

June 20, 2024
2024-1227

Turkiye proposes various changes in tax laws, including implementing global minimum tax

- *The legislative process for implementing a global minimum tax has been initiated in Turkiye.*
- *A draft bill is expected to be presented to the General Assembly of the Turkish Parliament in the following weeks.*
- *The draft bill will likely include both a global minimum tax within the scope of Base Erosion and Profit Shifting (BEPS) Pillar Two rules and a domestic minimum tax.*

In a presentation comprising more than 100 pages of new tax legislation, the Turkish Revenue Administration has proposed various changes to the Turkish tax legislation, including implementing a global minimum tax in accordance with Organisation for Economic Co-operation and Development (OECD) BEPS Pillar Two rules.

This confirms that the work on the draft bill proposing BEPS Pillar Two rules is at an advanced stage and has been added to the list of legislative processes in Turkiye. A draft bill is expected to be submitted to the Grand Assembly of the Turkish Parliament and adopted as a Law prior to the summer recess, which will begin on 1 July 2024.

The Turkish Revenue Administration intends to focus on introducing a global minimum corporate tax in accordance with the rules agreed to within the Inclusive Framework to be applied to the corporations that will be under the scope of Global Anti-Base Erosion (GloBE) rules.

The global minimum corporate tax is expected to enter into force to be applied on the income derived as of 1 January 2024, to be declared with a special additional tax return to be filed in 2025.

In addition to the global minimum corporate tax, a domestic minimum tax, for both individuals and corporations, is intended to be introduced. Briefly, the draft bill is expected to propose a corporate tax that cannot be less than the higher of a minimum tax calculated based on corporate income without deducting discounts and exemptions,

or a percentage of declared revenue. The bill is expected to remove certain tax exemptions or change the way they are applied.

Taking these developments into account, affected taxpayers will need to begin analyzing the changes in the domestic and global minimum tax system and estimating the impact of potential top-up tax.

* * * * *

Contact Information

For additional information concerning this Alert, please contact:

Kuzey Yeminli Mali Müsavirlik A.S., Istanbul

- Ates Konca, *International Corporate Tax Advisory Leader* | ates.konca@tr.ey.com

Ernst & Young LLP (United States), Turkish Tax Desk, New York

- Gamze Durgun | gamze.durgun1@ey.com

Published by NTD's Tax Technical Knowledge Services group; Carolyn Wright, legal editor

The information contained herein is general in nature and is not intended, and should not be construed, as legal, accounting or tax advice or opinion provided by Ernst & Young LLP to the reader. The reader also is cautioned that this material may not be applicable to, or suitable for, the reader's specific circumstances or needs, and may require consideration of non-tax and other tax factors if any action is to be contemplated. The reader should contact his or her Ernst & Young LLP or other tax professional prior to taking any action based upon this information. Ernst & Young LLP assumes no obligation to inform the reader of any changes in tax laws or other factors that could affect the information contained herein.

Copyright © 2024, Ernst & Young LLP.

All rights reserved. No part of this document may be reproduced, retransmitted or otherwise redistributed in any form or by any means, electronic or mechanical, including by photocopying, facsimile transmission, recording, rekeying, or using any information storage and retrieval system, without written permission from Ernst & Young LLP.

Any U.S. tax advice contained herein was not intended or written to be used, and cannot be used, by the recipient for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code or applicable state or local tax law provisions.

"EY" refers to the global organisation, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients.

[Privacy](#) | [Cookies](#) | [BCR](#) | [Legal](#) | [Global Code of Conduct](#)