

# Markets and Operations

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**ISTANBUL  
STOCK  
EXCHANGE**



*Yirmi Beşinci Yıl*  
*Twenty Fifth Year*

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## Abbreviations

API	Application Programming Interface
ANNA	Association of National Numbering Agencies
CBoT	Central Bank of Turkey
CGP	Corporate Governance Principles
CMB	Capital Markets Board
CML	Capital Market Law
CRA	Central Registry Agency Inc.
CSD	Central Securities Depository
DvP	Delivery versus Payment
ECMI	European Capital Markets Institute
EFT	Electronic Fund Transfer
ETFs	Exchange Traded Funds
Ex-API	Express Application Programming Interface
FEAS	Federation of Euro-Asian Stock Exchanges
FoK	Fill or Kill
GDS	Government Debt Securities
ICMA	International Capital Market Association
IGE	The Istanbul Gold Exchange
IOSCO	International Organization of Securities Commissions
IPF	Investors' Protection Fund
ISE	Istanbul Stock Exchange
ISIN	International Securities Identification Numbers
ISSA	International Securities Services Association
JSDA	Japan Securities Dealers Association
MoU	Memorandum of Understanding
PDP	Public Disclosure Platform
REIT	Real Estate Investment Trusts
SEC	U.S. Securities and Exchange Commission
SFOA	Swiss Futures and Options Association
SMTS	Stock Market Trading System
SRO	Self-Regulatory Organization
Takasbank	ISE Settlement and Custody Bank Inc.
TETS	Takasbank Electronic Transfer System
TL	Turkish Lira
TurkDex	Turkish Derivatives Exchange Inc.
TSPAKB	Association of Capital Market Intermediary Institutions of Turkey
WAN	Wide Area Network
WFE	World Federation of Exchanges





The background is a solid teal color with several large, overlapping, semi-transparent teal shapes that create a layered, abstract effect. These shapes include curved lines and angular forms, resembling stylized architectural elements or a globe's segments.

1

*Chairman's Message*





## 1 - Chairman's Message

***Among the prior targets of the Istanbul Stock Exchange are, offering new markets and products to investors, implementing technological updates and ensuring the access of international portfolio investors to Turkish capital markets in a secure environment.***

Dear Reader,

I am pleased to share with you this informative document on the Turkish capital markets and the Istanbul Stock Exchange (ISE). As part of the ISE's continuous efforts to promote itself better to the international investing community, this publication is intended to provide you unbiased and objective information about our market.

The ISE started its operations in 1986. Within its short history, the ISE has been able to establish a strong legal and technological infrastructure, which encourages its rapid growth. The Istanbul Stock Exchange offers a legal structure in line with the single European capital markets regulations. Our liberal economic policies allow the free repatriation of principal and proceeds. Our Markets operate with fully-automated, screen based trading systems. A high degree of transparency is provided in the Market. Settlement and custody services are provided at international standards. Today, the ISE employs state-of-the-art technological facilities and all its members have remote access to its markets.

In this publication, you will find information about the history, legislative framework, members, and international relations of the ISE. I hope that the information provided herein will give you a better understanding of the ISE and the Turkish capital markets in general.

Hüseyin ERKAN  
Chairman & CEO





A stylized globe graphic composed of several overlapping, semi-transparent teal-colored segments, creating a sense of depth and movement. The segments are arranged in a way that suggests a globe being viewed from an angle, with some segments appearing to be in the foreground and others receding into the background.

# 2

## *Turkish Capital Markets*





## 2 - Turkish Capital Markets

**On the global level, the Istanbul Stock Exchange (ISE) intends to establish a company which will serve all the securities and commodity exchanges operating in the Turkish capital markets, enabling them to operate on a common trading platform under an operationally integrated structure.**

### 2.1. History and Development

In 1981, the Capital Market Law (CML) was enacted and one year later, the main regulatory body, envisaged by the law, the Capital Markets Board (CMB), was established. In October 02, 1984, the Council of Ministers issued the Regulation for the Establishment and Operations of Securities Exchanges, which paved the way for the establishment of the Istanbul Stock Exchange (ISE), formally inaugurated at the end of 1985.

Turkish capital markets offer advanced intermediary services such as research, investment consultancy and portfolio management; clearing and settlement in accordance with international standards; online, real-time data dissemination including market by price data. The legal structure of the Turkish capital markets is in harmonization with the single European capital markets regulations.

ISE is providing a fair and transparent environment for the trading of a wide variety of securities, namely, stocks, exchange traded funds (ETFs), government bonds, Treasury bills, money market instruments (repo/reverse repo), corporate bonds and foreign securities. Currently, there are four main markets operating at the ISE; Stock Market, Bonds and Bills Market, Emerging Companies Market and Foreign Securities Market.

The ISE has become the top seventh emerging market of the world in terms of traded value as of end of September 2010 and is determined to continue this improvement process to join the ranks of developed stock exchanges. Among the factors that have influenced the rapid expansion of the ISE were privatization, increasing equity culture, accelerated growth of the mutual funds due to tax concessions and the liberalization of the capital markets allowing the free repatriation of principal and proceeds for foreign investors.

### 2.2. Legal Framework

The legal framework of the Turkish capital markets mainly composed of three major legislation, one of which is specifically devoted to this area, the Capital Market Law. The others are the legislation concerning the securities exchanges and the Turkish Commercial Code.

### 2.2.1. Capital Market Law

Capital Market Law No. 2499 came into force following its publication in the Official Gazette number 17416 on July 30, 1981.

The objective of the CML is to regulate and supervise the secure, fair and orderly functioning of the capital markets and to protect the rights and interests of the investors with the purpose of ensuring an efficient and widespread participation by public in the development of economy through investing savings in the securities market.

Capital market instruments and methods for their issuance, public offering and sale of securities; those who issue or offer them to public; exchanges and other organized markets as stated in the CML; capital market activities; capital market institutions; and CMB are subject to the provisions of CML.

Joint stock corporations with more than 250 shareholders or which offer their shares to public are subject to the CML. In addition, securities issued by the State Economic Enterprises (including those within the scope of the privatization program), municipalities and related institutions are subject to the disclosure requirements of the CMB as regulated by the amendments to the CML.

The CMB publishes Communiqués about various subjects regarding its area of responsibility. The Communiqués of the CMB are published according to their context under the following series:

SERIES	CONTEXT
I	Stocks
II	Bonds
III	Other Securities
IV	Issues Related to Public Corporations
V	Brokerage Houses
VI	Investment Trusts
VII	Mutual Funds
VIII	Miscellaneous Topics
IX	Securities Exchanges
X	Independent External Auditing
XI	Accounting Principles
XII	Descriptive Communiqué



### 2.2.2. Decree-Law 91 Concerning Securities Exchanges

The establishment and activities as well as the operation principles and supervision fundamentals of securities exchanges as regulated by the CMB were defined by the Council of Ministers on October 3, 1983 in the Decree-Law No.91 depending on the authority granted by Law No. 2810 dated April 5, 1983.

The purpose of this Decree-Law is to secure and provide transparent, coherent and prudent operation of the securities exchanges for the objective of ensuring a confident and stable environment for securities transactions and to lay the foundations for the securities exchanges to play an effective role in the capital markets by regulating their establishment, management, administration operation principles and supervision.

The Istanbul Stock Exchange was established as a public institution bearing legal entity, with the authority to provide an organized trading platform, determination and dissemination of prices of securities within the provisions and clauses as specified in the principles outlined in this Decree-Law. The establishment of the securities exchanges at locations deemed necessary is subject to the approval of the Ministry of Finance upon the recommendation of the CMB. The securities exchanges are subject to the supervision of the CMB.

### 2.2.3. Turkish Commercial Code

The Turkish Commercial Code, enacted in 1956, lays down the establishment and operation principles of companies and defines and regulates financial instruments in general. Thus, joint stock corporations subject to the CML are required to comply with the provisions of the Commercial Code whenever there is no provision in the CML.

On 13.01.2011, the new Turkish Commercial Code, which most of its articles are going to be effective on 1.07.2012 and some like audit of joint stock corporations, accounting standards, on 1.01.2013, adopted by Turkish Grand National Assembly. The New Code brings extensive changes especially for joint stock corporations. Joint stock corporations are also subject to the New Code unless there is a provision in CML.

### 2.2.4. Other Legislation

- Decree No.32

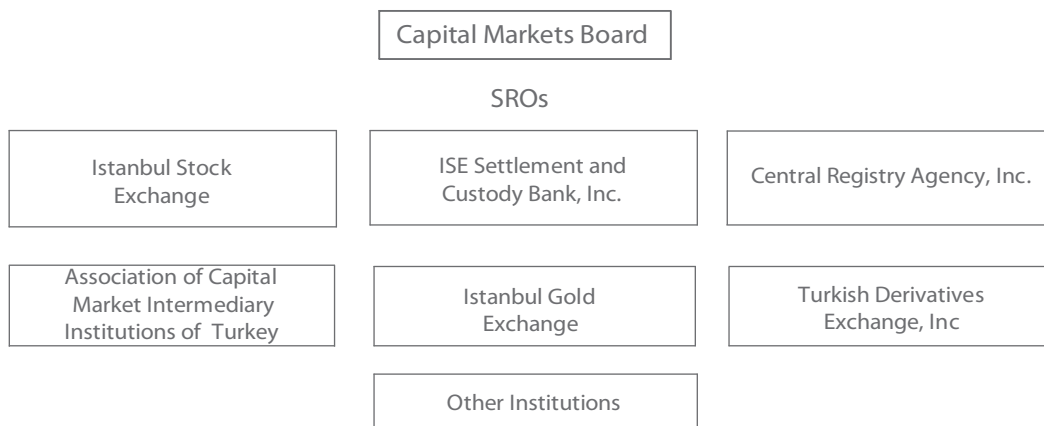
Apart from the above-mentioned legislation, another important regulation affecting the development process of the securities markets is the Decree No. 32 about the "Protection of the Value of the Turkish Currency". This Decree, enacted in August 1989, aims at further liberalization of the financial system and allows not only nonresidents to invest in the Turkish securities but also permits the outflow of domestic capital into foreign securities etc. through financial intermediaries authorized by the CMB.

- Regulation Concerning the Establishment and Operation Principles of Securities Exchanges

The Regulation was drafted by the Capital Markets Board and took effect upon the decision of the Council of Ministers No: 84/8581 through publication in the Official Gazette dated October 6, 1984 numbered 18537.

- Regulation of the Istanbul Stock Exchange

The Regulation sets forth the principles and rules of operation for the Istanbul Stock Exchange and was put into effect through its publication in the Official Gazette in 1985.







### 2.3. Turkish Capital Market Institutions

The schematic explanation of Turkish capital markets in general is shown in the chart below:

#### 2.3.1. Capital Markets Board

The Capital Markets Board of Turkey (CMB) is the regulatory and supervisory authority in charge of the securities and derivatives markets in Turkey. Empowered by the Capital Markets Law, the CMB has been making detailed regulations for organizing the markets and developing capital market instruments and institutions since 1982 in Turkey.

The CMB aims to ensure the safe, fair and orderly functioning of the capital markets and to protect the rights and benefits of investors. Its ultimate objective is to foster the progress of the securities markets and thereby contribute to the efficient allocation of financial resources in the Turkish economy.

#### Organizational Structure

The Capital Markets Board is governed by the Executive Board which is the main decision making body. The Chairman of the Executive Board also acts as the Chief Executive Officer.



H.E. Recep Tayyip Erdoğan, Prime Minister with Mr. Hüseyin Erkan, ISE Chairman & CEO during his visit to ISE.

The Executive Board consists of seven members/commissioners, proclaimed by law to be at the highest level within the decision making mechanism of the CMB and is empowered to decide on any issue within the authority of the CMB.

There are currently five Executive Vice Chairmen who are authorized and responsible for the coordinated operation and administration of the entire organization.

There are twelve main departments of the CMB, which are organized on the basis of their functions. These are as follows:

- Department of Enforcement
- Department of Corporate Finance
- Department of Intermediary Activities
- Department of Institutional Investors
- Department of Market Oversight and Enforcement
- Department of Research
- Department of Accounting Standards
- Department of Legal Consultancy
- Department of Institutional Communications
- Department of Strategy Development
- Department of Data Processing, Statistics and Information
- Department of Administrative and Financial Affairs

CMB has also a regional office in Istanbul.

#### Functions

The areas within the responsibility of the CMB may be classified into three main groups: primary markets, secondary markets and financial intermediation.

While performing its functions, the CMB implements the provisions of the CML concerning insider trading and manipulation in order to protect the investors and to ensure market integrity.

#### Functions Related to Primary Markets

The CMB registers the securities offered to public and is responsible for the regulation and supervision of this entire process. The main functions of the CMB in this area are as follows:

- Registering the publicly held companies and the capital market instruments to be issued or offered to public,
- Ensuring accurate and complete information dissemination in markets,
- Setting the criteria for the establishment and operating principles of independent external audit companies,
- Regulating the standards for financial statements and reports to be prepared by the corporations and
- determining the principles for their auditing and announcement procedure,
- Determining the standards for prospectuses and circulars published during public offering of the capital market instruments, Overseeing all kinds of announcements, advertisements and publications related to the capital markets in



- order to prevent dissemination of misleading information, Determining the principles for proxy voting in the general assembly of the publicly held companies,
- Regulating the issuing process of capital market instruments,
  - Regulating the issues and public offerings of capital market instruments by non-residents,
  - Regulating the rating of financial instruments,
  - Regulating and supervising public offerings and capital market activities and transactions that are made by means of all kinds of electronic communication tools and media and similar tools including internet and pursuant to general rules to provide for and supervise the use of electronic signatures in activities within the scope of the CML.

### **Functions Related to Secondary Markets**

In the secondary markets, the CMB has the authority and the responsibility to:

- Regulate and supervise both the organization and the operation of the stock exchanges and the over-the-counter markets,
- Regulate and supervise the clearing, settlement and custody systems,
- Regulate and supervise precious metal exchanges,
- Regulate and supervise futures contracts based on economic and financial indicators, capital market instruments, commodities, foreign currencies and precious metals,
- Set the rules and principles for the establishment of futures and option markets,
- Regulate the margin trading, securities lending and short selling of capital market instruments.

### **Functions Related to Financial Intermediation**

The Capital Market Law defines the capital market activities and the types of institutions allowed to operate in the capital markets, as well as empowers the CMB for setting the necessary conditions to be met by these institutions.

The capital markets institutions defined in the CML are as follows; intermediary institutions, investment companies (including real estate and venture capital investment companies), mutual funds and other institutions.

The capital market activities within the scope of the CML are as follows:

- Financial intermediation for public offering or issuing of capital market instruments which are to be registered with the CMB,
- Intermediation on the previously issued capital market instruments,
- Financial intermediation for trading in futures contracts based on economic and financial indicators, capital market instruments, commodities, foreign currencies and pre-

- cious metals,
- Repo/reverse repo agreements,
- Portfolio management and investment consulting,
- Margin trading, securities lending and short selling of securities,
- Capital markets activities of other capital markets institutions.

Intermediary institutions are required to obtain a license from the CMB in order to be able to deal in securities transactions. The CMB determines the minimum conditions for authorization and examines each application in detail for issuing the license based on these requirements.

### **2.3.2. Istanbul Stock Exchange**

Inaugurated at the end of 1985, the Istanbul Stock Exchange (ISE) has been established to provide trading in a wide variety of securities, namely, stocks, exchange traded funds, government bonds, Treasury bills, money market instruments (repo/reverse repo), corporate bonds and foreign securities. The ISE is a public organization whose members are banks and brokerage houses.

#### **Organizational Structure**

The ISE is governed by an Executive Council composed of five members. The Chief Executive Officer of the ISE is appointed by joint decree for a term of five years and acts as the Chairman of the Executive Council. The remaining four members are elected by the General Assembly from amongst the two categories of members: banks and brokerage houses.

General Assembly, composed of ISE members, is the supreme decision making body of the ISE. Its decisions are subject to ratification and review by the CMB. The General Assembly also decides on important matters related to the management and administration of the ISE. Each member has one vote at the meetings, which can also be convened on an extraordinary basis. Two internal auditors appointed by the General Assembly audit all accounts and financial statements of the ISE. ISE's accounts and financial statements are also externally audited.

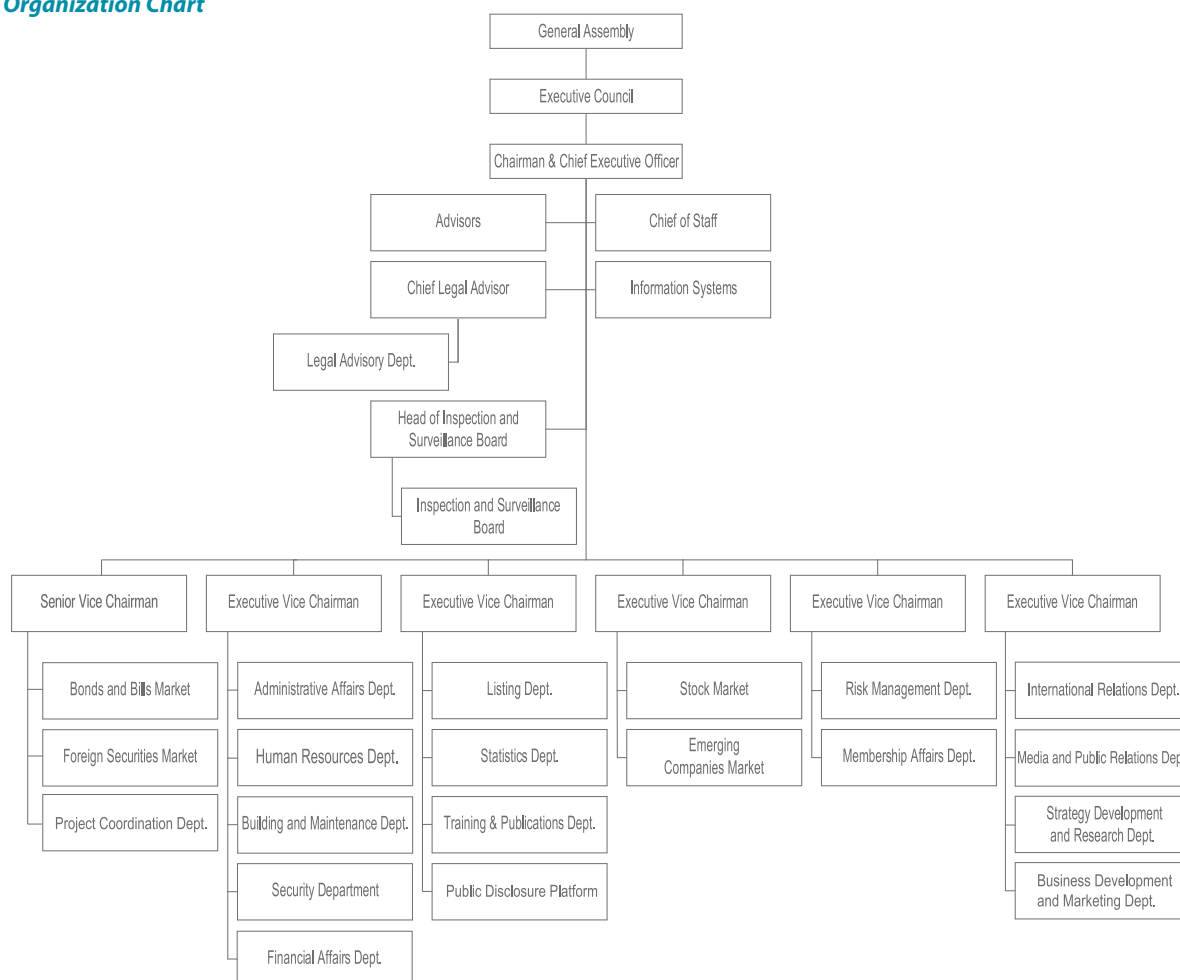
#### **Functions**

In the process of improving and realizing the growth potential of the Turkish capital markets, the ISE sets its functions as to:

- Examine the application of the securities to be listed within the framework of the principles stated in the ISE Regulations, request additional information and documents, evaluate the applications and make a decision,
- Launch the Derivatives Market in compliance with the regulations,
- Open markets for the securities to be traded on the Exchange, determine the types of securities to be traded and disclose information about traded securities on the ISE's Daily Bulletin,



## ISE Organization Chart



- Determine and disclose the working days and hours for the Exchange markets and disclose them on the ISE's Daily Bulletin,
- Release prices and the trading volumes of the securities traded on the ISE markets at the end of the trading sessions,
- Assure the trading of securities in a reliable and stable environment under free competition and sanction the ISE members violating ISE regulations,
- Take the necessary precautions in line with the rules and regulations in case of extraordinary adverse developments on the Exchange.

### 2.3.3. ISE Settlement and Custody Bank Inc.

ISE Settlement and Custody Bank Inc. (Takasbank) is the Central "Clearing and Settlement Institution for the Istanbul Stock Exchange", the "Clearing House for the Turkish Derivatives Exchange" and the "National Numbering Agency of Turkey" authorized by the Capital Markets Board (CMB). Apart from these unique services, Takasbank provides ISE members with money market, securities lending market and banking services including cash credits, and cross-border settlement and custody.

Takasbank, established in 1988 as a department within the ISE, originally dealt with the provision of settlement services for securities traded by the members of the ISE. In January 1992, the operations of that department were transferred to an independent company, the ISE Settlement and Custody Inc. which was set up under the ownership of the ISE and its members. This company was transformed into a bank and renamed as Takasbank in 1996.

Established under the Turkish Banking Law and incorporated as a non-deposit taking investment bank, Takasbank is a specialized bank dedicated to securities services in Turkey.

Rules relating to clearing and settlement are specified by the ISE in accordance with the general rules and regulations of the CMB. Due to Takasbank's status as a bank, the Banking Regulation and Supervision Board also regulates Takasbank.

### Organization and Shareholder Structure

Takasbank is owned by the ISE and 85 of its members. According to the Articles of Incorporation of Takasbank, no single shareholder can hold a share of more than five percent, except for the ISE. Shareholder structure of Takasbank is as follows; ISE has 32.63% while 19 banks have 34.48%, and 66 brokerage houses have 32.89% share.



The Board of Directors is composed of four representatives of the ISE, one representative from the CMB, five representatives from the ISE members (banks and brokerage houses) and the President and CEO of Takasbank.

### **Functions and Services**

Main functions of the Takasbank are as follows:

- Central Clearing and settlement for the organized markets of the ISE,
- Clearing House for Turkish Derivatives Exchange (Turkdex),
- SWIFT integrated Delivery versus Payment (DvP) facility designed to facilitate real-time gross settlement among brokers and custodians for equities in an STP environment,
- Book-entry transactions via online connections provided for all members,
- Takasbank Electronic Transfer System (TETS) – TETS enables brokerage houses to transfer securities (government bonds and treasury bills) and cash in and out of Takasbank electronically in real-time connection with the CBoT “Electronic Fund Transfer” (EFT) and “Electronic Securities Transfer” systems,
- Takasbank offers international settlement and custody services to both domestic and foreign institutions on the basis of its overseas securities and cash correspondent accounts.
  - Through its correspondent relations with an international settlement and custody institution, Euroclear Bank, and as a SWIFT member, Takasbank is able to offer international securities correspondence services for all securities accepted by Euroclear Bank and for all national markets connected to it.
  - Domestic settlement and custody services for foreign institutions; Takasbank offers domestic settlement and custody services to foreign financial institutions. This service covers the settlement transactions of securities in custody, the services related to the transmission of information related to these securities disclosed to public, the intermediation for exercising the rights provided by the securities, giving transaction confirmations, delivery of account status and account statements to the customer via SWIFT and services related to foreign currency transactions.
- Cash credit services (securities purchasing loans, spot credits, optional collection before the maturity date, intra day),
- Securities Lending Market,
- Takasbank Money Market - A market organized by Takasbank where ISE members can lend and borrow Turkish Lira (TL) funds from other ISE members through telephone orders directed to Takasbank or through remote access terminals,
- Acting as the “National Numbering Agency of Turkey” in charge of assigning “International Securities Identification Numbers” (ISIN) to the securities issued in Turkey,
- Member of Association of National Numbering Agencies (ANNA)
- Representing Turkey on behalf of Turkish Standards Institute on the International Standardization Committee in charge

of developing international standards, concerning the securities and other financial instruments,

- Member of International Securities Services Association (ISSA),
- Member of the European Central Securities Depositories Association (ECSDA),
- Affiliate Member of the Federation of Euro-Asian Stock Exchanges (FEAS) and convenor of FEAS Affiliate Members Task Force,
- The member and the coordinator of the Task Force for post trade services under the Organization of the Islamic Conference
- Member of Institute of International Finance (IIF)
- Associate member of World Federation of Exchanges (WFE).

### **Guarantee Account**

ISE has established “Guarantee Account” in compliance with Article 34 of “Regulations of the Istanbul Stock Exchange” with an aim to avoid the delays in settlement of transactions realized on ISE Stock and Bonds and Bills Markets and to protect the counter party unable to collect receivables as a result of the failure of the other party. The funds of the Account are made up of the fines collected from ISE members with late payments and deliveries to settlement.

These funds, currently managed by Takasbank, are activated every day providing the initial liquidity to the settlement process. At the end of the settlement, if all the parties fulfill their obligations, the fund is released in full and remunerated in market terms via the Treasury Department of Takasbank. Otherwise, it is used to cover the failure of the buyer against the seller. The coverage is limited to the prevailing value of the Funds. Therefore these funds are actually a temporary liquidity facility for the settlement process.

Additionally, for the settlement of transactions realized on the Turkdex, Takasbank’s guarantee is limited to the collateral taken from the members of the market for trade, for membership and for the guarantee fund. This guarantee fund consists of two types of collaterals: Cash and non-cash collaterals. The cash portion of the collateral in TL that is deposited to the guarantee account will be remunerated on best effort basis while the non-cash portion of the collaterals will be evaluated by their prevailing market values at the end of each day.

### **2.3.4. Central Registry Agency Inc.**

Central Registry Agency Inc. (CRA) is the central securities depository for all dematerialised capital market instruments in Turkey. It was established in 2001 as a private entity in line with the amendments in the CML, (Capital Market Law, Article No. 4487). The incorporation, operation and supervision of CRA are regulated by a Regulation legislated in July 2001, and the “Communication on Terms and Conditions Governing Book-entry Registration of Dematerialised Capital Market Instruments” was legislated on 17 December 2002.



### **Organization and Shareholder Structure**

CRA is incorporated in the form of a private for-profit company for the purpose of operating in accordance with the law and regulatory provisions.

The shareholders of CRA are the Istanbul Stock Exchange (ISE 30%), ISE Settlement and Custody Bank (Takasbank 64.9%), the Association of Capital Market Intermediary Institutions of Turkey (TSPAKB 5%) and the Istanbul Gold Exchange (IGE 0.1 %).

CRA's Board of Directors has seven members. Five of the members represent the ISE, Takasbank and the TSPAKB. The ISE and Takasbank are represented by two members whereas the TSPAKB has only one chair. The General Manager of CRA, is also a member of the Board. The Chairman is appointed by the CMB. Principles governing duties, authorities and operation of the managerial bodies of CRA are set forth in the Articles of Incorporation. CRA seeks approval of the CMB for modifications to the Articles of Incorporation.

### **Functions**

Main functions of CRA are to;

- Registry and custody of dematerialised capital market instruments and rights attached thereon, in electronic form, with respect to issuers, intermediary institutions and right owners,
- Check the integrity and consistency of actual records among member groups. In case of determination of any inconsistency in the records or violation of regulations concerning the dematerialised system, request necessary corrections by members, and inform the CMB accordingly, and implement necessary measures in order to ensure safe and secure operation of the system,
- Ensure confidentiality of records as per the applicable regulatory provisions,
- Act as the securities agent for real-time securities settlement, Takasbank securities lending & borrowing market, and securities collateral management.
- Manage legal operations (i.e. lien, bankruptcy, usufruct) on securities.
- Carry out corporate actions management and provide investor services (such as general assembly meeting blockages, investor blockages, notifications and reports on investor portfolio holdings via the call center, e-mail, SMS alerts, IVR, e-GOVERNANCE portal, e-CAS and er@gon).
- Manage and represent the Investors' Protection Fund (IPF) and conduct all the issues on behalf of the Fund as per the applicable regulatory provisions,
- Implement liquidation procedures of intermediary institutions which are subject to gradual liquidation as per a CMB resolution on behalf of the IPF as per the applicable regulatory provisions,
- Carry out other duties assigned by the CMB according to the capital market legislation and other issues required under the existing regulations.

At the moment CRA provides custody services for the following dematerialised market instruments: equities, ETFs, mutual funds, corporate bonds, commercial papers, and warrants, asset-covered securities and asset-backed securities.

Accounts at CRA are opened with respect to issuers and intermediary institutions. However, authorised settlement and custody institutions may open accounts directly at CRA in order to ensure performance of settlement transactions. CRA and its members are subject to supervision and inspection of the CMB.

As of October 2011 CRA has 593 participants which is comprised of 452 issuers, 140 intermediary institutions, and 1 clearing and settlement institution (Takasbank).

According to the legislation the date of notification to CRA is taken as reference in claiming rights on dematerialised capital market instruments against third parties.

In registering transfer of shares on share registers of companies, the records at CRA are taken as basis without any further requirements. CRA, issuers and intermediary institutions are liable in proportion to their faults, for any errors or omissions in the record keeping process.

All of the depository eligible securities are held at CRA in fully dematerialised form. The scope and the time of dematerialisation for other capital market instruments is determined by the CMB.

### **2.3.5. The Association of Capital Market Intermediary Institutions of Turkey**

The Association of Capital Market Intermediary Institutions of Turkey (Association) has been established as a self-regulatory organization in March 2001.

All the brokerage firms and banks that are authorized for capital market operations must become members of the Association. As of September 2011, 102 brokerage firms, 1 derivatives brokerage firm and 40 banks are members.

### **Organizational Structure**

The statutory bodies of the Association are the General Assembly, the Board of Directors and the Board of Auditors. The General Assembly is the highest decision-making body, where each member firm has one voting right.

The Board of Directors is composed of seven members, who are elected for a term of two years. The Board of Auditors, also serving for two years, has three members.

The Secretary General carries out the daily management and administration of the Association.



## Objectives

The Association aims to:

- Contribute to the development of capital markets and intermediation activities;
- Facilitate solidarity among its members;
- Safeguard prudent and disciplined conduct of business by its members;
- Prevent unfair competition among members; and
- Enhance professional know-how in the sector.

