

Turkey further extends time period for Asset Peace Incentive provisions

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The Turkish Government has further extended the time period for the asset peace incentive provisions set forth in Temporary Article 90 of Income Tax Code. The previous amendments on the same provision occurred on 17 July 2019.¹

According to the Presidential Decree No. 1948 published in the *Official Gazette* No. 30994 dated 30 December 2019, the below-mentioned notification and declaration periods for activities related to the "Asset Peace Incentive" defined in Paragraphs 1, 3 and 6 of Temporary Article 90 of Income Tax Code have been extended for six more months following the previous expiration dates.

- ▶ Individuals and legal entities can freely dispose of their money, gold, foreign exchange, securities and other capital market instruments held abroad if they duly notified Turkish banks or intermediary institutions of these assets by 31 December 2019.
- ▶ The above-mentioned assets can be utilized to pay off loans used from banks and financial institutions located abroad and recorded in taxpayers' legal books as of the enforcement date of this article until 31 December 2019. In this case, assets used to repay loans can benefit from this provision without repatriation of the such assets in Turkey as long as they are written-down on the books.

► Income and corporate income taxpayers can declare to the tax authorities their money, gold, foreign exchange, securities, other capital market instruments and immovables held in Turkey but not recorded in their legal books by 31 December 2019. Reported assets can be recorded into taxpayers' legal books without being taken into consideration when determining their current income by 31 December 2019. In such situation, these assets can also be withdrawn from the enterprises without including them into the determination of taxable income

or distributable income for the corporations. In the event that the declared immovables falling within the scope of this paragraph are recorded on the legal books as operating capital in kind, the provisions of this article can be benefited if the capital increase decision has been taken as of the date of declaration and the said decision is registered in the trade registry by the end of the 10th month following the date of declaration. The assets declared to the tax authorities will be subject to a 1% tax on the asset value, and this tax must be paid by the end of the month following the declaration.

Endnote

1. See EY Global Tax Alert, [Turkish law including amendments on Income Tax, Corporate Tax Law and Customs Law has entered into force](#), dated 22 July 2019.

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