

# **TAKASBANK**

# **MONEY MARKET**

# **PROCEDURE**

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# **TAKASBANK MONEY MARKET PROCEDURE**

## **CHAPTER ONE**

### **Purpose, Scope, Basis, Definitions and Abbreviations**

#### **ARTICLE 1 - Purpose**

- (1) The purpose of this Procedure is to determine the principles and procedures relating to the functioning and implementation of Takasbank Money Market operations at Istanbul Settlement and Custody Bank Inc.

#### **ARTICLE 2 - Scope**

- (1) Takasbank Money Market operations fall within the scope of this Procedure. For issues not stipulated in this Procedure, the provisions of Takasbank Money Market Directive shall apply.

#### **ARTICLE 3 - Basis**

- (1) This Procedure has been prepared on the basis of Takasbank Money Market Directive that has been approved by the Boards of Directors resolution numbered 353 and dated 16/08/2018.

#### **ARTICLE 4 - Definitions and Abbreviations**

- (1) Terms used in this Procedure shall bear the following meanings;
- a) **Exchange:** Borsa Istanbul Inc.
  - b) **BITT:** Banking and Insurance Transaction Tax.
  - c) **General Manager:** The General Manager of Takasbank.
  - ç) **Beginning of Day Report:** Report containing information about the TMM upper, buying and selling limits of the members authorized to trade in the TMM, their collaterals, default situations for the current period, collaterals with critical maturity dates, debit/credit positions and net receivables or payables as of the recent day.
  - d) **Law:** The Capital Market Law No. 6362.
  - e) **MKK (CRA):** Central Securities Depository Institution.
  - f) **Customer:** The real person and legal entity customers of the members who trade in the TMM.
  - g) **Procedure:** This “Takasbank Money Market Procedure” covering the principles and procedures for the operation and implementation of the TMM transactions, which has been prepared on the basis of the Directive

- ğ) and approved by the General Manager.
- h) **Current account:** The 11-1 current accounts of the members at Takasbank,
- ı) **Takasbank:** Istanbul Settlement and Custody Bank Inc.,
- i) **Takasbank Money Market (TMM):** The market established and operated by Takasbank, which enables the matching of bid and ask orders of the members who have fund surplus and/or lack of fund.
- j) **CBRT:** The Central Bank of the Republic of Turkey.
- k) **Representative:** Those who are authorized by the members to trade in the TMM.
- l) **Member:** Investment institutions designated in the Law, the financial institutions designated in the Financial Leasing, Factoring and Financing Companies Law No. 6361 dated 21 November 2012 , asset management companies operating within the Banking Law no. 5411, the institutions operating on the financial markets and subject to the Insurance Law No. 5684 dated 3 June 2007 and the Private Pension Savings and Investment System Law No. 4632 dated 28 March 2001, the institutions designated within the scope of General Communiqué for Public Treasurership and complementary pension funds being subject to their own private law and operating on a defined contribution model, of which can trade in the TMM pursuant to their own regulation and are authorized by Takasbank to trade in the TMM.
- m) **Directive:** Takasbank Money Market Directive that has been approved by the Board of Directors resolution numbered 353 and dated 16/08/2018, and entered into force on 16/08/2018.
- n) **Board of Directors:** The Board of Directors of Takasbank.

## **CHAPTER TWO**

### **Guidelines for Membership**

#### **ARTICLE 5 - Membership**

- (1) Institutions that satisfy the conditions prescribed in article 6 of this Procedure may become a member of the TMM provided that they are authorized by Takasbank. The CBRT is a natural member of the TMM.

#### **ARTICLE 6 - Membership conditions**

- (1) The following conditions must be met for membership;
- a) Being one of the investment institutions designated in the Law, being one of the financial institutions designated in the Law No. 6361 dated 21 November 2012, asset management companies operating within the Banking Law no. 5411, being one of the institutions operating on the financial markets and subject to Law No. 5684 dated 3 June 2007 and the Law No. 4632 dated 28 March 2001, being one of the institutions designated within the scope of General Communiqué for Public Treasurership or being one of the complementary pension funds being subject to their own private law and operating on a defined contribution model and there must be no restriction in their regulation that may prevent them from trading in the TMM,
  - b) Takasbank Money Market Agreement, whose content is outlined by Takasbank, must have been signed and submitted,
  - c) Information and documents to be requested by Takasbank must have been presented ,
  - ç) The equity capital of the member must not be less than the amount set forth in the legislation that the member is subjected to.

#### **ARTICLE 7 - Restriction on trading activities of the Member**

- (1) The TMM activities of the members may be restricted by Takasbank in the following situations;
- a) Restriction of its activities and default status in the financial markets or the capital market instruments for which the central counterparty or settlement service is provided,
  - b) Failure to fulfill the obligations stipulated in the Directive, the Procedure herein and in the Takasbank Money Market Agreement required to be signed between the member and Takasbank before starting to trade,
  - c) Identification of any unfavorable situation about the member such as protest, garnishment, precautionary attachment, etc., temporary or permanent suspension of its activities, decision rendered on its gradual liquidation or bankruptcy,

- ç) As a result of the financial analysis and/or rating studies periodically conducted by Takasbank; determination of the fact that the credit worthiness of the Member is either diminished or does not exist; or upon receipt of any negative intelligence,
  - d) Becoming unable to satisfy the conditions for membership.
- (2) The Members cannot trade in the TMM if they are in default at TMM or Takasbank Cash Credit transactions. However, the members may be allowed to engage in no risk bearing transactions in compliance with article 16 of this Procedure.
- (3) If any situation referred to in this article occurs, Takasbank may decide the winding up of the outstanding obligations of the Member at the TMM either in part or in whole. Should any decision be made by Takasbank for liquidation, the obligations of the member shall become due and payable in accordance with the relevant article of chapter 7 of this Procedure and shall be liquidated pursuant to the same chapter. In case of occurrence of any situation referred to in this article, Takasbank may, in addition to the liquidation decision, also ask the member to pledge additional collateral or may restrain the member from trading.

