

2021 IMN Survey of National/Regional Progress in the Implementation of G20/FSB Recommendations

Jurisdiction
Turkey

I1: Hedge funds - Registration, appropriate disclosures and oversight of hedge funds

G20/FSB Recommendations

We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds. (Seoul)

Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management. (London)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2021 survey.

I2: Hedge funds - Establishment of international information sharing framework

G20/FSB Recommendations

We ask the FSB to develop mechanisms for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different jurisdiction from the manager. We will, cooperating through the FSB, develop measures that implement these principles by the end of 2009. (London)

Remarks

Jurisdictions should indicate the progress made in implementing recommendation 6 in IOSCO's [Report on Hedge Fund Oversight \(Jun 2009\)](#) on sharing information to facilitate the oversight of globally active fund managers.

In addition, jurisdictions should state whether they are:

- Signatory to the IOSCO MMoU in relation to cooperation in enforcement
- Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO [Principles Regarding Cross-border Supervisory Cooperation](#).

Jurisdictions can also refer to Principle 28 of the 2017 IOSCO Objectives and Principles of Securities Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
29.08.2013
Progress to date: issue is being addressed through
Primary / Secondary legislation - No
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - Yes
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
In Turkey, the fund itself and the manager have to be located in the same Jurisdiction. Capital Markets Board of Turkey (CMB) is fully cooperating with other jurisdictions in case of any information requested by other authorities or vice versa. Additionally, the fund managers have to provide relevant information about their activities, if any, in other jurisdictions. The IOSCO MMoU concerning the cooperation and exchange of information among the member countries was approved by all IOSCO members at the 2002 Annual Conference held in Istanbul. CMB is among the first institutions signing the IOSCO MMoU. CMB is fully cooperating with other jurisdictions in case of any information requested by other authorities or vice versa. CMB has signed MoUs with authorities of 15 European Union countries (Bulgaria, Czech Republic, Denmark, Greece, Hungary, Italy, Lithuania, Latvia, Luxembourg, Malta, Romania, Slovakia, Sweden, Netherlands, United Kingdom) as well as Iceland, Norway and Liechtenstein with respect to cooperation and exchange of information for the supervision of Alternative Investment Fund Managers. In addition, The CMB has collaborative arrangements with foreign regulatory and supervisory authorities and still continues its efforts to sign MoUs concerning the cooperation and sharing of information with foreign counterparts. CMB signed MoUs with authorities from 36 countries in this regard. Other actions: MoUs.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Relevant web-links: please provide web-links to relevant documents
<http://cmb.gov.tr/indexpage.aspx?pageid=71&submenuheader=4>

13: Hedge funds - Enhancing counterparty risk management

G20/FSB Recommendations

Supervisors should require that institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures. (London)

Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17, FSF 2008)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2018 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2021 survey.

14: Securitisation - Strengthening of regulatory and capital framework for monolines

G20/FSB Recommendations

Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8, FSF 2008)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2021 survey.

I15: Securitisation -Strengthening supervisory, best practices for investment in structured products

G20/FSB Recommendations

Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18, FSF 2008)

Remarks

Jurisdictions should indicate the due diligence policies, procedures and practices applicable for investment managers when investing in structured finance instruments and other policy measures taken for strengthening best practices for investment in structured finance products.

Jurisdictions may reference IOSCO's report on [Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments \(Jul 2009\)](#).

Jurisdictions may also refer to the Joint Forum report on [Credit Risk Transfer- Developments from 2005-2007 \(Jul 2008\)](#).

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.07.2014
Progress to date: issue is being addressed through
Primary / Secondary legislation - No Regulation / Guidelines - Yes Other actions (such as supervisory actions) - No
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
According to "Communiqué on Principles of Investment Funds" and "Guideline on Investment Funds" that came into force on 01.07.2014, all the issuers of structured products that funds invest in have to be investment-grade rated. Also funds investing in structured products have to make daily VAR calculations, which are reported daily to supervisors of risk management unit and weekly to Board of Directors of the management firm.
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents
https://www.mevzuat.gov.tr/mevzuat?MevzuatNo=18564&MevzuatTur=9&MevzuatTertip=5

II6: Securitisation - Enhanced disclosure of securitised products

G20/FSB Recommendations

Securities market regulators should work with market participants to expand information on securitised products and their underlying assets. (Rec. III.10-III.13, FSF 2008)

Remarks

Jurisdictions should indicate the policy measures and other initiatives taken in relation to enhancing disclosure of securitised products, including working with industry and other authorities to continue to standardise disclosure templates and considering measures to improve the type of information that investors receive.

See, for reference, IOSCO's [Report on Principles for Ongoing Disclosure for Asset-Backed Securities \(Nov 2012\)](#), [Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities \(Apr 2010\)](#) and [report on Global Developments in Securitisation Regulations \(November 2012\)](#), in particular recommendations 4 and 5.

Progress to date:
Not applicable
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
There is no public issuance of ABS in Turkey. On the other hand there is regulation regarding ABS in Turkey which is "Communique on Asset-Backed and Mortgage-Backed Securities (III-58.1)" and there is also private issuance of ABS.
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
Progress to date: issue is being addressed through
Primary / Secondary legislation - No
Regulation / Guidelines - No
Other actions (such as supervisory actions) - No
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents
https://www.mevzuat.gov.tr/mevzuat?MevzuatNo=19246&MevzuatTur=9&MevzuatTertip=5

III7: Enhancing supervision - Consistent, consolidated supervision and regulation of SIFIs

G20/FSB Recommendations

All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)

Remarks

Jurisdictions should indicate: (1) whether they have identified domestic SIFIs and, if so, in which sectors (banks, insurers, other etc.); (2) whether the names of the identified SIFIs have been publicly disclosed; and (3) the types of policy measures taken for implementing consistent, consolidated supervision and regulation of the identified SIFIs.

Jurisdictions should not provide details on policy measures that pertain to higher loss absorbency requirements for G/D-SIBs, since these are [monitored separately](#) by the BCBS.

See, for reference, the following documents:

BCBS

- [Framework for G-SIBs \(Jul 2018\)](#)
- [Framework for D-SIBs \(Oct 2012\)](#)

IAIS

- [Holistic Framework for the Assessment and Mitigation of Systemic Risk in the Insurance Sector \(Nov 2019\)](#)
- [Application Paper on Liquidity Risk Management \(Jun 2020\)](#)
- [Draft Application Paper on Macroprudential Supervision \(Mar 2021\)](#)

FSB

- [Evaluation of the effects of too-big-to-fail reforms \(Mar 2021\)](#)
- [Framework for addressing SIFIs \(Nov 2011\)](#)

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
23.02.2016
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - No
Other actions (such as supervisory actions) - Yes

<p>Progress to date: short description of the content of the legislation/regulation/guideline/other actions</p> <p>BRSA: A secondary regulation has been issued on 23.02.2016 regarding the identification and additional capital requirements for D-SIBs in line with BCBS Framework. The D-SIBs have been identified annually since 2018, but the D-SIB list is not disclosed to the public. On the other hand, according to Regulation on Audits that will be conducted by the BRSA, D-SIBs are already subject to enhanced/intensified consolidated supervision. Also, while the frequency of on-site supervision for other banks depends on their size, complexity and supervision rating score, specifically D-SIBS are subject to comprehensive consolidated supervision process every year. BRSA on-site supervision guidelines have been revised and according to these guidelines, D-SIBS are subject to comprehensive consolidated supervision process every year. Besides, different from other banks, D-SIBs are unconditionally obliged to fully comply with the best practices guidelines published by BRSA on various subjects while other banks are to comply with the guidelines on the basis of proportionality principle. Furthermore, the Banking Law No. 5411 was amended as of February 20th, 2020 to introduce a new Article on the Recovery Plans to be prepared by D- SIBS. In accordance with this new article (66/A), D- SIBS are required to prepare recovery plans and to submit them to the BRSA. In addition to this, to bring more clarity about the expectations with respect to the contents of the recovery plans, roles and responsibilities of the involved parties and implementation rules of the mentioned Article, in line with the FSB Key Attributes, EU Directive on Bank Recovery and Resolution, "Regulation on Recovery Plans to be Prepared by D-SIBS" was published in the Official Gazette dated March 16, 2021 and numbered 31425.</p> <p>THE MINISTRY: There is no G-SIIs in Turkey. However, consolidated supervisions are conducted for some insurers in coordination with BRSA.</p> <p>CMB: According to the Assessment Methodologies for Identifying NBNI G-SIFIs, Turkish investment funds, asset management companies and investment firms are not considered as SIFIs. Regarding these, CMB has no action on regulation and supervision of NBNI G-SIFIs.</p>
<p>Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>
<p>Update and next steps: highlight main developments since 2019 survey</p>
<p>Update and next steps: planned actions (if any) and expected commencement date</p>
<p>Relevant web-links: please provide web-links to relevant documents</p> <p>http://www.mevzuat.gov.tr/Metin.Aspx?MevzuatKod=7.5.21425&MevzuatIlski=0&sourceXmlSearch=sistemik https://www.bddk.org.tr/Mevzuat/DokumanGetir/961 https://www.resmigazete.gov.tr/eskiler/2021/03/20210316-4.htm</p>

