

BDO Denet Monthly Report

FINANCIAL DEVELOPMENTS IN THE LAST MONTH

- NON-TAXPAYERS ARE ALSO INCLUDED IN THE SCOPE OF THE OBLIGATION TO EXTEND COLLECTIONS AND PAYMENTS EXCEEDING 7 THOUSAND TURKISH LIRAS
- A LEGAL ARRANGEMENT HAS BEEN PUBLISHED THAT INFLATION ADJUSTMENT DIFFERENCES RELATED TO THE CONSTRUCTION IN PROGRESS ACCOUNT WILL BE RECOGNISED AS INCOME IN INSTALMENTS AFTER THE INVESTMENT IS COMPLETED
- SIGNIFICANT CHANGES HAVE BEEN MADE IN THE VAT GENERAL APPLICATION COMMUNIQUÉ WITH THE COMMUNIQUÉ NUMBERED 52 SERIES
- TAX PROCEDURE LAW CIRCULAR NO.176 CONTAINING EXPLANATIONS ON THE APPLICATION OF INFLATION ADJUSTMENT HAS BEEN PUBLISHED

October 2024 Financial Agenda

Dear Readers,

October, as always, has been a very busy month in terms of the tax agenda.

The government's regulations aimed at combating the informal economy and increasing tax revenues continue to intensify. The obligation to pay rent payments through banks (Communiqué No. 328 of the Income Tax General Communiqué), the inclusion of non-taxpayers in the requirement to document collections and payments over TRY 7,000 (Communiqué No. 572 of the Tax Procedure Law General Communiqué), and regulations regarding the incremental application of tax penalties (Communiqué No. 571 of the Tax Procedure Law General Communiqué) are among these measures.

The omnibus bill proposal regulating the Defense Industry Support Fund, particularly the provision requiring an annual fee of TRY 750 for credit cards exceeding a certain limit, has occupied the public for a long time. This proposal has been shelved for now due to public reactions.

The problems arising from the implementation of inflationary tax adjustments seem endless. Among these issues, the regulations concerning the adjustment differences related to ongoing investments do not seem to resolve the problem; rather, they appear to have deferred it while exacerbating the issue. The circular No. 176, announced at the beginning of November, which includes explanations related to past adjustment periods, has further increased uncertainties instead of facilitating implementation. Perhaps the most correct approach in inflationary tax adjustments would have been to limit adjustments to financial statements (balance sheets) without linking the resulting differences to the tax base. The problems seem never-ending.

We concluded October, which started fast, with significant changes made in the VAT General Implementation Communiqué through Communiqué No. 52.

October is also declared as Cybersecurity Awareness Month worldwide. Both BDO Global and BDO Turkey, through the intensive contributions of our GRC team, have supported efforts to bring this topic to everyone's agenda through publications and social media posts. Additionally, October holds a special place in our hearts as the founding month of our Republic, which we proudly celebrated for the 101st time this year — forever...

Cemalettin Turan

Partner / ILP

Sworn Financial Advisor

BDO İstanbul Office

BDO Kosovo Office

BDO Turkmenistan Office





JBDO

**We remember him
with eternal respect
and gratitude.**

Tax



BULLETIN:
TAX 2024-077
17/10/2024

THE INCOME TAX GENERAL COMMUNIQUÉ NO. 328 PUBLISHED REGARDING THE OBLIGATION TO MAKE RENT PAYMENTS VIA BANK TRANSFER

Pursuant to the authority granted to the Ministry of Treasury and Finance under sub-paragraph (2) of the first paragraph of the repeated Article 257 of the Tax Procedure Law and the Income Tax General Communiqué No. 268 issued under this authority:

For residences, in cases where rental income of TRY 500 or more per month is earned for each residential property, and for short-term rentals (weekly, daily, or similar) regardless of the amount, if payments are not made via a bank or PTT, a special irregularity penalty of 10% shall be imposed on the rent amount paid in cash. This special irregularity penalty is applied separately for each transaction. The total penalty imposed in a year cannot exceed 20 million lira, and the minimum penalty amounts to be imposed are as follows:

- For first-class merchants and self-employed persons: TRY 20,000
- For second-class merchants, record-keeping farmers, and those whose income is determined by the simplified method: TRY 10,000
- For those not included in the above categories: TRY 5,000

These minimum penalty amounts are valid for the year 2024 and will increase annually based on the revaluation rate of the previous year.

