

## Circular

**Istanbul, 3 January 2018**

### Circular No: 5

**Subject: Statements made upon VAT implementation on pre-paid electronic communication services and VAT exemption within the scope of FATİH Project.**

Statements have been made upon VAT implementation on pre-paid electronic communication services and VAT exemption within the scope of FATİH (Movement of Enhancing Opportunities and Improving Technology) project, through the Communique series no.16 Regarding Amendments to the VAT General Implementation Communique. Pertaining to that;

-All pre-paid electronic communication services will be taxed according to the special tax base form. The VAT for sales in TL for loadings to the pre-paid mobile lines and the calling card sales, should be declared by containing the VAT corresponding to distributor and dealer profits as well, within the period in which the pre-paid sales were performed. Distributors and dealers will not calculate tax separately for their pre-paid sales within the indicated scope.

-In relation to the contracts drafted as of 5 December 2017, imports handled by the Ministry of Education within the scope of FATİH project, deliveries of goods and services to this ministry within the scope of the same project are exempted from VAT.

-The regulation within the Communique concerning pre-paid electronic communication services has been enacted as of 1 January 2018 while regulation for the exemption implementation related to FATİH project took effect from 31 December 2017.

*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.**