## Functions

The main functions of the Association are to:

- Establish professional rules and regulations;
- Set safety measures to prevent unfair competition;
- Monitor professional developments, changes in rules and regulations and inform members thereof;
- Evaluate complaints against its members;
- Impose disciplinary action on members, when necessary;
- Assist in the resolution of disputes arising from off-exchange transactions among its members or between its members and investors;
- Appoint arbitrators upon the request of concerned parties;
- Conduct research on Turkish and international capital markets;
- Offer training programs;
- Issue licenses to capital market professionals who are required to pass exams organized by the Capital Markets Board;
- Keep records of all capital market professionals; and
- Cooperate with related foreign institutions.

### 2.3.6. Turkish Derivatives Exchange Inc.

Inaugurated on February 4, 2005, the Turkish Derivatives Exchange Inc. (TurkDEX) is the sole derivatives exchange in Turkey established to provide trading in derivatives instruments. TurkDEX was established in July 2002 as a private entity in accordance with the amendments in the CML (No. 4487).

#### Organization and Shareholder Structure

TurkDEX has 11 shareholders which are the Union of Chambers and Commodity Exchanges of Turkey (25%), Istanbul Stock Exchange (18%), Izmir Mercantile Exchange (17%), Yapi ve Kredi Bankası (6%), Akbank (6%), Vakıf Investment Securities (6%), Türkiye Garanti Bankası (6%), Is Investment Securities (6%), The Association of Capital Market Intermediary Institutions of Turkey (6%), ISE Settlement and Custody Bank (3%), Industrial Development Bank of Turkey (1%).

The Board of Directors is composed of one representative from the Istanbul Stock Exchange (ISE), two representatives from the Union of Chambers and Commodity Exchanges of Turkey, two representatives from the Association of Capital Market Intermediary Institutions of Turkey, three representatives from bank and brokerage house

shareholders, one representative from TurkDEX (CEO) and one representative from the Izmir Commodity Exchange.

## Functions

One of the main objectives of TurkDEX is to develop and provide financial instruments that would help individuals and institutions to effectively manage their risks against price fluctuations. Currently, 13 different derivative instruments, namely; currency futures contracts (TRY/US\$, TRY/€ and €/US\$), interest rate futures contracts (Benchmark Treasuries), equity index futures contracts (TurkDEX-ISE 30 Stock Index, TurkDEX-ISE 100 Stock Index and TurkDEX-ISE 30-100 Index Spread), cotton futures contracts, wheat futures contracts and gold futures contracts (TRY/gram and US\$/ounce) are traded on TurkDEX' entirely electronic trading platform.

## Members and Clearinghouse

As of September 2011, TurkDEX has 99 members, consisting of largest securities dealers and banks in Turkey. Moreover, all trading members are clearing members. All intermediary institutions including banks willing to engage in trading of derivative instruments have to be authorized by the Capital Markets Board (CMB) of Turkey. Prospective members have to fulfill the prerequisites of TurkDEX as well as strong capital adequacy rules which are enforced by CMB for membership.

All clearing and settlement activities of TurkDEX are handled by Takasbank (ISE Settlement and Custody Bank). Takasbank complies with the "Eligible Foreign Custodian" definition of the US SEC (Securities Exchange Commission) and is recognized by the UK SFA (Securities Futures Authority) as an "Approved Depository" and an "Approved Bank". TurkDEX also has a guarantee account to safeguard against any non-fulfillment of member obligations to the clearinghouse arising from Exchange contract transactions.

## Trading Hours

The Turkish Derivatives Exchange Inc. (TurkDEX) is open from Monday to Friday (except on national and religious holidays).

**Table 1: Trading Hours of the Turkish Derivatives Exchange Inc.**

Non-trading Period	08:45-09:15
Normal Session	09:15-17:35
Announcement of Settlement Prices and Margin Calls	17:45
Clearing Period	17:45-14:30 (next trading day)
Start of Default	14:30 (next trading day)

In the non-trading period, the system is open; however, order entries or trade executions are not possible. In this period, member representatives may log on to the system, execute queries and may aggregate order files to be conveyed to the system after the start of normal session. Furthermore, "valid till cancellation" orders or "orders with dates" may be cancelled or modified.



### 2.3.7. Istanbul Gold Exchange

The Istanbul Gold Exchange (IGE) officially began its operation on July 26, 1995. The establishment of the IGE became an important step in canalizing gold to financial system, developing gold-based investment instruments and international integration of gold sector in Turkey. After the establishment of the IGE, local gold prices were standardized in conformity with the international prices, imported gold bars were enforced to meet generally accepted standards and fineness, and the system gained a transparent structure.

Amendments made in December 1998 to the Decree No. 32 concerning the Protection of the Value of Turkish Currency made trading of silver and platinum possible at the IGE besides gold. The IGE has three types of markets; Precious Metals Market (spot transaction), Precious Metals Lending Market, Diamond and Precious Stones Market.

The IGE has three types of markets; Precious Metals Market (spot transactions), Precious Metals Lending Market and Diamond and Precious Stones Market.

Futures and Options Market, which was launched on August 15, 1997 at the IGE, was closed on January 31, 2006 and new Futures and Options Market for gold was opened in Turkish Derivatives Exchange on February 1, 2006.

Non-standard gold transactions within the Precious Metals Market were launched in October 1999. This enables scrap gold trading in a secure environment by eliminating counter-party risk. It also removes assaying concerns regarding non-standard bullion.

In March 2008 trading rules and principles of domestically produced precious metals and non standard precious metals were determined in accordance with Communiqué of Refineries and Standards of Precious Metals dated 18/11/2006.

The Precious Metals Lending Market started its operations on March 24, 2000 for the purpose of bringing supply and demand into an organized market, lowering the production costs of the jewelry sector and securitization of gold.

The newly opened Diamond and Precious Stones Market was launched on April 4, 2011 to make diamond and precious stones trading in a organized and standardized market possible in Turkey.

Besides, precious metals buying and selling transactions of gold based Exchange Traded Funds and other funds are done in IGE's Precious Metals Market and their precious metals are stored in the Exchange vault physically.

Netting system for the collaterals of the same customer in the same value date has been put into effect as to the demands of the members. The value dates of the transactions have been extended from T+0 up to T+9 days. The collateral leverage of the transactions have been determined as 25 times for T+0, from T+ 1 up to T+5 20 times and from T+6 up to T+9 12 times of the transaction values.

Internet sessions have started by 2009 and after the daily sessions ending by 17:30, the internet sessions start by 17:45 until the next morning 9:30. The clearing of internet session is managed by the following day clearing process in T+0 transactions. By the internet session, IGE has achieved to offer 24 hours continuous trading in Turkey.

### Trading Hours

**Table 2: Trading Hours of the Istanbul Gold Exchange**

Daily Session : 09:45-17:30
Internet Session : 17:45-09:30

### International Memberships

For the integration of the Exchange to the international markets, there have been important steps to the integrate international communities. IGE was admitted to associate membership of London Bullion Market Association (LBMA) on March 2008, on May 13<sup>th</sup> 2008 of World Federation of Diamond Bourses (WFDB) and on February 12<sup>th</sup> 2010 of FEAS as an affiliate member.

Turkey's participation to Kimberley Process Certification Scheme was approved by the Law Number 5244 dated October 27, 2004 and the international agreement concerning KPCS was approved by the Decree number 2005/8518 dated February 21, 2005 by the Council of Ministers and it was issued on the Official Gazette, number 25750, dated March 9, 2005. The Decree number 2006/11115 concerning the Regulation and Supervision of Rough Diamond Foreign Trade which was prepared by Undersecretariat of Treasury was issued on the Official Gazette, number 2632, dated October 31, 2006. The Communiqué number 2006/1 concerning the Decree was issued on the Official Gazette, number 26437, dated November 15, 2006. As clearly stated at the Communiqué and Decree, Istanbul

Gold Exchange is authorized to conduct import and export of rough diamonds within the framework of Kimberley Process Certification Scheme, to review the submitted certificates whether they have the necessary requirements, to have confirmation of certificates from the participant country's export authority and to issue certificates concerning rough diamonds to be exported.

Sub Committee has been formed for the studies of the project "Istanbul Finance Center Strategy and Action Plan" as some articles of the initiatives are directly related to IGE; such as opening "Diamond and Precious Stones Market", establishing "Currency Market" in the Exchange and establishment and implementation of "Carbon Rights and Licenses Market" in the Exchange.



### **Organizational Structure**

The statutory bodies of the Istanbul Gold Exchange are the General Assembly, Board of Directors, Board of Auditors and Committees. The General Assembly of Exchange consists of the Exchange members and it is the superior decision making body. The Board of Directors consists of four members elected by the General Assembly and the Exchange President assigned by joint decree. The President is the Chairman of the Executive Board at the same time.

### **Duties and powers**

- To create markets in the Exchange for precious metals that their standards defined by the Treasury,
- To make needed legal regulations and organization for markets will be formed,
- To provide execution of trade under security, stability and free competition in the Exchange and also to apply legal sanctions for members who violate the rules,
- To take necessary measures under powers of legislation given in case of unusual negative developments,
- To create markets for securities based on precious metals and lending transactions,
- To engage in tasks given by the Treasury and Capital Markets Board.

### **2.3.8. Other Capital Market Institutions**

Other capital market institutions refer to the institutions whose establishment and principles of operation are determined by the CMB including:

- Institutions which are engaged in clearing and settlement operations,
- Institutions which are engaged in rating of the capital market instruments,
- Institutions which are engaged in auditing of issuers and capital markets institutions,
- Companies which carry out capital market activities such as investment consultancy and portfolio management,
- Asset management companies,
- Financial companies established with the objective of issuing asset-backed securities,
- Institutions related to mortgage backed securities,
- Venture capital mutual funds,
- Venture capital investment companies,
- Intermediary institutions dealing with futures transactions,
- Portfolio safekeeping companies.



A stylized graphic of a globe, composed of several overlapping, semi-transparent circular segments in various shades of teal and blue. The segments are arranged to create a sense of depth and rotation, with some segments appearing to be in front of others. The overall effect is a modern, abstract representation of a globe.

3

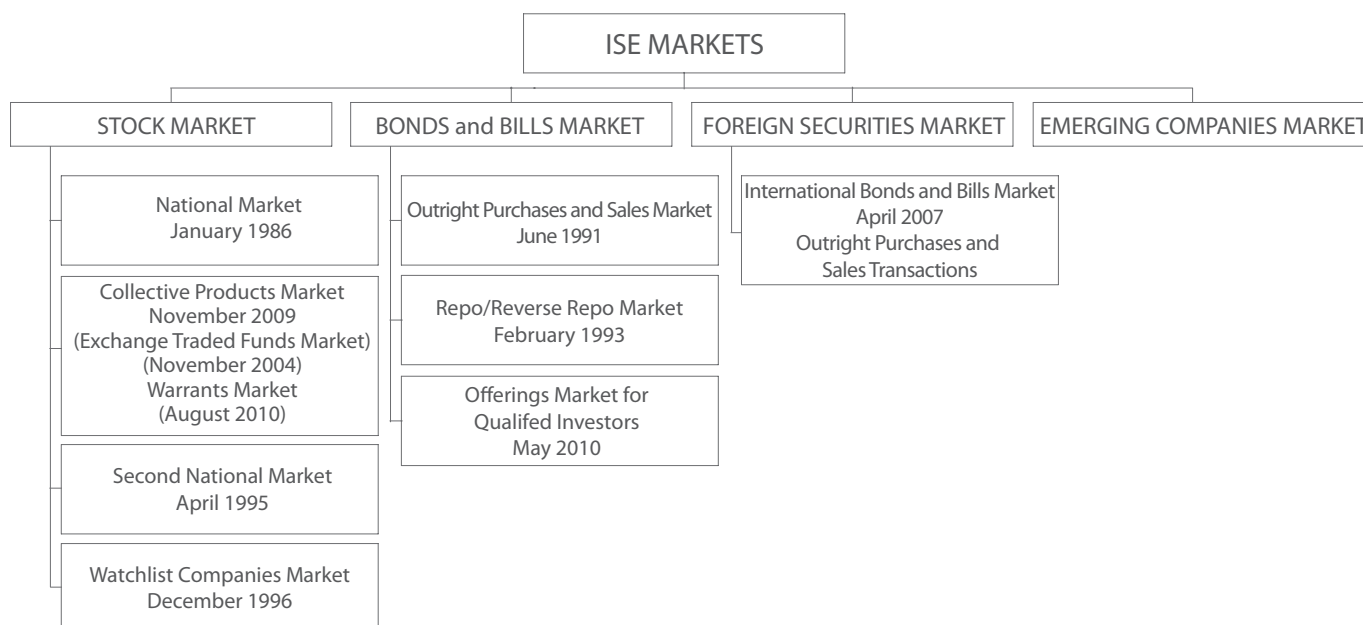
*ISE Markets*





### 3 - ISE Markets

*Substantial work is carried out to open new markets with an aim to offer new products to investors.*



#### 3.1. Stock Market

##### 3.1.1. Submarkets and Trading Hours

###### 3.1.1.1. National Market

National Market, main stock market of the ISE, is the market where companies that fulfill the listing and minimum circulation criteria determined by the ISE, trade in a reliable and stable environment. The listing requirements are given in detail in section 6.1.1. The minimum circulation criteria requires the daily average trading volume of a company to be above 1% of the total daily average trading volume of the companies traded on National Market and the daily average number of contracts to be 4% of the total daily average number of contracts of the companies traded on the National Market (the daily average trading volume and number of contracts of all companies are reviewed quarterly and in case that a company fails to meet the minimum circulation criteria, it is transferred to Second National Market). The main indicator of the Stock Market is the ISE-100 Index, constituted of 100 companies traded on the National Market and real estate investment trusts, venture capital investment trusts on the Collective Products

Market, with high market capitalization and liquidity (among 100 stocks, currently 95 of them are trading on the National Market and 5 of them are trading on the Collective Products Market).

###### 3.1.1.2. Collective Products Market

The Collective Products Market, which was launched on November 13, 2009, provides a single, definitive market for trading of the stocks of investment trusts, real estate investment trusts, venture capital trusts, warrants, participation certificates of exchange traded funds. ISE conducts “continuous auction involving market making” and “single price auction” trading mechanisms for particular shares traded on the ISE Collective Products Market. In accordance with the relevant ISE arrangements, Exchange Traded Funds (ETFs), warrants and investment trusts, market capitalization of publicly held shares of which is below TL 10 million, are traded on continuous auction via market making.

Single price auction is run for investment trusts portfolio values of which are equal to or above twofold of its share prices. However, if there is a market maker registered for this kind of security, trading mechanism shall be designated as market making.



### 3.1.1.2.1 Exchange Traded Funds (ETFs) Market

The “ETFs Market” functioning under the ISE Collective Products Market was established with an aim to provide an organized and transparent market for trading of participation certificates of the ETFs. The ISE Executive Council decides on the listing and trading of the participation certificates of the ETFs upon the written request of the CMB.

### 3.1.1.2.2 Warrants Market

The ISE launched a new market for trading of warrants within the ISE Collective Products Market on August 13, 2010 offering market participants to hedge their portfolios against market volatilities with a limited risk feature.

Warrants are capital markets instruments that give the holder the right, but not the obligation, to buy or sell an underlying financial instrument at a set price on or before an expiration date. While European style warrants can only be exercised on the expiry date,

American style warrants can be exercised at any time up to expiry. Currently, all warrants trading on the ISE Warrants Market are European style warrants. The underlying instrument of a warrant trading on the ISE Warrants Market may be

- A single equity or a basket of equities included in the ISE-30 Index
- An equity index calculated by the ISE
- Other assets and indicators such as convertible currencies, precious metals, commodities, internationally recognized indices in line with the CMB decision.

Warrants are traded on continuous auction via market making. Trading for warrants take place between 9:50-12:30 in the first session and between 14:20-17:30 in the second session. The System accepts the orders according to price and time priority and matches the orders and/or quotations within the appropriate quotation interval (including quotation prices).

Market makers in warrants will enter executable quotes that have no maximum spread. Orders cannot be entered to the System before the entrance of the first quotation by its market maker. Market makers are not required to quote on after the opening session.

There is no upper or lower limit for price creation. All orders in the warrants market are executed within the quotations of market makers (including quotation prices). Orders that fall out of the interval are also accepted to the System, but may be matched only when they are within the quotation interval.

ISE exchange fees apply to the transactions executed in the ISE Warrants Market (1/100,000 of the traded volume) whereas transactions executed via market maker’s quotation orders are charged half of the ISE exchange fee schedule (only for the relevant market maker).

An exemption of withholding tax (previously applied as 10%) on warrants is offered to investors.

### 3.1.1.3. Second National Market

The “Second National Market” was established with the aim of promoting trading in stocks of small and medium size companies incorporated in all parts of the country, in a reliable and transparent environment. The Second National Market consist of companies delisted temporarily or permanently from the ISE’s National Market as well as companies that fail to fulfill the listing requirements and lack the necessary qualifications for trading on the ISE’s National Market. The decision of the ISE Executive Council in consideration of the financial and legal status, activities and the liquidity potential of a company shall be sufficient for the trading of that company on the Second National Market provided that there is no limitation for the circulation of the shares.





Companies traded on the New Economy Market migrated to the Second National Market effective January 3<sup>rd</sup>. 2011

### 3.1.1.4. Watchlist Companies Market

The “Watchlist Companies Market” was established with an aim to provide an organized and liquid market for trading of stocks of companies under special surveillance and investigation due to extraordinary situations with respect to stock transactions and/or companies themselves traded on the ISE; disclosure of incomplete, inconsistent and/or untimely information to public; failure to comply with the existing rules and regulations as well as other situations leading to delisting of stocks and/or dismissal from the related market temporarily or permanently in order to protect investors’ rights and public interest.

Starting from October 1, 2010, ISE started to conduct two single price auctions for the companies traded in the Watch List Companies Market. Thus, trading hours of this market extended from 14:00-15:00 to 14:00-17:30.

### 3.1.1.5. Wholesale Market

The “Wholesale Market” provides an organized platform for the transactions of stocks in large quantities. The market permits the sale of stocks, which are traded on the ISE Stock Market as well as those, which are not traded on the ISE, through capital increases or sale of stocks of existing shareholders to predetermined and/or unidentified buyers. Block sale of stocks within the framework of privatization scheme of public entities is also realized in this market.

Settlement can either be realized through Takasbank or among the parties of the transaction upon the application of the parties and the approval of the ISE.

### 3.1.1.6. Rights Coupon Market

The “Rights Coupon Market” is a market launched in January 1993, for trading of the coupons attached to the shares of traded company which entitles the holders of such shares the right to purchase the new shares issued by that corporation to increase its capital.

### 3.1.1.7. Primary Market

Stocks to be offered to public initially through the ISE and the stocks representing pre-emptive rights of the listed companies, which are not exercised by the existing shareholders or are offered to public by restricting the pre-emptive rights of the existing shareholders are offered to public in the “Primary Market”.

In the Primary Market, an ask order can only be given by the intermediary institution(s) in charge of the public offering. The stocks bought by the members cannot be resold in this market. Additionally, as the stocks of the companies subject to the issued share capital system, which are offered to public in the primary market, are in the form of “receipts”, they cannot be sold in the secondary market until they are replaced by shares.

### 3.1.1.8. Official Auction Transactions

Sales transactions, which the courts, the court-bailiff’s offices and other governmental agencies find necessary to take place at the Stock Market of the ISE, are realized as official auction transactions. The price is realized by continuous trading.

### Trading Hours

The Stock Market is open from Monday to Friday and trading hours are as follows:

**Table 3: Trading Hours of the Stock Market**

National Market Collective Products Market • Exchange Traded Funds Market • Warrants Market Second National Market	<b>First Session: 09:30 – 12:30</b> Opening Session 09:30-09:50 Call Phase (order collection) 09:30-09:45 Price Determination Phase 09:45-09:50 First Quotation (Market Maker) 09:45-09:49 First Quotation (System) 09:49  <b>Continuous Auction - Main Trading (including trading via Market Making) 09:50–12:30</b>  <b>Single Price Auction 09:50–12:30</b> Call Phase (order collection) 09:50-12:25 Price Determination Phase 12:25-12:30
National Market Collective Products Market • Exchange Traded Funds Market • Warrants Market Second National Market Watch List Companies Market	<b>Second Session: 14:00 – 17:30</b> Opening Session 14:00-14:20 Call Phase (order collection) 14:00-14:15 Price Determination Phase 14:15-14:20 First Quotation (Market Maker) 14:15-14:19 First Quotation (System) 14:19  <b>Continuous Auction - Main Trading (including trading via Market Making) 14:20–17:30</b>  <b>Single Price Auction 14:20–17:30</b> Call Phase (order collection) 14:20-17:25 Price Determination Phase 17:25-17:30
Primary Market Wholesale Market	10:30 – 12:00
Official Auction Transactions Rights Coupon Market	Relevant Market’s Trading Hours

### 3.1.2. Trading

Currently, Istanbul Stock Exchange employs “multiple price continuous auction”, “continuous auction via market making” and “single price auction” trading mechanisms.

Fully electronic stock trading system enables ISE members to trade in stocks, rights coupons, exchange traded funds and warrants. ISE conducts two separate sessions for Stock Market trading activities; one session in the morning and another in the afternoon.

Buy and sell orders are submitted to the Stock Market Trading System (System) manually via trading terminals located at the ISE Trading Floor or electronically via Automated Order Routing System. It is a blind order system with counterparties not identified even after matching.



Securities are traded either through continuous auction including market making or through single price auction procedures following a period in which orders have been accumulated without execution.

### **3.1.2.1. Trading of Companies under A, B and C Groups**

In accordance with the Capital Market Board's decision dated on July 23, 2010, all companies started trading on the ISE Stock Market depending on classification under groups A, B and C starting from October 1, 2010.

#### **Class A Shares**

All companies falling out of B and C groups are classified under class A. Group A companies are traded via continuous auction. Market depth data information is broadcast in 5 levels. They are subject to margin trading and short selling.

#### **Class B Shares**

Shares of

- companies with a free-float market capitalization below TL 10 million and number of shares in circulation below 10 million,
- companies with a free-float market capitalization below TL 45 million and ratio of shares in circulation below 5 %,
- Investment trusts with portfolio values equal to or above 1.5 times of their share prices, shall be classified and traded under Group B.

Shares classified under Group B are traded via continuous auction involving market making for some securities trading on the ISE Collective Products Market. Market depth data information is broadcast in 5 levels. They are not subject to margin trading and short selling.

#### **Class C Shares**

Shares of

- all companies traded on the ISE Watchlist Companies Market,
- companies with number of shares in circulation below 250,000,
- Investment trusts with portfolio values, equal to or above twofold of their share prices, shall be classified and traded under Group C.

Single price auction is run for all companies classified under Group C. Within this framework, an investment trust portfolio value of which is equal to or above 2 times of its share price shall be traded under Group C on single price auction. In case of willful registration for market making for this kind of security, trading mechanism shall be designated as market making.

Two single price auctions are conducted for companies on the Watchlist Market. Thus, trading hours in Watchlist Market were extended from 14:00-15:00 to 14:00-17:30. Other Group C securities may be traded in both sessions and shall be subject to single price determination four times a day, two during the first session and two during the second session. Market depth data information is shown as a single level. If there is a registered market maker, the relevant security's depth information will be shown in 5 levels. They are not subject to margin trading and short selling.

#### **Displaying A, B, C Group Distinction**

A, B, C group distinction and gross settlement information started to be displayed on the ISE Daily Bulletin in two new columns which precedes the column that contains stock codes. First of these columns will include "GS" information based on "Gross Settlement" whereas the second will include A, B, C group information.

The clearing and settlement system can be changed to gross settlement for certain shares traded on the ISE Stock Market. Accordingly, there will be no netting between purchases and sales of such securities by brokerage firms. Instead, receivables of brokerage firms and investors will be distributed by Takasbank after the end of the settlement period. Accordingly, investors who want to sell such shares must keep these shares and investors who want to buy these shares must keep adequate cash in their accounts as of the settlement date.

### **3.1.2.2. Continuous Trading**

An opening auction is held at the beginning of each session prior to the commencement of continuous trading.

Upon completion of the opening auction, trading shall take place on a continuous basis, with each incoming order being checked and matched on a price and time priority basis.

#### **3.1.2.2.1 Opening Session**

##### **Basic Features**

The opening session is designed as a "Call Market" employed in the pre-opening session involving a single auction process. Buy and sell orders are entered and accumulated in the System during a pre-defined time interval without matching. Then at the end of the pre-opening session, the price at which the maximum order volume can be matched is found by means of a trading algorithm. Such price then becomes the opening price of the day.

The Opening Session has 2 phases:

1. Call phase (Pre-Opening Order Entry Period): During this stage orders are entered into the System and queued on the order book vis-à-vis priority rules. Orders are not matched. Each trading session begins with a call phase in which orders are automatically recorded without any



execution. During such call phase, ISE Members may enter new orders as well as modify or cancel existing orders.

- Price determination phase: During this stage the System determines a price so as to produce the maximum executable volume. During such price determination phase, no new orders may be entered and existing orders may not be modified or cancelled.

There may be individual opening sessions for particular securities. If one security can not be taken into the opening session due to a trading halt before/during the opening session, a single price auction method will be held only for this individual security during the continuous auction phase (for example, opening auction for that single security may be held between 10:30-10:45 hours). In that case, following the opening session for that particular security, the trading resumes with continuous auction until the end of the relevant session.

### 3.1.2.2.2. Essential Aspects of the Opening Session

#### a) Order Types

**Table 4: Order Types**

Limit Order	Allowed
Market On Open Order	Not Allowed
Short Sale Order	Not Allowed
Immediate or Cancel Order	Not Allowed
Special Limit Price Order	Not Allowed
Special Limit Value Order	Not Allowed
Special Order	Not Allowed

#### b) Order Modification, Splitting and Cancellation

**Table 5: Order Modification, Splitting and Cancellation**

Order Splitting	The rules applied in continuous trading are valid.
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Order Modification	Price can be improved or worsened and amount can be reduced or increased (Should the amount is increased, time priority is lost). Starting from October 8, 2010, an order cancellation fee equal to 2.5 millionths of the amount of the reduced portion of each order started to be charged.  Duration of orders valid for two sessions can be changed as to be valid for only one session.
Order Cancellation	Allowed.  Starting from October 8, 2010, an order cancellation fee equal to 2.5 millionths of the cancelled order amount started to be charged for each cancelled order.

#### c) Important Features of the Opening Session

**Table 6: Important Features of the Opening Session**

Transfer of Open Orders to Continuous Auction Trading	At the end of the Opening Session, any unexecuted limit order and/or any residual volume from a partially executed limit order (which was previously submitted to the Opening Session) are retained in continuous auction trading.
Base Price and Price Margin	The base prices and price margins obtained from the weighted average prices of the previous session shall be applied during the call phase and throughout the continuous auction period. Transactions carried out in opening session and continuous auction are considered together in calculation of base prices and price margins for the next session.
Maximum Lot Quantity	Same as the continuous auction
Tick Sizes	Same as the continuous auction
Applied Stocks/Markets	Opening auction session is held for all markets of the ISE Stock Market, namely; National, Collective Products, Second National and Watchlist Companies Markets.

#### Market On Open Order

It is a type of order which can be used only in the opening session. It is an order for which only amount is submitted to the System while price is entered as zero. Currently, Market On Open Order is not applicable at the ISE Stock Market.

#### Data Dissemination

During the order entry period there is no data dissemination regarding the indices and the opening price of the equities. As the opening session begins, data regarding transactions, calculated opening prices, open orders and indice values start to be disseminated to the authorized vendors.

Information about A, B, C group distinction is sent to data vendors together with stock codes but in a separate field. Thus, data vendors are able to create a separate page for each group, and display each group distinctly. All data vendors have been informed with a view to enabling presentation of A, B, C group distinction to investors without having to carry out any additional inquiry.



### 3.1.2.3. Continuous Trading via Market Making

ISE implemented “continuous auction via market making” trading mechanism for particular shares traded on the ISE Collective Products Market. In accordance with the relevant ISE arrangements, Exchange Traded Funds (ETFs), warrants and investment trusts with free-float market capitalization below TL 10 million are traded on continuous trading via market making.

Shares, currently traded on the ISE Collective Products Market and included in ISE-100 Index shall always be traded on continuous auction.

Real estate investment trusts, venture capital investment trusts and investment trusts free-float market capitalization of which are above TL 10 million, are traded on continuous auction.

Provided an application to become a market maker for them is received and approved by the ISE, securities traded on continuous auction on the Collective Products Market, excluding the constituents of the ISE-100 Index, may be traded via market making. When a market maker is deregistered from a security (its activities are terminated), that security shall be traded on continuous auction (call market) as an alternative trading method. The ratio of publicly held shares of investment trusts will be determined on a quarterly basis by averaging the weighted average price of the last 20 sessions prior to the valuation of the

security. Investment trusts to be traded via market making will be announced on the next day following the announcement of the ISE-100 Index constituents upon the decision of the ISE Market Making Assessment Committee.

Only one market maker will be registered for a security subject to trading via market making mechanism.

A member firm that intends to act as a market maker may apply for registration in more than a single security. The ISE Executive Council may deem it necessary to limit the securities to be registered for each market maker.

The ISE Executive Council considers an ISE member to be appropriately authorized for market making in one or more securities; if the applicant meets the following basic two conditions:

1. Authorization for public offering and intermediation for trading of derivatives
2. Maximum number of collaterals amounting to TL 1 million should not have exceeded 5 times in previous year.

If the ISE Member that intends to act as a market maker does not comply with the two criteria listed above, the ISE Executive Council may still consider that ISE Member to be sufficiently regulated and appropriately authorized for market making;

- if that member is the founder or issuer of the related security or
- related security is offered to public by its parent company or
- it has acted as an intermediary for the relevant security's public offering.

ISE Members acting as market makers will be evaluated quarterly in accordance with the relevant ISE requirements and publicized subsequently. At the end of the evaluation period, the ISE may deem it necessary to deregister a market maker from one or more securities where that firm is consistently in breach of market making obligations.

Exchange fees to be imposed on the quotation transactions of market makers (except for warrants) are to be decreased in accordance with the ISE fee Schedule as detailed in the table below:





**Table 7: ISE Exchange Fees for Market Maker Transactions**

Registered Number of Securities	Exchange Fee Discount Rate
1	50%
2	50%
3 and over	100%

Market makers shall enter executable buy and sell price and amount quotations in a single security in the pre-defined time interval prior to the main trading session. In situations where no quotation is submitted to the System, the System automatically submits a two sided quotation (buy/sell price and amount quotation) at 9:49 for the first session and at 14:19 for the second session (in warrants there is no "automatic quotation entrance" by the System). Market makers shall maintain continuous two-sided quotation orders for each security in which they are registered. Maximum quotation amount shall not exceed 10 times of the related security's maximum lot amount. Market makers may maintain, amend or delete its quotations in accordance with the principles set forth by the ISE. However, quotation orders submitted to the System cannot be split.