## **ARTICLE 8 - Termination of membership**

- (1) The membership may be terminated in any of the following situations:
- a) Determination by Takasbank that any of the membership conditions set forth by this Procedure is no longer met,
  - b) Determination by Takasbank that risks of a significant nature are arisen that would jeopardize the secure and uninterrupted functioning of the TMM system due to the non-fulfillment of the obligations stipulated in this Procedure or other relevant regulations,
  - c) Upon the direct request of the member,
  - ç) Restriction of the Member's activities pursuant to the Central Counterparty regulations of Takasbank.
- (2) Those who wish to terminate their TMM membership in accordance with the item (c) of the first paragraph of this article shall notify such request to Takasbank in writing. The member wishing to cease its TMM membership must have fulfilled all its obligations under this Procedure and other relevant regulations.
- (3) Even after the termination of TMM membership, the obligations of the relevant institution against Takasbank under this Procedure and other relevant regulations in relation to the transactions conducted till the termination date of membership shall prevail.



## **CHAPTER THREE**

### **TMM Operating Principles**

#### **ARTICLE 9 - Status of Takasbank and the obligations of the parties**

- (1) Takasbank is the institution that operates the TMM.
- (2) Members can trade at the TMM in accordance with the trading limits allocated to them by Takasbank and through pledging the collaterals stipulated in this Procedure by Takasbank. Takasbank undertakes the fulfillment of the obligations relating to the bid and ask orders matched at the TMM; and in case of any default, to fulfill them by using the collaterals held and, additionally, the funds up to its paid-in capital.
- (3) The Members are required to;
  - a) act in accordance with the rules and principles stipulated for the TMM operations by Takasbank in this Procedure and the Directive,
  - b) notify Takasbank of their representatives and the relevant updates thereof and inform and/or provide the information and documents requested by Takasbank within the prescribed time period.
- (4) In the fulfillment of obligations arising from the transactions conducted by the Members for their customers and investment funds, trusts and for the public funds of the institutions within the scope of General Communique for Public Treasurership, Takasbank deals only with the Members. Takasbank shall not be held liable for the obligations of the Members against their customers and investment funds, trusts and the institutions within the scope of General Communique for Public Treasurership.
- (5) The liability of Takasbank against the parties of the transaction starts at the moment the bid and ask orders routed by its members are matched and ends with the fulfillment of the obligations.
- (6) Takasbank is entitled to cancel the orders and transactions in fictitious nature which cannot be explained with a reasonable economic and financial justification as set forth in article 104 of the Law.
- (7) Takasbank is responsible for paying the principal to the borrowing member on the value date of its transaction and the principal and interest amount to the lending member on the maturity date of its transaction, pursuant to the provisions of the second paragraph.
- (8) The obligation of the borrowing member against the TMM is to pay the principal and interest amount on the maturity date of the transaction. The borrowing members have no right to redeem the debt before the maturity and terminate the transaction.
- (9) Takasbank shall return the collaterals subject to the transaction upon request of the member and in accordance with the provisions of the agreement that it has signed with the member, provided that the members have fulfilled their obligations pursuant to the article hereof.

- (10) The obligation of the lending member against the TMM, on the other hand, is to pay the principal amount on the value date of the transaction.
- (11) The lending member is responsible against the official bodies for the fulfillment of the BITT, Income Tax and other tax obligations that may arise thereof. Legal obligations relating to the funds invested on behalf of the customer to the TMM shall be fulfilled by the members.
- (12) For the transactions that are cancelled due to technical reasons after the order matching or where the parties of the transactions changed their wills by mutual agreement in accordance with the principles and procedures specified in article 24 of this Procedure, Takasbank and the parties of the transactions shall not enter into any obligation.
- (13) Other rights and obligations of the borrowing and lending members set forth by this Procedure shall be reserved.

#### **ARTICLE 10 - Principles regarding the representatives of the Member**

- (1) Transactions at the TMM are conducted through the orders placed via the representatives.
- (2) The representatives can place orders on behalf of the member in the TMM, amend the orders, cancel the orders and redeem its debts in accordance with the conditions set forth in this Procedure.
- (3) Members may designate maximum six (6) representatives for executing orders.
- (4) The members may change or cancel the representatives by sending a written notice.
- (5) The members, in their authorization requests, are required to provide Turkish identification numbers of their representatives and their corporate email addresses, if any, and in case they are not citizens of the Republic of Turkey, their tax identification numbers and passport copies.
- (6) Takasbank issues a confidential password and a representative number to each representative. The responsibility of the orders placed at the TMM through this password shall belong to the member.
- (7) The representatives may change their confidential passwords provided by Takasbank by using Takasbank member applications and in accordance with the principles laid down by Takasbank.

#### **ARTICLE 11 - Limits and trading thresholds**

- (1) Takasbank allocates a “TMM Limit” to the members. Such limit is not a commitment of Takasbank.
- (2) The “TMM limit” set forth by Takasbank is confidential and notified to the relevant members in writing. Takasbank is entitled to make changes in the TMM limit allocated to the members, whenever it deems necessary.
- (3) The buying limit ;
  - a) cannot be higher than the TMM limit.

- b) is calculated by deducting the total buying transactions and adding the matured buying transactions to the TMM limit.
- c) Is used within the evaluated collateral of the member.
- d) The collateral adequacy of the bid order's principal and interest amount is checked by Takasbank at the time of order routing.

(4) Selling limit;

- a) is calculated by deducting total buying transactions and adding matured selling transactions to the TMM limit.
- b) is increased up to the amount of debt paid from the current account of the member at Takasbank during the trading session.
- c) is not affected from Blocked Ask Order.

(5) Buying and selling limits notified to the members at the beginning of the day decline independent from each other pro rata to the amount of the bid and ask orders routed during the day.

(6) The members may monitor their buying and selling limits from the "Beginning of Day Report" as at the beginning of each day, and follow their limits being updated as per the transaction and collateral movements from the "Order Entry Screen" and the "Risk Blockage Report".

(7) The Maximum Net Debt Amount (MNDA), as the highest net settlement debt that may be incurred by any member on the transaction and maturity dates, is determined by Takasbank.

- a) The settlement obligations of the members on the transaction and maturity dates cannot exceed the prescribed MNDA of TRY 450.000.000- (four hundred and fifty million Turkish Liras).
- b) For each value and maturity date, the members can trade in a manner that their debt position cannot exceed the MNDA.
- c) The MNDA is controlled by the system during the course of the order routing.

