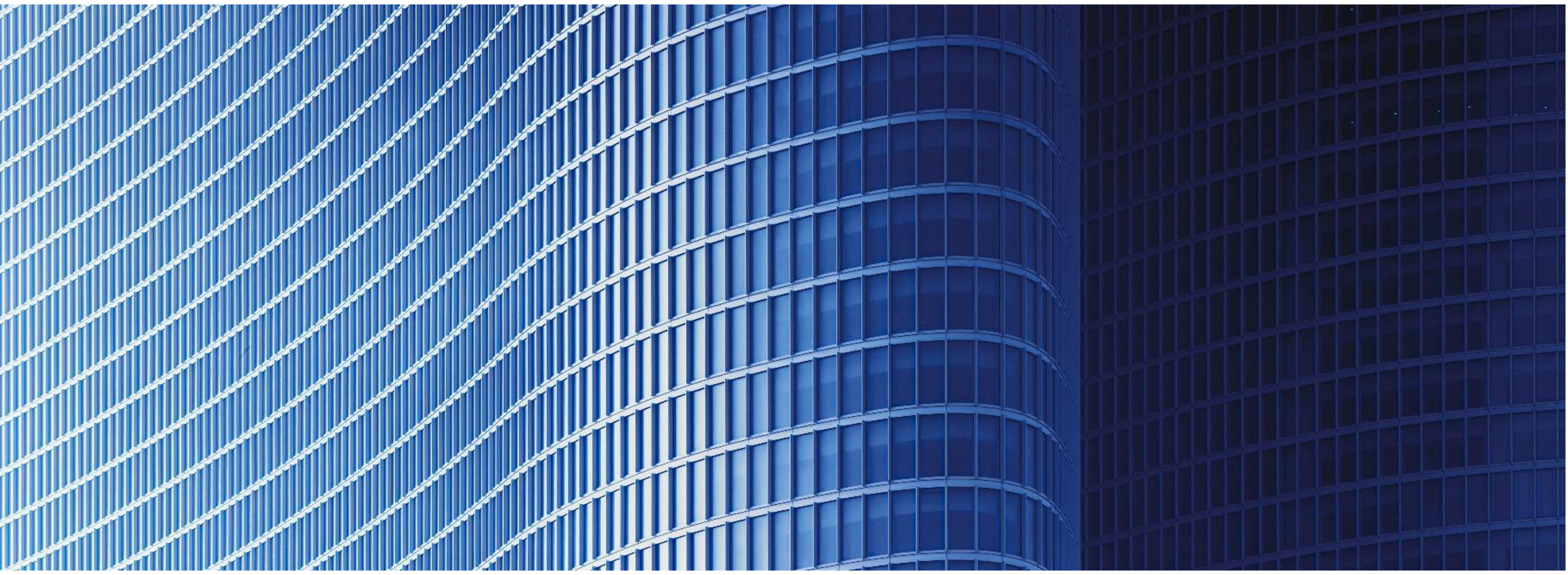

CIRCULAR NO: 2026/137eng. **July 6, 2026**

COMMUNIQUÉ SETTING OUT THE PROCEDURES AND PRINCIPLES FOR THE ASSET REPATRIATION REGIME HAS BEEN PUBLISHED

The General Communiqué on the Repatriation of Certain Assets into the Economy (the "Communiqué"), published in Official Gazette No. 33300 dated 4 July 2026, sets out the procedures and principles governing the repatriation into the economy of certain domestic and foreign assets under Provisional Article 19 of the Corporate Income Tax Law (the "Asset Repatriation Regime").

1. PURPOSE AND SCOPE OF THE COMMUNIQUÉ

The Communiqué sets out the procedures and principles for bringing cash, gold, foreign currency and securities held abroad into Türkiye and recording them in the economy, as well as for reporting and recording assets located in Türkiye but not reflected in the statutory books. The regulation applies both to income/corporate income taxpayers and to persons with no tax registration.

2. REPORTING AND REPATRIATION OF ASSETS HELD ABROAD

2.1. Reporting Deadline and Method

Assets held abroad must be reported to banks or intermediary institutions **by 31 July 2027**. Natural and legal persons must report such assets to banks or securities brokerage firms by using the form in Annex 1 to the Communiqué, prepared in duplicate. Reports may also be submitted through duly authorised representatives or legal representatives.

