

From the Capital Markets Board

**COMMUNIQUÉ ON THE PROCEDURES AND PRINCIPALS FOR THE BOOK-KEEPING OF  
DEMATERIALIZED CAPITAL MARKET INSTRUMENTS (II-13.1)**

**PART ONE**

**General Provisions**

**Purpose**

**ARTICLE 1** – (1) The purpose of this Communiqué is to determine the procedures and principles applicable to record-keeping of capital market instruments and rights thereof by Merkezi Kayıt Kuruluşu Anonim Şirketi, to ensure that capital markets transactions are performed in a reliable, fast and effective manner.

**Scope**

**ARTICLE 2** – (1) This Communiqué covers dematerialized capital market instruments and rights thereof, and transactions regarding record-keeping in dematerialized form.

**Reference**

**ARTICLE 3** – (1) This Communiqué is issued based on Article 13 of the Capital Markets Law No. 6362 dated December 6, 2012.

**Definitions and abbreviations**

**ARTICLE 4** – (1) The following terms used in this Communiqué:

a) Exchange: Incorporated as a joint-stock company, and duly authorized and orderly functioning under the Law; systems and market places operated and/or managed internally or by a market operator; ensuring safe and convenient trading of capital market instruments, currencies, precious metals and gemstones as well as other contracts, instruments and securities authorized by the CMB; according to free market conditions, by ascertaining and quoting prices formed and matching trading orders or helping match such orders for final execution.

b) GDS: Government Debt Securities defined in Article 3 of Law No. 4749 dated March 28, 2002, Law on Regulating Public Finance and Debt Management;

c) EFT: Electronic Funds Transfer System of the Central Bank of Turkey;

ç) EST: Electronic Securities Transfer System of the Central Bank of Turkey;

d) Issuer: Legal entities and investment funds that are subject to the Law of which capital market instruments are publicly offered, or which issue or apply to the CMB to issue capital market instruments

e) Law: Capital Markets Law No. 6362;

f) Dematerialized capital market instruments: Capital market instruments decided to be

dematerialized by the CMB;

g) The CMB: The Capital Markets Board;

ğ) Liquidity notes: Notes issued by the Central Bank of Turkey in accordance with Article 52 of the Central Bank of Turkey Law No. 1211 dated January 14, 1970;

h) MKK: Merkezi Kayıt Kuruluşu Anonim Şirketi;

ı) Capital market instruments: Securities and derivative instruments and investment contracts, as well as other capital market instruments the CMB puts under the same scope;

i) Takasbank: The central clearing house (Istanbul Takas ve Saklama Bankası Anonim Şirketi);

j) The CBT: The Central Bank of Turkey;

k) TCC: Turkish Commercial Code No. 6102 dated January 13, 2011;

l) Participant: CBT, issuers, investment institutions, central clearing houses and other institutions to be set by the CMB;

m) Investment institution: Intermediaries and other capital market institutions and banks authorized to engage in investment services and activities under the establishment and operation principles set by CMB;

refer to the definitions stated above.

### **Keeping records**

**ARTICLE 5 – (1)** Records related to dematerialized capital market instruments and rights thereof are kept by MKK participants in the electronic media created by MKK. Account opening, record entry creation and modification are performed by the participants using electronic methods in accordance with the procedures and principles set by MKK, by changing MKK records as per instructions provided by the beneficiaries. Opening and recording of, and amendments to accounts shall be carried out through amendments to MKK records by participants according to instructions of right owners via an electronic method whose terms and conditions shall be determined by MKK.

(2) MKK will determine the procedures and principles to apply in case of an information flow disruption due to a force majeure event such as technical reasons or a natural disaster, as to how communication and modification of records will be accomplished.

(3) For proper handling of clearing transactions, records are also to be kept by the central clearing houses. Beneficiary records are kept by linking them with the participant accounts. Pursuant to Article 13 of the Law, rights recorded in a dematerialized form can not be attached to a share certificate.

(4) MKK determines the coding system the participants will use for recordkeeping purposes.

