

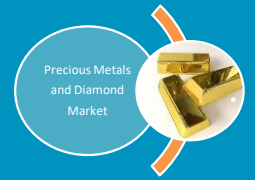
Borsa İstanbul
Precious Metals Market



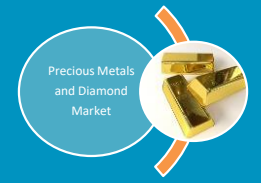
**BORSA
İSTANBUL**

Benchmark for Investment

Main Topics

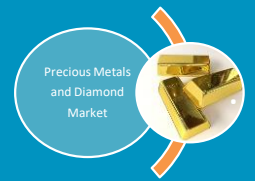


- 🌐 Borsa İstanbul Precious Metals Market
- 🌐 Precious Metals Import Flow
- 🌐 Communiqué on Precious Metals Standards and Refineries
- 🌐 Requirements to Be Listed on Borsa İstanbul Refinery List
- 🌐 Alternative Ways to Be Part of Precious Metals Market
- 🌐 Borsa İstanbul Warehousing (Bistantrepo)
- 🌐 Responsible Supply Chain



Borsa İstanbul Precious Metal Market

Borsa İstanbul Precious Metals Market

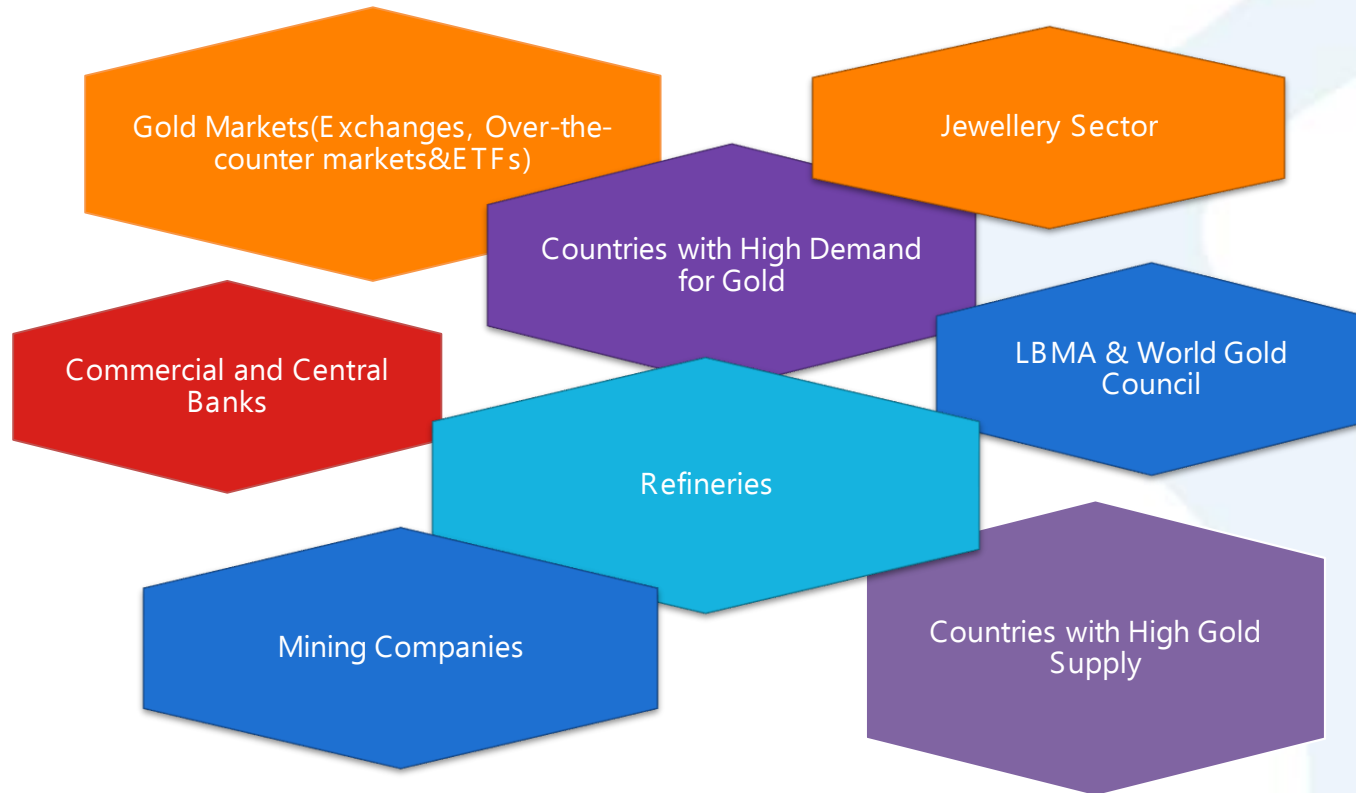
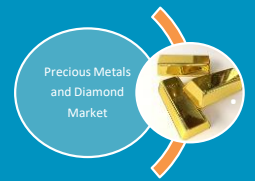


