

Circular

Istanbul, 17 May 2018

Circular No: 56

Subject: Council of Ministers Decision published imposing reduction on SCT at the same degree with the price increase on gasoline, diesel oil and autogas.

Pertaining to the Council of Ministers Decision no.2018/11818, published in the Official Gazette dated 17 May 2018 and enacted as of the same date, special consumption tax (SCT) reduction will be applied at the same degree with the price increase on the goods (such as gasoline, diesel oil and autogas) indicated in the attachment of the Decision.

Accordingly, as of 17 May 2018, in the circumstance of an increase on the aforementioned goods' domestic refinery exit prices based on fuel dealer sales prices disclosed by the Energy Market Regulatory Board (EPDK), SCT rate on those goods will be applied by being decreased at the actual increase amount in case of an increase due to international oil prices or exchange rates.

On the situation that a decrease occurs due to international oil prices or exchange rates, the SCT amounts applicable on the aforementioned goods will be implemented not to exceed the SCT amounts applied on 17 May 2018.

If the goods indicated in the attachment of the Decision are obtained through imports, SCT amounts will be determined on the basis of the change amounts identified above.

The SCT amounts of the goods without a domestic refinery exit price as of 17 May 2018 despite being indicated among the goods within the attachment of the Decision will be determined as predicated upon the base prices set by the EPDK.

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.