



**CIRCULAR NO: 2021/184**

**14.07.2021**

## **CORPORATE TAXPAYERS ARE NOW OBLIGED TO SUBMIT “REAL BENEFICIARY STATEMENT”**

**Corporate taxpayers and some other people** are now obliged to submit “**Real Beneficiary Statement**” with TPL General Communique no. 529 issued in the Official Gazette no. 31540 on 13.07.2021. The first statement is supposed to be submitted online **by 31.08.2021.**

As you all know, it is very important to know real names behind revenue/assets so as to fight against tax evasion. Organization for Economic Cooperation and Development Global Forum on Transparency and Exchange of Information for Tax Purposes, of which our country is a member, conducts studies to fight against tax evasion. In this respect, the Global Forum specified international minimum standards on transparency and exchange of information which are binding for all member countries. One of the elements of the standard is to know real beneficiaries of legal bodies and entities without a legal personality. This element also corresponds to advise specified by National Action Task Force to fight against criminal revenue laundering and financing terrorism.

The notice is comprised of specifying other terms and conditions regarding the scope of taxpayers obliged to make a statement regarding up-to-date, accurate and full information on real beneficiaries of legal entities and corporations without legal personality; type of statement, period of statement, timing of statement, type of statement submission.

## 1. Who is a real beneficiary?

*The notice defines “real beneficiary” as real person or people who have control over legal entities and corporations without legal personality or having influence on them.*

## 2. Specifying real beneficiaries

### 2.1. In legal entities;

- a) Partners who are real people with a share of over 25% of the legal entity,
- b) In case the real person who has over 25% of shares of the legal entity is suspected not to be the real beneficiary or there is no real person partner with the specified amount of shares, real person or people who have control over the legal entity,
- c) In case real beneficiaries cannot be specified within the scope of (a) and (b) clauses, real person or people with the highest executive power,

will be deemed real beneficiaries and subject to the statement.

### 2.2. In partnership-like corporations without a legal personality;

- a) Real person or people who have control over corporations without a legal personality,
- b) In case real beneficiary cannot be specified within the scope of (a) clause, real person or people who hold the highest executive power of the corporation without a legal personality,

will be deemed real beneficiary under the title of senior manager and subject to the statement.

### 2.3. In trust<sup>1</sup>-like corporations and similar entities;

Founders and people who hold the title of trustee, manager, auditor or beneficiary or people who have influence over these entities are deemed real beneficiaries and subject to the statement.

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<sup>1</sup> **Trust:** Legal rapport which ensures that an asset is bestowed upon a trustee, by the owner for the sake of a certain beneficiary or a group of beneficiaries, to execute the contract for the purpose of managing and using the asset in question or making other transactions involved in the contract.

### **3. Entities obliged to submit real beneficiary statement**

#### **3.1. Entities obliged to make a statement**

- a) Corporate taxpayers,
- b) The person or the partner who holds the power to represent the company in collective companies, one of the partners of limited partnerships or the person who holds the highest partnership share on behalf of ordinary partnerships, managers, trustees or representatives of trusts or similar entities established abroad or having headquarters in Turkey or managers residing in Turkey,

which are active as of 01.08.2021, the initial date of statement, are obliged to submit real beneficiary statement.

#### **3.2. Entities to make real beneficiary statement on behalf of transactions undertaken by their clients**

- a) Banks,
- b) Corporations other than banks which hold the authority to issue a debit or credit card,
- c) Corporations authorized to act in accordance with the foreign exchange law,
- d) Financing and factoring companies,
- e) Capital market intermediary institutions and portfolio management companies,
- f) Payment corporations and electronic money corporations,
- g) Investment partnerships,
- h) Insurance, reinsurance and pension companies and insurance and reinsurance brokers,
- i) Finance leasing companies
- j) Corporations with exchange and safe custody services within the framework of capital market regulation,
- k) Istanbul Stock Exchange solely on safe custody services regarding Precious Metals and Precious Stones Market,
- l) General Directorate of Post and Telegraph Organization and cargo companies,
- m) Asset management companies,
- n) Corporations trading precious metals, stones or jewelry and their intermediaries,
- o) General Directorate of Minting and Printing solely on Cumhuriyet gold coins and Cumhuriyet gold jewelry printing
- p) Precious metals intermediary institutions,
- q) Commercial real-estate dealers and their intermediaries,
- r) Dealers of all types of sea, air and land transportation vehicles including working machines and their intermediaries,
- s) Dealers of historical artifacts, antiques and art works or their auctioneers,

