

General Letter: 2009

Istanbul, 28/12/2024

COMMODITY CLEARING AND SETTLEMENT TEAM

Subject: Amendment to Borsa Istanbul A.Ş. Precious Metals Market (KMP) Procedure

Related Participants : Banks and Members of Borsa Istanbul Inc. Precious Metals Market

Dear General Manager,

Borsa İstanbul A.Ş. Precious Metals Market Procedure was updated regarding definitions, membership, account structure, transaction correction, market clearing, settlement periods, default and accrual processes.

The comparison table regarding the updates made is attached, The Procedure including the amendments will be available on Takasbank's website (www.takasbank.com.tr).

Respectfully submitted for your information and further action.

Sincerely yours,

TAKASBANK
İSTANBUL CLEARING, SETTLEMENT AND CUSTODY BANK INC

Gökhan ELİBOL
Executive Vice President

Dr. Yunus ARINCI
General Manager and Board Member

Annex: Precious Metals Market Procedure Comparison Table (8 Pages)

Current Version	Proposed	Rationable
<p>Definitions and abbreviations</p> <p>ARTICLE 4</p> <p>....</p> <p>i) Precious Metal: All precious metals traded in the Exchanges</p> <p>....</p> <p>p) CBRT: The Central Bank of the Republic of Turkey.</p> <p>t) USD: The currency of United States of America.</p> <p>u) Member: Those among the institutions authorized by the Exchange to trade in the Market, which have fulfilled Takasbank membership conditions under this Procedure.</p> <p>aa) Directive: The Directive on Central Clearing and Settlement Service to be Provided by Takasbank in Borsa Istanbul Inc. Precious Metals Market and the Principles Regarding This Service approved by the Board of Directors.</p> <p>bb) Regulation: Takasbank Central Clearing and Settlement Regulation</p> <p>cc) Board of Directors: The Board of Directors of Takasbank.</p>	<p>Early settlement Operations</p> <p>ARTICLE 4</p> <p>....</p> <p>i) Precious Metal: All—precious metals traded in the Exchanges</p> <p>....</p> <p>p) Registration: Registration of precious metals imported or produced from ore by being traded and registered for the first time in Precious Metals Market.</p> <p>u) Registered: Precious metals registered in accordance with the procedures and principles set forth in the Borsa Istanbul Precious Metals And Diamond Market Procedure.</p> <p>v) Unregistered: Precious metals that are not registered, imported or produced from ore.</p> <p>p) x) CBRT: The Central Bank of the Republic of Turkey.</p> <p>ı) y) USD: The currency of United States of America.</p> <p>s) z) Member: Those among the institutions authorized by the Exchange to trade in the Market, which have fulfilled Takasbank membership conditions under this Procedure.</p> <p>aa) Directive: The Directive on Central Clearing and Settlement Service to be Provided by Takasbank in Borsa Istanbul Inc. Precious Metals Market and the Principles Regarding This Service approved by the Board of Directors.</p> <p>bb) Regulation: Takasbank Central Clearing and Settlement Regulation</p> <p>cc) Board of Directors: The Board of Directors of Takasbank.</p>	<p>Definitions have been added to the registry.</p>

<p>Membership application and its acceptance ARTICLE 6 1) Organizations to apply for membership, membership in the Directive information certifying that the conditions required for and documents to the Member Affairs unit and send the information and documents specified in article 10 of the Central Clearing and Settlement Regulation as well as the membership agreement and pre-contractual information form to Takasbank in the attachment of this letter.</p>	<p>Default principles ARTICLE 45 1) Organizations to apply for membership, membership in the Directive information certifying that the conditions required for and documents to the Member Affairs unit and send the information and documents specified in article 10 of the Central Clearing and Settlement Regulation as well as the membership agreement and pre-contractual information form to Takasbank in the attachment of this letter. The institutions to apply for membership are required to apply to Takasbank and submit the information and documents specified in the Procedure and article 10 of Takasbank Central Clearing and Settlement Regulation</p>	<p>The content of the article on the membership process has been updated.</p>
<p>Obligations of members ARTICLE 7 1) The Market members are obliged to comply with the following issues to be able to get authorization to perform the transactions of themselves and/or of their customers as a direct clearing and settlement member: ... c) Adhere to the system time periods determined by Takasbank.</p>	<p>Obligations of members ARTICLE 7 1) The Market members are obliged to comply with the following issues to be able to get authorization to perform the transactions of themselves and/or of their customers as a direct clearing and settlement member: ... c) Adhere to the system and physical delivery time periods determined by Takasbank and Exchange.</p>	<p>In the paragraph on the liability processes of members update has been made.</p>
<p>Account structure ARTICLE 12 2) Trading, position and collateral accounts shall be opened at Takasbank to be able to monitor the trades. Trading Account is the account where the orders matched in the Market are monitored on a transaction basis. The position accounts include the net amounts and net quantities calculated upon netting of the transactions. The risk management is performed over the position accounts.</p>	<p>Account structure ARTICLE 12 2) Trading, position and collateral accounts shall be opened at Takasbank to be able to monitor the trades, positions and collateral. Trading Account is the account where the orders matched in the Market are monitored on a transaction basis. The position accounts include the net amounts and net quantities calculated upon netting of the transactions. The risk management is performed over the position accounts.</p>	<p>Account details have been added.</p>