(8) MNDA is calculated as follows:

- a) Net Debt Amount on the value date for sell orders' principal:

(Receivables Matured – Obligations Matured) + (Executed Bid – Ask Orders) + Collections - Standing Ask Orders

- b) Net Debt Amount in the buy orders' principal for each maturity date:

(Receivables Matured – Obligations Matured) – Standing Bid Orders

## **ARTICLE 12 - Trading hours**

- (1) Trades are executed in a single session with the same day value between 09:30 a.m.-12:00 p.m. and 01:00 p.m.-03:30 p.m. For half-business days due to official holidays, transactions shall be executed between 09:30 a.m. and 11:30 a.m.
- (2) The lunch break is from 12:00 p.m. to 01:00 p.m. every day.
- (3) The routed orders are valid between 09:30 a.m. - 03:30 p.m.
- (4) In case of the occurrence of any situation such as technical problems, natural disasters, a great number of incorrect transactions, etc., Takasbank shall be entitled to make changes in the trading and other relevant hours and time periods. Such changes are notified to the members via the system.

## **ARTICLE 13 - Maturity**

- (1) The executed transactions may have a maturity of;
  - a) each day up to 2 months,
  - b) 2, 3 and 6 months, and (+/-) 3 business days before and after these maturities.

## **ARTICLE 14 - Investing Cash of the Investment Funds, Investment Trusts and Pension Investment Funds in the TMM**

- (1) As stipulated in the relevant legislation by the Capital Market Board;
  - a) **Investment Trusts** may invest their cash in the TMM provided that it shall not exceed 20% of the net asset value of the trust,
  - b) **Investment Funds** may invest their cash in the TMM provided that it shall not exceed 20% of the total value of the fund, (this limitation is not applied to money market funds and variable funds)
  - c) **Pension Funds** may invest their cash in the TMM provided that it shall not exceed 10% of the fund portfolio value.

## CHAPTER FOUR

### Orders and Matching

#### ARTICLE 15 - Order elements

- (1) After defining their representative numbers and passwords to the system, the representatives must fill out the following required fields of an order:
  - a) **Customer Type:** It can be a “Portfolio”, a “Customer” or a “Fund/IT” (Investment Fund/Investment Trust/Public Fund). When an order is placed for an investment fund or an investment trust or a public fund, the code of the relevant fund or trust or public fund shall be indicated.
  - b) **Order Feature:** It can be a “Bid”, an “Ask” and a “Blocked Ask”.
  - c) **Order Type:** It can be a “Limit”, “Limit/Fill or Kill”, “Limit/Immediate or Cancel”, “Market” or “Market/Fill –or Kill” order.
  - ç) **Order Maturity:** It can be any of the maturity types referred to in article 13 of this Procedure.
  - d) **Interest Rate:** The interest rates of the executed trades are set freely by the parties. The interest rate is defined for the “Limit”, “Limit/Fill or Kill” and “Limit/Immediate or Cancel” orders. For other order types, the interest rate is not entered. Interest rate tick are **0.05 %** (five basis points) and its multiples. **1 year** is taken as **365 days in the interest calculation**.
  - e) **Order Amount:** The minimum tradable amount is TRY 5.000- and it can be increased by multiplies of TRY 1.000-.

#### ARTICLE 16 - Blocked ask order

- (1) It is a type of **non-risk bearing sell-order** that can be quoted by the members who have sufficient balances in their current accounts up to the amount they wish to sell.
- (2) If the Blocked Ask Order entered to the system is standing, the relevant amount shall be blocked in the current account of the member entering the order. If the order is matched, the matched amount shall be collected from the blocked amount at the moment of matching.
- (3) Blocked Ask Orders may be preferred by the members who;
  - a) are unable to place any ask due to their MNDA or have no selling limit left because of their outstanding position,
  - b) wish the ask orders to be placed on the basis of a fund and/or customer code not to affect their selling limit.
- (4) The members who have no assigned limit can also conduct selling transactions in the TMM through a Blocked Ask Order.

## ARTICLE 17 - Order routing

- (1) The member representatives route their orders by using Takasbank member applications.
- (2) In the TMM, the bid and ask orders are routed collectively by the member for the customers. Orders routed for the portfolios, investment funds, investment trusts and public funds of the institutions within the scope of General Communique for Public Treasurership, on the other hand, are conducted by quoting their relevant codes.
- (3) TMM system assigns an "Order Number" to the orders routed by the representatives. The representatives conduct their transactions related to the order by using that order number.
- (4) In order for a bid order to be entered into the system, the member to whom the order is routed must have a sufficient limit and collateral. In order for the ask orders (except for the blocked ask orders) to be entered to the system, the member must have a sufficient limit.
- (5) In case of failure to connect to the Takasbank system due to the system or connection problems, the members may call the TMM by dialing (212) 315 20 00 session line during the trading hours and enable the orders to be entered into the system by Takasbank. In such a situation, the time of order-entry shall be the time that the order is entered into the system by Takasbank.
- (6) All calls made to (212) 315 20 00 session line are recorded by a voice recording device at Takasbank, whereas, the orders routed via remote access tools are recorded in electronic environment. In case of any dispute, the phone recordings and/or the records kept by Takasbank electronically shall be considered as the basis.

## ARTICLE 18 - Types of orders

- (1) Types of orders that can be placed in the TMM are as follows;
  - a) **Limit Order:** It is an order type which is entered by designating the customer type, order feature, maturity, interest rate and order amount. The unexecuted portion of the order waits in the system in -standing status. It is the only order type where the unexecuted portion waits in the system.
  - b) **Limit/Immediate or Cancel Order:** It is entered by designating the customer type, order feature, maturity, interest rate and order amount. It is an order type which is placed under the partial execution condition. When the order is routed, it matches with the standing orders waiting in the system, and its unexecuted portion shall be cancelled automatically.
  - c) **Limit/Fill or Kill Order:** It is entered by designating the customer type, order feature, maturity, interest rate and order amount. It is an order type which is placed under the full execution condition of the entire amount of the order. If the full execution condition is failed to be matched with the standing orders waiting in the system when the order is routed, it shall be cancelled automatically.
  - ç) **Market Order:** It is an order type which is entered by designating the customer type, order feature, maturity and order amount but without quoting the interest rate. When a market order

is placed, it matches either partially or fully with the standing orders waiting in the system, and the unexecuted portion of the order shall be cancelled (killed) automatically.

- d) **Market/Fill or Kill Order:** It is an order type which is entered by designating the customer type, order feature, maturity and order amount but without quoting the interest rate, under the full execution condition. Market/Fill or Kill Order is fully executed (filled) with the standing orders waiting in the system. If the full execution condition is failed to be met when the order is placed, it shall be cancelled (killed) automatically.

