

## WFC Single Disclosure Report 2018

Date submitted

18/10/2018 07:03:12

### General information

1 G01Q001

Please indicate the full name of the responding institution:

*PFMI: Annex A - CSD disclosure template [CSD name]*

*AGC: 0a*

Merkezi Kayit Kurulusu A.S. (MKK)

2 G01Q002

Registered address:

*PFMI: n/a*

*AGC: 0c*

Merkezi Kayit Kurulusu (MKK) A.S. Resitpasa Mah. Borsa Istanbul Cad. No: 4 Sariyer 34467, Istanbul/TURKEY

3 G01Q003

Country of registered address:

*PFMI: n/a*

*AGC: 0d*

Turkey

4 G01Q004

Official website of the respondent institution:

*PFMI: Annex A - CSD disclosure template [website]*

*AGC: n/a*

www.mkk.com.tr

6 G01Q006

The WFC, the AGC, CPMI and IOSCO encourage respondents to make their disclosure reports publicly available. Do you agree to make your response publicly available?

*PFMI: n/a*

*AGC: 99*

Yes, my full response will be publicly available. I agree that my response can be published on the website of the WFC and on the website of the regional CSD association(s) which my CSD is a member of. [A1]

7 G01Q007

How will you be making your answers publicly available?

*PFMI: n/a*

*AGC: 99a*

Website  
 Upon request  
 OTHER:

8 G01Q008

This disclosure can also be found at the following web address(es):

*PFMI: Annex A - CSD disclosure template [website URL]*

*AGC: 99b*

www.mkk.com.tr/en/content/About-Us/International-Relations

9 G01Q009

First and Last Name of the contact person:

*PFMI: Annex A - CSD disclosure template [contact details]*

*AGC: 99c*

Bora Karaagacli

10 G01Q009A

Disclosure submission authorisation

I hereby certify that I am authorised to submit this disclosure report on behalf of my institution.

11 G01Q010

Email address of the contact person:

*PFMI: Annex A - CSD disclosure template [contact details]*

*AGC: 99h*

international.relations@mkk.com.tr

12 G01Q011  
Telephone number (please include the international country code):

PFMI: n/a  
AGC: 99e

(+90) (212) 3345700

13 G01Q012  
How do you prefer to be contacted?

PFMI: n/a  
AGC: 99d

Telephone  
 Fax  
 mail/air courier  
 e-mail

14 G01Q013  
Fax number

PFMI: n/a  
AGC: 99f

(+90) (212) 3345757

15 G01Q014  
What is the preferred street address for mailing requests?

PFMI: n/a  
AGC: 99g

Merkezi Kayıt Kuruluşu (MKK) A.S. Resitpasa Mah. Borsa İstanbul Cad. No: 4 Sarıyer 34467, İstanbul/TURKEY

16 G01Q015  
Please list the jurisdiction(s) in which the CSD operates:

PFMI: Annex A - CSD disclosure template [list jurisdictions]  
AGC: n/a

MKK is the designated CSD in Turkey for dematerialized capital market instruments.

24 G01Q023  
filecount - Add relevant appendices for this group.

PFMI: n/a  
AGC: n/a

0

## Legal Basis (PFMI Principle 1)

26 G02Q002  
Under what regulation or statute is the CSD established and governed?

PFMI: n/a  
AGC: 7

MKK is established and governed under \* The Turkish Capital Market Law - Articles on Dematerialization of Capital Market Instruments (Art. 13, 80 and 81), \* The Law on Payment and Security Settlement Systems, Payment Services and Electronic Money Institutions \* The Regulation on the Establishment, Operation, Conduct and Audit Principles of the Central Securities Depository, \* Communiqué on the Procedures and Principles for the Book-keeping of Dematerialized Capital Market Instruments and \* the relevant decrees of the Capital Market Law.

27 G02Q003  
Is the regulation or statute electronically available?

PFMI: n/a  
AGC: 7a

Yes [Y]

28 G02Q004  
If regulation or statute is electronically available, please supply web address(es) here or upload document(s).

PFMI: n/a  
AGC: 7b

<https://www.mkk.com.tr/en/content/Information-Center/Legislation>

29 G02Q005  
filecount - Please supply document(s) here:

## World Forum of CSDs

PFMI: n/a  
AGC: 7c

0

42 G02Q018  
filecount - Add relevant appendices for this group.

PFMI: n/a  
AGC: n/a

0

### Governance and ownership (PFMI Principle 2)

44 G03Q002  
What type of legal entity is the institution?

PFMI: n/a  
AGC: 3

Public Company  
 Private Company  
 Central Bank (or part thereof)  
 Stock Exchange (or part thereof)  
 OTHER:

45 G03Q003  
Is the institution operated as a "for profit" or a "not for profit" organization?"

PFMI: n/a  
AGC: 4

For profit [A01]

46 G03Q004  
Please provide the names of the owners and their ownership interest percentages.

PFMI: n/a  
AGC: 5

Istanbul Settlement and Custody Bank (Takasbank) 64.9% Borsa Istanbul(BIST) 30.1% Turkish Capital Markets Association (TCMA) 5%

47 G03Q005  
What is the date of establishment of the CSD?

PFMI: n/a  
AGC: 6a

26/09/2001

48 G03Q006  
What is the date that the CSD's operations began?

PFMI: n/a  
AGC: 6b

25/04/2005

49 G03Q007  
Are participants required to contribute capital to the CSD that would result in ownership of the CSD?

PFMI: n/a  
AGC: 18

No [A02]

58 G03Q016  
What are the roles and responsibilities of the CSD's board of directors (or equivalent), and are they clearly specified? Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the CSD. What are the qualifications to become a board member?

PFMI: Q.2.3.1  
AGC: 7d

At the moment MKK has 9 board directors with the following composition: chairman of the board (appointed by the CMB), 3 directors from Borsa Istanbul, 2 directors from Takasbank, 1 director from the Ministry of Trade, 1 director from MKK (CEO of MKK), 1 director from the Turkish Capital Markets Association.

According to the MKK Regulation, the Board of Directors has the duty and authorization to, a) pass resolutions on the legislation to be prepared by MKK, b) determine the criteria for accepting membership applications, temporarily suspending and revoking the membership, c) decide on the membership applications and, when necessary, on the temporary suspension and revocation of membership, d) ensure that transactions are carried out in an orderly manner in compliance with the related legislation and rules, e) determine the principles to be adhered to in relation to the oversight function pursuant to the MKK Regulation, f) evaluate the conduct and operating results of the MKK organization and service units; pass resolutions on the oversight, audit, inspection, inquiry and investigation reports; ensure enforcement of the results and recommendations deemed necessary, g) cooperate with domestic, foreign and international institutions on subjects falling within MKK's duties and authorities, h) ensure that the Board of Directors resolutions are communicated to the related parties, that their requirements are met and monitor their enforcement, i) prepare MKK's annual reports and financial statements, j) finalize MKK's budget and employees chart, k) ensure that the information to be disclosed to the public regarding its operations in compliance with the related legislation is published on a regular basis on its website, l) determine the quantities and amounts of income items, and their collection time and manner, m) determine those authorized to sign on behalf of MKK and the limits of their authority, n) determine the general principles regarding the organizational and personnel policy.

Members of the Board of Directors should, a) not be subject to a bankruptcy, or announced concordatum b) not be counted among persons who share responsibility at

organizations which have one of their operational authorizations cancelled c) not have been sentenced due to breach of the Capital Market Law d) certify that no dissolution has been awarded against themselves or any organizations of which they are partners e) not have received any jail sentence of five years or longer for any preconceived offense, or a sentence for any offense committed against national security or constitutional order and its enforcement; or for offenses listed in the Regulation.

Furthermore, directors should hold university degrees in relevant disciplines, and have experience of at least 10 years in financial markets and economics.

60 G03Q018  
What are the election procedures?

PFMI: Q.2.3.2  
AGC: 7e

The Board consists of a minimum of 7 and maximum of 11 persons. One member is appointed by the Capital Markets Board as per the Turkish Commercial Code Article 334, and another member is appointed by the Ministry of Trade with regard to MKK's designation as the Electronic Registry Agency in accordance with the provisions of the Agricultural Products Licensed Warehouse Act. No. 5300 and the e-Warehouse Receipt Regulation which is based on this Act. Lastly, the CEO of MKK is the native member of the Board. The member appointed by the CMB acts as the chairman of the BoD.

61 G03Q019  
What is the maximum length of time a board member can serve?

PFMI: Q.2.3.2  
AGC: 7f

Serving term of board members is maximum 3 years, but each member can be re-elected by the General Assembly.

62 G03Q020  
How are the voting powers distributed amongst the board members (i.e. does each board member have one vote or do certain members have additional voting power)?

PFMI: Q.2.3.2  
AGC: 7g

Each board member has the right for a single vote. Board resolutions are taken by majority votes.

64 G03Q022  
What are the procedures established to review the performance of the board as a whole and the performance of the individual board members? Who is responsible for regulating the board members?

PFMI: Q.2.3.4  
AGC: 7h

The General Assembly of MKK is responsible for regulating the BoD members. The Capital Markets Board regulations are the primary legal resources for regulating the BoD. The structure of the Board is determined by MKK's Articles of Association. It is also protected by the "Regulation on the Establishment, Operation, Conduct and Audit Principles of the Central Securities Depository".

84 G03042  
filecount - Add relevant appendices for this group.

PFMI: n/a  
AGC: n/a

0

## Comprehensive risk management (PFMI Principle 3)

87 G04Q003  
Any direct damages or losses to participants caused by the CSD as a result of force majeure events, acts of God, or political events, etc.?

PFMI: Q.3.1.1  
AGC: 66x.

Yes [A01]

88 G04Q004  
If yes, please check all of the following that apply:

PFMI: Q.3.1.1  
AGC: 66y.

Financial limits are imposed on the amount of liability assumed by the CSD  
 The CSD assumes liability for direct losses  
 The CSD assumes liability for indirect or consequential losses  
 OTHER: Liabilities are to be determined in line with Turkish Laws by Turkish Courts.

89 G04Q005  
In all cases where the CSD assumes responsibility for direct or indirect or consequential losses, is the CSD's liability limited by a standard of care determination?

PFMI: Q.3.1.1  
AGC: 66+

Other: The Turkish Capital Market Law, Article 81 and related MKK regulations indicate that MKK, issuers, and intermediary institutions shall be liable to the extent of their faults for damages to the holders of a right due to errors in the recordkeeping. Accordingly, Turkish legal system would assess the damages and the consequent responsibilities. Furthermore, the insurance scheme arrangements will provide the basis.