**3.1.2.4. Single Price Auction**

ISE conducts four single-price auctions each trading day for the companies trading under classification C Group in accordance with the criteria set forth by the Capital Markets Board of Turkey.

There are two phases of single price auction mechanism:

1. Order collection: The System records orders without any matching for Single Price Auction four times at each trading day. Orders are collected between 9:30-9:45 (call phase of the Opening Session) and between 9:50-12:25 for the first session and between 14:00-14:15 and between 14:20-17:25 for the second session. Upon completion of order collection, a single auction price at which the maximum volume of orders is executable is determined in the subsequent time interval at the closing of the call phases.
2. Price Determination and Execution of Transactions: Upon completion of order collection, a single auction price at which the maximum volume of orders is executable is determined between 9:45-9:50 and 12:25-12:30 in the first trading session and between 14:15-14:20 and 17:25-17:30 in the second trading session.

When a call phase could not be held for a security in the opening session of the Single Price auction due to a temporary trading halt, the relevant security resumes trading in the second single price

**Table 8: Single Auction Trading Hours**

	Single Auction Phase I (Opening Session)		Second Single Auction Phase II (Single Price)	
	Order Collection	Price Determination and Trade Execution	Order Collection	Price Determination and Trade Execution
1st Session	09:30 - 09:45	09:45 - 09:50	09:50 - 12:25	12:25 - 12:30
2nd Session	14:00 - 14:15	14:15 - 14:20	14:20 - 17:25	17:25 - 17:30

auction phase and the price will be determined in one auction. A security, except warrants, trading mechanism of which is determined to be market making may be traded on single price auction in situations where

- there is not a market maker registered,
- market maker's activities are terminated,
- there is not an ISE member intending to act as a substitute on behalf of a principal market maker and
- the current substitute market maker could not start to trade.

For warrants, instead of trading on single price auction, trading of the relevant security is halted for the situations stated above.

**3.1.3. Basic Concepts, Trading Rules and Order Types**

**Weighted Average Price:** The base price of a stock is calculated for the next session based on the volume weighted price. For calculation of the base price, the orders executed and registered with different prices and quantities during the session are taken into account. The weighted average price is calculated automatically by the system as an integer.

**Base Price:** It is a price taken as a base for determination of the upper and the lower price limits and the price ticks by which shares can be traded during a session. This price is obtained by rounding the weighed average price of a share prevailing during the previous session to the nearest price tick. In case of dividend payment or capital increase, the base price is determined by the ISE and entered into the System.

For the ETFs Market, base price is obtained by rounding the weighted average price of that participation certificate prevailing during the previous session to the nearest price tick. However in first trading session or in the session following the session that has no trading, base price is the price announced by the founder and/or authorized participants of the ETFs.

For the Warrants Market, price formation is not based on base price method. Transactions are executed within the market makers quotation limits (including quotation prices).

**Reference Price:** It is a price which is not taken as a base for determination of upper and lower limits by which a share can be traded, instead it is intended to be used as a reference value by the ISE members until the registration of the relevant price.

**Price Margins:** Price Margins: Prices traded for each stock on the secondary market according to multiple price method during a session cannot be different than  $\pm 10\%$  of the base price of that share. This price range sets the price variance limits of shares traded on the ISE Stock Market. When calculating price variance limits, values found by applying  $\pm 10\%$  to the base price are rounded to the nearest lower price tick for the lower limit and to the nearest upper price tick for the upper limit. However, in the rights issue market, the margin is 25 %.



The same rules in the National Market apply for the price margins of the ETFs Market.

For the Warrants Market, the System executes all orders within the price limits submitted by the market maker's quotations. However, orders falling out of the market maker's quotation interval are also accepted by the System, but may be matched only when they are within the quotation interval.

**Price Ticks:** Bid and ask orders sent to the ISE Stock Market are matched only by the prices given as price ticks determined by the ISE Executive Council based on the unit of trading of shares. The "price tick" for each share is determined according to the base price of that share calculated with reference to the weighted average price prevailing during the previous session.

Following 50% reduction in tick sizes which will be put into effect on November 1, 2010, new price ticks to be implemented for securities traded on the National, Collective Products, Second National, New Economy and Watchlist Companies Markets are as follows:

Price ticks for the Stocks:

**Table 9: Price ticks for the National, Collective Products and Second National Markets**

Base Price Range (TL)	Relevant Price Tick (TL)
0.01 - 5.00	0.01
5.02 - 10.00	0.02
10.05 -25.00	0.05
25.10 - 50.00	0.10
50.25 -100.00	0.25
100.50 -250.00	0.50
251.00 -500.00	1.00
502.50 - 1,000.00	2.50
1,005.00 and over	5.00

**Table 10: Price ticks for the ETFs Market**

Base Price Range (TL)	Relevant Price Tick (TL)
0.01 - 10.00	0.01
10.02 - 25.00	0.02
25.05 - 50.00	0.05
50.10 - 100.00	0.10
100.25 - 250.00	0.25
250.50 - 500.00	0.50
501.00 - 1000.00	1.00
1002.50 and above	2.50

For warrants; price tick is applied as "TL 0.01 (1 kurush)".

**Unit of Trading (Lot):** It refers to the minimum quantity or value or its multiples by which a share can be traded on the ISE. 1 lot represents 1 share (TL 1.00 at par value), 1 lot of rights coupon

represents 1 coupon (the rights coupon attached to a stock of TL 1.00 at par value). In the ETFs Market, 1 lot size equals to 1 participation certificate and the nominal value of 1 certificate is TL 1.

**Cancellation of Order:** The ISE members are able to cancel and/or reduce all unexecuted orders submitted to the System in accordance with the new software implementation put into effect on October 8, 2010. The System allows unconditional order cancellation for all shares traded on the Stock Market through trading terminals located at the ISE and by remote access as well during continuous auction.

All order cancellations and amount reductions will be subject to cancellation fee of (2.5/1,000,000) of total/reduced amount except order cancellations in the ISE Warrant Market and the quotation order reductions for the securities traded through market making system.

**Validity of orders:** Unless otherwise specified, all other orders are valid during the relevant session. However, orders can be given as "good till date", which are valid for the the whole day trading unless cancelled.

#### Order Types

Limit orders are orders to buy or sell a stated quantity at a specified price. If obtainable, orders can be executed at a better price. Unless otherwise specified, any residual volume from an incomplete limit order is retained in the central order book until the end of the day unless it is withdrawn or executed. "Limit Price Orders" are orders for which prices and amounts are entered. The orders can be traded, partially or totally; if they are not traded, they will be displayed as pending orders on the screens.

Immediate or Cancel Orders are sent to the System with the aim to be executed in its entirety only if there is sufficient volume available, at the stated price or better. If the order cannot be executed in its entirety, the residual volume from a partially executed order is not retained in the System; it is cancelled. Prices and volume are entered with the indicator "IOC" to the System.

Special Limit Price Orders are entered with volume "zero" and a specific price. The aim is to meet all orders up to a given price.

Good-Till-Date Orders are valid for the whole day trading unless cancelled.

Special orders are designated depending on the base price and the maximum amount of lots allowed for bidding or offering for each stock. The ISE Executive Council sets the minimum volume of special orders.

#### Anonymity in Order Executions

Following the implementation of the newly developed software on October 8, 2010, ISE introduced a new approach for best-price executions based on anonymity. Within this framework, counter-



party details started to be unrevealed during the sessions as an anonymous trading facility. Currently, all trade data are displayed and sent to data vendors without counter-party details.

Accordingly, counter-party details which were previously revealed in the ISE Stock Market order book at the end of each session, started to be revealed in the ISE Stock Market order book at the end of the day on T+1.

### **3.1.4. Market Participants**

ISE member brokerage houses authorized to trade on the ISE Stock Market are marked as "H" in the list of members (Appendix A).

### **3.1.5. Margin Trading, Short Selling and Securities Lending**

Intermediary institutions authorized for trading of capital market instruments can carry out margin trading, short selling as well as borrowing and lending of securities activities with the permission of the Capital Markets Board. ISE member intermediary institutions authorized to engage in short selling transactions with the permission of CMB, should apply to ISE in order to be granted authorization for executing short selling transactions through the stock trading system (the list of the authorized brokerage houses is available in Appendix A and denoted with "K").

The securities which will be subject to margin trading and short selling transactions are included in the "List of Securities Subject to Margin Trading and Short Sales" in accordance with the predetermined criteria and are announced by the ISE (currently all shares except the ones traded on the Watch List Companies Market and Class B and Class C shares). Authorized ISE members have the opportunity to engage in short selling transactions and securities lending of the stocks and exchange traded funds traded on the ISE National, Collective Products and Second National Markets.

The credit extended by the intermediary institutions from their own resources cannot exceed half of their equity capital and total value of margin trading, short selling, lending and borrowing of securities cannot exceed twofold of their equity capital. When calculating the total amount, at a certain time, the sum of the credit extended by the intermediary institution and current market value of the securities borrowed for short selling are taken into account. If the intermediary institutions extend credit from their own resources, the amount of credit extended for a client cannot exceed 10% of their equity capital. If CMB deems necessary, it may decrease the above mentioned transaction limits for an intermediary institution considering its financial structure and transactions or may prohibit that intermediary institution from undertaking margin trading, short selling and borrowing and lending of securities transactions.

In accordance with the CMB's "Communiqué on Margin Trading, Short Selling and Securities Lending and Borrowing", the ISE members notify the ISE of their clients who do not fulfill

their settlement obligations and/or do not satisfy the margin requirements more than twice within a three-month period, and ISE discloses the identities of these clients. The orders of the relevant clients will not be accepted by any brokerage house for a term of six months following the disclosure of their identities by the ISE unless cash or securities subject to these orders are already in their accounts or paid/delivered in advance.

As of June 2004, in line with the CMB's decision, the brokerage houses with regards to their clients in default for exceptional reasons arising other than by their own initiative and misintention (resulting from the errors of the brokerage houses, technical errors, the implementation of the decisions of the judicial authorities, the errors arising from the ISE and Takasbank and similar), are required to inform the ISE of the reasons accompanied with documentary evidence. Accordingly, the persons with such cases will not be evaluated within the context of the above-mentioned article of the Communiqué on Margin Trading, Short Selling and Securities Lending and Borrowing.

### **3.1.6. Settlement**

The settlement of securities and cash regarding the Stock Market is realized on T+2 basis (Table:14) by ISE Settlement and Custody Bank Inc. (Takasbank).

The securities settlement operations are carried out via Takasbank Settlement Pool Account with the Central Registry Agency Inc. (CRA). CRA and Takasbank systems are fully interlinked in real-time, so securities transfers are reflected in the CRA instantaneously. Settlement is realized along with the details that are transferred from the CRA.

The custody accounts are held with the CRA; participants have a settlement pool account besides their own portfolio account and client sub-accounts. The cash accounts are on participant basis and held with Takasbank.

At the end of each trading day, ISE transmits details of all transactions that have been undertaken by brokerage houses in two trading sessions to Takasbank. Upon receipt of this data, Takasbank multilaterally nets the settlement position, indicates the obligations for each broker in each security, and calculates their net cash position.

The net securities settlement position on client basis is transmitted to CRA on trade day (T). Details of netting activity are made available to participants electronically on T, showing details of settlement amounts due. At the end of the day, the securities of the delivering clients are blocked automatically by the CRA for settlement purposes. The receipt instructions for the transfer of securities from the participant accounts to the client sub-accounts are formed within the CRA system.

On T+1 net settlement records that are checked by the CRA are made available to participants electronically. In case of a discrepancy, participants can apply to ISE for amendment until 17:30 on T+1. The settlement records are updated according to amendments and the correct contract details.



On T+2, the securities of the delivering clients are transferred from the settlement blockage account to settlement pool account of the participant within the CRA system. The transfer of securities from participant settlement pool account to Takasbank Settlement Pool Account within the CRA system is executed by the CRA automatically. Securities are transferred to client sub-accounts by the CRA.

Members are entitled to get their receivables from settlement prioritized according to the time of the fulfillment of their obligations. If participants fulfill their obligations partially, they are entitled with their receivables partially. Settlement can occur continuously between 09:00 and 16:00 in the processing day subject to the availability of cash and securities. These transfers occur simultaneously with the internal book entry settlement of the netted securities positions, provided that the Takasbank Settlement Pool Account is available.

Participants are expected to fulfill their cash obligations by using their cash accounts with Takasbank from 09:00 to 16:00 for the ISE Stock Market settlements. Participants can transfer cash from their other accounts within Takasbank or from other banks using the Central Bank of Turkey's Electronic Fund Transfer (EFT) system or using same day receivables from the, ISE Bonds and Bills Market or the Takasbank Money Market. Settlement procedures are the same for the Collective Products Market.

### 3.1.7 Failed Trades and Default Procedures for the Stock Market

In case of a participant's failure to fulfill its obligations related with the ISE equities market settlement, the default penalty payment is calculated on the prevailing market overnight interest rate (highest of the ISE Repo/Reverse Repo Market or the Central Bank of Turkey).

The penalty payment calculation will be applied as follows:

- If defaulted obligations are fulfilled on T+2 after 16:00 but within the working hours of the Central Bank's national payment system (EFT), default payment calculations will be calculated on the prevailing market overnight interest rate, as described above.
- If the default still exists on T+3, penalty payment is calculated as three folds of the prevailing market overnight interest rate applied throughout the failure period, as described above.

If the default still exists on T+3, Takasbank notifies the ISE for buy-in or sell-out, indicating the due obligation (cash or securities) and the detailed list of securities and cash receivables under pledge at Takasbank.

The payment and securities obligations arising from the trade related with the buy-in or sell-out process are settled on the same day (T+3). If the receivables value under pledge is not sufficient to discharge the obligations as a whole, the member's collateral with the ISE is used to fulfill the rest of the obligation. There is also a guarantee account that belongs to the ISE under the manage-

ment of Takasbank, which is used for the ease of settlement. (For details please refer to section 2.3.3).

Failed trades and default procedures are the same for the Collective Products Market.

### 3.1.8. Collaterals for the Stock Market

In order to fulfill every kind of liability that may arise from the stock market operations, all brokerage houses must deposit the collateral amount determined specifically for each ISE market -they operate on.

The collaterals are deposited at Central Bank or any public bank in favour of the ISE and these should be,

- Cash (TL or foreign currency),
- Treasury Bills,
- Government Bonds,
- Irrevocable and unconditional Bank Guarantee.

The Stock Market collateral which is calculated once in every three months period consists of the following:

*Fixed Collateral:* The fixed amount, each ISE member should deposit with the ISE is currently set as TL 500.

*Proportional Collateral:* 5 % of the daily average trading volume of equity transactions realised by an ISE member within the last 3 months period.

*Supplementary Collateral:* 10% of the total amount of the defaults that are equal and over TL 10,000 within the last 3 months period.

*Odd-Lot Collateral:* The amount only to be deposited by the Members executing odd-lot transactions (Off-Exchange). Currently, the odd-lot collateral is TL 50,000.

*Warrant Collateral:* The amount only to be deposited by the Members executing warrant transactions. Currently, the warrant collateral is TL 500,000.

If the balance of the custody account of an ISE member is not sufficient, cash and securities receivable from Takasbank are pledged against dues, and pledges shall not be released until dues are fulfilled.

A new brokerage firm, granted a Membership Certificate and authorised to operate on the stock market, is supposed pay "the average collateral" which is the average of proportional collateral and the fixed collateral.

The member is required to pay the average collateral, if the member, whose activities are suspended previously, is authorized to operate on the stock market.



### 3.1.9. Surveillance

In order to provide a fair, reliable, orderly and transparent trading environment for the investors, ISE keeps its markets under continuous surveillance to detect any market abusing activity such as market manipulation and insider trading.

The surveillance system, tailor-made for the requirements of ISE and CMB, performs real-time monitoring on transactions conducted on ISE markets. Alert signals generated by the surveillance system as well as findings about suspicious actions that might hinder the transparent, orderly, and fair functioning of the markets are reported to CMB.

In market surveillance activities, the ISE collaborates with CMB to take efficient and timely actions against market abusing activities. The cooperation with the regulatory authority supports ISE's efforts to ensure a secure, fair and orderly functioning market.

## 3.2. Bonds and Bills Market

### 3.2.1. Submarkets and Trading Hours

The Market is open from Monday to Friday on business days and the trading hours are as follows:

**Table 11: Trading Hours of the Submarkets**

Outright Purchases and Sales Market	Same day value date orders 09:30-12:00 / 13:00-14:00
	Other value date orders 09:30-12:00 / 13:00-17:00
Repo/Reverse Repo Market Interbank Repo/Reverse Repo Market Repo Market for Specified Securities	Same day beginning value date orders 09:30-12:00 / 13:00-14:00
	Other beginning value date orders 09:30-12:00 / 13:00-17:00
Offerings Market for Qualified Investors	09:30-12:00 / 13:00-14:00

#### 3.2.1.1. Outright Purchases and Sales Market

Public sector borrowing instruments such as government bonds, treasury bills, revenue sharing certificates, liquidity certificates issued by central bank, bonds issued by Privatization Administration and private sector borrowing instruments such as corporate bonds, bank bills are traded at the Outright Purchases and Sales market.

In the Outright Purchases and Sales Market, the value date of orders may vary from same day to 90 forward days. OPS Market has Normal Orders and Small Orders submarkets depending on the order size. Normal orders are given as the multiples of TL 100,000 up to TL 10,000,000 nominal value. If the nominal value of an outright purchase/sale order is less than TL 100,000, it is considered as a small order. Small orders must be in multiples of TL 1,000 nominal up to TL 99,000. All orders within the same submarket can be matched with several other orders which means splitting is possible.

Only authorized representatives of market members are able to use

system terminals to reach the trading network. Members can enter "limit", "market", "fill or kill" and "fill and kill" orders.

Members can access their trade books anytime during trading session through their terminals. They can also download their trade books from the ISE web site or have them send to their preregistered e-mails at the end of each trading session.

The contents of the orders and trades such as price, yield, volume information of best orders, details of the last transaction and a summary of total transactions except the information of the participating member ID are displayed on terminals and disseminated real-time on data vendor systems.

#### 3.2.1.2. Repo/Reverse Repo Market

Government bonds, treasury bills and liquidity certificates issued by central bank are eligible securities for repo/reverse repo transactions in the Market. The securities are safe kept on behalf of the participant involved with reverse repo transaction.

The "beginning value date" of orders may vary from same day to seven forward days. Normal orders are given as the multiples of TL 500,000 up to TL 10,000,000. Small orders must be in multiples of TL 1,000 up to TL 499,000. All orders within the same submarket can be matched with several other orders which means splitting is possible. Transmission of the orders is the same as in the Outright Purchases and Sales Market.

The Repo\Reverse Repo Market presents a highly-secure environment to the parties involved in repo transactions, through:

- An adequate amount of public securities, which are highly liquid, at the initiation of the deal,
- Safeguarding these securities on behalf of reverse repo party, in a segregated account, for the duration of the transaction,
- Daily marking-to-market of securities during the life of repo,
- Computing margin excess\deficit automatically and making margin calls if necessary,
- Ensuring securities and cash transfers at the closing of transaction,
- Efficient reporting facilities,

#### 3.2.1.3. Interbank Repo/Reverse Repo Market

According to the regulations, the banks are required to deposit certain percentage of their repo trades at the Central Bank as compulsory reserve requirement when the trade is carried out with a non-bank party. In order to avoid this requirement, the Interbank Repo Market was established with similar trading rules to eliminate the risk of trading with a non-bank member. Central Bank and member banks are authorized to operate in this market. Brokerage houses cannot participate in the market. The banks can only trade on behalf of their portfolio. The size of orders is at least 100,000 TL and its multiples. The size of the highest order is 10,000,000 TL. In addition, there isn't small order submarket.



However, all other rules of the market are the same as the existing current rules of Repo-Reverse Repo Market.

#### **3.2.1.4. Repo Market for Specified Securities**

This market allows the participants to make repo against specified securities in the organized market. Government borrowing instruments, private sector borrowing instruments listed at ISE, the private sector borrowing instruments issued at Offerings Market for Qualified Investors, liquidity certificates issued by central bank, bonds issued by Privatization Administration and revenue sharing certificates, are eligible securities for repo/reverse repo transactions in the market. Securities can simultaneously be bought and sold for a certain period in this market.

Unlike the classical repo transactions, matching takes place according to the ISIN code and the price of the security, in addition to the beginning and ending value dates and the repo rate.

Orders must include repo rate, repo amount, type and price of security, beginning value date and ending value date. Repo order with highest repo rate and lowest security price is the best repo order, alternatively, with lowest repo rate and highest security price is the best reverse repo order.

Member can enter "limit", "market", "fill or kill" and "fill and kill" orders. The beginning value date orders may vary from same day to seven forward days. There is not any limit for the ending value date.

Orders are given as the multiples of 10.000 TL up to 10.000.000 TL.

#### **3.2.1.5. Offerings Market for Qualified Investors**

The Offerings Market for Qualified Investors started on 17/05/2010 where the borrowing instruments regulated according to code II no: 22 of Capital Market Board are issued directly to "qualified investors" without issuing a prospectus and a circular. "Qualified Investors" include:

- Banks,
- Domestic and international mutual funds,
- Insurance companies,
- Brokerage Houses,
- Real and legal persons holding Turkish and/or foreign monetary and capital market instruments with a value equal to minimum TL 1 million as of the issue date of the capital market instruments

In order to issue borrowing instruments to qualified investors, the issuer shall simultaneously register the instruments with the Capital Markets Board and apply to the Istanbul Stock Exchange for the initial offering of the borrowing instruments on the "Offerings Market for Qualified Investors" and for trading of these instruments on the Outright Purchases and Sales Market upon completion of the sales. The application with the ISE may be filed for either all of the borrowing instruments to be issued within the relevant year or for each issue separately.

Borrowing instruments are issued in the Market using "multiple

price - continuous auction" method. As no price margins are applied in the market, issuers are authorized to determine the issue price on the basis of demand during the session.

The secondary market trading of the borrowing instruments issued in the "Offerings Market for Qualified Investors" directly starts on the Outright Purchases and Sales Market without further requirements. These securities can only be traded on behalf of "qualified investors" and only through ISE Bonds and Bills Outright Purchases and Sales Market.

#### **3.2.1.6. Over the Counter Market**

All transactions on the Over the Counter Market (OTC), which take place among banks, brokerage houses, individual and institutional investors, are agreed on telephone or through systems supplied by data vendors. Since banks have depository accounts at the Central Bank of Turkey and brokerage houses at the ISE Settlement and Custody Bank Inc., transactions are settled using these accounts. Unless otherwise agreed by the parties, settlement date is the trade day.

Almost all transactions on the OTC market involve government bonds and treasury bills. Most of the transactions are repo/reverse repo transactions that are supervised by the Central Bank of Turkey. OTC market transactions must be registered by the Istanbul Stock Exchange.

#### **3.2.2. Trading**

A computerized order matching, reporting system is employed in the Market. Members may enter their orders via terminals in their own offices. After an order is entered into the computerized trading system, it is processed according to first price and second time priorities. On the buy side, highest price has the priority, while on the sell side lowest price has the priority in the matching process. If two or more orders have the same price, the one that is entered into the system earliest has the priority. All submarkets in ISE Bond and Bills Market operate on a multiple price continuous auction system. Only the best price orders (bid orders are matched with equal or lower priced ask orders and ask orders are matched with equal or higher priced bid orders) are automatically matched.

ISE provides the members with redundant links utilizing two separate networks of the Turkish Telekom. In order to maintain minimum network outage, an automated switching between the Networks has been implemented.

The Bonds and Bills Market has been computing and disseminating "ISE Government Debt Securities Indices" (Price and Performance Indices) since the beginning of 1996. In order to meet the need for an index that would summarize the intra-day market activities on a real time basis as the transactions with the same day value date are realized between 09:30-12:00/13:00-14:00 hours, "Government Debt Securities Portfolio Performance Indices" with a different calculation method have been established as of March 2004. All information pertaining to price, yield and volume of best orders as well as details of the last transaction and a summary of all



transactions are disseminated through data vendors. Outright purchases and sales orders with the same price are displayed on a cumulative basis.

All securities traded on the Bonds and Bills Market other than those issued by the Undersecretariat of Treasury or the Privatization Administration is required to fulfill the listing requirements, which are given in Section 6.1.5. On the other hand, unlisted securities, not completely meeting the listing requirements, are also traded by the decision of the Executive Committee of the ISE

### 3.2.3. Market Participants

The Central Bank of Turkey, banks and brokerage houses that have the necessary authorizations comprise the members of the Market. These financial institutions also have to deposit a certain amount of collateral to cover any price risk and credit risk in the event that a trade is not cleared on the value date, (Those, authorized to operate in the Outright Purchases and Sales Market, are marked as "T" and those, authorized to operate in the Repo/Reverse Repo Market, are marked as "R" in the list of members).

### 3.2.4. Settlement

Clearing and settlement operations are handled by ISE Settlement and Custody Bank Inc., Takasbank. Takasbank employs the Delivery versus Payment (DvP) principle (Please refer to Table: 14 for the settlement periods). The settlement date for transactions is T+0 (Value date is specified at the time of trade).

Settlement of trades in the primary market and in the over the counter secondary market for the government debt securities is realized via the Electronic Securities Transfer System operated by and finalized through the CBoT. Takasbank has a securities account with CBoT in order to facilitate the settlement of trading in government debt securities which takes place at the ISE.

In the Bonds and Bills Market, the ISE provides a platform for the

**Table 12: Type of Defaults**

Type of Default	Multiplier	Maximum Fines (TL)	Additional Rules
Late notification of bonds and bills, which are subject to repo transactions (After 15:00)	0.05		
Late fulfillment of cash or securities obligation with same day value after 16:30 but before 17:00 Completion of margin call due to the depreciation (decrease) in the value of (repo) securities after 14:00 but before 17:00.	0.25	15,992.67	In a three month period: 4th default TL 12,972.88x2 (Max), 5th default TL 12,972.88x3 (Max), 6th default TL 12,972.88x4 (Max), No max after 6th default
Late fulfillment of cash or securities obligation with same day value but after 17:00 Completion of margin call due to the depreciation (decrease) in the value of (Repo) securities, with same day value but after 17:00.	0.50	266,541.59	In a three month period: 4th default TL 216,212.29x2 (Max), 5th default TL 216,212.29x3 (Max), 6th default TL 216,212.29x4 (Max), No max after 6th default
Fulfillment of cash or securities obligation not with same day value	3.00	-	In a three month period: If the default occurs more than three times, the default multiplier is incremented by 1.00 for each other default Those participants who default more than once are asked for an explanation. If the explanation is not accepted, disciplinary rules are applied.

members to match orders. Information on executed trades is passed to Takasbank in real time. Takasbank multilaterally nets all trades for each ISE member for each security traded and for cash. These obligations, together with receivables due, are reported to the members electronically via Takasbank's proprietary automation system on trade day.

Participants are required to provide settlement instructions to Takasbank before 16:30 hours on the settlement date through the Electronic Securities Transfer System of the CBoT or through Takasbank Electronic Transfer System (TETS). Securities are initially credited to Takasbank's account at CBoT and subsequently moved by the buying party to their account at CBoT. Although the deadline for settlement is 16:30 hours, settlement is continuous throughout the processing day subject to availability of cash and securities. Only trades, executed before 14:00 hours, can be settled on the same day.

Participants are expected to fulfill their cash obligations by using their cash accounts with Takasbank until 16:30 hours for the Bonds and Bills Market settlements. Participants can transfer cash from their other accounts within Takasbank or from other banks using the CBoT's Electronic Fund Transfer (EFT) system or using same day receivables from the ISE Stock Market or the Takasbank Money Market (Please refer to Section 3.2.5 for the default procedure).

### 3.2.5 Failed Trades and Default Procedures for Bonds and Bills Market

The securities subject to repo transactions should be reported to the ISE until 15:00 hours. Securities and cash obligations should be fulfilled until 16:30 hours whereas margin calls should be completed by 14:00 hours.

For the calculation of the penalty payment, a certain multiplier is used on the highest prevailing interest rate either of the CBoT's Interbank Money Market or ISE Repo/Reverse Repo Market over the default amount. Type of defaults, as well as, the multiplier



applied to the highest interest rate, maximum penalty (if any) and additional rules (if any) are listed below.

The minimum fine is TL 14.52. Even if the calculated penalty payment for the late fulfillment of cash or securities obligation with same day value but after 17.00 is less than this amount, the participant is charged for TL 14.52.

### 3.2.6 Collaterals for the Bonds and Bills Market

The ISE members (brokerage houses) and the ISE Bonds and Bills Market members (banks), except the CBoT, are required to meet certain collateral requirements to cover price and credit risks in case of a trade not being cleared on the value date. The amount of collateral depends on the trading limit of the member firm. Trading limits are assigned in tranches (total of three) by the ISE. While assigning this trading limit; paid-in-capital, owner's equity, past trading volumes and number of being in default are considered as key factors. Members can not exceed their trading limits during a session unless their trades are settled. This feature limits the amount of risk that can be conveyed to the market place by members and thus adds extra security.

### 3.2.7 Trading Limits

The main criteria in order to determine a member's trading limit is shareholder's equity. This figure takes place on the balance sheets (semi-annual and/or annual, independently audited) sent by the members to the Bonds and Bills Market. As member firms can perform transactions with their portfolios, they can also carry out transactions on behalf of mutual funds (members which are entitled to carry out). Thus, the magnitude of fixed income portfolio (not stocks or other portfolio instruments) is also considered in trading limit calculations.

These two figures comprise the basis of the maximum trading volume (gross limit) calculation in the following way:

Shareholder's equity x15 + size of fixed income securities of mutual funds and agents (the member which is entitled to carry out transactions on behalf of)

Once the maximum level of trading volume is determined, a certain amount of limit (assigned limit) is assigned to the member according to some criteria such as; its daily/monthly trading volume, settlement history etc. Once the trading limit is set and approved by the ISE Executive Council, the member firm shall provide necessary collaterals to use the assigned limit actively.

### Net Limit/Available Limit

The cash value of all outstanding orders and trades is deducted from the trading limit of the member. Within one trading day, a member's transactions are tracked in terms of their cash values; that is all same day transactions' cash values are clustered as cash debt and cash income. The net difference of cash debt and cash income for the same value date transactions is subtracted from the member's net limit (which is the total amount of collateralised assigned limit); thus, the

resulting limit is called "available net limit". Although, the difference of cash debt and cash income is added to the net limit, the same difference is not added to gross limit but still subtracted, resulting in "gross available limit". The ultimate trading limit for a member firm is the lowest of available gross limit and available net limit.

