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Türkiye reduces withholding tax to 0% on share-buy-back transactions

- *Presidential Decision No. 6791 was published in the repeating Official Gazette dated 14 February 2023.*
- *The decision reduces the withholding tax (WHT) rate to 0% from 15% on the amounts considered as dividends distributed as a result of share-buy-back transactions.*

On 17 November 2020, Türkiye introduced a 15% WHT on the amounts regarded as dividends as a result of disposal or redemption of share buybacks of Turkish full tax liable corporations. See EY Global Tax Alert, [Turkey enacts law on restructuring certain receivables and amends certain tax laws](#), dated November 23, 2020.

On 25 May 2021, Türkiye issued the Communiqué No.18 (the Communiqué) explaining the taxation of share buyback transactions. See EY Global Tax Alert, [Turkey issues guidance on financing expense deduction restriction, taxation of share buybacks and reduced income tax rate for publicly held companies](#), dated May 25, 2021

Accordingly, a WHT rate of 15% was applicable, as of 17 November 2020, on the redemption or disposal of share buybacks by way of capital decrease, sale with loss and for the ones that are not disposed for certain period of time.

On 14 February 2023, under Presidential Decision No. 6791 published in the *Official Gazette*, this WHT rate is reduced to 0%.

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