



General Letter: 1382

Istanbul, 02/11/2017

Markets Department /Securities Lending Markets Team

Subject : About the Amendments in the Securities Lending Market (SLM) Directive and the Procedure on the Application Principles of Securities Lending Market (SLM)

Reference : Brokerage Houses
Banks

Dear CEO,

In our current SLM Service practices, the securities removed from the securities that may be subject to margin trading and short selling are also removed from the securities subject to lending as of the date of removal from the list and cannot be made subject to lending transactions; and therefore, when the settlement of short selling transactions executed before the start date of prohibition falls on the dates after such prohibition, the short-selling institution cannot borrow from the SLM; and due to this reason, defaults are experienced both in the clearing and settlements at BİAŞ Equity Market and in fulfillment of SLM obligations that may be extended by way of re-borrowing.

For prevention of such types of defaults, the expression given below has been added as the subparagraph no. 6 to article 12 entitled “**Thresholds and Trading Limits**” as specified in Takasbank Securities Lending Market Directive; and as article 14 entitled as the same as specified in the Procedure on Application Principles of Takasbank Securities Lending Market;

“Shares and exchange-traded fund participation certificates removed from the eligible securities that may be subject to margin trading and short selling shall be removed from the Securities subject to Lending from the end of the settlement period of the final date that they are made subject to short selling and margin trading of securities.”

The said changes will be put into application on **03 November 2017**; and “**Takasbank Securities Lending Market Directive**” and the “**Procedure on Application Principles of Takasbank Securities Lending Market**” revised with such changes shall be made available via our Bank’s website (www.takasbank.com.tr) as of the same date.

Respectfully submitted for your information and further action.

Sincerely yours,

TAKASBANK
ISTANBUL CLEARING, SETTLEMENT AND CUSTODY BANK
INC.

Gökhan ELİBOL
Executive Vice President

Mahmut KAYACIK
CEO and
Board Member