

The Association of Global Custodians - Questionnaire - 2008 - 2009 Questionnaire

Name Turkey - Central Registry Agency (CRA) Inc.

SCOPE, STRUCTURE, OWNERSHIP, CAPITAL, REGULATION AND AUDIT

The purpose of this section is to understand the ownership structure and financial strength of your institution, as well as the level of regulatory and operational supervision to which it is subject.

1. Rule 17f-7, by reference to Rule 17f-4, requires that, for a depository to be eligible to hold securities of U.S. registered investment companies (such depositories hereinafter referred to as “Eligible Securities Depositories”), the depository must be a “system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities.”
In particular, are all securities of a particular class or series of any issuer that are deposited in your institution treated as fungible, and can they be transferred or pledged by bookkeeping entry without physical delivery of the securities?
Yes

1a. Please explain:

2. Rule 17f-7 also requires that an Eligible Securities Depository “acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated,” or “acts as or operates a transnational system for the central handling of securities or equivalent book-entries.”

Does your institution: (Choose all that apply.)

Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated? (please answer 2b)

2a. Please explain:

2b. Please specify the types of securities for which you act as or operate a system for the central handling of securities or equivalent book-entries:

*Equities *Exchange Traded Funds (ETFs) *Mutual Funds *Corporate Bonds
*Commercial Papers

3. What type of legal entity is the institution? (Choose all that apply.)

Private Company

3a. Please explain:

4. Is the institution operated as a "for profit" or a "not for profit" organization?
Other (please answer 4a)

4a. If other, please explain:

Central Registry Agency (CRA) is a for profit organization. Fees of services are determined by CRA and approved by the Capital Markets Board (CMB). The CMB is the regulatory authority empowered to administer and enforce laws related to capital markets in Turkey.

5. Please provide the names of the owners and their ownership interest percentages.
ISE Settlement and Custody Bank (Takasbank) 64.90% Istanbul Stock Exchange (ISE) 30.00% The Association of Capital Market Intermediary Institutions of Turkey (TSPAKB) 5.00% Istanbul Gold Exchange (IGE) 0.10%

6. Please answer the following:

6a. What is the date of establishment of the depository? (DD/MM/YY)
September 26th, 2001

6b. What is the date that the depository's operations began? (DD/MM/YY)
CRA started its operations when the first dematerialization of mutual fund certificates was realized on April 25th, 2005. On November 28th, 2005 all equity certificates of the publicly traded companies at ISE were dematerialized.

7. Under what regulation or statute is the depository established and governed?
CRA is established and governed under * The Turkish Capital Market Law - Articles on Dematerialization of Capital Market Instruments (Art. 10/A, Interim Provisions 6 and 7), * The Regulation Concerning Incorporation, Operation and Supervision of the Central Registry Agency, * The Communiqué about Terms and Conditions Governing Book-entry Recording of Dematerialized Capital Market Instruments and * the relevant decrees of the Capital Market Law.

7a. Is the regulation or statute electronically available?

Yes (please answer 7b)

7b. If regulation or statute is electronically available, please supply web address(es) here or upload document(s) in question 7c.

http://www.mkk.com.tr/MkkComTr/en/mkk/mev_spkn.jsp

http://www.mkk.com.tr/MkkComTr/en/mkk/mev_yonetmelik.jsp

http://www.mkk.com.tr/MkkComTr/en/mkk/mev_tebblig.jsp

7c. Please supply document(s) here:

7d. Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the depository.

What are the qualifications to become a board member?

Members of the Board of Directors must: a) certify that they have not been sentenced due to acts concerning black money laundering and similar dishonourable crimes nor sentenced with severe imprisonment or imprisonment over 5 years b) not be subject to a bankruptcy awarded, or any concordat announced against themselves, or organizations of which they are unlimited partners, c) certify that no dissolution has been awarded against themselves or any organizations of which they are partners, d) not to be counted among persons who share responsibility of cancellation at organizations whose any or more of certificates of authorization for operation, or membership to the exchange have been cancelled, e) not have been sentenced due to breach of the Capital Market Law, f) not be forbidden to conduct transactions as per Article 46(i) of the Capital Market Law
Members of the Board of Directors of CRA must hold a university degree, and have experience of at least 10 years in financial markets.

7e. What are the election procedures?

The Board of Directors is comprised of 7 members 5 of which are elected by the general assembly among the candidates proposed by the shareholders. General Manager of CRA is a member of the BoD however his membership is subject to the approval of the general assembly. One member is appointed by the Capital Markets Board as its representative as per Article 275 of the Turkish Commercial Code. Representative of the Capital Markets Board acts as the chairman of the BoD.

7f. What is maximum length of time they can serve as a board member?

Serving term of board members is 2 years, but each member can be reelected by the General Assembly.

7g. Who is responsible for regulating the board members?

The General Assembly of CRA is responsible for regulating the BoD members. The Capital Markets Board regulations and the Articles of Association of CRA are the primary legal resources for regulating the BoD.

7h. What is the extent of their voting powers?

Each board member has the right for one vote. Board resolutions are taken by majority votes and the chairman of the board does not have a casting vote.

8. Rule 17f-7 requires that an Eligible Securities Depository “is regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act”, with section 2(a)(50) establishing that “‘foreign financial regulatory authority’ means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above.”

Who regulates the activities of the depository? (Choose all that apply.)
A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters.

8a. Please explain:

9. Please provide the name of regulatory authority(ies) identified in question 8:
The Capital Markets Board (CMB) of Turkey regulates the activities of CRA.

10. Rule 17f-7 requires that an Eligible Securities Depository “is subject to periodic examination by regulatory authorities or independent accountants.”

Is the depository subject to periodic examination by: (Choose all that apply.)
Regulatory authorities?, Independent accountants?

10a. Please explain:

11. What enforcement actions are available to the regulatory authority(ies) for breach of applicable statute or regulatory requirements? (Choose all that apply.)

Name of Authority #1 (please answer 11a):
The Capital Markets Board of Turkey.

11a.

Other (please answer 11b)

11b. Please explain:

CRA shall comply with the Capital Markets Law (CML) Article 47/A, which states that real persons and legal entities who are determined to have acted in violation of the regulations, standards and forms or general and special decisions made by the Board based on the CML, shall be imposed a pecuniary punishment by the Board.

Name of Authority #2 (please answer 11c):

11c.

11d. Please explain:

12. Has there been any use of such enforcement actions in the last three years?
No

12a. If yes or other, please explain:

Capital

13. Are annual financial statements publicly disclosed?

Yes (please answer 13a)

13a. If yes, the AGC requests a copy of the institution's annual report. Is the annual report available electronically?

Yes (please answer 13b)

13b. If yes, please upload the document(s) here or insert web link(s) in question 13d:

13c. If more than one document for 13b, please upload the additional document here:

13d. Please insert web link(s) for 13b here:

http://www.mkk.com.tr/MkkComTr/assets/files/en/mkk/tablolar/Faaliyet_2007.pdf

13e. If no, and annual report and/or financial statements are not disclosed, please state your share capital, reserves, and retained earnings (or equivalents as determined under local accounting standards).

