

# MERKEZİ KAYIT KURULUŞU

**CENTRAL SECURITIES DEPOSITORY  
& TRADE REPOSITORY OF TÜRKİYE**



**MERKEZİ KAYIT  
İSTANBUL**  
Central Securities Depository  
& Trade Repository of Türkiye

## **CSD DATA AND RISKS**

### **Importance of the CSD Data amid Global Macro Risks**

- » Increased Market Liquidity
- » Diversification of Investor Base
- » Increased Market Participation
- » Innovation in Financial Instruments
- » Higher Diversification of Investor Portfolios
- » Increased Market Efficiency

### **MKK's Contribution to the Reduction Operational Risks**

- » Time Efficiency
- » Increased Shareholder Participation
- » Environmentally Friendly/Sustainable Practices
- » Higher Transparency and Accountability
- » Improved Data Security

## **MKK'S CONTRIBUTION TO MANAGEMENT OF SYSTEMIC RISKS**

### **MKK's Contribution to Management of Systemic Risks**

- » ***Trade Repository Platform (e-VEDO)***
- » Risk Identification and Mitigation
- » Systemic Risk Assessment; Improved Transparency
- » Regulatory Oversight and Compliance
- » Improved Market Stability and Efficiency
- » Market Surveillance and Early Warning
- » ***Investor Risk Monitoring System (IRMS)***
- » Enhanced Risk Identification and Measurement
- » Improved Systemic Risk Assessment
- » Timely Risk Monitoring; Comprehensive Risk Reporting
- » Integrated Risk Management
- » Market Surveillance and Early Warning Mechanism
- » Regulatory Oversight and Compliance

# Compliance and KYC in Depository Business



The central securities depositories (CSDs) must make transparent and non-discriminatory rules, based on objective criteria, governing access to settlement facilities provided by it.

Trade repositories (TRs) collect and maintain records of derivatives transactions to enhance transparency and mitigate systemic risk.

# MKK'S CONTRIBUTION TO AVAILABILITY AND TRANSPARENCY OF MARKET DATA FOR RISK MANAGEMENT

## *Intermediary Institutions MKK*

### *Data Analysis Platform (PUSULA)*

Business Intelligence Tool; , Peer Group Analysis, Enabling Strategic Decision-Making Processes



### *Data Analysis Platform (VAP)*

Information Transparency; Informed Decision-Making; Higher Investor Confidence; Lower Information Asymmetry, Access to indicators (REKS)

### *Public Disclosure Platform (PDP)*

Enhanced Transparency; Informed Decision-Making; Lower Information Asymmetry



### *Real Estate Based and Developing Financial Instruments Information System (GEFAS)*

Information Transparency; Increased Choice of Investment Alternatives for Investors; Higher Diversification of Investor Portfolios; Improved Financing Alternatives for Real-Estate Projects; International (COMCEC) Cooperation



### *Investor Information Center (e-INVESTOR)*

Enhanced Transparency; Efficient Oversight; Investor Protection; More Informed and Resilient Investor Base; Higher Market Stability and Integrity

## Transparent and non-discriminatory data

### DATA REPORTING STANDARDS

Must follow specific data reporting standards to ensure transparency and consistency

### DATA VALIDATION

Regular data validation processes are necessary to confirm accuracy of the data and information

### DATA INTEGRITY

Maintain the integrity of the data which is necessary for accurate reporting and analysis

### REPORTING TO REGULATORY BODIES

Must report their findings and compliance status to relevant regulatory authorities



# SYSTEMIC RISK MITIGATION

## DATA DRIVEN APPROACH

- Collection of Investor Data
- Dynamic Review Of Data Access And Management
- Proactive Data Sharing And Integration System

## RISK MANAGEMENT

- **Risk identification: Verification of Identity to authenticate customer information**
- **Risk Assessment and Monitoring: Evaluate potential risk of investors/members to aid in determining the level of monitoring and compliance**

## SUPPORTING DECISION MAKING PROCESS OF REGULATORY AUTHORITIES

- Complete And Timely Reporting: Make information available to regulators
- Trust of Stakeholders: Effective practices and regulation ensures secure financial regulations and compliant with the regulations.

