

Istanbul, 31/12/2021

General Letter: 1752
Money Market Team

Subject: The Revision of Takasbank Money Market (TMM) Procedure

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

Dear CEO,

As it is known, currently, all collaterals are defined to the system with the portfolio details. Within the scope of TMM collateral management, a development has been completed that will enable TMM members excluding intermediary institutions and banks to deposit their assets, which are kept under investor institutions at CRA (MKK), as TMM transaction collateral through their investor accounts.

In addition, within the framework of periodically reviewing and revising the valuation haircuts of the assets accepted as collateral by Takasbank, collateral valuation haircuts applied for the TMM were changed.

In addition to the above said changes, the sections about order transmission in natural disasters, pandemics and similar extraordinary conditions in TMM Procedure were updated.

Finally, in accordance with Article 49 of the TMM Procedure, the upper limit to be applied in case of default has been determined as 15,700-TRY for 2022, taking into account the revaluation rate.

The aforementioned changes will be implemented as of 03/01/2022 and the current TMM Procedure will be available on the Takasbank website (www.takasbank.com.tr) as of the same date.

Respectfully submitted for your information and further action.

Sincerely yours,

TAKASBANK
İSTANBUL CLEARING, SETTLEMENT AND CUSTODY
BANK INC.

Emre KOÇBEY
Director

Gökhan ELİBOL
Executive Vice President

Annex: TMM Procedure Change Comparison Table (6 pages)

TMM Procedure Change Comparison Table

ARTICLE CONTENT- OLD (20/12/2021)	ARTICLE CONTENT- NEW (03/01/2022)
<p>Definitions and abbreviations</p> <p>ARTICLE 4</p> <p>(1) Terms used in this Procedure shall bear the following meanings;</p> <p>a) Exchange/Borsa İstanbul: Borsa Istanbul Inc.</p> <p>b) BITT: Banking and Insurance Transaction Tax.</p> <p>c) General Manager: The General Manager of Takasbank.</p> <p>.....</p>	<p>Definitions and abbreviations</p> <p>ARTICLE 4</p> <p>(1) Terms used in this Procedure shall bear the following meanings;</p> <p>a) Exchange/Borsa İstanbul: Borsa Istanbul Inc.</p> <p>b) BITT: Banking and Insurance Transaction Tax.</p> <p>b)c) GDS: Government Debt Securities</p> <p>e)ç) General Manager: The General Manager of Takasbank.</p>
<p>Principles regarding the representatives of the member</p> <p>ARTICLE 10</p> <p>.....</p> <p>(5) The members, in their authorization requests, are required to provide Turkish identification numbers of their representatives and their corporate email addresses, if any, and in case they are not citizens of the Republic of Turkey, their tax identification numbers and passport copies.</p> <p>(6).....</p>	<p>Principles regarding the representatives of the member</p> <p>ARTICLE 10</p> <p>.....</p> <p>(5) The members, in their authorization requests, are required to provide Turkish identification numbers of their representatives and, their corporate email addresses, and copies of the front of their Turkish Republic identity card, if any, and in case they are not citizens of the Republic of Turkey, their tax identification numbers and passport copies.</p> <p>(6).....</p>

Order routing

ARTICLE 17

.....

(6) All calls made to (212) 315 20 00 session line are recorded by a voice recording device at Takasbank, whereas, the orders routed via remote access tools are recorded in electronic environment. In case of any dispute, the phone recordings and/or the records kept by Takasbank electronically shall be considered as the basis.

Order routing

ARTICLE 17

.....

(6) All calls made to (212) 315 20 00 session line are recorded by a voice recording device at Takasbank, whereas, the orders routed via remote access tools are recorded in electronic environment. In case of any dispute, the phone recordings and/or the records kept by Takasbank electronically shall be considered as the basis.

~~(7)~~ (7) In the event that Takasbank cannot take orders over the session line (212) 315 20 00 due to natural disasters, pandemics and similar extraordinary conditions; orders can be entered into the system by Takasbank provided that the written instruction containing the elements of the order is sent by e-mail to the ppe@takasbank.com.tr during session hours. In this case, the order entry time is the time that Takasbank enters the order. The original of the written instruction sent by e-mail must be submitted to Takasbank within 7 working days at the latest.

Depositing, withdrawing and replacing collateral

ARTICLE 27

- (1) Members who have signed the “Takasbank Cash, Security, Collateral and RTGS DvP Undertaking Agreement” can pledge and withdraw collateral by using Takasbank member applications.
- (2) All collaterals are defined to the system with the portfolio details. Members cannot pledge collaterals from the customer accounts. In the TMM, collaterals are monitored collectively in the member accounts. Collaterals to be pledged must be covered by those on which the member has the right of disposition.
- (3) Collaterals to be deposited by the members from the portfolio accounts are required to be in nature of assignment to serve as collateral. Collaterals are transferred to Takasbank for collateral purposes by transferring to collateral accounts
- (4) For pledging and withdrawing any collateral, Takasbank’s approval is required following member’s entry and verification thereof.
|
.....
- (8) Collateral operations related to the stocks, investment fund participation certificates, asset backed securities, bank bonds/bills and Borsa Istanbul shares create a transfer record on the accounts held at the MKK. In order to be able to deposit the collaterals related to these assets, the related member must have a portfolio account (with 4 account classes) at MKK.
|
.....

