstanbul website.



## Markets within the Precious Metals and Diamond Markets

- Precious Metals Market | spot trade of standard and non-standard gold, silver, platinum and palladium metals, minimum fineness degrees are required for standard products (995/1000 for gold, 99.9% for silver and 99.95% for both platinum and palladium). For further details please visit Borsa İstanbul website.



- Precious Metal Lending Market | lending transactions of defined precious metals.
- Diamond and Precious Stone Market | transactions of diamond and precious stones.

## 6. BISTECH Technology

Borsa İstanbul invests in technology and enhances system infrastructure on an ongoing basis to deliver the highest global standards. As a result of the strategic cooperation with NASDAQ, all Borsa İstanbul markets migrated to BISTECH (based on GeniumINET) to serve on a common trading platform and execute trade and post-trade operations single handedly.

With the launch of BISTECH System since 2015, maximum process capacity reached 100.000 orders per second and the round-trip latency decreased to micro-seconds. Thanks to internationally known order entry and data dissemination protocols of BISTECH, local and international investors can access Borsa İstanbul markets much more easily without incurring additional development costs.

### BISTECH Features:

- Low Latency (Under normal conditions <100 microsecond)
- Uptime (Continuous trading with system, equipment and location redundancy)
- Multi-asset (Equities, derivatives, debt securities and precious metals products are in the same platform)
- Multi-platform (integrated trade, post-trade, risk management, market data, index calculation, surveillance systems)
- Standard Protocols (FIX and OUCH for order entry; ITCH and TIP for market data)

### Co-location Service:

Borsa İstanbul Co-location service enables stakeholders to place their equipment at Borsa İstanbul Data Center where the market systems of Borsa İstanbul are also located. Thereby market participants have the opportunity to access the system in a faster and more reliable manner.

With its Co-location service Borsa İstanbul aims to reach variety of market participants including Members, HFT/Algo firms, Service providers that are seeking the highest possible access speed.

For further information about co-location services, business partners, and technical resources please visit Borsa İstanbul website.



## 7. First Time Investors

There are no restrictions on foreign portfolio investors trading in the Turkish capital markets. Real persons and legal entities residing abroad (including investment trusts and investment funds abroad) can freely purchase and sell all sorts of securities and other capital market instruments.

Within this framework, foreign investors can participate in Borsa İstanbul Derivatives Market for both trading and hedging purposes. They can also trade precious metals in Borsa İstanbul via precious metals market members.

In order to be able to invest in Borsa İstanbul Markets, investors need to open securities accounts at investment firms authorized by the Capital Markets Board of Türkiye.

Additionally, foreign investors may also invest through their local investment banks or intermediary institutions that have access to Borsa İstanbul Markets via opening beneficial owner based accounts.

For Turkish government debt securities issued by the Ministry of Treasury and Finance, foreign institutional investors and foreign funds may use omnibus accounts that can be opened at local custodian institutions (that hold general custody license).

Contact information of investment firms (intermediary institutions + banks + other firms providing investment services and activities) are available at Borsa İstanbul website.



Funds overseen by professional portfolio managers could be utilized to diversify investment portfolios. Detailed information on the historical performance of all available funds are available at Türkiye Electronic Fund Trading Platform (TEFAS) website.





## 8. Investor Services

### Remote Participation in General Meetings (e-GEM):

Electronic General Meeting System (e-GEM) developed by MKK, enables shareholders to attend, assign proxy and exercise their rights in General Assembly (GA) meetings and allows issuers to handle the GA process from A to Z. It is legally mandatory for companies listed at Borsa İstanbul to organize both physical and electronic meetings and provide their shareholders electronic means to enable electronic attendance to meetings via MKK's e-GEM system. International investors may attend general meetings of any listed company, watch the meeting live, express their opinions and exercise their voting rights electronically through the e-GEM system safely in line with related international regulations.



For further information please visit MKK website.

### Data Dissemination:

Borsa İstanbul market data are disseminated in real time, delayed and end of day basis through Borsa İstanbul's licensed data vendors. In line with market needs, high quality data products have been created and made available for the use of investors. In addition to the data related to Borsa İstanbul markets, the data of some local institutions and non-local stock exchanges are also distributed by Borsa İstanbul.

Borsa İstanbul provides vendors with direct access to data center via BISTECH system, which is a high quality technological infrastructure. Additionally, Borsa İstanbul data is available from the access point (PoP) of Borsa İstanbul in London Equinix LD5 Data Center and on networks of the authorized infrastructure providers.



For further details please visit Borsa İstanbul website.



# 9. Investor Rights, Corporate Governance and Sustainability

Türkiye has a strong regulatory framework for corporate governance overseen by the Capital Markets Board of Türkiye. Disclosure to the market by listed companies is mandatory for certain corporate governance principles while an explanation is required for non-mandatory areas. International standards for accounting and auditing are in place.

MKK's Public Disclosure Platform (PDP), is an electronic system through which electronically signed notifications required by the capital markets and Borsa İstanbul regulations are publicly disclosed. The system provides an access to reliable, accurate, instantaneous, consistent and comprehensive information over the World Wide Web simultaneously and at low costs. In addition to Borsa İstanbul companies and ETFs, investment firms, portfolio management companies, mutual funds, pension funds, real estate funds, venture capital investment funds and foreign funds may also submit notifications to PDP. Independent audit companies, on the other hand, send the electronically signed financial statements for which independent audit is required, to the relevant company electronically in order to be announced to the public.

