

## **COMMUNIQUE ON PRINCIPLES REGARDING RECORD KEEPING AND DOCUMENTATION IN INTERMEDIARY ACTIVITIES**

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2- (Serial: V, No: 20 "Communiqué Amending the Communiqué on Record Keeping and documentation in Intermediary Activities" was published in the Official Gazette dated 01.03.1995 No: 22217)

3- (Serial: V, No: 39 "Communiqué Amending the Communiqué on Record Keeping and documentation in Intermediary Activities" was published in the Official Gazette dated 08.10.1998 No: 23487)

4- (Serial: V, No: 63 "Communiqué Amending the Communiqué on Record Keeping and Documentation in Intermediary Activities" was published in the Official Gazette dated 20.03.2003 No: 25054)

5- (Serial: V, No: 66 "Communiqué Amending the Communiqué on Record Keeping and Documentation in Intermediary Activities" was published in the Official Gazette dated 14.07.2003 No: 25168)

6- (Serial: V, No: 73 "Communiqué Amending the Communiqué on Record Keeping and Documentation in Intermediary Activities" was published in the Official Gazette dated 17.12.2003 No: 25319)

**Serial** : V  
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### **Purpose and Scope**

**Article 1-** (As Amended by the Communiqué Serial: V, No: 66) The aim of this communiqué that was prepared on the basis of paragraph (e) of Article 22 of Capital Market Law is to determine the documents and records to be kept by the intermediary institutions for their intermediary activities and the principles to be followed during the accounting procedures.

### **Definitions**

**Article 2-** (As Amended by the communiqué Serial: V, No: 66) For the purposes of this Communiqué, the following definitions shall apply:

Board : Capital Markets Board,

Law : Capital Market Law No: 2499 amended by Law No: 4487 dated 15/12/1999

Intermediary Activity : The activities explained for arrangements about the intermediary activities of the Board and the Articles 30 and 31 of the Capital Market Law No: 2499,

Intermediary institutions : Brokerage firms and banks

## **GENERAL PROVISIONS**

### **Principles of Practice**

**Article 3-** (As Amended by the Communiqué Serial: V, No: 66) The intermediary institutions are obliged to arrange and keep the forms and

documents mentioned in this Communiqué completely and to register the accounting records related with the transactions of securities to their legal books in one day.

Intermediary institutions keep the accounting records related with the intermediary activities they carry out in their branches, in their centers or branches, and the “Accounting Plan of Intermediary Institutions” included in the Board’s arrangements related with the accounting plans of the intermediary institutions is taken as the basis.

#### **Documents to be kept by the intermediary institutions**

**Article 4-** (As Amended by the Communiqué Serial: V, No: 66) As well as the books and documents mentioned in the regulations of the Board on the intermediary activities, the following documents are required to be kept:

- a) Cash Receipt-Payment Document,
- b) Transaction Result Form,
- c) Account Statement,
- d) Securities Inflow-Outflow Slips,
- e) Customer Order Form,
- f) Session Trail Form,
- g) Transaction Distribution List,

The intermediary institutions are obliged to keep all kinds of correspondences, contracts, commitments, guarantees, and the documents such as other promissory notes and court announcements that were received or made due to the activities of capital market, and the documents received or arranged with the aim of identity determination, the power of attorneys, and the other documents arranged within the framework of the rule of customer recognition in a systematic and classified manner.

Article 68/1 of the Turkish Commercial Code is valid for the keeping period of the documents other than the client order form mentioned in the first paragraph and the ones mentioned in the second paragraph.

(Amended fourth paragraph by Communiqué Serial: V, No: 73) No matter it has been realized or not, the “Customer Order Form” related with the orders of customers and the documents related with the orders received in the electronic environment are kept for 5 years following the date of arrangement. Tape records related with the oral orders are kept since the end of the year which come after the order received. It is obligatory that the conflicting ones be kept during this period without recording until the conflict in question is concluded.

(Amended fifth paragraph by the Communiqué Serial: V, No: 73) The intermediary institutions are obliged to post registered letters for the account statements, which is included in the appendix 1 of the Communiqué, to their customers in 7 days following the related period in terms of monthly periods. However, the mentioned document may not be posted to the customers who

do not carry out any transactions during the related period and to the ones with whom the contract about not posting the account extract was signed. The non-responsibility records related with that the information included in the account statement shall be deemed as accepted by the customer after a certain period of time are not included in the framework agreements and in other related documents.

The intermediary institutions give a separate account number for each customer during carrying out the intermediary activities and this number is used in all kinds of transactions and sub-accounts. It is obligatory that the changes in the address information included in the framework agreement of the account holder customers be notified to the ISE Settlement and Custody Bank Inc. in 2 days by the intermediary institutions. There is no obligation to open customer accounts due to the transactions of public offering.

It is not necessary to identify the customer identity in the documents and records; however, other provisions of laws related with presenting the customer identity in documents and records are reserved. When required, the identity and address information of the account holder customers are submitted to the Board and the ones charged by the Board.

