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The Regulation on Amending the Customs Regulation Was Released

The regulation amending the Customs Regulation dated 07 October 2009 mainly amended the transit procedure, the sealing of the holds of ships or other places by the customs authority where goods are stored for which a warning has been issued or reasonable doubt arises, cases where a certificate of origin is not required for goods that are subject to free circulation, and the guarantee system.

For road transportation, the amendment allows electronic submission of the transit declaration, including the summary statements, to the entry customs authority before the vehicle arrives, except for goods brought to a Turkish customs area within the scope of a transit procedure conducted as per international agreements.

For goods subject to trade policy:

- a) if documents certifying the preferred origin of the goods benefits from a preferred tariff practice recognised unilaterally by Turkey or within the scope of agreements signed with certain countries or country groups are submitted, and
- b) if the documents stated in paragraph (a) of Sub-article 4 concerning goods under customs supervision and not in free circulation as of the date when the preferred tariff practice is removed as per free trade agreements or the Generalized System of Preferences are submitted,
- c) no certificate of origin will be sought for the entry into free

or whose origin is declared to be a country upon which trade sanctions are imposed, or for which documents are submitted for sanctions as per the relevant legislation.

Collective guarantees and lump sum guarantees were explained. In the collective guarantee system, a guarantee given by a person to a customs authority concerning any customs transaction can be used for all customs transactions of that same person, except for transit procedures, in the jurisdiction of the said customs authority.

In the lump sum guarantee system, for more than one transaction with customs obligations, a guarantee covering all transactions except the transit procedure is given instead of giving separate guarantees for each transaction or usage approved by the customs authority, upon the request of those meeting the conditions determined by the ministry.

Provisions concerning the guarantee system will become effective on 01 November and those concerning transit declaration practices on 15 August. (RG: 01.08.2017, S: 30141)



The General Communique for Customs for Transit Procedures Was Released

Two transit procedure communiqués (Serial Nos: 4 and 5) and the transit procedure were clarified in relation to the change in customs legislation. Without prejudice to the procedures and principles to be determined within the scope of simplified procedures, the customs transactions to be applied to the transportation of goods within the scope of the common transit procedure and the national transit procedure are described in Communiqué Serial No: 4. Principles and procedures to be applied concerning simplified aerial transportation of goods within the scope of the transit procedure are described in Communiqué Serial No: 4 and have become effective. (RG: 01.08.2017, S:30141)



The Regulation on Expertise Was Released

Law on Expertise No. 6574, which aims to provide solutions for problems in the areas of expertise and creating corporate infrastructure, was promulgated in Official Gazette No. 29898, dated 24 November 2016. The “Expertise Regulation”, prepared as per the authority granted by Article 18 of the same law, was promulgated in Official Gazette No. 30143, dated 03 August 2017.

The released regulation sets out the conditions for application for and acceptance of expertise, qualifications, trainings, records and list registries, assignments, basic and ethical principles that must be followed, working principles, auditing, removal from the registry and the list, and working principles of the Expertise Advisory Board, the Head of the Expertise Department and expertise regional committees. Regulation covers all expertise activities in the judiciary and in the

of the judiciary and administrative jurisdiction within the scope of the regulation are assigned from lists prepared by regional expertise committees based on the jurisdictions of regional courts of justice. However, even if an expert in the relevant area of expertise is listed on the regional list, an expert from another region may be assigned if the latter is closer to the location to which the expert is to be assigned.

Law No 7035 Amending the Administrative Procedural Law Was Released

As a means of legal supervision, the appeal increased the methods for legal supervision in Turkish Law from two to three, as these methods were already the de facto means of operating in the relevant regional courts as of 20 July 2016. Within this scope, to eliminate problems in the judicial system, “Law on Amending Certain Laws to Eliminate Problems in the Workings of Regional Courts of Justice

and Regional Administrative Courts No. 7035” was promulgated in the Official Gazette on 05 August 2017 and became effective.

The aim of the law is to ensure that the relevant regional courts, the appeal process and the Turkish law system in general work more efficiently and faster.

