

MERKEZİ KAYIT KURULUSU (MKK)
CENTRAL SECURITIES DEPOSITORY OF TURKEY



MERKEZİ KAYIT
İSTANBUL

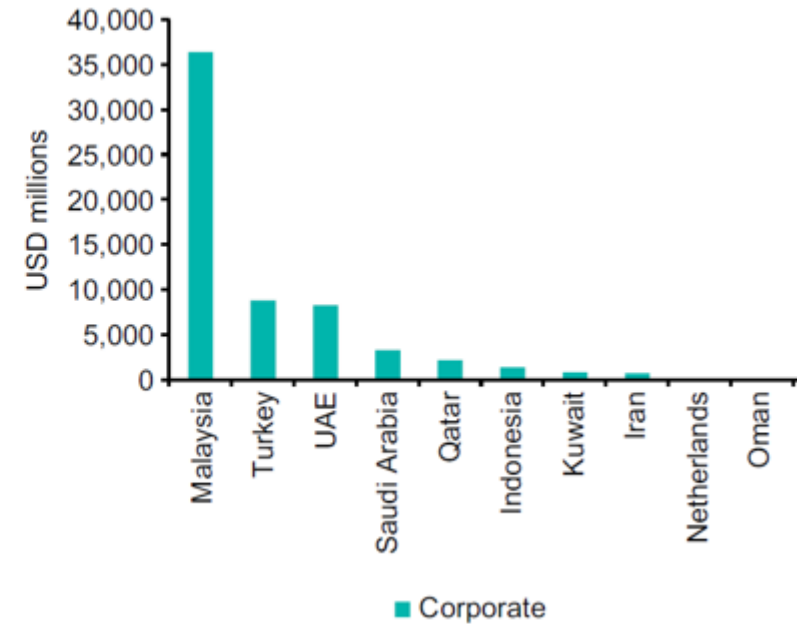
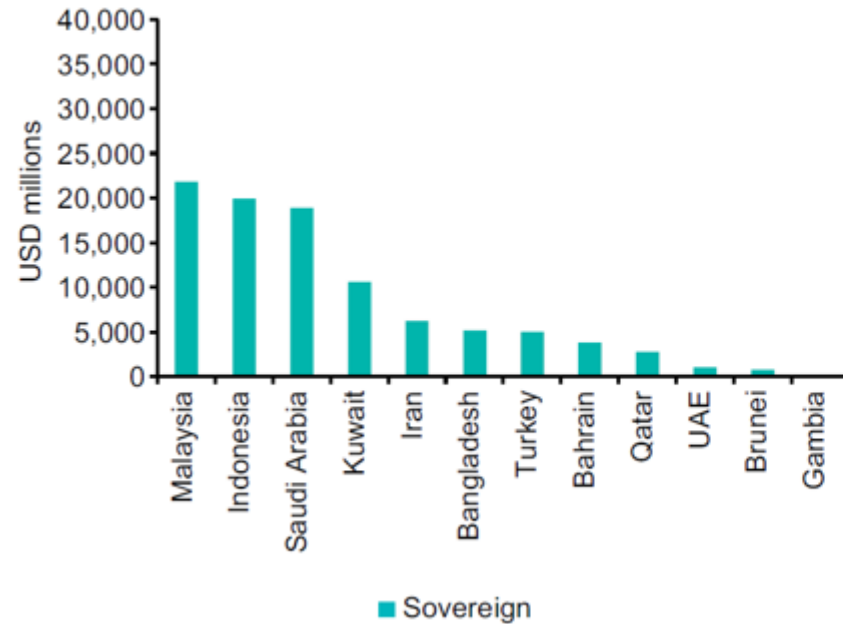
CSD of Turkey

LEASE CERTIFICATES (SUKUK)

- Lease certificates (Sukuk) are securities issued by an asset lease company ("ALC") for the purpose of financing all kinds of assets and rights, and which enables its holders to get a proportionate share from the revenues derived out of such assets and rights.
- Government Lease Certificates regulated under Law of Public Finance and Debt Management (Law no. 4749)
- Corporate Lease Certificates (Sukuk) are regulated under the Communiqué of the Capital Markets Board ("Board") dated June 7th, 2013 and numbered 28670 ("Communiqué")