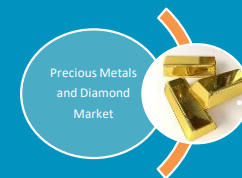
- ④ Turkey ranks first in fields such as gold culture, gold-related jewelry production, import and export, is also at an important conjunction point in terms of geography. Turkey has an important regional position and power in the gold trade with its proximity to both London and Zurich, which are the centers that have a say in the gold trade and direct the gold flow, as well as the Middle East countries, the Turkic Republics and Asian countries.
- ④ There are a few organized spot precious metals exchanges in the world. İstanbul Gold Exchange (now Precious Metals Market under Borsa İstanbul) is the first organized gold market in the world—deemed to be one of the best practices as a result.
- ④ Since 1995, Borsa İstanbul (former İstanbul Gold Exchange) is one of the enumerated spot precious metal trading platform where all types of stakeholders in the gold sector could met, such as banks, refineries, precious metal brokerage houses, currency offices, precious metal producing and marketing companies and jewelry producers.



Yenibosna campus is at the heart of İstanbul with its proximity to both İstanbul Airport and Member Institutions

Important Actors In Gold Industry



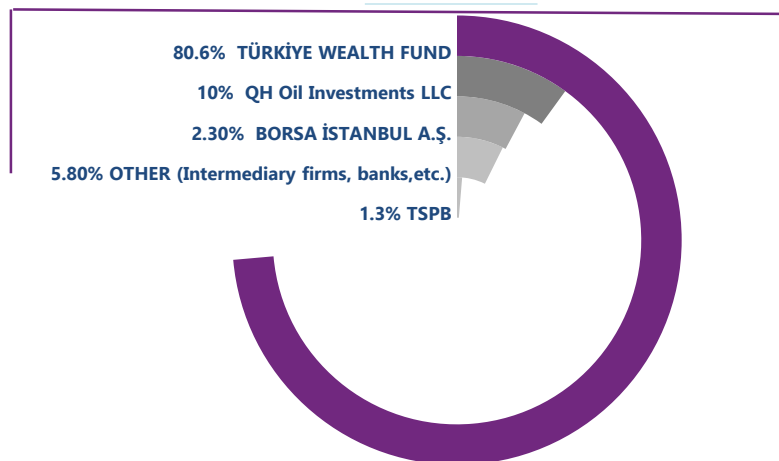


History, Shareholders, Subsidiaries, Affiliates

Short History

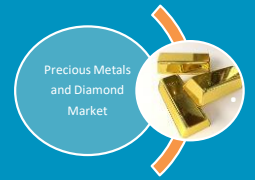


Share Structure



Affiliations	Share (%)	Share(%) Including Indirect Partnerships
Istanbul Settlement and Custody Bank (Takas İstanbul)	64,18	
Central Securities Depository (Merkezi Kayıt İstanbul)	30,10	71,75
Capital Markets Licensing and Training Agency	20,00	34,27
Energy Exchange İstanbul	30,83	
Turkish Mercantile Exchange	15,00	21,80
ELİDAS Licenced Warehouse	17,33	19,98
Kyrgyz Stock Exchange	16,33	
Montenegro Stock Exchange	24,43	
Baku Stock Exchange	4,76	
Sarajevo Stock Exchange	9,89	16,70
JCR Eurasia Rating	18,50	
Birleşik Mortgage Company	5,00	

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The market has three sub-markets: Precious Metals Market, Precious Metals Lending Market and Diamond and Precious Stones Market.