III8: Enhancing supervision - Establishing supervisory colleges and conducting risk assessments

G20/FSB Recommendations

To establish the remaining supervisory colleges for significant cross-border firms by June 2009.
(London)

We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)

<p>Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2017 IMN survey. The BCBS and IAIS will be monitoring implementation progress in this area with respect to banks and insurers respectively.</p>

III9: Enhancing supervision - Supervisory exchange of information and coordination

G20/FSB Recommendations

To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks should be improved at both national and international levels. (Rec V.7 , FSF 2008)

Enhance the effectiveness of core supervisory colleges. (FSB 2012)

Remarks

Jurisdictions should include any feedback received from recent FSAPs/ROSC assessments on the [September 2012](#) BCP 3 (Cooperation and collaboration) and BCP 14 (Home-host relationships). Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.

Jurisdictions should describe any recent or planned regulatory, supervisory or legislative changes that contribute to the sharing of supervisory information (e.g. within supervisory colleges or via bilateral or multilateral MoUs).

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
25.02.2011 (BRSA); 30.12.2012 (CMB); 27.07.2013 (The Ministry of Treasury and Finance)
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - No
Other actions (such as supervisory actions) - Yes

Progress to date: short description of the content of the legislation/regulation/guideline/other actions

BRSA: An amendment in the Banking Law Nr. 5411 concerning the professional secrecy issue is enacted as of 25.02.2011. In this context, the conflict between Turkish legislation and EU Directives has been eliminated through this amendment. This change in the Law enabled the BRSA to enter into Memorandum of Understanding with EU Supervisory Authorities which enhanced the cooperation. The BRSA has signed bilateral MoUs with the 40 regulatory and supervisory authorities of other jurisdictions (as of December 2020). Furthermore, the BRSA is legally authorized to cooperate with a foreign supervisory authority even in the absence of a specific agreement. Pursuant to Article 98/3 of the Banking Law, if a MoU is not effective, the information requests of authorities of foreign countries within the context of Article can be fulfilled within the framework of the principle of reciprocity.

CMB: Capital Market Law promulgated in 2012, Article No: 128/d: "Cooperating in any manner in relation to capital markets and signing bilateral or multilateral memorandum of understanding in accordance with the principles of reciprocity and the protection of professional confidentiality, with corresponding foreign institutions that are authorized to regulate and supervise capital markets, in order to exchange information, meet requests for document, inspecting the headquarters, branch offices or subsidiaries or affiliates located in Turkey of institutions performing activities in the capital markets of foreign countries as well as in the bodies from which they outsource within the framework of a written contract and to take the necessary administrative measures, share the expenditures related to the activities to be carried out in this context" is defined within the duties of the CMB.

THE MINISTRY: Regulation about supervisory exchange of information and coordination akin to ICP 3 and ICP 25. Insurance Law Article No. 29 is pertinent to information sharing and cooperation among international institutions. Article 32 of Regulation on Monitoring and Supervision Insurance and Pension Sector (amendment date: R.G. 27.07.2013 - 28720) deals with information sharing and collaboration. It enables the Ministry to cooperate with national and international monitoring and supervising authorities, to be a party to agreements on information sharing and joint supervision, and to exchange information within the legal framework of the Insurance Regulations. The Ministry is a signatory of IAIS Multilateral Memorandum of Understanding (IAIS MMoU) as of 28.03.2013. Other actions: MMoUs: In order to enhance supervisory exchange of information and coordination, the CMB has been signing MoUs with both international financial organizations and national authorities for the purposes of developing bilateral cooperation opportunities, carrying out cross border supervision and enforcement activities effectively. The CMB is one of the first countries signing the IOSCO Multilateral MoU. Additionally, starting from the 1990s, CMB has signed bilateral MoUs with various regulatory and supervisory authorities from 36 jurisdictions.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Relevant web-links: please provide web-links to relevant documents

For the CMB Law: <https://www.mevzuat.gov.tr/mevzuat?MevzuatNo=6362&MevzuatTur=1&MevzuatTertip=5>
 For The MoUs Signed by the CMB: <https://www.cmb.gov.tr/Sayfa/Index/0/4>
 For the MoUs signed by the BRSA:
<https://www.bdck.org.tr/KurumHakkinda/Detay/33>
<https://www.hmb.gov.tr/sigortacilik-ve-ozel-emeklilik-mevzuat>

III10: Enhancing supervision - Strengthening resources and effective supervision

G20/FSB Recommendations

We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention. (Seoul)

Supervisors should see that they have the requisite resources and expertise to oversee the risks associated with financial innovation and to ensure that firms they supervise have the capacity to understand and manage the risks. (FSF 2008)

Supervisory authorities should continually re-assess their resource needs; for example, interacting with and assessing Boards require particular skills, experience and adequate level of seniority. (Rec. 3, FSB 2012)

Remarks

Jurisdictions should indicate any steps taken on recommendations 1, 2, 3, 4 and 7 (i.e. supervisory strategy, engagement with banks, improvements in banks' IT and MIS, data requests, and talent management strategy respectively) in the FSB [thematic peer review report on supervisory frameworks and approaches to SIBs \(May 2015\)](#).

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
23.02.2016 (BRSA); 31.05.2014 (The Ministry of Treasury and Finance)
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - Yes
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
BRSA: In order to enhance the effectiveness of surveillance reporting, the frequency and scope of call reports regarding to the increasing data needs have been increased. In addition to data transfer system of BRSA a new reporting infrastructure named FITS (Fast Information Transfer System) has been established in 2020 to provide ad hoc non-standardized data needs as fast as possible.
THE MINISTRY: Insurance Early Warning System (SEUS) has been established by the Ministry. In the context of SEUS, early warning indicators of potential financial distress have been defined out of number of indicators by taking into account of correlations and weights. In addition, insurance sector specific stress testing mechanism has been developing. In the context of stress testing, while a top down approach for the assessment of an earthquake scenario and contagion risk shocks has been used, a bottom up approach is partly considered in the solvency regime for the market risk (only interest rate shock is used). There is also a catastrophic risk monitoring mechanism in place. And The Ministry carries out a project with the Insurance Information and Monitoring Center. The project, which is planned to be completed at the end of 2019, will provide up-to-date data from companies in line with the financial statements, improve the risk assessment system and redefine the supervision processes and shorten its periods. In order to increase the reliability of insurance data and ensure the integration of different systems, the monitoring capacity of the insurance monitoring system has been enhanced through the utilization of a more sustainable and robust IT infrastructure.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents
http://www.mevzuat.gov.tr/Metin.Aspx?MevzuatKod=7.5.21425&MevzuatIliski=0&sourceXmlSearch=sistemik

IV11: Macroprudential frameworks and tools - Establishing oversight regulatory framework

G20/FSB Recommendations

Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks and private pools of capital to limit the build up of systemic risk. (London)

Ensure that national regulators possess the powers for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for failure or severe stress to contribute to systemic risk. This will be done in close coordination at international level in order to achieve as much consistency as possible across jurisdictions. (London)

Remarks

Please describe major changes in the institutional arrangements for macroprudential policy (structures, mandates, powers, reporting etc.) that have taken place in your jurisdiction since the global financial crisis.

Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among national authorities on financial institutions, markets and instruments to assess the potential for systemic risk. If so, please describe identified gaps in the powers to collect information, and whether any follow-up actions have been taken.

