

**BORSA İSTANBUL A.Ş.**  
**REGULATION ON PRINCIPLES OF**  
**EXCHANGE ACTIVITIES RELATING TO**  
**PRECIOUS METALS AND PRECIOUS STONES**

(Published in the Official Gazette no. 29150 dated 19/10/2014)

**FIRST PART**  
**General Provisions**

**Purpose**

**ARTICLE 1** – (1) The purpose of this Regulation is to regulate the procedures and principles relating to markets, platforms and systems to be established in order to ensure that precious metals and precious stones are traded in a secure, transparent, efficient, stable, fair and competitive environment.

**Scope**

**ARTICLE 2** – (1) This Regulation regulates the procedures and principles on:

- a) Listing and delisting in the Exchange,
- b) Transmission and matching of orders,
- c) Performing in due time obligations related to executed trades,
- ç) Granting authorization to trade in the exchange,
- d) Executing discipline regulations,
- e) Exchange revenues and their collection, and
- f) Resolution of disputes, and
- g) Operation, audit and surveillance systems of the Exchange,
- ğ) Establishing, operating and managing markets

relating to precious metals and precious stones.

**Grounds**

**ARTICLE 3** – This Regulation has been issued and published in reliance upon Article 67 of the Capital Markets Law no. 6362 dated 6/12/2012.

**Definitions and Abbreviations**

**ARTICLE 4** – (1) For the purposes and in the context of this Regulation:

- a) “**Decree no. 32**” refers to the Decree no. 32 on Protection of Value of Turkish Currency put into force by a Decree of the Council of Ministers no. 89/14391 dated 7/8/1989; and
- b) “**Exchange**” or “**Borsa**” refers to and stands for Borsa İstanbul A.Ş.; and

- c) **“Exchange Regulation”** refers to the Regulation on Principles of Exchange Activities of Borsa İstanbul A.Ş.; and
- ç) **“DPSM”** refers to and stands for Diamond and Precious Stones Market as a part of the Precious Metals and Diamond Market; and
- d) **“CEO”** refers to Borsa İstanbul A.Ş. Chief Executive Officer; and
- e) **“Arbitration Group”** refers to a group of three arbitrators elected separately for each dispute by DPSM Arbitration Committee; and
- f) **“Arbitration Committee”** refers to a committee appointed for resolution of probable disputes among those who are authorized to trade in DPSM; and
- g) **“Trading day”** refers to days when markets, platforms and systems are open for trading; and
- ğ) **“Those who are authorized to trade”** refers to those who are authorized to trade in the Exchange by becoming a member therein pursuant to first paragraph or without becoming a member therein pursuant to third paragraph of Article 24 of the Regulation on Principles of Foundation, Activities, Operations and Audit of Exchanges and Market Operators published in the Official Gazette edition 28712 on 19/07/2013; and
- h) **“Public Disclosure Platform (PDP)”** refers to the system defined in subparagraph (k) of first paragraph of Article 3 of the Law; and
- ı) **“Law”** refers to the Capital Markets Law no. 6362 dated 6/12/2012; and
- i) **“Precious metals”** refers to precious metals defined and standardized in the Decree no. 32; and
- j) **“Precious metals intermediary institutions”** refers to institutions holding foundation and/or operation licenses granted by the Ministry of Treasury and Finance for trading in markets where precious metals and precious stones are traded; and
- k) **“PMLM”** refers to and stands for Precious Metals Lending Market; and
- l) **“Precious stones”** refers to precious stones referred to in the Decree no. 32 on Protection of Value of Turkish Currency; and
- m) **“PMPSM”** refers to and stands for Precious Metals and Precious Stones Markets; and
- n) **“PMM”** refers to and stands for Precious Metals Market included in PMPSM; and
- o) **“CMB”** refers to and stands for the Capital Markets Board of Türkiye; and

