

*Readers should be aware that only the original Turkish text has legal force and that this English translation is strictly for reference. Borsa Istanbul cannot undertake any responsibility for its accuracy nor be held liable for any loss or damages arising from or related to its use.*

**BORSA İSTANBUL A.Ş.**  
**REGULATION FOR PRINCIPLES ON EXCHANGE OPERATIONS CONCERNING**  
**PRECIOUS METALS AND PRECOUS STONES<sup>1</sup>**

**PART ONE**

**General Provisions**

**Purpose**

**ARTICLE 1 – (1)** The purpose of this regulation is to regulate procedures and principles for markets, platforms and systems to be founded with the aim of ensuring trade of precious metals and precious stones in a reliable, transparent, effective, stable, fair and competitive environment.

**Basis**

**ARTICLE 3 – (1)** This regulation is issued on the basis of 67<sup>th</sup> Article of the Capital Markets Law no. 6362 dated 06/12/2012.

**Abbreviations and definitions**

**ARTICLE 4 – (1)** For the purposes and in the context of this regulation;

- a) **“Arbitration Committee”** refers to the Committee constituted to resolve the disputes that might be occurred among those given authorization for trade,
- b) **“Arbitration Group”** refers to the group consisting of three arbitrators chosen by Arbitration Committee for each disputes,
- c) **“Board of Management”** refers to the Board of Management of Borsa İstanbul,
- d) **“Board”** refers to Capital Markets Board of Turkey,
- e) **“DPSM”** refers to Diamond and Precious Stones Market included within the Precious Metals and Precious Stone Markets,
- f) **“Exchange”** refers to Borsa İstanbul A.Ş.;
- g) **“PMM”** refers to Precious Metals Market within the PMPSM
- h) **“PMPSM”** refers to Precious Metals and Precious Stone Markets in the Exchange
- i) **“Representative”** refers to the person who can represent those given authorization for trade in operations of the Exchange or settlement and custody and be given notification in the name of company or person s/he represents,
- j) **“Undersecretariat”** refers to Undersecretariat of Treasury of Turkey.

**PART TWO**

**Specific Provisions of PMPSM**

---

<sup>1</sup> Only provisions concerning Precious Stones stated in the Regulation have been translated into English. Missing clauses and articles have been omitted as they are not related to DPSM.

*Readers should be aware that only the original Turkish text has legal force and that this English translation is strictly for reference. Borsa Istanbul cannot undertake any responsibility for its accuracy nor be held liable for any loss or damages arising from or related to its use.*

### **Giving authority for trade**

**ARTICLE 5** – (1) Application in order to get authorisation to trade on one ore more market, platform or system established under the Exchange can be made to the Exchange. Those who will apply to get authorisation to trade, has to fulfill other requirements required by other regulations. Establishment and operating rules of precious metal brokerage houses are regulated by Undersecretariat.

(2) The Exchange staff can make on-site inspection of the applicants which apply for having authorization for trade. Those considered appropriate by the Board of Management and given authorization for trade can trade on markets, platforms and systems included in PMPSM within the frame of related principles and authorities granted to them.

(3) Along with those having no restriction in their regulations and having authorization for trade on PMM, domestically resided legal entities who apply for doing transaction only on this Market and natural persons doing transactions on their own behalf can be granted authorization for trade on the DPSM.

### **Required conditions for those given authorization for trade**

**ARTICLE 6** –(1)...

(2)...

(3) Those applying for trading on the DPSM are required to submit certificates showing that they have operations on precious stones, and are registered to the Chambers of Jewellery or Commerce.

### **Temporal suspension or permanent cancellation of authorisation for trade**

**ARTICLE 7** – (1) The authority for trade of those on the PMPSM can be suspended temporarily or permanently or be cancelled by the The Board of Management within the frame of provisions stated in the Exchange Regulation.

(2) The authorisation for trade on the DPSM can be temporarily suspended or permanently be cancelled by the Board of Management within the frame of following conditions except the matters stated in the first clause.

a) Neglecting their responsibilities,

b) Non-compliance with decisions of Arbitration Committee or Arbitration Group,

c) Notification by the WFDB that the authorisation for trade has been cancelled.

(3) The decisions taken by the Board of Management within the frame of second clause of this Article are announced to those given authority for the purpose of informing them. The decision is notified to WFDB.

### **Precious stones to be traded**

**ARTICLE 8** - (1) Precious metals and precious stones defined and of which specifications are stated in Decree no. 32 are traded on PMPSM.

### **Notification of off-exchange transactions to the Exchange**

**ARTICLE 10** - (1) Of those given authorization for trade, the trades that are realized out of the Exchange may be required to notify the Exchange within the framework of the procedures and principles determined by the Board of Management.

