WEEK 40 / 2024 ISSUE 38

WEEKLY NEWSLETTER

Metin & Cicek Attorney Partnership Weekly Newsletter

IN THIS ISSUE

Amendment to the Communiqué on Payments to be made by Joint Stock and Limited Liability Companies (Communiqué No: 2017/4)

Amendment to the Regulation on the Allocation of Public Immovables for Tourism Investments

Amendment to the Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers

Communiqué (Serial No: 23) Amending the General Communiqué on Corporate Tax (Serial No: 1)

Communiqué Amending the General Communiqué on Tax Procedure Law (Serial No: 478) (Serial No: 570)

Amendment to the Regulation on Social Insurance Transactions

Communiqué Amending the Customs General Communiqué (Generalized System of Preferences) (Serial No: 2) (Generalized System of Preferences) (Serial No: 8)

And the ongoing developments...

Amendment to the Communiqué on Payments to be made by Joint Stock and Limited Liability Companies (Communiqué No: 2017/4)

- *Official Gazette dated October 01, 2024 and numbered 32679*

This Communiqué amends the regulations on capital payments of joint stock and limited liability companies. It is stated that a collection at the rate of four per ten thousand is required during the capital establishment and capital increase of companies. These collections will be made by the units authorized to collect trade registry fees or through the Fee Tracking System (HTS) via MERSIS (Central Registry Registration System). Collections must be accurate and transferred to the Agency's accounts on time.

In addition, the receipt of the payment must be submitted to the Trade Registry Directorates during the registration process, otherwise the registration process will not be realized. These arrangements will be carried out through the system operated by the Union of Chambers and Commodity Exchanges of Turkey (TOBB) and will be detailed with the relevant protocols.

Amendment to the Regulation on the Allocation of Public Immovables for Tourism Investments

- *Official Gazette dated September 28, 2024 and numbered 32676*

These amendments make important updates to the procedures governing allocating public immovable property for tourism investments. First, the scope of areas permitted for tourism purposes has been expanded and definitions for cultural and tourism protection zones have been clarified. In addition, the documents and application requirements for allocating public immovable property to entrepreneurs have been elaborated and the submission of documents such as financial qualification and notarized letter of undertaking has been made mandatory. Areas for tourism investments have also been redefined for forested areas and seaside immovable properties, and measures to protect environmental factors in these investments have been increased. In addition, new financial obligations such as afforestation and maintenance fees have been introduced in allocation processes, and penalties for unauthorized capacity increases have been aggravated. Regulations have also been made regarding the areas allocated for staff housing, prohibiting the misuse of these areas and foreseeing the cancellation of the allocation in case of violation. These amendments aim to ensure a more orderly progression of investments in the tourism sector and to increase measures for environmental protection.

Amendment to the Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers

- *Official Gazette dated September 28, 2024 and numbered 32676*

This amendment updates the deadlines for fulfilling certain obligations of payment service providers and digital wallet service providers. Payment account service providers must complete their obligations under Article 59 of the Regulation by 31 March 2025, while digital wallet service providers and persons that may be included in the category of payment or electronic money institutions but do not yet have an operating license must obtain the necessary permits and comply with Article 4/A by 7 April 2025.

Communiqué (Serial No: 23) Amending the General Communiqué on Corporate Tax (Serial No: 1)

- *Official Gazette dated September 28, 2024 and numbered 32676*

On September 28, 2024, various amendments were made to the General Communiqué on Corporate Tax (Serial No: 23). These amendments cover issues such as the minimum domestic corporate tax, the corporate tax rate for Build-Operate-Transfer projects and Public-Private Partnership projects, limitation of exemptions for free zones, and the abolition of exemptions for earnings from investment funds and partnerships.

In addition, the communiqué also includes regulations such as the termination of tax-free transfer opportunities for gains from the sale of immovable property and partial spin-offs, and updating the discounts applied to export earnings.

In addition, the Communiqué makes important clarifications regarding the domestic minimum corporate tax that will enter into force as of 2025. The taxpayers to be subject to minimum tax calculation and exempted cases are detailed, and the elements not included in the tax base calculation are specified.

In addition, Katılım Finans Kefalet Anonim Şirketi was granted corporate tax exemption to provide guarantees for export credits and the details regarding this issue were also included in the communiqué.

