

Circular

14 February 2022

Circular No: 25

Subject: VAT rate on foods subject to 8 percent rate was reduced to 1 percent.

In accordance with the Presidency Decree numbered 5189 and published on Official Gazette dated Sunday, February 13, 2022:

- The goods in the "A) Foods" section of the list (II), which includes the goods subject to 8 percent, have been removed from this list and included in the list (I). Thus, the VAT rate will be applied as 1% for the foodstuffs in question.
- The application of different VAT rates in wholesale and retail sales, which is valid for some foodstuffs, has been terminated.
- The VAT rate of 8% will be applied for the delivery of the products included in the "A) Foods" section of the list (I) that are subject to special consumption tax.

The Presidency Decree has entered into force on February 14, 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.