The intermediary institutions are responsible for the accuracy of the identity information of the customer to whom an account number is given.

In all documents and records that are to be kept, it is obligatory to use of non-erasable writing tools; not to erase or scrape on them; to make the amendment in a way not to prevent to see the wrong record; and not to have any space lines.

#### **Documents of Cash Receipt and Payment**

**Article 5-** (As Amended by Communiqué Serial: V, No: 66) The “Cash Receipt Document” is arranged when money received from the customers and the “Cash Payment Document” is arranged when there is a payment to the customers. These documents following a continuous row number must be arranged in at least two copies; the document of cash receipt must be signed with the customer and a signed copy of these documents must be given to the customer.

#### **Transaction Result Form**

**Article 6-** (As Amended by Communiqué Serial: V, No: 66) The “Transaction Result Form” in successive row numbers included in the Annex 2 of this Communiqué is arranged in order to indicate the true nature of purchases and sells, the given services and the money received for these services.

#### **Securities Inflow-Outflow Slips**

**Article 7-** (As Amended by Communiqué Serial: V, No: 66) For the physical inflows and outflows of securities of customers or intermediary institutions from and to the cash registers of securities, “Securities Inflow Slips” and

“Securities Outflow Slips” whose samples are given in the Annex 3 and 4 of this Communiqué are arranged and the signed copies of these documents are given to the customers.

#### **Transactions of Underwriting**

**Article 8-** During the intermediation of public offering, according to the present contract of underwriting between the issuer and the intermediary institutions, if the unsold portion of securities is committed to be purchased by the intermediary institutions, the total amount of undertaking is followed in the regulatory accounts. The decreases occurring in the amount of the commitment by selling the securities during the purchasing period are transferred to these accounts.

### **DOCUMENT AND RECORDING ARRANGEMENTS FOR THE TRANSACTIONS OF SECURITIES**

#### **Receiving and Tracking the Customer Orders**

**Article 9-** (As Amended by Communiqué Serial: V, No: 66) When written orders are received from the customers, minimum 2 copies of “Customer Order Form” with successive row numbers included in the Annex 5 of this Communiqué and covering the issues mentioned in the Article 25 of Istanbul Stock Exchange Regulation that is published in the Official Gazette dated 19/2/1996 and numbered 22559 are arranged and a signed copy of this form is given to the customer.

The orders can be received without the signatures of customers before and during the session via telephone, fax, ATM records, electronic environments and similar ways. These orders have the characteristic of oral orders in terms of general provisions. It is obligatory to keep the tape records about the customer orders received via telephone.

(Amended third paragraph by Communiqué Serial: V, No: 73) For the all orders received in oral and written forms, during receiving the order in case of customer demands, it is obligatory to give the row numbers for the customers’ orders.

The intermediary institutions record all oral and written orders given by the customers in their central and out-central organizations to the “Customer Order Form” which is arranged in computers in a way to follow a successive row number. All of the customer orders received prior to the session on the basis of these forms are automatically recorded according to the time of receive to the “Session Trail Form” which is arranged in computers in the center of the intermediary institutions and included in the Annex 6 of this Communiqué. The orders received during the session in the stock exchange are also transferred to the “Session Trail Form” during the session in the same way. Assuring the principle of time priority, the infrastructure necessary for the system that can list the receiving time of all orders in order

must be constituted. The customer orders that are recorded in this way are transferred to the stock exchange in order to be carried out.

The purchases and sells, which the intermediary institutions shall make on behalf and account of them, are followed according to the above-mentioned principles.

The intermediary institutions arrange the session trail form followed in the computer environment in the center in written form at the end of session. The written session trail form is signed by the administrator of the unit.

#### **Obligation of Proof for the Oral Orders**

**Article 9/A-** (Annex: with Communiqué Serial: V, No: 66) The obligation of proving the presence of oral order is intermediary institutions' responsibility for the transactions carried out on the basis of oral buy and sell orders. The records entered via the fax, ATM records and computer network, the voice and image records and the records having no mutual understanding with customer such as all other kinds of proofs or the start of written proof do not form a proof unilaterally.

The customer who claims that any transaction has not been realized though the buy and sell orders are given is obliged to proof that he/she has given the order.

#### **Documents to be arranged during distribution of the Finalized Transactions to the Right Holders**

**Article 10-** (As Amended by Communiqué Serial: V, No: 66) The transactions which have been determined to be carried out in accordance with the Daily Transaction Book arranged by the Stock Exchange are distributed to the right holders by recording to the "Transaction Distribution List" included in the Annexes of 7 and 8 in accordance with the provisions of laws. These lists constitute the basis of related accounting transactions.

#### **Entering the Securities Selling Transactions into the Account**

**Article 11-** The securities selling transactions are entered into the accounts in the following way:

a) Regarding the Securities Inflow Slips that are arranged when the shares are received from the customer, they are recorded as receivable to the "Account of Entrusted Shares" in respect to the shares on the basis of its place, and as receivable to the "Account Payable from Entrusted Shares" in respect to the shares on the basis of customer.

