

Circular

Istanbul, 30 September 2020

Circular No: 96

Subject: BITT rate calculated over the sales amount in foreign exchange transactions reduced to 2 per thousand.

The banking and insurance transactions tax (BITT) rate calculated over the sales amount in foreign exchange transactions has been reduced from 1 percent to 2 per thousand, through the Presidential Decision no.3031 published in the Official Gazette dated 30 September 2020.

However, regarding the foreign exchange sales indicated below, the BITT will continue to be applied as 0 (zero) percent:

- foreign exchange sales of banks and authorized institutions among each other or to each other,
- foreign exchange sales to the Ministry of Treasury and Finance,
- foreign exchange sales to the debtor by the bank from which the loan is used or intermediated in the use of foreign exchange loan,
- foreign exchange sales to enterprises holding an industrial registry certificate,
- foreign exchange sales to exporters who are members of Exporters Associations;
- foreign exchange sales to non-residents engaged in at least one of the activities accepted as financial institution activity as per the Banking Law.

The Presidential Decision no.3031 has been enacted as of its publication date (30 Sep 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.