

## Circular

**Istanbul, 25 November 2019**

**Circular No: 95**

**Subject: Draft Law containing the Digital Services Tax Law and amendments to certain laws approved in the General Assembly and passed into law.**

Draft Law containing the Digital Services Tax Law, amendments to certain laws and Presidential Decree no.375 submitted to the Grand National Assembly of Turkey (TBMM) on 24 October 2019 has been approved in the General Assembly on 21 November 2019 and passed into law with number 7193.

Two main differences between the version approved by the Planning and Budget Commission and the Law adopted at the General Assembly are indicated below:

-The newly introduced accommodation tax was based on a fixed tariff in line with the type of the accommodation facility and overnight per person (between TL 6 and TL 18). Through the Law no.7193, a shift towards the principle of relative taxation is seen. The tax rate is set as 2 %. However, this rate will apply as 1 % until 31.12.2020. The concerning provision will be effective from 1 April 2020.

-In addition to the real estate tax value of the land registry fee, if there is a value determined as a result of the valuation made or made by the General Directorate of Land Registry and Cadastre, in order to ensure that the title deed is taken from the real transfer and acquisition price, not less than this value; an amendment to Article 63 and tariff no (4) of the Act of Fees was proposed by the draft law. The relevant provisions have been removed from the text of Law in the General Assembly.

As of the date our circular was written, the Law no.7193 was not published in the Official Gazette yet.

*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.**