Share Capital (then please answer 13f):

13f. Reserves (then please answer 13g):

13g. Retained Earnings:

13h. If other, please explain:

Internal Audit

Questions 14 - 16 are new to the questionnaire this year. Thus, your answers from last year have not been populated for these questions.

14. Is an internal audit undertaken in your depository?

Yes (please answer 14a)

14a. If yes, what areas does the audit cover (financials, operations, etc.) and which department in your depository handles it?

The internal audit addresses the sufficiency of the internal control activities and reviews the application of the required control procedures. CRA's Risk Management and Audit Department performs the internal audit.

14b. How frequently does the internal audit occur? (Choose one.)

Other (please answer 14c)

14c. If less than annually or other, please explain:

Internal audits are performed at least once a year for every department.

14d. Are the results of the internal audit publicly available?

No (please answer 14e)

14e. Please select the statement that most accurately characterizes the results of the last internal audit: (Choose one.)

No material exceptions found.

14f. If minor, material or "other" exceptions were found, what actions were taken? Please describe:

14g. Please list the date of your last internal audit performed by internal auditors and the period that the audit covered:

The latest internal audit was performed on October 15, 2008. The audit covered the period between January 1-December 31 2007.

15. Is a financial audit performed by an external party? If yes, which type of entity? (Choose all that apply.)

Yes - Audit firm (please answer 15a)

15a. If yes, please state name(s) of organization(s) who undertake the financial audit.

Deloitte Touche Tohmatsu performs a financial audit annually. Karden Certified Public Accountants audit CRA's tax liabilities at least twice a year.

15b. How frequently does the financial audit occur? (Choose one.)

Two or more times a year (please answer 15e)

15c. If less than annually, please explain:

15d. If other, please explain:

15e. Are the results of the financial audit publicly available?

Yes (please answer 15g)

15f. If other, please explain:

15g. Please select the statement that most accurately characterizes the results of the last financial audit: (Choose one.)

No material exceptions found.

15h. If minor, material or "other" exceptions were found, what actions were taken? Please describe:

15i. If other, please explain:

15j. Please list the date of your last financial audit performed by independent external auditors and the period that the audit covered:

The last external financial audit was performed in February 2008. The audit covers the period between 1 January-31 December 2007

16. Is a operational audit performed by an external party? If yes, which type of entity? (Choose all that apply.)

No (please proceed to 17)

16a. If yes, please state name(s) of organization(s) who undertake the operational audit.

16b. How frequently does the operational audit occur? (Choose one.)

16c. If less than annually, please explain:

16d. Are the results of the operational audit publicly available?

16e. Please select the statement that most accurately characterizes the results of the last operational audit: (Choose one.)

16f. If minor, material or "other" exceptions were found, what actions were taken? Please describe:

16g. If other, please explain:

16h. If other, please explain:

16i. Please list the date of your last operational audit performed by independent accountants and the period that the audit covered:

PARTICIPANTS AND PARTICIPATION

The purpose of this section is to understand issues relating to participation in the depository, including eligibility requirements, conditions of participation, and supervision of participants.

17. What types of entities are eligible to become participants and how many of each type are there currently? (Choose all that apply.)

Banks (please answer 17a), Brokers (please answer 17e), Other entities (please answer 17q)

17a. How many Bank participants are there currently? (then please answer 17b)

Banks:42

17b. Please select the features included in the eligibility requirements for Banks. (Choose all that apply.)

Regulatory Oversight (please answer 17c)

17c. Where can a description of the specific eligibility requirements for Bank participants be found?

The Regulation Concerning Incorporation, Operation and Supervision of the Central Registry Agency, Section III:

http://www.mkk.com.tr/MkkComTr/en/mkk/mev_yonetmelik.jsp

17d. Please explain:

17e. How many Broker participants are there currently? (then please answer 17f)

Broker:100

17f. Please select the features included in the eligibility requirements for Brokers. (Choose all that apply.)

Regulatory Oversight (please answer 17g)

17g. Where can a description of the specific eligibility requirements for Broker participants be found?

The Regulation Concerning Incorporation, Operation and Supervision of the Central Registry Agency, Section III:
http://www.mkk.com.tr/MkkComTr/en/mkk/mev_yonetmelik.jsp

17h. If other, please explain:

17i. How many Individual participants are there currently? (then please answer 17j)

17j. Please select the features included in the eligibility requirements for Individual participants. (Choose all that apply.)

17k. Where can a description of the specific eligibility requirements for Individual participants be found?

17l. If other, please explain:

17m. How many Foreign Institution participants are there currently?

17n. Please select the features included in the eligibility requirements for Foreign Institution participants. (Choose all that apply.)

17o. Where can a description of the specific eligibility requirements for Foreign Institution participants be found?

17p. If other, please explain:

17q. If you have selected "Other entities" above, please explain:
Issuers (of Equities, Commercial Paper, Corporate Bonds, Mutual Funds), Portfolio Management Companies, ISE Settlement and Custody Bank (Takasbank)

17r. Indicate how many "Other entities" are currently participants?
Issuers of Equities and Corporate Debt Securities:328 Issuers of Mutual Funds:63 Issuers of Portfolio Management Companies:10 ISE Settlement and Custody Bank (Takasbank):1

17s. Please select the features included in the eligibility requirements for the participants referred to above as "Other entities". (Choose all that apply.)

Regulatory Oversight (please answer 17t)

17t. Where can a description of the specific eligibility requirements for participants described above as "Other entities" be found?

The Regulation Concerning Incorporation, Operation and Supervision of the Central Registry Agency, Section III:

http://www.mkk.com.tr/MkkComTr/en/mkk/mev_yonetmelik.jsp

17u. If other, please explain:

18. Are participants required to contribute capital to the depository that would result in ownership of the depository?

No

18a. If yes, what fixed amount is required or what formula is used to determine the appropriate contribution level?

18b. If other, please explain:

19. Are prospective participants subject to an initial review and approval process regarding compliance with eligibility requirements?

Yes

19a. If other, please explain:

Conditions of Participation

20. What governs the relationship between the depository and the participants? (Choose all that apply.)

Relevant law and regulation, Standard participation contract, Established terms and conditions of participation, By-laws of the depository, Rules of the depository

20a. Please explain:

21. Rule 17f-7 requires that an Eligible Securities Depository "holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable than the conditions that apply to other participants."

Please confirm that assets of foreign investors held by custodians as participants in the depository are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

Yes

21a. If no, other or not applicable, please explain:

22. How does the depository notify participants of material changes to the conditions of participation? (Choose all that apply.)

By e-mail, By telephone, By public announcement, Other (please answer 22a)

22a. Please explain:

General letters are sent via fax.

