

**İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş. CLEARING AND SETTLEMENT  
DIRECTIVE ON MARKETS FOR WHICH CENTRAL COUNTERPARTY SERVICE IS  
PROVIDED  
CHAPTER ONE  
General Provisions**

*List of the Directive amendments:*

*1. The first version was published in General Letter numbered 2027, dated 30.12.2024.*

**Purpose**

**ARTICLE 1-** (1) The purpose of this Directive is to regulate the principles and procedures regarding membership, clearing, and settlement, default, discipline and revenues as well as custody, exercise of a rights, transfer operations and other issues related with the clearing and settlement and central counterparty services to be provided by İstanbul Takas ve Saklama Bankası A.Ş. as the central clearing institution, İstanbul Takas ve Saklama Bankası A.Ş. to regulate the procedures and principles regarding the operation of the Securities Lending Market operating within it and other issues.

**Scope**

**ARTICLE 2-** (1) This Directive covers the matters regarding membership, clearing and settlement, discipline and revenues as well as custody, right granting, transfer transactions, Takasbank Securities Lending Market transactions and other issues regarding the clearing services to be provided by İstanbul Takas ve Saklama Bankası A.Ş. as the central counterparty service.

**Basis**

**ARTICLE 3-** (1) This Directive has been prepared in accordance with the articles 77 and 78 of the Capital Markets Law no. 6362 published in the Official Gazette no. 28513 dated 30 December 2012, article 10 of the Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions published in the Official Gazette no. 28690 dated 27 June 2013, İstanbul Takas ve Saklama Bankası A.Ş. Central Clearing and Settlement Regulation published in the Official Gazette no. 28711 dated 18 July 2013, İstanbul Takas ve Saklama Bankası A.Ş. Central Counterparty Regulation published in the Official Gazette no. 28735 dated 14 August 2013, and the Regulation on Activities of Payment and Securities Settlement Systems published in the Official Gazette no. 29044 dated 28 June 2014.

**Definitions and abbreviations**

**ARTICLE 4-** (1) The following terms used in this Directive shall bear the following meanings;

- a) **Open Offer Method:** The method where Takasbank interposes itself between the Market participants becoming seller against buyer or buyer against seller at the time the transaction is matched,
- b) **Debt Securities:** Bonds, share convertible bonds, exchangeable bonds, bills, precious metal securities, lease certificates (sukuk) drawn and issued in accordance with the provisions of the relevant legislation by the issuers in their capacity as debtor as well as all capital market instruments whose nature is accepted as debt instrument by the Board,
- c) **Debt Securities Market:** Borsa İstanbul A.Ş. Debt Securities Market,
- ç) **Exchange/BİAŞ:** Borsa İstanbul A.Ş.,
- d) **Multiple Position Account:** The accounts, which are opened with Takasbank on behalf of CCP members, where positions belonging to the members' own portfolios or their clients are monitored in an aggregated manner, but where, in any event, the positions pertaining to the CCP member itself and the positions pertaining to its clients are segregated,
- e) **GDDS:** The government domestic debt securities,

- f) **Variation Margin:** The daily change in the netted value in TL of the debt or credit/receivable amount calculated by discounting the projected cash flows of over-the-counter derivatives transactions in the future periods,
- g) **Periodic Payment:** Bilateral payment amounts calculated using the contract size, fixed rate, floating rate and number of days specified in the relevant contract
- ğ) **EFT:** The Electronic Fund Transfer System,
- h) **ESTS:** The Electronic Securities Transfer System,
- ı) **General Manager:** the General Manager of İstanbul Takas ve Saklama Bankası A.Ş.,
- i) **General Regulation:** the General Regulation on the Establishment and Operating Principles of the Central Clearing and Settlement Institutions published in the Official Gazette no. 28662 dated 30 May 2013,
- j) **Issuer:** The legal persons issuing the capital market instruments, applying to the Board to issue them, or whose capital market instruments are offered to public,
- k) **Trading Institution:** The institution authorized to execute trading transactions on the market, but executes the settlement of obligations arising from such transactions through intermediation of a general CCP member,
- l) **Law:** The Capital Markets Law no. 6362 published in the Official Gazette no. 28513 dated 30 December 2012,
- m) **Precious Metal:** Precious metals which defined and determined its standards in Decree No. 32 on The Protection of The Value of Turkish Currency,
- n) **Collective Investment Undertakings:** The mutual funds, private pension funds and investment trusts,
- o) **Board:** means the Capital Markets Board,
- ö) **Securities:** Any kind of capital market instruments traded at Borsa İstanbul Equity Market and defined as securities in the Capital Markets Law no. 6362,
- p) **Central Counterparty Regulation:** İstanbul Takas ve Saklama Bankası A.Ş. Central Counterparty Regulation published in the Official Gazette no. 28735 dated 14 August 2013,
- r) **Markets for Which Central Counterparty Service is Provided:** Borsa İstanbul A.Ş. Futures and Options Market, Borsa İstanbul A.Ş. Equity Market, Borsa İstanbul A.Ş. Swap Market, Takasbank Securities Lending Market, Over-The-Counter Derivatives Markets and limited to the market or the capital market instruments permitted by Board Borsa İstanbul A.Ş. Debt Securities Market,
- s) **Central Clearing and Settlement Regulation:** İstanbul Takas ve Saklama Bankası A.Ş. Central Clearing and Settlement Regulation published in the Official Gazette no. 28711 dated 18 July 2013,
- ş) **CSD:** Central Securities Depository of Türkiye (MKK; Merkezi Kayıt Kuruluşu A. Ş.),
- t) **CCP:** The central counterparty,
- u) **CCI:** The central clearing institution providing the services specified in Articles 77 and 78 of the Law,
- ü) **Client:** The investment funds as well as the real persons and legal entity clients of the members who conduct lending transactions pursuant to the capital markets legislation,
- v) **Option Contracts:** Contracts that provide the right to buy or sell an economic and financial indicator, capital market instrument, asset, precious metal, or foreign currency of a pre-determined quantity, quality and price, at or up to a specified date in the future,
- y) **Over-The-Counter Derivatives Markets (Over The Counter):** Over-The-Counter Derivatives Markets,
- z) **Securities Subject to Lending:** Stocks and exchange traded fund participation certificates to be traded in the Securities Lending Market, which are selected by Takasbank among those that are designated by the Capital Markets Board and the Exchange as eligible for short-selling and margin trading transactions,
- aa) **Securities Lending Market Transaction Commission:** The amount which is calculated in accordance with the method stipulated in the Procedure and required to be paid to the lending

- member and collected from the borrowing member at the maturity date of the transaction as a result of the transactions executed in the Securities Lending Market,
- bb) **Securities Lending Market (“SLM”)**: The market established and operated by Takasbank which enables the matching of bids and offers of the Brokerage Houses, Banks and the institutions eligible to execute trades in this market pursuant to the Capital Markets legislation and their clients thereof, who wish to lend or borrow securities subject to lending by providing collateral at certain quality, quantity and in periods determined by Takasbank,
- cc) **Market**: Markets which CCP service is provided,
- çç) **Money Market**: Borsa İstanbul A.Ş. Money Market,
- dd) **Equity Share**: The security representing the capital of the company and entitling the holder with the shareholding right,
- ee) **Equity Market**: Borsa İstanbul A.Ş. Equity Market,
- ff) **Position**: Settlement payables and receivables arising from transactions executed in the Markets except for Future and Options Market and OTC; whereas in Future and Options Market and OTC, it means the systematic record forming the basis of debt and credit/receivable amounts arising from transactions executed and to be calculated over the amount of underlying assets,
- gg) **Procedure**: the application principles comprising the procedures for operation and practices in accordance with the rules and principles stipulated in the Directive and approved by the General Manager,
- ğğ) **Capital market instruments**: the securities and derivative instruments as well as other capital market instruments designated in this context by the Board, including investment contracts,
- hh) **System**: Takasbank system established for clearing and risk, collateral and default management of **transactions** executed at the related Markets,
- ıı) **Swap Market**: Borsa İstanbul A.Ş. Swap Market,
- ii) **Contract Value**: the amount of debt or credit/receivable calculated by discounting the projected cash flows of over-the-counter derivative transactions for the future periods,
- jj) **Financing cost related with the contract value**: the amount required to be paid by the party receiving the variation margin to the party paying such variation margin, which is calculated over the interest rate determined by Takasbank,
- kk) **Contract novation method**: the conclusion of individual contracts by Takasbank with the parties through cancellation of the contract previously signed between the parties in accordance with the principles specified in the market directives in relation to the transactions executed in the market or over the capital market instruments for which CCP service is provided, and, in any event, before completion of settlement,
- ll) **Clearing and Settlement**: the definition of clearing and settlement as set out in the Law no. 6493 on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions and in the Central Counterparty Regulation,
- mm) **Takasbank**: İstanbul Takas ve Saklama Bankası A.Ş.,
- nn) **Collateral Received for Clearing and Settlement**: the amount collected from members for the securities for which CCP service is not provided in order to protect such securities subject to default against price change risks from the date of occurrence until the date of resolution of an event of default,
- oo) **CBRT**: The Central Bank of the Republic of Türkiye (TCMB; Türkiye Cumhuriyet Merkez Bankası A. Ş.),
- öö) **Single Position Account**: The accounts held as sub-accounts of the accounts opened with Takasbank on behalf CCP members, where the positions pertaining to a single client of the members or pertaining to the members’ own portfolios are monitored,

- pp) **Collateral Accounts:** The accounts opened with Takasbank on behalf of CCP members and used for monitoring the collaterals that should be maintained by the members due to the positions pertaining to their own portfolios or the positions of their client,
- rr) **Representative:** Those authorized by the Brokerage Houses, Banks and eligible institutions pursuant to the legislation to execute transaction in the SLM,
- ss) **Derivative Instruments:** Futures and options contracts and other derivative instruments traded on the market,
- şş) **Member:** The CCP members that are allowed to be a party to clearing services provided by Takasbank as the central counterparty at the Market, within the framework of article 6 of the Central Counterparty Regulation and institutions that can execute transactions in the Securities Lending Market,
- tt) **Futures Contracts:** Contracts that give the obligation to buy or sell an asset, precious metal, economic and financial indicator, capital market instrument or foreign currency of a predetermined quantity, quality and price, at a specified date in future,
- uu) **Futures and Options Market:** Borsa İstanbul A.Ş. Futures and Options Market,
- üü) **Investment Institution:** The brokerage houses that have received permission from the Board to engage in investment services and activities and other capital market institutions whose establishment and operating principles are determined by the Board to engage in investment services and activities, and the banks,
- vv) **Directive:** İstanbul Takas ve Saklama Bankası A.Ş. Clearing and Settlement Directive on Markets for Which Central Counterparty Service is Provided.,
- yy) **Board of Directors:** The Board of Directors of Takasbank.