2.2. Correction of Reports

Errors identified within the same month must be corrected by amending the original report. Errors identified in subsequent months that reduce the reported amount must be corrected through an application submitted to the tax office via the relevant bank/intermediary institution. Any request to increase the reported amount requires a new report.

2.3. Requirement to Bring Reported Assets into Türkiye

Reported assets must be brought into Türkiye or transferred to an account opened with a bank/intermediary institution in Türkiye **within two months from the reporting date**. For assets physically brought into Türkiye, documents issued by the Customs Administration may be used as supporting evidence.

Assets held abroad that fall outside the scope of the regime (for example, immovable property) may be converted into eligible assets and brought into Türkiye by 31 July 2027. Immovable property and other ineligible assets cannot be reported directly.

3. REPORTING OF ASSETS LOCATED IN TÜRKİYE

Cash, gold, foreign currency and securities located in Türkiye but not recorded in the statutory books must be reported to banks or intermediary institutions **by 31 July 2027**. Persons with no tax registration may also benefit from the regime by depositing their assets with a bank/intermediary institution and documenting the deposit. Income and corporate income taxpayers must report assets held abroad using the form in Annex 1 to the Communiqué, prepared in duplicate. Reports may also be filed on behalf of sole proprietorships and ordinary partnerships; in respect of the reported assets, such enterprises and partnerships may benefit from protection against tax audit and assessment for VAT purposes, while their partners may benefit from the same protection for income or corporate income tax purposes.

4. ASSETS HELD IN THE NAMES OF COMPANIES' LEGAL REPRESENTATIVES, SHAREHOLDERS OR AGENTS

Companies may benefit from the provisions of the regime in respect of assets held as of 4 June 2026 by their legal representatives or shareholders, or by persons authorised to manage eligible assets on behalf of the company or its shareholders under a power of attorney or representation agreement issued by authorised institutions before that date. For assets located abroad, the assets must be reported in the company's name and brought into Türkiye or transferred to an account opened with a bank or intermediary institution in Türkiye. For assets located in Türkiye but not recorded in the statutory books as of 4 June 2026, the assets must be reported in the company's name.

Assets belonging to a company or its shareholders but controlled by persons other than the company's legal representatives, shareholders or agents may be reported in the company's name, thereby allowing the company to benefit from the provisions of the regime. Likewise, assets belonging to individuals but controlled by overseas companies in which those individuals are shareholders or legal representatives may qualify where reported in the names of the relevant individuals. However, in any tax inspection initiated for reasons other than the report, it must be demonstrated that the assets belong to the company, its shareholders or the relevant individuals.

5. TAX RATES AND REDUCED-RATE REGIME

An upfront tax at the rate of **5%** is collected by banks or, in the case of securities, intermediary institutions on the value of the reported assets and is declared and remitted to the relevant tax office. Persons making a report are not required to file a tax return or pay the tax themselves; these obligations are fulfilled on their behalf by the relevant bank or intermediary institution.

Where the assets are committed to be held for prescribed periods in **time deposit accounts, government domestic debt securities, lease certificates or venture capital investment funds**, the following reduced tax rates apply:

- 0% for a minimum holding period of five years
- 1% for a minimum holding period of four years
- 2% for a minimum holding period of three years
- 3% for a minimum holding period of two years
- 4% for a minimum holding period of one year

To qualify for the reduced rates, the undertaking in Annex 2 to the Communiqué, confirming that the reported assets will be invested in the specified instruments for the prescribed periods, must be submitted to the bank or intermediary institution at the time of reporting. The commitment period begins on the date the reported assets are invested in time deposit accounts, government domestic debt securities, lease certificates or venture capital investment funds.

For reports filed between 1 January 2027 and 31 July 2027, these rates will be increased by 0.5 percentage points. If the reporting deadline is extended beyond 31 July 2027 by the President, the rates will be increased by 1 percentage point.

6. VALUATION PRINCIPLES AND ACCOUNTING RECORDS

Assets are valued as of the reporting date at their nominal value for Turkish lira, fair market value for gold, and the foreign currency buying rate announced by the Central Bank of the Republic of Türkiye for foreign currency.

