



CIRCULAR NO: 2024/149eng

September 2, 2024

THE GENERAL COMMUNIQUÉ ON THE ANNULMENT OF INFLATION ADJUSTMENT FOR THE PROVISIONAL TAX PERIODS 2024/2 AND 3 PUBLISHED FOR THE TAXPAYERS WITH GROSS SALES BELOW TL 50 MILLION IN 2023

While the Tax Procedure Law General Communiqué No. 563, which stipulates that taxpayers the total gross sales of which in the income statement of December 31, 2023 **are below TL 50,000,000 shall not make inflation adjustment in the 2024/1 and 2024/2 provisional tax periods**, was still a draft, we informed taxpayers about the content of the draft communiqué with our circular no. 2024/145. The draft communiqué was published in the Official Gazette no. 32648 of September 31, 2024 without any amendment and entered into force on the date of publication. Our circular provides information on the regulations made by the communiqué.

1. Taxpayers Who Will Not Be Subject To Inflation Adjustment in 2024/2 and 3. Provisional Tax Periods

Out of the taxpayers who are obliged to make inflation adjustment in 2024/2 and 3. provisional tax periods, those the total gross sales of which are **below TL 50,000,000 in the income statement of December 31, 2023** (except for taxpayers exclusively engaged in the purchase, sale and production of processed gold, silver on a continuous basis) will not make inflation adjustment.

For taxpayers subject to the special accounting period, those the total gross sales of which are below TL 50,000,000 **in the income statement for the accounting period ending in the calendar year 2024** will not implement inflation adjustment.

Taxpayers subject to both normal and special accounting periods mentioned above **shall not attach period-end balance sheets** to the annexes of the tax returns for the provisional tax periods of 2024/2 and 3.

Since the taxpayers which are listed in subparagraph (9) of paragraph (A) of Article 298(A) of the Tax Procedure Law and which are exclusively engaged in the purchase, sale and production of processed gold and silver on a continuous basis are obliged to make inflation adjustment as of the end of each provisional tax period, these taxpayers will continue to make inflation adjustment even if the total gross sales in the income statement of December 31, 2023 is below TL 50,000,000, including the provisional tax periods of 2024/2 and 3.

On the other hand, taxpayers the total gross sales of which are TL 50,000,000 and above in the income statement of December 31, 2023 will continue to make inflation adjustments in the provisional tax periods of 2024/2 and 3.

2. Taxpayers Which Submit Their Tax Returns for The Provisional Tax Period Of 2024/2 Will Not Make Any Adjustment In Their Statutory Records

Although it is appropriate not to apply inflation adjustment within the scope of the Tax Procedure Law No. 563, taxpayers which have subjected their financial statements for the provisional tax period of 2024/2 to inflation adjustment and have submitted their provisional tax returns for this period as of the publication date of the Communiqué by recording their profits or losses after inflation adjustment in their statutory records, do not need to correct their statutory records for the period in question.

3. Adjustment of Tax Returns for the Provisional Tax Period of 2024/2

Taxpayers which subject their financial statements for the provisional tax period of 2024/2 to inflation adjustment and have submitted their provisional tax returns for this period as of the date of publication of the Communiqué by recording their profit or loss after inflation adjustment in their statutory records although it is appropriate not to make any inflation adjustment within the scope of the Tax Procedure Law No. 563 will declare **the profit / loss difference arising from the inflation adjustment and the profit / loss difference arising from the non-inflation adjustment** in their statements for the provisional tax period of 2024/2 in the "**Non-deductible Expenses**" or "**Other Discounts**" part of the "**Deductible Discounts and Exceptions in Spite of Loss**" section, whichever is appropriate.

Taxpayers covered by this provision are required to submit their tax returns for the temporary tax period of 2024/2 by adjusting their provisional tax bases depending on the profit or loss before inflation adjustment in line with the principles stated above. **No tax penalty or late payment interest will be paid if the adjustment is made within the declaration period.**

Sincerely,

DENGE İSTANBUL YEMİNLİ
MALİ MÜŞAVİRLİK A.Ş.

APPENDIX:

TPL General Communiqué With Serial No. 563

(*) 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 to be incurred as a result of transactions to be made solely on the basis of the statements in our circular.

(**) For opinions, criticism and questions about our circulars, please contact our experts below.

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