

## Circular

**Istanbul, 30 January 2019**

### Circular No: 23

#### **Subject: Amendments to the tax legislation through the Law no.7162 published on 30 January 2019.**

Amendments below to the Income Tax Law, Corporate Tax Law, VAT Law and the Law for Municipal Revenues have been made through the Law no.7162 published in the Official Gazette dated 30 January 2019.

-Particularly the housewives, people selling products such as towels, coverings, sheets, socks, knitting, lace, tarhana soup, noodles, Turkish type ravioli, etc. produced in their own houses without setting a workplace have been benefitting from artisan exemption.

Through the Law no.7162, provided that the annual sales amount does not exceed the annual gross amount of the minimum wage applicable for the year (TL 30,800 for the relevant year 2019), sellers of the products indicated above over the web and similar electronic environments have been included into the scope of artisan exemption.

-Unemployment compensation paid pursuant to Unemployment Insurance Law no. 4447 and non-employment indemnity paid as per the Labor Law no.4857 only which are paid by employers will be considered as exempt from income tax.

One of the conditions for the reductions to compliant taxpayers is the requirement of paying the taxes accrued on tax returns within the legal period. For each declaration, payments that are not made in full up to TL 10 are not considered as a violation of this requirement. This amount of TL 10 has been changed as TL 250. This amendment will be taken into account for the fulfilment of reduction terms in the annual income and corporate tax returns that should be submitted as of 1 January 2019.

-The income tax collected and deducted from payments and benefits under various names such as compensations paid in line with a mutual termination contract or mutual rescission before 27 March 2018, job loss compensation, end of work compensation, job security compensation will be rejected and returned.

Accordingly, the taxpayer whose compensation had been subject to income tax withholding should apply to the authorized tax office within the limitation period of correction. In addition, to receive the concerning refund, there is a requirement that any lawsuits should not be filed and the existing ones should be withdrawn.

-Regarding the 2019 UEFA Super Cup Final and the 2020 UEFA Champions League Final, the deliveries of goods and services performed by UEFA, participating football clubs and limited taxpayers in charge of organization due to these competitions and the deliveries of goods and services that will be made to them are exempted from VAT (full exception).

Income and corporate tax exemption is also provided to the above mentioned associations, clubs and organizations regarding the earnings and revenues acquired in Turkey through the concerning competitions played in Turkey.

The regulations without any indicated effective date above have been enacted as of publication date (30 January 2019).

*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.