



COVID-19: Government Support Package Turkey

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COVID-19: EMEIA EY Government Support Package – Turkey



In a series of announcements, the Turkish Government has set out what it calls a package of “temporary, timely and targeted measures” to support public services, people and businesses through the disruption caused by the COVID-19 outbreak. The measures focus on supporting businesses, employment, providing cash flow support to companies and mitigating the loss of earnings. These measures have become crucial as Turkey has moved to close certain businesses/sectors i.e. in the tourism, retail (including shopping malls), education and leisure sectors.

Areas being addressed:

1. Providing liquidity through financing schemes
2. Helping employers to maintain employment and jobs
3. Cash-flow support to low income household and businesses, including tax and social security premiums deferrals
4. Certain exports & imports restrictions imposed in preventing public health and safety
5. Administration, including governance

These aims are primarily being delivered through:

- ▶ The tax system (covering cash tax deferral and social security premiums)
- ▶ The unemployment fund for short-time work compensation
- ▶ Various support programs for SME and large enterprises

Government announced responses

Tax Deferrals

Deferrals for All

- 2019 FY Personal Income Tax,
- 2019 FY Corporate Income Tax,
- 2020/February and March VAT,
- 2020/February «Form Ba» «Form Bs» notifications
- creation and signing of e-Books

Deferrals for sectors considered in «Force Majeure»

- Deferrals in VAT and WHT Tax Return Declarations, Ba and Bs Forms and E-Books for March, April, May 2020 periods.

Social Security

- Employment support: Short-time work compensation
- A daily wage support to those who remained unemployed, who were unpaid leave by the employer and who could not benefit from the short-time working allowance.

- Social security premiums' of taxpayers in «Force Majeure» sectors are deferred.
- Withholding Tax and Monthly Premium Service Declaration starting date is postponed to 1st of July for all except in pilot provinces.

Customs and International Trade

- Certain exports restrictions
- Live exotic animal imports restrictions
- Application of transit trade penalties suspended
- AEO deadlines stopped

- Recycling contribution fee declaration period updated.
- Customs duties abolished on critical goods.
- Inward processing deadlines have been extended.
- A letter has been issued in relation of goods imported from EU countries along with an A.TR movement certificate.

Law

- Temporary restriction on dividend distribution for companies
- Postponement of the meetings of companies and non-governmental organizations
- Suspension of the statutory periods in legal proceedings

- Prohibition of dismissal and various arrangements
- Extended deadlines of reporting period of financial institutions
- Binding corporate rules for group companies and obligations of the data controllers

Filing postponements and tax deferrals due to «force majeure» status

The Ministry of Finance and Treasury declared «force majeure» for some taxpayers and sectors

Tax liabilities covered by the Force Majeure

- Postponement in VAT and WHT Tax Return Declarations, Ba and Bs Forms and E-Books for March, April, May 2020 periods due to force majeure declaration until 27 July 2020.
- Tax payment deferrals of these filings have been extended for six months (to October, November, December 2020).
- For taxpayers age 65 and older who are under curfew, the period between the beginning of the curfew and the date when it ends will be considered as a force majeure; the declaration and payment period for taxes will be extended until the end of the 15th day following the date of prohibition and there will be no need for an application to the tax offices.
- For taxpayers with chronic illness who are in curfew, proof and authentication is needed with valid documents from health institutions.
- Partial reverse charge VAT will not apply to taxpayers within the scope of force majeure situation.

Who is eligible?

- Taxpayers who are liable for income tax in terms of commercial, agricultural and professional income.
- Taxpayers operating in the sectors where workplaces are temporarily suspended within the scope of the measures taken by the Ministry of Internal Affairs in terms of their main field of activity.

Who is eligible? (cont'd)

- Taxpayers whose main field of activity is directly affected by the coronavirus (COVID-19) outbreak and that operate in the following sectors;
 - retail trade and shopping centers (malls),
 - health services,
 - furniture manufacturing,
 - iron and steel and metal industry,
 - mining and quarrying,
 - construction services,
 - industrial kitchen manufacturing,
 - manufacture of parts and accessories for the automotive industry,
 - car rental,
 - logistics-transportation including storage activities,
 - artistic services such as cinema and theater,
 - publishing activities of books, newspapers, magazines and similar printed products,
 - accommodation activities including tour operators and travel agencies,
 - food and beverage services including restaurants and coffee houses,
 - textile and apparel manufacturing and trade,
 - event and organization services including public relations.

