

Circular

Istanbul, 26 February 2018

Circular No: 30

Subject: Opportunity of deferral and installment introduced for the overdue debts of compliant taxpayers with significant financial difficulty.

Summary: A new opportunity of deferral and installment has been introduced for the overdue debts of compliant taxpayers with significant financial difficulty through the Council of Ministers Decision no. 2018/11284 published in the Official Gazette dated 24 February 2018. The Decision contains requirements to be considered during the detection of taxpayers willing to benefit from this opportunity.

-The debtors that are income or corporate taxpayers regarding their commercial, agricultural or occupational activities and proved to be in significant financial difficulty would be able to benefit from this opportunity of deferral and installment.

-The aforementioned requirements considered during the detection of the taxpayer's financial state are provided below;

- . a cash ratio of 0,1 or lower,
- . a liquidity ratio of 0,7 or lower and
- . a leverage ratio of 0,7 or higher

and in the circumstance that those requirements exist together, that taxpayer will be deemed as significantly in difficulty.

-This Decision has been enacted as of its publication date to be applied on the receivables due starting from 1 January 2018.

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.