Governance of Participants

23. Who enforces compliance with the depository's conditions of participation? (Choose all that apply.)

The depository, The depository's regulator

23a. Please explain:

24. What enforcement actions are available to the enforcement authority? (Choose all that apply.)

Fines, Restrictions on participation, Suspension of participation, Termination of participation

24a. Please explain:

25. Has there been any such enforcement actions in the last three years?

Yes (please answer 25a)

25a. If yes, please explain, including information relative to any suspensions of depository participants:

In the last three years, the custody authorization of three CRA participants are suspended or cancelled by the Board due to violations of the Capital Market Law.

25b. If other, please explain:

DEPOSITORY FUNCTIONALITY AND SERVICES; USE OF AGENTS

Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities that may potentially be offered by depositories and clearing systems around the world, and ascertain whether they are offered by your institution.

26. For which of the following security types do you serve as a depository or clearing system? (Choose all that apply.)

Equities, Corporate bonds, Corporate money market instruments, Others (please answer 26a)

26a. Please name the other security types:

Mutual Fund Certificates, Exchange Traded Funds.

Questions 27 & 28 are new to the questionnaire this year. Thus, your answers from last year have not been populated for these questions.

27. Is the use of the depository in your market compulsory by law or compulsory by market practice for the settlement or safekeeping of all instrument types in your market (e.g. equities, government securities, corporate bonds, money market instruments, warrants, derivatives etc). (Choose all that apply.)

Neither/other (please answer 27c)

27a. Please list the instrument types for which it is not compulsory by law to:

(i) settle in your depository

(ii) safekeep in your depository:

27b. Please list the instrument types for which it is not compulsory by market practice to:

(i) settle in your depository

(ii) safekeep in your depository:

27c. If neither/other, please explain:

The use of CRA for safekeeping and settlement for all dematerialized securities in the Turkish capital markets is compulsory by law.

28. Settlement and Safekeeping Percentages

28a. Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) settled within your institution, exclusive of your links with third parties.

100% of the dematerialized capital market instruments (equities, mutual fund certificates, exchange traded funds, and corporate debt instruments) are settled on the CRA system.

28b. Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) held in safekeeping within your institution.

The percentages of the total market (in nominal value) are: 99% for all equities (floating and non-floating), and 100% for the remaining securities that are eligible to be held in safekeeping within CRA.

29. Are there any activities performed by a third party on behalf of the depository for the depository participants (e.g., vaulting of physical securities, registration, entitlement processing, etc.)?

Yes (please answer 29a)

29a. If third parties are employed, please indicate which services they supply (then please answer 29b):

In accordance with the requirements of the regulations, Takasbank accepts delivery of physical certificates due to the dematerialization process as the dematerialization agent of CRA. Dematerialization of equities is still an ongoing process (0.01% of equities are still held physically) although investors that hold physical certificates have lost their managerial rights affixed to those securities by December 31, 2007.

29b. If third parties are employed, does the depository assume liability for losses incurred by participants as a result of the actions/inactions of the third parties?

No

29c. If you acknowledge responsibility, please indicate whether your responsibility is assumed (Choose all that apply.)

29d. If you acknowledge responsibility for agents, your responsibility is assumed for losses (Choose all that apply.)

29e. If other, please explain:

29f. Please specify limit:

29g. Please specify limit:

29h. If other, please explain:

29i. If other, please explain:

30. Has any participant suffered any losses in the past three years due to the depository's performance?

No

30a. If yes, please select all of the following in which loss has occurred. You will be prompted to enter the number of instances and total loss in USD thereafter. (Choose all that apply.)

30b. Corporate Action. Please specify number of instances:

30c. Corporate Action. Please specify total loss in USD:

30d. Settlement Process - Securities. Please specify number of instances:

30e. Settlement Process - Securities. Please specify total loss in USD:

30f. Settlement Process - Cash. Please specify number of instances:

30g. Settlement Process - Cash. Please specify total loss in USD:

30h. System Outage. Please specify number of instances:

30i. System Outage. Please specify total loss in USD:

30j. If Other, please explain:

30k. For Other, please specify number of instances:

30l. For Other, please specify total loss in USD:

30m. If other, please explain:

Other Services

31. Who accepts cash deposits (or makes payment credit accommodations) for depository transactions? (Choose all that apply.)

Neither/others (e.g. credit lines used; please answer 31b)

31a. Please name banks:

31b. If neither/others, please explain:

Takasbank accepts cash deposits for the rights issues and dividend payments.

32. Who processes cash clearing (or draws on credit lines, if applicable) for depository transactions? (Choose all that apply.)

Neither/others (please answer 32b)

32a. Please name banks appointed by depository:

32b. If others, please explain:

Cash clearing for depository transactions is conducted by Takasbank.

33. Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)? (Choose all that apply.)

Depository

33a. Please name banks appointed by depository:

33b. If others, please explain:

34. Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)? (Choose all that apply.)

Neither/others (please answer 34b)

34a. Please name banks appointed by depository:

34b. If others, please explain:

Takasbank controls the movement of cash for cash clearing.

35. Please indicate services you provide. (Choose all that apply.)

Information in advance on corporate (annual or special) meetings in order that owners can vote., Collateral handling in support of activities including securities lending, overdraft coverage, cash management, repurchase agreements, etc. Please provide details. (please answer 35c), Same day turnaround settlements., Information on distribution of new issues (IPO, Privatization)., Other (please answer 35d)

35a. Automatic securities lending facility is provided for: (Choose all that apply.)

35b. If other please explain:

35c. Collateral Handling: please provide details:

Participants handle the collaterals by means of utilizing the Central Dematerialization System (CDS) features.

35d. If other services, please explain:

CRA has a variety of services such as registration of new issues, corporate actions, registration of specific legal transactions (collateral ,lien, pledge, distraint). CRA also serves as a securities settlement agent for Lending and Borrowing facilities. CRA provides investor services by means of the CRA web site for investors, CRA Interactive Voice Mail System and CRA Call Center. These allow investors to control and check their balances in CDS system against any possible loss, any unauthorized transaction, or misuse cases. And investors can block their accounts against any possible misuse by intermediaries.

36. What procedures are in place for the processing of corporate action entitlements? (Choose all that apply.)

Credited to the securities account upon actual receipt by the depository., Other (please answer 36d)

36a. Credited to the securities account: (Choose all that apply.)

36b. If other please explain:

36c. Name of entity:

36d. If other, please explain:

Entitlements for bonus issues are credited to the securities accounts upon actual receipt of related information by CRA. Distribution of rights issues entitlements are conducted at

different times for on-exchange and off-exchange securities. For off-exchange securities entitlements are credited to the securities account on day T-1 (one day before the transaction day at the ISE), whereas for on-exchange securities entitlements are credited on T+1 (one day after the transaction day at the ISE). Payments related to rights issues are distributed to investors accounts on T and T+2 for non-floating and floating securities respectively.

37. What procedures are in place for the processing of interest and dividends?(Choose all that apply.)

Other (please answer 37d)

37a. Credited to the cash account: (Choose all that apply.)

