

# MERKEZİ KAYIT KURULUŞU

CENTRAL SECURITIES DEPOSITORY  
& TRADE REPOSITORY OF TÜRKİYE

CORPORATE ACTIONS & SETTLEMENT SERVICES



**MERKEZİ KAYIT  
İSTANBUL**

Central Securities Depository  
& Trade Repository of Türkiye

## ► AGENDA



DEPOSITORY  
SERVICES



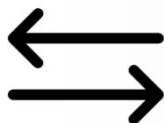
ACCOUNT  
STRUCTURE



DEMATERIALIZATION



CORPORATE  
ACTIONS



SECURITY TRANSFER  
OPERATIONS



SETTLEMENT

## (CENTRAL DEMATERIALIZED SYSTEM CDS)



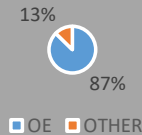
### SECURITIES UNDER CUSTODY

- ✓ Equities (Listed at the Borsa Istanbul)
- ✓ Mutual Funds
- ✓ Exchange Traded Funds (ETF)
- ✓ Corporate Bonds
- ✓ Commercial Papers
- ✓ Bank Bills
- ✓ Corporate Warrants
- ✓ Covered Bonds
- ✓ Asset-Backed Securities
- ✓ Government Debt Securities (Investor Holdings)
- ✓ Government Lease Certificates
- ✓ Private Sector Lease Certificates
- ✓ Electronic Warehouse Receipts
- ✓ Real Estate Certificates
- ✓ Gold Backed Lease Certificates
- ✓ Gold Backed Bonds
- ✓ Convertible Bonds
- ✓ Foreign Exchange Government Certificates
- ✓ Foreign Exchange Government Bonds

### SYSTEM FUNCTIONS

- ✓ Dematerialization
- ✓ Depository Services
- ✓ Account Opening
- ✓ Transfer Services
- ✓ Settlement Services
- ✓ Corporate Actions
- ✓ Issuer Services
- ✓ Other Operations

#### OE USAGE (CAPITAL MARKETS)



### ONLINE SERVICES

- ✓ Account Services
- ✓ Mutual Fund Services
- ✓ Securities Transfers Services
- ✓ IPO Services
- ✓ Collateral Pledge Services
- ✓ Suspension from Trading Information Services
- ✓ Foreign Resident Investor Inquiry Services
- ✓ Bulk Transaction transfer System
- ✓ Investor Blockage Services
- ✓ Instruction Status Inquiry Services
- ✓ Account Operations Status Inquiry Services

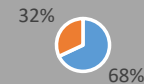
### CDS MEMBERS

1.098 Issuers

127 Investment Institutions

1 CCP

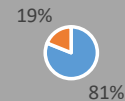
#### REST SERVICES (CAPITAL MARKETS)