Investors have the following rights, among others according to the relevant regulation:

- Obtaining and examining information (i.e. requesting special audit)
- Attending general assembly meetings
- Voting rights
- Minority rights
- Dividend rights
- Right issue
- Bonus rights

Sustainability or environmental, social and governance (ESG) risk is critically important for all entities in capital markets. Increased sensitivity and expectations of investors have been helpful in facilitating ESG reporting. In Türkiye, in addition to the corporate governance principles, it is mandatory for publicly listed companies to explain whether they comply with sustainability principles and if not explain implications in terms of environmental and social risk management. Borsa İstanbul Sustainability Index provides investors with a helpful tool in facilitating sustainability investments. Borsa İstanbul also calculates Sustainability Participation Index for investors who want to invest both on the themes of participation and sustainability.

For further details about Sustainability Index please visit Borsa İstanbul website.







## 10. Investor Protection and Market Surveillance

Investor Compensation Center intervenes when investment firms fail to fulfill their obligations to pay cash or deliver capital market instruments originating from investment services or activities. The upper limit of the amount (TRY 323.670 for 2022) to be paid to each investor is increased by the rate of re-appraisal each year.

Takasbank plays a very important role as a CCP by taking on counterparty credit risk between parties to a transaction, i.e. by acting as buyer against seller and seller against buyer.

Assets of the funds are segregated from the assets of their founders and portfolio custodians, which provides an extra layer of security. The assets may not be used as collateral or be pledged without a specific mandate. The assets may not be attached including for the purpose of collecting public receivables, may not be included in the bankruptcy estate and may not be subject to cautionary injunction.

MKK is regarded as the Financial Accounts Center of Türkiye and all investor accounts are fully segregated from that of intermediary institutions.

Market surveillance activities are carried out with a proactive approach in order to ensure that markets operate in a reliable, transparent, efficient, fair, and stable manner. Markets are monitored on a real-time basis using an electronic surveillance system, unusual price and volume movements are followed, and market distorting transactions are detected.

Instrument and investor based measures are taken based on either Volatility Based Measures System or Directive on Surveillance Measures to protect investors from the risks arising from extreme volatility, to ensure that exchange transactions are conducted in secure, transparent, efficient, stable, right, fair and competitive manner; to prevent improper, fraudulent acts and violations; and to prohibit illegal exchange transactions.

Violations of capital market rules and legislation and market abuse actions are reported to the Capital Markets Board of Türkiye. As per the regulation; insider trading, manipulation and market abuse actions are subject to strict sanctions such as trading and settlement restrictions, fines and imprisonment.





# TAXES

## 11. Taxation

For most of the products traded at Borsa İstanbul, zero withholding tax is applied and no further declaration is required for foreign investors. Some products with 0% withholding tax are as follows:

- Capital gains of stocks (excluding securities investment companies),
- Capital gains of gold-backed government debt instruments and their interest incomes,
- Capital gains of Eurobonds issued by the Ministry of Treasury and Finance and their interest incomes,
- Gains from warrants, futures and options contracts with underlying stocks or stock indices (for the other derivatives products the tax rate is 10%),
- Capital gains of participation certificates of stock-intensive funds (exchange traded funds and securities mutual funds)
- Stock dividend incomes are subject to a 10% withholding tax.
- Excluding dividend incomes of securities investment companies, real estate investment trusts, and venture capital investment companies and funds, which are taxed at 0%
- Lower tax rates may be applied as per related Avoidance of Double Taxation Agreements

Please note that exceptions may apply. For questions and further information investors may contact Tax Communication Center via e-mail ([infovimer@gelirler.gov.tr](mailto:infovimer@gelirler.gov.tr)).

# 12. Official Information Resources

The flow of reliable and accurate information is of utmost importance for capital markets. Reliability, transparency and investor protection are among the core principles of Borsa İstanbul. Official information on public disclosure, market data, funds and data analysis platform for investors are available on the following websites:

Public  
Disclosure  
Platform



The information pertaining to the companies such as financial reports, news and the official websites of the companies.

Borsa İstanbul  
Data



Data Bulletins and  
market data

BIST  
DataStore



Borsa İstanbul's historic  
and reference data platform

Türkiye Electronic  
Fund Trading Platform  
(TEFAS)



Detailed information  
about mutual funds,  
pension funds and  
exchange traded funds  
(ETFs).

The Data  
Analysis  
Platform



Depository data,  
investor statistics,  
corporate governance  
data and MKK indices  
in charts







## Follow us on Social Media

For an updated version of this guide and other relevant materials please visit Borsa İstanbul website.



Investors may access accurate and up-to-date information by following Borsa İstanbul on social media. Through these platforms, Borsa İstanbul aims to improve financial literacy and raise awareness of capital markets and financial instruments.



## Contact

For questions or comments please send an e-mail to International Relations Department at [ir@borsaistanbul.com](mailto:ir@borsaistanbul.com)



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