

# VAT data & ITSS in TurkStat

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Third Meeting of the Informal Working Group on Data for Services Trade  
and Development Policies

**20 November 2023**

## Brief information of ITSS

### **Before 2016:**

ITSS compiled by Central Bank of Republic of Türkiye

- Only main services types, no geographical details, no detailed services
- Meanwhile, TurkStat conducted pilot surveys to compile ITSS in necessary levels.

## Briefly - ITSS

- In 2016, TurkStat signed a protocol with Ministry of Finance to get financial data to use for statistical production, especially structural business statistics.
- From the reference year 2016, TurkStat compiles the ITSS except travel.

- The main source of ITSS is ITSS survey.

Source	Export	Import
Survey	98	59
Estimation – import value of freight and insurance services	0	31
Estimations by using VAT	1	2
Other sources and estimations	0	7
Total	100	100

- TurkStat publishes the results annually.
- In addition to that TurkStat prepares the monthly estimations of ITSS and shares with CBRT.

## Usage VAT data for ITSS production

1. Constructing the survey frame
2. Non-surveyed part of ITSS
  1. Estimations for non-surveyed enterprises by using expected export/import values from VAT declarations
  2. VAT#3 declarations by non-resident digital service suppliers for import (used directly)
3. Analysis of the ITSS data
4. Monthly estimations of ITSS

# VAT declarations related to ITS

## ❑ VAT #1

- Declaration made out by enterprises
- Includes full exemption (tax) values of services according to specific codes
- Used for export of services

## ❑ VAT #2

- Declaration made out by enterprises
- Includes import values of services (VAT for services provided from abroad is declared by the importer with this declaration)
- Used for import of services

## ❑ VAT #3

- Declaration made out by non-resident companies
- Related to taxation of digitally delivered services to households in Türkiye
- Includes values of those services
- Used for import of services

# VAT no:1 declarations

İSTISNALAR, İADE HAKKI DOĞURAN İŞLEMLER VE İHRAÇ KAYDIYLA TESLİMLER							
TABLO-7 KISMI İSTİSNA KAPSAMINA GİREN İŞLEMLER							
KOD NO. <sup>(12)</sup>	KDVK MD. NO. <sup>(12)</sup>	TESLİM VE HİZMET BEDELİ (Yeni Türk Lirası)			YÜKLENİLEN KDV <sup>(12)</sup> (Yeni Türk Lirası)		
		46			47		
		48			49		
		50			51		
		52			53		
					55		
TOPLAM					57		
TABLO-8 TAM İSTİSNA KAPSAMINA GİREN İŞLEMLER							
KOD NO. <sup>(12)</sup>	KDVK MD. NO. <sup>(12)</sup>	TESLİM VE HİZMET BEDELİ (Yeni Türk Lirası)			YÜKLENİLEN KDV <sup>(12)</sup> (Yeni Türk Lirası)		
302		58			59		
		60			61		
		62			63		
		64			65		
		66			67		
TOPLAM		68			69		

TABLO - 7 KISMI İSTİSNA KAPSAMINA GİREN İŞLEMLER							
KOD NO	KDVK MD. NO	TESLİM VE HİZMET BEDELİ (Yeni Türk Lirası)			YÜKLENİLEN KDV (Yeni Türk Lirası)		
		46			47		
		48			49		
		50			51		
		52			53		
		54			55		
TOPLAM		56		0.00	57		0.00

## VAT no:1 declaration

**For export of services;** the enterprises benefiting from the exemption in the following codes within the scope of the full exemption of the VAT1 Declaration, were included in the frame:

- Code 302 : Export of services
- Code 303 : Roaming services
- Code 304 : Delivery, modification, maintenance and repair of sea, air and railway transportation vehicles (estimation for services for non-residents)
- Code 305 : Services in ports and airports for sea and air transportation vehicles ((estimation for services for non-residents))
- Code 311 : International transportation
- Code 312 : Exceptions in services provided to diplomatic representations and consulates
- Code 313 : Exceptions in services provided to international organizations

## VAT no:2 declaration

**For import of services:** Enterprises who pays reverse charge VAT in the code 101 under the 'full withholding' of the VAT-2 Declaration (transactions taken by enterprises whose residence or workplace or statutory center or business center not in Türkiye), are included in the framework of service imports.



