The Turkish Parliament adopted Law No. 7186 on the Amendments of Income Tax Law and Other Laws on 17 July 2019. This followed issuance of the Bill on 8 July 2019. The Law includes amendments in a number of laws, including the Income Tax Law, Corporate Tax Law, Customs Law, Banking Law and Central Bank Law.

The Law was published in the Official Gazette on 19 July 2019 and has entered into force.

Some of the amendments are summarized below.

### Income Tax Law Amendments

According to the 1st article of Law No. 7186; article 113 of the Income Tax Law is amended. Based on the amendment, only 10% of the gross revenue of the taxpayers who transport passengers in the inner-city and who obtain revenue from this activity through electronic payment collection systems will be taxable on the condition that these taxpayers demand to benefit from this regulation.

Also, according to article 2 of Law No. 7186, a provisional article 90 is inserted in the Income Tax Law. The article briefly states the following:

- The real or legal persons who inform the banks and other intermediary entities operating in Turkey about their cash, gold, foreign currencies, securities and other capital market tools existing abroad by 31 December 2019 can freely dispose these assets.
Banks or intermediary entities operating in Turkey shall declare and pay a tax equal to 1% of the declared assets as the responsible tax party.

Corporate Tax Law Amendments
Article 19 of Law No.7186 adds a provisional article 12 to the Corporate Tax Law which provides:

- Companies producing electric vehicles based on research and development (R&D) activities carried out in Turkey, to eliminate the exhaust gas emission that creates greenhouse effect and which benefit from incentives in the scope of article 80 of the Law on Support of Investment on the Project Basis and the Amendments on Legislative Decrees, are impacted by this article.
- According to the article, the President is authorized to make the investment contribution amount that is regulated in the law, available for usage by paying the special consumption taxes stemming from the first acquisition of their products that are collected by the tax office to the taxpayers either in cash or in the form of offset from tax payable.

Customs Law amendments
According to article 14 of Law No.7186, a provisional article 10 is inserted in the Customs Law. The article briefly states the following:

- Road vehicles which are subject to an ongoing inspection or which are seized for expropriation can be returned to the owner on the condition that application to the related customs authority is made by 31 December 2019 and an amount equal to 25% of the special consumption tax of that vehicle is paid to the related office within one month.
- This article is not applicable to vehicles whose liquidation process is completed.
- If the necessary notification is made in the period stated above before the customs authority detects the action that requires inspection or seizure, then the rate specified in the first paragraph is applied at 15%.

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