

Tax-IA Newsletter

Nr : 2020-36

Date : April 6th, 2020

Subject: Latest Financial/Tax Regulations in Turkey (March 2020 Summary)

Distinguished readers,

March 2020 was very busy in terms of financial agenda, because of the pandemic lots of expected arrangements were made and we are expecting April to be much busier month as well in tax, financial, monetary and economic agenda. We would like to submit for your attention as a summary the important tax-related and financial issues that occurred within the last month.

Let's briefly start with the headings and then examine the details. We will submit information about;

- Turkish economic measures explained by the President against Covid-19 on March 18th, 2020,
- The Omnibus Law (nr.7226) covering many of the measures explained by the President,
- Different measures taken by the Authorities, and postponements of the tax, financial and regulatory obligations,
- Long-awaited Presidential Decree regarding **Transfer Pricing in Turkey** to be in line with OECD standards,
- Changes in banking fees in Turkey,
- New Communiqué on Digital Tax,
- Tax Debt Limitations to pay for the contractors,
- Special Collateral Certificate (SCT-ÖTS) for special consumption taxpayers (ÖTV)
- Circular on “*No-debt certificate*” required by the Social Security Administration (SGK)
- Additional tax on phone and other carriers,
- Update on Inward Processing Regime (DİR)
- Amendment on Withholding VAT rates,
- Changes on the legislation of *Mutual Funds, Pension Mutual Funds*,

We hope that you have taken advantage of and have taken pleasure in our bulletins and we express our respects.

1. Long-awaited Presidential Decree regarding **Transfer Pricing in Turkey** put in force in February and no legislative secondary legislation is announced or published yet.
 - **CbCr (Country Report):** Turkish resident ultimate parent company of an MNE group having consolidated revenue exceeding Euro 750 Million is needed to submit this report. This annual report will be uploaded online until the end of a fiscal year.

- Reporting should include the sales, profits, capital, retained earnings, headcount and other information.
 - The first country file will be submitted for the FY 2019 if there is no postponement because of Covid-19.
 - The firms obliged to prepare country report should inform the Tax Office about the ultimate firm and reporting firms, and fiscal year of the companies until June of each fiscal year. This information should be reported this year until the **end of August 2020** as well if there would be no postponement.
- **Master File:** With the amendments in legislation, corporate MNE taxpayers having TRY 500 million in both asset and net sales figures for the previous year need to prepare a master file and submit to the Tax Office and tax auditors upon request. The first master file will be submitted for the FY 2019 if there is no postponement because of Covid-19.
2. Covid-19 New Omnibus Law referring **Turkish Economic Stability Shield** Package is announced and published very fast. Most of the measures explained by the President was regulated with a new Omnibus Law (**No: 7226**) including 53 articles in Official Gazette, dated March 26th, 2020.

A: Regulations laid down by this Law Proposal,

- By an article added to the Mining Law (Additional Article 19); in the case of any force majeure, the **financial obligations** and/or **declarations** within the scope of **the Mining Law** will be postponed and the financial obligations will be split into instalments by taking the opinion of the Ministry of Treasury and Finance,
- A **minimum monthly** wage support of **TRY 75 TL** will be provided to employers throughout 2020 in order to reduce employers' labour costs to maintain and increase employment,
- Consumers will be allowed to request for meeting their **electrical needs** from renewable energy sources, and different tariffs may be determined for them,
- The President is entitled to decide to postpone the **electric and natural gas bills** of **citizens** who are victims of earthquake, fire, flood, landslide or **similar disasters**, and in the case of postponement, cover the late fee to be collected by the electricity and natural gas distribution companies from consumers due to the postponement, other than the principal, from the budget of the Ministry of Natural Resources,
- The Turkish Standards Institute will be entitled to **examination staff** from outside the Institute under employment contract,
- The citizens who do not reside in Turkey and the persons included in the scope of the article 28 of Turkish Citizenship Law will be allowed to participate in **the private pension system in foreign currency**,
- The amount of funds to be transferred to credit guarantee institutions (**CGF**) will be increased from 25 billion Turkish Lira to 50 billion Turkish Lira.