# EXECUTION 1: DERIVATIVES DATA ELECTRONIC TRADE REPOSITORY

## Reporting Scope:

- Contract types: CFDs, Forwards, Futures, Options, SWAPs, Swaptions and other
- Asset classes: Commodity, Credit, Currency, Equity, Interest Rate, Other
- Notional amounts, mark to market value of contracts, collateral value of the contracts
- All the other details of the contracts relative to the Asset classes
- Reporting on Debt Securities Transactions made by the brokerage houses (Fixed Income Reporting)
  - Transactions that take place both on exchange and over-the-counter
  - Security transfers, pledge and collaterals, lending, issuance and redemption

## International Standards



**238**

Number of members reporting  
daily

**~300K**

Average daily report statistics  
for Derivatives

**~250K**

Reporting daily Open Transactions

**~70K**

Average daily report statistics  
for Debt Securities

# REGULATORY BACKGROUND OF MKK AS TRADE REPOSITORY

## Global Crisis

- Measurement of Risk
- Leverage Effect
- Volatility

**2008**

G-20 Commitment

**2012**

Legislation on  
Trade Repositories  
(No.6362/87)

**2015**

MKK is  
authorized as TR  
by Capital Markets

**2018**

- Regulation :  
19.09.2018  
- Communiqué :  
27.10.2018  
- Financial institutions  
began reporting on  
30.11.2018

**2019**

Non-financial  
institutions began  
reporting on  
01.01.2019

**2020**

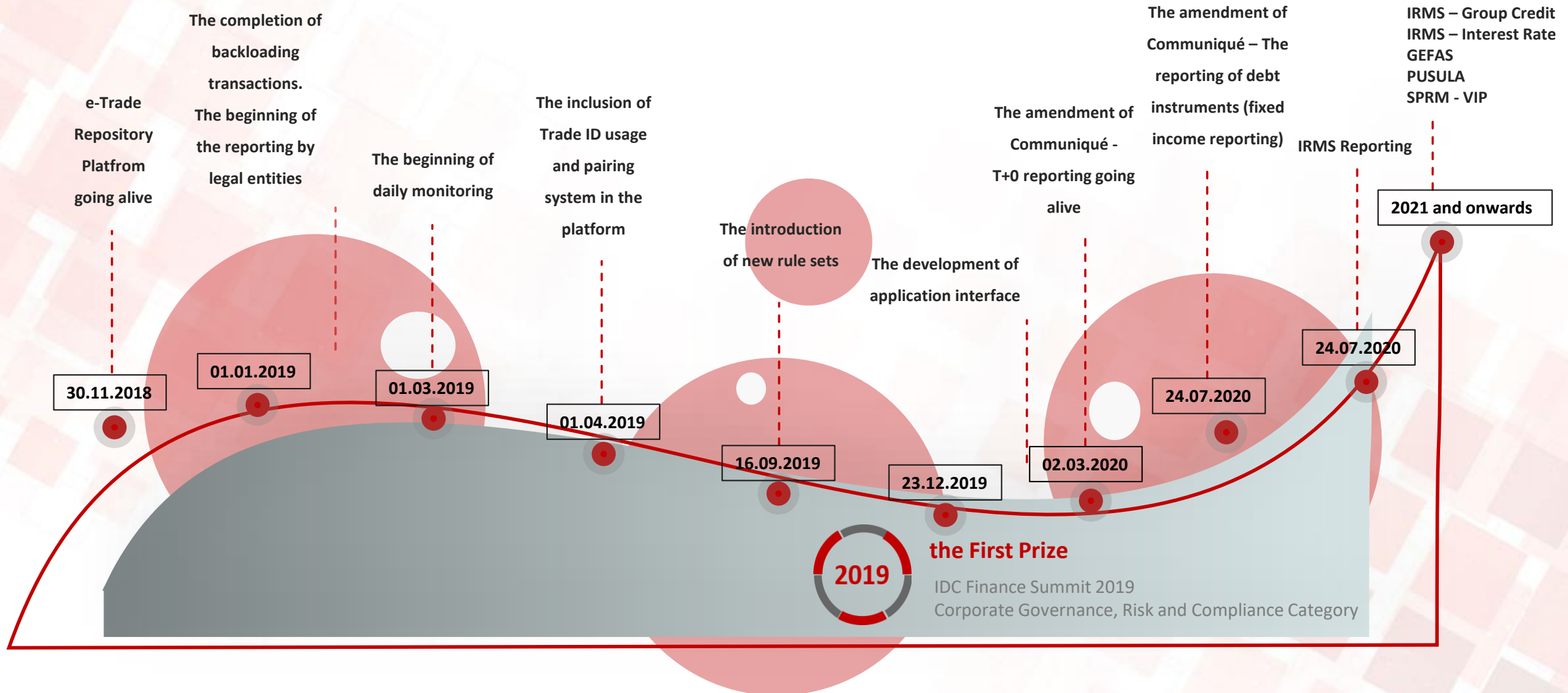
The beginning of  
T+0 Reporting  
Debt Securities  
Reporting  
IRMS reporting

