



**CIRCULAR NO: 2024/212eng**

**November 28, 2024**

**THE CORPORATE TAX EXEMPTION RATE ON CAPITAL GAINS OF CORPORATIONS FROM THE SALES OF PARTICIPATION SHARES INCLUDED AMONG THEIR ASSETS FOR OVER TWO YEARS HAS BEEN REDUCED FROM 75% TO 50%**

As is known, pursuant to Article 5(1)(e) of the Corporate Tax Law, 75% of the capital gains from the sale of participation shares in investment funds that constitute the source of the earnings subject to the exemption of capital gains under subparagraph (a) of the same paragraph as well as the participation shares held by corporations for at least two full years in their assets, and the founder shares, preferred shares and preemptive rights they held for the same amount of time are exempt from corporate tax.

In line with the Presidential Decree No. 9160 promulgated in the Official Gazette No. 32735 of November 27, 2024, the foregoing **exemption rate was reduced** from current 75% down **to 50%**.

Presidential Decree No. 9160 entered into force on **November 27, 2024**. Since there is no explanation in the Presidential decree regarding the validity of the regulation, after November 27, 2024, a 50% corporate tax exemption shall be applied to capital gains from the sale of participation shares held for over two years.

Sincerely,

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

**APPENDIX:**

Presidential Decree No. 9160

(\*) The remarks in our circulars are for information purposes only. We recommend that the opinion and support of a qualified counsellor be sought before taking final action on questionable matters. Our company shall not be held responsible for any damages to be incurred as a result of transactions to be made solely on the basis of the statements in our circular.

(\*\*) For opinions, criticism and questions about our circulars, please contact our experts below.

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