- t) Lottery or betting institutions including Directorate General of National Lottery Administration, Jockey Club of Turkey and Spor Toto Organization,
- u) Sports Clubs,
- v) Notary Publics,
- w) Freelance lawyers solely dealing with real-estate trade; financial transactions related to establishment and removal of limited property rights, establishment and merger of associations, foundations and companies, as well as their management, transfer and liquidation; bank, security and all types of accounts and management of their assets in a way that it doesn't contradict other provisions concerning right of defense and excluding information in the first clause of the 35<sup>th</sup> article of Legal Profession Act no. and resulting from professional action within the scope of alternative conflict resolution methods;
- x) Freelance accountants, freelance tax professionals and certified public accountants,
- y) Independent auditing companies authorized to monitor financial markets,
- z) Crypto asset service providers,
- aa) Saving finance companies

which are deemed liable to implement Law on the Prevention of Criminal Revenue Laundering no. 5549 in the Regulation on Measures to Prevent Criminal Revenue Laundering and Financing Terrorism (**Measures Regulation**),

and their branches, agencies, representatives and commercial agents **will be obliged to make Real Beneficiary Statement regarding transactions of their clients upon request of Revenue Administration.**

Branches, agencies, representatives or commercial agents and other units of incumbents whose headquarters are located abroad are obliged to make Real Beneficiary Statement regarding transactions realized by their clients upon request of Revenue Administration.

#### **4 Period and timing of the statement**

##### **4.1. Time to make the first statement**

**All incumbents including corporate taxpayers and others who are obliged to make Real Beneficiary Statement** are required to submit to Revenue Administration real beneficiary statement **online by the end of 31.08.2021** with the form included in the second clause of the 6<sup>th</sup> article.

##### **4.2. General regulation regarding the period and timing of the statement**

**Corporate taxpayers**, will be obliged to make real beneficiary statement ***in the annex of provisional tax return and annual corporate tax declaration.***

**Incumbents other than corporate taxpayers and other people**, will be obliged to make real beneficiary statement online **every year by the end of August** to Revenue Administration **by filling a form**.

In case above clauses create **new liabilities** or there occurs a **change** in information hitherto declared, new liabilities or changes shall be stated within a month following their appearance.

## 5. Type of the Statement

### 5.1. For corporate taxpayers

Corporate taxpayers will submit the statement as an annex to their annual or provisional tax declarations.

Corporate taxpayers obliged to make a statement will include information on name and surname, citizenship, ID numbers and addresses; phone, fax numbers or electronic mails, if any, as well as **the reason for their real beneficiary status** via above-stated declarations.

### 5.2. Incumbents other than corporate tax payers and others liable to make a statement

Incumbents (other than corporate taxpayers) and others required to make a statement will submit their declaration online via Internet Tax Office in line with the statements of **Internet Tax Office** via **“information form regarding real beneficiaries”**.

Incumbents will include information on name and surname, citizenship, ID numbers and addresses; phone, fax numbers or electronic mails, if any; as well as **the reason for their real beneficiary status** via the information form.

Incumbents and other liable parties are required to receive a user name, password or code from relevant tax offices. **Information forms are not allowed to be submitted offline (via manual delivery or by post)**. Online submission of the information form shall be confirmed by the system in order to be approved. Confirmation shall be finalized at the latest by 23.59 on the final day of the deadline.

Tax offices shall by no means accept offline submissions, as it is strictly required to make submissions online.

Offline submissions will not be confirmed.

### 5.3. Other issues

**“Real Beneficiary Statement”**, can either be submitted directly by the incumbent or via a **freelance tax accountant professional** with a brokerage or liability contract or certified tax professional with revenue or corporate tax declaration approval contract (full certification contract) in the required period.

In case statement is realized to be erroneous or deficient upon submission of the declaration, the statement is required to be revised and resubmitted in line with the clauses included in this article.

### 6. Other issues and penal sanction

Information subject to real beneficiary statement is **required to be kept for 5 years** by incumbents as of the beginning of the year following the date of submission.

Incumbents who do not submit required information or submit erroneous or deficient information will be subjected to related penal sanctions in Tax Procedure Law.

In case incumbents and other people who are obliged to make the statement as specified in the 4<sup>th</sup> article of the notification are detected to submit erroneous information regarding real beneficiaries as a result of research, investigation and international exchange of information by Financial Crimes Investigation Board and other parties authorized to make tax inspections, Tax Revenue Administration will be notified to make necessary changes in their registers and impose relevant sanctions.

With respect,

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

**ANNEX**

Tax Procedure Law General Communiqué no. 529

(\*) Information included in our circulars is compiled for merely informative purposes. We recommend you to receive insights and support from an expert counsellor in case of hesitation before sealing a transaction, our counsellorship will not be liable for damage caused by transactions realized merely with reference to information included in our circular.

(\*\*) Please kindly contact with our experts for your insights, critics and questions on our circulars.

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