

CIRCULAR
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Subject:

COMMUNIQUE ENABLING THE TAXPAYERS DIRECTLY AFFECTED BY THE CORONAVIRUS PANDEMIC AND THE RELEVANT MEASURES TO BENEFIT FROM THE PROVISIONS OF *FORCE MAJEURE* HAS BEEN PUBLISHED

The General Communiqué on the Tax Procedure Law (TPL) No: 518 published in the Official Gazette No. 31078 (Repeated) of March 24, 2020 covers details enabling the taxpayers that are **directly affected** by the Coronavirus (COVID-19) pandemic and the relevant measures and **are specified in this communiqué** to benefit from the provisions of *force majeure* stipulated in the TPL. As known, these regulations were among the measures announced by the President and information was already provided through our circulars No. [2020/86](#) and [2020/98](#) regarding the announcements made by the Revenue Administration on March 19, 2020 and March 24, 2020.

1. Taxpayers Considered To Be Affected By *Force Majeure*

The communiqué establishes that the taxpayers specified in the table are considered to be affected by *force majeure* between April 1, 2020 and June 30, 2020 (including these dates).

Taxpayers Considered to Be Affected by <i>Force Majeure</i>	Time Period for <i>Force Majeure</i>
Taxpayers with income tax liability in terms of commercial, agricultural and professional earning.	April 1, 2020 - June 30, 2020
Taxpayers which are <u>directly affected</u> by the Coronavirus pandemic and whose <u>main activity</u> is retail including shopping malls, healthcare services, furniture manufacturing, iron-steel and metal industry, mining and quarrying, building-construction services, industrial kitchen manufacturing, automotive manufacturing and trade and the manufacturing of parts and accessories for the automotive industry, car rental, logistics and transportation including storage activities, artistic services such as cinema and theater, the publishing activities of books, newspapers, magazines and similar printed products including printing, accommodation activities including tour operators and travel agencies, food and beverage services including restaurants and coffee houses, textile and apparel manufacturing and trade and event and organization services including public relations.	April 1, 2020 - June 30, 2020
Taxpayers whose <u>main activity</u> is relevant to the sectors covering the workplaces whose activities are suspended within the scope of the measures taken by the Ministry of Interior .	April 1, 2020 - June 30, 2020

Primary activity code specified in **the records of the tax office** as of **March 24, 2020** will be taken into consideration for the identification of **main activity** listed in the table.

Even if the taxpayer's **main activity code** specified in **the records of the tax office is not among the sectors listed in the table**, the taxpayer's **actual main activity** will be taken into consideration for ascertaining whether or not the taxpayer is affected by *force majeure* **in the event that the taxpayer proves and certifies that it is actually operating in any of these sectors** as its **main activity**. Since the communiqué does not include any procedure and principle regarding this issue, it is not clear whether taxpayers are obliged to apply to their respective tax offices with substantiating and certifying documents. Within the framework of general provisions, we think that it will be beneficial to apply in writing to the respective tax office with substantiating and certifying documents.

2. Extension of Submitting And Payment Periods For Withholding Tax And VAT Returns, Periods For Uploading E-Ledger Certificates And Periods For Submitting Ba-Bs Forms (Purchases and Sales of Services and Goods)

2.1. Extension of Time Period For Withholding Tax And VAT Returns

It is provided that

- The taxpayers specified in Article 1 above will have an extended period of time to submit their Withholding (Including the Withholding and Premium Service Return (WPSR)) and VAT returns for April, May and June by the end of July 27, 2020
- Periods for the payment of the taxes to be accrued based on the said returns will be extended by six months as specified below.

	Usual Date of Return	Extended Date of Return	Usual Period for the Payment of Taxes	Extended Period for the Payment of Taxes
Withholding (Including WPSR) and VAT Returns That Must Be Submitted in April	April 27, 2020	July 27, 2020	April 27, 2020	October 27, 2020
Withholding (Including WPSR) and VAT Returns That Must Be Submitted in May	May 27, 2020	July 27, 2020	May 27, 2020	November 27, 2020
Withholding (Including WPSR) and VAT Returns That Must Be Submitted in June	June 26, 2020	July 27, 2020	June 26, 2020	December 28, 2020

Since there is no restriction in terms of VAT declarations, all VAT returns will be covered by this extension. The extension of time will also be valid for the returns which are submitted quarterly and will be submitted on specified dates.

As known, in the absence of any other extension of time, it still remains applicable to separately submit to the relevant institutions the Withholding Tax Return and SSI (Social Security Institution) Monthly Premium and Service Return for January and February since the final effective date for the Withholding and Premium Service Return (WPSR) is set as March 1, 2020 across Turkey apart from the pilot provinces. Withholding Tax Return and Premium and Service Return that should be submitted for March during April must be submitted as "Withholding and Premium Service Return". The regulations issued through the general communiqué also includes the Withholding and Premium Service Return.