<p>Notification and definition of the intermediary banks and changing the account priority ARTICLE 14</p> <p>1)In order for the members to automatically transfer their market receivables arising from the transactions they have conducted in the Market and their withdrawable cash collateral amounts to their accounts EFT/SWIFT; the necessary definitions shall be made by Takasbank in the system upon their notification to Takasbank of minimum one and maximum five Intermediary Bank IBAN number(s) in each currency through the “Intermediary Bank Notification Form” attached as Appendix 1 herein.</p> <p>...</p> <p>3)</p> <p>...</p> <p>b)If EFT/SWIFT transfers of the end-of-day settlement receivables are equal to or above the minimum amount, performed by the system the last hours of sending orders to the intermediary bank designate.The members can approve or cancel the EFT/SWIFT messages created for their end-of-day settlement receivables through Takasbank screens until the system deadline, without minumum amount control.</p> <p>...</p>	<p>Notification and definition of the intermediary banks and changing the account priority ARTICLE 14</p> <p>1)In order for the members to automatically transfer their market receivables arising from the transactions they have conducted in the Market and their withdrawable cash collateral amounts to their accounts opened in their own name at a bank resident in Turkey via EFT/SWIFT; the necessary definitions shall be made by Takasbank in the system upon their notification to Takasbank of minimum one and maximum five Intermediary Bank IBAN number(s) in each currency through the “Intermediary Bank Notification Form” attached as Appendix 1 herein.</p> <p>...</p> <p>3)</p> <p>...</p> <p>b)If EFT/SWIFT transfers of the end-of-day settlement receivables are equal to or above the minimum amount, performed by the system the last hours of sending orders to the intermediary bank designated in article 19 of this Procedure. The members can approve or cancel the EFT/SWIFT messages created for their end-of-day settlement receivables through Takasbank screens until the system deadline, without minumum amount control.</p> <p>...</p>	<p>Update to the paragraph on intermediary bank notification Made.</p>

Market settlement transactions ARTICLE 18 6) The settlement of transactions subject to gross settlement and the settlement of transactions subject to net settlement are realized separately in the relevant accounts. 7) Settlement of the transactions conducted by the members in which they perform a buy transaction for a precious metal in a particular type or standard by way of selecting a counterparty is executed via gross settlement. 	Market settlement transactions ARTICLE 18 7) 6) Settlement of the transactions conducted by the members in which they perform a buy transaction for a precious metal in a particular type or standard by way of selecting a counterparty is executed via gross settlement. ... 7) In transactions subject to clearing and settlement, obligations related to different currencies (TL debt closing for TL debt, USD debt closing for USD debt, etc.) must be fulfilled separately.	Duplicate paragraph removed. A new paragraph explaining the clearing and settlement process has been added.
Net asset settlement ARTICLE 20 ...	Net asset settlement ARTICLE 20 ... 9) Obligations must be fulfilled with registered assets. Members are responsible for any default that may occur in case of taking a position in unregistered assets instead of registered assets.	A new paragraph has been added to explain the clearing process
Gross asset settlement ARTICLE 22 ...	Gross asset settlement ARTICLE 22 ... 9) Obligations must be fulfilled with registered assets. Members are responsible for any default that may occur in case of taking a position in unregistered assets instead of registered assets.	A new paragraph has been added to explain the clearing process.

Settlement date and period

ARTICLE 23

....

2) In determining the settlement periods, the business days on which Takasbank and the Market are open shall be taken into account. The times for the settlement operations are as follows.

Settlement Type	Transaction Type	Start Time	End Time
Early Settlement	Net Settlement Cash Debt Closing	9:00	15:45
	Net Precious Metal Debt Closing		
	Gross Settlement Cash Debt Closing		
	Gross Precious Metal Debt Closing		
End-of-Day Settlement	Net Settlement Cash Debt Closing	16:00	17:00
	Net Precious Metal Debt Closing		
	Gross Settlement Cash Debt Closing		
	Gross Precious Metal Debt Closing		

Settlement date and period

ARTICLE 23

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2) In determining the settlement periods, the business days on which Takasbank and the Market are open shall be taken into account. The times for the settlement operations are as follows

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	Gross Settlement Cash Debt Closing		
	Gross Precious Metal Debt Closing		
End-of-Day Settlement	Net Settlement Cash Debt Closing	16:00	17:00
	Net Precious Metal Debt Closing		
	Gross Settlement Cash Debt Closing		
	Gross Precious Metal Debt Closing		

*For fixing transactions with (T+0) maturity, early settlement start time is 14:25 for gold and 15:20 for silver. For forward fixing transactions, early settlement hours are the same as above table.