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
08.06.2011
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes Regulation / Guidelines - No Other actions (such as supervisory actions) - No

<p>Progress to date: short description of the content of the legislation/regulation/guideline/other actions</p> <p>THE MINISTRY: The Financial Stability Committee (FSC) was established on June 8, 2011. However, on January 18, 2019, an amendment to restructure the FSC came into force to authorize the Committee through additional duties for a much more robust macro-prudential policy framework and responsibilities related to strengthen the role of financial system in sustainable development. The name of the Committee has been changed as the Financial Stability and Development Committee (FSDC). The FSDC monitors and identifies the systemic risks and determines possible necessary macro-prudential measures to manage them. Building on the individual institutions powers pertaining to their specific areas, Law on Financial Stability and Certain Regulations (Law No: 4059; Article: 1) empowers the FSDC with the mandate to gather the information from all relevant parties, and to coordinate and monitor the policy implementations. Recently, on May 20, 2021, an amendment to restructure the FSDC came into force that reverts its name back to Financial Stability Committee (FSC) and drops the emphasis on development. New FSC, still as a coordination and cooperation platform, has powers of old FSC and two new members Presidency of Strategy and Budget Office and Insurance and Private Pension Regulation and Supervision Agency. On top of these powers, FSC will have a perspective of deepening and development of financial markets with an aim of promoting financial stability. Additionally, there are also MoUs and bilateral sub-protocols between several authorities on information sharing.</p>
<p>Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p>
<p>Update and next steps: highlight main developments since 2019 survey</p> <p>On May 20, 2021, an amendment to restructure the FSDC came into force that reverts its name back to Financial Stability Committee (FSC) and drops the emphasis on development. New FSC, still as a coordination and cooperation platform, has powers of old FSC and two new members Presidency of Strategy and Budget Office and Insurance and Private Pension Regulation and Supervision Agency. On top of these powers, FSC will have a perspective of deepening and development of financial markets with an aim of promoting financial stability.</p>
<p>Update and next steps: planned actions (if any) and expected commencement date</p> <p>Due to recent restructuring a new draft secondary legislation is waiting for approval. It is expected to be published as end of September 2021.</p>
<p>Relevant web-links: please provide web-links to relevant documents</p> <p>http://www.mevzuat.gov.tr/MevzuatMetin/1.5.4059.pdf</p>

IV13: Macroprudential frameworks and tools - Enhancing monitoring and use of macroprudential instruments

G20/FSB Recommendations

Authorities should use quantitative indicators and/or constraints on leverage and margins as macro-prudential tools for supervisory purposes. Authorities should use quantitative indicators of leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level. (Rec. 3.1, FSF 2009)

We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the FSB-BIS-IMF on this subject. (Cannes)

Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)

Remarks

Please describe at a high level (including by making reference to financial stability or other reports, where available) the types of methodologies, indicators and tools used to assess systemic risks.

Please indicate the use of tools for macroprudential purposes over the past year, including: the objective for their use; the process to select, calibrate and apply them; and the approaches used to assess their effectiveness.

See, for reference, the following documents:

- FSB-IMF-BIS progress report to the G20 on [Macroprudential policy tools and frameworks \(Oct 2011\)](#)
- CGFS report on [Operationalising the selection and application of macroprudential instruments \(Dec 2012\)](#)
- IMF staff papers on [Macroprudential policy, an organizing framework \(Mar 2011\)](#), [Key Aspects of Macroprudential policy \(Jun 2013\)](#), and [Staff Guidance on Macroprudential Policy \(Dec 2014\)](#)
- IMF-FSB-BIS paper on [Elements of Effective Macroprudential Policies: Lessons from International Experience \(Aug 2016\)](#)
- CGFS report on [Experiences with the ex ante appraisal of macroprudential instruments \(Jul 2016\)](#)
- CGFS report on [Objective-setting and communication of macroprudential policies \(Nov 2016\)](#)
- IMF [Macroprudential Policy Survey database](#)

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
Implementation of macro-prudential instruments is an ongoing process.

Progress to date: issue is being addressed through

Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - Yes

Progress to date: short description of the content of the legislation/regulation/guideline/other actions

There is not one designated institution for macro prudential policies, however in order to orchestrate and enhance cooperation and coordination among related parties, the FSC was established on June 8, 2011. On January 18, 2019, an amendment to restructure the FSC came into force to authorize the Committee through additional duties for a much more robust macro-prudential policy framework and responsibilities related to strengthen the role of financial system in sustainable development. The name of the Committee has been changed as the Financial Stability and Development Committee (FSDC). Recently, on May 20, 2021, an amendment to restructure the FSDC came into force that reverts its name back to Financial Stability Committee (FSC) and drops the emphasis on development. New FSC, still as a coordination and cooperation platform, has powers of old FSC and two new members Presidency of Strategy and Budget Office and Insurance and Private Pension Regulation and Supervision Agency. On top of these powers, FSC will have a perspective of deepening and development of financial markets with an aim of promoting financial stability. Since the end of 2010, a variety of macro prudential tools have been used by related authorities. Systemic risk is monitored and analysed by the authorities regularly in both macro and micro levels within the scope of the duties and powers. Some of the macro prudential instruments are listed below:

- Loan-to-value (LTV) caps on residential mortgage loans and vehicle loans;
- Use of risk weights by loan type and remaining loan maturity;
- Debt to Income ratio for individual credit cards; credit card limit must be proportional to the income of the card holder;
- Differential use of provisions by loan type;
- Minimum payment to total due amount ratio for credit card payments and limit to number of installments for credit card transactions;
- Maturity cap for general purpose and vehicle loans;
- Stricter maturity cap for general purpose loans of large amount
- Liquidity requirements;
- Measures on Extension of the Maturity of Deposits (Withdrawal before maturity, differentiation of withholding according to maturity of deposits, differentiation of Resource Utilization Support Fund (RUSF) based on Maturity);
- Differentiation on Deposit Insurance System Premiums (risk based premium system);
- FX borrowing limits linking to FX income for the firms having FX loan less than \$15 million.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey

CBRT received technical assistance (TA) on Commercial Property Price Index from IMF in November 2019. The recommendations stated in the TA report have been applied and hence the indices have been finalized.

Update and next steps: planned actions (if any) and expected commencement date

Related to Commercial Property Price Index, the CBRT has completed construction of retail property price index and office price index for Turkey using hedonic price method. Besides, Commercial Property Price Index has been produced as a weighted average of retail property and office indices. The aim is to publish the indices until the end of 2021. Under the newly-established framework, named Systemic Risk Monitoring System, CBRT collects firm-level data directly from non-financial companies in order to monitor the FX-related risks of systemically important firms.

Relevant web-links: please provide web-links to relevant documents

<https://www.bddk.org.tr/Mevzuat/Liste/50>
<https://www.tcmbveri.gov.tr/index.html>

V13: Improving credit rating agencies (CRAs) oversight- Enhancing regulation and supervision of CRAs

G20/FSB Recommendations

All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of Conduct Fundamentals. (London)

National authorities will enforce compliance and require changes to a rating agency's practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process.

CRAs should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process.

The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)

Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)

We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2018 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2019 survey.

V14: Improving credit rating agencies (CRAs) oversight - Reducing the reliance on ratings

G20/FSB Recommendations

We also endorsed the FSB's principles on reducing reliance on external credit ratings. Standard setters, market participants, supervisors and central banks should not rely mechanistically on external credit ratings. (Seoul)

Authorities should check that the roles that they have assigned to ratings in regulations and supervisory rules are consistent with the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation. (Rec IV. 8, FSF 2008)

We reaffirm our commitment to reduce authorities' and financial institutions' reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings. (Cannes)

We call for accelerated progress by national authorities and standard setting bodies in ending the mechanistic reliance on credit ratings and encourage steps that would enhance transparency of and competition among credit rating agencies. (Los Cabos)

We call on national authorities and standard setting bodies to accelerate progress in reducing reliance on credit rating agencies, in accordance with the FSB roadmap. (St Petersburg)

Remarks

Jurisdictions should indicate the steps they are taking to address the recommendations of the [May 2014 FSB thematic peer review report on the implementation of the FSB Principles for Reducing Reliance on Credit Ratings](#), including by implementing their [agreed action plans](#). Any revised action plans should be sent to the FSB Secretariat so that it can be posted on the FSB website.

