

Jurisdiction: Turkey

2015 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
I. Hedge funds					
1 (2)	Registration, appropriate disclosures and oversight of hedge funds	<p>We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds. (Seoul)</p> <p>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)</p>	<p>Jurisdictions should indicate the progress made in implementing the high level principles contained in IOSCO's Report on Hedge Fund Oversight (Jun 2009). In particular, jurisdictions should specify whether:</p> <ul style="list-style-type: none"> - Hedge Funds (HFs) and/or HF managers are subject to mandatory registration - Registered HF managers are subject to appropriate ongoing requirements regarding: <ul style="list-style-type: none"> • Organisational and operational standards; • Conflicts of interest and other conduct of business rules; • Disclosure to investors; and • Prudential regulation. 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress :</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 01.07.2014</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Capital Market Board (CMB) : Currently hedge funds have to meet organizational, operational, personnel standards. According to communicate that came into force on 01.07.2014, hedge funds have to register with CMB and only portfolio management companies are allowed to</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>become a founder of all types of funds including hedge funds while in the previous communique, the revoked Serial:VII, No:10, Communique on the Principles Regarding Mutual Funds, only banks and intermediary institutions were allowed to establish a fund. Hedge funds are also subject to portfolio restrictions as well as additional checks and balances requirements over risk management systems in place. They have to report to CMB and their investors periodically. On top of that, there is also minimum public disclosure requirements determined under the context of “Informational Form for Investors”, which has to be easily accessible online through fund founder’s website. Moreover, they have to make announcements for any change regarding material issues in Public Disclosure Platform, which is easily accessible web site open to any investor without any charge. In other words, the Communique on the Principles Regarding Investment Funds is designed to not only to keep practices specified in the revoked Serial:VII, No:10 but also to expand existing oversight over hedge fund activities. To further ensure the safety of funds’ assets, new communique</p>	

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				<p>introduces requirement of segregation of funds' assets from portfolio management companies. To do so, portfolio management companies have to entrust assets in fund's portfolio to the portfolio depository institution as a custodian licensed by CMB. Also, all portfolio management companies have to prepare a "Conflict of Interest Policy Document" which defines sources of conflicts of interest and measures to solve those conflicts.</p> <p>Highlight main developments since last year's survey:</p> <p>CMB: One-year transition period has ended on 01.07.2015 and sponsorship of existing hedge funds has been transferred to portfolio management companies from banks and brokerage houses.</p> <p>Web-links to relevant documents:</p> <p>http://www.cmb.gov.tr/apps/teblig/displayteblig.aspx?id=498&ct=f&action=displayfile</p> <p>Additional questions:</p> <p>1. Please indicate whether Hedge Funds (HFs) are domiciled locally and, if available, the size of the industry in terms of Assets under Management and number of HFs.</p> <p>Around 39 hedge funds domiciled locally</p>	

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				<p>are operating in Turkey with around \$375 million net asset value.</p> <p>2. Please specify the main criteria and numerical thresholds (if applicable) for subjecting HFs and/or HF managers to mandatory registration.</p> <p>All hedge funds are subject to registration with CMB regardless of their size</p> <p>3. Please specify whether registered HF managers are subject to ongoing requirements regarding organisational and operational standards; conflicts of interest and other conduct of business rules; disclosure to investors; and prudential regulation. If any of these requirements are not applicable, please explain.</p> <p>Currently hedge funds have to meet organizational, operational, personnel standards. According to communicate that came into force on 01.07.2014, hedge funds have to register with CMB and only portfolio management companies are allowed to become a founder of all types of funds including hedge funds. They have to report to CMB and their investors periodically.</p> <p>4. Please describe the main challenges (where relevant) and any lessons learned in implementing this</p>	

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				<p>reform.</p> <p>Since relatively small number of hedge funds are operating in Turkey, it has been easy to implement reforms</p> <p>5. Are you monitoring the effects of this reform in your jurisdiction? If yes, please share the main findings and any related policy initiatives in response to those findings.</p> <p>As reforms are at quite nascent stage, we have yet to see results of developments.</p>	

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2 (3)	Establishment of international information sharing framework	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)	<p>Jurisdictions should indicate the progress made in implementing the high level principles in IOSCO’s Report on Hedge Fund Oversight (Jun 2009) on sharing information to facilitate the oversight of globally active fund managers.</p> <p>In addition, jurisdictions should state whether they are:</p> <ul style="list-style-type: none"> - Signatory to the IOSCO MMoU - Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO Principles Regarding Cross-border Supervisory Cooperation. 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input type="checkbox"/> Final rule (for part of the reform) in force since : <p><input checked="" type="checkbox"/> Implementation completed as of: 29.08.2013</p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>CMB: In Turkey, the fund itself and the manager have to be located in the same jurisdiction. 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.</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>CMB has announced MOUs with authorities of 13 European Union countries (Czech Republic, Denmark, Greece, Hungary, Italy, Lithuania, Latvia, Luxembourg, Malta, Romania, Sweden, Netherlands , United Kingdom) as well as Iceland, Norway and Liechtenstein about information sharing on oversight of structured investment funds on 29.08.2013</p> <p>Highlight main developments since last year’s survey:</p> <p>Developments mentioned above are still in effect.</p> <p>Web-links to relevant documents:</p>	

