

Circular

Istanbul, 4 February 2021

Circular No: 14

Subject: Financing expense restriction rate set as 10%.

To be applied on earnings for the taxation period starting from 1 January 2021, in companies with foreign resources used exceeding their equity, 10% of the total of expenses and cost items under the names of interest, commission, late charge, dividend, exchange difference and similar related to foreign resources used in the enterprise excluding those added to the cost of the investment will not be considered as an expense in determining the commercial and corporate income, exclusively for the exceeding portion.

This implementation is not valid for credit institutions, financial institutions, financial leasing, factoring and financing companies.

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.