

Jurisdiction : Turkey

2013 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. Refining the regulatory perimeter					
1 (2)	Review of the boundaries of the regulatory framework including strengthening of oversight of shadow banking	We will each review and adapt the boundaries of the regulatory framework to keep pace with developments in the financial system and promote good practices and consistent approaches at an international level. (London)	Jurisdictions should indicate the steps taken to expand the domestic regulatory framework to previously unregulated entities, for example, non-bank financial institutions (e.g. finance companies, mortgage insurance companies, credit hedge funds) and conduits/SIVs etc.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Status of progress : Reform effective (completed) as of : December 2012 Short description of the content of the legislation/ regulation/guideline: Financial leasing, factoring and finance institutions has long been regulated in Turkey, the new law, “The Law on Financial Leasing, Factoring and Financing Institutions No: 6361 has been entered into force at December 13, 2012. This regulation abolished the Financial Leasing Act number 3226 dated June 28, 1985 and the Decree Law on Borrowing Money number 90 dated October 6, 1983. The new law has strengthened the regulatory framework and brought new prudential requirements	Planned actions (if any): Expected commencement date: Web-links to relevant documents:
(1)		We agree to strengthen the regulation and oversight of the shadow banking system. ¹ (Cannes)	Jurisdictions should indicate policy measures to strengthen the regulation and oversight of the shadow banking system. See, for reference, the recommendations discussed in section 2 of the October 2011 FSB report: Shadow Banking: Strengthening Oversight and Regulation.		

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

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				<p>for those institutions. Portfolio management companies are subject to capital adequacy requirements similar to those applied to intermediary institutions. Money market funds have very restrictive portfolio requirements, making them almost immune to any liquidity risk. They can only invest in debt instruments. Any asset in its portfolio has to have no more than 180 days to maturity and average maturity of its portfolio has to have no more than 45 days. New communiques that are expanding oversight of CMB over portfolio management companies, and investment funds, bringing new measures regarding risk management systems, were already published and they will enter into force on 01.07.2014.</p> <p>Web-links to relevant documents:</p> <p>http://www.bddk.org.tr/WebSitesi/english/Legislation/115986361factoringlaw_engrev_er_onx.pdf</p> <p>http://www.spk.gov.tr/apps/teblig/displayteblig.aspx?id=442&ct=f&action=displayfile&submenuheader=null</p> <p>http://www.spk.gov.tr/apps/teblig/displayteblig.aspx?id=442&ct=f&action=displayfile&submenuheader=null</p>	

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				<p>yfile&submenuheader=null</p> <p>Turkish versions of new communiques, respectively portfolio management companies and invetsment funds can be found at</p> <p>http://www.resmigazete.gov.tr/eskiler/2013/07/20130702-12.htm</p> <p>http://www.resmigazete.gov.tr/eskiler/2013/07/20130709-14.htm?submenuheader=null</p> <p>English versions will also be published at a later date.</p>	

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II. Hedge funds					
2 (3)	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) that inter-alia included mandatory registration and on-going regulatory requirements such as disclosure to investors.</p>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Draft published as of : Communique published as of: 09.07.2013</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Hedge funds operating in Turkey have strictly been regulated under the Serial:VII, No:10, Communique on the Principles Regarding Mutual Funds since 2006 . Accordingly, hedge funds have to register with CMB and only intermediary institutions licensed by CMB and banks are eligible to become a founder of all types of funds including hedge funds. Hedge funds are also subject to portolio restrictions as well as additional checks and balances requirements over risk management systems in place. They have to report to CMB and their investors</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>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. The Communique on the Principles Regarding Investment Funds, which is effective immediately for new investment funds and which is going to be effective as of 01.07.2014 for existing investment funds, thus replacing Serial:VII, No:10, Communique on the Principles Regarding Mutual Funds, is designed to not only to keep but also expand existing oversight over hedge fund activities. With this new communique, which is based on Capital Market Law published on 30.12.12, only portfolio management companies are eligible to become a founder of investment funds, including hedge funds. To further ensure the safety of funds’ assets, new communique 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 .</p>	

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				<p>Web-links to relevant documents: Turkish version of new regulation, “The Communique on the Principles Regarding Investment Funds” can be found at “http://www.resmigazete.gov.tr/eskiler/2013/07/20130709-14.htm?submenuheader=null” English version will also be published at a later date</p>	

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3 (4)	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)	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>Not applicable</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>In Turkey, the fund and the manager has to be located in the same jurisdiction, therefore a need for a cooperation is not assessed a requirement.</p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>According to current implementation the founders provide necessary prime brokerage services to the hedge funds. The banks and intermediary institutions (founders) shall establish internal control systems based on their relevant regulations.</p> <p>Status of progress :</p> <p>[No response]</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Hedge funds and their managers under CMB's oversight have been established in Turkey due to practical reasons but CMB is fully cooperating with other jurisdictions in case of any information</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>requested by other authorities or vice versa. Additionally, the fund managers have to provide relevant information about their activities, if any, in other jurisdictions. Recognizing importance of being timely in information sharing, 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>Web-links to relevant documents:</p>	

