

Circular

14 February 2023

Circular No: 28

Subject: Documentation arrangement in terms of fuel deliveries at earthquake zone and tax obligations regarding free-of-charge accommodation services.

Explanations regarding tax obligations, arising during providing free-of-charge accommodation services for earthquake victims, and documentation arrangement in terms of fuel sales made in provinces at earthquake zone under Serial No.150 Circular, dated February 13, 2022, on Tax Procedure Law.

- Invoices to be issued in terms of free-of-charge accommodation services under the coordination of AFAD Directorates given to victims of earthquake dated February 6, 2023 are required to be issued through including explanations regarding the nature of the transactions (free-of-charge accommodation services given to citizens in 10 provinces who are victims of earthquake dated February 6, 2023) and demonstrating the fee of accommodation services as zero (free-of-charge).

In addition, value added tax and accommodation tax will not be calculated due to these services with an arm's length value of zero and expenditures made by the accommodation service providers due to these services may be taken into account as an expense in the determination of the income and corporate tax base.

- In the event that the fuel pump payment recording devices or the system in the fuel stations do not work or the fuel is sold without issuing a document through mobile stations or tankers in provinces affected by the earthquake, an invoice with a statement "miscellaneous clients" can be issued for such sales at the end of the day.

Only the number "2" will be entered in the TR identification number/tax identification number or plate information field of the payment recording devices on the receipts to be issued for fuel sales to items such as cans and barrels at fuel stations.

The circular has entered into force as of February 9, 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.