## **CHAPTER TWO**

### **Membership Principles**

#### **Membership**

**ARTICLE 5-** (1) The investment institutions meeting the requirements in article 8 of the Directive may become a member to the CCP service and SLM to be provided by Takasbank on a market or capital market instrument basis, conducted that they are authorized by the Board of Directors.

(2) The CBRT is, upon its request, the natural member of the CCP service to be provided by Takasbank on the System for the transactions conducted in the Market, without requiring any application and assessment.

#### **Membership types**

**ARTICLE 6-** (1) The members are divided into two groups as direct CCP members and general CCP members. Membership types on a market basis are determined in the Market Procedures.

(2) The direct CCP members are authorized to perform only the clearing and settlement transactions of themselves and/or of their clients.

(3) In addition to the clearing and settlement transactions of themselves and/or of their clients, the general CCP members are also authorized to perform the clearing and settlement transactions of the trading institutions

(4) The general and direct CCP membership classification is made by taking into consideration the member's equity capital amount, the adequacy of their internal systems and technical infrastructure as well as the internal rating, financial analysis and intelligence studies carried out by Takasbank.

(5) The time for application for the general CCP membership in the Market is specified in the Procedure.

#### **Transition between membership types**

**ARTICLE 7-** (1) The membership status of general and direct CCP members may be amended by considering their compliance with the conditions set forth by Takasbank. In this context, a direct CCP member may be accepted later as a general CCP member, likewise a general CCP member may also be accepted as a direct CCP member

- (2) The general CCP members may apply to become a direct CCP member. The applications of general CCP members to this effect may be accepted by Takasbank provided that all rights, obligations and accounts, if any, related to the trading institutions of which clearing and settlement transactions are executed transferred or settled completely.
- (3) General CCP membership applications of the direct CCP members meeting the general CCP membership criteria shall be concluded by Takasbank within 2 months.
- (4) The members losing the general CCP membership eligibility conditions may be authorized as a direct CCP member in case they fail to meet the related criteria again within the time period specified by the Board of Directors from the date the loss of conditions has been notified to them by Takasbank. In such a case, transfer or settlement of all rights, obligations and accounts, if any, related to the trading institutions to another general CCP member must be completed. In case of failure to fulfill this requirement, article 13 of this Directive shall apply.
- (5) In case of any transition between the CCP membership types, The Board and the Stock Exchange shall be informed within the business day following the adoption of the Board of Directors' decision related to the said transition and the situation shall be announced on the Takasbank website.

### **CCP Membership requirements**

**ARTICLE 8-** (1) The right to determine and assess fulfillment of the membership conditions belongs to Takasbank and at least the following conditions must be met for membership:

- a) The conditions for membership of the Central Counterparty Regulation and Central Clearing and Settlement Regulation must be met,
- b) The trading authorization in the Market must not be revoked due to oppositions to the legislation,
- c) Becoming a member of the Market in accordance with the Stock Exchange legislation,
- ç) In the case of the Lending Market; Having obtained the capital market operating license that enabling to execute borrowing/lending transactions pursuant to the relevant legislation,
- d) Other information and documents to be requested by Takasbank must be submitted,
- e) The CCP service-related agreements and/or undertakings whose content is determined by Takasbank must be signed and submitted to Takasbank,
- f) Their financial structure must be at a level to fulfill their commitments towards Takasbank,
- g) The declaration in the format compatible with the template set by Takasbank for their data processing, risk management, internal control and internal audit systems must be approved by the Board of Directors of the Members and submitted,
- ğ) For the brokerage houses to become a direct CCP Member;
  - i. They must have a limited or general custody service license pursuant to the relevant legislation,
  - ii. They must have a minimum equity capital of 100.000.000 TRY,
  - iii. They must hold at least D rating as a result of the internal rating conducted by Takasbank,
- h) For the banks to become a direct CCP Member;
  - i. They must have a limited or general custody service license pursuant to the relevant legislation,
  - ii. They must have a minimum equity capital of 200.000.000 TRY,
  - iii. They must hold at least D rating as a result of the internal rating conducted by Takasbank,
- ı) For the brokerage houses to become a general CCP Member;
  - i. They must have obtained the operating permit related to general custody service, which enables them to provide the custody of positions and collateral arising from the transactions being conducted,
  - ii. They must have a minimum equity capital of 400.000.000 TRY,
  - iii. They must hold at least B rating as a result of the internal rating conducted by Takasbank.
- ı) For the banks to become a general CCP Member;
  - i. They must have obtained the operating permit related to general custody service, which enables them to provide the custody of positions and collateral arising from the transactions being conducted,



- ii. They must have a minimum equity capital of 1.000.000.000 TRY,
- iii. They must hold at least B rating as a result of the internal rating conducted by Takasbank.

- (2) In the context of the internal rating study conducted by Takasbank to determine the rating of the company; the financial statements of such company, its activity report, company introductory information form, company key information form, its trading volumes in the markets, TRY custody balances, default and intelligence information, and the ratings received from the rating agencies, if any, and the market intelligence information and the news in the visual and printed media are used. Takasbank announces on its web site the parameters used in the internal rating methodology it adopts and the effect of these parameters on the rating notes.
- (3) Takasbank is authorized to determine the minimum criteria that it would seek for technical infrastructure, data processing, risk management, internal control and internal audit systems, to grant time for compliance to institutions failing to meet the prescribed criteria, to get commitment and to check whether the criteria have been met or no.
- (4) The Board of Directors is authorized to increase the minimum equity capital amounts or to decrease them up to their previous level by taking the relevant capital markets and banking regulations as well as the market conditions into consideration.

### **Membership application and admission**

**ARTICLE 9-** (1) Institutions that intend to apply for membership shall provide Takasbank with the information and documents verifying their compliance with the conditions of membership in this Directive, along with the information and documents specified in Article 10 of the Central Clearing and Settlement Regulation and Article 7 of the Central Counterparty Regulation. Besides, institutions shall supply Takasbank with information and documents demanded by Takasbank within the framework of related regulations.

- (2) For the membership applications to be eligible for assessment by Takasbank, the information and documents referred to in the first paragraph of this article as well as other documents that may be requested by Takasbank must have been completed. The filed application shall be reviewed by Takasbank in terms of whether the conditions laid down in article 8 have been met or not. The decision made by Takasbank on the application shall be notified to those concerned within 2 months in writing.
- (3) In order to commence its operations with Takasbank, the institution whose membership application is accepted should, within 1 month from the notification that its membership application has been found eligible;
  - a) Deposit the membership admission fee,
  - b) Deposit the membership collateral,
  - c) Deposit the Guarantee Fund contribution amount,
  - ç) Authorize the personnel who will trade on behalf of the Member in Takasbank system

Otherwise, the membership permission given to the relevant institution shall be revoked. The date on which such obligations have been fulfilled shall be deemed the date on which the institution has become a member to the clearing and settlement service provided in the Market, and the member shall become entitled to trade from that date.

For Futures and Options Market, members that are not satisfying the conditions mentioned in provisions (a), (b), and (c) cannot open client accounts.

- (4) Institutions that are members in the Securities Lending Market are only required to satisfy the conditions mentioned in provisions (c) and (ç) of the third clause of this article.
- (5) Institutions that deposited their membership collateral for the Borsa İstanbul Debt Securities Market are exempt from Money Market and Swap Market membership collateral obligations. Institutions that are not members of the Borsa İstanbul Debt Securities Market and have not deposited membership collateral are obligated to deposit membership collateral within the scope of the membership collateral rules of this Directive.

- (6) Institutions that are members of the Borsa İstanbul Debt Securities Market are only required to fulfill the declaration obligation mentioned in provision (g) of the first clause of Article 8.

### **General obligations of members**

**ARTICLE 10-** (1) The Members are obliged to comply with the following issues:

- a) Act in accordance with all rules and principles laid down in this Directive and the other relevant legislation for the market clearing and settlement transactions and the central counterparty service,
- b) Act in accordance with the principles of honesty and good faith towards their clients and other members,
- c) Take all necessary measures to ensure sustainability of the internal control, risk management and internal audit mechanisms necessary to become a CCP member,
- d) If a segregated individual account is opened and where it is required to migrate member accounts with Takasbank and associated sub-accounts and the general CCP member that will acquire them is identified in advance; to add the information related thereof in the framework agreements signed with its clients,
- e) In case of opening of a segregated individual account, to ensure that its clients are fully and accurately informed about the structure of the accounts where the collaterals are monitored and the extent of segregation provided by Takasbank, as well as the facts that the member has the right of disposition on the collateral accounts opened with Takasbank and that this power is restricted by Takasbank as limited with the collateral required to be held only,
- f) Inform the clients on the fact that the positions of other clients are also monitored in the multiple client position accounts, that the collaterals associated with such accounts shall be used for the total risk arising from multiple position account, and that it is acknowledged by Takasbank that collaterals associated with such accounts belong to the member,
- g) Cover the collateral to be deposited for the portfolio accounts entirely from their own assets,
- h) Cover the collateral to be deposited for multiple client position accounts from their own collateral or from the collateral on which it has gained the right of disposition in accordance with the Law,
- i) If the collateral deposited for multiple client position accounts have been obtained from the clients or other persons and institutions through transfer of ownership agreements, establish an effective recording and monitoring system which would ensure safekeeping of transfer of ownership agreements and matching of the clients, persons and institutions from which the collaterals have been obtained with the collateral deposited in the multiple client position accounts,
- j) To ensure that its are fully and accurately informed about the structure of the accounts where the collaterals are monitored and the extent of segregation provided by Takasbank, as well as the facts that the member has the right of disposition on the collateral accounts opened with Takasbank and that this power is restricted by Takasbank as limited with the collateral required to be held only,
- k) Act in accordance with all principles and rules stipulated in the Law and other relevant regulations for monitoring and safekeeping of client assets and collateral,
- l) Fulfil the dues, charges, commissions and other obligations required by Takasbank in due time,
- m) Adapt the system revisions to be made by Takasbank within the prescribed time periods and participate in the tests,
- n) Establish constant reconciliation between the records of the position accounts at Takasbank and of the portfolio/client positions and collateral at itself,
- o) Deposit the collateral to the relevant collateral accounts at Takasbank,
- p) Informing Takasbank about changes in representatives, users, and real beneficiaries and changes regarding these.
- r) Convey all type of information and documents to be requested on issues deemed necessary by Takasbank and the Board in relation to their business and transactions within the scope of this Directive, and provide any support in the investigations to be carried out by those commissioned by Takasbank and the Board,
- s) In addition to the books and records required to be kept legally, keep other records determined by Takasbank, draw the information and documents in due form; and convey them to Takasbank in a periodic manner or at times requested by Takasbank, and maintain such documents and records for a period of 1 year,