- ö) **“Ministry”** refers to and stands for the Ministry of Treasury and Finance; and
- p) **“Markets, platforms and systems”** refers to trading media created depending on types, modus operandi or other characteristics and specifications of the traded precious metals and precious stones; and
- r) **“Refinery”** refers to refineries the precious metals of which will be traded in the Exchange and which are included in the list of refineries determined by the Exchange within the frame of regulations issued by the Ministry of Treasury and Finance; and
- s) **“Trading session”** refers to the timeframe when markets, platforms and systems included in the Exchange are open for trading; and
- ş) **“Clearing House”** refers to an organization unit of the Exchange or to institutions and entities designated by the Exchange, which are responsible for clearing of money or precious metals; and
- t) **“CBRT”** refers to and stands for Central Bank of the Republic of Türkiye; and
- u) **“Representative”** refers to a person who may represent those who are authorized to trade in the Exchange or in clearing and custody transactions, and to whom notices and correspondences may be delivered by hand in the name of the represented person or entity; and
- ü) **“Member”** refers to those who are authorized by the Board of Directors to trade in the Exchange out of those referred to in first paragraph of Article 24 of the Regulation on Principles of Foundation, Activities, Operations and Audit of Exchanges and Market Operators; and
- v) **“Investment firms”** refers to firms defined in subparagraph (v) of first paragraph of Article 3 of the Law; and
- y) **“Board of Directors”** refers to the Exchange Board of Directors.
- z) (Added: OG-6/7/2019-30823) **Capital market instrument based on precious metals:** Refers to capital market instruments issued in precious metals and/or whose payment and/or price on the maturity date is determined in precious metals.

**SECOND PART**  
**Special Provisions on PMPSM**

**Grant of Authorization to Trade**

**ARTICLE 5** – (1) An application may be filed to the Exchange for trading in any one, more or all of the markets, platforms and systems organized in PMPSM. Applicants for an authorization to trade must, prior to application, have satisfied the conditions required as per the applicable laws. Principles of operation of precious metals intermediary institutions and foundation of precious metals intermediary institutions are determined by a regulation to be issued by the Ministry.

(2) In applications for an authorization to trade, the Exchange employee may conduct inspections in the applicants. Those who are authorized to trade upon approval of their application by the Board of Directors may trade in the markets, platforms and systems of PMPSM in accordance with the principles set forth in the relevant regulations and within the frame of authorization granted to them.

(3) In DPSM, those who are authorized to trade in PMM and are not subject to any limitation in their own laws and regulations, and legal entities resident in Turkey applying for trading only in this market, and real persons resident in Turkey applying for trading only in their own name and account may be authorized to trade.

(4) CBRT is authorized to trade in markets, platforms and systems where precious metals and precious stones are traded, and is not subject to such obligations as acceptance to membership, grant of authorization to trade, collateral, audit and discipline included in the relevant Exchange regulations. Furthermore, CBRT is exempted from fees levied on subscriptions, orders and trades, and from exchange transaction fees and other fees, except for fees relating to custody of precious metals.

(5) Those who are authorized to trade in PMPSM within the frame of third paragraph of Article 24 of the Regulation on Principles of Foundation, Activities, Operations and Audit of Exchanges and Market Operators cannot be elected to bodies and committees of the Exchange and cannot be eligible for membership rights, except for dispute and discipline issues.

**Conditions Sought For in Those Who Are Authorized to Trade**

**ARTICLE 6** – (1) Those who are covered by first paragraph of Article 24 of the Regulation on Principles of Foundation, Activities, Operations and Audit of Exchanges and Market Operators may be authorized to trade in PMPSM by becoming a member of the Exchange.

(2) Those who will be authorized to trade in PMPSM without becoming a member of the Exchange pursuant to third paragraph of Article 24 of the Regulation on Principles of Foundation, Activities, Operations and Audit of Exchanges and Market Operators, and if any, their partners having a significant influence:

- a) Must not be bankrupt, or must not have declared composition with creditors or their application for restructuring through conciliation must not have been

approved, or must not have been subject to a decision of postponement of bankruptcy, or must not have any outstanding tax debts, pursuant to provisions of the Execution and Bankruptcy Law no. 2004 dated 9/6/1932; and

