

Circular

İstanbul, 17 June 2019

Circular No: 59

Subject: Amounts subject to SCT deduction for car scrap redefined.

The temporary Article 1 within the Law no.7103 published in the Official Gazette dated 27 March 2018 contains a provision regarding the cars scrapped for further use and registration deleted as of 27 March 2018 or exported directly or through exporters, that a certain amount not to exceed TL 10,000 will be cancelled from the accrued SCT in the first acquisition of the similar type of a new car (passenger cars and land vehicles with engine capacity under 1.600 cm³ within HS Code 87.03). That provision will be applicable until 31 Dec 2019.

The SCT amounts to be cancelled within the context of this article have been redefined as indicated below through the Presidential Decision no.1148 published in the Official Gazette dated 15 June 2019.

- For passenger cars and land vehicles with engine capacity under 1.600 cm³ within HS Code 87.03 existing in the list no (II) attached to the SCT Law;

New car's special consumption tax base	SCT amount to be cancelled
Tax base not exceeding TL 70.000	TL 15.000
Tax base between TL 70.000 - 120.000	TL 12.000
Tax base over TL 120.000	TL 0

- SCT amount to be cancelled for the other vehicle types (HS Code 8701.20, 87.02, 87.04) will be applied as TL 15,000.

The Presidential Decision has been enacted as of 15 June 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.