- t) Fulfill other obligations under this Directive in a complete manner and within their time periods.
- (2) If any Member foresees that it will be unable to either partially or fully fulfill its obligations, this Member is obliged to notify such situation immediately to the Board and other relevant public entity and institutions together with all substantiating information and documents describing its reasons thereof. Such notification shall not constitute an impediment for Takasbank to take the necessary measures stipulated in this Directive.

### **Responsibilities of General CCP Members**

**ARTICLE 11-** (1) The general CCP member performing the custody and settlement operations of a trading institution shall be unconditionally responsible towards Takasbank for fulfilling the obligations related to the transactions conducted by the relevant institution through itself. The general CCP member performing the custody and settlement and the trading institution of whose custody and settlement operations it performs shall be jointly and severally liable as debtor and surety towards Takasbank for the obligations arising from the trading institution's transactions of itself and of its clients that are conducted through the relevant general CCP member.

- (2) A general CCP member shall be responsible for monitoring whether or not the obligations referred to in article 12 have been fulfilled by the trading institutions of whose custody and settlement operations it performs; taking all necessary measures in cases where it is determined that such obligations have not been fulfilled; and acting in accordance with the provisions set forth in the third paragraph of the same article in cases where it is also determined that such obligations have still not been fulfilled despite the measures.
- (3) The general CCP member shall be relieved from its responsibility referred to in the second paragraph of this article provided that all rights, obligations and accounts of the relevant trading institution towards Takasbank resulting from the transactions it has conducted in the Market are liquidated or transferred to another general CCP member.

### **Responsibilities of Trading Institutions**

**ARTICLE 12-** (1) The positions and collateral of the trading institutions are monitored in the exclusively opened sub-accounts linked to the general CCP members.

- (2) The trading institutions are obliged to ensure the following issue:
- Comply with the regulations stipulated in this Directive and in the Procedure to be issued based on this Directive for the collateralization procedures and monitoring of positions and collateral at their structure as well as at the general CCP member,
  - Act in accordance with all rules and principles laid down in the Law and other relevant regulations for monitoring and safekeeping of client assets and collateral,
  - Establish continuous reconciliation between their clients' accounts at the general CCP member they are affiliated to and the records of the client positions and collateral at their structure,
  - Ensure that their clients are informed in an accurate and complete manner of the fact that the power of disposition on the collateral accounts of their clients opened at the general CCP member or Takasbank belongs to the relevant general CCP member and that, this power is restricted by Takasbank as to be limited only to the accounts at their structure and the margin requirement,
  - Convey all type of information and documents to be requested on issues deemed necessary by the relevant general CCP member, Takasbank and the Board in relation to their business and transactions within the scope of this Directive, and provide any support in the investigations to be carried out by those commissioned by Takasbank and the Board.
- (3) If it is determined by the relevant general CCP member that any trading institution has failed to either partially or wholly fulfill the obligations referred to in the second paragraph of this article, this situation shall be notified immediately to Takasbank together with all information and documents substantiating non-fulfillment of such obligations, and all measures shall be taken to resolve these discrepancies thereof.
- (4) In cases where the relevant trading institution has failed to fulfill its obligations despite all measures taken by the general CCP member, the positions and collateral of the clients of the trading institution, upon request of the relevant CCP member conveyed to Takasbank, shall be transferred to the relevant



general CCP member making the request in accordance with the agreement between each other in order to ensure protection of the clients of the trading institutions. The transfer shall be made by taking into account of the prices of the positions and collateral determined by Takasbank. The trading institution shall notify the ownership information of the transferred client positions and collateral to the Member taking over them. Takasbank shall inform the Board and the relevant public authority of the transfer operation within 1 business day together with the reasons of such transfer received from the relevant general CCP member.

(5) The provisions stipulated in other regulations for the trading institutions subject to shall be reserved.

### **Restriction of member activities**

**ARTICLE 13-** (1) The activities of the members under this Directive may be restricted by Takasbank in the following situations.

- a) Suspension of its activities in the markets or the capital market instruments for which clearing and settlement service is provided or termination of membership pursuant to article 13 of the Central Clearing and Settlement Regulation or article 14 of the Central Counterparty Regulation,
  - b) Failure to fulfill the obligations stipulated in the Directive, the Procedure and the membership agreement,
  - c) Identification of any unfavorable situation for the member such as protest, seizure, provisional injunction, etc., or temporary or permanent suspension of its activities, cancellation of its relevant operating permit, prohibition to conduct any transaction for the capital market instruments traded in the Market for any reason, or decision rendered on its gradual liquidation or bankruptcy or receipt of any negative intelligence about it,
  - ç) Determination of the fact that the creditworthiness of the member has either diminished or does not exist at all as a result of the intelligence, financial analysis and/or rating studies periodically conducted by Takasbank.
- (2) If any situation referred to in this article occurs, Takasbank may resolve the outstanding positions of the Member to be liquidated either in part or in whole. If Takasbank decides accordingly, Member's obligations may become due in accordance with Article 22 of the İstanbul Takas ve Saklama Bankası A.Ş. Central Counterparty Service Markets Collateral, Risk, and Default Management Directive. Additionally, these obligations may be settled through liquidation, as specified in the same article.
- (3) The members cannot conduct any transaction in the Securities Lending Market on behalf of clients when they are banned from trading or have similar restrictions by the Board.
- (4) The members cannot conduct any transactions in the SLM on behalf of the accounts of their portfolios or clients when they are in the status of securities default. In the case of a margin call, whether or not to conduct transactions within the framework of the principles specified within the framework of rules determined in the Procedure.
- (5) If the member's activities are restricted for reasons referred to in this article, the situation shall be immediately notified to the Exchange, the Board and the relevant public authority.

### **Termination of membership**

**ARTICLE 14-** (1) The CCP membership may be terminated by the Board of Directors' decision if any of the following takes place,

- a) Determination by Takasbank that any of the CCP membership conditions stipulated in this Directive and other relevant regulations is no longer met,
- b) Determination by Takasbank that risks of significant nature that would jeopardize the secure and uninterrupted functioning of the CCP system have arisen due to failure to fulfill the obligations stipulated in this Directive or other relevant regulation,
- c) Failure of the CCP members whose operations have been restricted in accordance with the provisions of the second paragraph of article 14 of the CCP Regulation to fulfil their respective obligations within a maximum period of six months granted to them pursuant to the sixth paragraph of the same article,
- ç) Upon direct request of the member.

- (2) Those intending to terminate their CCP membership in accordance with the item (ç) of the first paragraph of this article shall notify Takasbank of the situation in writing. However, the relevant member intending to terminate its CCP membership must have fulfilled all of its obligations under the Directive and other relevant regulations. In such cases, the Board of Directors may consent the termination of its CCP membership. If the request for termination of the membership is submitted without fulfilling all obligations under the Directive and other regulations, the member shall be given a period of 30 days for fulfilling such obligations. The member that fulfills such obligations within the period of time granted shall notify Takasbank of such case in writing, and the request for termination by the member shall be addressed at the next meeting of the Board of Directors following such notification. Members who fail to fulfill such obligations within a period of 30 days may only apply for terminating their membership once they have closed all their positions.
- (3) Takasbank seeks the opinion of the relevant market operator in terminating the membership of a CCP member.
- (4) Takasbank shall be entitled to take all necessary measures, including the transfer of positions of the relevant trading institutions and of their clients to another general CCP member, to ensure systematic and uninterrupted processing of the transactions of the trading institutions whose clearing and settlement operations are performed by those whose CCP membership has been terminated.
- (5) Even after the termination of CCP membership, the obligations of the relevant institution against Takasbank under this Directive and other relevant regulations in relation to the transactions conducted until the date of the Board of Directors' decision regarding the termination of membership shall prevail.
- (6) The Board, other relevant public entities and institutions and the relevant market operator must be immediately informed of the member whose CCP membership has been terminated.

### **CHAPTER THREE**

#### **Account Transactions**

#### **Opening of accounts**

**ARTICLE 15-** (1) All members that intend to execute transactions in the market should shall open the following accounts: cash accounts required to complete settlement transactions under Takasbank, security accounts under Takasbank and MKK, and precious metal accounts under Borsa İstanbul. If required by the nature of the transaction, members should open accounts at the correspondent bank designated by Takasbank.

- (2) Trading accounts should be registered with the Takasbank system.
- (3) Registration of identification data and other information related to the owner of the accounts with CSD is a prerequisite for OTC and Futures and Options Market account registration with the Takasbank system.
- (4) Opening an account at the general CCP member is mandatory for the trading institutions.

#### **Account migration**

**ARTICLE 16-** (1) For the transfer of positions and collaterals, the principles and procedures specified in article 26 of the Central Counterparty Regulation shall be applied.

