

Istanbul,

14/06/2019

General Letter : 1562

Equities and Debt Securities Clearing & Settlement Team

Subject : Debt Securities Market Directive and Procedure Amendment

Related Parties : Banks
Brokerage Houses

Dear General Manager

As stipulated at Temporary Provisions under the 63rd article of Borsa Istanbul Debt Securities Market Directive on Clearing and Central Counterparty Service Principles;

- Guarantee letters can be accepted as collateral and guarantee fund contribution for a period of 1 year after the date on which the CCP service is started to be provided in the Market.
- The outstanding guarantee letters shall lose their qualification for being collateral and guarantee fund contribution at the end of one year
- The members are obliged to replace their guarantee letters by one or several of other collateral types during this time period

It has been announced to the members in the general letter dated 03.05.2019 numbered 1551 that the period of acceptance of the guarantee letters on the Debt Securities Market will expire on 02.07.2019, as of 02.07.2019 letters of guarantee will lose the qualification of being the collateral and guarantee fund contribution from the related date and will not be taken into the collateral valuation.

Within the framework of the members' request, so as to simplify the risk and collateral management operations, time extension for the guarantee letters acceptance is deemed as appropriate and related applications have been made to the Capital Markets Board and the Central Bank of Turkey.

Acceptance of the guarantee letters as the collateral and guarantee fund contributions until 02.07.2020 has been confirmed by the Capital Markets Board and the Central Bank of Turkey.

Within this framework, amendments have been made in the Borsa Istanbul Debt Securities Market Directive on Clearing and Central Counterparty Service Principles and Borsa Istanbul Inc. Debt Securities Market Clearing and Settlement and Central Counterparty Service Principles.

Summary of the amendment of the Directive and Procedure is presented in the annex, and the recent version of the Procedure and the Directive can be reached at our Bank website. (<http://www.takasbank.com.tr>).

TAKASBANK

ISTANBUL SETTLEMENT AND CUSTODY BANK INC.

Beyhan ARASAN
Director

Niyazi Burak AKAN
Director

Annex:

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

Istanbul Clearing, Settlement and Custody Bank Inc. - Borsa Istanbul Debt Securities Market Directive on Clearing and Central Counterparty Service Principles Amendment Table

Article Content-Old	Article Content-New	Reason
<p>Temporary Provisions</p> <p>ARTICLE 63 - (1) Guarantee letters can be accepted as collateral and guarantee fund contribution for a period of 1 year after the date on which the CCP service is started to be provided in the Market.</p> <p>The outstanding guarantee letters shall lose their qualification for being collateral and guarantee fund contribution at the end of one year. The members are obliged to replace their guarantee letters by one or several of other collateral types during this time period. The principles and procedures thereof shall be stipulated by the Procedure</p>	<p>Temporary Provisions</p> <p>ARTICLE 63 - (1) Guarantee letters can be accepted as collateral and guarantee fund contribution until 01.07.2020.</p> <p>The outstanding guarantee letters shall lose their qualification for being collateral and guarantee fund contribution as of 02.07.2020.</p> <p>The members are obliged to replace their guarantee letters by one or several of other collateral types during this time period. The principles and procedures thereof shall be stipulated by the Procedure</p>	<p>Within the framework of the members' request, so as to simplify the risk and collateral management operations, time extension is deemed as appropriate.</p>

Article Content-Old	Article Content-New	Reason
<p>Temporary Provisions</p> <p>ARTICLE 98- (1) Guarantee letters shall be accepted as collateral and guarantee fund contribution for a period of 1 year after the date on which the CCP service is started to be provided in the Market.</p> <p>(2) The outstanding guarantee letters shall lose their eligibility for being collateral and guarantee fund contribution at the end of one year. The members are obliged to replace their guarantee letters by one or several of other collateral types within this time period.</p>	<p>Temporary Provisions</p> <p>ARTICLE 98- (1) Guarantee letters shall be accepted as collateral and guarantee fund contribution until 01.07.2020.</p> <p>2) The outstanding guarantee letters shall lose their eligibility for being collateral and guarantee fund contribution as of 02.07.2020. The members are obliged to replace their guarantee letters by one or several of other collateral types within this time period.</p>	<p>Amendment of the related articles of the Procedure upon the application to the CMB and CBRT regarding the amendment of the Directive for the guarantee letters time extensions.</p>