

Istanbul, 20/05/2022

**General Letter: 1797**  
**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, the shares that are currently traded in the BIST-30 index in the TMM can be pledged as collateral and guarantee fund contributions. In order to provide flexibility in the collateral management of our members, the shares that will be accepted as transaction collateral and guarantee fund contributions have been changed as the shares in the BIST-100 index, valuation haircuts on the basis of index have been added, and the asset based upper limit ratio of the shares deposited as transaction collateral has been updated upwards.

In addition, updates were made within the scope of the instruction transmission for deposit and withdrawal transactions of Eurobonds as transaction collateral and guarantee fund contribution, the number of days to send originals of written instructions sent for order transmission under extraordinary conditions, and the offsetting transactions.

The comparison table of the above said revisions is annexed and the related changes will be put into practice as of 23/05/2022, and as of the same date, the updated TMM Procedure will be available on the Takasbank website ([www.takasbank.com.tr](http://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 (23/05/2022)	ARTICLE CONTENT- NEW (01/07/2022)
<p><b>Order routing</b></p> <p><b>ARTICLE 17</b></p> <p>.....</p> <p>(1) The member representatives route their orders by using Takasbank member applications.....</p> <p>(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.</p>	<p><b>Order routing</b></p> <p><b>ARTICLE 17</b></p> <p>.....</p> <p>(1) The member representatives route their orders by using Takasbank member applications.....</p> <p>(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 <del>7</del>5 working days at the latest.....</p>
<p><b>Depositing, withdrawing and replacing collateral</b></p> <p><b>ARTICLE 27</b></p> <p>(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</p> <p>(11) <b>If Stocks traded on the stock exchange are provided as collateral;</b></p> <p>a) Stocks accepted as collateral shall be limited to the stocks included in BIST-30 Index.</p> <p>b) For each specified stock, Takasbank determines the upper limit to be accepted as collateral.</p> <p>c) Stocks accepted as collateral shall be in lots and its multiples.</p>	<p><b>Depositing, withdrawing and replacing collateral</b></p> <p><b>ARTICLE 27</b></p> <p>(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</p> <p>(11) <b>If Stocks traded on the stock exchange are provided as collateral;</b></p> <p>d) Stocks accepted as collateral shall be limited to the stocks included in BIST-<del>30</del>100 Index.</p> <p>e) For each specified stock, Takasbank determines the upper limit to be accepted as collateral.</p> <p>f) Stocks accepted as collateral shall be in lots and its multiples.</p>

- d) Stocks of those companies which are a subsidiary of the member or in which the member has an ownership interest shall not be accepted as collateral for that member.

**(13)If the Euro bonds are provided as collateral;**

- a) After the delivery of Eurobonds pledged as collateral to Takasbank's account no. 15512 held at Euroclear; the member delivering the assets must send either a free format SWIFT message or a written instruction to Takasbank so that the relevant securities can be deposited to the member's current collateral account at Takasbank.
- b) Such assets transferred by Takasbank to the relevant member's 5080-Eurobond Collateral Deposit Account under the Takasbank International Settlement and Custody Operations menu shall be transferred by the member to 5081-TMM Collateral Project Deposit Account by using Takasbank member applications.
- c) In order for the assets transferred to 5080 - Eurobond Collateral Deposit Account as a result the collateral transfer to be further transferred to the member's account held at its securities correspondent; a written instruction must be sent to Takasbank Global Custody and Numbering Team. The instructions must be sent until 02:00 p.m. Turkish Time, if the securities correspondent of the member is Clearstream, and until 04:30 p.m., if it is Euroclear. Transfers related to the instructions to be sent after the aforesaid hours shall be processed with next day value. The securities correspondent of the member and its account number at that correspondent must have been mentioned in the said instructions.

- g) Stocks of those companies which are a subsidiary of the member or in which the member has an ownership interest shall not be accepted as collateral for that member.

