

Circular

Istanbul, 1 August 2020

Circular No: 84

Subject: VAT rate reduced to 8% and 1% in some services to be effective until the end of 2020.

Through the Presidential Decision no.2812 published in the Official Gazette dated 31 July 2020; the value added tax (VAT) rate has been reduced to 8% in some services and 1% in others to be implemented until 31 December 2020 (including this date).

Some of the services that will be subject to 8% VAT until 31 December 2020 are workplace rental services, congress, conference, seminar, concert, exhibition and amusement park entrance fees, organization services in weddings, civil marriage ceremonies, ball rooms and cocktail halls, barber and hairdressing services, services provided in beauty centers, repair and maintenance of the equipment generally used at home and personally.

The VAT rate on entrance fees indicated in the 16th line within section "B) Other Goods and Services" of the list no.II attached to the VAT Law; food and beverage services in the 24th line and accommodation services in line 25 will be applied as 1% until 31 December 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.