

## Circular

21 December 2022

Circular No: 118

**Subject: The deadline for investing capital into entrepreneurs by Teknokent companies and R&D/Design Centers expires at the end of the year.**

2% of above amounts should be transferred to a provisional account under liabilities by corporate and income taxpayers which are located at Technology Development Zone and whose exempted income amount in annual income and corporate tax return to be submitted as of January 1 2022 is TRY 1.000.000 and above and which are R&D /Design centers and benefited from a deduction at an amount of TRY 1.000.000 or above in scope of article 3 of the Law numbered 5746 in the annual corporate tax return to be submitted as of January 1, 2022.

The amount of transfer obligation is limited to TRY 20.000.000 on an annual basis.

Until the end of the year in which the provisional account is formed, it is obligatory to purchase the shares of venture capital investment funds established to invest in Turkish resident entrepreneurs or to invest in venture capital investment trusts or other entrepreneurs operating in incubation centers.

We would like to remind you that the taxpayers included in the above scope should take action until 31 December 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.