COMPLETED

TO BE COMPLETED

#### REST SERVICES (DEVELOPING MARKETS)

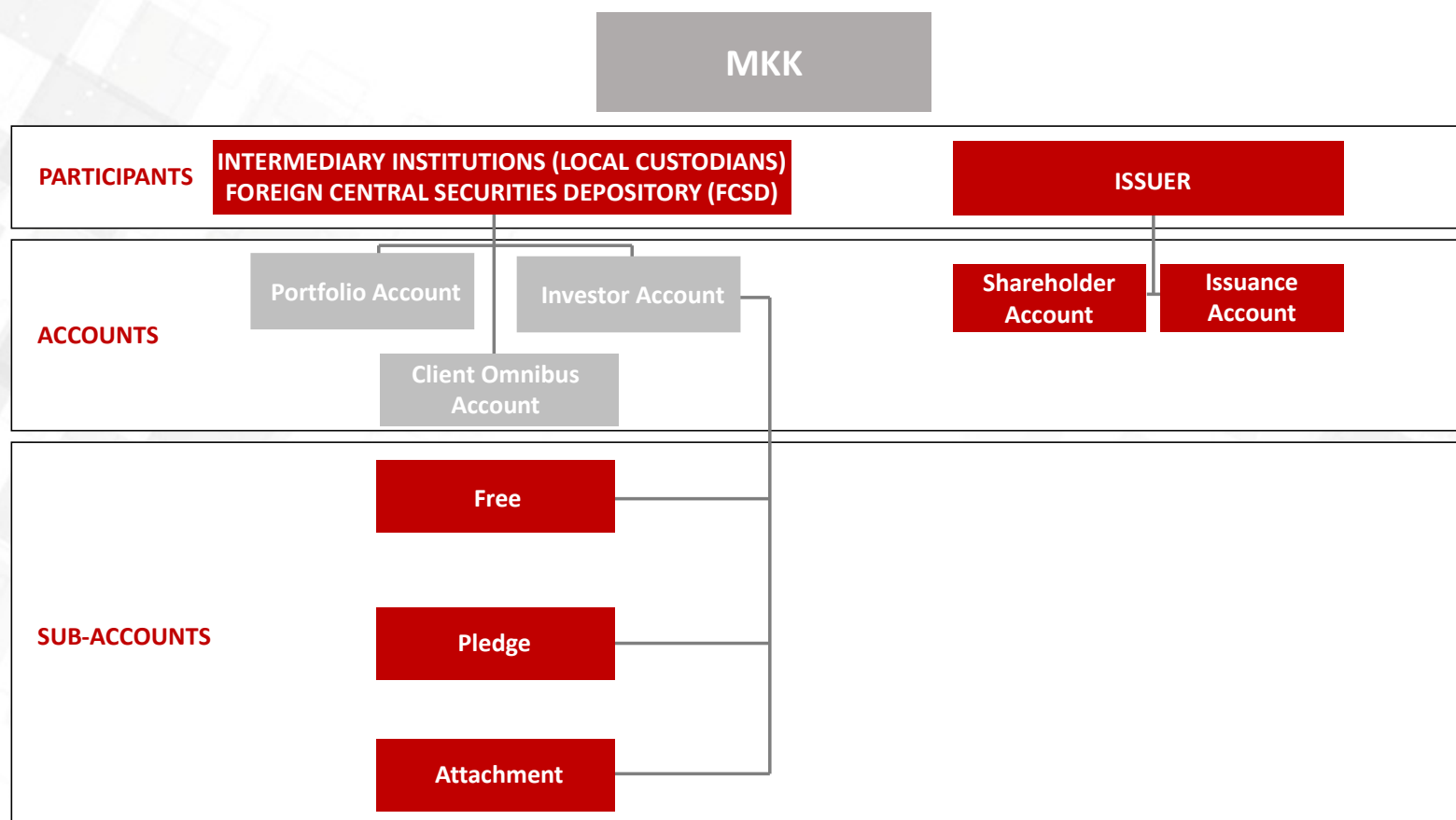


COMPLETED TO BE COMPLETED

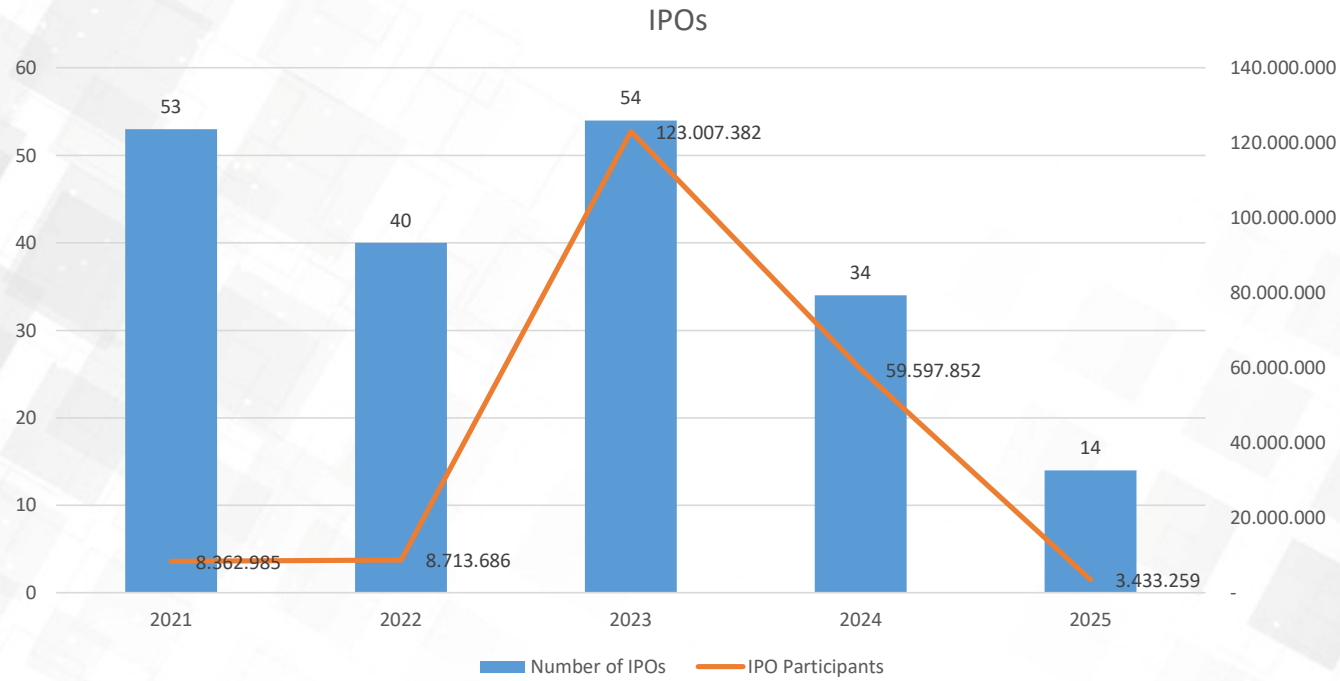
### MARKETS AND PLATFORMS

- ✓ Equity Market
- ✓ Debt Securities Market
- ✓ Securities Lending Market
- ✓ Derivatives Market
- ✓ Türkiye Electronic Fund Transfer Platform (TEFAS)
- ✓ TURIB-e-Warehouse Market
- ✓ Crowdfunding Platform
- ✓ Bearer Shares Registry System