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



BULLETIN:
TAX 2024-078
18/10/2024

CHANGES HAVE BEEN MADE IN THE COMMUNIQUÉ REGARDING THE DISTRIBUTION EARNINGS THROUGH TRANSFER PRICING

The amendments made by the Communiqué (Series No: 5) on Amendments to the General Communiqué on Disguised Profit Distribution through Transfer Pricing (Series No: 1) and changes in the Decision on Disguised Profit Distribution through Transfer Pricing have been incorporated into the Communiqué on Disguised Profit Distribution through Transfer Pricing.

Additionally, an example has been added to the Communiqué regarding when a taxpayer subject to a special accounting period should submit the notification form.

[Click here](#) to access the relevant Communiqué.

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

Tax



BULLETIN:
TAX 2024-079
21/10/2024

TAXPAYERS WHO ARE NOT SUBJECT TO THE REQUIREMENT TO PROVE COLLECTION AND PAYMENTS EXCEEDING 7,000 TURKISH LIRAS HAVE BEEN INCLUDED IN THE SCOPE

As is well known, under sub-paragraph (2) of the first paragraph of the repeated Article 257 of the Tax Procedure Law, the Ministry of Treasury and Finance (the Ministry) has been granted the authority to impose the requirement for taxpayers to verify their transactions with receipts issued by banks, similar financial institutions, or postal authorities, and to determine the scope, procedures, and principles of this obligation.

With the amendment made by [Law No. 7254](#), the [Communiqué on Amendments to the Tax Procedure Law General Communiqué \(Series No: 572\)](#) introduced changes to the 459 Series No: VUK General Communiqué, expanding the verification obligation to non-taxpayers as well.

The Communiqué also provides examples related to the implementation and includes regulations on penalties. Additionally, detailed explanations are provided for collections and payments that are not within the scope of this requirement.

Moreover, the Revenue Administration has prepared easy-to-understand infographics for both taxpayers and non-taxpayers, including final consumers, regarding the obligation to verify collections and payments exceeding TRY 7,000, as well as rent payments, with receipts issued by banks, similar financial institutions, or postal authorities. These infographics have been made available on the website.

For the infographics, please [click here](#).

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

Tax



BULLETIN:
TAX 2024-080
22/10/2024

TAX PROCEDURE LAW GENERAL BULLETIN NO. 571 REGARDING THE INCREASE OF PENALTIES

On October 19, 2024, in the Official Gazette No. 32697, [the General Communiqué on Amendments to Tax Penalties \(No. 571\)](#) was published.

Within this framework:

- With the addition to Article 344 of the Tax Procedure Law (VUK), if a taxpayer fails to establish a tax liability while engaging in commercial, agricultural, or professional activities without the knowledge of the tax office, leading to tax evasion, the tax evasion penalty will be imposed with a 50% increase.
- With Article 11 of Law No. 7524, amendments were made to Article 353 of Law No. 213, which regulates special irregularity penalties. A schedule (Schedule 2) was added, stipulating that special irregularity penalties would be applied in increasing amounts for each determination.
- With the amendment to the first paragraph of the repeated Article 355 of Law No. 213, those who use any digital platform, including the internet, for economic and commercial purposes such as advertising, announcements, sales, and rentals, are required to provide information to ensure tax security. If they fail to notify, or make incomplete or misleading notifications regarding their obligations, the special irregularity penalty to be imposed has been redefined.

According to Article 376 of Law No. 213, if a taxpayer or tax responsible person notifies the tax office within thirty days from the date of delivery of the tax assessment notice, stating that they will pay half of the assessed tax or tax difference, as well as half of the tax evasion, irregularity, and special irregularity penalties, either by paying within the due date or by providing collateral as stipulated in Law No. 6183 on the Collection of Public Receivables, within three months from the due date, the penalty will be reduced by half. Additionally, for irregularity and special irregularity penalties not exceeding TRY 23,000 for 2024, the reduction rate will be 75%.

