

Circular

26 January 2023

Circular No: 15

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 31.12.2022.

In accordance with paragraph fourth provisional article 14 of Corporate Tax Law, in case companies convert their foreign currency amount included in balance sheets dated (June 30, 2022 according to Presidency Decree numbered 5872 and September 30, 2022 according to Presidency Decree numbered 6297) to Turkish Lira until the end of 2022 (amended as “until 31.12.2023” according to Law numbered 7420) 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 2023.

According to Presidency Decree numbered 6728 published in the Official Gazette dated January 26, 2023, it has been decided to apply this exemption for foreign currencies included in the balance sheets, dated December 31, 2022, of companies.

The Decree has entered into force on its publication date (January 26, 2023).

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.