- b) Must not have been subject to a decision of liquidation pursuant to the Decree in Force of Law dated 14/1/1982 no. 35 on the Transactions of Bankers in Payment Difficulty; and
- c) Must not have been condemned due to breach of the Law or the Banking Law no. 5411 dated 19/10/2005 and/or sentenced to penal servitude or imprisonment for more than 5 years, even if pardoned, except for negligent crimes, or convicted for such crimes as embezzlement, malversation, bribe, theft, corruption, extortion, usury, fraud, abuse of faith or fraudulent bankruptcy, or for smuggling crimes other than smuggling for own use or consumption, or for bid rigging in official bid tenders and public procurements or disclosure of state secrets, or for tax evasion or attempt for tax evasion; and
- ç) Must not have been condemned for financing terrorism or for complicit in financing of terrorism as specified in Section 2 of the Law on Prevention of Financing of Terrorism no. 6415 dated 7/2/2013; and
- d) Must not have been condemned for laundering of crime revenues or for complicit in laundering of crime revenues as specified in Article 2 of the Law on Prevention of Laundering of Crime Revenues no. 5549 dated 11/10/2006; and
- e) Must have a financial power and prestige as will be specified and determined by the Exchange.

(3) That must be confirmed, the applicant for trading in DPSM is already engaged in trading of precious stones by records of the Chamber of Jewelers or the Chamber of Commerce.

(4) The Board of Directors is authorized to request any additional information and documents as deemed necessary. The application for an authorization to trade drops in case of failure in delivery of additional information and documents requested by the Board of Directors within sixty days after request.

### **Preventive or Temporary Removal or Cancellation of Authorization to Trade**

**ARTICLE 7** – (1) Within the framework of the provisions of the Exchange Regulation, the authority of those authorized by the CEO to trade in PMPSM may be removed as a preventively measure or temporarily or cancelled by the Board of Directors.

(2) Other than the provisions of the preceding first paragraph, upon occurrence of any one of the following events, authorization of those who are authorized to trade in DPSM may be preventively or temporarily removed or cancelled by a decision of the Board of Directors:

- a) Failure in performance of financial obligations; or

- b) Non-compliance with decisions of Arbitration Committee or Arbitration Group;  
or
- c) If it is reported by the World Federation of Diamond Bourses that the authorization to trade is prevented.

(3) Decisions taken by the Board of Directors pursuant to second paragraph of this Article are announced within the frame of principles and procedures determined by the Board of Directors in order to inform those who are authorized to trade. These decisions are reported also to the World Federation of Diamond Exchanges.

(4) Upon written demand of those who are authorized to trade, this authorization may be temporarily removed by a decision of the Board of Directors. Procedures and principles relating thereto are determined by the Board of Directors.

(5) Those whose authorization to trade is preventively or temporarily removed or cancelled pursuant to this Article are reported to the Board and the Ministry.

### **Precious Metals and Precious Stones to Be Traded**

**ARTICLE 8** – (1) In PMPSM, precious metals defined and standardized in the Decree no. 32, and precious stones referred to in the same Decree are traded.

### **Temporary Suspension of Trading:**

**ARTICLE 9** – (1) Upon occurrence of the events stated in the Exchange Regulation and upon occurrence of other events preventing healthy management of trading session, the CEO may suspend trading of the relevant precious metal or precious stone for 5 trading days. A decision of the Board of Directors is required for suspension of trading for more than 5 trading days.

(2) The CEO may delegate his powers arising out of the first paragraph to any Deputy General Manager or Deputy General Managers to be designated by himself.

(3) Temporary suspension of trading in the Exchange is published in PDP and/or in the Exchange bulletin and is reported to the Board, together with reasons thereof.

### **Reporting of Over-the-counter Trading to the Exchange**

**ARTICLE 10** – (1) Those who are authorized to trade may be requested to report to the Exchange within the frame of procedures and principles to be determined by the Board of Directors all and any trading operations in the over-the-counter market.

### **Delivery to or Registration in the Exchange of Imported Precious Metals and Rough Diamonds**

**ARTICLE 11** – (1) Unprocessed precious metals imported by precious metals intermediary institutions authorized to trade in PMM are delivered to the Clearing House as specified in the Governmental Decree no. 32. Customs Administrations are also required to report the imported precious metals to the Exchange.

