

## Turkey Overhauls VAT Regime, Introducing VAT Liability for Electronic Services Provided to Recipients Outside Turkey

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Turkey has made a series of amendments to its VAT regime, introducing new liabilities, as well as exemptions. Notably, VAT will now apply to services provided to parties outside Turkey in the electronic environment. New exemptions have been introduced for telecommunication roaming services, financial leasing and financing companies, as well as education-related public procurements.

Some notable amendments to tax liabilities under Value Added Tax Law number 3065 include:

- From 1 January 2018, service providers will now be required to declare and pay VAT for services which are rendered in an electronic environment by parties which have no residence, workplace, legal or business center in Turkey and are provided to real persons who are exempt from VAT.
- VAT will no longer apply to roaming services received from abroad in the context of international roaming agreements and the reflection of these services to the customers in Turkey.
- A VAT exemption for transferring and delivering immovables and participating interests to banks by their debtors has now also been extended to financial leasing and financing companies.
- Several exceptions and exemptions have also been introduced for procurement of goods and services within the scope of the Increasing Educational Opportunities and Technological Improvement Action Project.

The Law number 7061 on Amendments on Certain Tax Laws and other Laws was published in Official Gazette number 30261 on 5 December 2017, entering into effect on the same date. Please see this [link](#) for the full text of the Law (only in Turkish).

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