109 G04Q025  
filecount - Add relevant appendices for this group.

|                       |
|-----------------------|
| PFMI: n/a<br>AGC: n/a |
| 0                     |

## Credit risk (PFMI Principle 4)

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|--|
| 111 G05Q002<br>Does the CSD have a banking license?<br><br>PFMI: n/a<br>AGC: n/a |
| No [N]   |

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|---|
| 112 G05Q003<br>Irrespective of whether or not the CSD has a banking license, can it offer cash accounts and/or credit to its participants?<br><br>PFMI: n/a<br>AGC: n/a |
| No [N]  |

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| 120 G05Q011<br>Does the CSD have a guaranty fund independent of stock exchange or other market guarantees?<br><br>PFMI: Q.4.3.1<br>AGC: 78 |
| Not applicable [A03]   |

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| 126 G05Q017<br>Who is covered by the fund?<br><br>PFMI: Q.4.3.1<br>AGC: 78h.   |
| <input type="checkbox"/> Direct CSD participants only<br><input type="checkbox"/> The beneficial owner also<br><input type="checkbox"/> OTHER: |

|   |
|---|
| 127 G05Q018<br>When is the guaranty fund used?<br><br>PFMI: Q.4.3.1<br>AGC: 78j.  |
| <input type="checkbox"/> When a broker defaults<br><input type="checkbox"/> When a direct participant defaults<br><input type="checkbox"/> OTHER: |

|   |
|---|
| 130 G05Q021<br>Does the CSD have insurance to cover losses in the event of Default on settlement commitments by the CSD or a participant?<br><br>PFMI: Q.4.3.3<br>AGC: 91 |
| No [A02]  |

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|---|
| 133 G05Q024<br>Please explain other loss or default protections:<br><br>PFMI: Q.4.3.3<br>AGC: 79a   |
| Default management in Delivery versus Payment settlements is undertaken by Istanbul Settlement and Custody Bank (Takasbank), which is also the Central Counterparty (CCP) for Borsa Istanbul markets. |

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|---|
| 134 G05Q025<br>Does the CSD accept liability (independent of any insurance coverage) for the following: Any direct damages or losses to participants caused by the CSD in its capacity as a central counterparty?<br><br>PFMI: Q.4.3.3<br>AGC: 66q. |
| Not applicable [A03]  |

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|---|
| 135 G05Q026<br>If yes, please check all of the following that apply:<br><br>PFMI: Q.4.3.3<br>AGC: 66r.  |
| <input type="checkbox"/> Financial limits are imposed on the amount of liability assumed by the CSD<br><input type="checkbox"/> The CSD assumes liability for direct losses<br><input type="checkbox"/> The CSD assumes liability for indirect or consequential losses<br><input type="checkbox"/> OTHER: |

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| <p>139 G05Q030<br/>filecount - Add relevant appendices for this group.</p> <p><i>PFMI: n/a</i><br/><i>AGC: n/a</i></p> |
| 0  |

## Collateral (PFMI Principle 5)

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| <p>140 G06Q001<br/>Summary narrative for PFMI Principle 5. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)</p> <p><i>PFMI: Annex A - CSD disclosure template - IV.P5</i><br/><i>AGC: 35c</i></p> |
| <p>Participants manage collaterals by means of utilizing the Central Dematerialization System (CDS) features. MKK is only involved in conducting securities transfers and custody for collaterals.</p> <p>Collateral management is mainly carried out by Istanbul Settlement and Custody Bank (Takasbank), which is the CCP for Borsa Istanbul markets.</p>  |

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| <p>157 G06Q018<br/>filecount - Add relevant appendices for this group.</p> <p><i>PFMI: n/a</i><br/><i>AGC: n/a</i></p> |
| 0  |

## Liquidity risk (PFMI Principle 7)

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| <p>198 G06Q041<br/>filecount - Add relevant appendices for this group.</p> <p><i>PFMI: n/a</i><br/><i>AGC: n/a</i></p> |
| 0  |

## Settlement finality (PFMI Principle 8)

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| <p>199 G08Q015<br/>filecount - Add relevant appendices for this group.</p> <p><i>PFMI: n/a</i><br/><i>AGC: n/a</i></p> |
| 0  |

## Money settlements (PFMI Principle 9)

|   |
|---|
| <p>216 G09Q003<br/>Who accepts cash deposits (or makes payment credit accommodations) for CSD transactions?</p> <p><i>PFMI: Q.9.1.1</i><br/><i>AGC: 31</i></p>  |
| <p><input type="checkbox"/> CSD<br/> <input type="checkbox"/> Central Bank<br/> <input checked="" type="checkbox"/> Banks appointed by CSD<br/> <input type="checkbox"/> Neither or others (e.g. credit lines used)<br/> <input type="checkbox"/> Not applicable<br/> <input type="checkbox"/> OTHER:</p> |

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|--|
| <p>217 G09Q004<br/>Please indicate the name of the banks appointed by the CSD</p> <p><i>PFMI: Q.9.1.1</i><br/><i>AGC: 31a</i></p>        |
| <p>Takasbank accepts cash deposits for cash settlement operations and corporate action transactions that involve cash distributions.</p> |

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| <p>218 G09Q005<br/>Who processes cash clearing (or draws on credit lines, if applicable) for CSD transactions?</p> <p><i>PFMI: Q.9.1.1</i><br/><i>AGC: 32</i></p>   |
| <p><input type="checkbox"/> CSD<br/> <input type="checkbox"/> Central Bank<br/> <input checked="" type="checkbox"/> Banks appointed by the CSD<br/> <input type="checkbox"/> Neither or others (e.g. credit lines used)<br/> <input type="checkbox"/> Not applicable<br/> <input type="checkbox"/> OTHER:</p> |

|   |
|---|
| <p>219 G09Q006<br/>Please name banks appointed by the CSD</p> <p><i>PFMI: Q.9.1.1</i><br/><i>AGC: 32a</i></p> |
| <p>For depository transactions, especially corporate actions is conducted by MKK's cash agent Takasbank.</p>  |

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| <p>220 G09Q007<br/>Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)?</p> <p><i>PFMI: Q.9.1.1</i><br/><i>AGC: 33, 33b</i></p>  |
| <p><input checked="" type="checkbox"/> CSD<br/> <input type="checkbox"/> Central Bank<br/> <input checked="" type="checkbox"/> Banks appointed by CSD<br/> <input type="checkbox"/> Neither or others (e.g. credit lines used)<br/> <input type="checkbox"/> Not applicable<br/> <input type="checkbox"/> OTHER:</p> |

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|---|
| <p>221 G09Q008<br/>Please name banks appointed by the CSD</p> <p><i>PFMI: Q.9.1.1</i><br/><i>AGC: 33a</i></p> |
| <p>As the cash agent of MKK, Takasbank is also responsible in the movement of cash deposits.</p>              |

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| <p>222 G09Q009<br/>Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)?</p> <p><i>PFMI: Q.9.1.1</i><br/><i>AGC: 34</i></p>  |
| <p><input type="checkbox"/> CSD<br/> <input type="checkbox"/> Central Bank<br/> <input checked="" type="checkbox"/> Banks appointed by CSD<br/> <input type="checkbox"/> Neither or others (e.g. credit lines used)<br/> <input type="checkbox"/> Not applicable<br/> <input type="checkbox"/> OTHER:</p> |

|   |
|---|
| <p>223 G09Q010<br/>Please name banks appointed by CSD</p> <p><i>PFMI: Q.9.1.1</i><br/><i>AGC: 34a</i></p> |
| <p>Takasbank controls the movement of cash for cash clearing as cash agent of the settlement system.</p>  |

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| <p>233 G09Q020<br/>filecount - Add relevant appendices for this group.</p> <p><i>PFMI: n/a</i><br/><i>AGC: n/a</i></p> |
| <p>0</p>   |

## Physical deliveries (PFMI Principle 10)

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| <p>238 G10Q005<br/>How are eligible securities lodged in the CSD system?</p> <p><i>PFMI: Q.10.1.3</i><br/><i>AGC: 57, 57a</i></p>  |
| <p><input type="checkbox"/> A registered certificate in the name of the CSD is delivered to the CSD.<br/> <input checked="" type="checkbox"/> A participant delivers the security with a valid transfer deed or stock power or other transfer document to the CSD which then effects registration.<br/> <input type="checkbox"/> A registrar re-registers the security in the name of the CSD.<br/> <input type="checkbox"/> Not applicable<br/> <input type="checkbox"/> OTHER:</p> |

|  |
|--|
| <p>239 G10Q006<br/>When are securities lodged into the CSD reflected in a participant's CSD account?</p> <p><i>PFMI: Q.10.1.3</i><br/><i>AGC: 58, 58a</i></p>  |
| <p><input checked="" type="checkbox"/> Securities are reflected in the participant's CSD account immediately upon delivery to the CSD.<br/> <input type="checkbox"/> Securities are re-registered prior to being reflected in the participant CSD account.<br/> <input type="checkbox"/> Not applicable<br/> <input type="checkbox"/> OTHER:</p> |

|  |
|--|
| <p>240 G10Q007<br/>How long does it usually take to lodge securities with the CSD?</p> |
|--|

*PFMI: Q.10.1.3*  
*AGC: 59, 59b*

Other: Immediately after the physical certificates are lodged in MKK to be abolished in three days.

242 G10Q009  
During the process of lodging securities into the CSD, can the securities be traded?

*PFMI: Q.10.1.3*  
*AGC: 60*

No [A02]

243 G10Q010  
During the process of lodging securities into the CSD, can the securities be settled?

*PFMI: Q.10.1.3*  
*AGC: 60a*

No [A02]

244 G10Q011  
During the process of lodging securities into the CSD, can the securities have ownership transferred?

*PFMI: Q.10.1.3*  
*AGC: 60b*

No [A02]

246 G10Q013  
If they cannot be settled, or if you answered other, please explain

*PFMI: Q.10.1.3*  
*AGC: 60d*

Only dematerialized securities can be traded on exchange or have their ownership transferred between investors.

247 G10Q014  
If ownership cannot be transferred, or if you answered other, please explain

*PFMI: Q.10.1.3*  
*AGC: 60e*

Only ownerships on dematerialized securities can be transferred.

248 G10Q015  
Are securities immediately available for delivery upon transfer to the CSD?

*PFMI: Q.10.1.3*  
*AGC: 61, 61d*

Yes [A01]

252 G10Q019  
What transfer process steps are involved when eligible securities are withdrawn from the CSD for safekeeping?

*PFMI: Q.10.1.3*  
*AGC: 63, 63a*

Other: Securities cannot be removed from the depository once dematerialized.

253 G10Q020  
How long does it usually take to remove securities from the CSD?

*PFMI: Q.10.1.3*  
*AGC: 64, 64b*

Not applicable [A05]

255 G10Q022  
While the securities are being removed from the CSD, can they be traded? (Choose one)

*PFMI: Q.10.1.3*  
*AGC: 65a*

Not applicable [A02]

257 G10Q024  
While the securities are being removed from the CSD, can they be settled? (Choose one)

*PFMI: Q.10.1.3*  
*AGC: 65c*

Not applicable [A02]



259 G10Q026  
While the securities are being removed from the CSD, can they have ownership transferred? (Choose one)

PFMI: Q.10.1.3  
AGC: 65e

Not applicable [A02]

262 G10Q029  
What are the vault security procedures for the safekeeping of physical paper?

PFMI: Q.10.2.1  
AGC: 75

Not applicable, no vault is maintained  
 Electronic keys or combinations  
 Dual access control  
 Visitor logs  
 Vault counts  
 Intrusion alarms  
 Fire alarms  
 Guards  
 OTHER:

268 G10Q035  
filecount - Add relevant appendices for this group.

PFMI: n/a  
AGC: n/a

0

**Central Securities Depositories (PFMI Principle 11)**

270 G11Q002  
CSD FUNCTIONALITY AND SERVICES, USE OF AGENTS. Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities that may potentially be offered by depositories and clearing systems around the world, and ascertain whether they are offered by your institution. For which of the following security types do you serve as a CSD or clearing system?

PFMI: n/a  
AGC: 26

Government securities  
 Equities  
 Corporate bonds  
 Corporate money market  
 Not applicable  
 OTHER: Mutual Funds, Exchange Traded Funds, Warrants, Covered Bonds, Asset Backed Securities, Real-estate Certificates, Sukuk.

271 G11Q003  
Please name the other security types:

PFMI: n/a  
AGC: 26a.

Mutual Funds, Exchange Traded Funds, Warrants, Covered Bonds, Asset Backed Securities, Real-estate Certificates, Sukuk.

272 G11Q004  
Is the use of the CSD in your market compulsory by law or compulsory by market practice for the settlement or safekeeping of all instrument types in your market (e.g. equities, government securities, corporate bonds, money market instruments, warrants, derivatives etc).

PFMI: n/a  
AGC: 27, 27c

Yes by law for settlement of all instrument types  
 Yes by law for safekeeping of all instrument types  
 Yes by market practice for settlement of all instrument types  
 Yes by market practice for safekeeping of all instrument types  
 Yes by law for settlement, but not for all instrument types  
 Yes by law for safekeeping, but not for all instrument type  
 Yes by market practice for settlement, but not for all instrument types  
 Yes by market practice for safekeeping, but not for all instrument types  
 Neither  
 OTHER: The use of MKK for safekeeping and settlement for all dematerialized securities in the Turkish capital markets is compulsory according to the Capital Markets Law.

273 G11Q005  
Please list the instrument types for which it is not compulsory by law to: (i) settle in your CSD

PFMI: n/a  
AGC: 27a. (i)

The Central Bank of Turkey is the CSD for the Turkish government debt securities. Although government debt instruments in non-bank portfolios are monitored (held) in MKK system settlement of these securities is not compulsory by law.

274 G11Q006  
(ii) safekeep in your CSD:

PFMI: n/a  
AGC: 27a. (ii)

The Central Bank of Turkey is the CSD for the Turkish government debt securities. Although government debt instruments in non-bank portfolios are monitored (held) in MKK system safekeeping of these securities is not compulsory by law.

