

**COVID-19: Summary of financial support available to companies in Turkey**  
27 March 2020

Measures	Scope
<b>Tax Liability Measures</b>	
<p><b>Current Income Tax and VAT Postponements</b></p>	<p>Pursuant to a recent Tax Procedural Law Circular (number 125):</p> <ul style="list-style-type: none"> <li>▪ The deadline for 2019 Annual Income Tax declarations, which should be submitted by 31 March 2020, and payment of taxes due is postponed until 30 April 2020.</li> </ul> <p>Pursuant to a recent Tax Procedural Law Circular (number 126):</p> <ul style="list-style-type: none"> <li>▪ The deadline for VAT declarations that should be submitted by 26 March 2020 and payment of taxes due is postponed until 24 April 2020.</li> <li>▪ The deadline for “Form Ba” and “Form Bs” declarations for the month of February, which should be submitted by 31 March 2020, is postponed until 30 April 2020.</li> <li>▪ The deadline for the creation and signing of e-Books and downloading of the “Electronic Book Licenses” to the IT System of the Revenue Administration, i.e., 31 March 2020, is postponed until 30 April 2020.</li> </ul> <p>Accordingly, obligations to meet current tax liabilities have been postponed.</p>
<p><b>Future Tax Obligations (Force Majeure Categories)</b></p>	<p>As per a recent communiqué, the following taxpayers are considered within the scope of force majeure between 1 April 2020 and 30 June 2020: taxpayers who are obliged to pay income tax on their commercial, agricultural and occupational earnings and taxpayers that are directly affected by the outbreak and have their principal field of business in the following sectors and/or industries—retail (including shopping malls); health services; furniture production; the iron, steel and metal industry; mining and quarrying; construction services; industrial kitchen manufacturing; automotive production and trade; OEM manufacturing for the automotive industry; car rental; logistics including warehousing activities and transportation; artistic services such as cinemas and theatres; publishing activities of books, newspapers, magazines and similar printed products including printing activities; accommodation activities including tour operators and travel agents; food and beverage services such as restaurants and coffee houses; textile and outfitting production and trade activities; event and organisation services including human resources; taxpayers whose principal fields of business are temporarily suspended by the measures of the Ministry of Internal Affairs; and taxpayers who are under mandatory lockdown due to being over the age of 65 or having chronic disease.</p> <p>The deadline for the following declarations that should be submitted/uploaded by the above-mentioned taxpayers in April, May and June is extended until 27 July 2020:</p> <ul style="list-style-type: none"> <li>▪ Withholding tax declaration</li> <li>▪ VAT declaration</li> </ul>

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	<ul style="list-style-type: none"> <li>▪ Form “Ba-Bs” notifications and</li> <li>▪ Creating and signing of e-Books and “Electronic Book Licenses”</li> </ul> <p>The payment dates for taxes due based on these declarations are postponed for six months as follows:</p> <ul style="list-style-type: none"> <li>▪ April declarations until 27 October 2020;</li> <li>▪ May declarations until 27 November 2020; and</li> <li>▪ June declarations until 28 December 2020.</li> </ul>
<p><b>CPA Reports</b></p>	<p>Pursuant to a recent official circular, the deadline for the submission of CPA (Certified Accountant) approval reports, which should be submitted by 30 June 2020, is extended for two months. No announcement was made on an extension of deadlines for reports due after 30 June 2020.</p>
<p><b>Business Life Measures</b></p>	
<p><b>Reduced Hours Working Pay</b></p>	<p>Pursuant to the new regulation, conditions for employees to qualify for the reduced working hours employment package from the state (through İşkur, the Turkish Employment Agency) have been eased, especially for those businesses that have suffered significantly due to COVID-19.</p> <p>Qualifying employees must have been employed continuously for at least 60 days and a minimum of total 450 working days in the three years prior to the date of application for reduced hours employment pay. Only employers that have not reduced their workforce due to the economic downturn will be eligible to apply for this payment package for their employees (excluding terminations due to performance and moral issues) until 30 June 2020.</p> <p>The state effectively pays 60% of qualifying employees’ reduced hourly wages up to the applicable ceiling rates. The reduced hours working pay to be calculated in this regard should not exceed 150% of the monthly gross salary.</p>
<p><b>Make-up for Lost Working Hours</b></p>	<p>Article 64 of Turkish Labour Law has been amended to increase the lost working days compensation period from two months to four months, during which employers can enforce make-up hours to recover losses from business interruption.</p> <p>The employer will need to substantiate that the workplace was fully closed, that working hours were drastically reduced or that employees were granted mandatory leave due to the outbreak. The president retains the right to extend this compensation period from four months to eight months.</p>
<p><b>Social Security</b></p>	<p>Pursuant to an amendment to the Social Security and General Health Insurance Law (No. 5510), for part-time, on-call and hourly-based working employees who work for 20 days or less per month, the 30-day condition of the general health insurance premiums pertaining to missed days to be completed has been changed to apply only for those aforementioned employees who work for eight days or less per month.</p>

