

## Circular

2 June 2021

Circular No: 45

**Subject: Period of withholding rate reductions applied for immovable leasing has been extended until July 31, 2021.**

Withholding rate to be applied for the following payments has been reduced to 10% from 20% until December 31, 2020 according to Presidency Decree numbered 2813 (OG:31.07.2020):

- a) Payments made in return for leasing of goods and rights listed under article 70 of Income Tax Law,
- b) Rental payments made to foundations and associations in return for leasing of their immovables (except for fused foundations),
- c) Rental payments made to foreign jurisdictions, foreign public institutions and international organizations in return for leasing of immovables not having diplomatic status

And payments made in return for leasing of immovables belonging to cooperatives by institutions. Afterwards, according to Presidency Decree numbered 3318 (OG:23.12.2021), Period of such rate reduction had been extended until May 31, 2021.

According to Presidency Decree numbered 4063 published on Official Gazette dated June 2, 2021, implementation period of such rate reductions has been **extended until July 31, 2021.**

Decree has entered into force on its publication date to be applicable in terms of **payments made between June 1, 2021 and July 31, 2021 (including this date) and payments made related to aforementioned period.**

*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.