

Circular

29 October 2021

Circular No: 102

Subject: Revaluation rate with respect to 2021 is announced as 36,20%.

The method of determining the annual revaluation rate is included in the paragraph (B) of the repeated article 298 of the Tax Procedure Law, titled "Inflation Adjustment and Revaluation Rate". Accordingly, the revaluation rate is the average price increase rate in the domestic producer price index (D-PPI) in October of the year to be revaluated (including October) compared to the same period of the previous year. Pursuant to this provision, **the revaluation rate for 2021** has been announced as **36.20%** by the Ministry of Treasury and Finance.

Such rate is applicable in terms of below issues:

- Determining some fixed limits and amounts in tax laws to be applied in 2022,
- Within the scope of the provisional article 61 of the Income Tax Law, determining the amount that can be benefited in 2021 for the investment incentive exemption, which is entitled due to the investments made in relation to the investment incentive certificates issued based on the applications made before 24.04.2003 but cannot be deducted due to insufficient earnings in the relevant years,
- Determining the amount of the R&D deduction, which could not be deducted in the relevant taxation period due to insufficient earnings within the scope of Law No. 5746, to be benefited in 2021.

Serial No.533 General Communique on Tax Procedure Law announcing revaluation rate has been published on Official Gazette dated November 27, 2021. Such rate, announced by the Ministry, is also applicable for the last provisional tax period (January-December) of 2021 at the same time.

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.