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4 (5)	Enhancing counterparty risk management	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)	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. See, for reference, the following BCBS documents :	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify:	Planned actions (if any): Consultative documents regarding counterparty risk will be incorporated in to the draft regulations/guides after BIS finalises its amendments in the CCR consultative documents.
6)		Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17,FSF 2008)	<ul style="list-style-type: none"> • Sound Practices for Banks' Interactions with Highly Leveraged Institutions (Jan 1999) • Banks' Interactions with Highly Leveraged Institutions (Jan 1999) • Basel III (June 2011) – relevant references to counterparty credit risk standards 	Status of progress : [No response] Short description of the content of the legislation/ regulation/guideline: Draft to be prepared in line with the BIS consultative documents "The non-internal model method for capitalising counterparty credit risk exposures" and "Capitalisation of Bank Exposures to Central Counterparties "	Expected commencement date: Web-links to relevant documents:

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III. Securitisation					
5 (7)	Improving the risk management of securitisation	<p>During 2010, supervisors and regulators will:</p> <ul style="list-style-type: none"> implement IOSCO’s proposals to strengthen practices in securitisation markets. (FSB 2009) 	<p>Jurisdictions should indicate the progress made in implementing the recommendations contained in:</p> <ul style="list-style-type: none"> IOSCO’s Report on Global Developments in Securitisation Regulation (Nov 2012) including justification for any exemptions to IOSCO requirements; and 	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Draft in preparation, expected publication by : 4th quarter of 2013</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Risk retention liability and properties of the derivatives to be securitised are defined clearly, functioning of internal control system is outlined.</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
(8)		<p>The BCBS and authorities should take forward work on improving incentives for risk management of securitisation, including considering due diligence and quantitative retention requirements by 2010. (London)</p> <p>Securitization sponsors or originators should retain a part of the risk of the underlying assets, thus encouraging them to act prudently. (Pittsburgh)</p>	<ul style="list-style-type: none"> BCBS’s Basel 2.5 standards on exposures to securitisations (Jul 2009), http://www.bis.org/publ/bcbs157.pdf and http://www.bis.org/publ/bcbs158.pdf 		

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6 (9)	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 the IAIS Guidance paper on enterprise risk management for capital adequacy and solvency purposes (Oct 2008).</p>	<p>Not applicable</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>[No response]</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>There are no monoline insurers in Turkey</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
7 (10)	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 policy measures taken for strengthening best practices for investment in structured product.</p> <p>See, for reference, the principles contained in IOSCO's report on Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Jul 2009) and Suitability Requirements for Distribution of Complex Financial Products (Jan 2013).</p> <p>Jurisdictions may also refer to the Joint Forum report on Credit Risk Transfer-Developments from 2005-2007 (Jul 2008).</p>	<p>Implementation ongoing or completed</p> <p><i>If " Not applicable " or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Draft in preparation, expected publication by : by 4th quarter of 2013</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Issue processes (especially private placement procedure) are simplified. Secondary legislation regarding prospectus preparation and selling procedures are published and currently in force.</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>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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8 (11)	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) that complements IOSCO’s Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010).</p>	<p>Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Because securitized product market in Turkey has not developed well enough, no comprehensive work has been done yet.</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>Status of progress :</p> <p>[No response]</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Disclosure policy is regulated under prospectus content and material event disclosures. These policies are closely in line with EU directives.</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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IV. Enhancing supervision					
9 (12)	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 the policy measures taken for implementing consistent, consolidated supervision and regulation of SIFIs.²</p> <p>See, for reference, the following documents:</p> <p>Joint Forum:</p> <ul style="list-style-type: none"> • Principles for the supervision of financial conglomerates (Sep 2012) <p>BCBS:</p> <ul style="list-style-type: none"> • Framework for G-SIBs (Nov 2011) • Framework for D-SIBs (Oct 2012) • BCP 12 (Sep 2012) <p>IAIS:</p> <ul style="list-style-type: none"> • ICP 23 – Group wide supervision <p>FSB:</p> <ul style="list-style-type: none"> • Framework for addressing SIFIs (Nov 2011) 	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Reform effective (completed) as of : September 2011</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The article 98 of the Banking Law Nr. 5411 enables BRSA to cooperate and exchange info. regarding financial institutions and financial markets with any counterpart supervisory authority of the Agency, within the framework of bilateral MoUs or other means.</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

