

Türkiye

Transfer Pricing Country Profile¹

May 2025

		SUMMARY	REFERENCE
The Arm's Length Principle			
1	Does your domestic transfer pricing framework² make reference to the arm's length principle?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Under Article 13(3) of Corporate Income Tax Law (CITL), it is stated that " <i>Arm's length principle means that the price or consideration charged for the purchase or sale of goods or services between related parties should be the price or consideration which would have been occurred in the absence of such a relationship between them.</i> "	Corporate Income Tax Law No. 5520 (CITL) Article 13(3)
2	Does your domestic transfer pricing framework give the OECD Transfer Pricing Guidelines any role or status (e.g. legal binding effect, subsidiary application in the absence of domestic legislation, source of interpretation of domestic legislation and/or treaty provisions, other)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The legal ground for Article 13 of the CITL states that transfer pricing legislation is prepared by taking into account international developments, particularly the OECD Transfer Pricing Guidelines.	Corporate Income Tax Law No. 5520 (CITL) Article 13 Rationale

¹ Information in transfer pricing country profiles is provided directly by jurisdictions. By publishing the transfer pricing country profiles on the OECD website, the OECD does not certify the accurateness of the information provided therein. Importantly, transfer pricing country profiles published on the OECD website are made available to stakeholders for information purposes only, and are not intended to be used in substitution to a jurisdiction's legal instruments, jurisprudence, or administrative guidance or practice nor relied on as an accurate and complete description of domestic law.

² For purposes of transfer pricing country profiles, the term "domestic transfer pricing framework" refers to a jurisdiction's domestic legislation, regulations, administrative guidance or practice, jurisprudence or governing general principles in the jurisdiction.

3	<p>Does your domestic transfer pricing framework provide for a definition of related parties applicable for transfer pricing purposes? If so, please provide the definition contained under your domestic transfer pricing framework.</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>In general, related party refers to:</p> <ul style="list-style-type: none"> • Shareholders of the corporation, • Individuals or legal entities related to the corporation or its shareholders, • Individuals or legal entities which control the corporation directly or indirectly in terms of management, supervision or capital, • Individuals or legal entities which are controlled by the corporation directly or indirectly in terms of management, supervision or capital, • Shareholder's spouses, • Relatives of the shareholders or their spouses including upper and lower lineage with third degree relationship by blood or marriage. <p>Article 13(2) also states that “<i>By considering whether the taxation capacity of the source jurisdiction's tax system is the same as that of Türkiye and considering the exchange of information, all transactions made with persons located in jurisdictions or regions to be announced by the President will be deemed as if they were made with related parties</i>”.</p>	<p>Corporate Income Tax Law No. 5520 (CITL) Article 13(2)</p> <p>Details are provided in Section 3 of Transfer Pricing General Communiqué No.1</p>
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Transfer Pricing Methods

4	<p>Does your domestic transfer pricing framework provide for transfer pricing methods to be used in respect of transactions between related parties?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If affirmative, please check those provided for in your legislation:</p> <table border="1" data-bbox="676 1129 1529 1287"> <thead> <tr> <th>CUP</th><th>Resale Price</th><th>Cost Plus</th><th>TNMM</th><th>Profit Split</th><th>Other (If so, please describe)</th></tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr> </tbody> </table> <p>The most appropriate method shall be selected to determine the arm's length price in transactions with related parties. However, if it is not possible to determine the</p>	CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (If so, please describe)	<input checked="" type="checkbox"/>	<p>Corporate Income Tax Law No. 5520 (CITL) Article 13(4)</p> <p>Details are provided in Section 5 of Transfer Pricing General Communiqué No.1</p>					
CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (If so, please describe)									
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>									

