



COMMUNIQUE ON MARGIN TRADING, SHORT SELLING AND LENDING AND BORROWING OF CAPITAL MARKET INSTRUMENTS HAS BEEN AMENDED

The Communiqué (Serial: V, No: 137) (“**Amendment Communiqué**”) Amending the Communiqué on Margin Trading, Short Selling and Lending and Borrowing of Capital Market Instruments (Serial: V, No: 65) (“**Communiqué**”) was published in the Official Gazette dated 5 March 2021 and numbered 31414. Certain changes are made regarding ratio of open clearing positions, settlement of shares subject to gross settlement and scope and calculation of margin ratio as per Amendment Communiqué.

EXECUTIVE SUMMARY

The main amendments as per Amendment Communiqué may be summarized as follows:

- (i) **The obligation to maintain net assets in the amount of at least 20% of the possible open clearing positions has been amended.** Possible open clearing positions now will be determined on the basis of capital market instrument or market as per the regulations of Borsa İstanbul A.Ş. (“**BİAŞ**”). Capital Markets Board (“**Board**”) is now authorized to determine and change the ratio of open clearing position on the basis of a capital market instrument or market.
- (ii) **New provisions regarding settlement of shares subject to gross settlement has been inserted:** Cash proceeds from the sale of shares which are not subject to gross settlement may be used for the fulfillment of settlement obligations conducted at the same day, regarding shares subject to gross settlement and vice versa.
- (iii) **Scope of securities to be considered as margin and principles for the calculation of margin ratio have been amended.** Calculation principles of margin ratio on the basis of capital market instrument or market have been amended and scope of the securities to be considered as margin has been expanded.

AMENDMENTS TO THE COMMUNIQUE

I. Open Clearing Positions

The open clearing position of a customer that may occur as a result of purchasing share certificates which have not been settled yet, at a certain time, will now be determined by the relevant regulations of BİAŞ on the basis of capital market instrument or market as per amended Article 9/1. Furthermore, Board is now authorized to determine and change the ratio of open clearing position on a capital market instrument or market basis.

Correspondingly to provide ensuring the integrity regarding the amendments to Communiqué, BİAŞ has amended Equity Market Directive and Equity Market Procedure, effective as of 12 March 2021, as announced in the announcement dated 05 March 2021 and numbered 2021/15 as here below:

- For the equities traded in the BIST Stars Market, the margin ratio has been determined as 90%, and the open clearing position/margin ratio as 20%.

II. Settlement of Shares Subject to Gross Settlement

Pursuant to the new Article 9/A of Communiqué, without prejudice to the regulations of Takasbank,

- (i) Cash proceeds from the sale of shares which are not subject to gross settlement may now be used for the fulfillment of settlement obligations conducted at the same day, regarding shares subject to gross settlement and
- (ii) Cash proceeds from the sale of shares subject to gross settlement may now be used for the fulfillment of settlement obligations conducted at the same day, regarding shares which are not subject to gross settlement by authorized institutions.

However, pursuant to Article 9/A (3) cash proceeds from the sale of shares subject to gross settlement may not be used for the settlement obligations regarding other shares subject to gross settlement.

For the transactions subject to gross settlement, the authorized institution and the client are liable for making sufficient amount of cash available on the settlement date under Article 9/A.

III. Scope of Securities to be Considered as Margin and Calculations for Margin Ratio

The scope of securities to be considered as margin for the transactions conducted under the Article 12 Communiqué is expanded by including the “*participation certificates of Exchange Traded Funds*” and amending “*participation certificates of mutual funds of A and B type*” to “*participation certificates of investment funds*”.

Furthermore, “*the gold and the other valuable metals which are traded in the Istanbul Gold Exchange and have the standards determined by the Undersecretariat of Treasury*” has been amended to “*the gold and the other valuable metals which are traded in Borsa İstanbul A.Ş. and have the standards determined by Ministry of Treasury and Finance*”.

Pursuant to the amendments to Article 12/2, when calculating the ratio of margin in the transactions of margin trading and short selling of capital market instruments:

- (i) Equities will be accepted at the rates specified in the relevant regulations of BİAŞ,
- (ii) 90% of participation certificates of exchange traded funds,
- (iii) 75% of participation certificates of investment funds under equity umbrella funds and participation certificates of investment funds under hedge funds and
- (iv) 90% of participation certificates of investment funds other than funds listed in paragraph (ç) of Article 12/2, shall be accepted as margin.

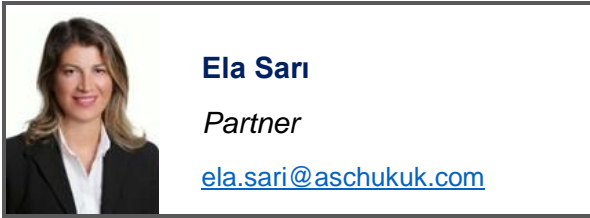
Board is now authorized to determine the margin ratio on the basis of **market** as per the amendment to Article 12 of Communiqué which stipulates the authority of the Board regarding determining such ratio.

In accordance with the new provision of Article 12, the sale proceeds of the shares including the ones which the equity rate is determined as zero pursuant to the regulations of BİAŞ or which are subject to gross settlement, may now be included in the equity amount based on its cash value.

EFFECTIVE DATE

Amendment Communiqué is entered into force on 12 March 2021.

Please contact us for detailed information.



This newsletter has been prepared as of March 15, 2021 for informative purposes regarding The Communiqué Amending The Communiqué on Margin Trading, Short Selling and Lending and Borrowing of Capital Market Instruments (Serial: V, No: 65) which published in the Official Gazette dated March 05, 2021 and numbered 31414.

Our assessments in this newsletter do not constitute legal recommendation or legal opinion and Aksu Çalışkan Beygo Attorney Partnership may not be hold responsible depending on these assessments. It is recommended to obtain legal opinion for your inquiries within the scope of this memorandum.

ASC law
AKSU ÇALIŞKAN BEYGO ATTORNEY PARTNERSHIP

Address:	Telephone:	Fax:	E-Mail / Website:
Harmancı Giz Plaza Floor 3-8-15-16 Levent İstanbul	+90 212 284 98 82	+90 212 284 98 83 +90 212 279 63 32	info@aschukuk.com www.aschukuk.com