² The scope of the follow-up to this recommendation will be revised once the monitoring framework on policy measures for G-SIFIs, 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>10 (13)</p> <p>(14)</p>	<p>Establishing supervisory colleges and conducting risk assessments</p>	<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 through international supervisory colleges ...(Seoul)</p>	<p>Reporting in this area should be undertaken solely by home jurisdictions of significant cross-border firms. Relevant jurisdictions should indicate the steps taken and status of establishing remaining supervisory colleges and conducting risk assessments.</p> <p>See, for reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Good practice principles on supervisory colleges (Oct 2010) • Report and recommendations on cross-border bank resolution (Mar 2010) <p>IOSCO:</p> <ul style="list-style-type: none"> • Principles Regarding Cross-Border Supervisory Cooperation (May 2010) <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 	<p>Not applicable</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Turkey does not have any G-SIFIs but, Banking Regulation and Supervision Agency supervisors are attending supervisory collages that are established in other countries (.eg: Holland-BNB ING etc)</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>Status of progress :</p> <p>[No response]</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Undersecretariat of Treasury as a home country supervisor, has not arranged any supervisory college meetings in Turkey with counterparty authorities yet. However, Treasury supervisors participated to the supervisory college meetings organized by Belgian and Dutch regulators and exchanged information with the relevant supervisory authorities. Revised provisions regarding information</p>	<p>Planned actions (if any):</p> <p>Participation to the supervisory college meetings which will be organized by the French authority in September 2013 and Dutch authority in October 2013 is in planning.</p> <p>Expected commencement date:</p> <p>02.10.2013</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>sharing in ICPs are included in the Regulation on the Procedures and the Principles on the Monitoring and Supervision of Insurance and Private Pension Sectors with a change made in July 2013.</p> <p>Web-links to relevant documents:</p>	

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<p>11 (15)</p> <p>New</p>	<p>Supervisory exchange of information and coordination</p>	<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 October 2006 Basel Core Principle (BCP) 25 (Home-host relationships) or, if more recent, 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 regulatory, supervisory or legislative changes that will contribute to the sharing of supervisory information within core colleges (e.g. bilateral or multilateral MoUs).</p>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Undersecretariat of Treasury has joined an international supervisory cooperation and information exchange agreement by becoming a signatory to the IAIS MMoU in 2012.</p> <p>Status of progress :</p> <p>Reform effective (completed) as of : 17.03.2011 (Regulation on Financial Structure)</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>“Regulation on the Procedures and the Principles on the Monitoring and Supervision of Insurance and Private Pension Sectors” and “Regulation on the Financial Structures of Insurance, Reinsurance and Pension Companies” contain provisions that are completely compliant with ICP on information sharing. Revised provisions regarding</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>information sharing in ICPs are also included in the Regulation on the Procedures and the Principles on the Monitoring and Supervision of Insurance and Private Pension Sectors with a change made in July 2013. The Financial Stability Committee is established in June 2011 by the decree law no: 637. In December 2012, article 72 of Banking Law No.5411 was repealed and the following amendment was enacted: “In cases where a negative development that could spread over to the entire financial system occurs and such development is detected by Financial Stability Committee, 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. In October 2012, Systemic Risk Assessment Group was established under Financial Stability Committee.</p> <p>Web-links to relevant documents:</p> <p>http://www.hazine.gov.tr/default.aspx?news=TrR3vg8KCNGoDQ4jjQvkw===-H7deC+LxBI8=&mid=366&cid=35&nm=316#</p> <p>http://www.treasury.gov.tr(Financial Stability Committee)</p>	

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12 (16)	Strengthening resources and effective supervision	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)	Jurisdictions should provide any feedback received from recent FSAPs/ROSC assessments on the October 2006 BCPs 1 and 23 or, if more recent, the September 2012 BCPs 1, 9 and 11. Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: Turkish insurance sector deserved "Observed" ratings for ICPs 11-17. We are working on a project based on the supervision of code of conduct rules implemented by the investment firms. The aim is to identify and address the potential risks for early intervention. Status of progress : Reform effective (completed) as of : 17 March 2011 (for investment firms end 2013) Short description of the content of the legislation/ regulation/guideline: " Undersecretariat of Treasury has joined an international supervisory cooperation and information exchange agreement by becoming a signatory to the IAIS MMoU in 2013. "Regulation on the Financial Structures of Insurance, Reinsurance and Pension Companies" contains provisions	Planned actions (if any): Expected commencement date: Web-links to relevant documents:
(17)		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)			
New		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)	Jurisdictions should describe the outcomes of the most recent assessment of resource needs (e.g. net increase in supervisors, skills acquired and sought). Please indicate when this assessment was most recently conducted and when the next assessment is expected to be conducted.		

