

İstanbul, 06/05/2021

**General Letter: 1696**

**Securities Lending Market Team**

**Subject:** Takasbank Securities Lending Market Implementation Principles Procedure and Change of Session Hours

**Related Parties:** Brokerage Houses

Dear CEO,

As you know, as of 04/10/2019, the "mid-day single price" and mid-day "break" sections have been removed in the Borsa Istanbul Equity Market, and the uninterrupted continuous trading method is applied.

In order to increase the efficiency of the Securities Lending Market (SLM) operated by Takasbank and to harmonize with the Borsa Istanbul Equity Market it has been decided that the transactions, which were carried out in two sessions, 09.30-12.00 and 13.30-16.45, in the SLM, will be carried out in a single session between 09.30-16.45 as of 10/05/2021.

With the decision to carry out SLM transactions in a single session and the change of session hours, the Takasbank Securities Lending Market Implementation Principles Procedure (SLM Procedure) was revised. In the first clause of 16th article of the SLM Procedure titled "Sessions and session hours", in the fourth clause of the 17th article titled "Value dates and maturities", in the first clause of article 18th titled "Components of the Order", in the first clause of article 20th titled "Types of orders", in the third clause of article 21st titled "Changing orders", in the second clause of article 32nd titled "Collateral and margin valuation method" and arrangements have been made in the sixth paragraph of clause 34th titled "Margin Call". The comparison table containing the changes is also attached.

The changes mentioned above will be put into effect on 10/05/2021, and the updated SLM Procedure and new SLM transaction hours as of the same date can be accessed on our Bank's website ([www.takasbank.com.tr](http://www.takasbank.com.tr)).

Respectfully submitted for your kind information.

Sincerely yours,

**TAKASBANK**  
**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.**

**Emre KOÇBEY**  
Director

**Gökhan ELİBOL**  
Executive Vice President

Appendix: SLM Implementing Principles Comparison Table

## Appendix: Securities Lending Market (SLM) Implementing Principles Comparison Table

Articles – Current Version	Articles – New Version
<p><b>Principles regarding the Member representatives</b> <b>ARTICLE 12</b></p> <p>(5) In their authorization requests; the members should give the Republic of Turkey identification numbers of their representatives, and in case they are not citizens of the Republic of Turkey, they must provide their tax identification numbers and passport copies.</p>	<p><b>Principles regarding the Member representatives</b> <b>ARTICLE 12</b></p> <p>(5) In their authorization requests; the members should give the Republic of Turkey identification numbers of their representatives and other documents requested by Takasbank, in case they are not citizens of the Republic of Turkey, they must provide their tax identification numbers and passport copies.</p>
<p><b>Session hours</b> <b>ARTICLE 16</b></p> <p>(1) The transactions are conducted in 2 sessions; between <b>09:30-12:00</b> and <b>13:30-16:45</b>.</p>	<p><b>Session hours</b> <b>ARTICLE 16</b></p> <p>(1) The transactions are conducted in a single sessions; between <b>09:30-16:45</b>.</p>
<p><b>Value dates and maturities</b> <b>ARTICLE 17</b></p> <p>(4) Transactions with no fixed maturity date (open transactions) grant the right to repay early to the borrower and the right to recall to the lender. Like other maturity types, the open transactions can also be placed as “on a session basis”, “on a daily basis”, “cancel the remaining” and “cancel if no block-matching”; and can only be matched with the open orders. In this maturity type, unless no transaction closing request is made by either the borrower or the lender after the creation of the transaction, the transaction may survive up to maximum one-year. Until the term of the transaction is set, the number of days and the maturity dates thereof shall be booked as 365-days and one-year respectively to the system. Recall/early repayment operations for the open orders can be performed until 18:00 during the day.</p>	<p><b>Value dates and maturities</b> <b>ARTICLE 17</b></p> <p>(4) Transactions with no fixed maturity date (open transactions) grant the right to repay early to the borrower and the right to recall to the lender. Like other maturity types, the open transactions can also be placed as “on a daily basis”, “cancel the remaining” and “cancel if no block-matching”; and can only be matched with the open orders. In this maturity type, unless no transaction closing request is made by either the borrower or the lender after the creation of the transaction, the transaction may survive up to maximum one-year. Until the term of the transaction is set, the number of days and the maturity dates thereof shall be booked as 365-days and one-year respectively to the system. Recall/early repayment operations for the open orders can be performed until 18:00 during the day.</p>

