

Unofficial Translation

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Central Counterparty Department

Subject: About the Changes That Were Made to the BİAŞ Futures and Options Market Procedure

Related Participants: Banks
Intermediary Institutions

Dear General Manager,

In order to make risk and collateral management for the Borsa İstanbul A.Ş. Futures and Options Market more effective, updates have been made on Procedure on Central Counterparty Service to Be Provided by İstanbul Takas ve Saklama Bankası A.Ş. to Borsa İstanbul A.Ş. Futures and Option Market and the Clearing and Settlement Principles Regarding This Service.

In this context, the group and lower group limits of %50 and %100 for shares in BIST100 Index collaterals have been revised to %40 and %75 respectively.

In addition, in order to minimize the risks that may arise in the physical delivery process, the market-based position limit value, which corresponds to %50 of the equity amount in circulation announced by the MKK, has been changed to %25 for each underlying asset in share futures and options contracts.

The comparison table regarding the changes that will be valid as of the first risk calculation on 25.09.2023 is attached, and the current procedures where the changes are implemented can be accessed from the “Procedures” section under the “Rules and Regulations” heading on our website.

Respectfully submitted for your information and further action.

Best Regards,

TAKASBANK
İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

Murat GÖRGÜN
Executive Vice President

Avşar R. SUNGURLU
CEO and Board Member

Central Counterparty Service to Be Provided by İstanbul Takas ve Saklama Bankası A.Ş. to Borsa İstanbul A.Ş. Futures and Option Market and the Clearing and Settlement Principles Regarding This Service Comparison Table

Article Content– Previous Version	Article Content– Current Version																		
<p>Market-Based Position Limit ARTICLE 25 - (1) Market-Based Position Limit is the maximum number of underlying assets in which the aggregate of open interest in the market may correspond for all contracts written on the same underlying asset.</p> <p>(2) (Amendment Published by the General Letter numbered 1821, dated October 06, 2022) For stock futures and option contracts, market-based position limit is 50% of the stock amount in actual circulation announced by CRA for each underlying asset. Market-based position limits are updated on a monthly basis. However, if there are equity issues for the relevant underlying asset, an update shall be made according to the daily informed stock amount in actual circulation.</p>	<p>Market-Based Position Limit ARTICLE 25 - (1) Market-Based Position Limit is the maximum number of underlying assets in which the aggregate of open interest in the market may correspond for all contracts written on the same underlying asset.</p> <p>(2) (Amendment Published by the General Letter numbered 1907, dated September 01, 2023) For equity futures and option contracts, market-based position limit is 5025% of the equity amount in actual circulation announced by CRA for each underlying asset. Market-based position limits are updated on a monthly basis. However, if there are equity issues for the relevant underlying asset, an update shall be made according to the daily informed stock amount in actual circulation.</p>																		
<p>Composition of the transaction collateral and the valuation coefficients ARTICLE 45- (1) (Amendment Published by the General Letter numbered 1654, dated November 05, 2020) At least 50% of the total margin requirements calculated at the Market must consist of margin in TRY. The Board of Directors is authorized to change this ratio according to Market developments. The ratios in the following table are applied for other assets that shall be eligible besides Turkish Lira and their composition limits. The composition limits are applied over the sum of deposited TRY and other margin balances. Takasbank Board of Directors is authorized to determine composition limits for new assets that be considered as eligible collateral or change composition limits including those determined under this Procedure.</p> <table><tr><th>Assets Eligible as Trade Margin</th><th>Group Limit</th><th>Lower Group Limit (As % of Group Limit)</th></tr><tr><td>Cash Turkish lira</td><td>Maximum 100%</td><td>-</td></tr><tr><td>Convertible Currency (USD/EUR/GBP)</td><td>Maximum 50%</td><td>-</td></tr></table>	Assets Eligible as Trade Margin	Group Limit	Lower Group Limit (As % of Group Limit)	Cash Turkish lira	Maximum 100%	-	Convertible Currency (USD/EUR/GBP)	Maximum 50%	-	<p>Composition of the transaction collateral and the valuation coefficients ARTICLE 45- (1) (Amendment Published by the General Letter numbered 1907, dated September 01, 2023) At least 50% of the total margin requirements calculated at the Market must consist of margin in TRY. The Board of Directors is authorized to change this ratio according to Market developments. The ratios in the following table are applied for other assets that shall be eligible besides Turkish Lira and their composition limits. The composition limits are applied over the sum of deposited TRY and other margin balances. Takasbank Board of Directors is authorized to determine composition limits for new assets that be considered as eligible collateral or change composition limits including those determined under this Procedure.</p> <table><tr><th>Assets Eligible as Trade Margin</th><th>Group Limit</th><th>Lower Group Limit (As % of Group Limit)</th></tr><tr><td>Cash Turkish lira</td><td>Maximum 100%</td><td>-</td></tr><tr><td>Convertible Currency (USD/EUR/GBP)</td><td>Maximum 50%</td><td>-</td></tr></table>	Assets Eligible as Trade Margin	Group Limit	Lower Group Limit (As % of Group Limit)	Cash Turkish lira	Maximum 100%	-	Convertible Currency (USD/EUR/GBP)	Maximum 50%	-
Assets Eligible as Trade Margin	Group Limit	Lower Group Limit (As % of Group Limit)																	
Cash Turkish lira	Maximum 100%	-																	
Convertible Currency (USD/EUR/GBP)	Maximum 50%	-																	
Assets Eligible as Trade Margin	Group Limit	Lower Group Limit (As % of Group Limit)																	
Cash Turkish lira	Maximum 100%	-																	
Convertible Currency (USD/EUR/GBP)	Maximum 50%	-																	

