Okay, Can

From: Jackson, Kathie on behalf of CPSS, Service
Sent: Friday 08, June, 2012 10:28
To: Okay, Can
Subject: Comments on Assessment methodology for principles for FMI and and the responsibilities of authorities and Disclosure framework for FMI documents

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From: emin ali gundez [mailto:eminaligundez@gmail.com]
Sent: Thursday 07, June, 2012 20:07
To: CPSS, Service; fmi@iosco.org
Subject: Comments on Assessment methodology for principles for FMI and and the responsibilities of authorities and Disclosure framework for FMI documents

June 7, 2012

Dear Ladies and Sirs,

Assessment methodology for principles for FMI and and the responsibilities of authorities and Disclosure framework for FMI documents will be very important and substantial progress of financial market infrastructures.

As a former industry practitioner, I would like to share my opinions about **"Material change"** with you as below;

Material changes mostly arise from or affect risk and/or cost areas.

Targeting to achieve risk and/or cost reduction/minimization may unintentionally lead industry practitioners to a solution that may not be as comprehensive as it could be.

By gathering these two propositions we may easily reach to a recommendation that any assesment or disclosure must have special emphasize on **material changes** on rules, procedures, models and scenarios related almost to all of 21 principles.

So in short I believe that, a more detailed **assesment and/or disclosure** on **material changes** will help, a few of details are below;

At first, identification of the triggering event that resulted with the need for a **material change** must be examined,

Second, there is a need for a review and assurance of the method of estimation of threat related to the need for **material change** ,

Third, a review and assurance of the method of estimation of necessary safeguard must be done,

Fourth, it must be understood or estimated whether there is any remaning gap, shortcoming or loss possibility after the implementation of the **material change**,

Fifth, whether necessary controls for the identification of similar subsequent threats have been designed and added to existing processes, or not.

I wish a full success
Yours sincerely,

Emin Ali GUNDEZ
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Former ViceChairman of Istanbul Stock Exchange,
Former Board Member of ISE Settlement and Custody Bank Inc.