

Progress in the Implementation of G20/FSB Recommendations – June 2012

Jurisdiction: TURKEY

Index

1. Refining the regulatory perimeter
 2. Enhancing supervision
 3. Building and implementing macro-prudential frameworks and tools
 4. Improving oversight of credit rating agencies
 5. Enhancing and aligning accounting standards
 6. Strengthening adherence to international financial standards
 7. Enhancing risk management
 8. Strengthening deposit insurance
 9. Safeguarding the integrity and efficiency of financial markets
 10. Enhancing consumer protection
- Index of acronyms

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
1. Refining the regulatory perimeter						
1 (new)	Cannes	Strengthening the oversight of shadow banking	We agree to strengthen the regulation and oversight of the shadow banking system. ¹	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
2 (11)	(Lon)	Review of the boundaries of the regulatory framework	We will each review and adapt the boundaries of the regulatory framework to keep pace with developments in the financial system and	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any):</p> <p>Turkish banks are obliged to implement Basel 2 and Basel 2,5 by June 2012, which have been prepared by taking into account CRD III, Basel 2 and Basel 2,5.</p> <p>Expected commencement date:</p>

¹ For this survey, the focus is exclusively on the recommendations for monitoring the shadow banking system, discussed in section 2 of the October 2011 FSB report: “Shadow Banking: Strengthening Oversight and Regulation”, which is available here: http://www.financialstabilityboard.org/publications/r_111027a.pdf.

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			promote good practices and consistent approaches at an international level.		<input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Banking Regulation and Supervision Agency of Turkey (BRSA) is working on Basel II,5 and III rules to tranpose into national legislation. BRSA will continue to review its regulatory framework to follow the developments in financial markets and international regulatory framework. Turkish banks have been implementing Basel 2 as parallel run practice since June 2011. Web-links to relevant documents:	Web-links to relevant documents:
(i) Hedge funds						
3 (13)	(Seoul)	Regulation (including registration) of hedge funds	We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds, ...	End-2009	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: Hedge funds are initially regulated to be registered by the Capital Markets Board of	Planned actions (if any): Further implementation steps can take place within existing regulatory and supervisory powers. Expected commencement date: Web-links to relevant documents:

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
	(Lon)		<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.</p>		<p>Turkey (CMB or the Board). Actually hedge funds units are registered by the Board and shall only be sold to eligible/qualified investors. As regulated by the related Communiqué on mutual funds, hedge funds promoters (founder- manager) shall establish an internal control system including the risk management system. The general principles on risk management system are proceeded by the Board's implementing regulations. The Board asks for minimum required standards for the risk management systems eg. risk assessments for credit, counterparty, position exposures in terms of each instrument and the overall portfolio and regularly performed stress tests & back-testing. The risk limitations shall be stated in the fund prospectus and other legal documents.</p> <p>The registration is not subject any size limitation. Hedge funds shall inform the investors on risk limit violations, monthly risk/open position reports by letters. In practice hedge funds shall establish internal methods to inform investors on monthly risk reports (eg. Secure Web sites).</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p>	

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
				Web-links to relevant documents: http://www.cmb.gov.tr/regulations/regulations_index.html		
4 (14)	(Lon)	Effective oversight of cross-border funds	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.	End-2009	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: According to current jurisdiction only the funds are registered by the Board - not the fund managers-. The funds planning to sell units abroad inform the Board. The Board co-operates with the foreign authorities asking for information about the funds located in Turkey. <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	Planned actions (if any): Further implementation steps can take place within existing regulatory and supervisory powers. Expected commencement date: Web-links to relevant documents:

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
5 (15)	(Lon)	Effective management of counter-party risk associated with hedge funds	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.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: 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 including risk management systems according to their own relevant regulations. Part of ongoing supervision process. We will take into account of BCBS and FSB works on this issue.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any): Further implementation steps can take place within existing regulatory and supervisory powers.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
6 (16)	(FSF 2008)	Guidance on the management of exposures to	II.17 Supervisors will strengthen their existing guidance on	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p>	Planned actions (if any):