(Amended paragraphs "b & c" by Communiqué Serial: V, No: 20)

b) The monetary totals of sells occurred in the selling transactions are recorded as debit to the "Account of Clearing Center" and as receivable to the related customer accounts in accordance with the contracts of purchasing and selling and the transaction distribution tables.

It is obligatory in the sells made in its own portfolio by the intermediary institutions that the accounting records are kept in accordance with the "method of continuous inventory" and the unit costs of shares are determined in accordance with the method of "moving weighted average cost". According to this, when there is a sell from the own portfolio of the intermediary institutions, the monetary total of sells are recorded as debit to the "Account of Clearing Center" and as receivable to the "Account of Domestic Sells – Account of Related Shares"; the total cost of sold securities which is determined in accordance with the "moving weighted average cost" is recorded as debit to the "Account of Cost of Domestic Sells- Shares – Account of Related Share" and as receivable to the "Account of Share".

c) In distributing the sold securities in accordance with their customers in nominal cost, they are recorded as receivable to the "Entrusted Securities-Account of Clearing Center" in respect to the securities, and as debit to the "Accounts Payable from Entrusted Shares" on the basis of customers in respect to the securities.

**Article 12–The transactions of purchasing the securities are entered into the accounts in the following way**

(Amended paragraphs "a & b" by Communiqué Serial: V, No: 20)

a) The monetary totals of the purchases occurred in the purchasing transactions are recorded as receivable to the "Account of Clearing Center" and as debit to the related customer accounts in accordance with the contracts of purchasing and selling and the transaction distribution tables. For the purchases made for its own portfolio of the intermediary institutions, "Account of Clearing Center" and "Account of Shares" are operated.

b) In distributing the purchased securities in accordance with their customers in nominal cost, firstly they are recorded as debit to the "Entrusted Securities-Account of Clearing Center" in respect to the securities, and as receivable to the "Accounts Payable from Entrusted Securities" on the basis of customers in respect to the securities.

c) Regarding the Securities Outflow Slips that are arranged when the shares are delivered to the customer, they are recorded as debit to the "Accounts Payable from Entrusted Shares" in respect to the shares on the basis of the customers and as receivable to the "Account of Entrusted Shares" in respect to the shares on the basis of their outflow places.

**Over-the-Counter Selling and Purchasing Transactions**

**Article 13–** (Amended 1<sup>st</sup> paragraph by Communiqué Serial: V, No: 20) For the over-the-counter selling and purchasing transactions carried out under the framework of the stock exchange laws, the intermediary institutions' accounts of "Shares", "Domestic Sales" and "Cost of Domestic Sales" and the sub-accounts related with these accounts are used.

In these purchases and sales being realized in this way, the transaction result form and the documents that must be arranged for securities and for the cash movements are arranged.

### **Enjoying the Priority Right and Entering the Free Shares into the Accounts**

**Article 14-** If the intermediary institutions enjoy the priority rights for the entrusted shares of its customer, the accounts of customer are debited.

Following enjoying the priority rights, according to the state of receiving the temporary receipt or share, they are recorded in nominal value as debit to the accounts of "Entrusted Shares" or "Temporary Receipts of Entrusted Shares" on the basis of their location in respect to the securities; and as receivable in nominal value to the account of "Creditors from Entrusted Shares" ("Creditors from Entrusted Temporary Receipts") on the basis of customers in respect to the shares. In case of receiving free shares due to the capital increase, the same memorandum accounts are used.

### **Missing Dividends**

**Article 15-** The intermediary institutions track the accounts of customers without considering the missing dividends. These differences are reflected to the accounts of customers in case the shares are given to or received from the customers.

If the shares that are entrusted by the customers contain a missing dividend, the missing amount is recorded as debit to the account of customer and as receivable to the "Account of Missing Dividend".

When a share containing a missing dividend is delivered to customers, it is recorded as debit to the "Account of Missing Dividend" and as receivable to the account of customer, and then the amount of difference in dividend is paid to the customer.

If the shares are purchased and the clearing center delivers a share containing a missing dividend, the total of difference in dividend is recorded as debit to the "Account of Clearing Center" and as receivable to the "Account of Missing Dividend".

If the shares containing missing dividend are given when delivering shares to the Clearing Center, it is recorded as debit to the "Account of Missing Dividend" and as receivable to the "Account of Clearing Center".

### **Dividend Yields of Shares**

**Article 16-** (As Amended by Communiqué Serial: V, No: 66) The intermediary institutions observe the revenue of dividends to be carried out its customers as of the first day of delivery of dividends on the regulatory accounts in accordance with the contract mentioned in the Board's intermediary activities regulations both for the shares being present in its own portfolio and for the ones of customer. With this aim, for the shares belonging to the intermediary institutions and customers, the amount of dividend calculated without considering the differences in dividends is recorded as debit to the "Account of Dividends of Entrusted Shares" on the basis of their locations in respect to the shares, and as receivable to the "Account of Creditors from the Dividends of Entrusted Shares" on the basis of customers and portfolio in respect to the shares.

