RAST | PARTNERS

Liaison Offices in Türkiye

A guide from set-up to closure: permit process, tax, stamp duty and social security obligations

November 2026

rastcpa.com

Contents

Executive Summary 3

PART ONE · DECISION AND SET-UP

1 What is a liaison office? 4
2 Which structure fits your needs? 4
3 Comparison of structures 4
4 Who can open a liaison office? 5
5 Permitted activities 5
6 Application 6
7 Office representative and foreign staff 6
8 Office premises 6
9 The first month after the permit 7
10 Timeline 7
11 Set-up checklist 7
12 Set-up cost items 8

PART TWO · OPERATING PERIOD

13 Employing staff 9
14 Income tax exemption on salaries 9
15 Stamp duty 10
16 Social security (SGK) 10
17 Payroll example 11
18 Funding from head office and expenses 12
19 Withholding tax and the monthly return 13
20 VAT 13
21 Corporate tax and bookkeeping 13
22 Purchases and vehicles 13
23 Annual operating cost items 14
24 Compliance calendar and responsibilities 14

PART THREE · RISKS, CHANGE AND CLOSURE

25 Consequences of unauthorised or commercial activity 16
26 Double tax treaties 16
27 Conversion into a branch or company 17
28 Closure step by step 17
29 Closure checklist 17

Frequently Asked Questions 18
Glossary of Turkish Terms 19
About Rast Partners 20

AT A GLANCE

Executive Summary

A liaison office (*irtibat bürosu*) allows a foreign company to carry out representation, supplier monitoring, technical support, information transfer or regional management functions in Türkiye without engaging in commercial activity. It is established with a permit from the Ministry of Industry and Technology, has no separate legal personality, and all of its expenses are funded with foreign currency sent by the head office abroad.

2–3 months
Typical Ministry review period in practice

3 years
Initial permit; then 5- or 10-year extensions depending on the activity

None
Corporate tax liability and statutory bookkeeping obligation

What the office can do

- Represent the foreign company in Türkiye.
- Monitor Turkish suppliers and production.
- Provide technical support and gather market information.
- Coordinate group units in the region.

What the office cannot do

- Sell or issue invoices.
- Collect payments from customers.
- Sign commercial contracts.
- Earn profit or transfer profit abroad.

Tax and social security

- Not registered for VAT; VAT paid is a cost.
- Qualifying staff salaries are exempt from income tax and stamp duty.
- Social security contributions are always due on gross pay.
- Withholds tax on rent and professional fees.

Three key risks

- **If the group has a Turkish company,** the salary exemption does not apply.
- **Commercial activity** leads to permit cancellation, corporate tax and VAT liability.
- **Missing the end-of-May activity report** can lead to cancellation of the permit.

For an employee with a gross monthly salary of TRY 200,000, the total employer cost is the same as in an ordinary workplace. Owing to the income tax and stamp duty exemption, however, the employee's net pay in January 2026 is TRY 22,555.97 (≈ EUR 403) higher (see section 17).

PART ONE

Decision and Set-up

Choosing the right structure, applying and preparing to operate

1 What is a liaison office?

A liaison office is a representative unit opened in Türkiye by a company incorporated under foreign law, on condition that it does not engage in commercial activity. It has no separate legal personality and is an extension of the foreign company in Türkiye. The office earns no income; all of its expenses are funded with foreign currency brought in from the head office abroad.

The permit is granted by the General Directorate of Incentive Implementation and Foreign Investment of the Ministry of Industry and Technology. The legal basis is Foreign Direct Investment Law No. 4875 and its Implementing Regulation (Articles 6–8). A liaison office is not registered with the trade registry.

