

**Circular**

**Istanbul, 4 January 2018**

**Circular No: 8**

**Subject: Amendments announced on price ranges used in calculation of SCT rates of passenger cars, cigarette rolling papers and tobacco fund amount.**

- Through the Council of Ministers Decision no. 2017/11176 published in the Official Gazette dated 1 January 2018, amendments below have been announced on price ranges used in calculation of SCT rates of passenger cars, cigarette rolling papers and tobacco fund amount:

- SCT rate on the product classified as "Others (cigarette rolling papers)" on the (B) column of the list no (III) attached to the SCT Law with HS Code 4813.10.00.80.00 has been reduced to zero while the minimum fixed tax amount is set as TL 0,0500.

- The Council of Ministers reset the tax rates on products in the "Others" section under the HS Code 87.03 (passenger cars) and announced diversification in line with the prices of those products. Through the Council of Ministers Decision no. 2017/11176, price ranges used in calculation of SCT rates of certain passenger cars have been changed.

- Tobacco fund amount of USD 300 taken per tonnes over CIF cost on the imported tobacco used in domestic blended cigarettes and the imported tobacco is lowered to USD 150.

- Fixed SCT amounts of the products (cigarettes, cigars, tobacco and tobacco products) within the (B) column of the list no (III) attached to the SCT Law will not be subject to an inflationary increase for the Jan-Jun period of 2018.

The aforementioned Council of Ministers Decision has been enacted as of 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.