

Circular

Istanbul, 25 May 2018

Circular No: 65

Subject: Statements issued on the valuation procedure applicable for the taxpayers consistently dealing with commodity demolition.

Through the Article 10 of the Law no.7103 effective from 27 March 2018, article 278/A containing the latest regulations on the valuation of goods to be demolished was added to follow the Article 278 titled as "Depreciating goods" within the Tax Procedures Law.

Pursuant to that, the taxpayers that are consistently dealing with commodity demolition resulting from deterioration, decay or expiration of best before date, will be able to make valuation in line with the method and demolition rate to be determined by the Ministry of Finance without a requirement for assessment commission decision.

In case the applications of taxpayers resorting to the Ministry of Finance to benefit from this implementation are considered appropriate, imputed price of the commodity would be considered as 0 (zero) provided that it should not exceed the rate determined by the Ministry of Finance.

Through the Tax Procedures Law General Communique series no.496 published in the Official Gazette dated 25 May 2018, within the scope of the Law's Article 278/A, statements have been issued on the valuation procedure applicable for the taxpayers that are consistently dealing with commodity demolition resulting from deterioration, decay or expiration of best before date.

The concerning Communique enacted as of 25 May 2018 and its annexes are provided within the attachment of our circular.

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.