2 Which structure fits your needs?

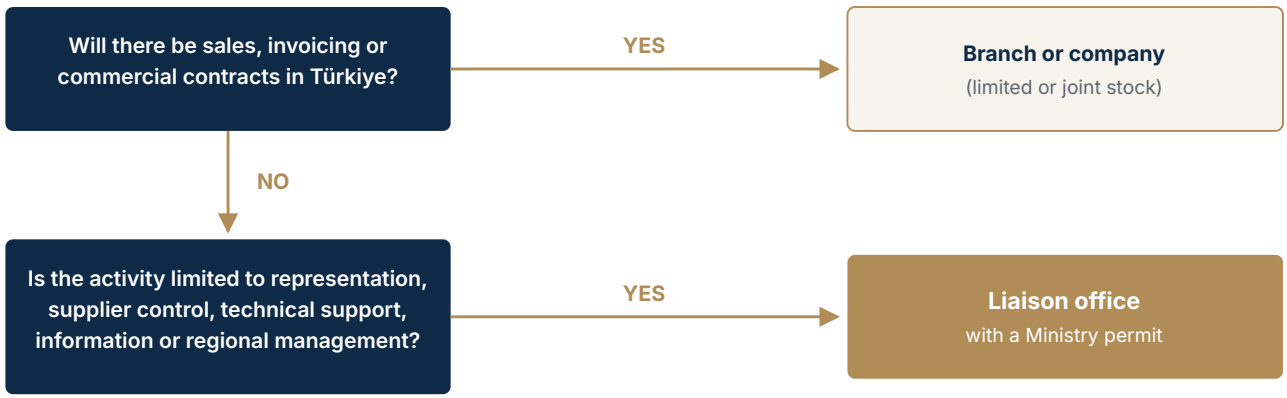


Chart 1 · Choosing the structure

Your need	Suitable structure
Selling, invoicing and signing contracts in Türkiye	Company (limited or joint stock) or branch
Getting to know the market, managing customer and supplier relationships, representation	Liaison office
Monitoring Turkish suppliers and production, sourcing suppliers	Liaison office
Managing group companies in the region from Türkiye	Liaison office (regional management centre)

3 Comparison of structures

	Liaison office	Branch	Company (Ltd./A.Ş.)
Legal personality	None	None	Yes
Commercial activity	Not permitted	Permitted	Permitted

	Liaison office	Branch	Company (Ltd./A.Ş.)
Formation	Ministry permit	Trade registry (Turkish Commercial Code Art. 40)	Trade registry
Minimum capital	None	None; allocated capital is declared	Ltd. TRY 50,000; A.Ş. TRY 250,000
Corporate tax	No liability	Limited liability, 25%	Full liability, 25%
Profit repatriation	No profit	15% withholding on transfer to head office	15% withholding on dividends
Staff salaries	Exempt from income tax and stamp duty if conditions are met	General rules	General rules
Duration	Initial permit up to 3 years; then 5- or 10-year extensions	Unlimited	Unlimited
Closure	Tax office and Ministry procedures	Deregistration	Liquidation

4 Who can open a liaison office?

- Companies incorporated under foreign law.
- The Ministry may require that at least one year has passed since the company's incorporation (Regulation Art. 6).
- In regulated sectors such as banking, capital markets and insurance, the application is assessed by the competent authority for that sector.
- The application form states the province in which the office will operate.

5 Permitted activities

Activity	Extension period
Representation and hospitality	5 years
Quality and standards control and inspection of Turkish suppliers, and supplier sourcing	5 years
Technical support	5 years
Communication and information transfer	5 years
Regional management centre	10 years

- Offices permitted for market research or product promotion are not extended.
- More than one activity may be ticked in the application. In practice, the Ministry assigns one field of activity to the office.
- For regional management centre applications, letters from the company's units in other countries are typically requested.

WHAT THE OFFICE CANNOT DO

The office cannot sell, issue invoices, collect payments from customers or sign commercial contracts in its own name. In practice, the following may be treated as indicators of commercial activity:

- Taking orders
- Concluding sales negotiations at the office
- Receiving sales proceeds into the office's account

6 Application

The application is submitted in person to the Ministry together with the supporting documents. The E-TUYS system is used for notifications by companies and branches.

Required documents (Regulation Art. 7)

- **Application form (Annex 6):** details of the foreign company, field of activity, province of the office, planned number of staff and business plans for Türkiye.
- **Undertaking (Annex 7):** the scope of the office's activity and an undertaking not to engage in commercial activity, with a document showing the signatory's authority.
- **Certificate of activity of the foreign company:** certified by a Turkish consulate or bearing an apostille.
- The company's activity report, or balance sheet and income statement.
- A letter of authority for the person to be appointed at the office.
- A power of attorney if the application is filed by a proxy.

PRACTICAL NOTES

- The documents are signed by an authorised officer of the foreign company.
- In practice, foreign-language documents are translated into Turkish by a sworn translator and notarised.
- The power of attorney should expressly authorise the proxy to carry out the liaison office formation procedures.
- Under the legislation, complete applications are decided within 15 business days. In practice, the Ministry usually responds within 2–3 months.

7 Office representative and foreign staff

- The office representative need not be a Turkish citizen. A foreign representative needs a work permit.
- The Regulation on the Employment of Foreign Personnel in Foreign Direct Investments treats **at most one person** holding a letter of authority from the parent company as key personnel of a liaison office. A work permit for this person requires that at least USD 200,000 or equivalent in foreign currency has been brought in from abroad for the office's activities in the past year.
- Other foreign staff are subject to the general criteria of the Ministry of Labour and Social Security, including the employment of five Turkish citizens per foreign employee and minimum capital or turnover requirements.

8 Office premises

- The office must have an address.

