

Turkey Introduces Mechanism Enabling Taxpayers Subject to Special VAT Principles to Revert to General Principles

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Turkey's Ministry of Treasury and Finance has introduced a redemption mechanism for certain taxpayers which are subject to special VAT principles due to their past negative acts. The mechanism allows qualifying taxpayers to return to general VAT principles.

Taxpayers will qualify for the mechanism if they are subject to the special principles due to the following negative acts in the December 2017 (or earlier) tax periods ("**Qualifying Taxpayers**"):

- Received a negative report due to fraudulent or misleading use of a document.
- Received a negative determination due to:
 - Being caught using a fraudulent or misleading document.
 - Failing to submit a statement.
 - Failing to be present at the declared address.
 - Failing to submit commercial books and documents.

To access the mechanism, a Qualifying Taxpayer must:

- Increase VAT in accordance with the Law No. 7143 (known as the Restructuring Law), for the full periods in which it operated from 2013 to 2017 (inclusive).
- Pay the increased VAT amount in full.

A taxpayer will not be deemed to have returned to general principles if increases its VAT but is subject to special principles for a negative act which is not noted above.

Please see this [link](#) for the full text of the Communiqué on Amendment of Value Added Tax General Implication Communiqué (Serial No: 20) published by the Ministry in Official Gazette number 30527 on 6 September 2018 (only available in Turkish).

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