

Circular

Istanbul, 27 January 2017

Circular No: 11

Subject: *Payment period of installments for debts restructured under the Law no.6736 extended 4 months through the Law no.6770.*

Through the Article 26 of the Law no.6770 published in the Official Gazette dated 27 January 2017, the payment period of installments for taxpayers having applied for debt restructuring within the scope of the Law no.6736 has been extended and new rights provided below are entitled to the taxpayers having failed to pay installments:

- Taxpayers violating the Law terms by not paying up for the required amounts on time as of 27 January 2017 despite having applied for restructuring within the scope of the Law no.6736 will regain rights to benefit from the Law terms in case they pay those amounts until the end of May/2017. However, they will be subject to a late fee at a rate of 1.4 % monthly covering the period between the payment date and 27 January 2017.

- Payment dates for the installments to be disbursed dating from January 2017 within the scope of Law no.6736, have been extended for 4 months each and interest-free as of the due date of normal installments.

- Half of the difference resulting from domestic PPI (Yİ-ÜFE) will be wiped off provided that the whole receivables restructured with preferring advance or installment options are paid until the end of May 2017 covering the period between the payment date and 27 January 2017 with a late fee. Also, in calculation of the amount to be paid, coefficient differences reached within the context of installment payments will not be taken into account.

- As well as preferring the advance payment option for restructured debt, taxpayers losing the right of benefitting since having failed to pay on time will be enjoying those rights by submitting a written application to the related administration.

Debts of these taxpayers will be re-calculated through applying a coefficient depending on the number of installments they demand. The amount reached by that way should be paid till the end of May 2017 together with a late fee concerning the installments to be paid until 27 January 2017. Other installments that should be paid in 2017 and years following could be paid by delaying 4 months.

The aforementioned provisions have been enacted as of the promulgation date of the Law no.6770.

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.