- A copy of the lease agreement is sent to the Ministry within one month of the permit.
- A change of address is also notified within one month, with the new lease agreement.
- The lease agreement is subject to stamp duty.

9 The first month after the permit

1. The office registers with the tax office responsible for its address. It is registered only as a withholding agent; no corporate tax liability is opened.
2. The tax registration certificate and a copy of the lease are sent to the Ministry within one month.
3. Foreign currency and Turkish lira bank accounts are opened. Funds from the head office are tracked through these accounts.
4. If staff will be employed, a workplace notification is filed with the Social Security Institution (SGK) no later than the first employee's start date.
5. If a vehicle is to be registered in the office's name, the electronic notification (e-Tebligat) application should be made before registration.

10 Timeline

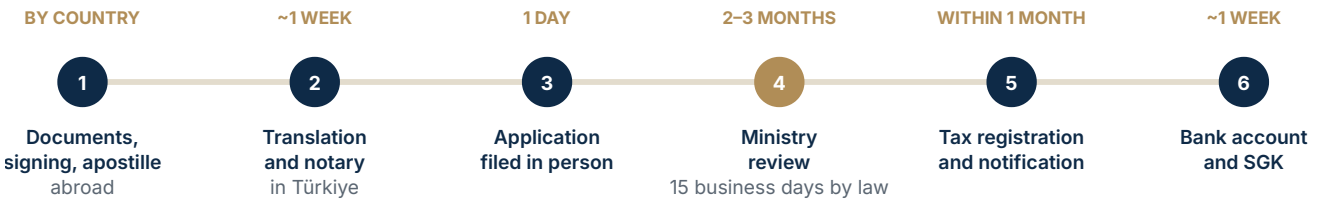


Chart 2 · Set-up process

Step	Duration
Preparation, signing and apostille of documents abroad	Depends on the company's country and internal approvals
Translation and notarisation in Türkiye	About 1 week
Ministry review	15 business days under the legislation; usually 2–3 months in practice
Tax registration and notification to the Ministry	Within 1 month of the permit
Bank account and SGK workplace registration	About 1 week

11 Set-up checklist

- ☐ Choice of activity type
- ☐ Office selection and draft lease
- ☐ Appointment of the office representative (work permit plan if foreign)
- ☐ Completion and signing of Annexes 6 and 7
- ☐ Apostille or consular certification of the certificate of activity
- ☐ Financial statements
- ☐ Letter of authority and power of attorney
- ☐ Translations and notarisation
- ☐ Application filed in person at the Ministry

- [ ] Tax office registration
- [ ] Notification to the Ministry within 1 month
- [ ] Bank accounts
- [ ] SGK workplace registration

12 Set-up cost items

- Translation and notarisation
- Apostille or consular certification abroad
- Proxy and advisory services
- Office rent, deposit and stamp duty on the lease
- Office fit-out and equipment

No fee is prescribed in the legislation for the Ministry application.

PART TWO

Operating Period

Staff, tax, social security and ongoing obligations

13 Employing staff

- Employees of the office are subject to Labour Law No. 4857. The employer is the foreign company to which the office belongs.
- An employment start notification is filed with SGK before the employee starts work.
- For foreigners with a work permit, a start notification filed within 30 days of the permit start date is deemed timely.
- The start and end of a foreign employee's work are notified to the Ministry of Labour and Social Security within 15 days (Law No. 6735 Art. 22).

14 Income tax exemption on salaries

Article 23(1)(14)(a) of the Income Tax Law exempts the following salaries from income tax:

> **"Wages paid in foreign currency to employees of employers subject to limited tax liability whose legal seat and place of business are not in Türkiye, out of the employer's earnings derived outside Türkiye."**

Under Income Tax General Communiqué No. 147 and rulings of the Revenue Administration, all of the following conditions must be met together:

1. The employer has no legal seat or place of business in Türkiye and no activity in Türkiye that generates income.
2. The payment is a wage based on an employment relationship.
3. The wage is paid out of the employer's earnings derived abroad.
4. The wage is paid in foreign currency.
5. The wage is not recorded as an expense in Türkiye.

Points to note in practice

- Whether the employee is a resident or non-resident taxpayer in Türkiye makes no difference.
- Foreign currency may be converted into Turkish lira at an authorised bank in Türkiye and paid to the employee. The currency conversion slips are then attached to the payrolls (Istanbul Tax Office Directorate, ruling No. 58279 of 13.05.2016).
- Travel, meal and accommodation allowances paid in cash under the same conditions are also exempt (same ruling).
- There are rulings stating that the exemption does not apply where the work is performed abroad.
- Fringe benefits paid to third parties, such as private health insurance premiums, are treated as wages. Whether they meet the foreign currency payment condition should be assessed separately.