### Trading Limit Collaterals

Once the trading limit is set for a member firm, this limit can be activated and used in the market transactions by depositing collaterals. Each unit of net collateral grants 40 units of trading limit; that is if the assigned trading limit is TL 1,000,000, net amount of collaterals needed is TL 25,000. This 1 to 40 collateral-limit ratio is based on the daily price changes at the ISE Bonds and Bills Market. It has been calculated that daily price changes in the market is historically averaged at 2,5% maximum. Thus, 1 unit of net collateral can cover 40 unit of debt in case of a member firm's default in fulfilling obligations. This collateral coefficient can be changed by the ISE to maintain reliability and sustainability for the whole market or for a specific member firm.

Member firms can deposit collaterals to fully use assigned trading limit according to the "1 collateral grants 40 limit" formula. However, if any member wants to exceed the assigned trading limit then for the part exceeding, collaterals deposited only grant the same amount of limit; that is 1 to 1 collateral-limit instead of 1 to 40. Extra limit obtained in this way can only be maximum three times the assigned limit and cannot exceed upper limit.

Collaterals deposited to activate assigned limit are accepted (both by the ISE and the member firms) and treated as security funds. Thus, in case of a default or inadequacy of fulfilling commitments to the ISE or to other member firms these collaterals are used by the ISE to cover the losses.

### Collaterals

Securities that are accepted as collaterals are divided into three groups:

- Cash Collaterals
- Bonds and Bills
- Bank Letters of Credit

Cash collaterals are TL denominated demand deposits, TL denominated time deposits, foreign exchange denominated demand deposits, foreign exchange denominated time deposits, demand gold deposits and gold depots.

Bonds and Bills collaterals are government bonds, treasury bills and revenue sharing certificates.

Bank Letters of Credit are TL denominated perpetual term letters, TL denominated fixed term letters, USD or EUR denominated perpetual term letters and USD or EUR denominated fixed term letters.

Choice of the type and amount of collateral is at member firm's initiative. However ISE limits both the amount of letter of credits to be taken from the same bank or group and the total amount of letter of credits written by the same bank. At most 50% of collaterals





**Table 13: Collateral Excess Rates**

Type	Min. Date To Maturity	Excess Rate (%)		
		1st Tranche	2nd Tranche	3rd Tranche
<b>A. Cash Collaterals</b>				
1. Demand Deposit TL		10	20	40
2. Time Deposit TL		15	30	60
3. Demand Deposit F/X		10	20	40
4. Time Deposit F/X		15	30	60
5. Demand Gold Deposit		15	30	60
6. Gold Depot		15	30	60
<b>B. Bonds and Bills</b>				
1. Government Domestic Debts Securities	1	20	50	80
2. Revenue Sharing Certificates	1	40	60	100
3. Listed Private Sector Debt Securities	1	40	60	100
<b>C. Bank Letter of Credit</b>				
1. Indefinite Term Bank Letter of Credit (TL)		30	60	100
2. Fixed Term Bank Letter of Credit (TL)	7	30	60	100
3. Indefinite Term Bank Letter of Credit (USD/EUR)		30	60	100
4. Fixed Term Bank Letter of Credit (USD/EUR)	7	30	60	100

of a member firm can be taken from the same bank or group. On the other hand, one bank is allowed to write letters of credit up to two times of its paid-in capital, for all market participants. The total amount of private sector debt instruments cannot exceed the 10% of depositing collateral for a given member. Although the ISE has the track of all collaterals, member firms must track terms and maturity dates of their collaterals. Collaterals can be withdrawn any time member firm wants to. Collaterals withdrawn are identically the same as deposited.

In order to have the same risk level for different kinds of collaterals, ISE applies excess rates to each type of collateral group for each tranche. Excess rates go up when collateral tends to become less liquid and when the limit tranche of member firm increases (see table 12).

It can be concluded that excess rates are applied in order to eliminate liquidity level risk since for more liquid collateral types excess rate is lower compared to less liquid collateral type; e.g. TL denominated time deposit versus fixed term bank letter of credit.

### 3.3. Emerging Companies Market

The Regulation of Emerging Companies Market (ECM) was published in the Official Gazette on August 18, 2009. ECM brings along a different and relatively relaxed admission procedure compared to Stock Market (SM) for small and mid-sized companies with growth potential. The idea behind the facilitation of the admission procedure is to provide these companies with an opportunity to raise funds through public offerings or private placements as a long term and low cost financing alternative.

Joint stock companies registered by the Capital Markets Board but do not fully comply with the ISE National Market Listing requirements can apply for admission to ISE ECM Directory. No quantitative criteria such as capital amount, profitability, company age, market capitalization size are required for admission of joint-stock companies to ECM. Such an application must be realized for the shares to be issued following a capital increase through restricting the pre-emptive rights of the existing shareholders, to assure that the proceeds of an IPO or private placement carried at ECM directly go to the issuing company.

With an aim to contribute to price formation and liquidity, trading on ECM is being carried out either through “single price” or “continuous auction with market maker” methods.

In order to facilitate compliance with the respective capital market rules & regulations, “Market Advisor” system is established for the candidate companies. Intermediary institutions holding an “Investment Advisory License” or “Public Offering Intermediation License”; portfolio management companies holding an “Investment Advisory License” and “Venture Capital Investment Companies” are eligible to be market advisors. Market Advisors are authorized by ISE.

At the ECM application stage and onwards, a valid market advisory agreement has to be present between the company and a market advisor. Market advisor is obligated to assist the company to complete the preparations necessary for the application for admission to ECM and attest, jointly with the company, the accuracy of the information and documents submitted to ISE and disclosed to the public; to write the company report to be submitted to ISE



along with the ECM application; and to provide the company with advisory services to comply with the capital market regulations after admittance to ISE ECM Directory.

Intermediaries must get the “ECM Risk Notification Form”, which introduces ECM to investors and states the market’s main differences and risks, signed by investors before providing brokerage services for trading ECM shares.

The ECM companies, demonstrating progressive performance in time, will have the opportunity to be transferred to any of the submarkets of SM in case they meet the requirements. CMB registration fee, CRA membership and transaction fees, and ISE fees are reduced to 1/10th of the standard fees for ECM companies. ECM companies are also exempted from all ISE fees until 2013.

In order to encourage SMEs to step into capital markets easily, Small and Medium Sized Enterprises Development and Support Administration of the Ministry of Science, Industry and Technology (KOSGEB) ensures non-refundable support program designed for ECM up to 100.000 TRY in order to cover the ECM application costs of SMEs registered to its database..

### 3.4. Foreign Securities Market

#### 3.4.1. Submarkets, Securities Traded and Trading Hours

Turkish Eurobonds, international debt securities issued by the Turkish Undersecretariat of Treasury, and other international debt securities having the nature of bonds and bills registered by the Capital Markets Board and listed and/or registered by the ISE may be traded on the ISE Foreign Securities Market.

Under the Foreign Securities Market, two submarkets operate, namely; International Bonds Market (IBM) and Eurobond Negotiated Deals Platform (ENDP).

Foreign Securities Market is open from Monday to Friday and trading hours are as follows:

IBM and ENDP	09:30-12:00/13:00-17:00
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#### 3.4.2. Trading

The Eurobond Negotiated Deals Platform was launched on December 17, 2010 with an aim to increase the competitiveness of the ISE Eurobonds market through the advantages of both the organized and the over the counter markets.

The IBM operates on a multiple price-continuous auction trading system. The orders are transmitted in the minimum order size based on the nominal value of the security subject to transaction and its multiples. Matching is processed according to price and time priorities.

All information pertaining to price and volume of best orders as well as details of the last transaction and a summary of all transactions

are disseminated on data vendors’ screens. Orders with the same price are displayed on a cumulative basis.

The Eurobond Negotiated Deals Platform is comprised of two screens, namely; the “Advertisement Order Screen” where the orders are displayed with the member codes and the “Negotiated Deals Screen” where the transactions are executed.

Members release their ask/bid orders related to a specific security to all users through “Advertisement Order Screen”. The orders are displayed on the “Advertisement Order Screen” in order of entry with the member code. No matching is processed on this screen, the members execute their orders through the “Negotiated Deals Screen”. Negotiated deal orders are given in the minimum order size based on the nominal value of the security plus 1.000 USD/EUR and multiples.

The orders are transmitted to the Foreign Securities Market through the Automated Bond Trading System (OTASS)/BBMAPI terminals located at the headquarters of the members and at the alternative access points or through ISE experts (access through ISE experts option is not available on ENDP).

Orders are entered into the system on the currency of the relevant Eurobond. Pricing is also made on the currency of the relevant Eurobond on a basis of “100” units over the clean price.

The value date of the orders is minimum 1 business day (V=T+1) and maximum 15 (V=T+15) calendar days.

#### 3.4.3. Market Participants

All ISE members authorized to trade on the ISE Bonds and Bills Market Outright Sales and Purchase transactions are eligible to trade on the Foreign Securities Market, provided that, they deposit a collateral of USD 50.000 or other equivalents stated in the respective legislation.

#### 3.4.4. Settlement

The cash and security clearing and settlement operations of the Eurobond transactions on Foreign Securities Market are realized by Takasbank, through the member accounts on Euroclearbank, the international clearing agency determined by Takasbank, via delivery versus payment method. The cash settlement of the transactions is realized on the currency of the relevant Eurobond.

#### 3.4.5. Failed Trades and Default Procedures for Foreign Securities Market

Security and cash obligations should be fulfilled until 18:30 (Belgium Time) on value date. For the calculation of the penalty payment, a certain multiplier (which equalizes the highest prevailing O/N interest rate either of the Central Bank’s Interbank Money Market or the ISE Repo/Reverse Repo Market to the 1,25 times of monthly LIBOR) is used over the default amount.



### 3.5. Exchange Fees

#### Commission rates and other client costs

Members receive a commission from customers called a “brokerage fee” for every transaction. The fee is negotiable between the member and the client depending upon the amount and frequency of trading.

**Table 14: Exchange Fees and Registration Fees for ISE Markets**

ISE Stock Market	
	Exchange Fee (per TL 100,000 / traded value)
ISE Stock market	1
ISE Bonds and Bills Market	
	Exchange Fee (of traded value)
Outright Purchases and Sales Market	
Outright purchases and sales	1
Outright purchases and sales with same day beginning value date between 14:00-17:00	2
Primary dealer purchases and sales	0.75
Repo/Reverse Repo Market	
O/N transactions	0.5
Other maturities	0.5xrepo duration
O/N transactions with same day beginning value date between 14:00-17:00	1xrepo duration
Other maturities with same day beginning value date between 14:00-17:00	1xrepo duration
ISE Foreign Securities Market	1*

#### Registration Fees

ISE Bonds and Bills Market – OTC Registration Fee*	
Outright Purchases and Sales	
Member to member transactions	2
Member to clients transactions	2
Repo/Reverse Repo Transactions	
Member to member O/N transactions	1
Member to clients O/N transactions	1
Member to member transactions with other maturities	1xrepo duration
Member to clients transactions with other maturities	1xrepo duration
ISE Foreign Securities Market	0**
* All Outright Purchases and Sales and Repo/Reverse Repo transactions realized off-exchange by banks and brokerage houses are required to be registered with the ISE.	
** According to the decision of the ISE Executive Council, no fee is charged for Eurobond registrations.	

### 3.6. Data Dissemination

In addition to market depth data, basic data are disseminated by data vendors, authorized by the ISE, on a real time and/or delayed basis via data dissemination terminals, internet (including ISE member intermediary institutions websites), TV-Teletext, TV tickers, WAP channels and other transmission means. In line with technological developments, transmission was improved and diversified and more investors are given the opportunity to access data disseminated along these pathways. The list of the data vendors and the transmission means they are authorized to use, are

available on ISE’s English website on <http://www.ise.org>. Market depth data dissemination enables investors to access various data on the ISE markets simultaneously and in a transparent environment. Market depth data type of dissemination is only available through authorized data vendors’ dedicated terminals. During the order entry period in the opening session there will be no data dissemination regarding the indices and the opening prices of the stocks. As the opening session begins, data regarding transactions, calculated opening prices, open orders and indices’ values will be conveyed to the vendors.

### 3.7. Risk Management

Risk Management function of the ISE mainly defines, analyzes and assesses the risks of the ISE business lines and recommends the appropriate control measures to manage them.

In the recently completed project, “Risk Analysis on Order Transmitting Process to the ISE Stock Market” assessed the current risks on the brokerage houses’ alternative order transmitting processes to the ISE, developed recommendations to manage those risks, shared those risks and recommendations with the representatives of the brokerage houses, obtained their feedback and finally reported to the top management and to the related ISE business lines for further action.

Among the ongoing projects, “Assessing the Margining Models and Methods of ISE Stock Market” analyzed the current margining calculation and management practices in order to increase the efficiency of the system. Within the Project, a thorough stress test was conducted on the ISE’s historical margining data in order to assess the default risk, alternative margining models and methods were developed and tested. Efforts for being able to monitor the margining requirement on a real-time and risk based approach and increase the efficiency of the margining calculation and collection system are still on progress.

In another ongoing project, ‘Modelling and Documenting of ISE Processes’ is modeling, documenting and assessing the operational risks of the ISE’s business lines on a process based approach and finally developing the appropriate control measures in order to manage them. By the end of the Project, it has been targeted to create a holistic risk map of all the ISE functions and processes. This project also supports the current business continuity practices and is expected to improve the long-run “ISE Business Continuity Plan” based on the international best practices.

“Professional Indemnity and Directors and Officers Insurance Policy Preparation” is determining the risks of the ISE’s board, top management and staff associated with their profession and duties on ISE, assessing those risks in order to figure out whether they may be insured or not and placing the insurable risks on a policy before making it ready for procurement.



All markets are open Monday-Friday and the trading hours and settlement periods are as follows:

**Table 15: Trading Hours and Settlement Periods of ISE Markets**

Main Markets	Markets	Trading Hours	Settlement Period
	National Market Collective Products Market • Exchange Traded Funds Market • Warrants Market Second National Market	<b>First Session: 09:30 – 12:30</b> Opening Session 09:30-09:50 Call Phase (order collection) 09:30-09:45 Price Determination Phase 09:45-09:50 First Quotation (Market Maker) 09:45-09:49 First Quotation (System) 09:49  <b>Continuous Auction - Main Trading (including trading via Market Making) 09:50–12:30</b>  <b>Single Price Auction 09:50–12:30</b> Call Phase (order collection) 09:50-12:25 Price Determination Phase 12:25-12:30	T+2
	National Market Collective Products Market • Exchange Traded Funds Market • Warrants Market Second National Market Watch List Companies Market	<b>Second Session: 14:00 – 17:30</b> Opening Session 14:00-14:20 Call Phase (order collection) 14:00-14:15 Price Determination Phase 14:15-14:20 First Quotation (Market Maker) 14:15-14:19 First Quotation (System) 14:19  <b>Continuous Auction - Main Trading (including trading via Market Making) 14:20–17:30</b>  <b>Single Price Auction 14:20–17:30</b> Call Phase (order collection) 14:20-17:25 Price Determination Phase 17:25-17:30	
	Primary Market Wholesale Market	10:30 – 12:00	
	Official Auction Transactions Rights Coupon Market	Relevant Market's Trading Hours	
Bonds and Bills Market	Outright Purchases and Sales Market	Same day value date: 09:30-12:00/13:00-14:00 Other value dates: 09:30-12:00/13:00-17:00	Value date <sup>1</sup>
	Offerings Market for Qualified Investors	09:30-12:00 / 13:00-14:00	
	Repo/Reverse Repo Market Interbank Repo/Reverse Repo Market Repo Market for Specified Securities	Same day "beginning value date" 09:30-12:00/13:00-14:00 Other beginning value dates 09:30-12:00/13:00-17:00	
Foreign Securities Market	International Bonds Market and Eurobond Negotiated Deals Platform	09:30-12:00/13:00-17:00	T+1, ..., T+15 <sup>2</sup>

<sup>1</sup>Value date of outright purchases and sales transactions vary between 0-90 days for government debt securities, 0-7 days for corporate debt securities, while the beginning value date of repo/reverse repo transactions vary between 0-7 days

<sup>2</sup>Value date for outright purchases and sales transactions of Foreign Securities Market vary between 1(business)-15 (calendar) days. The time zone of Turkey is GMT+2 (GMT +3 from late March to late October).

The background is a solid teal color. Overlaid on this are several large, semi-transparent teal shapes that resemble stylized, overlapping circular or fan-like segments, creating a layered, architectural effect. These shapes are positioned primarily in the lower half of the page, framing the central text.

# 4 *Indices*





## 4 - Indices

### 4.1. ISE Stock Market Indices

ISE indices are introduced in order to calculate price and return performances of all shares as well as on the basis of relative markets and sectors. Until the end of 1996, the ISE used to compute only the ISE 100, Financials and Industrials price indices. As of 1997, the ISE began to calculate sector and sub-sector indices on the basis of prices and total return.

ISE price indices are computed and published throughout the trading session while the return indices are calculated and published at the close of the session only. The ISE 100 Index is used as the main indicator of the National Market.

ISE stock markets indices are composed of "A" List and "B" list stocks, "C" List stocks are not included in ISE Stock Market Indices, Some of the basic stock market indices are explained below:

**ISE 100 Index** is composed of 100 companies which are selected amongst the companies traded on National Market and REIT and Venture Capital Investment Trust companies traded on Collective Products Market, in accordance with the predetermined criteria set by ISE. ISE 100 Index includes the ISE 50 and ISE 30 Index constituent companies.

**ISE 50 Index** is composed of 50 companies which are selected amongst the companies traded on National Market and REIT and Venture Capital Investment Trust companies traded on Collective Products Market, in accordance with the predetermined criteria set by ISE. ISE 50 Index includes the ISE 30 Index constituent companies.

**ISE 30 Index** is composed of 30 companies which are selected amongst the companies traded on National Market and REIT and Venture Capital Investment Trust companies traded on Collective Products Market, in accordance with the predetermined criteria set by ISE.

**ISE 10 Banks Index** is composed of 10 banks traded on National Market with the predetermined criteria set by ISE.

**ISE 100-30 Index** is composed of ISE 100 index constituent companies except the constituents of the ISE 30 index (the index is calculated for 70 companies).

**ISE Dividend Index** is composed of stocks of the companies traded on National Market, Second National Market and REITs and Venture Capital Investment Trust companies traded on Collective Products Market and distribute cash dividends in each of their 3 previous financial years.

**ISE Dividend 25 Index** is composed of 25 stocks included in the ISE Dividend Index that are placed in the first 2/3 slice in the ranking from higher to lower according to dividend yield as of the appraisal day and have the highest free float market value.

**ISE Corporate Governance Index** is composed to measure the price and return performances of the companies traded on the ISE markets (excluding the Watchlist Companies Market) that have the necessary corporate governance rating grades determined according to the "Corporate Governance Principles" issued by the Capital Markets Board.

**ISE All Shares Index** is composed of all companies traded on National Market and REITs and Venture Capital Investment Trust companies traded on Collective Products Market.

**ISE All-100 Index** is composed of the ISE All Shares Index constituent companies except the constituents of the ISE 100.

### Sector and Sub-sector Indices

#### ISE Industrials

- ISE Food, Beverage
- ISE Textile, Leather
- ISE Wood, Paper, Printing
- ISE Chemical, Petroleum, Plastic
- ISE Non-Metal Mineral Products
- ISE Basic Metal
- ISE Metal Products, Machinery

#### ISE Services

- ISE Electricity
- ISE Transportation
- ISE Tourism
- ISE Wholesale and Retail Trade
- ISE Telecommunication
- ISE Sports

Sector and sub-sector indices are composed of the companies traded on ISE Markets except Investment Trusts.



### ISE Financials

- ISE Banks
- ISE Insurance
- ISE Leasing, Factoring
- ISE Holding and Investment
- ISE Real Estate Investment Trusts

### ISE Technology

- ISE Information Technology

Sector and sub-sector indices are composed of the companies traded on ISE Markets except Investment Trusts.

**ISE Investment Trusts Index** is composed of investment trust stocks traded on ISE markets.

**ISE Second National Market Index** is composed of companies traded on the Second National Market.

**ISE City Indices** are computed to measure the price and return performances of the companies traded on ISE markets categorized by the city where the main production/service premises or the registered office is located. Companies that operate in the financial sector with the exception of holdings and companies that operate in the retail sector are not included.

Starting from January 1997, the Istanbul Stock Exchange dropped two zeros from the market indices (i.e. ISE 100, Financials and Industrials) for simplification purposes. With the implementation, ISE 100 index value prior to and including December 27, 1996 was divided by 100 to have a January 1986 base value of 1 (one) instead of the previous 100. Former values of the ISE Financials and Industrial Indices were also divided by 100 to have base values of December 31, 1990=32.56 instead of 3,255.75.

Apart from the Indices above, ISE provides an Index calculation and distribution service. **TSKB Energy Index**, which is launched on May 3, 2010, is the first Index to use such service offered by ISE.

The base values of the indices which started to be calculated as of 2000, 2004, 2007, 2009, 2010 and 2011 are as follows;

Index	Base Value
ISE 10 Banks	Dec.31, 2009 = 119,536.52
ISE 50	Dec.28, 1999 = 15,208.78
ISE Dividend Index	June.30,2011 = 63,269.40
ISE Dividend 25 Index	June.30,2011 = 63,269.40
ISE 100-30	Dec.31,2008= 26,864.07
ISE Corporate Governance	Aug.29, 2007 = 48,082.17
ISE All-100	Dec.31,2008= 26,864.07
ISE City Indices	
ISE Adana	Dec.31,2008=26,864.07
ISE Ankara	Dec.31,2008=26,864.07
ISE Antalya	Dec.31,2008=26,864.07
ISE Balikesir	May 12,2011=66,535.13
ISE Bursa	Dec.31,2008=26,864.07
ISE Istanbul	Dec.31,2008=26,864.07
ISE Izmir	Dec.31,2008=26,864.07
ISE Kayseri	Dec.31,2008=26,864.07
ISE Kocaeli	Dec.31,2008=26,864.07
ISE Tekirdag	Dec.31,2008=26,864.07
ISE Financials	
Real Estate Investment Trusts	Dec.28, 1999 = 21,180.77
ISE Services	
Telecommunication	July 24, 2000 = 13,719.88
Sports	March 31, 2003 = 20,190.83
ISE Technology	June 30, 2000 = 14,466.12
Information Technology	June 30, 2000 = 14,466.12
ISE National	December 31, 2010 = 65,912.91

**Table 16: The Stock Market Indices of the ISE**

ISE Stock Market Indices	Base Value	Value of Index (Dec.27, 1996)
ISE 100	Jan. 1986 = 1	976
ISE 30	Dec.27, 1996=976	976
ISE All Shares	Dec.27, 1996=976	976
ISE Industrials	Dec.31, 1990 = 32.56	1,046
Food, Beverage	Dec.27, 1996=1,046	1,046
Textile, Leather	Dec.27, 1996=1,046	1,046
Wood, Paper, Printing	Dec.27, 1996=1,046	1,046
Chemical, Petroleum, Plastic	Dec.27, 1996=1,046	1,046
Non-Metal Mineral Products	Dec.27, 1996=1,046	1,046
Basic Metal	Dec.27, 1996=1,046	1,046
Metal Products, Machinery	Dec.27, 1996=1,046	1,046
ISE Services	Dec.27, 1996=1,046	1,046
Electricity	Dec.27, 1996=1,046	1,046
Transportation	Dec.27, 1996=1,046	1,046
Tourism	Dec.27, 1996=1,046	1,046
Wholesale and Retail Trade	Dec.27, 1996=1,046	1,046
ISE Financials	Dec.31, 1990 =32.56	914
Banks	Dec.27, 1996 = 914	914
Insurance	Dec.27, 1996 = 914	914
Leasing, Factoring	Dec.27, 1996 = 914	914
Holding and Investment	Dec.27, 1996 = 914	914
ISE Second National	Dec.27, 1996 = 976	976
ISE Investment Trusts	Dec.27, 1996 = 976	976

ISE also computes and maintains all indices on US dollar and Euro basis.

#### 4.1.1. Methodology Used in Calculation of Stock Market Indices

The ISE indices are weighted by the market capitalization of the tradable portion (the stocks registered as tradable by Central Registry Agency) of each constituent. In case of a tender offer, stocks of the shareholder, who makes the tender offer, are excluded in calculation of the indices beginning from the second day following the disclosure of the tender offer result in Public Disclosure Platform (PDP).

$$ISE\ Index_t = \frac{\sum_{i=1}^n P_{it} \times N_{it} \times FW_{it}}{D_t}$$

The basic formula for calculating ISE's free float capitalization-weighted indices is as follows:

- $P_{it}$  : The closing price of the stock 'i' at period 't'
- $N_{it}$  : The total number of shares outstanding of the





stock 'i' at period 't' (Paid-in capital )

$FW_{it}$  : The floatation weight (the ratio of stocks registered as tradable by Central Registry Agency Inc.) of the stock 'i' at period 't'

$D_t$  : The value of divisor at period 't' (Adjusted base market value)

$n$  : Total number of stocks included in the index

Prices of old and new stock certificates are taken into account separately

Only registered prices are taken into account in the calculation of indices.

#### 4.1.2. Maintenance and Continuity of Stock Market Indices

All of the indices do not have the same base values and the continuity of the indices is maintained by adjusting these base values (the divisor of the index formula).

Corporate actions that necessitate an adjustment to the base values of the indices and the adjustment times are shown below:

**Table 17: Base Values of the Indices and the Adjustment Times**

Price Indices	
Corporate Action	Adjustment Time
a) Capital increase through rights issues i. Exercising preemptive rights ii. Not-exercising the preemptive rights	Beginning date of subscription period Ending date of sales
b) Addition of a new stock to the Index	Date of entry
c) Exclusion of a constituent stock	Date of exclusion
d) Change in the ratio of stocks registered as tradable by Central Registry Agency Inc.	Weekly
e) Mergers and acquisitions	Stock distribution date
f) Company splits	Stock distribution date
Return Indices	
Corporate Action	Adjustment Time
a) Capital increase through rights issues i. Exercising preemptive rights ii. Not- exercising the preemptive rights	Beginning date of subscription period Ending date of sales
b) Addition of a new stock to the Index	Date of entry
c) Exclusion of a constituent stock	Date of exclusion
d) Change in the ratio of stocks registered as tradable by Central Registry Agency Inc.	Weekly
e) Dividend payment	Ex-dividend date
f) Mergers and acquisitions	Stock distribution date
g) Company splits	Stock distribution date

The formula for adjusting the base market value is as follows:

$$\text{New Base Value} = \text{Former Base Value} \times \frac{\text{New Market Value}}{\text{Former Market Value}}$$



#### **4.1.2.1. Selection Criteria for the ISE 30, ISE 50, ISE 100 and ISE 10 Bank Indices**

ISE Executive Council determines the stocks to be included in the ISE indices following the evaluation of market data on a quarterly basis.

The composition of ISE 30, ISE 50, and ISE 100 indices are comprised of the stocks of companies traded on the National Market and the stocks of the Real Estate Investment Trusts and Venture Capital Investment Trusts traded on the Corporate Products Market, whereas the composition of the ISE 10 Bank Index is comprised of the stocks of the banks traded on the National Market.

The constituent companies of the ISE 30, ISE 50, ISE 100 and ISE 10 Bank indices must fulfill the following prerequisites:

a) The stocks of the companies traded on National Market and REIT and Venture Capital Investment Trust companies traded on Collective Products Market should have been traded on the Exchange for at least 60 days in order to be included in the ISE 30, ISE 50, ISE 100, and ISE 10 Bank indices. If the stocks are included in the indices within the appraisal period because of a market value (of the publicly offered portion) higher than TL 1 billion or 1% of the total market value of shares outstanding in the National Market, the 60-day trading requirement does not apply.

b) For companies having more than one group of stocks (e.g. group A, group B, group C etc.) only one group is included.

Selection of the stocks that will constitute ISE 30, ISE 50, ISE 100 and ISE 10 Bank indices is made as explained below.

i) Stocks are ranked from highest to lowest both according to the market value of shares outstanding as of the end of the appraisal period and according to the daily average traded value in the appraisal period. (In the calculation of the daily average traded value, only the number of days on which the stocks have been traded and the board lot trades with feature codes "E" (Old) and "Y" (New) are taken into account.)

ii) After making two separate lists according to the two criteria mentioned above, final ranking is made as explained below:

If there is any stock which is in the first place in both lists, it is assigned to the first place in the final list. If there is no stock which is in the first place in both lists, it is examined whether there is any stock which is in the first two places. These steps are repeated until a stock which will be assigned to the first place in the final list is found. After finding the stock to be assigned to the first place in the final list, the above steps are repeated for the succeeding places. If there are two stocks which are eligible to be placed in the first "n" places in both lists, then the one with the higher market value is assigned to the upper rank in the final list.

iii) Selections for the indices are made starting with the stocks placed on top of the final list. The upper and lower ranks described in Periodic Review section below should also be taken into account in order for a stock which is not a constituent to be included in

that index and in order for a constituent stock to be excluded from that index.

#### **4.1.2.2. Selection Criteria for the ISE Dividend Index**

Companies that have a Net Profit on their annual financial statements prepared for the last 3 fiscal years in accordance with the CMB Legislation are included in the index if and to the extent the amount of dividend distributed to shareholders, which is calculated by subtracting from the amount of cash dividend paid to the shareholders in the succeeding fiscal year the amount of rights issue which is carried out in the same fiscal year by vesting preemptive rights to the shareholders (the total amount found by multiplying capital increase amount by the rights issue price), is positive.

When determining the dividends paid, the dividends that are distributed after the initial listing of the company on the Exchange are taken into account.

Companies which, as of the appraisal day, reported loss in the 12-month period preceding the date of the last financial statement that was announced on the PDP are not included in the index.

#### **4.1.2.3. Selection Criteria for the ISE Dividend 25 Index**

The stocks to be included in the index are selected among the companies that are included in the ISE Dividend Index.

Stocks that are included in the ISE Dividend Index are ranked from higher to lower according to dividend yield to determine the stocks that remain within the first 2/3 slice, and the stocks so determined are ranked further from higher to lower according to market value of shares outstanding, and the stocks to be included in the index are selected starting from the stock on top of the list.

If a company has more than one group of stocks that are traded with different ticker symbols, then only one group of stocks can be included in the index.

If the ranking according to market value includes less than 25 stocks, then the companies that were not qualified to be ranked are ranked from higher to lower according to their dividend yields, and stocks are chosen to the index starting from the stock at the top of the ranking until the number of stocks in the index reaches 25 provided that any company that has more than one group of stocks traded with different ticker symbols can have only one group of stocks included in the index.

