

MKK's Journey of Digital Transformation

05 September 2019

AECSD Conference Hosted By CJSC



**MERKEZİ KAYIT
İSTANBUL**
CSD of Turkey

- 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

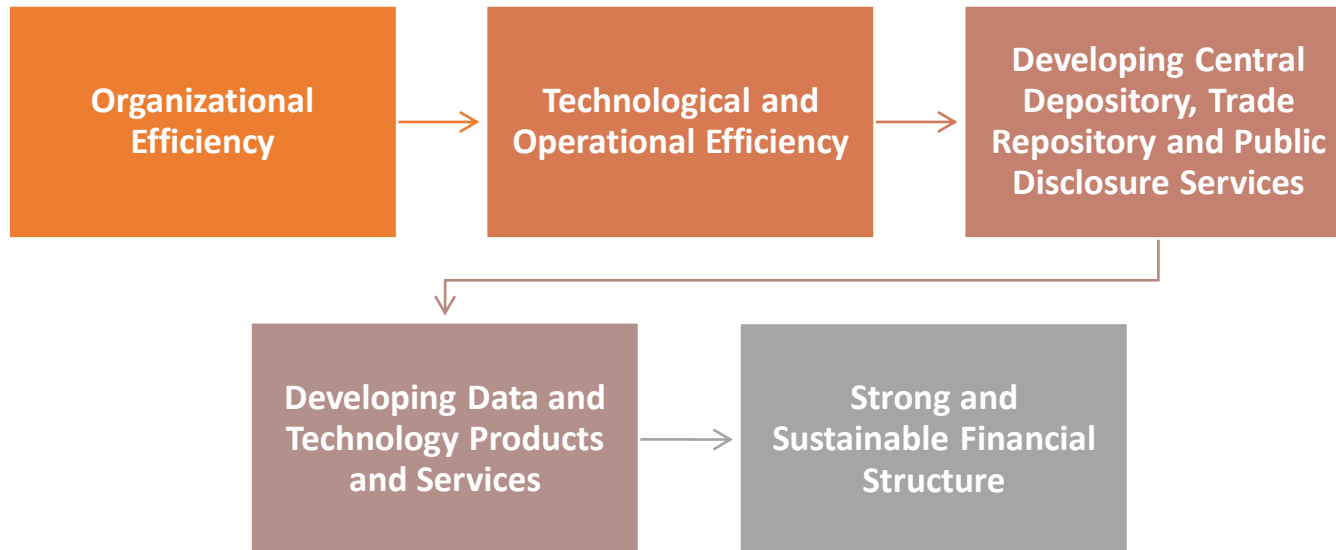
MISSION, VISION AND STRATEGIC GOALS

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.



- 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*

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 İstanbul 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 İstanbul listed companies
Oct 2011	Financial Accounts Center of Turkey
Nov 2005	Central Securities Depository & Registrar of Turkish Capital Markets



IN USE



IN PIPELINE



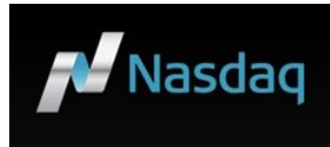
Blockchain & DLT

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



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.

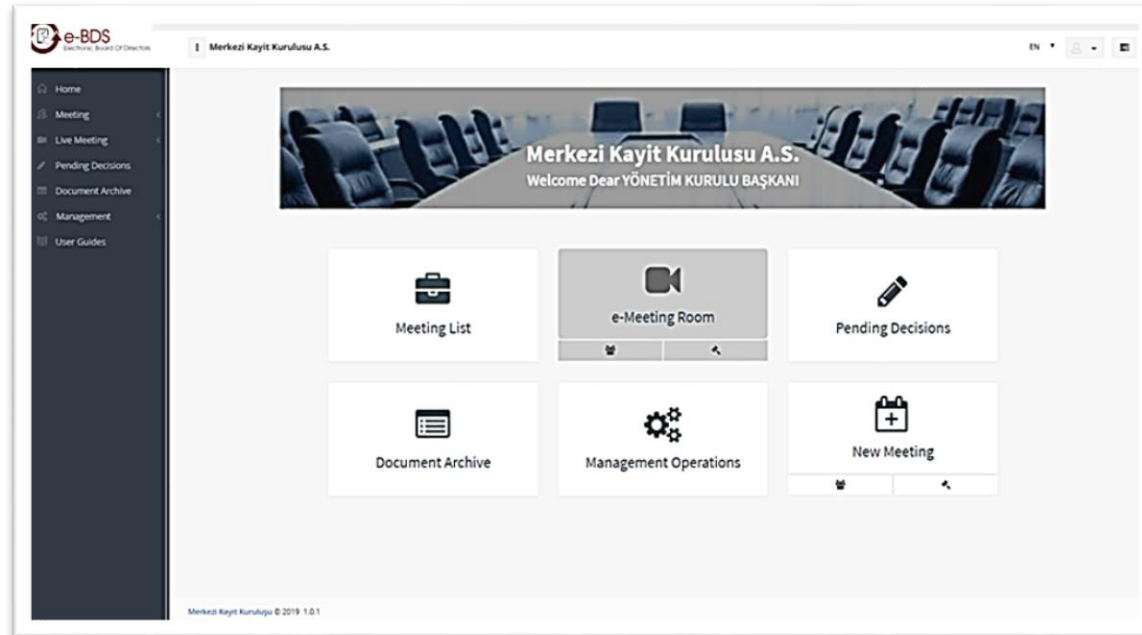
Mobile application is also available!



- **“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”)

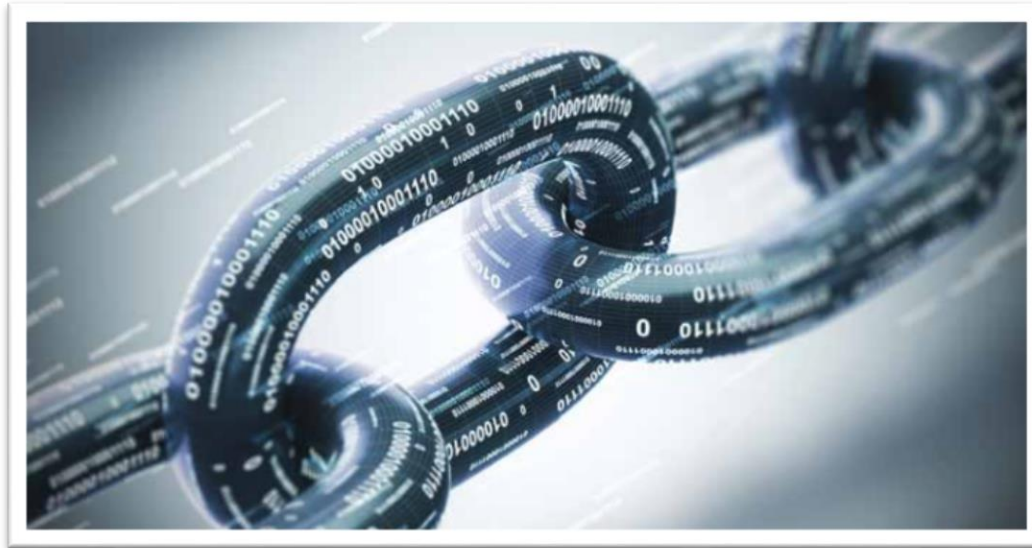


- **e-BDS** enables Board of Directors (BoD) and other executive meetings to be held **virtually**.
- **Legality:** BoD decisions can be approved and signed with electronic and/or mobile signature
- **Functionality:** System provides live broadcast and immediate display of meeting results
- **Security:** 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.





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THANKS



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