

Republic of Turkey
MINISTRY OF TREASURY AND FINANCE
Revenue Administration

**ACTION PLAN OF STRATEGY FOR
FIGHT AGAINST INFORMAL
ECONOMY
(2019-2021)**

2019

DISPLAY

Informal economy is defined as economic activities which are hidden from the state, which are not recorded and are not audited. According to this, it occurs in consequence of some illegal activities or some legal activities which are not registered intentionally, and accordingly taxed as well.

In this context, prevention of tax leaks and losses causing by the activities and transactions which are not restricted and deliberately unregistered is extremely important in terms of ensuring that the economy is functioning in a healthy manner.

With the increase in informality in the economy, unfair competition arises between the individuals and institutions, the balance of income distribution deteriorates, and the voluntary compliance of the taxpayers to tax decreases, tax consciousness and social values are eroding.

In this respect, the reasons, results, size, strategy and struggle methods of the informal economy should be considered as a whole and the determination of the struggle should be declared and implemented pertinaciously.

Within the scope of fighting against informal economy in Turkey, successful progresses have been made in particularly phases of elimination of the problems and definition of targets. In addition to these, government programs, development plans, medium-term plans, annual programs and financial plans have become one of the priorities, strategy of action plans have been prepared and positive results have been taken.

Under the coordination of Turkish Revenue Administration, with the responsibility and cooperation of public institutions and organizations, Action Plan of Strategy for Fight Against Informal Economy 2008-2010 and 2011-2013 period have been implemented successfully.

In line with the targets set in the Tenth Development Plan, it has focused on various objectives to achieve the goal of healthy and sustainable development. The "Action Plan for the Reduction of the Informal Economy Program (2015-2017)" has been discussed and accepted by the Economic Coordination Board. After publishing in 16/02/2015 in the attachment of act of High Planning Council, it came into effect.

Finally, published in the 1st Official Gazette dated 27/10/2018 and numbered 30578, 239th Measure under the title of "Reduction of Informal Economy Program" from the 2019 Annual Program of the Presidency with the Presidential decision No.256; Under the responsibility of the Revenue Administration, it was envisaged to prepare and implement an Action Plan of Strategy for Fight Against Informal Economy (2019-2021) by evaluating the contributions and suggestions of the relevant public institutions/organizations and non-governmental organizations with wide participation.

In this context, as a result of correspondences, meetings and interviews with public institutions/organizations and non-governmental organizations on various dates, the Action Plan of Strategy for Fight Against Informal Economy (2019-2021) was prepared.

The 39 actions included in the Action Plan and it consists of the following 5 main components.

- Increasing the Level of Voluntary Compliance
- Strengthening the Audit Capacity
- Reviewing and Regulating the Legislation
- Enhancing Inter-Agency Data Sharing
- Increasing Awareness for Every Segment of the Society

The coordinator institution which is determined for every action will be reporting to Revenue Administration quarterly by observing actions. In the reporting, the e-mail address kayitliekonomi@gelirler.gov.tr will be used.

Responsible Agencies: Organizations that have a direct or indirect relationship with the action to be carried out and where the coordinating organization will seek concrete support through cooperation.

Agency for Coordination: It is the organization responsible for concluding the projected action in time and reporting the developments directly to the Revenue Administration.

The Action Plan will be carried out in coordination with the following institutions under the responsibility of the Revenue Administration, and if necessary, cooperation with other public institutions and organizations will be secured.

- Ministry of Family, Labor and Social Services
- Ministry of Environment and Urbanization
- Ministry of Energy and Natural Resources
- Ministry of Youth and Sports
- Ministry of Treasury and Finance
- Ministry of Culture and Tourism
- Ministry of Health
- Ministry of Agriculture and Forestry
- Ministry of Trade
- Ministry of Transport and Infrastructure
- Banking Regulation and Supervision Agency
- Energy Market Regulatory Authority
- Social Security Institution
- Turkish Statistical Institute
- Small and Medium Sized Enterprises Development Organization

