

Circular No: 29

April 22, 2021

Subject: Law numbered 7316, including amendments in terms of Corporate tax rate and Law numbered 6183 and SCT Law has been published.

Law numbered 7316, including in certain tax laws primarily temporary rate increase for corporate tax has been published on Official Gazette dated April 22, 2021. Amendments made in the tax legislation by the abovementioned Law are called to your attention below:

- Corporate tax is increased to 25% and 23% for profit of companies in terms of 2021 and 2022 respectively. Such rates shall be applied for income of accounting period commencing within the related period for entities assigned special accounting periods.

The provision in question has entered into force applicable as of its publication date for income of entities commencing from the declarations which are required to be submitted as of July 1, 2021 and accounting periods starting as of January 1, 2021 (accounting period starting as of January 1, 2021 for entities assigned a special accounting period).

- Amendment made in Law numbered 6183 enables sales of seized securities on electronic environment.

- Sales of goods whose maintenance are hazardous or costly can be sold at appropriate locations or at its exchange market.

- A regulation is made towards receiving a guarantee corresponding to 5% of the value determined to securities from those participating the auction.

- It is possible to sell electronically the immovables seized.

- Delivery of goods (soda water with coke and certain beverages and alcoholic beverages, cigarette and tobacco and tobacco products) included in the list numbered (III) attached to Special Consumption Tax (SCT) to the commissioner or consignment enterprise shall be deemed as the case generating SCT.

The above provisions have entered into force as of the publication date of the Law (April 22, 2021) except for the regulation regarding corporate tax rate increase.

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.