

## Circular

**Istanbul, 25 May 2018**

**Circular No: 66**

**Subject: Depreciation to be applied on new machinery and equipment used in manufacturing industry or R&D activities is disclosed.**

Pursuant to the Article 30 added to the Tax Procedures Law (VUK) through the Article 16 of the Law no.7103, to be effective from 1 May 2018;

- By the taxpayers with an industry registry certificate as per the Industrial Registry Law no.6948 or
- Regarding the taxpayers dealing with activities under the Law no.6550 for Supporting Research Infrastructure, Law no.5746 for Supports to Research, Development and Design Activities and the Law no.4691 for Technological Development Sites; the depreciation rates and periods for new machinery and equipment acquired by the taxpayers until the end of calendar year 2019 exclusively to be used in R&D, innovation and design activities and new machinery and equipment acquired until the same date within the context of investment incentive certificate can be calculated by taking the half of their useful life into consideration.

Through the VUK General Communique series no.497 published in the Official Gazette dated 25 May 2018, statements have been issued concerning the procedure and principles for the implementation such as the topics provided below;

- Taxpayers that are able to benefit from the implementation indicated in the article above
- Machinery-equipment within the scope
- Calculation of depreciation rates and period within the scope of implementation.

The Communique enacted as of 25 May 2018 is 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.**