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3 (4)	Enhancing counterparty risk management	<p>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)</p> <p>Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17, FSF 2008)</p>	<p>Jurisdictions should indicate specific policy measures taken for enhancing counterparty risk management and strengthening their existing guidance on the management of exposure to leveraged counterparties.</p> <p>In particular, jurisdictions should indicate whether they have implemented principle 2.iii of IOSCO Report on Hedge Fund Oversight (Jun 2009). Jurisdictions should also indicate the steps they are taking to implement the new standards on equity exposures (Capital requirements for banks' equity investments in funds, Dec 2013) by 1 January 2017.</p> <p>For further reference, see also the following documents :</p> <ul style="list-style-type: none"> • BCBS Sound Practices for Banks' Interactions with Highly Leveraged Institutions (Jan 1999) • BCBS Banks' Interactions with Highly Leveraged Institutions (Jan 1999) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input checked="" type="checkbox"/> Draft in preparation, expected publication by: 01.08.2015 (BRSA : Updated draft secondary regulation on counterparty credit risk management)</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Final rule (for part of the reform) in force since : 11.09.2014 (BRSA: Risk Management Guideline); 20.06.2014 CMB</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Banking, Regulation and Supervision Agency (BRSA): BRSA has published guideline on counterparty credit risk management on 11.09.2014. The guideline clearly states the responsibilities of Board of Directors,</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>The BRSA prepared a secondary regulation on counterparty credit risk management which is in line with CRD IV. This regulation was opened for public consultation in 2014 Q3. However, due to the results of EU RCAP Assessment, the BRSA has decided to update the draft. This new draft is expected to be opened for public consultation in 2015 Q3.</p> <p>Web-links to relevant documents:</p>

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				<p>senior management, the minimum requirements for effective risk management practices and tools, and etc. There is also particular emphasis on additional risk management principles for complicated financial products and highly leveraged institutions. The BRSA prepared an updated draft secondary regulation on counterparty credit risk management which is in line with Basel III. The draft is expected to go for public consultation on 01.08.2015.</p> <p>CMB: Guideline for investment funds which includes hedge funds goes in detail regarding how to calculate counterparty risk, market risk methods such as VAR and risk systems and required and suggested risk calculation methods vary across different investment fund types based on how much leverage a fund is exposed. Furthermore, there are some limits put on place regarding total counterparty risk.</p> <p>Highlight main developments since last year's survey:</p> <p>BRSA: For the secondary legislation on counterparty credit risk management, BRSA had prepared a secondary regulation on counterparty credit risk</p>	

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				<p>management which is in line with CRD IV. This regulation was opened for public consultation in 2014 Q3. However, due to the results of EU RCAP Assessment, the BRSA has decided to update the draft. This new draft is expected to be opened for public consultation in 2015 Q3. CMB: The transfer process of hedge funds to portfolio management companies, thus becoming fully compliant with the new secondary legislation regarding portfolio management companies, investment funds and above mentioned guideline ended on 01.07.2015</p> <p>Web-links to relevant documents: Guideline on counterparty credit risk management: http://www.bddk.org.tr/WebSitesi/turkce/Mevzuat/Bankacilik_Kanununa_Iliskin_Duzenlemeler/13470karsi_taraf_kredi_ri_skinin_yonetimine_iliskin_rehber.pdf</p>	

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II. Securitisation					
4 (6)	Strengthening of regulatory and capital framework for monolines	Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8, FSF 2008)	<p>Jurisdictions should indicate the policy measures taken for strengthening the regulatory and capital framework for monolines.</p> <p>See, for reference, the following principles issued by IAIS:</p> <ul style="list-style-type: none"> • ICP 13 – Reinsurance and Other Forms of Risk Transfer; • ICP 15 – Investments; and • ICP 17 - Capital Adequacy. <p>Jurisdictions may also refer to:</p> <ul style="list-style-type: none"> • IAIS Guidance paper on enterprise risk management for capital adequacy and solvency purposes (Oct 2008). • Joint Forum document on Mortgage insurance: market structure, underwriting cycle and policy implications (Aug2013). 	<p><input checked="" type="checkbox"/> Not applicable</p> <p>Treasury: There is no monoline insurer in Turkey.</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Treasury: “Proportionality” is considered for small size insurers on some of the Insurance Supervision Manuals. However there is no specific capital requirements for monolines.</p> <p>Highlight main developments since last</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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II. Securitisation					
				year's survey: Web-links to relevant documents:	

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5 (7)	Strengthening of supervisory requirements or best practices for investment in structured products	Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18, FSF 2008)	<p>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 product.</p> <p>Jurisdictions may reference IOSCO's report on Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Jul 2009).</p> <p>Jurisdictions may also refer to the Joint Forum report on Credit Risk Transfer-Developments from 2005-2007 (Jul 2008).</p>	<p><input checked="" type="checkbox"/> Not applicable</p> <p>CMB: Since we do not have subprime market, investment managers due diligence when investing in structured instruments traded in that markets is not regulated.</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>CMB: Since we do not have subprime market, investment managers due diligence when investing in structured instruments traded in that markets is not</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				regulated. Highlight main developments since last year's survey: Web-links to relevant documents:	

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6 (8)	Enhanced disclosure of securitised products	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)	<p>Jurisdictions should indicate the policy measures taken for enhancing disclosure of securitised products.</p> <p>See, for reference, IOSCO’s Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012) and IOSCO’s Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input checked="" type="checkbox"/> Draft in preparation, expected publication by: End of 2016</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Final rule (for part of the reform) in force since : 09.01.2014</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>CMB: In order to ensure the investors are informed, fundamentals relating to disclosure of securitised products are determined specifically by Communiqué on Asset-Backed and Mortgage-Backed Securities (III-58.1) which was put into effect on 9.1.2014. This communiqué enforces material disclosures such as announcement of periodic reports, credit</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>CMB: As there has been no ABS public offering in Turkey up to now, objective and qualitative information could not be obtained from the market participants in order to complete ABS prospectus standard.</p> <p>Planned actions (if any) and expected commencement date:</p> <p>CMB: Detailed information about the parties involved in the ABS issuance or ABS itself for public offerings will be featured in the prospectus standard of ABS. CMB plans to issue ABS prospectus standard compatible with international standards/guidelines by the end of 2016</p> <p>Web-links to relevant documents:</p>

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				<p>ratings for ABS, updated information about the parties involved in the issuance or changes regarding the fund (SPV) statute or management/audit of the fund, irrespective of the issuance type (public offering or sale to qualified investors).</p> <p>Highlight main developments since last year's survey:</p> <p>Capital Markets Board of Turkey declared that they plan to issue ABS prospectus standard compatible with international standards/guidelines by the end of 2016. With this new regulation, detailed information about the parties involved in the ABS issuance or ABS itself for public offerings will be featured in the prospectus standard of ABS.</p> <p>Web-links to relevant documents:</p> <p>Capital Markets Board of Turkey: http://www.cmb.gov.tr/apps/teblig/displayteblig.aspx?id=494&ct=f&action=displayfile</p>	

