

Circular

28 June 2022

Circular No: 63

Subject: Period of reduced rate withholding applied in terms of investment fund income except for foreign currency funds and issued bond yields has been extended until December 31, 2022.

According to Presidency Decree numbered 3321 (OG: 23.12.2020), rates of withholding to be made from the income and profits from bonds and bills acquired between this date and March 31, 2021 and issued by banks and the income and profits from lease certificates issued by asset leasing companies where the fund user is banks were reduced. Afterwards, the period of this implementation was extended several times.

In this framework, 5%, 3%, and 0% of withholding is made based on income and revenues obtained from such bills and bonds and lease certificates depending upon maturity or keeping period of bonds and lease certificates.

According to Presidency Decree numbered 5752 published on Official Gazette dated Tuesday, June 28, 2022, implementation period of such rate reductions has been **extended until December 31, 2022.**

On the other hand, according to Presidency Decree numbered 3321 again, withholding rate to be applied based on income and profits gained from investment funds (except for variable, mixed, eurobond, external borrowing, foreign, free funds and investment fund having foreign currency statement in its title) acquired between December 23, 2020 and March 31, 2021 was reduced to 0 (zero)% and period of such application was extended several times.

According to Presidency Decree numbered 5752, implementation period of such rate reductions has been **extended until December 31, 2022.** In this context, **0% of withholding shall be applied based on income and revenues obtained from investment fund acquired until December 31, 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.