## ► MKK ACCOUNT STRUCTURE

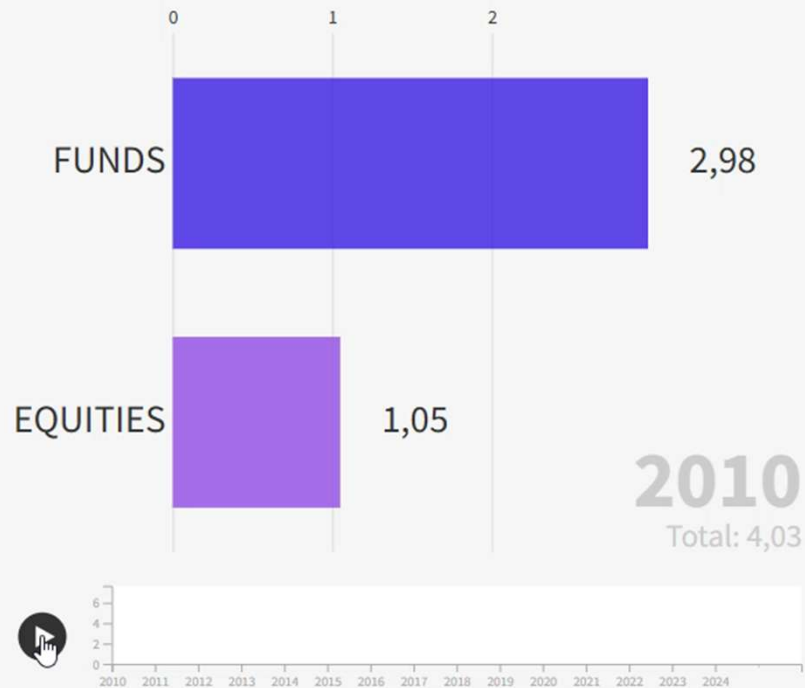


## ► RECENT CAPITAL MARKETS STATISTICS

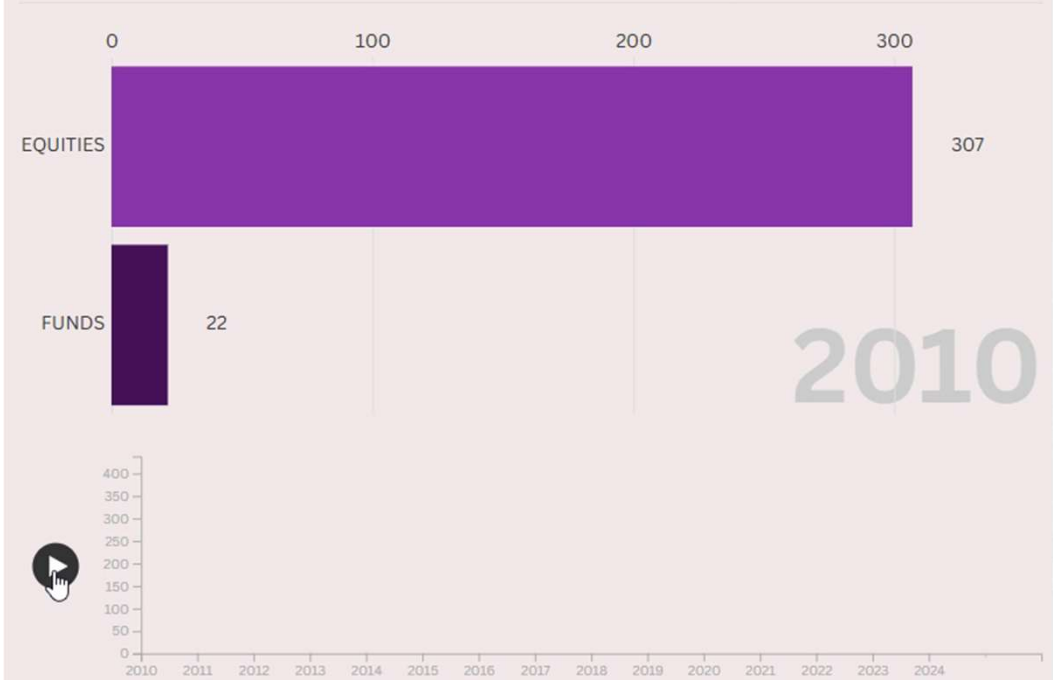


## ► TENDENCY OF INVESTORS OVER TIME (FUNDS and EQUITIES)

Number of Investors of Equity and Funds (Million)

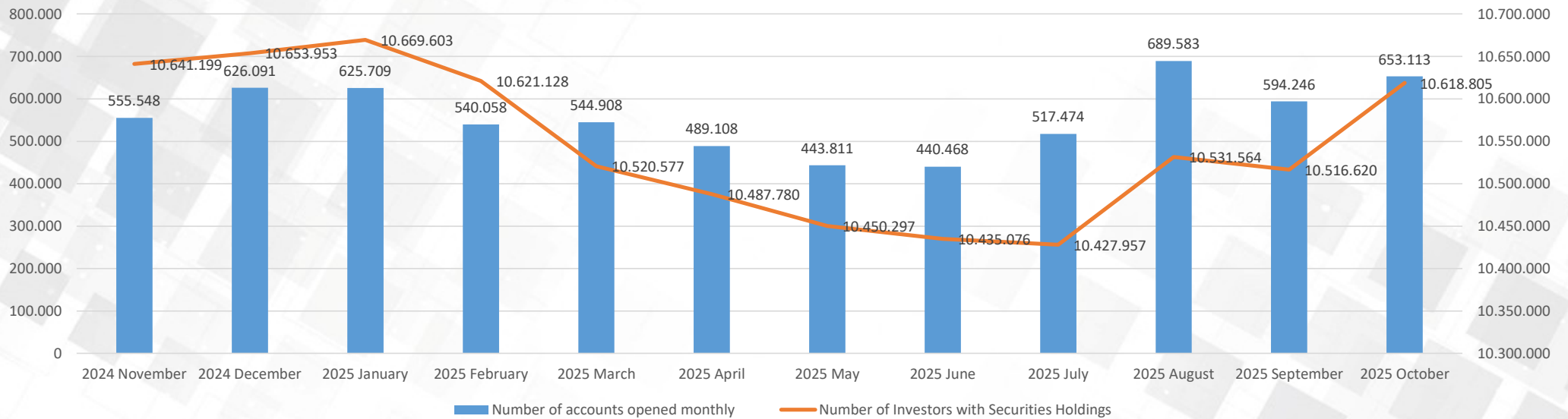


Total Market Value of Equity and Funds (USD-Billion)



