

Circular

14 October 2024

Circular No: 85

Subject: Regulations of the Bill submitted to the GNAT on 11 October which include amendments to the tax legislation.

The regulations of the Bill submitted to the Presidency of GNAT on 11 October 2024 which include amendments to the tax legislation are as follows:

- In the periods when inflation adjustment is applied, adjustment differences that arise from the inflation adjustment applied to the Investments in Progress (IİY) account and that must be treated as profits shall not be associated with the profit of the period and shall be recognized under a special fund account. (Effective Date: On the date of publication, to be applicable as of 1 January 2024)

- Profit/loss differences arising from inflation adjustment in the fiscal periods 2024 and 2025 including advance tax periods shall not be taken into account in the determination of profits by companies in liquidation and bankruptcy processes, state economic enterprises and public economic enterprises. (Effective Date: On the date of publication, to be applicable as of 1 January 2024)

- A contribution to the Defense Industry Support Fund (DISF) shall be collected from the following transactions: (Effective Date: 01 January, 2025)

➤ Equal to the stamp duty levied on tax returns, declarations submitted to customs authorities, social security premiums submitted to social security institutions and withholding tax and premium service tax returns (half of the stamp duty amount for annual income tax returns),

➤ TL 750 separately from buyers and sellers in sales of immovable property, and TL 375 from those in whose name the transaction is conducted in other land registry processes,

➤ TL 750 on a yearly basis from the owners of credit cards with a limit of 100 thousand TL and above,

➤ In cases where immovable property sales are carried out by public notary, TL 750 separately from the buyer and the seller by the public notary; TL 3,000 in the registration processes of vehicles which will be registered for the first time; TL 1,500 in all kinds of transfers and sales of registered vehicles and TL 75 per transaction in other transactions for which public notary fees are charged.

- Unmanned aerial vehicles (drones) except those used for military purposes (GTIP: 88.06) are being included within the scope of SCT by being added to the list no. (II) with an applicable tax rate of 20%. (Effective Date: Date of Publication)

- Watches with a SCT base exceeding TL 5,000 (GTIP: 91.01 and 91.02) are being included within the scope of SCT by being added to the list no. (IV) with an applicable tax rate of 20%. (Effective Date: Date of Publication)

- Motorized flying toys designed only for entertainment purposes (drones) (GTIP: 9503.00.75.00.00 and 9503.00.79.00.00) are being included within the scope of SCT by being added to the list no. (IV) with an applicable tax rate of 20%. (Effective Date: Date of Publication)

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.