## Securities Lending Market (SLM) Implementing Principles Comparison Table

<p><b>Elements of an Order</b> <b>ARTICLE 18</b> <b>(1)/b Order Type:</b> It can be “on a session-basis”, “on a daily-basis”, “cancel the remaining” or “cancel if no block-matching.”</p>	<p><b>Elements of an Order</b> <b>ARTICLE 18</b> <b>(1)/b Order Type:</b> It can be “on a daily-basis”, “cancel the remaining” or “cancel if no block-matching.”</p>
<p><b>Types of Orders</b> <b>ARTICLE 20</b> <b>(1)/a Session-Based Order:</b> It is an order type which is valid during the session it is placed however, where the unrealized portion is automatically cancelled by the system at the end of that session. If the order is failed to be realized either partially or entirely, the unrealized portion is displayed on the screen in a passive status.</p> <p><b>(1)/b Daily-Based Order:</b> Unlike the session-based orders, it is an order type which is not removed at the end of the first session, but, where the unrealized portion is automatically cancelled at the end of the second session. If the order is failed to be realized either partially or entirely, the unrealized portion is displayed on the screen in a passive status. It can only be placed in the first session.</p>	<p><b>Types of Orders</b> <b>ARTICLE 20</b> <b>(1)/al Daily-Based Order:</b> It is the type of order in which the part unrealized at the end of the session is automatically canceled. If the order is failed to be realized either partially or entirely, the unrealized portion is displayed on the screen in a passive status.</p>
<p><b>Modification of Orders</b> <b>ARTICLE 21</b> <b>(3)/b Order type:</b> A modification on the order types can only be made in the first session. The “Session-Based” orders can be changed to a “Daily-Based” order; and the “Daily-Based” orders can be changed to a “Session-Based” order.</p>	<p><b>Modification of Orders</b> <b>ARTICLE 21</b></p>

## Securities Lending Market (SLM) Implementing Principles Comparison Table

<p><b>Collateral deposit and withdrawal</b> <b>ARTICLE 29</b> (9) Should Treasury Bills, Government Bonds and Lease certificates issued by Asset Leasing Incorporation of the Undersecretariat of Treasury of the Republic of Turkey be wished to be provided as collateral; then if they are registered on the name of the customer, they can be given as collateral from the accounts within the CRA; whereas, if they are registered on the name of the portfolio and the fund accounts, they can be given as collateral from the free deposit account numbered 501 within the CRA. Lease certificates issued in TL are accepted as collateral.</p>	<p><b>Collateral deposit and withdrawal</b> <b>ARTICLE 29</b> (9) Should Treasury Bills, Government Bonds and Lease certificates issued by Asset Leasing Incorporation of the Undersecretariat of Treasury of the Republic of Turkey be wished to be provided as collateral; then if they are registered on the name of the customer, they can be given as collateral from the accounts within the CRA; whereas, if they are registered on the name of the portfolio and the fund accounts, they can be given as collateral from the free deposit account numbered 501 within the CRA.</p>
<p><b>Collateral and risk valuation method</b> <b>ARTICLE 32</b> (2)/a <b>Shares and Exchange Mutual Funds</b> are valued by taking the weighted average price formed at the end of the session in the Equity Market on the day the valuation is made; whereas for the intraday valuation, they are valued by taking the weighted average prices formed at 12:30. If no transaction is realized in the Exchange, the arithmetic mean of the best buy and best sell orders of the last session are used; however, should either of the best buy or best sell orders be unavailable, then the weighted average price of the last session they are traded shall be used.</p>	<p><b>Collateral and risk valuation method</b> <b>ARTICLE 32</b> (2)/a <b>Shares and Exchange Mutual Funds</b> are valued by taking the weighted average price formed at the end of the session in the Equity Market on the day the valuation is made; whereas for the intraday valuation, they are valued by taking the weighted average prices formed at 12:00 p.m. If no transaction is realized in the Exchange, the arithmetic mean of the best buy and best sell orders of the last session are used; however, should either of the best buy or best sell orders be unavailable, then the weighted average price of the last session they are traded shall be used</p>

## Securities Lending Market (SLM) Implementing Principles Comparison Table

<b>Margin Call</b> <b>ARTICLE 34</b> <b>(6)</b> Risk values occurred as a result of the intra-day valuation of the shares and exchange mutual funds are updated until 13:00. The Members are responsible for following the information related to the margin call from the Margin Call Monitoring Screen. After the intra-day valuation, the member to whom the margin call is issued shall be granted time until 13:25 to restore the collateral of its relevant account. The orders waiting in passive, if any, of those who have failed to restore their collaterals to the initial margin amount until 13:25 shall be cancelled in order from the last quoted to the first quoted until the margin call is fulfilled. If the margin call of the member's relevant account still continues despite the cancellation of all passive bid orders, then all passive offer orders, if any, of such member may also be cancelled.	<b>Margin Call</b> <b>ARTICLE 34</b> <b>(6)</b> Risk values occurred as a result of the intra-day valuation of the shares and exchange mutual funds are updated until 12:30 p.m. The Members are responsible for following the information related to the margin call from the Margin Call Monitoring Screen.
<b>Settlement and payments</b> <b>ARTICLE 44</b> <b>(1)/c Roll over</b> For maturing contracts, in case both borrower and lender members agree with each other, roll over (extension of maturity) can be made without debt closing. In roll over transaction, both maturity type and commission rate can be modified.	<b>Settlement and payments</b> <b>ARTICLE 44</b> <b>(1)/c Roll over</b> For maturing contracts, in case both borrower and lender members agree with each other, roll over (extension of maturity) can be made without debt closing. In roll over transaction, both maturity type and commission rate can be modified. The maturity cannot be extended for contracts executed from orders created through automatic lending order screen.