Jurisdictions may refer to the following documents:

- FSB [Principles for Reducing Reliance on CRA Ratings \(Oct 2010\)](#)
- FSB [Roadmap for Reducing Reliance on CRA Ratings \(Nov 2012\)](#)
- BCBS [Basel III: Finalising post-crisis reforms \(Dec 2017\)](#)
- IAIS [ICP guidance](#) 16.9 and 17.8.25
- IOSCO [Good Practices on Reducing Reliance on CRAs in Asset Management \(Jun 2015\)](#)
- IOSCO [Sound Practices at Large Intermediaries Relating to the Assessment of Creditworthiness and the Use of External Credit Ratings \(Dec 2015\)](#).

Progress to date:
Implementation ongoing
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: If you have selected "implementation ongoing" - please specify
Final rule (for part of the reform) in force
Progress to date: please provide a date for your "implementation ongoing" status
23.10.2015 (BRSA); 18.02.2017 (CMB)

Progress to date: If you have selected "Implementation completed" - please provide date of implementation
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes Regulation / Guidelines - Yes Other actions (such as supervisory actions) - No
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
<p>BRSA: The standard that Basel Committee of Banking Supervision (BCBS) has finalized regarding credit risk capital requirements under standardised approach in December 2017 is expected to be in force by 2023 in Turkey. That standard is expected to help jurisdictions significantly reduce their reliance on external credit assessments of the calculation of capital adequacy. BRSA will implement this standard in line with the BCBS timeline. Currently all Turkish banks are obliged to make their own credit assessments before extending credits and not to solely rely on any CRA rating. CRA ratings are not a replacement of internal risk assessment according to BRSA regulations. In order to incentivise market participants to develop internal risk management capabilities, BRSA published the Communique on Internal Ratings Based Approach on 23.10.2015 and made amendments on Regulation on Capital Adequacy Calculation of Banks accordingly. (Currently only one bank is using Basels IRB approach and more banks are expected to use it in the future) BRSA has also published a detailed credit risk management guideline on 17.07.2014 in order to improve banks' internal risk assessment capabilities. Furthermore, BRSA has recently published guidelines on credit granting and monitoring in which internal risk assessment throughout the credit life cycle is encouraged. Although CRA ratings are actively used in capital adequacy calculations under standard approach, with more banks using sophisticated internal approaches, reliance on CRA ratings is expected to diminish.</p> <p>CMB: There are references to CRA ratings in regulations regarding debt securities and pension fund-mutual funds.</p> <p>THE MINISTRY: Reinsurance risk is one of the risk categories that is used to calculate the required capital of insurance, reinsurance and pension companies. Before the amendment of the "Regulation on Measurement and Assessment of Capital Requirements of Insurance, Reinsurance and Pension Companies" on 23.08.2015, for the calculation of the reinsurance risk, the premiums ceded to the "reinsurers rated with the minimum rating by the rating agencies to be determined by the Undersecretariat" were multiplied with the risk factor of 0.03. In order to reduce the reliance on ratings, this provision was amended as follows: the premiums ceded to the "reinsurers included in the list to be published by the Undersecretariat based on the financial and technical competence criteria" shall be multiplied with the risk factor of 0.06.</p>
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Regarding the banking regulations of BRSA, the main and most important reference to ratings are related to capital requirements and liquidity regulations. These regulations are prepared based on the compliance requirement with Basel Standards. In this respect, the mechanistic reliance on rating agencies will be removed with the implementation of final Basel III standards after 2022. Until then, the implementation current standard will refer to ratings in a mechanistic way. However, reliance on CRA ratings in those banks using IRB approach is at minimal level.
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents
<p>Regulation on Capital Adequacy of Banks: https://www.mevzuat.gov.tr/mevzuat?MevzuatNo=21192&MevzuatTur=7&MevzuatTertip=5 IRB Regulation: https://www.mevzuat.gov.tr/mevzuat?MevzuatNo=21194&MevzuatTur=9&MevzuatTertip=5 Credit Risk Management Guideline: https://www.bddk.org.tr/Mevzuat/DokumanGetir/950 Regulation on Guidelines on Credit Granting and Monitoring: https://www.bddk.org.tr/Mevzuat/DokumanGetir/1041 https://www.hmb.gov.tr/sigortacilik-ve-ozel-emeklilik-mevzuat https://www.mevzuat.gov.tr/mevzuat?MevzuatNo=18564&MevzuatTur=9&MevzuatTertip=5 https://www.mevzuat.gov.tr/mevzuat?MevzuatNo=17200&MevzuatTur=7&MevzuatTertip=5 https://www.mevzuat.gov.tr/mevzuat?MevzuatNo=18452&MevzuatTur=9&MevzuatTertip=5</p>

VI15: Enhancing accounting standards - Consistent application of high-quality accounting standards

G20/FSB Recommendations

Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards. (Washington)

Remarks

Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are of a high and internationally acceptable quality (e.g. equivalent to IFRSs as published by the IASB), and provide accurate and relevant information on financial position and performance. They should also explain the system they have for enforcement of consistent application of those standards.

Jurisdictions may want to refer to their jurisdictional profile prepared by the IFRS Foundation, which can be accessed at: <https://www.ifrs.org/use-around-the-world/use-of-ifrs-standards-by-jurisdiction/>.

As part of their response on this recommendation, jurisdictions should indicate the policy measures taken for appropriate application of recognition, fair value measurement and disclosure requirements.

In addition, jurisdictions should set out any steps they intend to take (if appropriate) to foster transparent and consistent implementation of the new accounting requirements for the measurement of expected credit losses on financial assets that are being introduced by the IASB and FASB.

See, for reference, the following BCBS documents:

- [Supervisory guidance for assessing banks' financial instrument fair value practices \(Apr 2009\)](#)
- [Guidance on credit risk and accounting for expected credit losses \(Dec 2015\)](#)
- [Regulatory treatment of accounting provisions - interim approach and transitional arrangements \(March 2017\)](#)

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
KGK (2005) 01.11.2006 (BRSA) 03.06.2007 (The Ministry of Treasury and Finance) CMB: 21.12.2004 (for listed companies and capital market institutions other than investment funds and housing finance and asset finance funds) and 30.12.2013 (for investment funds and housing finance and asset finance funds)
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - Yes

Progress to date: short description of the content of the legislation/regulation/guideline/other actions

KGK: Turkey has already adopted IFRS Standards for the financial statements of all public interest entities. Entities whose securities are traded in a regulated market, intermediary institutions, and portfolio management companies were permitted to use IFRS Standards as of 2003 voluntarily and have been required to use IFRS Standards since 2005. Banks have been required to use IFRS Standards since 2006. Financial lease companies, factoring companies and financing companies have been required to use IFRS Standards since 2007. Insurance, reinsurance and pension companies have been required to use IFRS Standards since 2008. IFRSs are incorporated into Turkish legislation as Turkish Accounting Standards and Financial Reporting Standards (TAS/TFRSs) by the Public Oversight, Accounting and Auditing Standards Authority of Turkey (KGK) and they are in full compliance with the IFRSs issued by the IASB. TAS/TFRSs are regularly updated in accordance with the amendments made by the IASB with the effective dates as originally pronounced by the IASB preserved. TAS/TFRSs are published in the Official Gazette as Board Decisions by the KGK. Turkey has a formal process for the endorsement/adoption of new and amended IFRS. New and amended standards are continuously updated by the KGK and published in the Official Gazette. BRSA: Institutions under the supervision of the BRSA have to comply with TAS/TFRSs which are in line with IFRSs since 01.11.2006. BRSA has the authority to supervise and regularly supervises the full implementation of TAS/TFRSs by the related companies. BRSA regulations regarding fair value considerations in the calculation of capital requirements are in line with Basel III and in force since July 2012. BRSA published a separate best practice guideline on fair value calculations at December 2015. BRSA published a new regulation on classification of assets and provisions set aside for financial assets in June 2016. The regulation requires banks to measure their expected credit losses based on the impairment rules of IFRS 9. The Turkish Accounting and Auditing Standards Authority issued TFRS 9, which has been effective since the beginning of 2018, with early adoption permitted. Almost all banks in Turkey have been implementing IFRS 9. With the publication of TFRS 9, which is fully compliant with IFRS 9, transparent and consistent implementation of the new accounting requirements for the measurement of expected credit losses on financial assets has been ensured.

