

Changes Made to the Share-Based Circuit Breaker System, the Index-Linked Circuit Breaker System and Short-Selling Transactions

A) INTRODUCTION

The Capital Markets Board of Türkiye (“CMB”), by its decision dated 6 February 2023, had prohibited short-selling transactions in the equity markets of Borsa İstanbul A.Ş. (“BİST”). With the CMB’s decision dated December 5, 2024, the scope of this ban was narrowed. Accordingly, effective as of January 2, 2025, the short selling ban was lifted, limited only to equities listed in the BIST 50 Index.

Thereafter, by the press release it announced on 21 February 2025, the SPK stated that an investigation had been initiated regarding the extraordinary price movements observed in the BIST equity market, and within this framework BIST had resolved that, as of 24 February 2025, in the short-selling transactions in the shares in the BIST 50 Index, the uptick rule which permits entering orders only at a price equal to or higher than the last transaction price would be applied.

BIST, by another announcement dated 29 August 2025 (“Announcement”), has made certain changes regarding the Share-Based Circuit Breaker System, the Index-Linked Circuit Breaker System (“ILCBS”), and the uptick rule applied in short-selling transactions.

You may access the text of the Announcement [here](#).

B) CHANGES MADE WITHIN THE SCOPE OF THE ANNOUNCEMENT

a) Change Made to the Uptick Rule

The decline rate in the BIST 100 Index taken as the basis for the uptick rule applied on order books where short selling is permitted has been reduced from 3% to 2%. Accordingly, if the BIST 100 Index declines by 2% or more intraday, the uptick rule shall be applied until the end of the session.

b) Changes Made to the Circuit Breaker Systems

- i) ILCBS practice which is activated, during the day, if the BIST 100 Index decreases by 5% at the first stage and by 7% or more at the second stage compared to the previous day’s closing; will, following the change, begin to be implemented as a single stage and will be triggered if the BIST 100 Index decreases by 6% or more. Accordingly, transactions shall be temporarily suspended in the Equity Market, in the contracts based on shares and share indices in the Futures and Options Market (“FOM”), and in the Equity Repo Market of the Debt Securities Market.
- ii) The suspension period for order entry and trading applied under the ILCBS has been shortened by 10 minutes. Accordingly, upon the activation of the ILCBS; the 20-minute suspension period applied on certain attribute-coded order books traded on the Equity Market has been reduced to 10 minutes, whereas the suspension period applied to other order books traded on the Equity Market and to the contracts based on shares and share indices traded on the FOM has been reduced from 30 minutes to 20 minutes.
- iii) In the Equity Market, where the ILCBS was activated within the 60 minutes preceding the end of the continuous trading session (previously from 17:00), trading would be suspended and restarted with the closing session. With the new regulation, the 60-minute period has been reduced to 30 minutes, and if the ILCBS is activated after 17:30, trading shall be suspended and restarted with the closing session.

- iv) In the Futures and Options Market, under the previous practice, if the ILCBS was activated after 17:00, trading in contracts based on shares and share indices would be suspended and restarted at 18:08 with the VIOP_SUREKLI_MZYD session. Pursuant to the recent amendment, this threshold has now been revised to 17:30.
- v) In the Equity Market, the order collection period following the share-based circuit breaker shall be applied as 10 minutes for all shares traded under the continuous trading method.

C) CONCLUSION

With the Announcement made by BIST, significant changes have been made regarding the circuit breaker systems and the uptick rule applied in short-selling transactions. In this framework, the index thresholds taken as the basis in the circuit breaker systems and the suspension periods applied under the ILCBS have been revised, and it has been decided that the aforementioned changes shall enter into force as of 1 September 2025.

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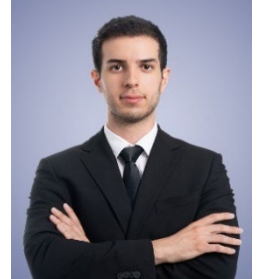
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