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Chile: Chile joins the Hague Apostille Convention

Overview

On December 16, 2015, Chile completed the process of acceding to the 1961 Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents (the "Hague Apostille Convention" or the "Convention"), with its provisions coming into force on August 30, 2016.

For countries that have ratified the Convention ("Convention countries"), it specifies methods that allow public documents issued in one Convention country to be certified as legal for use in all other Convention countries. Once

documents are certified as meeting the Convention requirements, they are issued an international legal certificate called an apostille.

The procedures used to certify the legality of documents outlined in the Convention will replace the existing practice of legalizing Chilean documents for use in Convention countries, as well as foreign documents issued in Convention countries for use in Chile. Apostille certificates will be used to prove the legality of the documents.

Competent authorities designated in each Convention country, such as the Undersecretary of Justice in Chile, are authorized to issue apostille certificates. Likewise, the process to obtain an apostille certificate varies in each Convention country.

In Chile, apostille certificates will be obtained either in person or online from the following designated competent authorities: the Ministry of Education, the Ministry of Justice and Human Rights, the Civil Registry and Identification Service, the Ministry of Foreign Affairs, and the Ministry of Health.

Deloitte's view

The provisions of the Hague Apostille Convention will greatly simplify the process of legalizing documents for use in Convention countries.

Although Chile's Ministry of Foreign Affairs has stated that Apostilles for Chilean documents may be obtained both in person from competent authorities and online, the online process may not be available by August 30, 2016.

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Malaysia: Requirements for Regional Office Establishments on the Submission of Annual Audited Accounts

Overview

The establishment and ongoing operation of Regional Offices (ROs) in Malaysia falls under the purview of the Malaysian Investment Development Authority (MIDA). As part of the RO approval process, each RO must submit copies of certified annual audited accounts to MIDA that indicate the details of operating expenditures incurred by the RO. Thereafter, ROs must meet the minimum annual operating expenditure requirements stipulated by MIDA in their RO approval letters.

On a side note, pursuant to Income Tax (Exemption) (No. 60) Order 2003, a noncitizen individual is exempt from the payment of income taxes with respect to income derived from employment with an RO. Therefore, an expatriate working at an RO is taxed only on the portion of his chargeable income attributable to the number of days that he is in Malaysia. For the purpose of this exemption, a noncitizen individual is deemed to be outside of Malaysia for a day if he is outside of Malaysia for the whole of that day.

Changes to note

ROs are not subject to statutory audit in Malaysia, but must still meet an annual operating expense reporting requirements, which can be challenging without audit reports. We have confirmed with MIDA that either of the documents below is acceptable to meet the annual operating expense reporting requirements:

1. A certified true copy (CTC) of the RO's bank statement from the issuing bank; and
2. A copy of the cash book verified as belonging to the RO by a local accounting firm.

Deloitte's view

To comply with the above requirements, ROs may choose to furnish their CTC bank statements to MIDA to meet the minimum operating expense requirements stipulated in their RO approval letters.

However, should an RO wish to furnish a copy of its cash book instead, it should apply agreed-upon procedures to reconcile a report of expenses compiled by management with the amounts listed for those expenses in its cash book, and then submit this reconciliation to MIDA, together with supporting invoices and bank statement records. It is important to note that this method may be tedious and, hence, less cost effective for some ROs.

Also, in view of tax exemption available to noncitizens employed by ROs, it is crucial for employees to keep track of their travel dates and locations to maximize the tax exemption on the income derived from days in which they are physically present outside of Malaysia. The Malaysian Inland Revenue Board (MIRB) often examines the travel dates in an employee's passport, as well as the employee's travel log, before allowing the tax exemption.

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Malaysia: New immigration update

Overview

The Malaysia Immigration Department (MID) has recently announced several changes regarding the requirements for applications of Employment Pass (EP), Professional Visit Pass (PVP), Dependant Pass (DP) as well as the Long-Term Social Visit Pass (LTSVP). These changes will be effective from 1 September 2016.

Changes to note

The new requirements are applicable for all pass applications mentioned above.

Passport validity: For any immigration matters, Passports must have at least 12 months validity during the application and for the purpose of pass endorsement.

