

## Circular

10 October 2022

Circular No: 94

**Subject: Regulations regarding amendments in Income Tax and Corporate Tax Law, of Bill of Law presented to Grand National Assembly of Republic of Turkey on October 7.**

The Bill of Law submitted to the Speaker of the Grand National Assembly of Turkey on October 7, 2022; the regulations regarding the Tax Procedure Law (TPL) and some other laws are summarized below:

- As of August 15, 2022, in line with “Execution and Bankruptcy Law” numbered 2004, according to “Law on Commencement of Execution Proceedings with respect to Money Receivables Arising from Subscription Agreement”, Receivables for which enforcement proceedings have been initiated, whose debtor is a real person, and whose execution proceedings amount does not exceed 2,000 Turkish liras at the date of commencement of the enforcement proceedings, including the principal receivables and ancillaries as per each enforcement file and Receivables whose follow-up amount falls below 2.000 TL due to the collections made in the file as of 15 August 2022, although follow-up has started above this amount shall be taken into account as bad debts in scope of article 322 of Tax Procedure Law provided that creditors cease their execution proceedings through renouncing from their receivables with a petition until the end of 3rd month following the month in which this article has entered into force. (Effective Date: Publication date.)

- For the receivables whose enforcement proceedings have been waived in the scope above, the fee required for waiving the enforcement proceedings pursuant to Article 23 of the Law on Fees and the fee regulated in Article 1 of the Law No. 2548 will not be charged. (Effective Date: Publication date.)

- In case the enterprise owners, who are obliged to pay Treasury share or universal service contribution, abandon the follow-up of their receivables within the scope of the above, the Treasury share and universal service contributions in the conditions and rate specified in the Law, the Treasury share to be paid starting from the month/first period following the waiver date and will be refunded by deducting from the universal service contributions. (Effective Date: Publication date.)

Half of the principal follow-up balance of banks and other financial institutions and organizations as of August 15, 2022 (including this date) which is transferred and assigned by Asset management companies on the effective date of this Law and the principal follow-up balance is 2,500 Turkish lira or less, arising from all kinds of individual loan agreements; such amount shall be paid from the amount transferred to Saving Deposits Insurance Fund from the budget of Ministry of Treasury and Finance by the subsidiary asset management company of the Fund. (Effective Date: Publication date.)

- Pursuant to subparagraph (a) of the first paragraph of Article 15 of the Postal Services Law, it is foreseen to reduce the obligation of service providers to "notify and pay 4 times in total within the scope of advance corporate tax in quarterly periods in the current year" regarding universal service contributions to once a year. (Effective Date: January 01, 2023

- Universal service contributions, calculated by service providers as 2 percent of the amount corresponding to the net sales revenue obtained from postal services in the October-November-December period of 2022, will be notified to the Ministry until the end of March 2023 and will be paid within the same period. (Effective Date: January 01, 2023

*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.