LEASE CERTIFICATES (SUKUK)

- Turkey has a 2.6% market share from global banking assets with its outstanding and continuous Sukuk performance
- Turkey get an 8.7% market share from global Sukuk issuances



TYPES OF LEASE CERTIFICATES (SUKUK)

- Ownership-Based Lease Certificates (Ijara) are lease certificates issued to finance the assets and rights to be acquired by asset lease company (ALC) from originator in order to be leased to originator or third parties or to be managed in the name of ALC.
- Management Agreement-Based Lease Certificates (Wakala) are lease certificates issued for the purpose of transfer, of revenues obtained as a result of management of assets or rights owned by the originator in favor of ALC, also including the lease of them until the end of maturity, to ALC within the frame of provisions of the management agreement.

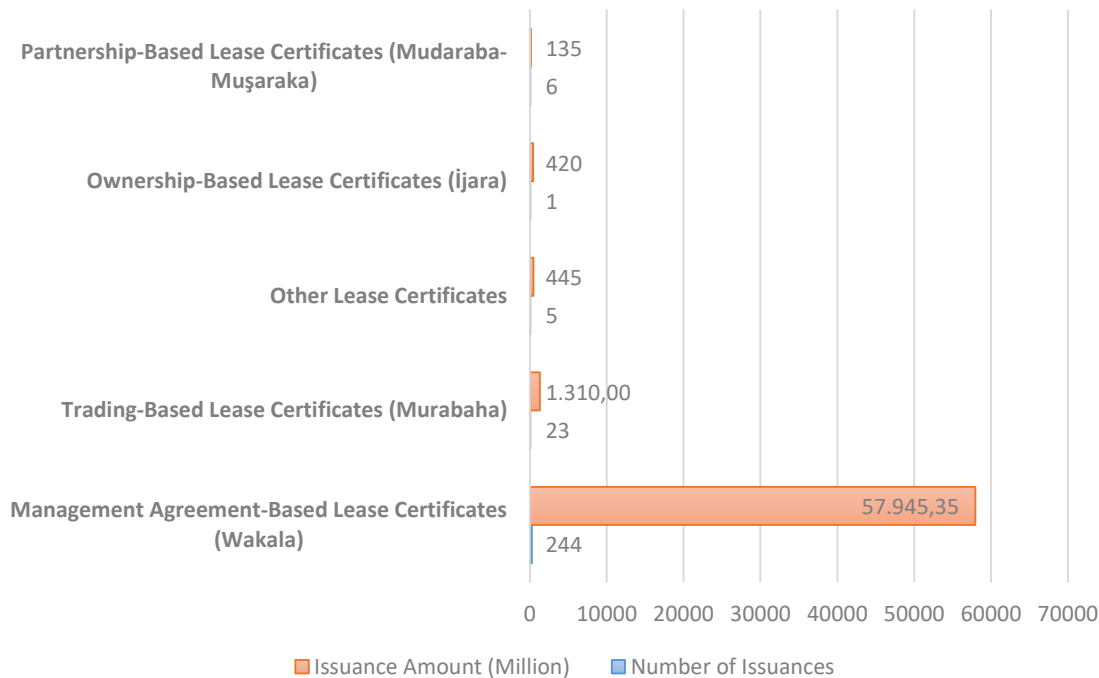
TYPES OF LEASE CERTIFICATES (SUKUK)

- Trading-Based Lease Certificates (Murabaha) are lease certificates issued to finance the purchase of certain assets or rights by ALC in order to be sold on deferred payment basis to other companies eligible such as banks, mortgage finance institutions; real estate investment companies etc.
- Partnership-Based Lease Certificates (Mudaraba-Muşaraka) are lease certificates issued by ALC for the purpose of partnership in a joint venture.
- EPC (Engineering, Procurement and Construction) Contract – Based Lease Certificates (Istisna) are lease certificates issued for the purpose of creation of works pursuant to an EPC contract to which ALC is a party as work owner.