Approval letter: Applicants must bring along the MID's approval letter for their respective passes and present the letter at the Immigration Checkpoint when they first land into Malaysia after being notified of their approved application of Employment Pass (EP) Category I, II & III with/without dependent pass. The Immigration Checkpoint will endorse a special 30 day entry validity period for the endorsement to be completed by the next working day where possible. This 30-day entry validity is critical for pass endorsement onto the passport. Failure to present the approval letter and obtain the consequential 30-day entry period will deny the endorsement of the approved pass and a resubmission will be required.

For countries that require a Malaysian entry visa, applicants must apply for and obtain a visa with Reference (VDR) from any Malaysian embassy/high commissions/consulate general in the foreign country where they reside. The Visa/VDR in addition to the said Approval Letter are required to be presented at the Immigration Checkpoint upon entering Malaysia.

VDR requirements for changing a pass (for existing pass holders applicable only for restricted national): Existing pass holders who are changing to the new pass as listed below will be required to exit Malaysia and collect VDR in order to be endorsed for a new pass:

- EP Category III to EP Category III;
- DP to EP Category III;
- Student Pass to EP Category III; and
- PVP to EP Category III.

Cooling-off period: Existing pass holders who are changing to the new passes as listed below must exit Malaysia and serve a 3-month "cooling off period" before the endorsement of the new pass:

- Change of employer from EP Category III to EP Category III under new employer;
- Temporary Employment Pass (PLKS) to any EP category I, II & III; and
- An upgrade from Professional Visit Pass (PVP) with 12 months duration to Employment Pass.

Endorsement of approved pass upon entry: EP applicants must endorse the approved pass within the 30 – day period from the date of entry into Malaysia. Whereas for PVP applicants, they are required to endorse the approved pass within 14 days from the date of entry.

Translation and attestation of certificate: If certificates (i.e. marriage/birth/ academic) for the purpose of pass application is not in Bahasa Melayu (Malay) or English language, the certificates have to be translated by the official translator in the applicant's home country and certified by Malaysia Embassy in their respective home country. (For China and Bangladesh nationals, this is the only option available).

Alternatively, translation can be done in Malaysia by the official translator Malaysian Institute of Translation & Books (MITB) and certified by the respective Embassy in Malaysia. (Not applicable for China/Bangladesh national).

Permission to study for EP holder (higher learning at a public/private university): Applications must be submitted manually to the MID.

Newborns: For noncitizen children born in Malaysia who obtain passports after reaching six months of age, a Special Pass and overstay clearance from the Enforcement Unit of MID, Putrajaya must be acquired before a Dependent Pass can be endorsed.

LTSVP renewals:

- Children 18 years or older: The original letter from the relevant Embassy in Malaysia certified by the Commissioner of Oath on the latest status (single, unemployed and under custodian of EP holder) is required for every renewal.
- Common Law wife: The original letter from the relevant Embassy in Malaysia to prove the relationship is required for every renewal.

i-Card: The expatriate identity card (i-Card) will now only be issued to EP I and EP II level applicants. Dependents and EPIII level pass holders are not eligible for i-Cards.

Deloitte's view

The implementation of the new regulations by the MID would have a significant impact on foreign nationals applying for immigration passes in Malaysia. Specifically:

1. Applicants can enter Malaysia only upon receipt of the approval from MID and applying for VDR (where applicable for certain nationalities).
2. They can enter for social visit purposes prior to the issuance of the approval. However, they must leave Malaysia and re-enter for work purposes after the pass is approved.
3. Failure to comply with the "physical absence rule until approval" may result in the delay of approval issuance (since the MID can track the presence of applicant in country) and will only be released when the applicant departs from Malaysia.
4. The approval letter must be presented at the immigration checkpoint upon arrival. This will entitle the applicant a special 30-day validity period for endorsement purposes only. If the approval letter is not presented, the social visit pass endorsed will deny the pass to be endorsed.
5. Nationals which require a Reference Visa must apply prior to arrival and to be presented together with the approval letter at the Immigration checkpoint.
6. Visa upon arrival is not available at Immigration checkpoint.
7. Ensure that the passport has at least a 3-year validity period at the time of application of the pass in order to meet the minimum 12-month validity requirement and for a complete endorsement of the applied period.
8. The cooling off period will mean an exit and no return until the period lapses before the new category of pass can be applied.
9. The timely endorsement of pass upon arrival is critical. We recommend this as a top priority to be completed on the first working day. Subsequent travels upon arrival are not encouraged until the endorsement is complete.

