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COUNTRY-BY-COUNTRY REPORTING (CbCR) NOTIFICATION OBLIGATION

As mentioned in our Bulletin no. 2020/002, with the [“Decree Regarding the Changes in the Decree about Disguised Profit Distribution through Transfer Pricing”](#) published in the Official Gazette dated 25.02.2020 and numbered 31050, the three-tier reporting obligation regarding the Transfer Pricing stipulated in Action 13 within the scope of the OECD’s Base Erosion and Profit Shifting (BEPS) has been introduced to the Turkish Tax Legislation.

One of the obligations introduced with the Decree is the notification obligation. Accordingly, **even though they are not the parent company**, the group members of a Multinational Enterprise (MNE) that is within the scope of CbCR obligation (consolidated group revenue amounting to EUR 750 million or more) are required to inform the Turkish Finance Administration regularly regarding which company and in which country the CbCR will be made.

It is stated in the Decree that the Notification Obligation must be fulfilled for each year until the end of June of the following year. However, it has been stated that **Notification Obligation specifically for 2019**, which is the transition period, should be fulfilled until **August 31, 2020**.

The information regarding the Notification Obligation is summarized below.



BDO Yayıncılık A.Ş.

Eski Büyükdere Cad. No.14
Park Plaza Kat:4
34398 Maslak/İstanbul
Turkey

Tel: +90 212 365 62 00
Fax: +90 212 365 62 02
e-mail: bdo@bdo.com.tr
www.bdo.com.tr

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CbCR Notification	
Who are Obligated to Notify	Group members of an MNE that is within the scope of CbCR
Content	The information regarding which entity will be the reporting entity - whether it will be the ultimate parent entity or a surrogate entity - as well as the accounting period
Deadline	The mentioned information shall be notified to the Tax Authority by the end of June.
Effective Date	The first CbCR shall be notified to the Tax Authority until August 31, 2020.

Later on, the “*Draft General Communiqué on Disguised Profit Distribution through Transfer Pricing No.4*” was published, and it was stated that the Notification would be submitted electronically via the internet/interactive tax office by filling the “notification form on country-by-country reporting”.

However, the mentioned **Draft** Communiqué was removed from the Revenue Administration website, and the final Communiqué is yet to be published. Therefore, as of today, it has not been stipulated that how the Notification will be fulfilled. The impression we have got from our meetings with the authorities is that the Notification Obligation will be postponed to a date later than August 31, 2020.

Kind regards,