- (2) The transfer of all open positions and collaterals of an account owned by a client with a member to the account of that client with another Member is called "account transfer". The account transfer operation is carried out over the records kept by Takasbank together with its relevant collateral accounts.
- (3) Takasbank shall fulfill the account transfer requests by taking the consent of the member, whose accounts to be transferred, with the limit and position restrictions.
- (4) Positions monitored in position, trading, and related custody accounts and collaterals related to these positions, if approved by Takasbank, may be ported between the CCP members by Takasbank upon the instruction of the transferor and transferee CCP members. Therefore, except for transfers within the scope of the seventh clause, the transferring CCP member shall obtain the written approval of the clients whose positions and collaterals shall be transferred.

- (5) In order for the multiple positions accounts to be ported, the instruction of all clients holding positions in these accounts are required. Collateral associated with the multiple position accounts for which migrating instructions have been given by the clients shall be ported by the instruction of the member.
- (6) Takasbank's right to refuse the account migration requests with respect to the soundness of clearing and settlement operations and the security of settlement shall be reserved.
- (7) If the positions monitored in the accounts of any member whose membership activities have been restricted or whose membership has been terminated due to default or for other reasons are transferred together with the collateral associated with these positions to another member, the migration transactions shall be conducted by Takasbank;
- a) If any pre-designation for the transferee member has been made in the agreement signed between the transferor member and Takasbank; in accordance with the provisions stipulated in the agreement,
  - b) If, although no pre-designation regarding the transferee member has been made in the agreement signed between transferor member and Takasbank, the transferor member makes an agreement with the transferee member until the date on which the migrating will be made; in accordance with the provisions stipulated in that agreement,
  - c) If no designation has been made in line with the provisions of the item (a) and (b) of this paragraph, but Takasbank achieves to find a transferee member.
- (8) If the account transfer operations are executed on the basis of the seventh paragraph, then the collaterals held in the transferred accounts cannot be withdrawn until the reconciliation between the records kept with the membership restricted or terminated Member have been and the records kept with Takasbank is completed. The transfer of collaterals and positions held in the accounts connected to the members against whom a liquidation process is initiated by administrative and judicial authorities or the remaining collaterals belonging to their clients shall be paid or delivered to the competent authorities determined by the Law by also taking the regulations of the Board into consideration.
- (9) Should the member's Market activities be restricted or its membership be terminated, the collateral amount that can be migrated from or returned to the associated client accounts shall be limited to the collateral amount remaining after the variation margin amounts that have arisen following the default is reflected in the accounts.
- (10) Accounts failed to be migrated due to unable to find a member to take over the positions and collateral, or unavailability of sufficient time to do so, or any collateral deficiency, or those having collateral deficiency after the liquidation of positions may be made subject to liquidation in accordance with the principles of Chapter Five of the Central Counterparty Regulation. The collateral balance to be occurred after the liquidation of positions in the accounts failed to be ported due to unable to find a transferee member shall be returned pursuant to article 27 of the Central Counterparty Regulation.
- (11) For the accounts linked to a member whose membership activities have been restricted or whose membership has been terminated due to default or for other reasons; if such accounts are related to the marketplaces/platforms to which CCP service is not be provided in accordance with the Board permission or the securities held in the accounts are those of the securities to which the Board has given permission for non-provision of CCP service, then Takasbank may not provide migration service for the positions related to such marketplaces/platforms/securities.
- (12) Pursuant to the 3rd clause of Article 14 of the Takasbank Central Counterparty Regulation, in the case of suspension of the CCP membership for a period not exceeding three months, position accounts and collaterals related to these positions may be ported within the framework of Article 26 of the Takasbank Central Counterparty Regulation.

## **CHAPTER FOUR**

### **Clearing and CCP service principles**

#### **Marketplaces and platforms where clearing and CCP services are provided**

**ARTICLE 17-** (1) Clearing and settlement of all transactions conducted in the marketplaces and platforms under the structure of the Market is performed by Takasbank except for the exemptions imposed by the

Board. The provision of article 17 of the Central Clearing and Settlement Regulation thereof shall be reserved.

- (2) Clearing and settlement of the foreign currency denominated transactions conducted in the marketplaces/platforms under the structure of the Market shall be concluded by Takasbank by using the accounts held at the correspondent bank and/or Takasbank.
- (3) The Board of Directors of Takasbank may, if deemed appropriate by the Board, and upon request of the Exchange or by obtaining the Exchange's opinion, take a decision to provide only the clearing and settlement service and not to provide the CCP service or to terminate the CCP service for some of the marketplaces or platforms already existing or to be newly established within the Market or for some securities already traded or to be newly issued.
- (4) The clearing and settlement operations for the marketplaces/platforms and/or securities to which the CCP service will not be provided based on the Board's affirmative opinion shall be performed by Takasbank in accordance with the provisions of İstanbul Takas ve Saklama Bankası A.Ş. Central Clearing and Settlement Regulation and in line with the principles and procedures as per the rules stipulated in the Directive and the details thereof shall be stipulated by the procedures.
- (5) Takasbank has no guarantee for completion of settlement of the marketplaces/platforms and/or securities and/or precious metals to which CCP service is not provided. Completion of clearing and settlement operations in due time is conditional upon the fulfillment by the obligor members of their obligations on time.
- (6) Members may be required to provide collateral, determined by Takasbank, to cover potential defaults arising from the settlement of transactions related to markets/platforms and/or precious metals and/or contracts and/or securities where CCP services are not provided. The collateral received for settlement is collected from members to mitigate the risk of price fluctuations of the defaulted securities, currencies, and precious metals during the period from the occurrence of the default until its resolution. Takasbank's liability for defaults related to markets/platforms and/or precious metals and/or contracts and/or securities where CCP services are not provided is limited to the collateral collected for clearing. The procedures and principles related to default management are specified in the Market Procedures.

### **Certainty of settlement**

**ARTICLE 18-** (1) The settlement instructions and transactions and the payment operations arising from the trades conducted in the Market can neither be revoked nor can be cancelled including the state of temporary or permanent suspension of the member activities and initiation of liquidation actions before the administrative and judicial authorities.

- (2) When a member's activity is suspended or any decision resulting in such suspension is notified to Takasbank, the Market Operator is immediately informed to halt transactions. In OTC transactions, no new transactions are accepted from the member.
- (3) The settlement operations of all contracts accepted for clearing and transferred to the clearing and settlement system shall be concluded in accordance with the provisions of this Directive.
- (4) Collateral established by the member by its available cash and security balances held at Takasbank shall be used to fulfill its obligations.

### **Settlement Principle's**

**ARTICLE 19-** (1) In the clearing and settlement operations, the delivery versus payment and the payment versus payment principles shall be applied. Pursuant to the principles, the settlement receivables of the members failing to fulfill their settlement obligations on the settlement date shall not be paid.

- (2) The receivables shall also be partially paid in proportion to the debts paid against the obligations partially fulfilled on the settlement date.
- (3) Security settlement in the SLM is conducted through payment against collateral.
- (4) In BİAŞ Money Market settlement transaction deliver versus payment principle is applied. Cash receivables of member who don't perform their collateral obligations, are not paid.

### **Currency**

- ARTICLE 20-** (1) In the payment of cash obligations arising from the clearing and settlement operations, the currency in which the transactions are conducted shall be used.
- (2) Takasbank may also allow fulfillment of the cash clearing and settlement obligations over any currency different from the currency in which the transactions are conducted in accordance with the principles it will stipulate in the Procedure.

### **Settlement date and period**

- ARTICLE 21-** (1) In determining the settlement periods, the business days on which Takasbank and the correspondent banks are open shall be taken into account.
- (2) Settlement procedures to be applied on half-days shall be determined and announced to the members by Takasbank.
- (3) It is not possible for the parties to conclude the settlement transactions by fulfilling obligations before the settlement date.
- (4) Clearing and settlement deadlines for markets operated under Borsa İstanbul are determined in the Market Procedures, subject to the opinion of the Exchange. The provisions of Article 24, second paragraph, of the Central Counterparty Regulation remain reserved.
- (5) Obligations related to transactions carried out in the markets and transactions accepted for settlement in the OTC are fulfilled within the hours specified in the market procedures. Otherwise, the default provisions specified in the İstanbul Takas ve Saklama Bankası A.Ş. Central Counterparty Service Markets Collateral, Risk, and Default Management Directive will be applied.
- (6) The settlement period can be temporarily changed by Takasbank General Manager due to the problems arising from the clearing and settlement, custody, payment or market operating systems.

### **Rectify**

- ARTICLE 22-** (1) Rectifying the transactions conducted in the Market are performed in Takasbank system. The principles and procedures for transaction rectification and the method to be used shall be determined by the Procedure and announced to the members.

### **Inter-market setoff processes**

- ARTICLE 23-** (1) It is possible for the members to offset their receivables from a market/marketplace against their debts arising from other market/marketplace transactions by ordering a cash offsetting instruction between the markets operated by Takasbank and the markets/marketplaces to which clearing and settlement service is provided. The principles and procedures for offsetting shall be determined by the Procedure and announced to the members.

### **Takasbank's responsibility**

- ARTICLE 24-** (1) Takasbank acts as a central counterparty with open offer method for transactions conducted in markets rather than OTC and cleared and settled in the System. For these transactions, Takasbank undertakes completion of clearing and settlement by acting as buyer against the seller and as seller against the buyer. Without prejudice to the limitations stipulated in article 36 of the Central Counterparty Regulation and the market liquidity conditions, Takasbank assumes, in its capacity as the central counterparty, the clearing and settlement obligations arising from the transactions conducted in the Market by the members in accordance with the principles and procedures stipulated in this Directive and the legislation.
- (2) In OTC transactions, Takasbank acts as a central counterparty through a contract renewal method. This method involves the cancellation of the contract between the parties and the execution of separate contracts with Takasbank before the completion of clearing, in accordance with the relevant regulations.
- (3) In the open-offer method, the liability of Takasbank towards the parties of the transaction starts at the moment when the buy and sell orders are matched and ends upon completion of the clearing and



settlement. For the transactions being cancelled by the Exchange, the liability of Takasbank towards the parties shall cease at the moment when the updates are made by Takasbank for cancellation of the transactions. Should the limit allocated by Takasbank to the Member on a transaction basis in accordance with the fourth paragraph of article 5 of the Central Counterparty Regulation be exceeded, Takasbank shall, without prejudice to the provisions of article 32, not be liable any loss arising out of the transactions it has refrained from.

