Unofficial Translation

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BORSA İSTANBUL

Doc	Type	Announcement
	No	2022/32
	Subject	Launch of Physically Delivered Government Bond Futures Contracts on Derivatives Market
	Apr. Date	28/02/2022
	From	Derivatives Market
	To	Members, Data Vendors and Independent Software Vendors (ISVs)

To Whom It May Concern,

Ref: Announcement dated 23/12/2021 and numbered 2021/97.

With the announcement numbered 2021/97, it was announced that the Physically Delivered Government Bond Futures Contracts are planned to be launched on Derivatives Market and that new contracts are ready for testing on the BISTECH member test environment. In the same announcement, it was also stated that the go-live date and underlying information of the contracts will be announced later.

In this regards,

- Physically Delivered Government Bond Futures Contracts based on TRT200923T18, TRT020926T17 and TRT131130T14 ISIN codes will be lauched on 15/03/2022.

- Aforementioned contracts will be included in market making program within the scope of obligations and rights stated at attachment as of 01/04/2022.

Due to the launch of new contracts, Derivatives Market Procedure will be updated as in Attachment. The updated version of Derivatives Market Procedure which will be effective as of the dates mentioned above can be reached from Borsa İstanbul website under "Corporate" tab, "Regulations" section (https://www.borsaistanbul.com/en/sayfa/4028/procedures).

Kindly for your information.

Korkmaz ERGUN
CEO and Board Member

Attachment : Changes in Borsa İstanbul A.Ş. Derivatives Market Procedure (10 pages)

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

OLD TEXT	NEW TEXT

OLD TEXT

5.3. Contract Codes

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Table 1: Code For Futures Contracts

Code	Explanation
F_	Instrument group (Futures)
P_	Settlement code (P:Physical delivery)
XAUTRY	Underlying asset code
M	Contract code regarding the contract size
0317	Expiration date (Ex. March 2017)

…

NEW TEXT

5.3. Contract Codes

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Tablo 1: Code For Futures Contracts

Code	Explanation
F_	Instrument group (Futures)
P_	Settlement code (P:Physical delivery)
XAUTRY	Underlying asset code
M	Contract code regarding the contract size
_	**Contract Month separator for Physically Delivered Government Bond Futures Contracts**
0317	Expiration date (Ex. March 2017)

…

OLD TEXT

29. Minimum Maximum Order Quantities

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Table 1: Minimum and Maximum Order Quantities

Contract	Minimum Order Quantity	Maximum Order Quantity
Single Stock Contracts (Underlying Asset Closing Price)		
0-2.49	1	40,000
2.50-4.99	1	20,000
5.00-9.99	1	10,000
10.00-19.99	1	5,000
20.00-39.99	1	2,500
40.00-79.99	1	1,250
>80.00	1	750
Index Contracts	1	2,000
Currency Contracts	1	5,000

NEW TEXT

29. Minimum Maximum Order Quantities

...

Table 2: Minimum and Maximum Order Quantities

Contract	Minimum Order Quantity	Maximum Order Quantity
Single Stock Contracts (Underlying Asset Closing Price)		
0-2.49	1	40,000
2.50-4.99	1	20,000
5.00-9.99	1	10,000
10.00-19.99	1	5,000
20.00-39.99	1	2,500
40.00-79.99	1	1,250
>80.00	1	750
Index Contracts	1	2,000
Currency Contracts	1	5,000

USD/Ounce Gold Contracts	1	1,250
TRY/Gram Gold Contracts	1	25,000
USD/Ounce Silver Contracts	1	5,000
USD/Ounce Platinum Contracts	1	500
USD/Ounce Palladium Contracts	1	500
Base Load Electricity Contracts	1	50
TLREF Contracts	1	100
Other Contracts	1	2,000

USD/Ounce Gold Contracts	1	1,250
TRY/Gram Gold Contracts	1	25,000
USD/Ounce Silver Contracts	1	5,000
USD/Ounce Platinum Contracts	1	500
USD/Ounce Palladium Contracts	1	500
Base Load Electricity Contracts	1	50
TLREF Contracts	1	100
Physically Delivered Government Bond Contracts	**1**	**200**
Other Contracts	1	2,000

44. Market Making Program

44.1. General Operating Principles

…

Below are the contracts subject to the Market Making Program:

Group A Contracts

a) Single Stock Futures,
b) USD/Ounce Gold Futures (Normal Session/Evening Session),
c) TRY/Gram Gold Futures
ç) USD/Ounce Silver Futures (Normal Session/Evening Session),