Depositing, withdrawing and replacing collateral

ARTICLE 27

- (1) Members who have signed the “Takasbank Cash, Security, Collateral and RTGS DvP Undertaking Agreement” can pledge and withdraw collateral by using Takasbank member applications.
- (2) All collaterals are defined to the system with the portfolio details. **Members except intermediary institutions and banks can pledge assets held at MKK from their own investor accounts as collateral. Members cannot pledge collaterals from the customer accounts.** In the TMM, collaterals are monitored collectively in the member accounts. Collaterals to be pledged must be covered by those on which the member has the right of disposition.
- (3) Collaterals to be deposited by the members from the portfolio **and investor** accounts are required to be in nature of assignment to serve as collateral. Collaterals are transferred to Takasbank for collateral purposes by transferring to collateral accounts
- (+) (4)** For pledging and withdrawing any collateral **from portfolio accounts**, Takasbank’s approval is required following member’s entry and verification thereof. **For pledging and withdrawing collateral from investor accounts, after member’s entry and verification, approval of the “investor institution” and then the approval of Takasbank is required.**
.....
- (8) Collateral operations related to the stocks, investment fund participation certificates, asset backed securities, bank bonds/bills and Borsa Istanbul shares create a transfer record on the accounts held at the MKK. In order to be able to deposit the collaterals related to these assets, the related-member must have a portfolio account (with 4 account classes) **and investor account (1 account class)** at MKK.
.....

Collateral groups, valuation haircuts and upper limit ratios

ARTICLE 28

(3) The collateral groups, haircuts, group and upper limit ratios on the basis of assets to be used for the collateral valuation are given below:

Collateral Group	Collateral Type	Time to Maturity	Valuation Haircut	Group Based Upper Limit Ratio (%)	Asset Based Upper Limit Ratio (%)
1	Gold		0,88	25,00	100,00
2	Borsa Istanbul shares		1,00	100,00	100,00
3	Government Domestic Debt Instrument (TRY, USD and EUR denominated)	0-1 year	0,96	100,00	100,00
		1-5 year	0,91		
		5 year and more	0,91		
		0-5 year	0,92		
		5-10 year	0,93		

Collateral groups, valuation haircuts and upper limit ratios

ARTICLE 28

(3) The collateral groups, haircuts, group and upper limit ratios on the basis of assets to be used for the collateral valuation are given below:

Collateral Group	Collateral Type	Time to Maturity	Valuation Haircut	Group Based Upper Limit Ratio (%)	Asset Based Upper Limit Ratio (%)
1	Gold		0,88	25,00	100,00
2	Borsa Istanbul shares		1,00	100,00	100,00
3	Government Domestic Debt Instrument (TRY, USD and EUR denominated)	0-1 year	0,9697	100,00	100,00
		1-5 year	0,91		
		5 year and more	0,9185		
		0-5 year	0,92		
		5-10 year	0,9392		

4	Eurobond - USD denominated	10-30 year	0,90	100,00	100,00	4	Eurobond - USD denominated	10-30 year	0,90	100,00	100,00
		30 year and more	0,88					0, 88 87			
5	Eurobond - EUR denominated	0-5 year	0,92	100,00	100,00	5	Eurobond - EUR denominated	0-5 year	0,92	100,00	100,00
		5-10 year	0,87					0,87			
		10-30 year	0,80					0, 80 79			
		30 year and more	0,80					0, 80 79			
6	Lease Certificate	0-1 year	0,94	100,00	100,00	6	Lease Certificate	0-1 year	0, 94 95	100,00	100,00
		1-5 year	0,89					0,89			
		5 year and more	0,89					0, 89 83			
7	Share		0,84	90,00	20,00	7	Share		0,84	90,00	20,00
8	Cash-EUR		0,92	100,00	100,00	8	Cash-EUR		0, 92 91	100,00	100,00
9	Cash- USD		0,91	100,00	100,00	9	Cash- USD		0,91	100,00	100,00
10	Cash-TRY		1,00	100,00	100,00	10	Cash-TRY		1,00	100,00	100,00
11	Bank Bond / Bill		0,73	50,00	40,00	11	Bank Bond / Bill		0,73	50,00	40,00

12	Letter of Guarantee		1,00	100,00	100,00	12	Letter of Guarantee		1,00	100,00	100,00
13	Asset-Backed Security	0-1 year	0,94	50,00	40,00	13	Asset-Backed Security	0-1 year	0,9495	50,00	40,00
		1-5 year	0,89					1-5 year	0,89		
		5 year and more	0,89					5 year and more	0,8983		
14	Investment Fund Participation Certificate		0,84	50,00	20,00	14	Investment Fund Participation Certificate		0,8490	50,00	20,00
<p>Signing of agreements</p> <p>PROVISIONAL ARTICLE 1</p> <p>(1) Signing of agreements: As of the date of the publication of this Procedure, members who do not have the current Takasbank Money Market Agreement suspended from trading and their membership is terminated after the obligations arising from the date of publication of the Procedure expire.</p> <p>(2) Borsa İstanbul A.Ş. shares are accepted as collateral as long as the purchase guarantee of Borsa İstanbul A.Ş.</p>						<p>Signing of agreements</p> <p>PROVISIONAL ARTICLE 1</p> <p>(1) Signing of agreements: As of the date of the publication of this Procedure, members who do not have the current Takasbank Money Market Agreement suspended from trading and their membership is terminated after the obligations arising from the date of publication of the Procedure expire.</p> <p>(2)(1) Borsa İstanbul A.Ş. shares are accepted as collateral as long as the purchase guarantee of Borsa İstanbul A.Ş.</p>					