(5) Unless otherwise stipulated by the CMB, no other limitations or terms shall be imposed on the records kept at MKK, except the terms regulated by this Communiqué.

(6) Pursuant to the provisions of this Communiqué, a list of the officials authorized to perform the transactions in the MKK system on behalf of the participants are to be submitted to MKK according to the procedures set by MKK, and all transactions to be performed are to be executed specifically by these officials on an exclusive basis. In the event of participants making entries to the accounts for the purposes of correcting inaccurate or missing records, the participant is to notify MKK and the beneficiary, about the

case in accordance with the procedures and principles to be set by MKK. In the event of an incomplete application made to a participant for account opening or registration purposes, the application may be rejected. In that case, the rejection decision has to be communicated to the beneficiary along with an explanation of underlying reasons.

(7) Subject to obtaining an approval from MKK, a participant may use the technical capabilities of another participant to perform his/her transactions provided that this does not become a permanent practice.

(8) Subject to compliance with the principles to be set by MKK and approved by the CMB, a participant may choose to perform its transactions at MKK through a different participant in an indirect manner for an unspecified period of time, instead of using its own resources, such as hired staff and/or technological capabilities.

## **PART TWO**

### **Accounts to be maintained at MKK**

#### **Accounts**

**ARTICLE 6** – (1) Accounts maintained at MKK are to be opened in the name of the CBT, issuers, investment institutions, central clearing houses and other institutions to be set by the CMB.

(2) Investor and shareholder accounts to be opened in the name of the beneficiaries are opened once their ID information is submitted to MKK. These accounts are linked with the participants authorized to perform transactions on such accounts.

(3) The CBT and central clearing houses may open accounts with MKK directly without linking to a participant.

(4) The procedures and principles for the foreign central depositories and MKK opening and maintaining accounts with each other respectively are determined by MKK. It may not be possible to monitor by beneficiary, the accounts foreign central depositories open with MKK as a participant, or otherwise linked to the Takasbank account held with MKK (subject to the CBT approval). MKK refers to the CMB all foreign central depository applications to open accounts either in their own name or to be linked to the Takasbank account with MKK, which is not monitored by beneficiaries. The CMB assesses these applications by country.

(5) Capital market instruments to be issued abroad according to the CMB legislation, may be kept in accounts that are not by beneficiaries.

(6) No account may be opened or record maintained disguising in nature the true character of these accounts.

#### **Issuer account**

**ARTICLE 7** – (1) An issuer account is opened for dematerialized capital market instruments.

(2) The issuer account includes issuer pool accounts, shareholder accounts and unknown shareholders accounts. When the issuer is an investment fund founder, the issuer accounts then includes pool accounts and unknown participant accounts.

(3) An issuer pool account is used to keep the temporary records for the issuing of dematerialized capital market instruments. The dematerialized capital market instruments to be issued are monitored in the pool account throughout the sales period. After the sale of the dematerialized capital market

instruments or before the sale, proceeds subject to sale are deducted from the relevant account following the record entry made to the said accounts. Transactions related to the issuing and cancellation of investment fund participation shares are carried out by using the same pool account.

(4) A shareholder account is created after the issuer submits to MKK the information MKK determines, for each shareowner. Only non-listed shares are recorded in the shareholder accounts. The dematerialized capital market instruments in this account are kept by type and beneficiary depending on the information provided by the issuer.

(5) An unknown shareholder and unknown participant account is created at the phase of dematerialization if the beneficiaries are not known to the issuer, for the purposes of omnibus keeping of such shares. Necessary corrections are made to MKK records in case the capital market instruments kept in the said accounts are dematerialized. In that case, the issuer and other relevant participants shall provide the information to be requested by MKK and make alterations in the records.

### **Opening issuer accounts**

**ARTICLE 8** – (1) To open an issuer account, issuers will have to apply to MKK together with the information required by MKK. When opening an issuer account, MKK will simultaneously open the unknown shareholder or unknown participant accounts.

(2) The principles set forth in Article 11 are applied when opening a shareholder account. The information and documents stated in the subject article are provided to MKK by the issuer.

