

**RESIDENT INDIVIDUALS**

**NON-RESIDENT INDIVIDUALS (\*)**

<p><b>CAPITAL GAINS DERIVED FROM SHARES</b></p> <p>Share certificates acquired <b>BEFORE</b> 01.01.2006</p>	<ul style="list-style-type: none"> <li>- Not subject to withholding tax.</li> <li>- Those that are acquired gratuitously and those that are held for more than 3 months and quoted in BIST and those that are not quoted in BIST but owned by resident corporations and held for more than 1 year are not subject to tax.</li> <li>- Acquisition cost may be indexed to Producer Price Index rate of increase except for the month of discharge during the calculation of the net amount of the income.</li> <li>- Capital losses may be deducted from capital gains. (1)</li> <li>- TL 27.000 for 2018 together with other capital gains is exempt from tax. The portion exceeding the exemption amount is declared.</li> </ul>	<ul style="list-style-type: none"> <li>- Not subject to withholding tax.</li> <li>- Those that are acquired gratuitously and those that are held for more than 3 months and quoted in BIST and those that are not quoted in BIST but owned by resident corporations and held for more than 1 year are not subject to tax.</li> <li>- Gains derived from exchange rate difference are not subject to tax.</li> <li>- TL 27.000 for 2018 together with other capital gains is exempt from tax. The portion exceeding the exemption amount is declared.</li> </ul>
<p><b>CAPITAL GAINS DERIVED FROM SHARES</b></p> <p>Share certificates acquired <b>AFTER</b> 01.01.2006</p>	<p>1) Of the share certificates of marketable security investment trusts quoted in BIST;</p> <ul style="list-style-type: none"> <li>- are subject to 10% withholding tax.</li> <li>- Those held for more than 1 year are not subject to withholding.</li> <li>- Other shares are subject to withholding (% 0).</li> <li>- Withholding tax is the final tax</li> <li>- Not declared</li> </ul> <p>2) Capital gains not derived through the intermediation of banks or intermediary institutions (i.e. unquoted share certificates), will be declared as per the general provisions of the Income Tax Code.</p> <p>Capital gains derived from share certificates of resident corporations held for more than 2 years are exempt.</p>	<p>1) Of the share certificates of marketable security investment trusts quoted in BIST;</p> <ul style="list-style-type: none"> <li>- are subject to 10% withholding tax.</li> <li>- Those held for more than 1 year are not subject to withholding tax.</li> <li>- Other shares are subject to withholding (% 0).</li> <li>- Withholding tax is the final tax</li> <li>- Not declared</li> </ul> <p>2) Capital gains not derived through the intermediation of banks or intermediary institutions (i.e. unquoted share certificates), will be declared as per the general provisions of the Income Tax Code.</p> <p>Capital gains derived from share certificates of resident corporations held for more than 2 years are exempt.</p>
<p><b>DIVIDEND INCOME DERIVED FROM SHARES</b></p> <p>(EXCLUDING MARKETABLE SECURITIES INVESTMENT TRUSTS AND REAL ESTATE INVESTMENT TRUSTS)</p>	<ul style="list-style-type: none"> <li>- 15% withholding tax is applied by the corporation distributing the dividend.</li> <li>- Half of the dividend income derived from resident corporations (before withholding tax) is declared with an annual return in case its total amount together with other capital gains from marketable securities and from immovable property which are subject to tax through withholding tax, exceeds the declaration limit (TL 34.000 for 2018). (excluding the income mentioned in Temporary Article 62 of Income Tax Code)</li> <li>- In this case, the whole withholding tax amount applied by the corporation which has distributed the dividends is deducted from the income tax calculated on the tax return.</li> </ul>	<ul style="list-style-type: none"> <li>- 15% withholding tax is applied by the corporation distributing the dividend.</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> </ul>
<p><b>DIVIDEND INCOME DERIVED FROM SHARES OF MARKETABLE SECURITIES INVESTMENT TRUSTS AND REAL ESTATE INVESTMENT TRUSTS</b></p>	<ul style="list-style-type: none"> <li>- Withholding tax is applied by the corporation distributing the dividend (0%).</li> <li>- Half of the dividend income derived from resident corporations (before withholding tax) is declared with an annual return in case its total amount together with other capital gains from marketable securities and from immovable property which are subject to tax through withholding, exceeds the declaration limit TL 34.000 for 2018.</li> </ul>	<ul style="list-style-type: none"> <li>- Withholding tax is applied by the corporation distributing the dividend (0%).</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> </ul>
<p><b>INTEREST INCOME DERIVED FROM GOVERNMENT BONDS AND TREASURY BILLS</b></p> <p>Those issued <b>AFTER</b> 01.01.2006</p>	<ul style="list-style-type: none"> <li>- Subject to 10% withholding tax.</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> </ul>	<ul style="list-style-type: none"> <li>- Subject to 10% withholding tax.</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> </ul>
<p><b>CAPITAL GAINS DERIVED FROM GOVERNMENT BONDS AND TREASURY BILLS</b></p> <p>Those issued <b>AFTER</b> 01.01.2006</p>	<ul style="list-style-type: none"> <li>- Subject to 10% withholding tax, which is final taxation.</li> <li>- No declaration is required.</li> </ul>	<ul style="list-style-type: none"> <li>- Subject to 10% withholding tax, which is final taxation.</li> <li>- No declaration is required.</li> </ul>