275 G11Q007

Please list the instrument types for which it is not compulsory by market practice to: (i) settle in your CSD

PFMI: n/a

AGC: 27b. (i)

The Central Bank of Turkey is the CSD for the Turkish government debt securities. Although government debt instruments in non-bank portfolios are monitored (held) in MKK system settlement of these securities is not compulsory by market practice.

276 G11Q008

(ii) safekeep in your CSD:

PFMI: n/a

AGC: 27b. (ii)

The Central Bank of Turkey is the CSD for the Turkish government debt securities. Although government debt instruments in non-bank portfolios are monitored (held) in MKK system safekeeping of these securities is not compulsory by market practice.

277 G11Q009

Settlement and Safekeeping Percentages 28a Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) settled within your institution, exclusive of your links with third parties.

PFMI: n/a

AGC: 28 28a

100% of the dematerialized capital market instruments and government debt securities portfolios of non-bank investors are safekept at MKK.

278 G11Q010

Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) held in safekeeping within your institution.

PFMI: n/a

AGC: 28b.

The percentages of the total market (in nominal value) are: 100 % for all equities (floating and non-floating) and other dematerialized securities that are held in safekeeping within MKK. All non-bank investor portfolios of government debt securities are also held at MKK.

280 G11Q012

In the event a participant's single or main account is blocked for any reason (e.g., insolvency, penalties, violations, liens), would securities held in any account or accounts on behalf of the participant's clients be accessible: By the participant's clients?

PFMI: Q.11.1.1

AGC: 44a

Yes [A01]

281 G11Q013

If yes, please describe briefly how clients of participants would access their securities and whether there would be any delay in their ability to do so:

PFMI: Q.11.1.1

AGC: 44b

In case there is a blockage on a participant's single account, the participant's client will not be affected by the blockage as client assets are segregated from participant assets. Securities of clients are held in the accounts that are opened in their names as beneficial right owners with regard to MKK's direct holding system. If a participant's operations are suspended temporarily, clients can still access their holdings through that participant. If a bankruptcy decision is taken about a participant, the participant's clients would access their holdings through the Investors Indemnification Fund (IIF) or the Bankruptcy Office.

282 G11Q014

By the intervening authorities controlling insolvency or other proceedings?

PFMI: Q.11.1.1

AGC: 44d.

Yes [A01]

283 G11Q015

If yes, please describe briefly under what conditions access would be granted to the intervening authorities:

PFMI: Q.11.1.1

AGC: 44e.

If there is a bankruptcy decision regarding a participant, the Bankruptcy Office would access the holdings. If there is an administrative liquidation decision given by the CMB regarding a participant, the Investors Indemnification Fund (IIF) which is managed by the CMB will have access to the holdings in the participant account in order to perform the liquidation process. As a corporate body, the IIF has its own legal entity, however it does not have any administrative body of its own and it is administered and represented by the CMB.

284 G11Q016

By the participant's creditors?  
*PFMI: Q.11.1.1*  
*AGC: 44g, 44i*

No [A02]

286 G11Q018  
 By the CSD's creditors?  
*PFMI: Q.11.1.1*  
*AGC: 44j*

No [A02]

288 G11Q020  
 What is your document and record retention policy for documents and records described above in this section?  
*PFMI: Q.11.1.1*  
*AGC: 47, 47a*

Other: At least 10 years.

289 G11Q021  
 Does the law protect participant assets from claims and liabilities of the CSD?  
*PFMI: Q.11.1.1*  
*AGC: 54*

Yes [A01]

290 G11Q022  
 Can the CSD assess a lien on participant accounts? (A lien would entitle the CSD to take and hold or sell the securities of the participant in payment of a debt.)  
*PFMI: Q.11.1.1*  
*AGC: 55*

No [A02]

291 G11Q023  
 If yes, for what reasons are liens or similar claims imposed?  
*PFMI: Q.11.1.1*  
*AGC: 55a*

Fees and expenses  
 Collateralization of overdrafts  
 To secure payment for purchased securities  
 OTHER:

292 G11Q024  
 Please describe:  
*PFMI: Q.11.1.1*  
*AGC: 55b*

MKK does not have the authority to assess lien on participant accounts.

297 G11Q029  
 Please explain:  
*PFMI: Q.11.1.1*  
*AGC: 55g*

MKK does not have the authority to assess lien on participant accounts.

301 G11Q033  
 Please explain:  
*PFMI: Q.11.1.1*  
*AGC: 55i*

MKK can not place a lien on client accounts directly for the obligations arising from safe custody and administration of these accounts. Assessment of a lien can only be instigated on participant portfolio accounts following a court decision.

302 G11Q034  
 Transfer of Legal Ownership. Does the CSD have legal authority to transfer title to securities?  
*PFMI: Q.11.1.1*  
*AGC: 56, 56e*

Yes [A01]

303 G11Q035  
 When does title or entitlement to CSD securities pass between participants?

*PFMI: Q.11.1.1*  
*AGC: 56a*

When the transaction is processed on an intra-day basis [A03]

305 G11Q037  
Where does title or entitlement to CSD securities pass between participants?

*PFMI: Q.11.1.1*  
*AGC: 56c*

On the CSD books [A01]

308 G11Q040  
In what form does the CSD maintain records identifying the assets of each participant?

*PFMI: Q.11.1.2*  
*AGC: 45*

Computer file  
 Microfiche  
 Hard copy  
 Computer tape  
 OTHER:

309 G11Q041  
In which format is the source data maintained?

*PFMI: Q.11.1.2*  
*AGC: 45b*

EMC VMAX and VNX Data storage, EMC DataDomain, HP EVA Data storage.

314 G11Q046  
If the securities held with the CSD are recorded by book-entry at the registrar, what are the control features at the registrar for transfer of registrar positions to and from the CSD (e.g., authentication procedures, reconciliation, confirmation of position at registrar)? Please describe:

*PFMI: Q.11.1.6*  
*AGC: 52f*

Not applicable. MKK also performs the registrar function in the market therefore there is no transfer between MKK and any other registrar.

317 G11Q049  
How are CSD eligible securities held by the CSD?

*PFMI: Q.11.3.1*  
*AGC: 50, 50a*

In dematerialized form  
 In certificated form  
 OTHER:

319 G11Q051  
If CSD eligible securities are certificated, can CSD eligible securities be held outside of the CSD?

*PFMI: Q.11.3.2*  
*AGC: 51*

All eligible securities must be held in the CSD [A01]

321 G11Q053  
If CSD eligible securities are required to be centrally immobilized at the CSD, where and with whom are the certificates safekept? (then please answer 51c)

*PFMI: Q.11.3.2*  
*AGC: 51b*

Turkish capital market is a fully dematerialized market, and hence, only a very small number of securities are held in physical form. Investors holding physical shares shall lodge their certificates in MKK. MKK cancels these certificates and abolishes them in three days as the dematerialization process is completed according to regulations.

322 G11Q054  
Are these certificates:

*PFMI: Q.11.3.2*  
*AGC: 51c*

Bearer  
 Registered  
 OTHER: MKK holds both bearer and registered shares.

323 G11Q055  
If registered, how are the CSD eligible securities registered?

*PFMI: Q.11.3.2*  
*AGC: 51d*

In the name of the CSD  
 In the name of the depositing participant or its nominee

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In the name of a separate nominee of the CSD  
 OTHER:

327 G11Q059  
If securities are dematerialized: May dematerialized security positions be re-certificated and held outside the CSD?

PFMI: Q.11.3.2  
AGC: 52

No [A02]

328 G11Q060  
Are the securities held:

PFMI: Q.11.3.2  
AGC: 52a, 52k

Through book-entry at the CSD  
 Through book-entry at a registrar or issuer  
 OTHER:

329 G11Q061  
Please identify which types of entities may act as registrars:

PFMI: Q.11.3.2  
AGC: 52b

Issuers  
 Separate companies that perform registrar functions  
 CSD  
 OTHER:

330 G11Q062  
If the securities held by the CSD are recorded by book entry at the registrar, are the securities registered only to the CSD, with the CSD providing the function of recording ownership on a centralized basis for the market?

PFMI: Q.11.3.2  
AGC: 52d

Yes [A01]

331 G11Q063  
If yes, how are securities held at the registrar for the account of the CSD?

PFMI: Q.11.3.2  
AGC: 52e

Other: It is not possible to register securities in the name of the depository (or its nominee). Securities shall be registered in the name of beneficial right owners (investors). Only exception to this rule are foreign (I)CSDs, which are legally allowed to open omnibus accounts at MKK. The CMB is the legal authority that authorize opening of omnibus accounts at MKK on behalf of (I)CSDs and determine capital market instruments that will be held in those accounts. According to Article 13 of Capital Market Law the date of notification to MKK is taken as reference in claiming rights on dematerialized capital market instruments against third parties. Furthermore, according to the legislation, in registering transfer of shares at the share register of companies pursuant to the Turkish Commercial Code, the records at MKK are taken as basis without the need for further application by any party.

332 G11Q064  
Please describe:

PFMI: Q.11.3.2  
AGC: 52f

It is not possible to register securities in the name of the depository (or its nominee). Securities shall be registered in the name of beneficial right owners (investors). Only exception to this rule are foreign (I)CSDs, which are legally allowed to open omnibus accounts at MKK. The CMB is the legal authority that authorize opening of omnibus accounts at MKK on behalf of (I)CSDs and determine capital market instruments that will be held in those accounts. According to Article 13 of Capital Market Law the date of notification to MKK is taken as reference in claiming rights on dematerialized capital market instruments against third parties. Furthermore, according to the legislation, in registering transfer of shares at the share register of companies pursuant to the Turkish Commercial Code, the records at MKK are taken as basis without the need for further application by any party.

337 G11Q069  
Does the CSD accept liability (independent of any insurance coverage) for the following: Reconciliation errors with the registrar and/or the issuer that result in direct damages or losses to participants?

PFMI: Q.11.4.1  
AGC: 66, 66a, 66d

Yes [A03]

338 G11Q070  
If yes, please check all of the following that apply:

PFMI: Q.11.4.1  
AGC: 66b 66c

Financial limits are imposed on the amount of liability assumed by the CSD  
 The CSD assumes liability for direct losses  
 The CSD assumes liability for indirect or consequential losses  
 OTHER: The Turkish Capital Market Law, Article 81 and related MKK regulations indicate that MKK, issuers, and intermediary institutions shall be liable to the extent of their faults for damages to the holders of a right due to errors in the recordkeeping. Accordingly, Turkish legal system would assess the damages and the consequent responsibilities.

339 G11Q071

Theft of securities (either physical certificate or electronically from accounts at the CSD) from the CSD that results in direct damages or losses to participants?

*PFMI: Q.11.4.1*  
*AGC: 66e, 66g, 66h*

Yes [A02]

340 G11Q072

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1*  
*AGC: 66f*

Financial limits are imposed on the amount of liability assumed by the CSD  
 The CSD assumes liability for direct losses  
 The CSD assumes liability for indirect or consequential losses  
 OTHER: The Turkish Capital Market Law, Article 81 and related MKK regulations indicate that MKK, issuers, and intermediary institutions shall be liable to the extent of their faults for damages to the holders of a right due to errors in the recordkeeping. Accordingly, Turkish legal system would assess the damages and the consequent responsibilities.

341 G11Q073

Failure of the CSD's systems that result in direct damages or losses to participants because they cannot use either securities or funds?

*PFMI: Q.11.4.1*  
*AGC: 66i, 66l*

Yes [A02]

342 G11Q074

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1*  
*AGC: 66j, 66k*

Financial limits are imposed on the amount of liability assumed by the CSD  
 The CSD assumes liability for direct losses  
 The CSD assumes liability for indirect or consequential losses  
 OTHER: The Turkish Capital Market Law, Article 81 and related MKK regulations indicate that MKK, issuers, and intermediary institutions shall be liable to the extent of their faults for damages to the holders of a right due to errors in the recordkeeping. Accordingly, Turkish legal system would assess the damages and the consequent responsibilities.

343 G11Q075

Any direct damages or losses to participants caused by the CSD due to its errors, omissions or fraud?

*PFMI: Q.11.4.1*  
*AGC: 66m, 66p*

Yes  
 No  
 Not applicable  
 OTHER:

344 G11Q076

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1*  
*AGC: 66n*

Financial limits are imposed on the amount of liability assumed by the CSD  
 The CSD assumes liability for direct losses  
 The CSD assumes liability for indirect or consequential losses  
 OTHER: The Turkish Capital Market Law, Article 81 and related MKK regulations indicate that MKK, issuers, and intermediary institutions shall be liable to the extent of their faults for damages to the holders of a right due to errors in the recordkeeping. Accordingly, Turkish legal system would assess the damages and the consequent responsibilities.

