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Find out latest developments on tax regulation, keep updated on regulatory changes and their effects on your business in our tax bulletins. You can find the important financial news of last month briefly. We are glad to share those summaries with our clients and network. As a result of very productive and comprehensive searches, we are here with the second half of March 2022 bulletin.

March 2022 was a busy month with income tax returns and updates on legal regulations. April is important for both corporates to submit corporate tax returns and for NGO's for annual declarations to submit online.

Let's briefly start with the headings and then examine the details. We will share information about Turkish economy in general, and the latest figures in labor, inflation, growth, main tax developments, customs and foreign trade, social security obligations, trade legislations, banking and financial issues, postponed obligations, R&D and incentives below.

A. Economy and Public Budget

Tax Treaty is signed between Turkey and Cambodia.

- The number of Turkish Tax Treaties is 99. 88 of them are effective.

As of 28 February 2022, **Treasury Receivables Data** were announced by the Ministry of Treasury and Finance.

- As of 28 February 2022, Treasury Receivables stock was realized as 21 billion TL. The highest share in the Treasury receivables stock belongs to Local Administrations with 10 billion TL.
- As of the end of February 2022, a total of 0.8 billion TL was collected from Treasury receivables.

The Fee for going abroad has been increased from 50 TL to 150 TL.

- A fee of 50 Turkish lira was charged per departure from the citizens of the Republic of Turkey who departed abroad.
- The President is authorized to increase this amount up to three times or reduce it to zero. With the Decision published on March 18, 2022, this amount was tripled, which is the final limit.
- The amount, which was 15 TL in 2007, was determined as 50 TL in 2019.

B. Main Economic Indicators

The balance of payments statistics for January 2022 is announced by the Central Bank of Turkey Republic.

- The current account recorded a deficit of USD 7,112 million, increasing by USD 5,336 million compared to the same month of the previous year, hence bringing the 12-month rolling deficit to USD 20,223 million.
- [Click to](#) view the announcement.

Turkish Statistical Institute announced **inflation figures for March 2022**.

- Consumer price index increased by 61.14% annually and 5.46% monthly.
- Domestic producer price index increased by 114.97% on annual basis, by 9.19% on monthly basis.

Classifications for SME's changed by the Ministry of Industry

Ministry of Finance and Treasury announced **the domestic borrowing strategy and debt statistics April-June 2022**.

- Central Government Debt Statistics were published as well by currency, interest and instrument type.
- [Click to](#) view the domestic borrowing strategy.

C. Major Tax Issues

The Supreme Court has cancelled an article about **Tax Penalty Practice in Tax Procedure Law**.

Corporate tax return season for FY 2021 has just started.

- Almost 1 million corporate tax payers should return corporate tax returns online in April. The deadline will be May 5th because of Holiday.
- The Ministry of Finance has announced new applications in e-file system recently.

Withholding tax reductions on the deposits are exented till the end of June 2022.

The Omnibus Tax Law including important regulations on taxation was submitted to the Parliament.

- The 39-article Bill was submitted to the Grand National Assembly of Turkey on March 25, 2022 including regulations in tax laws such as Corporate Tax, VAT and Tax Procedure Law.
- There are details such as regulations on tax evasion penalty, corporate tax rate increases for financial institutions, capital funds not being considered as corporate income, extension of holding period in VAT-free housing sales to foreigners.
- This law has been accepted in the Planning and Budget Committee in the last days of March and begun to be heard in the General Assembly.

- You can find a brief table regarding with the corporate tax rates for 2018-2024 in Turkey.

Year	Firms	Financial Firms ***	Listed Firms*	Exporters / Industry Firms**
2024	20%	25%	18%	19%
2023	20%	25%	18%	19%
2022	23%	25%	21%	22%
2021	25%	25%	25%	25%
2020	22%	22%	22%	22%
2019	22%	22%	22%	22%
2018	22%	22%	22%	22%

*For 5 years and applied just for first listing on the Istanbul stock market, at least %20 open

** Only on the profits from export or industrial activities.

*** %25 starts in July 2022 effective for the FY 2022 with a new bill in the Parliament in March 2022

VAT rates to be applied to goods and services **have been revised.**

- Items such as soap, shampoo, detergent, disinfectants, wet wipes, toilet paper, paper towels, tissue paper, napkins, toothbrushes, toothpaste, dental threads, baby diapers will be subject to 8% instead of 18%.
- 8% will be applicable for houses up to 150 m2 of the net area and land deliveries as well. VAT rates for food was decreased from 8% to 1% in this year.