The original draft law was then sent to the Planning and Budget Commission.

B: Regulations brought by the additions made by the Planning and Budget Commission of the Grand National Assembly of Turkey;

- The article 75 of the Income Tax Law is amended to ensure that **the exchange rate difference will not be taken into account** in determining the amount of the income obtained from the pension mutual funds established **in a foreign currency**, in which the contribution payments made in foreign currency are deposited.
- With the additional Article 2 added to the Law for Provincial Administration, **the telephone subscriber and location information needed** by the Information Technologies and Communications Authority under the following circumstances shall be provided without delay:
 - a) the telephone subscriber and location information needed by the Disaster and Emergency Management Directorate or the relevant governorship shall be provided without delay within the scope of search, rescue and response activities in disaster and emergency situations, to be limited to people affected by the disaster or emergency,
 - b) within the scope of calls to the emergency call service 112, the telephone subscriber and location information needed by the emergency call service or the relevant governorship to reach the callers shall be provided without delay.
 - In this context, an access system can be established in accordance with the procedures and principles to be determined by the Ministry and the Information Technologies and Communications Authority. Data obtained under this article may not be used for other purposes.

After the Commission the Draft Law is sent to the General Assembly in the Parliament. Mostly the measures mentioned by the President was added in the General Assembly.

C. Additions made during the General Meeting of the Grand National Assembly of Turkey:

- The Law no 4706 is amended to postpone the fees including the rents, revenue shares and adequate pays that must be paid by **tourism investors and establishments** for the period from April 1st to June 30th **by six months** without seeking application,
- The Labour Law is amended to increase the **make-up** period from 2 months to 4 months,
- Social Insurance and General Health Insurance Law is amended and by the Additional Article 18, **the lowest salary** paid is increased to TRY 1500, and the holiday bonus will be paid according to the month of the holiday, instead of the date of payment,
- The Unemployment Insurance Law is amended to alleviate the conditions for **short-time working allowance**, [\(2020-24\)](#)
 - After the amendment, the employees who (i) paid unemployment insurance premiums for at least 450 days in the three years prior to the start of the short-term working; and (ii) worked under an employment agreement for the last 60 days prior to the start of the short-term working, can benefit from the short-term working allowance due to the pandemic.
 - Employers are required **not to fire any employees** during the short-term working period in order to be able to benefit from the short-term working due to the pandemic.

- Applications for short-term working allowance due to pandemic shall be evaluated within 60 days as of the application date by the inspectors.
- The President of the Turkish Republic is authorized to extend the application for short-term working due to the pandemic, until December 31, 2020.
- The Law on Bad Checks and Protested Bills is amended to provide relief to those whose principal or instalment payment was **before 24.03.2020** but delayed allowing them to pay by **31.12.2020** or restructure the debt,
- The Law of Checks is amended to halt execution for crimes committed until **March 24th, 2020**, and allow for payment in certain instalments,
- **Accommodation Tax** which was introduced by the Law No 7194 and planned to start in April 2020 is **postponed to the beginning of 2021**,
- The Provisional Article 1 added to the Law during the General Meeting regulates the provisions such as periods, procedures, trial, etc. **to prevent loss of rights in jurisdiction**,
- The Provisional Article 2 added to the Law during the General Meeting stipulates that the failure to pay **office rent** between March 1st-June 30th 2020 will not be considered as cause of evacuation.
 - This is about just the workplace lease agreements: The Law of 7226 regulates that a tenant's inability to pay the rent for a workplace between March 1st, 2020 and June 30th, 2020 does not make reason for lease termination or eviction of the work place.
 - The new regulation, which is applicable only to workplace lease agreements, does not release the tenant from its obligation to pay rent. However, it offers them protection that the lease agreement will not be terminated and they will not be evicted due to their inability to pay rent.