Group B Contracts

a) Base-Load Electricity Futures,
b) RUB/TRY Futures,
c) CNH/TRY Futures,
ç) BIST Liquid Banks Index and BIST Liquid 10 Ex Banks Index Futures(Normal Session/Evening Session),
d) USD/Ounce Platinum and USD/Ounce Palladium futures (Normal Session/Evening Session),

44. Market Making Program

44.1. General Operating Principles

…

Below are the contracts subject to the Market Making Program:

Group A Contracts

d) Single Stock Futures,
e) USD/Ounce Gold Futures (Normal Session/Evening Session),
f) TRY/Gram Gold Futures
ç) USD/Ounce Silver Futures (Normal Session/Evening Session),

Group B Contracts

d) Base-Load Electricity Futures,
e) RUB/TRY Futures,
f) CNH/TRY Futures,
ç) BIST Liquid Banks Index and BIST Liquid 10 Ex Banks Index Futures(Normal Session/Evening Session),
d) USD/Ounce Platinum and USD/Ounce Palladium futures (Normal Session/Evening Session),

<table>
<tr>
<td>~~e)~~ Single Stock Options,
~~f)~~ BIST30 Index Options,
~~g)~~ USD/TRY Options.</td>
<td>e) Physically Delivered Government Bond Futures
f) Single Stock Options,
g) BIST30 Index Options,
ğ) USD/TRY Options.</td>
</tr>
<tr>
<td>APPENDIX-1: CONTRACT SPECIFICATIONS OF BORSA ISTANBUL DERIVATIVES MARKET
…</td>
<td>APPENDIX-1: CONTRACT SPECIFICATIONS OF BORSA ISTANBUL DERIVATIVES MARKET
…
Z. Physically Delivered Government Bond Futures Contracts
<table>
<tr><td>Underlying Asset</td><td>Government Debt Securities traded at Borsa İstanbul Debt Securities Market and determined by Borsa İstanbul.</td></tr>
<tr><td>Contract Size</td><td>Nominal Value= 100,000 TRY
Contract Size= 1,000</td></tr>
<tr><td>Price Quotation and Minimum Price Tick</td><td>Prices shall be entered on the basis of 100 unit as a three digit value of clean price that is not including any accrued interest. (for example: 99.373, 99.374 etc.) Minimum price tick is 0.001 TRY. The minimum price tick corresponds to a value of 1 TRY.</td></tr>
<tr><td>Contract Months</td><td>March, June, September and December. (Contracts with two different expiration months nearest to the current month shall be traded concurrently.)</td></tr>
<tr><td>Settlement</td><td>Physical delivery</td></tr>
<tr><td>Daily Settlement Price</td><td>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,</td></tr>
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	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 weighted average clean price calculated for the T+1 value date of the relevant underlying Government Debt Securities is accepted as the final settlement price** **The final settlement price will be determined by the Settlement Price Committee if the spot market was partialy or entirely closed in the spot market that underlying security is traded, or price was not discovered despite the fact that the market was open on the last trading day.** **The price for physical delivery is the dirty price found by adding the accrued interest to the settlement price.**
Last Trading Day	**Last business day of the standard contract month.**

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<tr><td></td><td>In case domestic markets are closed for half day due to an official holiday, last trading day shall be the preceding business day.</td></tr>
<tr><td>Expiry Day</td><td>Last business day of the standard contract month.
In case domestic markets are closed for half day due to an official holiday, expiry day shall be the preceding business day.</td></tr>
<tr><td>Settlement Period</td><td>Settlement period is T+1 for physical delivery.
Losses are deducted from the accounts starting from the end of T day, while profits are added to the accounts by T day.</td></tr>
<tr><td>Base Price and Daily Price Limit</td><td>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 ±10% 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.</td></tr>
<tr><td>Trading Hours</td><td>Trading Hours are in Appendix-3.</td></tr>
<tr><td>Collateral and Margining Rules</td><td>It is stated according to Clearing Legislation.</td></tr>
</table>

(Table numbers have been amended in succession.)
</td>
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<tr>
<td>APPENDIX-2: MARKET DEFINITION LIST</td>
<td>APPENDIX-2: MARKET DEFINITION LIST</td>
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SUB-MARKET CODE/NAME	MARKET SEGMENT CODE/NAME	UNDERLYING
51/VIOP Government Bond Derivatives Market	**BOP/Physically Delivered Government Bond Futures -TRY**	**Government Bonds**

APPENDIX-4: RULES FOR TRADE REPORTING APPROVAL

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Trade Reporting Approval for Other Contracts