## **ARTICLE 19 - Order amendment**

- (1) The portion of any limit order failed to be executed neither fully nor wholly and still standing in the market can be amended at any time by the representatives during the session.
- (2) The amendments conducted about the customer type, the investment trust, investment fund and public funds codes, the interest rate and amount of the unexecuted portion of the Limit Orders shall change the order number and priority of the order.
- (3) There must be sufficient collateral of the member in order to conduct the amendments which will incur extra collateral liability.
- (4) Should only the amount of the order be reduced, the order number shall remain the same and the order shall not lose its priority.

## **ARTICLE 20 – Order cancellation**

- (1) The standing portion of the routed orders waiting in the market can be cancelled during the session. The standing orders that remain unexecuted at the end of the session shall be cancelled by the system.
- (2) All standing orders of any member whose operations are suspended either temporarily or permanently shall be cancelled by Takasbank.
- (3) With the “**Multi Cancellation**” option, the partially or fully unexecuted orders shall be listed according to the criteria entered to the system and all listed orders or those selected can be totally cancelled at the same time.

## **ARTICLE 21 – Order matching**

- (1) Orders are matched by giving priority to the orders with the highest interest rate at the bid side and the lowest interest rate at the ask side.
- (2) For the orders with the same interest rate, the time priority shall apply.
- (3) When an ask order with a rate lower than an existing bid order is routed, the transaction is processed over the rate of such bid order; or, when a bid order with a rate higher than an existing ask order is routed, it is processed over the rate of such ask order.
- (4) Orders can be executed by being split into more than one transaction.

(5) For the bid and ask orders wherein the same member is involved, the following waiting period and principles shall be applied further to the time and price priority:

- a) The waiting period for matching of the routed orders by the same institution is 15 seconds.
- b) If the counter order transmitted before the elapse of 15 seconds is at a price compatible with the orders of other members, then it shall be executed either partially or fully with the orders of other members; and the remaining portion of the order shall be cancelled automatically.
- c) If either one of the bid or ask orders of the same member that may match with each other is quoted by designating an investment fund/trust or public fund code, the order quoted with the investment fund/trust or public fund code should have been entered to the system at first. Otherwise, these orders do not match with each other.

## **ARTICLE 22 - Order broadcasting**

- (1) TMM data can be accessed via the data vendor screens and the “Market Monitoring Screen” on Takasbank member applications. Both the orders entered into the system and the executed trades are disseminated to the TMM screens.
- (2) Among the quoted orders, the bid orders with the highest price and the ask orders with the lowest price, and total volume and price data of the recent transactions with the latest traded price are broadcasted.
- (3) If a trade is conducted with the best bid or ask quotes, than the next best bid or ask waiting on the bid or offer side shall be displayed on the screens.
- (4) Bid and ask orders with the same price are displayed in total.
- (5) The best five bids and asks can be followed via the depth pages.
- (6) The minimum, maximum and average prices of the executed trades and the total trading volume per maturity date are displayed on the summary information screens.
- (7) **The page codes provided by the data vendor companies to the TMM are as follows:**

<b>Broadcasting Company</b>	<b>Best Bid/Ask</b>	<b>Summary Information</b>	<b>Depth Information</b>
REUTERS	TKSBPP1	TKSBPPSUM1	TKSBPPDEPTH1
FOREKS	TAKASBANK MARKET - BEST BIDS AND ASKS	TAKASBANK MARKET - TRADE AVERAGES	DOUBLE CLICK ON RELEVANT MATURITY IN THE BEST BID/ASK PAGE



IDEAL (EUROLINE)	TAKASBANK MONEY MARKET- TAKASBANK MONEY MARKET BEST BID / ASK	TAKASBANK MONEY MARKET - TAKASBANK MONEY MARKET SUMMARY	TAKASBANK MONEY MARKET- TAKASBANK MONEY MARKET DEPTH
MATRIKS	TAKASBANK MARKET - TAKASBANK MONEY MARKET	TAKASBANK MARKET - TAKASBANK MONEY MARKET SUMMARY	DOUBLE CLICK ON RELEVANT MATURITY IN THE BEST BID/ASK PAGE

## **ARTICLE 23 – Transaction notification and monitoring**

- (1) The members follow the information about their orders entered into the system and the executed transactions from the relevant reports and screens via Takasbank member applications. The user guide containing detailed information about the reports can be obtained from Takasbank Money Market Operations Menu available on Takasbank member application.
- (2) Each morning; the buying limit gap, selling limit, collateral valuations, default situations, collaterals with critical maturity dates, and the net credit and debit balances are notified to the members with the “-Beginning of Day Report”.
- (3) Transactions conducted by the members by quoting the codes of the portfolio, customer, investment fund, investment trust and public fund of Institutions within the Scope of General Communiqué for Public Treasurership are monitored in the member accounts at Takasbank.
- (4) In the TMM, positions are monitored separately on portfolio, investment funds, investment trusts and public funds basis, whereas, collectively for the customers. In the TMM, no single position account can be opened in the name of the customers.

## **ARTICLE 24 - Transaction amendment and cancellation**

- (1) Takasbank is entitled to cancel the orders and transactions of fictitious nature which cannot be explained with a reasonable economic and financial justification as set forth in article 104 of the Law.
- (2) As a principle, transactions executed as a result of the member’s own fault cannot be cancelled. However, transactions requested to be cancelled till 15:45 which are notified in a written instruction or via the session line by the representatives of the buyer and seller members can be cancelled upon Takasbank’s receipt of the counterparty approval until the settlement time. In such a case, the transaction shall be cancelled by Takasbank after the consent of the requesting member and the counterparty member/members for the relevant transaction via the session line or through a written instruction.
- (3) Any correction request relating to the transactions executed as a result of the incorrectly entered customer type shall be conveyed by the member to Takasbank in writing on the same day. The correction relating to the amendment request shall be processed by Takasbank in the following manner;

- a) The order's customer type can be amended among the portfolio, customer or Fund/Investment Trust types.
- b) If the order's customer type is a Fund/Investment Trust than, the code of the investment fund, investment trust and public fund can be changed.