The revenues of dividend accrued in relation with the shares being present in its own portfolio of the intermediary institutions are recorded as receivable to the "Account of Revenues from Dividends" and as debit to the "Account of Capital, Interest, Coupon, Income Shares to be Collected" on the first day when the exporting company starts to deliver the dividends.

If the dividend is collected from the exporting company, without considering the differences in dividends, it is recorded as receivable to the accounts of customers and to the "Account of Capital, Interest, Coupon, Income Shares to be Collected" and as debit to the "Account of Cash Register" in the collected amount and to the "Account of Difference in Dividend" in the amount of difference between them. In case of collecting the dividend, the regulatory accounts, which have been opened according to the Paragraph 1, are closed with reverse recording.

## **DOCUMENTATION AND RECORDING OF TRANSACTIONS IN DEBT SECURITIES**

### **Receiving the Customer Orders, Executing Them and Distributing to the Right Holders**

**Article 17-** (As Amended by Communiqué Serial: V, No: 66) If the intermediary institutions buy or sell debt securities on behalf and for the account of their customers or on behalf of themselves and on the account of their customers, it arranges minimum two copies of the "Customer Order Form" included in the Annex 5 of the Communiqué and gives a signed copy of this form to the customer.

The orders may be received from the customers via telephone and similar communication tools or in electronic environment. These orders have the characteristic of oral orders in terms of general provisions. It is obligatory to keep the voice records about the customer orders received via telephone. The burden of proof rests with the intermediary institutions. For conflicts that arise when the order is given orally during transactions; and for taking the records of intermediary institutions as the basis, the fundamental principles in article 9/A apply.

The intermediary institutions record all oral and written customer orders to the "Customer Order Form" which is arranged in the computers in a way to follow a successive row number. All of the customer orders received prior to the session on the basis of these forms are automatically recorded according to the receiving date to the "Session Trail Form" which is arranged in computers at the headquarters of the intermediary institutions and included in the Annex 6 of this Communiqué. The orders received during the session in the stock exchange are also transferred to the "Form of Session Pursuit" during the session in the same way. Assuring the principle of time priority, the infrastructure necessary for the system that can list the receiving time of all orders in order must be constituted.

The above-mentioned principles are followed for the sales and purchases to be realized by the intermediary institutions on their own behalf and account.

The intermediary institutions, in relation with the debt securities, record the orders realized on their own behalf and account, on customer's behalf and account or on their behalf and on customer's account to the "Transaction Distribution List" mentioned in Article 10 in a way it shall follow the distribution of shares and then they distribute them to the right holders. These lists and the documents envisaged in the Articles 5, 6, and 7 of the Communiqué form the basis of related accounting transactions.

### **Purchasing and Selling Transactions of Debt Securities and Entering Them into the Accounts**

**Article 18-** If the purchasing and selling transactions of debt securities are realized in the Stock Exchange, the records of accounting are kept by using the related accounts bearing the name of the type of security in accordance with Articles 11 and 12 of this Communiqué.

For the purchasing and selling transactions that are realized over-the-counter by the intermediary institutions from their own portfolio, the arrangement of documents and registers mentioned in Article 13 of this Communiqué is adapted.

If a receipt indicating the amount and price of Treasury Bills, Government Bonds and other public securities is given to the intermediary institutions by Central Bank of Republic of Turkey, these securities are observed in the accounts of "Receipts of Entrusted Treasury Bills" (or "Receipts of Entrusted Government Bonds") and "Creditors from the Receipts of Entrusted Treasury Bills" (or "Creditors from the Receipts of Entrusted Government Bonds") in nominal value.

### **Entering Shares of Capital, Interest, Coupon and Income into the Accounts**

**Article 19-** (As Amended by Communiqué Serial: V, No: 66) The activity of collecting the shares of capital, interest, coupon and income to be realized both for the securities being present in its own portfolio of the intermediary institutions and for the customers in accordance with the contract mentioned in the arrangements about the intermediary activity of Board is observed as of the first day when the exporting company starts to deliver the dividends. With this purpose, the shares of interest, coupon, dividend and income calculated for the securities of intermediary institutions and the customer are recorded as debit to the "Account of Entrusted Interest, Coupon and Income Shares" on the basis of their location in respect to the securities and as receivable to the "Account of Creditors of the Entrusted Interest, Coupon and Income Shares" on customer base and portfolio in respect to the securities.

The shares of interest, coupon, dividend and income accrued in relation with the debt securities in its own portfolio of the intermediary institutions are recorded as receivable to the related income accounts on the first day when the exporting company starts the distribution, and as debit to the "Account of Shares of Capital, Interest, Coupon and Income to be collected". When the capitals of these securities accelerated, it is recorded to the related account of securities.