- (4) In the contract renewal method in OTC, Takasbank's obligation to the parties begins at the moment the transaction is accepted for clearing in the system and ends upon the completion of clearing and settlement at the transaction's maturity. For canceled transactions, Takasbank's obligations to the parties cease as soon as updates regarding the cancellation of transactions are made by Takasbank. In the event that the limit allocated to the member on a transaction basis is exceeded within the framework of the fourth paragraph of Article 5 of the Central Counterparty Regulation, Takasbank is not responsible for any losses that may arise from the transactions it abstains from, provided that the provisions of Article 7 of the İstanbul Takas ve Saklama Bankası A.Ş. Central Counterparty Service Markets Collateral, Risk, and Default Management Directive remain reserved.
- (5) For the transactions conducted in the Market, Takasbank deals only with the members. Takasbank shall not be liable for the obligations of the members towards their clients and of the general CCP members towards the trading institutions.
- (6) Risks arising from the issuer are out of the scope the commitment given as CCP.
- (7) In the event of a default, covering the liquidity needs and the losses to be incurred, the Fifth Section of the Central Counterparty Regulation are applied, limited to the liquidity conditions and restrictions.

## **CHAPTER FIVE**

### **Special Provisions Regarding BİAŞ Debt Security Market**

#### **Clearing processes**

**ARTICLE 25-** (1) Trading transactions of the repo and reverse repo marketplaces conducted in the Market are settled on their start and end dates, whereas trading transactions of other marketplaces are settled on their value dates, and the security/cash receivables and debts are determined on a security basis for the member's clients and its portfolio separately.

- (2) TL denominated transactions conducted in the Market shall be settled on the same day (T+0), and foreign currency denominated transactions shall be settled one day after the trade (T+1). Repo-reverse repo transactions, on the other hand, shall be made subject to settlement on the start and end dates of the transaction. Settlement of the future-dated transactions shall be performed on the value date.
- (3) The members' rights and obligations arising from their transactions subject to settlement are concluded on account by using the relevant cash or securities accounts designated by Takasbank. The obligations are fulfilled by the members having security debt by using their CSD or correspondent bank or Takasbank accounts, and by the members having cash debt by using their cash settlement accounts at Takasbank.
- (4) The settlement is collectively concluded in the manner to settle the highest number of records at the time intervals set by Takasbank. It is also possible to partially fulfill the settlement obligations, and partial settlement is made against the partially fulfilled obligations at the time periods set by Takasbank.
- (5) The Exchange informs Takasbank of the transactions conducted in the Market but decided to be settled outside Takasbank.
- (6) The CCP member executing the transaction shall be responsible for the settlement of the transaction conducted in the Market on behalf of the collective investment undertakings.
- (7) Settlement of the transactions conducted by using the Equity Repo Market, the Committed Transactions Market of Sukuk and the foreign capital market instruments and settlement of the transactions conducted in other than those markets shall be made separately.
- (8) For the transactions conducted in the Committed Transactions Market of Sukuk, Takasbank shall serve as the third party of the contract. Takasbank (excluding transactions to which the CBRT is a party) has the right to withdrawn from its commitment at the maturity of the transaction. Should the right to withdraw be exercised, no legal liability shall arise for Takasbank. In the transactions to which the

CBRT is a party, the CBRT has the right to withdraw from the commitment of the CBRT at the maturity of the transaction.

- (9) For the transactions conducted in the Committed Transactions Market of Sukuk, neither the payment of the amount before the delivery of the assets in Takasbank's transaction of buy nature nor the delivery of asset before the payment of the amount in its transactions of sell mature are possible.
- (10) The principles and procedures regarding the Committed Transactions Market of Sukuk and the details about the obligations of the parties shall be stipulated in the Procedure.
- (11) In the event of any default in the transactions to which the CBRT is a party, Takasbank's responsibility will be limited to delivering the securities held in exchange for cash receivables and the initial collateral received for this transaction to the CBRT. If the market value of the securities and the initial collateral are not sufficient to cover the cash receivable of the CBRT, Takasbank will not have any further obligation. In case the delivered cash amount does not cover the cash receivable of the CBRT, the CBRT reserves its right of recourse to the other party of the deal, other than Takasbank.

### **Netting**

**ARTICLE 26-** (1) In calculating the net payable or receivable amount for the transactions conducted in the Market except for the transactions in the Committed Transactions Market of Sukuk and the International Bonds Market, employing multilateral netting method on security basis by observing client/portfolio segregation and by transforming them to a single receivable or payable by way of netting the members' receivables and payables against each other is essential. At the end of netting, the cash receivable or payable amounts shall be created against the net security debts or receivables.

(2) Settlement of the transactions in the Committed Transactions Market of Sukuk and the International Bonds Market is performed on a transaction basis. No netting is made.

(3) The marketplaces/securities to which CCP service is provided and the marketplaces/securities to which CCP service is not provided are not netted-off together.

### **Account structure**

**ARTICLE 27-** (1) All members intending to trade in the Market are obliged to open their cash and securities accounts necessary for execution of the settlement operations at Takasbank and the CSD and, if the nature of transaction necessitates, at the correspondent bank to be designated by Takasbank.

(2) Trading, position and collateral accounts shall be opened at Takasbank to be able to monitor the trades, positions and collateral.

(3) Trading Account is the account where the orders matched in the Market are monitored on a transaction basis.

(4) The position accounts include the net amounts calculated upon netting of the transactions. The risk management is performed over the position accounts.

(5) Collateral accounts where collateral related to the positions of the members' own portfolios or of their clients are monitored shall be opened at Takasbank.

### **Account types**

**ARTICLE 28-** (1) The position and collateral accounts associated with the trading accounts can be opened at Takasbank in two different types: the "Client" and the "Portfolio". The portfolio account is the account in which the transactions conducted by the member for its own portfolio is monitored. Monitoring client positions in the multiple position accounts in a collective manner is essential. Client and/or portfolio segregation shall be made for the collateral accounts opened for the marketplaces/platforms and/or securities to which the CCP service is not provided pursuant to the consent of the Board.

(2) For the trading institutions, portfolio multiple client portfolio accounts that are linked to the general CCP member but separate from other client and trading institution accounts of the general CCP member shall be opened.

(3) The members shall monitor the positions and collateral of their own portfolio and the client positions and collateral in a separate manner in the accounts to be opened at Takasbank. Collateral deposited by

the members to the collateral accounts associated with the multiple position accounts by Takasbank shall be deemed to belong to the Member.

### **Segregation**

**ARTICLE 29-** (1) In the Market, the client transactions, positions and collateral are monitored in the multiple and single trading and position accounts opened and linked to the Member and in the collateral accounts associated with these accounts, in a separate manner from the member's own transactions, positions and collateral.

(2) Transactions, positions and collateral of the member's own portfolio are monitored in the single trading and position accounts to be exclusively opened for the members and in the collateral account associated with these accounts.

### **Repo Securities Allocations**

**ARTICLE 30-** (1) The principles and procedures for allocation and substitution of the securities to be delivered against the repo transactions conducted in Debt Securities Market shall be determined by the Procedure and announced to the members.

### **Custody Service**

**ARTICLE 31-** (1) Institutions that have become a Takasbank member by satisfying the membership conditions can receive custody service.

(2) The balances of the capital market instruments qualified as debt securities held in the member accounts at Takasbank are monitored separately from Takasbank's assets, in different depo accounts detailed on client basis according to their purpose.

(3) The custody service is provided by Takasbank in accordance with the principles stipulated in the Procedure.

### **Transactions Relating to Exercise of Rights**

**ARTICLE 32-** (1) The transactions relating to exercise of rights (redemption/coupon payments) of the debt securities safe kept at Takasbank are performed by Takasbank.

(2) In the event that redemption and/or coupon payments in Debt Securities Market are paid as Turkish Lira and Foreign Currency, payments are made to member's account at Takasbank; paid as Gold, they are made to member's account at Borsa İstanbul Precious Metal and Diamond Market.

(3) Redemption and coupon proceeds of the debt securities held as collateral at Takasbank are transferred to the collateral accounts at Takasbank.

### **Transfer Operations**

**ARTICLE 33-** (1) The members can transfer the assets held in their custody accounts to another member account.

(2) Book-entry security transfer operations shall be executed in the CSD system between client accounts.

(3) Transfer operations between the members can be executed in the system in two ways: free of payment and delivery vs. payment.

(4) Asset transfer from the accounts at Takasbank to another account at the CBRT via ESTS is also possible.

(5) Execution of the transfer operations through the user codes and passwords allocated to the personnel authorized by the members and within the hours designated by Takasbank in the Procedure is essential.

(6) The time periods to be applicable for half-day public holidays shall be separately determined by Takasbank and announced to the members.

(7) The time periods for the transfer operations shall be determined in the Procedure and can be amended by the approval of the General Manager.

(8) The principles regarding the transfer operations may be differentiated by Takasbank according to the type of the asset and the transaction.

### **Repo Notification and Depo Transfer Operations**

**ARTICLE 34-** (1) The members, except the CBRT, are obliged to notify Takasbank within the period designated in the Procedure of the repo and reverse-repo transactions they have conducted with their nonExchange clients or other brokerage houses and the banks as well as of the transactions out of those conducted on the previous days, whose maturity has been broken (broken term).

- (2) The capital market instruments subject to the transactions conducted in OTC (not traded at the Exchange) must be made depo in the “Repo Blockage Account” at Takasbank.
- (3) If the debt securities issued abroad by the Undersecretariat of Treasury are made subject to the repo and reverse- repo transactions being conducted, the member must;
  - a) Open an account by signing the “Supplementary Agreement For Foreign Securities Correspondence” in addition to the outstanding custody agreement with Takasbank in accordance with Takasbank foreign capital market instruments correspondence service,
  - b) Transfer the capital market instrument subject to the transaction to the account opened at the correspondent bank in the name of Takasbank,
  - c) Store the capital market instrument in its Free Depo Account in its “Repo Blockage Account”.
- (4) In line with the agreement of the clients and the institution or the bank conducting the repo, safekeeping of the capital market instruments subject to the repo transaction in the account at Takasbank of another investment institution to which custody authorization has been given by the CMB is possible.
- (5) Notifications of the capital market instruments of the repo and reverse-repo transactions conducted in the Market but whose clearing and settlement is performed outside Takasbank shall be made directly to Takasbank on the start date of the transaction.
- (6) Transactions conducted with the CBRT in accordance with the Open Market Transactions shall not be included in the scope of notification.
- (7) The principles and procedures regarding the depo conditions and notifications shall be stipulated in the Procedure and announced to the members.
- (8) In case of determination of any contradiction with the principles stipulated by Takasbank, a notification shall be served to the supervision authority to which the brokerage house or the bank is related.

