MERKEZİ KAYIT KURULUŞU

CENTRAL SECURITIES DEPOSITORY

& TRADE REPOSITORY OF TÜRKİYE

BORSA İSTANBUL EXCHANGE GROUP

MERKEZİ KAYIT İSTANBUL
Central Securities Depository
& Trade Repository of Türkiye

AGENDA

- MKK ACCOUNT STRUCTURE
- DEMATERIALIZATION PROCESS
- SECURITY TRANSFER OPERATIONS
- FREE TRANSFER PROCESS
- DELIVER VERSUS PAYMENT TRANSFER PROCESS
- PLEDGE PROCESS

DEMATERIALIZED SYSTEM FUNCTIONS

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ISSUER COMPANY

- ELECTRONIC SIGNATURE & PKI INFRASTRUCTURE
- WEB APPLICATION
- ONLINE INTEGRATION

BANK & INDERMEDIARY INSTITUTION

TÜBİTAK

FStech awards 2013 WINNER

MKK Central Dematerialized System

MKS MERKEZİ KAYDİ SİSTEM CENTRAL DEMATERIALIZED SYSTEM

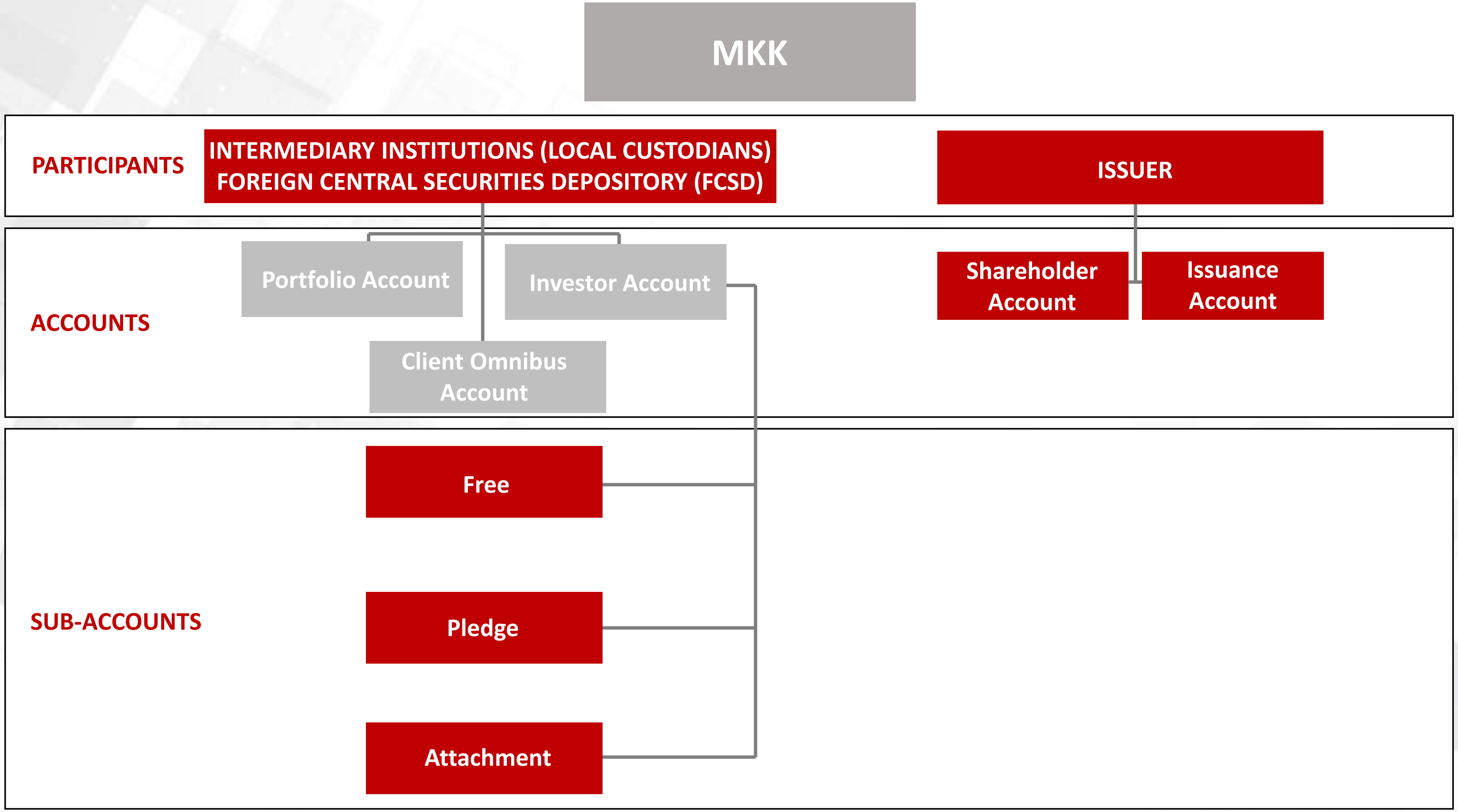
ISO 27001 ve Bilgi Güvenliği Yönetim Sistemi