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
		leveraged counterparties	the management of exposures to leveraged counterparties		<input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: OTC traded structured products like exotic options which satisfy certain qualifications eg. rating of the counterparty must be minimum investment grade, liquidity clauses. In addition for the hedge funds case, OTC derivative exposures are subject to limits set in the founder's rule and prospectus. All funds should have risk management units independent from the portfolio management unit. The risk management unit is responsible for make relevant risk assessments and reporting to both the fund board and qualified investors. <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	Expected commencement date: Web-links to relevant documents:

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps
(ii) Securitisation					
7 (17)	(FSB 2009)	Implementation of BCBS/IOSCO measures for securitisation	During 2010, supervisors and regulators will: <ul style="list-style-type: none"> implement the measures decided by the Basel Committee to strengthen the capital requirement of securitisation and establish clear rules for banks' management and disclosure; 	During 2010	No response required for this survey. Please refer to the BCBS progress report on the Basel 2.5 adoption, available at: http://www.bis.org/publ/bcbs/b2_5prog_rep_table.htm
			<ul style="list-style-type: none"> implement IOSCO's proposals to strengthen practices in securitisation markets. 		Implementation ongoing: <ul style="list-style-type: none"> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Planned actions (if any): Expected commencement date: Web-links to relevant documents:

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
9 (19)	(FSF 2008)	Strengthening of regulatory and capital framework for monolines	II.8 Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
10 (20)	(FSF 2008)	Strengthening of supervisory requirements or best practices for investment in structured products	II.18 Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of	<p>Planned actions (if any):</p> <p>Further implementation steps can take place within existing regulatory and supervisory powers.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	
11 (21)	(FSF 2008)	Enhanced disclosure of securitised products	III.10-III.13 Securities market regulators should work with market participants to expand information on securitised products and their underlying assets.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Because Turkish securitized product markets are not developed well enough, no comprehensive work has been done yet.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any): Further implementation steps can take place within existing regulatory and supervisory powers.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
2. Enhancing supervision						
12 (5)	(Pitts)	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.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <p><input checked="" type="checkbox"/> Others, please specify: The BRSA communiqué on supervisory exchange of information and coordination involves the framework for consolidated supervision to be applied within jurisdiction.</p> <p>For defining systemically important investment firms, they have been ranked according to several criterias, which are also accepted in mutual work of IMF/BCBS/FSB “Guidance to assess the systemic importance of financial institutions”. The work is still ongoing for the preparation of the legal framework for crisis intervention as well as improve information sharing in times of stress.</p> <p><input checked="" type="checkbox"/> Completed as of September 2011</p> <p>Overview (short description) of action(s) taken:</p>	<p>Planned actions (if any): The contribution to the ongoing effort by FSB-MPG to establish domestic SIFI framework (assessment methodology and policy tools) will be sustained. The domestic SIFI framework is planned to be embodied in new Stragic Plan of BRSA. The assessment methodology for domestic systemic importance is going to be empirically tested.</p> <p>Also, on CMB side consolidated supervision and regulation recommendations of FSB will be transposed into domestic legislation.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					Web-links to relevant documents: N/A	
13 (8)	(Lon)	Establishment of Supervisory colleges	To establish the remaining supervisory colleges for significant cross-border firms by June 2009.	June 2009 (for establishing supervisory colleges)	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: The Article (98) of Banking Law Nr. 5411 enables Banking Regulation and Supervision Agency to cooperate and exchange information regarding financial institutions and financial markets with any counterpart supervisory authority of the Agency, within the framework of bilateral memoranda of understanding it will sign or through other means.</p> <p>In this regard, this implementation in Turkey does not entail issuance of any regulation/guidelines.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					Web-links to relevant documents:	
14 (8)	(Seoul)	Conducting risk assessments through international supervisory colleges	We agreed to conduct rigorous risk assessment on these firms through international supervisory colleges ...	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: The Article (98) of Banking Law Nr. 5411 authorizes Banking Regulation and Supervision Agency to cooperate and exchange information regarding financial institutions and financial markets with any counterpart supervisory authority of the Agency, within the framework of bilateral memoranda of understanding it will sign or through other means.</p> <p>In this regard, this implementation in Turkey does not entail issuance of any regulation/guidelines.</p> <p>As our insurance companies do not have any noticeable presence in other countries, the Insurance authority did not need to arrange meetings in Turkey as a home country supervisor with counterparty</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>authorities. Supervisory colleges organized by the Belgian and Dutch authorities have recently provided good opportunities for such exchange of information.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	
15 (9)	(FSF 2008)	Supervisory exchange of information and coordination	V.7 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.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: The Financial Sector Commission and Coordination Committee are established in October 2005 by the enactment of the Banking Law No:5411. The regulation regarding the principles and procedures on the activities of the Financial Sector Commission is enacted in April 2006. The MoU on exchange of information is signed in April 2009 and amended in</p>	<p>Planned actions (if any): BRSA has received Technical Assistance on Consolidated Supervision from World Bank in June 2012. In this context, a workshop has been held about Consolidated Supervision and the process is still ongoing.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>December 2010.</p> <p>Based on the article 72th of Banking Law no:5411 named Containment of Systemic Risks, the MoU regarding the coordination on Sytemic Risk is signed in April 2009. The Systemic Risk Coordination Committe is established in April 2009.</p> <p>The Financial Stability Committee is established in June 2011 by the decree law no: 637.</p> <p>The BRSA communique on supervisory exchange of information and coordination is enacted in September 2011.</p> <p><input checked="" type="checkbox"/>Completed as of 25.02.2011</p> <p>Overview (short description) of action(s) taken:</p> <p>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 enter into Memorandum of Understanding with EU Supervisory Authorities which enhanced the cooperation.</p> <p>The MoU between the Undersecretariat of</p>	

