

Unofficial Translation

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Number: 18454353-100.04.02[100.04.02]-42589

Subject: Unprocessed Gold Import Quota Application

To Whom It May Concern

As is known, in accordance with Article 7, paragraph 2, subparagraph (b) and paragraph 7, subparagraph (b) of Decree No. 32 on the Protection of the Value of Turkish Currency, Article 24, paragraph 1 of the Regulation on the Operating Principles of Precious Metals Exchange Brokerage Firms and the Establishment of Precious Metals Brokerage Firms, and Article 6, paragraph 11 of the Communiqué Regarding Decree No. 32 on the Protection of the Value of Turkish Currency (Communiqué No: 2008-32/34), a monthly quota has been implemented by the Ministry of Treasury and Finance (Ministry) for the import of unprocessed gold, effective from August 7, 2023. During the elapsed period, new rules and rule changes introduced by the Ministry regarding this quota application have been communicated to you through various announcements of our Exchange.

Following evaluations by the Ministry, it has been deemed appropriate to make some changes to the rules and principles regarding the quota application. Accordingly, the quota amounts determined for precious metals intermediary institutions have also been changed, and our members should contact our Precious Metals and Precious Stones Market Directorate to learn their updated quotas. As before, a single quota will continue to be allocated jointly to related companies with similar ownership structures.

On the other hand, in addition to the practice of selling gold to jewelry exporters through banks by collecting demand against export declarations, there are also regulations regarding the import of unprocessed precious metals through precious metals intermediary institutions with a "free of charge" payment method, provided that the export proceeds are deducted from the relevant export proceeds within the period specified in the Communiqué No. 2018-32/48 (180 days) and other relevant regulations, within the scope of the Regulation on the Operating Principles of Precious Metals Exchange Intermediary Institutions and the Establishment of Precious Metals Intermediary Institutions, the Communiqué Regarding Decision No. 32 on the Protection of the Value of Turkish Currency (Communiqué No: 2008-32/34) and the Communiqué Regarding Decision No. 32 on the Protection of the Value of Turkish Currency (Communiqué No: 2018-32/48), and the regulation dated 30.12.2024. In accordance with the Turkish Customs Tariff Schedule Divided into Statistical Positions, published in the Official Gazette No. 32768 (repeated issue), additional quotas will be granted to precious metals intermediary institutions that will facilitate the import of standard unprocessed gold, to be offset against the proceeds from the export of products falling under Customs Tariff Statistical Position (GTIP) codes 7113.19.00.00.11 and 7113.19.00.00.12, within the framework of the following rules:

- The Regulation on the Operating Principles of Precious Metals Exchange Intermediary Institutions and the Establishment of Precious Metals Intermediary Institutions, the

Communiqué Regarding Decision No. 32 on the Protection of the Value of Turkish Currency (Communiqué No: 2008-32/34) and the Communiqué Regarding Decision No. 32 on the Protection of the Value of Turkish Currency (Communiqué No: 2018-32/48) and For each import transaction of unprocessed precious metals, carried out in accordance with the regulations in the Export Circular, an application must be submitted to our Exchange at least one business day before the closing date of the customs declaration, along with the relevant export customs declaration. • A written statement confirming that the amounts related to the import are not and will not be used for offsetting another export proceeds, and any other information and documents requested by our Exchange, must be submitted.

- Applications will be processed on a time-prioritized basis. Priority will be determined based on the approval given by our Exchange via the Ministry of Trade's Single Window System, after the complete submission and approval of the requested documents. Since the quota amount to be used is limited, the approval process will be stopped and pending applications will be cancelled when the total quota determined by the Ministry for that month is reached.
- Only standard unprocessed gold imports will be permitted under this application
- If an exporter's application for import offsetting export proceeds is approved, and another precious metals intermediary institution applies for the same exporter's export proceeds within the same month, the application will not be accepted.
- If a company residing at a specific address has its application for import offsetting export proceeds approved, and another exporter residing at the same address applies for export proceeds within the same month, the application will not be accepted.
- Only one import transaction can be carried out for the offsetting of a customs declaration
- Customs declarations with regime codes 3151 (re-export of goods subject to the inward processing regime conditional exemption system) and 3141 (re-export of goods entering domestic use simultaneously with free circulation under the inward processing regime refund system) Applications will not be accepted.
- The maximum amount of unprocessed gold imports that can be brokered by an exporter within one month under this application will be limited to 25 kilograms.
- The amount of unprocessed gold imports that can be brokered by a precious metals intermediary institution within one month under this application will be limited to 50 kilograms
- If the demand under this application exceeds the quota, the last application that is partially met can be used as a loan from the quota that can be allocated to the precious metals intermediary institution in the following month, from the quota that can be allocated to the exporter in the following month, and from the total quota to be allocated under this application in the following month. However, in this case, the relevant quotas for the following month will be calculated by deducting the loaned amounts.
- A single quota will be given to related precious metals intermediary institutions under this application.
- Unprocessed gold cannot be imported under this application for the offsetting of export proceeds realized by precious metals intermediary institutions.
- The total quota not used in the relevant month under this application will be transferred to the total quota of the following month.
- Customs declarations used within the scope of the application regarding the quota provided to banks to ensure the raw material needs of jewelry exporters cannot be used within the scope of this application.

- This application excludes the import of standard unprocessed gold to be offset against the proceeds from the export of products under Customs Tariff Statistical Position (GTIP) codes 7113.19.00.00.11 and 7113.19.00.00.12 in the Turkish Customs Tariff Schedule Divided into Statistical Positions, published in the Official Gazette dated 30.12.2024 and numbered 32768 (repeated issue). The Regulation on the Operating Principles of Precious Metals Exchange Brokerage Firms and the Establishment of Precious Metals Brokerage Firms, the Communiqué Regarding Decision No. 32 on the Protection of the Value of Turkish Currency (Communiqué No: 2008-32/34) and the Communiqué Regarding Decision No. 32 on the Protection of the Value of Turkish Currency (Communiqué No: 2018-32/48), and the regulations regarding the import of unprocessed precious metals through precious metals brokerage firms with a "free of charge" payment method, provided that the export proceeds are deducted from the relevant export proceeds within the period specified in Communiqué No. 2018-32/48 and other related regulations, are included in the Turkish Customs Tariff Schedule Divided into Statistical Positions, published in the Official Gazette dated 30.12.2024 and numbered 32768 (repeated issue). The offsetting of proceeds from the export of products falling under Chapter 71, titled "Natural or cultured pearls, precious or semi-precious stones, precious metals, metals plated with precious metals and articles made therefrom; imitation jewelry; metal coins," will be exempt.

Furthermore;

- Import transactions carried out under the Inward Processing Regime Decree,
- Import transactions carried out for the purpose of adding to the capital of a legal entity established in Türkiye, and import transactions related to bringing gold held abroad by banks into the country,

will be exempt from the quota application.

On the other hand, 295 kilograms of gold will be allocated as a reserve quota to be distributed to precious metals brokerage firms whose membership in our Exchange is established after December 31, 2025, with 25 kilograms allocated per member. If the demand collected from firms exceeds the amount allocated as a reserve, the excess amount will be distributed equally among all applicants, and in all cases, the amount will not exceed 25 kilograms. Companies within this scope may submit their requests to our Exchange via the KASA application Electronic Instruction System (ELTAS) within the first 5 business days of each month.

Kindly submitted to your information.

Korkmaz ERGUN
General Manager
Board Of Director Member