

Circular

Istanbul, 10 February 2017

Circular No: 21

Subject: *Income tax withholding incentive for employers launched concerning the new hired insured up to the end of 2017 through the Legislative Decree no.687.*

Income tax withholding incentive for employers has been launched applicable for each new hired insured people until 31.12.2017 through the Legislative Decree no.687 published in the Official Gazette dated 9 February 2017.

Pertaining to that, employees hired within the private sector as of 1 February 2017 are required to be;

- among unemployed registered to the Turkish Unemployment Agency,*
- out of the insured registered in the monthly premium and service documents submitted to the Social Security Institution concerning the three months before the date they're hired,*
- included in the number of insured within the monthly premium and service documents for December 2016.*

To be implemented as of being hired until 31 December 2017 for the insured people recently employed under the conditions provided above, the portion of income tax calculated over the amount of their wages per gross minimum wage implemented in 2017 (1.777,50 TL) corresponding to number of days with premium payment, after applying minimum living allowance will be cancelled from the tax accrued on the withholding tax return to be submitted.

The portion of stamp duty concerning the documents drafted for wage payments handled within the scope of this article corresponding the number of days with premium payment for monthly gross minimum wage will not be declared and paid either.

The Legislative Decree no.687 has been enacted as of its date of promulgation.

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.