If the shares of interest, coupon, dividend and income are collected, they are recorded as debit to the account of cash register and as receivable to the accounts of customers and the "Account of Shares of Capital, Interest, Coupon and Income to be collected". Following collecting them, the memorandum accounts that were opened in accordance with the first paragraph are closed with reverse recording.

## **DOCUMENTATION AND RECORD ORDER OF REPURCHASE AND REVERSE REPURCHASE TRANSACTIONS\***

### **Taking and Tracking Customer Orders**

**Article 20-** (As Amended by Communiqué Serial: V, No: 66) In off-exchange repurchase and reverse repurchase transactions with their customers intermediary institutions prepare at least two copies of "Receipt for Repurchase and Reverse Repurchase Transactions" that exists in the regulations of the Board on repurchase and reverse repurchase transactions and give a signed copy of form to the customer.

For repurchase and reverse repurchase transactions, a serial number in continuous succession shall be given to all receipts drawn up with computer or numerator.

In exchange repurchase and reverse repurchase transactions of intermediary institutions, documents defined in regulations on repurchase and reverse repurchase transactions of the Board are prepared.

### **Accounting for Repurchase and Reverse Repurchase Transactions**

**Article 21-** (As amended by Communiqué Serial: V, No: 20) In portfolio repurchase and reverse repurchase transactions of intermediary institutions, it is obligatory to account records according to "perpetual inventory method"; to determine unit cost of securities subject to repurchase and reverse repurchase transactions according to "moving weighted average cost" method.

### **Accounting for Repurchase Transactions**

**Article 22-** (As added by Communiqué Serial: V, No: 20) Repurchase transactions of intermediary institutions in their own name for the account of another in exchange are accounted as follows:

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\* Articles of 20 and 21 of the communiqué Serial:V, No:6 have been amended by the communiqué Serial:V, No:20 and articles of 22, 23, 24, 25, 26, 27, 28, 29, 30 and 31 have been added to the communiqué.

a) Monetary value of repurchase transactions are recorded as credit to "Settlement Centre Account", debit to the related customer account. Nominal value of repurchase transactions are recorded as debit to "Entrusted Securities Account- Settlement Centre Account" in terms of related security, credit to "Account Payable from Entrusted Securities" on customer base, in terms of related security.

b) Monetary values of repurchase transaction paid on due date are recorded as debit to "Settlement Centre Account", credit related customer account. Nominal values of repurchase transaction are recorded as credit to "Entrusted Securities Account- Settlement Centre Account" in terms of the related security, debit to "Account Payable from Entrusted Securities", on customer base, in terms of related security.

**Article 23-** (As Added by Communiqué Serial: V, No: 20) Repurchase transactions of intermediary institutions in their own name and for their own account are accounted as follows:

a) Monetary value of repurchase transactions by intermediary institutions is recorded as debit to the related customer accounts, credit to the "Domestic Sales- Related Security Account". Then cost values of securities subject to repurchase determined according to "moving weighted average cost" method are recorded as debit to "Cost of Domestic Sales-Related Security", credit to "Securities- Related Securities Account".

b) Nominal values of repurchase transactions are recorded as debit to "Account Payable from Entrusted Securities - Firm's Portfolio Account" in terms of related securities, credit to "Account Payable from Entrusted Securities" on the base of customers, in terms of related securities.

c) Monetary values of repurchase transactions committed to be paid on due date are recorded as debit to "Debtors from Repurchase Commitments Account" in terms of maturities of repurchase transactions, credit to "Account Payable from Repurchase Commitments" on the base of maturities of repurchase transactions, in terms of customers.

d) Monetary values of repurchase transaction paid on due date are recorded as debit to "Securities- Related Security Account", credit to related customer accounts.

e) Nominal values of repurchase transactions are recorded as credit to "Creditors from Trust Securities Account- Firm's Portfolio Account" in terms of related securities, debit to "Creditors from Trust Securities Account" on customer base, in terms of related securities.

f) Monetary values of repurchase transactions paid on due date are recorded as credit to "Debtors from Repurchase Commitments Account" in terms of maturities of repurchase transactions, debit to "Account Payable from Repurchase Commitments" on repurchase transactions maturity base, in terms of customers.

#### **Accounting of Reverse Repurchase Transactions**

**Article 24-** (As Added by Communiqué Serial: V, No: 20) Repurchase transactions of intermediary institutions in their own name for the account of another in exchange are accounted as follows:

a) Monetary values of reverse repurchase transactions are recorded as debit to "Settlement Centre Account", credit to related customer's

account. Nominal values of reverse repurchase transactions are recorded as credit to "Entrusted Securities Account- Settlement Centre Account" in terms of related security, debit to "Account Payable from Entrusted Securities Account", on customer base, in terms of related security.

b) Monetary values of reverse repurchase transaction paid on due date are recorded as credit to "Settlement Centre Account", debit to related customer account. Nominal values of reverse repurchase transactions are recorded as debit to "Entrusted Securities Account- Settlement Centre Account" in terms of related security, credit on customer base "Account Payable from Entrusted Securities Account", in terms of related security.

