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Announcement on Measures with Respect to Capital Markets in Response to the COVID-19 Outbreak

Turkey: Capital Markets Board of Turkey (CMB)

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ANNOUNCEMENT ON MEASURES WITH RESPECT TO CAPITAL MARKETS IN RESPONSE TO THE COVID – 19 OUTBREAK

Price Volatility

- **Ban on short selling** was initially imposed on 28 February 2020 and upon the CMB decision of 2 March 2020 it was announced that the ban on short selling will be kept in force until further notice from the CMB.
- With a CMB announcement on 23 March 2020, issuers were reminded of the possibility for **buy backs of exchange traded shares** without being subject to any limits. Buy backs may be conducted under an existing buyback plan or upon the disclosure of a board of directors decision including as a minimum the purpose of the transaction, maximum amount of shares that may be bought back and the maximum amount of funds that may be allocated for the transaction.
- **Circuit breakers were tightened.** The price margin, circuit breaker triggering rate and the circuit breaker order collection period applied in the equities traded in BIST Stars and BIST Main Market and the daily price limits applied in the Single Stock and Equity Index Futures traded in the Derivatives Market have been changed as of 13 March 2020 to be valid until a second announcement as decided by the General Directorate.

In the Equities Market:

- Price margin (for determining price limits) of the shares traded in BIST Stars and BIST Main Market has been reduced to 10%,
- Downstream price change triggering circuit breaker in BIST Stars and BIST Main Market has been reduced to 5% (10% for upstream price change),
- Circuit breaker call period will be 30 minutes in BIST Stars and BIST Main Markets,
- Circuit breaker uncross period time will remain as 2 minutes in BIST Stars and BIST Main Markets,
- Price margin (for determining price limits) in Exchange Traded Funds, Real Estate Certificates, Real Estate Investment Funds and Venture Capital Investment Funds has been reduced to 10% from 20%,
- Price margin in Rights Coupons will remain as 50%.

In the Derivatives Market:

- Daily price limits of Single Stock and Equity Index (BIST30, BIST Bank, BIST Industrial, BIST Liquid Bank and BIST Liquid 10 Ex Banks) futures contracts has been decreased to 10%.

- With respect to margin trading, investment firms were allowed **flexibility in implementing margin requirements** starting from 23 March 2020 until a second announcement by the CMB.

Supervision

The CMB is monitoring the price movements closely at the stock market.

Asset Management

The CMB is monitoring the funds to see if there is any stress in liquidity needs.

Business Continuity Plans:

- Under the Presidential Decree of 20 March 2020, all events and meetings including general assembly meetings will be postponed until the end of April.
- Working part time/splitting shifts/remote access for investment firms has been enabled.
- Receiving customer orders via alternative electronic means have been enabled starting from 23 March 2020 until a second announcement by the CMB, provided that investment firms obtain verifiable confirmation from clients, relevant recording mechanisms are established to verify orders in the case of conflicts with clients, and clients are adequately notified with respect to transactions. Investment firms must announce all changes to order reception procedures via their Internet web sites.
- Restrictions have been imposed on international travel.
- Capital market institutions were reminded that applications to the CMB may be made through registered electronic mail.
- Under the Presidential Decree of 22 March 2020 all governmental institutions are to establish mechanisms for flexible working hours/splitting shifts/remote access, provided that there is adequate personnel at offices to ensure that public services continue without disruption.

Reporting and Disclosures

The following has been announced by the CMB on 23 March 2020:

- With respect to **investment firms and portfolio management companies** the reporting date for annual financial reports for 2019 and quarterly financial reports for the first quarter of 2020 may be delayed until the end of the first month following the reporting deadlines in capital market legislation.
- The reporting date for annual financial reports of **investment funds** for 2019 and the disclosure date of quarterly financial reports of pension funds for the first quarter of 2020 may be delayed until 30 April 2020.
- With respect to **corporations the capital market instruments of which are admitted to trading** on an exchange or organized market, the reporting date for quarterly financial reports

for the first quarter of 2020 may be delayed by 30 days following the reporting deadlines defined in capital market regulation.

- With respect to **corporations that are subject to capital market legislation but the capital market instruments of which are not admitted to trading** on an exchange or organized market, the reporting date for undisclosed financial reports for 2019 may be delayed until the end of the first month following the reporting deadlines in capital market legislation.