**2021 and  
onwards**

IRMS – Group Credit  
IRMS – Interest Rate  
GEFAS  
PUSULA  
SPRM - VIP



# E-TRADE REPOSITORY PLATFORM (e-VEDO)



## ► EXECUTION 2: MARKET DATA

TR Ministry of Treasury and Finance	TR Ministry of Trade	TR Ministry of the Interior	TR Ministry of Industry and Technology	Republic of Türkiye Ministry of Agriculture and Forestry
Presidency of the Republic of Türkiye Finance Office	The Central Bank of the Republic of Türkiye	Capital Markets Board of Türkiye	Banking Regulation and Supervision Agency of Türkiye	TR Ministry of Treasury and Finance Financial Crimes Investigation Board
Turkish State Mint and Security Printing	Revenue Administration	Savings Deposit Insurance Fund of Türkiye	Borsa İstanbul A.Ş. (BİAŞ)	TURIB (Turkish Mercantile Exchange)
Turkish Capital Markets Association	The Public Oversight, Accounting and Auditing Standards Authority	Investor Compensation Center	Pension Monitoring Center	Takasbank (CCP)
Turkish Grain Board	The Banks Association of Türkiye Risk Center	Real Estate Investors Association	Corporate Governance Association of Türkiye	Turkish Institutional Investment Managers Association
Turkish Investor Relations Society	TR Ministry of Treasury and Finance Tax Audit Board	Republic of Türkiye Social Security Institution	Capital Markets Licensing and Training Agency of Türkiye	e-GOVERNANCE
Central Registration Record System (MERSIS)	Address Based Identity Registry System (ADNKS)	Oesterreichische Kontrollbank AG (OeKB)	Issuers	Companies with Bearer Shares
Intermediary Institutions	Crowdfunding Platforms and Trustees	Forensic and Administrative Institutions	Universities	Independent Audit Organizations
	Data Distribution Organizations	Investors	Investor Devisees	

### NUMBER OF REPORTS SHARED WITH INSTITUTIONS

Daily	~40.000
Hourly	~18.000
Weekly	~1.300
Monthly	~1500
Quarterly	~2.500
Yearly	~50

# EXECUTION 3: INVESTOR RISK MONITORING SYSTEM (IRMS - YRTS)

- Introduced under e-Trade Repository services in 2020
- Aims at monitoring systemic risk and contributing to financial stability
- Collects the data regarding;
  - margin trading,
  - short selling
  - securities lending transactions
  - clearing obligations
- **Reporters:** intermediary institution and investment banks trading on the Borsa Istanbul Equity Market
- Contains data on other investor transactions information taken from;
  - CMB
  - Borsa Istanbul
  - Istanbul Settlement and Custody Bank (Takasbank)
  - Central Dematerialised System
  - e-Trade Repository (e-VEDO Platforms).