		arm's length price by using these methods, taxpayers may use other methods which are appropriate to the nature of the transactions.	
5	Which criterion is provided for in your domestic transfer pricing framework for the application of transfer pricing methods?	<p>Please check all that apply:</p> <p><input type="checkbox"/> Hierarchy of methods</p> <p><input checked="" type="checkbox"/> Most appropriate method</p> <p><input type="checkbox"/> Other (<i>if so, please explain</i>)</p>	<p>Corporate Income Tax Law No. 5520 (CITL) Article 13(4)</p> <p>Details are provided in Section 5 of Transfer Pricing General Communiqué No.1</p>
		There is no hierarchy of methods. Taxpayers must use the method which is most appropriate to the nature of the transaction. Türkiye follows the OECD TPG.	
6	Does your domestic transfer pricing framework contain specific guidance on commodity transactions?	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> For controlled transactions involving commodities, the guidance contained in paragraphs 2.18-2.22 of the TPG is followed.</p> <p><input type="checkbox"/> Domestic transfer pricing framework provides for the use of a specific method for controlled transactions involving commodities (<i>if so, please explain</i>)</p> <p><input checked="" type="checkbox"/> No</p>	
		Türkiye's domestic transfer pricing framework does not contain specific guidance on commodity transactions.	
Comparability Analysis			
7	Does your jurisdiction follow (or largely follow) the guidance on comparability analysis outlined in Chapter III of the TPG?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	<p>Details are provided in Section 4 of Transfer Pricing General Communiqué No.1</p>
		Transfer Pricing General Communiqué No.1 includes a clear explanation of the comparability analysis which is in line with Chapter I D.I of the OECD TPG.	
8		<input type="checkbox"/> Yes	

	Is there a preference in your jurisdiction for domestic comparables over foreign comparables?	<input checked="" type="checkbox"/> No There is no explicit prohibition against the use of foreign comparables. Depending on the facts and circumstances of the controlled transaction, the most appropriate comparables are preferred.	
9	Does your domestic transfer pricing framework permit the use of secret comparables for transfer pricing assessment purposes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No There is no specific prohibition of using secret comparables.	
10	Does your domestic transfer pricing framework allow or require the use of an arm's length range and/or statistical measure (e.g. the interquartile range or other percentiles) for determining arm's length remuneration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Depending on the facts and circumstances of the controlled transaction, the use of both arm's length range and other statistical tools (interquartile range, weighted average, median, multiple year data etc.) are allowed.	Details are provided in Section 4 of Transfer Pricing General Communiqué No.1
11	Are comparability adjustments required under your domestic transfer pricing framework?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Comparability adjustments are required depending on the facts and circumstances of the case, if necessary.	Details are provided in Section 4 of Transfer Pricing General Communiqué No.1
Intangible Property			
12	Does your domestic transfer pricing framework contain guidance specific to the pricing of controlled transactions involving intangibles?	<input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VI of the TPG? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (please provide further explanations below) <input type="checkbox"/> No	Details are provided in Section 10 of Transfer Pricing General Communiqué No.1

		The arm's length principle also applies to intangibles. Section 10 of Transfer Pricing General Communiqué includes specific provisions involving intangibles.	
13	Are there any other rules outside your transfer pricing framework that are relevant for the pricing of controlled transactions involving intangibles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Hard-to-Value Intangibles			
14	Does your domestic transfer pricing framework contain guidance specific to hard-to-value intangibles (HTVI)?³	<input type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow the guidance on HTVI in Chapter VI of the TPG? <input type="checkbox"/> Yes <input type="checkbox"/> No (please provide further explanations below) <input checked="" type="checkbox"/> No	
Intra-group Services			
23	Does your domestic transfer pricing framework provide guidance specific to intra-group services transactions?	<input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VII of the TPG? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (please provide further explanations below) <input type="checkbox"/> No	Details are provided in Section 11 of Transfer Pricing General Communiqué No.1 The arm's length principle also applies to intra-group service transactions.

³ In the case of jurisdictions that do not apply the HTVI approach (i.e. they responded “no” to question 14), it is not necessary to respond to the remaining questions in the HTVI section and these questions will not be published as part of jurisdiction’s transfer pricing country profile.