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

Tax



BULLETIN:
TAX 2024-081
30/10/2024

A REGULATION HAS BEEN PUBLISHED REGARDING THE INFLATION ADJUSTMENT DIFFERENCES FOR THE ACCOUNT OF CURRENT INVESTMENTS, WHICH WILL BE RECOGNIZED AS INCOME IN INSTALLMENTS AFTER THE COMPLETION OF THE INVESTMENT.

With the Law No. 7529 on the Protection of Consumers and Amendments to Certain Laws, some changes were made to the regulations regarding inflation adjustment in the Tax Procedure Law. These amendments, which came into effect on 01/01/2024, apply to taxpayers with a special accounting period for the 2024 accounting year. The key points of the amendments are summarized below:

- Inflation adjustment differences related to ongoing investments will be recognized as income in installments after the completion of the investment.
- Companies in liquidation or bankruptcy, as well as economic state enterprises and public economic entities subject to Law No. 233 on Public Economic Enterprises, are included in the list of taxpayers who will not be taxed on profit/loss arising from inflation adjustment in 2024 and 2025.

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



BULLETIN:
TAX 2024-082
04/11/2024

INCREASES MADE IN SOME WITHHOLDING TAX RATES

With the Presidential Decree No. 9075, changes have been made to the withholding tax rates on certain income and earnings specified in the Temporary Article 67 of the Income Tax Law.

For deposit accounts with currency-protected term deposits, foreign currency deposits/participation funds, and gold-based deposit/participation funds, the following withholding tax rates will apply on deposits converted to Turkish Lira based on the conversion rate:

- For deposits with a term of up to 6 months (inclusive): 10% (previous rate: 7.5%)
- For deposits with a term of up to 1 year (inclusive): 7.5% (previous rate: 5%)
- For deposits with a term longer than 1 year: 5%

The regulation will be effective as of 1/11/2024 for interest and profit shares to be paid on demand and special current accounts, as well as for interest and profit shares to be paid on term accounts opened or renewed from this date.

Additionally, changes have been made to the withholding tax rates for deposit interest, profit shares, bonds, and certificates of participation issued by banks and leasing companies, as well as for income and gains from investment funds.

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

Tax



BULLETIN:
TAX 2024-083
04/11/2024

IMPORTANT CHANGES HAVE BEEN MADE IN THE VAT GENERAL IMPLEMENTATION BULLETIN WITH BULLETIN NO. 52

The VAT General Application Communiqué No. 52, published in the Official Gazette on October 31, 2024, introduces changes to the VAT General Implementation Communiqué. These changes aim to establish procedures and principles for implementing the amendments made to the VAT Law with Law No. 7524, as well as to provide clarifications and updates on certain issues encountered in practice.

These changes are explained in detail in our Bulletin.

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



BULLETIN:
TAX 2024-084
04/11/2024

CIRCULAR NO. 176 OF THE TAX PROCEDURE LAW CONTAINING EXPLANATIONS ON THE APPLICATION OF INFLATION ADJUSTMENT HAS BEEN PUBLISHED

The 176th circular of the Tax Procedure Law (VUK), published on November 1, 2024, provides clarifications on certain issues regarding inflation adjustments that were causing uncertainties. Detailed explanations of the points addressed in this circular will be provided in our Bulletin.

The issues covered include:

- The meaning of the phrase "previous temporary tax period" used in the simple average method for adjusting inventories.
- The status of "178 - Construction Inflation Adjustment Account" and "358 - Construction Inflation Adjustment Account" in the context of inflation adjustments.
- Whether the adjustment differences recorded in the sub-account of R&D and design expenses after the inflation adjustment are subject to R&D and design deductions.
- Whether the adjustment differences related to expenses recorded in the balance sheet after the inflation adjustment are considered in the calculation of the investment contribution amount under the discounted corporate tax application.
- The treatment of profits or losses resulting from inflation adjustments in relation to exempt income.