Besides, the President of the Republic addressed other issues as follows. Those are very important to keep in mind:

- The top priority is to avoid interruption of **production and employment**.
- **The prerequisite for any company** that will benefit from the opportunities in the economy package described above is that **it will not cause any loss of employment**.

So, we assume that the prerequisite for any deferral in the economy package described above is that it must not cause any loss of employment. This is emphasized by the President of Turkey in his speech and some measures and incentives by the firms who are not firing any employees.

3. OTHER COVID MEASURES EXPLAINED BY THE PRESIDENT

- In **domestic air transportation**, the **VAT rate** is reduced from 18 percent to 1 percent for 3 months. Currently, VAT is not collected from the services and deliveries corresponding to the international section on flights abroad.
- For companies with cash flows negatively affected by the measures taken against the COVID-19 pandemic, it is planned to **postpone their principal and interest payments of loans** to banks by minimum 3 months and provide them with additional financial support if necessary.

- In order to maintain capacity utilization rates during the temporary slowdown in exports, **inventory financing support** will be provided to the exporters.
- For the tradesmen and craftsmen who demands so declaring that their business is negatively affected during this period; the **principal and interest** payments for April, May and June regarding the loan payables to Halkbank will be postponed by **3 months** without interest.
- The Credit Guarantee Fund (**KGF**) limit will be increased from 25 billion Turkish lira to **50 billion TRY**. In credit allocation, priority will be given to the companies and SMEs who need liquidity and have security gap since they are adversely affected by the events. This is regulated by the Omnibus Law nr. 7226 explained above.
- Measures will be taken to promote introduction of **credit packages** for social purposes under favorable and advantageous conditions for citizens.
- For any house with a price below 500 thousand Turkish liras, it is considered to increase the creditable amount from 80 percent to 90 percent and reduce the minimum down payment to 10 percent.
- The firms going into default for April, May and June due to the effect of the measures taken against the spread of the virus will have a “**force majeure**” annotation in their credit registers.
- **Minimum wage support** applied in previous years will be continued.
- **Flexible and remote working models** in our legislation will be made more effective. These methods, which are already included in our labor law but not preferred too much, have become important due to this crisis.
- The lowest **retirement pension** will be increased to TRY 1,500.
- **Holiday bonus** of retirees will be paid at the beginning of April. Likewise, pension promotions of retirees will be directly paid into their accounts, so that they will not have to actually go to bank branches.
- An additional fund of **TRY 2 billion** will be allocated for financial aids to families in need according to the criteria set by the Ministry of Family, Labor and Social Policies.
- In order to ensure continuity in employment, the **2-month make-up period** will be increased to 4 months. This practice is currently used in some sectors with high season intensity based on the Labor Law but the period of 2 months remains insufficient.
- For elderly people over the age of 80 who live alone, a **periodic follow-up program** consisting of social and home health-care services will be launched.
- Exports of some important goods such as ethyl alcohol, cologne and disinfectants have been export-listed.
- Ministry of Finance designed all e-system for the taxpayers not to come to the Tax Offices until April 10th, 2020.

What did the Banks do after the President's Speech?

After the speech of the President the Banking Regulatory Authority in Turkey (BDDK) and Turkish Banking Association (TBA) has announced some measures and advisory decisions.