## ► SYSTEM STATISTICS

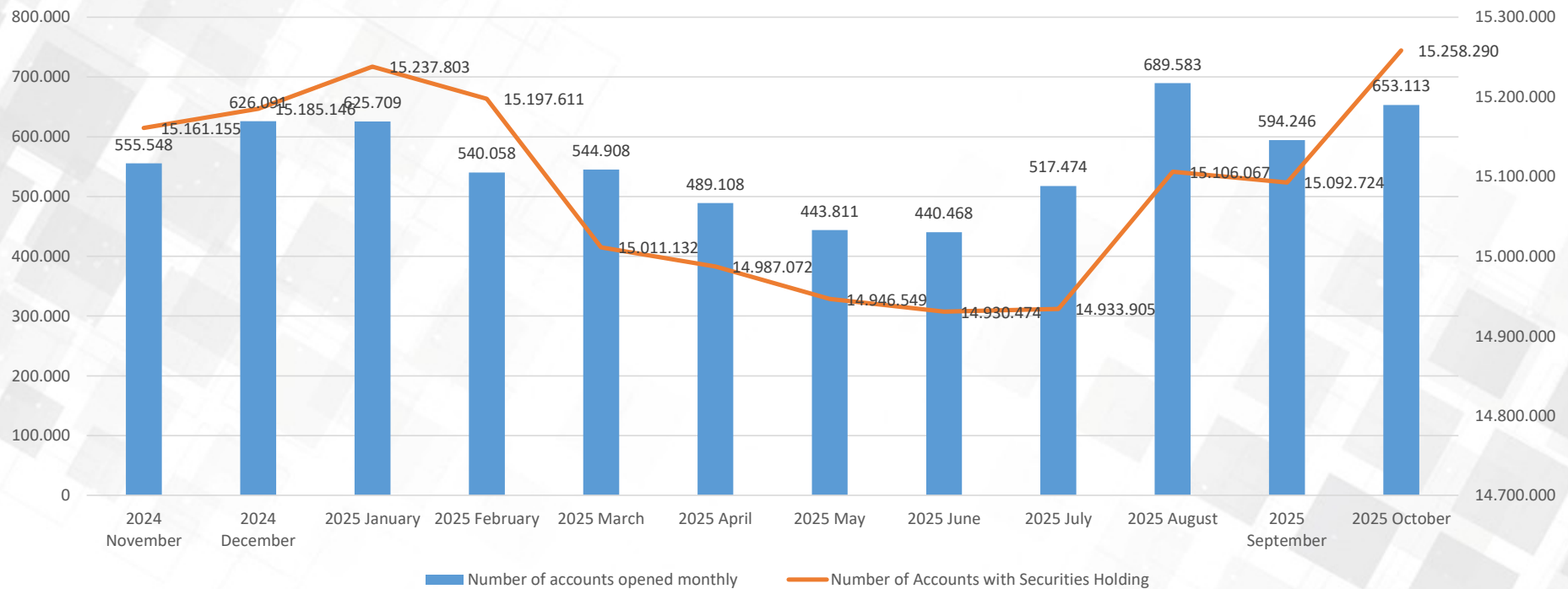
### ACCOUNT OPERATIONS I





## ► SYSTEM STATISTICS

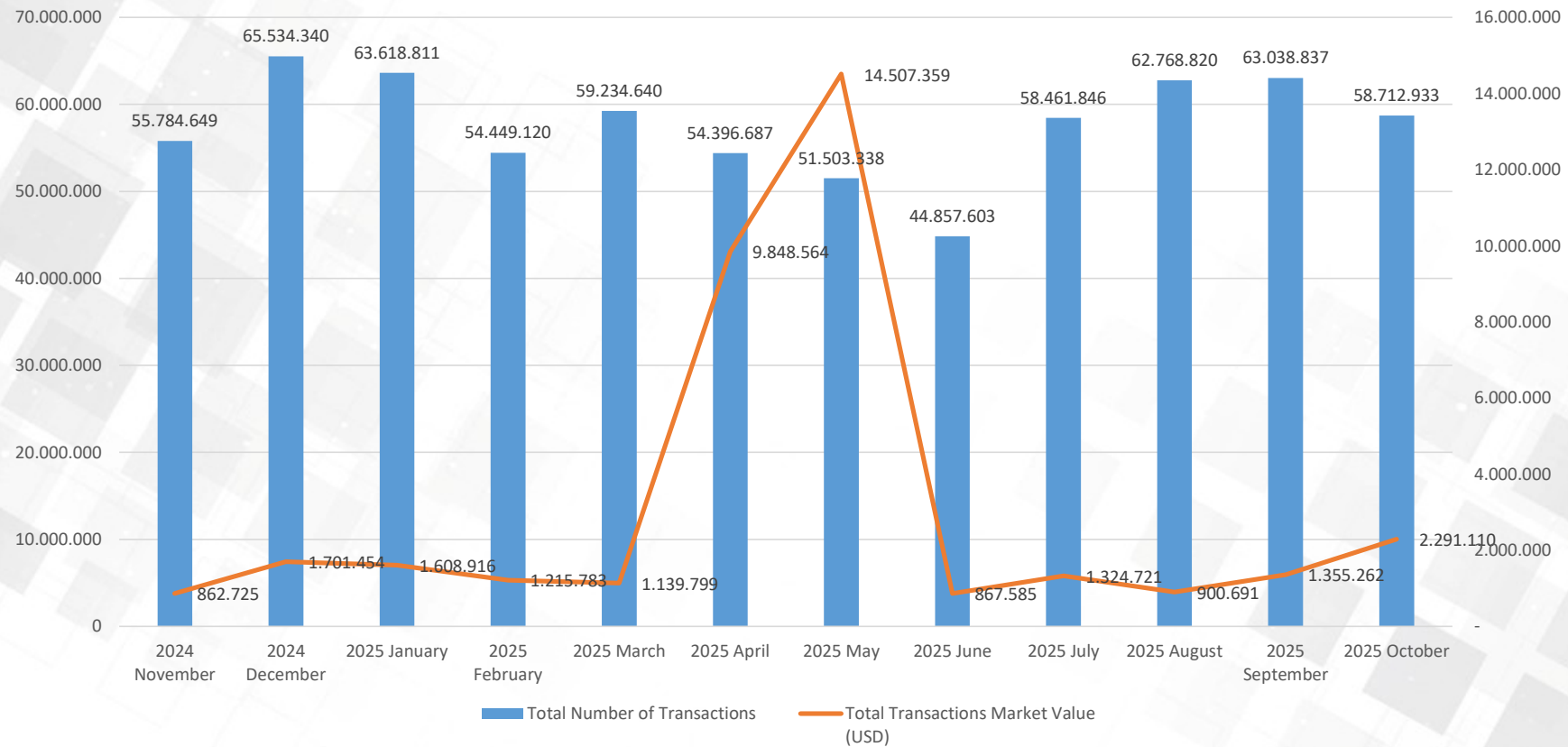
ACCOUNT OPERATIONS II



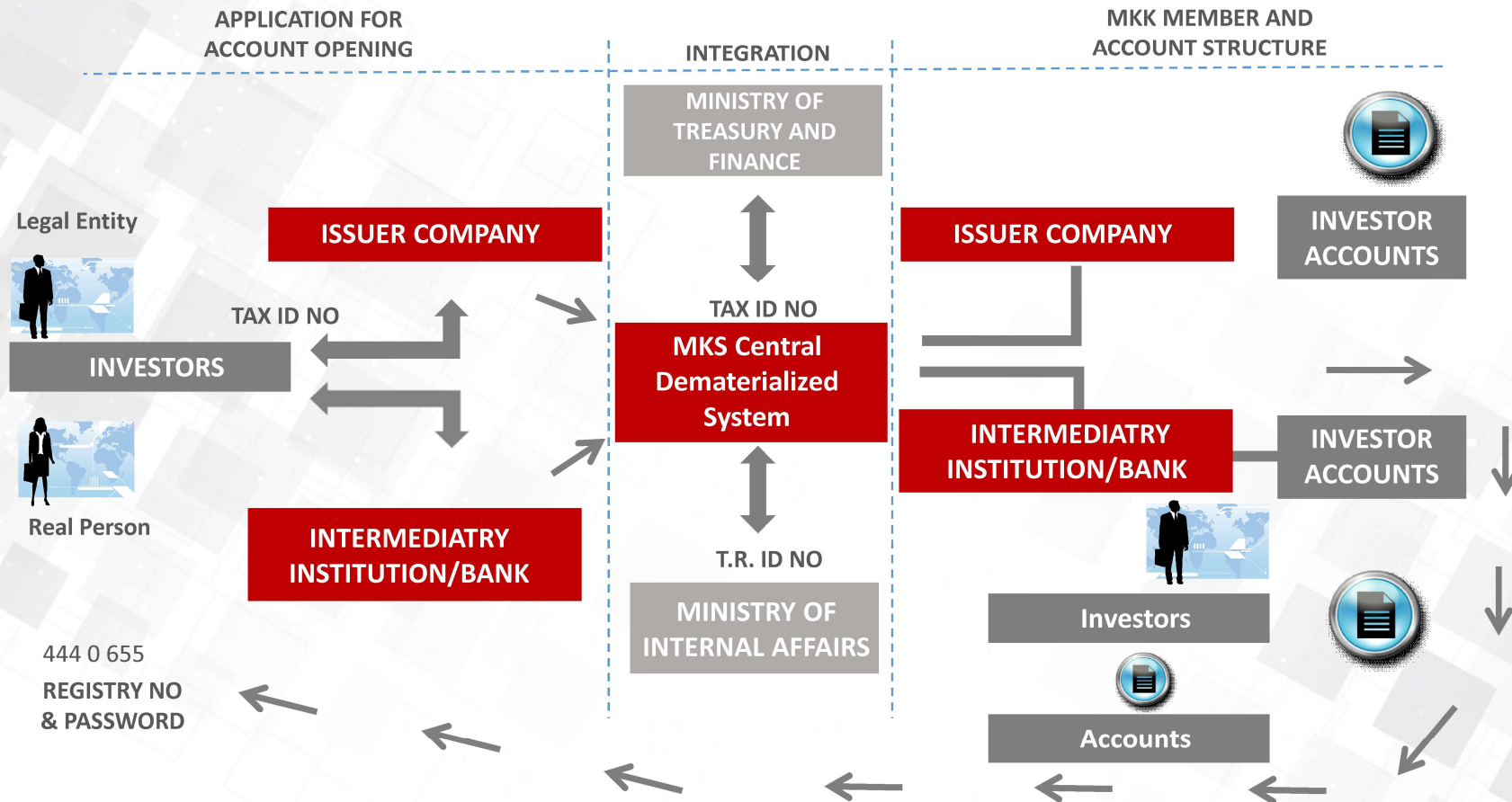


## ► SYSTEM STATISTICS

### TRANSACTIONS



# ELECTRONIC ACCOUNT OPENING



# MKK ACCOUNT STRUCTURE



## ☐ Identity Types

- Local / Foreign Individual
- Local / Foreign Institutional
- Local / Foreign Fund
- Local / Foreign Other

## ☐ Account Ownership

- Individual
- Joint

## ☐ Account Types

- 1: Investor Custody Account
- 2: Portfolio Investor Custody Account
- 3: Investment Fund Custody Account
- 4: FI Portfolio Account
- 5: Public Offering Account
- 6: Issuer Partner Account

## ☐ FI Account Status

- Open to Transaction
- Temporary Close to Transaction
- Closed

## ☐ MKK Account Ban Status

- Open Transaction
- Temporary Close to Transaction
- Bankruptcy
- Liquidation
- Transaction Ban

# MKK ACCOUNT STRUCTURE



- ❑ Investor accounts are opened by **participants** in the CDS.
- ❑ The system generates a separate and **unique registry number** for each investor.
- ❑ It consists of the steps of defining an account under the participants and transmitting the identification information related to the defined account.
- ❑ It is not possible to make transactions in the CDS with only the account number without providing identification information.
- ❑ The issuance of a MKK registry number to domestic real person investors can be realised by automatically transferring the address information to the system (ADNKS) after confirming the investor's name, surname and date of birth via the MERNIS number transmitted to the CDS.
