

## Circular

**Istanbul, 4 February 2021**

**Circular No: 15**

**Subject: Withholding rate for construction and repair works extending to years increased from 3% to 5%.**

Through the Presidential Decision no.3491 published in the Official Gazette dated 4 February 2021; the withholding tax rate on payments made for construction and repair works extending to more than one calendar year has been increased from 3% to 5% pursuant to the Article 94 of the Income Tax Law and articles 15 and 30 of the Corporate Tax Law.

These rates will apply on payments made in cash or on account including advances as of 1 March 2021.

*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.**