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				<p>that are compliant with ICP on group-wide supervision.</p> <p>Web-links to relevant documents:</p> <p>http://www.hazine.gov.tr/default.aspx?ns=w=TrR3vg8KCNGoDQ4jjQvkw==H7deC+LxBI8=&mid=366&cid=35&nm=316#</p>	

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V. Building and implementing macroprudential frameworks and tools					
13 (18)	Establishing regulatory framework for macro-prudential oversight	Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks ³ and private pools of capital to limit the build up of systemic risk. (London)	Please describe the systems, methodologies and processes that have been put in place to identify macroprudential risks, including the analysis of risk transmission channels.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Status of progress : Reform effective (completed) as of : June 2011 Short description of the content of the legislation/ regulation/guideline: The Financial Stability Committee (FSC) was established in June 2011 by the decree law no: 637 Financial Stability 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	Planned actions (if any): Expected commencement date: Web-links to relevant documents:
(19)		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)	Please indicate whether an assessment has been conducted with respect to the powers to collect and share relevant information among different authorities – where this applies – on financial institutions, markets and instruments to assess the potential for systemic risk. Please indicate whether the assessment has indicated any gaps in the powers to collect information, and whether any follow-up actions have been taken.		

³ 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>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.</p> <p>Web-links to relevant documents: http://www.treasury.gov.tr(Financial Stability Committee)</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
14 (20)	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>Please describe major changes in the institutional arrangements for macroprudential policy that have taken place in the past two years, including changes in: i) mandates and objectives; ii) powers and instruments; iii) transparency and accountability arrangements; iv) composition and independence of the decision-making body; and v) mechanisms for domestic policy coordination and consistency.</p> <p>Please indicate the use of macroprudential tools in the past two years, including the objective for their use and the process used to select, calibrate, and apply them.</p> <p>See, for reference, the CGFS document on Operationalising the selection and application of macroprudential instruments (Dec 2012).</p>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Draft in preparation, expected publication by : 2nd quarter of 2013 (leverage)</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <ul style="list-style-type: none"> • Loan-to-value (LTV) ceilings; (December 2010): Implements LTV ceilings on housing loans to consumer (at 75%). • High risk weights for consumer loans; (June 2011): Higher risk weights for longer term consumer loans. For new general purpose loans with maturities less than 2 years, the risk-weighting increased to 150% (from 100%). For new general purpose loans with maturity greater than 2 years, the risk-weight increased to 200% (from 100%). • Increased provisions for consumer 	<p>Planned actions (if any):</p> <p>Final regulation will be published at the end of September 2013. (leverage)</p> <p>Expected commencement date:</p> <p>01.01.2014</p> <p>Web-links to relevant documents:</p>
(21)		<p>Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)</p>	<p>Jurisdictions can also refer to the FSB-IMF-BIS progress report to the G20 on Macroprudential policy tools and frameworks (Oct 2011), and the IMF paper on Macroprudential policy, an organizing framework (Mar 2011).</p>		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>loans; (June 2011): For new general purpose loans, general provisions were increased from 1% to 4%. Specific provisions for (pre-nonperforming) loans increased from 2% to 8%. The higher provisioning requirements are conditional on banks having a consumer loan portfolio exceeding 20% of total loans or having a general purpose loan NPL greater than 8%.</p> <ul style="list-style-type: none"> • Limits to credit card payments; (June 2011): If three or more monthly payments within a calendar year are less than half of the outstanding balance for the period, the individual credit card limits cannot be increased and cash advances for such credit cards cannot be permitted, unless the outstanding balance for the period is fully covered. • Interest Rate Risk; (August 2011): Announced by the BRSA to contain interest rate risk through capital changes on large maturity mismatches, discouraging duration gaps. Effective from 2012. Recently, BRSA has been working on a draft regulation on leverage that is completely in compliance with “Basel III requirements. According to this draft, banks should establish and maintain a leverage ratio of %3 on solo and 	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>consolidated basis as of March, June, September and December . This ratio is calculated as Tier I capital divided by on and off-balance sheet total exposure by taking the arithmetic mean of three months.</p> <p>Web-links to relevant documents: http://www.bddk.org.tr/WebSitesi/turkce/Mevzuat/Duzenleme_Taslaklari/11795kaldirac_orani_yonetmelik_taslagi.pdf</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
15 (22)	Improved cooperation between supervisors and central banks	Supervisors and central banks should improve cooperation and the exchange of information including in the assessment of financial stability risks. The exchange of information should be rapid during periods of market strain. (Rec. V.8 , FSF 2008)	Jurisdictions can make reference to the following BCBS documents: <ul style="list-style-type: none"> • Report and recommendations of the Cross-border Bank Resolution Group (Mar 2010) • Good Practice Principles on Supervisory Colleges (Oct 2010) (Principles 2, 3 and 4 in particular) 	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : <ul style="list-style-type: none"> <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: The Financial Sector Commission and Coordination Committee are established in October 2005 by the enactment of the Banking Law No:5411. Status of progress : Reform effective (completed) as of : December 25, 2012/27.07.2013 (Regulation Amending the Regulation on the Procedures and the Principles on the Monitoring and Supervision of Insurance and Private Pension Sectors) Short description of the content of the legislation/ regulation/guideline: 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 Banking Regulation and Supervision Agency to	Planned actions (if any): Participation to the supervisory college meetings which will be organized by the French authority in September 2013 and Dutch authority in October 2013 has been planned. Expected commencement date: 02.10.2013 (Supervisory College Meetings) Web-links to relevant documents:

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>enter into Memorandum of Understanding with EU Supervisory Authorities which enhanced the cooperation. The MoU between the Undersecretariat of Treasury, BRSA and the Savings Deposit Insurance Fund (SDIF) and the Central Bank (CBRT) on exchange of information which was signed in April 2009, is an initiative taken at national level regarding supervisory exchange of information and coordination on systemic risk. To determine general guidelines to be followed regarding supervisory exchange of information and coordination with other parties, BRSA developed a communiqué. This communiqué encompasses general principles regarding the areas of cooperation including supervisory colleges, the means of supervisory cooperation including supervisory colleges, the main terms to be included in MoU's, enforcement of the MoU's, resources and privacy. At the national level we have several committees that ensures efficient coordination and cooperation in establishing supervisory policies. The said committees are Financial Stability Committee, Systemic Risk Coordination Committee, Financial Sector Commission and Coordination Committee. On the 31st of December, 2010 a Protocol on sharing information</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>and cooperation was signed between the BRSA, the insurance supervisor (Treasury Undersecretariat), the securities and markets' regulator (Capital Markets Board), the deposit guarantee scheme (Savings Deposit Insurance Fund) and the Central Bank. Bilateral subprotocols additional to the main Protocol on regular information exchange were signed between the BRSA and Treasury Undersecretariat; the BRSA and Capital Markets Board; Treasury Undersecretariat and Capital Markets Board; the Central Bank and the BRSA. Regulation about supervisory exchange of information and coordination akin to ICP 5 and ICP 17 was issued in March 2011. Undersecretariat of Treasury has joined an international supervisory cooperation and information exchange agreement by becoming a signatory to the IAIS MMoU in 2012 and participated to the supervisory college meetings organized by Belgian and Dutch regulators and exchanged information with the relevant supervisory authorities. Revised provisions regarding information sharing in ICPs are also included in the Regulation on the Procedures and the Principles on the Monitoring and Supervision of Insurance and Private Pension Sectors with a change made in</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>July 2013.</p> <p>Web-links to relevant documents: For the insurance sector www.treasury.gov.tr</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VI. Improving oversight of credit rating agencies (CRAs)					
16 (23)	Enhancing regulation and supervision of CRAs	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)	Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs. They should also indicate its consistency with the following IOSCO document: • Code of Conduct Fundamentals for Credit Rating Agencies (May 2008)	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Status of progress : Draft in preparation, expected publication by : Considering credit rating activity regarding capital market instruments and/or institutions subject to Capital Market Law (“Law”), in addition to relevant provisions in Law, a secondary legislation in the form of Communiqué has been in force since 1997. The Communiqué is in line with IOSCO Code of Conduct. Regular quality control inspections are conducted by CMB to enforce compliance with capital market regulations Short description of the content of the legislation/ regulation/guideline: “Regulation on the Principles Regarding the Authorization and Activities of Rating Agencies” by Banking Regulation and Supervision Agency entered into force on	Planned actions (if any): For credit rating in capital markets, since the Law and the Communiqué include all necessary provisions for Turkish regulatory system to be in line with IOSCO Code of Conduct and other relevant IOSCO documents, CMB finds no urgent need to amend its regulations imminently, but plans to continue monitoring international developments, especially the revision of IOSCO Code of Conduct in 2014. Expected commencement date: Web-links to relevant documents:
(24)		National authorities will enforce compliance and require changes to a rating agency’s practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process. CRAs should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process. The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)	Jurisdictions may also refer to the following IOSCO documents: • 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) ; and • Credit Rating Agencies: Internal Controls Designed to Ensure the Integrity of the Credit Rating Process and Procedures to Manage Conflicts of Interest (Dec 2012) .		
(25)		Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>17.04.2012. According to Capital Market Law the authority to regulate and supervise the securities markets in Turkey resides with the Capital Markets Board of Turkey (CMB). CMB exercises its authority by establishing regulatory procedures and by making decisions for individual cases. Pursuant to provisions of Law, “Comminiqué on Principles Regarding Rating Activity and Rating Agencies” (“Communiqué”) is in force since 1997 and updated lastly on 15.04.2010. The purpose of this Communiqué is to regulate the methods and principles regarding rating activity in capital markets, the rating agencies to be authorized by CMB to carry out such activities, the employers of such agencies, and international rating agencies recognized by CMB. In this respect, the provisions of the Communiqué are binding for all rating activities carried with respect to capital market institutions established in Turkey and all capital market instruments issued by issuers established in Turkey, regardless of the place of the issuance. Only 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Markets Board of Turkey, and 4 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 by CMB, CMB has the authority to delist the international rating agency should there be an 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>Web-links to relevant documents:</p> <p>http://www.bddk.org.tr/WebSitesi/turkce/Mevzuat/Bankacilik_Kanununa_Iliskin_Duzenlemeler/10821yayimlanan_17_04_12.pdf</p> <p>http://www.cmb.gov.tr/regulations/regulations_index.html</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