- ❑ For domestic and foreign legal entities, investment trusts, and mutual funds, MKK registry number can be issued with the notification of the address information by the relevant MKK participant after confirming the tax identification numbers.
- ❑ Investment institutions may define qualified investors in the CDS within the framework of the declaration to be received from qualified investors.

# DEMATERIALIZATION PROCESS



## ☐ ISIN CODE (International Securities Identification Number)

- Distinguish shares from each other on the basis of group and rights

## ☐ MIC (Market Identifier Code) Code

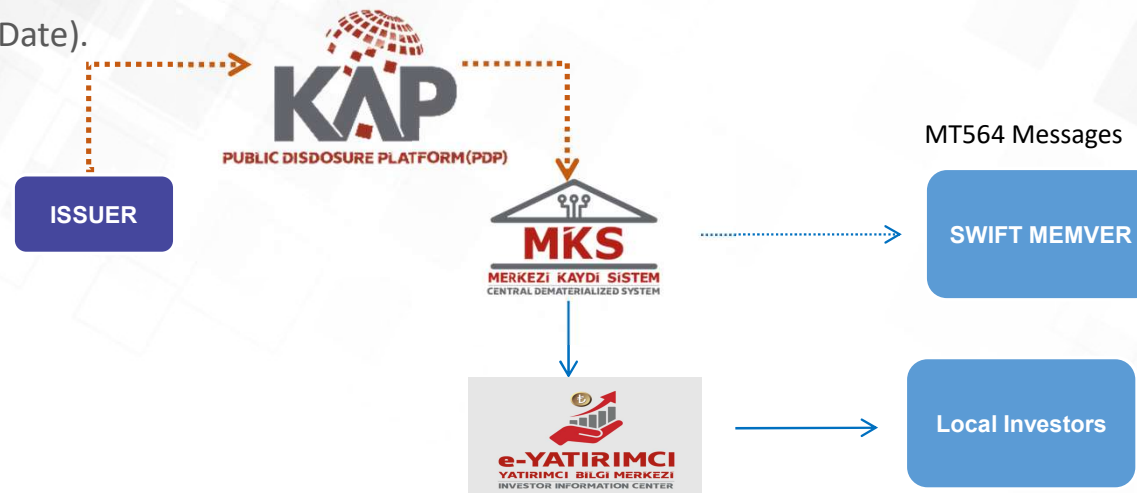
XIST : Istanbul Stock Exchange / ELUS: electronic warehouse receipts

## ☐ **Additional Identifier:** Distinguish shares from each other according to their circulation status.

- A: It refers to Tradeable Shares on Borsa İstanbul
- KN: It refers to non tradeable Registered Shares
- KH: It refers to non tradeable Bearer Shares

## CORPORATE ACTION PROCESS

- ❑ Public Disclosure Platform is an electronic system through which electronically signed notifications required by the CMB & Borsa Istanbul regulations are publicly disclosed.
- ❑ Official electronic disclosure system of Turkish capital markets.
- ❑ The integration of PDP and CDS was established in 2012 and Cash/Stock Dividend, Capital Increase/Decrease notifications are automatically created.
- ❑ Companies, whose capital markets instruments are traded on Stock Exchange are required to disclose Financial reports and corporate action events.
- ❑ Corporate Action Records are created for non tradeable shares on T (Ex-date) day and for tradeable shares on T+2 (Pay Date).