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To manage liquidity, there are other tax related measures presented

Tax filing postponements and deferrals

- The due dates for declaration and payment of the Personal Income Tax return for the 2019 whose due date was March 31, 2020, and the 1st installment of the payment periods of the taxes accrued on these statements have been extended until the end of Thursday, April 30, 2020.
- The due dates for declaration and payment of the Corporate Income Tax return for the 2019, whose both due dates are April 30, 2020, are extended to June 1, 2020.
- The due dates for the declaration and payment of the VAT Tax return for the 2020/February and 2020/March period have been extended to 28 April 2020.
- The «Form Ba» (related to purchases) and «Form Bs» (related to sales) notifications regarding the February period, which normally need to be submitted by the end of March 31, 2020, was extended until the end of Thursday, April 30, 2020.
- The period of creation and signing of e-Books that need to be created and signed by the end of April 30, 2020, and the declaration period of the "Electronic Ledger Charts" that must be uploaded to the Revenue Administration's Information Processing System have been extended until the end of Monday June 1, 2020.
- For taxpayers whose commercial income is determined based on simple entry, registration date of the purchasing and expenses for the January-February-March 2020 period has been extended until the end of Friday, 31 July 2020.
- The application and implementation of the accommodation tax, which is expected to enter into force on 01.04.2020, has been postponed to 01.01.2021.
- «Recycling Participation Share» (GEKAP) declaration periods have been determined as 6 months for 2020 and 3 months for 2021 and the subsequent years for all taxpayers.

Practical considerations

- Filings for rent, security, salary and other incidental income can be made through Ready Declaration System (hazirbeyan.gib.gov.tr) or mobile applications or sent by post.
- The debts of up to 50.000 TL from the specified taxes can be paid by credit cards of the contracted banks through the Interactive Tax Office application.

Other announcements

- Exchange rate difference is not taken into account in determining the income from pension investment funds.
- The Admission of CPA (sworn-in certified public accountant) Certification Reports was postponed.
- Aid Campaign named «We Are Enough for Each Other Turkey» has been initiated.

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The conditions for short-time work compensation being an existing measure are eased to assist employers and employees in order to prevent job loss.

Short-time working allowance

The application for short-time working allowance is applied if a workplace has reduced its activity by 1 in 3, or has partially accomplished this, or has stopped it all together.

It is at the employer's discretion to benefit from short-time working allowance and therefore no objection can be made by employee.

During the short working period, short-time working allowance is given monthly for non-working periods to complement the weekly working time applied in the workplace. During this period, the insurance notifications continue for the periods in which these workers actually work.

General health insurance of the employees will be covered by the Unemployment Fund.

Who is eligible?

Required conditions for employees to comply with the Allowance are as follows ; Employees have been working for 2 months without interruption and have paid premiums for at least 450 days in 3 years

How much is the short-time working allowance?

It is 60% of the average daily gross earnings calculated by taking into account earnings for the last 12 months.

The upper limit cannot exceed 150% of the gross minimum wage.

- Accordingly, after the stamp tax is deducted, the short work allowance between the lowest 1.752.40 lira and the highest 4.380.99 lira will be paid.
- Short-time working allowance is paid to the employee himself and on the 5th of every month on a monthly basis for periods of absence.

How and where to apply?

In order to apply for the allowance, a registration to the administration must be created at the service centers in the provinces where the workplaces are located.

Employers who demand allowance on the grounds that are adversely affected by the virus, along with the evidence related to this, can apply by sending e-mail to the administration with the 'Short Work Request Form' and 'List of Workers to be Performed Short Work'.

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Updates by the Law No: 7244

The Law aims to reduce the effects of the Covid - 19 pandemic on the economic and social life.

To provide liquidity, short-time work payments will be made according to the employer's declaration

A daily wage support of 39.24 TL provided to those who remained unemployed

Employment contract terminations for all kinds are prohibited for 3 months

1. Short work payments (to avoid delay) will be made according to the employer's declaration without waiting for conformity assessment.
 - The overpayment and improper payments made due to the incorrect information and documents provided by the employer will be collected from the employer along with its legal interest.
 - Short-time working allowance application date can be 29/02/2020 at the earliest.

2. A daily wage support of 39.24 TL was provided to those who remained unemployed during the coronavirus period, who were unpaid leave by the employer and who could not benefit from the short-time working allowance.