### **The CBT account**

**ARTICLE 9** – (1) The CBT Account is a GDS General Depository Account opened in the name of the CBT.

(2) The GDS General Depository Account is used to collectively keep the securities in the depository accounts of the banks in the EST system, without segregation by the beneficiary.

(3) If needed, other accounts may be opened by MKK, after consulting with the CBT.

### **Investment institution account**

**ARTICLE 10** – (1) The investment institution account includes GDS depository accounts, pool accounts and investor accounts to be opened depending on the nature of the transactions.

(2) The GDS depository account is exclusively used for the purposes of performing GDS transfers between the bank depository accounts in the EST system and the investment institution accounts opened under MKK, and the transfers in relation to the investment accounts resulting from the trading transactions to be performed with the investors.

(3) The investment institution pool accounts are for use by investment institutions to perform clearing transactions in the capacity of representative for account-holders.

(4) The investor account includes the accounts opened in the name of beneficiaries for which the investment institution is authorized to perform transactions.

### **Investor account**

**ARTICLE 11** – (1) An investor account is an account opened in the name of the beneficiary where dematerialized capital market instruments are kept, whether bearer or registered. Investors' dematerialized capital market instruments including the GDS's are kept in the investor accounts. However, the CMB may

decide to keep on an omnibus basis, depending on the nature of each capital market instrument and/or of the transaction the specific instrument refers.

(2) An investor account is opened pursuant to an application made to MKK by participant investment institutions and central clearing houses upon the request of investors. In order for MKK to open an investor account, participants should first provide the information MKK requires.

(3) Following MKK's receipt of this information, the account will be activated. Once the information needed for an investor is complete, a registration number will be produced. If the CMB agrees, permission may be granted to the relevant investment institution to open the account and complete the identity information required by MKK no later than five (5) business days as set by the CMB. If, however, the identity information is not submitted to MKK as required until the end of the set period, the account may be frozen. Freezing the account will mean preventing debit and credit to the relevant account. The same registration number will be assigned to applications made by other investment institutions using the same investor information on opening an investor account.

(4) In the event of determination of more than one registration number are assigned to the same investor, the redundancy will be corrected and a unique registration number will be assigned to the investor with the condition that the investor is notified of the case by MKK.

(5) If more than one person request to open a joint account, a joint ownership investor account will be opened by the participants, provided that all the information required in this article is supplied. The participation ratios of the owners are also recorded as book-entry.

(6) The information required by MKK under section 2 of this article may be obtained from databases of governmental institutions via electronic media.

#### **Central clearing house account**

**ARTICLE 12** – (1) The central clearing house account includes clearing pool accounts, pool accounts and investor accounts. Other accounts needed for the central clearing house activities may be created upon MKK approval. However, CMB approval is required for investor types whose records may be kept under investor accounts of these institutions.

(2) The clearing pool account is for use by the central clearing house to perform clearing transactions of the participants in the capacity of representative. The pool account is for use by the central clearing house to perform clearing transactions in the capacity of representative of the account holder.

(3) The provisions of Article 11 apply to opening investor accounts.

#### **Sub-accounts of shareholder and investor accounts**

**ARTICLE 13** – (1) In the case of a pledge, attachment, investor blockage, sales blockage and other MKK-approved transactions, the rights subject to such transactions are kept by MKK through the opening of sub-accounts linked to the relevant accounts.

### **PART THREE**

#### **Dematerialization, delivery and destruction of capital market instruments**

##### **Dematerialization decision**

**ARTICLE 14** – (1) It is essential that capital market instruments are issued in a dematerialized form via electronic media, not linked to any promissory note. The CMB determines the capital market

instruments to be issued and the rights to be kept in dematerialized form.

### **Delivery and destruction of dematerialized capital market instruments**

**ARTICLE 15** – (1) It is obligatory to deliver the capital market instruments decided to be dematerialized pursuant to the principles set by the CMB. The capital market instruments delivered automatically become null and void.

