

Circular

13 February 2024

Circular No: 23

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

Summary explanations regarding Serial No. 50 General Communique on VAT, published on Official Gazette dated February 10, 2024 and including amendments on VAT General Application Communique are called to your attention below:

- According to amendment made in article 29/1 of Value Added Tax Law (VAT) with Law numbered 7491, deduction of reverse charge VAT declared by those which are held responsible for making tax withholding is associated to payment condition and principles and procedures regarding this issue is determined. (Effective Date: February 10, 2024)
- 5/10 withholding tax implementation has been introduced for all other service purchases of public economic enterprises (public economic organizations, state economic enterprises) that are not specifically determined in the VAT General Application Communique. (Effective Date: March 01, 2024)
- The TRY 2,000 cap applied for each transaction in the partial withholding application has been determined as the invoice issuance cap (TRY 6.900 for 2024), which is updated every year in accordance with the Tax Procedure Law. (Effective Date: March 01, 2024)
- In parallel with the decision given by the Council of State and approved by the General Assembly of Tax Courts, a regulation has been made regarding the duration of the delay interest to be calculated due to deficiencies in the documents in taxpayers' requests for deduction from VAT refund receivables against their tax liabilities. (Effective Date: February 10, 2024)
- A correction has been made in the Communique regarding the legal regulations made for the extension of the period of exemptions in provisional articles 20, 29, 32 and 33 of the VAT Law. (Effective Date: February 10, 2024)
- According to the amendment made in Articles 41 and 46 of the VAT Law with the Law No. 7491, the declaration and payment dates of the tax withheld by those held responsible for withholding tax have been changed and an adjustment has been made in the Communique regarding this issue. (Effective Date: February 10, 2024)

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.