Doc	Type	Announcement
	No	2019/54
	Subject	Introduction of TLREF Futures Contracts and Amendments regarding Borsa İstanbul A.Ş. Derivatives Market (VIOP) Procedure.
	Apr. Date	30/07/2019
	From	Derivatives Market
	To	Members, Data Vendors and Independent Software Vendors (ISVs)

To Whom It May Concern,

Ref: Announcement dated 25/06/2019 and numbered 2019/47.

As emphasized in the referenced announcement stated above, overnight reference rate named TLREF has been started to be disseminated as of 17/06/2019 and it is intended to be an indicator of short-term interest rates and serve as a basis for derivatives instruments. In this context, Borsa İstanbul has been considering to introduce 1 Month and 3 Months TLREF futures contracts in the Derivatives Market, as of August 02, 2019 upon succesful member tests and Capital Market Board's (CMB) approval.

With the acknowledgement and approval of CMB and positive results in member tests, 1 Month TLREF futures contracts will start trading as of August 02, 2019. Trading date of 3 Months TLREF futures contracts will be announced at a later date. Exchange fee of the 1 Month TLREF futures contracts has been determined as 0.1 bps of the nominal value of the contract but will be applied as 0 until 31/03/2020.

Besides, with the Regulation Amending Borsa İstanbul A.Ş. Regulation on Principles Relating to Stock Exchange Activities published in the Official Gazette edition 30734 on 03/04/2019, the period for which the General Manager has the authority to suspend trading in a specific instrument is increased from 5 trading days to 1 month. In this respect, Borsa İstanbul A.Ş. Derivatives Market Procedure Article 15 "Suspension of Trading in a Contract" has also been updated.

Above stated amendments related to TLREF futures contracts and suspension of trading have been made in Borsa İstanbul A.Ş. Derivatives Market Procedure as in the attachment. Updated Borsa İstanbul A.Ş. Derivatives Market Procedure can be reached from Borsa İstanbul website under "Products and Markets" tab, "Regulations" section, "Procedures" heading (https://www.borsaistanbul.com/en/products-and-markets/regulations/procedures)

Kindly for your information.

Yours Sincerely,

Ali ÖMÜRBEK
Executive Vice President

Attachment: Revision Comparison Table of Derivatives Market Procedure (4 pages).

ATTACHMENT: REVISION COMPARISON TABLE OF DERIVATIVES MARKET PROCEDURE

OLD TEXT	NEW TEXT
15. Suspension of trading in a contract In the event of the suspension of the underlying asset in the System, the contracts based on the related underlyings may be suspended upon the resolution of General Manager. Despite that the principle is to keep the relevant contracts trading while the underlying asset continues to trade, General Manager may decide on suspension of contracts independent from the underlying asset. Besides, resume time of the contracts may be different from that of the underlying asset depending on the General Manager's decision. General Manager may suspend trading contracts temporarily for a maximum period of ~~five trading days~~ in case the provisions of Article 25 of Regulation applies. Board of Directors is authorized to decide on suspensions exceeding ~~five trading days~~. The reason of the suspension and timing of re-starting to trade for the relevant contracts is announced via KAP. General Manager may delegate his powers to the appointed Deputy General Manager(s).	**15. Suspension of trading in a contract** In the event of the suspension of the underlying asset in the System, the contracts based on the related underlyings may be suspended upon the resolution of General Manager. Despite that the principle is to keep the relevant contracts trading while the underlying asset continues to trade, General Manager may decide on suspension of contracts independent from the underlying asset. Besides, resume time of the contracts may be different from that of the underlying asset depending on the General Manager's decision. General Manager may suspend trading contracts temporarily for a maximum period of **one month** in case the provisions of Article 25 of Regulation applies. Board of Directors is authorized to decide on suspensions exceeding **one month**. The reason of the suspension and timing of re-starting to trade for the relevant contracts is announced via KAP. General Manager may delegate his powers to the appointed Deputy General Manager(s).