(2) Those who fail to deliver the imported unprocessed precious metals to the Clearing House as specified in the Governmental Decree no. 32 are subject to a penal commission and a default interest under the conditions determined by the Board of Directors and approved by the Board.

(3) Imported and exported rough diamonds are required to be registered in the Exchange. Imported and exported rough diamonds are registered by the Exchange on the basis of the relevant customs declaration (bill of entry) and certificate. Procedures of registration and commission to be charged by the Exchange are determined by the Board of Directors and approved by the Board. Within three business days after entering the free circulation, rough diamonds are required to be registered in the Exchange only through submission of the relevant customs declaration (bill of entry).

### **Trading in the Exchange of Precious Metals Produced From Ore**

**ARTICLE 12** – (1) Precious metals produced in Turkey from mineral ores in any types and manners whatsoever and made tradable in the Exchange are also traded in the Exchange. Precious metals produced from mineral ores by precious metal producers are required to be reported by them to the Exchange as of the periods to be determined by the CEO.

### **Powers of the Exchange With Respect to Refineries**

**ARTICLE 13** – (1) Within the frame of the regulations issued by the Ministry of Treasury and Finance and the principles determined by the Board of Directors, the Exchange is authorized to prepare and announce a list of refineries the precious metals of which will be traded in the Exchange, and to examine and finalize the applications of refineries operating in Türkiye or international refineries for inclusion in the list, and to audit and supervise the listed refineries operating in Türkiye in accordance with the applicable laws and regulations.

### **Fulfillment of Trading Obligations, and Default**

**ARTICLE 14** – (1) Within the frame of the applicable laws, the Board of Directors may decide that trades will be made in Turkish Lira or in foreign currencies separately for each of markets, platforms and systems operating in PMPSM, and that price will be paid in Turkish Lira or in foreign currencies, and that trades will be executed on cash basis or non-cash basis.

(2) Obligations related to finalized trades are required to be performed within the periods and by the methods determined by the Board of Directors and approved by the CMB. Those who fail to perform their obligations within the periods specified as above will be deemed to have fallen in default without any further notice. Actions required for termination of the event of default are taken within the frame of provisions of the applicable laws.

(3) If and when obligations relating to trade of precious metals are performed after the time specified as above, but within the same day, then and in this case, the Board of Directors may decide not to apply the default provisions unless otherwise demanded by the creditor side or the parties thereto.

## **Precious Metals Lending Transactions**

**ARTICLE 15** – (1) Procedures and principles relating to lending of precious metals are determined by the Board of Directors and are submitted to the approval of the CMB.

## **Customer Obligations Prior to Order Transmission to the Exchange**

**ARTICLE 16** – (1) As a pre-condition of customer order transmission to the Exchange, those who are authorized to trade in PMM may request those who give a buy order to pay a deposit or a collateral or full amount of price of the precious metals intended to be purchased, against an acknowledgement of receipt, and request those who give a sell order to deliver to them or to their representatives the precious metals intended to be sold, against a delivery receipt.

(2) Deposit, prepaid price or delivered precious metals are returned to the customer by no later than the first business day thereafter if the trade is not executed. If the trade is executed, down payment or prepaid price is set off from the purchase price.

## **Reporting Order Results to Customers**

**ARTICLE 17** – (1) Whether customer orders are executed in PMM or not will be reported by those who are authorized to trade to customers in the next business day.

(2) With respect to non-executed orders, those who are authorized to trade in PMM are under obligation to return the unsold precious metals received from the customer and to refund the amount collected from the customer within no later than 24 hours following the end of trading session.

## **Brokerage Fee**

**ARTICLE 18** – (1) Customers have to pay a fee to precious metals intermediary institutions over the amount of trades executed in the Exchange up to a maximum limit to be determined by the Board of Directors.