346 G11Q078

Is the CSD immune from legal action in its own jurisdiction?

*PFMI: Q.11.4.2*  
*AGC: 68*

No [A02]

348 G11Q080

Does the CSD have Fidelity insurance (that is, insurance to cover loss of securities or money resulting, for example, from acts such as forgery, theft, fraud and/or employee dishonesty)?

*PFMI: Q.11.4.3*  
*AGC: 92*

Yes [A01]

349 G11Q081

What is the amount of the coverage?

*PFMI: Q.11.4.3*  
*AGC: 92a*

Borsa Istanbul, Takasbank and MKK have a common insurance policy (comprehensive crime insurance policy) that provides the coverage for crimes. It has an annual benefit limit of USD 5,000,000 with a deductible of USD 100,000 per claim.

350 G11Q082  
What is the amount of the deductible?  
*PFMI: Q.11.4.3*  
*AGC: 92b.*

USD 100,000 per claim.

351 G11Q083  
Does the CSD have insurance for Operational Errors?  
*PFMI: Q.11.4.3*  
*AGC: 93*

Yes [A01]

352 G11Q084  
What is the amount of the coverage?  
*PFMI: Q.11.4.3*  
*AGC: 93a.*

Annually USD 5,000,000 provided through the Professional Indemnity Policy.

353 G11Q085  
What is the amount of the deductible?  
*PFMI: Q.11.4.3*  
*AGC: 93b.*

USD 100,000 per claim.

354 G11Q086  
Does the CSD have Errors and Omissions insurance?  
*PFMI: Q.11.4.3*  
*AGC: 94*

Yes [A01]

355 G11Q087  
What is the amount of the coverage?  
*PFMI: Q.11.4.3*  
*AGC: 94a.*

Annually USD 5,000,000 provided through the Professional Indemnity Policy.

356 G11Q088  
What is the amount of the deductible?  
*PFMI: Q.11.4.3*  
*AGC: 94b.*

USD 100,000 per claim.

357 G11Q089  
Does the CSD have insurance for the Premises?  
*PFMI: Q.11.4.3*  
*AGC: 95*

Yes [A01]

358 G11Q090  
What is the amount of the coverage?  
*PFMI: Q.11.4.3*  
*AGC: 95a.*

1. MKK operates in Borsa Istanbul premises. And there is a property damage and electronic equipment insurance policy providing coverage for MKK's tangible assets, such as electronic equipments and other properties. The maximum yearly coverage is up to TRY 19,821,720. 2. MKK also has an employer liability insurance. The total coverage of the insurance is USD 7,342,650 (USD 750,000 total limit of employer insurance policy + USD 6,592,650 total labor cost). There is no deductible amount for this insurance.

359 G11Q091  
What is the amount of the deductible?  
*PFMI: Q.11.4.3*  
*AGC: 95b.*

The maximum deductible amount for these policies is up to 20% of electronic equipment damage and 20% of other intangible asset damage.

360 G11Q092

|   |
|---|
| <p>Does the CSD have any other insurance?</p> <p><i>PFMI: Q.11.4.3</i><br/><i>AGC: 96, 96d</i></p> <p>Yes [A01]</p>   |
| <p>361 G11Q093<br/>If so, what is it for?</p> <p><i>PFMI: Q.11.4.3</i><br/><i>AGC: 96a.</i></p> <p>Directors and Officers Liability Insurance provides financial protection for the directors and officers of MKK in the event they are sued in conjunction with the performance of their duties as they relate to MKK.</p>   |
| <p>362 G11Q094<br/>What is the amount of the coverage?</p> <p><i>PFMI: Q.11.4.3</i><br/><i>AGC: 96b.</i></p> <p>For directors and officers liability insurance, the yearly limit of liability is USD 100,000,000 for the three group companies; MKK, Takasbank and Borsa Istanbul, against any one claim and in aggregate.</p>  |
| <p>363 G11Q095<br/>What is the amount of the deductible?</p> <p><i>PFMI: Q.11.4.3</i><br/><i>AGC: 96c.</i></p> <p>There is no deductible amount for MKK's officers and directors.</p>   |
| <p>364 G11Q096<br/>Who is the insurance carrier? If more than one insurance carrier, please list each carrier here and provide your responses to questions 97a and 97b in corresponding order.</p> <p><i>PFMI: Q.11.4.3</i><br/><i>AGC: 97</i></p> <p>Gunes Sigorta is the carrier for the MKK's Professional Indemnity Policy. Generali Sigorta is the carrier for the Borsa Istanbul, Takasbank and MKK's common comprehensive crime insurance policy. Ak Sigorta is the carrier for the property damage and electronic equipment insurance policy.</p> |
| <p>365 G11Q097<br/>Who is the insurance carrier's parent company, if applicable? (If inapplicable, simply type n/a.)</p> <p><i>PFMI: Q.11.4.3</i><br/><i>AGC: 97a.</i></p> <p>N/A</p>   |
| <p>366 G11Q098<br/>What is the term of the policy?</p> <p><i>PFMI: Q.11.4.3</i><br/><i>AGC: 97b.</i></p> <p>3 November 2018</p>   |
| <p>367 G11Q099<br/>Who does the insurance cover?</p> <p><i>PFMI: Q.11.4.3</i><br/><i>AGC: 97c, 97d</i></p> <p><input checked="" type="checkbox"/> CSD<br/> <input type="checkbox"/> Direct CSD participants<br/> <input type="checkbox"/> Final investors<br/> <input type="checkbox"/> Not applicable<br/> <input checked="" type="checkbox"/> OTHER: Borsa Istanbul and Takasbank. Generali Sigorta is the carrier for Borsa Istanbul, Takasbank, and MKK common insurance policy. This policy covers comprehensive crime issues.</p>                   |
| <p>369 G11Q101<br/>filecount - Upload document here:</p> <p><i>PFMI: Q.11.4.3</i><br/><i>AGC: 98a.</i></p> <p>0</p>   |
| <p>370 G11Q102<br/>Do the CSD's written contracts, rules, or established practices and procedures provide protection against risk of loss of participant assets by the CSD in the form of indemnification?</p> <p><i>PFMI: Q.11.4.3</i><br/><i>AGC: 67a, 67b.</i></p>   |



Yes  
 No  
 Not applicable  
 OTHER:

371 G11Q103  
Please explain (then please answer 67c):

*PFMI: Q.11.4.3*  
*AGC: 67b.*

Liabilities are to be determined in line with the Turkish Capital Markets Law requisite referred above. Furthermore, the insurance scheme arrangements will provide the basis.

372 G11Q104  
Please provide details of the relevant sections of the contracts, rules or practices where this information is found

*PFMI: Q.11.4.3*  
*AGC: 67c.*

The Turkish Capital Market Law, Article 81 and related MKK regulations indicate that MKK, issuers, and intermediary institutions shall be liable to the extent of their faults for damages to the holders of a right due to errors in the recordkeeping. Accordingly, Turkish legal system would assess the damages and the consequent responsibilities.

373 G11Q105  
Insurance

*PFMI: Q.11.4.3*  
*AGC: 67d.*

Yes  
 No  
 Not applicable  
 OTHER:

374 G11Q106  
Please explain (then please answer 67f):

*PFMI: Q.11.4.3*  
*AGC: 67e.*

A Professional Indemnity Policy that provides coverage against errors or omissions of MKK employees and/or failures of MKK systems. The maximum yearly coverage under this policy is capped at USD 5 million, with a deductible of USD 100,000 per claim.

375 G11Q107  
Please provide details of the relevant sections of the contracts, rules or practices where this information is found

*PFMI: Q.11.4.3*  
*AGC: 67f.*

The above information is found in the Professional Indemnity and Directors & Officers Liability insurance policy agreements maintained by MKK, Takasbank and Borsa Istanbul. The contract period expiration date is 3 Nov 2018. The contract includes two sections. Section A covers Professional Indemnity insurance and Section B covers Directors & Officers Liability insurance.

376 G11Q108  
Acknowledgement of liability for losses caused by CSD's own actions.

*PFMI: Q.11.4.3*  
*AGC: 67g.*

Yes [A01]

377 G11Q109  
Please explain (then please answer 67i):

*PFMI: Q.11.4.3*  
*AGC: 67h.*

The Turkish Capital Market Law, Article 13, 80, 81, 87 and related MKK regulations indicate that MKK, issuers, and intermediary institutions shall be liable to the extent of their faults for damages to the holders of rights due to errors in record keeping. Accordingly, the Turkish legal system would assess the damages and the consequent responsibilities.

378 G11Q110  
Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

*PFMI: Q.11.4.3*  
*AGC: 67i.*

Please refer to our answer to Q.377.

379 G11Q111  
Other

*PFMI: Q.11.4.3*  
*AGC: 67j.*

No [N]

|   |
|---|
| <p>383 G11Q115<br/>Are participants permitted to maintain more than one account at the CSD?</p> <p><i>PFMI: Q.11.5.1</i><br/><i>AGC: 41</i></p> <p>Yes [A01]</p>  |
| <p>384 G11Q116<br/>If yes, please indicate number:</p> <p><i>PFMI: Q.11.5.1</i><br/><i>AGC: 41a, 41c</i></p> <p><input checked="" type="checkbox"/> An unlimited number of accounts<br/><input type="checkbox"/> More than one account<br/><input type="checkbox"/> OTHER:</p>  |
| <p>387 G11Q119<br/>Are participants required/permitted to segregate assets held for their own benefit from those they hold for their clients?</p> <p><i>PFMI: Q.11.5.2</i><br/><i>AGC: 42</i></p> <p><input checked="" type="checkbox"/> Yes<br/><input type="checkbox"/> No<br/><input type="checkbox"/> Not applicable<br/><input type="checkbox"/> OTHER:</p>  |
| <p>388 G11Q120<br/>If yes, is segregation required or simply permitted?</p> <p><i>PFMI: Q.11.5.2</i><br/><i>AGC: 42a</i></p> <p>Required [A01]</p>  |
| <p>389 G11Q121<br/>How does segregation occur?</p> <p><i>PFMI: Q.11.5.2</i><br/><i>AGC: 42b, 42c</i></p> <p><input type="checkbox"/> By separately designated participant accounts.<br/><input type="checkbox"/> By sub-accounts within a single participant account.<br/><input type="checkbox"/> By separately designated beneficial owner accounts.<br/><input checked="" type="checkbox"/> OTHER: The CML Article 13 indicates that dematerialized financial instruments must be recorded with respect to issuers, intermediary institutions and owners of rights. In the Central Dematerialization System (CDS), participants are obliged to open segregated accounts of their own and for their clients. Clients can have more than one account in the CDS. The legislation and MKK's rules require investors to open accounts in the CDS via participants and have registry IDs. Therefore, investors can not open accounts directly in the MKK system. Account holder (investor) bears the ownership as the beneficial right owner. Only foreign depository institutions (i.e. foreign CSDs) can open omnibus custody accounts at MKK as per CMB approval.</p>  |
| <p>390 G11Q122<br/>Does the CSD permit its participants to open accounts in the participant's own nominee name(s)?</p> <p><i>PFMI: Q.11.5.2</i><br/><i>AGC: 43, 43b</i></p> <p>No [A02]</p>   |
| <p>392 G11Q124<br/>Does the CSD maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants?</p> <p><i>PFMI: Q.11.5.2</i><br/><i>AGC: 53, 53a</i></p> <p><input checked="" type="checkbox"/> Yes<br/><input type="checkbox"/> No<br/><input type="checkbox"/> Not applicable<br/><input type="checkbox"/> OTHER:</p>  |
| <p>394 G11Q126<br/>Please indicate services you provide.</p> <p><i>PFMI: Q.11.6.1</i><br/><i>AGC: 35</i></p> <p><input checked="" type="checkbox"/> Own list or: AGC: Information in advance on corporate (annual or special) meetings in order that owners can vote.<br/><input type="checkbox"/> Tax assistance where foreign holders may be entitled to tax relief at source or through a claim.<br/><input type="checkbox"/> In order to avoid fails, an automatic securities lending facility - if requested - is provided for.<br/><input checked="" type="checkbox"/> Collateral handling in support of activities including securities lending, overdraft coverage, cash management, repurchase agreements, etc.<br/><input checked="" type="checkbox"/> Same day turnaround settlements.<br/><input checked="" type="checkbox"/> Information on distribution of new issues (IPO, Privatization).<br/><input type="checkbox"/> Not applicable<br/><input checked="" type="checkbox"/> OTHER: MKK has a variety of services such as registration of new issues, corporate actions (i.e. rights issues, interest payments, redemptions, mergers), registration of specific legal transactions (lien, pledge, etc.), processing of portfolio securities on the Electronic Fund Distribution Platform, and reporting. MKK also serves as a securities settlement agent for Takasbank's Lending and Borrowing facilities. MKK provides value-added services to its participants, investors and third-party institutions through the MKK Information Platform (e-MKK): e-GEM (Electronic General Meeting System), e-CAS (Investor Notification and Alert System), e-GOVERNANCE (Corporate Governance and Investor Relations Portal), e-DATA (Capital Markets Data Bank), e-WAREHOUSE RECEIPT (Electronic Warehouse Receipt Center), e-COMPANY (Companies Information Portal), and AloMKK Instant Voice Recognition System and Call Center. MKK furthermore manages the Public Disclosure Platform (PDP), the main source of corporate information for all listed companies in Turkey.</p> |
| <p>395 G11Q127</p>  |

Automatic securities lending facility is provided for:

PFMI: Q.11.6.1  
AGC: 35a

- Brokers  
 Banks  
 Other financial institutions  
 OTHER:

396 G11Q128

If collateral handling, please provide details

PFMI: Q.11.6.1  
AGC: 35c

Participants manage collaterals by means of utilizing the Central Dematerialization System (CDS) features. MKK is only involved in conducting securities transfers and custody for collaterals.