26. Mimimum Maximum Order Quantities (OLD TEXT)

Contract	Minimum Order Quantity	Maximum Order Quantity
Single Stock Contracts (Underlying Asset Closing Price <25 TRY)	1	5.000
Single Stock Contracts (Underlying Asset Closing Price >=25 TRY)	1	2.500
Index Contracts	1	2.000
Currency and USD/Ounce Gold Contracts	1	5.000
Gold Contracts	1	500.000
Base Load Electricity Contracts	1	100
Other Contracts	1	2.000

26. Mimimum Maximum Order Quantities (NEW TEXT)

Contract	Minimum Order Quantity	Maximum Order Quantity
Single Stock Contracts (Underlying Asset Closing Price <25 TRY)	1	5.000
Single Stock Contracts (Underlying Asset Closing Price >=25 TRY)	1	2.500
Index Contracts	1	2.000
Currency and USD/Ounce Gold Contracts	1	5.000
Gold Contracts	1	500.000
Base Load Electricity Contracts	1	100
TLREF Contracts	**1**	**100**
Other Contracts	1	2.000

APPENDIX-1: CONTRACT SPECIFICATIONS OF BORSA İSTANBUL DERIVATIVES MARKET (OLD TEXT)

APPENDIX-1: CONTRACT SPECIFICATIONS OF BORSA İSTANBUL DERIVATIVES MARKET (NEW TEXT)

X.   1 Month TLREF Futures Contract

Underlying	**Turkish Lira Overnight Reference Rate (TLREF) announced by Borsa İstanbul.**
Contract Size	**Nominal Value = TRY 1,000,000** $$\text{Contract Size} = 1{,}000{,}000 \times \left(\frac{30}{360}\right) \times 0.01 = 833$$

	Price Quotation and Minimum Price Tick	**Price is entered to the system as a three digit value of interest rate multiplied by 100. (Example: 20.050, 20.060 etc.) Minimum price tick is 0.010. The tick value is TRY 8.33.**
	Contract Months	**All calendar months (The current contract month and the nearest 6 contract months shall be concurrently traded)**
	Settlement	**Cash Settlement**
	Daily Settlement Price	**The daily settlement price used for updating accounts following the end of the session is calculated as follows and rounded to the nearest price tick:** a) **The weighted average price of all the trades performed within the last 10 minutes of the normal session,** b) **If less than 10 trades were executed in the last 10 minutes of the session, the weighted average price of the last 10 trades performed during the session,** c) **If less than 10 trades were performed during the session, the weighted average price of all the trades performed during the session,** d) **If no trades were performed during the session, the settlement price of the previous day, will be determined as the daily settlement price.** **If the daily settlement price cannot be calculated in accordance with the above methods by the end of the session, or it is decided that the prices calculated do not reflect the market correctly, the daily settlement price may be determined by using one or more of the following methods.** a) **The average of the best buy and sell quotations at the end of the session,** b) **Theoretical prices are calculated considering spot price of the underlying asset or the daily settlement price for other contract months of the contract.** **Trade reports will not be taken into consideration in the above calculations. The Settlement Price Committee's right to change the daily settlement price is under reserve.**
	Expiry Day (Final) Settlement Price	**The final settlement price is calculated as follows and rounded to the nearest price tick:** $$EDSP = \left[\prod_{i=1}^{N_0} \left(1 + \frac{r_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{N} \times 100$$ _N_ **: The number of calendar days in delivery period**