WARNING · IF THE GROUP HAS A TURKISH COMPANY

According to ruling No. 1413534 of 11.10.2024 of the Istanbul Tax Office Directorate, where the group has activities in Türkiye or a group company established in Türkiye, the condition of "not carrying on any income-generating activity in Türkiye" is not met and the exemption does not apply. There are rulings to the same effect where salaries are paid through a Turkish company.

If even one condition is not met, the exemption does not apply. The salary is taxed under the general rules and the minimum wage exemption applies (Ankara Tax Office Directorate, ruling No. 529373 of 16.11.2022).

15 Stamp duty

- Paragraph IV/34 of Table (2) annexed to Stamp Duty Law No. 488 exempts "papers relating to wages specified in Article 23 of the Income Tax Law". Payrolls and similar papers for salaries that meet the exemption conditions are therefore not subject to stamp duty.
- If salaries fall outside the exemption, stamp duty is calculated at 0.759%. Only the portion corresponding to the monthly gross minimum wage is then exempt.
- Other papers signed by the office, such as the lease agreement, are subject to stamp duty under the general rules and are reported on the stamp duty return.

16 Social security (SGK)

- The income tax exemption does not remove social security obligations. Contributions are calculated on gross pay.
- The office files a workplace notification with SGK no later than the first employee's start date, and registers its employees as insured under Article 4(1)(a) of Law No. 5510.
- Contribution and service notifications are made monthly through the combined withholding tax and social security return.

2026 contribution rates

Insurance branch	Employee	Employer
Disability, old age and death	9%	12%
General health insurance	5%	7.5%
Short-term insurance	–	2.25%
Unemployment insurance	1%	2%
Total	**15%**	**23.75%**

Incentives

- In 2026 the Treasury contribution discount for non-manufacturing employers is 2 points (Law No. 5510 Art. 81(1)(ı), SGK Circular 2026/1). Liaison offices fall into this group.
- No provision excludes liaison offices from incentives. An office that meets the conditions may benefit like any other employer. The main conditions are filing returns and paying contributions on time and having no overdue debts.

Foreign staff

- Foreigners employed under an employment contract are, as a rule, insured in Türkiye.
- Persons posted from a country that has a social security agreement with Türkiye, who prove with the certificate under that agreement that they are insured in their home country, are not insured in Türkiye for the period set out in the agreement.
- For persons posted from countries without an agreement, this period is at most 3 months.
- Türkiye has no social security agreement with the USA, China, Japan, India, the United Arab Emirates or Russia.

WARNING

If it is found that salaries paid from abroad have been under-reported to SGK, an administrative fine of TRY 66,060 per finding applies in 2026. The unpaid contributions are also collected with late payment interest and surcharges (Law No. 5510 Art. 102).

17 Payroll example: same gross salary in an ordinary workplace and a liaison office

Assumptions: January 2026, gross salary TRY 200,000, non-manufacturing workplace, 2-point Treasury discount. Amounts in TRY.

Item	Ordinary workplace	Liaison office
Gross salary	200,000.00	200,000.00
Employee SGK contribution (14%)	28,000.00	28,000.00
Employee unemployment contribution (1%)	2,000.00	2,000.00
Income tax (after minimum wage exemption)	21,288.67	Exempt
Stamp duty (after minimum wage exemption)	1,267.30	Exempt
Net salary	**147,444.03**	**170,000.00**
Employer SGK contribution (19.75%)	39,500.00	39,500.00
Employer unemployment contribution (2%)	4,000.00	4,000.00
Total employer cost	**243,500.00**	**243,500.00**

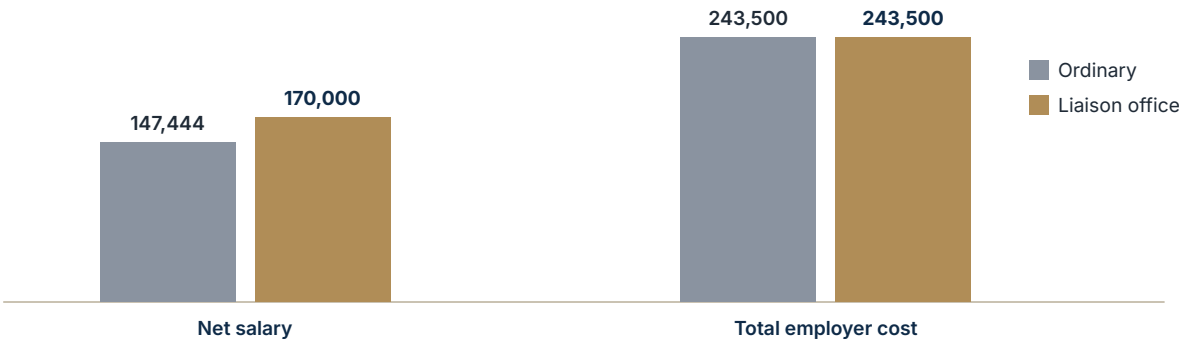


Chart · Net salary and employer cost at a gross salary of TRY 200,000 (January 2026)

The employer cost is the same in both structures, but the employee receives TRY 22,555.97 more in January. In an ordinary workplace the gap widens during the year as the cumulative tax base moves into higher income tax brackets.