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

Tax



BULLETIN:
TAX 2024-085
05/11/2024

REGULATION ON VAT EXEMPTION FOR SERVICES PROVIDED TO SEA AND AIRCRAFTS AT SEAPORTS AND AIRPORTS

Under the regulation made by Law No. 524, services provided at ports to private boats and yachts used for leisure, entertainment, sports, and amateur fishing purposes have been removed from the exemption scope of Article 13/b of the VAT Law. In addition to this regulation, the VAT General Implementation Communiqué (Series No: 52), published in the Official Gazette No. 32708 on October 31, 2024, has both detailed the new regulation and incorporated the Ministry's previous opinions into the communiqué. The communiqué states that navigation services provided at ports and airports to sea and air transportation vehicles suitable for cargo or passenger transport are exempt from VAT; however, no exemption will be applied to vehicles for private use without any specific qualification. Additionally, the offset refund limit has been increased from TRY 10,000 to TRY 50,000.

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

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COMMUNICATION
CLIENT NEEDS
VALUE
COMMITMENT

Labor Law & Social Security



BULLETIN:
LABOR LAW AND
SOCIAL SECURITY
2024-060
01/10/2024

NO DEBT CERTIFICATES TO BE ISSUED UNDER THE PUBLIC PROCUREMENT LAW NO. 4734

For requests made after the change in the Communiqué that came into effect on 01/10/2024, the final calculation of the social security premium debt will include the employer's debts, the debts arising when the employer acts as a subcontractor (intermediary) at another employer's workplace, and the debts of the employer's subcontractor (intermediary). If the total debt is TRY 5,000.00 or less, a no outstanding debt certificate will be issued to the applicant.

[Click here](#) to access the relevant General Letter.

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



BULLETIN:
LABOR LAW AND
SOCIAL SECURITY
2024-061
02/10/2024

NEW REGULATIONS IN WORK PERMIT EVALUATION CRITERIA

A General Letter titled "No Outstanding Debt Certificates to Be Issued According to the Public Procurement Law No. 4734" was published by the Social Security Institution, Directorate General of Insurance Premiums, on 27/09/2024.

Accordingly, for requests made after the change in the Communiqué that came into effect on 01/10/2024, the final calculation of the social security premium debt will include the employer's debts, the debts arising when the employer acts as a subcontractor (intermediary) at another employer's workplace, and the debts of the employer's subcontractor (intermediary). If the total debt is TRY 5,000.00 or less, a no outstanding debt certificate will be issued to the applicant.

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



BULLETIN:
LABOR LAW AND
SOCIAL SECURITY
2024-062
02/10/2024

REGULATION ON AMENDMENT OF THE SOCIAL INSURANCE PROCEDURES REGULATION

With the "Regulation Amending the Social Insurance Transactions Regulation" published by the Social Security Institution in the Official Gazette No. 32679 on 01/10/2024, the sixteenth paragraph of Article 27 of the Social Insurance Transactions Regulation has been repealed.

With this change in the Regulation, the practice of having the relevant provincial directorates of the Turkish Employment Agency (İŞKUR) register a workplace file with the Social Security Institution (SGK) for individuals benefiting from unemployment benefits under Law No. 4447 and for trainees participating in professional development, upgrading, and changing courses organized by İŞKUR has been terminated.

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

Labor Law & Social Security



BULLETIN:
LABOR LAW AND
SOCIAL SECURITY
2024-063
04/10/2024

GENERAL LETTER ON SUBCONTRACTOR NOTIFICATION

According to the General Letter, it has been understood that there are uncertainties regarding whether information should be provided to the contracting authority if there is no provision in the contract prohibiting the employment of subcontractors under the relevant rule. In this regard, information will only be provided to the contracting authority after the subcontractor registration is completed for contracts that include a clause prohibiting the employment of subcontractors. However, if there is no such clause in the contract, there is no need to provide additional information to the contracting authority.

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



BULLETIN:
LABOR LAW AND
SOCIAL SECURITY
2024-064
09/10/2024

GENERAL LETTER ON CHANGES IN DEFERRAL PROCEDURES

By the decision of the Board of Directors, some changes have been made to the "Procedures and Principles for the Postponement and Instalment of Social Security Institution Debts according to Article 48 of Law No. 6183" and the "Procedures and Principles for the Postponement and Instalment of Social Security Institution Debts Postponed Due to Force Majeure according to Article 48 of Law No. 6183."