### **Repo Term Decrease**

**ARTICLE 35-** (1) The maturity of the transactions conducted in the Equity Repo Market can be subject to term decrease provided that either party conducting repo or reverse-repo makes a written notification, to the extent the conditions stipulated in the Procedure have occurred.

- (2) The principles and procedures for repo term decrease shall be stipulated in the Procedure.

### **Corporate Actions**

**ARTICLE 36-** (1) In case of presence of any corporate action for the shares subject to repo transactions, in the form of capital increase through bonus issue, capital decrease, dividend payments and capital increase through rightsissue made available to the shareholders by subscription right, the rulesto be applied thereof and the principles regarding how the settlement balances of undue transactions are to be exchanged shall be stipulated by the Procedure.

## **CHAPTER SIX**

### **Special Provisions Regarding BİAŞ Equity Market**

#### **Clearing processes**

**ARTICLE 37-** (1) At the end of the buy-sell transactions executed at the Market, net assets/cash debts and receivables are separately determined for the member’s clients and portfolio individually on a security basis.

- (2) The settlement date of transactions executed at the Market is the second business day following the trading day (T+2).
- (3) The members’ rights and obligations arising from their transactions subject to settlement are finalized on account using the related cash or securities accounts designated by Takasbank. Obligations are fulfilled by the members that have a security debt using Takasbank clearing accounts at the CCP, and

by the members that have a cash debt using the cash clearing and settlement accounts held with Takasbank.

- (4) The settlement is collectively concluded through settlement of the highest amount of records at periodical intervals specified by Takasbank. It is also possible to partially fulfil settlement obligations; and partial settlement is executed in consideration for the partially-fulfilled obligations at the times designated by Takasbank.
- (5) The Exchange notifies Takasbank of the transactions executed at the Market, but decided to be settled outside Takasbank.

### **Netting**

**ARTICLE 38-** (1) While calculating net debit or credit amount of transactions executed at the Market, it is essential to apply multilateral netting method, considering, also, the securities-based client/portfolio segregation. Cash credits or debts are created against the net security debts or credits arising from such netting-off process.

(2) The Board or the Exchange may decide for fulfilment of clearing and settlement obligations without netting; application of gross settlement on Market, marketplace, trading platform, security or investor basis; exemption of market maker and/or liquidity provider members from application of gross settlement; exclusion of settlement of wholesale purchase and sale transactions, trade reports and some other special transactions from netting process; and performance of netting for the transactions between two members only or exclusion of specific transactions from netting process.

### **Account structure**

**ARTICLE 39-** (1) It is required that all members willing to execute transactions at the Market should open their cash and securities accounts necessary for execution of settlement operations with Takasbank, CCP, and if required by the nature of the transaction, the correspondent bank to be designated by Takasbank.

- (2) Trading, position and collateral accounts shall be opened at Takasbank to be able to monitor the trades, positions and collateral.
- (3) Trading Account is the account where the orders matching at the Market are monitored on a transaction basis.
- (4) Position accounts hold the net amounts calculated after netting the transactions. Risk management is conducted over position accounts.
- (5) Collateral accounts where the collaterals related with the positions pertaining to the members' own portfolios or their clients are monitored are opened with Takasbank. Client/portfolio segregation is not made for collateral accounts used for monitoring the marketplace/platform and/or securities for which CCP service will not be provided within the framework of the Board's permission.

### **Account types**

**ARTICLE 40-** (1) Position and collateral accounts associated with trading accounts can be opened with Takasbank in two different types such as "Client" and "Portfolio" accounts. Portfolio account is the account used for monitoring the transactions executed by the member for its own portfolio. It is essential that client positions are collectively monitored in multiple position accounts. Client and/or portfolio segregation is not made for the accounts used for monitoring the marketplace/platform and/or securities for which CCP service will not be provided within the framework of the Board's permission.

- (2) Single portfolio and multiple client position accounts are opened for trading institutions; such accounts are affiliated with the general CCP member, but separate from the CCP member's other client and trading institution accounts.
- (3) It is required that in the Equity Market, client positions and collaterals should be monitored in the related client's collateral sub-accounts and the single position accounts opened with Takasbank and associated with the related CCP member, if requested by the relevant CCP member. The conditions required to be met by the clients that may request for opening of a single account and/or minimum position sizes are determined under the procedur.



- (4) Members separately monitor the positions and collaterals pertaining to their own portfolio and their clients' positions and collaterals through the accounts to be opened in Takasbank system. It is accepted by Takasbank that the collaterals deposited by the members to the collateral accounts associated with multiple position accounts belong to the Member.

### **Segregation**

- ARTICLE 41-** (1) In the Market, client transactions, positions and collaterals are monitored in the multiple or single trading and position accounts held in connection with the member and the collateral accounts associated with such accounts, separately from the member's own transactions, positions, and collaterals.
- (2) The transactions, positions and collaterals belonging to the Member's own portfolio are monitored in a single trading and position account and the collateral account associated with such account which shall be exclusively opened for members.

### **Order of liquidity**

- ARTICLE 42-** (1) Settlement operations may be executed by dividing the assets traded at the Market into two groups such as liquid and non-liquid assets.
- (2) Takasbank may use the cash amounts deposited by members for executing the settlement transactions of non-liquid assets only until the time to be designated by it.

### **Give-up**

- ARTICLE 43-** (1) A member may transfer its positions to another member. The principles and procedures regarding such migration of positions are determined by a Procedure and announced to members.

### **Transfer Operations**

- ARTICLE 44-** (1) Members may transfer the assets held in custodian accounts to another member's account.
- (2) Book-entry security transfer transactions are executed between the client accounts over CSD system.
- (3) Inter-member transfer processes are conducted in 2 ways such as free and bilateral transfer over the system.
- (4) It is essential that transfer transactions should be executed using the user codes and passwords allocated for the personnel authorized by members within the hours specified in the Procedure as determined by Takasbank.
- (5) The times that will apply for half-days and public holidays are separately determined by Takasbank and announced to members.
- (6) The periods related with such transfer processes are specified in the Procedure.

## **CHAPTER SEVEN**

### **Special Provisions Regarding BİAŞ Futures And Options Market**

### **Clearing processes**

- ARTICLE 45-** (1) For all trades and transactions to be executed within the scope of the Central Clearing and Settlement Regulation, this Directive as well as the Procedure, Takasbank shall deal only with the relevant Member regardless of whether such transactions belong to the clients of the Members or not. In this way, the relevant Member shall be deemed fully authorized to take delivery of any type of notice and perform any type of transaction including the margin call on behalf of their clients. In this context, Takasbank shall be deemed fully authorized for any type of disposition on the client accounts including ex-officio closing of the positions and converting non-cash collaterals to cash in order to resolve the default without the need for any further notification to the clients, if the obligation related to such accounts is failed to be fulfilled in due time despite the margin call made by Takasbank to the relevant Member for the client transactions.

- (2) The open positions in the portfolio and client accounts opened by the Members with Takasbank, the Guarantee Fund contribution amounts and the cash and non-cash collaterals are updated by Takasbank. Takasbank may also perform the account updating operations more than once in a day.
- (3) For the clearing and settlement of the transactions executed in the Market, delivery against payment principle shall be applied with respect to the relation between the Member and Takasbank. The member shall be responsible for paying its debt arising from the margin call until the end of clearing and settlement period.
- (4) The transactions related to collateral deposit/withdrawal/valuation, account updating and fulfillment of the obligations shall be performed on account basis.
- (5) In case of the use of the futures and options contracts; the matching method, exchange of assets in physical deliveries and other issues shall be stipulated in the Procedure.

#### **Account types**

**ARTICLE 46-** (1) Three different types of accounts can be opened with Takasbank; “Trading Account”, “Depository Account” and “Trading and Depository Account”.

- (2) Trading Account is an account that the buying and selling transactions in the Market can be executed but no position and collateral monitoring can be conducted; and the orders and transactions are monitored on this type of accounts. A trading account opened with Takasbank can only be eligible to execute transaction in the Market upon the association of this account with a depository account and the approval of this operation by the Member to whom such depository account belongs. A trading account can be associated with only one depository account.
- (3) Depository Account is an account that the positions, the risks related to the positions and the collaterals can be monitored but no transaction can be conducted. A depository account can be associated with more than one trading account.
- (4) Trading and Depository Account is an account where the transactions can be executed and the positions, the risks related to the positions and the collaterals can also be monitored.

#### **Segregation**

**ARTICLE 47-** (1) Two different types of accounts can be opened with Takasbank; a “Client Account” and a “Portfolio Account”. Client Account is an account where the transactions executed by the Member with its clients are monitored. Portfolio Account, on the other hand, is an account where the transactions executed by the Member for its own portfolio are monitored. In the Market, the client positions and collaterals are monitored separately from the Member’s own portfolio and collaterals. The positions and collaterals belonging to the Member’s own portfolio are monitored in a position account to be opened exclusively for the members along with related trading and collateral account and collateral account. Each member is required to have a portfolio account. Among those members who are qualified as a market maker in accordance with the Exchange regulation can also open a market maker account. Market Maker Account is an account where the market makers monitor the transactions they conduct only for their own portfolio in accordance with the market making operations.

