

Circular

7 October 2021

Circular No: 90

Subject: Regulations of Bill of Law presented to Grand National Assembly of Turkey on October 1 including amendments on other tax laws.

The Bill submitted to the Speakers Office of the Grand National Assembly of Turkey on October 1, 2021 was discussed and accepted at the meetings of the Plan and Budget Committee on October 5 and 6, 2021. The next process is the discussion of the Commission Report in the General Assembly of the Grand National Assembly of Turkey.

The amendments envisaged to be made in the Stamp Duty Law, VAT Law, SCT Law and Banking Law with the said Proposal are summarized below:

- Investment monitoring and coordination departments (YIKOB) are included in the scope of the official department in the implementation of the Stamp Duty Law.
- Within the scope of Article 31/B of the Capital Markets Law, stamp duty exemption is introduced for the receipts and papers issued in relation to the collateral subject to this issuance, including the collateral manager.
- Papers issued between the relevant administration and the donors regarding the donations to be made to general and special budget administrations, special provincial administrations, investment monitoring and coordination departments, municipalities and villages are included in the stamp tax exemption.
- Delivery and services that are subject to income from social content production and application development for mobile devices, which are exempt from income tax, are included in the VAT exemption.
- Vehicles named ATV (All Terrain Vehicle) and UTV (Utility Task Vehicle) are taxed at the same rate (25%).
- A single taxable rate (45%) is determined for motor caravans that are taxed at different rates according to engine cylinder volume and special consumption tax base under 87.03 GTIP number.
- Stamp duty, fee and RUSF exemption applied to asset management companies during the calendar year they were established and the following five years are made permanent, and the BITT exemption granted to these companies is abolished.
- With a proposal submitted at the meeting of the Plan and Budget Commission on October 6, 2021; the effective date of the accommodation tax, which is expected to come into effect on January 1, 2022, has been changed to January 1, 2023.

The regulation on value added tax will come to effect to be applicable for income obtained as of January 1, 2022 while regulation on asset management companies shall enter into force on January 1, 2022 and other provisions shall enter into force on the date of publication.

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.