

## Circular

2 August 2024

Circular No: 60

### **Subject: Law numbered 7524 including amendments in tax legislation has been published.**

The regulations containing amendments to the Tax legislation, of Law No. 7524 published in the Official Gazette dated August 02, 2024 are called to your attention below:

- Portion, not exceeding annual gross wage amount in that year, of fair value amount of share certificates granted to employees by employers having techno-enterprise company nature free of charge or at a discount and accepted as wages on date on which they are granted shall be exempted from income tax. (Effective Date: August 02, 2024)
- According to the provisions of Law No. 6563 on the Regulation of Electronic Commerce, payments made by intermediary service providers and electronic commerce intermediary service providers to service providers and electronic commerce service providers due to their activities within the scope of the Law have been included in the scope of income and corporate tax withholding. (Effective Date: January 01, 2025)
- "Domestic minimum corporate tax" practice has been introduced. Accordingly, the corporate tax calculated cannot be less than 10% of the corporate income before deductions and exemptions. (Effective Date: Year 2025 and subsequent period income)
- Regulations related to "Local and global minimum complementary corporate tax" have been added to the Corporate Tax Law.
- With the build, operate and transfer model, the corporate income tax rate to be applied to income obtained within the scope of public-private cooperation projects has been increased to 30%. (Effective Date: Year 2025 and subsequent period income)
- The precious metals that taxpayers have held in their assets for the purpose of saving, as well as the receivables and debts related to precious metals will be valued with the fair value of the stock exchange. (Effective Date: August 02, 2024)
- Irregularity and special irregularity fines have been increased. (Effective Date: August 02, 2024)
- Tax principal has been excluded from the scope of reconciliation. (Effective Date: August 02, 2024)
- VAT exemption will not be applied for the vehicles used in activities such as sightseeing, entertainment, sports and amateur fishing, as well as services provided in ports for private boats and yachts. (Effective Date: September 01, 2024)
- Value added tax, which cannot be eliminated by means of a deduction for five calendar years, will not be deductible. VAT amounts deferred for five calendar years or more will be transferred into a special account by omitting from deductible VAT accounts and may be taken into account as an expense in determining income or corporate tax according to the result of the tax inspection to be conducted depending on the taxpayer's request. (Effective Date: January 01, 2030)

- The exemption granted in scope of income of entities engaged in production activities in free zones from their domestic sales has been abolished. (Effective Date: Income obtained as of January 1, 2025)
- Departure fee has been increased to TRY 500 from TRY 150 and shall be increased at re-valuation rate each year. (Effective Date: August 12, 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.