**Article 25-** (As Added by Communiqué Serial: V, No: 20) Reverse repurchase transactions of intermediary institutions in their own name and for their own account are accounted as follows:

a) Monetary values of reverse repurchase transactions by intermediary institutions are recorded as debit to "Securities- Related Security Account", credit to customer accounts.

b) Nominal values of reverse repurchase transactions are recorded as debit to "Account Payable from Entrusted Securities Account" on customer base in terms of related securities, credit to "Account Payable-from Entrusted Securities- Firm's Portfolio Account" in terms of related securities.

c) Monetary values of reverse repurchase transactions committed to be paid on due date are recorded as debit to "Debtors from Reverse Repurchase Commitments Account" on the base of maturities of reverse repurchase transactions, in terms of customers, credit to "Account Payable from Reverse Repurchase Commitments Account" on the base of maturities of repurchase transactions.

d) Monetary values of reverse repurchase transactions taken on due date are recorded as credit to "Domestic Sales- Related Security Account", debited related customer accounts. Then cost values of securities subject to reverse repurchase determined according to "moving weighted average cost" method are recorded as debit to "Cost of Domestic Sales- Related Security", credit to "Securities- Related Securities Account".

e) Nominal Values of reverse repurchase transactions are recorded as debit to "Account Payable from Entrusted Securities- Firm's Portfolio Account" in terms of related securities, credit to "Account Payable from Entrusted Securities Account" on customer base, in terms of related securities.

f) Monetary values of reverse repurchase transactions paid on due date are recorded as credit to "Debtors from Reverse Repurchase Commitments Account" on the base of maturities of reverse repurchase transactions, in terms of customers, debit to "Account Payable from Reverse Repurchase Commitments" in terms of reverse repurchase transactions' maturities.

#### **DOCUMENTATION AND RECORD ORDER OF MARGIN TRADING AND SHORT SELLING TRANSACTIONS**

### **Taking and Tracking Customer Orders**

**Article 26-** (As Added by Communiqué Serial: V, No: 20; As Amended by Communiqué Serial: V, No: 66) In the case of margin trading and short selling of intermediary institutions, it is complied with the record and documentation order stated in Article 9 of the communiqué.

### **Accounting of Margin Trading**

**Article 27-** (As Added by Communiqué Serial: V, No: 20) Margin trading transactions are accounted as follows;

a) In the case collateral for margin trading transactions is deposited in cash by customer, monetary values are recorded as debit to "Cash Account", credit to "Margin Account- Cash Collateral Account of Margin Customers".

If collateral is deposited as security, nominal values of securities are recorded as debit to "Securities Collateral of Margin Customers- Settlement Centre or Central Cash Account" in terms of securities, credit to "Account Payable from Entrusted Securities of Margin Customers" on customer base, in terms of securities.

b) Monetary values of margin trading purchases are recorded as debit to "Margin Account- Margin Customers Account", credit to "Settlement Centre Account" in accordance with sale-purchase agreements and transaction distribution tables.

c) Nominal values of margin trading purchases are recorded as debit to "Entrusted Securities of Margin Customers - Settlement Centre Account" in terms of shares, credit to "Account Payable from Entrusted Securities of Margin Customers" on customer base, in terms of related shares.

### **Accounting of Short Selling and Borrowing of Securities Transactions**

**Article 28-** (As Added by Communiqué Serial: V, No: 20) Short Selling and Borrowing of securities transactions are accounted as follows:

a) In the case collateral for short selling transactions is deposited in cash by customer, monetary values are recorded as debit to "Cash Account", credit to "Margin Account- Cash Collateral of Short Selling Customers" on customer base.

If collateral is deposited as security, nominal values of securities are recorded as debit to "Entrusted Securities of Short Selling Customers- Settlement Centre or Central Cash Account" in terms of securities, credit to "Account Payable from Entrusted Securities of Short Selling Customers" on the customer base, in terms of securities.

b) Monetary values of short selling transactions are recorded as debit to "Settlement Centre Account", credit to "Short Selling Customers Account" in accordance with sale-purchase agreements and transaction distribution tables.

c) Nominal values of short sale shares are recorded as credit to "Entrusted Shares- Settlement Centre Account" in terms of shares, debit to "Debtors from Borrowed Securities Account" on customer base, in terms of securities. Then nominal values of short sale securities are recorded as

credit to "Account Payable from Borrowed Securities Account" on the base of lender, in terms of securities, debit to "Entrusted Shares- Settlement Centre or Central Cash Account" in terms of securities.

d) If collateral is given in cash in return for borrowed securities, amounts of collateral are recorded as debit to "Collaterals for Borrowed Securities Account" on the base of lender, credit to "Cash Account".