- The BDDK took some additional measures regarding the outbreak with its decisions dated March 19th and nr. 8949 and 8950. <https://www.bddk.org.tr/Home>
 - 90-day default period for financial institutions to set aside special provisions is now 180 days for factoring and financing companies and 240 days for financial leasing companies.
 - 90-day default period for financing companies to set aside general provisions in respect of consumer loans other than housing loans is now 180 days.
 - All of the above measures will be valid until December 31, 2020, and applicable to all financial institutions setting aside provisions in accordance with the expected loan loss model under TFRS-9 and receivables that are not monitored under the “*bad debt account*”.
 - For receivables that are not transferred to the “bad debt account” in spite of the 90-day default, financial institutions will continue to set aside provisions in accordance with their own risk model.
- TBA issued certain advisory decisions on Turkish banks’ activities after the President’s speech as well. Pursuant to the TBA’s advice, Turkish banks, at their own discretion, will be able to be flexible in determining its working and customer hours by informing their customers; and take the necessary measures to prevent crowding and close contact; and temporarily close their branches that have the highest risks and the highest foot traffic.
- 4. **Corporate Tax:** Tax declarations period for corporations will start in April 2020. There is no postpone regarding with tax returns for corporate tax payers in Turkey, amounting of 860.000 roughly according to the Revenue Authority in Turkey as of February 2020.
- 5. **The Valuable Housing Tax** was postponed to 2021 and Fundamental Changes were made in this tax so no need to take any action in this year.
- 6. The Application of **Appreciation Fee** was being started in Turkey in February but no **secondary legislation** announced yet.
- 7. **The General Communiqués** regarding the application of **the Law no 7194** were published after announcement as Draft on the GIB (Revenues Authority of Turkey) website in order to obtain the opinions of the public.
 - Draft General Communiqué on the Application of **Accommodation Tax** is not published ad the tax is postponed to the beginning of 2021 because of Covid-19.
 - Communiqué on the Application of **Digital Service Tax** is published.
 - General Communiqué on **Income Tax** serial no 311 is not published yet.
 - This Communiqué explains the changes with the Law No. 7194. One of the changes is expense rules for company cars. Some limitations are imposed on the total amount of the monthly rental fee paid for each of the cars (binek oto) acquired by renting, and the amount of special consumption tax (ÖTV) and

value added tax (KDV) that can be considered as an expense over the taxable income, and the amounts that can be calculated as a depreciation for passenger cars with some limitations.

- The Communiqué explains new taxation on football players, wage earners, new income tax tariff, new taxation regime for professional service providers, referees, new tax exemption for employees on transportation, as well.

8. Amendments were made to the Mutual Funds and Pension Mutual Funds legislations in Turkey

- The definition of the issuer was updated with the amendments to the Communiqué and Regulation published in the Official Gazette dated March 4, 2020, changes were made in the limitations regarding fund portfolio investments, and there were explanations regarding the investments in stock-dense funds and investment in stock market funds. These regulations came into force on the date of publication.
- One of our partners, Saban Kucuk attended in a related Congress in 2019 by the IFA in London which is 81st international congresses (International Fiscal Association) as rapporteur on Turkey regarding the Investment Funds.

9. Export Limits are updated for some high demand goods such as ethyl alcohol, cologne and masks.

- Because of the high demand after the Covid 19 some products were added to the List of Products Subject to Export Registration. This list keeps some goods first for domestic markets. The Communiqué nr. 2020/5 provides that these products' customs declarations can only be recorded and assessed after applying to the relevant Export Union's General Secretary for **pre-approval**. The Export Union's General Secretary reviews the request and asks the Ministry of Trade's Export General Directorate to issue the pre-approval. This new regulation was published in Official Gazette on March, 18th 2020.
- The products needing approval first are ethyl alcohol, cologne, hydrogen peroxide and melt blown fabric.

10. Public Administration and Institutions first pay the **tax debt** before the contractors, and the limit is amended.

- The limit was determined again for the public institutions and organizations determined to be unable to pay without paying the tax debt (public debt) by amending the General Communiqué on Collection.
- Accordingly, the said institutions and organizations will ask for a document showing that there is no tax debt for payments **over 5.000 TL** instead of the amount of 2.000 TL.

11. **Special Collateral Certificate (SCC)** is in use in special consumption tax (ÖTV) in Turkey.

- The Special Consumption Tax (SCT) General Communiqué on the application of Special Collateral Certificate (SCS-ÖTS), which provides facilities regarding the SCT collateral returns, has been published.
- The amendments made with the Communiqué on SCT application number 7, published in the Official Gazette dated 3 March 2020, will come into force on 1 May 2020.
- The parts of the preliminary guarantees that may fall within the scope of the ÖTS will be resolved within 2 months if they meet the necessary conditions.
- In order to receive these guarantees, besides the general conditions stipulated, it is necessary to fulfill the special conditions determined for each type of certificate.

