

Circular

Istanbul, 30 October 2020

Circular No: 106

Subject: Provisions of the Draft Law approved by the Planning and Budgetary Commission regarding the restructuring of tax receivables.

Our explanation on the provisions of the Draft Law approved by the Planning and Budgetary Commission regarding the restructuring of tax receivables are as indicated below:

In case the payment of the primary obligation regarding the taxes unpaid despite due date arrived as of 31 August 2020 (including this date) and taxes with payment period has not yet passed and the amount to be calculated based on the domestic producer price index (D-PPI) monthly change rates is made; the collection of public receivables such as default interest and late payment charge, tax penalties imposed based on the primary amount and the entire late payment charges linked to these penalties will be abandoned.

Taxpayers demanding the restructuring of their tax debts within the scope of the law;

-are required to apply until 31 December 2020,

-are required to pay the first instalment of the amounts to be paid to the Ministry of Treasury and Finance until 31 January 2021, the other instalments in two-month periods following these dates in a maximum of eighteen equal instalments.

-should not file a lawsuit, to give up the existing lawsuits and not to apply for legal remedies.

The receivables restructured under the Law can be paid in advance or in instalments.

Provided that the advance payment is preferred and paid in full within the first instalment payment period, the coefficient is not calculated and the collection of 90% of the amounts to be calculated on the basis of D-PPI monthly rate change is waived.

If payment in instalments is preferred, one of the payment options in 6, 9, 12 or 18 equal instalments should be selected during the application. For the payments to be made in instalments, the identified amount is multiplied by the following coefficients and the instalment amount to be paid in two-month periods is calculated by dividing the reached amount to the number of instalments:

- (1,045) for 6 equal instalments,
- (1,083) for 9 equal instalments,
- (1,105) for 12 equal instalments,
- (1,15) for 18 equal instalments.

If the Draft passes into law with its existing form, the aforementioned provisions will be enacted on the date of publication.

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.