

Circular

11 October 2022

Circular No: 95

Subject: Explanations were made regarding the taxation of the money received in favor of the insurance companies as a result of recourse and salvage transactions in terms of BITT.

In the General Communiqué on Expense Taxes with serial number 92 published in the Official Gazette dated 11 October 2022 and entered into force on the same day, explanations were made regarding the taxation of the money received in favor of the insurance companies as a result of recourse and salvage transactions in terms of banking and insurance transaction tax (BITT).

Accordingly, insurance companies are required to calculate BITT based on the rates in force over the money they receive in cash or in favor of the account as a result of recourse and salvage transactions. In the said transactions, the BITT base is the difference between the recourse or salvage value collected/to be collected by the insurance companies and the previously accrued recourse or salvage value.

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.