3. The termination of all kinds of employment contracts by the employer (except for cases that do not comply with the rules of ethics and goodwill and similar reasons) is prohibited for three months.
 - The President has been authorized to extend the three-month period up to six months.

4. Within the scope of Laws No: 5746 and 4691, the activities carried out in the R&D, Design and Technology Development Zones have been doing temporarily allowed outside the relevant centers.

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For taxpayers who are under the scope of «force majeure», social security premiums and payment due dates are deferred

Withholding Tax and Monthly Premium Service Declaration starting date is postponed to 1st of July for all except in pilot provinces.

Postponements and deferrals

For taxpayers and/or businesses in certain sectors (please refer Slide 4 for detailed list of the sectors) are being deemed under «force majeure» and their social security premiums payment are deferred;

- The due date of the social security insurance premiums for March 2020 was deferred to 2 November 2020
- The due date of the social security insurance premiums for April 2020, was deferred to 30 November 2020, and
- The due date of the social security insurance premiums for May 2020, was deferred to 31 December 2020
- There will be no penalty and late interest charge for the deferral.

How to find out which workplaces are within the scope of postponement? (Under the scope of paragraph (a) of the first paragraph of Article 4 under the Law No. 5510)

The list of postponed workplaces will be published on <https://uyg.sgk.gov.tr/IsverenSistemi> and employers will be able to check whether they are on the list or not.

How to find out which workplaces are within the scope of postponement? (Under the scope of paragraph (b) of the first paragraph of Article 4 of under the Law No. 5510)

Those who are in the scope of postponement from the insured within the scope of subparagraph (b) of the first paragraph of Article 4 under the Law No. 5510 can be viewed on e-government system with GUVENCE application.

Withholding Tax and Monthly Premium Service Declaration application:

- Except taxpayers / employers in pilot provinces (i.e. Kırşehir, Amasya, Bartın, Çankırı, Bursa, Eskişehir and Konya), all other provinces will be in scope after 1st of July 2020.

On the other hand...

All employers who are not covered by force majeure due to the Covid -19 pandemic will continue to submit their Monthly Premium and Service Documents and pay their premium payment to the Social Security Institution within the legal period.

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Due to the pandemic, the below measures (mainly temporary) were introduced with respect to customs and international trade:

- Certain exports restrictions
- Live exotic animal imports restrictions
- Application of transit trade penalties suspended
- AEO deadlines stopped

Exports Restrictions for Some Goods

Exporting the following goods subjected to the permission:

- Ethanol (HS 22.07 – excluding some HS codes)
- Cologne (3303.00.90.00.11)
- Disinfectants (HS 28.47)
- Protective masks, suits, glasses
- Hydrogen peroxide
- Melt blown Fabrics (56.03)
- Medical masks
- Medical sterile/non-sterile gloves
- Aprons (used with chemicals)

Suspension of Transit Fines

With a view to ensuring that businesses are not harmed, administrative fines has been suspended in the case that a transit period is exceeded

Suspension of Animal Imports

Entry into Turkey of animals including exotic animals, amphibious animals, cats, dogs etc. accompanied by passengers or for commercial purposes has been suspended until further notice.

Authorized Economic Operator Deadlines Postponed

With respect to fulfillment of AEO responsibilities by companies which apply for or already hold an AEO status, the relevant deadlines have been stopped until further notice.

Submission of Copies of A.TR and Proofs of Origin, and Responses to Requests by Regional Directorates

Provided that A.TR movement certificates or proof of origin documents are only issued in electronic environment due to force majeure by preferential trade partner customs administrations and there is a webpage for validation of these documents, copies that are submitted to the customs administration will be accepted. Similarly, in relation of responses by foreign customs administrations to post-control requests by regional directorates, a 6-month additional period has been granted to the current durations stipulated in the legislation.

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- Recycling contribution fee declaration period updated.
- Customs duties abolished on critical goods.
- Inward processing deadlines have been extended.
- A letter has been issued in relation of goods imported from EU countries along with an A.TR movement certificate.

Declaration Period for Recycling Contribution Fee Amended

An amendment has been made regarding Recycling Contribution Fee. Therefore, return period for Recycling Contribution Fee in 2020 has been set to 6 months. The period is 3 months for the next years.