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III. Enhancing supervision					
7 (9)	Consistent, consolidated supervision and regulation of SIFIs	All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)	<p>Jurisdictions should indicate: (1) whether they have identified domestic SIFIs and, if so, in which sectors; (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. See, for reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Framework for G-SIBs (Jul 2013) • Framework for D-SIBs (Oct 2012) • BCP 12 (Sep 2012) <p>IAIS:</p> <ul style="list-style-type: none"> • Global Systemically Important Insurers: Policy Measures (Jul 2013) • ICP 23– Group wide supervision <p>FSB:</p> <ul style="list-style-type: none"> • Framework for addressing SIFIs (Nov 2011) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input checked="" type="checkbox"/> Draft in preparation, expected publication by: 01.08.2015</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>BRSA: A draft secondary regulation has been prepared regarding the identification and additional capital requirements for D-SIBs in line with BCBS Framework. The D-SIBs will be identified and disclosed in 2015. On the other hand, according to Regulation on Audits that will be conducted by the BRSA, banks are</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>The higher capital requirements will be implemented in line with BCBS timeline starting from 01.01.2016.</p> <p>Web-links to relevant documents:</p>

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				<p>already subject to enhanced/intensified supervision according to their size, complexity and risk profile. CMB: FSB and IOSCO has published for second public consultation Assessment Methodologies for Identifying NBNI G-SIFIs where Turkey does not have any NBNI G-SIFI. The financial system in Turkey is dominated by banks and regarding these, CMB has no action on regulation and supervision of NBNI G-SIFI's.</p> <p>Undersecretariat of Treasury (Treasury): There is no GSII in Turkey. However, we are conducting consolidated supervisions in coordinated with BRSA for some insurers.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	

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8 (10)	Establishing supervisory colleges and conducting risk assessments	<p>To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)</p> <p>We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)</p>	<p>Reporting in this area should be undertaken solely by home jurisdictions of G-SIBs and G-SIIs.</p> <p>Please indicate the progress made in establishing and strengthening the functioning of supervisory colleges for G-SIBs and G-SIIs using, as reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Principle 13 of the BCBS Core Principles for Effective Banking Supervision (Sep 2012) • Principles for effective supervisory colleges (Jun 2014) <p>IAIS :</p> <ul style="list-style-type: none"> • ICP 25 and Guidance 25.1.1 – 25.1.6 on establishment of supervisory colleges • Guidance 25.6.20 and 25.8.16 on risk assessments by supervisory colleges • Application paper on supervisory colleges (Oct 2014) 	<p><input checked="" type="checkbox"/> Not applicable</p> <p>BRSA: Turkey does not have any GSIFIs.</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress :</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents:</p> <p>Additional questions:</p> <p>1. Please indicate whether supervisory colleges for all G-SIBs/G-SIIs headquartered in your jurisdiction have been established. If not, please explain.</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>2. Please indicate the structure of the supervisory colleges for G-SIBs/G-SIIs in your jurisdiction (core, universal, other) and the reasons why it may differ across firms.</p> <p>3. Please indicate the frequency of meetings over the past year of the supervisory colleges (core, universal, other) for G-SIBs/G-SIIs in your jurisdiction.</p> <p>4. Please describe the main objectives of supervisory colleges for G-SIBs/G-SIIs in your jurisdiction and the types of issues that have been discussed over the past year. (e.g. specific area(s) of risk, coordinated risk assessments, joint supervisory work, coordinated supervisory plans). In your response, please indicate briefly some of the main challenges in conducting joint risk assessments and steps taken to address them.</p> <p>5. Please describe the main challenges in the functioning of supervisory colleges for G-SIBs/G-SIIs in your jurisdiction and any plans to enhance the effectiveness of colleges.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
9 (11)	Supervisory exchange of information and coordination	<p>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)</p> <p>Enhance the effectiveness of core supervisory colleges. (FSB 2012)</p>	<p>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.</p> <p>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).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 25.02.2011 (BRSA)</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>MoUs and IOSCO MMoU CMB: To enhance supervisory exchange of information and coordination, the CMB has been signing MoUs both at the level of international organizations and for the purpose of developing bilateral cooperation opportunities and carrying out cross border supervision and enforcement activities effectively. The CMB is one of the first countries to sign</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>the IOSCO Multilateral MoU which has currently 95 signatories today. Additionally, starting from the 1990s, the CMB has signed 32 bilateral MoUs with the regulatory and supervisory authorities of 32 jurisdictions.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>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 BRSA to enter into Memorandum of Understanding with EU Supervisory Authorities which enhanced the cooperation. BRSA has signed bilateral MoUs with the regulatory and supervisory authorities of 34 jurisdictions. (as of June 2015)</p> <p>Treasury: Insurance Law Article No. 29 on information sharing and cooperation among international institutions. Regulation about supervisory exchange of information and coordination akin to ICP 5 and ICP 17. Monitoring and Supervision Regulation (amendment date: R.G. 27.07.2013 – 28720) Article 32 of</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>this Regulation deals with information sharing and collaboration. It enables the UoT 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 Regulation. The UoT is a signatory of IAIS Multilateral Memorandum of Understanding (IAIS MMoU) as of 28th March 2013.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
10 (12)	Strengthening resources and effective supervision	<p>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)</p> <p>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)</p> <p>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)</p>	<p>No information on this recommendation will be collected in the current IMN survey due to the recent publication of the FSB thematic peer review report on supervisory frameworks and approaches to SIBs.</p>		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IV. Building and implementing macroprudential frameworks and tools					
11 (13)	Establishing regulatory framework for macro-prudential oversight	<p>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 banks¹ and private pools of capital to limit the build up of systemic risk. (London)</p> <p>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)</p>	<p>Please describe major changes in the institutional arrangements for macroprudential policy (structures, mandates, powers, reporting etc.) that have taken place since the financial crisis, including over the past year.</p> <p>Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among different 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.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress :</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 08.06.2011</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline: The Financial Stability Committee (FSC) was established in June 8, 2011 by the decree law no: 637 Financial Stability</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

