



CIRCULAR NO: 2025/264eng.

December 25, 2025

NO INFLATION ADJUSTMENT SHALL BE IMPLEMENTED FOR THE 2025, 2026, AND 2027 FISCAL YEARS

The Law Amending the Turkish Penal Code No. 7571 and Certain Laws and Decree-Law No. 631, published in the Official Gazette dated December 25, 2025, and numbered 33118, has introduced a regulation regarding the postponement of year-end inflation adjustments. Pursuant to the provision of Provisional Article 37 added to the Tax Procedure Law by Law No. 7571;

- For the 2025 accounting period, including provisional tax periods, and for the 2026 and 2027 accounting periods (for those with specially designated accounting periods, for the accounting periods ending in 2026, 2027, and 2028), regardless of whether the conditions for adjustment set forth in Article 298 of the Tax Procedure Law are met, financial statements shall not be subject to inflation adjustment. As is known, the Tax Procedure Law (VUK) stipulated that taxpayers (excluding those exclusively engaged in the purchase, sale, and manufacture of processed gold and silver) would not apply inflation adjustments in the fourth provisional taxation period of 2025.
- The President has been granted the authority to extend the above-mentioned postponement periods, including provisional tax periods, for up to three accounting periods.
- For the purpose of applying paragraph (C) of Duplicated Article 298, periods specified as not subject to inflation adjustment (including periods extended under the authority) shall be considered periods in which the conditions for inflation adjustment have not been met.

- Taxpayers engaged exclusively in the purchase, sale, and manufacture of processed gold and silver, as covered by subparagraph (9) of paragraph (A) of Repeated Article 298 of the Tax Procedure Law, are required to apply inflation adjustments (at the end of each provisional tax period) regardless of the conditions set forth in subparagraph (1) of the aforementioned paragraph. Therefore, they will continue to implement inflation adjustments in the provisional tax periods, including 2025 and subsequent accounting periods.

The regulations explicated above entered into force on December 25, 2025.

Sincerely,

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

(*) 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.

Erkan YETKİNER
Certified Public Accountant
Forvis Mazars, Partner

Tufan SEVİM
Certified Public Accountant
Forvis Mazars, Partner