

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş. ELECTRONIC PRODUCT CERTIFICATE (ELUS) CLEARING SERVICE PROCEDURE

SECTION ONE

The Objective, Scope, Grounds, Definitions and Abbreviations

Purpose and Scope

ARTICLE 1- (1) Purpose and scope of the procedure is to determine the matters regarding the performance of clearing of ELUS trading transactions, realized on Turkish Mercantile Exchange Platform, by Takasbank on behalf of the Exchange pursuant to the applicable legislation.

Basis

ARTICLE 2- (1) This Procedure was prepared on the grounds of article 22 of the General Regulation on Establishment and Working Principles of Central Clearing Agencies, issued in the Official Gazette no. 28662 of 30.05.2013, Electronic Product Certificate Clearing and Default Transactions Directive of Türkiye Ürün İhtisas Borsası A.Ş. (Turkish Mercantile Exchange Platform), and rules set out in “Takasbank-Turkish Mercantile Exchange Platform Electronic Product Certificate Clearing Service Protocol” signed on 29/03/2019 between Turkish Mercantile Exchange Platform and Takasbank.

Definitions and Abbreviations

ARTICLE 3- (1) The following terms in this Procedure have the meanings provided next to them;

Intermediary / Agricultural Intermediary	:	Exchange members authorized for intermediation of trading Electronic Product Certificates on the Exchange,
Exchange/TÜRİB	:	Türkiye Ürün İhtisas Borsası Anonim Şirketi’ni(Turkish Mercantile Exchange)
Electronic Product Certificate (ELUS)	:	Electronic record made by licensed storage entity in accordance with the Electronic Product Certificate Regulation issued in the Official Gazette no. 28110 of 12 November 2011,
ISIN (International Securities Identification Number)	:	International Securities Identification Number, allocated for financial instruments traded on national and international markets in compliance with ISO 6166 standard,
Trading Platform	:	Exchange Electronic Trading Platform,

Licensed Storage	:	Licensed Storages engaging in storage of agricultural products, licensed pursuant to the Law no. 5300 on Licensed Storage of Agricultural Products, which entered into an agreement with the Exchange,
MKK	:	Merkezi Kayıt Kuruluşu Anonim Şirketi (Central Securities Depository Agency),
Customer	:	Real and legal entities trading through Exchange members, which have accounts with MKK members
Procedure	:	İstanbul Takas ve Saklama Bankası A.Ş. Electronic Product Certificate (ELUS) Clearing Service Procedure
Takasbank	:	İstanbul Takas ve Saklama Bankası Anonim Şirketi, assigned by the Board of Directors of the Exchange as the clearing house,
Clearing Member	:	Takasbank and MKK member institutions to be acting as intermediaries for ELUS clearing,
Compensation Fund	:	Licensed Storage Compensation Fund

SECTION TWO

Membership and Account Procedures

Clearing Membership Procedures

ARTICLE 4- (1) Clearing services regarding ELUS trading transactions through TÜRİB shall be performed by banks and intermediary institutions serving as Clearing Members.

(2) For the purposes of clearing membership, members that intermediate ELUS transactions should be defined as members and have accounts opened with Takasbank and MKK.

Licensed Storage Membership Procedures

ARTICLE 5- (1) Licensed storages should sign “Banking Transactions Commitment Letter” and complete the following documents to have their accounts opened with Takasbank.

- Customer Information Form
- Licensed storage activity certificate obtained from the Ministry of Commerce
- Trade Registry Gazette issue of the institution
- Partnership structure (List of attendants)
- Tax certificate
- Signatory circular (Notarized with original stamp)
- IP Address

- g) Member User Declaration (ID card photocopies of users must be added)
- ğ) Disclosure text
- h) Anti-Money Laundering and Combating the Financing of Terrorism Declaration Form
- ı) Identification of Actual Beneficiary: With respect to article 17/A titled “Identifying the actual beneficiary” of the Regulation on Measures Regarding Anti-Money Laundering and Combating the Financing of Terrorism; “Actual Beneficiary Identification Declaration” shall be completed for real and legal entities with a partnership share of 25% in the institution, as well as real entity/entities with the highest degree of executive power registered in the trade registration of the institution.
- i) Request Form for Delivery of Customer Details to E-Mail Address

Licensed Storage Branch Account Procedures

ARTICLE 6- (1) If licensed storages request opening accounts for their different branches with Takasbank, they must complete the following documents belonging to the relevant Branch.

