



## TAX BULLETIN 01-09

### AMENDMENTS WITH REGARD TO FULL AND LIMITED LIABLE CORPORATE TAX WITHHOLDINGS

In accordance with the corporate tax Act no. 5520 which is entered into force on 1/1/2006 ,tax withholding is made over the income(earnings of) of the full liable corporate taxpayers as stated in the article 15 and in the article 30 for limited liable corporate taxpayers.

#### FULL LIABLE CORPORATE TAX WITHHOLDING RATES

The amendments to the rates of tax withholding, which are to be applied over the payments to the full liable taxpayer corporations, does not bring any difference to the existing rates as per the cabinet resolution numbered 2009/ 14594, dated 12.01/2009 and corporate tax act article no.15 (except for the one to be applied to the exemptional earnings from portfolio investments of investments funds and partnerships based on gold and precious materials traded in stock market based in Turkey.)

The tax withholding rate to be applied over the exemptional earnings from portfolio investments of investments funds and partnerships based on gold and precious materials traded in stock market based in Turkey has been determined as 0%. This application will be also valid for the earnings of 2008.

#### LIMITED LIABLE CORPORATE TAX WITHHOLDING RATES

The amendments related with the withholding tax rates, that will be applied over the payments to the limited liable taxpayer corporations, will not bring any difference to the existing tax withholding rates published in cabinet resolution no. 2006/11447 before except the one needs to be applied on interests of receivables as per the cabinet resolution numbered 2009/14593 and dated 12.01/2009 and the 5520 corporate tax act article no.30

Withholding tax rates on receivable interests obtained by limited liable corporate tax payers have been adjusted by the cabinet resolution as below:

- interests of credits obtained from foreign states, international institutions, foreign banks or institutions and foreign institutions authorized to give credits to not only related parties but all kinds of entities is subject to limited liable corporate tax withholding at the rate of 0 % (including dividends paid for funds or similar sources obtained from abroad by participation banks )

- 1 % for interest paid on credits that banks obtain abroad by means of securitisation

1% for the credits similar to secondary capital appropriate to the Banking Law No. 5411 and credits obtained by banks and other institutions with securitization method based on a flow and asset portfolio in abroad

5 % for due differences arising from purchasing of goods except for dividends paid by participation banks

10 % for the other interest payments



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The rate of tax withholding to be applied in accordance with the 5th paragraph of the 1. Article of decree, will come into force on 3/2/2009. Interests paid in paralel with contracts prepared as from 3/2/2009 will be effected by these rates.

### AMENDMENTS TO TAX WITHOLDING ON DERIVATIVE CONTRACTS

Upon the amendment, decided by cabinet(2009/14580 ) and announced in official gazette numbered 27130, dated 03.02.2009;

0 % income tax withholding will be applied for the gainings resulting from derivative contracts based on stocks and stock index as of 01.02.2009.

( except stocks of investment trusts), for others not in this frame, 10 % income tax withholding will be applied as of 01.01.2009. The withholding will be only applied to the full liable taxpayers since withholding rate for limited liable taxpayers is 0 %.

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