

**Istanbul, 10 July 2019**

**Circular No: 65**

**Subject: Draft law containing arrangements on revenue based earnings, wealth amnesty and departure fee submitted to the Grand National Assembly of Turkey.**

Some of the amendments to the tax legislation proposed to be introduced through the draft law submitted to the Parliamentary Speaker's Office on 8 July 2019 are summed up as below:

-An article titled as "detection of revenue based earnings" is proposed to be added into the Income Tax Law. Accordingly, for income taxpayers with commercial earnings (simple entry, operating or balance sheet basis) and corporate taxpayers and those with professional earnings determined due to self-employment earnings book; those working in sectors and occupational groups to be identified by the President, 10% of their gross revenue from these activities will be considered as taxable income upon their request.

The expenses incurred by the taxpayers whose earnings are determined in this way shall not be taken into consideration and no exceptions or discounts will be applied. Also, this procedure cannot be annulled before two years.

-Natural and legal persons will be able to freely dispose on money, gold, foreign exchange, securities and other capital market instruments abroad that they inform a bank or intermediary institution in Turkey until 31 Dec 2019.

Banks and intermediaries are required to declare and pay the tax calculated by them at the rate of 1% for the assets notified to them to the affiliated tax office until the end of the 15th day of the month following the notification.

Income and corporate taxpayers will be able to declare the aforementioned assets and immovable in Turkey that are not indicated in the statutory books to the tax offices until 31 Dec 2019.

One percent tax shall be levied by the tax office over the value of the above assets declared to the tax office. This tax should be paid by the end of the month following the month in which the assessment is made.

Any tax inspection and assessment will not be handled for the foreign assets notified to the Turkish banks or intermediaries and domestic assets declared by income and corporate taxpayers at all.

To benefit from that provision, the tax levied on the amounts declared or notified should be paid at due date and taxpayers notifying their foreign assets are required to move them to Turkey or transfer to an account to be opened at a bank or intermediary in Turkey within three months following the date of notification.

-Departure fee applied as TL 15 to the leaving with a Turkish passport is proposed to be increased to TL 50.

-The regulation for departure fee will be enacted to be effective from the month following the date of publication while the other arrangements will be enacted as of publication date.

*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.