¹ The recommendation as applicable to shadow banks will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Committee is composed of the Undersecretary of Treasury and the heads of the Central Bank of Turkey, Banking Regulation and Supervision Agency, Capital Markets Board and Saving Deposit Insurance Fund under the chairmanship of Deputy Prime Minister for economic and financial affairs. The FSC monitors and identifies the systemic risks and determines possible necessary macroprudential measures to mitigate them. Building on the individual institutions' powers pertaining to their specific areas, the decree law empowers the Financial Stability Committee with the mandate to gather the information from all relevant parties, and to coordinate and monitor the policy implementations of them. Also, members of the FSC have the power to reach all available data from their respective bodies. There are also MoUs and bilateral subprotocols between several authorities on information sharing. Current and emerging data needs are shared within the principles of these protocols.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Additional questions:</p> <p>1. Please describe the institutional arrangements for financial stability and macroprudential policy in your jurisdiction, including whether a macroprudential authority has been explicitly identified and the respective roles and responsibilities of the central bank and other authorities.</p> <p>No single authority is identified as responsible for macroprudential policy. Every institution contributes financial stability and macroprudential policy based on their legal mandates. Turkish financial system is governed mainly by five institutions. These institutions are The Treasury, the Central Bank of the Republic of Turkey (CBRT), the BSRA, the CMB, and the Savings Deposit Insurance Fund (SDIF). The role of the Treasury is to assist in the determination of economic policies, and within the framework of these policies, to regulate, implement, and determine principles for monitoring and better implementation of activities. The primary objective of the CBRT is to achieve price stability. The CBRT is also responsible for taking measures to sustain the stability of the financial system in Turkey. The BRSA</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>regulates and supervises banks and financial holding companies, financial leasing companies, factoring companies, consumer financing companies and asset management companies. Main duties of the CMB are to enhance investor protection, adopt the norms of the international capital markets and fully integrate them into regulations, promote and enhance the effectiveness of both the supply and the demand side of the markets, promote transparency and fairness in the capital markets, facilitate modernization of the market structure, enhance the infrastructure of the capital markets, enhance the quality of the work products and staff members of the Board. The SDIF, which is a public legal entity and which has administrative and financial autonomy has been established to insure deposits in order to protect the rights and interests of depositors.</p> <p>2. If a macroprudential authority has been explicitly identified in your jurisdiction, please describe its legal basis, mandate, composition, powers (warnings, recommendations, prudential tools, powers of direction, other) and accountability arrangements. Who provides the resources and analytical support for the authority's activities?</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>N/A</p> <p>3. Is there an inter-agency body on financial stability or macroprudential matters – distinct from the designated macroprudential authority – in your jurisdiction? If so, please describe its legal basis, mandate, composition, powers and accountability arrangements. Who provides the resources and analytical support for its activities?</p> <p>The FSC assesses major threats and coordinates macroprudential policy measures and crisis management arrangements effectively. The FSC meets under the chairmanship of Deputy Prime Minister for Economic and Financial Affairs responsible for the Treasury and is composed of the Undersecretary of Treasury, the Governor of the CBRT, the Chairman of the BRSA, the Chairman of the CMB and the Chairman of the SDIF. Duties of the FSC are (1) to determine and monitor systemic risks that might spread to whole financial system and to identify necessary measures and policy proposals in order to mitigate them. (2) to warn related institutions about systemic risks and to follow the relevant practices regarding policy proposals. (3) to evaluate systemic risk management plans prepared by the related institutions. (4) to</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>coordinate the systemic risk management. (5) to collect all the data and information within the context of its duties, and to coordinate policies and implementations among the institutions. (6) to make decisions related to other subjects within the framework of this law. (7) The results of the meetings and the decisions of the Committee are presented to the Council of Ministers by the Deputy Prime Minister. (8) In cases where a negative development that could spread over to the entire financial system occurs and such development is detected by the FSC, the Council of Ministers shall be in charge to determine the measures to be taken and all the relevant institutions and agencies are competent and responsible for promptly implementation of measures taken. The members of the FSC themselves provide data, resources and analytical support. If other stakeholders' views and/or support is needed, the FSC invites other stakeholders to the FSC meetings accordingly. Ministry of Development and Ministry of Finance are such institutions invited several times to provide additional support and to contribute to works of the FSC.</p> <p>4. Please describe the extent to</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>which the macroprudential authority (or other relevant body) is able to collect information on material financial institutions, markets and instruments in order to assess potential systemic risks. In your response, please indicate whether the authorities involved in systemic risk monitoring have specific legal powers to collect information from financial institutions (whether regulated or not) for financial stability purposes, and whether there exist dedicated information gateways (e.g. Memorandum of Understanding) to share such information among relevant authorities.</p> <p>In Turkey, the data of the financial institutions is collected by the regulatory and supervisory bodies of the related sector. Regulatory bodies and the CBRT collect a very detailed set of data for the financial system in Turkey. The regulatory authorities are authorized to directly request and collect, all statistical information relating to the financial system and other statistical information that shall be deemed necessary for the surveillance of developments in the economy and the balance of payments, from banks, other financial institutions and persons. There are protocols between the BRSA and CBRT, SDIF, the Treasury and CMB that enable the data sharing between those institutions. Current and</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				emerging data needs are shared mutually within the principles of these protocols.	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
12 (14)	Enhancing system-wide monitoring and the use of macro-prudential instruments	<p>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)</p> <p>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)</p> <p>Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)</p>	<p>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.</p> <p>Please indicate the use of macroprudential tools in the past year, including the objective for their use and the process used to select, calibrate, and apply them.</p> <p>See, for reference, the following documents:</p> <ul style="list-style-type: none"> CGFS report on Operationalising the selection and application of macroprudential instruments (Dec 2012) FSB-IMF-BIS progress report to the G20 on Macroprudential policy tools and frameworks (Oct 2011) 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) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress :</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: Implementation of macro-prudential instruments is an ongoing process.</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The FSC was established in June 8, 2011. Since the end of 2010, variety of macro prudential tools have been used by related authorities. The Treasury: Although insurance companies in Turkey neither is described as systemically important nor pose systemic risk in the financial sector, the Treasury established an Insurance</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>A conceptual framework in the form of heat map is being developed by the subgroup of the FSC to assist the systemic risk assessment and to analyze possible consequences of risks to financial stability. The heat map is built on four channels; financial markets, financial institutions, financial infrastructure, real economy. The data/indicator selection process for each main channel has yet to be completed by 2016. For 2015 and 2016, the CBRT is planning to enhance the technical framework of stress test models. In 2015, the CBRT started new project to improve stress testing modules by including new satellite models and risk modules in already used frameworks. In this respect, the CBRT is planning to increase collaboration with ECB and IMF. The CBRT has ongoing projects about early warning indicators and systemic risk. These projects are planned to be finalized by the end of 2016. Also, the CBRT works on a “Data Project” which has two phases: data stocktaking and data gap analysis. On the October 2014 the first phase of data project was completed. The</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Early Warning System Model (SEUS) measuring the financial strength of companies and the sector. In addition, insurance sector specific stress testing mechanism has been developing. There is also a catastrophic risk monitoring mechanism in place.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p> <p>http://www.bddk.org.tr/WebSitesi/turkce/Mevzuat/Bankacilik_Kanununa_Iliskin_Duzenlemeler/Bankacilik_Kanununa_Iliskin_Duzenlemeler.aspx</p> <p>Additional questions:</p> <p>1. Please describe, at a high level, the types of methodologies, indicators and reports used in your jurisdiction to identify, analyse, communicate and address systemic risks.</p> <p>Systemic risk is monitored and analysed by the authorities regularly in both aggregate and granular level within the scope of the duties and powers. The FSC's role is to coordinate policy actions and to better integrate micro and macroprudential perspectives among institutions. The CBRT regularly monitors the developments in the global and Turkish economy. The CBRT</p>	<p>second phase is under way, which takes systemic risks into account as well. The data gaps identified to include more frequent reporting of banking sector data; for example weekly reporting of the data that is currently reported monthly. When the data gap identification part of the project is finalized, related authorities will send new reporting templates to the financial institutions to start reporting.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>follows a “guided discretionary approach” considering the systemic threats to financial stability in a proactive manner. CBRT’s Financial Stability Report and the BRSA’s Annual Report communicate macro prudential instruments.</p> <p>2. Please describe the range of policy tools (prudential and other) currently available to the authorities for macroprudential purposes.²</p> <p>Related authorities have been using various macro prudential tools.</p> <ul style="list-style-type: none"> • Loan-to-value (LTV) ceilings on residential mortgage loans, vehicle loans; • High risk weights for consumer loans; • Increased provisions for consumer loans; • Limits to credit card payments; • 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 	