## **CHAPTER FIVE**

### **Principles Regarding the Collaterals**

#### **ARTICLE 25 - General provisions regarding the collaterals**

- (1) If the capital market instruments held in book-entry form are subject to be used as collateral, then a written collateral agreement shall be executed between Takasbank and the member pursuant to article 47 of the Law.
- (2) In the collateral agreements pertaining to the capital market instruments held in book-entry form, the title transfer of collaterals to Takasbank can be determined. Should the title transfer of collaterals to Takasbank be determined, Takasbank shall acquire the ownership right at the moment the agreement is established and as a result of the transfer of capital market instruments subject to be used as collateral in accordance with the legal procedures.
- (3) In the event that the receivables of Takasbank are required to be covered from collaterals due to the default of the Member or because of the reasons set forth in the provisions of the agreement or the relevant legislation; then without being obliged to fulfill any precondition such as serving any notice or warning, allotting time, obtaining a permission or approval from the administrative or judicial authorities, converting collateral into cash through an auction or another way; Takasbank shall be entitled to sell the assets pledged as collateral in the exchanges or other organized markets, if such asset is listed in any of these markets, provided that it shall not be below the market value and cover its receivable from the sale proceeds thereof. Takasbank shall also be entitled to offset the value of the capital market instruments subject to collateral from the liabilities of the borrower provided that the title of collaterals has been transferred to Takasbank.
- (4) The members are obliged to pledge the collateral referred to in article 30 to the relevant collateral account for the transactions they have conducted for their customers and for the portfolio and the investment funds, investment trusts and public funds of the institutions within the Scope of General Communiqué for Public Treasurership. The collateral obligation must be fulfilled by the assets on which the member has the right of disposition.
- (5) The rights and powers of Takasbank on the collaterals for the TMM operations cannot be limited in any way. The member's lack of right of disposition, for any reason, on the collaterals shall not prevent Takasbank from establishing a real right in good faith. Renumeration or limited real right claims of third parties on the assets subject to the collateral cannot be asserted against Takasbank.
- (6) Devoting time for composition about the collateral supplier, approval of its composition, devoting time for composition after bankruptcy, entering into composition process by abandoning its assets, restructuring by an arrangement, its bankruptcy, postponement of its bankruptcy, or the relevant provisions of the Law regarding gradual liquidation, or the proceeding procedures under the Execution and Bankruptcy Law No. 2004 can under no circumstances limit Takasbank's rights and powers on collaterals.

## **ARTICLE 26 - Assets accepted as eligible collateral**

(1) The collateral types that can be used in TMM are as follows:

- a) Cash (TRY, USD and EURO),
- b) Government Domestic Debt Instruments ,
- c) Stocks selected by Takasbank and traded on the Exchange,
- ç) Letters of Guarantee,
- d) Investment Fund Participation Certificates,
- e) Eurobonds issued by the Undersecretariat of Treasury of the Republic of Turkey,
- f) Bank bonds/bills,
- g) Lease certificates issued by the Asset Leasing Inc. of the Undersecretariat of Treasury of the Republic of Turkey,
- ğ) Gold.

## **ARTICLE 27 - Depositing, withdrawing and replacing collateral**

- (1) Members who have signed the “Takasbank Cash, Security, Collateral and RTGS DvP Undertaking Agreement” can pledge and withdraw collateral by using Takasbank member applications.
- (2) All collaterals are defined to the system with the portfolio details. Members cannot pledge collaterals from the customer accounts. In the TMM, collaterals are monitored collectively in the member accounts. Collaterals to be pledged must be covered by those on which the member has the right of disposition.
- (3) Collaterals to be deposited by the members from the portfolio accounts are required to be in nature of assignment to serve as collateral.
- (4) Collateral pledging and withdrawing operations of the members are performed by the members, as a rule, by using Takasbank member applications. However, if the collateral depositing and withdrawing operations cannot be performed by the members, the members can also execute their transactions by written instructions.
- (5) For pledging and withdrawing any collateral, Takasbank’s approval is required following member’s entry and verification thereof. Collateral deposit shall be processed by the approval of Takasbank upon delivery of the relevant instruction determined by Takasbank to Takasbank.
- (6) Such instructions are accepted via facsimile or the e-mail addresses written in the TMM contract, and the original instructions are required to be submitted to Takasbank within 5 business days at the latest.
- (7) Members can perform their collateral pledging and withdrawing operations until 05:00 p.m. For the half-business days due to the official holidays, the collateral depositing and withdrawing operations can be performed until 12:30 p.m.
- (8) Collateral operations related to the Stocks, Investment Fund Participation Certificates and the Bank Bonds/Bills create a transfer record on the accounts held at the MKK.

**(9) If cash is provided as collateral;**

- a) Cash collateral can be in the form of TRY, US Dollars or Euro.

**(10) If a Letter of Guarantee is provided as collateral;**

- a) its form and content shall be determined by Takasbank,
- b) it shall be accepted within Takasbank limits,
- c) it must be a performance guarantee valid for minimum one year or indefinite time period ,
- ç) Letters of guarantee issued reciprocally to each other by the banks affiliated to the same group or holding and those received by the members from the group and holding banks to whom they are affiliated shall not be accepted,
- d) Before the letter of guarantee is received, the limit availability of the issuer bank and the amount of the letter of guarantee must be confirmed by contacting TMM Team,
- e) Members shall convey the letters of guarantee they obtained to the TMM,
- f) Letters of guarantee shall be accepted as collateral by Takasbank after its receipt of a written confirmation from the issuer bank's Head Office or confirmation of the active risk record at the issuer Bank through the "Status Inquiry of Letter of Guarantee" system developed by Credit Reference Agency of Turkey (Kredi Kayıt Bürosu).

**(11) If Stocks are provided as collateral;**

- a) Stocks accepted as collateral shall be limited to the stocks included in BIST-30 Index.
- b) For each specified stock, Takasbank determines the upper limit to be accepted as collateral.
- c) Stocks accepted as collateral shall be in lots and its multiples.
- ç) Stocks of those companies which are a subsidiary of the member or in which the member has an ownership interest shall not be accepted as collateral for that member.

**(12) If the Treasury Bills, Government Bonds and Lease Certificates are accepted as collateral;**

- a) TRY denominated lease certificates shall be accepted as collateral.
- b) The collateral transfers shall be made from 501-Current Deposit accounts at Takasbank.

**(13) If the Euro Bonds are accepted as collateral;**

- a) After the delivery of Eurobonds pledged as collateral to Takasbank's account no. 15512 held at Euroclear; the member delivering the assets must send either a free format SWIFT message or a written instruction to Takasbank so that the relevant securities can be deposited to the member's current collateral account at Takasbank.

- b) Such assets transferred by Takasbank to the relevant member's 5080-Eurobond Collateral Deposit Account under the Takasbank International Settlement and Custody Operations menu shall be transferred by the member to 5081-TMM Collateral Project Deposit Account by using Takasbank member applications.
- c) In order for the assets transferred to 5080 - Eurobond Collateral Deposit Account as a result the collateral transfer to be further transferred to the member's account held at its securities correspondent; a written instruction must be sent to Takasbank Global Custody and Numbering Team. The instructions must be sent until 02:00 p.m. Turkish Time, if the securities correspondent of the member is Clearstream, and until 04:30 p.m., if it is Euroclear. Transfers related to the instructions to be sent after the aforesaid hours shall be processed with next day value. The securities correspondent of the member and its account number at that correspondent must have been mentioned in the said instructions.