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>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.</p> <p>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.</p> <p>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.</p> <p>On the 31st of December, 2010 a Protocol on sharing information and cooperation was signed between the BRSA, the insurance</p>	

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>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.</p> <p>Regulation about supervisory exchange of information and coordination akin to ICP 5 and ICP 17 was issued in March 2011.</p> <p>Web-links to relevant documents: For the insurance sector http://www.treasury.gov.tr</p>	
16 (10)	(Seoul)	More effective oversight and 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	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: The draft of the new Capital Markets Law, which ensures strong and unambiguous</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps
		and address risks, including regular stress testing and early intervention.		<p>mandates and sufficient independence to act has been prepared and opened to public opinion in March, is expected to be finalized at the end of April.</p> <p>Insurance supervisor had a detailed assesment of observance of the insurance core principles in 2011 and got mostly "Observed" ratings for ICP's in relation to "Ongoing Supervision" (ICP 11 - 17).</p> <p><input checked="" type="checkbox"/> Completed as of Oct 2011 For the Insurance Sector</p> <p>Overview (short description) of action(s) taken: BRSA's stress testing framework has been significantly improved. After studies within FSAP stress testing period and ECB's technical assistance program, our stress testing approach shifted to an economic risk based approach with statistical tools. We can now estimate two years ahead within our projections, see the effects of the risks that the market is exposed, and provide forward looking results on bank by bank basis.</p> <p>Web-links to relevant documents:</p>	

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
17 (12)	(FSF 2008)	Supervisory resources and expertise to oversee the risks of financial innovation	V.1 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.	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

3. Building and implementing macro-prudential frameworks and tools

18 (23)	(Lon)	Amendment of regulatory systems to take account of macro-prudential risks	Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks and	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of June 2011	Planned actions (if any): Expected commencement date: Web-links to relevant documents:
------------	-------	---	---	---------	--	--