The requirements are now stringent and failure to comply will result in a rejection of application or a re-submission of the application. The MID will not entertain any appeal. The employer and the applicant must therefore take note of the requirements and schedule the needful on a timely basis.

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Norway: Increase in minimum wage requirements to obtain a work permit

Overview

A key requirement for obtaining a residence permit with a right to work in Norway for foreign nationals (non-EU/EEA citizens), is that the pay and working conditions of foreign nationals cannot be worse than what is normally paid to employees in the same occupation and in the specific place of work. For employers in industries with collective agreements, the collective wage rate must be applied to all foreign and domestic employees. If a collective agreement does not apply, the pay for migrant employees cannot be less than what is normal for Norwegian citizens working in the same occupation at the same place of work.

For positions that require either a bachelor's degree or a master's degree, minimum pay levels are fixed by the government each year on June 1. The current pay levels are as follows (and will not be changed until June 2017):

- If the position requires a master's degree, the pay must be at least NOK 412 600 per year before taxes.
- If the position requires a bachelor's degree, the pay must be at least NOK 382 900 per year before taxes.

In both cases, the authorities may permit a lower salary provided it can be documented that the lower pay level is normal for the occupation and place where the employees will work.

Deloitte's view

On an annual basis, the Norwegian government adjusts the minimum pay levels that must be met in order to obtain work permits for foreign nationals. The increase is in line with expected annual salary increases. The minimum pay levels for obtaining work permits in Norway are utilized to avoid social dumping of foreign workers in Norway.

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People's Republic of China: Tax risk management on PEs created due to the service provided by the overseas employees in China

Overview

The Chinese tax authorities recently were reported to have successfully recovered substantial amounts of tax undercharges from foreign companies after the authorities determined that the companies had created permanent establishments (PEs) in China by sending employees to work in the country. While it may not be surprising to see that the Chinese tax authorities sought to recover enterprise income tax (EIT) from the foreign company by identifying a PE of that company in China, the cases show that Chinese individual income tax (IIT) liabilities also can arise for the foreign employees working in the "PE."

The cases clearly demonstrate the consequences of creating (an unintended) PE: the income generated by the PE that is connected with the activities of the employees will be subject to EIT and the expatriate assignees' employment income earned from working in China will be subject to IIT. In this case, the PE generally will be deemed to bear the employee's employment income and, therefore, the employee may not qualify for tax relief that otherwise would apply under an income tax treaty between China and the individual's home country, regardless of how long he/she is physically present in China.

Beijing case: One of the published cases, which involved the Beijing local tax bureau, was posted on the State Administration of Taxation's (SAT's) social media site (WeChat) on 1 August 2016.

The case involved an investigation of a Sino-foreign joint venture manufacturer (Company A). During the period 2009 to 2014, Company A received various services, such as onsite technical support, post-sales assistance, etc., from various groups of employees that were sent to China by Company A's foreign parent (Company B). Company A took the position that the foreign employees were not liable to Chinese IIT because each individual had spent less than 183 days in China and their remuneration was paid and borne by Company B. However, the Beijing tax bureau determined that the foreign employees rendered services for the same project and that the length of their cumulative stay in China reached the PE threshold (i.e. 183 days in any 12-month period) under the applicable tax treaty. Therefore, Company B was deemed to have created a PE in China and the remuneration of the foreign employees working under the PE were considered costs borne by the PE. As a result, the employees were not entitled to treaty relief, even though their actual physical stays in China were for less than 183 days.

The local tax bureau's final assessment indicated that the foreign employees' activities had created 19 PEs in China, and a backlog of IIT and surcharges totalling RMB 23 million was collected.