**(14) If Bank Bonds and Bills are provided as collateral;**

- a) TRY-denominated bank bonds/bills are accepted as collateral,
- b) it shall be accepted within Takasbank limits,
- c) Takasbank determines the upper limit of the total bank bonds and bills that can be accepted as collateral for each issuer.
- ç) Bank bonds and bills issued by the group or holding banks to which the member is affiliated shall not be accepted as collateral for that member,
- d) Before sending the collateral deposit instruction of the bank bonds and bills, the limit availability of the issuer bank must be confirmed by contacting TMM Team,
- e) Bank bonds and bills can be deposited one business day later of the confirmation of the deposit instruction.

**(15) If Investment Fund Participation Certificates are provided as collateral;**

The members cannot pledge the investment fund participation certificates as collateral of which the companies and banks affiliated to the same group or holding with the members are either the founder or manager. Hedge funds shall not be accepted as collateral.

**(16) If Gold are provided as collateral;**

- a) Gold with the standard traded in Borsa Istanbul Precious Metals and Diamond Market are accepted as collateral.
- b) The Borsa Istanbul Precious Metals and Diamond Market member transfers the gold subjected to the collateral to member's sub-account which is linked to TMM account at the related market in within the working hours.

- (17) For the services provided by Takasbank in relation to the assets held in the collateral accounts, Takasbank commission tariff shall be applied.

## ARTICLE 28 - Collateral valuation haircuts

- (1) Collateral valuation haircuts are determined by taking into account the credit risk of the relevant collateral being evaluated by Takasbank, its maturity, its volatility in the extraordinary market conditions, its liquidity, and its currency risk, if any.
- (2) The haircuts to be used for the collateral valuation are given below:

<u>Collateral Types</u>	<u>Valuation Haircuts</u>
• Cash	
▪ TRY	1.00
▪ USD	0.92
▪ EURO	0.93
• Treasury Bills / Government Bonds	0.91
• Shares	0.76
• Investment Fund Participation Certificate	0.82
• Letter of Guarantee	1.00
• Eurobond	0.83
• Lease Certificates	0.88
• Gold	0.86
• Bank Bonds/Bills	0.73

## ARTICLE 29 - Collateral valuation

- (1) Takasbank performs the valuation of collaterals at the end of each day in accordance with the prices set forth below:
- a) For **Stocks**; the weighted average price formed in the last session of Borsa Istanbul Equity Market on the day the valuation is effected; and, if no transaction is executed in the Exchange, the arithmetic mean of the best bid and best ask orders of the last session; however, should either of the best bid or best ask orders be unavailable, the weighted average price of the last session they are traded,
- b) For **Government Bonds and Treasury Bills**; the theoretical price to be determined by using Takasbank yield curve on the day the valuation is effected; and should such rates be unavailable, the daily indicative values of the Government Domestic Debt Instruments determined by the CBRT.
- c) For **Foreign Currencies**; the CBRT foreign currency buying rate set for the next day on the day the valuation is affected.
- ç) For **Investment Fund Participation Certificates**; the price announced on that day.

- d) For **Eurobond**; Bloomberg Generic Price (BGN) announced by Bloomberg at 05:00 p.m.; and should such price be unavailable, the theoretical price to be calculated by Takasbank.
  - e) For **Bank Bonds and Bills**, the theoretical price calculated by Takasbank.
  - f) For **Lease Certificates**, the theoretical price calculated by Takasbank, and should such rates be unavailable, the daily indicative values of the Lease Certificates determined by the CBRT.
  - g) For **Gold**, the price calculated with the weighted average USD/Ounce price formed in the last session of the Borsa Istanbul Precious Metals and Diamond Market for the transactions with T+0 value day and CBRT foreign currency buying rate on the valuation date, if no transaction is realized, then the weighted average price formed in the previous session.
- (2) Foreign currency indexed and foreign currency denominated Government Bonds, Treasury Bills and letter of guarantee having a definite period of validity, with less than 5 days remaining to maturity are not included in the collateral valuation and are asked to be replaced accordingly.

### **ARTICLE 30 - Margin rates**

- (1) The margin rates are calculated over the evaluated collateral. The evaluated collateral amount is found by multiplying the market values of collaterals with the valuation haircuts.
- (2) The ratio of the evaluated stocks to the total evaluated collateral cannot exceed 75%. Furthermore, the ratio of a single-type stock pledged as collateral to the total evaluated collateral cannot exceed 15%.
- (3) The margins for bank bonds and bills are given below:
  - a) **Issuer limit:** The total evaluated value of bank bonds and bills cannot exceed 20% of the sum of total evaluated value of Cash, TRY denominated government bonds/treasury bills, invest funds participation certificates and letter of guarantees deposited in **TMM collateral accounts**.
  - b) **Member based issuer limit:** The total value of evaluated bank bonds and bills of one issuer bank cannot be exceed 50% of the total evaluated value of cash, TRY denominated government bonds/treasury bills, invest funds participation certificates and letter of guarantees in one **member's collateral account**.
- (4) The portion of total evaluated amount of the foreign currency denominated and foreign currency indexed securities, bank bonds and bills and the Eurobonds to be taken as collateral that exceeds total amount of other evaluated collateral, excluding the stocks, is not taken into account.
- (5) The initial and the maintenance margin rates are given below;
  - c) **Initial Margin Rate:**
    - 1) To act as a borrower in the TMM, there must be evaluated collateral up to **105%** of the bid order's principal and its interest.
    - 2) No collateral condition is required in order to act as a lender in the TMM.



- d) **Maintenance Margin Rate** is **102%** of the sum of the borrowed principal amount and its interest.

### **ARTICLE 31 - Margin call**

- (1) When the evaluated collateral falls below the minimum margin rate of 102%, a margin call shall be issued by Takasbank to the member, and its collateral is asked to be restored to the initial margin rate.
- (2) The margin call shall be issued by messages and reporting to the member screens provided by Takasbank. If the margin call is issued through the system, the Member shall be deemed to have received the call without any further notice or information. Members are responsible for following the information relating to the margin call from the “Beginning of Day Report”.
- (3) The addressee member of the margin call is allowed to execute transaction in the TMM as much as the limit and margin allow. The requested additional collaterals must be deposited until the end of the day that the margin call is issued.
- (4) The addressee member of the margin call can exit the margin call status by depositing additional collateral and / or by trading in a way that reduces the buying transactions and brings the collateral rate to the initial collateral (105%).
- (5) Takasbank may grant extra time to the member to comply with its margin call.