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps
		private pools of capital to limit the build up of systemic risk.		<p>Overview (short description) of action(s) taken: The Financial Stability Committee(FSC) is established in June 2011 by the decree law no: 637</p> <p>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 for economic and financial affairs. The FSC monitors and identifies the systemic risks and determines possible necessary macroprudential measures to mitigate them.</p> <ul style="list-style-type: none"> • The Financial Sector Commission and Coordination Committee are established on October 2005 by the enactment of the Banking Law No:5411. <p>Financial Sector Commission consisting of the representatives of BRSA, Ministry of Finance, the Treasury Undersecretariat, Central Bank, CMB, SDIF, Competition Board, Undersecretariat of State Planning Organization, Istanbul Gold Exchange,</p>	

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>securities stock exchanges, Futures and Options Markets and the associations of institutions is established under the body of the BRSA. The Commission ensures exchange of information, cooperation and coordination among institutions, proposes joint policies and expresses views regarding the matters that relate to the future of the financial sector, with a view to establishing and ensuring confidence and stability as well as development in the financial markets.</p> <ul style="list-style-type: none"> • Based on the article 72th of Banking Law no:5411 named Containment of Systemic Risks, the MoU regarding the coordination on Sytemic Risk is signed on April 2009.The Systemic Risk Coordination Committe is established on April 2009. <p>Systemic Risk Coordination Committee consisting of senior members from Treasury Undersecretariat, BRSA, SDIF, CMB and CBRT is also currently active. The committee meets regularly to make thorough assessment of financial market developments and to strengthen cooperation and coordination in timely identification of systemic risk and its effective management. In this sense, the committee supports the work of FSC.</p>	

