

Circular

20 February 2024

Circular No: 24

Subject: Circular including explanations regarding inflation adjustment has been published.

Inflation adjustment in accordance with paragraph (A) of repeating Article 298 of the Tax Procedure Law is briefly defined as the process of calculating the historical values of non-monetary assets in the balance sheet (the amount to be taken as basis for adjustment) in terms of purchasing power at the date of the balance sheet by multiplying them with the adjustment coefficient.

Average commercial credit interest rates to be used in inflation adjustment transactions of balance sheet of 2023 Accounting Period end are determined in Circular numbered 165 published on website of Turkish Revenue Administration (TRA) on February 20, 2024 and explanations are also made through making sample calculations regarding certain issues towards inflation adjustment applications.

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.