Precious Metals Market runs on BISTECH/NASDAQ platform

PRECIOUS METALS AND PRECIOUS STONES MARKET

Precious Metals Market

Precious Metals Lending Market

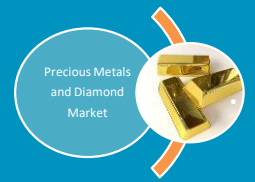
Diamond and Precious Stones Market

Standard / Non-standard / Ore
Gold – Silver – Platinum – Palladium Spot and Physical Transactions

Borrowing of Precious Metals for a certain period of time

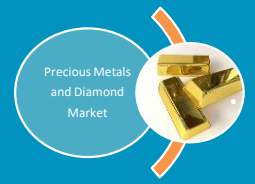
Face-to-face trading of diamonds and precious stones or notification of over-the-counter transactions

Number of Members/Authorities



Commercial Banks	Investment and Development Banks	Participation Banks	Precious Metal Brokerage Firms	Joint Stock Company Engaging in Precious Metal Production or Trade	Authorized Institutions	Jewellery Industry Companies	Total
16	3	6	15	16	22	0	78
10	0	3	0	2	2	0	17
2	0	2	4	6	15	442	471
0	0	0	0	0	0	139	139

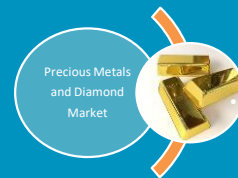
Precious Metals Market In Türkiye



Volume Type	Gold (kg)			Silver (kg)		
	2021	2022**	% Change	2021	2022**	% Change
Import*	51.531	146.189	183,69	434.669	621.804	43,05
Local Mining	39.365	18.666	-52,58	170.491	73.960	-56,62
Exchange Volume*	326.521	333.018	1,99	828.428	793.883	-4,17

Note:* Figures are in net amounts ** Figures calculated as of September end

Information regarding the trade in Borsa İstanbul-I



Gold



Silver



Platinum



Palladium

TRY

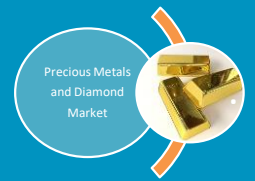
USD

EUR

Four precious metal types are traded in the Precious Metals Market: gold, silver, platinum and palladium. They can be traded in TRY, USD or EUR. Weight units can be kg or grams, however pricing can be made on ounces. Main groups are standard, non-standard, ore and scrap.

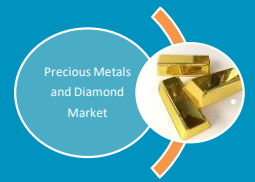
Purity of standard unprocessed precious metals to be traded on the exchange must be: At least 995/1000 for gold, at least 99.9/100 for silver, at least 99.95/100 for platinum, at least 99.95/100 for palladium. Standard unprocessed precious metals can be in the form of mini ingots (1 gr, 5 gr, 10 gr, 20 gr, 50 gr, 100 gr, 250 gr and 500 gr), ingot (1 kg), large bar and several kg granule bags (only in silver).

Information regarding the trade in Borsa İstanbul-II

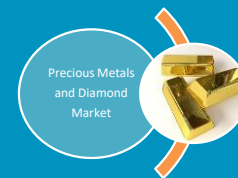


- ④ 995/1000 purity on gold is the most preferred purity on the market.
- ④ 1 kg gold bar which is produced by a LBMA member refinery is the easiest bullion weight to sell.
- ④ Non-standard gold usually doesn't have a market value on the market. However it can be imported with a purity report issued by the Royal mint.
- ④ Payment type is the delivery versus payment. Metal settlements are cleared by Borsa İstanbul whereas cash settlements are cleared by Takasbank.
- ④ Members can sell or buy precious metals as long as they have enough collateral.
- ④ The precious metal in custody account of the member is also regarded as collateral.
- ④ Some of the products are predefined to the system whose specifications are produced automatically, while others are created by the members according to the purity, weight and value. They are created by using the "Tailor Made" feature by changing the parameters.

Information regarding the trade in Borsa İstanbul-III



- ④ Price limits are determined according to the international prices, prices could differ only 1% on international prices.
- ④ Users/members have two options to send orders to the market. The first is to use the web-based interface called Genium Inet Workstation (GIW-KIT). The other option is to send orders via FIX protocol. There is also FIX Drop Copy and FIX Reference Data functionality integrated with the trading system.
- ④ Users/members can give orders to the market with price, amount and other parameters and can wait the order to be matched. Users/members can also benefit from "trade report" if they would like to send their proposal to another member directly and wait the trade report are accepted by the counterparty.



