

General Letter: 1583
Money Market Team

Istanbul, 23/09/2019

Subject: About the Acceptance of Electronic Letters of Guarantee for Takasbank Money Market (TMM)
Collateral

Related Parties: Brokerage Houses
Banks
Financial Institutions
Insurance, Life and Pension Companies
Asset Management Companies

Dear CEO,

As it is known, letters of guarantee issued on paper are accepted to TMM collateral. After receiving the letter of guarantee, Takasbank obtains a written confirmation of the letter from the issuer bank's Head Office or confirms through the "Status Inquiry of Letter of Guarantee" system developed by Credit Reference Agency of Turkey (KKB).

With the amendment made to the Electronic Signature Law No. 5070, it has become possible to issue letters of guarantee in electronic environment. Also KKB has been put into operation the Electronic Letter of Guarantee Platform (ETMP), which carries the letters of guarantee issued by banks to the electronic environment and ensures the transactions to be carried out throughout the life cycle of the letter.

The necessary infrastructure developments regarding the acceptance of e-letter of guarantee issued as electronic documents have been completed by Takasbank and electronic letters of guarantee have been able to acceptable to TMM collateral.

The comparison table about updates is enclosed, related changes shall be put into effect on 23 September 2019. As of the same date, TMM Procedure revised with changes mentioned above can be accessible via our Bank's website (www.takasbank.com.tr).

Respectfully submitted for your information and further action.

Sincerely yours,

TAKASBANK
İSTANBUL CLEARING, SETTLEMENT AND CUSTODY BANK
INC.

Emre KOÇBEY
DIRECTOR

Gökhan ELİBOL
DEPUTY CEO
BOARD MEMBER

Annex: TMM Procedure Change Comparison Table (1 page)

Annex: TMM Procedure Change Comparison Table

ARTICLE CONTENT-OLD	ARTICLE CONTENT-NEW
<p>ARTICLE 27- Depositing, withdrawing and replacing collateral</p> <p>.....</p> <p>(10) If a Letter of Guarantee is provided as collateral;</p> <ul style="list-style-type: none"> a) its form and content shall be determined by Takasbank, b) it shall be accepted within Takasbank limits, c) it must be a performance guarantee valid for minimum one year or indefinite time period , ç) Letters of guarantee issued reciprocally to each other by the banks affiliated to the same group or holding and those received by the members from the group and holding banks to whom they are affiliated shall not be accepted, d) Before the letter of guarantee is received, the limit availability of the issuer bank and the amount of the letter of guarantee must be confirmed by contacting TMM Team, e) Members shall convey the letters of guarantee they obtained to the TMM, f) Letters of guarantee shall be accepted as collateral by Takasbank after its receipt of a written confirmation from the issuer bank’s Head Office or confirmation of the active risk record at the issuer Bank through the “Status Inquiry of Letter of Guarantee” system developed by Credit Reference Agency of Turkey (Kredi Kayıt Burosu). 	<p>ARTICLE 27- Depositing, withdrawing and replacing collateral</p> <p>.....</p> <p>(10) If a Letter of Guarantee is provided as collateral;</p> <ul style="list-style-type: none"> a) its form and content shall be determined by Takasbank, b) it can be issued on paper or as electronic document c) it shall be accepted within Takasbank limits, ç) it must be a performance guarantee valid for minimum one year or indefinite time period , d) Letters of guarantee issued reciprocally to each other by the banks affiliated to the same group or holding and those received by the members from the group and holding banks to whom they are affiliated shall not be accepted, e) Before the letter of guarantee is received, the limit availability of the issuer bank and the amount of the letter of guarantee must be confirmed by contacting TMM Team, f) Members shall convey the letters of guarantee issued on paper they obtained to the TMM, g) Letters of guarantee issued on paper shall be accepted as collateral by Takasbank after its receipt of a written confirmation from the issuer bank’s Head Office or confirmation of the active risk record at the issuer Bank through the “Status Inquiry of Letter of Guarantee” system developed by Credit Reference Agency of Turkey (Kredi Kayıt Burosu). ğ) Electronic letters of guarantee are checked and accepted through the “Electronic Letter of Guarantee Platform (ETMP)” prepared and operated by the Credit Reference Agency of Turkey, and accepted as collateral if deemed appropriate.