

Circular

01 October 2021

Circular No: 84

Subject: Application period of reduced rate withholding applied in terms of investment fund income except for foreign currency funds and issued bond yields has been extended until Friday, December 31, 2021.

According to Presidency Decree numbered 3321 published on Official Gazette dated December 23, 2020, withholding rates to be applied in terms of income and revenues obtained from bonds and bills issued by banks and acquired between December 23, 2020 and March 31, 2021 and income and revenues obtained from lease certificates issued by asset leasing companies whose fund user is banks had been reduced. Afterwards, the period of this implementation was extended several times. In this framework, 5%, 3%, and 0% of withholding is made based on income and revenues obtained from such bills and bonds and lease certificates depending upon maturity or keeping period of bonds and lease certificates.

According to Presidency Decree numbered 4561 published on Official Gazette dated Friday, October 1, 2021, implementation period of such rate reductions has been **extended until Friday, December 31, 2021.**

On the other hand, according to Presidency Decree numbered 3321, withholding to be applied in terms of income and revenues obtained from investment funds acquired between December 23, 2020 and March 31, 2021 (except for variable, mixed, eurobond, external borrowing, foreign, hedge funds and investment funds having foreign currency statement on their title) has been reduced to 0% and period of such application has been extended several times as well.

According to Presidency Decree numbered 4561, implementation period of such rate reductions has been **extended until Friday, December 31, 2021.** In this context, **0% of withholding shall be applied based on income and revenues obtained from investment fund acquired until Friday, December 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.