Euro equivalents

EUR 1 ≈ TRY 56.00 (market rate, 6 November 2026). Amounts rounded.

Item	Ordinary workplace	Liaison office
Gross salary	≈ EUR 3,571	≈ EUR 3,571
Net salary	**≈ EUR 2,633**	**≈ EUR 3,036**
Total employer cost	**≈ EUR 4,348**	**≈ EUR 4,348**

AN ITEM NOT TO FORGET IN THE BUDGET · SEVERANCE PAY

When the employment of a person who has worked for at least one year ends because the office closes, severance pay (*kıdem tazminatı*) equal to one month's gross salary for each full year of service is due. The monthly salary used in the calculation cannot exceed the severance pay ceiling, which is TRY 73,729.87 for 01.07–31.12.2026 and is updated every six months. Severance pay is exempt from income tax and subject to stamp duty. In addition, a notice period or payment in lieu of notice of 2 to 8 weeks applies depending on length of service.

Example: for an employee with a gross salary of TRY 200,000 and 3 years of service, severance pay based on the ceiling is 3 × 73,729.87 = TRY 221,189.61 (≈ EUR 3,950). The amount accrues every year and is paid in full on closure. We recommend tracking it as an annual provision in the head office budget.

18 Funding from head office and expenses

- All expenses of the office are funded with foreign currency brought in from the head office abroad (Istanbul Tax Office Directorate, ruling No. 11395140-019.01-2843 of 01.10.2012).
- Under Decree No. 32, bringing foreign currency into Türkiye is unrestricted.
- Bank documents showing currency inflows and conversions should be kept for two purposes: evidencing the salary exemption, and the bank letter attached to the annual activity report submitted to the Ministry by the end of May.

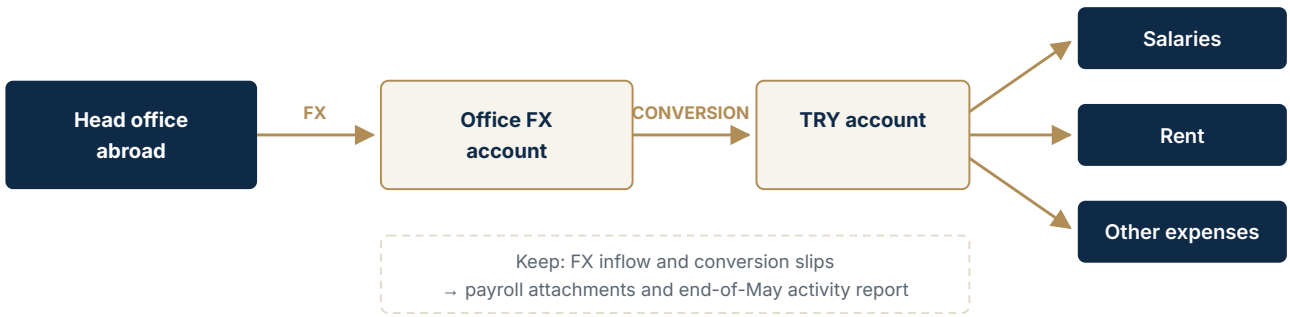


Chart 3 · Cash flow and documentation

19 Withholding tax and the monthly return

- The office is a withholding agent for payments within the scope of Article 94 of the Income Tax Law. It withholds tax on rent and professional fees and reports it on the combined withholding tax and social security return (*muhtasar ve prim hizmet beyannamesi*).
- If the rent is paid by the office, it withholds tax at 20% under Article 94(5)(a) of the Income Tax Law and reports it on the monthly return. If the rent is paid directly from the head office abroad to the landlord's account, no withholding applies to that payment (Istanbul Tax Office Directorate, ruling of 09.11.2025).

20 VAT

Since the office does not engage in commercial activity, it is not registered for VAT. VAT paid on its purchases is a cost; it cannot be deducted or refunded.

Situation	Result
Domestic purchases	The office is not among the buyers required to apply partial VAT withholding and does not receive invoices with VAT withholding.
Services the office itself buys from abroad and uses in Türkiye	Under section I/C-2.1.2.1 of the VAT General Implementation Communiqué, persons not registered for VAT must also calculate this VAT under the reverse charge, report it on VAT Return No. 2 and pay it. Since the office cannot deduct it, the amount becomes a cost.
Services bought by the head office in its own name	If the head office buys and pays for the service in its own name and benefits from it, no obligation arises for the office.