#### **4.1.2.4. Selection Criteria for the ISE Corporate Governance Index**

In order for a company to be taken into the ISE Corporate Governance Index, its rating must be determined at least seven in the rating of conformity to the corporate governance principles by the rating agencies authorized by the Capital Markets Board.

The rating must be given upon the request of the company that is willing to be rated and must be renewed or confirmed annually. If ratings have been obtained from more than one rating institution, the last reported rating amongst the ratings will be taken into



account. In the event that the rating agreement of any of these rating institutions is terminated for any reason, or the rating institution is excluded from the "List of Rating Institutions" by CMB, then the rating given by the other rating institution will be used.

Companies traded on the ISE markets (excluding the Watchlist Companies Market) are included in the index as of the next business day following the announcement of the rating of its stocks to PDP.

#### **4.1.2.5. Selection Criteria for the City Indices**

For the stocks of a company to be included in the city indices, the scope of the city indices should cover the activities of the company and there should be an index being calculated for the city in which the company is covered.

In production companies, the city where minimum 50% of the production takes place is taken into account. In service companies (except communication and construction companies and holdings), the city where minimum 50% of the operating income is derived is taken into account. If there is no city where minimum 50% of the production or operating income is realized/derived, then the city where the registered office is located is taken into account.

For communication companies, construction companies and holdings, the city where the registered office is located is taken into account.

Companies listed on the Corporate Products Market, banks, insurance companies, financial leasing companies, factoring companies, brokerage houses and companies operating in the retail sector listed in other markets are excluded.

#### **4.1.3. Periodic Review and Adjustments**

The composition of the ISE 30, ISE 50, ISE 100 and ISE 10 Bank indices are reviewed and adjusted on a quarterly basis for the periods January-March, April-June, July-September and October-December. The composition of the ISE Dividend Index and ISE Dividend 25 Index are reviewed and adjusted on a semi-annually basis for the periods January-June and July-December.

The appraisal period includes the past 6 months from the last trading days of November, February, May and August for traded value, and the last trading day of November, February, May and August for market value. With regards to the rate of shares outstanding data, the most recent rates announced by CRA will be taken into account during the periodic review.

Periodic adjustments are announced ten days before each quarter. The periodic adjustments to the constituent stocks of ISE 30, ISE 50, ISE 100 and ISE 10 Bank indices are fulfilled according to the following prerequisites:

a) At the end of the evaluation period, a nonconstituent stock will be included if its final rank rises above the position stated below for the relevant index.

- ISE 30 : Risen to 25th or above
- ISE 50 : Risen to 45th or above
- ISE 100 : Risen to 90th or above
- ISE 10 Bank : Risen to 8th above

b) At the end of the evaluation period, a constituent stock will be excluded if its final rank falls below the position stated below for the relevant index.

- ISE 30 : Fallen to 36th or below
- ISE 50 : Fallen to 56th or below
- ISE 100 : Fallen to 111th or below
- ISE 10 Bank : Fallen to 12th or below

c) In case the number of stocks included in the indices exceeds or falls below the number of stocks excluded from the indices, necessary adjustments are made.

Substitute List: Two stocks for the ISE 30, three stocks for the ISE 50, five stocks for the ISE 100, two stocks for the ISE 10 Bank and 5 stocks for the ISE Dividend 25 Index are selected as substitute stocks to use for any nonperiodic changes stated below.

#### **4.1.4. Nonperiodic Changes**

Under circumstances which require changes on constituent stocks of the indices based on the public disclosures of the companies, the company should have delivered the statement to the PDP until 16:30 (or 12:00 if a half day) on the business day that precedes the realization date. Otherwise, the relevant change will be made so that it will be effective on the second business day that succeeds the delivery of the statement to PDP.

• Stocks whose trading are halted permanently, stocks whose trading are suspended for more than 5 consecutive trading days except those that are suspended due to additional public offering, stocks which are transferred to the Watchlist Market from their current markets and stocks which are transferred from Lists A or B to List C are excluded from all the indices under which they are covered, to be effective on the date of halt, suspension or transfer. Stocks which are excluded from ISE 30, ISE 50, ISE 100, ISE 10 Bank and ISE Dividend 25 indices are replaced with substitute stocks.

• Stocks which are transferred to a market other than the Watchlist Market from their current markets are excluded from the former market index and included in the new market index, effective from the date the transfer takes place. Accordingly, stocks which are excluded from ISE 30, ISE 50, ISE 100, ISE 10 Bank and ISE Dividend 25 indices are replaced with substitute stocks.

• Stocks which are excluded from the indices because of the above mentioned reasons (suspension, transfer between markets or between lists) are not included in ISE 30, ISE 50, ISE 100, ISE 10 Bank and ISE Dividend 25 indices until the end of the index period in which the stocks are excluded. If the suspended stocks re-start trading or the stocks are re-transferred from List C to Lists A or B in the same index period of exclusion, they are included in all of the other relevant indices, effective on the re-start or re-transfer date.



- Stocks that will trade for the first time are included in all relevant indices other than ISE 30, ISE 50, ISE 100, ISE 10 Bank, ISE Dividend and ISE Dividend 25 indices, as of the first date they start to trade.
- If the market value of the publicly-held portion of the stocks of a company or bank at the date of expiry of public offering is:
  - higher than TL 1 billion or 1% of the total market value of shares outstanding in the National Market; and
  - higher than the lowest among the market values of shares outstanding of the companies included in ISE 30 index; then, effective from the 5th business day they have been traded, they are included in the index in place of the stocks with the lowest market value of shares outstanding in the ISE 30, ISE 50, and ISE 100 indices.
- If the market value of the publicly-held portion of the stocks of a bank at the date of expiry of public offering is:
  - higher than TL 1 billion or 1% of the total market value of the shares outstanding in the National Market; and
  - higher than the lowest among the market values of the shares outstanding of the companies included in ISE 10 Bank index; then, effective from the 5th business day they have been traded, they are included in the index in place of the stocks with the lowest market value of shares outstanding in the ISE 10 Bank indices.
- Companies who change their scope of activities in such a way to result in a change of sector will be excluded from their former sector indices and included in new sector indices effective from the first business day of the week that succeeds the one in which the statement regarding the inception of new activities is published on the PDP.
- If a Company included in a ISE City Index remains outside the scope of the index because of a change in the scope of its activities or it changes the main location where its production/operation/administration takes place, the stocks of the company are excluded from the index and included in the scope of the index which corresponds to its new production/operation/administration premises, effective from the first business day of the week that succeeds the week in which the statement of change is published on the PDP.
- If a Company not included in any of the ISE City Indices becomes eligible for inclusion in ISE City Indices due to a change in the scope of its activities, the stocks of the company are included in the scope of the corresponding city index, effective from the first business day of the week that succeeds the week in which the statement of the inception of the new operation is published on the PDP.
- If, with regards to the stocks covered by the ISE Corporate Governance Index;
  - the new corporate governance rate disclosed in PDP is lower than the minimum rate required,
  - the termination of the rating agreement is disclosed in PDP for any reason,
  - the exclusion of the rating institution from the "List of Rating Institutions" authorized by the CMB is disclosed in PDP,
  - it is disclosed in PDP that the rating institution is no longer independent,
  - the rating is not renewed or confirmed until the end of the 1-year term following the award of the rating, such stocks are excluded from the index effective from the business day succeeding the date the relevant disclosure is announced in PDP or succeeding the date on which the 1-year term expires. After the elimination of the above reasons, if a rating is disclosed to the PDP which is higher than the minimum rate required, the stocks are included in the index effective from the business day that succeeds the date of disclosure.
- In case two or more companies which are included in ISE 30, ISE 50, ISE 100, ISE 10 Bank or ISE Dividend 25 indices merge or acquire one another, the stocks of the resulting or surviving company, as the case may be, remain within the index and the vacancies which arise due to the merged/acquired company/companies are completed with substitutes effective from the date of the distribution of the stocks issued as a result of the merger or acquisition.
- If a company whose stocks are included in ISE 30, ISE 50, ISE 100 or ISE 10 Bank indices acquires or is acquired by a company which is not included in the scope of the index, then the market in which the resulting company will be included is examined. If the resulting company is included in the National Market or Corporate Products Market, it remains within the scope of the index. If it is not included in the National or Corporate Products Market, it is excluded from the index and replaced with substitute stocks, effective from the date of the distribution of the stocks issued as a result of the acquisition.
- If a company whose stocks are included in the scope of the ISE Corporate Governance Index acquires another company or companies, it remains in the scope of the index.
- If a company whose stocks are included in the scope of the ISE Corporate Governance Index is acquired by another company which is not covered by the index, it is excluded from the index effective from the date of the distribution of the stocks issued as a result of the acquisition.
- In case of mergers and acquisitions of companies whose stocks are included in ISE City Indices, the condition of the new company after the merger or the acquiring company is reevaluated.
- If a company whose stocks are included in ISE 30, ISE 50, ISE 100, ISE 10 Bank or ISE Dividend 25 indices spins-off into two or more companies, then the company with the highest market value of



shares outstanding amongst the resulting companies remains within the index until the end of the index period, whereas the others are excluded from the index effective from the date the spin-off takes place.

- If a company whose stocks are included in ISE Dividend and ISE Dividend 25 Indices acquires or is acquired by a company which is not included in the scope of the index, then the market in which the resulting company will be included is examined. If the resulting company is included in the National Market, Second National Market, or Corporate Products Market, it remains within the scope of the index; if it is not included in the National Market, Second National Market, or Corporate Products Market, it is excluded from the index, effective from the date the distribution of stocks to the shareholders of the acquired company is started. A substitute stock is included in ISE Dividend 25 Index in place of the excluded stock.

#### 4.1.5. Stock Market Indices Expressed on US Dollar and Euro Basis

Since stock trading operations in stock exchanges worldwide are carried out in local currencies in which the securities are issued, comparative studies of indices among countries is possible on the basis of a common currency unit. In general, the US dollar is used as a common currency unit for comparing stock exchange performances or alternative investment instruments.

For the convenience of foreign investors, all ISE indices are also expressed and published both on US dollar basis and on Euro basis. Turkish Central Bank's effective buying rates are being used in conversion to US dollar values.

The indices can be expressed on US dollar basis as shown below:

$$\frac{\text{Current TL Index Value} / \text{Current Exchange Rate}}{\text{TL Index Value at Base Date} / (\text{Exchange Rate at Base Date} / 1,000,000^*)} \times \text{Base Value of Index}$$

The TL/US dollar exchange rate at base period (January 1986) is 581.91 and the base value of US dollar Index was 100.

\*As of January 01, 2005, the Turkish lira currently in circulation was converted to New Turkish lira as TL 1,000,000 = YTL 1. Due to this conversion as "Current Exchange Rate" is shown with YTL value, "Exchange Rate at Base Date" should also be divided by 1,000,000.

As of Jan 01, 2009, Turkish Lira banknotes were also started to be circulated which have the same value with YTL and by now they are replaced New Turkish Lira banknotes. So all monetary expressions are made as "Turkish Lira" instead of "New Turkish Lira"

## 4.2. ISE Bonds and Bills Market Indices

Bonds and Bills Market Government Debt Securities indices are formulated in order to fulfill the requirements of members and investors as well as individuals and institutions eager to follow and analyze the changes in prices and yields of fixed-income securities, through simple and comprehensive indicators. In addition, the aim of introducing ISE Government Debt Securities Indices (GDS) is to provide the basis for comparison with other markets and a foundation for technical studies.

GDS indices are divided into two main groups namely Price/Performance Indices and Portfolio Performance Indices.

### 4.2.1. Government Debt Securities Indices

The prices of the bonds and bills change due to two reasons: change in the market interest rate and price increase due to the decline in the number of days to maturity. While the GDS price indices measure the price change due to the variation in the interest rates, the performance indices measure the price change due to both the variation in the interest rates and the declining maturity. Therefore, the Performance Index is an indicator of yield gained by an investor within a certain period.

Bonds and bills indices started to be calculated in 1996, when most of government securities had less than one year duration. Therefore Indicators reflecting price changes in debt securities with maturities of 30, 91, and 182 days were considered as useful and meaningful benchmarks until around 2000.

The average maturity of the securities issued by the Treasury has been increasing since 2000. As a result, new series of Price and Performance Indices began to be calculated on four new maturities: six months (182 days), nine months (273 days), 12 months (365 days) and 15 months (456 days) at the beginning of 2001. The base date for these indices is January 2, 2001.

As of March 2004, considering that both series were serving the same objective, the calculation and disclosure of the old series were terminated while a maturity of three months (91 days) is added to the new series dating back to January 2001.



#### 4.2.1.1. Calculation Methodology

Abbreviations used in the formula are as follows:

- $P_{v,b}$  market price of the bond/bill with "v" days to maturity at base date
- $P_{v,t}$  market price of the bond/bill with "v" days to maturity at the date of "t"
- $P_{v-i,t+i}$  market price of the bond/bill with "v-i" days to maturity at the date of "t + i"
- $IF_{v,t}$  v-day price index at the date of "t"
- $IP_{v,t}$  v-day performance index at the date of "t"

Price Indices (at the date of "t")

$$IF_{v,t} = \frac{P_{v,t}}{P_{v,b}} \times 100$$

Performance Indices

$$IP_{v,t} = \frac{P_{v,t}}{P_{v,b}} \times IP_{v,b}$$

at the date of "t+i"

$$IP_{v,t+i} = \frac{P_{v-i,t+i}}{P_{v,b}} \times IP_{v,b} \text{ are calculated as index values.}$$

#### 4.2.2. GDS Portfolio Performance Indices

In view of the fact that the GDS price/performance indices were designed to reflect the changes in the yield curve, they were calculated only once a day following the closing of trading. In order to meet the need for an index that would summarize the intra-day market activities on a real time basis as the transactions with the same day value date are realized between 09:30-12:00/13:00-14:00 hours, GDS Portfolio Performance Indices with a different calculation method have been established as of March 2004.

##### 4.2.2.1. Bond Indices

These indices are total return indices and calculated using the prices of TL denominated discounted government securities which are traded in ISE Bonds and Bills Outright Purchases and Sales Market between 9:30-12:00/13:00-14:00. They are recalculated real time following any trade in these securities. When the indices are calculated, the government securities which were not traded in the previous day or have not traded yet in the current day, are not used in the index calculations. Thus, the number of securities used in the calculations can vary. The base value and date of indices are 100 and December 31, 2003 respectively.

These indices are divided into short term, long term and all maturity indices which represent relevant securities grouped by remaining days to maturity. They are further divided into two groups taking the weights of each security into consideration.

- Equal weighted short-term index (EQ 180-)
- Equal weighted long term index (EQ 180+)
- Equal weighted composite index (EQ Composite)

- Market value weighted short-term index (MV 180-)
- Market value weighted long term index (MV 180+)
- Market value weighted composite index (MV Composite)

The weights of securities used in the indices are determined and recalculated by and after below stated events and are kept constant during the trading day.

- a) Government securities sales auctions
- b) Non-competitive bid sales to primary dealers through sales auctions
- c) Additional option sales to primary dealers after the sales auctions
- d) The sales of government securities via the Central Bank of Turkey with the predetermined prices (Tap issue)
- e) The exchange of previously issued securities with new securities through swap operations.
- f) The purchases and sales of previously issued government securities by Central Bank of Turkey on behalf of Treasury in the second market
- g) Early redemption auctions

New issues are included in the index calculation in the second trading day after the sales auctions value date. Matured securities are excluded from the indices on the redemption days.

##### 4.2.2.2. Calculation Methodology for Bond Indices

The variables used in the index calculations are as below:

- $P_t$  : The last transaction price of the government securities
- $P_{t-1}$  : The closing price of the government securities in the previous day
- $G_t$  : The daily rate of return of the government securities  $[(F_t/F_{t-1})-1]$
- $N$  : Nominal issue amount of the government securities
- $PD$  : The market value of the government securities  $= N \times F_{t-1}/100,000$
- $E_{t-1}$  : The closing value of the index in the previous transaction date
- $E_t$  : The final value of the index
- $n$  : The number of securities used in the index calculations

##### Equation 1 Bond Indices Formula

$$E_t = E_{t-1} \times \left( 1 + \frac{\sum_{i=1}^n (PD_{(i)} \times G_{t(i)})}{\sum_{i=1}^n PD_{(i)}} \right)$$



In the calculations for equal weighted indices, the market value will be equal to 1 (PD=1).

#### 4.2.2.3. Repo Index

Repo index reflects the net average daily yield of overnight transactions. The rate in the index calculations is the traded value weighted, average rate of overnight (O/N) transactions on the ISE Bonds and Bills Repo-Reverse Repo Market. The base date and value of the index is December 31, 2003 and 100 respectively. The modifications in the withholding tax, duty, fund etc. rates are taken into consideration in index calculation when they are effective but, earliest the next working day of the announcement.

#### 4.2.2.4. Calculation Methodology for Repo Index

The variables used in the index calculation are listed below:

- R : The traded value weighted, average interest rate of O/N transactions
- S : Withholding tax (including tax, duty, fund etc.)
- T : The period of repo
- $I_{t-1}$  : The previous trading day closing value of the index
- $I_t$  : The final value of the index

#### Equation 2 Repo Index Formula

$$I_t = I_{t-1} \times \left( 1 + \frac{(R \times (1 - S) \times T)}{365} \right)$$

#### 4.2.3. Data Dissemination

The indices are calculated simultaneously and in real-time between 09:30-12:00/13:00-14:00 during the trading session. "The highest", "the lowest" and "the last" values are displayed real time on ISE Bonds and Bills Market trading system user terminals, various data vendors and are published in ISE bulletins at the end of day.

### 4.3 Multinational Joint Indices

#### 4.3.1 Dow Jones FEAS Indices

The Dow Jones FEAS indices were launched on June 3, 2009. Three indices, one composite, and two regional sub-indices, measures the performances of companies across the Euro-Asian region. The Dow Jones FEAS indices are designed to underline index-linked investment products such as funds and structured products.

Dow Jones FEAS Composite Index includes component stocks of 11 of the 33 member states of the Federation of Euro-Asian Stock Exchanges. The exchanges included are Abu Dhabi (UAE), Amman (Jordan), Bahrain (Kingdom of Bahrain), Belgrade (Serbia), Bulgaria (Bulgaria), Istanbul (Turkey), Karachi (Pakistan), Macedonia (Republic of Macedonia), Muscat (Oman), Sarajevo (Bosnia and Herzegovina), and Zagreb (Croatia).

The Dow Jones FEAS Middle East/Caucasus and Asia Index currently includes stocks from the following five FEAS member exchanges: Abu Dhabi, Bahrain, Amman, Karachi and Muscat.

The Dow Jones FEAS South East Europe Index measures the performance of companies in the following six FEAS member exchanges: Bulgaria, Zagreb, Macedonia, Belgrade, Sarajevo and Istanbul.

The Dow Jones FEAS Indices are designed to cover 95% of the free-float market capitalization of each country in the respective index. In addition to float-adjusted market capitalization, components are selected based on readily available prices. The indices are calculated and disseminated in euro and U.S. dollar and weighted by float-adjusted market capitalization.

The calculation of the new indices started on December 31, 2004 (base date) with a start value of 100 point (base value).

The Dow Jones FEAS Indices are rebalanced quarterly when additional FEAS member exchanges will be added. For more information on the Dow Jones FEAS Indices, please visit <http://www.djindexes.com>.

#### 4.3.2 GT-30 Index

The Greece & Turkey 30 Index (GT-30) is a customized index, created as a result of the cooperation of the Istanbul Stock Exchange (ISE), Athens Stock Exchange (ATHEX) and STOXX Ltd., a global index provider. The Index, launched on September 28, 2009, is calculated independently by STOXX and will be used as an underlying for the creation of a variety of new financial products including Exchange Traded Funds (ETFs) to be traded on both markets, and thereby provide new investment opportunities to the investors for the stocks traded on the ISE and ATHEX, at lower costs with an aim to facilitate cross border access between the two markets.

GT-30 is composed of a total of 30 constituents, 15 from each market, based on their full market capitalization in descending order. The Index will be reviewed biannually (March, September) as to its composition and quarterly (March, June, September and December) regarding capping factors.

Price and Return Indices are available for GT-30, and in two different currencies, ie, EUR and TRY. Dissemination frequency of Price Indices is real time at 15-seconds intervals, whereas it is end of day for Return Indices. Data will be delivered to data vendors by STOXX Ltd. over CEF Feed (Deutsche Börse system)

The first ETFs tracking the return of the GT-30 have been launched in Turkey and Greece concurrently, on November 3, 2010. These new products are the first multimarket ETFs and through this new investment vehicle, investors gain access to the largest stocks of the Greek and Turkish market simultaneously, with ease.

For more information, please visit <http://www.ise.org/GT30/GT30.aspx>.





The background is a solid teal color with several large, overlapping, semi-transparent teal shapes that resemble stylized architectural elements or abstract geometric forms. These shapes are layered, creating a sense of depth and movement. The shapes include curved lines and straight edges, some resembling the structure of a dome or a modern building facade.

# 5

*Initial Public Offerings*





## 5 - Initial Public Offerings

***A protocol has been signed with the Union of Chambers and Commodity Exchanges of Turkey to attract companies to Istanbul Stock Exchange.***

Public offering procedures and disclosure requirements of the publicly held companies are regulated by the Capital Markets Board. According to Capital Market Law, publicly held joint stock corporations are defined as “joint stock corporations whose shares are offered to public or which are considered to have been offered to public”. When the number of shareholders exceeds 250, the shares of a joint stock company shall be considered to have been offered to public and these corporations are subject to the provisions of publicly held joint stock companies.

CMB has revised the legal infrastructure with the purpose of harmonizing the local infrastructure with EU directives and facilitating the IPO process. The revisions introduced by the Communiqués can be considered as a redefinition of the fundamentals of public offerings in Turkish capital markets.

Shares to be offered to public are required to be registered with the CMB. The related Communiqué about registration processes and sales methods of shares are given below:

Communiqué Serial: I No: 40 on Principles Regarding Registration with the Capital Markets Board and Sale of Shares and Communiqué Serial: VIII No: 66 on Principles Regarding Sales Methods of Capital Market Instruments through Public Offering. Both are published in the Official Gazette dated 03.04.2010

### **5.1. Public Offering Methods for Stocks**

There are basically two methods of public offerings of shares. The first method is selling the existing shares to public and the second one is increasing capital and selling shares by restricting the pre-emptive rights of shareholders. In practice, these two methods can also be used together.

Prerequisites for public offering of shares are given below;

- If the public offering belongs to a certain class of shares, the value of these shares, otherwise the capital of the company should be all paid-in,
- New provisions abolish the minimum free float requirement in IPOs.
- Underwriting commitment is no longer required.
- There should be no limitations to the circulation of the shares like pledge or guarantee and/or no register on the shares that will prevent the use of shareholder rights.

Sale of shares to investors shall be undertaken in accordance with the Communiqué on Principles Regarding the Sales Methods of Capital Market Instruments through Public Offering. According to this Communiqué, two methods shall be used, namely: “Bookbuilding Method”, “Sales on Stock Exchange”

In bookbuilding method, the demands of investors for shares offered to public shall be collected through “price range”, “fixed price” or “price bids”. The Communiqué also determines the framework of these methods and distribution principles. Shares may also be offered to public on the ISE within the framework of the Regulation of Istanbul Stock Exchange.

### **5.2. Registration with the Capital Markets Board**

Information and documents determined by the CMB shall be attached to the registration application. The main document of public offering is prospectus, because the information required to be disclosed in public offering of shares shall be included in the prospectus.

Other fundamental documents of public offerings are the financial statements and the reports of the independent auditors. The audited financial statements have to be in line with the CMB’s accounting standards and cover the latest three financial years and the latest interim financial statements if available.

The applications to the CMB are evaluated by taking into consideration whether the prospectus and circular contain the information required by the legislation on corporations and shares to be offered to public within the framework of public disclosure. As a result of the evaluation, if the explanations are found insufficient, not reflecting the truth and causing public abuse, the CMB may refrain from registration of related shares by submitting justification. Otherwise, the shares are registered with the CMB.

### **5.3. Sales to Investors**

Following the registration of capital market instruments with the CMB, the prospectus must be registered at the Trade Registry and published in the Trade Registry Gazette, Public Disclosure Platform and companies website within 15 days following the registration document of the CMB. The public will be invited to purchase the shares by a circular. Circular for investors shall be published within 15 days after the registration of the prospectus.



#### **5.4. Cost of Public Offerings**

There are four main cost components for the companies whose shares are to be offered to public:

- Fees Paid to Brokerage Houses: The company whose shares offered to public pays intermediary fee to the brokerage house for the intermediary services rendered depending on the size of public offering and the type of the service given.
- Fees Paid to the Capital Markets Board: The amount paid to the CMB as registration fee will be the 0.2% of the total value of public offering.
- Fees Paid to the Istanbul Stock Exchange: Companies traded on the National Market and Collective Products Market are charged listing fee while the companies traded on the Second National Market are charged registration fee.
- Listing fee for the National Market/Collective Products Market registration fee for the Second National Market is 0.1% of the nominal value of the company's equity capital.

Other Costs: In addition to the costs mentioned above, the company whose shares are offered to public should take following costs into consideration:

- Fees paid for the preparation of audit reports,
- Domestic and international promotion costs,
- Advertisement and other related costs.

The background is a solid teal color with several large, overlapping, semi-transparent teal shapes that create a layered, geometric effect. These shapes include curved lines and angular forms, resembling stylized architectural elements or abstract patterns.

# 6

## *Listing, Disclosure And Corporate Governance*



## 6 - Listing, Disclosure And Corporate Governance

*ISE introduced the Public Disclosure Platform for electronic posting of company disclosures*

### 6.1. Listing Requirements

#### 6.1.1. Initial Listing Requirements for the Securities Representing Partnership Rights

- 1- The application must refer to all shares of same type issued until the application date.
- 2- Requirements concerning the company:
  - a. Financial statements and independent audit reports which will be included in the prospectus in accordance with the CMB regulations must be presented to the Exchange,
  - b. At least three calendar years must have elapsed since the establishment of the company and financial statements of the last three years must have been publicly disclosed,
  - c. Among the requirements listed under the alternative groups, the company must meet all those requirements which fall into the same group (see table 18),
  - d. The Exchange management must have had the corporation's financial structure examined and accepted its ability to continue as an ongoing concern,
  - e. The company's Articles of Incorporation must not include any provisions restricting the transfer and circulation of the securities to be traded on the Exchange or preventing the shareholders from exercising their rights,
  - f. Significant legal disputes which might affect the company's production or activities must not exist,
  - g. For reasons other than acceptable to the Exchange, the corporation must not have suspended its activities for more than three months within the previous year, not filed for liquidation or entered into composition or any other arrangement with its creditors, and not have faced similar situations determined by the Exchange,
  - h. The company's securities must comply with the criteria pre-determined by the ISE management



Opening Ceremony of Iş Investment Warrants on the first trading day.

- i. In terms of current and potential trading volumes, It must be documented that the company's legal situation in terms of its establishment and activities as well as the legal situation of its shares comply with the respective legislation.
- j. The Executive Council may either request additional requirements for the securities representing partnership rights with special rights attached, such as non-voting stocks and preferred stocks or may decide not to look for some of the requirements mentioned above.

**Table 18: Listing Requirements under the Alternative Groups**

	Group 1	Group 2	Group 3
Market value of publicly offered stocks	Minimum TRY 110,000,000	Minimum TRY 55,000,000	Minimum TRY 27,500,000
Profits before tax must have been earned	in at least one of the last two years	in at least one of the last two years	The last 2 years
Ratio of publicly offered stocks to paid-in or issued capital	-	Minimum 5%	Minimum 25%
Equity capital in the most recent independently audited financial statements	Minimum TRY 27,500,000	Minimum TRY 17,600,000	Minimum TRY 11,000,000



Opening Ceremony of Finansbank GT-30 ETF on the first trading day.

### 6.1.2. Listing Requirements for Exchange Traded Funds (ETFs)

The Founder of the ETF applies to the Capital Markets Board for the registration of the participation certificates. Concurrently, the Founder applies to the ISE with the requested documents for trading on the ISE Collective Products Market.

With the application, following documents are submitted to the ISE:

- a. All information and documents submitted to the CMB for the registration of the participation certificates.
- b. Registration document given by the CMB.
- c. Prospectus and circular approved by the CMB.
- d. Results of the public offering filed through the documents supplied by the ISE.
- e. Any other information and documents requested by the ISE.

The participation certificates of ETFs are listed upon the written request of CMB provided that the certificates can be traded according to the related capital market and ETF rules and regulations. Within the framework of the CMB regulations, additional participation certificates can be traded on the ISE unless the maximum fund is not exceeded.

### 6.1.3. Listing Concerning Mergers or Demergers

When the legal entity of a company whose stocks are listed on the Exchange is terminated due to a merger with another company through its entire assets and liabilities and at least 51% of the capital of the acquiring/newly established company is provided by the assets of the corporation whose stocks are listed on the Exchange, the listing requirements do not apply for the listing of the stocks of the acquiring/newly established company.

In the event that a corporation listed on the Exchange establishes a new corporation through a partial division that involves allotment as capital of no less than 15% of its total assets as shown on its last balance sheet, then listing requirements governing period of activity and profitability shall not be sought in respect of the newly established corporation provided that the listed corporation is active for the last 3 years, that it has reported profits before tax according to its financial statements regarding the last 2 years, that it owns minimum 51% of the capital of the new corporation, and that its assets which are allocated as capital in kind are related to the production and activities of the corporation that is listed on the Exchange.

In the event that a new corporation is established through partial division of a corporation whose stocks are traded on the Exchange markets through allotment of part of its assets as capital in kind, preserving, however, the existing shareholding structure, the requirements governing period of activity and profitability are not sought in respect of the listing of the stocks of the new corporation, and the stocks of such corporation are traded on such market whose conditions they meet with a decision to be taken by the Executive Council of the Exchange.

### 6.1.4 Registration Requirements for Second National Market

- a) The application must refer to all shares of same type issued until the application date.
- b) Market capitalization of the publicly offered shares of the company and the rate of the nominal value of these shares to paid-in or issued capital must be least TL 5.5 million and 15%, or TL 11 million and 5%, respectively.
- c) The ISE Executive Council must have taken a decision in favor of the trading of the company on the Second National Market upon consideration of the financial and legal status, activities and the liquidity potential of a company, provided that there is no restriction for the circulation of the shares.
- d) For reasons other than acceptable to the Exchange, the corporation must not have suspended its activities for more than three months within the previous year, not filed for liquidation or entered into composition or any other arrangement with its creditors, and not have faced similar situations determined by the Exchange.





