

ANKARA: (H/Q)  
BILLUR SOK. 23/5  
06700 KAVAKLIDERE  
ANKARA TURKEY  
PHONE: +90- 312-4266573 / 4260153  
4266890 / 4260057  
FAX: +90-312-4260058

**MS SELHEP OFFICE**  
CHARTERED PUBLIC ACCOUNTANTS CO.LTD.  
TAX CONSULTANCY LEGAL ADVISORY  
ACCOUNTING BOOK KEEPING

e-mail Ankara [sarper@selhep.com](mailto:sarper@selhep.com) e-mail Istanbul [seref@selhep.com](mailto:seref@selhep.com)  
[info@selhep.com](mailto:info@selhep.com)

ISTANBUL:(BRANCH)  
KORESEHITLERI CAD.  
NO. 37/6  
34394 ZINCIRLIKUYU  
ISTANBUL, TURKEY  
PHONE:+90-212-2880293 / 2880294  
2754066 / 2880054  
FAX:+90-212-2720535

22 May 2018  
Ref. 18/20-3

## CIRCULAR 18/20-3

**Subject: Amnesty Law no 7143, Asset Amnesty, Earnings gained from Abroad**

### Assets in Abroad

- With the Asset Amnesty, it is ensured that the assets of the Income or Corporate taxpayers, which are present in Turkey, but which are not set forth in the book records of the enterprises are included into the legal book records. It is ensured that the monies, golds, foreign currencies, securities and other capital market instruments which are present in abroad are brought to Turkey and those who brought them freely dispose their assets that they brought with the provisions of the asset amnesty.
- If the monies, golds, foreign currencies, securities and other capital market instruments present in abroad are notified to the bank or the intermediary firm in Turkey until 30.11.2018, these assets can be recorded into the legal books without being taken into account in the determination of the corporate earnings. These assets should be brought to Turkey or transferred to an account to be opened in the banks or intermediary firms in Turkey within 3 months as of the date of notification. In the event that the declared foreign assets are used in the settlement of the foreign credits recorded in the legal books until 30.11.2018 at latest, however, it shall not be required for the assets used in the settlement of the debt to be brought to Turkey. Also in the case that the capital advances recorded in the legal books had been previously covered by bringing the monies, golds, foreign currencies, securities and other capital market instruments present in abroad to Turkey, it is possible to take advantage of the same opportunities.
- In the event that the assets in abroad are brought until 31.07.2018, no tax shall be paid. Tax at the rate of **2%** over the total amount of the assets in abroad which are brought after 31.07.2018 shall be paid. This tax calculated shall be declared to the associated tax office with a declaration in the capacity of a tax responsible until 31.12.2018 and shall be paid within this period.

- The withdrawal of the assets brought to Turkey from operation shall not be deemed as profit distribution. Accordingly, if the amounts brought from abroad are distributed to the shareholders, no tax shall be collected.

### **Assets in the Country**

- With respect to the assets in the country, the opportunity for the monies, golds, foreign currencies, securities and other capital market instruments and immovable properties owned by the Income or Corporate taxpayers and present in Turkey, but not set forth in the book records of the enterprise to be recorded into the legal books without being taken into account in the determination of the earning for the period until 30.11.2018 is provided. The assets in the country should be declared to the tax offices until 30.11.2018. In the event that the assets in the country are recorded into the legal books until 31.07.2018, no tax shall be paid.
- In the event that the assets in the country are recorded to the legal book between the dates of 01.08.2018-30.11.2018, tax at the rate of 2% over the value of the assets declared to the tax offices shall be paid. The tax calculated should be paid to the tax office until 31.12.2018.

### **Common Provisions regarding the Assets in Abroad and in the Country**

- The losses arising from the disposal of the assets brought to Turkey or recorded into the legal books are not accepted as expense or discount in terms of the application of the income or corporate tax. For the taxpayers who brought their assets to Turkey and who recorded their assets in Turkey into the legal books, no tax examination and tax assessment shall be made under any circumstances due to the assets notified or declared. In order to be able to take advantage of this provision, the tax assessed with respect to the notified or declared amounts must be paid in due time and **the notified foreign assets must be brought to Turkey or transferred to an account to be opened in the banks or intermediary firms in Turkey within 3 months as of the date of notification.**

### **Earnings gained in Abroad**

- The tax exemption was introduced to certain earnings gained from abroad. The foreign affiliation earnings, the earnings arising from the sale of the foreign affiliation share, the foreign branch earnings, the earnings arising from the liquidation of the companies the registered office of which is not located in Turkey, which the persons and companies who are subject to full tax liability gained until 31.10.2018 were exempted from the Income and Corporate Taxes, provided that such earnings will be transferred to Turkey until 31.12.2018.

- In order to be able to take advantage of the application of exemption with respect to the affiliation earning and the foreign affiliation share sale earning gained from abroad, the earning must have been gained within the period of 18.05.2018 - 31.10.2018 and must have been transferred to Turkey until 31.12.2018. In order to be able to take advantage of the application of exemption with respect to the branch earning gained from abroad, the earning must have been gained within the period of 18.05.2018 - 31.10.2018 and must have been transferred to Turkey until 31.12.2018. For the application of exemption for the earnings arising from the liquidation of the companies in abroad, the earning must have been gained within the period of 18.05.2018 - 31.12.2018 and must have been transferred to Turkey until 31.12.2018.

Yours respectfully,

**MS SELHEP OFFICE**

**CHARTERED PUBLIC ACCOUNTANTS CO.LTD**

**ACCOUNTING BOOK KEEPING**

**TAX CONSULTANCY LEGAL ADVISORY**