

## Circular

7 March 2023

Circular No: 38

**Subject: VAT withholding application in force majeure regions.**

Due to the earthquakes in Kahramanmaraş, force majeure has been declared in the provinces of Kahramanmaraş, Hatay, Osmaniye, Adıyaman, Diyarbakır, Şanlıurfa, Gaziantep, Kilis, Adana, Malatya and Elazığ and in the town of Gürün of Sivas province, which were affected by the earthquakes, by the Ministry of Treasury and Finance between 06.02.2023 and 31.07.2023.

In the framework of explanations made under “I- c./ 2.1.3.1 Nature of Partial Withholding and Buyers subject to Withholding” section of Communiqué on VAT General Application, VAT withholding will not be applied between 6 February 2023 and 31 July 2023 (including this date) for the purchase of goods/services within the scope of partial withholding by taxpayers located in provinces and districts where force majeure has been declared. Invoices within this scope will be issued without withholding.

In cases where only the seller's or both the buyer's and the seller's liability records are located in the provinces and districts where force majeure has been declared, the withholding invoice will continue to be issued by acting within the framework of the general principles.

*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.