

Circular

Istanbul, 20 February 2019

Circular No: 31

Subject: “Refund based on VAT refund pre-check report” starts as of March 1st.

The implementation of refund based on VAT refund pre-check report has been introduced through the Communique series no.24 published in the Official Gazette dated 20 Feb 2019.

Accordingly, taxpayers meeting the requirements of submitting VAT returns for at least 24 periods (at least 8 periods with a quarterly taxation period); previous refund requests should be finalized for at least 3 taxation periods; himself, partners, partnerships and legal representatives should not be subject to special principles and should not be referred to investigation due to reasons indicated in the Communique will be able to benefit from the implementation of refund based on VAT refund pre-check report.

Through this implementation, refund requests in cash originating from the transaction performed as of Jan 2019, for the refundable transactions exceeding the threshold set by the Treasury and Finance Ministry and refund requests in cash that can be claimed with a sworn-in CPA VAT Refund Certification Report in terms of transaction type will be processed by the KDVİRA system. For this, a standard refund request petition, sworn-in CPA VAT Refund Certification Report and all documents demanded in the related parts of VAT General Implementation Communique for refund requests should be submitted.

The requested refund's 50 % portion that any negativity was not detected according to the VAT refund pre-check report created after the query will be refunded to the taxpayer within 10 workdays as of the report's date of creation.

Taxpayers using HIS and ITUS will be benefitting from this implementation as well.

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.