17 (26)	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>	No information on this recommendation will be collected in the current IMN survey since a thematic peer review is taking place in this area during 2013.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII. Enhancing and aligning accounting standards					
18 (27)	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)	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. They should also explain the system they have for enforcement of consistent application of those standards.	<p>Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Related regulatory and supervisory authorities (including BRSA, CMB and Undersecretariat of Treasury) have authority to supervise the appropriate implementation of TFRSs by the applying companies.</p> <p>Status of progress :</p> <p>Reform effective (completed) as of : 2005 for listed companies and capital market institutions, 2006 for banks, and 2007 for insurance and pension companies.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>1 Conceptual Framework for Financial Reporting, 41 Turkish Accounting/Financial Reporting Standards (TAS/TFRS) and 22 TAS/TFRS Interpretations which are in full compliance with IFRSs have been</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>published in the Official Gazette and they are amended regularly in parallel with the amendments made in IFRSs. Currently, listed companies and capital market institutions; banks, leasing, factoring and financing companies; insurance, reinsurance companies and pension companies have been applying TFRSs. Application of those standards is required to be audited by independent audit firms according to the related regulations. Besides 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>Web-links to relevant documents:</p> <p>http://kgk.gov.tr/content_detail-208-513-son-halleriyle-standartlar.html</p> <p>http://www.hazine.gov.tr/default.aspx?nw=TrR3vg8KCNGoDQ4jjQvkpw==H7deC+LxBI8=&mid=366&cid=35&nm=316#</p> <p>http://www.hazine.gov.tr/default.aspx?nw=TrR3vg8KCNGoDQ4jjQvkpw==H7deC+LxBI8=&mid=366&cid=35&nm=316#</p> <p>http://www.spk.gov.tr/apps/Mevzuat/?submenuheader=-1</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				http://www.resmigazete.gov.tr/eskiler/2013/06/20130613-11.htm?submenuheader=null	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>19 (28)</p> <p>(29)</p>	<p>Appropriate application of Fair Value Accounting</p>	<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>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>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></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>Status of progress :</p> <p>Reform effective (completed) as of : July 2012</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The related requirements of the Turkish Accounting/Financial Reporting Standards (TAS/IFRS) and TAS/IFRS Interpretations which are in full compliance with IFRSs, regarding fair value accounting are effective as of 2005 for all listed companies, 2006 for banks, and 2007 for insurance and pension companies. In addition, Public Oversight, Accounting and Auditing Standards Authority issued IFRS 13 which is fully compliant with IFRS 13. The effective date of the standard is the periods beginning on or after 31/12/2012. Annex III of the Regulation on Capital Adequacy Measurement and Evaluation of Capital Adequacy of Banks, which</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>have been in effect since July 2012 includes the provisions of Basel 2.5 standards on prudent valuation (Jul 2009).</p> <p>Web-links to relevant documents:</p> <p>http://www.bddk.org.tr/WebSitesi/turkce/Mevzuat/Bankacilik_Kanununa_Iliskin_Duzenlemeler/11000syr_yon_ek3.pdf</p> <p>http://kgk.gov.tr/contents/files/TFRS%2013.pdf</p> <p>http://www.resmigazete.gov.tr/main.aspx?home=http://www.resmigazete.gov.tr/eskiler/2012/12/20121230m2.htm&main=http://www.resmigazete.gov.tr/eskiler/2012/12/20121230m2.htm</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII. Enhancing risk management					
20 (31)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	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)	Jurisdictions should indicate the policy measures taken to enhance guidance to strengthen banks' risk management practices. See, for reference, the Joint Forum's Principles for the supervision of financial conglomerates (Sep 2012) and the following BCBS documents:	Implementation ongoing or completed <i>If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification:</i>	Planned actions (if any): Final regulation will be published in last quarter of 2013. (LCR)
(33)		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)	<ul style="list-style-type: none"> • Principles for effective risk data aggregation and risk reporting (Jan 2013) • The Liquidity Coverage Ratio (LCR) (Jan 2013) • Principles for the sound management of operational risk (Jun 2011) • Principles for sound stress testing practices and supervision (May 2009) 	Issue is being addressed through : <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Status of progress : Draft in preparation, expected publication by : 2nd quarter of 2013 (LCR).	Expected commencement date: 01.01.2014 (LCR)
(34)		Regulators and supervisors in emerging markets ⁴ will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)	Jurisdictions may also refer to FSB's February 2013 thematic peer review report on risk governance .	Short description of the content of the legislation/ regulation/guideline: (Regulation on Internal Systems of Banks was published on Official Gazette on 28/6/2012 and has been in effect since 1/7/2013) Guidelines May 2013. a guideline on Stress testing is being prepared. BRSA introduced "Regulations on Measurement and Evaluation of Liquidity Adequacy of Banks" which was published in the Official Gazette dated 1/11/2006 and numbered 2633. According to this regulation, banks are required to calculate	Web-links to relevant documents:
(35)		We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)			