PMD DAILY FLOW

		SILVER FIXING TRANSACTIONS									
16:00	16:10	23:45	08:00	09:00	12:30	14:00	14:10	16:00	16:10		
Session end	Normal Session		Break	Normal Session			SINGLE PRICE	Normal Session	Session End	Normal Session	
		GOLD FIXING TRANSACTIONS									

Transactions are carried out on a multi-price continuous auction basis and without seeing the ordering parties.

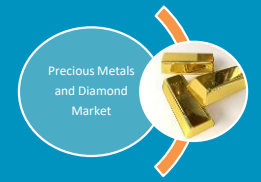
Fixing transaction hours change in case of non-compliance with the international daylight saving time.

Single price and Fixing transactions cannot be done in half days.

Fixing Operations cannot be done on Turkish public holidays and LBMA holidays.

*The table shows the session flow according to summer time.

With respect to precious metals standard, non-standard, ore-produced gold, silver, platinum and palladium transactions are carried out with a value date of up to 120 calendar days, provided that the clearing day coincides with a working day. Normal session starts at 16.10 p.m. and finishes at 16.00 p.m. in next business day. There is a session break between 11:45 PM and 8:00 AM.



Precious Metals Import Flow

Standart Precious Metals Import Flow

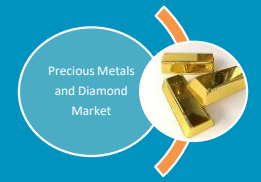
Pre-import Notification (At least three working days before the actual import date)			At the time of import	Post-import
Payment Type		SWS Approval Stage	Actual Import Stage	If import payment method is;
Borsa İstanbul Member	A) Advance Payment	The document submitted for the approval of Borsa is approved based on the member's declaration.		
	B) Cash against goods			
	C) Import without returns * Capital *Export Cost *IPR			
Non-member	Inward Processing Regime	SWS not required	No control is required	Up to 20 kg Inward Processing Regime (No Refinery, No Delivery)

Standard and non-standard unprocessed precious metals can only be imported by members. The refinery must be on the Refinery List. Non-members can bring 20 kg of standard precious metals within the scope of IPR. These cannot be traded on the Borsa İstanbul.

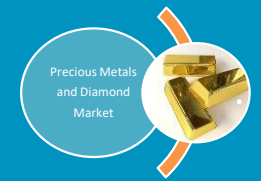
Non-standart Precious Metals Import Flow

Pre-import Notification (At least three working days before the actual import date)			At the time of import	Post-import
Payment Type		SWS Approval Stage	Actual Import Stage	<p>If import payment method is;</p> <p>Advance payment the information that the relevant payment is made to the exporter at the latest on the actual import date is presented to Borsa.</p> <p>Cash against goods the information that the relevant payment is made to the exporter is submitted to Borsa within 60 days after the actual import date. (CRSF tax emerges)</p> <p>Import without returns;;</p> <p>* Precious metals are kept blocked by Borsa until the documents regarding the capital increase related to the precious metals in question, which come to be added as Capital, are submitted to Borsa.</p> <p>* The precious metals import information corresponding to the export is compared with the information when the application is made, and the approximate value is calculated. (The export date must be before the import date.)</p> <p>* DIR (Refineri kısıtı ve Borsa kasasına teslimat yok, sadece bildirim yapılır)</p>
Borsa İstanbul Member	A) Advance Payment	The document submitted for the approval of Borsa is approved based on the member's declaration.		
	B) Cash against goods			
	C) Import without returns			
	* Capital *Export Cost *IPR			
Non-member	Inward Processing Regime	SWS not required	No control is required	IPR There is no limit to quantity and refinery. No delivery to custody necessary.

Except for imports under the DIR decision, non-standard unprocessed precious metals can only be imported by members of the Exchange.

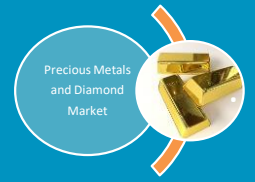


Communiqué on Precious Metals Standards and Refineries



- ④ The principles regarding the standards of precious metals to be traded on Borsa İstanbul and the determination of the precious metal refineries whose products will be traded on Borsa İstanbul are regulated within the framework of this Communiqué.
- ④ Purity of standard unprocessed precious metals to be traded on 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,
 - d) At least 99.95/100 for palladium

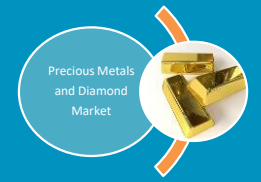
Unprocessed precious metals which have less purity than the indicated values for each metal type are called unprocessed non-standard metals.