(2) MKK determines the principles of delivering and destroying capital market instruments, which enter into force upon CMB approval.

## **PART FOUR**

### **Transactions to be performed on Non-GDS Capital Market Instruments**

#### **Notice at issue**

**ARTICLE 16** – (1) Issuers will submit to MKK the information MKK determines regarding the dematerialized capital market instruments by the end of the next business day following the approval of the prospectus or issue document. In case the decision to issue requires approval of a public authority, the issuer is responsible of immediately notifying MKK about the decision to approve or reject, - on the next business day after the decision is made; any changes stemmed regarding the said decision – by the end of the next business day following the change. The issuer also notifies MKK about the sales decision. Upon such notification, the dematerialized capital market instruments issued are temporarily recorded in the issuer pool account.

(2) Capital increase through rights issue, new share purchase rights are used in accordance with the CMB regulation. In capital increase through rights issue transactions, new share purchase rights are primarily recorded in the accounts that the shares are recorded in. Upon paying the price for the new share purchase right, related new share purchase rights are to be deleted from the account; and the relevant participant transfers the capital market instrument from the issuer pool account to the investor and shareholder accounts. The new share purchase rights not exercised within the time frame allowed are deleted from the accounts at the end of the deadline.

(3) In terms of capital increase by bonus issue, the rights registered in the issuer pool account based on issuer notice, are transferred to participant accounts effective the date of capital increase, according to the ratio announced.

(4) In terms of a non-exchange sale; information on the amounts sold and the investment accounts which the buyers want the entries are made to shall be notified to MKK by the issuer or the investment institution that intermediated in the sale, before the end of the next business day following the sale.

(5) In terms of the capital increases of shareholders, the entries of the listed shares are made in accordance with Article 17 of this communiqué.

(6) In terms of partnerships that use the principle capital system, all records created in accordance with sections 1, 2, 3, 4 and 5 shall be of temporary nature until the registration of the capital in the trade registry. The registration of the capital to the trade registry is notified to MKK by the issuer on the next business day following the registration.

(7) Regarding the issuing and sale of the dematerialized capital market instruments not addressed in this Article, the entries are carried-out in accordance with Article 17 of this communiqué if the transaction was carried-out in the Exchange. For the non-Exchange transactions, however, the issuer will have to submit to MKK, before the end of the next business day following the sale, information on the amounts sold as well as the investment accounts which the buyers want the entries are made to, provided no other time table is stipulated by any other CMB legislation. In issues of investment fund participation shares, the

notification will be made on the same day the issue is made.

(8) In case investment institutions intermediate to the sale except the issuing of the investment fund participation shares, the notifications may be made by these institutions in accordance with the principles set forth in this Article.

(9) Transfer of rights is performed from the issuer pool account to the investor accounts or pool accounts kept at the relevant participant, subject to the notifications served. In case of transfer to the pool accounts of relevant participants, the distribution to investor accounts is made by the relevant participants.

(10) In the registered capital system, the issuer submits to MKK, on the next business day after the end of the sale period, information on the shares not sold within the deadline. These shares are deleted from the issuer pool account.

### **Recording trading transactions**

**ARTICLE 17** – (1) Clearing transactions are executed by the central clearing house in compliance with the clearing legislation of relevant Exchange, by using the clearing pool account and the pool accounts of investment institutions at MKK.

(2) After executing Exchange transactions, investment institutions transfer the capital market instruments sold on the Exchange to the sub-account MKK created for this transaction as a sub-account of relevant investor accounts according to Article 13. On the clearing day, dematerialized capital market instruments sold are transferred from the investor accounts to the pool accounts of the investment institution, to fulfil clearing obligations. Clearing obligations of the investment institution in question are met by transferring the capital market instruments in the pool accounts of the investment institution to the clearing pool account.

(3) Clearing receivables are transferred by the central clearing house from the clearing pool account to the pool accounts of the particular investment institution. The capital market instruments in question are distributed to the investor accounts by investment institutions.

