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## Turkey reduces withholding tax rate to 0% for certain venture capital and real estate investment fund earnings

Presidential Decision No. 4454, published in the *Official Gazette* dated 4 September 2021 amends Article 1 of the Decision No. 2006/10731, which set the withholding tax rates in temporary Article 67 of the Income Tax Law.

Accordingly, under this amendment, the withholding tax rate is reduced to 0% for earnings obtained from participation shares of venture capital investment funds and real estate investment funds held by individual investors for more than two years.

The decision entered into force on the date of its publication (4 September 2021).

However, according to the tax legislation, the earnings obtained from the participation shares of venture capital investment funds and real estate investment funds acquired between 23 December 2020 and 30 September 2021 are subject to 0% regardless of the holding period. Unless there is an additional extension, as of 1 October 2021, the participation shares of venture capital investment funds and real estate investment funds must be held for more than two years by individual investors in order to apply the 0% withholding tax rate on earnings.

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