21 Corporate tax and bookkeeping

- An office that stays within its permit and does not engage in commercial or income-generating activity has no corporate tax liability and files no corporate tax return.
- On the same conditions, the office has no obligation to keep books under the Tax Procedure Law (Istanbul Tax Office Directorate, ruling No. 2843 of 01.10.2012).
- Even so, regular records should be kept of fund inflows, expenses, payrolls and withholdings. These records support the activity information submitted to the Ministry and the salary exemption.

> **HEAD OFFICE ACCOUNTS**
> The office's expenses are not deducted from any income in Türkiye, and salaries are not recorded as an expense in Türkiye (Income Tax General Communiqué No. 147). These expenses are tracked in the head office's own books. Their tax treatment in the head office's country should be assessed with the head office's own advisers. In practice, the office prepares a monthly expense report in line with the head office's reporting periods.

22 Purchases and vehicles

- The office's purchases are documented in the office's name. VAT paid is added to cost.
- If a vehicle is bought in the office's name, special consumption tax and VAT are cost items. Motor vehicle tax is assessed on the office as the registered owner.
- Registering a vehicle in the office's name triggers the obligation to use electronic notification (VUK General Communiqué No. 596). The application should be made before registration.

23 Annual operating cost items

- ☐ Staff: gross salaries and employer SGK contributions
- ☐ Office: rent (including withholding if paid by the office), service charges, utilities, communication
- ☐ Accounting, payroll and tax filing services
- ☐ Occupational health and safety: safety specialist and workplace doctor
- ☐ Reverse-charge VAT on services bought from abroad
- ☐ Stamp duty on papers such as the lease
- ☐ Work and residence permit costs for foreign staff
- ☐ Translation and notary costs for permit extensions and notifications

24 Compliance calendar and responsibilities

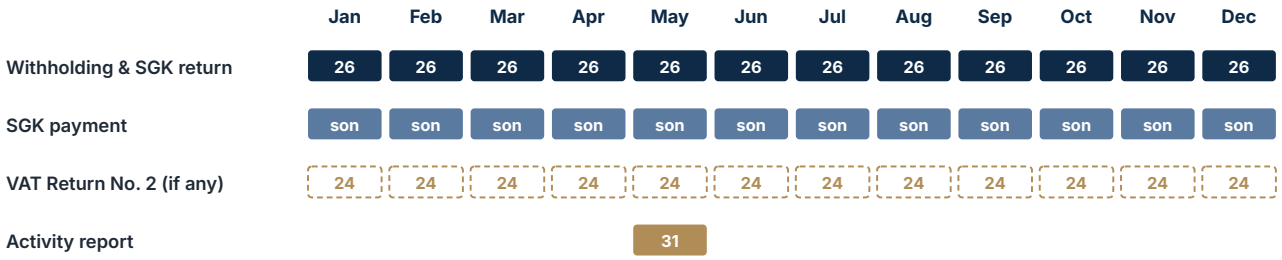


Chart 4 · Monthly and annual obligations (figures show the deadline day in each month; returns relate to the previous month)

Obligation	Deadline
Combined withholding tax and social security return (salary, rent and professional fee withholdings, SGK notification)	Monthly, by the 26th of the following month
Payment of SGK contributions	By the end of the following month
VAT Return No. 2 (if services were bought from abroad)	By the 24th of the following month
Stamp duty return (papers such as the lease)	Within 15 days of the date of the paper
Annual activity information form (Annex 4)	By the end of May each year
Notification of changes in address, representative or company name	Within 1 month of the change
Permit extension application	Before the permit expires

Who does what?

Task	Head office	Office representative	Accountant (SMMM)
Sending funds	**Responsible**	Requests	–
Currency conversion, payments and keeping documents	–	**Responsible**	Reviews
Payroll and review of the salary exemption	Approves	Provides information	**Responsible**
Withholding & SGK, VAT No. 2 and stamp duty returns	–	Provides information	**Responsible**
Records and monthly expense report	Receives report	Submits documents	**Responsible**
End-of-May activity information form	Signs	Provides information	**Responsible**
Permit extension application	Signs	Follows up	**Responsible**
Notifications of changes in address, representative and name	Decides	**Responsible**	Supports

PART THREE

Risks, Change and Closure

Commercial activity risk, changing structure and closing the office

25 Consequences of unauthorised or commercial activity

Ministry (Regulation Art. 8)

- The Ministry may inspect whether the office operates within its permit.
- If activity outside the permit is found, the office is given 30 days to apply for the activity it actually carries out. This may be extended by a further 30 days. If no application is made, the permit is cancelled.
- If commercial activity is found, the permit is cancelled and the relevant authorities are notified.