		N_0: **The number of business days in the calculation period**
		n_i : **The number of calendar days in the relevant calculation period on which the rate is** r_i
		r_i : **The overnight reference rate announced by Borsa İstanbul for** i **day**
		The previous Turkish Lira Overnight Reference Rate may be used for days which the reference rate cannot be determined.
		The final settlement price will be determined by the Settlement Price Committee if the price is not determined with methods above or the calculated prices do not reflect the market accurately.
	Delivery Period	**Term specified in the contract code (Example: The delivery period for the F_TLREF1M1219 contract is December 2019).**
	Last Trading Day	**Last business day of the delivery period.**
	Expiry Day	**Last business day of the delivery period.**
	Settlement Period	**T+1** **Losses are deducted from the accounts at the end of T day, profits are added to the accounts on T day.**
	Base Price and Daily Price Limit	**Base price is the price determined by the Settlement Price Committee on the day the relevant contract is introduced for trading, and used in calculating the daily price limits. For the other days, base price is the settlement price of the previous day.** **Daily price limit is equal to ±50% of the base price determined for each contract. If the upper or lower limit calculated does not correspond to a price tick, the upper limit will be rounded to the lower price tick; and the lower limit, to the upper price tick.**
	Trading Hours	**Continuous trading from 09:30 to 18:15**
	Collateral and Margining Rules	**It is stated according to Clearing Legislation.**

APPENDIX-2: MARKET DEFINITION LIST	**APPENDIX-2: MARKET DEFINITION LIST** **Market segment code/name and underlying code have been added to 181/VIOP Interest Rate Derivatives Market for 1 month TLREF futures.**
APPENDIX-4: RULES FOR TRADE REPORTING APPROVAL	**APPENDIX-4: RULES FOR TRADE REPORTING APPROVAL**

Left column:

Contract	Minimum Order Quantity	Maximum Order Quntity	Approval Rule for Trade Reporting
Index Contracts	2.000	4.000	
Currency and USD/Ounce Gold Contracts	5.000	10.000	The price at which trade reporting occurs must be within the price limits of the respective contract.
Gold Contracts	500.000	1.000.000	
Base Load Electricity Contracts	100	4.000	
Other Contracts	2.000	4.000	

APPENDIX-5: TARIFF ON EXCHANGE FEE AND OTHER CHARGES

Revenue Item	Definition	
	Base Value	**Ratio**
Voluntary Order Cancellation Fee	Nominal Base value determined accordingly to the Article 25 of Derivatives market procedure	0.00001 (1 per hundred thousand)
	Contract	**Base Value**	**Exchange Fee Rate**
Exchange Fee	For the futures contracts written on Equity Index	Trade Value	0.00004 (4 per hundred thousand)
	For the option contracts written on Equity Index	Premium Value	0.00004 (4 per hundred thousand)
	For the futures contracts other than written on Equity Index	Trade Value	0.00003 (3 per hundred thousand)
	For the option contracts other than written on Equity Index	Premium Value	0.00003 (3 per hundred thousand)

Right column:

Contract	Minimum Order Quantity	Maximum Order Quntity	Approval Rule for Trade Reporting
Index Contracts	2.000	4.000	
Currency and USD/Ounce Gold Contracts	5.000	10.000	The price at which trade reporting occurs must be within the price limits of the respective contract.
Gold Contracts	500.000	1.000.000	
Base Load Electricity Contracts	100	4.000	
TLREF Futures Contracts	**100**	**1.000**	
Other Contracts	2.000	4.000	

APPENDIX-5: TARIFF ON EXCHANGE FEE AND OTHER CHARGES

Revenue Item	Definition	
	Base Value	**Ratio**
Voluntary Order Cancellation Fee	Nominal Base value determined accordingly to the Article 25 of Derivatives market procedure	0.00001 (1 per hundred thousand)
	Contract	**Base Value**	**Exchange Fee Rate**
Exchange Fee	For the futures contracts written on Equity Index	Trade Value	0.00004 (4 per hundred thousand)
	For the option contracts written on Equity Index	Premium Value	0.00004 (4 per hundred thousand)
	For the futures contracts written on TLREF	**Nominal Value**	**0.00001 (1 per hundred thousand)**
	For the futures contracts other than written on Equity Index	Trade Value	0.00003 (3 per hundred thousand)

		For the option contracts other than written on Equity Index	Premium Value	0.00003 (3 per hundred thousand)