**(13)If the Euro bonds are provided as collateral;**

- a) After the delivery of Eurobonds pledged as collateral to Takasbank's account no. 15512 held at Euroclear; the member delivering the assets must send either a free format SWIFT message (MT199, 299 or 599) or a written instruction to Takasbank so that the relevant securities can be deposited to the member's current collateral account at Takasbank. **If the member's securities correspondent is Euroclear, until 16.30 Turkish time and if it is Clearstream, until 14.00, the free format SWIFT message and the written instruction must be sent to the e-mail address (glo@takasbank.com.tr) of Global Custody and Numbering Team or BIC code (TVSBTRISXXX) of Takasbank. Transfers, related with the instructions and SWIFT messages that have been sent after relevant hours, are processed on next day value. The original of the written instruction must be delivered to Takasbank within 5 working days at the latest. In the instructions, the security correspondent of the member, the account number at the relevant correspondent, the ISIN code of the securities subject to the order, the nominal amount, and the value date should be stated. In addition, which member's 5080 collateral account held in Takasbank will be used for this transfer must be declared in the instructions.**
- b) Such assets transferred by Takasbank to the relevant member's 5080-Eurobond Collateral Deposit Account under the Takasbank International Settlement and Custody Operations menu shall be transferred by the member to 5081-TMM Collateral Project Deposit Account by using Takasbank member applications.
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	<p>599) must be sent to Takasbank Global Custody and Numbering Team. <del>The instructions-</del> The written instruction and free format SWIFT message must be sent to the e-mail address (glo@takasbank.com.tr) of Global Custody and Numbering Team or BIC code (TVSBTRISXXX) of Takasbank, until 02:00 p.m. Turkish Time, if the securities correspondent of the member is Clearstream, and until 04:30 p.m., if it is Euroclear. Transfers related to the instructions to be sent after the aforesaid hours shall be processed with next day value. The original of the written instruction must be delivered to Takasbank within 5 working days at the latest. The securities correspondent of the member, <del>and</del> its account number at that correspondent, the ISIN code of the securities subject to the order, the nominal amount, and the value date must have been mentioned in the said instructions.</p>
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<p><b>Collateral groups, valuation haircuts and upper limit ratios</b></p> <p><b>ARTICLE 28</b></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> <table border="1" style="width: 100%; background-color: #4F81BD; color: white;"> <thead> <tr> <th>Collateral Group</th> <th>Collateral Type</th> <th>Time to Maturity</th> <th>Valuation Haircut</th> <th>Group Based Upper Limit Ratio (%)</th> <th>Asset Based Upper Limit Ratio (%)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">Gold</td> <td></td> <td style="text-align: center;">0,88</td> <td style="text-align: center;">25,00</td> <td style="text-align: center;">100,00</td> </tr> </tbody> </table>	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	<p><b>Collateral groups, valuation haircuts and upper limit ratios</b></p> <p><b>ARTICLE 28</b></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> <table border="1" style="width: 100%; background-color: #4F81BD; color: white;"> <thead> <tr> <th>Collateral Group</th> <th>Collateral Type</th> <th>Time to Maturity/Index</th> <th>Valuation Haircut</th> <th>Group Based Upper Limit Ratio (%)</th> <th>Asset Based Upper Limit Ratio (%)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">Gold</td> <td></td> <td style="text-align: center;">0,88</td> <td style="text-align: center;">25,00</td> <td style="text-align: center;">100,00</td> </tr> </tbody> </table>	Collateral Group	Collateral Type	Time to Maturity/Index	Valuation Haircut	Group Based Upper Limit Ratio (%)	Asset Based Upper Limit Ratio (%)	1	Gold		0,88	25,00	100,00
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2	Borsa Istanbul shares		1,00	100,00	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	3	Government Domestic Debt Instrument (TRY, USD and EUR denominated)	0-1 year	0,97	100,00	100,00
		1-5 year	0,91					1-5 year	0,91		
		5 year and more	0,85					5 year and more	0,85		
4	Eurobond - USD denominated	0-5 year	0,92	100,00	100,00	4	Eurobond - USD denominated	0-5 year	0,92	100,00	100,00
		5-10 year	0,92					5-10 year	0,92		
		10-30 year	0,90					10-30 year	0,90		
		30 year and more	0,87					30 year and more	0,87		
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					5-10 year	0,87		
		10-30 year	0,79					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	BIST-30	0,84	90,00	<del>50,00</del> 20,00
8	Cash-EUR		0,91	100,00	100,00			BIST-100	0,82	90,00	50,00
9	Cash- USD		0,91	100,00	100,00	8	Cash-EUR		0,91	100,00	100,00
10	Cash-TRY		1,00	100,00	100,00	9	Cash- USD		0,91	100,00	100,00
11	Bank Bond / Bill		0,73	50,00	40,00	10	Cash-TRY		1,00	100,00	100,00
12	Letter of Guarantee		1,00	100,00	100,00	11	Bank Bond / Bill		0,73	50,00	40,00
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		0,88	50,00	20,00

	<table border="1"> <tr> <td data-bbox="1050 256 1178 343"></td> <td data-bbox="1178 256 1393 343">Participation Certificate</td> <td data-bbox="1393 256 1520 343"></td> <td data-bbox="1520 256 1659 343"></td> <td data-bbox="1659 256 1807 343"></td> <td data-bbox="1807 256 1957 343"></td> </tr> </table>		Participation Certificate				
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<p><b>Offsetting</b></p> <p><b>ARTICLE 44</b></p> <p>(1) It is possible to make offsetting between the TMM and Borsa Istanbul Debt Securities Market and Equity Market.</p> <p>a) Members who owe debts to the TMM over the net balance can offset their receivables arising from their transactions in Borsa Istanbul Debt Securities and Equity Markets against their debts in the TMM. In the same manner, members who have receivables from the TMM over the net balance can also offset such amounts to their debts arising from their transactions in Borsa Istanbul Debt Securities and Equity Markets.</p>	<p><b>Offsetting</b></p> <p><b>ARTICLE 44</b></p> <p>(1) It is possible to make offsetting between the TMM and Borsa Istanbul Debt Securities Market and Equity Market.</p> <p>a) Members who owe debts to the TMM over the net balance can offset their receivables arising from their transactions, <b>which have not been transferred to their free accounts</b>, in Borsa Istanbul Debt Securities and Equity Markets <b>where CCP service is provided</b> against their debts in the TMM. In the same manner, members who have receivables from the TMM over the net balance can also offset such amounts to their debts arising from their transactions in Borsa Istanbul Debt Securities and Equity Markets.</p>						