

**General Letter: 2017**

**Istanbul, 20/12/2024**

**COMMODITY CLEARING AND SETTLEMENT TEAM**

**Subject:** Amendment to the Procedure on the Central Clearing and Settlement Service to be Provided by Istanbul Settlement and Custody Bank Inc. in Borsa Istanbul A.Ş. Precious Metals Market and the Principles Regarding this Service

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

Dear General Manager,

The Central Clearing and Settlement Service to be provided by Istanbul Settlement and Custody Bank Inc. in Borsa Istanbul A.Ş. Precious Metals Market and the Procedure on the Principles Regarding this Service have been updated for the application of default in case of failure to fulfill early settlement obligations in Borsa Istanbul A.Ş. Precious Metals Market.

The comparison table regarding the updates made is attached, The Procedure, which includes the changes to be put into effect as of 24/12/2024, will be available on Takasbank website ([www.takasbank.com.tr](http://www.takasbank.com.tr)).

Respectfully submitted for your information and further action.

Sincerely yours,

**TAKASBANK**  
**İSTANBUL CLEARING, SETTLEMENT AND CUSTODY BANK INC**

**Nesrin ÖZKURT**  
Director

**Gökhan ELİBOL**  
Executive Vice President

Annex: Precious Metals Market Procedure Comparison Table\_24122024 (3 Pages)

Current Version	Proposed	Rationable
<p><b>Early settlement Operations</b> <b>ARTICLE 27</b> 7) For the early settlement transactions, no partial settlement shall be made. The unfulfilled early settlement obligations shall be included in the normal end-of-day settlement. Default provisions shall be not applicable for the early settlement instructions not being fulfilled.</p>	<p><b>Early settlement Operations</b> <b>ARTICLE 27</b> 7) For the early settlement transactions, no partial settlement shall be made. The unfulfilled early settlement obligations shall be included in the normal end-of-day settlement. Default provisions shall be applied for the early settlement instructions not being fulfilled.</p>	Regarding the Early Clearing process amendment added.
<p><b>Default principles</b> <b>ARTICLE 45</b> ..... 3) Not fulfilled by the early clearing deadline default provisions are not applicable for obligations 4) The member can be allotted time by Takasbank to resolve its event of default until 12:00 on the business day following the default date at most. Should the event of default be failed to be resolved until the end of the allotted time period, the amount of compensation arising from the price difference of the defaulted member is calculated with the instructions and current price information to be submitted by the Exchange. The calculated amount of penalty fee is collected by Takasbank by using the current account balances of the member in default. In case of the balance is insufficient, the amount of transaction collateral to cover the debt amount is blocked against the risk of non-payment of the remaining debt amount the transaction subject to the defaulted settlement instruction and the Exchange instruction shall be cancelled and the relevant settlement positions shall be closed. 5) For fulfillment of the cash obligations, the member's transfer time to the relevant cash debt closing account, whereas for fulfillment of the asset obligations, their transfer time to the</p>	<p><b>Default principles</b> <b>ARTICLE 45</b> ... <b>d) Failure to fulfill early settlement obligations by the early settlement cut-off time,</b> <del>3) Not fulfilled by the early clearing deadline default provisions are not applicable for obligations</del> <b>4) 3)</b> The member can be allotted time by Takasbank to resolve its event of default until 12:00 on the business day following the default date at most. Should the event of default be failed to be resolved until the end of the allotted time period, the amount of compensation arising from the price difference of the defaulted member is calculated with the instructions and current price information to be submitted by the Exchange. The calculated amount of penalty fee is collected by Takasbank by using the current account balances of the member in default. In case of the balance is insufficient, the amount of transaction collateral to cover the debt amount is blocked against the risk of non-payment of the remaining debt amount the transaction subject to the defaulted settlement instruction and the Exchange instruction shall be cancelled and the relevant settlement positions shall be closed. <b>5) 4)</b> For fulfillment of the cash obligations, the member's transfer time to the relevant cash debt closing account, whereas for fulfillment of the asset obligations, their transfer time to the settlement pool account at the Exchange shall be taken as the base for the debt closing time.</p>	Regarding the Early Clearing process amendment added.

