

Istanbul, 18/03/2022

General Letter: 1784
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 is known, currently, all collaterals are defined to the system with the portfolio details. In addition, TMM members, excluding intermediary institutions and banks, can deposit their assets, which are kept under investor institutions at MKK, as transaction collateral through their investor accounts. As a result of the completed development, the relevant TMM members will be able to deposit guarantee fund contribution deposits using their investor accounts.

In order to align with other markets served by Takasbank, the types of investment fund participation certificates accepted as collateral has been updated as stocks umbrella and debt instruments umbrella. Additionally, within the context of the periodic review of the collateral valuation haircuts, the haircut of investment fund participation certificate has been updated.

The comparison table of the above said revisions is annexed and the related changes will be put into practice as of 18/03/2022, and as of the same date, the updated TMM Procedure will be available on the Takasbank website (www.takasbank.com.tr).

Respectfully submitted for your information and further action.

Sincerely yours,

TAKASBANK
ISTANBUL 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 (31/01/2022)	ARTICLE CONTENT- NEW (18/03/2022)
<p>Depositing, withdrawing and replacing collateral ARTICLE 27</p> <p>.....</p> <p>(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. 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.</p> <p>.....</p> <p>(4) For pledging and withdrawing collaterals 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.</p> <p>.....</p> <p>(15) If investment fund participation certificates are provided as collateral; The members cannot pledge the investment fund participation certificates as collateral of which the companies and banks affiliated to the same group or holding with the members are either the founder or manager. Hedge funds shall not be accepted as collateral.</p> <p>.....</p>	<p>Depositing, withdrawing and replacing collateral ARTICLE 27</p> <p>.....</p> <p>(2) All collaterals are defined to the system with the portfolio details. Member cannot pledge collaterals from the customer accounts. Members except intermediary institutions and banks can pledge assets held at MKK from their own investor accounts as collateral. 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.</p> <p>.....</p> <p>(4) For pledging and withdrawing collaterals from portfolio and investor 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.</p> <p>.....</p> <p>(15) If investment fund participation certificates are provided as collateral; The members cannot pledge the investment fund participation certificates as collateral of which the companies and banks affiliated to the same group or holding with the members are either the founder or manager. Hedge funds shall not be accepted as collateral. Funds other than stock umbrella funds and debt instruments umbrella funds are not accepted as collateral.</p> <p>.....</p>
<p>Collateral groups, valuation haircuts and upper limit ratios ARTICLE 28</p> <p>.....</p> <p>(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:</p>	<p>Collateral groups, valuation haircuts and upper limit ratios ARTICLE 28</p> <p>.....</p> <p>(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:</p>

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	0,97	100,00	100,00
		1-5 year	0,91		
		5 year and more	0,85		
4	Eurobond -USD denominated	0-5 year	0,92	100,00	100,00
		5-10 year	0,92		
		10-30 year	0,90		
		30 year and more	0,87		
5		0-5 year	0,92	100,00	100,00
		5-10 year	0,87		

Collateral Group	Collateral Type	Time to Maturity	Valuation Haircut	Group Based Upper Limit Ratio (%)	Asset Based Upper Limit Ratio (%)
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4	Eurobond -USD denominated	0-5 year	0,92	100,00	100,00
		5-10 year	0,92		
		10-30 year	0,90		
		30 year and more	0,87		
5		0-5 year	0,92	100,00	100,00
		5-10 year	0,87		

	Eurobond -EUR denominated	10-30 year	0,79				Eurobond -EUR denominated	10-30 year	0,79			
		30 year and more	0,79					30 year and more	0,79			
6	Lease Certificate	0-1 year	0,95	100,00	100,00		6	Lease Certificate	0-1 year	0,95	100,00	100,00
		1-5 year	0,89						1-5 year	0,89		
		5 year and more	0,83						5 year and more	0,83		
7	Share		0,84	90,00	20,00		7	Share		0,84	90,00	20,00
8	Cash-EUR		0,91	100,00	100,00		8	Cash-EUR		0,91	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	0,95	50,00	40,00		13	Asset-Backed Security	0-1 year	0,95	50,00	40,00
		1-5 year	0,89						1-5 year	0,89		
		5 year and more	0,83						5 year and more	0,83		

14	Investment Fund Participation Certificate		0,90	50,00	20,00	14	Investment Fund Participation Certificate		0, 90 88	50,00	20,00
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Assets eligible as guarantee fund contribution share

ARTICLE 36

(1) The assets eligible as guarantee fund contribution share are shown in the following table. Takasbank is authorized to revise the composition limits of the assets to be accepted as guarantee fund contribution according to the market conditions and set composition limits for the new assets. Letter of guarantee is not accepted as guarantee fund contribution share.

Assets Eligible to Guarantee Fund	Time to Maturity	Group Based Upper Limit Ratio (%)	Asset Based Upper Limit Ratio (%)
Gold		25,00	100,00
Borsa Istanbul Shares		100,00	100,00
Government Domestic Debt Instrument (TRY, USD and EUR denominated)	0-1 year	100,00	35,00
	1-5 year		
	5 year and more		
Eurobond–USD and EUR denominated	0-5 year	100,00	35,00
	5-10 year		
	10-30 year		
	30 year and more		

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	1-5 year		
	5 year and more		
Eurobond–USD and EUR denominated	0-5 year	100,00	35,00
	5-10 year		
	10-30 year		
	30 year and more		

Lease Certificate	0-1 year	100,00	25,00
	1-5 year		
	5 year and more		
Share		90,00	20,00
Cash -EUR		100,00	100,00
Cash -USD		100,00	100,00
Cash -TRY		100,00	100,00
Bank Bond/ Bill		50,00	40,00
Asset-Backed Security	0-1 year	50,00	40,00
	1-5 year		
	5 year and more		
Investment Fund Participation Certificate		50,00	20,00

(2) Assets to be deposited by the members from the portfolio accounts are required to be in nature of assignment to serve as guarantee fund contribution share. Guarantee fund contribution share assets are transferred to Takasbank for guarantee fund contribution purposes by transferring to guarantee fund contribution accounts.

Lease Certificate	0-1 year	100,00	25,00
	1-5 year		
	5 year and more		
Share		90,00	20,00
Cash -EUR		100,00	100,00
Cash -USD		100,00	100,00
Cash -TRY		100,00	100,00
Bank Bond/ Bill		50,00	40,00
Asset-Backed Security	0-1 year	50,00	40,00
	1-5 year		
	5 year and more		
Investment Fund Participation Certificate		50,00	20,00

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