

Circular

Istanbul, 3 December 2019

Circular No: 97

Subject: Announcement made on the implementation of Income Tax Law article titled “Revenue based income detection”.

Through the Article 1 of the Law no.7186 published in the Official Gazette dated 19 July 2019, Article 113 titled “Revenue based income detection” had been added into the Income Tax Law.

Accordingly, for the taxpayers engaged in domestic passenger transport and obtained all of the proceeds arising from these activities through electronic fare collection systems, 10% of their gross revenue from these activities will be considered as taxable income upon their request.

As per the VAT Law, taxpayers subject to revenue based taxation will also be able to consider the 10 % of the amount including VAT as taxable income.

Pertaining to this provision enacted as of 1 August 2019, it is not possible for the taxpayers covered by the revenue based income to deviate from this procedure unless 2 years have passed.

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.