UKAS MANAGEMENT SYSTEMS 0063

INTERNATIONAL CERTIFICATION SOCOTEC

- DEMATERIALIZATION
- CENTRAL SECURITIES DEPOSITORY
- ACCOUNT OPENING
- FOP AND DVP TRANSACTIONS
- ON AND OFF EXCHANGE SETTLEMENTOPERATIONS
- CORPORATE ACTIONS ISSUER OPERATIONS
- INVESTOR SERVICES
- LEGAL OPERATIONS
- ELECTRONIC FUND PLATFORM
- SECURITIES BORROWING AND LENDING PLATFORM
- REPORTING
- OTHER OPERATIONS

MKK ACCOUNT STRUCTURE



DEMATERIALIZATION PROCESS

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- **ISIN CODE (International Securities Identification Number)**
  - Distinguish shares from each other on the basis of group and rights

- MIC (Market Identifier Code) Code

XIST : İstanbul Stock Exchange / ELUS: electronic warehouse receipts

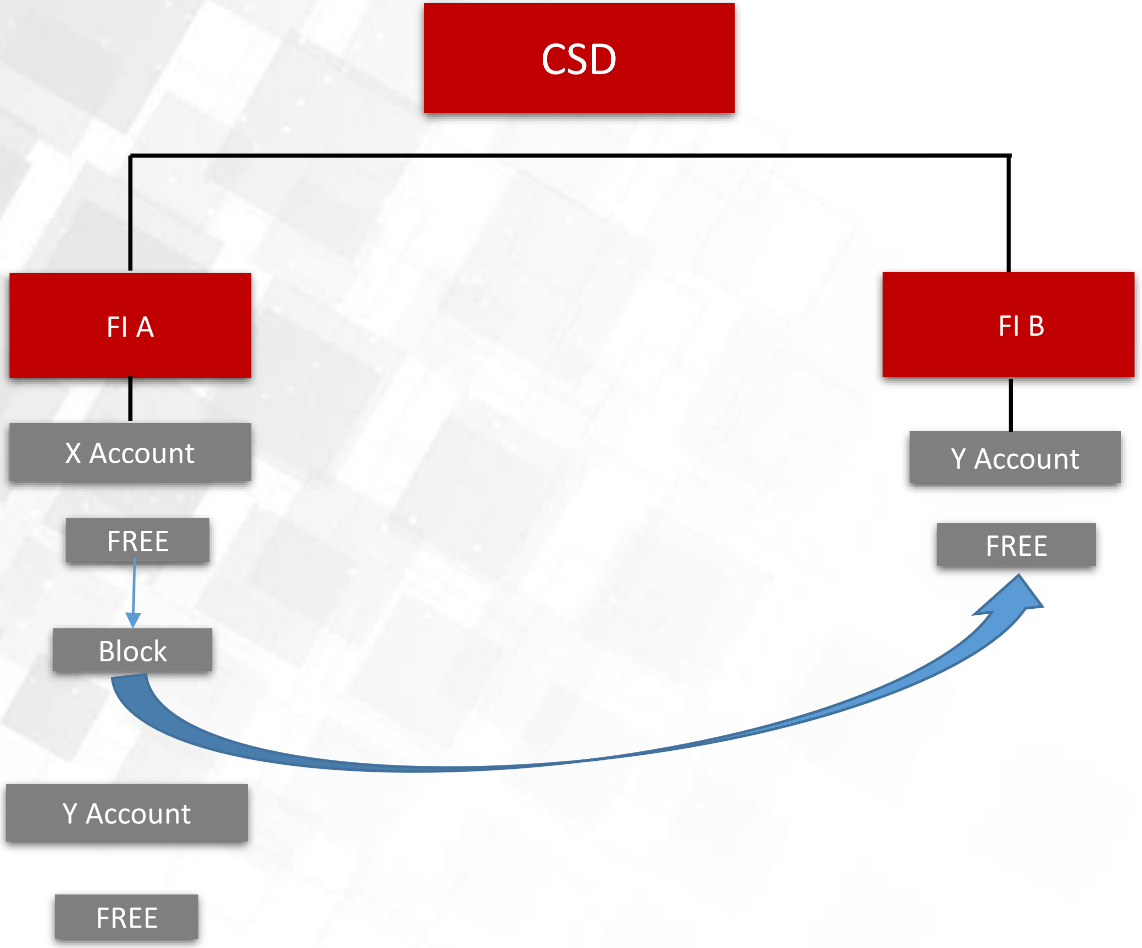
- **Additional Identifier:** Distinguish shares from each other according to their circulation status.
  - A: It refers to Tradeable Shares on Borsa İstanbul
  - KN: It refes to non tradeable Registered Shares
  - KH: It refes to non tradeable Bearer Shares

