

BİLGENER CIRCULAR

2 December 2024/ 7

Exemption Rate for Gains from Sale of Participation Shares Reduced from 75% to 50%

The exemption rate provided under Article 5/1-e of the Corporate Tax Law No. 5520, which applied to gains arising from the sale of participation shares held in corporate assets for a minimum of two full years, as well as to gains from the sale of founder's shares, usufruct shares, preemptive rights, and participation shares of investment funds generating exempt income under paragraph (a) of this article, has been reduced from 75% to 50%.

According to the second paragraph of the aforementioned article, the President is authorized to reduce, separately or collectively, the rates related to tax burdens specified in this article to zero or increase them up to the corporate tax rate, and to reduce other rates to zero or increase them up to 100%. The Ministry of Treasury and Finance is also authorized to determine the procedures and principles for implementing the exemptions stipulated in this article.

Pursuant to this authority, with the Presidential Decree published in the Official Gazette dated November 27, 2024, and numbered 32735, the exemption rate applicable under Article 5/1-e of the Corporate Tax Law No. 5520 has been set at 50%.

The effective date for this regulation has been established as November 27, 2024, and no transitional provisions have been introduced. Accordingly, no specific provisions will be applied to shares acquired prior to the effective date.

You may access the relevant Presidential Decree [\[here\]](#).

Best Regards,

BİLGENER

Bilgener Sworn-In CPA Inc.

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

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

Bilgener is a leading Turkish professional services provider group that harmonizes the local expertise it has and the experience it has gained since 1995.

Bilgener's primary goal is to assist local and global entrepreneurs to operate their business in Turkey more efficiently and effectively by providing high-quality tax, audit, and consulting services from a single point.

Since 2002, Bilgener has been an independent Turkish member of London-based Morison Global, a global association of leading professional service firms, serving the cross-border accounting, auditing, tax, and consulting needs of clients.