

General Letter: 2066

İstanbul, 07/05/2025

EQUITIES&DEBT SECURITIES CLEARING AND SETTLEMENT TEAM

Subject: Shortening the Settlement Cycle for Instruments Traded on Borsa Istanbul
Equity Market

Related Parties: Banks, Participation Banks, Portfolio Management Companies

Dear General Manager,

Borsa İstanbul Group is considering the potential transition of the settlement cycle for instruments traded on the Equity Market from T+2 to T+1.

There has been notable momentum towards shortening the clearing and settlement cycle in the global financial markets. The United States successfully transitioned to a T+1 settlement cycle on May 28, 2024. Similarly, the European Union, Switzerland, and the United Kingdom have set a target date of October 11, 2027, for their respective transitions. Other international markets are also actively working towards similar reforms.

As Borsa İstanbul Group, we have initiated a comprehensive evaluation process to assess the feasibility and implications of adopting a T+1 settlement cycle. This process includes obtaining feedback from all market stakeholders to evaluate the potential impacts on the capital markets, the operational and technical readiness of participants, and the broader consequences of such a transition. The aim is to reduce transaction costs for investors, mitigate post-trade risks, and ensure alignment with global post-trade standards.

In this regard, Borsa İstanbul, Takasbank, and the Central Registry Agency will consult with stakeholders to gather their views on the proposed transition and incorporate their insights into the evaluation process.

To support a well-informed assessment and to establish a potential implementation timeline, we kindly request your institution to complete the following by May 30, 2025:

- A comprehensive cost analysis of the transition,
- Identification of areas requiring development to support the transition,
- An internal implementation schedule,
- Assessment of potential challenges and obstacles,
- An estimate of the time your institution would require to complete the transition.

Your detailed written feedback, including evaluations on the points listed above, should be submitted to our Bank by the stated deadline.

Respectfully submitted for your information and necessary action.

Best Regards,

TAKASBANK
ISTANBUL SETTLEMENT AND CUSTODY BANK INC.

Muhterem ÇELİK
Director

Gökhan ELİBOL
Assistant General Manager