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THE COUNTRY-BY-COUNTRY REPORTS (CbCR's) MUST BE SUBMITTED UNTIL 31/12/2021

As we have stated in our [Circular No. 2020/002](#), with the Presidential Decree No. 2151 on the Amendment of the Decision on Disguised Profit Distribution through Transfer Pricing, published on February 25, 2020, the obligation of Country-by-Country Reporting has been included in the Turkish Tax Legislation.

According to this, a MNE group's ultimate parent or surrogate parent entity resident in Turkey with annual consolidated group revenue amounting to EUR 750 million or more according to the financial statements of the accounting period of the prior to the reporting accounting period, shall prepare a CbC report and submit it to the Revenue Administration electronically by the end of the twelfth month after the reported accounting period.

The ultimate parent entity (or surrogate entities) will submit the CbC report only to the financial administrations of their own countries, whereas, in countries where other companies affiliated to the group are resident, no CbC reports will be filed, but only a notification will be provided stating in which country the group's CbC report has been submitted. Then, the financial administration, to which the CbCR is submitted, will share the report with the financial administrations of other countries in which affiliated group companies are resident. Therefore, information sharing in the CbC report will not be through companies, but in the form of financial administrations sharing the report directly with each other.

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In order for the financial administrations to share the report among themselves, a Competent Authority Agreement must be signed between the countries. If there is no Competent Authority Agreement, CbC report sharing between administrations will not be possible.

For instance, if the report exchange does not start within the scope of the Competent Authority Agreement between Turkey and the administration of the country where the parent entity of the MNE group with a consolidated group revenue of 750 million Euros and above as of 31.12.2021, the group company resident in Turkey may also be required to submit a CbC report in Turkey.

Or, if the ultimate parent entity of the MNE group with a consolidated group revenue of 750 million Euros or more is resident in Turkey, it may also be required to provide a CbC report in countries where there are companies affiliated to the group and Turkey has not initiated an information exchange.

Turkey signed the “*Multilateral Competent Authority Agreement on Exchange of Country-By-Country Reports*” (Competent Authority Agreement) on 30 December 2019. With the [Presidential Decree](#) No. 3038 published in the (Repeated) Official Gazette dated 01 October 2020 and numbered 31261, the Competent Authority Agreement has been approved by the President. In this way, it has become possible for Turkey to share the CbC Report with other countries. These countries can be tracked on the OECD [website](#).

The CbC report consists of 3 tables, and the tables contain the following information:

- **Table 1-** Country-based distribution of income, taxes and business activities; income, profit/loss before tax, income tax/CIT paid, income tax/CIT accrued, capital, retained earnings, number of employees and tangible assets other than cash and cash equivalents related to each country in which the MNE group operates,
- **Table 2-** Country-based list of all entities included in the MNE group; name/title of each MNE group company on country basis where they are resident, and if the country where the company is established is different from the country where the company is resident in terms of taxation, the name of the country and main activities of each company,
- **Table 3-** Additional explanations; any additional clarifications required when completing the tables.

CbCR tables will be filled in accordance with the explanations in the Revenue Administration Information Transfer System (BTRANS) application and will be submitted electronically in xml format. BTRANS application available at the www.gib.gov.tr website will be used for submission. In order for the taxpayers to send data via BTRANS, they must first obtain a user code and a password.

As BDO Turkey, we also provide services with our “BDO CbCR Converter” that we have developed for converting Country-by-Country Reports (CbCR), prepared in Excel file format, into the XML format in accordance with the Schema 2 explained by OECD.



With BDO CbCR Converter, CbC reports prepared in Excel file are easily converted to xml format in accordance with Scheme 2 described by the OECD by following 3 simple steps on the [CbCR Converter Tool](#) web page.

You may find more details on our [web page](#).

Kind regards.