Effective from 01/01/2025, if the debtor has had the postponement process under Article 48 of Law No. 6183 revoked twice within the current year and the previous two calendar years (excluding those who applied to benefit from restructuring laws while the postponement was ongoing), their request for postponement will not be accepted unless the debt is paid. However, if the debtor requesting a new postponement has paid the debts subject to previously revoked postponement, this will not be considered as a revoked postponement.

The determination of the number of revoked postponements will be carried out on a unit and debtor basis.

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



BULLETIN:
LABOR LAW AND
SOCIAL SECURITY
2024-065
14/10/2024

AMENDMENTS TO THE BULLETIN ON NATIONAL OCCUPATIONAL STANDARDS (2024/31)

With the "Regulation on the Amendment of the National Vocational Standards (2024/31)" published by the Vocational Qualifications Authority in the Official Gazette dated 13/10/2024 and numbered 32691, changes have been made to certain vocational standards.

The vocational standards that have been amended are as follows:

- Electro-Mechanical Assembly Worker (Level 3)
- Electro-Mechanical Assembly Worker (Level 4)

[Click here](#) to access the Regulation numbered 2024/31.

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

Labor Law & Social Security



**BULLETIN:
LABOR LAW AND
SOCIAL SECURITY
2024-066
15/10/2024**

REGULATION ON AMENDMENTS TO THE IMPLEMENTATION REGULATION OF THE INTERNATIONAL LABOR FORCE LAW

With the "Regulation on the Amendment of the Implementation Regulation of the International Labor Force Law" published by the Ministry of Labor and Social Security in the Official Gazette dated 15/10/2024 and numbered 32693, changes and new additions have been made regarding the exemption from work permits for foreigners, the application for work permit exemptions, and other related matters.

[Click here to access the Regulation.](#)

You can review our Bulletin for the details.

Featured News and Publications of the Month



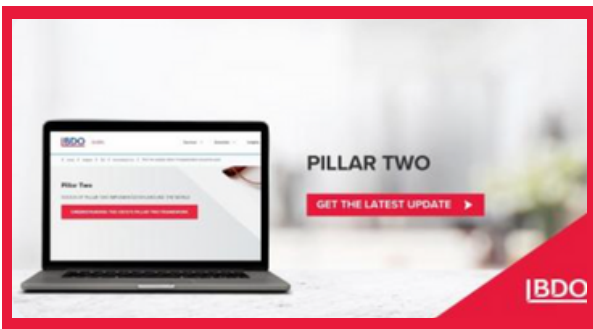
At the BDO Global Leadership Summit 2024 in Kuala Lumpur, we are bringing our global strategy to life with the participation of over 200 senior leaders from more than 150 countries within the BDO global network. During this summit, we emphasize the importance of global collaborations and strategic partnerships while focusing on sustainable solutions and innovative approaches. Our International Liaison Partner (ILP), Cemalettin Turan, also represented our company at the event.



We took part in the conference celebrating T24's 15th anniversary!

Moderated by BDO Turkey Tax Partner Erdoğan Sağlam, BDO Turkey Tax Partner Emrah Akın and former Undersecretary of the Treasury, Economist Dr. Mahfi Eğilmez gathered as speakers on Thursday, October 3rd.

The panel discussed the topic "Forecasts for Turkey at the Edge of a Global Crisis: A Look at Monetary and Fiscal Policies."



Pillar 2, the Global Minimum Tax, continues to hold a significant place in international taxation. BDO's Pillar Two Implementation Tracker application, which summarizes the positions of countries around the world regarding Pillar 2 and provides updates, will assist you with this matter.

[Click here](#) to access.



We attended the "Tourism Service Law Workshop" organized by TURMEFED. Our Director of Social Security and Labor Law, Halit Başbuğa, delivered the opening speech and shared his insights on important developments in the sector.

Featured News and Publications of the Month



Our Tax Partner, Emrah Akın, discussed the topic of "Mandatory Use of Banks and Financial Institutions for Payments Above a Certain Amount" on Bloomberg HT on October 18, 2024.