Facilitation of Importation of Covid-19 Critical Goods

In order to ensure customs operations of the goods, which are critical in fight against coronavirus, are carried out swiftly, it has been stated the requests for simplified procedures during importation of these goods are accepted and pre-arrival customs clearance is applied to these goods, until further notice.

| HS Code | Description |
|------------------|-----------------------------------|
| 4015.11.00.00.00 | Gloves used in surgery |
| 9018.39.00.00.11 | Serum and blood donor set cannula |
| 9018.39.00.00.17 | Intravascular catheters |
| 9018.39.00.00.39 | Others |
| 9019.20.00.00.18 | Devices |
| 4015.11.00.00.00 | Gloves used in surgery |

Extension of Inward Processing Deadlines

According to a letter published by Ministry of Trade, durations/deadlines in relation of Inward Processing have been extended.

Removal of Certain Customs Duties and Additional Customs Duties

Customs duty on importation of bulk ethanol (2207.20.00.00.13) that will be used in manufacture of colognes and disinfectants has been decreased to 0%.

Additional customs duty collected during importation of ozonotherapy, oxygenotherapy, aerotherapy, artificial respiration or other therapeutic respiration devices (9019.20.00.00.18 - Devices) and of single-use medical masks (6307.90.98.10.11) has been removed.

A Letter Published on Goods Imported from EU via A.TR

It has been stated by Ministry of Trade that a certificate of origin should not be requested by customs officers provided that BILGE System (Computerized Customs Activities System) does not request a certificate of origin before release for free circulation of goods which are coming from EU countries accompanied with an A.TR document.

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- For certain regimes, additional deadlines introduced.
- Restrictions on exports critical goods put into force.
- Online customs services recalled.
- Deadlines to submit Certificate of Origin extended.
- While importation of single-use masks have been facilitated, conformity restrictions have been set for medical goods.

Additional Durations for Certain Customs Regimes

Regime period has been extended to June 30, 2020 for goods subject to Temporary Importation, Processing under Customs Control, Outward Processing regimes and Temporary Exportation transactions and whose regime duration expired on 01.02.2020. No application is required.

Permission on Exports of Certain Intubation and Intensive Care Products

In exportation of goods supplied to market within the scope of Medical Device Regulation such as Ventilators, Ecmo, Cannulas, Intubation, Intensive Care Monitors, it has been stipulated that pre-approval is required by Pharmaceuticals and Medical Devices Agency of Turkey.

Online Customs Services

An information letter has been published on customs services that can be provided through online systems by Directorate of Customs and Foreign Trade of Istanbul, Turkey.

Facilitation of Importation of Medical Masks

According to Communiqué no 2019/1, a registration document is required during importation of goods classified under Chapter 64. A risk-based evaluation is carried out using the information in "registration document application form" filled by the importers. Those who do not meet the required criteria are requested for further information and documentation.

However, single-use medical masks (6307.90.98.10.11) have been temporarily excluded from the process of requesting further information/documentation.

Extension of Deadlines for Submission of Certificates of Origin

The 6-month period granted to importers for presenting a certificate of origin in the event that a certificate of origin cannot be presented at the time of importation has been suspended between 01.02.2020 and 30.06.2020. The period between the mentioned dates will not be considered for this 6-month period and it will start from 01.07.2020.

Conformity Requirement for Importation of Certain Medical Goods

Communiqué on Importation of Medical Diagnosis Kits (Importation: 2020/19) has been issued and in the Communiqué, it has been stated that a letter of conformity issued by Pharmaceuticals and Medical Devices Agency of Turkey will be requested on importation of medical diagnosis kits and Immunological products that will be used for humans (release for free circulation and temporary importation regimes). Also, an announcement has been made for registration of these goods on Product Monitoring System (ÜTS).

| HS Code | Description |
|---------|--|
| 3822.00 | Reagents used in laboratories or diagnostics on a backing, reagents used in laboratories or diagnostics, whether or not on a backing(excluding headings 30.02 or 30.06): standard (reference) substances |
| 3002.15 | Immunological products put up in measured doses or in forms or packings for retail sale |

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- A letter has been issued in relation of returning goods.
- Rediscount loans in Turkish Lira by Turkish Central Bank have been introduced.
- Turkish Eximbank has published its support package.
- An inventory finance support will be provided to exporters.

Returning Goods

According to a letter by Directorate General of Customs, it has been instructed that customs procedures for returning goods are carried out primarily.

Rediscount Loans by Central Bank of Turkey

According to a statement by Turkish Central Bank, in order to facilitate access to finance and to support employment stability of Turkish exporters, under certain conditions, rediscount loans in Turkish lira will be extended for Turkish exporters and the total limit of these loans will be 60 billion TRY.