37b. If other please explain:

37c. Name of entity:

37d. If other please explain:

Takasbank acts as CRA's correspondent bank for distribution of rights issues, dividend, interest and principal payments that are executed in the CRA system. Rights issues payments are transferred to the accounts opened with Takasbank on behalf of CRA on T+2. Dividend, interest and principal payments are distributed through the integrated system between CRA and Takasbank to related investor accounts with Takasbank again on T+2.

Linkages With Other Central Securities Depositories (CSD) or International Central Securities Depositories (ICSD)

Questions 38 - 40 are new to the questionnaire this year. Thus, your answers from last year have not been populated for these questions.

38. Please list all depositories or settlement systems to which you have an electronic link. Takasbank (ISE Settlement and Custody Bank Inc.)

39. Are procedures and controls (firewalls) in place to avoid systemic collapse or contamination if one of the linked entities should experience business interruptions for whatever reason?

Yes (please answer 39a)

39a. Please explain:

Message Oriented Middleware is used as the interface with Takasbank. Entities are not affected directly by each other.

40. Has a business interruption recovery plan been developed in the event the linkages should become inoperable for any reason?

Yes

40a. If no or other, please explain:

ACCOUNT STRUCTURES AND RECORDKEEPING

The purpose of this section is to identify the nature of accounts; the naming convention is employed, the level of segregation achieved, accessibility in the event of bankruptcy and the frequency of reporting generated from them.

41. Are participants permitted to maintain more than one account at the depository?

Yes (please answer 41a)

41a. If yes, please indicate number: (Choose one.)

An unlimited number of accounts.

41b. If more than one account what is the maximum?

41c. If other, please explain:

41d. If other, please explain:

42. Are participants required/permitted to segregate assets held for their own benefit from those they hold for their clients?

Yes (please answer 42a)

42a. If yes, is segregation required or simply permitted?

Required (please answer 42b)

42b. How does segregation occur? (Choose all that apply.)

Other - e.g. share registration (please answer 42c)

42c. If other, please explain:

The CML Article 10/A indicates that dematerialized financial instruments must be recorded with respect to issuers, intermediary institutions and owners of rights. In the Central Dematerialization System (CDS), participants are obliged to open segregated accounts for their own and each of their customer. One customer can have more than one account in the CDS. The legislation and CRA's rules require investors to open accounts in the CDS via participants and have registry IDs. Therefore, investors can not open

accounts directly in the CRA system. They should open an account at one of CRA participants which then opens the account in the CRA system for the investor. Account holder (investor) bears the ownership as the right owner.

42d. If other, please explain:

42e. If other, please explain:

43. Does the depository permit its participants to open accounts in the participant's own nominee name(s)?

No

43a. If yes, do laws exist which acknowledge the rights of beneficial owners with respect to securities registered in nominee name?

43b. If other, please explain:

44. In the event a participant's single account is blocked for any reason (e.g., insolvency, penalties, violations, liens), would securities held in the account on behalf of the participant's clients be accessible:

44a. By the participant's clients?

Yes (please answer 44b)

44b. If yes, please describe briefly how clients of participants would access their securities and whether there would be any delay in their ability to do so:
Under normal circumstances, if there is a blockage on a participant's single account, the participant's client will not be affected by the blockage as the investor assets are segregated from the participant assets. The securities of the clients are held in the accounts that are opened in the name of the right owner investors as a result of the client based custody system. If participant's operations are suspended temporarily, the participant's clients still access their holdings through the participant. If a bankruptcy decision is taken about a participant, the participant's clients would access their holdings by applying directly to bankruptcy office.

44c. If other, please explain:

44d. By the intervening authorities controlling insolvency or other proceedings?

Yes (please answer 44e)

44e. If yes, please describe briefly under what conditions access would be granted to the intervening authorities:

If there is a bankruptcy decision regarding a participant, the Bankruptcy Office would access the holdings. If there is an administrative liquidation decision given by the Board regarding a participant, Investor Protection Fund (IPF) which is managed by CRA will have access to the holdings in the participant account in order to perform the liquidation process. IPF was established to fulfill cash payment and share delivery obligations arising from the capital market operations and transactions performed by the intermediary institutions for which an administrative liquidation or bankruptcy decision was taken as per the Article 46/A added to the Capital Market Law, as well as the duties governed under the Law Article 46/B. Administrative liquidation operations for intermediary institutions are also carried out by IPF. According to the Art.46/B of CML, IPF is responsible for managing gradual liquidation process. As a corporate body, the Fund has its own legal entity, however does not have any administrative body of its own. The Fund is administered and represented by CRA. According to the 6th article of IPF Regulation, decision making body of the Fund is the decision making body of CRA and the fund related activities and transactions shall be managed and executed by a separate unit to be organized in CRA. Revenues of the Fund are: a) Yearly subscriptions payable by the intermediary institutions; b) Administrative fines inflicted by the Board and the Association and the exchanges where securities are traded; c) Temporary subscriptions in an amount to be determined by the Board; d) Proceeds of the Fund assets and properties; and e) Other revenues and earnings. The CMB is authorized to examine and audit the accounts and transactions of the Fund. The related Minister is authorized to make decision to transfer the management of the Fund temporarily or permanently. The Supreme Council of Public Accounts also audits the Fund annually.

44f. If other, please explain:

44g. By the participant's creditors?

No

44h. If yes, please describe briefly under what conditions access would be granted to the participant's creditors:

44i. If other, please explain:

44j. By the depository's creditors?

No

44k. If yes, please describe briefly under what conditions access would be granted to the depository's creditors:

44l. If other, please explain:

45. In what form does the depository maintain records identifying the assets of each participant? (Choose all that apply. Please refer to "Help" for clarification.)
Computer file (please answer 45b)

45a. If other, please explain:

45b. In which format is the source data maintained?
EVA Data storage, LTO 2 Backup Cardridge, WORM Backup Cartridge

46. Rule 17f-7 requires that an Eligible Securities Depository “provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant’s account.”

Does the depository make available periodic safekeeping reports to participants, including notices of transfers to or from the participant’s account?
Yes (please answer 46b)

46a. If no or other, please explain:

46b. If yes, please indicate the scheduled frequency: (Choose one.)
Other (please answer 46c)

46c. If other, please explain:
Online, real-time information on investor accounts is provided through the Central Dematerialization System (CDS).

47. What is your document retention policy for documents described in previous question? (Choose one.)
Other (please answer 47a)

47a. If other, please explain:
At least 10 years.

SETTLEMENTS

The purpose of this section is to identify the model of settlement employed, the relationship between cash and securities, and the basis on which participants meet their obligations.

48. The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for

linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble (Please refer to details on the models within the "Help" section located below this question): (Choose all that apply.)

Model 1 - Gross, Simultaneous Settlements of Securities and Funds Transfers. (please answer 48a), Model 3 - Simultaneous Net Settlement of Securities and Funds Transfers. (please answer 48a)

48a. How do your settlement procedures vary from the model chosen above?

