

BDO Denet Monthly Report

FINANCIAL DEVELOPMENTS IN THE LAST MONTH

- RATE OF OBLIGATION TO SELL EXPORT PROCEEDS TO CBRT (TURKISH CENTRAL BANK) HAS BEEN REDUCED FROM 40% TO 30%
- TAX PROCEDURE LAW GENERAL COMMUNIQUE NO. 562 HAS BEEN PUBLISHED
- COMMUNIQUE CONTAINING INFLATION ADJUSTMENT EFFECTS ON PROFIT DISTRIBUTION AND OTHER TURKISH COMMERCIAL CODE (TCC) PRACTICES HAS BEEN PUBLISHED
- FISCAL RECESS OF 2024

June 2024 Financial Agenda

Dear Readers,

We are here with the July issue of the BDO Monthly Report, in which we compile the important developments in financial legislation in June.

We were hoping that June would be calmer in terms of the fiscal agenda due to the Eid al-Adha holiday, but that was not the case. A presentation containing very important tax regulation proposals, apparently submitted to the Presidency by the Ministry of Treasury and Finance, became a hot topic in the press and social media in June. Since some of the regulations proposed in the presentation brought very important changes, the relevant discussions were quite intense.

There is no longer any debate that this presentation was prepared by the Ministry of Treasury and Finance, even though it has not been directly claimed, because the statements made by the Minister of Treasury and Finance to the press and the business world in recent days confirm the reality of the regulations included in this presentation. According to the statements of the Minister, some of the regulations in this presentation will be presented to the Parliament in July with an omnibus bill and will become law this month.

As there is no official bill yet, we preferred not to make the amendment proposals in this presentation a separate Bulletin subject. However, one of our partners, Erdoğan Sağlam, wrote important articles on some of these regulations in T24. You can access these articles in the “Published Articles & Columns” section of our Monthly Report. When an official text emerges regarding the omnibus bill planned to be enacted, we will share our Bulletin on these issues as soon as possible.

Apart from these discussions, there were two other important financial developments in June.

Firstly, rate of obligation to sell export proceeds to CBRT was reduced from 40% to 30%. We believe that this rate will continue to be reduced in the future as stability in exchange rates is achieved.

Another regulation was the publication of the communiqué by the Ministry of Trade, which includes the effects of inflation adjustment on profit distribution and other TCC practices. Considering that many companies have closed their 2023 fiscal period, held their general assemblies for 2023 and made profit distribution decisions, we must say that the Ministry of Trade was quite late in publishing its communiqué on this subject. You can find the details of this communiqué in our Bulletin.

You can access our Bulletins and Announcements regarding other important financial developments in June from our Monthly Report.

I wish everyone a healthy and enjoyable summer season.

With greetings and love,

Erdal GÜLEÇ

Partner - Tax

Sworn Financial Advisor



Tax



BULLETIN:
TAX 2024-046
10/06/2024

RATE OF OBLIGATION TO SELL EXPORT PROCEEDS TO CBRT (TURKISH CENTRAL BANK) HAS BEEN REDUCED FROM 40% TO 30%

With Annex:1 Article of Export Circular published by Turkish Central Bank (CBRT), it was made mandatory to sell at least 25% of the export proceeds linked to Export Value Acceptance Certificate (İBKB) or Foreign Exchange Purchase Certificate (DAB) to the bank that issues the İBKB or DAB.

Then, with the amendment made to the article, this rate was increased to 40% for the export proceeds connected to İBKB or DAB as of 18/04/2022.

This time, with the following Annex:2 Article added to Export Circular, Annex:1 Article has been repealed as of 10/06/2024, and the rate has been reduced to 30% for export proceeds linked to İBKB or DAB as of this date.

You can review our [Bulletin for the details](#).



