

Circular

Istanbul, 7 February 2019

Circular No: 25

Subject: Taxpayers subject to revenue-based taxation as of 1 March and the tax rate identified.

Summary: Revenue-based taxation was introduced for the small-sized taxpayers through the Law no.7104 published in the Official Gazette dated 6 April 2018.

The sector that will be subject to revenue-based taxation and tax rate within the scope of the VAT Law have been identified by the Presidential Decision no.718 published in the Official Gazette dated 7 Feb 2019.

Accordingly, operators running bus companies that lease the public transport lines licensed by the municipalities, supplying that service in the circumstance that the public transport service is provided through ways of service procurement and acquiring their whole income through electronic fee collection systems will be able to prefer, exclusively within the borders of province, the revenue-based taxation method for their activities of public transport with bus (at least 18 seats including the driver).

The tax rate for these taxpayers to apply on their revenue has been identified as 1.5 %.

The Decision will be enacted as of 1 March 2019.

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.