

DEVELOPMENTS IN TAX LEGISLATION

Nov 1, 2024

THE PRESIDENT'S DECREE ON THE TAX RATES TO BE APPLIED TO CERTAIN GAINS AND PROFITS HAS BEEN PUBLISHED:

With the [Presidential Decree No. 9075](#) published in the Official Gazette dated 01/11/2024, the following amendments have been made to the Decree Law dated 22/7/2006 and numbered 2006/10731, which determines the withholding rates to be made from certain income and revenues included in the provisional article 67 of the Income Tax Law:

- Withholding tax rates on interest and dividends on currency-protected time deposits and participation accounts have been increased:
 - Currency-protected time deposits and time participation accounts, as well as deposit and participation accounts converted from foreign currency and gold deposit accounts to Turkish lira; the withholding rate of 7.5% from interest and dividends received from those with a maturity of up to 6 months was re-set at 10%, and the rate of 5% for those with a maturity of up to 1 year was re-set at 7.5%,
 - Currency-protected time deposits and term participation accounts, interest and dividends with a maturity of more than 1 year were withheld by 5%.
- The reduced withholding tax applied to income from deposits, participation accounts and certain securities has been extended until January 31, 2025 with some rate changes.
 - Currency protected accounts and other TL deposit and participation accounts interest and dividends, (10%, 7.5%, 5% instead of 15%, 12%, 10% according to maturity)
 - Income from bonds and bonds issued by banks and income from lease certificates issued by asset leasing companies where the fund user is these banks, as well as earnings arising from their disposal (according to maturity and holding period 10%, 7.5%, 5% instead of 15%, 12%, 10%)
 - Income and earnings from government bonds and Treasury bills, as well as income and earnings from lease certificates issued by asset leasing companies established in accordance with Law No. 4749 (0% instead of 10%,15%)
 - For income and earnings from asset-backed securities, mortgage-backed securities, asset-backed securities and mortgage-backed securities issued by mortgage finance institutions established in accordance with the provisions of the Capital Markets Law
 - The reduced withholding tax rate (7.5% instead of 10%) on income and gains derived from mutual funds has ended. Accordingly, the withholding tax rate on all income from investment fund participation shares, except for the income

from equity intensive fund participation shares, venture capital investment fund and real estate investment fund participation shares held for more than two years whose tax rate is 0%, will be applied as 10% instead of 7.5%.

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