

Determination of input used in production of goods subject to exports made in scope of inward processing regime certificate and procured without paying any VAT

In the "Notification of Export Registered Deliveries" table of the VAT declaration No. 1, "The Value of Goods Supplied Without Paying Domestic and International VAT" is written and the VAT upper limit to be refunded due to these transactions is determined by taking into account the amount written on the line.

A situation similar to the practice for export registered deliveries has also been introduced with the Communiqué with Serial Number 41 for VAT refund receivables that will arise due to export transactions. For this purpose, the following column has been added to the "Transactions Covered by Full Exemption" table of the declaration.

"301 "Export of Goods" Purchased without paying any VAT
"Cost of goods" column has been added to 338 " Good export of manufacturers" code.

Transactions covered by full exemption			
Exemption type	Delivery and Service amount	Purchased without paying any VAT	Incurred VAT
301- Export of Goods	3.143.234,67	0,00	0,00
338- Good exports of Manufacturers (VAT General Application Communiqué –(II/A-1.1.4.2)]	28.247.136,67	5.084.943,39	2.316.219,34

When calculating the VAT amount to be refunded due to exports realized within the scope of inward processing regime certificate, the VAT burden on the inputs that are supplied or to be provided without paying VAT within the scope of the document should not be taken into account. The determination of the input cost included in the transactions that give rise to the right of return and obtained without paying VAT is of utmost importance in terms of calculating the VAT amount to be refunded fully and accurately.

The correct calculation of the cost of goods supplied without paying VAT is also important for determining the maximum refundable VAT amount. Because the VAT to be refunded due to exports carried out within the scope of inward processing regime certificate cannot exceed 10% or 18% of the difference between the export value and the cost of the inputs supplied without VAT payment.

In closing the Inward Processing Regime certificates, the consumption usage rates determined in general and according to the sector averages included in the capacity report and expertise reports are taken as basis.

However, the actual situation is essential in taxation. For this reason, the actual unit usage rates in the updated product recipes should be taken as basis in VAT refund calculations.

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