Tax

- Foreign companies with a place of business in Türkiye under Article 156 of the Tax Procedure Law, or a permanent representative under Article 8 of the Income Tax Law, are taxed on the income derived through them. A place of business is a place where commercial activity is carried on or which is used for it; a permanent representative is a person authorised to conduct commercial transactions (Istanbul Tax Office Directorate, ruling No. 2843 of 01.10.2012).
- If the office engages in commercial activity, it may fall within these definitions. The consequences:
  - Corporate tax liability arises for the foreign company on a limited liability basis.
  - VAT liability arises.
  - The conditions for the income tax and stamp duty exemption on staff salaries cease to be met.
  - These taxes may also be assessed for past periods, with late payment interest and a tax loss penalty.
- The Revenue Administration has stated that the commission income of an office acting as a payment intermediary must be taxed as corporate income (Istanbul Tax Office Directorate, ruling No. 898 of 08.07.2011).
- According to ruling No. 2843, where the office only sources goods in Türkiye and ships them abroad, without offering them on the domestic market, no income arises in Türkiye.

POSSIBLE INDICATORS OF COMMERCIAL ACTIVITY IN PRACTICE

- Concluding sales negotiations at the office
- Giving office staff authority to sign contracts
- Taking orders
- Receiving customer payments into the office's account
- Invoices issued in the office's name

26 Double tax treaties

Under the double tax treaties to which Türkiye is a party, a fixed place used solely for activities of a preparatory or auxiliary character is generally not a permanent establishment. The activities of an office operating within its permit are, as a rule, of this nature. If the office's activity goes beyond this limit, the article defining permanent establishment in the treaty with the foreign company's country should be reviewed.

27 Conversion into a branch or company

- The legislation contains no provision for the direct conversion of a liaison office into a branch or company.
- In practice, the new structure (branch or company) is established and the office is closed. The two may operate side by side for a period until the closure is completed.
- The office's fixed assets may be sold to the new company at arm's length. According to the Revenue Administration (Istanbul Tax Office Directorate, ruling of 21.05.2024):
  - If the sale proceeds go directly to the head office's accounts without passing through the office's accounts, no tax registration is required for the office.
  - The head office's gain from the sale is income derived occasionally in Türkiye and is reported on a special return within 15 days under Article 26 of the Corporate Tax Law.
- The transfer of staff to the new structure should be planned separately from an employment law perspective.

28 Closure step by step



Chart 5 · Closure process

1. **Head office decision:** the foreign company resolves to close the office. In practice, an apostilled copy of the resolution with a Turkish translation is required.
2. **Staff:** employment contracts are terminated and severance and notice payments are made. The severance pay ceiling is TRY 73,729.87 for 01.07–31.12.2026. Termination notifications are filed with SGK within 10 days.
3. **Final returns:** the final monthly withholding and SGK return is filed, and any final VAT No. 2 and stamp duty returns.
4. **SGK:** the workplace file is closed.
5. **Fixed assets:** if assets are to be sold, the principles in section 27 apply.
6. **Tax office:** the cessation of business is notified and the cessation inspection report (*iş bırakma-yoklama fişi*) is obtained.
7. **Ministry:** the cessation inspection report is sent to the Ministry.
8. **Bank:** the accounts are closed. The balance remaining after closure and liquidation may be transferred abroad; no other transfer may be requested (Regulation Art. 8(e)).

29 Closure checklist

- ☐ Head office closure resolution (apostille and translation)
- ☐ Termination of employment contracts and payment of severance
- ☐ Termination notifications
- ☐ Final returns
- ☐ Closure of the SGK workplace file
- ☐ Sale of fixed assets and, if needed, the head office's special return
- ☐ Cessation notice to the tax office and inspection report
- ☐ Notification to the Ministry
- ☐ Closure of bank accounts and transfer of the remaining balance

QUICK ANSWERS

Frequently Asked Questions

Can a liaison office issue invoices?
No. The office cannot engage in commercial activity or sell goods or services.

Can contracts be signed in the office's name?
Contracts relating to the office's own operation, such as the lease, service purchases and employment contracts, may be signed. Signing commercial sales contracts on behalf of the foreign company is an indicator of commercial activity.

Does the office pay corporate tax?
An office that stays within its permit and has no income-generating activity has no corporate tax liability.

Must the office keep books?
There is no bookkeeping obligation under the Tax Procedure Law. Regular records should nevertheless be kept of fund inflows, expenses and payrolls.

Are staff salaries always tax-exempt?
No. All conditions in section 14 must be met together. If the group has a Turkish company, the exemption does not apply.

