

Circular

Istanbul, 29 September 2020

Circular No: 95

Subject: Impact of the Draft Law on the Approval of the Multilateral Convention (MLI) on Double Taxation Treaties, especially the DTT with the Netherlands.

The text of the Multilateral Convention to modify certain provisions of the existing Double Taxation Treaties ("DTT") that Turkey is a party to has been presented to the Parliamentary Planning and Budgetary Commission with the Draft Law Regarding the Tax Laws for Prevention of Base Erosion and Profit Shifting and the Appropriateness of the Implementation of the Multilateral Convention Regarding the Implementation of Relevant Measures.

In the circumstance that the Draft Law is enacted as presented, provisions regarding the prevention of double taxation of the 22 Double Taxation Treaties, including the DTT with the Netherlands, which still includes the exemption method, will change and the credit method will replace the exemption method.

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.