



# TURKISH MINING LAW

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## Legal Framework

- Mining Law
- Regulation on the Implementation of Mining Law
- Other Legislations Related to Mining
  - Labor Law
  - Environmental Law
  - Occupational Health and Safety Law

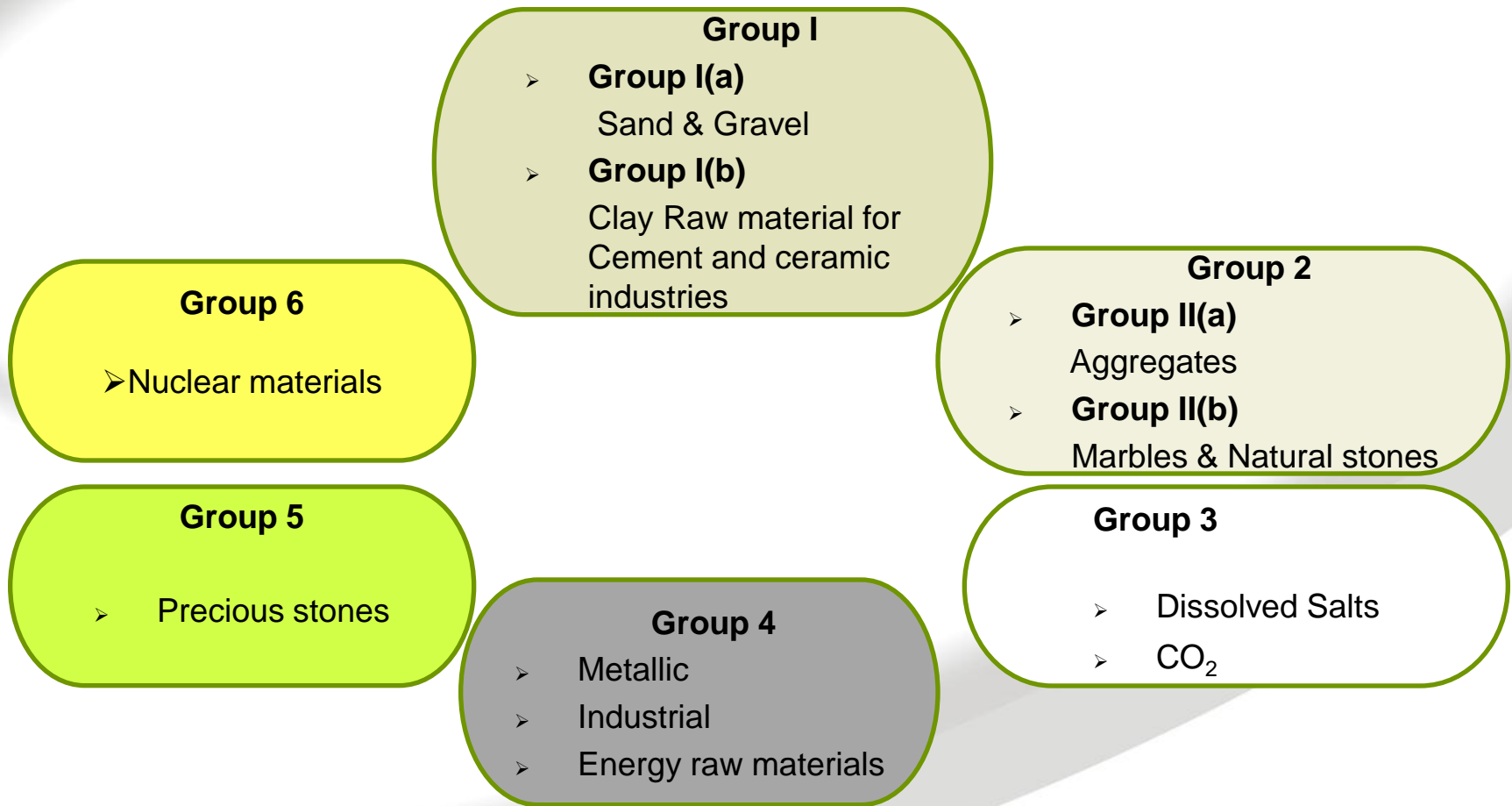
## Key Features of the Turkish Mining Law

- According to the Turkish Mining Law, minerals are under the ownership and sovereignty of the state and are not considered to be the property of the landowner who finds them, apart from sand and gravel.
- Licenses are
  - Granted for a defined period of time
  - Transferable but not divisible

# Mining Rights

- Mining rights are granted to Turkish citizens that are qualified to enjoy civil rights, companies that are legal entities established in accordance with the laws of the Republic of Turkey and may conduct mining activities as part of their operations defined in their articles of incorporation.
- The law guarantees equal treatment to all investors without differentiating between local and international investors.

