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Turkey reduces its corporation tax rate by one point for certain corporations on specified income

Turkey's standard corporation tax rate is 20%. However, the Turkish corporation tax rate is currently set at 23% for income derived by corporations in the 2022 fiscal year (FY). See EY Global Tax Alert, [Turkey increases corporation tax rate for 2021 and 2022 tax years](#), dated 26 April 2021.

On 22 January 2022, Law No. 7351 (the Law) was published in the *Official Gazette* and entered into force on the date of publication.

The Law sets forth a one point decrease in the corporation tax rate on the specified income of the following corporations:

- On the corporation income exclusively derived from export transactions by corporations that perform exportation
- On the corporation income exclusively derived from manufacturing activities by corporations that have an industrial registry certificate and actually perform manufacturing activities

Accordingly, the corporation tax rate will be applied as 22% for the above-mentioned corporations for FY 2022. Starting from 2023, unless any changes occur in the legislation, the Turkish corporation tax rate will be imposed at 19% for the above-mentioned corporations.

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