MKK’s Journey of Digital Transformation

05 September 2019
AECSD Conference Hosted By CJSC
Central Securities Depository of Turkish Capital Markets

- Registrar function
- Fully dematerialized
- Beneficial-owner based system with omnibus accounts for holding Government Debts*

Supervised & Regulated with

- “Capital Market Law” by CMB of Turkey
- “Security Settlement System Law” by Central Bank of Turkey

Licensed “R&D Center” by Turkish Government

Direct link with the Austrian CSD – OeKB

* With the recent changes in the regulations only foreign CSDs and foreign institutional investors can open omnibus accounts for holding government debt securities
MISSION, VISION AND STRATEGIC GOALS

MISSION

As a significant actor of the Turkish Capital Markets, MKK’s main mission is to provide central depository, trade repository and public disclosure services in a trustworthy, transparent and efficient environment and to present its data and technology products to global financial markets.

VISION

With respect to the Istanbul International Finance Center vision, MKK aims to become a global central securities depository and financial technology company by providing services to capital markets at global scale and standards.

- Organizational Efficiency
- Technological and Operational Efficiency
- Developing Central Depository, Trade Repository and Public Disclosure Services
- Developing Data and Technology Products and Services
- Strong and Sustainable Financial Structure
1999 – 2002  Regulatory Framework and Establishment of MKK
2002 – 2005  MKK Operations and Dematerialisation Process
2005 – 2011  MKK 1.0 : Core Services and Developments
             - Central Dematerialised System
2011 – 2015  MKK 2.0 : Value Added Services
             - Cooperation with the Ministry of Trade
2015 – 2019  MKK 3.0 : Domestic and International Technology Export
             - e-LRS (Electronic Leasing Registry System)
             - Technology export to AfriClear Global and KSEI Indonesia
2019 – …    MKK 4.0: Data & Technology Products in the Age of Digital Transformation
             - Blockchain and DLT practices
             - Data Mining and Data Analysis
             - Mobile Applications
DUTIES & RESPONSIBILITIES

Sep 2018  Electronic Meeting Center (e-BDS) for the companies
Jun 2015  Securities Settlement System (SSS) operator for Turkish Capital Markets
Apr 2015  Trade Repository (TR) for derivatives transactions
Mar 2014  Public Disclosure Platform (PDP) for all Borsa Istanbul listed companies
Nov 2013  R&D Center for its Software Development Technologies
Oct 2013  Digital Company Center (e-COMPANY) for Companies
Dec 2012  Electronic Registry Center (e-WAREHOUSE) for all dematerialized agriculture products
Aug 2012  Electronic General Meeting Center (e-GEM) for all Borsa Istanbul listed companies
Oct 2011  Financial Accounts Center of Turkey
Nov 2005  Central Securities Depository & Registrar of Turkish Capital Markets
DATA & TECHNOLOGY PRODUCTS

IN USE

- e-GEM: Electronic General Meeting
- KAP: Public Disclosure Platform
- E-√ΣΘΩ: Electronic Trade Repository
- e-BDS: Electronic Board Of Directors

IN PIPELINE

- Blockchain & DLT
- Data Mining & Data Analysis
e-GEM, is a CSDs specific multilingual system, which is adaptable to local systems (beneficial owner based or hybrid), legal requirements and industry practices.

- Flow of information through a secure electronic environment which would also facilitate ‘STP’ from issuer to end-investor
- Minimizing operational costs attached to general meeting processes (for issuers / investors / custodians / CSDs)
- Commercial agreements signed with Nasdaq OMX, AFRICLEAR Global and KSEI Indonesia
- “KPMG” and “ebay” are among the first users of the system for conducting their general meetings
e-GEM: ELECTRONIC GENERAL MEETING SYSTEM
Public Disclosure Platform (PDP) is an electronic system which electronically signed notifications required by regulations are publicly disclosed.

- Corporate Actions (CA),
- Financial Statements (FS),
- Disclosure and Notifications of Funds,
- Ad-hoc Reports.

PDP

1. enables sending notifications and announcements,
2. facilitates publication of these notifications and announcements.
3. also acts as a digital archive.
"Electronic Trade Repository" is an electronic platform developed to centrally collect and maintain records of all derivative contracts on organized and Over-The-Counter markets in compliance with international standards.

- **Contract types**: CFDs, Forwards, Futures, Options, SWAPs, Swaptions and other
- **Asset classes**: Commodity, Credit, Currency, Equity, Interest Rate, Other
- **Compliance**: EU Regulation No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, CCPs and TRs ("EMIR")
e-BDS: ELECTRONIC BOARD OF DIRECTORS SYSTEM

- **e-BDS** enables Board of Directors (BoD) and other executive meetings to be held **virtually**.
- **Legality**: BoD decisions can be approved and signed with electronic and/or mobile signature
- **Functionality**: System provides live broadcast and immediate display of meeting results
- **Security**: System runs on company servers and can be accessed from client PCs and/or laptops
Blockchain Based Issuance and Distribution System

- Development of a Blockchain based infrastructure to;
  1. enable issuance of corporate debt securities and
  2. distribution of these securities by using tokens.
Corporate Governance Database

- The project aims to
  1. gather data kept in various databases (as structured or unstructured),
  2. structure in analysable format.
THANKS

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