

From the Under-Secretariat of Treasury:

**THE COMMUNIQUE CONCERNING PRECIOUS METALS STANDARDS AND
REFINERIES**

(COMMUNIQUE NO: 2006/1)

Purpose and Scope

ARTICLE 1 – (1) The principals concerning the standards for precious metals that will be traded at the Exchange and the precious metal refineries which products will be traded at the Exchange are regulated within the framework of this Communiqué.

Foundation

ARTICLE 2 – (1) The 2nd and 7th Articles of The Decree No.32 on the Protection of the Value of Turkish Currency which is issued in the Official Gazette dated 11/8/1989 and numbered 20249 and 4th and 21st Articles of General Regulation Concerning The Foundation and Operation of Precious Metals Exchanges dated 3rd of April 1993, 4/a article of Regulation Concerning The Principles of Issuance of Precious Metals Exchange Membership Certificate and The Conditions of The Foundation and Operation of Principles of Precious Metal Exchange Brokerage Houses dated 16th of October 1993.

Definitions

ARTICLE 3 – (1) The meaning of certain terms which appear in this Communiqué are as follows;

- a) Under-Secretariat: Under-Secretariat of Treasury,
- b) Exchange: Istanbul Gold Exchange,
- c) Precious metal: Gold and platinum in bar and bullion form and silver in bar, bullion or granule form.
- ç) Refining: The fining and converting into internationally accredited standards of gold, silver and platinum in scrap form or produced from ore,
- d) Refinery: Legal entities which are engaged in refining activity,
- e) The fineness of purity: The number of pure metal particles which have the micro structural properties in each thousand particles of gold and in each hundred particles of silver and platinum,
- f) Standard precious metal: Unprocessed gold and platinum in bar and bullion form and silver in bar, bullion and granule form which have the official emblem, seal and serial numbers of the refineries accredited by the Exchange, have the minimum fineness

stated at the 6th Article of this Comminuque, in weights and shapes defined by the Exchange,

- g) Non-standard precious metal: Bars, bullions and ore bars instead of standard precious metal,
- ğ) Ore bar: The bullion which is produced by ore, unrefined, containing gold, silver and other precious metals,,
- h) Granule: Tiny spheres consist of gold, silver and platinum.

Standard precious metals

ARTICLE 4 – (1) Standard precious metals that have the fineness seal of internationally accredited refineries and domestic refineries traded at the Exchange.

(2) It is compulsory that each bullion and bar which will be traded at the Exchange have the refinery emblem or seal, bullion serial number, weight and fineness.

(3) Granule silvers with minimum 99.9 % fineness which took place in the Refinery List published by the Exchange are traded at the Exchange as standard granule in case of being in granule package, having the seal, fineness, weight and refinery name or emblem on the package.

ARTICLE 5 – (1) Exchange is authorized to determine the weights and surface properties and shapes of standard precious metals that will be traded at the Exchange.

ARTICLE 6 - (1) The fineness of the standard precious metals that will be traded at the Exchange must be;

- a) At least 995/1000 for gold,
- b) At least 99.9/100 for silver,
- c) At least 99.95/100 for platinum

Non-standard precious metals

ARTICLE 7 – (1) Bullion, bar, ore bar and granules of gold between 585/1000 and 995/1000 fineness, silver between 90.0/100 and 99.9/100 fineness and platinum between 90.0/100 and 99.95/100 fineness are traded at the Exchange according to principles which will be determined by Exchange.

ARTICLE 8 – (1) Exchange is authorized to determine;

- a) The procedures and principles that should be obeyed in purchasing and selling of locally produced ore bar and granule and non-standard precious metals at the Exchange,

- b) The rules concerning the acceptance and delivery of non-standard precious metals according to Exchange members' demands and availability of Exchange vault.

Liability

ARTICLE 9 – (1) Exchange members are liable for the conformity of non-standard precious metals traded at the Exchange to the fineness report.

Refineries

ARTICLE 10 – (1) The international refineries which produce gold bars and silver bars or granules that will be traded at Istanbul Gold Exchange are determined by Istanbul Gold Exchange by considering the lists of gold and silver refineries accredited by London Bullion Market Association and this list is published. The Refinery List determined by Exchange is notified to the Under-secretariat of Customs and these lists are sent to customs directorates by the Under- secretariat of Customs.

(2) The international refineries which do not take place at the LBMA list can also be accepted by Istanbul Gold Exchange by taking into consideration of gold and silver refineries accredited by Dubai Multi Commodity Centre, Indian Bullion Market Association and similar organizations.