<p><b>INTEREST INCOME DERIVED FROM THE EUROBONDS ISSUED BY THE UNDERSECRETARIAT OF TREASURY</b></p>	<ul style="list-style-type: none"> <li>- Subject to withholding tax (0%).</li> <li>- Difference over the capital emerging from redemption is not considered as income.</li> <li>- Inflation discount not applicable.</li> <li>- Whole income is declared if it exceeds TL 34.000 for 2018 together with income earned from other marketable securities and rent income from immovable property that were subjected to withholding tax.</li> </ul>	<ul style="list-style-type: none"> <li>- Subject to withholding tax (0%).</li> <li>- No declaration is required.</li> </ul>
<p><b>CAPITAL GAINS DERIVED FROM THE EUROBONDS ISSUED BY THE UNDERSECRETARIAT OF TREASURY</b>  Those issued <b>BEFORE</b> 01.01.2006</p>	<ul style="list-style-type: none"> <li>- Not subject to withholding tax.</li> <li>- Capital gains are calculated on Turkish Lira basis.</li> <li>- Acquisition cost may be increased over Producer Price Index rate of increase except for the month of discharge unconditionally.</li> <li>- Capital losses are deducted from capital gains. (1)</li> <li>- TL 27.000 for 2018 together with the other capital gains is exempt from tax. The portion exceeding the exemption is declared.</li> </ul>	<ul style="list-style-type: none"> <li>- Not subject to withholding tax.</li> <li>- No declaration is required.</li> </ul>
<p><b>CAPITAL GAINS DERIVED FROM THE EUROBONDS ISSUED BY THE UNDERSECRETARIAT OF TREASURY</b>  Those issued <b>AFTER</b> 01.01.2006</p>	<ul style="list-style-type: none"> <li>- Not subject to withholding tax.</li> <li>- Capital gains are calculated on Turkish Lira basis.</li> <li>- The acquisition cost may be indexed to Producer Price Index rate of increase, except for the month of discharge provided that Producer Price Index rate of increase 10% or higher.</li> <li>- Capital losses are deducted from capital gains. (1)</li> <li>- Capital gains are declared regardless of the amount.</li> </ul>	<ul style="list-style-type: none"> <li>- Not subject to withholding tax.</li> <li>- No declaration is required.</li> </ul>
<p><b>REPO INCOME</b></p>	<ul style="list-style-type: none"> <li>- Subject to 15% withholding tax.</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> </ul>	<ul style="list-style-type: none"> <li>- Subject to 15% withholding tax.</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> </ul>