## ► CORPORATE ACTION ACTIVITIES

### Equities;

- Cash Dividend
- Stock Dividend
- Bonus Issue/Capitalization Issue
- Rights Issue
- Capital Decrease
- Annual General Meeting
- Conversion
- Merger/Spin-Off

### Government \ Corporate bonds:

REDM - Final Maturity

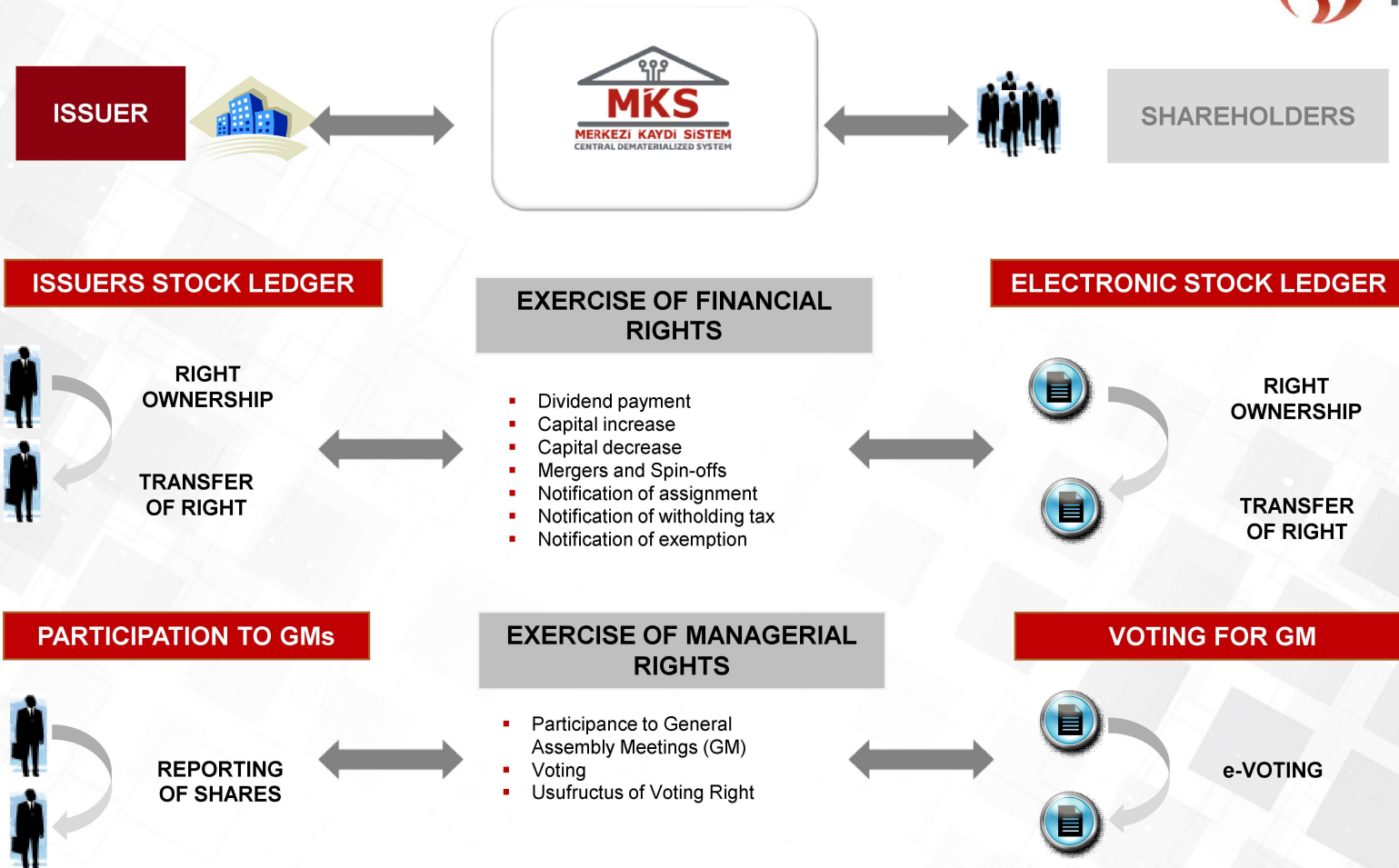
INTR - Interest Payment

### Warrants \ Certificates;

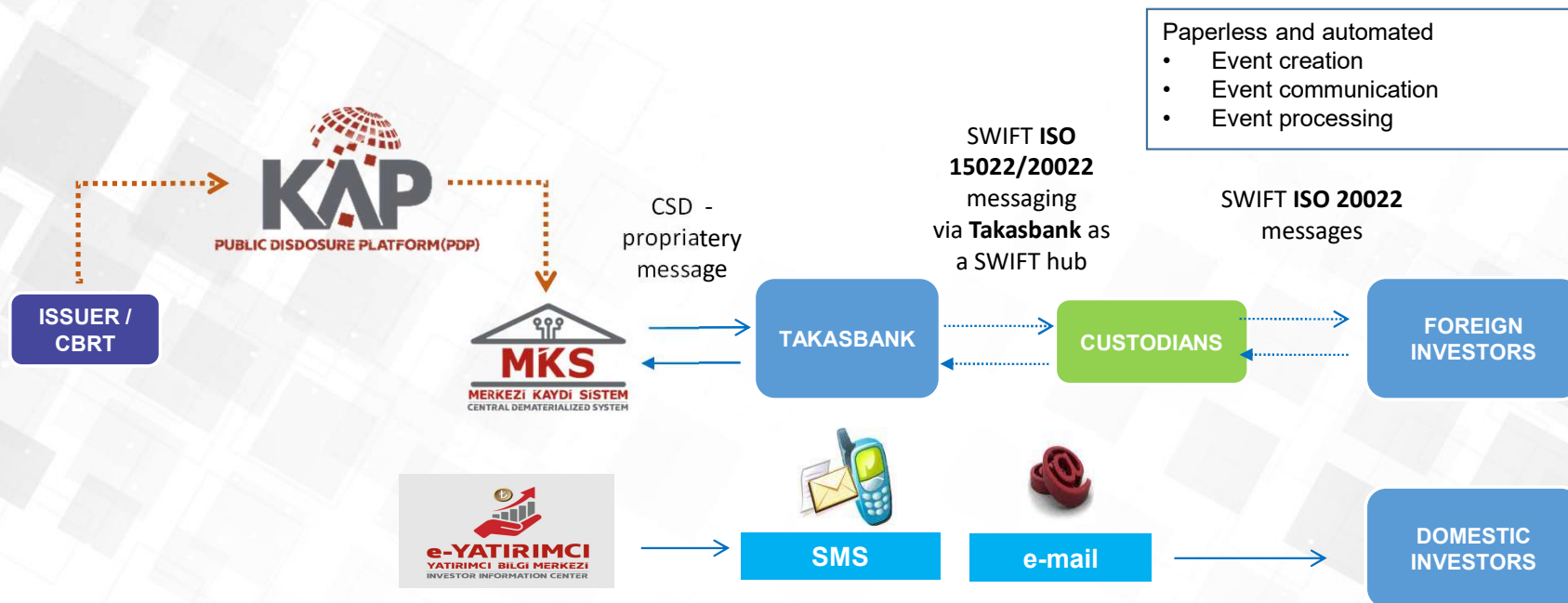
EXWA - Warrant Exercise



## ► CORPORATE ACTIONS

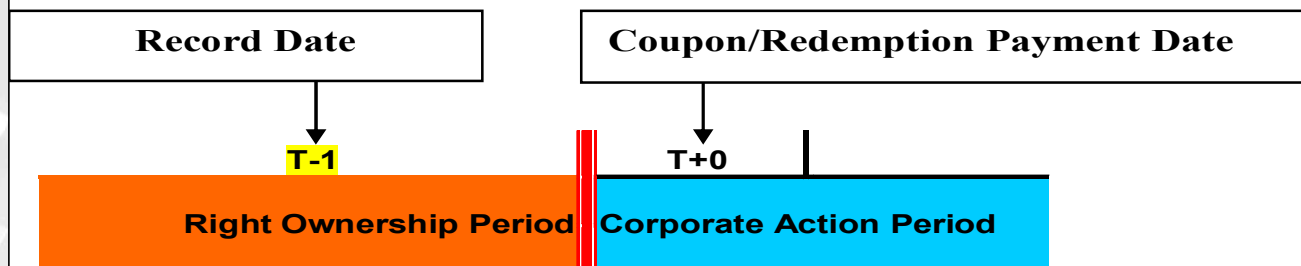