### **Delivery and Registration of imported precious metals and rough dimands**

**ARTICLE 11** – (1)...

(2)...

*Readers should be aware that only the original Turkish text has legal force and that this English translation is strictly for reference. Borsa Istanbul cannot undertake any responsibility for its accuracy nor be held liable for any loss or damages arising from or related to its use.*

(3) It is essential that imported or exported rough diamond be registered in the presence of the Exchange. The registration operations of imported and exported rough diamonds are done by the Exchange by predicating customs declaration and certificates. The procedures of delivery and commission taken by the Exchange are determined by the Board of Management and approved by the Board. After rough diamonds' entrance into free circulation, they shall be registered to the Exchange within three business days only by submitting customs declaration.

#### **Meeting obligations on trade and default**

**ARTICLE 14** – (1) The Board of Management, within the frame of the relevant legislation, may decide transactions to be performed in Turkish lira or in any foreign currency on the basis of markets, platforms and systems within the PMPSM or to the charge be paid in Turkish Lira or in any foreign currency or trade be carried out in or off cash.

(2) It is essential that obligations on finalized transactions be performed within the frame of the time and the ways determined by the Board of Management and approved by the Board. Those fail to meet their obligations without the need for any notice shall be deemed in default. Actions for terminating the default shall be performed within the frame of provisions of relevant legislation.

(3) In case of obligations are met on a time after specified time but on the same day and unless otherwise requested by buyer(s), disapplying default provisions might be decided by the Board of Management.

#### **Brokerage fee**

**ARTICLE 18** – (1) Customers of members shall pay fee, the maximum limit of which to be determined by the Board of Management, to precious metals brokerage companies over their realized trade amounts.

#### **Documentation and record arrangement for those authorized for trading on PMM**

**ARTICLE 19** – (1) Those given authorization for trading on PMM, shall keep books, records and issue documents stated in the regulation prepared by the Undersecretariat and obey the rules on record, documentation and transactions regarding accounting determined by the Exchange.

(2) The provisions included in their regulations are reserved for brokerage houses.

#### **Resolution of disputes on DPSM transactions**

**ARTICLE 23** – (1) Arbitration Committee and Arbitration Group are constituted with intent to resolve the disputes concerning DPSM transactions and those disputes are resolved by the Arbitration Committee and Arbitration Group.

(2) Application on disputes stemming from the Exchange transactions between those given authorization for trade can be made by any party.

(3) The manner of application, components to be included in petition, service charge of disputes, appraisal, expert and any other expenses, foundation and duties, quorum for meetings and decisions, working procedures and principles of the committees of disputes and arbitrations and arbitration group, and procedures and principles on rapporteur of committees, investigation, resolution and conclusion of disputes are determined by the Board of Management.

(4) Decisions of the Arbitration Committee and Arbitration Group are absolute.

*Readers should be aware that only the original Turkish text has legal force and that this English translation is strictly for reference. Borsa Istanbul cannot undertake any responsibility for its accuracy nor be held liable for any loss or damages arising from or related to its use.*

(5) With regard to the disputes, the parties reserve the rights to apply to the judicial authorities or the World Federation of Diamond Bourses.

**Procedures and principles on application and resolution of disputes**

**ARTICLE 24** – (1) An application for any disputes is made in written form and by paying service charge which is determined by the Board of Management and approved by the Board.

(2) In the event that the application is improper and contradictions on procedures are not removed within the given time, the application is deemed as not been made by the Dispute Committee or Arbitration Committee.

(3) In the event that any application is not made within two years from the date of the first transaction on the Exchange related to dispute, these applications are not investigated by the Exchange.

**Cancellation of dispute file**

**ARTICLE 25** – (1) In cases of abdication of compliants, reaching agreement, application to the arbitration, jurisdiction or the WFDB, it may be decided to cancel dispute files by the Dispute Committee or Arbitration Committee.

(2) In cases the event that parties reach an agreement, apply to the arbitration or jurisdiction or the WFDB, those given aauthority to trade shall notify the Exchange within three business days from the date of learning this case.

(3) In case of deeming application is not made, abdicating of compliant, applying to the arbitration, jurisdiction or the WFDB or parties' reaching an agreement, any application shall not be made for the same dispute to the Exchange.

(4) In cases of abdication of compliants, reaching agreement, application to the arbitration, jurisdiction or the WFDB, the paid up service charge shall not be refunded and registered as revenue to the Exchange. In the event that the applicant is right partly or completely, the service charge paid up by the applicant, within the context of decision to be decided on its application, is decided to be paid by the counterparty.

**Informing and the authority of the Undersecretariat**

**ARTICLE 26** – (1) ....

(2) The transactions on precious stones, accounts, registrations and books of those given authorization for trade on the PMPSM are subject to audit and surveillance of the Undersecretariat.