² An indicative list of such tools can be found in “Macroprudential Policy Tools and Frameworks – Progress Report to the G20” by the FSB, IMF and BIS (October 2011, http://www.financialstabilityboard.org/wp-content/uploads/r_111027b.pdf); “Staff Guidance on Macroprudential Policy” (December 2014, <http://www.imf.org/external/np/pp/eng/2014/110614.pdf>) by IMF staff; and “Operationalising the selection and application of macroprudential instruments” (December 2012, <http://www.bis.org/publ/cgfs48.pdf>) by the CGFS.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>(RUSF) based on Maturity)</p> <ul style="list-style-type: none"> • Differentiation on Deposit Insurance System Premiums (risk based premium system) • Reserve requirements • Leverage Based Reserve Requirements • Equity financing regulations <p>3. Please indicate which tools have been deployed for macroprudential purposes over the past year, including the objective for their use and the process used to select, calibrate, and apply them.</p> <p>Equity financing regulation: Corporations are allowed to deduct 50% of paid in cash equity financing costs to enhance financing channels for corporates and prevent excessive leverage.</p> <p>4. Please describe whether and, if so, how the relevant authorities assess the <i>ex ante</i> cost and benefits of macroprudential policies and their <i>ex post</i> effectiveness.</p> <p>The CBRT both uses top down and bottom up approaches in terms of the decision making process. Also, stress tests implemented by the regulatory authorities provide the necessary findings for a sound policy need in the financial system. Quantitative Impact Studies</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>(QIS) on the pre- and post-implementation of macroprudential instruments have an important role in assessing the cost and benefits such policies. In general, QIS are made on bank level to have granular information about impacts. Research notes in economics and working papers also establish a ground to analyze the cost and benefits of the policies. On the BRSA side, based on the impact analysis or cost/benefit analysis policies are developed. Cost and benefit analysis is done both on data observation and qualitative assessment. The BRSA reviews regularly the cost and benefit of macroprudential instruments with The Banks Association of Turkey and Interbank Card Center. Thus both quantitative and qualitative approaches are used in this issue.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
V. Improving oversight of credit rating agencies (CRAs)					
13 (16)	Enhancing regulation and supervision of CRAs	<p>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)</p> <p>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.</p> <p>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.</p> <p>The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)</p> <p>Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible</p>	<p>Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs including registration, oversight and sharing of information between national authorities. They should also indicate their consistency with the following IOSCO document:</p> <ul style="list-style-type: none"> • Code of Conduct Fundamentals for Credit Rating Agencies (Mar 2015) <p>Jurisdictions may also refer to the following IOSCO documents:</p> <ul style="list-style-type: none"> • Principle 22 of Principles and Objectives of Securities Regulation (Jun 2010) which calls for registration and oversight programs for CRAs • Statement of Principles Regarding the Activities of Credit Rating Agencies (Sep 2003) • Final Report on Supervisory Colleges for Credit Rating Agencies (Jul 2013) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 17.04.2012</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>BRSA: "Regulation on the Principles Regarding the Authorization and Activities of Rating Agencies" which mainly incorporates international best practices entered into force on 17.04.2012. CMB: Original regulation in 1997, final amendment on 29.08.2013</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>CMB: As the final version of IOSCO code of conduct is published, CMB’s CRA Communiqué draft that adopts EU rules will be revised to make sure that final version of the CRA regulations by CMB is in compliance with latest IOSCO Code of Conduct in addition to EU Regulations. No specific commencement date is set.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		<p>in 2010. (FSB 2009)</p> <p>We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)</p>		<p>Pursuant to paragraph (n) of Article 22 and Article 39 of the former Capital Market Law the first regulation on credit rating activities in capital markets, which required authorization and supervision of rating agencies, was promulgated in 1997. Since that first Communiqué, the provisions of the Communiqué have been updated several times (2004, 2007, 2010 and 2013) in order to make it in compliance with 2003 IOSCO principles and 2004 IOSCO Code of Conduct as well as to reflect the changes in the financial markets. Rating agencies established in Turkey that are qualified by CMB and international rating agencies recognized by CMB are permitted to provide rating service in Turkey. There are 6 domestic CRAs, which are under oversight of Capital Markets Board of Turkey, and 3 international CRAs authorized to rate Turkish listed companies and capital market institutions. Rating activities within the context of the Communiqué are subject to the surveillance and inspection of CMB; CMB may request any kind of information and document from rating agencies. In addition to several administrative actions that may be taken</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>by CMB, CMB has the authority to delist the rating agency should there be a substantial change in the degree that the agency satisfies the listing criteria or should CMB detect a violation of relevant provisions of rating regulations.</p> <p>Highlight main developments since last year's survey:</p> <p>CMB: Currently, as Turkey is a candidate for full EU membership, the CMB is carrying out a project to have the CRA communique in line with EU 2009/1060 Regulation. Draft is not disclosed to public as of yet.</p> <p>Web-links to relevant documents:</p> <p>http://www.bddk.org.tr/WebSitesi/turkce/Mevzuat/Bankacilik_Kanununa_Iliskin_Duzenlemeler/1082Iderecelendirme_kuruluslarinin_yetkilendirilmesine_ve_faaliyetlerine_iliskin_esaslar_hakkinda_yonetmelik.pdf</p> <p>http://cmb.gov.tr/displayfile.aspx?action=displayfile&pageid=87&fn=87.pdf&submenuheader=null</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
14 (17)	Reducing the reliance on ratings	<p>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)</p> <p>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)</p> <p>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)</p> <p>We call for accelerated progress by national authorities and standard setting bodies in ending the mechanistic reliance on credit ratings and encourage steps that</p>	<p>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.</p> <p>Jurisdictions may refer to the following documents:</p> <ul style="list-style-type: none"> • FSB Principles for Reducing Reliance on CRA Ratings (Oct 2010) • FSB Roadmap for Reducing Reliance on CRA Ratings (Nov 2012) • BCBS Consultative Document Revisions to the Standardised Approach for credit risk (Dec 2014) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input checked="" type="checkbox"/> Draft in preparation, expected publication by: End of 2015 (CMB)</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Final rule (for part of the reform) in force since : 06.09.2014 (BRSA)</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>BRSA: As stated in the Agreed Action Plan for Reducing Reliance on CRAs, due to the nature of the local market and the BRSA regulations, practically CRA ratings have no effect with regards to banking activities. BRSA follows Basel Committee to finalize its work on alternative methods of risk weighting. BRSA will then develop regulations in</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>CMB: The rating reference used in the debt securities regulation regarding the issuance limit of debt securities enabling banks and financial institutions to double their limit if they have been granted one of the top-three ratings in the investment grade is planned to be removed. The draft regarding this change in the communique is in preparation and expected to be published by the end of 2015.