

**Istanbul, 16/04/2019**

**General Letter: 1547**

**Equities and Debt Securities Clearing & Settlement Team**

**Subject:** SWAP Market Procedure and Directive Amendments

**Related Parties:** Banks

Dear General Manager,

Within the framework of our members' requests and so as to contribute to the market development, and to enhance the operational processes it has been announced via our general letter numbered 1515 dated 28.01.2019 that "Netting" principle for the transactions executed in the market shall be adopted as of 29.04.2019.

Istanbul Clearing, Settlement and Custody Bank Inc. SWAP Market Directive (Directive) revised accordingly has been approved by the Capital Markets Board on 07.03.2019.

Directive and "Borsa Istanbul Inc. Swap Market Clearing and Settlement and Central Counterparty Service Principles" (Procedure) amended within the scope of the directive have been published at our Bank website and the amendment shall be put into practice as of **29.04.2019**.

Business rules to be applied have been detailed in the procedure and comparison tables regarding the amendments in the directive and procedure have been annexed here below.

Respectfully submitted.

Sincerely Yours,

Appendix:

- 1- Directive Amendment Comparison Table (1 page)
- 2- Procedure Amendment Comparison Table (1 page)

**TAKASBANK**  
**İSTANBUL SETTLEMENT AND CUSTODY BANK INC.**

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

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

**Istanbul Clearing, Settlement and Custody Bank Inc. - Borsa Istanbul Swap Market Directive on  
Clearing and Central Counterparty Service Principles**

Article Content-Old	Article Content-New
<b>Netting</b> <b>ARTICLE 15</b> (1) The settlement of the transactions is performed on a transaction basis. No netting is made.	<b>Netting</b> <b>ARTICLE 15</b> (1) Multilateral netting principle under the breakdown of client/portfolio and currency is adopted in the market for the calculation of the netted obligations and receivables.
<b>Payment versus payment principle</b> <b>ARTICLE 16</b> (2) The receivables shall not be partially paid against the partially fulfilled obligations on the settlement date. No partial settlement is made.	<b>Payment versus payment principle</b> <b>ARTICLE 16</b> (2) The receivables shall be paid partially for obligations fulfilled partially on the settlement date.
<b>Market clearing and settlement operations</b> <b>ARTICLE 17</b> (2) The clearing and settlement obligations shall be determined on a transaction basis.  (6) Fulfilling the settlement obligations in a partial manner shall not be possible and no partial settlement shall be made, and the release of receivables shall not be executed partially.	<b>Market clearing and settlement operations</b> <b>ARTICLE 17</b> (2) On the maturity and value date of the transaction settlement obligations and receivables are calculated under the breakdown of client and portfolio transactions of the member.  (6) It is possible to partially fulfill the settlement obligations and the receivable distributions are performed partially by Takasbank for the obligations fulfilled partially.

**Istanbul Settlement and Custody Bank. Inc. Borsa Istanbul Inc. Swap Clearing and Settlement and  
Central Counterparty Service Principles**

Article Content-Old	Article Content-New
<b>Netting</b> <b>ARTICLE 17 –</b> (1) The settlement of the transactions is performed on a transaction basis. No netting is made.	<b>Netting</b> <b>ARTICLE 17 –</b> (1) Multilateral netting principle under the breakdown of client/portfolio and currency is adopted in the market for the calculation of netted obligations and receivables.
<b>Payment versus payment principle</b> <b>ARTICLE 18-</b> (3) The receivables shall not be partially paid against the partially fulfilled obligations on the settlement date. No partial settlement is made.	<b>Payment versus payment principle</b> <b>ARTICLE 18-</b> (3) The receivables shall be paid partially for obligations fulfilled partially on the settlement date.

**Market clearing and settlement operations**

**ARTICLE 19-**

(7) It is not possible to partially fulfill the settlement obligations and no partial settlement is made, and the receivable distributions are not performed on a partial basis.

**Market clearing and settlement operations**

**ARTICLE 19-**

(7) It is possible to partially fulfill the settlement obligations and the receivable distributions are performed partially by Takasbank for the obligations fulfilled partially.