12. **No debt certificate** by SGK in Turkey is updated. (2020-5 Circular)

- **The Social Security Institution (SGK)** made important statements regarding the implementation of the No Debt Letter with Circular 2020/5.
- **No Debt Application for Tender Entry:** According to the Circular dated March 2, 2020, there are no debt types and amounts, the types of debt not covered, the period of the debts, the specific conditions according to the type of the person to bid. business partnerships, consortia, trading companies and partners).
- **Debt Inquiry of the Administrations:** In addition, during the progress payments, the details of the employers' current debts by the administrations in electronic environment, the scope of the interrogation authority, the issue of the password, the debt inquiry and the responsibilities of the administrations are included.
- **Government Incentives:** Besides, there are additional explanations about government aids, incentives and supports, debt inquiries, incentive types that are covered, types of incentives and support that are not covered, terms of use and no debt documents.

13. Additional tax rates on phones and some carrier goods is amended.

- The tax rates for the manufacturing or importing of some carrier goods for the reproduction and transportation of Intellectual and Artistic Works have been redefined and phone devices have been included as well.
- According to the decision, the tax rates to be made on the production or import prices of the carrier materials such as blank CD, DVD, USB memory and technical devices used to reproduce the ideas and works of art, the item description and the position numbers of the products in the attached list are evaluated together.

14. The Communiqué on the **Inward Processing Regime** was updated

- With the closing of permits, documents and commitments in sales and deliveries considered as Inward Processing Regime and Exports, the list of goods that will not be granted inward processing was updated.
- Besides, if the administration deems it necessary, it may request additional information and documents or may not want some of the information and documents counted.
- These regulations are carried out by the Ministry of Commerce and will be effective from the date of publication in the Official Gazette on March 6, 2020.

15. **VAT withholding rates** are updated

- A new regulation has been made regarding VAT withholding rates. With the Communiqué No. 31 on the Amendment to the VAT Communiqué published in the Official Gazette dated March 3rd, 2020, the rate of withholding applied as 1/2 in bullion metal, copper, zinc, aluminum and lead products and scrap and waste deliveries has been changed to 7/10. The new rate will be applied for deliveries as of April 1, 2020.

16. **Online Application of the Government Incentives:** A Circular regarding **the Support Management System (DYS)** that is applied in the governmental incentives was issued.

- Within this scope, the components regarding;
 - Supports for good export,
 - Supports for service export,
 - Inward Processing Regime,
 - Outward Processing Regime,
 - Tax, Levy, Charge Exemption and
 - Clean Export Credits shall be carried out within the scope of Support Management System.
- **The new applications** to be forwarded from March **31st 2020** are accepted only via the Support Management System. It is not just because of Covid-19. This new application started months ago in order to make all those applications online.

17. Changes were made in the **Fees Charged for the Banking** Transactions again in March after huge changes in February.

- **TCMB and BDDK** made a regulation regarding the procedures and principles for the fees that will be charged from the financial consumers and the fees that can be charged from the commercial customers by the banks.
 - The purpose of the said Communiqué is to determine the types and qualities and the maximum amounts or rates of the fees that can be charged in return for the products or services provided and to establish the relevant procedures and principles in order to increase the predictability and transparency in the

transactions that the banks will make with their commercial customers, to ensure the unity of concept and term and to prevent surcharging.

- The minimum payment amount for credit card was fixed as at least (i) 30% of the debt incurred in the relevant period; and (ii) 40% of the debt incurred in the relevant period for the first year following the issuance of a credit card. As per the amendments, the BDDK is now entitled to determine the minimum payment amounts in a range between 20% and 40% of the debt incurred in the relevant period, by considering the opinions of (i) the Ministry of Treasury and Finance (ii) the TCMB. BDDK has announced such rate as 20% on March 31, 2020, to be applied until further announcement. Nevertheless, Turkish banks may freely agree on a different minimum rate, provided that the rate is not less than the rate announced by the BDDK.

