

Turkey Clarifies Tax Obligations for Electronic Money and Payment Agencies

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Turkey has announced clarifications of taxation arrangements for payment services provided by e-money and e-payment agencies. Legislation deems these e-currency transactions to be banking transactions and services. Accordingly, it is clarified that the Banking and Insurance Transaction Tax will apply to commissions, payments and other amounts which e-money and e-payment agencies collect.

General Communiqué on Expenditure Taxes No. 91 ("**Communiqué**") was published in Official Gazette number 3004 on 11 March 2017, entering into effect on 1 April 2017.

Notable provisions introduced by the Communiqué include:

- e-money and e-payment agencies offering banking transactions and services (as defined under Article 28 of the Expenditure Tax number 6802) must pay Banking and Insurance Transaction Tax ("**Transaction Tax**").
- Transaction Tax applies to commissions, payments and other amounts which e-money and e-payment agencies collect for services.
- Service Tax (Banking Transaction Tax) Returns for transactions by an e-money or e-payment agency's branches must be submitted to the registered tax office of the company's headquarters.
- e-money and e-payment agencies have until 1 April 2017 to close tax obligation records for payment services which were opened before 1 April 2017.

Please see this [link](#) for the full text of the Communiqué (only available in Turkish).

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