

Circular

Istanbul, 13 February 2020

Circular No: 25

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

In accordance with the Value Added Tax General Implementation Communiqué; receivables not refunded despite being requested in the current year in which the deliveries subject to reduced rate have been made should be included in the deferred VAT amount by writing in the line "VAT not Refunded by Deduction for Transactions Subject to the Reduced Rate" no. 106 under the "discounts" tab in the VAT return earliest in the period following the period in which the refund request is made and at the latest in the tax return of the January taxation period of the following year.

Accordingly, amounts not refunded despite being requested for the deliveries subject to reduced rate in the 2019 calendar year should be written in the relevant line of the VAT return for the year 2020 January taxation period at the latest.

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.