

Turkey Updates Discount Methods for Undeclared VAT

29 May 2017

Turkey's Ministry of Finance has announced changes to the Value Added Tax ("**VAT**") regime. Changes apply to discount methods for undeclared VAT. Undeclared VAT on invoices can now be discounted within the year when the case is completed.

The Communiqué on Amending the Communiqué on Value Added Tax General Practices (Serial Number 11) ("**Communiqué**") was published in Official Gazette number 29980 on 15 February 2017, entering into effect on the same date.

Changes introduced by the Communiqué include:

- VAT returns over 5,000 Turkish Lira for services to which a deduction applies must now be claimed according to tax audit reports or certified public accountant report.
- A guarantee will not be sought for VAT returns made according to tax audit reports.
- VAT will no longer be calculated on invoices issued by exporters for exchange differences to the detriment of producers. The VAT amount will be revised for return claims.
- A deduction can be made in the calendar year in which the payment was made if a VAT declarations is made late or incompletely, but rectified at a later date.
- VAT will not apply when transporting products from Turkey into free zones, or vice versa.
- For house sales, the VAT rate on the invoice date will take priority if this date is different to the VAT rate which applies on the delivery date.
- VAT deduction no longer applies to services provided by doctors.

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

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