

Turkey Loosens Proportional Stamp Taxes and Notary Fees and Introduces a New Procedure in Tax Investigations

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Turkey has significantly loosened stamp tax obligations and notary fees for a range of documents. Under the change, copies of papers subject to proportional stamp tax are no longer subject to stamp tax. From 9 August 2016, proportional stamp tax will only apply to a single version of the document. Notary fees are also now waived in certain circumstances. Fees and processes for documents subject to fixed stamp tax remain unchanged. A new explicatory step is introduced into tax investigation procedures.

The Law Amending Certain Laws for the Purpose of Improvement of the Investment Environment, Law No: 6728 ("**Law**") was published in Official Gazette number 29796 on 9 August 2016.

Significant changes introduced by the Law include:

- Copies of papers subject to proportional stamp tax are no longer subject to stamp tax.
- The list of papers specifically excluded from stamp tax is extended (Table 2 of the Stamp Tax Law).
- Any undertaking related to an agreement by way of sanction, such as "down payment, forfeit penalty, deduction from wage, contractual penalty clause" is now exempt from stamp tax assessment, unless it is the subject of a separate agreement.
- Notary fees no longer apply to copies of papers which are issued as multiple copies, include a price, and are subject to proportional fee.
- Notarization of corporate books are no longer subject to notary fees during the company establishment phase.

Another significant change means the Administrative Authority's "invitation to explain" process will no longer apply if its predeterminations suggest tax evasion. The Administrative Authority can send taxpayers an "invitation to explain" prior to tax audit or referral to the Valuation Commission. Accordingly, taxpayers can provide a written statement of explanation, and potentially avoid audit or referral. The Ministry of Finance will determine the nature of the predetermination, form of the invitation to explain and the institution's implementation procedures and principles.

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

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