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		<p>would enhance transparency of and competition among credit rating agencies. (Los Cabos)</p> <p>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)</p>		<p>line with new Basel standards. All 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 regulations on IRB and AMA on 06.09.2014. (Currently all banks are using Basel’s standard approaches) BRSA has also published a detailed credit risk management guideline on 17.07.2014 in order to improve banks’ internal risk assessment capabilities.</p> <p>CMB: Debt securities regulation</p> <p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents:</p> <p>http://www.bddk.org.tr/WebSitesi/turkce/Mevzuat/Bankacilik_Kanununa_Iliskin_Duzenlemeler/13491kredi_riski_icsel_teb_lig.pdf (IRB Regulation)</p> <p>http://www.bddk.org.tr/WebSitesi/turkce/Mevzuat/Bankacilik_Kanununa_Iliskin_Duzenlemeler/13504operasyonel_risk.pdf (AMA Regulation)</p> <p>http://www.bddk.org.tr/WebSitesi/turkce/Mevzuat/Bankacilik_Kanununa_Iliskin_Duzenlemeler/13320kredi_yonetimine_ili_skin_rehber_18.07.2014.pdf (Risk management guideline on credit risk)</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VI. Enhancing and aligning accounting standards					
15 (18)	Consistent application of high-quality accounting standards	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)	<p>Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are deemed to be equivalent to IFRSs as published by the IASB or are otherwise of a high and internationally acceptable quality, and provide accurate and relevant information on financial performance. They should also explain the system they have for enforcement of consistent application of those standards.</p> <p>Jurisdictions may want to refer to their jurisdictional profile prepared by the IFRS Foundation, which can be accessed at: http://www.ifrs.org/Use-around-the-world/Pages/Analysis-of-the-G20-IFRS-profiles.aspx.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 01.11.2006 (BRSA) - 21.12.2004 (CMB, for listed companies and capital market institutions)</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>CMB: Listed companies and capital market institutions as defined in Capital market Law apply Turkish Accounting Standards and Turkish Financial Reporting Standards as set and disclosed by the Public Oversight, Accounting and Auditing Standards Authority (POA).</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>BRSA: Institutions under the supervision of the BRSA have to comply with TFRSs which are in line with IFRSs. BRSA has the authority to supervise and regularly supervises the full implementation of TFRSs by the related companies. CMB: Following articles 14 and 36 and subparagraph (ğ) 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. The purpose of this Communiqué is to set the principles and procedures regarding financial reports to be publicly announced by issuers and capital market institutions other than investment funds and housing finance and asset finance funds. These entities</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>prepare their financial statements on the basis of TAS/IFRS issued and published by POA. 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</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p> <p>http://www.bddk.org.tr/WebSitesi/turkce/Mevzuat/Bankacilik_Kanununa_Iliskin_Duzenlemeler/1688bankalarin_muhasebe_uygulamalarina_ve_belgelerin_saklanmasina_ilikin_usul_ve_esaslar_hakkinda_yonetmelik.pdf</p> <p>http://www.spk.gov.tr/apps/Mevzuat/?submenuheader=-1</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
16 (19)	Appropriate application of Fair Value Accounting	<p>Accounting standard setters and prudential supervisors should examine the use of valuation reserves or adjustments for fair valued financial instruments when data or modelling needed to support their valuation is weak. (Rec. 3.4, FSF 2009)</p> <p>Accounting standard setters and prudential supervisors should examine possible changes to relevant standards to dampen adverse dynamics potentially associated with fair value accounting. Possible ways to reduce this potential impact include the following: (1) Enhancing the accounting model so that the use of fair value accounting is carefully examined for financial instruments of credit intermediaries; (ii) Transfers between financial asset categories; (iii) Simplifying hedge accounting requirements. (Rec 3.5, FSF 2009)</p>	<p>Jurisdictions should indicate the policy measures taken for appropriate application of fair value accounting.</p> <p>Although not an application of fair value accounting, jurisdictions should additionally be mindful of implementation issues arising from the new accounting requirements for expected loan loss provisioning for impaired loans that are being introduced by the IASB and the FASB, and, for those jurisdictions where specific action is needed to foster transparent and consistent implementation, set out any steps they intend to take.</p> <p>See, for reference, the following BCBS documents:</p> <ul style="list-style-type: none"> • Basel 2.5 standards on prudent valuation (Jul 2009) • Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 01.01.2012</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>BRSA: Annex III of the Regulation on Capital Adequacy Measurement and Evaluation of Capital Adequacy of Banks, which have been in effect since July 2012 includes the provisions of Basel 2.5 standards on prudent valuation (July 2009). In addition, institutions under the supervision of the BRSA have to comply with TFRSs which are in line</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>with IFRSs. BRSA has the authority to supervise and regularly supervises the full implementation of TFRSs by the related companies. CMB: Since 2005, application of fair value accounting for companies and institutions subject to Capital Market Law has been compulsory according to capital market regulations that require Turkish Accounting/Financial Reporting Standards (TAS/TFRS) and TAS/TFRS Interpretations, which have been in full compliance with IAS/IFRSs, to be adopted.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII. Enhancing risk management					
17 (20)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	<p>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)</p> <p>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)</p> <p>Regulators and supervisors in emerging markets³ will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)</p> <p>We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)</p>	<p>Jurisdictions should indicate the policy measures taken to enhance guidance to strengthen banks' risk management practices.</p> <p>Jurisdictions may also refer to FSB's thematic peer review report on risk governance (Feb 2013) and the BCBS Peer review of supervisory authorities' implementation of stress testing principles (Apr 2012) and Principles for sound stress testing practices and supervision (May 2009).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Final rule (for part of the reform) in force since : 19.03.2015 (The publication date of most recent risk management guideline.)</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>BRSA: The BRSA published an updated regulation on internal systems and ICAAP for banks on 11/07/2014.</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>New risk management guidelines are in the pipeline to be issued during 2015 and 2016.</p> <p>Web-links to relevant documents:</p>

