



**CIRCULAR NO: 2023/145**

**July 7, 2023**

## **PRESIDENTIAL DECREE RAISING THE GENERAL VAT RATE FROM 18% TO 20% AND THE REDUCED VAT RATE FROM 8% TO 10% IS PUBLISHED**

As it is known, the applicable value-added tax rates for the delivery of goods and the performance of services, as stated in Council of Ministers Decision No. 2007/13033, are as follows:

- a) For taxable transactions, except those specified in the annexed lists, 18%
- b) For the goods and services specified in the annexed list (I), 1%
- b) For the goods and services specified in the annexed list (II), 8%.

Under the Presidential Decree No. 7346, published in the Official Gazette No. 32241 of July 7, 2023, an amendment has been made to the first paragraph of Article 1 of the “Decision on Determining the VAT Rates Applicable to Goods and Services” enacted by the Council of Ministers Decision (CMD) No. 2007/13033. With the said amendment;

- The VAT rate (**general VAT rate**) applicable to taxable transactions, except those included in the lists annexed to the CMD, has been increased **from 18% to 20%**,

- The **discounted VAT rate** applicable to the goods and services specified in the list (II) annexed to the decision and listed under paragraph (c) of the CMD has been increased **from 8% to 10%**.

Furthermore, an amendment has been made to the 37<sup>th</sup> row of the attached list (II) of the CMD, and the goods of “Soap, shampoo, detergent, disinfectants, wet wipes (whether or not soaked in soap, detergent or a solution), toilet paper, paper towels, paper tissues, and napkins” were removed from the said row. It has been decided to apply the **general VAT rate of 20% instead of the previous rate of 8%** to these goods.

Specified in the same row of the list, the goods of “toothbrushes and toothpaste, dental threads” will continue to be subject to VAT at a reduced rate. However, after the enactment of Presidential Decree No. 7346, the VAT rate will be considered 10% instead of the previous rate.

**We want to note that the rate changes will come into effect on the third day following the publication of the decree.**

Sincerely,

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

### **ANNEXES**

Presidential Decree No. 7346

(\*) The remarks in our circulars are for information purposes only. We recommend that the opinion and support of a qualified counsellor be sought before taking final action on questionable matters. Our company shall not be held responsible for any damages incurred as a result of transactions made solely of based on the statements in our circular.

(\*\*) Please contact our experts below for opinions, criticism, and questions about our circulars.

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