



CSDs: MKK (Turkey)

Date: 03 Sep 2013

SMI Markets: Turkey

CMIRR Markets: Turkey

Takasbank to Provide CCP Services - Update

In an update to our previous newsflash, Takasbank has provided the following updates on the launch of its central counterparty (CCP) services.

CCP Services for Securities Lending Market:

Effective 2 September 2013, Takasbank has started providing CCP services for the organised securities lending market, meaning that Takasbank will act as buyer against seller and seller against buyer in the securities lending market and transactions in the securities lending market will take place under Takasbank guarantee. Some of the significant sub-regulations are summarised below:

- **Line allocation:** With the enactment of the new regulation, Takasbank, in addition to receiving collateral, has allocated Securities Lending Market (SLM) line to each of the intermediary institutions involved. The total market value of the outstanding securities borrowing transactions for all the members at any moment given will not exceed the SLM line allocated to the intermediary institution. Also, members are able to monitor their overall limit as well as the remaining limit through transaction instruction screen. For the securities lending parties, no line allocation condition is required.
- **Securities subject to lending:** All the A group shares and exchange-traded fund participation certificates traded in the Borsa Istanbul markets are subject to lending as of 2 September 2013.
- **Collateral types:** Cash, government bond, Treasury bill, gold and stocks are accepted as collateral.
- **Collateral amounts and collateral valuation coefficients:** Initial and maintenance margin call ratios as well as collateral valuation coefficients already in place are subject to amendments as of 2 September 2013. Moreover, keeping Turkish Lira (TRY) denominated cash collateral equivalent determined as a minimum amount of the evaluated collateral required.
- **Accretion:** Effective 2 September 2013, the overall amount of the cash collateral is accreted irrespective of the risks assumed.
- **Orders without maturity with redemption option:** A new order type "Orders without maturity with redemption option" application, enabling borrower to early settlement of the outstanding amount and entitling lender to recall the security, have also been included in the available order types.
- **Transaction commission calculation:** Transaction commission will be calculated based on the weighted average price of the last session and will be added to the commission amount of the precedent day.
- **Takasbank commission:** Minimum required commission amount of TRY 5 has been cancelled while commission rates have been revised in accordance with the market growth and demands received. These are indicated in the Application Principles published.

Takasbank Money Market (TMM) CCP Services:

TMMCCP services are now expected to go live in late September or early October of 2013, due to delays in getting the Capital Markets Board's approval for the sub-regulations (Directives) for the markets operated by the Takasbank. The approval for the TMM Directive is expected to be received from the CMB in the second half of September 2013.

Legal Entity Identifier (LEI) Code Project:

There is a slight change to the pre-LEI allocation time-table. Taskasbank now expects to start allocating LEIs in mid-September.

CSD Risk Impact

MKK (Turkey)

CSD Rating: A

CSD Flash Impact: Positive

Impacted Risk Type: Counterparty Risk

Current Rating = A

Flash Impact = Positive

The introduction of a CCP into the relevant Turkish markets is expected to reduce counterparty risk exposures for these markets through stronger risk management procedures employed by the CCP.

Market Information Impact

Turkey

This information affects the data contained in the Settlement sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Turkey

Market Rating: A

Market Flash Impact: Positive

Impacted Risk Type: Counterparty Risk

Current Rating = A+

Flash Impact = Positive

The introduction of a CCP into the relevant Turkish markets is expected to reduce counterparty risk exposures for these markets through stronger risk management procedures employed by the CCP.

Related Flash: [Tikasbank to Provide CCP Services - Update, 12/07/2013 \(click to view\)](#)

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