

No : 2023-86
Date : 5 September 2023
Subject : Financial/Tax Bulletin (September 2023)

Find out the latest developments on tax regulations 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 2023 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 June 2023 is announced by the Central Bank

- The current account recorded a net surplus of USD 674 million. Gold and energy excluded current account indicated net surplus of USD 5.584 million.
- [Click](#) to view the announcement.

Turkish Statistical Institute announced inflation figures for August 2023.

- Consumer price index increased by 58.94% annually and 9.09% monthly.
- Domestic producer price index increased by 49.41% annually and 5.89% on monthly basis.
- [Click](#) to view the announcement.

The Ministry of Treasury and Finance announced the foreign trade statistics for July 2023.

- According to the general trade system exports increased by 8.3% and imports increased by 10.5% in June 2023.
- According to the provisional data, produced with the cooperation of the Turkish Statistical Institute and the Ministry of Trade, in June 2023; exports were 20 billion 78 million dollars with a 8.3% increase and imports were 32 billion 295 million dollars with a 10.5% increase compared with July 2022.
- [Click](#) to view the press release.

The Ministry of Finance and Treasury announced the domestic borrowing strategy and debt statistics September – November 2023.

- 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 general communique on VAT application is undergoing crucial changes.

- It is apparently sent to the President's Office to be published soon.
- The following four topics are being revised.
 - 16. VAT on sales of cards, passwords, and codes.
 - 12. Exemptions regarding the construction of housing to be donated to victims of natural disasters.
 - 4. Continuing projects that have started before the general communique regarding exemption applications on projects.
 - 4.16.1. Exemptions on sales of real assets.

OECD has updated the guides and brochures on exchange of information.

- The document *Declaration on Automatic Exchange of Information in Tax Matters*, first published in 2014, has been updated.
- Türkiye started to exchange information with Norway and Letonia in 2018.
- The agreement has been made among 147 countries.

Declaration deadlines for taxpayers within zones that have been delisted from force majeure exemptions have been extended.

A circular on the tax certificate liabilities of taxpayers affected by the force majeure clauses has been published.

The communique on the refunds of COVID penalties has been published.

Partial split-ups for real assets will no longer be possible for real assets from 2024.

- It is been used widely by the companies. Corporate tax and VAT advantage is no longer available for real assets starting in 2024.
- Tax exemption on the gains from the real asset sales are changed as well. Beginning from July 15th, 2023 %50 tax advantage is abolished for newly bought assets.
- For real assets acquired before the enactment of the law, a corporate tax exemption of 25% and a VAT exemption of 100% may be used.
- For real assets disposed before the enactment of the law, a corporate tax exemption of 50% may be used.

Banking & Finance

The Central Bank has raised the prefinancing threshold for exports to USD 50k.

Exchange rate adjusted certificates of deposits are no longer being offered.

The Central Bank has increased the interest rates.

- The award rate for weekly repurchase agreements is currently at 25.00%.
- The rebate rate for rediscount transactions is currently at 25.75%.
- The interest rate for advance payments is currently at 26.75%.

The general administration on financial markets and exchanges has made announcements regarding the renewal and revocation of activity permits.

R&D and Incentives

The Ministry of Industry has published the statistics on R&D and Design Centers.

Turkstat has announced the R&D expenditures allocation of the central administration budget.

A guide on e-export incentives has been published.

Commercial Regulations

The regulations on real asset trades have been amended.

The regulations on used automobile trades have been amended.

The code on technical adjustments of international trade has been published.

Exports of bulk olive oil have been halted.

A comprehensive trade agreement has been signed with the UAE.

- A trade volume of USD 25b is being targeted within 5 years.

Best regards,

Partners, Taxia