Deloitte's view

Global mobility, which has become a norm in today's global business economy, can have significant tax (as well as other) consequences for a company. Examples of global mobility range from seconding full-time employees to work in another country, to sending staff on a short-term basis to carry out or complete temporary projects (e.g. project management, quality control, training, provision of technical advice, etc.) to business travel. Any type of cross-border employment or recurrent travel can give rise to myriad challenges, including immigration, income tax and salary tax compliance, relocation, social security, etc.

Although many foreign companies are aware of the potential Chinese EIT risks arising from PEs, it seems that companies often have different levels of understanding on how the PE rules may affect the IIT liabilities of their expatriates working in China. Some companies may believe their expatriates can be exempt from Chinese IIT as long as they remain in China under the threshold in the relevant tax treaty (e.g. 183 days in a calendar year). It may be easy for companies to overlook the interaction between PE and IIT issues, and as demonstrated by the Beijing case discussed above, a PE of the employer could jeopardize employees' entitlement to tax treaty protection. The consequences can be severe, ranging from financial penalties to reputational risks.

The dramatic increase in overseas companies sending employees to China to provide services has raised the awareness of the Chinese tax authorities' about the potential creation of a PE and a need to intensify the scrutiny of foreign employers and their employees. The recently published cases signal that the tax authorities are looking closely at foreign companies and their expatriates working in China. The frequency and scope of inspections and tax audits carried out by the local tax authorities on PEs have grown exponentially, with the local bureaus conducting extensive investigations that include reviews of historical tax filings/submissions of documents, interviews of company personnel and onsite examinations. The local tax authorities also are working more closely with the SAT and the border authorities to expand the information channel for discovering PEs.

Foreign companies that frequently send employees to China should closely monitor developments and take appropriate actions to manage potential tax risks. The following are some areas that should be considered when assessing PE and relevant EIT/IIT issues:

- Nature of the activities carried out by expatriates and the duration of projects or services rendered in China;
- Contractual documents and intercompany charges, e.g. salary reimbursement or service fees;
- Assignment arrangements and a determination of who is the "economic employer";
- Physical presence of expatriates in China and possible IIT reporting obligations; and
- Other factors, such as immigration formalities, etc.

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People's Republic of China: Implications of Golden Tax System III on individual income tax reporting and administration

Overview

A major tax administration project, which should be implemented nationwide by the end of 2016, will have a significant impact on filing and reporting obligations relating to individual income tax (IIT) in China.

The "Golden Tax System" (GTS) is an electronic tax administration system developed by the Chinese government in the 1990s as one of 12 government information management systems. The first two iterations of the system, GTS I and II, used information technology mainly to improve compliance with China's value-added tax regulations, notably the use and authentication of invoices (fapiaos), etc. The third version of GTS (GTS III) contains more sophisticated functionality that ultimately will be integrated with all industries, tax categories and tax administration areas, especially for PRC Individual Income Tax (IIT) purposes.

The cities of Shanghai and Beijing will roll out GTS III before September 2016, and Jiangsu and Zhejiang provinces will officially launch the system in the fourth quarter of 2016; GTS III is expected to be implemented nationwide by all levels of the tax authorities by the end of 2016. The IIT filing process will be significantly affected by the implementation of GTS III since the tax authorities are aiming to establish a centralized data system for all companies and individual taxpayers that will facilitate intensified IIT administration.

Key implications of GTS III

New and revised IIT returns and forms: All tax reporting forms used in the GTS III are in line with requirements of Bulletin 21 (issued in 2013). Bulletin 21 reduced the number of IIT returns / forms to 12, nine of which are new or revised and three of which remained unchanged. GTS III will require taxpayers to disclose more basic information during the initial tax registration process, which likely will result in enhanced scrutiny of income reporting, information collection and the administration of IIT compliance for all taxpayers.

Comprehensive data reporting requirements: GTS III entails more comprehensive reporting requirements (e.g. personal data, income details, etc.) for both foreign and Chinese employees. Using this information, the local tax bureaus will be able to create a centralized data base that will be used to analyze data across companies in the same/similar industries and identify instances where reported taxable income appears to be "unreasonably" high or low.