ARTICLE 11 – (1) The domestic refineries whose precious metals will be traded at Exchange have to meet following criteria;

- a) The refinery should be joint-stock company,
- b) Should have paid up capital of minimum 10 million Turkish Lira,
- c) Should have technical facilities, staff, building and equipment for refining bars obtained from ore and for refining scrap precious metals,
- d) Should have Environmental Impact Assessment report,
- e) Should arrange environmental requirements, security measures and hygienic place for refining process,
- f) Should set up facilities for cleaning and recovering of waste materials,
- g) Should capable of using one of the techniques for precise analyze such as flame fining technique or other techniques,
- ğ) Should set up production capacity for refining process of gold with 995/1000 fineness or higher and of silver with 99.9 % fineness or higher,
- h) Should take place in refining business for at least three years and should refine minimum 30 tons of gold for gold refinery, minimum 30 tons of silver for silver refinery in the last three years,
- i) Should have refining facility which has minimum yearly capacity of 50 tons of gold for gold refinery, 50 tons of silver for silver refinery.

(2) It is compulsory to submit a report that will be obtained from Chamber of Industry or metallurgy and chemistry division of an university which states that the requirements in c, d, e, f, g and h clauses were met and also to submit the documents verify a, b, ç and ğ clauses at the time of application.

(3) The domestic refineries which meet above criteria apply to Istanbul Gold Exchange for enabling trade of the precious metals produced by them at Exchange. IGE forms a commission for detecting whether the applicant meets the technical specifications and capacity that are required for producing internationally accredited precious metal. The commission consists of officials from Istanbul Gold Exchange, Ministry of Industry and Trade, Turkish State Mint, related Chamber of Industry, the metallurgy and chemistry divisions of universities. A conformity report is prepared after on-site inspection by the commission.

(4) The domestic refineries which meet requirements are notified at the Refinery List published by Exchange.

(5) The expenses after the application is paid by the applicant refinery regardless of whether the application is accepted or not.

Sanction

ARTICLE 12 – (1) The domestic refineries that did not meet requirements that set forth at this Communiqué or did not product in concordance with required technical specifications and standards are delisted from Refinery List by Exchange.

Precious Metals Production from Ore

ARTICLE 13 – (1) Precious metals in ore bar, granule or other forms that are domestically produced from ore,

- a) are refined in domestic refineries determined by the clauses of this Communiqué and delivered to the Exchange Clearing House within the seven working days after the refining process and traded at related Exchange market or
- b) are traded separately at related Exchange market according to the amounts stated at fineness report which will be prepared by Turkish State Mint or by institutions determined by this institution.

(2) The principles and procedures during delivery are determined by Exchange.

Informational Activity

ARTICLE 14 – (1) The statistical data concerning precious metals transactions at Exchange are sent to Under-Secretariat quarterly within the 30 days following this quarterly period.

Auditing

ARTICLE 15 – (1) The principles and procedures of the auditing for conformity of the standard precious metals that are produced by domestic refineries which bars, bullions and granules will be traded at Exchange to this Communiqué is determined by Exchange.

(2) (New clause – Official Gazette: 12.11.2009 - 27404) Domestic refineries submit chartered accountancy confirmation report or independent auditors report to Exchange annually.

(3) (New clause – Official Gazette: 12.11.2009 – 27404) It is determined after the on-site investigation whether the domestic refineries have met the technical requirements by a commission which will be formed according to third clause of Article 11 in every three years after the admittance of this refineries to the Exchange list and a concerning report is submitted to Exchange.

Authorization

ARTICLE 16 – (1) The Under-Secretariat is authorized to review and conclude special issues that are not foreseen at this Comminuque separately and to give instructions for solving problems that arose for enforcing this Comminuque.

The regulation that is invalidated

ARTICLE 17 – (1) Comminuque of Standards and Refineries of Silver and Platinum To Be Transacted On The Precious Metals Exchange issued in the Official Gazette dated 20/4/1999, numbered 23672 and Comminuque of Standards and Refineries of Gold To Be Transacted On The Precious Metals Exchange issued in the Official Gazette dated 1/7/2001, numbered 24449 are invalidated.

TEMPORARY ARTICLE 1 – (1) The refineries which took place at the former Comminuque's refinery list which is in force before the issuance of this Comminuque take place at the Refinery List that will be published by Exchange without the need for any other procedure. However such refineries should be obliged to conform the requirements set forth at the Article 11 of this Comminuque within three years time.

Effect

ARTICLE 18 – (1) This Comminuque becomes effective at its issuance date.

Enforcement

ARTICLE 19 – (1) The Minister whom Under-Secretariat is dependent on enforces these articles of the Comminuque.