

## **VAT EXEMPTION TO FOREIGN HOUSE BUYERS**

Provided that it is applied to the first delivery of immovable properties in the nature of residence or workplace and the price is brought to Turkey in foreign currency, Turkish citizens living abroad for more than six months with a work or residence permit, foreign real persons who are not resident in Turkey and legal persons whose legal and business centre is not in Turkey and who do not earn income in Turkey through a workplace or permanent representative, are exempt from value added tax on the delivery of residences or workplaces.

For VAT exemption, at least 50% of the price before the date of the invoice for the sale, and the remaining part must be brought to Turkey and paid to the seller in foreign currency by the buyer within one year at the latest. It is possible to bring all payments before invoicing too.

The foreign currency abroad is transferred to a bank in Turkey and the transfer is documented with a bank receipt. Although not mandatory, the transfer receipt may include the project name, address and independent section number.

It is also possible for the foreign currency to be transferred to the buyer's account in Turkey from abroad and paid to the seller through this bank account.

It is also possible for the foreign currency abroad to be physically brought to Turkey by the buyer, and in this case, the cash declaration form received from the customs office is used to certify that the foreign currency has been brought to Turkey. In this case, the payment to the seller must be made through a bank and this payment must be documented with a bank receipt. It is also possible to pay the amount brought from abroad in foreign currency to the seller in Turkish Lira.

It is possible for real or legal persons other than buyers to transfer foreign currency to the account of sellers through banks. In this case, the bank receipt must include the buyer and project name, address, independent section number information or a letter of consent must be given to the seller in this direction.

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