SECURITY TRANSFER OPERATIONS

After the issuance process, the securities can be transferred to other beneficiary accounts for various reasons. These transfers are executed and monitored via separate modules listed below:

- Trading and Clearing Transactions for Various Markets
- Government Debt Instrument's Electronic Securities Transfer System (ESTS) Transactions
- Securities Lending and Borrowing Market Transactions
- Türkiye Electronic Fund Trading Platform (TEFAS) Transactions
- Free Transfer and Matching Based Free and FoP and DVP transfers
- Collateral/Pledge Transactions
- Foreign Capital Market Instruments Transactions

FREE TRANSFER PROCESS

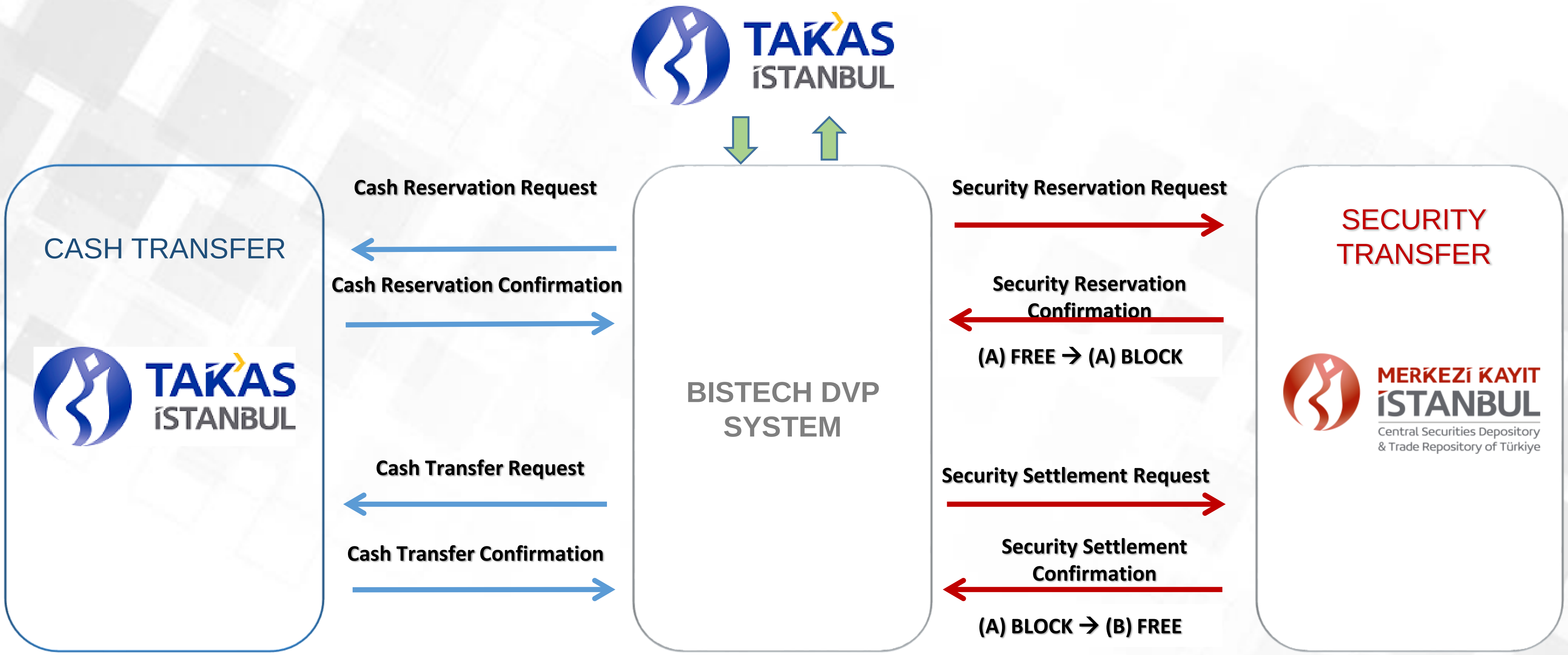


- **Security Transfer Types**
  - Direct Transfer
  - Based On CP Approval Transfer