### 6.1.5. Listing Requirements for Securities Representing Indebtedness

1. Application must refer to the entirety of the series,
2. The nominal value of the issue must be at least TL 1.100,000<sup>2</sup>,
3. The entire amount of the issue must be offered to public,
4. Of the corporation with securities to be listed;
  - At least three calendar years must have elapsed since the establishment date (two years if free float rate is at least 25%),
  - Financial statements and independent audit reports which will be included in the prospectus in accordance with the CMB regulations must be presented to the Exchange
  - The corporation must have earned profit before tax in the last two consecutive years according to its financial statements before the application (if the company's shares are publicly held by at least 25%, it must have earned profit in the previous year),

- The shareholders' equity in the last independently audited balance sheet of the company must be at least TL 1.760.000,
- The financial structure of the corporation must be determined and approved by the ISE,
- The company's legal situation regarding its establishment and activities and legal situation of its securities representing indebtedness must be documented so as to comply with the related regulation.
- The company's Articles of Incorporation must not include any provisions restricting the transfer and circulation of the securities traded on the Exchange or preventing the shareholders from exercising their rights.

### 6.2. Listing Fees

**Table 19: Types of Listing Fees**

Types of Fees	National Market	Second National Market	Collective Products Market
Initial Listing Fee	✓		✓
Annual Listing Fee	✓		✓
Relisting Fee	✓		✓
Market Registration Fee		✓	
Annual Market Registration Fee		✓	
Market Re-registration Fee		✓	

**Table 20: Listing Fees as % of Nominal Value**

Types of Fees	National Market	Second National Market	Collective Products Market
Initial Listing Fee	0.1		0.01
Annual Listing Fee	0.025		0.002
Market Registration Fee		0.1	
Annual Market Registration Fee		0.025	

<sup>2</sup> Above mentioned amounts are set for 2011 and can be revalued by the Executive Council considering the increase in the annualized Producer Price Index announced by Turkish Statistical Institute.



### 6.3. Delisting

#### 6.3.1. Situations Compelling Delisting

Securities may be delisted permanently or temporarily by the decision of the Executive Council by consulting to the Listing Committee or upon the request of the Listing Committee for the cases mentioned below. The Executive Council may determine a time frame for correcting the problems or issue a warning to any corporation under delisting consideration, prior to making a decision.

- If the total amount of current year loss and accumulated loss is equal to the total amount of other items excluding current year loss and accumulated loss in the shareholders' equity,
- Noncompliance with the relevant declaration,
- Non-compliance with the procedures and principles regarding the submission of information, documents and statements to the Public Disclosure Platform within the framework of public disclosure regulations; failure to submit information, documents and statements to the Public Disclosure Platform in violation of the public disclosure obligations under such circumstances when material disclosures need to be made,
- Noncompliance with the rules and regulations of the ISE, as well as relevant legislation,
- Suspending operations of the corporation for more than 3 months for reasons other than those acceptable by the Exchange management
- Filing for bankruptcy of the corporation, or dissolution of the corporation due to liquidation or expiration,
- Company facing difficulties in paying its debts or being financially distressed as well as respiting for a concordat,
- Company not fulfilling fee obligations to the Exchange or execution proceedings against the company being ineffective,
- Cancellation or invalidation of any permits, licenses or agreements of the company, crucial to operations,
- Loss of 2/3 of the corporation's capital according to the interim balance sheet which has been prepared based on the market prices of its assets within the framework of the Turkish Commercial Code,
- Declaration of negative opinions or avoidance to declare any opinions in independently audited reports (limited, permanent and special) for the last two financial periods including interim reports,
- Loss of 2/3 of its production factors due to fire, natural disasters, state of war, terrorist acts, and other reasons and/or occurrence of any events which might affect the activities of the corporation significantly for similar reasons.,
- Submission of any information and/or documents to third parties, media and other individuals and institutions by the persons authorized to represent the company, prior to disclosure to the ISE,
- Failure of a issuer whose debt instruments are traded in the Stock Exchange to fulfill its payment obligations or the other undertakings related to debt instruments, and acts or actions of the same kind that will prevent owners of debt instrument from exercising their rights,

- Fall of the market price far below the nominal value, fall of the market value, traded value or trading frequency of the publicly-held shares far below market averages, or temporary or permanent suspension of trading,
- Not providing information and documents requested by the ISE or providing incorrect, misleading or insufficient information or impeding the ISE by withholding and/or destroying documents.

#### 6.3.2. Delisting by the Request of the Corporation

Companies may apply for the delisting of their listed securities on the ISE. If the securities requested to be delisted are traded on the Exchange, the Executive Council may require the company to take some precautions prior to its decision for delisting, in order to prevent loss of investors. For cases of delisting by the request of the corporation, Executive Council is the final decision body by all means.

Principles with regards to delisting of companies on voluntary basis were determined at the Capital Markets Board's meeting, dated July 30, 2010. The regulation aims to protect the investors and in this regard various measures were taken on public disclosure, determination of the call price and maintenance of liquidity.

#### 6.3.3. Relisting of the Temporarily or Permanently Delisted Securities

The Executive Council of the ISE is authorized to decide whether to relist the permanently delisted companies or not by considering the listing requirements. The Executive Council may require that a specified period of time have elapsed for permanently delisted companies to be relisted.

For the temporarily delisted companies to be relisted, the circumstances causing delisting should have been terminated; the time period, if any, set by the ISE's Executive Council's decision, should have been elapsed and the requirements, if any, should have been met by the company.

Within the end of the period, the ISE Executive Council may decide whether to extend the temporary delisting period or to delist the company permanently upon examination.

For the companies, which have been delisted due to inadequate trading volume or of which trading were suspended temporarily, to be listed and start to be traded, the Executive Council of the ISE must decide whether the information, documents and the reasons submitted by the company are sufficient or not to indicate the company will maintain the required market depth, trading volume and will have the circulation potential.

The Executive Council of the ISE may request that the company deposit its stocks at the ISE Settlement and Custody Bank Inc., Ta-kasbank.



## 6.4. Disclosure Requirements and Public Disclosure Platform

### 6.4.1. Disclosure Requirements Regarding Financial Statements

The companies traded on the ISE are obliged to submit their annual, semiannual and quarterly financial statements according to the standards required by the CMB.

Currently, financial statements shall be prepared in accordance with Communiqué on Accounting Standards in Capital Market (Serial:XI, No:29). With this regulation, the International Reporting Standards have been adopted.

Disclosure periods for financial statements are summarized below:

**Table 21: Financial Statements Disclosure Periods**

Type of Financial Statements	Annual Financial Reports	Quarterly Interim Financial Reports	
		Unaudited	Independently Audited
Unconsolidated	10 weeks	4 weeks	6 weeks
Consolidated	14 weeks	6 weeks	8 weeks

### 6.4.2. Disclosure Requirements Regarding Material Events

Detailed principles for the disclosure of material events are regulated in Serial: VIII, No: 54 "Communiqué on Principles Regarding Public Disclosure of Material Events".

According to the Communiqué;

1. The continuous information such as changes in capital structure and control of management, changes in voting rights and capital, information about debt securities, information related to shareholder rights should be submitted to the ISE.

Furthermore, if a person or a legal entity or other persons or legal entities acting together with them own directly or indirectly, 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 75% or more of the total voting rights or of share capital or if the total voting rights or share of capital falls below these thresholds; related parties are obliged to submit relevant information to the ISE.

2. The insider information and the changes in previously disclosed insider information that might have an effect on the value of capital market instruments and on the investment decisions of investors should be submitted to Public Disclosure Platform on the date the event occurred or on the date the investor has become aware of the event.

In case of unusual price and volume movements, upon ISE's request, companies are obliged to submit an immediate explanation.

According to the Communiqué, before submitting an information, the companies have the right to request temporary suspension of their securities trade from the ISE.

## 6.5. Public Disclosure Platform

Within the framework of CMB's Serial: VIII, No: 61 "Communiqué Regarding Principles of Submitting Electronically Signed Information, Documents and Notifications to the Public Disclosure Platform", all information and documents to be publicly disclosed must be sent to the Public Disclosure Platform (PDP) which is a system using internet and electronic signature technologies.

The platform was developed collectively by the CMB, ISE and the Scientific & Technological Research Council of Turkey and the system is operated and managed by the ISE.

The system is designed to allow everyone to have access to correct, timely, fair and complete information about the traded companies, over the internet simultaneously. Furthermore, PDP serves as an electronic archive which allows easy access to historical information. All notifications sent to PDP can be reached free of charge from PDP web-site.

All listed companies are required to disclose their financial statements, explanatory notes, material events and all other disclosures via Public Disclosure Platform on Internet with e-signature of their officially authorized users. In addition to listed companies and ETFs, ISE member brokerage houses have to 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. Also, the announcements of the regulatory authorities such as ISE, CMB, ISE Settlement and Custody Bank Inc. and Central Registry Agency Inc. are disclosed through this platform. The system covers over 580 companies and 2,500 users all over Turkey.

The system disseminates data on [www.kap.gov.tr](http://www.kap.gov.tr). Also 5 data vendors and 27 sub-vendors (web sites, etc.) disseminate PDP notifications on a real time basis.

ISE completed the first phase of the English version of the PDP. In this phase, only balance-sheets and income statements are published in English. For the rest of the notifications, the subject part is in English and the content in Turkish. Also, notification query is available for balance-sheets and income statements in English in the PDP English version page. PDP's English version may be accessed by clicking "English" at PDP web-site.

## 6.6. Corporate Governance

In response to growing awareness of the importance of good corporate governance on an international scale, the CMB issued the Corporate Governance Principles (Principles) in July 2003. During the preparation of these Principles, regulations of many countries have been examined, and generally accepted and recommended



principles; primarily the “OECD Corporate Governance Principles” of 1999 together with the particular conditions of Turkey have been taken into consideration.

The Principles mainly address publicly held joint stock companies. However it is considered that other joint stock companies and institutions, private or public, may also implement them.

The Principles covers the issues on shareholders’ rights and their equal treatment, disclosure and transparency issues, the company and stakeholder relations and functions, duties, obligations, operations and structure of the board; remuneration thereof, as well as the committees to be established to support the board operations and the executives.

The implementation of the Principles is optional. But, all ISE listed/registered companies should include an explanation on the implementation status of the Principles, and on whether there is a plan for a future change in the company’s governance practices in their annual reports and should disclose these explanations to public. Within the framework of the regulations to be enforced by the CMB, the rating institutions conducting corporate governance rating will determine the implementation of the Principles.

A stylized white number 7 logo consisting of a vertical bar on the left and a horizontal bar at the bottom, with a diagonal stroke connecting them from the top right to the middle of the vertical bar.

*ISE Members*





## 7 - ISE Members

***A back-up site infrastructure is designed so as to allow wide area network users to directly transfer to the trading system on this site in the event of any failure, ensuring the business continuity.***

ISE members can be classified in two groups; brokerage houses and banks. All brokerage houses and banks are reviewed for eligibility for ISE membership by the ISE Executive Council.

With the decision of the CMB on August 15, 1996, banks were required to transfer their stock market operations to a brokerage house, which they have established or took over, as of January 1997. Pursuant to the decision of the Executive Council of the ISE on February 06, 1996, "If a bank is a member of the ISE and establishes a brokerage house and obtains authorizations for a new brokerage house from the CMB, the bank will be given only the status of a member of the Bonds and Bills Market". However, members of the Bonds and Bills Market have the right to vote for the ISE General Assembly and be elected for the ISE Executive Council and Commissions.

The list of ISE members and their contact details are available on Appendix A.

### **7.1. Authorization of the ISE Members by the Capital Markets Board**

Before engaging in activities in the capital markets, all intermediary institutions have to be authorized by the CMB. Only brokerage houses and banks authorized by the CMB may apply for the ISE membership. Brokerage houses admitted to membership by the ISE Executive Council are granted ISE Membership Certificate that indicates the markets on which they are authorized to operate (List of authorized members and breakdown of authorizations is available on Appendix A).

The authorizations provided by the CMB to intermediary institutions are as follows;

- Primary market operations,
- Secondary market operations,
- Portfolio management,
- Providing investment consultancy services,
- Dealing in repo/reverse repo operations,
- Margin trading, short selling and securities lending,
- Trading of derivatives instruments

All intermediary institutions including banks willing to engage in capital markets operations are required to meet specific qualifica-

tions outlined in the Laws and Communiqué of the CMB. In addition to minimum capital requirements, other conditions required by the CMB should also be met.

The CMB grants permission to brokerage houses for opening branches and agencies while banks are subject to approval by the Undersecretariat of Treasury for establishing branches.

### **7.2. Requirements for Intermediary Institutions set by the Capital Markets Board**

According to Article 6 of the CMB Communiqué Serial:V, Number 46, the brokerage houses to be established are required to;

- fulfill the conditions mentioned in the Article 33 of the Capital Market Law as;
  - a. being established as a joint stock corporation
  - b. having 100% of capital in registered form
  - c. issuing the shares in return for cash
  - d. complying with the regulations regarding the Articles of Incorporation certifying that the founders have not been subject to a legal prosecution due to bankruptcy or another disgraceful offence
- possess a paid-in capital that is not less than the amount determined by the CMB, which cannot be below the minimum equity capital necessary for authorization regarding intermediation in secondary trading, intermediation in public offering, repo and reverse repo transactions, portfolio management and investment consultancy activities, and deposit the blockage and/or guarantees as required by the CMB.
- be established by the founders who have the financial capacity and credibility necessary for the founders and partners of a brokerage firm.

CMB Communiqué Serial:V No: 34 sets the minimum paid-in capital requirements for different types of intermediary activities, authorizations, primary market operations, secondary market operations, repo/reverse repo transactions, portfolio management and investment consultancy.



Before the members are granted ISE Membership Certificate, they are required to deposit the collateral of which the amount is set for each ISE market, membership entrance fee and annual fee within a month.

The members are authorized by the ISE to operate in the following markets:

- Stock Market,
- Bonds and Bills Market
  - Outright Purchases and Sales Market
  - Repo - Reverse Repo Market
  - Repo Market for Specified Securities

In addition, Off-Exchange Odd-Lot Trades can be executed by Exchange Members who have been authorized by the Capital Markets Board as a consequence of the evaluation of their technical and computer infrastructure as well as capacity of their off-site organizational network and are found, with a decision of the Executive Council of the Exchange, to be eligible for executing over-the-counter odd-lot trades in their own names and for their own accounts subject to such power published on the Exchange Bulletin.

Accordingly;

- Primary market operations TL 409,000
- Secondary market operations TL 815,000
- Dealing in repo/reverse repo operations TL 409,000
- Portfolio management TL 327,000
- Providing investment consultancy services TL 85,000

totaling to a minimum amount of TL 2,045,000 paid-in capital is required for the year 2011.

It also requires the aforementioned paid-in capital amounts to be blocked and/or related all collaterals to be deposited in accordance with the relevant CMB regulations.

### **7.3. Authorization of the ISE Members by the Istanbul Stock Exchange**

All brokerage houses and banks are reviewed for eligibility for ISE membership by the ISE Executive Council. Members do not necessarily trade on every market available at the ISE. Members may be authorized to trade on more than one market.







#### **7.4. Membership Fees**

There are two types of membership fees: entrance and annual.

The membership entrance fee is set as TL 2,090,000 and the annual fee for current members is set as TL 1,650 for the year 2011.

The amount of both membership entrance and annual fees can be changed by the decision of the ISE Executive Council and is subject to ratification by the CMB.

#### **7.5. Members Representatives Licensing**

The ISE members trade on the ISE markets through their representatives. The ISE provides training programs for the members' representatives designed for each market individually. Only those who have completed the training programs successfully are licensed to operate on the ISE markets.

There are four different training programs, both theoretical and hands-on, for each main market on the ISE. In addition to licensing training programs for the main markets, licensed representatives are given special training programs as new regulations are set and new specifications are added on the trading systems of the markets.

#### **7.6. Supervision of Members**

ISE members consist of the intermediary institutions that have been authorized by CMB to engage in brokerage activities and have obtained a membership certificate from ISE. ISE reserves the right to accept or deny an intermediary institution, which has obtained authorization from CMB, as a member.

In addition to supervision and monitoring activities carried out by CMB, the intermediary institutions registered as members to ISE are subject to the supervision and monitoring of ISE.

ISE members are required to conform to the principles and rules contained in the ISE Regulations and the relevant legislation. ISE is entitled to examine the accounts and records of the members. Members are obliged to permit that the accounts and records regarding exchange trading can be inspected by ISE and provide the documents and information requested.

ISE members may trade through their representatives on ISE markets. Disciplinary sanctions, listed in the ISE Regulations, shall be imposed on members and their representatives in certain cases specified in the ISE Regulations. In some cases ISE can suspend the trading activities of a member or annul its membership. As the regulatory and supervisory body in the Turkish capital markets, CMB has the right to suspend or annul the authorizations of intermediaries.

Banks that are ISE members are also under the supervision of Central Bank of the Republic of Turkey and Banking Regulation and Supervision Agency.

#### **7.7. Insurance**

Insurance coverage for the Istanbul Stock Exchange, Central Registry Agency Inc. (CRA), Takasbank and Alo Takas consists of; incomplete transactions, fidelity, loss of property, forgery or alteration, securities, counterfeit currency, official investigation costs, extortion (threats to persons), extortion (threats to property), transit, computer crime indemnity (Computer Systems, Electronic Computer Instructions, Electronic Data and Media, Electronic Communications, Assured's Service Bureau Operations, Electronic Transmissions and Uncertificated Securities, Telefacsimile Communications, Computer Virus, Software Piracy, Computer Extortion, Clean-Up Costs, Voice Initiated Transfers). The insurance coverage for each case of loss is US Dollar 5 million.



A stylized white number '8' with a horizontal line underneath it, set against a dark teal background. The background features a large, semi-transparent pie chart with several segments in various shades of teal.

*Investors' Protection Fund*





## 8 - Investors' Protection Fund

***The Investors' Protection Fund is operational since October 21, 2001.***

The Investors Protection Fund was established to cover stock delivery and cash payment obligations that may arise from transactions in stocks of intermediary institutions and banks for which an administrative liquidation or bankruptcy decision is made by an amendment to the Capital Market Law in 1999.

The Fund is in charge of carrying out administrative liquidation operations of intermediary institutions. The objective of administrative liquidation, exempt from all other legal liquidation procedures, is to liquidate cash payment and stock delivery obligations to investors.

Investors, whose stocks in custody accounts or cash arising from stock transactions were misappropriated by an intermediary institution are compensated by the Fund up until TRY 63,701 (the value is set for the year 2011 and revalued each year with reference to "revaluation coefficient" released by the Ministry of Finance). Any receivables of investors arising from transactions other than stock transactions are not covered by the Fund.

The Fund is administered and represented by Central Registry Agency Inc. (CRA), which was established as the central securities depository institution for dematerialised securities.

The management and operating principles of the Fund is determined by the "Investors Protection Fund Regulation". The "Regulation About the Principles and the Procedure of Administrative Liquidation of Intermediary Institutions" sets forth the principles and methods of application for administrative liquidation of intermediary institutions. Both regulations are promulgated by the CMB.

The revenues of the Fund are composed of:

- Annual contributions paid by intermediary institutions,
- Administrative fines
- Temporary contributions determined by the CMB,
- The revenues generated from the Fund assets,
- Other revenues.

All intermediary institutions are required to participate in the Fund by paying annual contributions. The annual contributions vary according to different criteria for each intermediary institution.

The conditions for temporary contributions on account, repayment of advances and other subjects are under the authorisation of the CMB. If the contributions are not sufficient to meet the needs of the Fund, then an advance payment may be required from the intermediary institutions by the CMB (This amount shall be reimbursed from the following years' annual contributions of intermediary institutions). If advance payment made by the intermediary institutions is not sufficient, then the advance payment shall be made by the ISE.

The assets of the Fund may not be used as collateral or guarantees and may not be sequestered by third parties. The assets of the Fund are invested at state banks through government debt instruments, deposits or repo.

The Turkish Court of Accounts audits the Fund. The income and transactions of the Fund are exempt from all kinds of taxes, stamp dues and expenses. The CMB is authorised to examine and audit the accounts and transactions of the Fund.



A stylized graphic of a globe, composed of several overlapping, semi-transparent teal-colored segments that form a spherical shape. The segments are arranged in a way that suggests latitude and longitude lines, though they are not explicitly drawn. The overall effect is a modern, abstract representation of a globe.

9

*Foreign Portfolio  
Investments*







## 9 - Foreign Portfolio Investments

*The ISE has always been appealing to international portfolio investors. Foreign portfolio investors hold approximately 62 per cent of the free-float market capitalization.*

### Trading and Taxation for Foreign Investors

Turkey has one of the most liberal foreign exchange regimes in the world, with a fully convertible currency as well as a policy that allows foreign institutional and individual investments in securities listed on the ISE since 1989. There are no restrictions on foreign portfolio investors trading on the Turkish securities markets. Decree No. 32 passed in August 1989, removes all restrictions on overseas institutional and individual investment in securities listed on the ISE. Hence, the Turkish stock and bond markets are open to foreign investors, without any restrictions on the repatriation of capital and profits. Decree No. 32 also allows Turkish citizens to buy foreign securities.

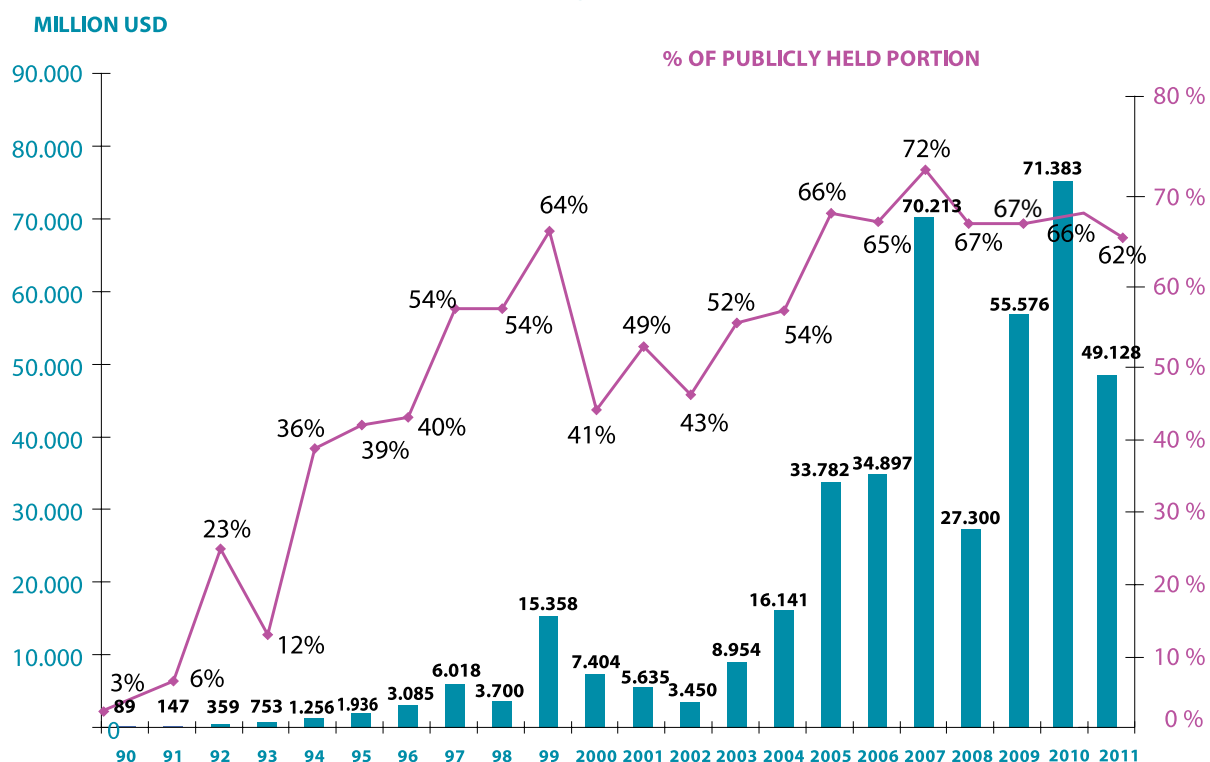
The taxation method and the tax base may differ for certain types of income for foreigners. According to Turkish tax laws, nonresident individuals and corporations are regarded as limited taxpayers and are subject to taxation only on income earned in Turkey.

Taxable income can be classified mainly in two groups; income derived from shares (purchase and sale and dividend income) and income derived from government bonds and Treasury bills (purchase and sale, interest and repo income).

A foreign institutional or individual investor should use a Turkish intermediary institution for securities activities.

**Table 22: ISE Traded Stocks in Custody Held by Foreign Investors**

### ISE TRADED STOCKS IN CUSTODY HELD BY FOREIGN INVESTORS (as of end - August, 2011)





A stylized graphic of a globe, composed of several overlapping, semi-transparent teal-colored segments that form a spherical shape. The segments are arranged in a way that suggests latitude and longitude lines, though they are not explicitly drawn. The overall effect is a modern, abstract representation of the Earth.

10

*International Recognitions  
& Activities*





## 10 - International Recognitions & Activities

### **ISE takes initiative in WFE, FEAS and OIC Member States' Stock Exchanges Forum.**

#### **10.1. International Recognitions**

In October 1993, the U.S. Securities and Exchange Commission (SEC) recognized the ISE as a "Designated Offshore Securities Market".

On May 9, 1995, the Japan Securities Dealers Association (JSDA) officially designated the ISE as an "Appropriate Foreign Investment Market for the Private and Institutional Japanese Investors".

On July 21, 2000, the Istanbul Stock Exchange (ISE) has been approved by the Austrian Ministry of Finance as a regulated market in accordance with the regulations of the Austrian Investment Fund Act.

#### **10.2. International Memberships**

The ISE is a full member of "The World Federation of Exchanges" (WFE), "Federation of Euro-Asian Stock Exchanges" (FEAS), Federation of European Stock Exchanges (FESE), "International Securities Services Association" (ISSA), "International Capital Market Association" (ICMA), "European Capital Markets Institute" (ECMI), Islamic Financial Services Board (IFSB) an affiliate member of "International Organization of Securities Commissions" (IOSCO) and an observer member of International Islamic Financial Market (IIFM).

World Federation of Exchanges (WFE), based in Paris, is an international organization whose main objective is to provide for the efficient, fair and secure promotion of national markets through the establishment and maintenance of functional standards for member exchanges as well as to promote the co-operation in establishing adequate standards for transnational issues, trading and settlement. Members of WFE are required to comply with the "Generally Accepted Principles of Securities Trading" determined by the WFE General Assembly.

The ISE Chairman and CEO, Mr. Huseyin ERKAN is a member of the Board of Directors of the World Federation of Exchanges. The ISE is represented in the WFE Working Committee, Regulation Committee, Communication Task Force, Environmental, Social and Governance Group and Statistics Advisory Group.

A non-profit regional federation was established at the initiative of the Istanbul Stock Exchange under the title of Federation of Euro-Asian Stock Exchanges (FEAS) in Istanbul with an aim to encourage cooperation among the members towards promoting the development of their respective securities markets; acting as a representative of the members vis-à-vis other federations and associations of stock exchanges in the world; promoting the development of more integrated international stock exchanges in the region and offering listing and trading opportunities for securities issued in the region. The presidents of the participating 12 founding member stock exchanges signed the FEAS Charter on May 16, 1995. FEAS members elected Istanbul as the headquarters. There are 34 FEAS members in 30 countries and 13 affiliate members as of end September 2011.

Federation of European Securities Exchanges (FESE) represents 46 exchanges in equities, bonds, derivatives and commodities through 21 full members from 30 countries, as well as 7 corresponding members from European emerging markets. In all of its activities, FESE is guided by three overarching objectives, namely; fostering the global competitiveness of European exchanges, promoting public recognition of the exchanges and their contribution to the Eu-



Working Committee meeting of the World Federation of Exchanges (WFE) hosted by the Istanbul Stock Exchange on July 2-3, 2009 in Istanbul.



Members of the Federation of Euro-Asian Stock Exchanges (FEAS)

European and global economy, and providing a forum for open and forward-looking debate on capital markets. As a trade association, FESE adheres to a strict set of principles and believes in full disclosure, objectivity and representativeness in all its activities.

International Securities Services Association (ISSA), is an international association registered under Swiss Law in Zurich, whose main mission is to promote progress in securities administration, to contribute to a common language among and to open up communication channels between securities administrators, to develop personal contacts among securities administrators and to enlarge the professional knowledge of securities administrations. Members of ISSA include institutions such as banks, clearing organizations, central depositories, stock exchanges, brokers and asset managers.

International Capital Markets Association (ICMA), is the self-regulatory body and trade association for the international securities market. Its purpose is to oversee the orderly functioning of the market and to represent the interests of its members on issues affecting the markets. The Association maintains an increasingly visible role within the European financial community and has made a constructive contribution towards shaping the Investment Services Directive and the Capital Adequacy Directive.

European Capital Markets Institute (ECMI), serves as a central forum for academics and practitioners in which ideas and opinions concerning the functioning of the markets can be exchanged. Its principal purpose is to conduct researches relating to cross-border activities and

investments and the functioning and growth of the European capital markets. ECMI members include institutions, associations and corporations in the financial sector as well as leading universities and business schools.

International Organization of Securities Commission (IOSCO), is a member organization formed to promote high standards of regulation in order to maintain just, efficient and sound markets; exchange information on the respective experiences of the members in order to promote the development of domestic markets; establish standards and an effective surveillance of international

transactions; promote the integrity of the markets by a rigorous application of the standards and by effective enforcement against offenses. The main regulatory body, CMB, is the member whereas the ISE is the affiliate member of the IOSCO.

Islamic Financial Services Board (IFSB) is an international standard-setting organisation that promotes and enhances the soundness and stability of the Islamic financial services industry by issuing global prudential standards and guiding principles for the industry, broadly defined to include banking, capital markets and insurance sectors. The IFSB also conducts research and coordinates initiatives on industry related issues, as well as organizes roundtables, seminars and conferences for regulators and industry stakeholders.

International Islamic Financial Market (IIFM) is the global standardization body for the Islamic Capital & Money Market segment of the IFSI. Its primary focus lies in the standardization of Islamic financial products, documentation and related processes.



OIC Member States Stock Exchanges Forum Fifth Meeting held in Istanbul in September 2011.