397 G11Q129

Other, please explain:

PFMI: Q.11.6.1  
AGC: 35d

MKK has a variety of services such as registration of new issues, corporate actions (i.e. rights issues, interest payments, redemptions, mergers), registration of specific legal transactions (lien, pledge, etc.), processing of portfolio securities on the Electronic Fund Distribution Platform, and reporting. MKK also serves as a securities settlement agent for Takasbank's Lending and Borrowing facilities. MKK provides value-added services to its participants, investors and third-party institutions through the MKK Information Platform (e-MKK); e-GEM (Electronic General Meeting System), e-CAS (Investor Notification and Alert System), e-GOVERNANCE (Corporate Governance and Investor Relations Portal), e-DATA (Capital Markets Data Bank), e-WAREHOUSE RECEIPT (Electronic Warehouse Receipt Center), e-COMPANY (Companies Information Portal), and AloMKK Instant Voice Recognition System and Call Center. MKK furthermore manages the Public Disclosure Platform (PDP), the main source of corporate information for all listed companies in Turkey.

398 G11Q130

What procedures are in place for the processing of corporate action entitlements?

PFMI: Q.11.6.1  
AGC: 36

- Credited to the securities account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.  
 Credited to the securities account upon actual receipt by the CSD.  
 Corporate action entitlements are handled by an entity separate from the CSD.  
 Not applicable  
 OTHER:

399 G11Q131

Credited to the securities account:

PFMI: Q.11.6.1  
AGC: 36a

- On pay date.  
 On pay date +1.  
 On pay date +2.  
 OTHER:

401 G11Q133

What procedures are in place for the processing of interest and dividends?

PFMI: Q.11.6.1  
AGC: 37, 37d.

- Credited to the cash account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.  
 Credited to the cash account upon actual receipt by the CSD.  
 Income and dividend collection is handled by an entity separate from the CSD.  
 Not applicable  
 OTHER: Takasbank acts as MKK's agent bank for distribution of rights issues, dividend, interest and principal payments that are executed on the MKK system. Issuers are required to deposit cash into the relevant MKK account with Takasbank. MKK instructs Takasbank to distribute cash to participant accounts, and participants in turn distribute cash to investor accounts. For interest payments and redemptions of government debt securities the Central Bank of Turkey distributes cash amounts to participant accounts.

402 G11Q134

Credited to the cash account:

PFMI: Q.11.6.1  
AGC: 37a

- On pay date.  
 On pay date +1.  
 On pay date +2.  
 OTHER:

405 G11Q137

filecount - Add relevant appendices for this group.

PFMI: n/a  
AGC: n/a

0

Exchange-of-value settlement systems (PFMI Principle 12)

408 G12Q003  
Does the CSD guaranty settlement?  
*PFMI: Q.12.1.1*  
*AGC: 66u.*

No [A01]

411 G12Q006  
The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble.  
*PFMI: Q.12.1.2*  
*AGC: 48*

Model1  
 Model2  
 Model3  
 Not applicable  
 OTHER: On-exchange trades of equities between direct and indirect participants and off-exchange transactions in other securities can settle on a free-of-payment (FOP) basis.

412 G12Q007  
Please briefly describe your settlement process, including how do your settlement procedures vary from the model chosen above?  
*PFMI: Q.12.1.3*  
*AGC: 48a*

MKK serves DVP systems that are managed by Takasbank as a securities agent. Takasbank, the CCP for Borsa Istanbul markets, runs two different DVP systems in which MKK is involved. One of them is for on-exchange broker to broker trade settlements and the other is a DVP system that covers on-exchange broker to custodian trades (e.g. trades of foreign institutional investors). The DVP systems do not vary materially from the models chosen above. MKK also runs the settlement system for the FOP OTC trades. Through its FOP Matching System it is made possible for all participants to match and settle their FOP OTC transactions automatically.

415 G12Q010  
Are the cash and security movements simultaneous?  
*PFMI: Q.12.1.3*  
*AGC: 49*

Yes [A01]

417 G12Q012  
filecount - Add relevant appendices for this group.  
*PFMI: n/a*  
*AGC: n/a*

0

**Participant default rules and procedures (PFMI Principle 13)**

421 G13Q004  
During the past three years, has there been a situation where a participant defaulted which resulted in a significant loss?  
*PFMI: Q.13.1.2*  
*AGC: 77*

No [A02]

423 G13Q006  
Does the stock exchange have default protections that extend to the CSD, such as the following?  
*PFMI: Q.13.1.2*  
*AGC: 80*

Margin requirements for stock exchange members  
 Guaranty fund for stock exchange members  
 Financial requirements for stock exchange membership  
 No  
 Not applicable  
 OTHER:

427 G13Q010  
Participant Default Protections Resulting from a Participant Failure. If a participant defaults, how is the loss covered? (Choose all that apply?)  
*PFMI: Q.13.1.4*  
*AGC: 76, 76d*

CSD insurance covers the loss  
 The CSD guaranty fund covers the loss  
 Loss is shared among participants  
 Not applicable  
 OTHER: Takasbank has established pre-funded guarantee funds for each market to which the CCP service is provided (Borsa Istanbul Equities Market, Debt Market, Futures and Options Market , Takasbank Securities Lending Market and Borsa Istanbul Money Market) in order to cover losses that exceed the losses covered by margin requirements of defaulting members. These guarantee funds are made up of clearing member contributions which is proportional to each clearing member's exposure and each guarantee fund must be in enough size to protect non defaulting members and Takasbank against defaults that may arise under extraordinary market conditions. The size(s) of the guarantee fund(s) is determined by taking into consideration the market conditions, and the funds shall at least enable Takasbank to withstand, under extreme but plausible market conditions, the default of the clearing member to which it has the largest exposures or of the second and third largest clearing members, if the sum of their exposures is larger. Another important aspect of default management process is the segregation of position, collateral and exposure of client and house accounts in line with international standards and guidelines and related market procedures. Principles regarding segregation and portability of the positions and collateral in the markets to which Takasbank provides CCP service are stipulated in detail in the Takasbank CCP Regulation. Market-specific arrangements for the segregation and portability of the positions and collateral are also included in the relevant Market Directives and Procedures. Position and collateral segregation in the markets in which the central counterparty service is provided are addressed in two levels. (i) The positions and collateral of the members'

customers are monitored separately at Takasbank from the positions and collateral of the member's own portfolio. (ii) The positions and collateral of the individual customers can be monitored, upon their request, in the individual customer accounts associated with the member, separately from the positions and collateral of other customers; and whether or not to offer an individual account alternative to the customers in the spot (cash) markets is at Takasbank's discretion. However, offering an individual position and collateral account alternative to the customers is compulsory in the derivative markets. Takasbank invests the amount of the Turkish Lira denominated cash guarantee fund contributions, which remains upon deduction of the part to be kept as statutory reserves based on reserved requirements of Central Bank of Turkey, under best effort basis, where large-scale public banks are preferred. The members are paid interest, if any, in case that there is investment of Turkish Lira denominated cash guarantee fund contributions. Default begins; Borsa Istanbul Equity Market: After 16:45 p.m. at T+2 both for cash and securities settlement obligations for stocks. Borsa Istanbul Debt Securities Market: After 16:45 p.m. at T+0 both for cash and securities settlement obligations for Debt Securities. In the equity market, after the beginning of the default, Takasbank executes buy-in, sell-out process for blocked settlement receivables of the defaulted market participant. If the receivables value under pledge is not sufficient to discharge the obligations as a whole, the member's collateral with Takasbank is used to fulfill the rest of the obligation. Default payments are executed by Takasbank. In the debt securities market, after the beginning of the default, Takasbank informs Borsa Istanbul on the settlement transactions, in which the defaulting counterparty could not fulfill its obligations on the settlement date. Borsa Istanbul pursues buy-in, sell-out process for relevant securities on behalf of the defaulted market participant. If the receivables value under pledge is not sufficient to discharge the obligations as a whole then, the market participant's trading collateral within the Borsa Istanbul will be liquidated.

430 G13Q013  
Please explain:

PFMI: Q.13.1.4  
AGC: 76d

Takasbank has established pre-funded guarantee funds for each market to which the CCP service is provided (Borsa Istanbul Equities Market, Debt Market, Futures and Options Market, Takasbank Securities Lending Market and Borsa Istanbul Money Market) in order to cover losses that exceed the losses covered by margin requirements of defaulting members. These guarantee funds are made up of clearing member contributions which is proportional to each clearing member's exposure and each guarantee fund must be in enough size to protect non defaulting members and Takasbank against defaults that may arise under extraordinary market conditions. The size(s) of the guarantee fund(s) is determined by taking into consideration the market conditions, and the funds shall at least enable Takasbank to withstand, under extreme but plausible market conditions, the default of the clearing member to which it has the largest exposures or of the second and third largest clearing members, if the sum of their exposures is larger.

Another important aspect of default management process is the segregation of position, collateral and exposure of client and house accounts in line with international standards and guidelines and related market procedures. Principles regarding segregation and portability of the positions and collateral in the markets to which Takasbank provides CCP service are stipulated in detail in the Takasbank CCP Regulation. Market-specific arrangements for the segregation and portability of the positions and collateral are also included in the relevant Market Directives and Procedures.

Position and collateral segregation in the markets in which the central counterparty service is provided are addressed in two levels.

(i) The positions and collateral of the members' customers are monitored separately at Takasbank from the positions and collateral of the member's own portfolio.

(ii) The positions and collateral of the individual customers can be monitored, upon their request, in the individual customer accounts associated with the member, separately from the positions and collateral of other customers; and whether or not to offer an individual account alternative to the customers in the spot (cash) markets is at Takasbank's discretion. However, offering an individual position and collateral account alternative to the customers is compulsory in the derivative markets.

Takasbank invests the amount of the Turkish Lira denominated cash guarantee fund contributions, which remains upon deduction of the part to be kept as statutory reserves based on reserved requirements of Central Bank of Turkey, under best effort basis, where large-scale public banks are preferred. The members are paid interest, if any, in case that there is investment of Turkish Lira denominated cash guarantee fund contributions.

Default begins; Borsa Istanbul Equity Market: After 16:45 p.m. at T+2 both for cash and securities settlement obligations for stocks.

Borsa Istanbul Debt Securities Market: After 16:45 p.m. at T+0 both for cash and securities settlement obligations for Debt Securities.

In the equity market, after the beginning of the default, Takasbank executes buy-in, sell-out process for blocked settlement receivables of the defaulted market participant. If the receivables value under pledge is not sufficient to discharge the obligations as a whole, the member's collateral with Takasbank is used to fulfill the rest of the obligation. Default payments are executed by Takasbank.