Communiqué Amending the General Communiqué on Tax Procedure Law (Serial No: 478) (Serial No: 570)

- *Official Gazette dated September 28, 2024 and numbered 32676*

With the amendments made in the General Communiqué on Tax Procedure Law, important changes have been introduced regarding guarantees and taxpayer processes. Guarantees exceeding 10 million Turkish Liras and unconditional and indefinite surety bonds issued by insurance companies will be accepted, and the periods for taxpayer registration procedures for those engaged in unregistered activities have been increased from 30 to 60 days. If the collateral is not presented in due time, taxpayers will be subject to special irregularity penalties. In addition, taxpayers who issue false documents are obliged to provide 10% collateral against their tax debts. In addition, the liability of persons in partnership or management for tax debts has been increased and the obligations to terminate their status have been detailed. In accordance with the Constitutional Court ruling, a transition period was granted to certain taxpayers and they were given sixty days to fulfill their collateral obligations.

Amendment to the Regulation on Social Insurance Transactions

- *Official Gazette dated October 01, 2024 and numbered 32679*

The amendments to the Regulation on Social Insurance Procedures include some administrative regulations. The sixteenth paragraph of Article 27 has been completely repealed, which means that this Article is no longer applicable. Furthermore, the title of Article 122 has been changed to "Principles regarding the practices of the Turkish Employment Agency", which indicates that the scope of the article will more explicitly cover the practices of the Turkish Employment Agency. The Regulation will enter into force as of the date of its publication and the President of the Social Security Institution will be responsible for its implementation.

Communiqué Amending the Customs General Communiqué (Generalized System of Preferences) (Serial No: 2) (Generalized System of Preferences) (Serial No: 8)

- *Official Gazette dated October 01, 2024 and numbered 32679*

This regulation amends the articles of the Customs General Communiqué related to the Generalized System of Preferences (GSP). Article 2 is based on various legal arrangements under the GSP and includes agreements and arrangements on the cumulation of origin between Turkey, the European Union, Switzerland and Norway. Cumulation means that inputs from these countries can be used in products obtained in the beneficiary countries and these products will be recognized as originating from these countries.

Furthermore, arrangements have been made between Turkey, the EU, Switzerland and Norway for mutual administrative cooperation between customs administrations and this cooperation is based on the Pan-European-Mediterranean Preferential Rules of Origin. This cooperation between customs administrations is important for the control of proof of origin documents and the regulation of trade transactions.

Amendment to Petroleum Market License Regulation

- *Official Gazette dated October 03, 2024 and numbered 32681*

This regulation amends the Petroleum Market License Regulation, introducing new requirements for fuel sales and delivery procedures. Accordingly, the supply and sale of fuel to vehicles outside of fuel stations can only be made in certain circumstances (public institutions, ports, airports, factories, construction sites, mines or quarries). In addition, the obligation to transport or have the fuel transported to the buyer's warehouse has been added for off-station deliveries. These changes were made to ensure that fuel sales and delivery processes are more organized and secure.

Lawyer Minimum Fee Tariff

- *Official Gazette dated October 03, 2024 and numbered 32681*

The Turkish Bar Association's 2024-2025 Minimum Fee Tariff for Attorneys, published in the Official Gazette, increased by 55.06% on average compared to the previous tariff. With this new tariff, the monthly fee to be paid to contracted lawyers in joint stock companies has been set at TL 32,000, and the monthly fee to be paid to contracted lawyers of private individuals and legal entities has been set at TL 25,000. In the Civil Court of Peace, the fee has been set at TRY 18,000 and in the Criminal Court of Peace at TRY 13,500. For the cases pursued in the Assize and Juvenile Assize Courts, the lump sum fee has been increased to TL 48,000, while the lump sum fee for the delivery of a child and the establishment of a personal relationship has been set at TL 12,000.

Some amendments were also made to the general provisions of the Tariff. New regulations have been introduced for the works covered by the attorney's fee, including the works with a hearing following appeals. In addition, new provisions have been added, such as the awarding of a lump sum fee in favor of persons represented by counsel in reciprocal cases. The fee regulations in criminal cases have been amended in line with judicial decisions. In the table section, the expression “approval of the articles of association of legal entity merchants” has been changed to “signing the articles of incorporation”.

Communiqué on Supporting Organic Beekeeping Breeders

- *Official Gazette dated October 04, 2024, and numbered 32682*

The purpose of this Communiqué is to determine the procedures and principles for providing support to organic beekeeping breeders in order to develop organic bee products production, protect natural resources and ensure food safety. The Communiqué defines the institutions and organizations that will take part in supporting organic agriculture and regulates the necessary conditions and application processes for support payments for 2024.

Support for organic beekeepers will be realized through the Beekeeping Registration System (AKS) and Organic Agriculture Information System (OTBIS). Breeders must submit their support applications to the relevant provincial/district directorates until the specified date together with their eligibility documents. Support payments will be calculated according to the specified criteria and transferred to farmers through banks. Payments will be controlled by the Ministry and the necessary financing will be provided from the agricultural support budget.