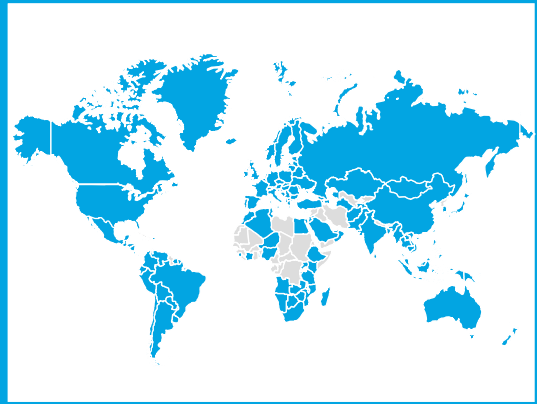


EXPATRIATES

Turkey

Tax facts for international assignees



INCOME TAX: WHO IS LIABLE

A resident in Turkey must continue to file a Turkish Tax Return, provided that he/she derives taxable income which is required to be declared through an annual personal income tax return.

A non-resident is only taxable on income from Turkish sources. If the income derived from Turkish sources is to be declared through personal income tax returns, he/she must file a tax return.

Turkish-source income includes income from a permanent establishment in Turkey, salaries paid in Turkey for work performed in Turkey, directors' fees, real property in Turkey, dividends, royalties and similar income.

The filing period for personal income tax returns is between 1-31 March of the following calendar year. Personal income tax is paid in two equal installments at the end of March and July.

Employees receiving salaries from only one employer do not declare this income through personal income tax returns, as the employer fulfills the obligation through payroll withholding taxation. An annual declaration will be required if the amount of wage taxed by withholding from one employer after 01.01.2020 exceeds the amount in the fourth income bracket of the tax tariff (TRY 600,000 for 2020).

In case of residency in Turkey, it is possible to obtain salary income abroad and be exempted from taxation in Turkey, provided that the salary is not derived in Turkey and not charged to a Turkish resident.

Turkey will allow a credit for taxes paid abroad.

BREAKING RESIDENCY - EXIT PROCEDURES

If an individual is assigned to perform work in another country and Turkey has entered into a Social Security Agreement with this country, then it is possible to provide relief from paying double social security contribution.

Contributions to an employer pension fund during the assignment should, in most instances, be re-organized.

Should an individual derive income prior to leaving Turkey, the income must be declared through a personal income tax return. The tax return must be filed no later than 15 days prior to departure. Turkish tax ID numbers must not necessarily be de-registered, however de-registration is advisable.

INCOME TAX RATES

Taxable income (TRL)	Tax on lower amount (TRL)	Rate on excess (%)
0 - 22,000	0	15
22,000 - 49,000	3,300	20
49,000 - 180,000	8,700	27
180,000 - 600,000	44,070	35
Over 600,000	191,070	40

SOCIAL TAX RATES

Social premium type	Employee(%)	Employer (%)
a) Short Term Insurance	-	2
b) General Health	5	7.5
c) Retirement	9	11
d) Unemployment Insurance	1	2
Total	15	22.5

For further information and to register for future updates contact expat@bdo.global

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