

Circular

Istanbul, 27 October 2020

Circular No: 104

Subject: Assessment on taxes postponed due to force majeure and payable on October 27 within the context of the Draft Law on "debt restructuring".

The Draft Law Requiring Amendments to the Unemployment Insurance Law and Certain Laws submitted to the Grand National Assembly of Turkey (TBMM) on 16 October 2020 has been approved on 23 October 2020 following some inclusions/amendments at the Planning and Budgetary Commission.

Within the context of the provisions added at the Commission, restructuring of the public receivables, especially the finalized tax receivables is proposed.

Besides, statements were made about the taxpayers directly affected by the coronavirus (COVID-19) and measures taken in that context to benefit from the force majeure provisions stated in the General Communiqué, through the Tax Procedure Law (VUK) General Communiqué no.518. The deadline for the tax payments accrued on the March 2020 withholding and value added tax returns of the taxpayers benefiting from the force majeure provisions was set as 27 October 2020.

The Draft Law submitted to the Grand National Assembly of Turkey (TBMM) on 16 October 2020 and approved at the Planning and Budgetary Commission does not cover the concerning taxes with payment period delayed due to the announcement of force majeure, for restructuring.

Accordingly, taxpayers benefiting from the force majeure provisions are required to pay the taxes accrued on the VAT and withholding tax returns for the period of March 2020 on 27 October 2020 (today).

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.