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<b>Workplace Tenancy Rents</b>	Lessors will not be able to terminate leases or commence eviction processes in relation to workplace tenancies for failure to pay rent during the period between 1 March 2020 and 30 June 2020.								
<b>Support Loans</b>									
<b>State Banks</b>	<p>Ziraat Bank, Halkbank and Vakıfbank announced that they will provide “Stay in Business Support Loans” to all companies in all sectors for their working capital needs. The prerequisite for being eligible to receive this loan is not to have reduced the number of registered employees as at the end of February 2020. The loans will come with a grace period of six months for the principal and interest, a term of 36 months and annual interest rate of 7.5%. Loan amounts will be as follows:</p> <table border="1" data-bbox="438 790 1388 1077"> <thead> <tr> <th>ANNUAL REVENUE (TL)</th> <th>MAXIMUM LOAN AMOUNT (TL)</th> </tr> </thead> <tbody> <tr> <td>0-25 million</td> <td>10 million</td> </tr> <tr> <td>25-125 million</td> <td>25 million</td> </tr> <tr> <td>More than 125 million</td> <td>100 million</td> </tr> </tbody> </table> <p>Furthermore, the above-mentioned banks declared that the Treasury Supported Credit Guarantee Fund (“CGF”) Surety will be extended to companies in need of a surety to apply for a loan. The “Economic Recovery Program” declared by the state increases the current CGF limit from TL 25 billion to TL 50 billion.</p>	ANNUAL REVENUE (TL)	MAXIMUM LOAN AMOUNT (TL)	0-25 million	10 million	25-125 million	25 million	More than 125 million	100 million
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<b>Ziraat Bank</b>	<p>has stated:</p> <ul style="list-style-type: none"> <li>▪ payments of instalments, interest and principal not paid until 31 March will be postponed;</li> <li>▪ existing loans will be restructured to grant a grace period of six months;</li> <li>▪ the grace period for seasonal sectors such as tourism will be extended up to 12 months;</li> <li>▪ additional loan limits will be provided to cover for salary expenses for three months, as long as the company has not reduced its workforce;</li> <li>▪ the corporate credit card limits of the companies will be increased.</li> </ul>								
<b>Vakıfbank</b>	<p>has stated:</p> <ul style="list-style-type: none"> <li>▪ personal loan customer payments of instalment and credit cards will be extended for up to three months;</li> <li>▪ long-term loans in the amount of three months’ salary expenses will be made available to companies;</li> <li>▪ loans of the most affected sectors will be restructured, including a grace period of up to 12 months;</li> </ul>								

