

Circular

2 June 2021

Circular No: 44

Subject: Period of VAT rate reductions applied for certain services has been extended until July 31, 2021.

VAT rate to be applied for certain services had been reduced to 8% and 1% in order to be applicable until December 31, 2020 (including this date) according Presidency Decree numbered 2812 published on Official Gazette dated July 31, 2020. Afterwards, period of such application has been extended until May 31, 2021 according to Presidency Decree numbered 3318 (OG: 23.12.2021).

According to Presidency Decree numbered 4062 published on Official Gazette dated June 2, 2021, implementation period of such rate reductions has been **extended until July 31, 2021.**

In addition, accommodation services of which VAT rate was determined as 1% until June 30, 2021 in scope of Presidency Decree numbered 3931 (Line 25 of “B) Other Goods and Services” section of List numbered II attached to VAT Law) has been omitted from the list including services which shall be applied reduced rate of VAT until July 31, 2021.

List of services which have reduced rate of VAT applicable until July 31, 2021 is called to your attention attached to our circular.

Decree has entered into force as of its publication date applicable from June 1, 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.