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					Web-links to relevant documents: http://www.treasury.gov.tr (Financial Stability Committee)	
19 (24)	(Lon)	Powers for gathering relevant information by national regulators	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.	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of June 2011 Overview (short description) of action(s) taken: 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. In their respective areas of interest, national authorities possess the necessary powers to gather information on all material financial	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>institutions, markets and instruments to fulfil their duties.</p> <p>For information gathering/sharing across jurisdictions, BRSA is participating in all coordination efforts.</p> <p>Capital Markets Board(CMB) possesses the powers to gather information on all material financial institutions, markets and instruments in order to fulfil its duties.</p> <p>The power to issue rules and regulations by administrative means within the framework of the Insurance Law is given by the Insurance Law to the Ministry to which Undersecretariat of Treasury is attached to. In turn, Law No. 4059 delegates this responsibility to GDI and Article 28 of the Insurance Law grants sufficient powers for the effective discharge of supervisory responsibilities (ICP 3/b and c).</p> <p>Web-links to relevant documents: http://www.treasury.gov.tr (Financial Stability Committee)</p>	
20 (25)	(FSF 2009)	Use of macro-prudential tools	3.1 Authorities should use quantitative indicators and/or constraints on	End-2009 and ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p>	<p>Planned actions (if any):</p> <p>Rules concerning leverage ratio is being considered under Basel III framework studies</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
	(Cannes)		<p>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... Authorities should review enforcing minimum initial margins and haircuts for OTC derivatives and securities financing transactions.</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</p>		<p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	<p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			this subject.			
21 (26)	(WAP)	Monitoring of asset price changes	Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Development of a system to monitor changes in asset prices was put on the agenda by BRSA in parallel to its announced Strategic Plan. The BRSA monitors asset price changes in ongoing fashion and the regular assessment is disclosed in the quarterly periodical named "Financial Markets Report"</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents: http://www.bddk.org.tr/WebSitesi/english/Reports/Financial_Markets_Report/Financial_Markets_Report.aspx</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
22 (27)	(FSF 2008)	Improved cooperation between supervisors and central banks	V.8 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.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of December 2010 <p>Overview (short description) of action(s) taken: On the 31st of December, 2010 a Protocol on sharing information 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. The MoU between the Undersecretariat of Treasury, BRSA and the Savings Deposit</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>Insurance Fund (SDIF) and the Central Bank (CBRT) which was signed in April 2009, is an initiative taken at national level regarding supervisory exchange of information and coordination on systemic risk issues.</p> <p>Web-links to relevant documents: http://www.treasury.gov.tr</p>	
4. Improving oversight of credit rating agencies						
23 (35)	(Lon)	Registration of CRAs etc.	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.	End-2009	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: For the securities markets the credit rating agencies are regulated and supervies credit rating agencies due to the CMB issued a communiqué, including registration, which is compatible with IOSCO code of conduct.</p> <p><input checked="" type="checkbox"/> Completed as of 2006</p> <p>Overview (short description) of action(s) taken: Starting from 2006, a prudential regulation on credit rating agencies that was prepared</p>	<p>Planned actions (if any): New regulations in line with IOSCO's standards have been prepared and the draft regulation is published and will be in force until the mid 2012.(BRSA)</p> <p>Expected commencement date: 30.06.2012</p> <p>Web-links to relevant documents: http://www.bddk.org.tr/WebSitesi/turkce/Mevzuat/Duzenleme_Tasla_klari/9450derecelendirme_gorus_taslak.pdf</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>in line with IOSCO's standards is in force. BRSA authorizes and supervises CRAs.</p> <p>For the securities markets the CRAs are regulated and supervised by the CMB which issued a communiqué including registration principles and compatible with IOSCO code of conduct.</p> <p>Web-links to relevant documents: http://www.bddk.org.tr/WebSitesi/turkce/Mevzuat/Bankacilik_Kanununa_Iliskin_Duze_nlemeler/1681derecelendirme_yonetmeligi_ikinci_degisiklik_kimlik_paylasim_sistemi.pdf</p>	
24 (36)	(Lon)	CRA practices and procedures etc.	<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>CRA's should differentiate ratings</p>	End-2009	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by Mid 2012</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: In securities markets the legislation which is compatible with IOSCO principles related to CRA's imposes certain professional ethics; like independency, and impartiality as well as operation guidance requirements for CRA's.</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			<p>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.</p>		<p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: BRSA regulation on CRAs is already quite extensive, and takes into account the aspects noted. In addition, there is a draft amendment on CRA regulation and this takes structured products into account. According to draft amendment, CRAs have to use differentiated rating methodologies for each type of exposure which has different structure.</p> <p>Web-links to relevant documents: http://www.bddk.org.tr/WebSitesi/turkce/Mevzuat/Duzenleme_Taslaklari/9450derecele_ndirme_gorus_taslak.pdf</p>	
25 (37)	(FSB 2009)	Globally compatible solutions to conflicting compliance obligations for CRAs	Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010.	As early as possible in 2010	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Ongoing international work on this issue is closely monitored.</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps
	(Cannes)		<p>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.</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.</p>		

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
5. Enhancing and aligning accounting standards						
27 (28)	(WAP)	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.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: According to the Principles of Financial Reporting In Capital Markets enterprises shall apply the International Accounting / Financial Reporting Standards as they are recognized by the European Union and shall indicate in the footnotes that the financial statements were prepared according to IAS/IFRS as they are endorsed by the European Union. For insurance sector, all norms regarding accounting, financial reporting and valuation of assets are compliant with IFRS since 2007.</p> <p><input checked="" type="checkbox"/> Completed as of Jul 2007. for insurance sector</p> <p>Overview (short description) of action(s) taken:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					Web-links to relevant documents: http://www.cmb.gov.tr/regulations/regulations_index.html http://www.treasury.gov.tr	
28 (30)	(FSF 2009)	The use of valuation reserves or adjustments by accounting standard setters and supervisors	3.4 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.	End-2009	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: CMB uses a software program in order to examine the valuation reserves and adjustments through a risk based method. <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Banks' valuation methods are examined in audit process by BRSA. Web-links to relevant documents:	Planned actions (if any): Expected commencement date: Web-links to relevant documents:
29 (31)	(FSF 2009)	Dampening of dynamics associated with	3.5 Accounting standard setters and prudential	End-2009	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by	Planned actions (if any):

