

Circular

28 June 2022

Circular No: 66

Subject: The effective article of the 0% withholding tax decision for foreign currency and gold translation deposits and participation accounts has been amended.

According to Presidency Decree numbered 4970 (OG: 25.12.2021); the withholding rate was set at 0% (zero) for interest and dividends obtained from foreign exchange indexed deposit account and participation accounts, and foreign currency deposit and foreign currency participation fund accounts converted into Turkish lira at the conversion rate.

Likewise, according to Presidency Decree numbered 5046 (OG: 31.12.2021); the withholding rate was set at 0% (zero) for interest and dividends obtained from foreign exchange indexed deposit account and participation accounts, and foreign currency deposit and foreign currency participation fund accounts converted into Turkish lira at the conversion rate.

According to Presidency Decree numbered 5193 (OG: 14.02.2022); the provision that foreign currency deposit accounts and foreign exchange denominated participation fund accounts for Turkish resident legal entities available as of 31 December 2021 has been added to the effective article of the Presidency Decree No. 5046 (OG:31.12.2021).

In accordance with above Decree, provision of availability of gold accounts for Turkish resident legal entities as of December 31, 2021 has been added to the effective article of the Presidency Decree No. 5046 (OG:31.12.2021).

According to articles 3 and 4 of Presidency Decree numbered 5752, published on Official Gazette dated June 28, 2022, effective articles of Decrees numbered 4970 and 5046 have been amended.

With this amendment, the provision regarding 0% withholding tax on the conversion of foreign currency and gold existing only as of a certain date was abolished, and 0% withholding was provided for the interest and profit shares obtained from all accounts opened within the scope of the application of supporting the conversion to Turkish Lira deposit and participation accounts.

Decree No. 5752 has entered into force on its publication date (June 28, 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.