

MARKET ABUSE COMMUNIQUÉ

(VI-1.104.1)

(Published in the Official Gazette edition 28889 on 21/1/2014)

List of Amendments:

1. Communiqué Amending the Market Abuse Communiqué published in the Official Gazette edition 29983 on 18.02.2017

Purpose and Scope

ARTICLE 1 – (1) The purpose of this Communiqué is to identify actions and transactions which cannot be explained by any reasonable economic or financial justification, which are disruptive to the functioning of exchanges and other organized markets in confidence, openness and stability; and to set down the sanctions applicable on those committing such actions and transactions.

Grounds

ARTICLE 2 – (1) This Communiqué has been prepared and issued in reliance upon Article 104 of the Capital Markets Law no. 6362 dated 6/12/2012.

Definitions and Abbreviations

ARTICLE 3 – (1) In the context of this Communiqué:

(a) **“Persons Acting in Concert”** refers to persons who issue orders, or execute transactions, or engage in transfers of cash or cash equivalents or capital market instruments, or deal with account activities:

- 1) While being informed about orders or transactions, or order or transaction plans, or capital market instruments of one or more persons;
- 2) In reliance upon an implicit, verbal or written agreement;
- 3) By acting under guidance of the same person or persons;
- 4) By guiding one or more other persons;
- 5) By using the accounts of others with or without power of attorney;
- 6) By using the same venue or any of virtual media, computer, telephone, internet connection or any other communication channels;

or persons who unlawfully provide information about accounts, orders, transactions or companies to those committing such actions, or persons who transfer cash, cash equivalents or capital market instruments either directly or indirectly among themselves, or between their accounts or the accounts they use or manage regardless of the name under which such transactions are conducted.

(b) **“Exchange”** refers to an exchange as defined in subparagraph (ç) of first paragraph of Article 3 of the Law;

(c) **“Inside information”** refers to information, events and developments which may affect the value, price of capital market instruments or the investment decisions of investors thereon;

(ç) **“Persons having inside information or periodic information”** refers to:

- 1) Managers of issuers or their subsidiaries or their controlling corporations,
- 2) Persons having inside information or periodic information due to shareholding in issuers’ or in their subsidiaries or controlling corporations;
- 3) Persons having inside information or periodic information due to performing their jobs, professions and tasks;
- 4) Persons who obtain inside information or periodic information by committing crimes;
- 5) Persons who are aware or should be aware when proven, that the information they possess is inside information or periodic information;

(d) **“Issuer”** refers to legal entities, who issue capital market instruments, who apply to the Board for issuance or whose capital market instruments are offered to public

(e) **“Law”** refers to the Capital Markets Law no. 6362 dated 6/12/2012;

(f) **“Wash Sale A-B-A”** refers to any transaction which is executed by persons acting in concert between their own accounts by being both buyer and seller in those transactions taking place in exchanges and other organized markets, and which result in exchange of ownership of capital market instruments just between the persons acting in concert;

(g) **“Wash Sale”** refers to any transaction which is executed by a person on their own accounts by being both buyer and seller of those transactions in exchanges and other organized markets, and which does not result in any change in ownership of capital market instruments;

(ğ) **“Board”** refers to the Capital Markets Board;

(h) **“Material event disclosure”** refers to disclosures made pursuant to Articles 14 and 15 of the Law and under regulations of the Board pertaining to public disclosure of material events;

(ı) **“Market abuse actions”** refers to actions and transactions which cannot be explained by any reasonable economic or financial justification and which are of a nature deteriorating the functioning of exchanges and other organized markets in confidence, openness and stability, provided that they do not constitute a crime;

(i) **“Periodic information”** refers to all information not covered by the definition of inside information and required to be disclosed as per regulations of the Board pertaining to public disclosure of material events;

(j) “**Investment firm**” refers to intermediary institutions as well as other capital market institutions established to perform investment services and activities, the establishment and operation principles of which are designated by the Board, and banks

Market Abuse Actions Regarding Inside Information or Periodic Information

ARTICLE 4 – (1) Persons having inside information or periodic information are required to preserve secrecy of such information up until the time public disclosure is made in accordance with legislation.

(2) In cases where persons acquiring inside information or periodic information prior to their public disclosure directly or indirectly from persons possessing such information, trade on the related capital market instrument;

(a) The provision of inside information or periodic information by informed persons,

(b) Trading on the related capital market instrument by persons who acquire inside information or periodic information directly or indirectly from informed persons

shall be considered and treated as market abuse.

(3) Trading of relevant capital market instruments by persons who have inside information or periodic information, or by their spouses, children or cohabitants during the period from the day immediately following the end of the accounting period for the financial statements of issuers, and independent audit reports, to the date of disclosure of those statements and reports to public in accordance with legislation, shall be considered and treated as market abuse.