THE MINISTRY: All norms regarding accounting, financial reporting and valuation of assets are compliant with IFRS since 2007. Insurance, reinsurance and pension companies under the supervision of The Ministry have to comply with TAS/TFRSs which are in line with IFRSs. The Ministry has the authority to supervise regularly the full implementation of TAS/TFRSs by the related companies.

CMB: Following Articles 14 and 36 and subparagraph of first paragraph of Article 128 of the Capital Markets Law no. 6362 dated 6.12.2012, Communiqué on Principles of Financial Reporting in Capital Markets was promulgated on 13.06.2013 and Communiqué on Principles Regarding Financial Reporting of Investment Funds was promulgated on 30.12.2013. The purpose of these Communiqué is to set the principles and procedures regarding financial reports to be publicly announced by issuers and capital market institutions. These entities prepare their financial statements on the basis of TAS/TFRSs issued and published by KGK. Moreover, to ensure that the financial reporting principles and procedures are clear and understandable, or for the sake of unity in implementation thereof, if and when deemed necessary, the Capital Market Board reaches decisions pursuant to article 14 of the Law. Entities are under obligation to comply with these decisions.

Other actions: CMB: Listed companies and capital market institutions as defined in Capital market Law apply TAS/TFRSs (which is compatible with IFRSs) as set and disclosed by the KGK. Application of those standards is required to be audited by independent audit firms according to the related CMB regulations. In addition, a team of experts has been assigned to do revision of financial reports on a risk basis and required precautions are taken for those entities which breach standards and related regulations.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Relevant web-links: please provide web-links to relevant documents

BRSA Accounting Rules <http://www.mevzuat.gov.tr/Metin.Aspx?MevzuatKod=7.5.10747&MevzuatIliski=0&sourceXmlSearch=bankalar%C4%B1n%20muhasabe>

http://www.tsb.org.tr/Document/Yonetmelikler/Finansal_Raporlama-SON.pdf

Turkey's jurisdictional profile prepared by the IFRS Foundation can be accessed at: IFRS® Standards—Jurisdiction Profiles

Link to all TFRSs:

<https://kgk.gov.tr/DynamicContentDetail/9182/TFRS-2019-Seti>

Link to all TFRS 16:

http://www.kgk.gov.tr/Portalv2Uploads/files/DynamicContentFiles/T%C3%BCrkiye%20Muhasebe%20Standartlar%C4%B1/TMS_TFRS2019Seti/TFRS/TFRS_16.pdf

Link to TFRS 17: <http://www.kgk.gov.tr/Portalv2Uploads/files/Duyurular/v2/TFRS/TFRS%2017%20ve%20Di%C4%9Fer%20Standartlarda%20Yapt%C4%B1%C4%9F%C4%B1%20De%C4%9Fi%C5%9Fiklikler.pdf>

Link to The New Conceptual Framework: [http://www.kgk.gov.tr/Portalv2Uploads/files/DynamicContentFiles/T%C3%BCrkiye%20Muhasebe%20Standartlar%C4%B1/TMSTFRS2019Seti/Finansal%20Raporlamaya%20%C4%B0li%C5%9Fkin%20Kavramsal%20%C3%87er%C3%A7eve/F%C4%B0NANSAL%20RAPORLAMAYA%20%C4%B0L%C4%B0%C5%9EK%C4%B0N%20KAVRAMSAL%20%C3%87ER%C3%87EVE%20\(2018%20S%C3%BCr%C3%BCm%C3%BC\).pdf](http://www.kgk.gov.tr/Portalv2Uploads/files/DynamicContentFiles/T%C3%BCrkiye%20Muhasebe%20Standartlar%C4%B1/TMSTFRS2019Seti/Finansal%20Raporlamaya%20%C4%B0li%C5%9Fkin%20Kavramsal%20%C3%87er%C3%A7eve/F%C4%B0NANSAL%20RAPORLAMAYA%20%C4%B0L%C4%B0%C5%9EK%C4%B0N%20KAVRAMSAL%20%C3%87ER%C3%87EVE%20(2018%20S%C3%BCr%C3%BCm%C3%BC).pdf)

<https://www.mevzuat.gov.tr/mevzuat?MevzuatNo=18477&MevzuatTur=9&MevzuatTertip=5>

<https://www.hmb.gov.tr/sigortacilik-ve-ozel-emeklilik-mevzuat>

VII16: Enhancing risk management - Enhancing guidance to strengthen banks' risk management practice

G20/FSB Recommendations

Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk management. (Washington)

National supervisors should closely check banks' implementation of the updated guidance on the management and supervision of liquidity as part of their regular supervision. If banks' implementation of the guidance is inadequate, supervisors will take more prescriptive action to improve practices. (Rec. II.10, FSF 2008)

Regulators and supervisors in emerging markets will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)

We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)

Remarks

Jurisdictions should indicate the measures taken in the following areas:

- guidance to strengthen banks' risk management practices, including BCBS good practice documents ([Corporate governance principles for banks](#), [External audit of banks](#), and the [Internal audit function in banks](#));
- measures to monitor and ensure banks' implementation of the BCBS [Principles for Sound Liquidity Risk Management and Supervision \(Sep 2008\)](#);
- measures to supervise banks' operations in foreign currency funding markets;¹ and
- extent to which they undertake stress tests and publish their results.

Jurisdictions should not provide any updates on the implementation of Basel III liquidity requirements (and other recent standards such as capital requirements for CCPs), since these are [monitored separately by the BCBS](#).

¹ Only the emerging market jurisdictions that are members of the FSB should respond to this specific recommendation.

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
31.03.2016

Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes Regulation / Guidelines - Yes Other actions (such as supervisory actions) - No
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
The BRSA published an updated regulation on internal systems and ICAAP for banks on 11.07.2014. Additionally, to address the main G20/FSB recommendations; detailed risk management guidelines on credit risk, market risk, operational risk, counterparty credit risk, liquidity risk (funding and market), interest rate risk in the banking book (yield curve risk, basis risk, optionality risk), concentration risk, country and transfer risk (indirect country risk, sovereign risk, macroeconomic risk and contagion risk) were issued. Moreover, the stress testing framework is regulated more explicitly and the BRSA has also issued the supporting guidelines on stress testing and ICAAP Report preparation.
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents
http://www.mevzuat.gov.tr/Metin.Aspx?MevzuatKod=7.5.19864&MevzuatIisiki=0&sourceXmlSearch=i%C3%A7%20sistemleri http://www.bddk.org.tr/ContentBddk/dokuman/mevzuat_0088.pdf

VII17: Enhancing risk management - Enhanced risk disclosures by financial institutions

G20/FSB Recommendations

Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate. (Washington)

We encourage further efforts by the public and private sector to enhance financial institutions' disclosures of the risks they face, including the ongoing work of the Enhanced Disclosure Task Force. (St. Petersburg)

Remarks

Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS 7 and 13) or equivalent. Jurisdictions may also use as reference the recommendations of the October 2012 report by the Enhanced Disclosure Task Force on [Enhancing the Risk Disclosures of Banks](#) and [Implementation Progress Report by the EDTF \(Dec 2015\)](#), and set out any steps they have taken to foster adoption of the EDTF Principles and Recommendations.

In addition, in light of the new IASB and FASB accounting requirements for expected credit loss recognition, jurisdictions should set out any steps they intend to take (if appropriate) to foster disclosures needed to fairly depict a bank's exposure to credit risk, including its expected credit loss estimates, and to provide relevant information on a bank's underwriting practices. Jurisdictions may use as reference the recommendations in the report by the Enhanced Disclosure Task Force on the [Impact of Expected Credit Loss Approaches on Bank Risk Disclosures \(Nov 2015\)](#), as well as the recommendations in Principle 8 of the BCBS [Guidance on credit risk and accounting for expected credit losses \(Dec 2015\)](#).

In their responses, jurisdictions should not provide information on the implementation of Basel III Pillar 3 requirements, since this is [monitored separately](#) by the BCBS.

Progress to date:
Implementation completed

Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification

Progress to date: please provide a date for your "implementation ongoing" status

Progress to date: If you have selected "Implementation completed" - please provide date of implementation
31.03.2016 (BRSA), 01.07.2014 (CMB)

Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - No
Other actions (such as supervisory actions) - No

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Progress to date: short description of the content of the legislation/regulation/guideline/other actions

BRSA: Institutions under the supervision of the BRSA have to comply with TFRSs on disclosure requirements which are in line with IFRSs. BRSA has the authority to supervise and regularly supervises the full implementation of these disclosures.

