

Circular

9 June 2021

Circular No: 48

Subject: Provisions of Law numbered 7326 regarding “Restructuring of Tax Receivables” and “Transactions under Inspection”.

Law numbered 7326 has been published on Official Gazette dated June 9, 2021. Our summary explanations regarding provisions regarding restructuring of tax receivables and transactions in tax inspection/assessment phase which have entered into force on the publication date of the above Law are as follows:

1. Finalized receivables

Accessory public receivables such as default interest and late fee of unpaid taxes with a due payment term or taxes which are not paid with an overdue payment terms as of June 9, 2021 (including this date) shall be renounced provided that the amount which shall be calculated based on domestic PPI monthly fluctuation rates until the publication date of this Law are fully paid.

2. Not finalized or in litigation receivables

Collection of 50% of taxes/custom taxes, interest, late fee, default interest and tax penalties/administrative fines levied based on original tax and default interest associated to such penalties shall be renounced provided that the amount which shall be calculated based on domestic PPI monthly fluctuation rates until the publication date of this Law is fully paid instead of interest, late fee and default interest regarding this amount and 50% of taxes/customs taxes.

3. Transactions in inspection and assessment phase

Tax inspection and evaluation, assessment and accrual processes which are commenced before June 9, 2021 of this Law but not yet completed shall continue. Upon the completion of inspection %50 of taxes assessed, amount which shall be calculated based on domestic PPI monthly fluctuation rated until June 9, 2021 shall be renounced and complete amount of late interest which shall be calculated until the final day of bringing a lawsuit determined upon the submission of notification after this date and complete amount of remaining 50% of original tax, late interest applied to this amount until June 9, 2021, penalties associated with original tax shall be renounced provided that payment is made in the framework of provisions of the Law through making a written application within 30 days following the delivery date of the notification.

Taxpayers which are requesting to restructure their respective tax liabilities in scope of the Law are required to make an application until **August 31, 2021 except for the special application period mentioned under article 3 above.**

Receivables restructured in scope of the Law can be paid in cash or with installments except for the special payment periods mentioned under article 3 above. It is permitted to pay at maximum through **18 installments based on one installment payment in two months starting as of September 30, 2021 in case on requesting to make payments with installments.**

If it is requested to pay in cash, it is required to pay complete amount of such liabilities within the payment period of first installment (until September 30, 2021). In this case, 90% of Domestic PPI difference is also renounced. 50% of Domestic PPI difference is renounced in case whole structured amount is paid within the payment period of first two installments.

Our explanations provided above include general information on the issue. No responsibility can be claimed against EY and KuzeY YMM ve Bađımsız 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 BAĐIMSIZ DENETİM A.Ş.