In the debt securities market, after the beginning of the default, Takasbank informs Borsa Istanbul on the settlement transactions, in which the defaulting counterparty could not fulfill its obligations on the settlement date. Borsa Istanbul pursues buy-in, sell-out process for relevant securities on behalf of the defaulted market participant. If the receivables value under pledge is not sufficient to discharge the obligations as a whole then, the market participant's trading collateral within the Borsa Istanbul will be liquidated.

438 G13Q021

filecount - Add relevant appendices for this group.

PFMI: n/a  
AGC: n/a

0

**General business risk (PFMI Principle 15)**

440 G14Q002

Is a financial audit performed by an Audit Firm, Regulatory Authority, or other external party?

PFMI: Q.17.2.3  
AGC: 15

Yes [Y]

441 G14Q003

If yes, please state the name(s) of the entity(ies) who perform the financial audit.

PFMI: n/a  
AGC: 15a.

KPMG (Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.) performs financial statements and reports audit annually. Capital Markets Board of Turkey performs financial audits on an ad hoc basis.

442 G14Q004

Please list the date of your last financial audit performed by an Audit Firm, Regulatory Authority, or other external party:

PFMI: n/a  
AGC: 15b.

30/03/2018

443 G14Q005  
Please list the period that the audit covered:

*PFMI: n/a*  
*AGC: 15c.*

Start date: 01/01/2017  
End date: 31/12/2017

444 G14Q006  
How frequently does the financial audit occur?

*PFMI: n/a*  
*AGC: 15d.*

Annually [A02]

446 G14Q008  
Please select the statement that most accurately characterizes the results of the last financial audit:

*PFMI: n/a*  
*AGC: 15g.*

No material exceptions found. [A01]

448 G14Q010  
Has there been any material loss by the CSD during the past three years?

*PFMI: n/a*  
*AGC: 86*

No [A02]

450 G14Q012  
Has the CSD been subject to any litigation involving a participant during the past three years?

*PFMI: n/a*  
*AGC: 87*

No [A02]

452 G14Q014  
Has the CSD realized revenues sufficient to cover expenses during the past three years?

*PFMI: n/a*  
*AGC: 88, 88a*

Yes for all three years [A01]

453 G14Q015  
Has any participant suffered any losses in the past three years due to the CSD's performance?

*PFMI: n/a*  
*AGC: 30, 30m*

No [A02]

454 G14Q016  
If yes, please select all of the following in which loss has occurred. You will be prompted to enter the number of instances and total loss in USD thereafter.

*PFMI: n/a*  
*AGC: 30a, 30j*

Corporate Action  
 Settlement Process - Securities  
 Settlement Process - Cash  
 System Outage  
 OTHER:

468 G14Q030  
Does the CSD maintain a reserve for operating losses?

*PFMI: Q.15.2.1*  
*AGC: 89, 89b*

Yes [A01]

471 G14Q033  
Please describe and indicate reserve (for operating losses) amount:

*PFMI: Q.15.2.2*  
*AGC: 89a.*

MKK maintains reserves for operating losses as: i) Legal reserves which are obligatory to be spared from distributable earnings according to the Turkish Commercial Code. The amount of these reserves is set as five percent of the net income while the total reserve is not to exceed twenty percent of the paid capital. ii) MKK Articles of Association, Article 23, requires that twenty percent of the residual net income (net income minus legal reserves) is kept as the unforeseen liabilities reserve.

|  |
|--|
| <p>482 G14Q044<br/>filecount - Add relevant appendices for this group.</p> <p>PFMI: n/a<br/>AGC: n/a</p> |
| 0  |

**Custody risk (PFMI Principle 16)**

|  |
|--|
| <p>485 G15Q003<br/>Are there any activities performed by a third party on behalf of the CSD for the CSD participants (e.g., vaulting of physical securities, registration, entitlement processing, etc.)?</p> <p>PFMI: Q.16.1.1<br/>AGC: 29, 29i</p> |
| <p><input type="checkbox"/> Yes<br/><input checked="" type="checkbox"/> No<br/><input type="checkbox"/> Not applicable<br/><input type="checkbox"/> OTHER:</p>   |

|  |
|--|
| <p>488 G15Q006<br/>If you acknowledge responsibility, please indicate whether your responsibility is assumed</p> <p>PFMI: Q.16.1.1<br/>AGC: 29c, 29e.</p>  |
| <p><input type="checkbox"/> regardless of whether such loss was caused by any action or inaction of the agent<br/><input type="checkbox"/> if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be negligence on the part of the agent<br/><input type="checkbox"/> if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be gross negligence on the part of the agent<br/><input type="checkbox"/> if the loss was caused by the willful default or other willful conduct on the part of the agent<br/><input type="checkbox"/> OTHER:</p> |

|   |
|---|
| <p>489 G15Q007<br/>If you acknowledge responsibility for agents, your responsibility is assumed for losses</p> <p>PFMI: Q.16.1.1<br/>AGC: 29d, 29h.</p>   |
| <p><input type="checkbox"/> without limit<br/><input type="checkbox"/> which are not consequential losses<br/><input type="checkbox"/> subject to a monetary limit not based on insurance limits<br/><input type="checkbox"/> subject to a monetary limit based on insurance limits<br/><input type="checkbox"/> OTHER:</p> |

|   |
|---|
| <p>496 G15Q014<br/>Please describe briefly the arrangements / procedures / facilities you maintain to ensure that eligible securities held at the CSD are handled at least as efficiently as compared to securities held outside the CSD, particularly in relation to income, corporate actions and proxy services.</p> <p>PFMI: Q.16.3.1<br/>AGC: 62</p> |
| All dematerialized capital market instruments are held at MKK.  |

|  |
|--|
| <p>503 G15Q021<br/>filecount - Add relevant appendices for this group.</p> <p>PFMI: n/a<br/>AGC: n/a</p> |
| 0  |

**Operational risk (PFMI Principle 17)**

|   |
|---|
| <p>514 G16Q011<br/>Internal Audit. Is an internal audit undertaken in your CSD?</p> <p>PFMI: Q.17.2.3<br/>AGC: 14</p> |
| Yes [Y]   |

|  |
|--|
| <p>515 G16Q012<br/>If yes, what areas does the audit cover (financials, operations, etc.) and which department in your CSD handles it?</p> <p>PFMI: Q.17.2.3<br/>AGC: 14a.</p>   |
| The internal audit covers all activities (financial, legal, operational and IT) of MKK and also addresses the efficiency and effectiveness of the internal control and risk management activities and reviews the application of the required control procedures. MKK's Internal Audit Department performs operational and IT audit as well as financial audit annually. |

|  |
|--|
| <p>516 G16Q013<br/>Please list the date of your last internal audit and the period that the audit covered:</p> <p>PFMI: Q.17.2.3<br/>AGC: 14b.</p> |
|--|

Start date: 01/01/2017  
End date: 31/12/2017  
Audit date: 30/03/2018

517 G16Q014  
How frequently does the internal audit occur?

*PFMI: Q.17.2.3*  
*AGC: 14c.*

Annually [A02]

519 G16Q016  
Are the results of the internal audit publicly available?

*PFMI: Q.17.2.3*  
*AGC: 14e.*

No [N]

520 G16Q017  
Please select the statement that most accurately characterizes the results of the last internal audit:

*PFMI: Q.17.2.3*  
*AGC: 14f.*

No material exceptions found. [A01]

523 G16Q020  
Is an operational audit performed by an Audit Firm, Regulatory Authority, or other external party?

*PFMI: Q.17.2.4*  
*AGC: 16*

Yes [Y]

524 G16Q021  
If yes, please state the name(s) of the entity(ies) who perform the operational audit.

*PFMI: Q.17.2.4*  
*AGC: 16a.*

The Central Bank of Turkey.

525 G16Q022  
Please list the date of your last operational audit performed by an Audit Firm, Regulatory Authority, or other external party:

*PFMI: Q.17.2.4*  
*AGC: 16b.*

01/12/2016

526 G16Q023  
Please list the period that the audit covered:

*PFMI: Q.17.2.4*  
*AGC: 16c.*

Start date: 30/06/2015  
End date: 30/11/2016

527 G16Q024  
How frequently does the operational audit occur?

*PFMI: Q.17.2.4*  
*AGC: 16d.*

Annually [A02]

529 G16Q026  
Please select the statement that most accurately characterizes the results of the last operational audit:

*PFMI: Q.17.2.4*  
*AGC: 16g.*

No material exceptions found. [A01]

537 G16Q034  
How is access to the physical building controlled?

*PFMI: Q.17.5.1*  
*AGC: 74*

By guards  
 By electronic keys  
 personal ID card  
 By alarm system



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[ ] OTHER:

541 G16Q038  
Regarding data security: Are passwords used by participants to access their accounts?

*PFMI: Q.17.5.3*  
*AGC: 71 71a.*

Other: Participants as well as the MKK staff use smart cards which are based on PKI (Public Key Infrastructure) and their PINs to conduct all transactions in the MKK system. The application user id and password must also be entered to log on. Every transaction is signed by electronic signatures. Server certificates are also used for those transactions which require system integration with other institutions like Takasbank.

542 G16Q039  
Does each user have a unique user ID?

*PFMI: Q.17.5.3*  
*AGC: 71c.*

Yes [A01]

543 G16Q040  
Are passwords regularly changed?

*PFMI: Q.17.5.3*  
*AGC: 71e.*

Yes [A01]

544 G16Q041  
How often?

*PFMI: Q.17.5.3*  
*AGC: 71f.*

At least every 90 days.

545 G16Q042  
Is there a user lock-out after a pre-set number of unsuccessful User ID attempts?

*PFMI: Q.17.5.3*  
*AGC: 71h.*

Yes [A01]

546 G16Q043  
How many?

*PFMI: Q.17.5.3*  
*AGC: 71i.*

3 times.

550 G16Q047  
How quickly can the main system be reactivated in the event of an outage?

*PFMI: Q.17.6.2*  
*AGC: 82*

1 - 4 hours [A01]

553 G16Q050  
Will the CSD publicly announce any system interruption?

*PFMI: Q.17.6.4*  
*AGC: 84*

Yes [A01]

554 G16Q051  
To whom will the CSD disclose any system interruptions?

*PFMI: Q.17.6.4*  
*AGC: 84a.*

To the CSD regulators  
 To all direct participants  
 To direct and indirect participants  
 To the public via the internet  
 In the press  
 OTHER:

555 G16Q052  
If so, please list webpage address:

*PFMI: Q.17.6.4*  
*AGC: 84b.*

<http://www.mkk.com.tr/>

558 G16Q055  
How will the CSD disclose any system interruptions?

*PFMI: Q.17.6.4*  
*AGC: 84e.*

By e-mail  
 By telephone  
 Public announcement  
 Press release  
 OTHER:

559 G16Q056  
Please explain:

*PFMI: Q.17.6.4*  
*AGC: 84f.*

System interruptions are also disclosed through MKK's CDS system.

561 G16Q058  
If a back-up system exists, how quickly can the back-up system be activated in the event of the main system failing?

*PFMI: Q.17.6.5*  
*AGC: 83*

Other: The system immediately switches to one of the stand-by states.

565 G16Q062  
BUSINESS RECOVERY PLAN. This section is intended to identify key aspects of the CSD's Business Recovery Plan (BRP), including testing requirements and past results, expected recovery time periods, and the independent review and validation (if any) of the BRP. Do you have a formal business recovery plan?

*PFMI: Q.17.6.8*  
*AGC: 81*

Yes [Y]

566 G16Q063  
Does your Business Recovery Plan include:

*PFMI: Q.17.6.8*  
*AGC: 81a, 81h.*

Back-up of all computer files  
 Off-site data storage  
 Back-up files stored and locked  
 Off-site operations facility  
 OTHER:

567 G16Q064  
Please identify both the frequency and the last date of testing for the following third party: CSD participants/members

*PFMI: Q.17.6.8*  
*AGC: 81b.*

Once a year with Borsa Istanbul and Takasbank. The last test date was in October 2017. The next test is scheduled for November 2018.<- [if gte mso 9]>  
<w:LsdException Locked="false" Priority="5

570 G16Q067  
Please identify both the frequency and the last date of testing for the following third party: Local brokers

*PFMI: Q.17.6.8*  
*AGC: 81e.*

Once a year. The last test date was in October 2017. The next test is scheduled for November 2018.