20 bn TRY of this limit has been allocated to Turkish Eximbank, while 30 bn TRY to public banks, and 10 bn TRY to other banks.

Capacity Reports

The Union of Chambers and Commodity Exchanges of Turkey (TOBB) have decided that expiration dates of capacity reports which will expire between March 20 – April 30 are extended to May 1, 2020

Turkish Eximbank Support Package

In order to mitigate the financial burden of firms with a cash flow problem due to the pandemic, maturities of loans extended by Turkish Eximbank resources and Turkish Central Bank resources have been extended from 3 to 6 months until the end of June, upon the request of firm. In this context, interest payment of exporters is able to be deferred for 6 months.

The 2-year commitment fulfillment period in short-term loans have been extended to 3 years for loans whose commitment have not been closed, and for loans for which a penalty has not been applied even though the commitment period has expired as well as for loans which will be extended until the end of June.

Maturity of Turkish Eximbank rediscount loans, which is currently 1 year, has been increased by another year and thus is now 2 years. Maturities provided to the buyers in insurance limits have been extended without a charge.

Inventory Finance Support

Inventory finance support will be granted to exporters for protecting their capacity use rates during the temporary decrease in exports.

Exports-Registered Deliveries

Regarding taxpayers who perform an exports-registered delivery, if the end of three-month period as of the month following the date of exports-registered deliveries fall to between 01.04.2020 and 30.06.2020 (inclusive), it has been decided that this period is extended for 3 additional months due to force majeure without filing an application to tax administration. Even though the exports period ends before the above durations, the taxpayers whose 15-day application period regarding additional period request for carrying out exports fall between the dates in question will also be considered in this context.

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Corporate Law: Temporary restriction on dividend distribution

«Dividend distribution» is temporarily restricted in order to keep cash in the companies (dividend distribution is allowed up to 25% of the net profit for the year 2019)

Interim dividend distribution for 2020 is not allowed

Dividend Distribution Restriction

- On 01.04.2020, Union of Chambers and Commodity Exchanges of Turkey issued an information note referring to the letter of the Ministry of Trade dated 31.03.2020 points out the importance to preserve companies' equities during the COVID-19 pandemic.
- On 16.04.2020 Law No. 7244 has been approved and on 17.04.2020 it is enacted.

As per Article 12 of the Law No.7244, until 30.09.2020, companies except the ones with public participation;

- Should not distribute the dividend of the previous years and free reserves,
- Dividend amount to be distributed shall not exceed 25% of the net profit for 2019, and,
- Interim dividend distribution right shall not be granted to the board of directors.
- President is authorized to prolong or shorten the limitation term up to 3 months.

Practical considerations

It is aimed to preserve the sources within the corporations by temporary restriction of dividend distribution. This arrangement has importance in context of responsibility of members of board of directors and board of managers.

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Corporate Law: Postponement of the meetings of companies and non-governmental organizations

As per the TCC, joint stock and limited liability companies must hold ordinary general assembly meetings within the first three months following the end of the fiscal year.

To prevent the spread of Covid-19 pandemic, Ministry of Trade implemented certain measures.

Similarly, Ministry of Internal Affairs postponed the meetings and non-executive activities of the non-governmental activities.

Postponement of general assembly meetings

The Ministry of Trade General Directorate of Domestic Trade published an announcement declaring that the opportunity to postpone ordinary general assembly meetings of joint stock and limited companies and it is advised to hold general assembly and board meetings on electronic environment if possible.

Who is eligible?

Capital companies such as joint stock and limited companies.

Practical considerations

An opportunity has been granted to postpone or to hold electronical general assembly and board of directors' meetings for prevention of contagion of Covid-19 pandemic.

Postponement of meetings of non-governmental organizations

Ministry of Internal Affairs announced that all kinds of meetings and activities (except for mandatory management activities which requires execution) of non-governmental organizations have been postponed as of 16.03.2020 at 00:00 temporarily.

Who is eligible?

Non-governmental organizations such as associations and foundations.

Practical considerations

An opportunity has been granted to non-governmental organizations as to postpone general assembly meetings and other meetings in order to prevent the contagion of Covid-19 pandemic

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Covid-19 pandemic has been declared as a force majeure event for certain sectors by Revenue Administration. However, there is no explicit decision regarding Covid-19 to be considered as a force majeure for private law contracts.

