



Effective from 1st January 2018 due to the modification made in Article 9(1) of Law No. 3065 with the Law dated 28/11/2017, No. 7061 on Modification in Some Tax Laws and Some Other Laws.

VAT Standard rate

The standard VAT rate in Turkey in 2023 is 18%.

VAT Reduced rates

1%

Certain products and services are eligible for the special reduced rate, including the supply of some agricultural products, funeral services, meat, and bread.

8%

Certain products and services are eligible for a special reduced rate, including clothing products, health care services; Pharmaceuticals and medical devices, and basic food.

VAT registration threshold

There is no registration threshold in Turkey for local businesses. When a company sells goods remotely without a warehouse in Turkey to Turkish customers there is no obligation to register.

Deductible VAT

The total amount of VAT taken as a deduction during a particular tax period is carried over to subsequent periods and is not refundable to the taxpayer. If goods or services were used to make taxable supplies in Turkey, VAT in input invoices might be credited. The exceptions are:

- VAT on purchased goods and received services that are not subject to VAT;
- VAT related to lost goods, except for goods lost because of earthquakes, floods, and fires;
- VAT is paid on expenses that are not deductible in determining income;
- VAT not paid by the purchaser on receivables.

Registration procedure

Foreign companies selling goods (from a local warehouse) or providing services in Turkey must register with the tax authorities and obtain a VAT number. A foreign taxpayer must apply for VAT registration before starting a business. To register foreign companies not located in Turkey, they are required to appoint a tax representative residing in Turkey.

VAT returns filing date

A VAT return must be filed every month within 26 days after the reporting month ends.

VAT payment date

The VAT declared must be paid until the 26th night of the month that the declaration must be filed in.

Payment can be made to tax offices and banks which are authorized to collect taxes or through the Turkish Revenue Administration's website using debit cards of the banks which are authorized to collect taxes or credit cards.

Penalties

The penalty for late payment is 2.5% for each month.

The penalty for late filing of tax returns electronically is 10%. However, if the declaration is submitted later than 30 days after the end of the statutory period, the penalty will be 20%.



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