

Circular

Istanbul, 18 February 2019

Circular No: 30

Subject: Amounts not refunded through deduction concerning the deliveries subject to reduced rate should be included in the VAT return of January.

Pursuant to the VAT General Implementation Communiqué, refund receivables that were requested but could not be refunded within the current year in which the deliveries subject to reduced rate were performed should be included into the deferred VAT amount by writing on the line no.106 “VAT not refunded through deduction concerning the transactions subject to reduced rate” which is left for this purpose under the “deductions” section on the tax return in the period following the period in which the refund request was submitted at the earliest and in the tax return for January taxation period of the following year at the latest.

Accordingly, for the deliveries in 2018 calendar year subject to reduced rate, the amounts that were requested within the year but not refunded through deduction should be indicated on the relevant line of the January VAT return for 2019 calendar year.

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.