

## Circular

16 May 2022

Circular No: 47

**Subject: Procedures and principles of revaluation practices, introduced through Law numbered 7338, have been established.**

With the Law No. 7338 published in the Official Gazette dated October 26, 2021; in periods when inflation adjustment conditions were not met, taxpayers were given the opportunity to revalue their depreciable economic assets in their balance sheets and the depreciation shown under liabilities of their balance sheets.

With the aforementioned Law, taxpayers who will make revaluation within the scope above will also be able to revalue their immovables and other depreciable economic assets recorded in their balance sheets as of the end of the accounting period before the accounting period for the first time, if they intend to do so. As a result of this revaluation process, a tax of 2% should be calculated over the fund amount shown under liabilities of the balance sheet. This tax can be paid in 3 instalments.

The procedures and principles regarding the implementation of this provision, which entered into force as of January 1, 2022, have been determined by the Serial No. 537 General Communiqué on Tax Procedure Law, published in the Official Gazette dated May 14, 2022.

The Communiqué attached to our circular has entered 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.