

CIRCULAR
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Subject:

THE EFFECTIVE DATE OF CONVENTION ON MUTUAL ADMINISTRATIVE ASSISTANCE IN TAX MATTERS IS DECIDED TO BE JULY 1, 2018

Upon the Decision of the Council of Ministers numbered 2018/11790 published in the Official Gazette dated 26.06.2018 and numbered 30460, *the effective date of the Convention on Mutual Administrative Assistance in Tax Matters is decided to be July 1, 2018.*

Developed jointly by the Organization for Economic Cooperation and Development (OECD) and the Council of Europe, and signed by numerous countries, the convention was communicated through our circulars [dated 11.11.2011 and numbered 2011/212](#), [dated 13.08.2014 and numbered 2014/148](#) and [dated 24.05.2017 and numbered 2017/91](#).

The Law numbered 7018, officially approving the Convention on Mutual Administrative Assistance in Tax Matters, regarding the Convention on Mutual Administrative Assistance in Tax Matters signed in Cannes on 03.11.2011 was published in the Official Gazette dated 20.05.2017 and numbered 30071. Upon the authority granted by this Law, the convention was approved with the *“Resolution of the Council of Ministers dated 30.10.2017 and numbered 2017/10969, on the Ratification of the Reciprocal Administrative Assistance Agreement Regarding Tax Matters with the Annexed Reservation and Declarations”* published in the Official Gazette dated 26.11.2017 and numbered 30252. Our circular [dated 04.12.2017 and numbered 2017/163](#) included the details of this ratification and the convention.

“The General Communique on the Automatic Exchange of Financial Account Information in Tax Matters” was published by the Revenue Administration in 2017 as **DRAFT**. Our circular [dated 23.05.2017 and numbered 2017/87](#) included a detailed description of the DRAFT communique. **We would like to note that the general communique has not been published yet.**

Below are the main headlines that summarize what is covered in the Convention on Mutual Administrative Assistance in Tax Matters.

1. Information exchange

1.1. Information exchange on demand

According to Article 5 of the convention, at the request of the applicant State, the requested State shall provide the applicant State with any information referred to in Article 4 which concerns particular persons or transactions. If the information in the tax files of the requested State is not sufficient to enable it to comply with the request for information, that State shall take all relevant measures to provide the applicant State with the information requested.

1.2. Automatic exchange of information

According to Article 6 of the convention, with respect to categories of cases and in accordance with procedures which they shall determine by mutual agreement, two or more Parties shall automatically exchange the information referred to in Article 4.

1.3. Spontaneous exchange of information

A Part shall, without prior request, forward to another Party information of which it has knowledge in the circumstances laid out in Article 7 of the convention.

2. Cooperation in tax examinations

2.1. Simultaneous tax examinations

According to Article 7 of the convention, at the request of any of the Parties, two or more Parties shall consult each other in determining the conditions and methods for simultaneous tax examination and each of the concerned Parties shall decide if they want to participate in a specific simultaneous tax examination.

2.2. Tax examinations abroad

According to Article 9 of the convention, at the request of the competent authority of the applicant State, the competent authority of the requested State may allow representatives of the competent authority of the applicant State to be present at the appropriate part of a tax examination in the requested State.

3. Assistance in recovery

According to Article 11 of the convention, at the request of the applicant State, the requested State shall, subject to the provisions of Articles 14 and 15, take the necessary steps to recover tax claims of the first-mentioned State as if they were its own tax claims.

According to Article 12 of the convention, at the request of the applicant State, the requested State shall, with a view to the recovery of an amount of tax, take measures of conservancy even if the claim is contested or is not yet subject of an instrument permitting enforcement.

4. Service of documents

According to Article 17 of the convention, at the request of the applicant State, the requested State shall serve upon the addressee documents, including those relating to judicial decisions, which emanate from the applicant State and which relate to a tax covered by this convention.

Kind regards,

**DENGE İSTANBUL YEMİNLİ
MALİ MÜŞAVİRLİK A.Ş.**

APPENDIX:

The Decision of the Council of Ministers numbered 2018/11790

(*) Statements in our circulars are made only for information purposes. We recommend you to consult an expert before making any final transactions in any matter when you have any hesitations; and our office will not have any liability for any loss arising from transactions that are made relying solely on statements in our circulars.

(**) Please contact our experts for your opinions, comments, and questions about our circulars.

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