

Circular

Istanbul, 2 January 2017

Circular No: 2

Subject: Amendments announced on Corporate Tax General Communique series no.1.

Certain amendments have been made over the Corporate Tax General Communique series no.1 through the Communique series no.11 published in the Official Gazette (3rd repeating) dated 31 December 2016.

- Exemption implementation in regional management centers (CTL, article 4/1-ö)
- Exemption implementation for the incomes acquired through operating educational facilities, nurseries, day care and rehabilitation centers (CTL, article 5/1-ı),
- Exemption implementation on industrial property rights (CTL, article 5/b),
- Exemption implementation on the income acquired through sale and lease back transactions (CTL, article 5/1-j),
- Exemption implementation on income acquired through the sale of all sorts of assets and rights aimed at lease certificate issue (CTL, article 5/1-k),
- Deductions for Research & Development (CTL, article 10/1-a)
- Deduction implementation on services supplied to entities and corporations resident abroad (10/1-ğ),
- Reduced corporate tax implementation (CTL, article 32/A)

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.