

Circular

Istanbul, 27 May 2020

Circular No: 69

Subject: Communique containing explanation on the amendments to Income Tax Law made with the Law no.7194 published.

Through the Income Tax General Communique series no.311 published in the Official Gazette dated 27 May 2020, explanation has been made on the below amendments to the Income Tax Law made with the Law no.7194.

- Implementation of exemption in self-employment earnings,
- Implementation of exemption regarding the benefits provided by employers to the employee for commuting to the workplace,
- Implementation of exemption for payments to referees managing amateur sports competitions,
- Deducting the expenses and depreciations of passenger cars from the tax base,
- Taxation of wage income,
- Taxation of the attorney's fee as per the Execution and Bankruptcy Law and the Attorneys Law and the implementation of income tax withholding,
- Income tax tariff,
- Taxation of the wages and payments considered as wage paid to the athletes.

Additionally, the Communique also contains explanation on taxation when the securities and subsidiary shares acquired with foreign currency brought to Turkey by the taxpayers (including corporates) are disposed. The Communique is enacted as of its publication date.

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.