## ► CORPORATE ACTION AUTOMATION Event Processing

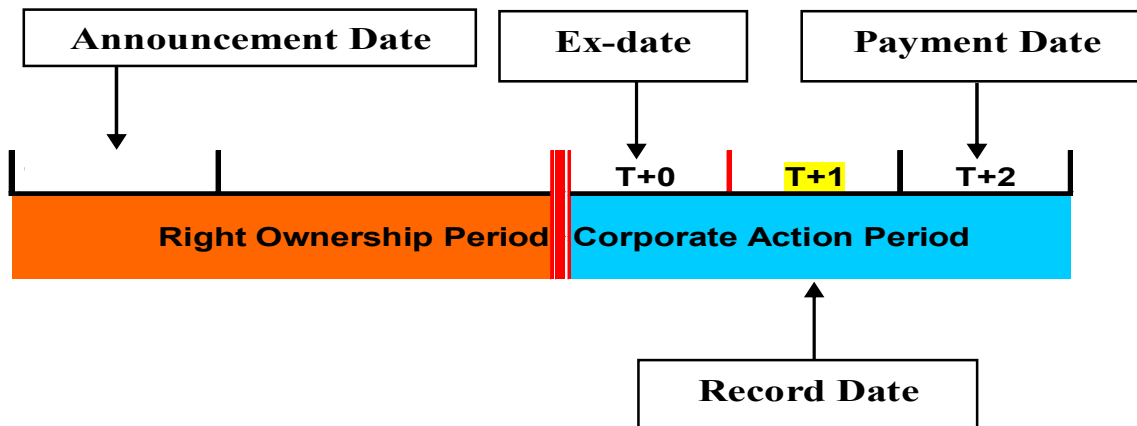


## ► CORPORATE ACTION PERIOD

### DEBT SECURITIES



### EQUITIES, WARRANT&CERTIFICATES



- Unlisted/non-tradeable shares calculations and payments are completed on T+0.
- Unlisted/non-tradeable shares calculations and payments are completed on T+0.
- Issuers send the related cash amount to the MKK's cash account at Takasbank.
- MKK sends instructions to Takasbank for payment on membership basis.
- Takasbank sends the related cash amount to Financial Intermediary's Takasbank Account.

