

Circular

Istanbul, 20 February 2017

Circular No: 30

Subject: *Certain amendments announced on implementation of refunds for transactions subject to reduced rate.*

Amendments provided below on the section of VAT General Implementation Communiqué arranging refund implementation on transactions subject to reduced rate have been announced through the General Communiqué series no. 11 published in the Official Gazette dated 15 February 2017.

- Topics of “curtain and luminaire” has been added to the expenditures that could not be included in refund accounts on residential deliveries subject to reduced rate. On the other hand, VAT incurred concerning the equipment as combi boiler, glass balcony, shower tray and cabin, bath-tub, kitchen closet, sink, tap mixer, shower head and panel radiators used in the construction of houses under 150 square meters area could be included in the refund account.

- Deduction claims of not more than 5.000 TL as of the taxation periods will be met regardless of requiring tax inspection reports and collaterals.

- VAT refund receivables arising from transactions subject to reduced rate could be entered in on account for the taxpayers’ debt regarding public utility services received from organized industrial sites such as power, water, natural gas, web connection, infrastructure contribution shares and other dues.

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.