- a) Banking Transactions Commitment Letter
- b) Customer Information Form
- c) Licensed storage activity certificate obtained from the Ministry of Commerce
- ç) Trade Registry Gazette issue of the institution
- d) Tax certificate
- e) Signatory circular (Notarized with original stamp)
- f) IP Address

(2) If one year or more has elapsed since member acceptance, current partnership structure and “Actual Beneficiary Identification Declaration” must also be completed and submitted.

SECTION THREE

General Principles

ELÜS ISIN Allocation Procedures

ARTICLE 7- (1) ELUSes are classified with 12-digit standard ISIN codes containing the licensed storage and ELUS properties.

- (2) ISIN code must be used in all trading transactions.
- (3) ISIN code is generated automatically by Takasbank upon approval of the application made by licensed storages to MKK system.
- (4) If licensed storages want to perform transactions on behalf of a Branch during applications to MKK system, Takasbank member code for the relevant Branch must be used in ISIN allocation for ISINs to be generated in the name of the relevant Branch.
- (5) Members are responsible for obtaining ISIN codes to be used for trading transactions.

(6) In ISIN code applications, Takasbank code of licensed storage branches must be entered during MKK system application stage.

Method for Conduct of Clearing Transactions

ARTICLE 8 (1) At the end of the session, where trading transactions performed in the Exchange are finalized, “Session Result File” belonging to realized transactions are notified by TÜRİB online to Takasbank for clearing transactions.

(2) Session Result File contains the following details.

- i. Agreement No.
- ii. ELUS Code,
- iii. Amount,
- iv. Price,
- v. Clearing Member with which the Buyer Client has an account (bank, intermediary institution),
- vi. Buyer Client Account No.,
- vii. Clearing Member with which the Seller Client has an account (bank, intermediary institution),
- viii. Seller Client Account No.,
- ix. Licensed Storage Compensation Fund Share
- x. Exchange Registration Fee Share,
- xi. ELUS Storage Fee,
- xii. Advance Total,
- xiii. Wastage Fee,

(3) According to transaction details received from TÜRİB, Takasbank issues Conditional Transfer (SRV) orders for buyer Clearing Member and seller Clearing Member.

(4) In conditional transfer agreement, ELUS seller becomes the asset debtor/cash recipient, while ELUS buyer becomes the asset recipient/cash debtor.

(5) Parties to the transaction should approve the orders for the conditional transfer transaction to be completed.

(6) Agreements generated upon approval of conditional transfer records by the parties are sent to MKK system.

(7) In asset debts, upon transfer of Conditional Transfer agreement to MKK, MKK checks the client account of the relevant Clearing Member on its system and blocks if there is any balance.

(8) Cash debts are settled by the ELUS buyer Clearing Member by means of Takasbank screens on Takasbank system.

(9) The transaction is finalized by transferring assets on MKK system and transferring cash on Takasbank system simultaneously.

(10) Records of transfers that have not been performed are canceled as of the deadline.

(11) Conditional transfer transactions are notified to the Exchange. Frozen cash/assets are unfrozen and they are returned to free accounts.

(12) Upon completion of conditional transfer transactions, Takasbank sends an online “Clearing Result File” to TÜRİB and MKK. Clearing result file contains the following details.

- i. Date,
- ii. ELUS Agreement No.,
- iii. Takasbank Agreement No.,
- iv. ELUS Code,
- v. Amount,
- vi. Price,
- vii. Amount,
- viii. Clearing Member with which the Buyer Client has an account (bank, intermediary institution),
- ix. Buyer Client Account No.,
- x. Clearing Member with which the Seller Client has an account (bank, intermediary institution),
- xi. Seller Client Account No,
- xii. Licensed Storage Compensation Fund Share,
- xiii. Exchange Registration Fee Share,
- xiv. ELUS Storage Fee,
- xv. Advance Total,
- xvi. Exchange Code
- xvii. Storage Code,
- xviii. Wastage Fee,
- xix. Status Code,
- xx. Last Transaction Date,

(13) At the moment of performance of clearing, Takasbank deducts Licensed Storage Compensation Fund share, Exchange registration fee, advance, wastage, and ELUS storage fee for each ELUS transaction from the product value paid to the seller party over the transaction amount, and transfers these amounts to relevant accounts.