## VAT no:3 declaration

- ❑ **For import of digital services by households:** Enterprises who serving digital services within Türkiye but resident abroad are obliged to give VAT no 3 declaration.
- ❑ [https://digitalservice.gib.gov.tr/kdv3\\_side/indexdhhbkdv3.jsp?token=d1078f5e3dc646b78d5d4e5842f21e97feb48d366bc7617458b6679dec12675154a01fcc42292bb04d926bc259dbc75e39dd8e202535fd70a7098396c74a6f7](https://digitalservice.gib.gov.tr/kdv3_side/indexdhhbkdv3.jsp?token=d1078f5e3dc646b78d5d4e5842f21e97feb48d366bc7617458b6679dec12675154a01fcc42292bb04d926bc259dbc75e39dd8e202535fd70a7098396c74a6f7)

The banner features a central globe with a Turkish flag, surrounded by icons representing digital services and tax. Two buttons are visible: 'Click Here' for VAT and 'Buraya Tıklayınız' for Digital Service Tax (DST). The Revenue Administration logo is in the top left and bottom left corners. Copyright information is in the bottom right.

Revenue Administration

Value Added Tax (VAT)  
Click Here

Dijital Hizmet Vergisi (DHV)  
Digital Service Tax (DST)  
Click Here Buraya Tıklayınız

Revenue Administration

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## Constructing the survey frame

### ITSS survey frame

- VAT#1 for exporters
- VAT#2 for importers
- The list of enterprises with «K - Financial and insurance activities» (from SBS)
- Some selected enterprises observed previously and nominated «important» for the sub service categories

## Non-surveyed part of ITSS

### Non-surveyed part of ITSS

1. Estimations for non-surveyed enterprises by using expected export/import values from VAT declarations
2. VAT#3 declarations by non-resident digital service suppliers for import (used directly)

## ITSS TurkStat – Estimations

If the enterprise observed in previous year's survey:

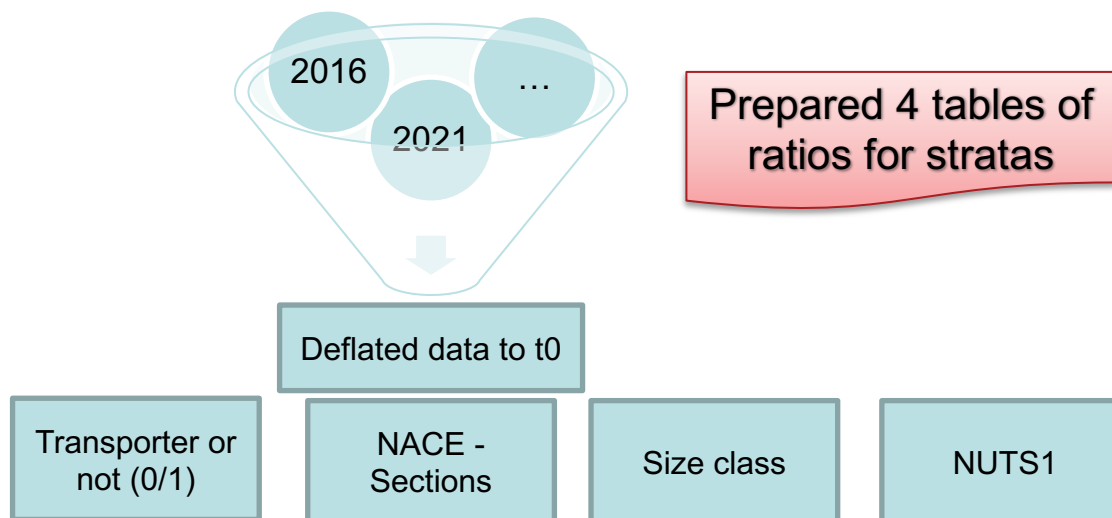
$$\hat{X}_{ij t_0} = Y_{t_0} * \left( \frac{X_{ij t_{-1}}}{Y_{t_{-1}}} \right)$$