BULLETIN:
TAX 2024-047
12/06/2024

TAX PROCEDURE LAW GENERAL COMMUNIQUÉ NO. 562 HAS BEEN PUBLISHED STATING THAT SAVINGS FINANCE COMPANIES, PAYMENT INSTITUTIONS AND ELECTRONIC MONEY INSTITUTIONS WILL DOCUMENT ALL SERVICES OR SALES SUBJECT TO BITT (BANKING AND INSURANCE TRANSACTION TAX) WITH A RECEIPT INSTEAD OF AN INVOICE

With [Communiqué Series No: 562 on Amending Tax Procedure Law General Communiqué Series No: 435](#), Savings and finance companies established in Türkiye within the scope of Law No. 6361 and payment institutions and electronic money institutions operating within the scope of Law No. 6493 dated 20/06/2013 are also required to issue receipts in place of invoices for all services or sales subject to BITT.

You can review our [Bulletin for the details](#).

Tax



BULLETIN:
TAX 2024-048
24/06/2024

COMMUNIQUE CONTAINING INFLATION ADJUSTMENT EFFECTS ON PROFIT DISTRIBUTION AND OTHER TURKISH COMMERCIAL CODE (TCC) PRACTICES HAS BEEN PUBLISHED

The most discussed issue regarding inflation adjustment recently is effects of adjustment on profit distribution. Capital Markets Board has previously announced this issue in its Announcement made pursuant to [Board Decision dated 07/03/2024 and numbered 14/382](#).

After this statement, although many companies held their 2023 general assembly meetings and distributed their 2023 earnings, no communiqué was issued by Ministry of Trade. The anticipated [Communiqué on Financial Tables to be Taken as Basis in Companies Applying Inflation Adjustment](#) was published in Official Gazette dated 15/06/2024 and numbered 32577.

With the Communiqué, financial statements to be taken as basis by general assembly and management body regarding inflation adjustment applied/to be applied in the accounting periods of 2023 and beyond have been determined. This issue affects issues such as profit distribution, capital loss and insolvency status of companies, allocation of reserve funds, capital increase and decrease, merger and division.

[You can review our Bulletin for the details.](#)



ANNOUNCEMENT: FISCAL RECESS OF 2024
TAX 2024-026
28/06/2024

As is known, the period between the first and the twentieth of July (including the twentieth) of each year has been determined as fiscal holiday by Law No. 5604 on the Establishment of Fiscal Recesses.

According to the Law, the fiscal recess will start from the day following the first business day of July if the last day of June is a holiday, this year the fiscal recess will start on Tuesday, July 2, 2024, and end on the evening of July 20, 2024.

[You can review our Announcement for the details.](#)

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Labor Law & Social Security



BULLETIN:
LABOR LAW AND
SOCIAL SECURITY
2024-031
04/06/2024

SSI GENERAL LETTER REGARDING APPLICATION OF MASTERSHIP AND JOURNEYMAN CERTIFICATES WITHIN THE SCOPE OF PROVISIONAL ARTICLE 10 OF LAW NO. 4447

As is known, with Provisional Article 10 of Law No. 4447, it has been made possible for the employer's share of the insurance premium calculated based on the earnings of the insured individuals hired between 01/03/2011 and 31/12/2025 by private sector employers for the employment of young people, women and those with professional certificates to be covered entirely by the Unemployment Insurance Fund.

According to General Letter titled "Application of Mastership and Journeyman Certificates within the Scope of Provisional Article 10 of Law No. 4447" published by Social Security Institution Insurance Premiums General Directorate dated 31/05/2024, it has been understood from the letters sent to General Directorate of Social Security Institution regarding the incentive in question that there is hesitation as to whether the mastership and journeyman certificates received from Ministry of National Education will be taken into account in the implementation of the incentive.

According to the letter received from General Directorate of Turkish Employment Agency, those who enrolled in the occupational training center program in 2017 and later, and graduated from the occupational training center program by receiving a mastership certificate together with a journeyman certificate will be evaluated within the scope of those who have completed secondary education providing occupational and technical training according to Provisional Article 10 of Law No. 4447. Therefore, those who have obtained a mastership certificate will be able to benefit from the support for the periods specified in subparagraph 2 of paragraph (a) and paragraph (ç) of Provisional Article 10/2 of Law No. 4447.