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
		FVA.	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.		<input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: The sufficiencies of the models, which designate current value are examined by audit teams and if needed, recommendations are also provided. The policies of financial institutions regarding hedge accounting are also monitored. The work of IASB on this issue will be actively followed up by CMB. <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	Expected commencement date: Web-links to relevant documents:
6. Strengthening adherence to international financial standards						
30 (32)	(Lon)	Adherence to international prudential regulatory and	We are committed to strengthened adherence to international	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published	Planned actions (if any): Expected commencement date:

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
		<p>supervisory standards, as well as agreeing to undergo FSAP/ FSB periodic peer reviews</p> <p>(Note) Please try to prioritise any major initiatives conducted specifically in your jurisdiction</p>	<p>prudential regulatory and supervisory standards.</p> <p>FSB members commit to pursue the maintenance of financial stability, enhance the openness and transparency of the financial sector, implement international financial standards, and agree to undergo periodic peer reviews, using among other evidence IMF / World Bank FSAP reports.</p>		<p>as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The ongoing FSAP update process for Turkey includes detailed assessments of compliance with BCP and ICP. Financial System Stability Assessment (FSSA) Report was discussed by the IMF Executive Board on November 30, 2011. After its publication, BRSA will consider the actions that can be taken in terms of regulation and supervision . By considering the critics on loan loss provisioning BRSA started to review its provisions regulation in effect.</p> <p>Web-links to relevant documents:</p>	<p>Web-links to relevant documents:</p>
7. Enhancing risk management						
31 (4)	(WAP)	Enhancing guidance to strengthen banks' risk	Regulators should develop enhanced guidance to strengthen banks'	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps
		management practices	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.	<p>as of</p> <p><input checked="" type="checkbox"/> Final rules expected to be in force by Mid 2012</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: 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 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>Mid 2012</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					Web-links to relevant documents:	
32 (4)	(FSF 2009)	Validation of adequacy of banks' capital buffers	1.4 Supervisors should use the BCBS enhanced stress testing practices as a critical part of the Pillar 2 supervisory review process to validate the adequacy of banks' capital buffers above the minimum regulatory capital requirement.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Stress testing which takes into account the effects of different scenarios in interest rates, FX rates, non-performing loans, impairment in subsidiaries has been in practice by BRSA for more than 8 years on a 3-month based reporting and is being published for management and staff use. It is being improved and revised with regards to developments both in macroeconomic variables and changes in international best practices and international financial regulation.</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>Furthermore stress test on liquidity is being run by BRSA as well. Besides the risk regulations in Turkey contains stress-testing results to be taken into account as a part of management discretion on business activities. The results of these tests are to be used by management of financial institutions in determination of risk limits and decision-making process. With regards to these regulations the supervisory guidelines include supervision of stress testing process and results at banks during the prudential supervision in banks.</p> <p>Web-links to relevant documents:</p>	
33 (4)	(FSF 2008)	Monitoring the implementation of updated guidance on liquidity risk	II.10 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	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			the guidance is inadequate, supervisors will take more prescriptive action to improve practices.		<p>Overview (short description) of action(s) taken: As a standard implementation, liquidity positions of the banks are closely monitored on daily basis and their liquidity risk management quality is assessed in the risk matrix and supervision plans. BRSA's supervisory teams are closely monitoring ongoing international work on these issues.</p> <p>Web-links to relevant documents:</p>	
34 (4)	(FSB 2009)	Enhancing banks' operations in foreign currency funding markets	Regulators and supervisors in emerging markets will enhance their supervision of banks' operation in foreign currency funding markets.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: There is a prudential ratio regarding foreign currency, which ensures banks hold a foreign currency position at a level compatible with their own funds. Foreign</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>Currency Net General Position to Own Funds Standard Ratio is calculated on a consolidated and non-consolidated basis and this ratio cannot exceed twenty percent.</p> <p>Web-links to relevant documents:</p>	
35 (39)	(Pitts)	Robust, transparent stress test	We commit to conduct robust, transparent stress tests as needed.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The regular top down stress testing practice at Banking Sector level and group level encompasses both sensitivity and scenario analysis. It takes into account the effects of different levels of shocks applied to wide range of risk factors. The risk factors are directional change in interest rates, FX rates, major exchange rates and stock market values; the loss arised from non-</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>performing loans and off balance sheet guarantees, etc. The results are published in the Financial Markets Report on a 3 month-basis.</p> <p>Web-links to relevant documents:</p>	
36 (40)	(Pitts)	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.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: Currently, when we take the financial position of Turkish banking sector into consideration there is no need for such kind of efforts at this stage.</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>