Turkish Law does not provide a precise definition of force majeure but the outcomes of such situation is regulated under Art. 136 of Turkish Code of Obligations numbered 6098 («TCO»).

As per the said provision of TCO and settled Court of Cassation rulings, in case execution of a debt/obligation becomes impossible due to reasons which cannot be attributable to the debtor, such debt/obligation ends ipso facto.

Workplace Lease Agreements

One of the regulations introduced by the Law on the Amendment of Certain Laws No. 7226 is that the failure in payment of the rental fees arising from workplace lease agreements' between the dates of 1 March 2020 and 30 June 2020, shall not cause a valid ground for the termination of the contract nor eviction.

Electricity and Public Procurement Agreements

Covid-19 pandemic is accepted as force majeure by Energy Market Regulatory Authority and Presidency of Turkey.

Practical considerations

It is aimed to eliminate the risks of termination and eviction due to delay in workplace rent payments.

Who is eligible?

Companies operating in scope of Electricity Market License Regulation and Unlicensed Electricity Production Regulation in the Electricity Market and contractors of public procurement agreements.

General Evaluation

The effects of Covid-19 pandemic, which was declared as a pandemic by the World Health Organization, might mainly be considered as a type of force majeure in the context of TCO.

However, each agreement and concrete conditions shall separately be evaluated to determine whether Covid-19 pandemic should be considered as a force majeure or a cause for extreme difficulty on fulfillment of obligations. In case of the latter, an application to court for adaptation of obligations shall be considered.

Practical considerations

Eligible companies which are struggling to fulfil their contractual undertakings due to Covid-19 pandemic may benefit from force majeure terms by applying relevant authorities.

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Labor Law: Prohibition of dismissal and various arrangements

As regulated under the Law No. 7244 enacted on 17.04.202, provisional articles are added to the Unemployment Insurance Law No. 4447 and the Labour Law No. 4857 in order to prevent termination of employment agreements, to arrange unpaid leave processes and unemployment benefits during the Covid-19 pandemic.

In addition to prohibition of dismissal, various regulations introduced by the Law on the Amendment of Certain Laws No. 7226 within the scope of Covid-19 pandemic.

Who is eligible?

Employees and employers.

Practical considerations

Employment agreements shall not be terminated by the employer with any reason, except the terminations based on immoral, dishonourable or malicious conduct or other similar behaviour of the employee, for a period of 3 months upon enactment of the Omnibus Bill of Law, however, the employer may give unpaid leave due to termination prohibition.

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Various Regulations Regarding Labor Law

- The compensatory period (equalization) has been increased from 2 months to 4 months.
- The monthly minimum payment amount for pensioners and beneficiaries who receive old age, invalidity, death pension has been increased to 1,500 TL.
- The maximum limit of employer union solidarity and mutual fund support that can be used to pay employers' share of insurance premiums has been increased from 25 percent to 35 percent.
- Eligibility conditions for short-time work allowance will be expedited until 30 June 2020, for the applications on the grounds of compelling reasons originating from the new type of coronavirus (Covid-19).
- The obligation to complete the general health insurance premiums for the missing days of "part-time workers", "employees with payrolling procedures" and "those working in home services" who work 10 days or more in the month has been abolished.

Practical considerations

It is aimed to sustain the employment and elimination of any loss of right and aggrievement that may occur before employers and employees.

Suspension of the statutory periods in legal proceedings

By the Law on the Amendment of Certain Laws No. 7226;

- all of the statutory periods related to origination, usage or termination of a right and,
- statutory periods determined under Enforcement and Bankruptcy Law numbered 2004 and other related enforcement regulations

have been suspended until 30 April 2020 for the purpose of preventing loss of rights in judicial area due to Covid-19 pandemic.

Underlying Rationale

Due to adverse effect of Covid-19 pandemic on working capacity of the judicial organs and various changes in regulations, a suspension has been brought in order to protect the rights of the parties of legal proceedings.

Practical considerations

It is aimed to prevent any loss of rights due to Covid-19 pandemic by suspending the statutory period. Initiation or enforcement of a legal enforcement proceeding shall not be possible during the suspension period.

Suspension of Execution Proceedings

All execution proceedings, except the proceedings for the maintenance payments, have been suspended until 30 April 2020 in line with the Presidency Decree published in the Official Gazette dated 22 March 2020 numbered 2279.