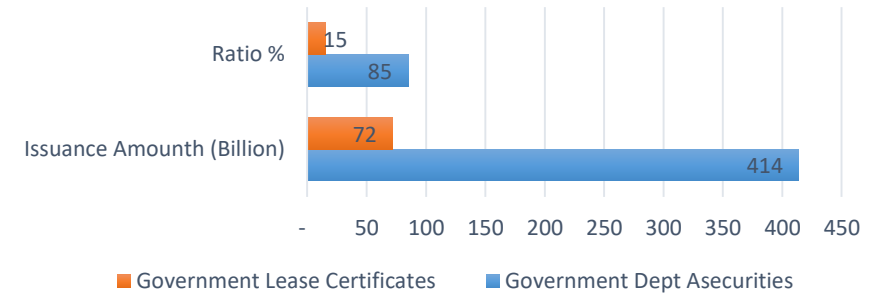
ISSUANCE OF LEASE CERTIFICATES (SUKUK)

- First Government Lease Certificate issued by Turkish Treasury in 2012.
- First corporate Lease Certificate issued in 2010.

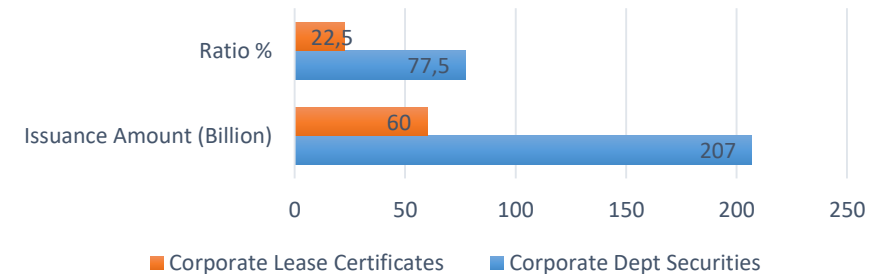
Type of Corporate Lease Certificate Issuance