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
37 (41)	(WAP)	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.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input checked="" type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input checked="" type="checkbox"/> Final rules expected to be in force by mid 2012</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of Jun 2007 for the insurance sector</p> <p>Overview (short description) of action(s) taken:</p> <p>According to The Communiqué On The Financial Statements To Be Announced To the Public By Banks As Well As Explanations And Footnotes. Thereof the banks should disclose a very detailed set of information including the information on the terms and conditions of the main features of all own funds items, minimum capital requirements, risk they are facing and losses, their risk management practices etc.. As part of the migration to Basel II, mentioned Communiqué has been revised as covering all other information which has been proposed by Basel II Pillar III</p> <p>The Undersecretariat of Treasury</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>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.</p> <p>Web-links to relevant documents:</p>	
8. Strengthening deposit insurance						
38 (42)	(FSF 2008)	Review of national deposit insurance arrangements	VI.9 National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed.	Ongoing	<p>No response required for this survey.</p> <p>Please refer to peer review report on deposit insurance systems published in February 2012, available at: http://www.financialstabilityboard.org/publications/r_120208.pdf</p>	
9. Safeguarding the integrity and efficiency of financial markets						
39 (new)	(Cannes)	Market integrity and efficiency	We must ensure that markets serve efficient allocation	Ongoing	<p>Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p>	Planned actions (if any):

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
			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.		<input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	Expected commencement date: Web-links to relevant documents:
40 (new)	(Cannes)	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	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: The draft of the new capital markets law focuses on enhanced market transparency including the OTC transactions and in order	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			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		<p>to prevent market abuses, market abusing activities have been defined in detail which are in alignment with the IOSCO Recommendations.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	
10. Enhancing consumer protection						
41 (new)	(Cannes)	Financial consumer protection	We agree that integration of financial consumer	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by N/A</p>	Planned actions (if any): Strategic Plan encompasses the enactment of the regulations on

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps
		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.		<input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: A draft strategic plan for Financial Consumer Protection is prepared by the BRSA in coordination with SDIF, CMB, CBT and Treasury. <input checked="" type="checkbox"/> Completed as of N/A Overview (short description) of action(s) taken: Web-links to relevant documents: N/A	broad range of topics including financial consumer protection, institutional capabilities and oversight, transparency and disclosure, competition, privacy of information, complaint handling and redress. The regulations will be based on the pertinent OECD principles on financial consumer protection. Expected commencement date: N/A Web-links to relevant documents:

Origin of recommendations:

- Cannes: The Cannes Summit Final Declaration (3-4 November 2011)
- Seoul: The Seoul Summit Document (11-12 November 2010)
- Pitts: Leaders' Statement at the Pittsburgh Summit (25 September 2009)
- Lon: The London Summit Declaration on Strengthening the Financial System (2 April 2009)
- Tor: The G-20 Toronto Summit Declaration (26-27 June 2010)
- WAP: 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)

Index of acronyms

Example:

FSB: Financial Stability Board

CMB: Capital Markets Board of Turkey

CBT or CBRT: Central Bank of Turkey

SDIF: Savings Deposits Insurance Fund

BRSA: Banking regulation and Supervision Agency