ABBREVIATIONS

BDDK	Banking Regulation and Supervision Agency
BKM	Interbank Card Center
EGM	General Directorate of Security
EPDK	Energy Market Regulatory Authority
GİB	Turkish Revenue Administration
İŞKUR	Turkish Employment Agency
KOSGEB	Small and Medium Sized Enterprises Development Organization
MAPEG	General Directorate of Mining and Petroleum Affairs
MASAK	Financial Crimes Investigation Board
MEB	Ministry of National Education
SGK	Social Security Institution
STK	Non-Governmental Organization
TNB	Union of Turkish Public Notaries
TOBB	The Union of Chambers and Commodity Exchanges of Turkey
TUREB	Union of Tourist Guides
TRT	Turkish Radio and Television Corporation
TÜİK	Turkish Statistical Institute
TÜRKSAT	Satellite Communications and Cable TV Operations Company
TÜRSAB	Association of Turkish Travel Agencies
VDK	Tax Inspection Board

ACTION No.	COMPONENT	ACTION	PERFORMANCE INDICATOR	RESPONSIBLE AGENCIES	AGENCY FOR COORDINATION	SCHEDULE	
1	Component 1: Increasing the Level of Voluntary Compliance	The size of the informal economy will be measured and an analysis report will be prepared by using the results of the household surveys.	Determination and measurement of priority sectors	TÜİK	TÜİK	December 2021	
			Sharing the report with the relevant institutions/organizations/all stakeholders	SGK GİB			
2		By evaluating macroeconomic and financial data, the tax deficit will be calculated in terms of both macro level and tax types and an analysis report will be prepared.	Determination and calculation of tax types that forms a basis for calculating tax deficits.	Ministry of Treasury and Finance (General Directorate of Revenue Regulations)	GİB VDK	Ministry of Treasury and Finance (General Directorate of Revenue Regulations)	June 2021
			Sharing the report with the relevant institutions/organizations.				
3		By regulations, taxpayers who fulfill their tax obligations regularly will be provided with privileges in public services.	Identifying compliant taxpayers.	GİB Ministry of Interior Ministry of Trade	KOSGEB	GİB	December 2021
			Implementation of encouraging regulations.				
4		Necessary information will be gained through the communication channels (mobile phone, e-mail, etc.) used by the taxpayers on the processes related to the conditions such as; starting and leaving the job, tax liabilities to the new taxpayers, the importance of social security and the disadvantages of unregistered employment.	Determining the liability status of taxpayers	GİB Ministry of Trade	SGK	GİB	May 2020
			Delivering the process of liabilities of taxpayers through information channels.				

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5	Component 1: Increasing the Level of Voluntary Compliance	The content of the regulations in the tax laws such as regret and compromise which are and in favor of the taxpayer; and information on how to use them will be provided to the taxpayers.	Determining the necessary regulations and arrangements and directing them to taxpayers through communication channels	GİB	GİB	December 2021
6		In order to ensure realization of the sale transactions at the real price in the title deed transactions, the parties will be reminded by means of communication channels through which the transactions shall be analyzed by comparing with the information received from other institutions, and if they do not make the actual declaration, they should make corrections.	Identification and implementation of information and reminder areas through communication channels	Ministry of Environment and Urbanization (General Directorate of Land Registry and Cadastre) GİB	Ministry of Environment and Urbanization (General Directorate of Land Registry and Cadastre)	December 2021
7		Within a calendar year, information will be given to those who make vehicle and real estate sales transactions above the limit stated in the law, within the scope of tax laws, to be considered within the scope of taxpayers who obtain commercial income.	Establishment of the infrastructure for the system	GİB Ministry of Environment and Urbanization (General Directorate of Land Registry and Cadastre) TNB	GİB	December 2021