THE MINISTRY: The Ministry monitors the information disclosed by insurers in a timely manner. Article 18 Paragraph 3 of Insurance Law No. 5684 stipulates that the Ministry shall cause to be re-announced such financial statements corrected if any untrue information is discovered in the announced financial statements announced by insurance and reinsurance companies, taking into account generally accepted accounting rules and principles. CMB: Investment funds have to disclose their "monthly portfolio reports" and also their financial reports in the Public Disclosure Platform, which is easily accessible by all investors. Regarding risk management disclosures, as Guideline On Investment Funds came into force as of 01.07.2014, investment funds which are going to invest in derivatives and engage in other leveraged transactions, became obligated to disclose; A) Risk calculation methodology, under which circumstances the fund will create leverage, through which channels that leverage will be created (derivatives, etc.) and risks related to those transactions. B) Information about VAR method that is going to be used. C) Leverage limit of the fund and calculation method of leverage, D) Information about reference portfolio (if relative-VAR is chosen for risk calculations) in their prospectus. Also, risks related to the funds investment strategy and risk rating of the fund on a 1 to 7 scale have to be disclosed in the Key Investor Information Document.

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Relevant web-links: please provide web-links to relevant documents
<http://www.mevzuat.gov.tr/MevzuatMetin/yonetmelik/9.5.21193-Metin.pdf>
<http://www.spk.gov.tr/Sayfa/Dosya/1087>
<https://www.mevzuat.gov.tr/mevzuat?MevzuatNo=18564&MevzuatTur=9&MevzuatTertip=5>

VIII18: Strengthening deposit insurance - Strengthening of national deposit insurance arrangements

G20/FSB Recommendations

National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)

Remarks

Jurisdictions that have not yet adopted an explicit national deposit insurance system should describe their plans to introduce such a system.

All other jurisdictions should describe any significant design changes in their national deposit insurance system since the issuance of the revised IADI [Core Principles for Effective Deposit Insurance Systems](#) (November 2014).

In addition, jurisdictions should indicate if they have carried out a self-assessment of compliance (based on IADI's 2016 [Handbook](#)) with the revised Core Principles:

- If so, jurisdictions should highlight the main gaps identified and the steps proposed to address these gaps;
- If not, jurisdictions should indicate any plans to undertake a self-assessment exercise.

Progress to date:
Implementation ongoing
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: If you have selected "implementation ongoing" - please specify
Draft in preparation
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - No
Other actions (such as supervisory actions) - No

Progress to date: short description of the content of the legislation/regulation/guideline/other actions

In Turkey, the rules and responsibilities for deposit insurance system are defined in the Banking Law No.5411. Savings Deposit Insurance Fund (SDIF) is authorized to protect the rights of depositors and participation fund owners (namely Islamic deposit owners) and to ensure confidence and financial stability in Turkish financial system. In addition, the SDIF has a role in resolution of failed banks and asset recovery process. Pursuant to the relevant provisions of the Banking Law, the SDIF is authorized; -to insure deposits and participation funds; -to manage the banks whose management and control have been transferred to the SDIF; -to strengthen and restructure their financial standing; -to transfer, merge, sell or liquidate these banks; -to execute and conclude the follow-up and collection transactions of the receivables of the SDIF and manage the SDIFs assets and resources. In this context, the SDIF insures only savings deposit accounts and participation funds opened by real persons, in Turkish Lira, foreign currency, or precious metals. These accounts must be held at domestic branches of credit institutions operating in Turkey. Savings deposits deposited in foreign branches of credit institutions and credit institutions engaged in off-shore banking, among others, are specifically excluded from coverage under Turkish Banking Law and related regulations. The SDIF has a differential risk based premium system and collects risk-based premiums from the banks on an ex-ante basis. As of June 30, 2021, there are 40 deposit taking banks (34 conventional banks + 6 participation banks namely Islamic banks) in the deposit insurance scheme and the membership is compulsory for all deposit taking banks in Turkey. The current deposit insurance limit is 150.000* Turkish Liras (approximately USD 17,281) per depositor per bank. As of June 30, 2021, the total amount of covered deposits is TRY 940 billion (USD 108,3 billion) and 87 per cent of total bank depositors and 24.3 per cent of total deposits are insured. The SDIF has a reserve fund but no target ratio. The deposit insurance reserve (DIF) of the SDIF is about TRY 77 Billion (USD 8,8) Billion as of June 30, 2021 and the current reserve/insured deposit ratio is 8.14 per cent which is somewhat higher than in peer countries. *It was increased in 2019 by taking into account certain economic and financial criterias such as cumulative inflation rate, savings deposit amount per person.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

The policy proposal for amendments to the Banking Law are quite extensive and brings significant changes in both deposit insurance and bank resolution framework. The BRSA and the SDIF have worked together in this legislation work. Although they have reached a mutual understanding on the amendments, the subsequent parliamentary process has not started.

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

This ongoing legislation study aims to address various shortcomings in our current deposit insurance (*) and bank resolution frameworks to comply with the international standards namely FSB keys Attributes, IADI Core Principles, etc. The draft document for the proposed amendments in current legislation has been completed and presented to the Turkish Financial Stability Committee but not submitted to the Parliament yet. * Required amendments related with our current Deposit Insurance System:

- to expand the coverage by including commercial deposits,
- to empower the SDIF Board for determining target reserve ratio,
- to incorporate the Single Customer View System in the text of the legislation,
- to empower the SDIF with onsite examination power for issues related to deposit insurance mandate.

Relevant web-links: please provide web-links to relevant documents

(Article 111, Article 63, Article 64 of the Banking Law) <https://www.tbb.org.tr/en/banking-legislation/banking-law/14>
<https://www.tmsf.org.tr/en-us/Tmsf/Info/banking.law.about>

IX19: Safeguarding financial markets integrity and efficiency - Enhancing integrity and efficiency

G20/FSB Recommendations

We must ensure that markets serve efficient allocation of investments and savings in our economies and do not pose risks to financial stability. To this end, we commit to implement initial recommendations by IOSCO on market integrity and efficiency, including measures to address the risks posed by high frequency trading and dark liquidity, and call for further work by mid-2012. (Cannes)

Remarks

Jurisdictions should indicate whether high frequency trading and dark pools exist in their national markets.

Jurisdictions should indicate the progress made in implementing the recommendations:

- in relation to dark liquidity, as set out in the IOSCO [Report on Principles for Dark Liquidity \(May 2011\)](#).
- on the impact of technological change in the IOSCO [Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency \(Oct 2011\)](#).
- on market structure made in the IOSCO Report on [Regulatory issues raised by changes in market structure \(Dec 2013\)](#).

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
30.12.2016 Dark orders 05.05.2016 HFT
Progress to date: issue is being addressed through
Primary / Secondary legislation - No
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - No
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Progress to date: short description of the content of the legislation/regulation/guideline/other actions

Borsa Istanbul does not operate a dark pool, but on the equity market there are some dark orders which work similar with dark pool principles. These order types are Mid-Point orders and Trade At Reference orders and they are newly introduced by BIST and regulated by Equity Markets Implementing Procedures and Principles amended in 30.12.2016. Algorithmic and high frequency (algo & HFT) trading are also defined in Borsa Istanbul's General Letter about Pre Trade Risk Management (PTRM) Application Procedures and Principles dated 05.05.2016. With this regulation: - Members have to transmit their HFT clients orders via dedicated FIX or OUCH users provided by Borsa Istanbul. (Members of Borsa Istanbul are authorized investment firms. HFT firms are not able to access the market directly, they can only access via Borsa Istanbul members) - Members have to confirm that they have executed tests in their customers algo & HFT software, results of these software are foreseeable and will not execute trades that will abuse the market. - After putting these software into use, members have to take measures to monitor risks in real time, to limit these risks and to stop order transmission immediately when it is necessary. - Members that own or have customers who use HFT algo softwares, have to use BISTECH PTRM tool (pre trade risk management tool developed by Borsa Istanbul and NASDAQ) which enables them put limits or measures on orders and trades on account basis. - Members have to document how they calculated their or their customers risks and set limits for them. They have to provide these documents on the same day when Borsa Istanbul asks for. - Members are directly responsible for all the algo software operated under their name in the market even if they are owned & operated by their customers. - Users defined by Borsa Istanbul as HFT users are exempt from conventional order cancellation/modification fees, instead they are subject to a pricing scheme that is based on order to trade ratio which aims to charge excessive usage mainly.