If collateral is given as security in return for borrowed securities, nominal values of securities given as collateral are recorded as debit to "Securities Collateral for Borrowed Securities Account" on lender base in terms of securities, credit to "Account Payable from Securities Collateral for Borrowed Securities Account" on customers base who guarantee shares or company portfolio, in terms of securities.

### **Accounting of Securities Lending Transactions**

**Article 29-** Securities lending transactions are accounted as follows:

a) Nominal values of securities that is lent by intermediary institutions from customer trusts or company portfolio are recorded as debit to "Debtors from Lent Securities Account" on individual or institution base who borrows, in terms of securities, credit to "Entrusted Securities-Settlement Centre or Centre Cash Account" in terms of securities; credit to "Creditors from Lent Securities Account" on customer base who lend or company portfolio, in terms of securities, debit to "Account Payable from Entrusted Securities Account" on the base of customers or company portfolio, in terms of securities.

b) If collateral is given in cash in return for lent securities, monetary values of trusts are recorded as debit to "Cash Account", credit to "Collateral for Lent Securities Account" on related individual or institution base.

If collateral is taken as security in return for lent securities, nominal values of securities taken as collateral are recorded as credit to "Account Payable from Collateral Securities for Lent Securities" on the individual or institution base who borrows, in terms of securities, debit to "Securities Taken as Trust for Lent Securities - Settlement Centre Account or Centre Cash Account" in terms of securities.

## **DOCUMENTATION AND RECORD ORDER OF BANKS**

**Article 30-** (As Added by Communiqué Serial: V, No: 20) Banks have to comply with articles of this communiqué on documentation order limited with their intermediary activities; but if it is required by public authorities, they carry out accounting operations by taking into consideration record order of this communiqué.

**Provisional Article 1-** (As Added by Communiqué Serial: V, No: 73) Rules on order transmission process and system stated in 9<sup>th</sup> article changed by communiqué Serial: V, No: 66 can be carried out by brokerage houses that transmit customer orders with remote access intermediation. The following rule will be applicable until 31/12/2005 for brokerage houses that do not

carry out the said order transmission order process and system, 9<sup>th</sup> article will be applicable for all customer orders taken after that date.

When written order is taken, it is drawn up at least two copies of "Customer Order Form" with a serial number in continuous succession which is available in 5<sup>th</sup> appendix of the communiqué that contains points stated in 29<sup>th</sup> article of Istanbul Stock Exchange regulation published in official gazette number 22559 on February 19, 1996 and a signed copy of form is given to customer.

Orders without customer sign can be taken from customers by telephone, fax, ATM records, electronic mail or similar ways before or after session. These orders are assumed oral order from the point of general provisions. It is obligatory to record voice orders of customers taken by telephone.

Before intermediary institutions record these kinds of orders to "Session Trail Form" stated below, write them down without customer sign. All orders (written or oral) are given a serial number in continuous succession with numerator or computer.

All customer orders taken before session are recorded to "Session Trail Form" which is available in 6<sup>th</sup> appendix of the communiqué, drawn up at central office of intermediary institutions, according to preference order. Orders taken when session goes on are written down to same "Session Trail Form" drawn up at center office of brokerage house by giving numbers following serial numbers in session. Customer orders recorded in this way are forwarded to brokers to be carried out.

It is obligatory to record purchase and sales of intermediary institutions in their own name for their own account to "Session Trail Form" drawn up at center of intermediary institutions, too.

If a separate accounting is kept at branch, branches draw up a separate "Session Trail Form" and forward orders taken from customers to center as a group. These orders are recorded to session following form drawn up at center in the name of branch.

If branch accounting is kept at center, customer orders taken are recorded branch session following form and forwarded to Center in sequence. Center records orders coming from branch to session following form prepared by itself within the bases of second clause in terms of customers.

#### **Entry Into Force**

**Article 31-** (As Added by Communiqué Serial: V, No: 20) This Communiqué will enter into force on the day of its publication.

#### **Execution**

**Article 32-** (As Added by Communiqué Serial: V, No: 66) The provisions of this Communiqué shall be executed by the Capital Markets Board.

(By the communiqué Serial: V, No: 66 appendices numbered 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16 and 17 were repealed; appendices numbered 1,2,3,4,5,6,7,8 were rearranged with their numbers.)

**APPENDIX/1 ( Rearranged With the Communiqué of Serial: V, No: 66)**

INTERMEDIARY INSTITUTION

Date :

TRADE NAME

Code :

**ACCOUNT STATEMENT (\*)**

Customer No:

Customer Name:

Date	Slip No	Explanation (**)	Debit	Credit
Remainder				
_____	_____			_____
TOTAL				

Name	Date	Slip No	Explanation	Incoming	Outgoing	Remainder (***)
Stock A						
Stock A						_____
_____	_____					
Total						
Stock B						
Stock B						_____
_____	_____					
Total						
Remainder (****):						

Sign of Authorized Person of Brokerage House

(\*) It is formed from combination of Abstract of Account and Customer Securities Movement List.  
 (\*\*) In explanation area, it is taken place such as price, amount of security subject to transaction, sale or purchase, commission fee, revenues, payment, old new difference, dividend collection.  
 (\*\*\*) In Incoming, Outgoing and Remainder areas; capital market instruments are followed on the base of securities and as unit.  
 (\*\*\*\*) In remainder area, total value of customer's present cash and securities at brokerage house are shown, separately.