**Table 23: List of Protocols and Memorandums of Understanding (MoUs)**

Country / Exchange	Valid from	Valid till	Type
Uzbekistan/ Toshkent Republican Stock Exchange	July 18, 1997	Indefinite	The agreement on cooperation
Azerbaijan/ BICEX	March 6, 1998	Indefinite	Protocol
China/Shanghai Stock Exchange	October 16, 2007	Indefinite	MoU
China/Shenzhen Stock Exchange	October 20, 2008	Indefinite	MoU
Russia/Moscow Interbank Currency Exchange – MICEX	October 26, 2009	Indefinite	MoU
Oman/Muscat Securities Market	December 27, 2009	Indefinite	MoU
U.A.E/Abu Dhabi Securities Exchange	April 27, 2010	Indefinite	MoU
South Korea/The Korea Exchange	October 21, 2010	Indefinite	MoU
Damascus Securities Exchange	December 8, 2010	Indefinite	MoU
Kazakhstan Stock Exchange	September 29, 2011	Indefinite	MoU



ISE signs Memorandum of Understanding with Kazakhstan Stock Exchange.

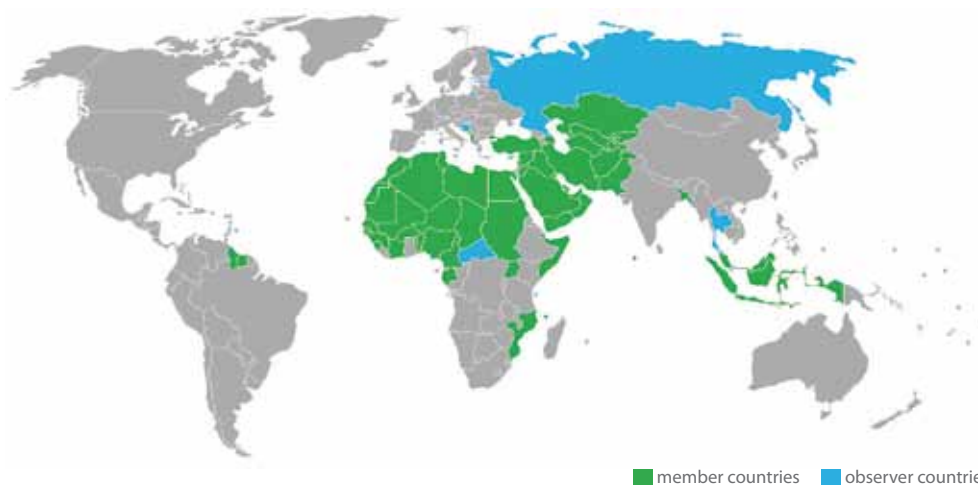
information exchange system with the aim of providing assistance to a mutual exchange of information and the timely submitting of material information regarding the securities that will be subject to cross listing in the future.

Within the framework of “Bilateral Exchange Program” which was initiated by the Federation of Euro-Asian Stock Exchanges (FEAS) and which allowed members to travel to other member exchanges for the purpose of exchanging information and experience on specific topics of interest, ISE organizes training programs for the representatives of various FEAS member stock exchanges.

ISE has also initiated a cooperation platform among the OIC member countries’ stock exchanges. The “Organization of Islamic Cooperation (OIC) Member States’ Stock Exchanges Forum” (Forum) was initiated with a decision taken in line with the request made by the Twentieth Session of the Standing Committee for Economic and Commercial Cooperation of the

### 10.3. International Cooperation

ISE has signed memorandums of understanding (MoU) in order to develop communication channels among the stock exchanges and regulatory bodies of various countries (Table:22). Within the framework of its efforts to support the formation of a long term cooperation mechanism, the ISE initiated an electronical



Organization of Islamic Cooperation (OIC) Member States



Organization of the Islamic Cooperation (COMCEC) for launching a framework of cooperation among the OIC stock exchanges. The first Forum meeting was held in 2005 in Istanbul by the ISE, as mandated in the 20th meeting in November 2004 of COMCEC held to enhance cooperation among the stock exchanges of the respective countries.

As a significant step in the progress of strengthening cooperation among the OIC stock exchanges, the formation of the "OIC Member States' Stock Exchanges Forum" is an important milestone. It aims to provide a dedicated platform and communication channel for representatives of the relevant OIC organizations and institutions to discuss international cooperation activities and will offer participants the opportunity to share their experiences.

OIC Member States' Stock Exchanges Forum is constituted of 35 exchanges, 7 post-trade institutions and three standard setting organizations, as of September 2011. The Working Committee of the Forum studies and proposes the fields of cooperation to the Forum. Under the Working Committee, the task force for customized Indices & Exchange Traded Islamic Financial products and the project group of C.M. linkages and post-trade services are working as Islamic financial instruments tradable on exchanges as well as creation of OIC indexes, ways of cooperation among post-trade institutions. The secretariat and coordination tasks are carried out by the Istanbul Stock Exchange. The Forum meetings are held annually in Istanbul while the working committee meetings are held twice a year, former by a member exchange and the latter by the ISE.



A stylized globe composed of several overlapping, semi-transparent teal-colored segments, creating a geometric, faceted appearance. The globe is centered on the page and serves as the background for the text.

**11**

*Social Responsibility Projects*





## 11 - Social Responsibility Projects

### 11.1 ISE Schools

The ISE has supported numerous social and cultural programs indicating the importance that the ISE has given to social responsibility activities.

Within the scope of the "Contribution to National Education Project" which has started in 1997, the ISE has made donations for the support of the eight-year primary education project in total of six different phases. As of September 2011, 389 fully functional and equipped schools have been constructed which have 222,000 students capacity per year. It is estimated that the ISE schools have served approximately 600,000 students including those graduated since the project's inception. In June 2011, a protocol for the seventh phase of the project was signed with the Ministry of National Education, within the context of which, the total number of schools built will increase to four hundred.

### 11.2 ISE Sustainability Index

Istanbul Stock Exchange and Business Council for Sustainable Development Turkey will create the ISE Sustainability Index in cooperation with international consultants, namely, SAM Group, Hicks and SinCo.

The structure of the ISE Sustainability Index will be similar to those of emerging markets such as Brazil, China, Egypt, Korea, India, and South Africa.

ISE Sustainability Index is planned to be completed by the last quarter of 2011.

### 11.3 United Nations' Global Compact

ISE has also participated and honoured to be part of the United Nations Global Compact which is the world's largest corporate citizenship initiative in 2005. With its high growth potential, the ISE aims to be one of the leading exchanges in the near future. In achieving this goal, the global common virtues such as environmental and ecological friendly projects, labour and human rights, anti-corruption and transparency have always been the core corporate values of the ISE. Accordingly, ISE discloses Communication on Progress (COP) report annually to Global Compact and on its website. COP consists of the developments and activities of the ISE in terms of social responsible principles set by the UN Global Compact. For further information related with Global Compact, please visit <http://www.unglobalcompact.org>.

The Ten Principles of the United Nations Global Compact are as follows:

#### Human rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

#### Labor

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

#### Environment

- Principle 7: Businesses are asked to support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

#### Anti-corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

### 11.4 United Nations Principles on Responsible Investment-UNPRI

In early 2005, the United Nations Secretary General invited a group of the world's largest institutional investors to join a process to develop the Principles for Responsible Investment (PRI). Individuals representing 20 institutional investors from 12 countries agreed to participate in the Investor Group. The Group accepted ownership of the Principled, and had the freedom to develop them as they saw fit. Today, signatories of PRI, 850 investment institutions from 47 countries, represent almost US\$ 25 trillion of assets under management.



The six principles are as follows:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

The ISE became a signatory to the Principles of Responsible Investment under the category of “Professional Service Partner” on January 21, 2010.

The background is a solid teal color with several large, overlapping, semi-transparent geometric shapes in a slightly darker shade of teal. These shapes include a large circle on the left, a large square on the right, and various overlapping triangles and trapezoids that create a layered, architectural effect.

13 *ISE Members*



## I.S.E. MEMBERS (143)

Authorization by the Capital Markets Board	Authorization by the ISE	Brokerage Houses (103)	Code/Telephone	Facsimile	Address
A H P D R K TA	H T R Y T G I TR	ACAR YATIRIM MENKUL DEGERLER A.S. (*)	(212) 216 26 61	266 05 43	Gazeteciler Sitesi Keskin Kalem Sok. No:25 Esentepe,Istanbul
H	H T Y T G I	AE ADA MENKUL DEGERLER A.S.	(212) 347 42 18	288 78 63	Büyükdere Cad. Prof.Dr.Bülent Tarcan S. No:1 Gayrettepe,Istanbul
A H P D R K TA	H T R Y T G I TR	AK YATIRIM MENKUL DEGERLER A.S.	(212) 334 94 94	249 12 87	Inönü Cad. No:42 34437 Gümüssuyu,Istanbul
H K TA	H T Y T G I	AE AKDENIZ MENKUL DEGERLER TIC.A.S.	(216) 356 10 70	356 10 76	Göztepe Mah. Ömür Apt. No:211/1/21 Bagdat Caddesi Kadiköy,Istanbul
H D K TA	H T Y T G I	ALAN MENKUL DEGERLER A.S. (*)	(212) 370 22 22	370 22 32	Allan Erbulak Sokak Maya Han No:14 34394 Mecidiyeköy-Sisli,Istanbul
H	H T Y T G I	AE ALFA MENKUL DEGERLER A.S.	(216) 429 08 07	429 07 44	Çatal Mese Mah. Adnan Kahveci Cad. No:21/1 Alemdag/Ümraniye,Istanbul
A H D R K	H T R Y T G I TR	ALKHAIR CAPITAL MENKUL DEGERLER A.S.	(212) 236 41 41	236 39 18	Muallim Naci Cad.No:47 80840 Ortaköy,Istanbul
H K	H T Y T G I	AE ALTAY YATIRIM MENKUL DEGERLER A.S. (*)	(212) 299 18 62	299 18 62	haydar Aliyev Cad. Kireçburnu Mah. No:23 D:1 Kireçburnu-Sarıyer,Istanbul
A H P D R K TA	H T R Y T G I	ALTERNATIF YATIRIM A.S. (*)	(212) 315 58 00	231 38 42	Cumhuriyet Cad. Elmadağ Han No:32 Kat:2-3 34367 Elmadağ,Istanbul
A H P D R K TA	H T R Y T G I TR	ANADOLU YATIRIM MENKUL KIYMETLER A.S. (*)	(212) 368 77 00	233 33 18	Merkez Mah. Biraşane Sok. No:26 Bomonti-Sisli,Istanbul
H	H G I	AE ARTI MENKUL KIYMETLER A.S. (*)	(212) 661 50 27	661 52 99	Beyaz Lale Sok. Novus Residence Ataköy 2-5-6 Mah. No:6/5 D:41 Bakırköy,Istanbul
A H P D R K TA	H T R L Y T G I TR	ATA YATIRIM MENKUL KIYMETLER A.S. (*)	(212) 310 62 00	310 62 10	Emirhan Cad. 145/A Atakule Kat:11 Balmumcu,Istanbul
A H D R K TA	H T R L Y T G I TR	ATAONLINE MENKUL KIYMETLER A.S.	(212) 310 60 60	259 07 64	Emirhan Cad. 145/A Atakule Kat:12 Balmumcu,Istanbul
H K	H T Y T G I	AYBORSA MENKUL DEGERLER TIC.A.S. (*)	(212) 220 09 30	220 38 51	Darülaceze Cad. Bilas Is Mrk. B Blk.K:6 No:31 Okmeydanı,Istanbul
H K	H G I	BAHAR MENKUL DEGERLER TICARETI A.S.	(216) 336 29 53	347 89 80	Caferaga Mh.Eski Iskele M. İffet Gülhan Is Mrk. 9/3 Kadiköy,Istanbul
H K TA	H T Y T G I	BASKENT MENKUL DEGERLER VE YATIRIM A.S. (*)	(212) 291 21 21	224 07 00	Abide-i Hürriyet Cad. No:211 Bolkan Center C Blok Kat:6 Sisli,Istanbul
H D R K TA	H T R G I	BGC PARTNERS MENKUL DEGERLER A.S.	(212) 339 42 00	353 13 01	Büyükdere Cad. No:185/13 Kanyon Ofis Blogu 1.Levent,Istanbul
A H P D R K TA	H T R Y T G I	BIZIM MENKUL DEGERLER A.S.	(216) 547 13 00	547 13 98	Yeni Sahra Mah. İnönü Cad. Kanarya Sok. No:25 Kat:4-5 34746 Atasehir,Istanbul
A H R K TA	H T R Y T G I TR	CAMIS MENKUL DEGERLER A.S. (*)	(212) 330 07 00	330 06 01	Büyükdere Cad. No:61 Uso Center Kat:2 Maslak-Sisli,Istanbul
H K TA	H G I	CENSA MENKUL DEGERLER A.S. (*)	(216) 572 66 00	577 68 68	Kayisdagi Cad. 1.Bayraktar Sok No:9 Ülker Ünver Plz K:7/15-16 Küçük Bakkalköy/Atasehir,Istanbul
H P K TA	H T Y T G I	CEROS MENKUL DEGERLER A.S.	(216) 681 30 30	681 30 01	Rüzgarlı Bahçe Mah. Kayın Sok. No:3 C Blok Beykoz-Kavacık,Istanbul
A H D R K TA	H T R Y T G I	CITI MENKUL DEGERLER A.S.	(212) 319 47 00	319 47 99	Tekfen Tower Eski Büyükdere Cad. No:209 K:2 34394 Sisli,Istanbul
H K TA	H T Y T G I	CREDIT AGRICOLE CHEUVREUX MENKUL DEGERLER A.	(212) 371 19 00	371 19 01	Büyükdere Cad.Yapi Kredi Plaza C Blok Kat:15 Levent,Istanbul
A H P D K TA	H G I	CREDIT SUISSE ISTANBUL MENKUL DEGERLER A.S.	(212) 349 04 00	349 04 09	Yıldırım Oğuz Göker Cad. Maya Plaza Kat:10 34335 Akatlar,Istanbul
H K	H G I	DEGER MENKUL DEGERLER A.S.	(212) 344 07 01	290 64 91	Eski Büyükdere Cad. Iz Plaza Giz Is Merkezi No:4 Kat:6 Maslak,Istanbul
H K	H T Y T G I	DEHA MENKUL KIYMETLER A.S. (*)	(212) 252 71 90	252 71 98	Mumhane Cad. Mumhane Is.Merk. No:18 Kat:4 34425 Karaköy,Istanbul
A H P D R K TA	H T R Y T G I TR	DELTA MENKUL DEGERLER A.S. (*)	(212) 310 08 00	236 65 67	Tesvikiye Caddesi İkbal Is Mrk. No:103 Kat:6 Tesvikiye,Istanbul
H P D R K TA	H T R Y T G I	DENİZ TÜREV MENKUL DEGERLER A.S.	(212) 354 85 76	211 83 16	Büyükdere Cad. No:116 K:10 Esentepe,Istanbul
A H P D R K TA	H T R Y T G I TR	DENİZ YATIRIM MENKUL KIYMETLER A.S.	(212) 336 40 40	212 54 12	Büyükdere Cad. No:106 Kat:15-16 34394 Esentepe,Istanbul
H P K TA	H G I	DESTEK MENKUL DEGERLER A.S.	(212) 371 50 00	371 50 60	Yapi Kredi Plaza C Blok K:13 Levent,Istanbul
A H D R K TA	H T R Y T G I	DEUTSCHE SECURITIES MENKUL DEGERLER A.S.	(212) 319 03 19	319 03 99	Eski Büyükdere Cad. Tekfen Tower No:209 Kat:18 34394 4.Levent,Istanbul
H K	H T Y T G I	DÜNYA MENKUL DEGERLER A.S.	(212) 512 84 34	527 23 37	Nöbethane Cad. Kargılı Sok. No:5 34420 Sirkeci Eminönü,Istanbul
A H P D R K TA	H T R Y T G I TR	ECZACIBASI MENKUL DEGERLER A.S. (*)	(212) 319 59 99	319 57 90	Tekfen Tower Büyükdere C. No:209 Kat:6 34394 4.Levent,Istanbul
A H P D R K TA	H T R Y T G I	EFG ISTANBUL EQUITIES MENKUL DEGERLER A.S.	(212) 317 27 27	317 27 26	Büyükdere Cad. ApaGiz Plaza No:191 Kat:9 34394 Levent,Istanbul
H K TA	H G I	EGEMEN MENKUL KIYMETLER A.S.	(232) 489 45 30	489 61 30	Sair Esref Bulv.No:35/1 Kat:2 Montrö Is Merkezi 35220 Montrö,Izmir
A H P D R K TA	H T R Y T G I	EKİNCİLER YATIRIM MENKUL DEG.A.S. (*)	(216) 577 42 42	577 81 31	Hazine Sokak No:14 Küçükbakkalköy 34750 Atasehir,Istanbul
A H P D R K TA	H T R Y T G I	EKSPRES YATIRIM VE MENKUL DEGERLER A.S.	(212) 336 40 00	336 51 14	Büyükdere Cad. No:106 Kat:15 34394 Esentepe,Istanbul
H K TA	H G I	ENTEZ MENKUL DEGERLER TICARETI A.S. (*)	(212) 287 96 68	287 96 88	Nispetiye Caddesi Yıldızçıgeçi Sok. No:29 Etiler-Besiktas,Istanbul
A H D K TA	H G I	ERSTE SECURITIES ISTANBUL MENKUL DEGERLER A.	(212) 371 25 00	371 25 02	Büyükdere Cad. No:185 Kanyon Ofis Blogu Kat:14 34394 Levent,Istanbul
A H P D R K TA	H T R Y T G I	ETI YATIRIM A.S.	(212) 321 38 38	294 93 93	Merkez Mah. Develi Sok. No:14 34406 Kağıthane,Istanbul
A H P D R K TA	H T R Y T G I TR	EURO YATIRIM MENKUL DEGERLER A.S. (*)	(212) 354 07 00	356 20 76	Yıldız Posta Cad. Cerrah Oğulları Is M..N:17 K:3 Esentepe,Istanbul
A H P D R K TA	H T R Y T G I	EVGIN YATIRIM MENKUL DEGERLER TICARETI A.S. (*)	(212) 287 16 28	263 88 75	Bebek Mah. Bagarasi Sok. No:9 K:1/2 34394 Besiktas,Istanbul
A H P D R K TA	H T R Y T G I TR	FINANS YATIRIM MENKUL DEGERLER A.S. (*)	(212) 282 17 00	282 22 50	Nispetiye Caddesi Akmerkez B Kulesi Kat:2-3 80600 Etiler,Istanbul
A H P D R K TA	H T R Y T G I	FORTIS YATIRIM MENKUL DEGERLER A.S.	(212) 358 07 70	358 07 78	Dihayat Sok. No:8 80630 Etiler,Istanbul
A H D K TA	H T Y T G I	GALATA MENKUL DEGERLER A.S. (*)	(212) 393 39 00	293 10 10	Kılıçlıpasa Mah. Meclis-i Mebusan Cad. Dursun Han No:89 34433 Salıpazarı,Istanbul
A H P D R K TA	H T R Y T G I	GARANTI YATIRIM MENKUL KIYMETLER A.S.	(212) 384 10 10	352 42 40	Etiler Mahallesi Tepecik Yolu Demirkent Sok. No:1 34337 Besiktas,Istanbul
A H P D R K TA	H T R L Y T G I TR	GEDİK YATIRIM MENKUL DEGERLER A.S. (*)	(216) 453 00 00	451 63 64	Cumhuriyet Mah. E-5 Yanyol No:29 81450 Yakacık-Kartal,Istanbul
H K TA	H T Y T G I	GFC GENERAL FINANS MENKUL DEGERLER A.S.	(212) 233 10 10	296 85 75	Maçka Caddesi Feza Apt. No:1 D:8-10 80200 Tesvikiye,Istanbul
A H P D R K TA	H T R Y T G I TR	GLOBAL MENKUL DEGERLER A.S. (*)	(212) 244 55 66	244 55 67	Rihtim Cad. No:51 34425 Karaköy Beyoğlu,Istanbul
H K TA	H T Y T G I	GÜNEY MENKUL DEGERLER A.S. (*)	(212) 441 33 00	441 33 88	Has Center Is Merkezi Mehmetçik Sk. B Blk.K:4 N:121 34180 Bahçelievler,Istanbul
H K TA	H T Y T G I	GÜVEN MENKUL DEGERLER A.S.	(212) 344 16 00	344 13 44	Büyükdere Cad. Metrocity Is Merkezi No:171 Kat:15 Levent,Istanbul
A H R K TA	H T R Y T G I TR	HAK MENKUL KIYMETLER A.S.	(212) 296 84 84	232 98 23	Dr.Cemil Bengü Cad. Hak Is Mrk. No:2 Kat:6A 34403 Çağlayan,Istanbul

Activities Authorized to Members by the Capital Markets Board :  
A=Intermediation in Stock Public Offering; H=Intermediation in Stock Transactions; P=Customers' Portfolio Management;  
D=Investment Consultancy; R=Repo-Reverse Repo; K=Securities Lending, Margin Trading, Short Selling; TA=Derivatives Contracts

Activities Authorized to Members by the ISE :  
H=Stock Market; T=Bonds and Bills Market; R=Repo-Reverse Repo Market; L=Odd-Lot (Off-Exchange); YT=Foreign Securities Market Eurobond Markets  
GI=Emerging Companies Market; TR=Repo Market Specified Securities

Note :  
(\*) The brokerage houses that have branch and/or contact offices. Please note the details in the next table.  
Activities authorized to Members by the ISE and the Capital Markets Board may be changed in time.  
AE : Trading activities are suspended temporarily by the Capital Market Board.  
; : Upon their own request, trading activities are suspended temporarily by the Capital Markets Board.  
# : Trading activities are suspended temporarily by the Istanbul Stock Exchange.

## I.S.E. MEMBERS (143)

Authorization by the Capital Markets Board	Authorization by the ISE	Brokerage Houses (103)	CodeTelephone	Facsimile	Address
A H P D R K TA	H T R YT GI TR	HALK YATIRIM MENKUL DEGERLER A.S. (*)	(212) 314 81 81	221 31 81	Halide Edip Adıvar Mah. Darılcazece Cad. No:20 Kat:4 Sisli,Istanbul
A H P D R K TA	H T R YT GI	HSBC YATIRIM MENKUL DEGERLER A.S.	(212) 376 46 00	336 24 72	Esentepe Mah. Büyükdere Cad. No:128 34394 Sisli,Istanbul
A H P D R K TA	H T R YT GI TR	INFO YATIRIM A.S. (*)	(212) 319 26 00	324 84 28	Büyükdere Cad. No:156 1.Levent,Istanbul
H K	H T YT GI	ING MENKUL DEGERLER A.S.	(212) 367 70 00	367 70 70	Eski Büyükdere Asfaltı Güney Plaza No:17/4 A Kat:3 Sisli-Maslak,Istanbul
H K TA	H	INTEGRAL MENKUL DEGERLER A.S.	(212) 328 39 38	328 30 81	Büyükdere Cad. Meydan Sok. Spring Giz Plaza Kat:19 D:57 34398 Maslak-Sisli,Istanbul
A H P D R K TA	H T R YT GI TR	IS YATIRIM MENKUL DEGERLER A.S. (*)	(212) 350 20 00	350 20 01	Is Kuleleri Kule-2 Kat:12 80620 4.Levent,Istanbul
H K TA	H T YT GI	J.P. MORGAN MENKUL DEGERLER A.S.	(212) 319 85 00	319 86 68	Büyükdere Cad. No:185 Kanyon Ofis Binasi Kat:8 34394 Levent,Istanbul
H K	H T YT GI	Æ K MENKUL KIYMETLER A.S.	(212) 274 55 27	274 09 91	Büyükdere Cad. Haci Bekir Ishani No:93 Kat:7 Mecidiyeköy,Istanbul
H K TA	H T YT GI	KALKINMA YATIRIM MENKUL DEGERLER A.S.	(212) 211 97 97	211 97 98	Mecidiyeköy Mahallesi Resit Rıza Sok. No:5 80300 Mecidiyeköy,Istanbul
A H R K TA	H T R YT GI	KAPITAL MENKUL DEGERLER A.S.	(212) 330 03 33	330 03 69	Büyükdere Cad. No:61 USO Center Kat:15 34398 Maslak,Istanbul
A H P D R K TA	H T R YT GI TR	KARE YATIRIM MENKUL DEGERLER A.S.	(216) 559 60 00	559 60 60	Kisikli Cad. No:4 Ak-Sarkuysan Is Mrk. S Blok Zemin Kat/S22 34662 Altunizade,Istanbul
H K TA	H T YT GI	MARBAS MENKUL DEGERLER A.S. (*)	(212) 286 30 00	286 30 50	Eski Büyükdere C.Tahiraga Çesme S. Ayazaga Tic.Mrk No:11 Maslak,Istanbul
H K	H T YT GI	Æ MED MENKUL DEGERLER A.S.	(212) 274 54 44	274 46 56	Yıldız Posta Cad. No:9 Koza Apt. D:7 Gayrettepe-Sisli,Istanbul
A H P D R K TA	H T R YT GI	MEKSA YATIRIM MENKUL DEGERLER A.S. (*)	(212) 385 09 00	344 11 21	Büyükdere Cad. No:171 Metrocity A Blok Kat:4-5 34330 1.Levent Sisli,Istanbul
A H D K TA	H GI	MERRILL LYNCH MENKUL DEGERLER A.S.	(212) 319 96 69	319 95 12	Büyükdere Cad. No:185 Kanyon Ofis Blogu 11.Kat 34394 Levent,Istanbul
A H P D R K TA	H T R YT GI TR	METRO YATIRIM MENKUL DEGERLER A.S. (*)	(212) 344 09 00	344 09 13	Büyükdere Cad. No:171 Metrocity Binasi A Blok Kat 7 34330 1.Levent,Istanbul
H P K TA	H T YT GI	MIRA MENKUL DEGERLER A.S. (*)	(212) 362 35 00	323 63 94	Rumeli Hisar Mah. Baltalimani Cad. No:4 Sevkett Dag Yalisi No:4 34470 Sariyer,Istanbul
A H D K TA	H T YT GI	MORGAN STANLEY MENKUL DEGERLER A.S.	(212) 355 58 58	275 40 52	BJK Plaza Süleyman Seba Cad. No:48 B Blok K:11 34357 Akaretler-Besiktas,Istanbul
A H D K	H T YT GI	OPTIMAL MENKUL DEGERLER A.S.	(212) 329 79 32	329 79 79	Büyükdere Cad.Meydan S.K:13. Ofis No:25 Spring Giz Plaza 34398 Maslak-Sisli,Istanbul
H P R K TA	H T R YT GI TR	OSMANLI MENKUL DEGERLER A.S.	(212) 366 88 00	328 40 70	Büyükdere Cad. Nuru Plaza B Blok No:257 K:8 Maslak,Istanbul
A H P D R K TA	H T R YT GI TR	OYAK YATIRIM MENKUL DEGERLER A.S. (*)	(212) 319 12 00	351 05 99	Akatlar Ebulula Cad. F2 C Blok 34335 Besiktas,Istanbul
H K	H T YT GI	ÖNER MENKUL KIYMETLER A.S.	(212) 234 40 62	225 98 92	Ergenekon Mah. Cumhuriyet Cad. No:153 34373 Sisli,Istanbul
H K TA	H T YT GI	PAY MENKUL DEGERLER A.S.	(212) 275 17 08	275 01 85	Vefa Bayiri Sok. Is Bankasi Blk. C Blk. D:4 Esentepe,Istanbul
H K TA	H GI	PIRAMIT MENKUL KIYMETLER A.S. (*)	(212) 293 95 00	293 95 60	Gümüssuyu Mah. İnönü Cad. Isik Apt. Kat:5 D:9-10 Taksim,Istanbul
H K TA	H GI	POLEN MENKUL DEGERLER A.S. (*)	(212) 252 55 00	252 20 05	Mete Cad. Süren Apt. No:8/7-8 Taksim,Istanbul
H K TA	H GI	PRIM MENKUL DEGERLER A.S. (*)	(212) 283 88 88	283 88 90	Levent Cad. No:3 34330 1.Levent,Istanbul
H	H GI	Æ RAYMOND JAMES YATIRIM MENKUL KIY. A.S. (*)	(212) 335 64 06	335 25 36	Regus Istanbul Beybi Giz Centr Ayazaga Mah. Meydan Sok. No:1Kat:27-2701 034396 Maslak,ISTANBUL
A H P D R K TA	H T R YT GI TR	SANKO MENKUL DEGERLER A.S.	(212) 410 05 00	410 05 05	Evren Mah.Gülbahar Cad.Sanko Pazarlama Is Merkezi no:57 Kat:8 34544 Günesli,Istanbul
H K	H T YT GI	SARDIS MENKUL DEGERLER A.S.	(212) 346 09 91	346 09 89	Ahi Evran Cad. Polaris Plaza No:21 Kat:2 D:14 34398 Maslak-Sisli,Istanbul
H K	H T YT GI	SAYILGAN MENKUL DEGERLER TICARETI A.S. (*)	(212) 520 42 42	513 52 09	Ankara Cad. Monero Is Merkezi No:221 Kat:5-4 34112 Sirkeci,Istanbul
A H P D R K TA	H T R YT GI TR	SEKER YATIRIM MENKUL DEGERLER A.S. (*)	(212) 334 33 33	334 33 34	İnönü Cad. Tümsah Han No:36 Kat:3-4 Gümüssuyu,Istanbul
H K	H T YT GI	Æ SOYMEN MENKUL KIYMETLER A.S. (*)	(312) 468 87 50	468 81 01	Tahran Cad. No:30 Kavaklıdere,Ankara
A H P D R K TA	H T R YT GI TR	STANDARD ÜNLÜ MENKUL DEGERLER A.S.	(212) 367 36 00	346 10 40	Ahi Evran Cad. Polaris Plaza B Blok K:1 No:1 Maslak,Istanbul
A H P D R K TA	H T R YT GI TR	STRATEJİ MENKUL DEGERLER A.S.	(212) 354 79 00	288 48 11	Büyükdere Cad.Maya Akar Center No:100-102 Kat:26 Sisli,Istanbul
A H P D R K TA	H T R YT GI TR	TACIRLER YATIRIM MENKUL DEGERLER A.S. (*)	(212) 355 46 46	282 09 98	Nispetiye Cad. Akmerkez B3 Blok K:9 Etiler,Istanbul
A H P D R K	H T R YT GI	TAIB YATIRIM MENKUL DEGERLER A.S.	(212) 345 11 91	345 11 92	Eski Büyükdere Cad. Park PLaza No:14 Kat:6 34398 Maslak,Istanbul
A H P D R K TA	H T R YT GI	TAKSIM YATIRIM A.S. (*)	(212) 251 71 16	249 74 83	Dünya Saglik Sok. No:21 Taksim,Istanbul
A H P D R K TA	H T R YT GI	TEB YATIRIM MENKUL DEGERLER A.S.	(216) 636 44 44	631 44 00	TEB Kampüs D Blok Saray Mah. Küküsu Cad. Sokullu Sok. No:7 34768 Ümraniye,Istanbul
A H P D R K TA	H T R GI TR	TEKSTİL YATIRIM MENKUL DEGERLER A.S.	(212) 276 27 27	276 29 00	Büyükdere Cad. No:63 34398 Maslak-Sisli,Istanbul
A H P K TA	H T YT GI	TERA MENKUL DEGERLER A.S.	(212) 365 10 00	290 69 95	Eski Büyükdere Cad. Iz Plaza Giz No:9 K:8 D:27/28 34398 Maslak,Istanbul
H D R K	H T R YT GI	TICARET MENKUL DEGERLER A.S.	(212) 251 51 21	251 49 21	Ömer Ayni Mah. İnönü Cad. Devres Han No:50 Kat:2/B 34427 Gümüssuyu-Beyoglu,Istanbul
H K TA	H T YT GI	TOROS MENKUL KIYMETLER TICARETI A.S. (*)	(212) 231 52 52	231 38 49	Büyükdere Cad. Basman Han No:4/3 80220 Sisli,Istanbul
A H P D R K TA	H T R YT GI TR	TURKISH YATIRIM A.S. (*)	(212) 315 10 00	315 10 01	Abdi İpekçi Cad. No:57 Reasürans Han E Blok 34367 Harbiye,Istanbul
H D R K TA	H T R YT GI	UBS MENKUL DEGERLER A.S.	(212) 319 20 00	319 20 15	Büyükdere Cad. Kanyon Ofis Blogu No:185 K:7 34394 Levent,Istanbul
H K TA	H T YT GI	ULUS MENKUL DEGERLER A.S.	(212) 282 45 15	282 48 08	Krizantem Sok. No:8 1.Levent-Besiktas,Istanbul
A H D K TA	H T YT GI	UNICREDIT MENKUL DEGERLER A.S.	(212) 385 95 00	385 95 05	Büyükdere Cad. No:195 Kat:6 Büyükdere Plaza 34394 Levent,Istanbul
A H P D R K TA	H T R YT GI TR	VAKIF YATIRIM MENKUL DEGERLER A.S. (*)	(212) 352 35 77	352 36 20	Ebulula Cad. Park Maya Sitesi F2 A Blok Levent,Istanbul
H K TA	H T YT GI	X TRADE BROKERS MENKUL DEGERLER A.S.	(212) 705 10 00	705 10 10	Büyükdere Cad. No:191 APA Giz Plaza Kat:23/43 Sisli-Levent,Istanbul
A H P D R K TA	H T R YT GI TR	YAPI KREDİ YATIRIM MENKUL DEGERLER A.S.	(212) 319 80 00	325 22 45	Yapi Kredi Plaza A Blok K: 6/11 Büyükdere Cad. Levent,Istanbul
A H P D R K TA	H T R YT GI TR	YATIRIM FINANSMAN MENKUL DEGERLER A.S. (*)	(212) 317 69 00	282 15 50	Akmerkez Nispetiye Cad. E 3 Blok Kat:4 Etiler Besiktas,Istanbul
A H P D R K TA	H T R YT GI TR	ZIRAAT YATIRIM VE MENKUL DEGERLER A.S. (*)	(212) 366 98 98	285 16 61	Eski Büyükdere Cad. No:39 B Blok Kat:3 34398 Maslak,Istanbul

Activities Authorized to Members by the Capital Markets Board :  
A=Intermediation in Stock Public Offering; H=Intermediation in Stock Transactions; P=Customers' Portfolio Management;  
D=Investment Consultancy; R=Repo-Reverse Repo; K=Securities Lending, Margin Trading, Short Selling; TA=Derivatives Contracts

Activities Authorized to Members by the ISE :  
H=Stock Market; T=Bonds and Bills Market; R=Repo-Reverse Repo Market; L=Odd-Lot (Off-Exchange); YT=Foreign Securities Market Eurobond Markets  
GI=Emerging Companies Market; TR=Repo Market Specified Securities

Note :  
(\*) The brokerage houses that have branch and/or contact offices. Please note the details in the next table.  
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# : Trading activities are suspended temporarily by the Istanbul Stock Exchange.