International Refineries to be Accepted in the Refineries List

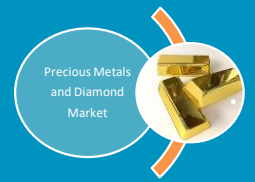
- ❶ International refineries whose bars, ingots and granules will be traded on the market are determined by Borsa İstanbul and announced as a list, taking into account the lists published by the London Bullion Market Association (LBMA) and the London Platinum and Palladium Market (LPPM).
- ❷ One of the main criteria for being listed in the Borsa İstanbul Refinery List is that the related precious metal producing refinery is to be included in the current or former Refinery Lists of the London Bullion Market Association (LBMA).





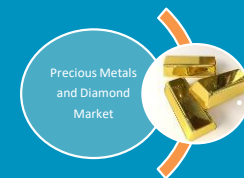
Requirements to Be Listed on Borsa İstanbul Refinery List

Requirements to Be Listed on Borsa İstanbul Refinery List-I



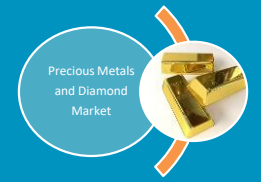
- ❶ The refineries established in Turkey, which is applying to be included in the refinery list, must meet the conditions stated in the Refinery Communiqué.
- ❷ In order to determine that the conditions regarding the capital requirement in the Communiqué (35 million TL) and the amount of precious metals refined in the last three years (i.e. 30 tonnes in previous 3 years for gold) are met, an inspection is made by one of the independent audit companies included in the list of independent audit firms of Borsa İstanbul.





Requirements to Be Listed on Borsa İstanbul Refinery List-II

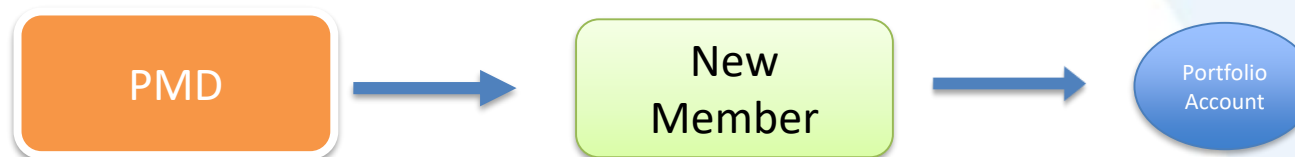
- ④ The refinery making the application has to submit the following documents to Borsa İstanbul in full with a petition stating which precious metals it wants to be included in the refinery list.
 - ④ Chamber of Commerce Activity Certificate
 - ④ Environmental Impact and Assessment Report (ÇED)
 - ④ Compliance Report
 - ④ Signature circulars
 - ④ Turkish Trade Registry Gazette
 - ④ A document stating that the refinery, which has applied to be included in the Refinery List, has deposited all the applicable application fees as of the date of application into the relevant bank account of Borsa İstanbul
 - ④ Statement of the board of directors stating that the internal control system and supply chain compliance program has been established within the scope of the relevant legislation and that at least one internal control and supply chain compliance officer has been appointed.
- ④ Refineries established in Turkey are examined by the commission every three years from the date of listing on the refinery list, the commission determines whether it has the necessary technical conditions, as a result of the on-site inspection, and the related report is submitted to Borsa İstanbul.
- ④ Ingots and/or granules produced by refineries operating in Turkey whose precious metals are traded on Borsa İstanbul are subjected to purity analysis at least five times in a calendar year.



Alternative Ways to Be Part of Precious Metals Market

Alternative ways to be part of Precious Metals Market-I

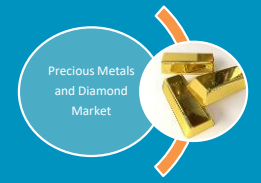
- There are three alternatives to be part of Precious Metals Market:
- First alternative is to be a member of Borsa İstanbul
- An operating permit is obtained in order to trade in the Borsa İstanbul Precious Metals Market by applying to the General Directorate of Financial Sector Relations and Foreign Exchange, Ministry of Treasury and Finance.
- In order to become a member of Borsa İstanbul within 60 days from the date of granting the operating license, an application must be submitted to Borsa İstanbul with a petition along with the required documents.
- If the membership of Borsa İstanbul is obtained, it is possible for the member to get custody service on its own name and account.