24	<p>Does your domestic transfer pricing framework provide for or allow the application of a simplified approach for low value-adding intra-group services?</p>	<p><input type="checkbox"/> Yes. If so, does it follow (largely follow) the low value-adding services approach in Chapter VII?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input checked="" type="checkbox"/> No</p>	
25	<p>Are there any other rules outside your transfer pricing framework for pricing intragroup services?</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	
Financial Transactions			
26	<p>Does your domestic transfer pricing framework provide guidance specific to financial transactions?</p>	<p><input type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter X of the TPG?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input checked="" type="checkbox"/> No</p>	<p>Türkiye's domestic transfer pricing framework does not contain specific provisions to financial transactions. However, the arm's length principle also applies to financial transactions.</p>
27		<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
	<p>Are there any other rules outside your transfer pricing framework that are relevant for the tax treatment of financial transactions? (e.g. whether your jurisdiction has implemented the measures in BEPS Action 4 to limit</p>	<p>To be applied to the income of the taxation period starting from 1 January 2021 and onwards, the enterprises whose foreign liabilities exceed their equity, 10% of the total expenses and cost elements related to the foreign liabilities used in the enterprise under the names of interest, commission, maturity difference, dividend,</p>	

	<p><i>interest deductions and other financial payments or any similar rules)</i></p>	<p>exchange difference and similar items related to the foreign liabilities used in the enterprise, excluding those added to the cost of the investment, are not considered as deduction in determining the corporate earnings. Within the scope of the Article, credit institutions, financial institutions, financial leasing, and factoring companies are excluded.</p>	
Cost Contribution Arrangements			
28	Does your jurisdiction allow cost contribution arrangements?	<p><input type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VIII of the TPG?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input checked="" type="checkbox"/> No</p>	
Transfer Pricing Documentation			
29	Does your domestic transfer pricing framework require the taxpayer to prepare transfer pricing documentation?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><i>If affirmative, please check all that apply:</i></p> <p><input checked="" type="checkbox"/> Master file consistent with Annex I to Chapter V of the TPG</p> <p><input checked="" type="checkbox"/> Local file consistent with Annex II to Chapter V of the TPG</p> <p><input checked="" type="checkbox"/> Country-by-country report consistent with Annex III to Chapter V of the TPG</p> <p><input checked="" type="checkbox"/> Specific transfer pricing returns (separate or annexed to the tax return)</p> <p><input checked="" type="checkbox"/> Other (specify):</p>	<p>Details are provided in Section 7 of Transfer Pricing General Communiqué No.1</p>
30	Please briefly explain the relevant requirements related to each transfer pricing documentation requirement (i.e. timing for preparation or submission, languages, etc.)	<p>There are currently six types of documentation requirements:</p> <ol style="list-style-type: none"> 1. Master File which is prepared by corporate income taxpayers who are affiliated to a multinational enterprise group and whose both asset size in the balance sheet and net sales amount in the income statement as an attachment to the annual CIT return related to the preceding fiscal year are 	<p>Details are provided in Sections 6 and 7 of Transfer Pricing General Communiqué No.1</p>

