

General Letter: 1271
Derivatives Clearing & Settlement Team

İstanbul, 21/03/2016

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| Subject: | Futures and Options Market CCP Procedure Change |
| Related members: | Brokeage houses Banks |

Dear General Manager,

Due to requests of the market participants, "*Procedure on the Central Counterparty Service to be Provided by Istanbul Settlement and Custody Bank Inc. to Borsa Istanbul Inc. Futures and Options Market and Clearing and Settlement Principles Regarding this Service*" was amended in relation to the investor based position limits applied in the Borsa Istanbul Futures and Options Market.

Summary of the Procedure change is depicted in the attached table and full version of the Procedure with amendments can be accessed from our web site under "Resource/Procedure" heading (<http://www.takasbank.com.tr/en/Pages/Procedures.aspx>).

Sincerely yours,

TAKASBANK
İSTANBUL SETTLEMENT AND CUSTODY BANK INC.

Sezai BEKGÖZ
Executive Vice President

Murat ULUS
CEO

Attachment: Procedure Change Table

Procedure Change Table

| Current version | New version | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|--|---|---|---|--|-----------|--|------------------------------------|--------|--|---|--|--|--|----------|-------------------------------|--|---|---|---|--|-----------|--|------------------------------------|--------|--|---|--|---|
| <p>Investor Based Position Limit</p> <p>ARTICLE 23 (1) Investor-Based Position Limit is the maximum number of underlying assets in which the positions in the same direction that may be taken in all accounts associated with a single investor may correspond for all contracts written on the same underlying asset.</p> <p>(2) In position limit controls; positions in the same direction written on the same asset ("Long Call Option Position + Short Put Option Position + Long Futures Position" or "Short Call Option Position + Long Put Option Position + Short Futures Position") are evaluated together and the highest amount shall be taken into account in the position limit control.</p> <p>(3) (Amendment: Published by the General Letter numbered 1266, dated February 22, 2016) Limits are applied as follows:</p> | <p>Investor Based Position Limit</p> <p>MADDE 23 –</p> <p>...</p> <p>(3) (Amendment: Published by the General Letter numbered 1271, dated March 21, 2016) Limits are applied as follows:</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | <p>For cash settled contracts which are written on the same underlying asset but which have different contract size, investor based position limit is the number of underlying of the standard contract (50,000 contracts x contract size)</p> | <p>- Upon official request of a member, the limit shall be increased up to 75,000 for legal entities and 150,000 for local and foreign investment institutions which hold banks and brokerage houses status.</p> | | <p>For cash settled contracts which are written on the same underlying asset but which have different contract size, investor based position limit is the number of underlying of the standard contract (50,000 contracts x contract size)</p> | <p>increased up to 100,000 for individual investors; 150,000 for legal entities and 250,000 for local and foreign investment institutions which hold bank and brokerage house status.</p> |
| <p>...</p> <p>(4) Number of positions taken by the joint accounts is calculated without being divided by the number of partners of the account.</p> <p>(5) (Amendment: Published by the General Letter numbered 1162, dated March 31, 2014) Investor-based position limit on contracts mentioned in item (3) of this article, may be increased up to five times.</p> | | | | | |