

Circular

30 May 2022

Circular No: 54

Subject: With the Law No. 7407, corporate tax exemption was introduced for the incomes of corporations from converting foreign currencies in their balance sheets dated March 31, 2022 into TL.

With the Law No. 7407 published in the Official Gazette dated 28 May 2022, paragraphs 4 and 5 have been added to come after the third paragraph of the provisional article 14 of the Corporate Tax Law.

Accordingly, the foreign currencies of the entities in their balance sheets dated March 31, 2022; interest and profit shares at the end of the term, including those arising from the period-end valuation of the said accounts and other earnings will be evaluated as exemption from corporate tax in case they convert them to Turkish lira at the conversion rate until the end of 2022 and use the Turkish lira asset thus obtained in Turkish lira deposit and participation accounts with a maturity of at least three months.

The President is authorized to enforce the exemption for foreign currencies included in the balance sheets dated 30 June 2022 and/or 30 September 2022.

Exemptions within the scope of this article will also be applied to accounts renewed at maturity until the end of 2022.

These provisions have entered into force on the publication date of the Law (28 May 2022).

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.