

Circular

21 April 2022

Circular No: 43

Subject: Several amendments have been made on General Practices Communique on VAT.

According to Serial No.41 General Communique on VAT published on Official Gazette dated April 1, 2022 and including amendments on General Practices Communique on VAT 1 Nisan 2022;

- Voluntary basis complete withholding has been established. Accordingly, the taxpayers will declare and pay all of the VAT calculated in the delivery and service purchases subject to partial withholding from the seller taxpayers, with whom they have agreed for a period of one year, by drawing up a written contract, as responsible. (Effective: May 1, 2022)
- Delivery of products made of iron-steel and its alloys is included in the scope of partial withholding. These products; VAT withholding at the rate of (4/10) will be applied on delivery to designated buyers and VAT taxpayers. (Effective: May 1, 2022)
- Manufacturers that directly export the goods they produce, regardless of the sector, have been given the opportunity to request refunds, up to 10% of the export price, limited to the transferred VAT amount, regardless of the VAT amount they have incurred in relation to export deliveries. It will be applied to refund requests regarding transactions that give rise to the right to refund, which took place as of May 1, 2022.
- The limit for the tax inspection report, CPA Report and the amount that can be refunded without seeking collateral in various parts of the VAT General Practice Communiqué has been increased from 5,000 TRY to 10,000 TRY. It will be applied to refund requests regarding transactions that give rise to the right to refund, which took place as of May 1, 2022.
- Taxpayers who deliver electricity to residential and agricultural irrigation subscriber groups, which are in the 34th row of the list (II) attached to Cabinet Decree numbered 2007/13033, have been added to the group of taxpayers who can receive cash refunds for their VAT refund receivables arising from transactions subject to reduced rates. It will start to be implemented as of May 1, 2022.

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.