

Circular

Istanbul, 12 February 2020

Circular No: 24

Subject: All donations made to earthquake victims in Elazig through AFAD may be deducted from the declared income.

Corporate Tax Law's Article 10 (sub-clause (e) within the 1st paragraph) contains regulation indicating that all in-kind and cash donations made against receipt to aid campaigns initiated by the President can be deducted from the corporate income

The same provision is also included in Article 89 of the Income Tax Law titled "Other Discounts" to be valid for the taxpayers filing income tax returns.

Through the Presidential Decision no.2093 published in the Official Gazette dated 12 February 2020, it was decided to initiate a humanitarian aid campaign for the disaster victims suffering from the earthquake in Elazig. The Disaster and Emergency Management Authority (AFAD) has been assigned to coordinate the humanitarian aid campaign.

AFAD has published an announcement on its website that includes the necessary SMS and account numbers for those intending to provide cash support.

All of the cash donations to be made through these accounts can be deducted from the declared income provided that they are separately shown in both the advance tax and the income and corporate tax returns within the scope of the regulations in the Article 10 of the Corporate Tax Law and the Article 89 of the Income Tax Law.

In accordance with the KVK Communique series no.1, it is possible to document the concerning cash donations with a bank receipt.

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.