### **ARTICLE 32 - Rights arising from the collaterals**

- (1) The rights arising from the assets held as collateral belong to the collateral provider. However; if the title transfer of collaterals to Takasbank has been decided by the agreement made between Takasbank and the collateral provider pursuant to article 47 of the Law, then the rights arising from such collateral shall belong to Takasbank. Takasbank shall return the collateral on the maturity date together with their rights accrued thereof upon request of the member; provided, however, that, its obligations have been completely fulfilled.
- (2) Collaterals are essentially returned in non-fungible form. In case they cannot be returned in kind, the return shall be made in fungible form. Collaterals failed to be returned neither in non-fungible nor in fungible form shall be returned over their equivalents.
- (3) The capital increase or dividend rights of stocks provided by the members as collateral shall be used by Takasbank on behalf of the members.
- (4) If the capital increase is conducted through rights issue, the member can use its subscription right by paying the related amount after transferring the number of subscription (coupon) rights (transferring the collaterals) to the current sub-account at MKK.
- (5) Cash proceeds arising from dividend shall also be deposited to the collateral account of the member.
- (6) The redemption operations of the TRY denominated Treasury Bills and Government Bonds, lease certificates and bank bonds and bills held in the collateral accounts on the redemption date shall be

conducted in the collateral accounts and the redemption proceeds shall be transferred to the Members' collateral accounts. The coupon payments of the Eurobonds, lease certificates, bank bonds and bills and the TRY denominated Treasury Bills and Government Bonds held in the collateral accounts of the members shall also be transferred to the Members' collateral accounts; whereas, the coupon payments of foreign currency denominated Treasury Bills and Government Bonds shall be transferred to Member Foreign Currency Current Account.

## **CHAPTER SIX**

### **Clearing and Payments**

#### **ARTICLE 33 - Clearing**

(1) The clearing principles are outlined below:

- a) The clearing of TMM operations is executed at 04:00 p.m.; whereas, at 12:00 p.m. on the half-business days due to official holidays.
- b) The members must fulfill their obligations (settle their debts) in book-entry until the clearing cut-off time (04:00 p.m.). The relevant amounts shall be collected ex officio from the member current accounts.
- c) On the clearing time, first the receivable, then the payable items of the members shall be recorded to their current accounts at Takasbank.
- ç) The receivables recorded to the current accounts of the banks with a credit balance on the clearing time shall be transferred, unless otherwise instructed, to their TIC (Turkish Interbank Clearing) accounts at the CBRT.

#### **ARTICLE 34 - Offsetting**

(1) It is possible to make offsetting between the TMM and Borsa Istanbul Debt Securities Market and Equity Market.

- a) Members who owe debts to the TMM over the net balance can offset their receivables arising from their transactions in Borsa Istanbul Debt Securities and Equity Markets against their debts in the TMM. In the same manner, members who have receivables from the TMM over the net balance can also offset such amounts to their debts arising from their transactions in Borsa Istanbul Debt Securities and Equity Markets.
- b) Members are required to enter their offset instructions to “**Takasbank Member Application > Banking Operations > Set-off Operations Screen**” until 03:45 p.m. at the latest. For the half-business days due to official holidays, the offset instructions must be entered until 11:45 a.m. at the latest.

#### **ARTICLE 35 - Debt payment**

(1) The member who owes debt may pay its TMM debt either in part or in whole within the trading hours by using Takasbank member applications and until the settlement time by calling Takasbank from the session line.

## **ARTICLE 36 - Takasbank commission**

(1) Takasbank commission enters into force by the resolution of the Board of Directors; and be published in Takasbank website.

(2) Takasbank commission and 5% BITT over the commission amount shall be collected on the transaction date ex-officio from the current accounts of the parties of the transaction.

- **For the transactions with maturities up to one week including 7 days:**

Commission = Principal x 0.002% (0.2 basis points)

- **For other maturities:**

Commission = Number of Days x (Principal x 0.00025% (0.025 basis points))

(3) Should the Takasbank commission be failed to be paid, the trading authorization of the member shall be abolished until the commission is paid out.

## CHAPTER SEVEN

### Acceleration and Default Provisions

#### ARTICLE 37 - Acceleration of debt and default

- (1) Members' debts arising from their TMM transactions shall become immediately due and payable under the following circumstances:
  - a) On the value or maturity dates of transactions;
  - b) The member's failure to fulfil its margin call obligation in compliance with the principles and procedures specified in article 31 of this Procedure;
  - c) A decision made by Takasbank for the liquidation of the member's outstanding obligations pursuant to article 7 of this Procedure.
- (2) When members' debts arising from the transactions that they have executed in the TMM become immediately due and payable, they have to fulfil their obligations in accordance with the principles and procedures specified in this Procedure. In case that the obligations are not fulfilled on the due date of the debt in accordance with the principles and procedures specified in this Procedure, the member shall be deemed in default without any further notice.
- (3) If the member is in default, the related member's all outstanding debts become immediately due and payable. Takasbank decides whether the undue debts will be accelerated or not considering the source of the default.
- (4) If the member's outstanding obligations are decided to be liquidated by Takasbank pursuant to article 7 of this Procedure; the borrowing member is required to fulfil its obligations **within 1 business day at the latest** providing that it shall not exceed the maturity date.
- (5) If the borrowing member's debt becomes immediately due and payable before its maturity date for any reason whatsoever; the borrowing member shall be obliged to pay to Takasbank the interest of the early paid-off amount which will accrue until the end of maturity period.
- (6) The members fulfilling their cash obligations arising from the transactions executed in the market after the settlement hour shall be deemed to be in default without any further notice.
- (7) In the fulfilment of cash obligations; for the payments made through EFT, the hour in which the funds are credited to member's current account at Takasbank, and for the payments made through virement from the accounts at Takasbank, the transaction hour shall be taken as the basis.
- (8) Takasbank may grant a period to the Member to terminate the event of default until the end of 2 business days following the date of default at the latest.

#### ARTICLE 38 - Default interest

- (1) From the members that fail to fulfil their cash and collateral obligations within the prescribed time periods, a default interest calculated over the unfulfilled obligation amount is collected

together with the other legal liabilities thereon, considering the periods specified in the third paragraph of this article.