Securities and other capital market instruments are valued as follows:

1) Shares: at their quoted market price, if available; otherwise at fair market value; if this cannot be determined, at acquisition cost; and if the acquisition cost is also unknown, at nominal value.
2) Debt instruments, such as bonds, bills and Eurobonds: at their quoted market price, if available; otherwise at fair market value; if this cannot be determined, at acquisition cost; and if the acquisition cost is also unknown, at nominal value.

3) Investment fund units: at the closing price determined in the relevant market.
4) Derivative instruments, such as futures and option contracts: at their quoted market price, if available; otherwise at fair market value; if this cannot be determined, at acquisition cost; and if the acquisition cost is also unknown, at nominal value.

Taxpayers keeping books on a balance-sheet basis must open a special fund account under equity for the reported assets. This fund is deemed part of the capital and, for two years from the reporting date, may not be used for any purpose other than a capital increase or withdrawn from the business. Taxpayers keeping self-employment earnings books or books on an operating-account basis must separately disclose these assets in their books.

7. CIRCUMSTANCES IN WHICH NO TAX INSPECTION OR ASSESSMENT WILL BE CONDUCTED

No tax inspection or assessment will be conducted in respect of reported assets, provided that the assets are brought into Türkiye within the prescribed period, the tax is paid on time, the commitments are complied with, and the amount is retained in the special fund account for two years.

7.1. Requirements for Assets Held Abroad

- Reported assets must be brought into Türkiye or transferred to an account opened with a bank/intermediary institution in Türkiye within two months from the reporting date.
- The tax assessed on the report must be paid on time and, where a reduced rate is claimed, the applicable commitment conditions must be satisfied.
- The assets must be recorded in the statutory books, a special fund account must be opened under equity, and the fund must neither be used for any purpose other than a capital increase nor withdrawn from the business for two years.

7.2. Requirements for Assets Located in Türkiye

- The assets must be recorded in the statutory books and retained in the special fund account for two years; in other words, they must not be withdrawn from the business.
- Persons with no tax registration must document that the assets have been deposited into accounts held with banks or intermediary institutions.
- The assessed tax must be paid on time and the applicable commitments must be complied with.

7.3. Set-Off Relief in Tax Inspections Initiated for Other Reasons

- If a tax inspection initiated for another reason—for example, a cross-check or a denunciation—or a referral to the Tax Assessment Commission identifies a tax-base difference, the taxpayer may benefit from set-off relief if it proves that the difference arose from the reported assets. Accordingly, the Asset Repatriation Regime should not be regarded as providing absolute protection for reported amounts against tax inspections or decisions of the Tax Assessment Commission. Full protection is available only where it is demonstrated that the difference derives from the reported assets.

- If the identified tax-base difference is equal to or less than the amount of the reported assets, no assessment will be made for income tax, corporate income tax or VAT.

- If the tax-base difference exceeds the reported amount, tax will be assessed only on the excess.

- Reports filed after the commencement of a tax inspection or referral to the Tax Assessment Commission cannot be offset against tax-base differences identified as a result of that inspection. It is therefore strategically important to file the report before a tax inspection or referral procedure begins.

- The exemption from tax inspection and assessment will not apply if the assets are not brought into Türkiye within the prescribed period, the tax is not paid, the fund is withdrawn from the business before the end of the two-year period, or the committed holding period is not observed.

8. TREATMENT OF EXPENSES AND LOSSES

Losses arising from the disposal of reported assets will not be deductible as an expense or allowance for income tax or corporate income tax purposes. Taxes paid in respect of the assets may not be treated as an expense or credited against any other tax.

9. CONSEQUENCES OF NON-COMPLIANCE WITH COMMITMENTS

If a commitment is breached, taxes that were not assessed when due will be collected together with late-payment interest. However, even where the conditions relating to assets reported under this provision are breached, no tax loss penalty will be imposed in respect of such taxes.

10. EFFECTIVE DATE

The Communiqué entered into force on 4 July 2026.

Yours sincerely,

DENGE İSTANBUL YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.

(*) The remarks in our circulars are for information purposes only. We recommend that the opinion and support of a qualified counsellor be sought before taking final action on 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, criticism and questions about our circulars, please contact our experts below.

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