18. Dates concerning some **tax liabilities** have been **deferred or adjusted** because of Covid-19:

Turkish Ministry of Treasury and Finance, Revenue Authority, Ministry of Commerce and Industry, authorities such as KGK and TUBITAK and state-owned banks, ISKUR and the Central Bank have introduced deferrals and easiness concerning some significant fiscal liabilities due to the pandemic.

We would like to summarize these practices and easiness for your attention below.

- a) **VAT and Withholding Tax Deferrals:** Payments due in April, May and June on account of withholding tax and VAT (including VAT2) as well as the Social Security premiums for the sectors announced by the President will be deferred for 6 months for each. These sectors are Retail Sale Trading, Shopping Mall, Iron & Steel and Metal Industry, Automotive, Logistics-Transportation, Cinema- Theatre Activities, Accommodation, Food & Beverage Services, Textile- Clothing Industry and Event- Organization Industries and others added later in this list. Those are considered to be in **force majeure** for 3 months namely April, May and June 2020.

This force majeure rule does not regulate the contracts between the parties in private law, we advise that you read our advice on force majeure on private contracts. **(2020-29)**

Health services, construction, mining and quarry operations, furniture production, industrial kitchen equipment, car rental, printed media and printing and all real person taxpayers who are obliged to keep accounting books were added to the **force-majeure list** on March 24th.

More details can be found on the web page of the [Revenue Authority](#).

- b) **Social Security Payments:** Turkish Social Security Authority (SGK) made an adjustment in this regard as well in the beginning of April.
- c) **GEKAP Declaration & Payment Deferral:** In the implementation of **Recycling Share Return (GEKAP)**, the return periods have been adjusted as 6-month periods for 2020 and 3-month periods for 2021 and the subsequent years. The taxpayers who have not submitted their returns yet will be able to submit their returns until the end of July as the first return and payment period. You can find more information about this new tax in previous bulletins.

- d) **Execution & Bankruptcy Proceedings have been deferred:** With the enactment made based on Article 330 of the Execution and Bankruptcy Law pursuant to the Presidential Decree Nr. 2279, it has been resolved to suspend all execution and bankruptcy proceedings throughout the country except for those related to the receivables for alimony until 30 April 2020 and not to carry out the proceedings in this framework and not receive any further execution and bankruptcy proceeding claims and not to execute and enforce the decisions regarding precautionary attachment.

After this Decree the Omnibus Law nr. 7226 made some regulations with the temporary article 1 of 7226 Law, so;

- any and all terms regarding the origination, exercise and termination of any rights, including but not limited to the statute of terms for filing a lawsuit, enforcement proceedings, complaints, objections, warnings, notices, submissions and statute of limitations and mandatory administrative application terms;
- terms regulated under Administrative Procedure Law, Criminal Procedure Law, Civil Procedure Law and other procedural law, and
- terms in mediation and reconciliation proceedings are all suspended from March of 13th until April of 30th.

All suspended periods will begin to continue from the day following the day when the suspended period ends. The deadlines remaining fifteen days or less will be deemed extended for another fifteen days, starting from the day following the day when the suspended period ends. In case the epidemic will continue, and the President is entitled to extend the suspended period once again, but not exceeding six months.