572 G16Q069  
In the past three years, has it been necessary to activate the recovery plan in a live situation?

*PFMI: Q.17.6.8*  
*AGC: 85*

No [A02]

575 G16Q072  
What was the impact to the market?

*PFMI: Q.17.6.8*  
*AGC: 85c, 85d.*

All securities settlements took place as scheduled on the same day with good value  
 All cash settlements took place as scheduled on the same day with good value  
 All securities settlements took place one business day late with good value  
 All cash settlements took place one business day late with good value  
 All securities settlements took place one business day late with value one day late  
 All cash settlements took place one business day late with value one day late  
 All securities settlements took place more than one business day late  
 All cash settlements took place more than one business day late

- As a result of the system failure, all fines and penalties for late settlements were waived  
 Even though there was a system failure, all fines and penalties for late settlements were still assessed  
 OTHER:

578 G16Q075  
 Are procedures and controls (firewalls) in place to avoid systemic collapse or contamination if one of the linked entities should experience business interruptions for whatever reason?

PFMI: Q.17.7.1  
 AGC: 39

- Yes  
 No  
 Not applicable

579 G16Q076  
 Please explain

PFMI: Q.17.7.1  
 AGC: 39a

MKK is a member of the Electronic Securities Transfer System for the settlement of transactions in client portfolios of government debt securities. MKK system is not affected from a systemic interruption in ESTS. Message Oriented Middleware is used as the interface with Takasbank. Entities are not affected directly by each other. MKK also has a two way FOP link with the Austrian CSD OeKB. All necessary security measures are in place and subject to the General Terms and Conditions of OeKB.

584 G16Q081  
 filecount - Add relevant appendices for this group.

PFMI: n/a  
 AGC: n/a

Yes [A01]0

## Access and participation requirements (PFMI Principle 18)

587 G17Q003  
 Are prospective participants subject to an initial review and approval process regarding compliance with eligibility requirements?

PFMI: Q.18.1.1  
 AGC: 19

Yes [A01]

591 G17Q007  
 What governs the relationship between the CSD and the participants?

PFMI: Q.18.2.2  
 AGC: 20

- Relevant law and regulation  
 Standard participation contract  
 Established terms and conditions of participation  
 By-laws of the CSD  
 Rules of the CSD  
 Not applicable  
 OTHER:

594 G17Q010  
 PARTICIPANTS AND PARTICIPATION. The purpose of this section is to understand issues relating to participation in the CSD, including eligibility requirements, conditions of participation, and supervision of participants. What types of entities are eligible to become participants and how many of each type are there currently?

PFMI: Q.18.2.3  
 AGC: 17, 17q

- Banks  
 Brokers  
 Individuals  
 Foreign Institutions  
 Not applicable  
 OTHER: Issuers (of MKK eligible dematerialized securities) and settlement and custody institutions (i.e. Takasbank). Foreign central securities depositories or any other organizations to be determined by the CMB, are also eligible to become MKK participants according to the regulation. "Internal Directive on Procedures for Account Opening and Membership of Foreign Central Securities Depositories, and Account Opening by MKK with Foreign Central Securities Depositories" regulates membership of foreign CSDs:  
[https://www.mkk.com.tr/project/MKK\\_EN/file/content/Information%20Center%2FGuide%20Books%2FForeign\\_Central\\_Securities\\_Depositories\\_Membership\\_Directive](https://www.mkk.com.tr/project/MKK_EN/file/content/Information%20Center%2FGuide%20Books%2FForeign_Central_Securities_Depositories_Membership_Directive)

595 G17Q011  
 How many Bank participants are there currently? (then please answer 17b)

PFMI: Q.18.2.3  
 AGC: 17a.

47

596 G17Q012  
 Please select the features included in the eligibility requirements for Banks.

PFMI: Q.18.2.3  
 AGC: 17b, 17d

- Financial Thresholds  
 Regulatory Oversight

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Market Experience  
 OTHER: Although there are no minimum capital requirements to be a MKK member, participation in the Turkish securities market entail various minimum capital requirements for intermediary institutions including banks.

597 G17Q013  
Please explain:

*PFMI: Q.18.2.3*  
*AGC: 17d.*

Although there are no minimum capital requirements to be a MKK member, participation in the Turkish securities market entail various minimum capital requirements for intermediary institutions including banks.

598 G17Q014  
How many Broker participants are there currently? (then please answer 17f)

*PFMI: Q.18.2.3*  
*AGC: 17e.*

77

599 G17Q015  
Please select the features included in the eligibility requirements for Brokers.

*PFMI: Q.18.2.3*  
*AGC: 17f, 17h*

Financial Thresholds  
 Regulatory Oversight  
 Market Experience  
 OTHER: Although there are no minimum capital requirements to be a MKK member, participation in the Turkish securities market entail various minimum capital requirements for brokerage houses depending on the relevant market activity licenses that organizations acquire.

601 G17Q017  
Please select the features included in the eligibility requirements for Individual participants.

*PFMI: Q.18.2.3*  
*AGC: 17j.*

Financial Thresholds  
 Regulatory Oversight  
 Market Experience  
 OTHER:

602 G17Q018  
How many Foreign Institution participants are there currently?

*PFMI: Q.18.2.3*  
*AGC: 17m.*

4 Foreign issuers participants currently. Foreign central securities depositories can also become MKK participants.

603 G17Q019  
Please select the features included in the eligibility requirements for Foreign Institution participants.

*PFMI: Q.18.2.3*  
*AGC: 17n, 17p.*

Financial Thresholds  
 Regulatory Oversight  
 Market Experience  
 OTHER: MKK designates terms and conditions of membership for these institutions according to the Regulation on the Establishment, Operation, Conduct and Audit Principles of the Central Securities Depository and the Communiqué on the Procedures and Principles for the Book-keeping of Dematerialized Capital Market Instruments.

604 G17Q020  
If you have selected "Other entities" above, please explain:

*PFMI: Q.18.2.3*  
*AGC: 17q.*

Issuers (of MKK eligible dematerialized securities) and settlement and custody institutions (i.e. Takasbank). Foreign central securities depositories or any other organization determined by the CMB, are also eligible to become MKK participants according to the regulation. "Internal Directive on Procedures for Account Opening and Membership of I Securities Depositories, and Account Opening by MKK with Foreign Central Securities Depositories" regulates membership of foreign CSDs:

[https://www.mkk.com.tr/project/MKK\\_EN/file/content/Information%20Center%2FGuide%20Books%2FForeign\\_Central\\_Securities\\_Depositories\\_Mem](https://www.mkk.com.tr/project/MKK_EN/file/content/Information%20Center%2FGuide%20Books%2FForeign_Central_Securities_Depositories_Mem)

605 G17Q021  
Indicate how many "Other entities" are currently participants?

*PFMI: Q.18.2.3*  
*AGC: 17r.*

(As of September 2018) Issuers of Equities: 380, Issuers of both Equities and Corporate Debt Securities: 57, Issuers of Corporate Debt Securities: 119, Issuers of Mutual Funds 50, Issuers of Equities and Corporate Debt Securities and Structured Products (e.g. Warrants): 3, Issuers of Structured Products: 2 Issuers of Equities and Corporate Debt Securities and Other Instruments (e.g. Sukuk): 3, Issuers of Corporate Debt Instruments and Other Instruments: 2, Issuers of Electronic Warehouse Receipts: 75, Issuers of Other Instruments: 14, Clearing and settlement institutions: 1 (Takasbank)

|   |
|---|
| <p>606 G17Q022<br/>Please select the features included in the eligibility requirements for the participants referred to above as "Other entities".</p> <p><i>PFMI: Q.18.2.3</i><br/><i>AGC: 17s, 17u</i></p> <p><input type="checkbox"/> Financial Thresholds<br/><input checked="" type="checkbox"/> Regulatory Oversight<br/><input type="checkbox"/> Market Experience<br/><input checked="" type="checkbox"/> OTHER: Although there are no minimum capital requirements to be a MKK member, participation in the Turkish securities market entail minimum capital requirements for issuers.</p> |
| <p>609 G17Q025<br/>Where can a description of the specific eligibility requirements for Bank participants be found?</p> <p><i>PFMI: Q.18.2.5</i><br/><i>AGC: 17c.</i></p> <p>The Regulation on the Establishment, Operation, Conduct and Audit Principles of the Central Securities Depository, Article 21:<br/><a href="https://www.mkk.com.tr/project/MKK_EN/file/content/Information%20Center%2FRegulations%2FLegislation%2FRegulation">https://www.mkk.com.tr/project/MKK_EN/file/content/Information%20Center%2FRegulations%2FLegislation%2FRegulation</a></p>                                 |
| <p>610 G17Q026<br/>Where can a description of the specific eligibility requirements for Broker participants be found?</p> <p><i>PFMI: Q.18.2.5</i><br/><i>AGC: 17g.</i></p> <p>The Regulation on the Establishment, Operation, Conduct and Audit Principles of the Central Securities Depository, Article 21:<br/><a href="https://www.mkk.com.tr/project/MKK_EN/file/content/Information%20Center%2FRegulations%2FLegislation%2FRegulation">https://www.mkk.com.tr/project/MKK_EN/file/content/Information%20Center%2FRegulations%2FLegislation%2FRegulation</a></p>                               |
| <p>613 G17Q029<br/>Where can a description of the specific eligibility requirements for participants described above as "Other entities" be found?</p> <p><i>PFMI: Q.18.2.5</i><br/><i>AGC: 17l.</i></p> <p>The Regulation on the Establishment, Operation, Conduct and Audit Principles of the Central Securities Depository, Article 21:<br/><a href="https://www.mkk.com.tr/project/MKK_EN/file/content/Information%20Center%2FRegulations%2FLegislation%2FRegulation">https://www.mkk.com.tr/project/MKK_EN/file/content/Information%20Center%2FRegulations%2FLegislation%2FRegulation</a></p>  |
| <p>614 G17Q030<br/>How does the CSD notify participants of material changes to the conditions of participation?</p> <p><i>PFMI: Q.18.2.5</i><br/><i>AGC: 22</i></p> <p><input checked="" type="checkbox"/> By e-mail<br/><input checked="" type="checkbox"/> By telephone<br/><input checked="" type="checkbox"/> By public announcement<br/><input checked="" type="checkbox"/> By press release<br/><input type="checkbox"/> Not applicable<br/><input checked="" type="checkbox"/> OTHER: General letters can also be sent via fax.</p>  |
| <p>615 G17Q031<br/>Please explain:</p> <p><i>PFMI: Q.18.2.5</i><br/><i>AGC: 22a.</i></p> <p>General letters can also be sent via fax.</p>   |
| <p>617 G17Q033<br/>Who enforces compliance with the CSD's conditions of participation?</p> <p><i>PFMI: Q.18.3.1</i><br/><i>AGC: 23</i></p> <p><input checked="" type="checkbox"/> The CSD<br/><input type="checkbox"/> The exchange<br/><input checked="" type="checkbox"/> The CSD's regulator<br/><input type="checkbox"/> Not applicable<br/><input type="checkbox"/> OTHER:</p>   |
| <p>618 G17Q034<br/>Please explain:</p> <p><i>PFMI: Q.18.3.1</i><br/><i>AGC: 23a</i></p> <p>CMB's and MKK's roles in enforcement were defined in the MKK regulation:<br/><a href="https://www.mkk.com.tr/project/MKK_EN/file/content/Information%20Center%2FRegulations%2FLegislation%2FRegulation">https://www.mkk.com.tr/project/MKK_EN/file/content/Information%20Center%2FRegulations%2FLegislation%2FRegulation</a></p>   |
| <p>619 G17Q035<br/>Does the CSD have forms of oversight management for assessing and monitoring of the following?</p> <p><i>PFMI: Q.18.3.1</i><br/><i>AGC: 79</i></p>   |

Participant eligibility requirements  
 Participant volumes  
 Participant financial strength  
 Other loss or default protections the CSD maintains  
 Collateral requirements for participants  
 Debit caps for participants  
 Settlement controls that minimize or eliminate the risk of default by a participant  
 Blocking of securities movement before receipt of payment  
 Blocking payment until securities are moved  
 Not applicable  
 OTHER:

623 G17Q039  
What type or types of settlement controls

PFMI: Q.18.3.1  
AGC: 79d.

