

## Circular

28 December 2023

Circular No: 121

**Subject: Period of reduced rate withholding applied in terms of investment fund income except for foreign currency funds and issued bond yields has been extended until April 30, 2024.**

According to Presidency Decree numbered 3321 (OG: 23.12.2020), rates of withholding to be made from the income and profits from bonds and bills acquired between December 23, 2020 and March 31, 2022 and issued by banks and the income and profits from lease certificates issued by asset leasing companies where the fund user is banks were reduced. Afterwards, the period of this implementation was extended several times.

In this framework, 5%, 3%, and 0% of withholding is made based on income and revenues obtained from such bills and bonds and lease certificates depending upon maturity or keeping period of bonds and lease certificates.

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**.

On the other hand, according to Presidency Decree numbered 3321 again, withholding rate to be applied based on income and profits gained from investment funds (except for variable, mixed, eurobond, external borrowing, foreign, free funds and investment fund having foreign currency statement in its title) acquired between December 23, 2020 and March 31, 2021 was reduced to 0 (zero)% and period of such application was extended several times.

According to Presidency Decree numbered 8002, implementation period of such rate reductions has been **extended until April 30, 2024**. In this context, **0% of withholding shall be applied based on income and revenues obtained from investment fund acquired until Tuesday, April 30, 2024**.

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 exchange indexed 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.