

Istanbul, 24/05/2017

**General Letter: 1353**  
**Equities and Fixed Income Clearing & Settlement Team**

**Subject:** Provision of Central Counterparty Services for Borsa Istanbul Inc. Equity Market and Letter of Credits to be accepted as collaterals

**Related Parties:** Brokerage Firms, Banks

Dear General Manager,

As known, Central Counterparty (CCP) services in Borsa Istanbul Equity Market will be rendered by our bank to be effective as of June 19, 2017.

Pursuant to the 58th article "Temporary Provisions" of "Directive on Principles Regarding Clearing and Central Counterparty Services to Be Provided by Istanbul Settlement and Custody Bank Inc. For Borsa Istanbul Inc. Equity Market" , approved by the Capital Markets Board meeting numbered 18 held on April 21, 2017 and announced to the members on April 25, 2017 , it has been declared that;

- Within the first-year period starting from the commencement of CCP services, letter of credits (LOC) will be accepted as collateral and guarantee fund contributions
- By the end of this period, they will no longer be accepted as collateral and guarantee fund contributions,
- Members are obliged to replace the deposited LOCs with other types of collaterals prior to that period
- Related rules and procedures will be determined by the Procedure.

In that regard, a special text body for LOC (Appendix 1) and a cover letter (Appendix 2) have been attached to this General Letter. Should there be any differences between these drafts and submitted ones, they will not be acknowledged as valid documents.

Principals and other requirements for LOCs will be announced through the Procedure to be published by Takasbank, below points must be taken into consideration for LOCs to be delivered.

- a) LOCs must be prepared in line with the format and essentials of the Appendix 1
- b) Cover letter must be in consistent with the template presented in the Appendix 2
- c) LOCs must be submitted to Equity Clearing and Settlement team.
- d) Their acceptance will be conditional on the line limits within Takasbank.
- e) They must be definite and perpetual.
- f) For banks and other members; LOCs provided from the same group entities and holding banks will not be accepted.

g) Before the LOC provision, members must contact to Equity Clearing and Settlement team to verify guaranteed amount and if the bank whom they will provide the LOC has available limit in Takasbank.

h) LOCs will be deposited on members' margin accounts upon the verification of the details from the head office of drawer by Takasbank

Additionally, should there be need of internal collateral transfers between equity market margin accounts (within the limit of the submitted LOC), members will kindly be asked for a written instruction signed by the authorized people.

Sincerely Yours,

TAKASBANK

ISTANBUL SETTLEMENT AND CUSTODY BANK INC.

Gökhan ELİBOL  
Executive Vice President

Mahmut KAYACIK  
CEO  
Board Member