

Force Majeure Event Declared due to Coronavirus (COVID-19)

With the 518th General Communiqué of the Tax Procedural Law published in the Official Gazette dated 24 March 2020 and numbered 31078 (1st Duplicate), it has been decided that certain tax payers, who have been directly affected from the coronavirus (COVID-19) outbreak and the measures that have been taken in this regard, will benefit from the force majeure provisions of the Tax Procedural Law No. 213.

Taxpayers who will benefit from the Force Majeure Provisions

The taxpayers listed below are considered to be in force majeure between 1 April 2020 and 30 June 2020 (including these dates):

1. All taxpayers with income tax liability in terms of business income, agricultural income and independent professional income are considered to be in force majeure. Accordingly, all merchants, farmers, lawyers, doctors and other self-employed professional income taxpayers, who engage in commercial, agricultural or self-employment activities in the form of individual business, ordinary partnership, general partnership (*kollektif şirket*) or limited partnership (*adi komandit şirket*), have been declared as in force majeure regardless of their field of activity.
2. The tax payers which have been operating in sectors including shopping malls, retail, health services, furniture manufacturing, iron and steel and metal industry, mining and quarrying, building construction services, industrial kitchen manufacturing, automotive manufacturing and trade, parts and accessories manufacturing for automotive industry, car rental, logistics including storage activities, transportation, artistic services such as cinema and theatre, publishing activities including printing, publication of books, newspapers, magazines and similar printed products, accommodation services including tour operators and travel agencies, food and beverage services including restaurants, cafes, textile, apparel manufacturing and trade, and organization services including public relations, are considered to be in force majeure due to the fact that they have been directly affected from the coronavirus outbreak and due to their main field of activities.

Such tax payers are the tax payers which are subject to corporate income tax and whose main field of activity has been registered as among one of the field of activities listed above in the tax office records as of March 24, 2020. The main field of activity of the tax payers can be reached from the internet address of the interactive tax office (www.ivd.gib.gov.tr) by clicking “My Information/Registry Record”.

Although the main field of activity of a taxpayer in the tax office records is not among the above mentioned sectors, taxpayers, who have proved and verified that they are actually engaged in commercial activities in one of the above mentioned sectors as the main field of activity, can also benefit from force majeure provisions.

The Ministry of Interiors has temporarily suspended the activities of certain work places. The taxpayers, who have been operating such work places can benefit from force majeure provisions. The relevant work places are: Night clubs, bars, pavilions, discotheques, theaters, cinemas, show centers, concert halls, engagement/wedding halls, restaurants, casinos, pubs with live music, pubs, taverns, coffeehouses, cafés, cafeterias, country gardens, hookah lounges, hookah cafes, internet lounges, internet cafes, all kinds of game halls, all kinds of indoor children playgrounds (including the ones in the shopping malls and restaurants), tea gardens, associations' lounges, amusement parks, swimming pools, Turkish baths, saunas, thermal baths, massage parlors, SPAs and sports centers.

Tax Return submission extensions and payment term extensions granted to taxpayers benefiting from force majeure provisions

1. The terms of the following have been extended until the end of **27.07.2020**:
 - (i) Withholding tax returns (including Withholding Tax and Social Insurance Premium Returns) and VAT returns to be filed until 27.04.2020,
 - (ii) The “Form Ba-Bs” declarations to be filed until 30.04.2020,
 - (iii) The e-books to be created and signed until 30.04.2020,
 - (iv) “Electronic book certificates” to be uploaded to the Information System until 30.04.2020.

The payment term of the taxes that shall accrue from the declarations listed above has been extended until the end of **27.10.2020**.

2. The terms of the following have been extended until the end of **27.07.2020**:
 - (i) Withholding tax returns (including Withholding Tax and Social Insurance Premium Returns) and VAT returns to be filed until 27.05.2020,
 - (ii) The “Form Ba-Bs” declarations to be filed until 01.06.2020,
 - (iii) The e-books to be created and signed until 01.06.2020,
 - (iv) “Electronic book certificates” to be uploaded to the Information System until 01.06.2020.

The payment term of the taxes that shall accrue from the declarations listed above has been extended until the end of **27.11.2020**.

3. The terms of the following have been extended until the end of **27.07.2020**:
 - (i) Withholding tax returns (including Withholding Tax and Social Insurance Premium Returns) and VAT returns to be filed until 26.06.2020,
 - (ii) The “Form Ba-Bs” declarations to be filed until 30.06.2020,

- (iii) The e-books to be created and signed until 30.06.2020,
- (iv) “Electronic book certificates” to be uploaded to the Information System until 01.06.2020.

The payment term of the taxes that shall accrue from the declarations listed above has been extended until the end of **28.12.2020**.

Force Majeure accepted for the individuals who are within the scope of curfew due to the fact that they are older than 65 or have chronic diseases.

The tax payers and accountants (including CPAs and sworn in CPAs) who are older than 65 or who have chronic diseases can benefit from force majeure provisions. Also taxpayers whose tax returns have been submitted by such accountants (including CPAs and sworn in CPAs) can also benefit from force majeure provisions in accordance with the following conditions:

The force majeure shall be accepted as of March 22, 2020 and shall end on the date the curfew is lifted.

The tax office shall *ex officio* apply force majeure provisions for the relevant individuals. The individuals, who have chronic diseases, shall verify their condition with a document obtained from health institutions. A declaration should be made to the Interactive Tax Office. The evidencing documents shall be submitted to the relevant tax offices within 30 days following the date the curfew is lifted.

The period of submission of the declarations/notifications that should be submitted as of March 22, 2020 and the last payment date of the taxes accruing from such declarations/notifications have been extended until the end of the 15th day following the date the curfew is lifted.

Selman Koç

Cerrahoğlu Law Firm