settlement pool account at the Exchange shall be taken as the base for the debt closing time.	<b>5) Default interest arising from early settlement and normal settlement obligations shall be collected separately for each default and shall not be combined.</b>	
<b>Asset Default</b> <b>ARTICLE 46</b>	<b>Asset Default</b> <b>ARTICLE 46</b> <b>3) In case the early settlement obligation is not fulfilled until the early settlement cut-off time, default interest shall be applied within the scope of article 48 of this Procedure and the unfulfilled early settlement obligations shall be included in the normal end-of-day settlement. No compensation shall be paid to the counter member for the unfulfilled early settlement obligations.</b>	A new article has been added to the asset default process.
<b>Cash Default</b> <b>ARTICLE 47</b> 1) If the cash debt is paid partially or wholly, making payment to the settlement beneficiary within the same day is essential. Without prejudice to the default provisions of the cash settlement obligor, should the cash debt be obtained in part or in whole, the receivable allocation process shall be performed in accordance with the relevant Gross or Net cash settlement arrangement. If the event of default has not been resolved until the end of the given time period, the defaulted settlement instructions failed to be settled shall be cancelled by Takasbank and the unsettled defaulted settlement positions shall be closed. If the cash debt is paid partially or wholly, making payment to the settlement beneficiary within the same day is essential. Without prejudice to the default provisions of the cash settlement obligor, should the cash debt be obtained in part or in whole, the receivable allocation process shall be performed in accordance with the relevant Gross or Net cash settlement arrangement. If the event of default has not been resolved until the end of the given time period, the defaulted settlement instructions failed to be settled shall be cancelled by Takasbank and the unsettled defaulted settlement positions shall be closed.	<b>Cash Default</b> <b>ARTICLE 47</b> 1) If the cash debt is paid partially or wholly, making payment to the settlement beneficiary within the same day is essential. Without prejudice to the default provisions of the cash settlement obligor, should the cash debt be obtained in part or in whole, the receivable allocation process shall be performed in accordance with the relevant Gross or Net cash settlement arrangement. If the event of default has not been resolved until the end of the given time period, the defaulted settlement instructions failed to be settled shall be cancelled by Takasbank and the unsettled defaulted settlement positions shall be closed. <b>However, if the early settlement obligation is not fulfilled until the early settlement deadline, default interest shall be applied within the scope of article 48 of this Procedure and the unfulfilled early settlement obligations shall be included in the normal end-of-day settlement. No compensation shall be paid to the counter member for unfulfilled early settlement obligations.</b>	Early settlement has been added to the cash default process

### Calculating default interest

#### ARTICLE 49

4) If the obligations are fulfilled on the settlement date after the settlement deadline, the haircut shall be applied as 0.5 (one-half), and if they are fulfilled on the subsequent days, the haircut shall be applied as 2 (two).

### Calculating default interest

#### ARTICLE 49

4) If the obligations are fulfilled on the settlement date after the settlement deadline, the haircut shall be applied as 0.5 (one-half), and if they are fulfilled on the subsequent days, the haircut shall be applied as 2 (two).

TYPE OF OBLIGATION	TIME SPAN (Full Working Day)	Coefficient
CASH / ASSET (TRY - USD - EUR) (For Gross and Net Settlement)	After 17:01 with same day value (including 17:01)	0.5
	After the value date	2
CASH / ASSET (TRY - USD - EUR)	After 15:46 (including 15:46)	0.5
MARGIN CALL	After 15:01 (including 15:01)	0.5
	After the value date	2

7) In case of default on more than one obligation on the same day (net, gross, early settlement, collateral), the penalties calculated are collected separately, not combined.

Default processes have been added.