

Circular

Istanbul, 28 February 2019

Circular No: 35

Subject: SCT rates on some sorts of fur, initial filling oils and fuel used in exported motor vehicles set as zero.

Special consumption tax (SCT) amount on initial filling oils and fuel used in exported motor vehicles and SCT rates on certain goods (fur) existing in the list no (IV) attached to the Law have been set through the Presidential Decision no.796 published in the Official Gazette dated 28 Feb 2019. Tax amount on initial filling oils and fuel will apply as zero provided that they are used in the manufacturing process of the exported goods under HS Code 8701.20, 87.02, 87.03, 87.04 and 87.11.

However, the amount of the fuel to be subject to zero SCT for the number of each exported goods produced will not exceed 7 litres in the goods under HS Code 87.03, 2 litres in goods under HS Code 87.11 and 15 litres in other goods. This provision will be enacted as of 1 March 2019.

Also, through the aforementioned Decision, list (IV) attached to the SCT Law has been amended and SCT rates on the goods under HS Code 43, 43.01 and 43.02 (furs and imitation furs, their products, raw furs, quilted or finished furs) have been redefined. This provision has been enacted as of 28 Feb 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.