

Circular

28 December 2023

Circular No: 120

Subject: Period of deposit interest and reduced rate withholding applicable to dividends paid by participation banks has been extended to April 30, 2024.

In accordance with the Presidency Decree numbered 3032 (OG: 30.09.2020), withholding rates made on interests received from Turkish Lira deposit accounts and dividends paid to participation accounts by participation banks were temporarily reduced. Afterwards, the period of this implementation was extended several times.

This time, according to Presidency Decree numbered 8002 published on Official Gazette dated December 28, 2023, implementation period of such rate reductions has been **extended until April 30, 2024.**

In this framework, **5%, 3%, and 0% of withholding shall be applied** according to its maturity in terms of TL deposit interests and dividends paid by participation banks in return for TL participation accounts.

The above withholding rates shall be applied in terms of interests and dividends payable to deposit and special current accounts until April 30, 2024 (including this date) and interest and dividends to be paid in terms of accounts opened or whose maturity is renewed between September 30, 2020 and April 30, 2024 (including this date).

In addition, with the Presidency Decree No. 8002; The period of 0% withholding, which is valid for interest earned from foreign currency-protected time deposit accounts and deposit accounts converted into Turkish lira at the conversion rate/price, has been extended until 30 April December 2024.

With the said Decree; the period of 0% withholding, which is valid for profit shares obtained from participation accounts with currency protection and participation fund accounts denominated in foreign currency/gold and converted into Turkish lira at the conversion rate/price, has been extended until 30 April 2024.

Decree No. 8002 has entered into force on its publication date.

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.