

Circular

06 September 2022

Circular No: 87

Subject: Explanations regarding determination of actual beneficiary in terms of reporting of actual beneficiary have been made.

With the General Communiqué of the Tax Procedure Law with line number 529, an obligation was introduced regarding the determination and notification of the actual beneficiaries of legal persons and unincorporated entities. In the Tax Procedure Law Circular No. 145 published on the website of the Turkish Revenue Administration (TRA) on September 5, 2022, the following explanations were made regarding the determination of the actual beneficiary in Article 5 of the Communiqué:

Individuals who own more than 25% of the legal entity's shares must be notified under any circumstances. However, if the actual beneficiary is determined within the scope of subparagraphs (b) and (c) of the aforementioned Communiqué, the names of such person or persons are reported in the actual beneficiary notification form.

An individual may ultimately control, directly or indirectly, a legal entity or non-corporate entity. Individuals who do not have more than 25% direct or indirect shares in an enterprise but who have final control through different means, are also considered as the actual beneficiary, together with the shareholders of the enterprise exceeding 25%.

With the expression "persons with the highest level of executive authority"; individuals or persons who have the power to take strategic decisions that fundamentally affect the commercial activities of the legal entity and a senior management such as the chairman of the board of directors, general manager, financial affairs director, who carry out daily or ordinary business should be understood as the individuals or persons holding executive control through his or her position.

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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 Bağımsız Denetim A.Ş.