

## Circular

**Istanbul, 6 September 2018**

**Circular No: 94**

### **Subject: VAT taxpayers under special terms will switch to general terms following their VAT tax base increase.**

As per the VAT Communiqué no.20, published in the Official Gazette dated 6 September 2018 and enacted as of the same day, taxpayers with negative evidence within the scope of VAT General Implementation Communiqué and accordingly subject to special terms on the matters provided below concerning the taxation periods prior to December 2017;

- Negatively reported for using forged document or misleading document with regard to its content,
- Using forged document or misleading document with regard to its content,
- Not submitting a return,
- Unavailability at address,
- Failing to submit books and documents;

which have performed VAT increase for the whole periods of calendar years 2013, 2014, 2015, 2016 and 2017 within the scope of the Article 5 in the Law no.7143 will be removed from the coverage of special terms as of the date that they have paid the increased amount entirely.

VAT increases by the taxpayers subject to the special terms resulting from causes other than the ones indicated above will not ensure them switch to the general terms.

Taxpayers resorting to instalments would be returned to the general terms provided that they submit collaterals in the form of bank letter of guarantee, government bonds or treasury bills for the sum of the calculated amounts and 10% of a single instalment amount, without waiting for the payment of all instalments.

Taxpayers increasing VAT despite being out of the scope of special terms will not become subject to the special terms for the detections to be reached concerning negativities about the taxpayers they made purchases during the years of tax increase.

*Our explanations provided above include general information on the issue. No responsibility can be claimed against EY and Kuzey YMM ve Bağımsız Denetim A.Ş. due to the implications arising from the context of this document or emerging with respect to its context.*

Best Regards,

**KUZEY YMM VE BAĞIMSIZ DENETİM A.Ş.**