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| Document | Type | Announcement |
| | Number | 2021/72 |
| | Subject | About Responsible Supply Chain Compliance Regulations and Publishing Independent Auditing Institutions List |
| | Approval Date | 07/10/2021 |
| | From | Precious Metals and Diamonds Market Operations Directorate |
| | To | Precious Metal Market Members, Refineries Established in Turkey and Independent Auditing Institutions |

To Whom It May Concern,

As it is known, the procedures and principles which are about compliance of Borsa İstanbul regulations and international standards in precious metal supply, which must be followed by the Precious Metal Intermediary Institutions that are licensed in Borsa İstanbul Precious Metal Market and Refineries established in Turkey and listed in Borsa İstanbul Refinery List have been taken effect with the Directives published on 05/03/2021. The application details of these regulations have been included in the Precious Metals Market Procedure that are updated on 27/09/2021.

With these regulations, our country has been complied with the international rules of precious metal trade as highest degree. As a result is it excepted that our Precious Metal Markets Institutions members and Refineries established in Turkey and listed in Borsa İstanbul Refinery List as being more open, transparent and reliable counterparts to cooperate with their counterparts in a much better conditions especially in international precious metals trade.

In this context, below explanations and guidance are considered to be useful in clearing the doubts about the application of the regulations.

1. Borsa İstanbul Responsible Supply Chain Directive, Borsa İstanbul Responsible Supply Chain Guidance, Borsa İstanbul Directive on the Internal Control System and Compliance Principles of Precious Metals Intermediary Institutions and Refineries, Borsa İstanbul Directive on the Responsible Supply Chain Assurance Engagement are all elements of Borsa İstanbul precious metal supply chain compliance program as a whole.

Banks, which are considered as being complying to their internal control and auditing responsibilities which are coming from other similar regulations, are exempt from only the responsibility for appointment of internal control and supply chain compliance officer which is stated in “*Borsa İstanbul Directive on the Internal Control System and Compliance Principles of Precious Metals Intermediary Institutions and Refineries*”. However, banks and their departments and personnel who are working on this subject are expected to comply with the supply chain compliance regulations totally, as these regulations are considered as a whole. As a result, in order to maintain a reliable contact with Borsa in terms of declarations regarding responsibilities, it is important to submit the names and contact details of internal control and/or supply chain compliance officer and/or the person to Borsa who will act as internal control and supply chain compliance officer.

In addition, banks, as the other obliged precious metals intermediary institutions, are obliged to obey, as being an element of precious metal supply chain compliance program, to responsible supply chain assurance regulations.



2. The documents about the trainings, giving or taking, about precious metal supply chain and its audit which are required from independent auditing firms wants to apply to be in the list is not an precondition, they are only required for (if available) obtaining general information about the sector for the time being. The required trainings will be determined separately and will be announced later.

3. The business volume which is required in the annex 5-A and 5-B of Precious Metal Market procedure and is belongs to the 01/07/2021-30/09/2021 period is not the buying and selling volume. It is the volume of the physically received or delivered precious metals of the incumbent firms and it is limited to the precious metals, which are determined as being eligible to trade in Borsa İstanbul according to Precious Metal Market Procedure. If a precious metal is delivered to the Borsa İstanbul after receiving, it is considered as on-exchange, if it is retained in the intermediary institution after receiving, it is considered as off-exchange. If a precious metal is delivered to customer after receiving from Borsa İstanbul, it is considered as on-exchange. Precious metal is delivered to customer after receiving from another customer, it is considered as off-exchange.

4. The tables which are located in the “Annex-5/A and Annex-5/B” of Precious Metal Market Procedure must be fill out according to the explanations which are given in the annex of this announcement and conveyed to the Borsa İstanbul at the latest 14/10/2021.

Besides, The Independent Auditing Firms List that is about the assurance auditing firms will be reached in the Borsa İstanbul official web site Responsible Supply Chain page.

