

Circular

3 April 2023

Circular No: 53

Subject: Certain amendments have been made on VAT General Practices Communiqué.

Summary explanations regarding Serial No. 46 General Communiqué on VAT, published on Official Gazette dated April 01, 2023 and including amendments on VAT General Application Communiqué are called to your attention below:

- As a result of the application to be made by the taxpayers who are included in the scope of force majeure but who can continue their activities as usual, to the administration to end the force majeure, withholding will be made within the framework of general procedures from the service procurements within the scope of partial withholding as of the date when the force majeure situation disappears.

- Services received by PTT A.Ş. for the execution of postal works will be subject to VAT withholding within the scope of labor supply service. - VAT refund requests arising from services subject to withholding and concluded with a tax inspection report can be fulfilled with a CPA report, provided that the taxpayer has a full certification agreement issued in a timely manner.

- In accordance with the Presidency Decree numbered 6775 (OG: 28.01.2023), minimum amount to be requested by taxpayers as VAT refund regarding transactions entitled for Refund has been established as TRY 2.000. Sample explanations are added to the Communiqué related to application of above minimum amount.

- If the taxpayers, who have a full certification contract with Sworn-in Certified Public Accountants (CPA), have negative findings of using forged or misleading documents in terms of their content, the taxpayers will not be included in the special principle application due to such findings if the purchase amount in the documents does not exceed 5 percent of their total purchases in the same period.

- Taxpayers having the following negative determinations in terms of December/2022 and previous taxation periods;

- Negative report on utilization of forged or misleading document in terms of its content,
- Utilization of forged or misleading document in terms of its content,
- Not submitting returns,
- Not being available at its respective address,
- Not submitting any ledgers and documents,

and therefore subject to special principles shall be omitted from the scope of special principles as of the date on which whole VAT increase is paid for those making a VAT increase in scope of article 5 and provisional article 1 of Law numbered 7440 regarding the complete periods in which they carried out activities in 2018, 2019, 2020, 2021 and 2022 calendar years.

- Explanations on the revenue-based taxation of the minibus operators, which are carrying out urban passenger transportation activities and obtain all of their revenues from this activity through electronic fare collection systems, are added to the Communique, regarding the public transportation activities they are carrying out exclusively within the borders of the province.

The communique has entered into force on its publication date (April 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.