

BİLGENER CIRCULAR

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Certain Withholding Tax Rates Increased Under Temporary Article 67

With Presidential Decree No. 9487, published in the Official Gazette dated 01.02.2025 and numbered 32800, an amendment was made to the Council of Ministers Decree No. 2006/10731, modifying the reduced withholding tax application for deposit and participation accounts, as well as for certain investment funds and bank financing bond incomes.

The changes made are presented in the table below, compared by financial instruments:

1- Withholding Tax Rates on Interest and Profit Shares from Deposits

Relevant Instrument	Previous Rate	New Rate
Interest-bearing term deposits/ participation accounts and deposits converted from foreign currency accounts based on the exchange rate, up to 6 months	10,00%	15,00%
Interest-bearing term deposits/ participation accounts and deposits converted from foreign currency accounts based on the exchange rate, up to 1 year	7,50%	12,00%
Deposits with a maturity longer than 1 year	5,00%	10,00%
Deposits converted from gold-denominated accounts/participation funds based on the conversion price, up to 6 months	10,00%	15,00%
Deposits converted from gold-denominated accounts/participation funds based on the conversion price, up to 1 year	7,50%	12,00%

Bilgener Sworn-In CPA Inc.

Buyaka Business Center
Tower: 2 No: 22
34771 Ümraniye/ İstanbul

+90 216 651 4 651
info@bilgener.com
bilgener.com

Bilgener is a professional services provider group comprised of expert firms specializing in tax, audit, and consulting. Since 1995, it has been guiding both local and global entrepreneurs with a unique approach that combines experience and expertise.

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2- Withholding Tax Rates on Interest and Profit Shares Paid by Participation Banks

Relevant Instrument	Previous Rate	New Rate
Demand, notice, and special current accounts, as well as accounts with a maturity of up to 6 months (including 6 months)	10,00%	15,00%
Accounts with a maturity of up to 1 year (including 1 year)	7,50%	12,00%
Accounts with a maturity longer than 1 year	5,00%	10,00%

3- Withholding Tax Rates on Income and Gains from Bonds, Bills, and Lease Certificates Issued by Banks

Relevant Instrument	Previous Rate	New Rate
Income from instruments with a maturity of up to 6 months (including 6 months)	10,00%	Pursuant to Law No. 6362, a withholding tax rate of 15% applies to gains from the disposal of short-term lease certificates (with a maturity of less than one year) issued by asset leasing companies and approved by the Capital Markets Board. For other gains, the withholding tax rate is 10%.
Income from instruments with a maturity of up to 1 year (including 1 year)	7,50%	
Income from instruments with a maturity longer than 1 year	5,00%	
Gains from disposal of instruments held for less than 6 months (including 6 months)	10,00%	
Gains from disposal of instruments held for less than 1 year (including 1 year)	7,50%	
Gains from disposal of instruments held for more than 1 year	5%	

4- Withholding Tax Rates on Gains from Investment Funds

Relevant Instrument	Previous Rate	New Rate
Income and gains from investment funds (excluding variable, mixed, Eurobond, external debt, foreign, hedge funds, and funds with "foreign currency" in their title)	10,00%	15,00%
Gains from participation shares of equity-intensive funds, venture capital funds, and real estate investment funds held for more than two years	0,00%	0,00%

Effective Date:

The rates in Sections 1 and 2 became effective on 01.02.2025 and apply to interest and profit shares on term accounts opened or renewed from that date onward.

The rates in Section 3 became effective on 01.02.2025 and apply to income and gains obtained from that date onward.

The rates in Section 4 became effective from the date of publication and apply to income and gains from participation shares acquired thereafter.

The rates in Section 5 became effective on 01.02.2025 and apply to income and gains obtained from that date onward.

You can access the relevant Presidential Decree **here**.

Best Regards,

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