(4) The necessary changes to be made to the records due to non-Exchange trade transactions are carried out by the participant linked to the account in which the relevant dematerialized capital market instrument is kept at MKK.

(5) The principles stated above apply to internal transfers between accounts. The procedures and principles for providing the underlying justifications for such internal transfers are determined by MKK.

(6) Pool accounts of the participants are not used in internal transfers among beneficiary accounts. The procedures and principles for providing the underlying justifications for such internal transfers are determined by MKK.

### **Use and recording of financial rights**

**ARTICLE 18** – (1) Regarding the use of financial rights, issuers are required to notify MKK about the following in the most expedient manner possible: information of which content to be determined by MKK- on the next business day after the authorized body's decision; in case the said decision requires approval of a public authority, the decision to approve or reject, - on the next business day after the decision is made; any changes stemmed regarding the said decisions - at the latest, one day before starting the transaction.

(2) MKK takes the necessary measures to ensure that any changes arising due to the use of financial rights born out of dematerialized capital market instruments are reflected on the accounts.

(3) Interest and dividend amounts related to the dematerialized capital market instruments are

transferred to MKK's correspondent bank on the first day of their rightful accrual, to be distributed in the relevant accounts. These amounts are transferred into the related participant accounts based on MKK records, and then transferred immediately to the beneficiaries by the participants.

(4) The issuer is responsible for not notifying financial rights on time or for notifying them in an inaccurate or missing way.

#### **Share rescission due to capital reduction**

**ARTICLE 19** – (1) When an issuer decides to reduce capital, following the registration of its general assembly resolution, the portion that corresponds to the reduced portion is collected in the issuer pool account and rescinded.

(2) When investment fund participation shares are returned to the issuer, the shares are accumulated in the issuer pool account and rescinded.

#### **Using administrative rights**

**ARTICLE 20** – (1) Issuers notify MKK about the general assembly date, at the latest by the deadline stipulated in the related legislation.

(2) In accordance with Article 417 of the TCC, MKK prepares the list of general assembly attendants one day before the general assembly date. This list must include the shareowners, usufructuaries, and the identity information of their proxy holders, if any, as well as the nominal values of the shares.

(3) MKK determines and announces the procedures and principles regarding the minimum information the list will contain and the method and timing of receiving the list.

(4) The beneficiaries included in the subject list may attend the general assembly pursuant to the provisions of relevant legislation.

(5) Information received from MKK is not to be disclosed to third parties or used for any reason but the specific reason for which it is provided.

#### **Records related to foreign capital market instruments**

**ARTICLE 21** – (1) The CMB is entitled to determine the procedure and the principles regarding the foreign capital markets instruments issued according the regulations regarding the registration at the CMB of the foreign capital market instruments and depository certificates, other than the procedures and the principles stipulated in the following articles of this Communiqué: 16 regarding the notification at issue, 18 regarding the use and recording of financial rights, and 20 regarding the administrative rights.

#### **Record regarding collateral, pledge and usufruct right**

**ARTICLE 22** – (1) Related participants are to reflect in MKK records the establishment of any collateral, pledge and usufruct rights in dematerialized capital market instruments, upon serving of the the documents related to the establishment of the right by the parties to the participants concerned.

(2) In accordance with Article 47 of the Law, in collateral agreements where ownership stays with the collateral provider, dematerialized capital market instruments are kept by creating a sub-account in MKK records, linked to the existing account of the collateral provider, unless agreed otherwise by the parties. The sub-account contains the identity information about the usufructuary and the third party in favour of whom collateral was granted. In the event of recording the capital market instrument subject to collateral in a sub-account of the collateral taker, the identity information related to the collateral provider

is also kept in connection with this account. Upon termination of the collateral agreement, the collateral taker returns to the collateral provider, the capital market instruments subject to collateral or equivalent if they are used.

(3) In cases where ownership is transferred to the collateral taker as per Article 47 of the Law, then the capital market instruments that are subject to the collateral agreements are transferred to the collateral taker's account in a dematerialized form with the explanation as collateral. Upon the termination of the collateral agreement, the collateral taker returns the ownership of the capital market instruments subject to the collateral agreements or their equivalents to the collateral provider's account in a dematerialized form with the explanation as return of collateral.