CRA serves DVP systems that are sponsored by Takasbank as a securities agent for equities. Takasbank runs two different DVP systems in which CRA is involved. One of them is for trade settlements and the other is a DVP system that covers transfers that do not occur in the exchange. The DVP system is also supplemental to trade settlements whose custody accounts are under non-broker custodian. The DVP systems do not vary materially from the model chosen above.

48b. If other, please explain:

Question 48 Help:

Model 1 - Gross, Simultaneous Settlements of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds simultaneously on a trade-by-trade (gross) basis, with final (irrevocable and unconditional) transfer of securities from the seller to the buyer (delivery) occurring at the same time as final transfer of funds from the buyer to the seller (payment). The securities settlement system maintains securities accounts and funds accounts for participants. Transfer of securities and cash are made by book-entry.

Model 2 - Gross Settlements of Securities Transfers Followed by Net Settlement of Funds Transfers. These systems settle securities transfer instructions on a trade-for-trade (gross) basis, with final transfer of securities from the seller to the buyer (delivery) occurring throughout the processing cycle, but settle funds transfer instruction on a net basis, with final transfer of funds from the buyer to the seller (payment) occurring at the end of the processing cycle.

The securities settlement system maintains securities accounts for participants, but funds accounts are usually held by another entity (often a commercial bank or the central bank). Securities are transferred by book-entry, such transfer being final at the instant the entries are made on the securities settlement system's books. The corresponding funds transfers are irrevocable, but not final. During the processing cycle, the system calculates running balances of funds debits and credits, the balance being settled at the end of the processing cycle when the net debit and net credit positions are posted on the books of the commercial bank or central bank that maintains the funds accounts. Settlement of funds accounts may occur once a day or several times a day.

Model 3 - Simultaneous Net Settlement of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds on a net basis, with final transfer

of both occurring at the end of the processing cycle. Settlement may occur once a day or several times a day. The securities settlement system maintains securities accounts for participants. Funds accounts may be maintained by another entity, either a commercial bank or the central bank.

During a processing cycle, running balances of debits and credits to funds and securities accounts are calculated. All funds and securities transfers are provisional until the end of the processing cycle, at which time book-entry transfer of securities take place. If and only if all participants have sufficient balances of funds and securities, final transfers of the net securities balances and net funds balances are executed.

49. Are the cash and security movements simultaneous?
Other (please answer 49c)

49a. If cash and security movements are not simultaneous, please indicate the duration of the timing gap. (Choose one.)

49b. If other, please explain:

49c. If other, please explain:

Movements of securities occur simultaneously for the DVP system that is used for OTC trades. For the Stock Exchange DVP settlement, securities and cash move any time between 9:30 and 16:00 on (T+2) when the participants' cash and security balances are available.

OWNERSHIP OF SECURITIES

The purpose of this section is to determine how ownership of securities is represented, the ways the depository maintains ownership or control of securities held in the depository, and the extent to which ownership of assets held by the depository is separated from the proprietary assets of the depository.

50. How are depository eligible securities held by the depository?
Securities in the depository are held in dematerialized form.

50a. If other, please explain and identify amount held in this other form as a percentage of total depository holdings:

51. If depository eligible securities are certificated, can depository eligible securities be held outside of the depository?
Other (please answer 51k)

51a. If certain designated securities are held outside the depository, please indicate under which conditions these securities would be held outside the depository:

51b. If depository eligible securities are required to be centrally immobilized at the depository, where and with whom are the certificates safekept? (then please answer 51c)

51c. Are these certificates:

51d. If registered, how are the depository eligible securities registered?

51e. If other, please describe:

51f. If in the name of a separate nominee, please identify by name the nominee used:

51g. If other, please explain:

51h. If depository eligible securities may be held either in or out of the depository, are these certificates:

51i. What are the control features for receipt of certificates to the depository (e.g., authentication procedures, re-registration)? Please describe:

51j. If other, please explain:

51k. If other, please explain:

Only physical securities can be held outside of the depository. They can be held physically by owners until they are dematerialized. Those right owners may keep their physical certificates in Takasbank or other banks which provide physical certificate depository service during the dematerialization process and until the cancellation and destruction of all physical shares.

52. If securities are dematerialized:

May dematerialized security positions be re-certificated and held outside the depository?

No (please answer 52a)

52a. Are the securities held: (Choose all that apply.)

Through book-entry at the depository, Through book-entry at a registrar or issuer (please answer 52b)

52b. Please identify which types of entities may act as registrars: (Choose all that apply.)
Issuers, Depository

52c. Please explain:

52d. If the securities held by the depository are recorded by book entry at the registrar, are the securities registered only to the depository, with the depository providing the function of recording ownership on a centralized basis for the market? (Choose all that apply.)

Yes (please answer 52e)

52e. If yes, how are securities held at the registrar for the account of the depository? (Choose one.)

Other (please answer 52f)

52f. Please describe:

It is not possible to register the securities in the name of the depository (or its nominee) but the securities shall be registered in the name of right owner (investor). Participants are obliged to open at least one sub-account in the CDS system of CRA for each and every customer of their own. Assets are assumed fungible and every investor (account holder) has exclusive rights on the assets recorded in the sub-account on his/her name. Issuers are registrars for registered shares. However according to the Article 10/A of Capital Market Law while updating issuer's registry, records at the CRA shall be taken as the basis by issuers without any need for any action by right owners (investors).

52g. If the securities held with the depository are recorded by book-entry at the registrar but are not registered exclusively to the depository, may they be registered to:

52h. Please describe:

52i. If the securities held with the depository are recorded by book-entry at the registrar, what are the control features at the registrar for transfer of registrar positions to and from the depository (e.g., authentication procedures, reconciliation, confirmation of position at registrar)? Please describe:

During the day, the system regularly checks whether the total issue amount is equal to the sum of sub accounts' holdings. All the participants –issuers, banks, intermediary institutions and other custodians are also obliged to reconcile their balances in the CSD system at least on a daily basis.

52j. If other, please explain:

52k. If other, please explain:

52l. If other, please explain:

53. Rule 17f-7 requires that an Eligible Securities Depository “maintains records that identify the assets of each participant and segregate the system’s own assets from the assets of participants.”

Does the depository maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants?

Yes

53a. If other, please explain:

54. Does the law protect participant assets from claims and liabilities of the depository?

Yes

54a. If other, please explain:

55. Can the depository assess a lien on participant accounts? (A lien would entitle the depository to take and hold or sell the securities of the participant in payment of a debt.)

Yes (please answer 55a)

55a. If yes, for what reasons are liens or similar claims imposed? (Choose all that apply.)

Fees and expenses

55b. Please describe:

55c. Please indicate the limits of this lien as indicated below: (Choose one.)

The lien is limited to securities in the participant’s proprietary account.

55d. Please explain:

55e. If a lien is placed on a participant’s account which has been designated for its clients, will the depository select certain securities to be subject to the lien?