(4) Trading of relevant capital market instruments by persons who have inside information or periodic information, or by their spouses, children or cohabitants, during the period from the date when inside information or periodic information is finalized to the date of disclosure of such information to public in accordance with legislation, shall be considered and treated as market abuse.

Market Abuse Actions Regarding Orders or Trades

ARTICLE 5 – (1) Actions and behaviors of persons acting alone or acting in concert in the exchange or in other organized markets, and which are accepted and deemed to be material or effective as a result of an evaluation of information in relation to the operation of capital markets or determination of prices of capital market instruments, such as prices of capital market instruments, price variations, trading volumes, trading amounts, trading rates, order amounts, order rates, order cancellation amounts, order cancellation rates or order execution rates; disrupting the functioning of the exchange and other organized markets in confidence, openness and stability, creating a wrong or misleading impression regarding prices, price variations, supply and demand for capital market instruments, or preventing or obstructing fair and honest conduct of transactions, functioning of markets in a competitive setting, or complicating proper and fair price formation:

(a) by trading, or making transfers, or placing, cancelling or changing orders;

(b) by placing orders at different price levels;

(c) by placing reverse orders within a time period less than one minute, such as a sell order at a price equal to or lower than the best purchase price in the market or a buy order at a price equal to or higher than the best sale price;

(c) by executing Wash Sales or Wash Sales A-B-A;

(d) by executing transactions aimed at affecting the opening or closing prices;

(e) by executing transactions aimed at affecting the end-of-day or end-of-maturity settlement prices;

(f) by executing transactions aimed at increasing the price, lowering the price, or keeping the price fixed;

(g) by exceeding position limits set for all accounts associated with a registry or on market basis in the futures and options market;

(g) by executing transactions in the futures and options market in the same direction with transactions executed in the relevant underlying asset market

shall be considered and treated as market abuse.

Market Abuse Actions through Communication or Correspondence

ARTICLE 6 – (1) (As amended: OG 18.02.2017 – 29983) Providing false, wrong or misleading information, spreading rumors, informing, making material public disclosures, making comments or preparing reports in such manner to affect the prices or values of capital market instruments or investor decisions , or with respect to market indicators that may affect them shall be considered and treated as market abuse, in cases where persons conducting such actions have placed any orders or conducted trades in relation to the relevant capital market instrument prior to or following the conduct of such actions.

(2) Spreading information referred to in the first paragraph by persons who know or should know that they are false, wrong or misleading shall be considered and treated as market abuse, in cases where persons conducting such actions have placed any orders or conducted trades in relation to the relevant capital market instrument prior to or following the conduct of such actions.

(3) Non-disclosure of information which is required to be disclosed pursuant to the regulations of the Board pertaining to public disclosure of material events and which may affect the prices, values of capital market instruments or the decisions of investors shall be considered and treated as market abuse.

(4) Selling a capital market instrument contrary to advice provided to buy or hold, or buying a capital market instrument contrary to advice provided to sell, after making comments or providing advice about such capital market instrument on newspapers, television, internet or similar other mass media, until the date of revising such comment or advice or in any case within 5 business days thereafter, shall be considered and treated as market abuse.

Other Market Abuse Actions

ARTICLE 7 - (1) Prior to transmission of orders of a size that may influence the price or value of capital market instruments to investment companies, the relevant exchange or other

organized markets; placing orders to trade the capital market instrument or other related capital market instruments with advance knowledge of investor order information, or changing or cancelling such orders, or transferring information related to those orders to third parties shall be considered as front running and treated as market abuse.

(2) Conducting the actions listed below in the exchange or other organized markets, without authorization through a notary-certified power of attorney:

(a) placing orders, executing transactions or making transfers by using the account of another person;

(b) allowing another person to place orders, execute transactions or make transfers by letting others to use their account

shall be considered and treated as market abuse.

(3) Breach of Article 27 of the Communiqué on Shares (VII-128.1) published in the Official Gazette edition 28685 on 22/6/2013 or of Resolutions of the Board pertaining to implementation of the mentioned Article shall be considered and treated as market abuse.

(4) If a person subject to a trading ban upon a decision of the Board trades in the exchange or other organized markets by using their own account or the account of other person(s) during the period of the trading ban, that person shall be deemed to have committed market abuse.

Actions Not Considered as Market Abuse

ARTICLE 8 – (As amended: OG 18.02.2017 – 29983) (1) Cases which are not considered as insider trading and manipulation as stipulated in Article 108 of the Law, activities covered by freedom of press, and actions and transactions not covered by Article 104 of the Law shall not be deemed or treated as market abuse.

Effective Date

ARTICLE 9 – (1) This Communiqué becomes effective as of the date of its publication.

Execution

ARTICLE 10 – (1) The provisions of this Communiqué shall be executed by the Board.