(2) In the calculation of default interest, the calendar days elapsing between the date of default and the date of fulfilment of the obligation are taken into account. With respect to the number of days of default, the default interest is calculated over 1 day for the obligations fulfilled until the end-of-day in TMM.

(3) Default interest rate shall be applied as;

- if the debt is paid until 16:30 or until 12:30 for half-business days due to official holidays, 50%
- if the debt is paid after 16:30, or after 12:30 for half-business days due to official holidays, two times

of the highest among the average overnight interest rates occurring at BİAŞ Repo-Reverse Repo Market, BİAŞ Interbank Repo-Reverse Repo Market, CBRT Interbank Money Market or Takasbank Money Market for each day.

(4) For the partial payment of the defaulted debt, the rates and limitations that are effective during the hours when the debt is partially paid shall apply.

(5) For the debts paid until 16:30 or until 12:30 on half-business days due to official holidays, the default interest upper limit is TL 6,900.- + BİTT.

(6) The upper limit is increased at the revaluation rate determined every year and rounded to the next TL 50.- tranche.

(7) There is no default interest upper limit for the debts paid after 16:30 or after 12:30 on half-business days due to official holidays.

(8) Minimum default base does not apply in TMM.

(9) Default interest is calculated using the following formula;

Base x Default Interest Rate x (day/365)

and the statutory obligations, if any, are added.

## **ARTICLE 39 - Accrual, notification and collection**

(1) The defaulting member is obliged to pay default interest in accordance with the principles specified in article 38 of this Procedure. If the debt that has become due is not paid off by the payment cut-off time, the default interest calculated by Takasbank over the default interest rate set forth in article 38 herein shall be accrued to the relevant member account. If Takasbank has incurred any loss exceeding the default interest due to the member's failure to settle its debts either in part or as a whole; then such loss shall be indemnified by the member.

(2) Accrued default interest is notified to the related member by way of reporting via the member screens provided by Takasbank.

- (3) Default interest and other legal obligations are collected by Takasbank ex officio from the member's free current account.

#### **ARTICLE 40 - Default management process**

- (1) The member that fails to timely fulfil its cash and collateral obligations and to pay off its debt within the periods specified herein power to execute transactions on TMM cannot trade on TMM due to suspension of its right to execute transactions.
- (2) The assets pledged as collateral by the member cannot be withdrawn until the related member's default is duly settled and rectified.
- (3) The member cannot utilize any Cash Credit from Takasbank throughout its default. The member that is in default in respect of its Takasbank Cash Credit cannot trade in the TMM during the period of such default.
- (4) Takasbank shall first refer to the current account of the defaulting member and then to its collaterals if the cash held in its current account fails to be sufficient. If the member's collaterals will be used due to its default, Takasbank shall be entitled to sell, using best endeavours, the assets provided as collateral of the related transaction in the organized and/or over-the-counter markets and to cover its receivables from the proceeds thereof, without being obliged to fulfil any precondition such as serving any notice or warning, granting an additional time period, obtaining a permission or approval from the judicial or administrative authorities, converting the collateral into cash through an auction or another way.
- (5) In case that the borrowing member's debt becomes immediately due and payable due to its failure to fulfil its margin call obligation; Takasbank shall be entitled to liquidate all debts of the related member by converting its collaterals into cash in accordance with the default provisions or a portion of its debts by starting from those that are nearest in terms of maturity date until the margin rate reaches the initial margin rate.
- (6) Takasbank decides on which collaterals of the defaulting TMM member will be converted into cash, considering their liquidity, the reason of the default and their impacts on the markets.
- (7) Takasbank's responsibility towards the lender in TMM operations shall be limited with the payment of the principal and the interest calculated over the principal amount on the maturity date of the transaction; whereas its responsibility towards the borrower shall be limited with the payment of the principal on the value date of the transaction, in accordance with the principles specified in this Procedure and the Directive. If Takasbank fails to pay the member's receivable on the maturity date of the transaction, it shall pay statutory default interest to the member. The member cannot claim or request from Takasbank to indemnify its loss by asserting that the loss incurred exceeded the default interest.
- (8) Takasbank has the rights of clearing, offsetting and retention on the defaulting TMM member's assets held at Takasbank as well as such member's other rights and receivables.

## **ARTICLE 41 - Objection to Default**

- (1) The member subject to accrual of default interest may object to Takasbank on the grounds that the default has occurred due to the reasons arising from settlement, respective central clearing system or payment system and without any fault attributable to the member, or a material error/error in fact has been made in the calculation of default interest, or the related member has promptly fulfilled its obligations within the time periods specified in the Procedure.
- (2) Objections are filed with a letter and documents related to such objection attached to such letter, within 1 week from the default accrual date at the latest.
- (3) The defaulting member's objection is evaluated and decided by the Default Committee established under the structure of Takasbank.
- (4) If the objection filed by the member is found justified, no default interest shall apply; and if such default interest is already collected, the related amount is refunded to the member.
- (5) In case of rejection of the objection, the decision is notified to the related member with a letter.
- (6) Any objection filed shall not preclude the payment of default interest within its due period.



## **CHAPTER EIGHT**

### **Miscellaneous and Final Provisions**

#### **ARTICLE 42 - Exemption**

- (1) CBRT can trade in the TMM by being exempt from the provisions of chapters 2, 5 and 7 and articles 11 and 36.

#### **ARTICLE 43 - Measures to be taken in extraordinary situations**

- (1) Takasbank shall be entitled to determine the measures to be taken in case of the occurrence of any extraordinary situation where it foresees the operations and reliability of the TMM may be adversely affected, and to implement these measures accordingly. In such cases, Takasbank shall also be entitled to alter the limits, change the risk calculation method and parameters, ask for additional collateral, amend the clearing periods and conditions, restrict collateral withdrawing with specific time and conditions, change the trading hours, stop the order placements, cancel the transactions and amend the maturities, and any other measure thereof.

#### **PROVISIONAL ARTICLE 1 - Signing of agreements**

- (1) Takasbank Money Market Undertaking and other agreements and engagements that have been signed within the scope of the transactions to be executed in the TMM shall continue to remain in force for the member institutions of the TMM as of the approval date of the Directive by the Board of Directors.

#### **ARTICLE 44 - Enforcement**

- (1) This Procedure shall enter into force on 26/10/2018.

#### **ARTICLE 45 - Execution**

- (1) The provisions of this Procedure shall be executed by the General Manager.