Yes (please answer 55f)

55f. If yes, please indicate whether: (Choose one.)
The lien is placed on the most liquid securities in the account

55g. Please explain:

55h. If no, please indicate whether the entire account will be subject to the lien.

55i. If other, please describe:

55j. For accounts designated as client accounts, do procedures exist to restrict the placement of liens only to obligations arising from safe custody and administration of those accounts?

Other (please answer 55m)

55k. If yes, are the restrictions accomplished by:

55l. Please explain:

55m. If other, please explain:

CRA can not place a lien on client accounts directly for the obligations arising from safe custody and administration of these accounts.

55n. If other, please explain:

55o. If other, please explain:

56. Transfer of Legal Ownership

Does the depository have legal authority to transfer title to securities?

Yes (please answer 56a)

56a. When does title or entitlement to depository securities pass between participants?
(Choose one.)

When the transaction is processed on an intra-day basis. (please answer 56c)

56b. Please describe:

56c. Where does title or entitlement to depository securities pass between participants?
(Choose one.)
On the depository books

56d. Please describe:

56e. If other, please explain:

HANDLING OF SECURITIES OUTSIDE THE DEPOSITORY ENVIRONMENT

The purpose of this section is to consider the process (and any risk inherent within such a process) that involves the safekeeping of client assets while they are being removed from a depository and being lodged into a depository.

57. How are eligible securities lodged in the depository system? (Choose all that apply.)
A participant delivers the security with a valid transfer deed or stock power or other transfer document to the depository which then effects registration.

57a. Please describe:

58. When are securities lodged into the depository reflected in a participant's depository account? (Choose all that apply.)
Securities are reflected in the participant's depository account immediately upon delivery to the depository.

58a. Please explain:

59. How long does it usually take to lodge securities with the depository? (Choose one.)
1 to 2 days

59a. Please specify:

59b. If other, please explain:

60. During the process of lodging securities into the depository, can the securities:

Be traded?

No (please answer 60c)

60a. During the process of lodging securities into the depository, can the securities:

Be settled?

No (please answer 60d)

60b. During the process of lodging securities into the depository, can the securities:

Have ownership transferred?

No (please answer 60e)

60c. If they cannot be traded, or if you answered other, please explain:
Securities can only be traded when they become dematerialized.

60d. If they cannot be settled, or if you answered other, please explain:
Only dematerialized securities can be settled.

60e. If ownership cannot be transferred, or if you answered other, please explain:
Only dematerialized security ownership can be transferred.

61. Are securities immediately available for delivery upon transfer to the depository?
Yes

61a. If no: Securities are unavailable for:

61b. If more than 4 weeks, please specify:

61c. If other, please explain:

61d. If other, please explain:

62. Please describe briefly the arrangements/procedures/facilities you maintain to ensure that eligible securities held at the depository are handled at least as efficiently as compared to securities held outside the depository, particularly in relation to income, corporate actions and proxy services.

Only physical securities are held outside of CRA and no custody related services are provided for those securities until they become dematerialized.

63. How are eligible securities removed from the depository? (Choose one.)

Other (please answer 63a)

63a. Please specify:

Securities cannot be removed from the depository once dematerialized.

64. How long does it usually take to remove securities from the depository? (Choose one.)

Not applicable

64a. Please specify:

64b. If other, please explain:

65. While the securities are being removed from the depository, can they:

65a. Be traded? (Choose one)

Not applicable

65b. Please explain:

65c. Be settled?

Not applicable

65d. Please explain:

65e. Have ownership transferred?

Not applicable

65f. Please explain:

STANDARD OF CARE

The purpose of this section is to understand the responsibility and liability that the depository has in providing services to its participants/members in the settlement and clearing of securities and/or cash, and to understand what type of protections exist for participants in the event of a participant failure/default.

Depository Liability

66. Does the depository accept liability (independent of any insurance coverage) for the following:

66a. Reconciliation errors with the registrar and/or the issuer?

Other (please answer 66d)

66b. If yes, please check all of the following that apply:

66c. If other, please explain:

66d. If other, please explain:

The Turkish Capital Market Law, Article 10/A and related CRA regulations indicate that Central Registry Agency Inc., issuers, and intermediary institutions shall be liable to the extent of their faults for damages to the holders of a right due to errors in the recordkeeping. Accordingly, the Turkish Penal Code and the legal system would assess the damages and the consequent responsibilities.

66e. Theft of securities (either physical certificate or electronically from accounts at the depository) from the depository?

Yes (please answer 66f)

66f. If yes, please check all of the following that apply:

Other (please answer 66g)

66g. If other, please explain:

Please refer to 66d.

66h. If other, please explain:

66i. Failure of the depository's systems that result in direct damages or losses to participants because they cannot use either securities or funds?

Yes (please answer 66j)

66j. If yes, please check all of the following that apply:

Other (please answer 66k)

66k. If other, please explain:

Please refer to 66d.

66l. If other, please explain:

66m. Any loss caused by the depository due to errors, omissions or fraud that cause direct damages or losses to participants?

Yes (please answer 66n)

66n. If yes, please check all of the following that apply:

Other (please answer 66o)

66o. If other, please explain:
Please refer to 66d.

66p. If other, please explain:

66q. The depository acting as the central counterparty?
Not applicable

66r. If yes, please check all of the following that apply:

66s. If other, please explain:

66t. If other, please explain:

66u. Does the depository guaranty settlement?
No

66v. Please explain how this is accomplished. What are the procedures and safeguards that permit the depository to guaranty settlement?

66w. If other, please explain:

66x. Force majeure events, acts of God, or political events, etc.?
Yes (please answer 66y)

66y. If yes, please check all of the following that apply:
Other (please answer 66z)

66z. If other, please explain:
Please refer to 66d.

66~. If other, please explain:

66+. In all cases where the depository assumes responsibility for direct or indirect or consequential losses, is the depository's liability limited by a standard of care determination?
Yes (please answer 66*)

66*. Please define the standard of care applied:

Liabilities are to be determined in line with the Turkish Capital Markets Law requisite referred at question 66d above. Furthermore, CRA's insurance scheme arrangements will provide the basis.

66!. If other, please explain:

67. Do the depository's written contracts, rules, or established practices and procedures provide protection against risk of loss of participant assets by the depository in the form of?

67a. Indemnification

Yes (please answer 67b)

67b. Please explain (then please answer 67c):

Liabilities are to be determined in line with the Turkish Capital Markets Law requisite referred at question 66d above. Furthermore, the insurance scheme arrangements will provide the basis.

67c. Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

Please refer to 66d.

67d. Insurance

Yes (please answer 67e)

67e. Please explain (then please answer 67f):

CRA maintains multiple insurance policies. Firstly, CRA has a Professional Indemnity Policy that provides coverage against errors or omissions of CRA employees and failures of CRA systems. Secondly, a total of eight insurance policies provide coverage for CRA's tangible properties, that is the electronic equipment and premises. These policies can be grouped into two parts: a) The insurance through the insurance carrier Gunes Sigorta covers the equipment purchased through leasing agreements. b) The policies carried through Gunes Sigorta and Aksigorta provide coverage for both electronic equipment and other office equipment. Thirdly, there is a common policy pursued together with Takasbank and the Istanbul Stock Exchange. Two parts of this policy provides coverage against crime and the custody of physical certificates. The first part is covering against crime. Meanwhile the second part of this policy is for the physical certificate custody.

