

CIRCULAR
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Subject:

THE FEDERAL COUNCIL OF SWITZERLAND HAS ADOPTED A PRINCIPLE DECISION REGARDING THE EXECUTION OF AUTOMATIC INFORMATION EXCHANGE WITH CERTAIN COUNTRIES INCLUDING TURKEY.

As it is known, “The Law On Assent of the Agreement Concerning Mutual Administrative Cooperation With Regard to Tax Matters” numbered 7018 was published in the Official Gazette dated 20.05.2017 and numbered 30071.

Among the comprehensive cooperation methods stipulated between the contracting party countries by virtue of “The Agreement Concerning Mutual Administrative Cooperation With Regard to Tax Matters” which was signed by many countries under the leadership of “The Organisation for Economic Cooperation and Development (OECD)” and the European Council in order to fight against tax loss and evasion, the following matters are available;

- Information exchange,
- Simultaneous tax inspections,
- Foreign tax inspections,
- Cooperation with regard to collection and
- Notification matters. What is more, administrative cooperation were not confined with the residents and citizens of the contracting party countries, residents and citizens of the third party countries were also included in the scope of the agreement.

Pursuant to article 6 of “The Agreement Concerning Mutual Administrative Cooperation With Regard to Tax Matters”, two or more parties shall automatically make the information stated in article 4 of the agreement subject to exchange in terms of information subjects and in accordance with the methods to be determined by them by means of mutual agreement.

On the basis of the authority granted by the Law numbered 7018, the Council of Ministers ratified the mentioned agreement by means of “The Decision on Ratification of the Agreement Concerning Mutual Administrative Cooperation With Regard to Tax Matters Along With the Reservations and Statements” numbered 2017/10969 which was published in the Official Gazette dated 26.11.2017 and numbered 30252 and details with respect to this ratification decision and the agreement were specified in our circular dated [04.12.2017 and numbered 2017/163](#) .

“The General Communique Draft Concerning Automatic Exchange of Financial Account Information With Regard to Tax Matters” was published in 2017 by the Revenue Administration, however, the mentioned draft has not entered into force for the reason that it was not published in the Official Gazette until today. We would like to state that detailed explanations with respect to the draft were made in our circular dated [23.05.2017 and numbered 2017/87](#).

By virtue of the Decision of the Council of Ministers numbered 2018/11790 which was published in the Official Gazette dated 26.06.2018 and numbered 30460, effective date of the Agreement Concerning Mutual Administrative Cooperation With Regard to Tax Matters was determined as 1 July 2018 (our circular dated [02.07.2018 and numbered 2018/143](#)), however, until today, only the agreements which were made with respect to “Automatic Information Exchange Aimed at Enhancing International Tax Harmonization” between Turkey-Latvia (our circular dated [09.01.2019 and numbered 2019/32](#)) and Turkey-Norway (our circular [dated 10.01.2019 and numbered 2019/33](#)) have entered into force upon ratification of these agreements by virtue of the Presidential Decrees numbered 528 and 529.

On its meeting conducted on 29.05.2019 in Bern/Switzerland, the Federal Council of Switzerland adopted a principle decision with respect to execution of automatic information exchange with 19 countries including Turkey (<https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-75269.html>). It is planned that the relevant Federal Decision to be prepared concerning the commencement of automatic information exchange as from 2020 will be submitted to the approval of the parliament in the autumn and winter term. However, we would like to state that, prior to commencement of the mentioned information exchange, the Federal Council wishes to check beforehand whether the relevant countries have the technical infrastructure which is in conformity with the data exchange standards. In the case where the mentioned Federal Decision is approved by the Switzerland Parliament, as from 01.01.2020, the financial information of the persons who are resident in Turkey and who have financial information that are within the scope of the agreement in the financial institutions in Switzerland shall be shared with the Tax Administration of Switzerland by the Swiss Financial institutions until 30 June 2021. The Tax Administration of Switzerland shall share the mentioned financial information with Turkish Revenue Administration until 30 September 2021.

Yours respectfully,

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

(*) The statements made in our circulars are provided only for information purposes. Prior to making final transactions with respect to the subjects of hesitation, we recommend you to receive opinion and support from an expert consultant and our company shall not be responsible with regard to the losses arising from the transactions that are executed by means of indicating the statements in our circulars as a basis.

(**) With respect to your opinions, critiques and questions regarding our circulars, you can write to our experts whose information are provided below.

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