

Circular

Istanbul, 26 March 2020

Circular No: 44

Subject: Law no.7226 containing regulations on taxation of the BES contributions to be paid in foreign currency and accommodation tax published in the Official Gazette.

Amendments to the tax legislation made through the Law no.7226 published in the repetitive Official Gazette dated 26 March 2020 are presented to your attention below:

-Enforcement of the accommodation tax which is expected to take effect on 1 April 2020 has been postponed to 1 January 2021.

-The facility to pay in foreign currency has been introduced for citizens of the Republic of Turkey without a legal settlement in Turkey and for persons covered by Article 28 of the Turkish Citizenship Law no.5901 through the provision added to the Private Pension Savings and Investment System Law no.4632.

- Within the scope of the provision added to the Article 75 of the Income Tax Law, the exchange difference will not be taken into account in determining the amount of the incomes obtained from the pension investment funds established in foreign currency, in which the contribution payments made in foreign currency are deposited.

-The above regulations of the Law no.7226 have been enacted on the date of publication (26 March 2020).

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.