(4) The provisions of Article 47 section 4 of the Law apply to the compensation of the receivable from the collateral in the event of default or with reasons provided in legal or in contractual provisions.

(5) Capital market instruments that are subject to usufruct right are kept along with the identity information of the grantor or the usufructuary.

(6) Capital market instruments that are subject to pledge are kept in MKK records by opening a sub-account connected to the pledgor's existing account or by opening a sub-account under the pledgee's account.

(7) In the case of recording the capital market instrument that is subject to pledge or collateralization in the sub-account of either the pledgor or the pledgee, the identity information of the person who established these rights is also kept in connection with this account.

(8) The provisions of Article 47 section 5 of the Law apply in the event of any administrative or judicial ruling regarding asset restructuring or a ruling of the same nature as the latter or a ruling of liquidation against either the pledgee or pledgor.

(9) Pursuant to the provisions of the provisions regulating capital market instruments, the CMB may establish, on the basis of capital market instruments, limitations on the records kept regarding the rights that fall within the scope of this Article.

### **Investor Blockage**

**ARTICLE 23** – (1) Investor and shareholder accounts held by MKK may be blocked by their respective owners with the purpose of limiting relevant participant's power of disposition. MKK determines the principles regarding blocking transactions.

### **Investor warning system**

**ARTICLE 24** – (1) The CMB may make registrations in the investor warning system of MKK mandatory, with the goal of ensuring beneficiaries are notified.

(2) If not registered with the investor warning system, execution of certain transactions that are determined by MKK and approved by the CMB may be blocked.

### **Recording transfers by complete succession**

**ARTICLE 25** – (1) In regards to transactions based on complete succession, the participant makes the necessary changes to MKK records based on the document certifying the beneficiary status and by fulfilling the legal obligations.

(2) Issuers whose dematerialized capital market instruments are kept in MKK are required to notify MKK about the following, in the context of the transactions such as merger or acquisition resulting in

complete succession, and of which they are a party to, in the most expedient manner possible: information of which content is to be determined by MKK- on the next business day after the authorized body's decision; in case the said decision requires approval of a public authority, the decision to approve or reject, - on the next business day after the decision is made; any changes stemmed regarding the said decisions - before the end of the next business day following the change. The issuer also shall notify MKK about registration at the trade registry, of a dissolution and capital increase accomplished as a result of these transactions, on the next business day following the registration or, at the latest, one day before starting the registration transactions of transfers by complete succession, and MKK creates the necessary records in the participant accounts.

#### **All kinds of attachment and injunction transactions regarding the dematerialized capital market instruments**

**ARTICLE 26** – All kinds of administrative and judicial requests such as injunctions, attachments and the alike regarding the capital market instruments kept in a dematerialized form are exclusively met by MKK participants by creating a separate sub-account under the relevant investor and shareholder accounts. Provisions related to receivable follow-ups and collections of which notices served via electronic media as per the relevant laws, are reserved.

(2) Pursuant to Article 5 of this Communiqué, to meet all kinds of attachment and injunction requests received, participants are required to make the necessary changes primarily in the records maintained by MKK in compliance with the electronic transaction methods to be determined by MKK.

(3) All transaction bans reported to MKK by the CMB are immediately recorded in the related accounts by MKK. Participants shall immediately report to the CMB any transactions performed within the scope of this Article and Article 22 , in the accounts of the person with transaction ban imposed by the CMB.

#### **Rights with recourse to third parties**

**ARTICLE 27** – (1) the date of notification by the related participant to MKK by electronic methods to be determined by MKK shall be taken into consideration on bringing the rights on the dematerialized capital market instruments against the third parties.

