

## Circular

13 March 2023

Circular No: 45

### Subject: Regulations Law numbered 7440, including amendments on tax legislation.

The regulations containing amendments to the Tax legislation, of Law No. 7440 published in the Official Gazette dated March 12, 2023 legislation are called to your attention below:

- The amount of 75,000 TRY in the provision regarding the income exemption for young entrepreneurs has been amended as the amount in the 2nd income bracket of the income tax tariff. In this context, this amount, which will be applied as TRY 150,000 in 2023, will be taken into account by increasing the revaluation rate in the following years. It shall be applicable for income and profits obtained as January 1, 2023.
- Regarding the new tenders to be issued by the Housing Development Administration (TOKİ) until the end of 2023, stamp tax exemption has been introduced for the tender decisions taken by TOKİ in these tenders and the contracts concluded between TOKİ and the contractors. (Effective Date: Publication date)
- In immovable sales made through the partition of the property, a minimum fixed fee for each immovable property, regardless of the number of transfers and acquisitions, for each transfer and acquisition transaction shall be charged. (Effective Date: Publication date)
- Regarding the import of goods transported by pipelines or electrical wires and in a continuous flow, it is possible to deduct the value added tax paid until the end of the submission period of the value added tax declaration for the taxation period in which the import is made, in the period of importation. (Effective Date: Publication date)
- It is foreseen that the income tax deducted from the wage payments made to the athletes by the sports clubs and sports joint stock companies will be transferred to the special accounts opened by the relevant clubs and companies by the tax office, provided that it has been declared to the relevant tax office within the legal period and paid on due date. In which expenditures the amounts taken into the special account can be used and the expenditure limits are also determined in the relevant article. (Effective Date: April 01, 2023)
- Except for the R&D and design center and technology development zones, the authorization given to the President to increase the working time within the scope of the incentive up to 75% is increased to 100%. (Effective Date: Publication date)
- According to the amendment made in the 3rd paragraph of Article 5 of the Corporate Tax Law, in cases where the participating company takes over the participated company or the participated company takes over the participating company, it is

ensured that the financial expenses incurred due to the acquisition of shares and shares and corresponding to the post-transfer are subject to deduction in the transferee company. It shall be applicable for income and profits obtained as January 1, 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.