<p><b>DEPOSIT INTERESTS</b> (TL and Foreign Currency)</p>	<p>Below withholding tax rates are applicable to the interest payments for deposits that are newly opened or renewed as of 02.01.2013;</p> <p>1) Foreign Currency Deposits</p> <ul style="list-style-type: none"> <li>-Deposits having maturity up to 6 months (including 6 months) 18%</li> <li>-Deposits having maturity up to 1 year (including 1 year) 15%</li> <li>-Deposits having maturity more than 1 year 13%</li> </ul> <p>2) TL Deposits</p> <ul style="list-style-type: none"> <li>-Deposits having maturity up to 6 months (including 6 months) 15%</li> <li>-Deposits having maturity up to 1 year (including 1 year) 12%</li> <li>-Deposits having maturity more than 1 year 10%</li> </ul> <ul style="list-style-type: none"> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> </ul>	<p>Below withholding tax rates are applicable to the interest payments for deposits that are newly opened or renewed as of 02.01.2013;</p> <p>1) Foreign Currency Deposits</p> <ul style="list-style-type: none"> <li>-Deposits having maturity up to 6 months (including 6 months) 18%</li> <li>-Deposits having maturity up to 1 year (including 1 year) 15%</li> <li>-Deposits having maturity more than 1 year 13%</li> </ul> <p>2) TL Deposits</p> <ul style="list-style-type: none"> <li>-Deposits having maturity up to 6 months (including 6 months) 15%</li> <li>-Deposits having maturity up to 1 year (including 1 year) 12%</li> <li>-Deposits having maturity more than 1 year 10%</li> </ul> <ul style="list-style-type: none"> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> </ul>
<p><b>OFF-SHORE DEPOSIT INTEREST INCOME</b></p>	<ul style="list-style-type: none"> <li>- Not subject to withholding tax.</li> <li>- If interest income exceeds the declaration limit of TL 1.800 for 2018, the entire gain shall be declared.</li> </ul>	<ul style="list-style-type: none"> <li>- Not subject to withholding tax.</li> <li>- No declaration is required.</li> </ul>
<p><b>DIVIDEND INCOME DERIVED FROM PARTICIPATION CERTIFICATES OF MARKETABLE SECURITIES INVESTMENT FUNDS</b></p>	<ul style="list-style-type: none"> <li>- Earnings derived from participation certificates of share certificate intensive funds are subject to 0% withholding tax, others are subject to 10% withholding tax.</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> <li>- Withholding tax is not applied on income earned from the return of the participation certificates of marketable securities investment funds, with over 51% of its portfolio consisting of share certificates traded in BIST, to the fund if they are held for more than one year. No declaration is required.</li> </ul>	<ul style="list-style-type: none"> <li>- Earnings derived from participation certificates of share certificate intensive funds are subject to 0% withholding tax, others are subject to 10% withholding tax.</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> <li>- Withholding tax is not applied on income earned from the return of the participation certificates of marketable securities investment funds, with over 51% of its portfolio consisting of share certificates traded in BIST, to the fund if they are held for more than one year. No declaration is required.</li> </ul>

