

Circular

10 August 2023

Circular No: 88

Subject: 2 per thousand BITT (KGV) in gold sales transactions made without physical delivery has been canceled by the Council of State.

According to letter, dated 21.05.2020, submitted to The Banks Association of Türkiye by Turkish Revenue Administration (TRA) regarding taking into account sales of gold in nature of exchange, sales of gold made without physical delivery through investment and other accounts before banks, in other words made on records, had been deemed as exchange transaction and therefore, 2 per thousand exchange transaction tax had been calculated on sales of gold on records.

It is stated in letter dated 08.08.2023 submitted to The Banks Association of Türkiye by Turkish Revenue Administration that According to adjudgement, dated 28.03.2023 and numbered E:No: 2020/1362; K. No: 2023/1758, made regarding the lawsuit filed before 7th Department of Council of State against TRA regarding the case, the process established based on letter dated 21.05.2020 submitted by TRA to The Banks Association of Türkiye is canceled. It is also stated in the abovementioned letter that TRA will file an appeal against the said cancellation decision to the Council of State Court of Appeals and in this framework BITT should not be calculated within the scope of foreign exchange transaction over gold sales transactions made without physical delivery over investment accounts and other (demand, etc.) accounts with banks until a new decision is made by Council of State regarding the case however, BITT should be calculated over the money received in favor by the banks due to the said transactions.

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.