New reporting requirements for nontaxable benefits-in-kind (BIK) granted to foreign individuals: The GTS III will require disclosure of more information related to benefits-in-kind offered to expatriates. The existing IIT regulations allow a tax exemption on specific BIKs offered to foreign employees if certain requirements are met. Although many local tax bureaus already have stepped up the examination of BIKs in recent years, the launch of GTS III will be the first time individuals will be required to disclose BIKs (along with monthly salary withholding and reporting) at the national level. The new system will help the local tax authorities in reviewing and determining the reasonableness of certain tax-exempt benefits (e.g. qualified housing rentals, meals, laundry) claimed by expatriates.

Deloitte's view

The launch of GTS III is expected to result in increased scrutiny of IIT returns and forms by the local tax bureaus. All companies (and especially those employing foreigners) should carefully evaluate the impact of GTS III and take steps to ensure that sufficient documentation is maintained and that they are in compliance with the relevant rules. The following factors, in particular, should be considered:

- Whether the company's employees are familiar with the new system and the relevant changes;
- Whether the company documents and properly monitors employment details (e.g. tracking the number of days expatriates are present in China, etc.);
- Whether all employment income (e.g. offshore income, overseas social security costs, non-qualifying BIK, etc.) has been reported for IIT purposes;

- Whether the company has proper internal procedures and exercises strict internal controls over BIK claims; and
- Whether the company has sufficient internal resources to collect all relevant data/documents to substantiate tax positions.

In response to the new reporting requirements relating to tax-exempt benefits, employers should take steps to ensure that such benefits are structured properly to differentiate them from cash allowances and that application of the benefits complies with the tax regulations and local practice. Additionally, relevant internal administrative procedures should be well documented and adhered to in order to sustain eligibility for tax-exempt status.

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Turkey: International labor law published in the Official Gazette

Overview

Turkey's current laws and legislation overseeing foreigners' work and residence rights do not meet the requirements of today's conditions – including multinational projects and the influx of immigrants – or international labor law number 6735, which was published in the Official Gazette on 13/08/2016 and is now being enforced.

A summary of the international labor law, which consists of 29 articles that have been enforced since it was published, is below.

1. The purpose of this law on international labor is to determine the policies on international labor, regulate the authorities and responsibilities of international labor work permits, and oversee work permit exemptions granted to foreigners.
2. This law covers the real people and legal entities that apply to work in Turkey, vocational training affiliated with an employer, internships, and foreigners who are in Turkey to perform cross-border activities.

In the application of this law, the provisions of the agreements in which Turkey is counterparty bilaterally or multilaterally are reserved.

3. The Ministry is authorized to determine the policy on international labor and is also authorized to execute the activities of the determined policies on national and international levels while considering the decisions of the International Labor Policy Council.

4. The Ministry establishes the international labor follow-up and evaluation system to be able to receive requests on foreign employment, and to evaluate and follow up on foreign employment applications.

The Ministry can request information and documents from institutions and organizations, as well as the real person and legal entity, the need for foreign employment, and the other subjects mentioned in this law without prejudice to public safety.

5. Foreigners are forbidden from working without a work permit within the scope of this law. Some foreigners may be legally allowed to work without a work permit in Turkey if other laws or the bilateral or multilateral agreements in which Turkey is a counterparty allow such an exception.
6. Work permit applications can be domestically submitted to the Ministry directly, or from countries abroad if the foreigner is a citizen of that country or has a legal right to stay according to the Turkish Republic embassy or consulate.
7. Work permit extension applications can be made 60 days prior to the expiration date of the current work permit and the extension application needs to be filed before the work permit expiration date in any case. Applications that are filed after the expiration date are rejected automatically. If the application is duly completed, evaluations are done within 30 days.
8. Prior consent must be provided before the work permit evaluation is conducted for foreigners who will be employed in health and education services requiring professional competency. The Ministry of Health (for health services) and the Ministry of National Education (for education) are authorized to grant prior consent; the Ministry and ministers determine the professions that require prior consent.

The Ministry grants work permits for foreign academics in accordance with the higher education boards.

Work permits for foreign employees who will be working as research and development personnel in firms that have research and development centers are evaluated if there is an opinion in favor of the Ministry of Science, Industry and Technology.