Significant organizational changes and regulatory provisions are stipulated for the internal operations of Regional Courts of Justice and Regional Administrative Courts. The authority of department heads and members with regard to the employees with whom they work has been extended, and department heads are responsible for ensuring that their departments work efficiently. Certain parts of law texts have been edited to ensure that such duties are in line with other laws. Article 8 of the law and Article 53 of Law No. 2577 were amended, and it was stated that the decision to request a stay of execution during appeal reviews for lawsuits



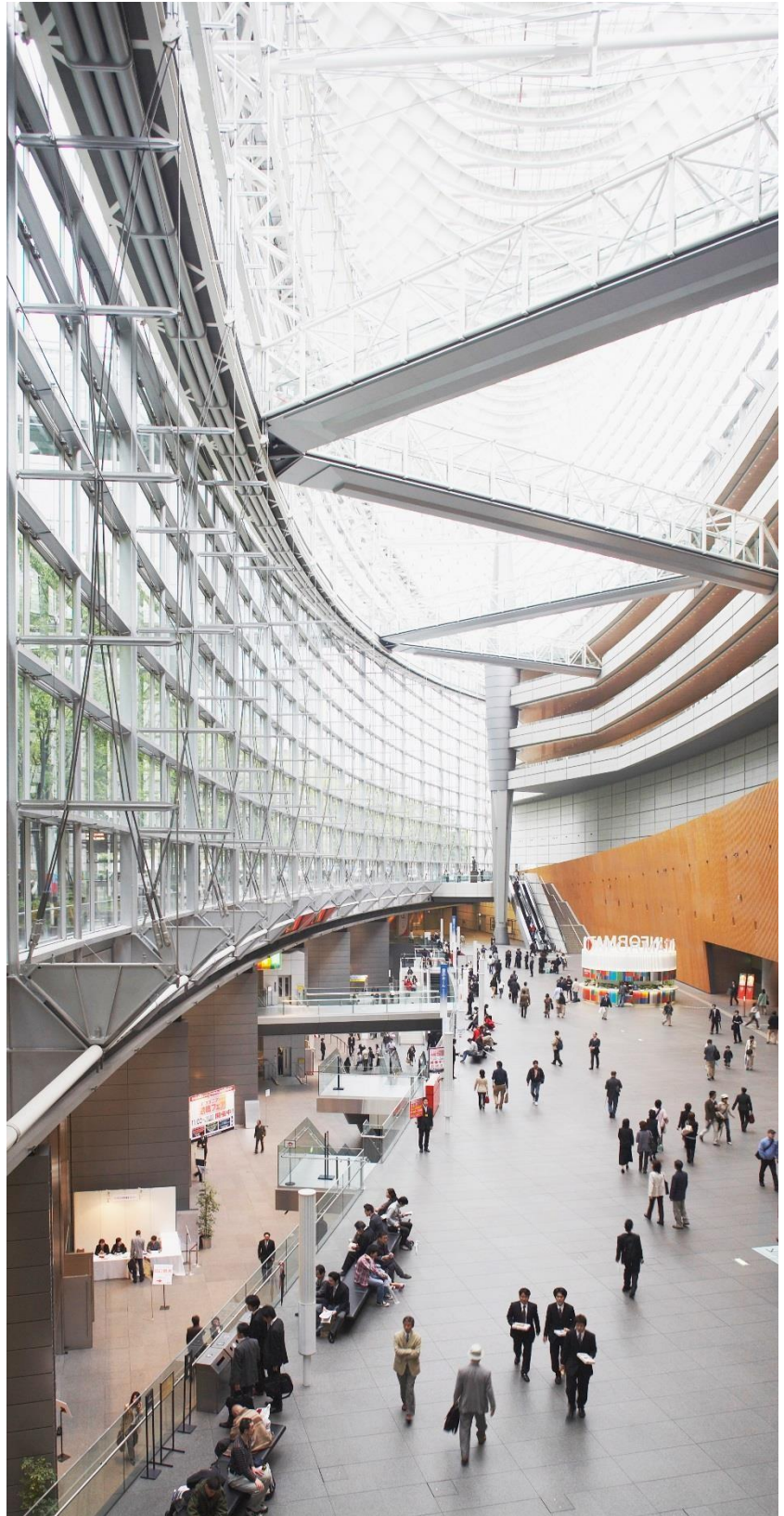
The TRT Barcode Fee Was Changed

On 24 July 2017, the Council of Ministers decided to promulgate the Decision to Change the Decision on Barcode Fees to be Received for Radio, Television and Integrated Devices and All Devices Used to Receive Radio and Television Broadcasts as per Article 4 of the Law on the Income of the Radio Television Authority of Turkey. The said decision (BKK:2017/10628) was promulgated in the Official Gazette dated 08 August 2017 and became effective.

With the decision, the separation between tuners and non-tuners was repealed and barcode fees were redefined for devices that can receive any visual and/or audio broadcasts directly from the internet or by other means with or without the support of additional software. Accordingly, the barcode fee for cell phones (with or without tuners) was increased to 10%, and a barcode fee of 8% for smart watches was added to the list. Barcode fees for other devices that can receive any visual and/or audio broadcasts were decreased from 10% to 0%.

The Square Meter Normal Construction Costs to be Applied in 2018 Were Released

Real Estate Tax General Communiqué Serial No: 71 was promulgated in the Official Gazette dated 18 August 2017. The square meter normal construction costs to be applied in 2018 as the basis for real estate tax will be determined by the Ministry of Finance and the Ministry of the Environment and Urban Planning, in line with the table in the attachment to the communiqué.



