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Turkey's TP documentation requirement deadlines are approaching

The Turkish government imposes transfer pricing (TP) obligations on taxpayers that must be met at the time of corporate tax filings. The due date for filing the Turkish annual corporation tax return for fiscal year 2021 is 30 April 2022. All taxpayers must fill out a form in regard to transfer pricing, controlled foreign corporations and thin capitalization to be sent to their relevant tax offices together with the corporation tax return.

All corporate taxpayers that have cross-border related party transactions are also obliged to prepare their local annual TP report (Local File).

The Local File is not required to be attached to the corporation tax return. However, it must be prepared by the due date of the corporation tax return (i.e., 30 April 2022 for FY2021) and submitted to the related tax office and/or tax inspectors upon an official request.

Below are the taxpayers that are obliged to prepare their Local File by 30 April 2022:

- Corporate taxpayers that are registered with the Large Taxpayers' Tax Office (Büyük Mükellefler Vergi Dairesi Başkanlığı) with respect to both their local and cross-border related party transactions.
- Those that are not registered with the Large Taxpayers' Tax Office with respect to their cross-border related party transactions.
- Corporate taxpayers that are operating in Free Trade Zones (FTZs) in Turkey with respect to their domestic related party transactions.
- Corporate taxpayers with respect to their related party transactions with their foreign branches (including those in FTZs) and their related parties operating in FTZs.

The Local File should be prepared in the Turkish language or, if already prepared in a foreign language, should be translated into Turkish.

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