

## CLIENT ALERT

EMPLOYMENT | TURKEY

NOVEMBER 2022

### NEW INCOME TAX EXEMPTIONS FOR EMPLOYEES

Below you will find some information on the main amendments introduced pursuant to Law on the Amendment of the Income Tax Law and Certain Laws and Decree Laws ("**the Law**"), published in the Official Gazette dated 9 November 2022.

#### Removal of the obligation to use a meal card

- Article 2 of the Law entered into force at the beginning of November, amending Article 23, paragraph 1, subparagraph 8 of the Income Tax Law No 193. It increases the income tax exemption on the daily meal allowance paid to employees for days worked to TRY 51 excluding VAT for 2022, regardless of the method of payment and purpose of use.

#### Stamp tax exemptions

- A new subparagraph 19 has been added to paragraph 1 of Article 23 of the Income Tax Law No 193. Following this amendment, salaries paid to employees working in construction, repair or assembly works, as well as technical services abroad, will be exempt from income tax and stamp tax. These exemptions apply as long as the payments made to the employees are covered from the earnings of the employers abroad in return for their actual work performed abroad.

#### Salary subsidies not to be included in earnings based on insurance premiums

- According to the Provisional Article 1 of the Law, which entered into force on the publication date, payments of up to TRY 1000 per month made by employers to cover the electricity, natural gas and other heating expenses of employees, in addition to their current salaries or premium-based earnings, will not be included in the premium-based earnings according to the Social Security and General Health Insurance Law No 5510, and will be exempt from income tax under the Income Tax Law No 193 until 30 June 2023.

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*In compliance with Turkish bar regulations, opinions relating to Turkish law matters that are included in this client alert have been issued by Özdirekcan Dündar Şenocak Ak Avukatlık Ortaklığı, a Turkish law firm acting as correspondent firm of Gide Loyrette Nouel in Turkey.*

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