Where

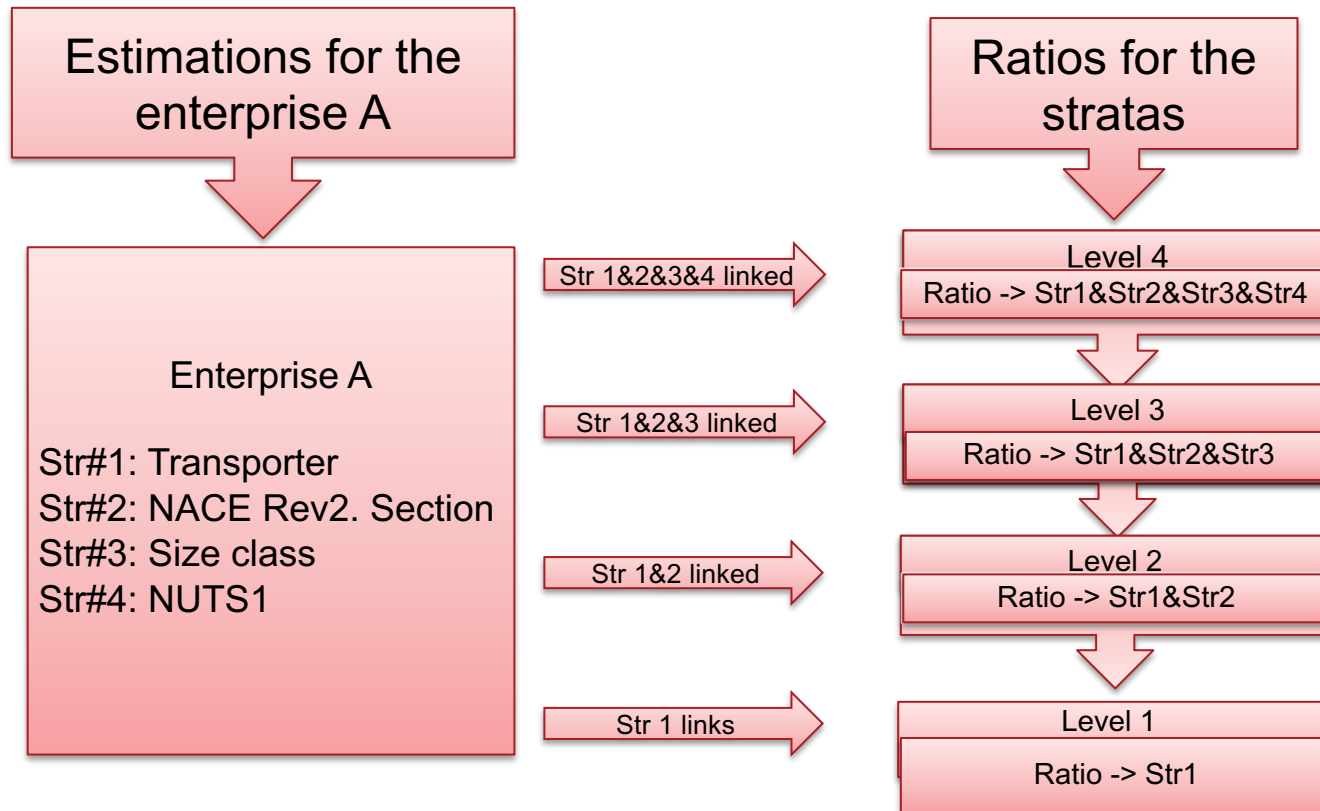
- Y = total expected value (VAT)
- X = reported value by country and service (ITSS survey)
- i* = service
- j* = country
- $\hat{X}$  = estimation value for the current year on services and country basis

# ITSS TurkStat – Estimations

- ❑ **Estimations for non-observed in previous year's year survey**



# ITSS TurkStat – Estimations



## To sum up: WHY we need administrative sources?

Motivation: to use administrative sources efficiently by considering

1. Governmental needs: punctual and detailed data for decision makers
2. Statistical quality: relevance, punctuality, comparability, coherence, accuracy
3. Reducing statistical and administrative burden
4. Linkable data to other statistical domains

