

General Letter : 1663

Istanbul, 16/12/2020

**DERIVATIVES CLEARING AND SETTLEMENT TEAM**

**Subject:** Amendment to the Borsa Istanbul Derivatives Market CCP Service Procedure

**Related Members:** Brokerage Firms, Banks

Dear General Manager,

As it is known, within the scope of central counterparty service provided to Borsa Istanbul Inc. Futures And Options Market, cash collaterals deposited by the Members shall be accrued interest by Takasbank with the best possible conditions by taking the credit risk and liquidity positions into consideration.

At Borsa Istanbul Inc. Futures And Options Market, although the number of accounts subject to interest accrual has exceeded 84 thousand, the balance of about 45% of accounts subject to interest accrual is below 100 TL. As the interest amount reflected in balances below 100 TL is approximately 0.01 to 0.03 TL on a daily basis, it seems that this has a very negative impact on the performance of both our members and Takasbank interest distribution processes.

As part of the improvement of interest distribution processes, systemic improvements on the Takasbank side have been completed to ensure that amounts below 100 TL are not accrued interest.

In this framework, Procedure On Central Counterparty Service To Be Provided By Istanbul Settlement And Custody Bank Inc. To Borsa Istanbul Inc. Futures And Options Market And the Clearing And Settlement Principles Regarding This Service (Procedure) is amended and the comparison table of the amendment of Procedure is attached.

The updated procedure will take effect on 4<sup>th</sup> of January 2021.

Respectfully submitted for your information and further action.

Sincerely Yours,

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

**Beyhan ARASAN**  
**DIRECTOR**

**Gökhan ELİBOL**  
**DEPUTY CEO**  
**Board Member**

Annex: Table of Amendment

**Procedure On Central Counterparty Service To Be Provided By Istanbul Settlement And Custody Bank Incorporation To Borsa Istanbul Incorporation Futures And Options Market And The Clearing And Settlement Principles Regarding This Service**

**Annex: Table of Amendment**

Old version	New Version
<p>Accrual of interest on cash collateral</p> <p><b>ARTICLE 51 - (1)</b> The amount of the membership collateral in cash Turkish Lira and the transaction collaterals deposited by the Members remaining after withholding of the amount to be maintained as compulsory reserve shall be accrued interest by Takasbank with the best possible conditions by taking the credit risk and liquidity positions into consideration. The interest accrual process shall be carried out within the limits of Takasbank.</p> <p>(2) Interest accruals on transaction collaterals are performed over the account balances of the Members at 15:40. Cash collaterals in the transaction collateral accounts shall be accrued interest by Takasbank according to the current market conditions on a best effort basis; and the interest amounts shall be transferred to the relevant accounts on next business day. No interest shall be given on cash collaterals deposited as collateral to Takasbank after 15:40.</p> <p>(3) Taxes and other legal liabilities and Takasbank's commission shall be deducted from the gross interest amounts earned as a result of the interest accrual process.</p>	<p>Accrual of interest on cash collateral</p> <p><b>ARTICLE 51 - (1)</b> The amount of the membership collateral in cash Turkish Lira and the transaction collaterals deposited by the Members remaining after withholding of the amount to be maintained as compulsory reserve shall be accrued interest by Takasbank with the best possible conditions by taking the credit risk and liquidity positions into consideration. The interest accrual process shall be carried out within the limits of Takasbank.</p> <p>(2) Interest accruals on transaction collaterals are performed over the account balances of the Members at 15:40. Cash collaterals in the transaction collateral accounts shall be accrued interest by Takasbank according to the current market conditions on a best effort basis; and the interest amounts shall be transferred to the relevant accounts on next business day. No interest shall be given on cash collaterals deposited as collateral to Takasbank after 15:40 <u>and on accounts with collateral below 100 TL.</u></p> <p>(3) Taxes and other legal liabilities and Takasbank's commission shall be deducted from the gross interest amounts earned as a result of the interest accrual process.</p>