

Istanbul, 05/03/2018

**General Letter: 1409**

**Debt Securities Clearing & Settlement Team**

**Subject:** Provision of Central Counterparty Services in Debt Securities Market and Letters of Guarantee to be Accepted as Collateral

**Related Parties :** Brokerage Firms, Banks

Dear General Manager,

Approved by the Capital Markets Board of Turkey as of 08.02.2018 and announced by our Bank to the member institutions on 13.02.2018, as stipulated under the Temporary Provisions 63rd. article of the İstanbul Settlement and Custody Bank Inc. Borsa İstanbul Inc. Debt Securities Market Directive on Clearing and Settlement and Central Counterparty Service Principles Draft to be enforced as of the BISTECH transition;

- As of the date of commencement of CCP services rendered by our bank for the Debt Securities Market, letters of guarantee shall be accepted as collateral and a guarantee fund contribution within a year period
- By the end of a year, existing letters of guarantee shall not be qualified as collateral and guarantee fund contribution
- Responsibility to replace their existing letter of guarantees with other collateral type or types within specified time lies with the members.
- The principles and procedures thereof shall be stipulated by the Procedure.

Within this framework, guarantee letter template (Annex 1) and cover letter sample (Annex 2) to be submitted to our Bank are provided as attachment and guarantee letters and cover letters not drawn up accordingly shall not be accepted.

Cover Letter and Letter of Guarantee Template annexed can be accessed through our bank website ([www.takasbank.com.tr](http://www.takasbank.com.tr)) under the Resources-Manuals- Debt Securities Market Letter of Guarantee Template/ Cover Letter Template.

Rules and principles applicable to the letters of guarantee shall be referred in the Procedure to be issued by our Bank and following issues should be considered regarding the letters of guarantee to be submitted to our Bank;

- a) Format and content of the letter of guarantee should be prepared in accordance with the Annex 1.
- b) Letter of Guarantee Cover Letter should be prepared in accordance with the Annex 2.
- c) Letter of Guarantee should be submitted to the Debt Securities and Clearing& Settlement Team.

- d) Letters of Guarantee shall be accepted within the Takasbank limits.
- e) Letters of Guarantee should be definite and unlimited.
- f) Letter of Guarantee pertaining to the same group entities and holding banks shall not be accepted.
- g) Before the Letter of Guarantee provision, member institutions are kindly requested to contact to the Debt Securities and Clearing& Settlement Team to verify guaranteed amount and the bank letter of guarantee provided.
- h) Letters of Guarantee are accepted as collateral upon the written verification obtained from the General Management of the drawer bank.

Furthermore, in case of any need arising for the collateral transfer (not exceeding guarantee letter amount) between the collateral accounts specified in the cover letter, transfer transaction shall be executed between the Debt Securities Market Collateral Types (Margin CCP Client-Margin CCP Portfolio-Margin NCCP Client-Margin NCCP Portfolio-Guarantee Fund Contribution) upon the written instruction signed by the authorized signatories and addressed to our Bank.

Existing collateral deposit/withdrawal practices shall proceed pursuant to the Borsa Istanbul regulations until the BISTECH transition.

Respectfully submitted for your information and further action.

Sincerely yours,

**TAKASBANK**

**ISTANBUL CLEARING AND CUSTODY BANK INC**

**Gökhan ELİBOL**  
**Executive Vice President**

**Mahmut KAYACIK**  
**CEO**  
**Board Member**