Procedure On Central Counterparty Service To Be Provided By İstanbul Takas Ve Saklama Bankası A.Ş. To Borsa İstanbul A.Ş. Futures And Options Market And The Clearing And Settlement Principles Comparison Table

Article Content– Previous Version			Article Content– Current Version		
Government Domestic Debt Securities	Maximum 50%	50% (Based on ISIN)	Government Domestic Debt Securities	Maximum 50%	50% (Based on ISIN)
Eurobonds issued by the Republic of Türkiye Ministry of Treasury and Finance	Maximum 50%	50% (Based on ISIN)	Eurobonds issued by the Republic of Türkiye Ministry of Treasury and Finance	Maximum 50%	50% (Based on ISIN)
Lease certificates issued by Asset Leasing Incorporation of the Undersecretariat of Treasury of the Republic of Türkiye	Maximum 50%	25% (Based on ISIN)	Lease certificates issued by Asset Leasing Incorporation of the Undersecretariat of Treasury of the Republic of Türkiye	Maximum 50%	25% (Based on ISIN)
Shares in BIST100 Index	Maximum 50%	100%	Shares in BIST100 Index	Maximum 50 40%	100 75%
Stock Umbrella Fund Shares	Maximum 50%	20%	Stock Umbrella Fund Shares	Maximum 50%	20%
Debt Securities Umbrella Fund Shares	Maximum 50%	20%	Debt Securities Umbrella Fund Shares	Maximum 50%	20%
Gold with Exchange Trading Standard	Maximum 25%	-	Gold with Exchange Trading Standard	Maximum 25%	-
Mortgage-backed securities, mortgage-based securities, asset-backed securities and asset based securities	Maximum 50%	40%	Mortgage-backed securities, mortgage-based securities, asset-backed securities and asset based securities	Maximum 50%	40%
Borsa İstanbul A.Ş. shares	Maximum 50%	-	Borsa İstanbul A.Ş. shares	Maximum 50%	-

Procedure On Central Counterparty Service To Be Provided By İstanbul Takas Ve Saklama Bankası A.Ş. To Borsa İstanbul A.Ş. Futures And Options Market And The Clearing And Settlement Principles Comparison Table

Article Content– Previous Version			Article Content– Current Version		
Eligible guarantee fund contribution share assets ARTICLE 55 – (6) (Amendment Published by the General Letter numbered 1654, dated November 05, 2020) It is mandatory that at least 30% portion of the required total contribution share be in Turkish Lira. Non-cash margin composition limit calculation is made over the total deposited contribution share. The assets to be accepted as contributions to the guarantee fund and their composition limits are shown in the table below. Takasbank Board of Directors is authorized to change the composition limits of the assets that will be accepted as guarantee fund contributions according to market conditions and to determine the composition limits for new assets.			Eligible guarantee fund contribution share assets ARTICLE 55 – (6) (Amendment Published by the General Letter numbered 1907, dated September 01, 2023) It is mandatory that at least 30% portion of the required total contribution share be in Turkish Lira. Non-cash margin composition limit calculation is made over the total deposited contribution share. The assets to be accepted as contributions to the guarantee fund and their composition limits are shown in the table below. Takasbank Board of Directors is authorized to change the composition limits of the assets that will be accepted as guarantee fund contributions according to market conditions and to determine the composition limits for new assets.		
Assets Eligible as Trade Margin	Group Limit	Lower Group Limit (As % of Group Limit)	Assets Eligible as Trade Margin	Group Limit	Lower Group Limit (As % of Group Limit)
Cash Turkish lira	Maximum 100%	-	Cash Turkish lira	Maximum 100%	-
Convertible Currency (USD/EUR/GBP)	Maximum 70%	-	Convertible Currency (USD/EUR/GBP)	Maximum 70%	-
Government Debt Securities	Maximum 70%	50% (Based on ISIN)	Government Debt Securities	Maximum 70%	50% (Based on ISIN)
Eurobond issued by the Ministry of Treasury and Finance of the Republic of Türkiye	Maximum 70%	50% (Based on ISIN)	Eurobond issued by the Ministry of Treasury and Finance of the Republic of Türkiye	Maximum 70%	50% (Based on ISIN)
Lease certificates issued by Asset Leasing Incorporation of the Undersecretariat of Treasury of the Republic of Türkiye	Maximum 70%	25% (Based on ISIN)	Lease certificates issued by Asset Leasing Incorporation of the Undersecretariat of Treasury of the Republic of Türkiye	Maximum 70%	25% (Based on ISIN)
Shares in BIST100 Index	Maximum 50%	75%	Shares in BIST100 Index	Maximum 50 40%	75%

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Article Content– Previous Version			Article Content– Current Version		
Equity Umbrella Fund Shares	Maximum 50%	20%	Equity Umbrella Fund Shares	Maximum 50%	20%
Debt Securities Umbrella Fund Shares	Maximum 50%	20%	Debt Securities Umbrella Fund Shares	Maximum 50%	20%
Gold with Exchange Trading Standard	Maximum 25%	--	Gold with Exchange Trading Standard	Maximum 25%	-
Mortgage-backed securities, mortgage-based securities, asset-backed securities and asset based securities	Maximum 50%	%40	Mortgage-backed securities, mortgage-based securities, asset-backed securities and asset based securities	Maximum 50%	%40
Borsa İstanbul A.Ş. shares	Maximum 50%	-	Borsa İstanbul A.Ş. shares	Maximum 50%	-