2.2. Extension Of Time Period For Submitting Ba-Bs Forms And Uploading E-Ledger Certificates

It is provided that

- The taxpayers specified in Article 1 above will have an extended period of time to submit their Ba-Bs forms for April, May and June,
- They will also have an extended period of time to upload their E-Ledger Certificates for April, May and June

by July 27, 2020.

	Usual date of issue/upload	Extended date
Ba-Bs Forms that must be submitted in April	April 30, 2020	July 27, 2020
E-Ledger Certificates that must be uploaded in April	April 30, 2020	July 27, 2020
Ba-Bs Forms that must be submitted in May	June 1, 2020	July 27, 2020
E-Ledger Certificates that must be uploaded in May	June 1, 2020	July 27, 2020
Ba-Bs Forms that must be submitted in June	June 30, 2020	July 27, 2020
E-Ledger Certificates that must be uploaded in June	June 30, 2020	July 27, 2020

3. Declaring A State Of *Force Majeure* For Taxpayers And CPAs Subject To The Curfew As They Are 65 Years Old And Older Or Suffer From A Chronic Disease And Those Whose Returns Are Submitted By Such CPAs .

3.1. Those Subject To *Force Majeure* Due To The Curfew

- As for taxpayers and CPAs subject to the curfew as they are 65 years old and older or suffer from a chronic disease as per the measures taken by the Ministry of Interior and
- Those whose returns are submitted by CPAs (subject to the curfew as they are 65 years old and older or suffer from a chronic disease) as per the "Intermediation and Responsibility Agreement" applicable as of March 24, 2020 (the taxpayers whose returns are issued by CPAs subject to the curfew);

it is provided that they are **considered to be subject to *force majeure*** between **March 22, 2020 and the date on which the curfew comes to an end** (including these dates) and the deadline for issuing the returns/notices which cannot be issued regarding the period of *force majeure* and paying the taxes accrued based thereon will be **extended by the end of the 15th day following the date on which the curfew comes to an end.**

3.2. Determinations

Periods for submitting returns and making payments **for being 65 years old and older** will be extended by tax offices **in ex officio fashion** based on their respective determinations and **no application will be received concerning the extension of time in this case.**

As for the extension of periods for submitting returns and making payments due to a **chronic disease**, this disease **must be substantiated and certified through valid certificates to be received from health institutions.** The extension of time in this case will be processed based on the taxpayer's written application to be issued over the **Interactive Tax Office** by declaring that she/he suffers from a chronic disease and **the certificates received from a health institution must be submitted** to the respective tax office **within 30 days following the date on which the curfew comes to an end.** In other words, those who fail to fulfill their respective liabilities/ responsibilities due to their chronic disease must file an application through the Interactive Tax Office. They must submit their medical reports to their respective tax offices within 30 days following the date on which the curfew comes to an end.

3.3. *Force Majeure* Practice If The Curfew Comes To An End Between April 1, 2020 And June 30, 2020

In the event that the curfew comes to an end between April 1, 2020 and June 30, 2020 (including these dates), the taxpayers and CPAs who benefit from the provisions of *force majeure* as they are over 65 years old or suffer from a chronic disease and the taxpayers whose returns are issued by such CPAs will be enabled to benefit from the provisions of *force majeure* specified in Article 3 of the communiqué starting from the date on which the curfew comes to an end on the condition that they are covered by Article 3 of the communiqué.

For example: If the curfew comes to an end on May 10, 2020 and the relevant taxpayer is not among the taxpayers listed in the table above as specified in Article 1 of the circular, the liabilities and responsibilities that are not fulfilled until May 10, 2020 must be fulfilled within 15 days or until May 25, 2020. If the relevant taxpayer is among the taxpayers listed in the table, the extended periods stipulated in Article 2 of our circular will be valid for withholding tax and VAT returns, Ba-Bs forms and e-ledger certificates.

4. Returns of Earnings Dependent On Social Security Premiums Through WPSR

In the event that it is compulsory to declare the insured employees premium-based earning and service information regarding the period of *force majeure* via the Withholding and Premium Service Return (WPSR) as per the social security legislation, **the *force majeure* will be valid for the postponement of the periods of submitting and paying the portion of that return regarding withholding tax.** In other words, unless a separate regulation is issued by SSI in terms of notification and payment of insurance premiums, the *force majeure* regulations established by this communiqué do not apply to the notification and payment of insurance premiums.

Sincerely,

**DENGE İSTANBUL YEMİNLİ
MALİ MÜŞAVİRLİK A.Ş.**

APPENDIX:

The General Communiqué on the Tax Procedure Law (TPL) No: 518

(*) The remarks in our circulars are for informational purposes only. We recommend that the opinion and support of a qualified counsellor be received before establishing final transactions on the questionable matters. Our company shall not be held responsible for any damages to be incurred as a result of transactions to be made solely on the basis of the statements in our circular.

(**) For opinions, criticisms and questions about our circulars, you can contact our specialists the contact information of whom is provided below.

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