Blocking or freezing of securities positions  
 Controlling DVP settlement  
 Simultaneous DVP  
 OTHER:

631 G17Q047  
What enforcement actions are available to the enforcement authority?

PFMI: Q.18.3.3  
AGC: 24

Fines  
 Restrictions on participation  
 Suspension of participation  
 Termination of participation  
 Not applicable  
 OTHER:

633 G17Q049  
Has there been any such enforcement actions in the last three years?

PFMI: Q.18.3.3  
AGC: 25

Yes [Y]

634 G17Q050  
If yes, please explain, including information relative to any suspensions of CSD participants:

PFMI: Q.18.3.3  
AGC: 25a.

According to the MKK regulation suspension or cancellation of a membership is possible if requested or authorized by the CMB. If the certificate of authority to act as an intermediary institution for trading activities or the custody authorization for capital market instruments of a participant has been annulled by the CMB, membership of the participant is suspended or terminated on the request of the regulator. In the last three years, membership of 6 MKK participants were suspended or cancelled due to revocation of their authorizations by the CMB.

636 G17Q052  
filecount - Add relevant appendices for this group.

PFMI: n/a  
AGC: n/a

0

## Tiered participation (PFMI Principle 19)

647 G18Q011  
filecount - Add relevant appendices for this group.

PFMI: n/a  
AGC: n/a

0

## Links (PFMI Principle 20)

651 G19Q004  
Please list all depositories or settlement systems to which you have an electronic link.

PFMI: Q.20.1.2  
AGC: 38

The Central Bank of Turkey, Takasbank (Istanbul Settlement and Custody Bank Inc.) and OeKB (CSD.Austria).

664 G19Q017  
filecount - Add relevant appendices for this group.

PFMI: n/a  
AGC: n/a

0

**Efficiency and effectiveness (PFMI Principle 21)**

673 G20Q009  
filecount - Add relevant appendices for this group.

PFMI: n/a  
AGC: n/a

0

**Communication (PFMI Principle 22)**

676 G21Q003  
Security Control. How do participants receive information (view actual settlement of trades, movement of securities on their accounts, etc.) and see the status of their accounts?

PFMI: Q.22.1.1  
AGC: 69

By direct electronic link  
 By receipt of physical account holding statements  
 Not applicable  
 OTHER:

678 G21Q005  
Do participants have access to affect their holdings, including confirming and affirming trades, movement of securities on their accounts, etc.?

PFMI: Q.22.1.1  
AGC: 70

Yes [A01]

679 G21Q006  
How is access given to participants?

PFMI: Q.22.1.1  
AGC: 70a.

By direct electronic link  
 OTHER:

680 G21Q007  
Please select type of electronic link:

PFMI: Q.22.1.1  
AGC: 70b.

Dial-up modem  
 Secured, leased, dedicated telephone line  
 Internet  
 Fax

682 G21Q009  
Does the CSD communicate with other market entities such as stock exchanges, payment systems, clearing houses, etc., by secured linkages?

PFMI: Q.22.1.1  
AGC: 72

Yes [A01]

683 G21Q010  
Please explain:

PFMI: Q.22.1.1  
AGC: 72a

MKK has secured linkages with the Central Bank of Turkey and Takasbank for the settlement of client government debt securities transactions, and cash clearing and settlement.

684 G21Q011  
How does the CSD communicate with Stock Exchanges?

PFMI: Q.22.1.1  
AGC: 73 73a

Dial-up modem  
 Secured, leased, dedicated telephone line  
 Internet  
 Fax  
 Paper  
 other  
 Not applicable  
 OTHER:

685 G21Q012  
How does the CSD communicate with Payment Systems?

PFMI: Q.22.1.1  
AGC: 73b

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

686 G21Q013  
How does the CSD communicate with Clearing Houses?

PFMI: Q.22.1.1  
AGC: 73c

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

687 G21Q014  
How does the CSD communicate with Registrars?

PFMI: Q.22.1.1  
AGC: 73d

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

692 G21Q019  
filecount - Add relevant appendices for this group.

PFMI: n/a  
AGC: n/a

0

## Transparency and disclosure (PFMI Principle 23)

712 G22Q020  
Capital. Are annual financial statements publicly disclosed?

PFMI: Q.23.5.3  
AGC: 13

Yes [A01]

713 G22Q021  
If yes, the AGC requests a copy of the institution's annual report. Is the annual report available electronically?

PFMI: Q.23.5.3  
AGC: 13a.

Yes [Y]

714 G22Q022  
filecount - If yes, please upload the document(s) here or insert web link(s) in question 13d:

PFMI: Q.23.5.3  
AGC: 13b.

0

715 G22Q023  
filecount - If more than one document for 13b, please upload the additional document here:

PFMI: Q.23.5.3  
AGC: 13c.

0

716 G22Q024  
Please insert web link(s) for 13b here:

PFMI: Q.23.5.3  
AGC: 13d.



[https://www.mkk.com.tr/project/MKK\\_EN/file/content/About%20Us%2FAnnual%20Reports%2FAnnual\\_Report\\_2017](https://www.mkk.com.tr/project/MKK_EN/file/content/About%20Us%2FAnnual%20Reports%2FAnnual_Report_2017)

721 G22Q029  
 AGC members from time to time receive requests from their direct investor-clients for an informational copy of a CSD's completed questionnaire. Such requests typically lead to interactions between personnel at the CSD in question and member personnel or client personnel, or both. Those interactions take time and impose costs on both members and depositories. Do you approve of AGC members delivering a copy of your completed questionnaire to the member's direct client in response to the client's request?  
 PFM: Q.23.5.4  
 AGC: 100  
 Yes [Y]

722 G22Q030  
 Are the results of the financial audit publicly available?  
 PFM: Q.23.5.4  
 AGC: 15f  
 Yes [Y]

725 G22Q033  
 filecount - Add relevant appendices for this group.  
 PFM: n/a  
 AGC: n/a  
 0

**Compliance with SEC Rule 17f-7**

726 G23Q001  
 Rule 17f-7, by reference to Rule 17f-4, requires that, for a CSD to be eligible to hold securities of U.S. registered investment companies (such depositories hereinafter referred to as "Eligible Securities Depositories"), the CSD must be a "system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities."  
 Are all securities of a particular class or series of any issuer that are deposited in your institution treated as fungible, and can they be transferred or pledged by bookkeeping entry without physical delivery of the securities?  
 PFM: n/a  
 AGC: 1  
 Yes [Y]

728 G23Q003  
 Rule 17f-7 also requires that an Eligible Securities CSD "acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated," or "acts as or operates a transnational system for the central handling of securities or equivalent book-entries." Does your institution:  
 PFM: n/a  
 AGC: 2  
 Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated?  
 Act as or operate a transnational system for the central handling of securities or equivalent book-entries?  
 Act in another capacity with respect to the handling of securities or equivalent book-entries?  
 Not applicable  
 OTHER:

730 G23Q005  
 Please specify the types of securities for which you act as or operate a system for the central handling of securities or equivalent book-entries:  
 PFM: n/a  
 AGC: 2b.  
 \*Equities \*Government Debt Securities \*Exchange Traded Funds (ETFs) \*Mutual Funds \*Corporate Bonds \*Commercial Papers \*Bank Bills  
 \*Warrants \*Covered Bonds \*Sukuk \*Asset Backed Securities \*Real Estate Certificates

731 G23Q006  
 Rule 17f-7 requires that an Eligible Securities Depository regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act , with section 2(a)(50) establishing that z 'foreign financial regulatory authority' means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above." Who regulates the activities of the CSD?  
 PFM: n/a  
 AGC: 8  
 A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters.  
 A governmental body or self-regulatory organization empowered to administer or enforce laws related to other financial activities.  
 A membership organization which regulates the participation of its members in securities matters or other financial activities.  
 OTHER:

733 G23Q008  
 Please provide the name of regulatory authority(ies) identified in question 8:  
 PFM: n/a  
 AGC: 9

The Capital Markets Board (CMB) of Turkey and the Central Bank of Turkey regulate the activities of MKK with respect to the Capital Market Law and the Law on Payment and Security Settlement Systems, Payment Services and Electronic Money Institutions.

734 G23Q009

Rule 17f-7 requires that an Eligible Securities Depository is subject to periodic examination by regulatory authorities or independent accountants. Is the CSD subject to periodic examination by:

PFMI: n/a  
AGC: 10

- Regulatory authorities?  
 Independent accountants?  
 OTHER:

736 G23Q011

Name of Authority #1 (please answer 11a):

PFMI: n/a  
AGC: 11

The Capital Markets Board of Turkey.

737 G23Q012

What enforcement actions are available to regulatory authority #1 for breach of applicable statute or regulatory requirements?

PFMI: n/a  
AGC: 11a.

- Fines  
 Restrictions on CSD activities.  
 Suspension of CSD activities.  
 Termination of CSD activities.  
 OTHER: MKK shall comply with the Capital Markets Law (CML) Articles 103 and 105 which states that real persons and legal entities who are determined to have acted in violation of the regulations, standards and forms or general and special decisions made by the CMB based on the CML, shall be imposed a pecuniary punishment by the CMB.

738 G23Q013

Please explain:

PFMI: n/a  
AGC: 11b.

739 G23Q013A

Name of Authority #2:

The Central Bank of Turkey

740 G23Q014

What enforcement actions are available to regulatory authority #2 for breach of applicable statute or regulatory requirements?

PFMI: n/a  
AGC: 11c.

- Fines  
 Restrictions on CSD activities.  
 Suspension of CSD activities.  
 Termination of CSD activities.  
 OTHER: As a securities settlement system operator MKK is obliged to comply with the related articles of the Law on Payment and Security Settlement Systems, Payment Services and Electronic Money Institutions. According to the Article 9 of the Law, the CBoT can revoke MKK's system operator license or temporarily suspend its operating license in case MKK violates the Law. Furthermore, The CBoT has the authority to temporarily take over the management of MKK to prevent any systematic risk that may threaten the financial stability.

742 G23Q016

Has there been any use of such enforcement actions in the last three years?

PFMI: n/a  
AGC: 12

- Yes  
 No  
 OTHER:

744 G23Q018

Has the regulatory body with oversight responsibility for the CSD issued public notice that the CSD is not in current compliance with any capital, solvency, insurance or similar financial strength requirements imposed by such regulatory body?

PFMI: n/a  
AGC: 90

No [A02]

749 G23Q023

Rule 17f-7 requires that an Eligible Securities Depository holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable than the conditions that apply to other participants. Please confirm that assets of foreign investors held by custodians as participants in the CSD are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

PFMI: n/a  
AGC: 21

Yes [A1]

751 G23Q025  
Please confirm the basis for the arrangements you have in place to ensure that the assets you hold for custodians receive the same level of safekeeping protection as the assets held for other categories of participants.

PFMI: n/a  
AGC: 21b, 21c.

Relevant Law and Regulation  
 Standard participation contract  
 Established terms and conditions of participation  
 By-laws of the CSD  
 Rules of the CSD  
 OTHER:

752 G23Q027  
For each item in Question 21b that you checked, please briefly supply references or citations to the law(s), regulation(s), or CSD rule(s), participation condition(s), or participant contract provision (s), as applicable.

PFMI: n/a  
AGC: 21d

MKK is established and governed under \* The Turkish Capital Market Law - Articles on Dematerialization of Capital Market Instruments (Art. 13, 80 and 81), \* The Regulation on the Establishment, Operation, Conduct and Audit Principles of the Central Securities Depository, \* Communiqué on the Procedures and Principles for the Book-keeping of Dematerialized Capital Market Instruments and \* the relevant decrees of the Capital Market Law.

753 G23Q028  
Rule 17f-7 requires that an Eligible Securities Depository provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account. Does the CSD make available periodic safekeeping reports to participants, including notices of transfers to or from the participant's account?

PFMI: n/a  
AGC: 46

Yes [A01]

755 G23Q030  
If yes, please indicate the scheduled frequency:

PFMI: n/a  
AGC: 46b, 46c.

Daily  
 Weekly  
 Monthly  
 Quarterly  
 Annually  
 Upon request  
 OTHER: Online, real-time information on investor accounts is provided.

756 G23Q031  
filecount - Add relevant appendices for this group.

PFMI: n/a  
AGC: n/a

0

**Relevant RSSS recommendations**

762 G24Q006  
filecount - Add relevant appendices for this group.

PFMI: n/a  
AGC: n/a

0

**Appendices**

763 G25Q001  
filecount - Add relevant appendices

PFMI: n/a  
AGC: n/a

0

764 G25Q002  
I am submitting up-to-date information in response to:

AGC questions [A1]