Can salaries be paid in Turkish lira?
Salaries must be paid in foreign currency. Currency received from abroad may be converted at a bank in Türkiye and paid in Turkish lira; the conversion slips must be attached to the payroll.

Does the income tax exemption also remove social security contributions?
No. SGK contributions are calculated on gross pay.

Can a foreigner be the office representative?
Yes. A work permit is required. The key personnel route is limited to one person.

Can the office obtain a permit for more than one activity?
More than one activity may be ticked in the application. In practice, the Ministry assigns one field of activity to the office.

What happens when the permit expires?
An extension application must be made before expiry. Market research and product promotion permits are not extended.

What if the activity report is not submitted by the end of May?
Extension requests may be disregarded and the permit may be cancelled ex officio.

Does the office pay VAT?
The office is not registered for VAT; VAT on purchases is a cost. VAT Return No. 2 is filed for services the office itself buys from abroad and uses in Türkiye.

Can the head office pay the office's rent?
Yes. If the rent is paid directly from the head office to the landlord's account, no withholding applies.

Can the office be converted into a company?
There is no direct conversion. A new structure is established and the office is closed.

Can the remaining funds be sent abroad on closure?
Yes. The balance remaining after closure and liquidation may be transferred.

Must the office register with the chamber of commerce or the trade registry?
No. The office is established with a Ministry permit and is not registered with the trade registry.

This guide covers the subject in outline and reflects the legislation in force as of November 2026. For questions specific to your company, please contact us at **rast@rastcpa.com**.

REFERENCE

Glossary of Turkish Terms

Turkish term	Meaning
İrtibat bürosu	Liaison office of a foreign company, established with a Ministry permit and not allowed to engage in commercial activity.
Sanayi ve Teknoloji Bakanlığı	Ministry of Industry and Technology; grants, extends and supervises liaison office permits.
E-TUYS	The Ministry's electronic incentive and foreign investment system, used by companies and branches for notifications.
Apostil	Apostille certification under the Hague Convention for documents issued abroad.
Yeminli tercüman / Noter	Sworn translator / notary public; used for the Turkish translation and certification of foreign documents.
Vergi dairesi	Tax office responsible for the office's address.
Gelir İdaresi Başkanlığı (GİB)	Revenue Administration; issues tax rulings.
Özelge	Private tax ruling issued by the Revenue Administration on a taxpayer's request.
Muhtasar ve prim hizmet beyannamesi	Monthly combined return for withholding taxes and social security notifications.
Stopaj / tevkifat	Withholding tax deducted at source from payments such as rent and professional fees.
KDV / 2 No.lu KDV Beyannamesi	Value added tax / VAT Return No. 2, used to report reverse-charge VAT.
Damga vergisi	Stamp duty on documents such as contracts and payrolls.
SGK	Social Security Institution; collects social security contributions.
Kıdem tazminatı / İhbar tazminatı	Statutory severance pay / payment in lieu of notice.
İş bırakma-yoklama fişi	Tax office report confirming cessation of business at the address.
SMMM	Certified public accountant licensed in Türkiye.

RAST PARTNERS

About Us

Rast Partners is a boutique accounting and advisory firm serving Turkish and foreign-owned companies in accounting, payroll, advisory, company formation and trade registry matters. Our team has 17 years of experience in outsourced accounting, payroll and corporate services for foreign-owned companies in Türkiye. This experience gives us a close understanding of parent companies' reporting expectations, group approval processes and the obligations Turkish legislation creates for these companies.

We chose a boutique structure deliberately: every client's work is known and managed at partner level. Our information security management system is ISO 27001 certified and our quality management system is ISO 9001 certified. Our services are covered by professional liability insurance.

Our support for liaison offices

We support you at every stage, from setting up the liaison office to closing it:

Set-up

- Assessing the activity type and structure with you
- Preparing and reviewing the application documents
- Coordinating translation and notary work
- Filing with the Ministry and following up
- Tax registration, Ministry notification and SGK registration

Operating period

- Payroll and review of the salary exemption conditions
- Monthly withholding and SGK, VAT No. 2 and stamp duty returns
- Records of fund inflows and expenses, monthly reporting to head office
- End-of-May activity report and permit extensions
- Work permit processes for foreign staff

Change

- Planning the move to a branch or company
- Tax assessment of the transfer of fixed assets
- Formation of the new structure

Closure

- Staff exits and severance calculations
- Final returns and closure of the SGK workplace file
- Tax office and Ministry procedures
- Documents for the transfer of the remaining balance

EMAIL
rast@rastcpa.com

PHONE
+90 212 367 45 30

WEB
rastcpa.com

Maslak, Istanbul · Weekdays 09:00–18:00 (GMT+3)