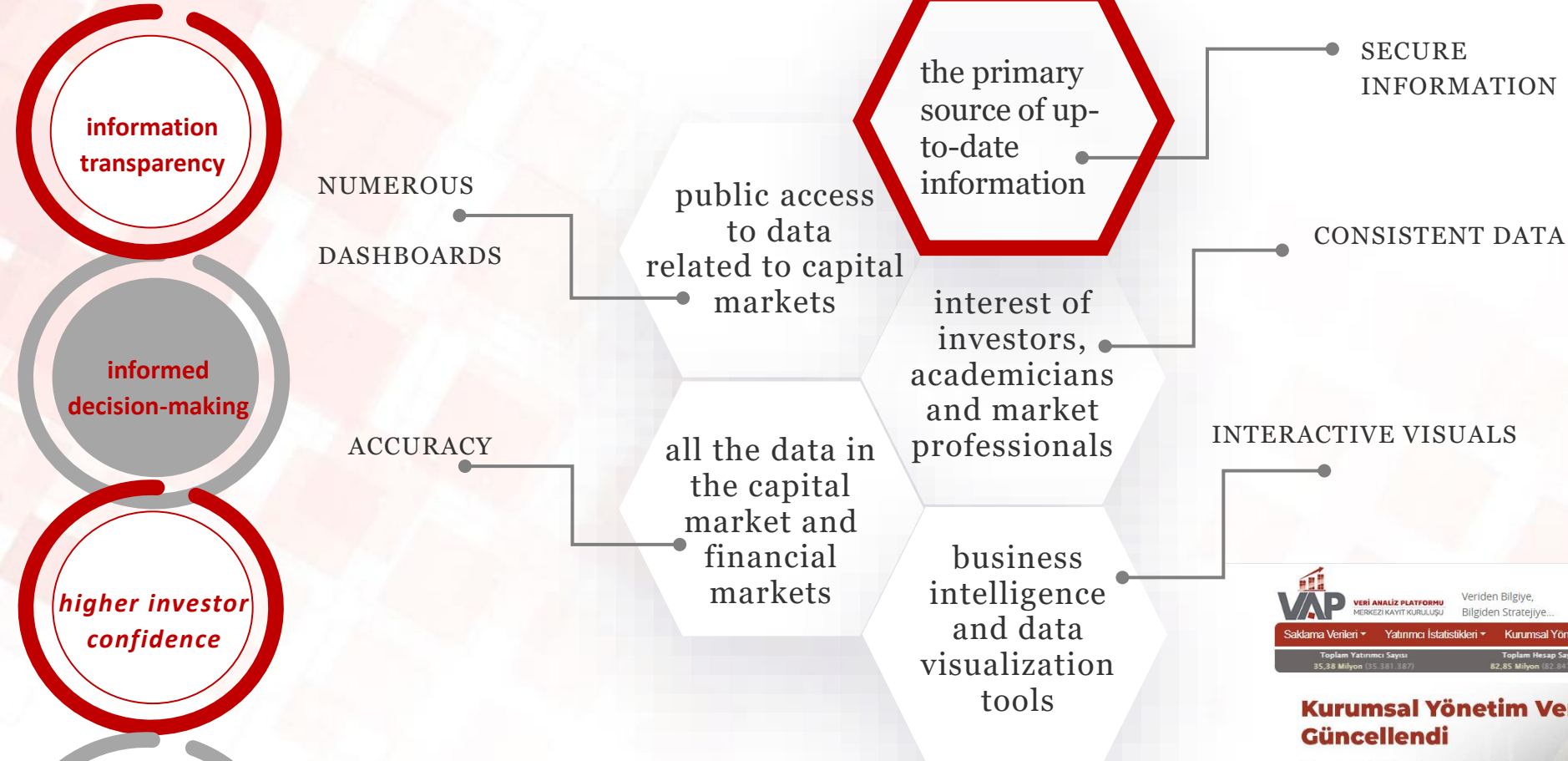


**55**

**Number of members  
reporting daily**

**12**

# EXECUTION 4: DATA ANALYSIS PLATFORM (VAP)



➤ The information is available in Turkish at;  
<https://www.vap.org.tr/>

- Available to all market participants and investors since 2020
- Main targets: MKK's (financial institution) members such as banks and investment institutions that conduct transactions on the Borsa Istanbul Equity Market





# EXECUTION 5: GEFAS REAL ESTATE BASED AND DEVELOPING FINANCIAL INSTRUMENTS INFORMATION SYSTEM



**GEFAS**  
REAL ESTATE BASED AND DEVELOPING  
FINANCIAL INSTRUMENTS INFORMATION SYSTEM

Data to Knowledge,  
Knowledge to Strategy...



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GEFAS Overview ▾ Detailed Analysis ▾ Instrument Comparison ▾ International Markets ▾

**Real Estate Investment Trust Equity Shares, Real Estate Investment Fund and Lease Certificates data on GEFAS.**

You can examine the graphical demonstrations including Closing Price, Trading Value and Daily Return Charts of Real Estate Investment Trust (REIT) Equity Shares, Real Estate Investment Funds (REIF) and Lease Certificates being traded at Borsa İstanbul, and also access all detailed data of the relevant security on GEFAS.

**You can access Real Estate Investment Trust (REIT) Equity Shares Comparison data and the detailed data of Real Estate Investment Funds (REIF) and Lease Certificates on GEFAS.**

gefas.gov.tr

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REAL ESTATE BASED AND DEVELOPING  
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 **Lease Certificates**

A lease certificate is an interest-free capital market instrument issued by an asset leasing company in order to finance the assets that are acquired or leased, and which entitles its holders to the revenues attained from such assets in proportion to their shares. The Lease Certificates domestically issued by Turkish Treasury and Asset Lease Companies are electronically held in dematerialized form on beneficial owner basis at CSD of Türkiye.