- (2) It is essential that the Members monitor the client positions on single-position accounts to be opened in Takasbank system. The collaterals related to the client positions monitored through singleposition accounts can only be used to liquidate obligations of the respective client.
- (3) Multiple-position (global) accounts can be opened as to be limited to the transactions conducted within the scope of the portfolio management activities. Opening of the multiple-position accounts can be restricted on a member basis. Collaterals deposited by the Member to the collateral accounts of such a nature that are associated with the multiple-position accounts by Takasbank shall be deemed to belong to the Member. Principles for opening accounts are specified in the Procedure.
- (4) In the markets where CCP service is not provided for the underlying asset, the settlement requirements due to physical delivery obligations can be monitored under portfolio and global client accounts and are finalized within the principles outlined in the Procedure.

## **CHAPTER EIGHT**

### **Special Provisions Regarding BİAŞ Money Market**

### **Clearing processes**

**ARTICLE 48-** (1) Settlement obligations are formed based on risk group.

- (2) In settlement transaction deliver versus payment principle is applied. Cash receivables of member who don't perform their collateral obligations, are not paid.
- (3) Cash liabilities for transactions executed at the market, are paid into debt closeout account opened with Takasbank for every member, and announced through the Procedure, until settlement day deadline.
- (4) Transactions conducted in the Market shall be settled on the same day. (T+0) Settlement of the future-dated transactions shall be performed on the value date.
- (5) Transactions executed at the market for the members' proprietary portfolio are followed under "Member Risk Group", transactions executed on behalf of clients in "Client Risk Group", under 2 different risk groups.
- (6) If the member is in debt to both risk groups partial payments are first used to close out "Client Risk Group" debt.
- (7) If a member, who is distributed credit, is in debt to other risk group, the distributed credits deducted from the debt for other risk group that the member owes to.
- (8) To be able to distribute credits, the member should have met collateral obligation. Credits are transferred automatically to current accounts of members, who are known to have met collateral obligations, at certain intervals by the system.
- (9) If the balance available for distribution is insufficient, credit distribution is made pro-rat.

### **Netting**

**ARTICLE 49-** (1) On the maturity and value date of the transaction, debit credit information is produced through net-off.

- (2) Net debit and credit amount of transactions executed at the Market are calculated based on the following as of the respective settlement date of the member;
  - a) "Member Risk Group" for transactions executed for portfolio account
  - b) "Client Risk Group" for transactions executed on behalf of clients as of the member's respective settlement date.

### **Account structure**

**ARTICLE 50-** (1) All members that wish to execute transactions at the Market are obliged to deposit cash, transaction collateral and guarantee fund accounts required to execute transactions with Takasbank.

- (2) Respective accounts are opened automatically for members with accounts at Takasbank.
- (3) Transaction collaterals are held under two different accounts, "Member" for Portfolio and "Client" for Clients.
- (4) Net amounts calculated by netting-off accounts are held in the position accounts. Risk management is performed via position accounts.

### **Segregation**

**ARTICLE 51-** (1) Client trade, position and collaterals are followed separately from Member's proprietary, position and collateral accounts in omnibus or individual trade and position accounts opened for the Member and collateral accounts associated with these accounts.

- (2) Trades, positions and collaterals for members' own portfolio are followed under individual trade and position account to be opened exclusively for member and the collateral account associated with this account.

## **CHAPTER NINE**

### **Special Provisions Regarding BİAŞ Swap Market**

### **Clearing processes**

**ARTICLE 52-** (1) On the maturity and value date of the transaction settlement obligations and cash/precious metal receivables are calculated under the breakdown of client and portfolio transactions of the member.

- (2) The obligations of the members arising from their transactions subject to the clearing and settlement shall be fulfilled until the settlement date cut-off time by way of payment by the members. Members with precious metal debts fulfill their obligations by using their precious metal accounts opened at Borsa İstanbul, and members with cash debts using the Turkish Lira and foreign currency cash debt coverage accounts opened at Takasbank.
- (3) The settlement of the transactions conducted in the Market shall be made on the same day (T+0) and the settlement of the future-dated transactions shall be made on the value date.
- (4) The rights and obligations of the members arising from their transactions subject to settlement shall be concluded on account by using the relevant accounts designated by Takasbank.
- (5) It is possible to partially fulfill the settlement obligations and the receivable distributions are performed partially by Takasbank for the obligations fulfilled partially.
- (6) Transactions in the market are monitored in two separate risk groups; in the “Member Risk Group” for the proprietary portfolio of the members and in the “Client Risk Group” for the transactions conducted on behalf of the clients.
- (7) In case the member has any debt in both risk groups, the partially paid amounts shall be used at first to pay off the debt of the “Client Risk Group”.
- (8) If the member to whom the release of receivable is made has any debt to another risk group, the released receivables shall be offset against the debt of the risk group to which the member is indebted.
- (9) In case the members who have not fulfilled their collateral obligation will have clearing receivables in Turkish Lira and foreign currency, the release of receivable of these members shall firstly be made up to the margin deficit to the Turkish Lira or Foreign Currency denominated collateral accounts depending on the currency to be received. The remaining receivable shall be transferred to their free current accounts at Takasbank.
- (10) The settlement receivables distributed between the receivable distribution cut-off time specified in the Procedure and the post-EFT closing time shall be transferred to the recipient Bank’s required reserve account at CBRT.

### **Netting**

**ARTICLE 53-** (1) In calculating the net payable or receivable amount for the transactions conducted in the Market, employing multilateral netting method on currency and precious metal basis by observing client/portfolio segregation is essential.

(2) The marketplaces/platforms and/or precious metals to which CCP service is provided and the marketplaces/platforms and/or precious metals to which CCP service is not provided are not netted-off together.

### **Variation margin settlement operations**

**ARTICLE 54 –** (1) The variation margin settlement process includes the settlement of the variation margins variation margin refund amount which is paid at the value date and their financing cost.

(2) The variation margin shall be calculated in Turkish Lira at the end of each day to neutralize the internal value of the swap transaction conducted in the Market and the settlement operations shall be performed in Turkish Lira. In the calculations, the exchange rate and the precious metal price computed based on the criteria stipulated in the procedure shall be used. In determining such criteria, the opinion of the Exchange shall be obtained.

(3) In determining the receivables and debt arising from the valuation, applying the multilateral netting method by reciprocally offsetting the debts and receivables and transforming them to a single debt or receivable in client/portfolio segregation is essential. In the settlement operations, the Free of Payment (FOP) principles shall be applied.

(4) Net TL denominated cash receivables or debts resulted from the netting shall be displayed in the member screens.

(5) The obligations of the members arising from their transactions subject to the settlement shall be fulfilled by way of payment by the members until the settlement date cut-off time by using the debt coverage accounts opened at Takasbank for each member and announced in the Procedure.

- (6) It is also possible to partially fulfill the settlement obligations, and partial settlement shall be made against the partially fulfilled obligations at the time periods set by Takasbank. Settlement shall be made at the time intervals set by Takasbank depending on the pool balance by starting from the lowest receivable.
- (7) The settlement receivables shall be transferred to the members' free current accounts at Takasbank. However; the receivable distribution of the members not having fulfilled their collateral obligation shall firstly be made up to the margin deficit to their Turkish Lira denominated collateral accounts. The remaining receivable shall be transferred to their free current accounts at Takasbank.
- (8) Transactions executed at the market on behalf of members' portfolio and clients are monitored as two different risk groups "Member Risk Group" and "Client Risk Group" respectively. The variation margin for contracts for which CCP service is not provided cannot be netted with other contracts.
- (9) In the case that the member has settlement obligation for both risk groups, partial fulfillments are first used to close out "Client Risk Group" debt.

#### **Account structure**

- ARTICLE 55-** (1) All members intending to trade in the Market are obliged to open their cash, trade margin and guarantee fund accounts at Takasbank, the precious metal accounts at Borsa İstanbul A.Ş.
- (2) The relevant accounts shall be opened automatically for the members holding an account at Takasbank.

#### **Account types**

- ARTICLE 56-** (1) The position and collateral accounts associated with the trading accounts can be opened at Takasbank in two different types: the "Client" and the "Portfolio". The portfolio account is the account in which the transactions conducted by the member for its own portfolio is monitored. Monitoring client positions in the multiple position accounts in a collective manner is essential.
- (2) Client and/or portfolio segregation shall be made for the collateral accounts opened for the marketplaces/platforms and/or precious metals/contracts to which the CCP service is not provided pursuant to the consent of the Board.
- (3) The members shall monitor the positions and collateral of their own portfolio and the client positions and collateral in a separate manner in the accounts to be opened at Takasbank. Collateral deposited by the members to the collateral accounts associated with the multiple position accounts by Takasbank shall be deemed to belong to the Member.

#### **Segregation**

- ARTICLE 57-** (1) In the Market, the client transactions, positions and collateral are monitored in the multiple trading and position accounts opened and linked to the Member and in the margin accounts associated with these accounts, in a separate manner from the Member's own transactions, positions and collateral.
- (2) Transactions, positions and collateral of the member's own portfolio are monitored in the multiple trading and position accounts to be exclusively opened for the members and in the margin account associated with these accounts.

### **CHAPTER TEN**

#### **Special Provisions Regarding Takasbank Securities Lending Market**

#### **General principles and obligations**

- ARTICLE 58-** (1) Pursuant to this Directive and the Procedure to be published in accordance with this Directive;
- Takasbank is the institution that operates the SLM. The principles and procedures regarding the market orders and transactions shall be stipulated in the Procedure.
  - Takasbank is the central counterparty in the SLM transactions with the open-offer method. It acts as the borrower against the lender and as the lender against the borrower.
- (2) Regarding the fulfillment of obligations arising from the lending and borrowing transactions executed by the Members on behalf their clients, Takasbank deals only with the Members. Takasbank shall not be held liable for the obligations of the Members against their clients.