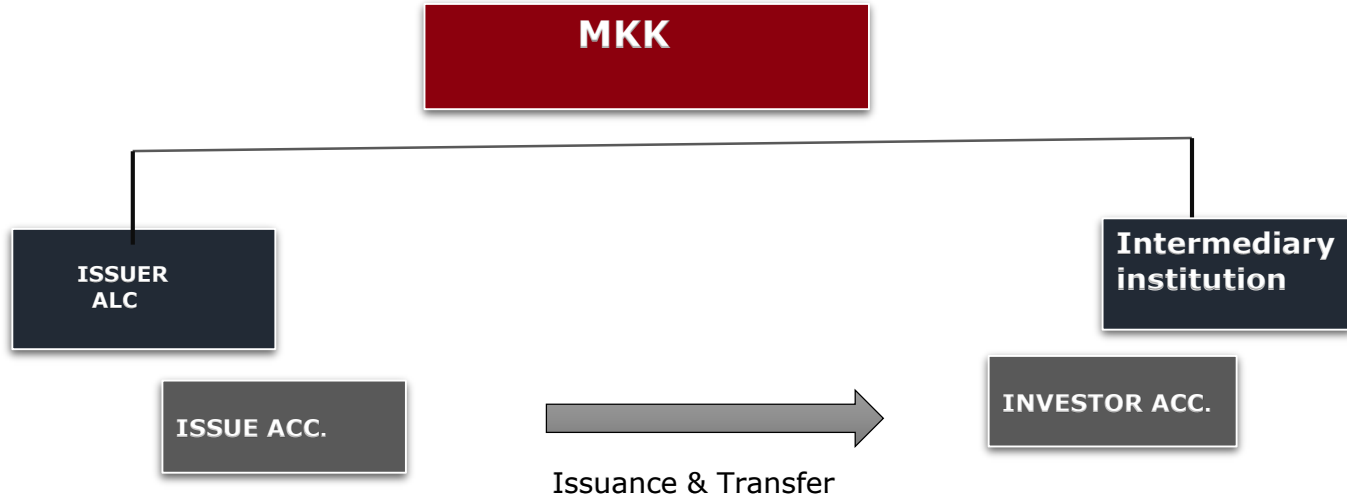
Government Issuance 2020



Corporate Issuance 2020



ISSUANCE PROCESS OF LEASE CERTIFICATES



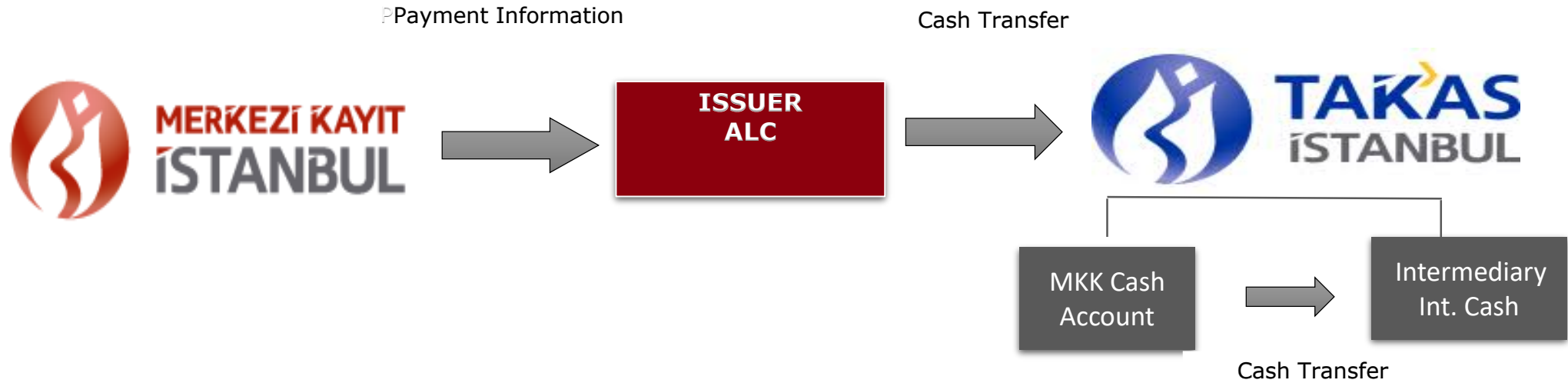
- Lease Certificates can be issued by:
- Public offering (Have to trade at BIST (Debt Securities Market))
 - Private Placement (Do not trade at BIST)
 - Sales to qualified investors (Can trade at BIST)

TYPE OF SALES	NUMBER OF ISSUANCE	ISSUANCE AMOUNT (Billion TL)
Sales to qualified investors	215	49,3
Private Placement	51	6,8
Public Offering	13	4
Total	279	60,2

SETTLEMENT PROCESS OF LEASE CERTIFICATES



COUPON PAYMENT & REDEMPTION OF CORPORATE LEASE CERTIFICATE



	NUMBER OF TRANSACTION	PAYMENT AMOUNTH (Billion TL)	
REDEMPTION	225		49,5
COUPON PAYMENT	279		1,5
Total	504		51

- *Lease certificates are subject to the prevailing tax legislations and will be taxed in accordance with the Article 67 of the Income Tax Law*
- *Earnings of non-resident and full-time taxpayer real persons from buying and selling of lease certificates and rental income are subject to 10% income tax withholding.*
- *10% withholding tax is the final tax for natural person investors and is not included in the annual income tax return.*
- *Lease certificates that has 6 month maturity has %5 , 6-12 months has %3 and over 12 months has %0 income tax until end of July 2021.*
- *Income generated from the buying and selling of lease certificate and rent payment for legal entities are subject to 0% income tax withholding.*
- *Gold Backed Lease Certificates are subject to 0% income tax.*

THANK YOU...

www.mkk.com.tr

internationalrelations@mkk.com.tr

[company/merkezi-kayit-kurulusu-a.s.-mkk-](https://www.linkedin.com/company/merkezi-kayit-kurulusu-a.s.-mkk-) 



**MERKEZİ KAYIT
İSTANBUL**

CSD of Turkey