## I.S.E. MEMBERS (143)

Authorization by the Capital Markets Board	Authorization by the ISE	Investment and Development Banks ( 11 )	Code/Telephone	Facsimile	Address
A B P R TA	T R YT TR	AKTİF YATIRIM BANKASI A.Ş.	(212) 340 80 00	340 88 65	Büyükdere Cad. No:163 34394 Zincirlikuyu-Şişli,İstanbul
A B P D R	T R YT TR	BANKPOZİTİF KREDİ VE KALKINMA BANKASI A.Ş.	(216) 538 25 25	538 42 41	Rüzgarlıbağçe Mah. Kayın Sok. No:3 34805 Kavacı-Beykoz,İstanbul
B R	T R YT	CREDIT AGRICOLE YATIRIM BANKASI TÜRK A.Ş.	(212) 339 37 00	282 63 01	Büyükdere C. Yapı Kredi Plaza Doğu Kule C Blk. K:15 34330 Levent,İstanbul
B R	T R YT TR	DİLER YATIRIM BANKASI A.Ş.	(212) 253 66 30	253 94 54	Tersane Cad. No:96 Diler Han Kat 8 34420 Karaköy,İstanbul
B R	T R YT	GSD YATIRIM BANKASI A.Ş.	(216) 587 90 00	489 97 74	Aydınlıkevler Mah. Kaptan Rifat Sok. No:3 34854 Küçükyalı-Maltepe,İstanbul
A B P D R TA	T R	MERRILL LYNCH YATIRIM BANK A.Ş.	(212) 319 95 00	319 95 11	Büyükdere Cad. Kanyon Ofis Bloğu No:185 K:11 34394 Levent,İstanbul
A B D R	T R YT TR	NUROL YATIRIM BANKASI A.Ş.	(212) 286 80 00	286 81 01	Büyükdere Cad. Nuroi Plaza No:257 B Blok Kat:15 34398 Maslak-Şişli,İstanbul
B R	T R YT TR	TAİB YATIRIM BANK A.Ş.	(212) 345 07 11	345 07 12	Eski Büyükdere Cad. No:22 Park Plaza Kat:6 Maslak,İstanbul
B R	T R YT	T.İHRACAT KREDİ BANKASI A.Ş. (EXİMBANK A.Ş.)	(312) 417 13 00	425 78 96	Milli Müdafca Cad. No:20 06100 Bakanlıklar,Ankara
B P R	T R YT	T.KALKINMA BANKASI A.Ş.	(312) 231 84 00	231 31 25	Necatibey Cad. No:98 06100 Yenisehir,Ankara
A B P D R TA	T R YT TR	T.SINAI KALKINMA BANKASI A.Ş.	(212) 334 50 50	334 52 34	Meclis-1 Mebusan Cad. No:161 80040 Fındıklı,İstanbul
<b>Commercial Banks ( 29 )</b>					
B	T YT	ADABANK A.Ş.	(212) 272 64 20	272 64 46	Büyükdere Cad. No:40 Rumeli Han Kat:2 34387 Mecidiyeköy,İstanbul
B R TA	T R YT TR	AKBANK T.A.Ş.	(212) 385 55 55	269 73 83	Sabancı Center 34330 4. Levent,İstanbul
B R TA	T R YT TR	ALTERNATİFBANK A.Ş.	(212) 315 65 00	225 76 15	Cumhuriyet Cad. No:46 34367 Şişli,İstanbul
B R TA	T R YT TR	ANADOLUBANK A.Ş.	(212) 368 70 00	296 57 15	Cumhuriyet Mah. Silahşör Cad. No:69 80270 Bomonti,İstanbul
B R	T R YT TR	ARAP TÜRK BANKASI A.Ş.	(212) 225 05 00	224 96 87	Vali Konağı C. No:10 34367 Nişantaşı,İstanbul
B R	T R YT	BİRLEŞİK FON BANKASI A.Ş.	(212) 340 10 00	340 13 39	Büyükdere Cad. No:143 Kat:2 80280 Esentepe-Şişli,İstanbul
B R TA	T R YT TR	CITIBANK A.Ş.	(212) 288 77 00	288 77 60	Eski Büyükdere Cad. No:209 4. Levent,İstanbul
B R TA	T R YT TR	DENİZBANK A.Ş.	(212) 355 08 00	267 27 24	Büyükdere Cad. No:106 80496 Esentepe,İstanbul
B R TA	T R YT TR	DEUTSCHE BANK A.Ş.	(212) 317 01 00	317 01 05	Eski Büyükdere Cad. Tekfen Tower No:209 Kat:17-18 34394 4. Levent,İstanbul
B R	T R YT TR	EUROBANK TEKFEN A.Ş.	(212) 371 37 37	371 42 40	Eski Büyükdere Cad. Tekfen Tower No:209 34330 4. Levent,İstanbul
B R	T R YT TR	FİBABANK A.Ş.	(212) 381 82 82	257 37 78	Emirhan Caddesi Barbaros İş Merkezi 113 34349 Dikilitaş-Beşiktaş,İstanbul
B R TA	T R YT TR	FİNANSBANK A.Ş.	(212) 318 50 00	318 55 78	Büyükdere Cad.No:129 34394 Mecidiyeköy,İstanbul
B R TA	T R YT TR	HSBC BANK A.Ş.	(212) 376 40 00	267 47 94	Büyükdere Cad. No:128 34394 Esentepe-Şişli,İstanbul
B R TA	T R YT TR	ING BANK A.Ş.	(212) 335 10 00	286 61 00	Eski Büyükdere Cad. Ayazağa Köy Yolu No:6 34398 Maslak,İstanbul
B R	T R YT TR	JPMORGAN CHASE BANK MERKEZİ NEW YORK İSTANBUL-TÜRKİYE ŞB.	(212) 319 85 00	319 86 64	Büyükdere Cad. No:185 Kanyon Ofis Binası K:8 34394 Levent,İstanbul
B R	T R YT	SOCIETE GENERALE PARIS MRK. FRANSA İST. TR. MRK. ŞB.	(212) 282 19 42	282 18 44	Nispetiye Cad. Akmerkez E-3 Blok Kat:9 80600 Etiler,İstanbul
B R	T R YT TR	ŞEKERBANK T.A.Ş.	(212) 319 70 00	319 74 29	Büyükdere Cad. No:171 Kat:8-13 Metrocity 34337 1. Levent,İstanbul
B R TA	T R YT TR	T.C ZİRAAT BANKASI GEN. MD.SERMAYE PİYASALARI MD.	(212) 276 59 60	584 31 40	Büyükdere Cad. No:43 Kat:5 80670 Maslak,İstanbul
B R TA	T R YT TR	TEKSTİL BANKASI A.Ş.	(212) 335 53 35	328 13 28	Büyükdere Cad. No:247 Maslak-Şişli,İstanbul
B R TA	T R YT TR	T.GARANTİ BANKASI A.Ş.	(212) 318 18 18	318 18 88	Nispetiye Mah. Aydar Cad. No:2 Beşiktaş,İstanbul
B R	T R YT	T.HALK BANKASI A.Ş.	(212) 393 06 00	340 09 19	Meclis-1 Mebusan Cad. No:79 Kat:5 80040 Salıpazarı,İstanbul
B R	T R YT	THE ROYAL BANK OF SCOTLAND N.V. MERKEZİ AMSTERDAM İST.MR. ŞB	(212) 359 40 40	359 50 50	Tamburi Ali Efendi Sok. No:13 80630 Etiler,İstanbul
B R TA	T R L YT TR	T.İŞ BANKASI A.Ş.	(212) 316 00 00	316 09 00	İş Kuleleri 80620 4. Levent,İstanbul
B R	T R YT TR	TURKISH BANK A.Ş.	(212) 225 03 30	225 03 53	Valikoncağı Cad. No:1 Nişantaşı,İstanbul
B R	T R YT	TURKLAND BANK A.Ş.	(212) 368 34 34	368 35 35	19 Mayıs Mah. 19 Mayıs Cad. Şişli Plaza A Blok No:7 34360 Şişli,İstanbul
B R TA	T R YT	TÜRK EKONOMİ BANKASI A.Ş.	(216) 635 35 35	636 36 36	TEB Kampüs C ve D Blok Saray Mahallesi Sokullu Caddesi No:7A-7B 34768 Ümraniye,İstanbul
B R TA	T R YT TR	T.VAKIFLAR BANKASI T.A.O.	(212) 398 15 15	398 10 12	Sanayi Mah. Büyükdere Cad. No:51 Kağıthane,İstanbul
B R	T R YT TR	WESTLB AG MERKEZİ DÜSSELDORF İST. MRK. ŞB.	(212) 339 25 00	283 04 60	Ebulula Mardin Cad. Maya Park Towers 34335 Akatlar,İstanbul
B R TA	T R YT	YAPI VE KREDİ BANKASI A.Ş.	(212) 339 70 00	339 60 00	Büyükdere Cad. Yapı Kredi Plaza D Blok K :7 80620 Levent,İstanbul

Activities Authorized to Members by the Capital Markets Board :

A=Intermediation in Stock Public Offering; B=Intermediation in Off-Exchange Transaction; P=Customers' Portfolio Management; D=Investment Consultancy; R=Repo-Reverse Repo; V=Intermediation in Derivatives Instruments Transactions; TA=Derivatives Contracts

Activities Authorized to Members by the ISE:

T=Bonds and Bills Market; R=Repo-Reverse Repo Market; L=Odd-Lot (Off-Exchange); YT=Foreign Securities Market Eurobond Markets  
TR=Repo Market Specified Securities

Note :

Activities authorized to Members by the ISE and the Capital Markets Board may be changed in time.









# 12

*List Of Important  
Institutions*





## 12-List Of Important Institutions

### CAPITAL MARKETS BOARD

Address :	SERMAYE PİYASASI KURULU Eskişehir Yolu 8. Km. No:156 06530 Ankara, Turkey
Phone:	(90 312) 292 90 90
Fax:	(90 312) 292 90 00
Internet:	<a href="http://www.cmb.gov.tr">http://www.cmb.gov.tr</a>

### CAPITAL MARKETS BOARD – Istanbul Office

Address:	SERMAYE PİYASASI KURULU – İstanbul Temsilciliği Harbiye Mah. Asker Ocağı Cad. No:15 Şişli 34367 İstanbul
Phone:	(90 212) 334 55 00
Fax:	(90 212) 334 56 00

### ISTANBUL STOCK EXCHANGE

Address:	İSTANBUL MENKUL KIYMETLER BORSASI Reşitpaşa Mah. Tuncay Artun Cad. Emirgan 34467 İstanbul, Turkey
Phone:	(90 212) 298 21 00
Fax:	(90 212) 298 25 00
Internet:	<a href="http://www.ise.org">http://www.ise.org</a>
PUBLIC DISCLOSURE PLATFORM - In Turkish	
Internet:	<a href="http://www.kap.gov.tr">http://www.kap.gov.tr</a>

### TURKISH DERIVATIVES EXCHANGE

Address:	VADELİ İŞLEM ve OPSİYON BORSASI A.Ş. Akdeniz Cad No: 14 Birsal İş Merkezi D:601 35210 Alsancak / Izmir, Turkey
Phone:	(90 232) 481 10 81
Fax:	(90 232) 445 61 85
Internet:	<a href="http://www.vob.org.tr">http://www.vob.org.tr</a>

### ISTANBUL GOLD EXCHANGE

Address:	İSTANBUL ALTIN BORSASI Rihtım Cad No: 81 Karaköy 34425 İstanbul, Turkey
Phone:	(90 212) 292 66 00
Fax:	(90 212) 292 66 18
Internet:	<a href="http://www.iab.gov.tr">http://www.iab.gov.tr</a>

### ISE SETTLEMENT AND CUSTODY BANK INC. (TAKASBANK)

Address:	İMKB TAKAS ve SAKLAMA BANKASI A.Ş. Şişli Merkez Mah. Merkez Caddesi No:6 Şişli 34381 İstanbul, Turkey
Phone:	(90 212) 315 25 25
Fax:	(90 212) 315 25 26
Internet:	<a href="http://www.takasbank.com.tr">http://www.takasbank.com.tr</a>

### CENTRAL REGISTRY AGENCY INC.

Address:	MERKEZİ KAYIT KURULUŞU A.Ş. Askerocağı Cad. No:1-15 Kat:2 Süzer Plaza Elmadağ Şişli 34367 İstanbul, Turkey
Phone:	(90 212) 334 57 00
Fax:	(90 212) 334 57 57
Internet:	<a href="http://www.mkk.com.tr">http://www.mkk.com.tr</a>

### ASSOCIATION OF CAPITAL MARKET INTERMEDIARY INSTITUTIONS OF TURKEY

Address:	TÜRKİYE SERMAYE PİYASASI ARACI KURULUŞLAR BİRLİĞİ Büyükdere Caddesi No:173 1.Levent Plaza A Blok Kat:4 Levent 34394 İstanbul, Turkey
Phone:	(90 212) 280 85 67
Fax:	(90 212) 280 85 89
Internet:	<a href="http://www.tspakb.org.tr">http://www.tspakb.org.tr</a>

### THE TURKISH ASSOCIATION OF APPRAISERS

Address:	TÜRKİYE DEĞERLEME UZMANLARI BİRLİĞİ Barbaros Mahallesi Çiğdem Sokak No.1, Ağaoğlu My Office Kat. 11, No.48, 34746, Ataşehir İstanbul, Turkey
Phone:	(90 216) 688 45 45
Fax:	(90 216) 688 45 46
Internet:	<a href="http://www.tdub.org.tr">http://www.tdub.org.tr</a>

### CAPITAL MARKET LICENSING AND TRAINING AGENCY OF TURKEY

Address:	SERMAYE PİYASASI LİSANSLAMA SİCİL VE EĞİTİM KURULUŞU A.Ş. Eski Büyükdere Cad. Windowsist Tower, No:26, K.7 34476 Maslak İstanbul, Turkey
Phone:	(90 212) 214 77 73
Fax:	(90 212) 214 77 72



#### **ASSOCIATION OF BROKERAGE HOUSE EXECUTIVES**

<b>Address:</b>	BORSA ARACI KURUMLARI YÖNETİCİLERİ DERNEĞİ İMKB, Reşitpaşa Mah. Tuncay Artun Cad. Emirgan 34467 İstanbul, Turkey
<b>Phone:</b>	(90 212) 298 26 63
<b>Fax:</b>	(90 212) 298 26 64
<b>Internet</b>	<a href="http://www.bakyd.org">http://www.bakyd.org</a>

#### **ASSOCIATION OF STOCK BROKERS**

<b>Address:</b>	BORSA UZMANLARI DERNEĞİ İMKB, Reşitpaşa Mah. Tuncay Artun Cad. Emirgan 34467 İstanbul, Turkey
<b>Phone:</b>	(90 212) 298 22 59
<b>Fax:</b>	(90 212) 298 26 01
<b>Internet</b>	<a href="http://www.bud.org.tr">http://www.bud.org.tr</a>

#### **INSTITUTIONAL INVESTMENT MANAGERS ASSOCIATION**

<b>Address:</b>	TÜRKİYE KURUMSAL YATIRIMCI YÖNETİCİLERİ DERNEĞİ İş Kuleleri Kule-2 Kat:8 4.Levent 34330 İstanbul, Turkey
<b>Phone:</b>	(90 212) 279 03 99 (90 212) 280 18 67
<b>Fax:</b>	(90 212) 279 07 44
<b>Internet</b>	<a href="http://www.tkyd.org.tr">http://www.tkyd.org.tr</a>

#### **CORPORATE GOVERNANCE ASSOCIATION OF TURKEY**

<b>Address:</b>	TÜRKİYE KURUMSAL YÖNETİM DERNEĞİ Dedeman İşhanı Yıldızposta Cad. No:48 Kat:7 34349 Esentepe-İstanbul, Turkey
<b>Phone:</b>	(90 212) 347 62 73
<b>Fax:</b>	(90 212) 347 62 76
<b>Internet</b>	<a href="http://www.tkyd.org">http://www.tkyd.org</a>

#### **FEDERATION OF EURO-ASIAN STOCK EXCHANGES (FEAS)**

<b>Address:</b>	FEDERATION OF EURO-ASIAN STOCK EXCHANGES İMKB Building, Reşitpaşa Mah. Tuncay Artun Cad. Emirgan 34467 İstanbul, Turkey
<b>Phone:</b>	(90 212) 298 21 60
<b>Fax:</b>	(90 212) 298 22 09
<b>Internet:</b>	<a href="http://www.feas.org">http://www.feas.org</a>

#### **ORGANIZATION OF ISLAMIC COOPERATION (OIC) MEMBER STATES' STOCK EXCHANGES FORUM**

The secretariat and coordination job for the Forum is carried out by the Istanbul Stock Exchange

<b>Address:</b>	Istanbul Stock Exchange (ISE) Reşitpaşa Mah. Tuncay Artun Cad. Emirgan 34467 İstanbul, TURKEY
<b>Phone:</b>	(90 212) 298 23 71
<b>Fax:</b>	(90 212) 298 25 00
<b>Internet:</b>	<a href="http://www.oicexchanges.org">http://www.oicexchanges.org</a>
<b>E-mail:</b>	<a href="mailto:international@ise.org">international@ise.org</a>

#### **ASSOCIATION OF PUBLICLY TRADED COMPANIES**

<b>Address:</b>	BORSAYA KOTE ORTAKLIK YÖNETİCİLERİ DERNEĞİ-KOTEDER Meclisi Mebusan Cad. Karun Çıkmazı No:1 Fındıklı / İstanbul, Turkey
<b>Phone:</b>	(90 212) 334 50 05
<b>Fax:</b>	(90 212) 334 50 88
<b>Internet</b>	<a href="http://www.koteder.org.tr">http://www.koteder.org.tr</a>

#### **TURKISH INVESTOR RELATIONS ASSOCIATION**

<b>Address:</b>	YATIRIMCI İLİŞKİLERİ DERNEĞİ - TÜYİD Nispetiye Caddesi, Levent İş Merkezi No: 6/2, 34330 Levent İstanbul, Turkey
<b>Phone:</b>	(90 212) 278 30 88
<b>Fax:</b>	(90 212) 282 91 11
<b>Internet</b>	<a href="http://www.tuyid.org">http://www.tuyid.org</a>

#### **THE ASSOCIATION OF REAL ESTATE INVESTMENT COMPANIES**

<b>Address:</b>	GAYRİMENKUL YATIRIM ORTAKLIĞI DERNEĞİ - GYODER Nispetiye Caddesi, Levent İş Merkezi No: 6/2, 34330 Levent İstanbul, Turkey
<b>Phone:</b>	(90 212) 282 53 65
<b>Fax:</b>	(90 212) 282 53 93
<b>Internet</b>	<a href="http://www.gyoder.org.tr">http://www.gyoder.org.tr</a>





#### REPUBLIC OF TURKEY MINISTRY OF FINANCE

Address:	T.C. MALİYE BAKANLIĞI İlkadım Caddesi, TBMM Karşısı 06100 Ankara, Turkey
Phone:	(90 312) 415 17 08
Fax:	(90 312) 417 05 15
Internet:	<a href="http://www.maliye.gov.tr">http://www.maliye.gov.tr</a>

#### TURKISH TREASURY

Address:	T.C. BAŞBAKANLIK HAZİNE MÜSTEŞARLIĞI Eskişehir Kara Yolu, İnönü Bulvarı No:36 Emek Mevki 06510 Ankara, Turkey
Phone:	(90 312) 204 60 00
Fax:	(90 312) 212 89 16
Internet:	<a href="http://www.treasury.gov.tr">http://www.treasury.gov.tr</a>

#### CENTRAL BANK OF THE REPUBLIC OF TURKEY

Address:	T.C. MERKEZ BANKASI İstiklal Caddesi, No:10 Ulus 06100 Ankara, Turkey
Phone:	(90 312) 310 36 46
Fax:	(90 312) 310 74 34
Internet:	<a href="http://www.tcmb.gov.tr">http://www.tcmb.gov.tr</a>

#### PRIVATIZATION ADMINISTRATION

Address:	T.C. ÖZELLEŞTİRME İDARESİ BAŞKANLIĞI Ziya Gökalp Caddesi No:80 Kurtuluş 06600 Ankara, Turkey
Phone:	(90 312) 430 45 60
Fax:	(90 312) 435 93 42
Internet:	<a href="http://www.oib.gov.tr">http://www.oib.gov.tr</a>

#### REPUBLIC OF TURKEY, PRIME MINISTRY TURKISH STATISTICAL INSTITUTE (TURKSTAT)

Address:	TÜRKİYE İSTATİSTİK KURUMU Yücetepe Mah. Necatibey Cad. No:114 06100 Çankaya, Ankara, Turkey
Phone:	(90 312) 410 04 10
Fax:	(90 312) 425 33 87
Internet:	<a href="http://www.tuik.gov.tr">http://www.tuik.gov.tr</a>

#### BANKING REGULATION AND SUPERVISION AGENCY

Address:	BANKACILIK DÜZENLEME VE DENETLEME KURUMU Atatürk Bulvarı No:191 B Blok 06680 Kavaklıdere Ankara, Turkey
Phone:	(90 312) 455 65 00
Fax:	(90 312) 424 08 79
Internet:	<a href="http://www.bddk.org.tr">http://www.bddk.org.tr</a>

#### BANKS ASSOCIATION OF TURKEY

Address:	TÜRKİYE BANKALAR BİRLİĞİ Nispetiye Cad. Akmerkez B3 Blok K:13 Etiler 34340 İstanbul, Turkey
Phone:	(90 212) 282 09 73
Fax:	(90 212) 282 09 66
Internet:	<a href="http://www.tbb.org.tr">http://www.tbb.org.tr</a>

#### TURKISH COMPETITION AUTHORITY

Address:	REKABET KURUMU Bilkent Plaza B3 Blok Bilkent 06800 Ankara, Turkey
Phone:	(90 312) 291 44 44
Fax:	(90 312) 266 79 20
Internet:	<a href="http://www.rekabet.gov.tr">http://www.rekabet.gov.tr</a>

#### TURKEY REPUBLIC MINISTRY OF FINANCE, THE FINANCIAL CRIMES INVESTIGATION BOARD

Address:	MALİ SUÇLARI ARAŞTIRMA KURULU BAŞKANLIĞI Maliye Bakanlığı, N Blok Dikmen Cad. 06100 Dikmen, Ankara, Turkey
Phone:	(90 312) 415 37 67
Fax:	(90 312) 415 25 35-36
Internet:	<a href="http://www.masak.gov.tr">http://www.masak.gov.tr</a>

#### THE UNION OF CHAMBERS AND COMMODITY EXCHANGES OF TURKEY

Address:	TÜRKİYE ODALAR VE BORSALAR BİRLİĞİ Dumlupınar Bulvarı No:252 (Eskişehir Yolu 9. km) 06530 Ankara, Turkey
Phone:	(90 312) 218 20 00
Fax:	(90 312) 219 40 90-91-92-93
Internet:	<a href="http://www.tobb.org.tr">http://www.tobb.org.tr</a>

#### ISTANBUL CHAMBER OF INDUSTRY

Address:	İSTANBUL SANAYİ ODASI Meşrutiyet Caddesi No:62 Tepebaşı 34430 İstanbul, Turkey
Phone:	(90 212) 252 29 00
Fax:	(90 212) 249 50 84
Internet:	<a href="http://www.iso.org.tr">http://www.iso.org.tr</a>

#### ISTANBUL CHAMBER OF COMMERCE

Address:	İSTANBUL TİCARET ODASI Reşadiye Caddesi Eminönü 34112 İstanbul, Turkey
Phone:	(90 212) 455 60 00
Fax:	(90 212) 513 15 65
Internet:	<a href="http://www.ito.org.tr">http://www.ito.org.tr</a>



**PRIME MINISTRY OF THE REPUBLIC OF TURKEY TURKISH  
INTERNATIONAL COOPERATION AGENCY**

<b>Address:</b>	TÜRK İŞBİRLİĞİ VE KALKINMA İDARESİ BAŞKANLIĞI Atatürk Bulvarı No:15 Opera Meydanı Ulus, Ankara, Turkey
<b>Phone:</b>	(90 312) 508 10 00
<b>Fax:</b>	(90 312) 309 89 68
<b>Internet:</b>	<a href="http://www.tika.gov.tr">http://www.tika.gov.tr</a>

**FOREIGN ECONOMIC RELATIONS BOARD**

<b>Address:</b>	DIŞ EKONOMİK İLİŞKİLER KURULU TOBB Plaza Talatpaşa Cad. No:3 Kat:5 34394 Gültepe/ Levent, İstanbul, Turkey
<b>Phone:</b>	(90 212) 339 50 00
<b>Fax:</b>	(90 212) 270 30 92
<b>Internet:</b>	<a href="http://www.deik.org.tr">http://www.deik.org.tr</a>

**INTERNATIONAL INVESTORS ASSOCIATION**

<b>Address:</b>	ULUSLARARASI YATIRIMCILAR DERNEĞİ Barbaros Bulvarı, Morbasan Sokak Koza İş Merkezi, B Blok Kat 3 Balmumcu, Beşiktaş, İstanbul
<b>Phone:</b>	(90 212) 272 50 94
<b>Fax:</b>	(90 212) 274 66 64
<b>Internet:</b>	<a href="http://www.yased.org.tr">http://www.yased.org.tr</a>

## ISE BOOKLETS / BROCHURES

### In English

- Exchange Traded Funds
- Istanbul Stock Exchange at a Glance
- Istanbul Stock Exchange for Investors
- Markets and Operations
- Public Disclosure Platform
- The Emerging Companies Market
- Warrants

### In Turkish

- Aracı Kuruluş Varantları
- Borsa Yatırım Fonları
- Cevaplarla Borsa ve Sermaye Piyasası
- Devlet İç Borçlanma Senetleri Endeksleri
- Gelişen İşletmeler Piyasası
- Halka Arz ve Borsada İşlem Görme
- Halka Arz Seferberliği: İMKB Ailesi Genişliyor, Şirketlerimiz Büyüyor
- Hisse Senedi ve Alım-Satım Kılavuzu
- Hisse Senedi Endeksleri
- Hisse Senetleri Piyasası
- Hisse Senetleri Piyasası İşlem Yöntemleri ve Piyasa Yapıcılık Sistemi
- Kamuyu Aydınlatma Platformu
- Kurumsal Yönetim Endeksi
- Nitelikli Yatırımcıya İhraç Pazarı
- Sabit Getirili Menkul Kıymetler
- Şehir Endeksleri
- Yatırımcılar için İMKB

*(Also available online)*



**ISTANBUL  
STOCK  
EXCHANGE**



*Yirmi Beşinci Yıl  
Twenty Fifth Year*

**Istanbul Stock Exchange**  
Reşitpaşa Mahallesi Tuncay Artun Caddesi  
Emirgan 34467 İstanbul, Turkey  
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