# SECURITY TRANSFER OPERATIONS

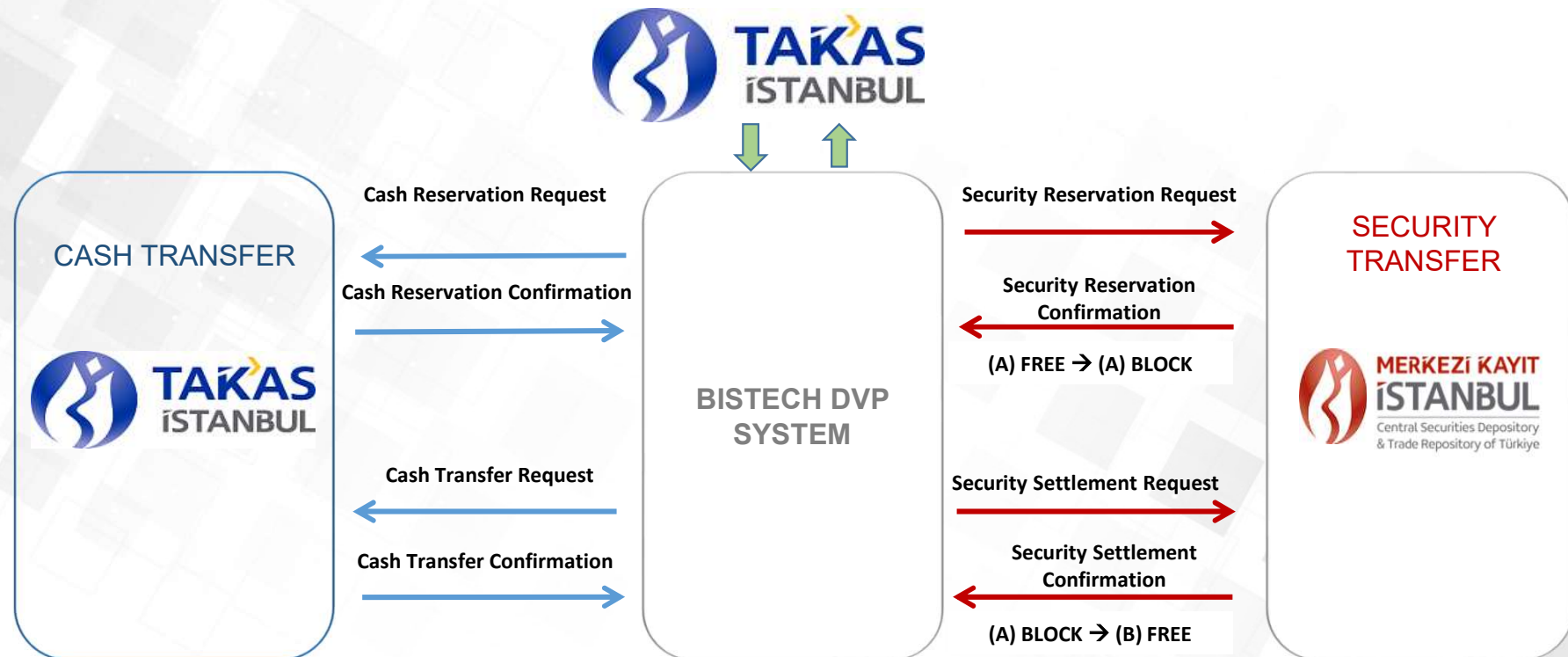


After the issuance process, the securities can be transferred to other beneficiary accounts for various reasons. These transfers are executed and monitored via separate modules listed below:

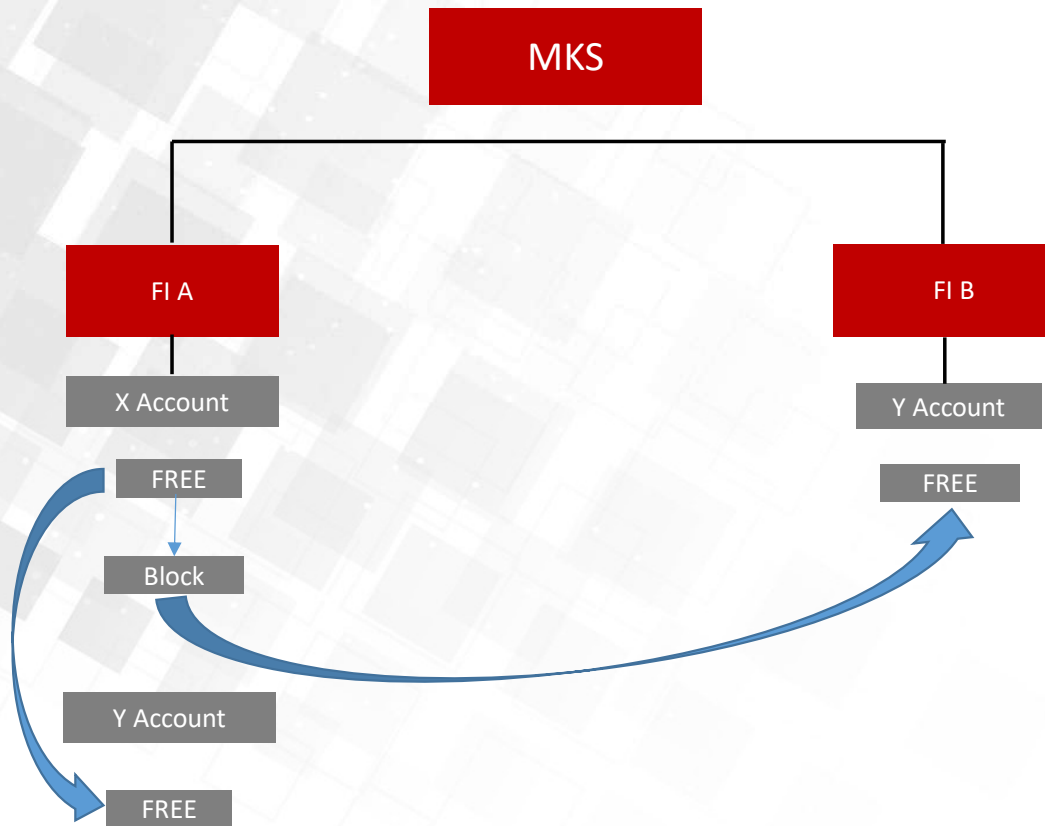
- ☐ Trading and Clearing Transactions for Various Markets
- ☐ Government Debt Instrument's Electronic Securities Transfer System (ESTS) Transactions
- ☐ Securities Lending and Borrowing Market Transactions
- ☐ Türkiye Electronic Fund Trading Platform (TEFAS) Transactions
- ☐ Free Transfer and Matching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

# DELIVER VERSUS PAYMENT PROCESS

- The transfer process takes place by fulfilling both counterparties cash and security obligations. The cash and securities are transferred simultaneously.



# FREE TRANSFER PROCESS



## Security Transfer Types

- Direct Transfer
- Based On CP Approval Transfer

## Transfer Reasons

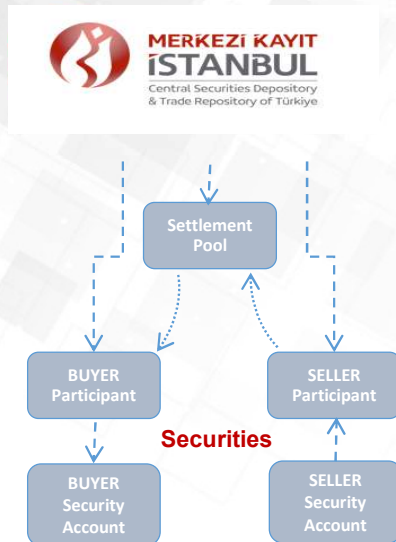
- Basic Transfer
- On Exchanged Trade
- Public Offering
- Heritage
- Lending and Borrowing etc.



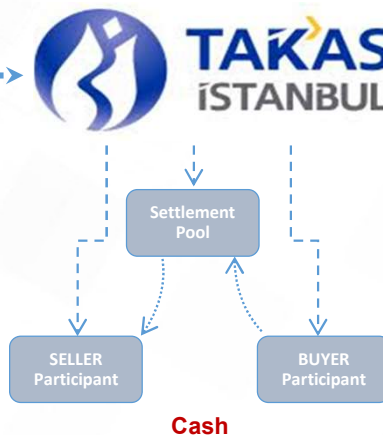
# ON EXCHANGE SETTLEMENT PROCESS



## (Securities Accounts)



## (Cash Accounts)



MoM

$(T) \rightarrow (T+2)$

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.



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# THANK YOU



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