

## Circular

**Istanbul, 8 February 2021**

**Circular No: 16**

**Subject: The 85% rate in the temporary Article 3 of Free Zones Law decided to be applied as 80% in 2020.**

The temporary Article 3 of the Free Zones Law no. 3218 contains a regulation indicating that, the income tax calculated after applying the minimum living allowance over the wages paid to the staff employed by the taxpayers exporting at least 85% of the FOB price of the products produced in free zones abroad will be cancelled by deducting from the tax accrued on the withholding tax return.

It was decided to apply the 85% rate as 80% for 2020 through the Presidential Decision no. 3516 published in the Official Gazette dated 6 February 2021 and entered into force on the same day.

*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.**