⁴ Only the emerging market jurisdictions may respond to this recommendation.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>total liquidity adequacy ratio (total assets/liabilities) and foreign currency liquidity adequacy ratio (foreign currency assets/foreign currency liabilities) for 0-7 and 0-31 day buckets. Total liquidity adequacy ratio must be at least 100% and foreign currency adequacy ratio must be at least 80%. Recently, BRSA has been working on a draft regulation on liquidity coverage ratio in compliance with “Basel III- the liquidity coverage ratio and liquidity risk monitoring tools” standard, in order to promote the short-term resilience of the liquidity risk profile of the banks. According to the Basel III standards, internationally agreed minimum foreign currency LCR is not set and LCR is only a monitoring tool. However, in compliance with BRSA’s current practice mentioned in the first paragraph, draft regulation on liquidity coverage ratio requires that banks calculate and maintain a determined foreign currency LCR. BRSA received opinions and assessments of the related parties recently and has been working on to finalize and publish the ultimate document. For the purpose of monitoring and controlling the risks to which they are exposed, banks in Turkey should establish and operate adequate and effective internal systems (risk management, internal control and internal</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>audit systems) in conformity with the scope and nature of their activities, capable of adaptation to changing conditions, and covering all their branches and units, and their partnerships subjected to consolidation in the framework of the procedures and principles stipulated in the Regulation on Internal Systems of Banks. Accordingly, the risk management activities shall consist of measurement of risks, monitoring of risks and controlling and reporting of risks. Apart from the principles set in the mentioned Regulation, BRSA is in the process of drafting a separate regulation on the identification, measurement, management and control of credit risk.</p> <p>Web-links to relevant documents: http://www.bddk.org.tr/WebSitesi/turkce/Mevzuat/Bankacilik_Kanununa_Iliskin_Duzenlemeler/1678ic_sistemler_yonetmelik_islenmis.pdf</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (36)	Efforts to deal with impaired assets and raise additional capital	Our efforts to deal with impaired assets and to encourage the raising of additional capital must continue, where needed. (Pittsburgh)	Jurisdictions should indicate steps taken to reduce impaired assets and encourage additional capital raising. For example, jurisdictions could include here the amount of new equity raised by banks operating in their jurisdictions during 2012.	<p>Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Currently, Turkish Banking sector is in a good financial position thus, there is no need for such an effort.</p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>[No response]</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
22 (37)	Enhanced risk disclosures by financial institutions	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)	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 .	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Reform effective (completed) as of : 14.06.2007 (Insurance Law No.5684)</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Insurance, reinsurance and pension companies in Turkey are required to implement the requirements of all IFRSs for their financial reporting according to the "Regulation on Financial Reporting by Insurance, Reinsurance and Pension Companies" Undersecretariat of Treasury monitors the information disclosed by insurers in a timely manner. Article 18 Paragraph 3 of Insurance Law No. 5684 stipulates that if it is found that the financial statements published by insurance companies and reinsurance companies are misrepresented, the Undersecretariat, taking into consideration the generally accepted accounting rules and principles, can make</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>sure that the corrected financial statements are republished. Banks, leasing, factoring and financing companies are also required to implement the requirements of all IFRSs including IFRS 7 and 13. Also, banks are required to make additional disclosures regarding capital adequacy, liquidity, asset quality etc. according to “Communiqué on the Financial Statements to be announced to public by Banks as well as Explanations and Footnotes Thereof</p> <p>Web-links to relevant documents:</p> <p>http://www.hazine.gov.tr/default.aspx?nw=TrR3vg8KCNGoDQ4jjQvkw==H7deC+LxBI8=&mid=366&cid=35&nm=316#</p> <p>http://www.hazine.gov.tr/default.aspx?nw=TrR3vg8KCNGoDQ4jjQvkw==H7deC+LxBI8=&mid=366&cid=35&nm=316#</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IX. Strengthening deposit insurance					
23 (38)	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)	Jurisdictions should describe any revisions made to national deposit insurance system, including steps taken to address the recommendations of the FSB's February 2012 thematic peer review report on deposit insurance systems .	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></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>Status of progress :</p> <p>Reform effective (completed) as of : February15, 2013</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The deposit insurance has recently been increased to 100.000 TL due to the amendment in the Regulation on Deposits and Participation Funds Subject to Insurance and Premiums Collected by the Savings Deposit Insurance Fund published by the Official Gazette dated 15.02.2013 no. 28560.</p> <p>Web-links to relevant documents:</p> <p>http://www.tmsf.org.tr/Resource/documents/guvence_mevduat_en.pdf</p> <p>http://www.tmsf.org.tr/Resource/documents/guvence_katilim_en.pdf</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X. Safeguarding the integrity and efficiency of financial markets					