### **PART FIVE**

#### **GDS Transactions**

##### **GDS principal and interest payments**

**ARTICLE 28** – (1) With GDS principal and interest payments, MKK submits to the CBT the depository details broken down by participant. The CBT transfers the payment amounts corresponding to these balances to the accounts of the respective participants. Amounts owed to participants that are not EFT members are transferred by the CBT to MKK's correspondent bank, which in turn distributes such amounts among the respective participants according to the balance details provided by MKK. For this transaction, the relevant MKK participant must have accounts opened with the correspondent bank. Participants effect the transfers of the payment amounts corresponding to the GDS's owned by the investors, to the individual investor accounts.

(2) With GDS principal and interest payment transactions, the GDS to be paid is frozen one day before the payment day, following the receipt of messages sent by the CBT after the closing of the EST system. After this time no transactions can be performed for the said securities in MKK. The balances of the securities to be paid in MKK system are deleted before starting the payment transaction on the redemption day following the notification served to the CBT.

## **Securities transfers between the EST and MKK systems**

**ARTICLE 29** – (1) Securities transfers by the participants into the accounts in MKK system are performed by making transfer into MKK account under the EST system by using the EST system. The amount of incoming securities to MKK account is reflected in the MKK system by crediting the participant's account with the MKK.

(2) The internal transfer instructions relayed to the MKK system to effect a securities transfer from the account in MKK to an account on the EST system is executed by effecting a securities transfer from the MKK account in the EST system into the relevant participant's account in the EST system.

(3) The MKK account on the EST system displays the total balances held with MKK, excluding the CBT account.

## **Transactions related to liquidity notes**

**ARTICLE 30** – (1) Liquidity notes are subject to the GDS-related provisions of this Communiqué.

## **Other transactions**

**ARTICLE 31** – (1) Of the articles in part four regarding non-GDS transactions, Article 22 regarding the pledge and collateral, Article 25 regarding the recording of transfers by complete succession, Article 26 regulating all kinds of attachment and injunction transactions regarding the dematerialized capital market instruments, Article 27 in relation to bringing the rights against third parties also apply in GDS-related transactions.

## **PART SIX**

### **Miscellaneous and final provisions**

#### **Confidentiality**

**ARTICLE 32** – (1) MKK records are confidential. However, providing information to individuals and/or organizations entitled by law or legislation provisions that the law expressly given authority does not constitute a breach of confidentiality.

(2) Furthermore;

a) Within the scope of central counterparty practice that the central clearing houses operating pursuant to Article 77 of the Law, will carry out in accordance with Article 78 of the Law,

b) Within the scope of oversight activities, the exchanges operating pursuant to Article 65 of the Law will undertake in accordance with Article 70 section 2 of the Law;

information required by such institutions will be given by MKK, provided that they specify the purpose and explain reasons of use. The confidentiality requirement of the information will continue when the information stored at MKK is provided to such institutions. To that effect, a protocol will be drawn up between MKK and the related institution.

(3) **(Add. - O.G.: 30.6.2017 - 30110 / a.1)** In accordance with the Regulation on the Amendment of the Regulation on the Implementation of the Turkish Citizenship Law brought into force by Council of Ministers' decision dated 12/12/2016 and numbered 2016/9601, in cases where an information request for the bonds and rent certificates issued by the Turkish Republic Treasury Under secretariat at the international markets, that are not issued through MKK but recorded on the right holder basis at MKK is made directly by foreign competent authority or ,subject to documentation, through foreign central

securities depository where the issuance carried out, this information shall be provided by MKK to the relevant competent authority or foreign central securities depository.

### **Disclosure of information to beneficiaries**

**ARTICLE 33** – (1) Information to a beneficiary regarding the records kept in his/her name with MKK may be provided by the participant and/or MKK.