67f. Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

The above information is found in the relevant insurance policy agreements maintained by CRA.

67g. Acknowledgement of liability for losses caused by depository's own actions.

Yes (please answer 67h)

67h. Please explain (then please answer 67i):

Please refer to 66d.

67i. Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

Please refer to 66d.

67j. Other

No

67k. Please explain (then please answer 67l):

67l. Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

68. Is the depository immune from legal action in its own jurisdiction?

No

68a. If other, please explain:

Security Control

69. How do participants receive information (view actual settlement of trades, movement of securities on their accounts, etc.) and see the status of their accounts? (Choose all that apply.)

By direct electronic link, By receipt of physical account holding statements

69a. Please explain:

70. Do participants have access to affect their holdings, including confirming and affirming trades, movement of securities on their accounts, etc.?

Yes (please answer 70a)

70a. How is access given to participants? (Choose all that apply.)

By direct electronic link (please answer 70b)

70b. Please select type of electronic link:

Dial-up modem, Secured, leased, dedicated telephone line, Internet

70c. Please explain:

70d. If other, please explain:

71. Regarding data security:

71a. Are passwords used by participants to access their accounts?

Other (please answer 71b)

71b. If other, please explain:

Participants as well as the CRA staff use smart cards which are based on PKI (Public Key Infrastructure) and their PINs to conduct all transactions in the CRA system. The application user id and password must also be entered to log on. Every transaction is signed by electronic signatures. Server certificates are also used for those transactions which require system integration with other institutions like Takasbank.

71c. Does each user have a unique user ID?

Yes

71d. If other, please explain:

71e. Are passwords regularly changed?

Yes (please answer 71f)

71f. How often?

At least every 90 days.

71g. If other, please explain:

71h. Is there a user lock-out after a pre-set number of unsuccessful User ID attempts?

Yes (please answer 71i)

71i. How many?

3 times.

71j. If other, please explain:

72. Does the depository communicate with other market entities such as stock exchanges, payment systems, clearing houses, etc., by secured linkages?

Yes (please answer 72a)

72a. Please explain:

There is a secured linkage with Takasbank.

73. How does the depository communicate with other market entities?

73a. Stock Exchanges (Choose all that apply.)

Not applicable

73b. Payment Systems (Choose all that apply.)

Secured, leased, dedicated telephone line

73c. Clearing Houses (Choose all that apply.)

Secured, leased, dedicated telephone line

73d. Registrars (Choose all that apply.)

Not applicable

74. How is access to the physical building controlled? (Choose all that apply.)

By guards, By electronic keys/personal ID card, By alarm system

74a. Please explain:

75. What are the vault security procedures for the safekeeping of physical paper? (Choose all that apply.)

Not applicable; no vault is maintained

75a. Please indicate frequency of vault counts:

75b. Please explain:

Participant Default Protections Resulting from a Participant Failure

76. If a participant defaults, how is the loss covered? (Choose all that apply?)

Not applicable

76a. Please explain the process:

76b. Please explain the process of how the loss is shared: (Choose one.)

76c. If other, please explain:

76d. Please explain:

77. During the past three years, has there been a situation where a participant defaulted which resulted in a significant loss?

No

77a. How was the situation resolved? Or if you answered "Other," then please explain:

78. Does the depository have a guaranty fund independent of stock exchange or other market guarantees?

No (please proceed to 79)

78a. If yes, please respond to the following questions:

What is the size of the fund (then please answer 78b)?

78b. How is the size of the fund determined? (Choose one.)

78c. If other, please explain:

78d. How is the fund financed? (Choose one.)

78e. If so, what is the amount or percentage per owner?

78f. If so, what is the amount or percentage per participant?

78g. If other, please explain:

78h. Who is covered by the fund? (Choose all that apply.)

78i. If other, please explain:

78j. When is the guaranty fund used? (Choose all that apply.)

78k. If other, please explain:

78l. If other, please explain:

79. Does the depository have forms of oversight management for assessing and monitoring of the following? (Choose all that apply.)
Participant eligibility requirements, Blocking of securities movement before receipt of payment, Blocking payment until securities are moved

79a. Please explain other loss or default protections:

79b. Please explain the requirements:

79c. Please explain how these debit caps work:

79d. What type or types of settlement controls (Choose all that apply.)

79e. Please explain:

79f. Please explain:

79g. Please explain:

79h. Please identify and explain:

79i. Please explain briefly how these work:

80. Does the stock exchange have default protections that extend to the depository, such as the following? (Choose all that apply.)
Not applicable

80a. Please explain:

BUSINESS RECOVERY PLAN

This section is intended to identify key aspects of the depository's Business Recovery Plan (BRP), including testing requirements and past results, expected recovery time periods, and the independent review and validation (if any) of the BRP.

81. Do you have a formal business recovery plan?
Yes (please answer 81a)

81a. Does your Business Recovery Plan include: (Choose all that apply.)
Back-up of all computer files, Off-site data storage, Back-up files stored and locked, Off-site operations facility

81b. Please identify both the frequency and the last date of testing for the following third party:

Depository participants/members
Once a year. The last test was realized in June 2008.

81c. Please identify both the frequency and the last date of testing for the following third party:

Stock exchange

81d. Please identify both the frequency and the last date of testing for the following third party:

Central bank

81e. Please identify both the frequency and the last date of testing for the following third party:

Local brokers
Once a year. The last test date was in June 2008.

81f. Please identify both the frequency and the last date of testing for the following third party:

Any other third party

81g. If other, please explain:

81h. If other, please explain:

82. How quickly can the main system be reactivated in the event of an outage? (Choose one.)

1 - 4 hours

82a. If other, please explain:

83. If a back-up system exists, how quickly can the back-up system be activated in the event of the main system failing? (Choose one.)

1 - 4 hours

83a. If other, please explain:

84. Will the depository publicly announce any system interruption?

Yes (please answer 84a)

84a. To whom will the depository disclose any system interruptions? (Choose all that apply.)

To the depository regulators, To direct and indirect participants

84b. If so, please list webpage address:

84c. If so, please list all publications:

84d. Please explain:

84e. How will the depository disclose any system interruptions? (Choose all that apply.)

By e-mail, By telephone

84f. Please explain:

84g. If other, please explain:

85. In the past three years, has it been necessary to activate the recovery plan in a live situation?

No

85a. If yes, how much time was needed to implement the recovery plan? (Choose one.)

85b. How much time was needed to recover and restore business to normal operations? (Choose one.)

85c. What was the impact to the market? (Choose all that apply.)