Kindly submitted to your information.
Yours Sincerely,

Korkmaz ERGUN
General Manager
Board of Director Member

Annex: Explanations about Precious Metal Market Procedure Annex-5A and Annex-5B
The Independent Auditing Firms List Page:

Annex-5A: Borsa İstanbul Responsible Supply Chain Detailed Statistical Information Declaration Form
 ... /... /..... - ... /... /..... AUDITING PERIOD SUMMARY STATISTICAL INFORMATION

| GENERAL STATISTICAL INFORMATION | |
|--|--|
| | <p>If there is a physically receiving or delivering of precious metals of the incumbent firm limited to the precious metals, which are determined as being eligible to trade in Borsa İstanbul according to Precious Metal Market Procedure, it will be regarded as;</p> <ul style="list-style-type: none"> • If a precious metal is delivered to the Borsa İstanbul after receiving or if a precious metal is delivered to customer after receiving from Borsa İstanbul, on-exchange • if a precious metal is retained in the intermediary institution after receiving or if a precious metal is delivered to customer after receiving from another customer, off-exchange. <p>When calculating the total business volume the net precious metal weight is multiplied by the metal price. If the related data are not available daily then the net weight of precious metal in the period will be multiplied by the average of period-beginning and period-ending metal price with the Turkish Lira denomination</p> <ul style="list-style-type: none"> • For the precious metal price, the related page of Borsa İstanbul web site can be used. • If there is no precious metal delivery 0 will be entered to the table. <p>Especially for banks (branches included) precious metal market intermediaries only the number of personnel who are related with the Borsa İstanbul Precious Metal Market activities will be declared. For the current period, the average number of personnel between 01.07.2021 and 30.09.2021 will be calculated without decimal. Again only, the number of personnel who are related with the Borsa İstanbul Precious Metal Market activities will be declared as of 30 September 2021.</p> <p>Only the number of branches that are engaged in Borsa İstanbul Precious Metal Market activities and/or receiving from customers or delivering to the customers of the precious metals that are traded in the Borsa İstanbul will be declared.(If only the Head Office exists, 1 (one) will be written on the number of branches.)</p> <p>Only the number of agencies/connected units that are engaged in Borsa İstanbul Precious Metal Market activities and/or receiving from customers or delivering to the customers of the precious metals that are traded in the Borsa İstanbul will be declared.</p> |
| Total Business Volume (thousand TL) (On-exchange and off-exchange volume will be declared separately) | |
| Number of Total Average Personnel (beginning of period + ending of period /2) | |
| Number of Personnel in the Declaration Date | |
| Total Number of Branches | |
| Total Number of Agency/Connected Unit | |
| AUDITING INFORMATION OF CURRENT PERIOD | |
| Total Number of Audited Branches | The total number of audited branches that are audited in the period by the responsible person (for banks responsible person will also be a person who has a title as compliance officer, auditor, inspector other than the internal control and supply chain compliance officer) |
| Total Number of Audited Agency/Connected Unit | The total number of audited agencies/connected unit that are audited in the period by the responsible person. |
| Total Auditing Time | How many days the audit did take |
| Total Number of Personnel Worked in Auditing | How many person did worked in the audit |

Total Number of Audited Transactions

Total number of audited physically delivery to or receiving of precious metals transactions.

Annex-5B: Borsa İstanbul Responsible Supply Chain Detailed Statistical Information Declaration Form
 ... /... /..... - ... /... /..... AUDITING PERIOD DETAILED STATISTICAL INFORMATION*

| (A) ITEM NO | (B) HEADQUARTER/ BRANCH/AGENCY NAME | (C) KIND | (D) ADDRESS | (E) NUMBER OF EMPLOYEES | (F) IS AUDITING DONE? (YES(E), NO (H) | Will be declared if auditing has done in the current period | | | |
|----------------|--|---|--|--|---|---|---|---|--|
| | | | | | | (G) AUDITING DATE | (H) TOTAL AUDITING TIME (day) | (I) TOTAL NUMBER OF PERSONNEL WORKED IN AUDITING | (J) TOTAL NUMBER OF AUDITED TRANSACTIONS |
| | Information about branches/agencies that are subject to the auditing | If headquarter GM, if branch ŞB, if agency AC, otherwise DG must be written | Address of the place that is subject to the auditing | Number of the employees of the place that is subject to the auditing | Is auditing done? Yes/No | If done date | How many days the audit did take | How many person did worked in the audit | Number of audited transactions |
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• Every audit which has done on every Headquarter/ Branch/ Agency must be stated separately.