ACTION No.	COMPONENT	ACTION	PERFORMANCE INDICATOR	RESPONSIBLE AGENCIES	AGENCY FOR COORDINATION	SCHEDULE
8	Component 2: Strengthening Audit Capacity	In order to encourage payments to be made with payment instruments such as debit cards instead of cash, advantageous arrangements will be ensured care of card users and member merchants.	Making and implementing incentive regulations	BDDK The Banks Association of Turkey	BDDK	December 2021
			Owning a card, the rate of use in shopping	BKM GİB		
9		In the sectors where informality is considered to be intense, it will be ensured to disseminate electronic applications aimed at ensuring compliance with the financial document. (e-invoice, e-archive invoice, e-dispatch, new generation Cash Register (ÖKC) mobile POS etc.)	Identifying sectors in which informality is intense	BDDK GİB	BDDK	June 2020
			Implementation of regulatory procedures			
10		The existing data in the State Registration System will be integrated with the applications such as e-invoice, e-archive invoice and e-distributor.	Integration of e-invoice with State Registration System	Ministry of Trade GİB	Ministry of Trade	January 2021
			Integration of e-archive invoice with State Registration System			
			Integration of e-producer with State Registration System			
11		By looking over customs regimes and special purpose zone applications (Free Zones, Warehouse Regime and Inward Processing Regime) legislation and systems, establishment of mechanisms to prevent its use and integration with other systems will be provided.	Detecting legislation which causes informality	Ministry of Trade GİB	Ministry of Trade	February 2021
			Number of legislative arrangements			

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12	Component 2: Strengthening Audit Capacity	In order to ensure the smooth functioning of the document set-up for agricultural support applications, the effective use of automation systems for the registration procedures in the stock exchange will be ensured.	Number of institutions/organizations included in the system	Ministry of Trade Ministry of Agriculture and Forestry TOBB GİB	Ministry of Trade	May 2021
			Number of transactions performed			
13		In the automation systems that are made obligatory to establish with the decisions of the Energy Market Regulatory Authority, the standardization and the data obtained from these systems will be made suitable for technical analysis.	Determination of standard parameters for system automation	EPDK Ministry of Trade VDK GİB	EPDK	2019-21
			Preparing the data that can be used in combating informality in a way which allows healthy analyses			
14		Actual and electronic audits will be conducted at specified risky workplaces according to the results of risk analysis based on data coming from both the SGK database and GİB database.	Number of inspections performed	SGK GİB	SGK	2019-21
15	With the arrangement regarding the new wage payments system for employers employing three or more workers, which is going to be carried out via bank transfer, the data obtained will be analyzed.	Amendment of the legislation	SGK Ministry of Family, Labor and Social Services BDDK The Banks Association of Turkey	SGK	March 2020	

ACTION No.	COMPONENT	ACTION	PERFORMANCE INDICATOR	RESPONSIBLE AGENCIES	AGENCY FOR COORDINATION	SCHEDULE	
16	Component 2: Strengthening Audit Capacity	e-Ticket application will be expanded for the activities requiring ticket to enter and it is going to be obligatory for selected activities.	Number of events/activities included in the system	GİB Ministry of Youth and Sports Ministry of Culture and Tourism	GİB	January 2021	
17		It will be ensured that the card-based transportation systems currently used in urban passenger transport systems will be extended throughout the country.	Line/transport type included in card system	Ministry of Transport and Infrastructure Ministry of Environment and Urbanization (General Directorate of Local Authorities) Ministry of Interior Union of Municipalities of Turkey GİB	Ministry of Transport and Infrastructure	June 2021	
18		e-Tickets using in long-distance interurban transportation will be disseminated and the related data will be shared with relevant institutions.	Making necessary arrangements in legislation	Number of data based on share Number of institutions opened to share	GİB Ministry of Transport and Infrastructure	GİB	June 2021
19	The data contained in the Fertilizer Tracking System will be shared with the Revenue Administration and the data will be integrated with the e-invoice system.	By determining the data, making it ready for sharing	Ensuring system integration	Ministry of Agriculture and Forestry GİB	Ministry of Agriculture and Forestry	2019-21	