## **Documenting and Recording System of Those Who Are Authorized to Trade in PMM**

**ARTICLE 19** – (1) Those who are authorized to trade in PMM are under obligation to keep the books and records and to issue the documents specified in the regulation issued by the Ministry of Treasury and Finance, and to comply with the regulations of the Exchange in their accounting records, documents and transactions relating to intermediation activities.

(2) Provisions relating to investment firms in the laws applicable on them are, however, reserved.

## **Delivery of Precious Metals to Customers**

**ARTICLE 20** – (1) If the customer executes the trade and pays the amount, those who are authorized to trade in PMM are under obligation to deliver the relevant precious metals to the customer within a period of time to be determined by the Board of Directors. Those who



are authorized to trade in PMM may, due to the Exchange transactions, deliver the relevant precious metals to their customers out of their own stocks outside the Clearing House before the end of said period of time.

### **Clearing and Custody**

**ARTICLE 21** – (1) Clearing and custody transactions may be executed in the Exchange’s own organization or clearing and custody services may be outsourced to and purchased from specific entities and institutions founded for this purpose, within the frame of principles to be determined by the Exchange.

### **Resolution of Disputes Relating to PMM and PMLM Trades**

**ARTICLE 22** – (1) In disputes arising out of the Exchange transactions among those who are authorized to trade in PMM, application may be filed by either party thereto, and in disputes of the same kind between those who are authorized to trade and their customers, application may be filed by the customer. Disputes relating to PMM and PMLM trades are resolved by the Board of Directors. Dispute Committee established for these markets assists the Board of Directors in resolution of disputes.

(2) Format of application for dispute, contents of petition, operating procedures and principles of dispute committee, and procedures and principles relating to examination, investigation and resolution of dispute are determined by the Board of Directors and approved by the Board.

(3) Rights of the parties to apply to courts and other juridical authorities for resolution of dispute are, however, reserved.

### **Resolution of Disputes Relating to DPSM Trades**

**ARTICLE 23** – (1) Arbitration Committee and Arbitration Group are established for disputes relating to DPSM trades, and accordingly, disputes relating to DPSM trades are resolved by Arbitration Committee and Arbitration Group.

(2) In disputes arising out of the Exchange transactions among those who are authorized to trade in DPSM, application may be filed by either party thereto.

(3) Format of application for dispute, contents of petition, dispute service fee, survey, expert and similar other expenses, foundation and duties, meeting and decision quorums, and operating procedures and principles of dispute and arbitration committees and arbitration group, and reporters of committees, and procedures and principles relating to examination, investigation and resolution of dispute are determined by the Board of Directors.

(4) Decisions of Arbitration Committee and Arbitration Group for resolution of disputes shall be final.

(5) Rights of the parties to apply to courts and other juridical authorities or to the World Federation of Diamond Bourses for resolution of dispute are, however, reserved.

### **Procedures and Principles Relating to Dispute Application and Resolution**

**ARTICLE 24** – (1) A dispute application is made by a written petition and payment of a dispute service fee determined by the Board of Directors and approved by the Board.

(2) If an application is not in due form and the procedural breaches are not remedied within the period of time granted therefor, then the Dispute Committee or Arbitration Committee decides that the application is deemed not made.

(3) Applications not filed within a period of two years following the date of execution of the first Exchange transaction in dispute will not be examined by the Exchange.

#### **Withdrawal of Dispute Case File**

**ARTICLE 25** – (1) In the case of withdrawal of a complaint, or settlement of case, or application to arbitration or juridical courts or to the World Federation of Diamond Bourses, the Dispute Committee or the Arbitration Committees decides to withdraw the dispute case file.

(2) If the parties amicably settle the case or apply to arbitration or juridical courts or to the World Federation of Diamond Exchanges, those who are authorized to trade are under obligation to inform the Exchange thereabout in writing within three business days after becoming aware of the fact.

(3) If an application is deemed not made, or a complaint is withdrawn, or an application is made to arbitration or juridical courts or to the World Federation of Diamond Exchanges, or the parties amicably enter into settlement, then a re-application cannot be filed to the Exchange about the same dispute.

