

Circular

Istanbul, 29 December 2020

Circular No: 129

Subject: Inflation deduction rate to be applied on certain income acquired in 2020 announced at 85,1 %.

The implementation of inflation deduction remains valid for the income from securities (coupon interest and amortization incomes) derived by individual investors in 2020 through;

- Treasury bills and government bonds
- Securities issued by the Housing Development Administration and Privatization Administration
- Private sector bonds

which were issued prior to 1 January 2006 in Turkish Liras.

Inflation deduction rate applied on the declaration of securities income indicated above derived in 2020 is announced as 85,1 %.

The discount rate is not applied in the declaration of security incomes obtained from securities which are indexed to foreign exchange, gold or another value and those issued in foreign currency.

The indicated deduction rate has been announced through the Income Tax General Communique series no.313 published in the repetitive Official Gazette dated 29 December 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.