



# PRIMETAX GUIDE: TURKISH STAMP TAX

## Introduction

Understanding the Stamp Tax Law is crucial for all parties involved in document execution in Türkiye. Unless any exemptions outlined within the law apply, documents listed in Table I attached to the law and executed in Türkiye are subject to stamp tax. The term "documents", as used in the Stamp Tax Law, refers to any written instruments, including those drawn up with a signature or an equivalent mark, that are used to establish or define something. It's important to note that documents executed outside Türkiye are also subject to stamp tax if (i) the provisions of those documents are benefitted from in Türkiye or (ii) if the documents are submitted to Turkish authorities, regardless of whether the contract involves non-Turkish parties.

The stamp tax applies to various documents, such as contracts, financial statements, and payrolls. The tax rate varies between 0.189% and 0.948% of the monetary value stated in the document. The stamp tax amount is subject to an annual ceiling set by the Stamp Tax Law. For the year 2025, the ceiling is TL 24,477,478.90. Only one signed copy of the agreement is liable for stamp tax.

## Responsibility for Payment

The stamp tax is payable by the parties who sign the document. According to Article 24 of the Stamp Tax Law, the parties to an agreement are jointly and severally responsible for paying the stamp tax and any penalties or delay interest. If one party pays the full amount of the stamp tax, the other party will no longer be liable. As specified in Article 22 of the law, companies and institutions identified as taxpayers by the Ministry must declare their stamp tax payments to the tax office by the 26th day of the month following the date of the agreement's execution, and they must make the payment by the 26th day of the same month. For all other companies and individuals, including non-residents, the declaration and payment must occur within 15 days after the agreement is executed. If a non-resident entity pays the stamp tax, the payment should be made within 15 days of the contract's execution date. However, if a Turkish counterparty makes the payment and the non-resident entity reimburses the Turkish party, the deadlines for companies and institutions designated by the Ministry will apply.

## Failure to Pay Stamp Tax

Failure to pay the stamp tax does not affect the agreement's validity, but it does impact its enforceability in Turkish courts. The agreement cannot be admitted as evidence unless the stamp tax has been paid. A tax loss penalty equal to the unpaid stamp tax will also be imposed. For example, if the stamp tax is TL 100, the penalty will also be TL 100. Furthermore, interest will accrue at 4.5% monthly on the unpaid stamp tax amount but not on the penalty. The interest starts accumulating on the first overdue date for payment, and it is calculated monthly. However, if the unpaid stamp tax is paid before the end of the relevant month, the interest is calculated pro rata.

## “Benefiting from the Agreement Terms”

The term “benefiting from the agreement terms” refers to situations where the provisions of an agreement, even if executed abroad, are relied upon, and a taxable event occurs concerning the relationship between the parties. This can happen when (a) the agreement is used to ascertain or prove a right, (b) the agreement grants a right or interest, or (c) actions are taken before third parties based on the agreement's terms. Essentially, “benefiting from the terms of the agreement” means relying on the legal power of a document executed abroad for proving a right or matter or for legal, commercial, or similar purposes. In other words, benefiting from the agreement’s terms involves utilising its legal power or effect. These documents are not simply created for ordinary purposes but for establishing and proving underlying rights and obligations.

To clarify, “benefiting from the terms of the agreement” means creating any legal, commercial, or financial event based on the rights and liabilities established in the document. The term should be interpreted broadly, covering not just the parties to the agreement but also third parties. Furthermore, if an agreement refers to another document, the provisions of that referred document should also be considered as relied upon.

In essence, if rights or actions in Türkiye are based on a document executed abroad, the terms of that document will be regarded as being relied upon in Türkiye. This concept is intentionally broad under the law, as benefiting from the terms of the agreement does not necessarily require a monetary benefit. It only requires reliance on the legal force of the document. Therefore, if the deal is implemented and its effects are recorded in the legal books, the provisions of that agreement will be treated as having been benefited from in Türkiye. Using the document to support or prove rights, obligations, or actions would also fall within the scope of benefiting from the agreement's provisions.

## Stamp Tax Base

Under the Stamp Tax Law, the documents listed in Table I are subject to a stamp tax over the monetary value stated in the document. To determine the tax applicable to a specific document, it is necessary to look at its nature and consult the tax rate listed in the schedule attached to the law. The document's character, which determines the tax rate, can usually be identified by its name. If there is no name, the meaning and effect of the document should be considered. If the document refers to another document, the tax will be assessed based on the character the document acquires through this reference.

When foreign currencies are mentioned in documents subject to stamp tax, the amounts will be converted into Turkish Lira using the selling exchange rate announced by the Central Bank of Türkiye on the date the stamp tax payment obligation arises, and the tax will be assessed accordingly.

According to Article 6 of the Stamp Tax Law, if several unrelated contracts or transactions are included in the same document, each of those contracts or transactions will be subject to stamp tax separately. However, if the contracts or transactions are related and stem from a principal transaction, the stamp tax will be applied based on the contract or transaction with the highest tax rate.

## Key Takeaways

- Stamp tax applies to various documents executed in Türkiye and abroad.
- The tax is based on the monetary value stated in the document, with a ceiling on the maximum tax amount.
- The parties signing the document are jointly responsible for paying the stamp tax.

- Failure to pay the tax does not invalidate the document but can affect its admissibility in court and result in penalties and interest.
- "Benefiting from the agreement terms" is broadly defined, covering legal, commercial, or financial actions based on the document's provisions.

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