<p><b>DIVIDEND INCOME DERIVED FROM PARTICIPATION CERTIFICATES OF MUTUAL AND INVESTMENT FUNDS</b></p>	<ul style="list-style-type: none"> <li>- Earnings derived from participation certificates of share certificate intensive funds are subject to 0% withholding tax, others are subject to 10% withholding tax.</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> <li>- Withholding tax is not applied on income earned from the return of the participation certificates of funds, with over 51% of its portfolio consisting of share certificates traded in BIST, to the fund if they are held for more than one year. No declaration is required.</li> </ul>	<ul style="list-style-type: none"> <li>- Earnings derived from participation certificates of share certificate intensive funds are subject to 0% withholding tax, others are subject to 10% withholding tax.</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> <li>- Withholding tax is not applied on income earned from the return of the participation certificates of funds, with over 51% of its portfolio consisting of share certificates traded in BIST, to the fund if they are held for more than one year. No declaration is required.</li> </ul>
<p><b>INTEREST INCOME DERIVED FROM PRIVATE SECTOR BONDS (BONDS, ASSET BACKED SECURITIES, COMMERCIAL PAPERS)</b></p> <p>Those issued <b>AFTER</b> 01.01.2006</p>	<p>1) Interest income derived from those issued in Turkey;</p> <ul style="list-style-type: none"> <li>- Subject to 10% withholding tax.</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> </ul> <p>2) Interest income derived from bonds issued abroad by resident corporations are subject to withholding tax at following rates;</p> <ul style="list-style-type: none"> <li>- Those with maturity term up to 1 year, 10%,</li> <li>- Those with maturity term between 1-3 years, 7%,</li> <li>- Those with maturity term between 3 - 5 years, 3%,</li> <li>- Those with maturity term of 5 years or more, 0%.</li> </ul> <ul style="list-style-type: none"> <li>- Income earned from exchange rate differences during redemption of foreign currency bonds is not taxable.</li> <li>- Whole income is declared if it exceeds TL 34.000 for 2018 together with income earned from other marketable securities and rent income from immovable property that were subjected to withholding tax.</li> </ul>	<p>1) Interest income derived from those issued in Turkey;</p> <ul style="list-style-type: none"> <li>- Subject to 10% withholding tax.</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> </ul> <p>2) Interest income derived from bonds issued abroad by resident corporations are subject to withholding tax at following rates;</p> <ul style="list-style-type: none"> <li>- Those with maturity term up to 1 year, 10%,</li> <li>- Those with maturity term between 1-3 years, 7%,</li> <li>- Those with maturity term between 3 - 5 years, 3%,</li> <li>- Those with maturity term of 5 years or more, 0%.</li> </ul> <ul style="list-style-type: none"> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> </ul>
<p><b>CAPITAL GAINS DERIVED FROM PRIVATE SECTOR BONDS ISSUED (BONDS, ASSET BACKED SECURITIES, COMMERCIAL PAPERS)</b></p> <p>Those issued <b>AFTER</b> 01.01.2006</p>	<p>1) Interest income derived from those issued in Turkey;</p> <ul style="list-style-type: none"> <li>- Subject to 10% withholding tax.</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> </ul> <p>2) Interest income derived from those issued abroad by resident corporations are not subject to withholding tax.</p> <ul style="list-style-type: none"> <li>- Capital gains are calculated on Turkish Lira basis.</li> <li>- The acquisition cost may be indexed to Producer Price Index rate of increase, except for the month of discharge provided that Producer Price Index rate of increase is 10% or higher.</li> <li>- Capital losses are deducted from capital gains. (1)</li> <li>- Capital gains are declared regardless of the amount.</li> </ul>	<p>1) Interest income derived from those issued in Turkey;</p> <ul style="list-style-type: none"> <li>- Subject to 10% withholding tax.</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> </ul> <p>2) Interest income derived from those issued abroad by resident corporations are; not subject to withholding tax.</p> <ul style="list-style-type: none"> <li>- No declaration is required.</li> </ul>
<p><b>INCOME DERIVED FROM FUTURES AND OPTIONS TRANSACTIONS</b></p>	<ul style="list-style-type: none"> <li>- Income earned from derivatives transactions within Derivatives Exchange in Turkey ("TURKDEX") and OTC transactions which are done with or through banks or intermediary institutions is subject to 0% withholding tax if such transactions have an underlying in equities or stock indices and 10% if otherwise.</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> </ul> <ul style="list-style-type: none"> <li>- Derivatives transactions not done within TURKDEX or OTC markets or through banks or intermediary institutions are subject to declaration.</li> </ul>	<ul style="list-style-type: none"> <li>- Income earned from derivatives transactions within Derivatives Exchange in Turkey ("TURKDEX") and OTC transactions which are done with or through banks or intermediary institutions is subject to 0% withholding tax if such transactions have an underlying in equities or stock indices and 10% if otherwise.</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> </ul> <ul style="list-style-type: none"> <li>- Derivatives transactions not done within TURKDEX or OTC markets or through banks or intermediary institutions are subject to declaration.</li> </ul>