	<p>500 million Turkish Lira and above until the end of the fiscal year following the relevant fiscal year and after the end of this period, it must be submitted, if requested, to the Turkish Revenue Administration or other tax authorities entitled to make tax examination.</p> <ol style="list-style-type: none"> 2. Annual Transfer Pricing Report (Local File) which must be prepared by all corporate income taxpayers until the deadline for filing the annual CIT return and, upon request, submitted to the Turkish Revenue Administration or other tax authorities entitled to make tax examination. 3. Country-by-Country Reporting: According to the consolidated financial statements of the immediately preceding fiscal year prior to reporting fiscal year, the ultimate parent entity or surrogate parent entity, resident in Türkiye, of the multinational enterprise group whose total consolidated group revenue is equal to and exceeds 750 million Euro prepares country-by-country reporting until the end of the twelfth month after the reporting fiscal year and files it electronically to the Turkish Revenue Administration. 4. Notification Form Related to Country-by-Country Reporting: The members of the multinational enterprise group that is included in the scope of CbCR inform the Turkish Revenue Administration about whether they are the ultimate parent entity or surrogate parent entity and which entity will be reporting CbCR on behalf of the group and its fiscal year. This information will be provided electronically on an annual basis through the Internet Tax Office by the end of the sixth month after the reporting fiscal year. 5. Transfer Pricing, Controlled Foreign Corporations and Thin Capitalisation Form which must be filled out by all corporate income taxpayers and submitted to the relevant tax office as an attachment to the annual CIT return. However, when the total transaction volume for each related party does not exceed TL 30 000, filling out the transfer pricing section of the form is not mandatory. 6. Taxpayers having an APA should prepare an Annual APA Report every year during the term of the APA and submit it to the Turkish Revenue Administration before the deadline for filing the annual CIT return. <p>As a general rule, the tax administration or tax inspectors need to provide at least fifteen days for taxpayers to submit any written information including transfer pricing documentation.</p> <p>The transfer pricing documentation should be prepared in the Turkish language. If the documents are prepared in a foreign language, a Turkish version is required.</p>	
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31	<p>Does your domestic transfer pricing framework provide for specific transfer pricing penalties and/or compliance incentives regarding transfer pricing documentation?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>There are no specific transfer pricing penalties regarding transfer pricing documentation. The provisions of Tax Procedural Law regarding irregularity penalties apply.</p> <p>According to Article 13(8) of the CITL, if the transfer pricing documentation requirements are fulfilled timely and properly, tax penalties in case of a tax assessment due to the application of non-arm's length prices will be reduced by 50%.</p>	<p>Article (repetitive) 355 of the Tax Procedural Law No.213</p> <p>Corporate Income Tax Law No. 5520 (CITL) Article 13(8)</p> <p>Details are provided in Section 8 of Transfer Pricing General Communiqué No.1</p>
32	<p>Does your domestic transfer pricing framework provide for exemption from transfer pricing documentation obligations?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>All corporate taxpayers have to prepare the transfer pricing documentation. Personal income taxpayers (individuals) do not have to prepare the transfer pricing documentation. However, upon the request of the tax administration or tax inspectors, personal income taxpayers also have to provide information involving related party transactions.</p> <p>Regarding the Transfer Pricing section of the “Transfer Pricing, Controlled Foreign Corporations and Thin Capitalisation Form”, when the total transaction volume for each related party does not exceed TL 30 000, filling out this section of the form is not mandatory.</p>	<p>Details are provided in Section 7 of Transfer Pricing General Communiqué No.1</p>

Administrative Approaches to Avoiding and Resolving Disputes

33	<p>Which mechanisms are available in your jurisdiction to prevent and/or resolve transfer pricing disputes?</p>	<p>Please check those that apply:</p> <p><input type="checkbox"/> Rulings <input type="checkbox"/> Enhanced engagement or cooperative compliance programmes <input checked="" type="checkbox"/> Advance Pricing Agreements (APA) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Unilateral APAs <input checked="" type="checkbox"/> Bilateral APAs <input checked="" type="checkbox"/> Multilateral APAs </p>	<p>Corporate Income Tax Law No. 5520 (CITL) Article 13(5)</p> <p>Details are provided in Section 6 of Transfer Pricing General Communiqué No.1</p> <p>Türkiye's MAP Guideline</p> <p>Türkiye's MAP Profile</p>
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	<p><input type="checkbox"/> International Compliance Assurance Programme (ICAP)</p> <p><input checked="" type="checkbox"/> Mutual Agreement Procedures</p> <p><input type="checkbox"/> Other (<i>please specify</i>):</p>	
	<p>Türkiye has a formal APA programme in place under which it is allowed to enter into unilateral, bilateral and multilateral APAs. There is no timeline for the filing of an APA request. APAs are entered into for a period of a maximum of five years. Türkiye's APA programme also includes a roll-back for bilateral APA requests in appropriate cases.</p> <p>A roll-back of a bilateral APA is possible for those fiscal years that are still open under Turkey's domestic statute of limitation (where the relevant facts and circumstances in the earlier tax years are the same).</p> <p>In addition, Türkiye's MAP guidance is available at the Turkish Revenue Administration's official website. Both this guidance and Türkiye's MAP profile contain the relevant information such as MAP regulations and procedures.</p>	

