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Find out the latest developments on tax regulation and be updated on regulatory changes along with their effects on your business through our tax bulletins. The important financial news of last month is briefly explained below.

We are glad to share these summaries with our clients and network. As a result of productive and comprehensive research, we present you the September 2022 bulletin.

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, social security obligations, banking and financial issues, R&D and incentives, and other issues below.

Main Economic Indicators

The balance of payments statistics for July 2022 is announced by the Central Bank of Turkey Republic (CBRT).

- The current account recorded a deficit of USD 4,010 million, increasing by USD 3,700 million compared to the same month of the previous year, hence bringing the 12-month rolling deficit to USD 36,585 million.
- [Click](#) to view the announcement.

Turkish Statistical Institute announced inflation figures for September 2022.

- Consumer price index (CPI) increased by 83.45% annually and 3.08% monthly.
- Domestic producer price index increased by 151.50% on annual basis, by 4.78% on monthly basis.

The revaluation rate to be applied in the third temporary tax period of 2022 has been determined as 92.93%.

Ministry of Finance and Treasury announced the domestic borrowing strategy and debt statistics October-December 2022.

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

Major Tax Issues

The Multilateral Tax Program for the Multilateral Tax Center in Ankara between Turkey and the OECD has been approved.

The Medium-Term Program for the 2023-2025 period has been published. The projections of the program regarding public finance are as follows:

- **General Balance:** It is foreseen that the general balance of the public sector will give a deficit of 4 percent to GDP in 2023, and the said deficit will decrease to 1.1 percent by the end of the Program period.
- **Expenditure/GDP:** The ratios of general government total expenditures and revenues to GDP are expected to decline gradually from their levels of 34.3 percent and 30.8 percent in 2023, respectively, to 31.8 percent and 30.4 percent at the end of the Program period.
- **Total Tax Burden:** The total tax burden, which is expected to increase by 1.1 percentage points to 23.4 percent of GDP in 2023, is expected to maintain its 2023 level by following a horizontal course in the Program period.

Presidential Decrees setting the effective dates of two important tax agreements signed between Turkey and the USA, were published.

- Agreement on the Exchange of Country-Based Reports on 24 November 2021, to be applied to accounting periods beginning on or after 1 January 2019,
- The Agreement on Increasing International Tax Compliance through the Extended Exchange of Information and its annex Memorandum of Understanding entered into force on 14 June 2021.

New Tax Omnibus Law is on way.

- According to the President's speech, a new Tax Omnibus Law will be on the agenda of Turkish Parliament in October 2022.
- This will include tax incentives for employees.

The Double Taxation Agreement between the Republic of Turkey and the Republic of Cameroon has been initialed.

- With the signing and entry into force of the agreement, a tax-stable investment environment will be provided for the entrepreneurs of both countries.

Banking & Finance

The Banks Association of Turkey has published its August 2022 Monthly Report on Financial Restructuring Framework Agreements.

- Within the scope of large-scale and small-scale applications of Financial Restructuring Framework Agreements, a total of 110.3 billion TL loans were structured for 348 companies.

The corporate tax exemption for exchange-rate adjusted certificates of deposits will include assets dated 30 September 2022.

- The gains realized from such CDs will also be exempt from corporate tax until the end of 2022.
- CBRT has updated the regulation. The Presidential Decree will be announced soon for corporate tax exemption which include the assets dated 30 September 2022.

The Central Bank reduced the interest rates to 13%.

The Central Bank of Turkey (CBRT) announced a new limitation of Banking Fees.

- The fee will not exceed 0.25% of the committed loan limit for the first limit allocation, and 0.125% of the renewed limit for limit renewals.

It has been decided by the Banking Regulation and Supervision Agency to allow the establishment of a digital deposit bank with the title "FUPS Bank" in Turkey.

- Its founding capital is 1,500,000,000 TL.

Other Issues

Mergers of the Sports Club is regulated by the Ministry of Sports and Youth.

- An audit report will be required by the Ministry from audit and CPA firms.
- The Regulation on the Books and Records to be Kept by Sports Clubs has been published as well.

The Regulation on Determination of the Limit of Error in Land Registry Plans has been published.

- The purpose of this Regulation is regarding the title deed registry, condominium registry and the supplementary journal, documents and land registry plans; It is to determine the procedures and principles regarding the definition of the margin of error used in technical transactions such as application and surface area calculation.

Best regards,

Partners, Taxia