Periods For Clearing Transactions

- ARTICLE 9-** (1) Clearing of ELUS transactions performed during session hours of the transaction date (T) within the Exchange are completed by 5:00 PM on full business days and by 12:45 PM on half business days.
- (2) Business days when the Exchange is open are considered when clearing periods are determined.
- (3) Clearing period can be temporarily altered by Takasbank by obtaining approval of the General Manager of Exchange due to issues or exceptional circumstances arising from clearing, custody, payment or technical faults.

Licensed Storage Payment Transactions

- ARTICLE 10-** (1) Wastage and storage fees to be paid to licensed storages are notified by TÜRİB in the Session Result File.
- (2) Wastage and storage fees to be paid to licensed storages, specified in paragraph 13 of article 8 of this Procedure and collected from the paid product value, shall be transferred to member free cash account of the licensed storage, held by Takasbank, upon completion of clearing on every business day.
- (3) Amounts accumulated in licensed storage accounts are sent automatically by EFT to intermediary bank

accounts of licensed storages, notified to Takasbank, by 5:00 PM on full business days and by 12:30 PM on half business days, on the last business day of the week.

Compensation Fund Payment Transactions

MADDE 11- (1) Compensation fund share fee to be paid to the compensation fund is notified by TÜRİB in the Session Result File.

(2) The compensation fund shall notify the rate for the amount to be paid from the exchange registration fee to the compensation fund, upon which Takasbank calculates the deduction amount and transfers it to the account of the compensation fund

(3) Compensation share amount to be paid to the Compensation Fund, specified in paragraph 13 of article 8 of this Procedure and collected from the paid product value, as well as the fee to be paid by TÜRİB to the Compensation Fund, shall be transferred to the cash account opened by Takasbank in the name of the Compensation Fund, upon completion of clearing on every business day. Amounts accumulated in the Compensation Fund are sent automatically by EFT to intermediary bank accounts of the Compensation Fund, notified to Takasbank, by 5:00 PM on full business days and by 12:30 PM on half business days, on the last business day of the week.

Exchange Payment Transactions

ARTICLE 12- (1) Exchange Registration Fee is notified by TÜRİB in the Session Result File

(2) Exchange Registration Fee Share amounts (Exchange Service Value and Registration Fee total), specified in paragraph 13 of article 8 of this Procedure and collected for each ELUS transaction from the transaction amount at the moment of performance of clearing, are sent automatically by EFT to intermediary bank accounts of the Exchange, notified to Takasbank, by 5:00 PM on full business days and by 12:30 PM on half business days, on the last business day of the week.

SECTION FOUR

Miscellaneous Provisions

Fees, Commissions, and Expenses

ARTICLE 13 -(1) Rates of fees, expenses, and commissions, to be collected from members with regard to the clearing service offered by Takasbank, are determined by Takasbank upon obtaining opinion of the Exchange.

System Business Continuity

ARTICLE 14-(1) System business continuity plan and emergency rules are regulated by “Takasbank Business Continuity Directive” and sub-directives and continuity plans based on Takasbank Business Continuity Directive. General policy texts regarding business continuity are announced to participant through Takasbank website.

Provisions Applicable in the Absence of Stipulation in the Procedure

ARTICLE 15-(1) Provisions of the applicable legislation shall be implemented in case of circumstances that

are not stipulated in the Procedure.

Implementation Principles

MADDE 16-(1) Takasbank is authorized to interpret the provisions of this Procedure, and decide, also in consideration of the general provisions, in respect of matters that are not included or clarified in this Procedure.

Announcements

MADDE 17-(1) Changes regarding matters within the scope of the Procedure are announced on www.takasbank.com.tr website.

Effect

ARTICLE 18-(1) The procedure takes effect on the date of its issuance.

Conduct

ARTICLE 19-(1) The General Manager implements the provisions of the Procedure.