Simplified and Streamlined Approach for Baseline Marketing and Distribution Activities

34	Does your domestic transfer pricing framework allow the application of the simplified and streamlined approach for baseline marketing and distribution activities in the relevant Annex of Chapter IV of the TPG⁴?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Other (please elaborate)</p>	
37	Does your jurisdiction respect the outcome of the application of the simplified and streamlined approach by a covered jurisdiction in line with the Inclusive Framework political commitment?	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>N/A: Türkiye is currently working on this issue.</p>	

⁴ In the case of jurisdictions that do not apply the simplified and streamlined approach (i.e. they responded "no" to question 34), it is not necessary to respond to questions 35, 36 and 38 and these questions will not be published as part of jurisdiction's transfer pricing country profile.

Safe Harbours and Other Simplification Measures

39	<p>Does your jurisdiction provide for any safe harbours or other simplification measures in respect of certain industries, types of taxpayers, or types of transactions (not listed in other sections of this questionnaire)?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Other Legislative Aspects or Administrative Procedures			
40	<p>Does your domestic transfer pricing framework allow downward corresponding adjustments in the absence of a mutual agreement procedure (e.g. unilateral corresponding adjustments)?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
41	<p>Does your domestic transfer pricing framework allow or require taxpayers to make year-end adjustments?</p>	<input type="checkbox"/> Yes. Year-end adjustments are required. <input checked="" type="checkbox"/> Yes. Year-end adjustments are allowed. <input type="checkbox"/> No	<p>Corporate Income Tax Law No. 5520 (CITL) Article 13(6)</p> <p>Details are provided in Section 9 of Transfer Pricing General Communiqué No.1</p>
42	<p>Does your domestic transfer pricing framework provide for secondary adjustments?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Corporate Income Tax Law No. 5520 (CITL) Article 13(6)</p> <p>Details are provided in Section 9 of Transfer Pricing General Communiqué No.1</p>

Attribution of Profits to Permanent Establishments

43	<p>Which version of Article 7 of the OECD Model Tax Convention on Income and on Capital do your tax treaties contain?</p>	<p><input checked="" type="checkbox"/> Article 7 as it read before 2010.</p> <p><input type="checkbox"/> If so, please indicate in how many treaties: 92</p> <p><input type="checkbox"/> Article 7 as it reads after 2010.</p> <p><input type="checkbox"/> If so, please indicate in how many treaties:</p> <p><input type="checkbox"/> Other (please provide additional details)</p>	<p>Türkiye reserves the right to use the previous version of Article 7, i.e. the version that was included in the Model Tax Convention immediately before the 2010 update of the Model Tax Convention.</p>
44	<p>For tax treaties containing Article 7 as it read before 2010, does your jurisdiction apply the authorized OECD approach (AOA)?</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No (please explain the approach used and which tax treaties are concerned)</p>	<p>Turkish Taxation System</p>
45	<p>Does your domestic transfer pricing framework contain specific guidance for the attribution of profits to permanent establishments of non-resident entities? If so, please provide a summary of the main features of this guidance.</p>	<p><input type="checkbox"/> Yes, they follow the AOA as described in the 2008 Report on the Attribution of Profits to Permanent Establishments</p> <p><input type="checkbox"/> Yes, they follow the AOA as described in the 2010 Report on the Attribution of Profits to Permanent Establishments</p> <p><input type="checkbox"/> Yes, they do not follow the AOA (please provide a summary of the main features of these rules)</p> <p><input checked="" type="checkbox"/> No</p>	
Other Relevant Information			
46	<p>Other legislative aspects or administrative procedures regarding transfer pricing</p>	<p>N/A</p>	

47	Other relevant information (e.g. <i>whether your jurisdiction is preparing new transfer pricing regulations, or other relevant aspects not addressed in this questionnaire</i>)	Türkiye is a member of the Convention on Mutual Administrative Assistance in Tax Matters (MAAC) and one of the signatories of the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports (CbC MCAA).	
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For more information, please visit: <https://www.oecd.org/en/topics/sub-issues/transfer-pricing/transfer-pricing-country-profiles.html>