24 (39)	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 the progress made in implementing the following IOSCO reports:</p> <ul style="list-style-type: none"> • Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011); and • Report on Principles for Dark Liquidity (May 2011). 	<p>Not applicable</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Since high frequency trading and dark liquidity applications are not available, measures are not taken.</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>Status of progress :</p> <p>[No response]</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
25 (40)	Enhanced market transparency in commodity markets	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>Jurisdictions should indicate the policy measures taken to enhance market transparency in commodity markets.</p> <p>See, for reference, 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 report published by the IOSCO’s Committee on Commodity Futures Markets based on a survey conducted amongst its members in April 2012 on regulation in commodity derivatives market.</p>	<p>Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>The commodity market hasn’t been regulated before the new Capital Markets Law which has been enacted on 30.12.2012. The market design is still under review. However, 3 commodity derivative contracts (wheat, cotton and electricity) are traded in Borsa Istanbul.</p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>[No response]</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
26 New	Legal Entity Identifier	<p>We support the creation of a global legal entity identified (LEI) which uniquely identifies parties to financial transactions. (Cannes)</p> <p>We encourage global adoption of the LEI to support authorities and market participants in identifying and managing financial risks. (Los Cabos)</p>	Jurisdictions should indicate whether they have joined Regulatory Oversight Committee (ROC) and whether they intend setting up Local Operating Unit (LOU) in their jurisdiction.	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>“Undersecretariat of Treasury, BRSA and CMB support GLEIS. These three authorities assented the ROC Charter and became a ROC member. For the time being, Takasbank is assigned as a pre LOU and sponsored by CMB. Evaluations for enhanced support options for GLEIS are underway</p> <p>Status of progress :</p> <p>[No response]</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>To act simultaneously with ROC and follow the rules and procedures specified by both the ROC and CES.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
XI. Enhancing financial consumer protection					
27 (41)	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)	Jurisdictions should describe progress toward implementation of the OECD’s G-20 high-level principles on financial consumer protection (Oct 2011) .	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <p>Reform effective (completed) as of : 14.06.2007 (Insurance Law)</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The new Consumer Protection Law (draft), which includes comprehensive regulations related to financial consumers, is in progress (in the Parliament). The new regulation will replace the Consumer Protection Law No:4077 There exist legislation and oversight body for consumer protection in general. In other respects, insurance Law No.5684 carries along with other issues the objective of protecting the rights and interests of people involved in an insurance contract in particular. In the article 32 of the Insurance Law responsible business conduct of financial</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>services providers and authorised agents shall be determined. There is also an article (31/A) stated in the Insurance Law regarding protection of consumers data and privacy. Besides, complaints and handling mechanism shall be determined in the article 30 of the aforementioned Law. On the other hand, guarantees can be deemed as an important financial consumer protection in this context, since in the “Regulation on Financial Structures of the Insurance, Reinsurance and Pension Companies” it is stated that the guarantee shall be a reserve against the receivables of the insured, and in case the licenses of a company with respect to all branches are revoked, or in case the company is liquidated or has declared bankruptcy, the guarantee shall be used for the payment of the receivables of the insured in the relevant branch first, while the remainder shall be added to the guarantees of other branches. Moreover, “Assurance account” which covers losses that arise as a result of the occurrence of the specific conditions also aims the protection of insured rights. Furthermore, “Regulation on Furnishing Information in Insurance Contracts” which aims to ensure that the persons who intend to enter into a specific insurance relationship do not confront any insufficient information regarding the</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>subject, coverage and other characteristics of the contract during the negotiation as well as the formation of the contract, and ensures that the related parties are informed of the changes and developments that may arise during the maintenance of the contract and that are in a quality that may affect the policy owner, the insured or the beneficiary in relation to the operation of the contract can also be deemed as a financial consumer protection.</p> <p>Web-links to relevant documents: http://engyeni.tsrbs.org.tr/sayfa/laws http://engyeni.tsrbs.org.tr/sayfa/regulations</p>	

XII. Source of recommendations:

[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 \(1 November 2012\)](#)

XIII. List of Abbreviations used:

CMB: Capital Market Board of Turkey

CBT or CBRT: Central Bank of the Republic of Turkey

SDIF: Savings Deposit Insurance Fund

BRSA: Banking Regulation and Supervision Authority