

Circular

April 19, 2021

Circular No: 28

Subject: Bill of Law including amendments on Tax Procedure Law has been proposed to Grand National Assembly of Turkey.

The amendments, foreseen to be applied in terms of tax legislation through the Bill of Law presented to Speaker's Office of Turkish Parliament on April 16, 2021, are called to your attention below:

- According to article 231 of TPL, the invoice is required to be issued within seven days at maximum as of the delivery of goods or performance of service. Ministry of Treasury and Finance is authorized to decrease such period or introduce an obligation regarding the issuance of the invoice at the very moment of delivery of goods or performance of the service.

It is foreseen to impose a special irregularity fine of 3 per thousand of total gross sales belonging to previous accounting period at an amount not less than 10 times of the amount included under subparagraph (1) of paragraph one of repeating article 355 (TL 2.500 for 2021) and not exceeding TL 1 million for those who do not comply with such obligation.

- It is foreseen to sentence from 3 years up to 5 years those erasing and changing recorded information and preventing the transfer of such data to the Ministry as a result of interventions made to cash register.

A report shall be issued regarding such findings by Tax Inspectors and Assistant Tax Inspectors without waiting for the completion of inspection in case it is established during inspections that above crimes are committed regarding the cash register and without commencing inspection in case such crimes are established due to miscellaneous reasons and report including such findings shall be notified to the Public Prosecutor's Office with the opinion of report evaluation commission. It shall not be required to complete the inspection in order to be able to file a criminal case.

The above provisions shall enter into force as of the publication date of the Law.

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.