- **No Announcement for Unpaid Taxes:** We would like to remind that a similar decision has not been taken yet for the public receivables within the scope of Law Nr. 6183 and that proceedings will continue in the event of failure to pay the public debts including the taxes and social security premiums.

e) ***Deadline for submitting the Income Tax Return and payment has been deferred for 1 month.***

- The deadline for submitting the Annual Income Tax returns for calendar year 2019 that is required to be submitted until the end of day on 31 March 2020 as well as the deadline for payment of the taxes accrued based on these returns have been deferred until the end of day on 30 April 2020, Thursday pursuant to the Tax Procedures Law Circular Nr. 125 and dated 17 March 2020.
 - The income taxpayers who are taxed under the real taxation system due to their commercial, agricultural and professional activities shall send their Annual Income Tax Returns for the year of 2019 in electronic environment by the end of April 30th 2020.
 - The taxpayers whose income is only composed of rent, salary, marketable security incomes and other incomes or one or several of the other earnings and revenues can easily send their Annual Income Tax Returns via the **Online Ready Tax Return System**.

- f) Deadline for submitting the VAT Returns and payment concerning **February-2020** period as well as the deadline for submitting the **Ba-Bs Forms** and loading **Electronic Book Certificates** have been deferred.

- Pursuant to the Tax Procedures Law Circular Nr. 126 and dated 17 March 2020;
 - Deadline for submitting the Value Added Tax Returns that were required to be submitted until the end of day on 26 March 2020 as well as the deadline for payment of the taxes accrued based on these returns have been deferred until the end of day on 24 April 2020, Friday.
 - Deadline for submitting the "Form Ba" and "Form Bs" concerning 2020/February period that was required to be submitted until the end of day on 31 March 2020 has been deferred until the end of day on 30 April 2020, Thursday.
 - Deadline for creation and signing of the e-Books that were required to be created and signed until the end of day on 31 March 2020 as well as the deadline for loading the "Electronic Book Certificates" that were required to be loaded to the Revenue Authority Data Processing System until the same deadline have been deferred until the end of day on 30 April 2020, Thursday.

g) Specific Deferrals have been introduced for the Tourism Industry.

- **Accommodation Tax** (tourism tax) that would take effect from the beginning of April will not be implemented until November 2020. Valuable house tax that was planned to be implemented this year had already been deferred for 1 year.
- Right of easement costs and revenue share payments implemented in the hotels that use state-owned land for May and June have been deferred for a period of 6 months with the Law nr. 7226. A communique is published by the Ministry of Environment and Urbanization about this deferral.
 - Within the scope of the Law, the payments of rent, definite permits, definite allocations, rights of easement, usage rights, utilization permits, additional utilization fees and revenue share between April 1, 2020 and June 30, 2020 were postponed for six months without the operators and investors being required to file applications who were allocated public lands to build tourism facilities by the relevant ministries and have the relevant licenses (such as a Tourism License) from the Ministry of Culture and Tourism. These receivables will be collected after June 30, 2020 without incurring any interest rate increase until the end of the postponement period.

The Law also postponed for six months the payment period of the occupancy fee (tr. ecrimisil) for operators and investors licensed by the Ministry of Culture and Tourism who are operating their facilities on public land without permission, without the need to apply for postponement for the period between April 1, 2020 and June 30, 2020.

h) Deadline for submission of incentive programs such as ARDEB, TEYDEB and BIDEB reports has been deferred for three months by TUBITAK.

- Deadline for submission of the Progress/ Result/ Periodic Reports that were required to be submitted until 30 June 2020 within the scope of the projects that came into force under the sponsorship of Research Support Programmes (ARDEB), Innovation Support Programmes (TEYDEB) and Scientist Support Programmes (BIDEB) has been deferred for three months within the scope of precautions taken due to COVID-19 pandemic.