Borsa Istanbul applies base price and price limits in Equity Market. "Base price" is the price which constitutes a base for determining the upper and lower price limits of an equity between which it can be traded during a day. "Base price" is the "closing price" of the previous day. The margin, which is a rate to be applied on the base price in order to determine the price limits are defined as (free margin may be applied at the certain equities and ETFs where necessary): 20% (*) for the equities and exchange traded funds (ETF); 50% for the pre-emptive rights and ISKUR.E; Free margin for warrants and certificates. Besides, a Circuit Breaker System is introduced to the Market at 30.11.2015. In case price change calculated by a certain reference value reaches or exceeds threshold values (rates) determined by the Exchange while transactions in a stock are carried out with continuous trading method in the session, transactions of the related stock will be temporarily halted and carried on to the order collection stage of a call auction. At this stage price is determined in a call auction using single price method in the related stock. Then the related stock is again taken to continuous trading and transactions are continued after processes in single price method are completed. Based on the frequency of circuit breakers triggered within a certain time frame some measures are applied gradually to the trading of that equity like short sell ban, gross settlement and single price method each for a certain period of time. On 10.08.2020, Market-Wide Circuit Breaker (MWCB) System was introduced. MWCB will trigger during the day in case of a fall in BIST 100 Index that is 5% or above as the first threshold and 7% or above as the second threshold compared to the previous closing value. When MWCB is activated, trading will halt temporarily in Equity Market, Equity and Equity Index contracts in Derivatives Market and in Debt Securities Equity Repo Market (MWCB will not be activated by upward movements of the index). The index, the change rate and the direction of the change to be taken as reference within the scope of MWCB System can be altered by the Exchange due to the changing conditions with an announcement in advance. Besides; Equity Market transactions are monitored on real time online basis using an electronic surveillance tool called SMARTS, co-developed with Nasdaq and BIST, alongside BISTECH Trading Platform.

(*) Due to the temporary regulation; Price margin is applied as 10% temporarily for equities in BIST Stars, BIST Main, exchange traded funds, real estate certificates, real estate investment funds and venture capital investment funds, until further notice.

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

It is planned to follow market implications to determine needed actions if any.

Relevant web-links: please provide web-links to relevant documents

<https://www.borsaistanbul.com/files/pay-piyasasi-proseduru.pdf>
<https://www.borsaistanbul.com/files/bistech-islem-oncesi-risk-yonetimi-uygulamasi-ptm-ortak-kullanici-kilavuzu.pdf>
<https://borsaistanbul.com/en/duyuru/3034/market-wide-circuit-breaker-system>

IX20: Safeguarding financial markets integrity and efficiency - Regulation of commodity markets

G20/FSB Recommendations

We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate regulation and supervision of participants in these markets. Market regulators and authorities should be granted effective intervention powers to address disorderly markets and prevent market abuses. In particular, market regulators should have, and use formal position management powers, including the power to set ex-ante position limits, particularly in the delivery month where appropriate, among other powers of intervention. We call on IOSCO to report on the implementation of its recommendations by the end of 2012. (Cannes)

We also call on Finance ministers to monitor on a regular basis the proper implementation of IOSCO's principles for the regulation and supervision on commodity derivatives markets and encourage broader publishing and unrestricted access to aggregated open interest data. (St. Petersburg)

Remarks

Jurisdictions should indicate whether commodity markets of any type exist in their national markets.

Jurisdictions should indicate the policy measures taken to implement the principles found in IOSCO's report on [Principles for the Regulation and Supervision of Commodity Derivatives Markets \(Sep 2011\)](#).

Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the [update to the survey](#) published by IOSCO in September 2014 on the principles for the regulation and supervision of commodity derivatives markets.

Progress to date:
Implementation ongoing
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: If you have selected "implementation ongoing" - please specify
Draft in preparation
Progress to date: please provide a date for your "implementation ongoing" status
Expected date of draft in preparation for TMEX commodity futures is 2Q2023.
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - Yes

<p>Progress to date: short description of the content of the legislation/regulation/guideline/other actions</p> <p>After the regulatory framework and institutional structure were completed, Turkish Mercantile Exchange (TMEX) has started operations on 26 July 2019. Council of Ministers decided to establish the Turkish Mercantile Exchange Inc. on 27.02.2017. The Ministerial decision was published in the Official Gazette on 06.04.2017. By-laws on the Method and Principles of the Foundation, Activities, Operations and Audit of Commodity Exchange has entered into force on 10.08.2017. By-laws on the Intermediary Activities and Supervision on Intermediaries of Commodity Exchange has brought into force on 20.04.2019. Detailed regulations regarding the market and trading and clearing & settlement in the market were put into force. Currently electronic warehouse receipts representing agricultural commodities are traded on the exchange. Derivatives trading is possible on TMEX according to the By-laws on the Method and Principles of the Foundation, Activities, Operations and Audit of Mercantile Exchange and; necessary secondary regulatory framework and technical infrastructure for commodity derivatives is expected to be ready as of 2023. Also, cash settled electricity futures contracts as well as precious metals such as gold and silver futures contracts are traded in the Futures and Options Market of the Borsa Istanbul. Enhanced market transparency and marked abuse rules are applied to this market.</p>
<p>Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation</p> <p>Although there are commodity derivatives traded on the derivatives market of Borsa İstanbul, a new commodity exchange has started its operations. Spot commodity market has begun its operations on TMEX. On the other hand regulatory and technical infrastructure for futures market on TMEX is being developed.</p>
<p>Update and next steps: highlight main developments since 2019 survey</p>
<p>Update and next steps: planned actions (if any) and expected commencement date</p> <p>All primary and secondary legislations with regard to spot commodity market were completed and the market was launched as of July 26, 2019. Technical infrastructure for the TMEX Agricultural Commodity Futures Market is expected to be ready as of 3Q2023. Parallel with the technical developments, necessary regulatory framework as well as contract design related studies will be finalized. Accordingly, based on the level of the market readiness, it might be launched as of the end of 2023.</p>
<p>Relevant web-links: please provide web-links to relevant documents</p> <p>http://www.resmigazete.gov.tr/eskiler/2017/08/20170810-2.htm</p>

IX21: Safeguarding financial markets integrity and efficiency - Reform of financial benchmarks

G20/FSB Recommendations

We support the establishment of the FSB's Official Sector Steering Group to coordinate work on the necessary reforms of financial benchmarks. We endorse IOSCO's Principles for Financial Benchmarks and look forward to reform as necessary of the benchmarks used internationally in the banking industry and financial markets, consistent with the IOSCO Principles. (St. Petersburg)

Collection of information on this recommendation will continue to be deferred given the ongoing reporting of progress in this area by the FSB Official Sector Steering Group, and ongoing IOSCO work to review the implementation of the IOSCO Principles for Financial Benchmarks.

X22: Enhancing financial consumer protection - Enhancing financial consumer protection

G20/FSB Recommendations

We agree that integration of financial consumer protection policies into regulatory and supervisory frameworks contributes to strengthening financial stability, endorse the FSB report on consumer finance protection and the high level principles on financial consumer protection prepared by the OECD together with the FSB. We will pursue the full application of these principles in our jurisdictions. (Cannes)

Remarks

Jurisdictions should describe progress toward implementation of the OECD's [G-20 high-level principles on financial consumer protection \(Oct 2011\)](#).

Jurisdictions may refer to OECD's [September 2013 and September 2014 reports](#) on effective approaches to support the implementation of the High-level Principles, as well as the [G20/OECD Policy Guidance on Financial Consumer Protection in the Digital Age](#), which provides additional effective approaches for operating in a digital environment. The effective approaches are of interest across all financial services sectors – banking and credit; securities; insurance and pensions – and consideration should be given to their cross-sectoral character when considering implementation. In the case of private pensions, additional guidance can be found in the [Good Practices on the Role of Pension Supervisory Authorities in Consumer Protection Related to Private Pension Systems](#).