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	<ul style="list-style-type: none"> <li>▪ cash management limits of companies will be increased and a grace period of three months and instalments up to 12 months will be granted for payments to be made using such limits;</li> <li>▪ flexibility will be provided to companies in terms of all loan instalments until 30 June.</li> </ul>
<b>Halkbank</b>	<p>has stated:</p> <ul style="list-style-type: none"> <li>▪ payments of instalments, interest and principal not paid until 31 March will be postponed;</li> <li>▪ debt payments of merchants and craftsmen will be postponed for three months without interest;</li> <li>▪ loans of the bank's customers will be restructured, with a grace period of up to six months;</li> <li>▪ loans of the most affected sectors will be extended for up to 12 months;</li> <li>▪ additional loan limits will be provided to cover for salary expenses for three months, as long as the company has not reduced its workforce;</li> <li>▪ corporate credit card limits of the companies will be increased.</li> </ul>
<b>İş Bank</b>	<p>has stated:</p> <ul style="list-style-type: none"> <li>▪ payments of instalment, interest and principal will be extended until 30 June if applied by 30 April;</li> <li>▪ all sectors will be supported with grace periods on payments, particularly but not exclusively tourism, logistics, shopping malls and retail;</li> <li>▪ SMEs and micro enterprises will be supported with existing loan limits and additional loan limits based on need to fulfil prior financial obligations before the outbreak;</li> <li>▪ an additional loan limit will be provided to cover for three-month salary expenses, provided that the company has not reduced its workforce;</li> <li>▪ no commission will be taken from digital EFT/money orders until 30 April (including money orders from card to card);</li> <li>▪ credit card limits of customers will be increased in case needed for shopping, especially for health and food services;</li> <li>▪ POS device and Cash Register Device fees to be postponed by three months.</li> </ul>
<b>QNB Finansbank</b>	<p>has stated:</p> <ul style="list-style-type: none"> <li>▪ if private and corporate customers experience difficulty in paying back existing loans, payments of instalment, interest and principal will be extended for three months upon request (requires a call to the Call Centre);</li> <li>▪ restructuring will be provided with a grace period of six months to a year to companies in seasonal sectors and experiencing cash flow difficulties;</li> </ul>

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	<ul style="list-style-type: none"> <li>▪ the contactless, un-encoded transaction limit is increased from TL 120 to TL 250.</li> </ul>
<b>Akbank</b>	<p>has stated:</p> <ul style="list-style-type: none"> <li>▪ payments of instalments, interest and principal to be made by 30 April will be extended until 30 June with the same conditions, if requested;</li> <li>▪ no commission will be taken from EFT and money orders to be made through mobile, internet and ATMs until 30 April;</li> <li>▪ the free ATM withdrawal limit is increased to TL 5,000 until 30 April;</li> <li>▪ transactions such as withdrawal, depositing, account balance viewing and credit card payments from common ATMs are free until 30 April.</li> </ul>
<b>YapıKredi</b>	<p>has stated:</p> <ul style="list-style-type: none"> <li>▪ if requested, principal, interest and instalment payments of personal and commercial loan products due by 30 April are postponed until 30 June with the same conditions;</li> <li>▪ the daily banking needs and commercial activities of personal and corporate clients are supported by current limits;</li> <li>▪ EFT/money orders and withdrawal/depositing to be made without cards and through mobile, internet and ATMs are free for a month.</li> </ul>
<b>Garanti BA</b>	<p>has stated:</p> <ul style="list-style-type: none"> <li>▪ as per the needs of customers, loan principal, interest and instalment payments are postponed until 30 June;</li> <li>▪ principal payments of existing commercial loans are extended for up to six months and will then be restructured in accordance with cash flows;</li> <li>▪ if needed, proactive limits will be provided to SMEs and micro enterprises on top of existing limits;</li> <li>▪ in order to support SME cash flows, flexibilities in supplier financing limits will be provided;</li> <li>▪ consumer loans and additional account payments of personal customers are postponed for three months and credit card payments of such customers will be eased;</li> <li>▪ companies in need of economic support due to the outbreak will be granted grace periods and expenses and commissions collected from such companies will be reassessed;</li> <li>▪ no commission will be taken from EFT and money orders to be made through mobile, internet and ATMs until 30 April;</li> <li>▪ the free ATM withdrawal limit is increased to TL 5,000 until 30 April.</li> </ul>