

Circular

13 July 2021

Circular No: 63

Subject: Obligation to declare actual beneficiary information of organizations having no legal entity and legal entities and corporate taxpayers and certain persons has been introduced.

According to Serial No. 529 General Communiqué on Tax Procedure Law (TPL) published on Official Gazette dated July 13, 2021;

- a. Corporate taxpayers (including in liquidation process) and
- b. The person authorized to represent the company or the partner in the collective companies, one of the limited partners in the anonymous limited partnerships and the person with the highest shareholding on behalf of the ordinary partnerships, the managers, trustees or trustees of the trusts and similar organizations established in a foreign country whose head office is in Turkey or whose manager is a resident in Turkey and to their representatives

Are obliged to declare actual beneficiary notification. Actual beneficiary refers to individuals or persons having final control on legal entities or the organizations which do not have legal entity or individuals and persons having final influence on them.

In addition, many institutions, especially banks and financial institutions, and their branches, agencies, representatives, commercial representatives and similar affiliated units are also obliged to inform the Administration about the actual beneficiary information of the transactions carried out by their customers, when requested by the Turkish Revenue Administration.

All taxpayers including corporate taxpayers and other persons are required to submit their initial notifications through filling "Notification form regarding actual beneficiary" via Internet Tax Office online until the end of August 31, 2021 at the latest.

Notifications subsequent to initial notification shall be made attached to advance tax returns and annual corporate tax returns by corporate taxpayers. Other taxpayers and other persons other than corporate taxpayers will submit their notifications to the Turkish Revenue Administration until the end of August each year in electronic form with a "notification form regarding the actual beneficiary".

Since the notification must be sent electronically, the notifications requested to be given in the paper environment will not be accepted in any way, and the notifications sent outside the electronic environment will be deemed not given.

The notification form can be sent personally by the taxpayer, or it can be sent via SMMM with an intermediation and liability agreement or CPA with an income or

corporate tax return certification agreement (full certification agreement) in the relevant period.

The relevant penalty provisions of the Tax Procedure Law are applied to the taxpayers who do not report the information that needs to be reported, or who make incomplete or misleading notifications.

The communique has entered into force on its publication date (Tuesday, July 13, 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.