DISASTER · TAX · SGK

What should businesses do after a disaster?

Steps to take on tax, books and SGK after floods, earthquakes and fires.

KEY POINTS

10 key points

SWIPE TO CONTINUE →

02 · INTRODUCTION

After a disaster, a business faces two tasks

Repairing the damage, and keeping tax, SGK and similar obligations on track.

The law provides some relief for this period. Filing and payment dates can be postponed, damaged goods can be deducted from profit and, in some cases, VAT paid on purchases does not have to be repaid.

One condition

All of this relief depends on the loss being documented

Document the loss first

01 Reports prepared by the fire brigade, AFAD or the municipality

02 The notice to the insurer and the loss adjuster’s report

03 A list of damaged goods: what, how many, and their book value

04 A separate list of damaged machinery, vehicles and fixtures

05 Warehouse and accounting records

06 Photographs and videos

Different rules apply to goods and to machinery and fixtures, so it is best to keep the lists separate from the start.

Tax deadlines are postponed

FORCE MAJEURE

The law treats a disaster as a compelling circumstance beyond control. While it continues, tax deadlines do not run.

IF THERE IS AN OFFICIAL ANNOUNCEMENT

Businesses in the disaster area are covered automatically. The new filing and payment dates are stated in the announcement.

IF THERE IS NO ANNOUNCEMENT

You need to document that you were affected and notify your tax office.

TPL Art. 13, 15

— 05 · BOOKS AND DOCUMENTS

If your books were damaged

If books and documents you are legally required to keep were destroyed, apply to the court. The court issues a **certificate of loss** showing that the books were destroyed in the disaster. This certificate supports you if the tax office later asks for your books.

15 days

Application period from the date you become aware

TCC Art. 82/7

06 · VAT

VAT on goods destroyed in a disaster

You deduct VAT paid on purchases in your return. If goods are destroyed, whether you keep this deduction depends on the type of disaster.

EVENT	DEDUCTED VAT
Earthquake or flood	**Kept**
Fire in an officially declared area	**Kept**
Isolated fire at a workplace	**Repaid**
Flooding from a plumbing failure	**Repaid**

Machinery and fixtures: regardless of the disaster type, VAT is split by useful life. If a machine with a 5-year life is destroyed at the end of year 2, VAT for the remaining 3 years is repaid. VAT Law Art. 30/c.

Damaged goods

01 Goods that lose value are recorded at what they would sell for today, not at cost. The difference is deducted from profit.

02 Having today’s value set by the tax office’s valuation committee is the safest route. Relying only on a fire brigade or AFAD report may cause problems on audit.

03 If goods are to be destroyed, a committee assessment is required before destruction, and the destruction is recorded in minutes.

04 Insurance proceeds are income; the part not covered by insurance is recorded as a loss.

TPL Art. 267, 278; TPL General Communiqué No. 496

08 · EXAMPLE

Amount to be expensed

The warehouse of an uninsured company was flooded.

ITEM	AMOUNT
Purchase cost of the goods	**TRY 10,000,000**
Current value set by the valuation committee	**TRY 2,000,000**
Amount to be expensed	**TRY 8,000,000**

This amount is deducted from that year’s profit. If the company made a loss or its profit is lower, the excess can be carried forward as a prior-year loss for 5 years. Law No. 5520 Art. 9.

Insured or not?

IF INSURED

The insurance payment is compared with the machine’s net book value. If lower, the difference is a loss. If higher, it is a gain; if you replace the asset, this gain can be held tax-free for up to 3 years. Without replacement in time, it is taxed.

IF UNINSURED

By applying to the Ministry, you can expense the remaining value of the damaged machine faster than usual (extraordinary depreciation).

TPL Art. 317, 329

SGK premiums and employees

01 **Premium debt · Apply to SGK with your documents within 3 months of the disaster. If SGK decides you cannot pay, the debt is deferred for up to 1 year. Without an application, there is no deferral.**

02 **Filings · SGK filings made within 3 months of the disaster are deemed made on time.**

03 **Short-time working · If the workplace stopped or working hours fell by at least one-third, you can apply to İŞKUR. If accepted, İŞKUR pays your employees.**

Law No. 5510 Art. 91; Law No. 4447 Additional Art. 2

— 11 · TIMELINE

Timeline after a disaster

WHEN	WHAT
First days	**Reports, insurance notice, loss lists**
15 days	**Court application if books were destroyed**
3 months	**SGK premium deferral application**
Date in the announcement	**Postponed returns and payments**
Before year-end closing	**Valuation committee, VAT and insurance entries**
3 years	**Using the insurance gain for replacement**

IN SUMMARY

Documents first

All relief available after a disaster depends on documenting the loss.

Deadlines are short

15 days for the certificate of loss, 3 months for SGK deferral.

This summary covers the topic in general terms. We recommend that each company assess its own situation with its SMMM and YMM.

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