

A New Era for Jewelry Trade in Turkey

Introduction

The Regulation on Jewelry Trade (“the Regulation”) issued by the Ministry of Trade (“the Ministry”), has been published at the Official Gazette (No. 31454) on April 14, 2021 and came into force on the same date. The Regulation aims to improve the quality of services in jewelry business and eliminate unfair competition. According to the Regulation, existing enterprises dealing with jewelry trade should comply with the terms of the Regulation and obtain an authorization certificate until December 31, 2021.

In this article, novelties brought by the Regulation and the conditions required for an authorization certificate will be explained briefly.

Jewelry Types

The Regulation defines “jewelry” as wrought precious metals (gold, silver, platinum and palladium), precious stones (rough diamond, cut diamond, ruby, emerald, topaz, sapphire, chrysolite and pearl) and valuable items which involves items made of precious stone or items containing precious metal or precious stone. The jewelries are limited with the types listed in the Regulation.

Authorization Certificate

Under the Regulation, jewelry trade, which includes the trade of wrought precious metals, precious stones, and precious items, will be carried out only by jewelry enterprises that have an authorization certificate. Enterprises without an authorization certificate will not be

able to use signs and expressions that give the impression that they are engaged in the jewelry trade.

According to the Regulation, the authorization certificate for jewelry trade will be granted, renewed and canceled by the Provincial Trade Directorate in the place where the business is located through the Jewelry Trade Information System. This certificate will be issued separately for each jewelry enterprise and will not be transferable.

Conditions mentioned in Article 6 of the Regulation must be fulfilled in order to be entitled for the authorization certificate. Among other conditions an enterprise;

- a) must have a registration to the professional chamber,
- b) must be an income or corporate taxpayer and must not have an overdue tax debt,
- c) must contain jewelry trade activity among the fields of activities of its records in professional chamber and taxation,

Furthermore, either the jeweler or at least one of the personnel of the enterprise should have a mastership certificate.

Activities of Jewelry Enterprises

The jewelry enterprises, besides the jewelry trade, can engage in the following activities:

- a) Jewelry maintenance and repair.
- b) Retail sale, maintenance and repair of semiprecious stones such as opal, agate, quartz and ornaments made of these stones (such as prayer beads).
- c) Retail watch sales, maintenance and repair.
- d) Unwrought precious metal purchase and retail sales.
- e) Purchase and retail sale of products produced by the Mint from precious metals.
- f) Purchase of non-standard unwrought precious metal to be used as raw material.
- g) The activities envisaged in Decree No. 32 and its secondary legislation, provided that it is a precious metals intermediary institution.

h) Other activities deemed appropriate by the Ministry.

The jewelry enterprises cannot consign jewelry or any other property or store these for any other purpose. No other commercial activity can be carried out in the workplace engaged in the jewelry trade.

The Regulation emphasizes some activities which cannot be practiced by jewelry enterprises. Accordingly, a jewelry enterprise:

a) cannot keep and cannot sell the products that do not have the quality of jewelry.

b) has to provide the authorization certificate number and the trade name or title in the authorization certificate in all kinds of jewelry advertisements.

c) has to act in accordance with commercial customs and traditions, and cannot give misleading information.

d) cannot engage in unfair and unlawful behavior and commercial practices.

With the enactment of the Regulation, products that do not have the quality of jewelry will not be available and cannot be sold in jewelry enterprises. Thus, unfair competition in the sector will be prevented.

3

Inspection

A Jewelry Trade Information System will be established by the Ministry in order to ensure the monitoring and control of the jewelry trade. The issuance, renewal and cancellation of the authorization certificate will be carried out through this system.

The Ministry is authorized to inspect the implementation of the Regulation and also inspect the complaints arising in practice. The Ministry can also use its authority through provincial trade directorates.

In case of violation of principles and rules brought by the Regulation, administrative sanctions are applicable to jewelry enterprises.

Conclusion

With the enactment of the Regulation, it is expected that qualified human resources as well as service quality and consumer satisfaction in jewelry profession will be increased and jewelry trade will be performed in a safer environment for consumers.

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