

VAT Exemption for Foreigners Purchasing Residence and Office Premises Using Foreign Currency

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Turkey has introduced a VAT exemption for the first time a particular property is purchased by a foreigner as a residence or office, provided the property is held for at least one year and the purchase was made with foreign currency. VAT on such purchases usually ranges from 1% to 18%.

Purchasers who satisfy the exemption conditions can receive the exemption for multiple property purchases, provided each transaction involves a property being purchased in this way for the first time.

To be eligible for the VAT exemption, at least 50% of the amount must be paid before the date the acquisition invoice is issued, with the balance paid within one year.

If the premises are sold within one year, the selling party must pay the VAT as well as postponement interest, calculated as per Article 48 of the Law numbered 6183.

Parties eligible to apply for the exemption are:

- Turkish citizens living abroad for more than six months (with some exceptions).
- Foreign natural persons who are not residing in Turkey.
- Legal entities which have registered offices and headquarters outside Turkey, which do not make any profit in Turkey through a workplace or resident representative.

The Communiqué Amending the Communiqué on General Value Added Tax Application was published in Official Gazette number 30057 on 5 May 2017, entering into effect on 1 April 2017. Please see the [link](#) for full text of the Amendment Communiqué (only available in Turkish).

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