85d. If other, please explain:

85e. If other, please explain:

PERFORMANCE, INSURANCE, AND LOSS

This section is intended to identify the level of insurance maintained by the depository, and the extent to which coverage would extend to financial loss incurred by participants and their clients, including but not limited to losses resulting from operating performance, security breaches, and employee negligence or misconduct.

86. Has there been any material loss by the depository during the past three years?

No

86a. If there has been a loss, please describe the cause, the final impact and the action taken to prevent a recurrence:

86b. If other, please explain:

87. Has the depository been subject to any litigation involving a participant during the past three years?

No

87a. Please explain the circumstances and resolution:

87b. If other, please explain:

88. Has the depository realized revenues sufficient to cover expenses during the past three years? (Choose one.)
Other (please answer 88a)

88a. If other, please explain:

CRA has been fully operational on November 28, 2005 with the dematerialization of equities traded at the Istanbul Stock Exchange. Due to heavy operational/investment costs the depository has recorded a loss as at the end of 2005. CRA has realized profits for the next two years (2006 & 2007) then ended since 2005.

89. Does the depository maintain a reserve for operating losses?

Yes (please answer 89a)

89a. Please describe and indicate reserve amount:

CRA maintains reserves for operating losses as: • Legal reserves which are obligatory to be spared from distributable earnings according to the Turkish Commercial Code. The amount of these reserves is set as five percent of the net income while the total reserve is not to exceed twenty percent of the paid capital. • CRA Articles of Association, Article 23, requires that twenty percent of the residual net income (net income minus legal reserves) is kept as the unforeseen liabilities reserve.

89b. If other, please explain:

90. Has the regulatory body with oversight responsibility for the depository issued public notice that the depository is not in current compliance with any capital, solvency, insurance or similar financial strength requirements imposed by such regulatory body?
No

90a. Please describe:

90b. In the case of such a notice having been issued, has such notice been withdrawn, or, has the remedy of such noncompliance been publicly announced by the depository?

90c. If yes, please describe:

90d. If no, why not?

90e. If other, please explain:

90f. If other, please explain:

91. Does the depository have insurance for Default?

No

91a. What is the amount of the coverage?

91b. What is the amount of the deductible?

91c. If other, please explain:

92. Does the depository have insurance for Fidelity?

Yes (please answer 92a)

92a. What is the amount of the coverage?

The first part of the CRA, Takasbank, ISE common insurance policy provides the coverage. It has an annual benefit limit of USD 5,000,000.

92b. What is the amount of the deductible?

USD 100,000.

92c. If other, please explain:

93. Does the depository have insurance for Operational Errors?

Yes (please answer 93a)

93a. What is the amount of the coverage?

Annually USD 5,000,000 provided through the Professional Indemnity Policy.

93b. What is the amount of the deductible?

USD 100,000 per case.

93c. If other, please explain:

94. Does the depository have insurance for Errors and Omissions?

Yes (please answer 94a)

94a. What is the amount of the coverage?

Annually USD 5,000,000 provided through the Professional Indemnity Policy.

94b. What is the amount of the deductible?

USD 100,000 per case.

94c. If other, please explain:

95. Does the depository have insurance for Computer Fraud?

Yes (please answer 95a)

95a. What is the amount of the coverage?

The first part of the CRA, Takasbank, ISE common insurance policy provides the coverage. It has an annual benefit limit of USD 5,000,000.

95b. What is the amount of the deductible?

USD 100,000.

95c. If other, please explain:

96. Does the depository have insurance for the Premises?

Yes (please answer 96a)

96a. What is the amount of the coverage?

USD 3,282,413 annually.

96b. What is the amount of the deductible?

The deductible for these policies is 16.38 percent in aggregate.

96c. If other, please explain:

97. Does the depository have any other insurance?

Yes (please answer 97a)

97a. If so, what is it for?

Physical securities that have been disabled and safekept with Takasbank due to the dematerialization process are covered by the second part of Takasbank's common insurance policy.

97b. What is the amount of the coverage?

USD 25,000,000 annually.

97c. What is the amount of the deductible?

USD 100,000.

97d. If other, please explain:

98. Who is the insurance carrier? If more than one insurance carrier, please list each carrier here and provide your responses to questions 98a and 98b in corresponding order. CRA's Professional Indemnity Policy is carried through Gunes Sigorta which acts as an intermediary for the underwriters at London Insurance Market. Gunes Sigorta is also the carrier for the common ISE, Takasbank, and CRA set of policies. Those policies cover criminal issues and losses related to the safekept physical securities. CRA's other policies cover electronic equipment and other premises. The insurance carriers for this set of policies are Gunes Sigorta and Aksigorta.

98a. Who is the insurance carrier's parent company, if applicable? (If inapplicable, simply type n/a.)
N/a

98b. What is the term of the policy?
One year.

98c. Who does the insurance cover? (Choose all that apply.)
Depository, Other (please answer 98d)

98d. If other, please identify:
The Istanbul Stock Exchange and Takasbank. Gunes Sigorta is the carrier for the common ISE, Takasbank, and CRA set of policies. Those policies cover criminal issues and losses related to the safekept physical securities.

99. If you feel that you would like to provide additional details on any of the given answers, feel free to provide any additional comments here (maximum of 5,000 characters) or prepare an additional document identifying the question(s) you are commenting on and upload the document under 99a:

99a. Upload document here:

PUBLIC AVAILABILITY

100. The AGC encourages respondents/depositories to make their answers to this questionnaire publicly available. Will you be making your response publicly available? (For additional guidance, please review the help feature to this question.)
Yes (please answer 100a)

100a. If yes, how will you be making it publicly available: (Choose all that apply.)
Web site (please answer 100b), By individual request with depository (please answer 100c)

100b. Please provide web site address of publicly available questionnaire:

100c. Please provide name of contact at depository who has been designated to receive such requests (then please answer 100d).

Mr. Bora Karaagacli

100d. How would they prefer to be contacted? (Choose all that apply.)

Telephone (please answer 100e), Facsimile (please answer 100f), By mail/air courier (please answer 100g), By e-mail (please answer 100h)

100e. Please provide telephone number:

+90 212 334 57 00-1024 (extension line)

100f. Please provide facsimile number:

+90 212 334 57 24

100g. What is the preferred street address for mailing requests?

Askerocagi Cad. Suzer Plaza. No:1-15 Kat:2, 34367 Elmadag-Sisli, Istanbul/TURKEY

100h. What is the preferred e-mail address for such requests:

bora.karaagacli@mkk.com.tr

100i. If other, please describe how you will be making the questionnaire publicly available:

100j. Please be sure your contact details are updated. Your contact information is located in the first section of Part One within this questionnaire.

You have reached the end of the questionnaire. Please be sure to print your responses and review them prior to changing Datasheet Progress to "Completed" under Part Two. (To print, select the printer friendly link at the top of the questionnaire.) When you are prepared to submit your answers, please return to Part One and Part Two of the questionnaire and change Datasheet Progress to "Completed". The members of The Association of Global Custodians thank you for your time and for your helpful response.

Please provide any comments you have regarding the questionnaire.