

Circular

Istanbul, 11 February 2021

Circular No: 19

Subject: Value Added Tax General Implementation Communiqué amended.

Through the VAT General Communiqué series no. 34 published in the Official Gazette dated 5 February 2021, some amendments to the VAT General Implementation Communiqué were announced.

With the Communiqué, regulations and identifications to the relevant sections of the VAT General Implementation Communiqué indicated below have been made:

- Implementation of VAT withholding in case the buyer and the seller are within the scope of force majeure,
- For service exports with invoices indicating the TL equivalent, refund may also be made with reference to the documents proving that the export proceeds were brought to Turkey in Turkish Liras,
- Regulations introduced through the Law no.7256 regarding the implementation periods of exemptions within the temporary articles 23 and 40 of the VAT Law and the temporary Article 16 of the Law no. 6111,
- Implementation of the temporary Article 41 added to the VAT Law through the Law no. 7257,
- Refund implementation on the deliveries of residences that have occupancy permit and with ownership transferred,
- VAT refund receivables cannot be offset against debts arising (Except for the refund of the VAT receivable arising from the delivery of goods subject to SCT by applying a reduced rate, on account of the SCT debts for these goods) from the SCT Law,
- Implementation of special principles.

The Communiqué has been enacted as of its publication date (5 February 2021).

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.