

Circular

24 January 2022

Circular No: 13

Subject: Law numbered 7351 including guarantee practice in terms of corporate tax exemption, reduction of rate and tax refund lawsuits for fund incomes has been published.

Our explanations regarding the amendments made in the Corporate Tax Law and Administrative Procedures Law with the Law No. 7351 published in the Official Gazette dated 22 January 2021 are called to your attention below:

- Corporate tax shall be applied with a reduction of 1 point to income, gained exclusively from export, of companies carrying out exportation.
- Corporate tax shall be applied with a reduction of 1 point to income, gained exclusively from production activities, of companies having industrial registry certificate and actually carrying out production activities. The above reduction rate, applicable for exporter companies, shall not be additionally applied for the portion of such income corresponding to exportation.
- Income obtained from mutual funds, excluding funds with foreign currency assets and gold and other precious metals and other capital market instruments based on them, will be exempted from corporate tax.

These provisions will be applied to the taxpayers which are subject to the special accounting period from 1 January 2022, to the incomes obtained from the beginning of the special accounting period starting in the 2022 calendar year.

- A provision stating that a suspension of execution decision cannot be made without obtaining a guarantee of 50% of the amount subject to the lawsuit, in lawsuits filed regarding taxes requested to be refunded pursuant to tax laws has been added to Article 27 of the Administrative Procedures Law. It has entered into force on its publication date.

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.