³ Only the emerging market jurisdictions that are members of the FSB may respond to this recommendation.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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) have been 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.</p> <p>Highlight main developments since last year's survey:</p> <p>After the survey of the IMN 2014, the BRSA declared that “new risk management guidelines” are in the pipeline to be issued during the period of 2015/2016.</p> <p>Web-links to relevant documents:</p> <p>http://www.bddk.org.tr/WebSitesi/turkce/Mevzuat/Bankacilik_Kanununa_Iliskin_Duzenlemeler/Bankacilik_Kanununa_Iliskin_Duzenlemeler.aspx</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
18 (22)	Enhanced risk disclosures by financial institutions	<p>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)</p> <p>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)</p>	<p>Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS7 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 (Aug 2013), and set out any steps they have taken to foster adoption of the EDTF Principles and Recommendations.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input checked="" type="checkbox"/> Draft in preparation, expected publication by: 01.08.2015 (BRSA)</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Final rule (for part of the reform) in force since : 01.11.2006 (BRSA)</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>BRSA: According to the “Communiqué on Financial Statements to be Announced to the Public by Banks, and Related Disclosures” which was published on 10/02/2007; 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</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>supervises the full implementation of these disclosure TFRSs by the related companies. In addition to that, in line with international best practice, the BRSA has prepared a detailed draft regulation on risk management disclosure for banks which is expected to go for public consultation on 01/08/2015.</p> <p>CMB: Investment firms disclosure requirements are regulated under Communique Serial: V, No:77. In addition to regular financial statements' disclosure requirements, investment firms has to disclose their capital adequacy and the events that may cause losses.</p> <p>Treasury: The Undersecretariat of Treasury monitors the information disclosed by insurers in a timely manner. Article 18 Paragraph 2 of Insurance Law No. 5684 stipulates that the Undersecretariat shall cause to be re-announced such financial statements as 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 (June 2007).</p> <p>Highlight main developments since last year's survey:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>After the survey of the IMN 2014, in line with international best practice, the BRSA has prepared a detailed draft regulation on risk management disclosure for banks which is expected to go for public consultation on 01/08/2015.</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII. Strengthening deposit insurance					
19 (23)	Strengthening of national deposit insurance arrangements	National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)	<p>Jurisdictions should describe any revisions made to national deposit insurance system, including steps taken to address the following recommendations of the FSB’s February 2012 thematic peer review report on deposit insurance systems:</p> <ul style="list-style-type: none"> • Adoption of an explicit deposit insurance system (for those jurisdictions that do not have one) • Addressing the weaknesses and gaps to full implementation of the Core Principles for Effective Deposit Insurance Systems issued by IADI in November 2014 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input checked="" type="checkbox"/> Draft published as of: The proposal for bridge bank has been submitted to the Assembly for approval. Before the parliamentary process, the draft was sent to the related institutions and comments were received. The reform about deposit insurance limit has been effective as of Feb 15, 2014</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Savings Deposit Insurance Fund (SDIF) Proposal is prepared in order to have the</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>authority to establish bridge bank. The proposal for bridge bank has been submitted to the Assembly for approval. Before the parliamentary process, the draft was sent to the related institutions and comments were received. The reform about deposit insurance limit has been effective as of Feb 15, 2014. We indicate separate status for reforms in deposit insurance system (REF) and resolution powers (DPD) by the rationale that these two reforms are not components of a same reform. Based on these explanations, we would like to maintain the “REF” position if reforms in resolution powers are not included in “Strengthening deposit insurance” part of the survey.</p> <p>Highlight main developments since last year’s survey:</p> <p>After the survey of the IMN 2014, the proposal for bridge bank has been submitted to the Assembly for approval. Before the parliamentary process, the draft was sent to the related institutions and comments were received.</p> <p>Web-links to relevant documents:</p> <p>http://www.tmsf.org.tr/Resource/documents/guvence_mevduat_en.pdf http://www.tmsf.org.tr/Resource/docume</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				nts/guvence_katilim_en.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IX. Safeguarding the integrity and efficiency of financial markets					
20 (24)	Enhancing market integrity and efficiency	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)	<p>Jurisdictions should indicate whether high frequency trading and dark pools exist in their national markets.</p> <p>Jurisdictions should indicate the progress made in implementing the recommendation in the following IOSCO reports in their regulatory framework:</p> <ul style="list-style-type: none"> • Regulatory issues raised by changes in market structure (Dec 2013) • Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011) • Report on Principles for Dark Liquidity (May 2011). 	<p><input checked="" type="checkbox"/> Not applicable</p> <p>CMB: High frequency trading and dark pools do not exist in our national markets.</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (25)	Regulation and supervision of commodity markets	<p>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)</p> <p>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)</p>	<p>Jurisdictions should indicate whether commodity markets of any type exist in their national markets.</p> <p>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).</p> <p>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.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input checked="" type="checkbox"/> Draft in preparation, expected publication by: the end of 2017</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>CMB: The commodity market hadn’t been regulated before the new Capital Markets Law which was enacted on 30.12.2012. Currently, few financial commodity derivative contracts (wheat, cotton and electricity) are traded in Derivatives Market of the Borsa Istanbul. Enhanced market transparency and marked abuse rules are applied to the</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>The project to design a new commodity market in the Borsa İstanbul is ongoing. The market rules are expected to take effect at the end of 2017.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>market. Additionally, the project to design a new commodity market in the Borsa İstanbul is ongoing.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
22 (26)	Reform of financial benchmarks	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 forthcoming FSB progress report on implementation of the FSB recommendations in this area, and ongoing IOSCO work to review the implementation of the IOSCO Principles for Financial Benchmarks.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X. Enhancing financial consumer protection					
23 (27)	Enhancing financial consumer protection	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)	<p>Jurisdictions should describe progress toward implementation of the OECD’s G-20 high-level principles on financial consumer protection (Oct 2011).</p> <p>Jurisdictions may also refer to OECD’s September 2013 and September 2014 reports on effective approaches to support the implementation of the High-level Principles.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Final rule (for part of the reform) in force since : 03.10.2014</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>BRSA: BRSA has issued a regulation on fees that can be charged on financial consumers and principles and procedures regarding contracts, information to be provided, reimbursement of the fees, introduction of new fees, etc. A new web-page has been introduced for financial consumers with a simple and</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