<p>Rectifying the transactions conducted in the Market ARTICLE 26</p>	<p>Rectifying the transactions conducted in the Market ARTICLE 26</p> <p>4) Rectify operations can be performed until 15:45 for the transactions with early settlement request.</p> <p>5) Rectify operations can be performed, from the time of trade execution in fixing transactions until 14.25 for gold and 15.20 for silver, when the fixing price is determined.</p>	
<p>Default interest ARTICLE 48</p> <p>(3) A default interest shall be applied to the defaulting member up to the amount to be calculated over the unfulfilled obligation amount by using the highest of the overnight weighted average interest rates created in BİAŞ Repo Reverse-Repo Market, CBRT Interbank Money Market or Takasbank Money Market by taking the haircuts determined. The default interest is not applied if default arises from problems in the Exchange, Takasbank and the CBRT systems.</p>	<p>Default interest ARTICLE 48</p> <p>(3) A default interest shall be applied to the defaulting member up to the amount to be calculated over the unfulfilled obligation amount by using the highest of the overnight weighted average interest rates created in BİAŞ Repo Reverse-Repo Market, CBRT Interbank Money Market or Takasbank Money Market by taking the haircuts determined by the article 49 of the Procedure as the base. The default interest is not applied if default arises from problems in the Exchange, Takasbank and the CBRT systems.</p>	<p>The content of the existing paragraph has been updated</p>
<p>Accrual, notification and collection ARTICLE 51</p> <p>(6) The compensation payment due to the price difference is paid by default member within 3 working days after notification. The collected amounts are transferred to the free accounts of the compensating members within the same day. The amount of compensation due to the price difference which is not paid within the defined period shall be collected in accordance with the provisions of Article 41 of the Procedure.</p>	<p>Accrual, notification and collection ARTICLE 51</p> <p>(6) The compensation payment due to the price difference is paid by default member within 3 working days after notification. The collected amounts are transferred to the free accounts of the compensating members within the same day. The amount of compensation due to the price difference which is not paid within the defined period shall be collected in accordance with the provisions of Article 41 49 of the Procedure.</p>	<p>The content of the existing paragraph has been updated.</p>

<p>Takasbank Default Management Committee ARTICLE 52 1) The appeals of the defaulting member to Takasbank shall be evaluated by the Default Management Committee.</p>	<p>Takasbank Default Management Committee ARTICLE 52 1) The appeals of the defaulting member to Takasbank shall be evaluated by the Default Management Committee. The member accruing default interest may object to Takasbank on the grounds that the default has occurred without its fault due to reasons arising from the Exchange, Takasbank, or the CBRT system, or that an error has been made in the calculation of default interest. 2) The objections shall be made within 1 week at the latest as of the default accrual date with a letter and the documents related to the objection attached. 3) The objection of the defaulting member shall be evaluated and resolved by the Default Committee established within Takasbank pursuant to article 35 of the Central Clearing and Settlement Regulation. 4) If the objection made by the member is justified, default interest shall not be applied and the relevant amount shall be returned to the member if it has been collected. 5) The objection does not stop the payment of default interest within the term</p>	<p>The existing paragraph has been removed. A new paragraph explaining the default committee process has been added.</p>
<p>Appendix.1: Intermediary Banks Notification Form Information that must be indicated in the notification to be sent via a written instruction to Takasbank for the Intermediary Bank Account used by the Market members in the Collateral Withdrawal Operations and for transferring the market receivables arising from Borsa Istanbul Inc. Precious Metals Market transactions is given below. Minimum 1 and maximum 5 notification(s) for each currency must be given and one account must definitely be selected as “designated account</p>	<p>Appendix.1: Intermediary Banks Notification Form Information that must be indicated in the notification to be sent via a written instruction to Takasbank for the Intermediary Bank Account Numbers opened in their names at a bank resident in Turkey to be used by the Market members in the Collateral Withdrawal Operations and for transferring the market receivables arising from Borsa Istanbul Inc. Precious Metals Market transactions is given below.</p>	<p>Add to existing article content Made.</p>

	Minimum 1 and maximum 5 notification(s) for each currency must be given and one account must definitely be selected as “designated account	
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