In addition, since the insured individuals who only have a journeyman certificate within the scope of Law No. 3308 cannot be evaluated within the scope of "those who have completed secondary or higher education providing occupational and technical training (...)", due to these insured persons, the benefits cannot be used for the periods specified in subparagraph 2 of paragraph (a) and paragraph (ç) of the 2nd paragraph of Provisional Article 10/2 of the Law No. 4447.

You can review our Bulletin for the details.



BULLETIN:
LABOR LAW AND
SOCIAL SECURITY
2024-031
04/06/2024

SSI CIRCULAR REGARDING CHANGES IN DEFERMENT PROCEDURES

Circular titled "Changes Regarding Deferment Procedures" dated 30/05/2024 and numbered 2024/8 has been published by Social Security Institution Insurance Premiums General Directorate.

In the Circular, details are explained regarding how the work and transactions will be carried out regarding certain changes made in procedures and principles of deferment and installment of Social Security Institution receivables in accordance with Article 48 of Law No. 6183 with the decision of the Board of Directors dated 30/05/2024 and numbered 2024/164.

You can review our Bulletin for the details.

Labor Law & Social Security



BULLETIN:
**LABOR LAW AND
SOCIAL SECURITY**
2024-032
07/06/2024

COMMUNIQUÉ ON NATIONAL OCCUPATIONAL STANDARDS

The occupational standards put into effect by Communiqué No. 2024/9 on National Occupational Standards, published in Official Gazette dated 07/06/2024 and numbered 32569 by Occupational Qualifications Authority, are as follows.

- Canteen Operator (Level 4)
- Tourism Vehicle Driver (Level 3)

You can review our Bulletin for the details.



BULLETIN:
**LABOR LAW AND
SOCIAL SECURITY**
2024-033
11/06/2024

REGULATION ON PROCEDURES AND PRINCIPLES REGARDING SHORT-TERM EMPLOYMENT AND SHORT-TERM EMPLOYMENT ALLOWANCE

With Regulation on Procedures and Principles Regarding Short-Term Employment and Short-Term Employment Allowance, which was published in Official Gazette dated 11/06/2024 and numbered 32573 by Ministry of Labor and Social Security and entered into force on the date of publication, valid as of 01/03/2024, Regulation on Short-Term Employment and Short-Term Employment Allowance has been repealed. However, in short-term employment practices where the short-term employment starting date is before 01/03/2024, provisions of the repealed Regulation on Short-Term Employment and Short-Term Employment Allowance will continue to be applied. In addition, if the insured whose short-term employment starting date is before 01/03/2024 is not paid during the short-term employment period and the employer notifies that the insured is not actually subject to short-term employment, the entitlement to short-term employment allowance will be cancelled.

You can review our Bulletin for the details.



BULLETIN:
**LABOR LAW AND
SOCIAL SECURITY**
2024-034
20/06/2024

ANNOUNCEMENT REGARDING PAYMENT OF 2024/APRIL PERIOD SSI PREMIUM DEBTS WITH VAT OFFSET UNTIL 25/06/2024

With the Announcement dated 14/06/2024 published by Social Security Institution Insurance Premiums General Directorate, Revenue Administration of the Ministry of Treasury and Finance has stated that there may be delays in the offsetting of taxpayers' VAT refund receivables against their April 2024 SSI premium debts until 20/06/2024 due to Eid al-Adha holiday falling in the third week of June 2024.

In this context, for employers who employ insured individuals subject to Article 4/1-a of Law No. 5510, who are paid for their work between the 1st and 30th of each month, if the insurance premium debt for April 2024 is paid by offsetting it from the VAT refund receivable, the due date will be applied as 25/06/2024.

You can review our Bulletin for the details.

Featured News and Publications of the Month



We attended Türkiye-Kosovo Business Forum organized by Foreign Economic Relations Board (DEİK).

BDO Türkiye was represented by our partners Sworn Financial Advisor Cemalettin Turan and Emrah Akın at the forum attended by businessmen and BDO Kosovo partners, including Kosovo Prime Minister Albin Kurti and Turkish Trade Minister Ömer Bolat.



