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SUBMISSION DEADLINE OF COUNTRY-BY-COUNTRY REPORTING HAS BEEN POSTPONED

As mentioned in our [Bulletin no.2020/002](#), with the [“Decree Regarding the Changes in the Decree about Disguised Profit Distribution through Transfer Pricing” No.2151](#) published in the Official Gazette dated 25.2.2020 and numbered 31050, the 3-tier reporting obligation regarding the Transfer Pricing has been introduced to the Turkish Tax Legislation.

One of the obligations introduced with the Decree is the Country-by-Country Reporting (CbCR). Accordingly, the relevant report will be submitted to the Administration by the **ultimate Turkish-resident parent entity** of the multinational entity (MNE) group, which is within the scope of the CbCR obligation (consolidated group revenue is EUR 750 million or more). In the event that the ultimate parent entity is not in Turkey and there is no competent authority agreement in force regarding the sharing of CbCR information between the Administration and the country administration of the ultimate parent entity, CbCR must be submitted to the Administration by the **Turkish-resident entity of the MNE group (in case of having more than one entity in Turkey, by one entity on behalf of the others)**.

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On the other hand, as stated in our [Bulletin No.2020/020](#), submission period of

- the first CbCR for the accounting period of 2019, and
- the first CbCR for the special accounting period ending in January 2020, which should be submitted by the end of January 31, 2021

through BTRANS was extended from December 31, 2020 until the end of February 26, 2021.

Accordingly, CbCR should be prepared in the “XML Schema 2” format stipulated by the OECD. You can find the explanations on Schema 2 from the website below.

<https://www.oecd.org/ctp/country-by-country-reporting-xml-schema-user-guide-for-tax-administrations.htm>

This time around, [Circular on Disguised Profit Distribution through Transfer Pricing/3](#) was published on the Revenue Administration website on February 22, 2021:

- **Deadline for submitting the first CbCR of the MNE groups, whose ultimate parent entity or surrogate entity is in Turkey, for the accounting period of 2019 and the special accounting periods ending in January 2020 and February 2020 via BTRANS has been extended until the end of March 31, 2021.**
- **Deadline for submitting the first CbCR of the MNE groups, whose ultimate parent entity or surrogate entity is not in Turkey, for the accounting period of 2019 and special accounting periods ending in January, February, March, April and May 2020 via BTRANS has been extended until the end of June 30, 2021.**

On the other hand, the CbCR, which should be prepared for the special accounting periods ending in March 2020 and later for the MNE groups whose ultimate parent entity or surrogate entity is in Turkey; and which should be prepared for the special accounting periods ending in June 2020 and later for the MNE groups whose ultimate parent entity or surrogate entity is not in Turkey, will be submitted electronically until the end of the twelfth month following the end of relevant special accounting period, as previously stated in the mentioned Decree.

PREVIOUS COUNTRY-BY-COUNTRY REPORT NOTIFICATIONS DO NOT NEED TO BE AMENDED FOR THE COUNTRIES WHOSE COMPETENT AUTHORITY AGREEMENTS HAVE BEEN ACTIVATED LATER

As it is known, in accordance with the explanations made in the section titled “7.4-Country-by-Country Reporting” of the General Communiqué on Disguised Profit Distribution through Transfer Pricing Series No.1, CbCR notification form including whether the members of the MNE group within the scope are the ultimate parent entity or surrogate entity and which entity will report on behalf of the group and information about the accounting period have been submitted by such members electronically via the Internet Tax Office exclusively for the accounting period of 2019 and the special accounting period starting after 1.1.2019, in accordance with the statements in the Internet Tax Office until 11:59 p.m. on 30.10.2020.

According to the statements made in the Circular, entities that submit the CbCR notification form to the Administration for the accounting period of 2019 and the special accounting period starting after 1.1.2019 within the periods specified in the mentioned Communiqué and in accordance with the statements in the Internet Tax Office and the conditions on the submission date do not need to submit the notification form again due to the changes that occurred after this date (including the reporting entity amendment with the competent authority agreement on the exchange of CbCR entering into force).

Kind regards.