

Circular

Istanbul, 27 September 2017

Circular No: 100

Subject: VAT withholding rate applicable on construction work, engineering-architecture and project study services increased.

Through the General Communique series no.14 published in the Official Gazette dated 27 September 2017, the following amendment on the VAT General Implementation Communique has been announced: "The rate of withholding that should be handled by purchasers for the construction work performed for specified purchasers and engineering-architecture and project study services performed together has been increased to 3/10 from 2/10.

The Communique will be enacted as of 1 October 2017.

Our explanations provided above include general information on the issue. No responsibility can be claimed against EY and Kuzey YMM ve Bağımsız Denetim A.Ş. due to the implications arising from the context of this document or emerging with respect to its context.

Best Regards,

KUZEY YMM VE BAĞIMSIZ DENETİM A.Ş.