(2) **(Add - O.G.: 29.11.2017 - 30255 / a.1)** In cases where the beneficiary is a resident of a foreign country, it is possible for MKK to send right owner information to the institution providing custody service to the beneficiary abroad as well as the beneficiary. For this, it is necessary that these customers have a clause in the contract with the institution providing custody service abroad, stating the right to access right owner information of the customer by the institution providing custody service abroad and that there has to be a contract specific to this issue between the institution providing custody service abroad and the authorized investment institution providing custody service inland. In accordance with this paragraph, in order to give the information to the institution providing custody service abroad instead of the beneficiary, the authorized investment institution providing custody service inland is obliged to make an application to MKK and give the commercial title of the institution providing the custody service abroad, a declaration stating that there is a clause in the contract on this subject between its customers and the institution providing the custody service abroad and the related beneficiaries. The organization providing custody service abroad is under the obligation to protect the confidentiality of the information it receives. This information may not be shared with any person in contravention of the law and may not be used for purposes other than the purposes for which it was given.

### **Publicly available information and data**

**ARTICLE 34** – (1) Any information with statistical purpose and the participant and capital market instrument-based stock data may be made freely available to the public or provided to those requesting within the scope of principles to be determined by MKK and approved by the CMB, provided that they are not in respect to the beneficiaries. and are used for statistical purposes.

(2) In enforcing this article, the principle of enabling equal access to everyone with the same conditions shall be considered.

### **Disclosure of information to issuers**

**ARTICLE 35** – (1) Records kept by MKK in respect to issuers are taken as the basis for the registering of the shareowners as beneficiaries in the share book pursuant to Article 499 of the TCC, without a need for those concerned to file any application.

(2) (**Change- O.G.: 29.11.2017 - 30255 / a.2**) Right owner information that the issuers request for submitting to administrative bodies and in fulfillment of legislative obligations is provided to the issuers in accordance with the procedures and principles to be determined by MKK. Alternatively, MKK may also provide this right owner information to the issuers in accordance with the procedures and policies to be set by the CMB, by taking into account the market oversight and audit policies. Issuers are obliged to protect the confidentiality of this information acquired from MKK. The said information is not to be used outside their acquisition purpose nor shared illegally with anyone but the people with administrative responsibility of the issuer.

(3) The MKK may provide to the issuers shareowner-related statistical data that is not in respect to the beneficiaries.

### **Storing MKK records**

**ARTICLE 36** – (1) MKK has to store all alterations related to the rights regarding dematerialized capital market instruments for ten years following the said alteration together with the form before the alteration in the electronic media in an unchangeable way. The CMB may require a longer storage period for data related to investment fund records.

### **Notifications issuers will make to MKK**

**ARTICLE 37** – (1) There is no need for the issuers to make a separate notification to MKK if the data to be used in the notifications to be made by the issuers to MKK pursuant to this Communiqué can be retrieved from other databases integrated with MKK system with the condition that it was notified by the issuer.

### **Rescinded communiqué**

**ARTICLE 38** – (1) Communiqué No. 28, Serial IV, on the Procedures and Principles for Recordkeeping of Dematerialized Capital Markets Instrument published in the Official Gazette No. 24971 dated December 22, 2002, is rescinded.

### **Stock shares kept in kind at Takasbank**

**PROVISIONAL ARTICLE 1** – (1) In the event the CMB decides to the keeping the stock shares stored in kind at Takasbank in a dematerialized form, they shall be dematerialized collectively, as a whole, on the same date and kept in the aftermath by MKK in dematerialized form in respect to the beneficiaries, unless instructed otherwise either directly by the beneficiary in person or indirectly through an investment institution that is a MKK participant within the time frame set by the CMB.

### **Principles regarding differentiating the type**

**PROVISIONAL ARTICLE 2** – (1) In the event the shares of the companies to be kept in dematerialized form are of a different type but of the same group, listed shares will be kept by MKK without making any segregation based on their type. Such companies, however, must amend their articles of association by converting their shares to the same type within one year period beginning at the date of the CMB decision regarding dematerialization. The companies are responsible of undertaking to MKK that they will make their articles of association compliant regarding the conversion the type of their shares in the given period and and that they will not differentiate between the types in transactions made by taking MKK records as a basis.

### **Effective date**

**ARTICLE 39** – (1) This Communiqué enters into force at the time of its publishing.

### **Enforcement**

**ARTICLE 40**– (1) The Capital Markets Board is responsible for enforcing this Communiqué.