- i) *It has been decided to **adjourn some official meetings.***
- Circular Nr. 2020/3 was published in the Official Gazette dated 20 March 2020. To avoid loss of right due to the meetings, conferences, general meetings, activities and likewise that cannot be held based on the aforesaid Circular, necessary precautions must be taken and the correspondences with the parties must be filed by evaluating the parties and each incident on its own merits.
 - Furthermore, an enactment has been made for remote and rotational work of the civil servants and considering them as on leave with the Circular Nr. 2020/4.
 - **So, will “General Assembly Meetings” be held?**
 - Those meetings as well can be postponed even if it is announced to gather in time.
 - According to the statement on the web page of the Ministry of Commerce, Minister of Commerce stated that some precautions had been taken for the aforesaid meetings in this period when the general meetings of companies were held intensively, and said, "It has been allowed to cancel and hold, at some time in the future, the general meetings that were called, but not held yet by the executive bodies of the incorporated and limited liable companies." In addition, Mrs. Minister Pekcan noted that the companies were allowed to hold general meetings or meetings of board of directors/ managers electronically although there is no stipulation in the articles of association/ incorporation.
- j) ***KGK (Public Oversight & Audit Authority) considered appropriate to defer some declarations.***
- The declarations whose deadline for submission is prior to 31.05.2020 in respect of those that are required to be made within a certain period of time before this date depending on the date of signing / issue/ realization (declaration of contract, declaration of professional liability insurance, declaration of contract termination, declaration of changes to the previous declarations etc.) have been deferred until **31.05.2020**;
 - It has been considered appropriate to make the declarations whose deadline has been stipulated definitely (declaration of income, declaration of transparency report etc.) until 31.05.2020.
- k) ***Ministry of Commerce (General Directorate of Export) resolved on force majeure and extension of time concerning exports, domestic processing and some exceptional procedures until 31.12.2020.***
- Accordingly, it has been considered appropriate to grant extension of time from 6 to 12 months for the following items issued or exercised before March 18th upon Approval Nr. 53330175 dated 18.03.2020 of the Ministry of Commerce through the exercise of powers set forth in the related provisions provided that an application is made to the relevant authorities in the defined periods from the expiry of the duration and that the requests are considered appropriate:
 - Inward processing permit certificates and permissions, the export commitment account of which has not been closed yet,
 - Tax, levy, charge exception certificates and export loans without any certificate, the export commitment account of which has not been closed yet,

- Inward processing permit certificates with Code D3, the export commitment account of which has not been closed yet.
 - This approval has been sent to all related departments & units with an official letter distributed.
 - The aforesaid Ministerial Approval will be annulled as of the end of 2020 without need to take any further action.
- l) *Ministry of Commerce, General Directorate of Customs decided to suspend the deadlines for submitting the declarations and documentations required to be submitted within the scope of YYS (Authorized Declarant Status).*
 - In order to ease the YYS applications, the deadlines concerning the procedures required to be carried out by the companies that are in the application process for **YYS certificate** or that hold the certificate have been suspended **as of 19 March 2020** and it is expected to have no loss of right.
- m) *Pharmacy sales team are not allowed to visit the pharmacies and hospitals with a regulatory announcement.*
 - On March 19th, Turkish Medicine and Medical Devices Authority announced the suspension of product promotion representatives' visits to pharmacies and health organizations because of the COVID-19 pandemic.
 - In light of the measures against the pandemic, the Authority suspended the sales team's promotional activities of visits to doctors, dentists and pharmacists in all health organizations and institutions, including pharmacies.
- n) *Remote work for Technocity and R&D & Design Centre personnel: An announcement has been made about the personnel under incentive who have been allowed to work at home.*
 - It has been allowed to make use of the incentives for the works carried out by those working at **Technoparks, R&D and Design Centers** without being present personally in these centers until the end of April 2020.
 - With the common announcement made by 3 Ministries, it has been considered sufficient when the personnel who are considered appropriate to work at home in this way are notified to the Ministry of Industry and Commerce, and such personnel will continue to make use of the incentives as stipulated in **Laws Nr. 5746 and 4691**.

We have summarized our notes on the changes and developments regarding the summary financial / tax legislation in the last one month, in English, in short headings. Please do not hesitate to contact us for further information.

Please send us your comments and suggestions regarding this bulletin format.

Best regards,





Ankara: Kent İş Merkezi, Mustafa Kemal Mahallesi, 2152 Cadde, No:2 Kat:9 Daire No:18
Çankaya/Ankara, 06510 Tel: +90 312 446 92 05
www.ia.com.tr