Contract	Minimum Order Quantity	Maximum Order Quantity	Approval Rule for Trade Reporting
Index Contracts	2,000	4,000	The price at which trade reporting occurs must be within the price limits of the respective contract.
Currency Contracts	5,000	10,000	
USD/Ounce Gold Contracts	1,250	2,500	
TRY/Gram Gold Contracts	25,000	50,000	
USD/Ounce Silver Futures	5,000	10,000	
USD/Ounce Platinum Futures	500	1,000	
USD/Ounce Palladium Contracts	500	1,000	
Base Load Electricity Contracts	50	2,000	
TLREF Futures Contracts	100	1,000	
Other Contracts	2,000	4,000	

APPENDIX-4: RULES FOR TRADE REPORTING APPROVAL

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Trade Reporting Approval for Other Contracts

Contract	Minimum Order Quantity	Maximum Order Quantity	Approval Rule for Trade Reporting
Index Contracts	2,000	4,000	The price at which trade reporting occurs must be within the price limits of the respective contract
Currency Contracts	5,000	10,000	
USD/Ounce Gold Contracts	1,250	2,500	
TRY/Gram Gold Contracts	25,000	50,000	
USD/Ounce Silver Futures	5,000	10,000	
USD/Ounce Platinum Futures	500	1.000	
USD/Ounce Palladium Contracts	500	1.000	
Physically Delivered Government Bond Futures	**200**	**2,000**	
Other Contracts	2,000	4,000	

APPENDIX-5: TARIFF ON EXCHANGE FEE AND OTHER CHARGES

Revenue Item	Definition		
Voluntary Order Cancellation Fee	**Base Value**		**Ratio**
	Nominal Base value determined accordingly to the Article ~~31~~ of Derivatives market procedure		0.00001 (1 per hundred thousand)
Exchange Fee	**Contract**	**Base Value**	**Exchange Fee Rate**
	For the futures contracts written on Equity Index	Trade Value	0.00004 (4 per hundred thousand)
	For the option contracts written on Equity Index	Trade 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	Trade Value	0.00003 (3 per hundred thousand)

APPENDIX-5: TARIFF ON EXCHANGE FEE AND OTHER CHARGES

Revenue Item	Definition		
Voluntary Order Cancellation Fee	**Base Value**		**Ratio**
	Nominal Base value determined accordingly to the Article **32** of Derivatives market procedure		0.00001 (1 per hundred thousand)
Exchange Fee	**Contract**	**Base Value**	**Exchange Fee Rate**
	For the futures contracts written on Equity Index	Trade Value	0.00004 (4 per hundred thousand)
	For the option contracts written on Equity Index	Trade Value	0.00004 (4 per hundred thousand)
	For the futures contracts written on TLREF **and Government Bonds**	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)

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<table>
<tr><td></td><td>For the option contracts other than written on Equity Index</td><td>Trade Value</td><td>0.00003 (3 per hundred thousand)</td></tr>
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<tr>
<td>APPENDIX -10: OBLIGATIONS OF MARKET MAKERS…</td>
<td>
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…
<table>
<tr><td>Markey Segment</td><td>Contracts for which the Market Maker is Responsible</td><td>Spread Requirements**</td><td>Market Presence ***</td></tr>
<tr>
<td>Physically Delivered Government Bond Futures Contracts****</td>
<td>For contract with closest expiry date.</td>
<td>
<table>
<tr><td>Underlying</td><td>Maksimum Spread</td><td>Minimum Order Quantity</td></tr>
<tr><td>Government Bond with 0-2 years to maturity (including 2 years)</td><td>0.40</td><td>10</td></tr>
<tr><td>Government Bond with 2-5 years to maturity</td><td>0.60</td><td>10</td></tr>
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<td>For a calculation period, 60% of the total amount of time during which the market was open.</td>
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		(including 5 years)			
		Government Bond with 5-10 years to maturity	**0.80**	**10**	
		Government Bond with more than 10 years to maturity	**1.00**	**10**	

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******The maturity period of underlying is updated on a montly basis.**

APPENDIX-11: NORMAL SESSION RIGHTS OF MARKET MAKERS

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APPENDIX-11: NORMAL SESSION RIGHTS OF MARKET MAKERS

Market Segment	Underlying Asset	MM Portfolio Account-Exchange Fee Discount	MM Activities through Customer Accounts - Exchange Fee Discount	Exemption of Voluntary Order Cancellation Fee (For MM Accounts)	Revenue Share Ratios	Trade Value Coefficient	Market Presence Ratio Coefficient	Connection Incentives*

		Physically Delivered Government Bond Futures Contracts	**Government Bond**	**100%**	**100%**	**Yes**	**50%**	**0.75**	**0.25**	**1 free Market Maker FixAPI or OUCH.**	