Our Tax Partner, Emrah Akın, discussed the topic of "Messages Regarding Taxes in the 2025 Fiscal Year Budget Proposal" on Bloomberg HT on October 30, 2024.



As BDO Türkiye, we shared content under the title "Guardians of Digital Trust" with the global expertise of our GRC Partner, Betül Ertem Yıldız, as part of Cybersecurity Awareness Month.

Published Articles & Columns

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T24

From T24 annual meeting...

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T24

Domestic minimum corporate income tax practice and the debates on this issue in eight questions...

[Read now](#)

T24

The omnibus bill regulating the Defence Industry Support Fund has been postponed; it will be on the agenda again after the budget negotiations!

[Read now](#)

T24

Omnibus law negotiations have been finalised, what will be the changes related to inflation adjustment?

[Read now](#)

T24

Attention end consumers, if you do not pay your purchases exceeding 7 thousand Turkish Liras through financial institutions, you may be subject to serious penalties!

[Read now](#)

T24

What will be the minimum wage in 2025?

[Read now](#)

HALUK ERDEM

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T24

Ability to collect corporate income tax from loss-making company

[Read now](#)

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LinkedIn

Tax on previous year's losses!

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HALİT BAŞBUĞA

Director – Labor Law
and Social Security

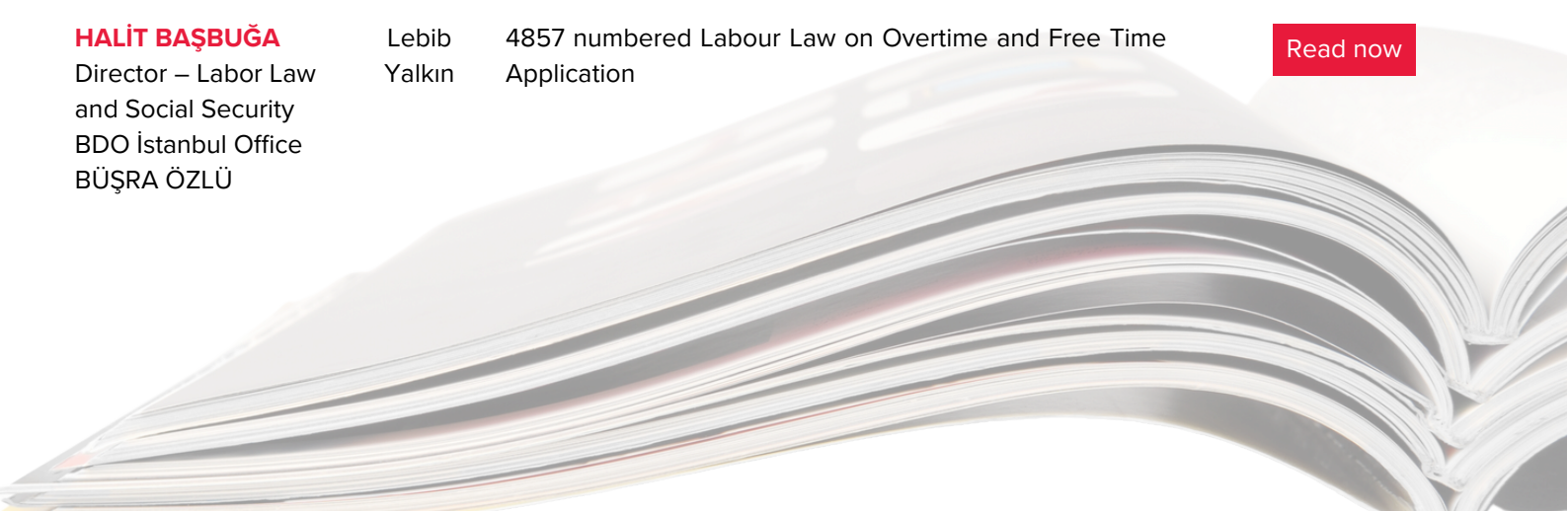
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BÜŞRA ÖZLÜ

Lebib
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4857 numbered Labour Law on Overtime and Free Time Application

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