



CIRCULAR NO:2021/033eng.

05.02.2021

WITHHOLDING TAX ON CONSTRUCTION AND RENOVATION WORKS THAT SPAN OVER YEARS HAS INCREASED FROM 3% TO 5%

As per the Presidential Decision no. 3491 published in the Official Gazette dated 04.02.2021 and numbered 31385, and Articles 15 and 30 of Corporate Income Tax Law, as well as Article 94 of Income Tax law, withholding tax on payments for construction and renovation works that span over one calendar year has been increased from 3% to 5%.

The newly specified ratio has entered into force on 01.03.2021 (including the date specified) to be applied to the transactions made after the specified date.

Regards,

**DENGE İSTANBUL YEMİNLİ
MALİ MÜŞAVİRLİK A.Ş.**

ANNEX

Presidential Decision no. 3491

(*) The explanations contained in our circular is only for informative purposes. We recommend getting professional advice and support from an expert before making final decisions regarding any transactions if there are any doubtful aspects; our financial consultancy firm shall not be responsible for any losses caused by transactions made based on the explanations in our circular alone.

(**) You can contact our experts whose details are given below for your opinions, comments, and questions.

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