D. Social Security Issues

The SGK circular regarding the **social security agreement between Turkey and North Macedonia** has been published.

- The Additional Administrative Agreement to the Administrative Agreement dated 21/8/1998 on the Implementation of the Social Security Agreement between the Republic of Turkey and the Republic of Macedonia was signed in Ankara on 13.04.2010 and entered into force on 16.08.2010.
 - With the Circular No. 2022/06 published by the Social Security Institution, the procedures and principles regarding the implementation of the bilateral Social Security Agreement have been explained.

E. Banking & Finance

BSMV (BITT) has been **reduced to zero** in the currency protected TRY deposit system.

- Zero foreign exchange tax rate will be applied to account holders in foreign exchange sales made by the relevant banks by using the end of maturity account balance of the Turkish lira

accounts opened within the scope of supporting the conversion to Turkish lira deposit and participation accounts.

- In this respect, with the Presidential Decision dated 22 March 2022 and numbered 5349, the bank and insurance transactions tax rate in the said foreign exchange sales was determined as zero.

Banking Sector Monthly Bulletin Released - 2022 February

- Financial information submitted regularly to the BRSA (BDDK) by the institutions under the scope of the Banking Law and other regulations within the framework of supervision function, those having fundamental information feature are presented on monthly basis in the direction of the targets of transparency and informing the public.

The CBRT made updates regarding the currency-protected deposit system.

- The CBRT (Central Bank of the Republic of Turkey) made a regulation in the application of the currency protected deposit system.
- According to the communiqué published in the Official Gazette, the date limit applied for the accounts that will be included in the system has been removed. The provision of making a one-time support payment to those included in the system was changed and the possibility of renewal at the end of the maturity was introduced.
- The firms can enjoy this system by opening 3 months account rather than 6 months with a new revision in the Communiqué.
- The said decisions will also be valid for the conversion from gold account to Turkish lira.

F. R&D and Incentives

A Draft Communiqué on “Remote Working” practices in R&D and Design Centers and Technology Development Zones has been prepared.

- With the Law No. 7346 regulations were made for the application of income tax withholding incentives for periods worked outside of the R&D centers. This is applicable for the works implemented in Law No. 5746 on R&D and Technology Development Zones No. 4691.
- The details of the application were announced to the public as a draft.
- The **Remote Work Regulation** was published in the Official Gazette last year.
 - By the regulation, the personnel who have to work from home due to the pandemic Regulations on working conditions were included. This is a quite new legislation that there are many controversial issues as well.

Number of Unicorns increases in Turkey

The Turkish rapid delivery startup Getir raised its valuation to USD 11.8 billion after raising USD 768 million funding and became the second decacorn of Türkiye behind online retailer Trendyol, just one year after being a unicorn in March 2021.

Getir's investors in the last financing round included Mubadala Investment Company, Abu Dhabi Growth Fund (ADG), Alpha Wave Global, Sequoia Capital and Tiger Global.

Turkey attracts FDI in 2021.

- Turkey diversified its FDI sources in 2021 as well. While traditional FDI investments continued to originate from European countries, with around 60 percent share in total, Türkiye saw higher FDI inflows from Asian countries, the USA, the Middle East with respective shares of 23 percent, 16 percent, and 9 percent in total FDI in 2021.
- On a country basis, Türkiye's top five sources of FDI in 2021 were the UK, the USA, the Netherlands, Switzerland, and the UAE.

G. Other Topics

A new Law on Sports submitted to the Parliament.

- This Law includes amendments regarding with mergers of the clubs, budgets and debts, audit rules and reporting system of the sports clubs and sportive activities.

Consumer Protection Law is amended with a new Law no 7392 in April 2022.

- Most of the changes will be effective in six months which is October 1st, 2022.
- The Law includes amendments regarding the consumer and residential loans, default in installment sales contracts, responsibilities of intermediary service providers, prepaid housing sales, time-share vacation contracts, resale of the products whose economic life has expired, service stations and after-sales services, dispute resolution and administrative fines.

We have summarized recent changes in English in short headings. We will continue to announce to you all the developments in Turkish and in English.

Please tell us if you have any comments or questions on any of the subjects above. As this is summary, we did not give too many details, we can answer your questions.

Because of the mailing system, we would like you to mark our bulletins and e-mails as safe in your e-mailing system.

Best regards,

Partners, Taxia