

Circular

Istanbul, 15 May 2019

Circular No: 56

Subject: BITT (banking and insurance transaction tax) to be calculated over the sales amount in foreign exchange transactions set as 1 per thousand.

Through the Presidential Decision no.1106 published in the Official Gazette dated 15 May 2019, BITT rate (foreign exchange tax) changes concerning the foreign exchange sale transactions have been announced. Accordingly, the BITT rate to be calculated over the sales amount in the transactions indicated below has been set as 0 (zero) per thousand;

-foreign exchange sales of banks and authorized institutions to each other or among each other,

-foreign exchange sales to the Treasury and Finance Ministry,

-regarding the payment of the foreign currency loans, foreign exchange sales by the bank extending the loan itself or mediating for it to the debtor.

The BITT rate to be calculated over the sales amount in the transactions other than the ones indicated above has been set as 1 per thousand.

Presidential Decision no.1106 containing these amendments has been enacted as of its publication date (15 May 2019).

The aforementioned rate was applied as 0 (zero) per thousand since 1 May 2008 for all foreign exchange transactions.

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.