

Circular

31 July 2023

Circular No: 86

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 30.06.2023.

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 December 31, 2022 to Turkish Lira until the end of December 31, 2023 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 7408 published in the Official Gazette dated July 29, 2023, it has been decided to apply this exemption for foreign currencies included in the balance sheets, dated June 30, 2023, of companies.

The Decree has entered into force on its publication date (July 29, 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.