

Circular

Istanbul, 5 July 2017

Circular No: 83

Subject: Motion for stay of execution over mobile phone tax label fee and assessment on the regulation arranged through the Law no.7033.

Council of State's 10th Department has delivered a verdict on stay of execution for sub-clauses (a) and (b) within 7th clause on the list titled as "Devices subject to tax label fee and rates of fees" attached to the Council of Ministers Decision no. 2016/8972 forming a basis for applying a tax label fee over mobile phones, through its decision no. E.2016/12690 dated 10.02.2017.

On the other side, through the Law no.7033 published in the Official Gazette dated 1 July 2017 and enacted as of the same date, mobile phones have been added to the list of devices subject to tax label fee and an arrangement has been made requiring the payment of a one-off fee calculated at 6 % over VAT base to the Radio and Television Authority of Turkey. If this arrangement and Council of State's verdict on stay of execution are assessed together;

- Following 01.07.2017, pursuant to the Law no.7033, a tax label fee will be calculated at 6 % over VAT base.

- Between 10.02.2017-01.07.2017, within the context of Council of State's 10th Department's verdict on stay of execution dated 10.02.2017, a tax label fee has to be calculated for mobile phones throughout the indicated dates; refund for those tax label fees paid concerning that period could be demanded from the TRT.

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.