Alternative ways to be part of Precious Metals Market-II

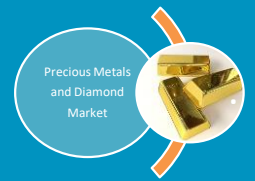
- 🌐 Second alternative is to be a client of a member:
- 🌐 It is possible to open a customer account on one of the members of Borsa İstanbul and to benefit from the trading and custody service.
- 🌐 Third alternative is to use duty free storage opportunity through BISTANTREPO which will be explained in detail on further slides.





Borsa Istanbul Warehousing (BISTANTREPO)

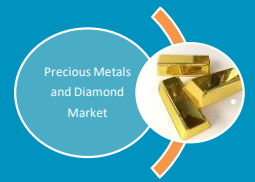
Borsa İstanbul Warehousing (BİSTANTREPO)



- ❁ Borsa İstanbul has a special division inside custody as a warehouse called BİSTANTREPO, which is a high standard precious metals vault within the Borsa İstanbul's safe but out of the custom boundaries.
- ❁ Foreign companies, banks and central banks can store and export internationally accepted standard precious metals in BİSTANTREPO with lower rates to Turkey or other countries.
- ❁ They can use Borsa İstanbul and İstanbul Airport as a hub to connect to the World precious metal trade.

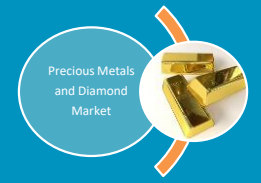


Borsa Istanbul Warehousing (BISTANTREPO)-II



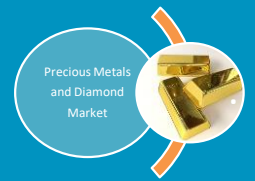
- ④ Only Borsa Istanbul Members can import standard gold to Turkey (except inward processing regime), however, it is not necessary to be a Borsa Istanbul member to store precious metals in BISTANTREPO. Those who can approved by Borsa Istanbul after due diligence and Know Your Customer principles may use BISTANTREPO.
- ④ Customers may use Bistantrepo without a time limitation. Hence, goods can stay indefinitely if they are placed in accordance with the legislation.
- ④ They are exempted from the taxes to be applied to the goods during the period of stay in the warehouse. The fact that no tax is applied to the goods under customs supervision in the warehouse is called the Warehouse Regime.

**TAX
FREE**



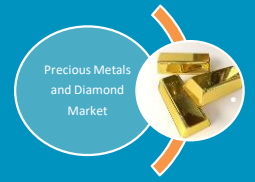
Responsible Supply Chain

Responsible Supply Chain Regulations



- 🌐 On February 21, 2021 Ministry of Treasury and Finance published revisions on the regulations related to;
- 🌐 Precious Metals Brokerage Institutions (members of Borsa Istanbul)
- 🌐 Refineries established in Turkey and in the Refinery List of Borsa Istanbul
- 🌐 Trading & Refining standard and non-standard unwrought precious metals.
- 🌐 all processes of trading and refining, including recycled precious metals

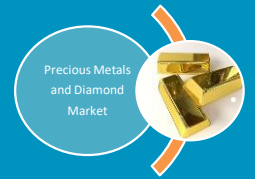
Sub Regulations by Borsa İstanbul



Borsa İstanbul published the sub-regulations on responsible supply chain in accordance with the Treasury and Finance's regulations. These are;

- 🌐 Borsa İstanbul Responsible Supply Chain Directive
- 🌐 Borsa İstanbul Responsible Supply Chain Guidance
- 🌐 Borsa İstanbul Responsible Supply Assurance Audit Directive
- 🌐 Borsa İstanbul Internal Control System and Compliance Principles Directive

Obligors' Responsibilities Regarding Responsible Supply Chain



🌀 All members and refineries must;

§ appoint the internal control and precious metals responsible supply chain official.

§ prepare a yearly responsible sourcing plan by the end of the June in the following year.

§ be audited by an external independent auditing firm annually.

§ Strict regulations on responsible sourcing which may lead cancellation of license or removing from refinery list.

*Thanks
for listening!*



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