

Circular

27 October 2022

Circular No: 99

Subject: Exemption applicable for income obtained from translation of foreign currencies to TRY by companies shall also be applied for foreign currency included on their respective balance sheets dated 30.09.2022.

In accordance with paragraph 4 of provisional article 14 of Corporate Tax Law, in case companies convert their foreign currency amount included in balance sheets dated March 31, 2022 (Presidency Decree numbered 5872, June 30, 2022) to Turkish Lira until the end of 2022 based on conversion rate and utilize such TRY amounts gained accordingly under Turkish Lira deposit and participation accounts having at least three months maturity, interest and dividends and other income including valuation of period-end valuation accounts in question shall be exempted from corporate tax.

Exemptions in scope of this article shall be applied to accounts renewed at the end of maturity until the end of 2022.

According to Presidency Decree numbered 6297 published in the Official Gazette dated October 27, 2022, it has been decided to apply this exemption for foreign currencies included in the balance sheets, dated September 30, 2022, of companies.

The Decree has entered into force on its publication date (October 27, 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.