- (3) In the open-offer method, the liability of Takasbank against the parties of the transaction starts at the moment the lending and borrowing orders are matched and ends with the settlement of the obligations.
- (4) In addition to the obligations specified in Article 10 of this Directive, Members are required to deliver the securities subject to lending and pay the transaction commission and Takasbank commission.
- (5) Takasbank shall be responsible for returning the securities subject to the lending transaction to the lender at the maturity date of the lending transaction and paying a transaction commission for the time period to be elapsed until the date of return. If the security is failed to be returned, then the corresponding cash amount calculated in accordance with the principles and procedures stipulated in the Procedure shall be paid to the Member.
- (6) The borrowing member shall be responsible against Takasbank for returning the securities at the maturity date of the transaction and paying a transaction commission for the time period to be elapsed until the date of return. Takasbank, upon request of the member, shall return the securities subject to the transaction in accordance with the provisions of the agreement that it has signed with the Member, provided that the borrowing Member fulfilled its obligations pursuant to the paragraph hereof.
- (7) The rights and liabilities of the borrowing and lending members stipulated in this Directive shall be reserved.
- (8) If the parties of the transaction change their intentions in a mutually agreed manner in accordance with the principles and procedures stipulated in the Procedure or if the transactions are cancelled after the order matching by technical reasons, then Takasbank shall not be deemed to assume any commitment in its capacity as a central counterparty; and for such transactions and Takasbank shall automatically be relieved from the central counterparty position as of the moment of order matching, without the need of any further action.

### **Settlement of Securities**

**ARTICLE 59-** (1) Debts on lent securities which become due shall be closed via the screens provided by Takasbank till the debt closing deadline specified in the Procedure either partially or wholly by using the accounts of the borrower with the CSD. The securities returned after the closing shall be transferred to the accounts of the lenders held with the CSD.

- (2) For the same day value transactions, the settlement of the securities subject to the transaction shall be made at the moment the transaction is executed; and for the future-dated transactions, the settlement thereof shall be made on the value date by transferring them to the relevant accounts held with the CSD.

### **Operating Principles of SLM**

**ARTICLE 60-** (1) In the SLM, the borrowing and lending orders shall be given by the members on a portfolio, client, investment fund and investment trust basis.

- (2) Pursuant to the fifth paragraph of article five of the Central Counterparty Regulation, transactions conducted by the Member by giving the portfolio, client, investment fund and investment trust codes shall be monitored separately under the accounts of the member held with Takasbank.
- (3) For the orders and transactions; the principles and procedures regarding the value date, maturity, time, order transmission, realization, amendment, cancellation and modification as well as the order types, the representatives and the amounts shall be stipulated in the Procedure.
- (4) Shares and exchange-traded fund participation certificates removed from the eligible securities that may be subject to margin trading and short selling shall be removed from the Securities subject to Lending from the end of the settlement period of the final date that they are made subject to short selling and margin trading of securities.

### **Segregation**

**ARTICLE 61-**(1) In the SLM, the positions and collaterals of the clients are monitored in the single-position and collateral accounts exclusively opened on the name of the clients connected to the member and separately from the member's own portfolio and collaterals. For the transactions executed by

Takasbank within the scope of central counterparty services, the collaterals in the collateral accounts associated with the single client positions shall be deemed to belong to the clients.

(2) The positions and collaterals of the Members' own portfolios are monitored in the single position accounts and associated collateral accounts to be opened exclusively for the members

#### **SLM Data screens**

**ARTICLE 62-** (1) Access to the SLM data is made available through the SLM data screens or the application screens provided by Takasbank, where necessary. Orders and transactions entered to the system are reflected to the SLM screens.

(2) The data vendors and the screen codes as well as the screen features shall be announced by Takasbank.

#### **Rights arising from securities subject to lending**

**ARTICLE 63-** (1) The financial rights (bonus issue, rights issue and dividend) arising from the stocks subject to loan shall belong to the lender. However, the lender will lose its voting rights associated with the securities subject to lending. If the date of the capital decrease falls between the value date and the maturity date of lending, then the number of lending transactions to which the stocks on capital decrease are subject to shall be updated at the rate of the capital decrease.

### **CHAPTER ELEVEN**

#### **Special Provisions Regarding Over-The-Counter Derivatives Markets**

#### **Clearing processes**

**ARTICLE 64-** (1) The transactions accepted for clearing are subject to the clearing & settlement of variation margin, the financing cost related with the contract value and periodic payment amount within the same day.

(2) For the transactions accepted for clearing, Takasbank deals only with the Members.

(3) In consideration of the obligations that are partially fulfilled, receivables are also partially paid in proportion with the debts closed/discharged on the settlement day.

(4) Clearing and settlement rights and obligations related to debts and receivables are determined on a trading and associated custodian account basis and finalized using such accounts.

(5) The payment days and the cut-off times of the periodic payments related to each relevant contract subject to clearing are specified in the Procedure.

(6) Members' obligations arising from their transactions subject to clearing are fulfilled through payment by the member until the cut-off times for settlement specified in the Procedure.

(7) In consideration of the obligations that are partially fulfilled, receivables are also partially paid in proportion with the debts closed/discharged on the settlement day.

#### **Clearing and settlement of the variation margins and the financing cost related to contract value**

**ARTICLE 65-** (1) The party for which a net positive "variation margin amount" is calculated by the end of the business day receives the related variation margin amount starting from the end of the day of the calculation (T) until the next business day (T+1). The party for which a net negative variation margin amount is calculated by the end of the business day pays the related variation margin amount starting from the end of the day of the calculation (T) until the next business day (T+1). The cut-off times for payment and the other related principles are specified in the Procedure.

(2) The party with a net positive contract value shall pay the financing cost of such amount starting from the end of the day following the day of the calculation (T+1) until the next business day (T+2); the party with a net negative contract value shall receive the financing cost of such amount starting from the end of the day following the day of the calculation (T+1) until the next business day (T+2). The cut-off times for payment and the other related principles are specified in the Procedure.

(3) The principles regarding calculation of financing cost are specified in the Procedure.

(4) If the overnight interest rate is negative, the party with a positive contract value shall also receive the financing cost amount after two business days.

- (5) The rights and obligations arising from the clearing and settlement of variation margins and contract value financing costs are determined on a trading and associated custodian account basis and finalized using such accounts.
- (6) The receivables related to the clearing and settlement of variation margins and contract value financing costs are distributed to the trading and associated custodian accounts at periodical intervals specified by Takasbank and to the extent allowed by the pool balance, starting from the lowest receivable amount.

#### **Account structure and Account types**

- ARTICLE 66-** (1) Members are obliged to open trading and related depository accounts at Takasbank in which the positions accepted for clearing, risks and collaterals related to these positions are monitored.
- (2) Three different types of accounts can be opened with Takasbank; “Trading Account”, “Depository Account” and “Trading and Depository Account”.
  - (3) Trading Account is an account that no position and collateral can be monitored and it is used for transferring over-the-counter transactions to Takasbank. It is mandatory that a trading account opened at Takasbank is associated with a depository account and that this transaction is approved by the member to whom the depository account belongs. A trading account can only be associated with a depository account.
  - (4) Depository Account is an account that the positions, the risks related to the positions and the collaterals can be monitored but no transaction can be conducted. A depository account can be associated with more than one trading account.
  - (5) Trading and Depository Account is an account where the transactions can be executed and the positions, the risks related to the positions and the collaterals can also be monitored.
  - (6) The related guarantee fund account is opened by Takasbank for the members.

#### **Segregation**

- ARTICLE 67-** (1) Two different types of accounts can be opened with Takasbank; a “Client Account” and a “Portfolio Account”. Client Account is an account where the transactions executed by the Member with its clients are monitored. Portfolio Account, on the other hand, is an account where the transactions executed by the Member for its own portfolio are monitored. The client positions and collaterals are monitored separately from the Member’s own portfolio and collaterals. The positions and collaterals belonging to the Member’s own portfolio are monitored in a position account to be opened exclusively for the members along with related trading and collateral account and collateral account. Each member is required to have a portfolio account.
- (2) It is essential that the Members monitor the client positions on single-position and associated depository accounts to be opened in Takasbank system. The collaterals related to the client positions monitored through single-position and associated depository accounts can only be used to liquidate obligations of the respective client.

## **CHAPTER TWELVE**

### **Final Provisions**

#### **Fees and commissions**

- ARTICLE 68-** (1) For the fees and commissions to be charged by Takasbank to its Members in relation to the services it provides under this Directive, the provisions of article 35 of the General Regulation and of article 50 of the Central Counterparty Regulation shall apply.
- (2) Transactions conducted by the CBRT at Takasbank are exempt from any commission.
  - (3) Takasbank is authorized to collect commissions from members' free accounts ex officio.

#### **Disciplinary provisions**

- ARTICLE 69-** (1) The disciplinary provisions specified in Chapter Seven of the Central Counterparty Regulation as well as the provisions specified herein shall apply for members that fail to comply with the obligations specified in this Procedure.

#### **Measures to be taken in case of extraordinary situations**

**ARTICLE 70-** (1) Takasbank is authorized to determine and apply the measures to be taken in case of occurrence of the extraordinary situations where it foresees that Market settlement transactions will be adversely affected. In such cases, Takasbank is authorized to take the measures specified in article 48 of the Central Counterparty Regulation.

**Provisions that shall apply for any issues not specified in the Directive**

**ARTICLE 71-** (1) The provisions of the Central Clearing and Settlement Regulation and the Central Counterparty Regulation shall apply for any issues not specified in the Directive.

**Exemptions and exceptions**

**ARTICLE 72-** (1) Pursuant to the first paragraph of article 52 of the Central Counterparty Regulation, the Central Bank of the Republic of Türkiye is the natural CCP member upon request and it is not subject to the provisions of this Directive nor the provisions of the Procedure to be issued in accordance with this Directive.

- (2) The rules regarding the processing of transactions carried out by the Central Bank of the Republic of Türkiye (CBRT) in the Markets are determined by a separate protocol to be signed between Takasbank and CBRT.
- (3) The CBRT instructions relating to the securities traded by the CBRT are given priority in the BİAŞ Debt Securities Market in accordance with the delivery versus payment principle.
- (4) Securities it has purchased by the reverse repo as a result of the transactions to which the CBRT is a party in the BİAŞ Repo Reverse Repo market are not blocked at Takasbank.
- (5) The CBRT is not obliged to pay any pre-default interest to the extent it fulfills its obligations for the transactions it has conducted in the Market until EFT/ESTS closing time within the same day.
- (6) Transactions in Takasbank system can also be executed by Takasbank on behalf of the CBRT.

**Enforcement**

**ARTICLE 73-** (1) The Directive enters into force on the date of its publication.

**Execution**

**ARTICLE 74-** (1) The provisions of this Directive shall be executed by the Board of Directors.