Our Tax Department Partner and YASED Tax and Incentives Working Group President Emrah Akın attended the opening event organized within the scope of YASED International Investors Association's "Global Investment Days 2024" program.

During the webinar "Recap: Developments in Business and Investment Environment Since World Investment Report 2023", significant developments in the business and investment environment since the publication of the previous World Investment Report were evaluated with YASED Working Group Chairs.

[Click here](#) to access webinar recording and learn more about the business and investment environment.

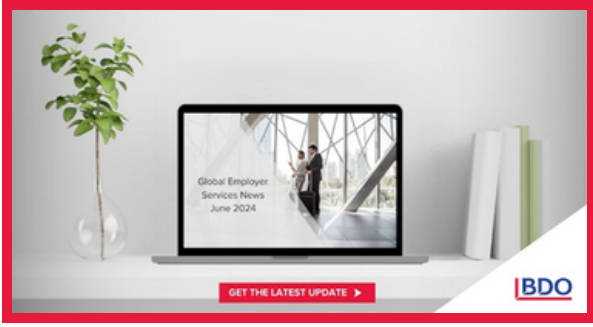


Emrah Akın, partner in our Tax Department, discussed "Tax package that is being discussed in public and is expected to be introduced to the Turkish Grand National Assembly soon" on Bloomberg HT on June 20, 2024.



Emrah Akın, partner in our Tax Department, discussed "Türkiye's Status on the Grey List" on Bloomberg HT on June 28, 2024.

Featured News and Publications of the Month



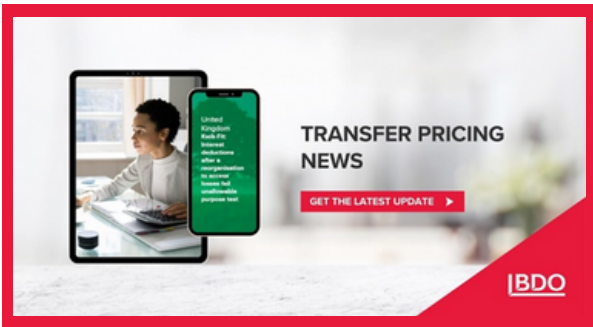
In the latest issue of Global Employer Services News, you can read about the latest developments affecting expats in India, Ireland, and Singapore.

[Click here](#) for the details.



BDO Belgium has shared its latest Sustainability Report, which looks at sustainability through the lens of universally accepted ESG reporting framework. For each of these pillars, they have created a targeted action plan.

[Click here](#) for more information about what BDO Belgium has planned.



The June issue of BDO Transfer Pricing has been published!

[Click here](#) to learn more about the current developments.



We attended "61st World Continuous Auditing and Reporting Symposium" organized by Trakya University.

At the symposium, where graduates of the School of Finance and important names of the sector participated as speakers, BDO Türkiye was represented by one of our Tax Partners, Sworn Financial Advisor Erdoğan Sağlam, who graduated from the School of Finance.

We would like to thank everyone who attended the symposium held at Ayazağa Campus of Istanbul Technical University.

Published Articles & Columns

ERDOĞAN SAĞLAM

Partner - Tax
Sworn Financial Advisor
BDO İstanbul Office

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|-----|---|--------------------------|
| T24 | Warnings about new tax regulations reflected in the press | Read now |
| T24 | Are special irregularity penalties for late-issued invoices in e-document applications justified? | Read now |
| T24 | My criticisms regarding the draft minimum tax regulation for domestic use | Read now |
| T24 | Ministry of Commerce published communiqué including effects of inflation adjustment on profit distribution: four important headings | Read now |
| T24 | Changes planned to be made to the personal and corporate income tax laws | Read now |
| T24 | Ministry of Treasury and Finance has effectively abolished the institution of reconciliation! | Read now |

CAHİT GÖKÇELİK

Partner - Customs and
Foreign Trade
BDO İstanbul Office

- | | | |
|-----|--|--------------------------|
| T24 | New situation in the application of value-based surveillance in customs in light of the decision of the Council of State | Read now |
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