

## Circular

1 August 2024

Circular No: 55

**Subject: Withholding is introduced for foreign exchange deposit interest.**

With the Presidency Decree numbered 8775 and published on Official Gazette dated August 1, 2024, the application of 0% withholding on income from exchange rate protected deposit and participation accounts has been abolished. In this framework, withholding shall be applied at following rates:

- 7.5% and 5% for interest gained from deposit accounts converted to Turkish Lira based on exchange rate/price from foreign exchange protected deposit accounts and foreign currency accounts having a maturity up to 6 months (including 6 months) and 1 year (including 1 year) respectively,
- 7.5% and 5% for interest gained from deposit accounts converted to Turkish Lira based on exchange rate/price from foreign exchange time deposit participation accounts and participation fund accounts in foreign currency/gold having a maturity up to 6 months (including 6 months) and 1 year (including 1 year) respectively.

The above new withholding rates shall be applicable to interest and dividends to be paid to dividends and deposit accounts opened or renewed as of the same date and interest to be paid to demand deposit and private checking accounts as of August 1, 2024.

*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.