 **Real Estate Investment Company (REIC) Shares**

REIC is a type of capital market institution which is founded in order to issue its shares for the purpose of operating and managing a portfolio composed of real estates, real estate projects, real estate-based rights, infrastructural investments and services, capital market instruments and other assets, rights and instruments. REIC Shares domestically issued by REICs are electronically held in dematerialized form on beneficial owner basis at CSD of Türkiye.

 **Real Estate Investment Fund (REIF)**

REIF is an asset without a legal entity and established within the fund rules by portfolio management and real estate portfolio management companies to manage the portfolios comprised of assets and transactions specified in the communicate, with the money collected from qualified investors in return for fund units. REIFs domestically issued by Asset Management Companies are electronically held in dematerialized form on beneficial owner basis at CSD of Türkiye.

- GEFAS aims to improve transparency and efficiency in capital markets by facilitating access to product, issuer and performance information on;
  - **Lease Certificates,**
  - **Real Estate Investment Company Shares**
  - **Real Estate Investment Funds**
- Investors will;
  - be able to access graphs regarding the closing price, transaction volume and return information of the products via GEFAS,
  - will have the opportunity to compare REITs based on this information.
  - can view weekly, monthly, quarterly (3-month), 6-monthly, Year-to-date, 1-year, 3-year and 5-year price, transaction volume and return data of REITs, REIFs and Lease Certificates in separate graphs on TRY and USD basis.



**COMMON CHALLENGES**

**COMPLEX REGULATORY  
REQUIREMENTS**

**DATA SECURITY AND PRIVACY  
CONCERNS**

**CONTINUOUS EVOLUTION OF  
FRAUD TACTICS**



Compliance and Regulatory Perspective

Please visit our web site for further information!



[www.mkk.com.tr](http://www.mkk.com.tr)



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# THANK YOU



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