

Number : 18454353-100.04.02-15532

02/03/2023

Subject: Announcement on the Communiqué on Precious Metals Standards and Refineries (No: 2023/1)

To Whom It May Concern

Communiqué (No: 2023/1) (Communiqué on Precious Metals Standards and Refineries) was published in the Official Gazette dated 23/02/2023 and numbered 32113. The Communiqué on Refineries (Communiqué No: 2006/1) was repealed. With the Communiqué, the principles regarding the standards of precious metals, the establishment, operation, supervision and inspection principles of precious metal refineries and the conditions for inclusion in the Borsa Refinery List and remaining on the said list were revised. The refineries established in Türkiye, some of which are listed on the Borsa Refinery List, are of particular importance in terms of operation and production, and these issues are further highlighted below. However, it is necessary to carefully examine the Communiqué as a whole, to operate within the framework of the Communiqué's provisions, and to carry out the necessary work by refineries.

In this context,

- Standard unprocessed precious metals to be produced by refineries must have the characteristics specified in Article 4 of the Communiqué. On the other hand, the refineries listed on the Borsa Refinery List are required to send the technical specifications and photographs/views of the precious metals they produce to the Ministry and Borsa as a representative. Precious metals that are not notified and do not comply with the declared technical specifications and precious metals that are not deemed appropriate by the Ministry will not be produced.
- The conditions for the establishment of refineries are regulated in Article 7 of the Communiqué, the conditions for operating permits are regulated in Article 8 of the Communiqué, and the conditions for inclusion in the Borsa Refinery List are regulated in Article 13 of the Communiqué. The conditions for removing the refineries established in Türkiye from the Borsa Refinery List are regulated in the second paragraph of Article 18 of the Communiqué. Refineries are required to comply with the specified conditions, as violation of the provisions of the aforementioned paragraph will result in removal from Borsa Refinery List.
- Pursuant to the second paragraph of the provisional article of the Communiqué, refineries included in Borsa Refinery List must apply to the Ministry within 1 month from the effective date of the Communiqué (23/02/2023) to obtain an operating permit within the scope of Article 8 of the Communiqué. Those who do not apply will not be able to engage in refining activities after this date. Applicants are obliged to bring their status into compliance with the provisions of the Communiqué until 31/3/2023. Otherwise, their applications will be rejected and they will not be able to carry out refining activities as of 31/03/2023. Refineries that do not apply or whose applications are rejected will be removed from the Borsa Refinery List. However, the Ministry is authorized to extend the said period up to 6 months if deemed necessary.
- Pursuant to the third paragraph of the provisional article of the Communiqué, the refineries included in the Borsa Refinery List must fulfill their capital obligations specified in subparagraph (a) of the first paragraph of Article 13 of the Communiqué until 30/6/2023. Refineries, which are

determined not to fulfill this obligation, will be given an additional period of 90 days at the most by Borsa in order to fulfill these obligations. Refineries that do not fulfill their obligations within the specified periods will be removed from Borsa Refinery List.

- The minimum production capacities and annual minimum production amounts of the refineries on the Borsa Refinery List are regulated in Article 13 of the Communiqué.
- In accordance with the second paragraph of Article 17 of the Communiqué, it will be obligatory to register all standard unprocessed precious metals and coins, except granular silver, produced by refineries to the Precious Metals Tracking System (KMTS). Precious metals produced after the implementation of KMTS and not registered to KMTS cannot be sold in the country. The procedures and principles regarding the inclusion of precious metals in the scope of KMTS will be determined by the Turkish Mint. In the sixth paragraph of the provisional article of the Communiqué, it is stated that KMTS will be established by the Turkish Mint until 31/03/2023. In addition, the definition of coins was made with the Communiqué and the principles regarding the import, purchase and sale of coins and unprocessed precious metals were determined in the Decree on Amending the Decision No. 32 on the Protection of the Value of Turkish Currency.
- Pursuant to the seventh paragraph of Article 15 of the Communiqué, the refineries included in the Borsa Refinery List are required to make the notifications to Borsa as per the third, fourth and sixth paragraphs of the aforementioned article, and submit the information and documents to Borsa.

Updating the Precious Metals and Diamonds Market Procedure for those who are within the scope of duty of Borsa İstanbul from the above-mentioned issues continues and will be announced separately as changes are made. In other matters, the explanations and instructions of the Ministry of Treasury and Finance should be followed.

On the other hand, matters related to responsible supply chain regulations in the Announcement dated 01/03/2023 and numbered E-18454353-100.04.02-15488 are also brought to your attention.

Kindly submitted to your information.

Korkmaz ERGUN
General Manager
Board Of Director Member

Attachments:

- 1- Announcement in English on the Communiqué on Precious Metals Standards and Refineries (No: 2023/1) (1 page)
- 2- Communiqué on Precious Metals Standards and Refineries (No: 2023/1)
- 3- Announcement dated 01/03/2023 and numbered E-18454353-100.04.02-15488

Distribution:

Requirement:

Refineries Established in Turkey

Information:

Ministry of Treasury and Finance General Directorate of Financial Markets and Foreign Exchange
Turkish Mint