

## Turkey increases Banking and Insurance Transaction Tax for foreign exchange transactions to 1‰, certain exceptions provided

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Turkey, through Presidential Decision no. 1106, published in the *Official Gazette* dated 15 May 2019, has increased the rate of the Banking and Insurance Transaction Tax (BITT) to be calculated over the sales price of foreign exchange transactions, other than the ones set forth below, as 1‰.

The BITT rate of 0‰ will apply for foreign exchange sales:

- ▶ Between banks and authorized institutions
- ▶ To the Ministry of Treasury and Finance
- ▶ To a loan debtor by banks from which the foreign currency loan is obtained or by banks acting as an intermediary on the obtainment of the foreign currency loan, for the purposes of payment of the foreign currency loan

The BITT rate previously was applied at the rate of 0‰ as of 1 May 2008 for all foreign exchange transactions.

The provisions of the Presidential Decision regarding the BITT rate increase entered into force on the date of publication (15 May 2019).

For additional information with respect to this Alert, please contact the following:

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