Jurisdictions should, where necessary, indicate any changes or additions that have been introduced as a way to support the implementation of the High-level Principles, to address particular national terminology, situations or determinations.

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
28.11.2015 Ministry of Trade (TB) 03.10.2014 (BRSA) 07.03.2020 (CBRT)
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - No
Other actions (such as supervisory actions) - Yes

Progress to date: short description of the content of the legislation/regulation/guideline/other actions

BRSA: has issued a regulation (Regulation On Principles And Procedures Related To Fees To Be Taken From Financial Consumers) on fees that can be charged on financial consumers and principles and procedures regarding contracts and reimbursement of the fee. Board of BRSA made a decision in 2017 and required banks to get credit card holders' request in order to make credit cards available for online use (e-commerce). The aim of this decision is to protect credit card holders from fraud and raise awareness about online credit card use. The Board decision came into force in January 30, 2018 and it is also applied for credit cards issued before that date. Fees chargeable to financial consumers have been set and listed within the "Regulation On Principles And Procedures Related To Fees To Be Taken From Financial Consumers" and according to this regulation, each bank should announce the fees chargeable - (applicable) to financial consumers on its website. Banks share fees chargeable to financial consumers on their website in their own format. In 2017, BRSA set a standard format for banks following the wording mentioned in the regulation and shared it with The Banks Association of Turkey. This standard format will make it easier for financial consumers to compare the fees and commissions demanded by banks and ensure transparency. Software of the format has been prepared in cooperation with Banks Association of Turkey and Credit Registration Bureau since 2017. When the technical infrastructure is completed, banks use this format to announce fees on its website and also report its formatted list to Banks Association of Turkey. Then Banks Association of Turkey will announce each banks' fees on its own website in a comparable form.

CBRT:

With the amendment made in the Consumer Protection Law No. 6502 in February 2020, the authority to regulate the fees that banks can charge financial consumers was transferred from the BRSA to the CBRT. In this context, Regulation No. 2020/7 on the Procedures and Principles Regarding Fees to be Collected from Financial Consumers was published by the CBRT on 07 March 2020. The fees to be collected from financial consumers have been determined by this regulation and it is obligatory to include the fee information to be collected from financial consumers on the websites of banks. On the other hand, the studies on the use of the common website prepared in cooperation with the Banks Association of Turkey and the Credit Registration Bureau have been completed, and currently, the fee information received by the banks from financial consumers is announced on the common website in a comparable manner suitable for comparison. In addition, the maximum and minimum rates regarding the fees to be collected from financial consumers are reported to the CBRT by the banks.

THE MINISTRY: According to the Article 32 of the Insurance Law: (1) Insurance companies and intermediaries shall not design their brochures, explanatory notices, other documents and their advertisements and commercials in a way that results in an understanding over the limits and scope of the rights and benefits which they shall provide to the insured, and shall not make statements that are unreal, misleading, deceiving or that give rise to unfair competition. Where violation of this provision is ascertained the matter shall be referred to the Advertising Board that acts upon the Law on Protection of Consumers. (2) Insurance companies, reinsurance companies, intermediaries and loss adjusters are obliged to refrain from acts which may endanger the rights and benefits of the insured, to act in accordance with the legislation and principles of the business plan, and to behave in compliance with the requirements of insurance and the rules of goodwill. (3) Insurance companies shall not delay the payment of insurance claims in violation of the rules of goodwill. (4) The Undersecretariat of Treasury is authorized to take all the measures in order to ensure that insurance companies, reinsurance companies, intermediaries and loss adjusters comply with the above mentioned rules. (5) Rights of persons to choose an insurance company shall not be restricted. In contracts, where one of the parties are obliged to buy insurance, provisions requiring the conclusion of the insurance contract with a certain company shall be void. According to the Article 30 of the Insurance Law; to settle the disputes arising from the insurance contract between the policy holder or people benefiting from the insurance contract on the one side and the party undertaking the risk on the other side, the Insurance Arbitration Commission has been established. Guarantees can also be deemed as an important financial consumer protection, since in the "Regulation on Financial Structures of the Insurance, Reinsurance and Pension Companies" it is stated that the guarantee shall be a reserve against the receivables of the insured, and in case the licenses of a company with respect to all branches are revoked, or in case the company is liquidated or has declared bankruptcy, the guarantee shall be used for the payment of the receivables of the insured in the relevant branch first, while the remainder shall be added to the guarantees of other branches. Regulation on Furnishing Information in Insurance Contracts regulates the principles and obligations of insurers to ensure that persons who intend to enter into a specific insurance relationship do not confront any insufficient information. "Assurance account" which covers losses that arise as a result of the occurrence of the specific conditions also aims the protection of the rights of the insured. To solve insured's complaints effectively and on time, Insurance E-Application System has been established within The Ministry, General Directorate of Insurance. Republic of Turkey Ministry of Trade (TB) The Law 6502 aims to protect consumers by involving bank and insurance contracts under the framework of consumer issues. At the second (Consumer Credit Contracts) and third section (Housing Finance) of the Law, contracts, pre-contract notification liability, the right of withdrawal, interest rate, use of cancellation rights, default, early payment, issuing insurance and linked credit agreements and other issues are regulated. Other regulations which aimed to protect financial consumer are prepared based on Law 6502 are stated below; 1-Regulation on Distance Contracts For Financial Services, 2-Regulation on Consumer Credit Agreements 3-Regulation on House Finance Agreements 4-Regulation on Arbitration Committees for Consumer 5-Regulation on Unfair Terms in Consumer Agreements. The main purpose of these regulations is to set down the implementation rules, procedures and principles relating to consumer agreements. CMB Regarding fund investors, Communiqué on Principles Of Investment Funds, Communiqué on Portfolio Management Companies and Activities of Such Companies and Communiqué On Portfolio Depository Service And Providers Of Such Service clearly state the responsibilities of the fund manager, internal control and inspection units of the management firm and the depository, which are all mechanisms to ensure that the consumer protection is sufficient. In addition, Istanbul Clearing, Settlement and Custody Bank also checks if the fund share price was correctly calculated. Lastly, any complaint letters from investors are evaluated by CMB. Regarding capital markets investors who are the customers of the investment firms Communiqué on Principles of Establishment and Activities of Investment Firms (III-39.1) and Communiqué on Principles Regarding The Internal Auditing Systems of Brokerage Houses (Serial: V, No: 68) clearly mandates the responsibilities

of investment firm, its managers and dealers, internal control and inspection units to ensure that the consumer protection is sufficient. These Communiqués set down principles to conduct business and require sound organisational structures to establish well-functioning governance frameworks for investment firms. The CMB monitors compliance and enforces the rules through fines and sanctions. Additionally, self-regulatory authority of investment firms, Turkish Capital Markets Association (the TCMA), aims to safeguard the prudent and disciplined conduct of business by its members by establishing professional rules. And also resolve financial consumer complaints on investment firms. Other actions:

BRSA: Supervisory process related to financial consumers issues takes place upon complaints sent by financial consumers.

MT: Under The Law on Consumer Protection and the secondary regulations, supervision has started about 35 banks and fine was imposed to 18 banks. In 2016, Arbitration Committees for Consumer Problems have 1.039.032 (74% of total) applications about banking sector.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Relevant web-links: please provide web-links to relevant documents

<https://tuketici.ticaret.gov.tr/>
www.tuketiciakademisi.gov.tr
 Communique on Principles of Establishment and Activities of Investment Firms (III-39.1)
<https://www.mevzuat.gov.tr/mevzuat?MevzuatNo=19131&MevzuatTur=9&MevzuatTertip=5>
 Communique on Principles Regarding The Internal Auditing Systems of Brokerage Houses (Serial: V, No: 68)
<http://www.mevzuat.gov.tr/MevzuatMetin/1.5.5684.pdf>
<https://www.tcmb.gov.tr/wps/wcm/connect/TR/TCMB+TR/Main+Menu/Banka+Hakkinda/Mevzuat/Bankacilik/>

List of abbreviations used

List of abbreviations used
The Ministry: Republic of Turkey, The Ministry of Treasury and Finance
BRSA: Banking Regulation and Supervision Agency
CBRT: Central Bank of the Republic of Turkey
CMB: Capital Markets Board of Turkey
SDIF: Savings Deposit Insurance Fund
KGK: Public Oversight, Accounting and Auditing Standards Authority of Turkey
MT: Ministry of Trade