International Tax & Customs News



The Decision on Approving the Exchange of Tax Information Agreement and the Additional Protocol Between Turkey and the Government of Guernsey Was Released

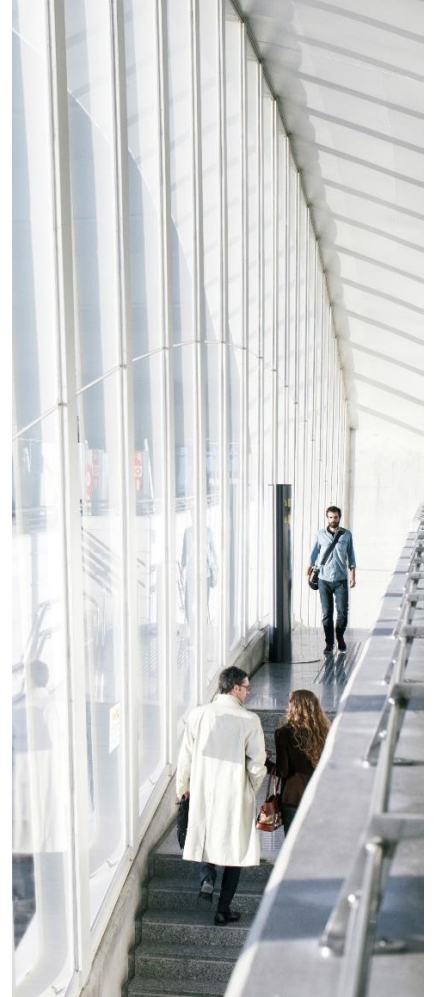
The Council of Ministers (2017/10412) decision on approving the Exchange of Tax Information Agreement Between the Government of the Republic of Turkey and the Government of Guernsey and the Attached Protocol, signed in London on 13 March 2012, was promulgated. Within the scope of the agreement, parties shall cooperate by communicating information on the accrual and collection of taxes levied on persons subject to pay taxes within the scope of the agreement, and on the enforcement and collection of tax receivables. (RG: 02.08.2017, S: 30142)

The agreement will be applicable to all taxes paid by the parties, except custom duties and tariffs, as per the applicable law on the date when the agreement becomes effective. The agreement will also be applicable for taxes that replace or are imposed in

the parties shall inform each other about significant changes in taxation or information gathering measures that may affect their obligations.

The Council of Ministers Decision on the Approval and Enforcement of the Consensus Memorandum on the Multilateral Tax Programme in Turkey and the OECD-Ankara Multilateral Tax Centre

The consensus memorandum promulgated in the Official Gazette (BKK: 2017/10645) dated 24 August 2017 constitutes the framework for the cooperation between Turkey and the OECD in the implementation of multilateral tax programmes in the OECD-Ankara Multilateral Tax Centre. A programme will be determined annually covering the number and subject of activities and an estimate of funding and expenses. The financial contributions Turkey and the OECD will make for said activities was stated in the memorandum, and the decision will be in force between 01 January 2017 and 31 December 2021. (RG: 24.08.2017, S: 30164)



World News



USA

The US Internal Revenue Service released a bulletin on country-based reporting on 11 August 2017 (Issue: 2017-2). The bulletin describes how multinational US firms brief group companies using form No. 8975. Acceptance of these forms began after the release of the bulletin.

OECD

On 11 August 2017, the OECD Financial Affairs Committee released seven comments on the Draft OECD Model Agreement released in July. It is expected that the changes in the OECD model draft will be accepted in the updated text sometime this year.

UK

- On 15 August 2017, HM Revenue and Customs released a guideline on country-based reporting in line with BEPS Action Plan 13. The guideline is in line with the general approach of the OECD and includes detailed information on how and on which principles the country-based reporting should be completed.
- In addition, on the same date, HM Treasury, HM Revenue and Customs and the Department for Exiting the European Union commented in the common report they released on EU-UK customs cooperation and its future tax effects. The report is the first step of a long-term initiative for the future. It approaches the customs aims and targets of the UK Government from two different perspectives, and provides suggestions about the customs cooperation to be established with the EU. Accordingly, the targets are to maintain the existing, highly inclusive customs regulations and to extend the scope of customs limitations with new customs partnerships.

Brazil

The special commission of the Chamber of Deputies in Brazil announced a proposal for a constitutional change to the tax reform planned to be implemented on 15 August 2017. The proposal includes the simplification of the tax system, combining consumption taxes under a single law, collecting taxes more efficiently and increasing the rate of the income and wealth tax.

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Thank you for your attention.
You may contact us with all your inquiries.

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