

## Circular

Istanbul, 2 May 2019

### Circular No: 54

**Subject: VAT rates on construction work for Darülaceze and types of curtains; SCT rates on cigarette and mobile phones and amounts subject to deduction for car scrap have been redefined.**

Through the Presidential Decision no.1013 published in the Official Gazette dated 1May 2019;

- Adding the phrase of ‘construction work handled for the Presidency of Darulaceze’ into the 12th line of the list no(I) attached to the VAT Law, VAT rate on the relevant services has been set as 1 %.
- Through the term added into the fifth line of the section titled “B.Other Goods and Services” within the list no(II) attached to the VAT Law, VAT rate for curtains with mounting and motioning parts containing aluminum, plastic etc. material partially has been set as 8 %.
- Regarding the cars scrapped for further use and registration been deleted as of 27 March 2018 or exported directly or through exporters, the amounts to be cancelled from the accrued SCT in the first acquisition of the similar type of car (passenger cars and land vehicles with engine capacity under 1.600 cm3 within HS Code 87.03) are identified as follows:

New car’s special consumption tax base	SCT amount to be cancelled
Tax base not exceeding TL <b>70.000</b>	TL 10.000
Tax base between TL <b>70.000 - 120.000</b>	TL 8.000
Tax base over TL <b>120.000</b>	TL 3.000

-SCT base that is basis to SCT rates and SCT rates for the goods defined as “cellular wireless phone devices with receiver under HS Code 8517.12.00.00.11 including the mobile phones have been set as below:

Good	Tax rate
<b>Cellular wireless phone devices with receiver</b>	
- with SCT base up to TL 640	%25
- with SCT base between TL 640 – TL 1.500	%40
- Others	%50

- SCT rates for certain goods (cigarette and tobacco products) existing under B column of the list no (III) attached to the SCT Law has been redefined as 67 %, minimum fixed SCT amount is redefined as TL 0,2679.

Presidential Decision no.1013 has been enacted as of 1 May 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.