

İstanbul, 28/11/2018

Genaral Letter:1489

Energy and Commodity Clearing & Settlement Team

Subject: Amendments to Istanbul Settlement and Custody Bank Inc. Procedure on Electricity Market Cash Settlement and Collateral Management Service and Principles

Related Participants: Electricity Market Members

Dear General Manager,

In accordance with the Energy Market Regulatory Authority Board Decision on “the removal of minimum cash collateral requirement in Electricity Market” taken in its meeting held on 25.10.2018, minimum cash collateral requirement is amended in the Electricity Market Balancing and Settlement Regulation and published in the Official Gazette numbered 30598 and dated 17.11.2018.

In this framework, the *Istanbul Settlement and Custody Bank Inc. Procedure on Electricity Market Cash Settlement and Collateral Management Service Principles (Procedure)* is also amended (attached). Amendments which have been made at the Procedure will take effect on 01.12.2018 and updated Procedure is accessible at our web sites under “*Rules and Regulations*” heading:

<https://www.takasbank.com.tr/en/rules-and-regulations/procedures>

Respectfully submitted for your information and futher action.

Sincerely yours,

**TAKASBANK
ISTANBUL SETTLEMENT AND CUSTODY BANK INC**

**Gökhan ELİBOL
Executive Vice President**

**Mahmut KAYACIK
CEO
Board Member**

Annex: Table of Amendments (1 page)

Annex: Procedure Change Comparison Table

| Current | New | Explanation |
|---|---|--|
| Collection of Advance Payments ARTICLE 16 – (3) Cash debt which is not executed by the market participant until 15:00, is covered from the current account automatically. In case of insufficient balance at the current account, the debt is covered from the excess cash collateral and the required cash collateral respectively. (5) Default interest is applied to the amount which is covered from the required cash collateral. | Collection of Advance Payments ARTICLE 16 – (3) Cash debt which is not executed by the market participant until 15:00, is covered from the current account automatically. In case of insufficient balance at the current account, the debt is covered from the excess cash collateral and if available, the cash amount of the required total collateral respectively. (5) Default interest is applied to the amount which is covered from the cash amount of the required total collateral. | The decision regarding “removal of minimum cash collateral requirement in Electricity Market” taken at the meeting of Energy Market Regulatory Authority (EMRA) on 25.10.2018. |
| Collection of Invoice Payments ARTICLE 18 – (8) Default interest is applied to the amount which is covered from the required cash collateral. | Collection of Invoice Payments ARTICLE 18 – (8) Default interest is applied to the amount which is covered from the cash amount of the required total collateral. | EMRA decision mentioned above |
| Transaction collateral ARTICLE 27- (2) Takasbank is informed on the required cash and total collateral levels of the market participants by EPIAŞ everyday. EPIAŞ is informed on the available cash and total collateral levels of the market participants at requested times by Takasbank. (3) In case of available cash and total collateral amount falling below the required cash and total collateral amount, insufficient total and cash collateral amount information is notified to the related market participants via Takasbank screens, sms and e-mail by Takasbank. | Transaction collateral ARTICLE 27- (2) Takasbank is informed on the required total collateral levels of the market participants by EPIAŞ everyday. EPIAŞ is informed on the available total collateral levels of the market participants at requested times by Takasbank. (3) In case of available total collateral amount falling below the required total collateral amount, insufficient collateral amount information is notified to the related market participants via Takasbank screens, sms and e-mail by Takasbank. | EMRA decision mentioned above |
| Collateral withdrawal ARTICLE 31 – (2) In the event of having cash collateral above the required collateral level, market participants can withdraw the excess amount of cash collateral. (7) In the event of sending required cash and total collateral information by EPIAŞ more than once, insufficient cash and total collateral amount information is notified to the related market participants again according to the latest information. | Collateral withdrawal ARTICLE 31 – (2) In the event of having collateral above the required collateral level, market participants can withdraw the excess amount. (7) In the event of sending required total collateral information by EPIAŞ more than once, insufficient collateral amount information is notified to the related market participants again according to the latest information. | EMRA decision mentioned above |