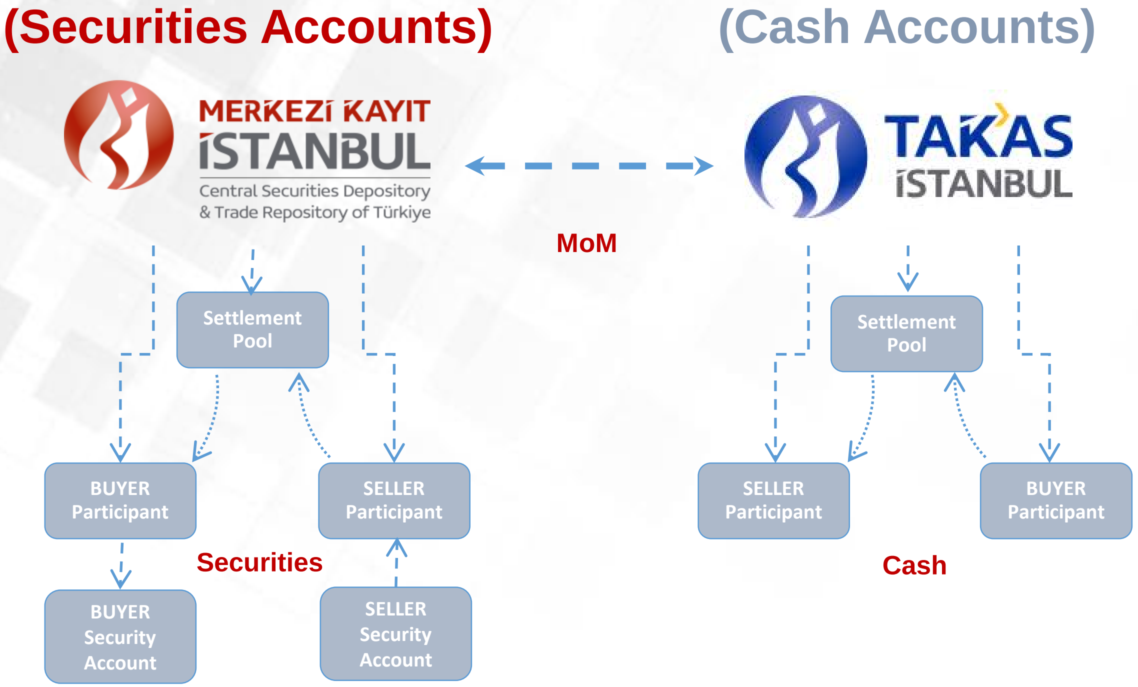
- **Transfer Reasons**
  - Basic Transfer
  - On Exchanged Trade
  - Public Offering
  - Heritage
  - Lending and Borrowing etc.

DELIVER VERSUS PAYMENT PROCESS

- The transfer process takes place by fulfilling both counterparties cash and security obligations.
- The cash and securities are transferred simultaneously.
- Takasbank operate the cash side of the trade and MKK operate the security side of the trade.



