

Circular

Istanbul, 2 September 2020

Circular No: 91

Subject: Amendments to the "General Communique on Disguised Profit Distribution through Transfer Pricing".

Both the developments within the context of Base Erosion and Profit Shifting (BEPS) project of the Organization for Economic Cooperation and Development (OECD), the action plans prepared in this regard and the need to introduce new regulations in line with the increase of economic activities has been covering a huge area within the Revenue Administration's agenda in Turkey recently.

In line with these developments, Turkey's existing transfer pricing legislation has been reviewed and new regulations were proposed as a result of the assessments and some of them have been implemented.

Through the Presidential Decision no.2151 published in the Official Gazette dated 25 February 2020, certain amendments were made to the Decision on Disguised Profit Distribution through Transfer Pricing. The Transfer Pricing Communique series no.4 explaining the details of the matter is published in the Official Gazette dated 1 September 2020.

The new liabilities introduced by the Communique, additions, changes, arrangements and corrections in the text are available in this circular.

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.