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Various Regulations introduced by the Law on the Amendment of Certain Laws No. 7226 within the scope of Covid-19 pandemic.

- The enforcement date of the accommodation tax, which is foreseen to become effective on 1 April, has been postponed to 1 January 2021.
- Exchange rate difference will not be taken into consideration in determining the amount of the incomes obtained from pension mutual funds established in foreign currency, in which contribution payments made in foreign currency are deposited.
- The authority of the Treasury and Finance Minister to transfer cash resources to credit guarantee institutions or to issue private domestic government debt securities will increase from 25 billion Turkish Liras to 50 billion Turkish Liras.
- The records of the real or legal persons who have disrupted/delayed the payments of the cash and non-cash loans used in relation to the principal amount, interest and/or pensions and if their principal amount and / or instalment payment date is before 24 March 2020, will be disregarded by credit institutions and financial institutions during financial transactions to be made with these persons, provided that all due and delayed portion of the debt is paid or restructured before 31 December 2020.
- Employers will be provided with a minimum wage support of 2.50 lira per day and 75 lira per month, offsetting the insurance premium they will pay regardless of the sector.
- Those who have due rent payment to the General Directorate of Foundations will be granted for an extra 3-month term.
- The amount for rent, final permit, final allocation, right of easement, usage permit, utilization, additional utilization fees and revenue shares which is expected to be collected between April 1 and June 30, 2020, from investors and operators who are allocated with public land in order for building tourism facilities will be postponed for 6 months.
- Consumers will be able to benefit from the tariffs determined to support renewable energy sources upon request.
- By the amendment in the Law of Cheques, execution of the sentences of those convicted for a crime committed before the date of 24 March 2020 will be halted.

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Deadlines of reporting period of financial institutions are extended by Banking Regulation and Supervision Agency («BRSA») for 60 days.

Binding corporate rules for group companies and obligations of the data controllers announced by Personal Data Protection Authority («PDPA») on 10.04.2020.

Information Technologies and Communications Authority will share the phone subscriber and location information if it is needed by the emergency call centers or the relevant governorship, limited with the time of the call within the scope of search, rescue and intervention.

Who is eligible?

Banks and financial institutions that are subject to BRSA.

Practical considerations

It is aimed to eliminate any non-compliance issue regarding notifications by postponing "notification requirements of the banks" for 60 days due to Covid-19 pandemic.

For more information

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Who are responsible?

Data controllers in capacity of multinational group company which perform intra-group personal data transfer abroad.

Practical considerations

Group companies that are transferring personal data to group companies abroad shall fulfil the requirements brought by PDPA.

Who are eligible?

Emergency call centres or the relevant governorships.

Evaluation

Data privacy and security of personal data shall be taken into consideration in order to prevent any breach of fundamental rights.

Our tracker provides a snapshot of the policy changes that have been announced in jurisdictions around the world in response to the COVID-19 crisis.

Policy changes across the globe are being proposed and implemented on a daily basis.

The document will be updated on an ongoing basis but not all entries will necessarily be up to date as the process moves forward.

Key jurisdictions covered by the Response Tracker include:

- | | | | |
|------------------|--------------|-------------------|------------------|
| ▸ Australia | ▸ Denmark | ▸ Malaysia | ▸ Sweden |
| ▸ Austria | ▸ France | ▸ New Zealand | ▸ Taiwan |
| ▸ Belgium | ▸ Germany | ▸ Norway | ▸ Thailand |
| ▸ Brazil | ▸ Greece | ▸ Puerto Rico | ▸ Ukraine |
| ▸ Canada | ▸ Hong Kong | ▸ Singapore | ▸ United Kingdom |
| ▸ China | ▸ Indonesia | ▸ Slovak Republic | ▸ United States |
| ▸ Colombia | ▸ Italy | ▸ Slovenia | |
| ▸ Cyprus | ▸ Japan | ▸ South Korea | |
| ▸ Czech Republic | ▸ Luxembourg | ▸ Spain | |



To download the latest Response Tracker visit:
ey.com/en_us/tax/how-covid-19-is-causing-governments-to-adopt-economic-stimulus--

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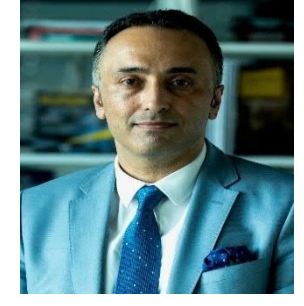


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