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20	Component 2: Strengthening Audit Capacity	It will be ensured that the data obtained from the Real Estate Appraisal System and appraisal reports will be shared with the relevant institutions.	The entry into force of the draft regulation	Ministry of Environment and Urbanization (General Directorate of Land Registry and Cadastre) Ministry of Treasury and Finance GIB	Ministry of Environment and Urbanization (General Directorate of Land Registry and Cadastre)	December 2021
Pilot work						
Providing data flow to the system						
In case of a difference between the value data entered in the system and the declared value in the title deed, the notification of the situation will be provided to the Revenue Administration						
21		Administrative and technical arrangements will be introduced to bilaterally stop the registration of taxpayers using counterfeit certificates.	Implementation of relevant legislation	GIB Ministry of Justice Ministry of Treasury and Finance (MASAK) Ministry of Interior (EGM)	GIB	September 2020
Number of detections						
22	“TapuTakas” System, which is used voluntarily in the purchase and sale of real estate, will be disseminated; and legal, administrative and technical arrangements will be introduced in order to disseminate this system in other similar sales including vehicle purchase and sales transactions.	Dissemination of the system	Ministry of Environment and Urbanization (General Directorate of Land Registry and Cadastre) Ministry of Trade TOBB GIB	Ministry of Environment and Urbanization (General Directorate of Land Registry and Cadastre)	December 2021	
Development of the system in other similar sales, including vehicle buying and selling operations						

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23	Component 2: Strengthening Audit Capacity	It will be ensured that the data, which will be obtained by controlling the reservations and non-corporate accommodation options (hotels, pensions, daily rental houses, etc.) realized through web sites or real estate agencies, will be shared with relevant audit units.	Number of unrecorded reservations detected	Ministry of Culture and Tourism Ministry of Interior Ministry of Environment and Urbanization (General Directorate of Local Authorities) TÜRSAB GİB	Ministry of Culture and Tourism	2019-21
24		For the purpose of selling goods and services at a low price, unqualified and high prices, persons/enterprises/agencies that organize touristic tours at a lower price than the market price will be followed and necessary legal arrangements will be made in this field.	Making legal arrangements Number of inspections	Ministry of Culture and Tourism Ministry of Interior Ministry of Environment and Urbanization (General Directorate of Local Authorities) TUREB TÜRSAB GİB	Ministry of Culture and Tourism	2019-21
25		In order to carry out the necessary tax analysis and investigations effectively in the mining sector, the taxpayers who have been granted the right to license or concession will be notified to the relevant public institutions.	Implementation of regulations	Ministry of Energy and Natural Resources (MAPEG) Ministry of Treasury and Finance (Privatization Administration) Ministry of Agriculture and Forestry GİB	Ministry of Energy and Natural Resources (MAPEG)	December 2020

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26	Component 3: Reviewing Legislation and Making Regulations	The relevant legislation will be reviewed and the necessary arrangements to be made will be determined by reviewing the relevant legislation and implemented within the specified calendar.	Number of edits requiring modification	Related Public Institutions and Organizations	GIB	2019-21
Number of regulations entered into force						

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27	Component 4: Enhancing Inter-Agency Data Sharing	This way it will be ensured that information regarding operations in private hospitals undertaken by doctors with a private clinic, the information which is legally required to be registered and stated per Private Hospitals Regulation, is saved and integrated within electronic systems of Ministry of Health.	Setting up the system	Ministry of Health GİB	Ministry of Health	June 2020
			Number of shared data			
28		Increasing the number of registered agricultural holdings under the Agricultural Production Registration System (TÜKAS); data collected from TÜKAS, Agricultural Census Statistics, Organic Agriculture Information System (OTBİS), Good Agricultural Practices System (İTUBİS), Herbal Preservation Products Follow-up System and Fertilizer Tracking System (GTS) will be integrated to each other and shared with other information systems, especially Market Registration System (HKS).	Number of registered enterprises	Ministry of Forestry and Agriculture Ministry of Trade TÜİK	Ministry of Agriculture and Forestry	2019-21
			Number of registered land			
			Number of registered farmers			
			Number of information shared			
			Number of data shared			
		Number of integration				
29		After approval of the construction project, data sharing and cross-checking facilities between institutions will be provided through the necessary system and technical infrastructure to monitor each stage.	Number of institutions included in integration	Ministry of Environment and Urbanization (General Directorate of Construction Works) GİB	Ministry of Environment and Urbanization (General Directorate of Construction Works)	December 2021
30		In order to prevent unregistered workers, the efficiency of data sharing between institutions will be increased.	Number of data shared	SGK Ministry of Family, Labor and Social Services Ministry of Environment and Urbanization Ministry of Culture and Tourism Ministry of Health MEB Ministry of Industry and Technology Ministry of Transport and Infrastructure GİB	SGK	February 2020