XI. Source of recommendations:

- [Brisbane: G20 Leaders' Communique \(15-16 November 2014\)](#)
- [St Petersburg: The G20 Leaders' Declaration \(5-6 September 2013\)](#)
- [Los Cabos: The G20 Leaders' Declaration \(18-19 June 2012\)](#)
- [Cannes: The Cannes Summit Final Declaration \(3-4 November 2011\)](#)
- [Seoul: The Seoul Summit Document \(11-12 November 2010\)](#)
- [Toronto: The G-20 Toronto Summit Declaration \(26-27 June 2010\)](#)
- [Pittsburgh: Leaders' Statement at the Pittsburgh Summit \(25 September 2009\)](#)
- [London: The London Summit Declaration on Strengthening the Financial System \(2 April 2009\)](#)
- [Washington: The Washington Summit Action Plan to Implement Principles for Reform \(15 November 2008\)](#)
- [FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience \(7 April 2008\)](#)
- [FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System \(2 April 2009\)](#)
- [FSB 2009: The FSB Report on Improving Financial Regulation \(25 September 2009\)](#)
- [FSB 2012: The FSB Report on Increasing the Intensity and Effectiveness of SIFI Supervision \(1 November 2012\)](#)

XII. List of Abbreviations used:

CMB: Capital Markets Board of Turkey
 CBRT: Central Bank of the Republic of Turkey
 SDIF: Savings Deposit Insurance Fund

BRSA: Banking Regulation and Supervision Authority
 Treasury: Republic of Turkey Prime Ministry Undersecretariat of Treasury
 POA: Public Oversight, Accounting and Auditing Standards Authority