ON EXCHANGE SETTLEMENT PROCESS



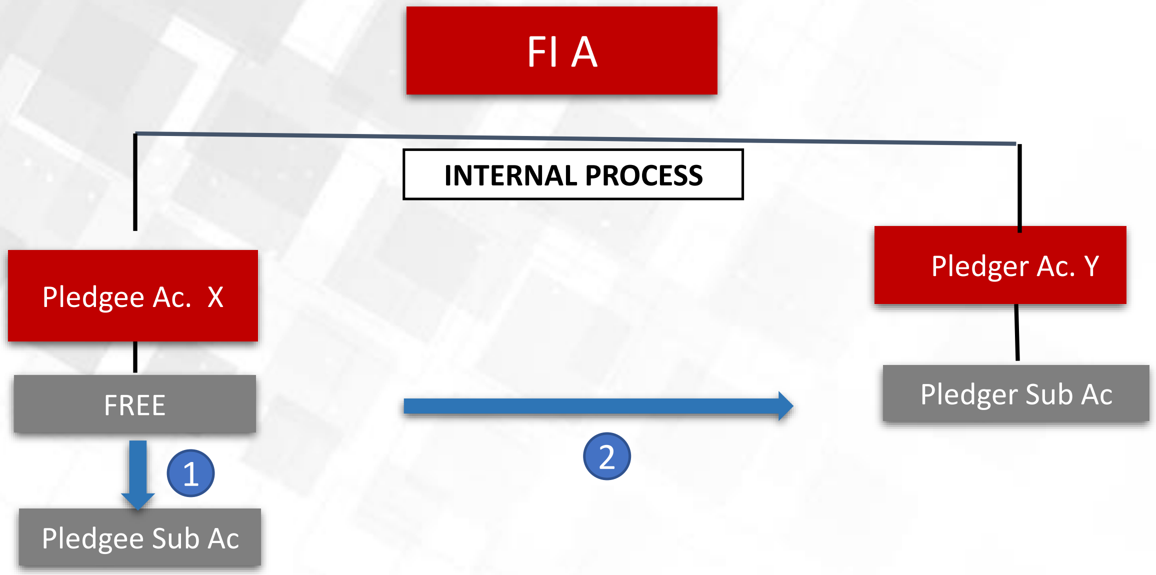
(T) → (T+2)

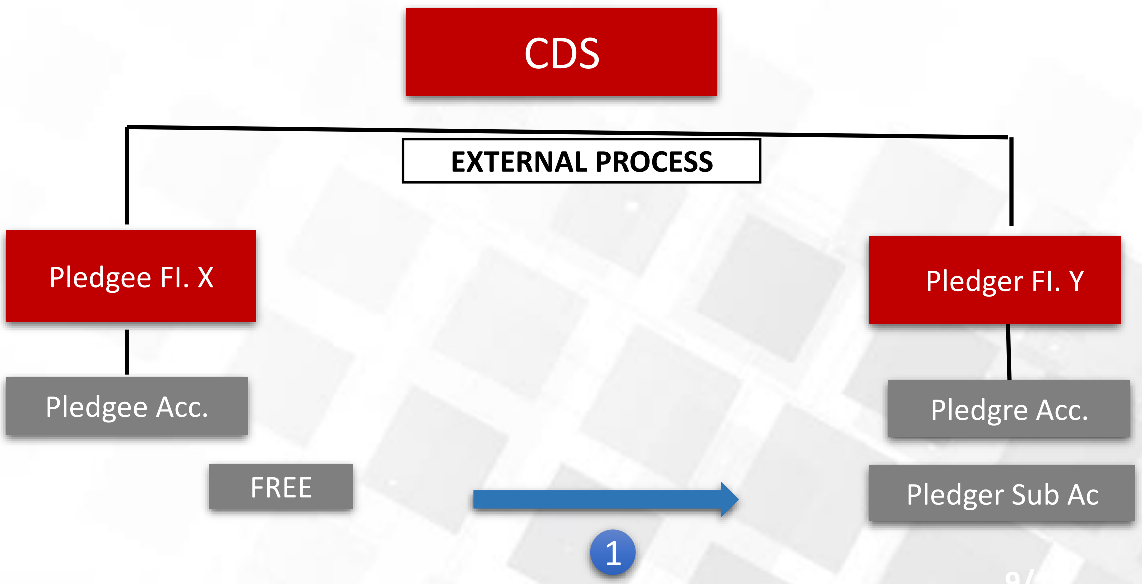
1. Intermediary Institutions send their buy/sell orders to Borsa İstanbul (Trading).
2. Borsa İstanbul delivers «Gross Transaction Feed» including participant and investor account numbers (Trading Data)to Takasbank.
3. Takasbank processes the trading data, performs «Netting» and reflects debit/credit entries to participant cash accounts under its system.
4. Upon completion of its processes, Takasbank transfers «Net Transaction Feed» including participant and investor account numbers to MKK.
5. MKK processes the «Netted Trade Data» and reflects debit/credit entries to participant and investor securities accounts under its system.,

COLLATERAL PLEDGE PROCESS

- Collateral Pledge operation includes three main functions.
  - Collateral / Pledge Input
  - Collateral / Pledge Output
  - Collateral/Pledge Closure (Liquidation)

- Pledge Reasons
  - Purchase on credit
  - Equity capital
  - Others





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MERKEZİ KAYIT İSTANBUL

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THANK YOU

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