

## Client Alert

Turkey | February 2025

### **New Short Selling Rule**

On 6 February 2023, with the decision of the Capital Markets Board (CMB), a short-selling ban was imposed on the equity markets of Borsa İstanbul A.Ş. (BIST). This ban was partially lifted, limited to the equity markets included in the BIST 50 Index, as announced by the BIST, pursuant to the CMB Decision No. 62/1863 dated 5 December 2024, to be effective from 2 January 2025. However, on 21 February 2025, the CMB announced that an investigation had been launched regarding extraordinary price movements in the BIST equity market. In line with this, the BIST has decided to implement the uptick rule for short-selling transactions in the shares included in the BIST 50 Index, effective from 24 February 2025, on a regular basis, valid for each trading day since then.

The uptick rule is a precautionary measure designed to mitigate sharp price declines caused by short-selling. Under this rule, any short sale of a stock must be executed at a price higher than the last traded price of that stock. However, if the last traded price of the stock is higher than its previous trade, the short sale can be executed at the last traded price.

Additionally, intra-day short sales, where an investor sells a security without holding it and then covers the position with a purchase within the same trading day, are also considered short-selling transactions. Therefore, investors and brokerage firms must mark their orders accordingly as "short sale" when submitting them to the BIST.

Please contact us if you need further information on this matter.