# Classification of Minerals in Six Groups According to Mining Law



# Application and Licensing for Mining

- Mining licenses are granted to anywhere as long as they are deemed suitable by the relevant institutions.
- Different licenses may be granted for different mines located in the same area.
- Mining licenses are evaluated according to the type of groups.
- Mining licenses are granted based on the priority of the applications.

# First Application and Licensing for Mining

License Application

General Directorate of  
Mining Affairs (MİGEM)

Application for the operation or exploration should be completed in two months following the initial license application.

*For group I(b) and II(a)*

Operating license

*For other groups*

Exploration license



# Type of Licenses in Mining

## Exploration License

### Pre-exploration Period

The operator has to complete exploration activities stated in the exploration project within a year

### General Exploration Period

The operator has to prepare a detailed report about the mineral resources till the end of the exploration period

### Detailed Exploration Period

The operator has to give detailed information about proven mineral reserves every year

# Type of Licenses in Mining

## Operating Licenses

Until the end of the exploration license term, the license holder shall apply for the operation license with the exploration activity report including the reserve information of the detected minerals and the restoration plan of the mining area.

Areas with exploration license shall be granted an operation license over the proved, probable and possible reserve area detected during the exploration term, and operating permit shall be granted for the temporary facility area and proved reserve area.

# Type of Licenses in Mining

## **Operating Licenses** (cont.)

The term of the operating license may be extended, if the proven reserve is still available.

The licenses that do not involve in production activities for more than three years within a time frame of five years, except for force majeure reasons and unexpected cases, are cancelled.

LICENCE GROUPS		LICENCE PERIOD (Year)	LICENSE AREA (Hectare)
I.Group	a Group*	Operating-5 year	10
	b Group*	Operating-10 year	50
II.Group	a Group*	Operating-10 year	100
	b Group	1 1 Year-Exploration Operating-10 year	100
III.Group		1 1 Year-Exploration Operating-10 year	500
IV.Group		1 2 4 Year-Exploration Operating-10 year	2.000
V.Group		1 1 Year-Exploration Operatin-5 year	1.000
VI.Group		1 2 4 Year-Exploration Operating-10 year	5.000
In sea, III,IV and VI Groups		1 2 4 Year-Exploration Operating-10 year	50.000

\*Operating licence is granted directly

# Permissions for Mining Activities

Permissions must be taken before the beginning of the mineral production. These permissions are shown below:

**Operating License requires basically following permissions**

## Environmental Impact Assessment ( EIA)

The EIA regulation requires that an EIA report shall be prepared and submitted to the Ministry of Environment and Urbanization for the process of operational permissions.

## Certificate to Start Business

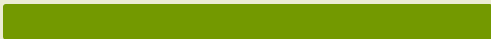

The certificate is an essential document for starting mining activities and mineral production.

## Land Access

The operator should get permission from the landowner.

# Taxation and Royalty for Mining

- Mining operators have to pay income tax like the other sectors.
- Royalty is collected based on the annual total sales of raw ore.
- Royalty share:

<b>Royalty share</b>	
<b>%4</b> 	<b>%2</b> 
<ul style="list-style-type: none"><li>➤ Group I</li><li>➤ Group II(a)</li><li>➤ Group III</li><li>➤ Group V</li><li>➤ Group VI</li></ul> <p>*Gold, Silver, Platinum</p>	<ul style="list-style-type: none"><li>➤ Group II(b)</li><li>➤ Group IV</li></ul>
If the mining area is located on a forest or owned by public, the operator has to pay 30% more royalty.	

# Incentives for the Mining Sector

- If the mining operators create additional added-value by processing minerals in the country, they pay 50% less royalty.
- If the production takes place underground, the mine operator pays 50% less royalty.
- The Value Added Tax (VAT) is collected on all minerals except gold, silver and platinum exploration expenditures.
- In addition, there are certain incentives for mining investments, commonly defined by the Cabinet Decree.

# Thanks For Your Attention

General Directorate of Mining Affairs

