

Circular

April 01, 2021

Circular No: 26

Subject: Reduced rate withholding applied to investment fund income except for foreign exchange funds and bond yields issued by banks is extended until May 31, 2021.

According to Presidency Decree No.3321 published on Official Gazette dated December 23, 2020, withholding rates, made on income and profits obtained from bonds and bills issued by banks and acquired between December 23, 2020 and March 31, 2021 and income and profits obtained from leasing certificates issued by asset leasing companies of which fund users are banks, had been reduced.

In this framework, 5%, 3% and 0% of withholding is applied based on income and profits obtained from bonds and bills and leasing certificates in question depending upon the maturity or keeping period of bonds and leasing certificates.

In accordance with the Presidency Decree no.3755 published on Official Gazette dated April 1, 2021, application period, which was March 31, 2021, of such rate reduction has been extended until **May 31**.

On the other hand, according to Presidency Decree no. 3321, withholding rate applicable based on income and profits obtained from investment funds (except for the investment funds including foreign exchange statement in its title and variable, mixed, Eurobond, foreign borrowing, hedge funds) acquired between December 23, 2020 – March 31, 2021 had been reduced to 0% (zero).

In accordance with Presidency Decree no. 3755, March 31, 2021 has been amended as May 31, 2021 and **application of zero rate withholding has been extended until May 31, 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.