**TRADE NAME OF INTERMEDIARY INSTITUTION**

**APPENDIX/2 (Rearrangement:  
With the Communiqué Serial: V, No: 66)**

**TRANSACTION RESULT FORM**

Customer Name :

Customer No :

Type and name of security	Sale/Purchase	Sale/Purchase from Portfolio at ISE	Unit	Price	Amount	Commission/BITT
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Explanation : - Securities bought have been taken as guarantee, value has been recorded as debit to your account.

- Securities sold have been removed from guarantee, value has been recorded as credit to your account.

- Other services.

Authorized Person of Intermediary Institution

Name Sign :

**TRADE NAME OF INTERMEDIARY INSTITUTION**

**APPENDIX/3 (Rearrangement:  
With the Communiqué Serial: V, No: 66)**

**SECURITY INFLOW FORM**

Customer No :  
Customer Name :  
:  
Type of security :

Date :  
Branch Code  
  
Form No :

Security						<u>NOMINAL VALUE</u>		
Name	From No – To No	Order	Series Coupon	Denomination	Unit	Old	New	
Newest								

TOTAL
-------

Person Who Submits

Code  
Name Surname  
Sign

Person Who is Submitted

Code  
Name Surname  
Sign

TRADE NAME OF INTERMEDIARY INSTITUTION

SECURITY OUTFLOW FORM

Customer No : Date :  
 Customer Name : Branch Code  
 :  
 Type of Security : Slip No :

Security	<u>NOMINAL VALUE</u>							
Name	From No -To No	Order	Series	Coupon	Denomination	Unit	Old	New
Newest								

TOTAL
-------

Person Who Submits

Code  
Name Surname  
Sign

Person Who is Submitted

Code  
Name Surname  
Sign

**APPENDIX/5 (Rearrangement:  
By the Communiqué Serial: V, No: 66)**

**CUSTOMER ORDER FORM**

Institution Code	:	Date:
Customer Name	:	Time: Hour/Minute
Customer Code	:	COF No:
Transmission Way of Order (*)	:	

Type of Capital Market Instruments	Name	Purchase/Sale	Type of Order/ Period of Circulation(**)	Price/Nominal Value(***)
------------------------------------	------	---------------	--	--------------------------

Person Who Takes Order	Customer
Name Surname	Name
Surname	
Sign	Sign

\* Written, fax, telephone, internet etc.

\*\* It will be used for stock transactions.

\*\*\*Price for stock transactions, nominal value for public borrowing instruments will be used.

**APPENDIX/6 (Rearrangement:  
With the Communique Serial: V, No: 66)**

**SESSION TRAIL FORM (\*)**

Date:

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REALIZED

Serial No	Time	Institution Code	Customer Code	Stock/ Security Code	Purchase /Sale	Amount (Lot/ Unit) (**)	Unit Price	Note	Counter Member	Amount (Lot/ Unit) (**)	Unit Price	Note
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(\*) It will be used for stock and public borrowing instruments.

(\*\*) Lot for stock transactions, unit for public borrowing instruments will be used.

**TRANSACTION DISTRIBUTION LIST<sup>(1)</sup>  
(On Security Base)**

Date : \_\_\_\_\_ TRADE NAME OF INTERMEDIARY  
 INSTITUTION  
 No : \_\_\_\_\_

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Security Type	Sec. Order No and Name of Customer	Order Not Realized	Purchase/Sale Date	Unit Period of P/S	Order Realized (Nominal/ 1000)	Realized Price (Price (TL))	Commission Unit (Price (TL))
	Unit of Order Security (Nominal/1000)		Number <sup>(2)</sup>	Circulation			(Nominal/1000)

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<sup>(1)</sup> This list is drawn up for sales and purchases separately.  
<sup>(2)</sup> Order number is the number that exists in stock transaction record.

**APPENDIX/8 (Rearrangement:  
With the Communique Serial: V, No: 66 )**

**TRANSACTION DISTRIBUTION LIST<sup>(1)</sup>  
(On Customer Base)**

Date :  
No :

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Securitiy	Sec. Type	No and Name	Order	Order	Purchase/Sale	Unit	Order	Realized	Realized	Commission
BITT	Not Realized	Name of	Date	Period of	P/S	(Nominal/	Price	Unit	(Price (TL)	
Unit of Order	Security	Number <sup>(2)</sup>	Circulation			1000)		(Nominal/1000)		
(Nominal/1000)										

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<sup>(1)</sup> This list is drawn up for sales and purchases separately.

<sup>(2)</sup>Order number is the number existing in stock transaction record.

