

Circular

28 May 2022

Circular No: 53

Subject: Explanations were made about the amendments made with the Law No. 7346 in the application of income tax withholding incentives in R&D/design centers and technology development zones.

In scope of article 28 of Law numbered 7346 and second paragraph of article 3 of Law numbered 5746, time spent out of such centres and zoner shall be evaluated in the framework of income tax withholding incentive on the condition that such period does not exceed fifty per cent of the total working hours subject to incentive or total number of personnel employed. Such 50% cap application regarding the time to be spent out of headquarters and zones is applicable until 31.12.2022.

Serial No. 9 General Communique on Law No. 5746, which includes the application principles regarding this subject, has been published in the Official Gazette dated May 27, 2022.

The Communique has entered into force as of 12 November 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.