

Secure Mobile Payment and Electronic Document Management System Will Enter into Force on 1 September 2019

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Secure Mobile Payment and Electronic Document Management System ("**System**") will enter into force on 1 September 2019.

The System will apply to the following carried out by means of physical/virtual cards or non-physical payment software applications ("**Devices Receiving Payment**"):

- Sales, payment, and collection transactions realized through financial institutions or payment recording device manufacturers
- The process of creation, transmission, storage, and submission of electronic financial documents regarding these transactions.

Application to the System is not mandatory for taxpayers. The below-listed taxpayers may benefit from the System via financial institutions or payment recording device manufacturers who wish to render services within the scope of the System:

- Taxpayers whose commercial earnings are determined in a simple procedure
- Taxpayers holding books on the basis of operating account method
- Taxpayers holding books on the basis of balance
- Taxpayers who earn self-employment income
- Taxpayers who derive income from agriculture within the scope of real taxation system
- Tax-exempt artisans.

Payment transactions related to sales of goods and services carried out through Devices Receiving Payment will be immediately converted to electronic documents and be transmitted to the recipient.

Taxpayers within the System may not issue the documents, that required to be issued electronically, in the paper, except for force majeure and cases specified in the General Communiqué of Tax Procedural Law (Number 494). On the other hand, they will still be obliged to possess a sufficient number of hard-copy documents to be used in force majeure or compulsory situations.

In order to render services to taxpayers within the scope of the System,

- Financial institutions must apply to the Turkish Revenue Administration, with the private integrator that they will cooperate in issuing e-documents
- Payment recording device manufacturers must apply to the Turkish Revenue Administration, together with the financial institution and private integrator that they will cooperate

by making the necessary technical, software and infrastructural preparations in advance.

Financial institutions must keep information on the collection of revenues while private integrators are obliged to preserve electronic documents issued within the scope of the System for a period of 10 years to ensure

confidentiality and security.

Nevertheless, these obligations will not eliminate the taxpayers' obligations to maintain and submit set forth under the Tax Procedural Law Number 213.

Principles and procedures of the System were determined under the General Communiqué of Tax Procedural Law (Number 507) published in the Official Gazette numbered 30791 on 1 June 2019. Please see this [link](#) for the full text of the communiqué (only available in Turkish).

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