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31	Component 4: Enhancing Inter-Agency Data Sharing	The documents prepared by public institutions and organizations to be submitted to other public institutions shall be verified via e-Government Gate.	Number of public institutions integrated into the system	Ministry of Transport and Infrastructure TÜRKSAT	Ministry of Transport and Infrastructure	June 2020
			Number of confirmed documents			
32		After determining the relevant public institutions/organizations to be a basis of data sharing, capacity of inter-agency data sharing will be increased by preparing these public institutions/organizations' data tables and by standardization of the data.	Preparation of general data tables	Ministry of Transport and Infrastructure TÜİK TÜRKSAT GİB	Ministry of Transport and Infrastructure	December 2021
			Number of analyzed institution			
			Number of eligible data shared			
33		Within the scope of the National Union Project on Agriculture, an analysis platform will be established in the Ministry of Agriculture and Forestry regarding the agricultural data.	Number of system integrated	Ministry of Forestry and Agriculture Ministry of Treasury and Finance Ministry of Trade TÜİK GİB	Ministry of Forestry and Agriculture	2019-21
			Number of data analyzed			
			To ensure the integration of the data of foreign trade with the data of the State Registration System with the agricultural data produced by TÜİK			

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34	Component 5: Increasing Awareness for Every Segment of Society	Contests and theatre plays will be organized with the aim of raising awareness of children and young people in the fields of tax and social security and it will be ensured that the topics of “tax consciousness” and “work and social security” will be included in National Curriculum	To make necessary studies to include tax awareness and social security rights and obligations in Turkish, in Social Studies and Human Rights, Citizenship and Democracy courses in National Education curriculum	GİB SGK MEB	GİB	2019-21
35		Awareness-raising activities aiming to increase the female employment in the sectors where women work intensively, as well as guiding awareness activities will be carried out for the registered work.	Number of events carried out	Ministry of Family, Labor and Social Services Ministry of Environment and Urbanization (General Directorate of Local Authorities) Ministry of Treasury and Finance Ministry of Agriculture and Forestry SGK İŞKUR Employee-Employer Unions and Confederations Professional Organizations STK Universities Local Authorities	Ministry of Family, Labor and Social Services	2019-21

ACTION No.	COMPONENT	ACTION	PERFORMANCE INDICATOR	RESPONSIBLE AGENCIES	AGENCY FOR COORDINATION	SCHEDULE
36	Component 5: Increasing Awareness for Every Segment of Society	Activities such as meetings, workshops, seminars and conferences will be organized in youth centers and scouting camps in cooperation with the relevant institutions to promote tax awareness, social security and the perception of registered economy, to promote voluntary compliance; and to inform tax-oriented career and occupation options.	Number of events carried out	Ministry of Youth and Sports	Ministry of Youth and Sports	2019-21
			The number of person benefiting education	SGK GİB		
37		In order to develop social security and tax awareness in all segments of the society, especially for children, the content of cartoons and serials with high watching rates will be published by preparing specific scenarios.	Number cartoons and TV series posted	GİB SGK TRT Press and Publishing	GİB	2019-21
38		In order to increase the competition levels of SMEs and prevent unfair competition; training and consultancy services will be given on the importance of institutionalization, tax awareness and fighting against informal economy.	Number of SMEs benefiting from the educational services provided electronically	KOSGEB Ministry of Family, Labor and Social Services Ministry of Treasury and Finance Ministry of Industry and Technology Ministry of Trade STK	KOSGEB	December 2021
39	As part of the fight against cash economy, awareness studies will be conducted to encourage the use of debit cards and similar payment instruments in payment transactions.	Number of events	BDDK Ministry of Treasury and Finance GİB The Banks Association of Turkey Participation Banks Association of Turkey BKM	BDDK	2019-21	