(4) If a complaint is withdrawn, or an application is made to arbitration or juridical courts or to the World Federation of Diamond Exchanges, or the parties amicably enter into settlement, the dispute service fee already paid is not refunded, but recorded as a revenue of the Exchange. If an application is fully or partially found justified, as a part of the decision about the application, it is also decided that the service fee prepaid by the applicant be refunded and reimbursed by the other party to the applicant.

#### **Informing the Ministry of Treasury and Finance, and Authority of Ministry of Treasury and Finance**

**ARTICLE 26** – (1) Disciplinary punishments requiring temporary removal or cancellation of trading authorization or representation are separately reported to the Ministry of Treasury and Finance.

(2) Transactions, accounts, records and books of those who are authorized to trade in PMPSM with respect to precious metals and precious stones are subject to audit and supervision of the Ministry of Treasury and Finance

### **THIRD PART**

#### **Joint Provisions with Exchange Regulation**

#### **Joint Provisions**

**ARTICLE 27** – (1) Article 5 titled “Authorization to trade”, article 7 titled “Representation of those who are authorized to trade”, article 8 titled “Obligations of those who are authorized to trade”, Article 9 titled “Obligations of representatives”, article 10 titled “Collaterals”, article 13 titled “Waiver from authorization to trade”, article 24 titled “Trading in the Exchange”, article 26 titled “Permanent termination of trading in the Exchange”, article 29 titled “Form of customer orders”, Article 30 titled “Transmission of orders to the Exchange”, Article 31 titled “Matching of orders”, article 32 titled “Quotation and registration of prices and trades in the Exchange, and reporting and announcement”, Article 33 titled “Cancellation of orders and trades by the Exchange”, article 34 titled “Exchange transactions and clearing of Exchange transactions”, Article 36 titled “Gross settlement and depositing condition”, Article 37 titled “Markets, platforms and systems formed in the Exchange”, article 38 titled “Operation and management of markets, platforms and systems”, article 39 titled “Temporary closure of markets, platforms and systems”, article 40 titled “Working time of the Exchange”, article 41 titled “Regulatory, audit and supervisory powers of the Exchange”, article 42 titled “Audit activities”, article 43 titled “Supervisory activities”, article 44 titled “Measures and sanctions”, Article 45 titled “Obligation to provide information and documents”, Article 46 “Cooperation and notification obligations”, article 47 titled “Jurisdiction in resolution of disputes”, article 48 titled “Procedures and principles relating to dispute application and resolution”, article 51 titled “Jurisdiction in disciplinary investigations”, article 52 titled “Types of disciplinary punishments”, article 53 titled “Acts requiring disciplinary punishments”, article 54 titled “General provisions on determination and application of punishments”, article 55 titled “Statute of limitations in investigation and disciplinary punishments”, article 56 titled “Co-management of disciplinary and juridical investigations”, Article 57 titled “Provisions on committees”, article 58 titled “Rules on performance of activities, prevention of conflicts of interests and compliance with ethical principles”, Article 59 titled “Revenues of the Exchange”, Article 60 titled “Collection of revenues”, Article 61 titled “Calls, advertisements and notifications”, and Article 62 titled “Exchange bulletin” of the Exchange regulations are also applicable and enforceable by analogy for precious metals and precious stones markets as well.

## **FOURTH PART**

### **Miscellaneous and Final Provisions**

#### **Absence of Provisions**

**ARTICLE 28** – (1) Solely if and to the extent a consent of the Board is not required, the Board of Directors is authorized to decide within the frame of the applicable laws, and to regulate and direct the practices, on all matters on which this Regulation has no provisions or does not regulate clearly.

#### **Transitional Provisions Concerning Regulations**

**PROVISIONAL ARTICLE 1** – (1) Provisions of the existing regulations which are not against this Regulation are applied until the regulations to be issued pursuant to and by virtue of this Regulation are enter into force.

#### **Effective Date**

**ARTICLE 29** - (1) This Regulation shall enter into force at the date of its publication.

**Enforcement**

**ARTICLE 30** – (1) The provisions of this Regulation shall be enforced and executed by the Board of Directors.