

Turkish Notary Union Clarifies Fee and Tax Calculation for Construction Agreements in Exchange of Condominium Rights

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The Union of Turkish Public Notaries ("**Notary Union**") has stated that both a building's value and land's value will be considered when calculating fees and stamp tax for construction agreements undertaken in exchange for condominium rights. To clarify contradictory practices, the Notary Union considered views from the tax courts and Revenue Administration, and ultimately sought the opinion of the General Inspectorate of the Ministry of Justice. The Notary Union noted that inspectors follow the Ministry of Justice's approach, which includes both a building's value and land's value in calculations.

The Notary Union refers to the Revenue Administration's opinion that an adequate value should be determined in construction agreements in exchange of condominium rights, as well as preliminary agreements to sell property. The value should be used to calculate proportional fees and stamp duty. However, the Revenue Administration did not provide any information about determining an adequate value in such agreements. Therefore, the Notary Union interprets "adequate value" as the real estate tax value, or the fair market value of property as declared by the concerned persons.

The Notary Union also considers the approach adopted by tax courts, which only consider the land's valuation.

Please see this [link](#) for Notary Union's Circular No. 2016/58, issued on 23 June 2016 (only available in Turkish).

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