

Türkiye

Türkiye Clarifies Taxation of Investment Income for Individuals

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Türkiye has published a guide clarifying the taxation of income from the disposal and holding of securities, capital market instruments, interest on deposits, repo income, and income from special finance institutions. The Guide for Individual Investors on Implementation of Provisional Article 67 of the Income Tax Law explains the following issues with examples:

- substantial scope of provisional article 67 of the Income Tax Law (PITL):
 - income subject to withholding tax (WHT) under provisional Article 67 of PITL; and
 - income not subject to WHT under provisional article 67 of PITL;
- WHT basis for buying and selling transactions;
- cost of purchase when purchasing the same security at different dates;
- WHT basis for transactions related to securities indexed to foreign currency, gold, or other capital market instruments;
- WHT basis for transactions involving securities or other capital market instruments issued in foreign currency;
- WHT treatment when offsetting trading losses;
- WHT basis for the redemption of a security or other capital market instrument;
- WHT basis for periodic returns;
- WHT basis for loan transactions;
- income derived from shares:
 - taxation of dividends; and
 - taxation of income from trade of shares;
- interest and trading income from government bonds and treasury bills;
- income from private sector bonds/debentures;
- income from lease certificates;
- interest on deposit accounts;
- income from deposit accounts in Participation Banks;
- income from repo;
- income from futures and options contracts;
- income from investment fund shares;
- income from asset-backed securities, mortgage-backed securities, mortgage covered securities, and asset covered securities;
- income from trading of investment company shares;
- taxation of gains from mint certificates;
- taxation of income connected with business activity under provisional article 67 of the PITL;
- liabilities of non-resident individuals under provisional article 67 of the PITL;
- form, time, and place of voluntary declaration of income; and
- examples related to the implementation of provisional article 67 of the PITL.

The Guide for Individual Investors on Implementation of Provisional Article 67 of the Income Tax Law is available [here](#) (as a PDF and in Turkish only).