<p><b>CAPITAL GAINS EARNED FROM PARTICIPATION CERTIFICATES OF INVESTMENT FUNDS ISSUED OUTSIDE OF TURKEY BY TURKISH RESIDENT CORPORATES</b></p> <p>Those purchased <b>BEFORE</b> 01.01.2006</p>	<ul style="list-style-type: none"> <li>- Not subject to withholding tax.</li> <li>- Income is calculated on Turkish Lira basis.</li> <li>- Acquisition cost may be indexed to Producer Price Index rate of increase except for the month of discharge during the calculation of the net amount of the income.</li> <li>- Inflation deduction is not applicable.</li> <li>- Capital losses may be deducted from capital gains. (1)</li> <li>- TL 27.000 for 2018 together with other capital gains is exempt from tax. The portion exceeding the exemption amount is declared.</li> </ul>	<ul style="list-style-type: none"> <li>- Not subject to withholding tax.</li> <li>- If transaction took place in Turkey or if the payment is done in Turkey, then income is declared in Turkey.</li> <li>- Foreign exchange income is not taxable.</li> <li>- Inflation deduction is not applicable.</li> <li>- TL 27.000 for 2018 together with other capital gains is exempt from tax. The portion exceeding the exemption amount is declared.</li> </ul>
<p><b>CAPITAL GAINS EARNED FROM PARTICIPATION CERTIFICATES OF INVESTMENT FUNDS ISSUED OUTSIDE OF TURKEY BY TURKISH RESIDENT CORPORATES</b></p> <p>Those purchased <b>AFTER</b> 01.01.2006</p>	<ul style="list-style-type: none"> <li>- Not subject to withholding tax.</li> <li>- Income is calculated on Turkish Lira basis.</li> <li>- Acquisition cost may be indexed to Producer Price Index rate of increase except for the month of discharge during the calculation of the net amount of the income.</li> <li>- Inflation deduction is not applicable.</li> <li>- Capital losses may be deducted from capital gains. (1)</li> <li>- TL 27.000 exemption is not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>- Not subject to withholding tax.</li> <li>- If transaction took place in Turkey or if the payment is done in Turkey, then income is declared in Turkey.</li> <li>- Foreign exchange income is not taxable.</li> <li>- Inflation deduction is not applicable.</li> <li>- TL 27.000 exemption is not applicable.</li> </ul>
<p><b>INCOME EARNED FROM INTERMEDIARY INSTITUTION WARRANTS</b></p>	<ul style="list-style-type: none"> <li>- 0% withholding tax is applied over the income derived on intermediary institution warrants that are traded at BIST with the underlying of equity or equity indices.</li> <li>- 10% withholding tax is applied on other warrants.</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> </ul>	<ul style="list-style-type: none"> <li>- 0% withholding tax is applied over the income derived on intermediary institution warrants that are traded at BIST with the underlying of equity or equity indices.</li> <li>- 10% withholding tax is applied on other warrants.</li> <li>- Withholding tax is final.</li> <li>- No declaration is required.</li> </ul>

(1) Although no provision exists within the Code concerning deduction of capital losses from capital gains, Ministry of Finance has announced through a press release that such a deduction is possible.

\* Individuals who are not resident in Turkey.

**IMPORTANT DISCLAIMER:**

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