

Circular

Istanbul, 19 December 2018

Circular No: 122

Subject: VAT rate on the sale of newspapers, magazines, electronic books and similar publications in electronic environment increases to 18% in the new year.

The list no (I) attached to the VAT Law contains goods and services subject to a VAT rate of 1 % and the list no (II) contains goods and services subject to a VAT rate of 8 %. Other goods and services that do not exist within these lists are subject to a standard VAT rate of 18 %.

Pursuant to the regulation within the 8th line of list no (I), electronic sale of newspapers and magazines are subject to a VAT rate of 1 %.

The 14th line within the list (II) titled as “B) Other goods and services” contains a provision indicating that the sale of electronic books (e-book) and similar publications in electronic environment are subject to a VAT rate of 8 %.

Through the Presidential Decision no.475 published in the Official Gazette dated 19 December 2018, the VAT rate for transactions indicated above has been identified as 18 %. The Decision will be effective as of 1 January 2019.

Accordingly, as of 1 January 2019, a VAT rate of 18 % will be calculated on the sale of newspapers, magazines, electronic books and similar publications in electronic environment.

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.