9. After the work permit application is evaluated, the application may be rejected if the application is not in accordance with the International Labor Policy if it has a misstatement and/or is submitted with false documents; if the reason for the foreigner's employment is deemed insufficient or they are deemed unqualified for employment; if the application does not meet the Ministry's criteria; if the applicant is a citizen of a country that Turkey does not recognize or does not have diplomatic relations with (unless the Ministry of Foreign Affairs consents); or if the application is not filed within the legal application period.
10. If the application is positively evaluated, a work permit is granted for a maximum of one year. If an extension application is positively evaluated, the first extension affiliated with the same employer is granted for two years and the next extension may be granted for up to three years. However, if the application is filed under a different employer, the work permit is granted only for one year.

A foreigner who has an indefinite work permit can benefit from rights that are granted by a long-term residence permit. If a foreigner has an indefinite work permit, except the regulations of special law, he or she can benefit from the rights that are granted to Turkish citizens while being subjected to legislative provisions. A foreigner is not obliged to vote or run for election, be employed in public sector, or perform military duty. An independent work permit can be granted if the foreigner is a member of a profession that meets the special criteria indicated in other laws.

11. In accordance with the International Labor Policy, a Turquoise Card can be granted to a foreigner if the educational level, professional experience, contribution to science or technology, and the effect of their activities and investments on the country's economy and employment is deemed necessary. A Turquoise Card is granted on the condition that there is a three-year transitional period. For the family members of a foreigner who has a Turquoise Card, an official document is granted that acts as a substitute for a residence permit; foreign Turquoise Card holders can benefit from the rights that are granted with an indefinite work permit, as well.

12. According to this regulation, a work permit or work permit exemption is a substitute for a residence permit based on international labor law number 6458, article 27. However, a residence permit does not grant a right to employment.
13. Following the application submitted abroad, the foreigner who is granted a work permit is obliged to enter Turkey six months after the work permit start date. The work permit is cancelled if the foreigner does not enter Turkey within this period.
14. The foreigners in the scope of work permit exemption can be employed under the condition of obtaining a work permit exemption. Work permit exemption applications can be submitted domestically to the Ministry directly, or from abroad if the foreigner is a citizen of the country or has a legal right to stay according to the Turkish Republic embassy or consulate.
15. According to international labor law number 6102, the board member of an established corporation who does not reside in Turkey, or a partner (who does not have a director title or provide cross-border service) in another firm whose activities do not exceed 90 days in 180 days are evaluated within the scope of a work permit exemption.
16. For the countries that have diplomatic councilor representatives, foreigners who are working in affiliated schools, cultural organizations, and religious organizations can work with work permits, as well as foreigners who are working in nonaffiliated schools, and cultural and religious organizations within the scope of the Vienna Convention on Diplomatic Relations dated 18/4/1961 and the Vienna Agreement on Consular Relations dated 24/4/1963.
17. A work permit or work permit exemption request is cancelled if the foreigner does not enter Turkey within six months of the work permit or work permit exemption commencement date, if the foreigner stays out of Turkey more than six months except for health or compelling mandatory public service reasons for temporary work permits; for an independent work permit, the time period is more than one year, and if a Turquoise Card holder stays out of Turkey more than the time period determined by the Ministry.
18. According to international labor law number 6458, foreigners who requested international protection and whose status is still not determined – or conditional refugees – can apply for a work permit or work permit exemption starting from the international protection application date. Foreigners who are granted temporary protection can apply for a work permit or a work permit exemption after the temporary protection identity card issuance date. A valid work permit, or having a work permit exemption, does not grant an absolute right to stay in Turkey.
19. Foreign students who are registered at a higher education institution in Turkey can be employed if they have acquired a work permit. Foreign students who have an associate's or bachelor's degree can apply for a work permit once they complete their first year of school and can legally work part time within the scope of international labor law number 4857, dated 22/5/2003. This limitation is not applicable to graduate students. A foreign student who has completed his or her higher education in Turkey can apply for a work permit within a year of graduating, and the application is evaluated under the principals determined by the International Labor Policy Consulting Board.
20. Engineers and architects who have completed their education at a Turkish institute of higher education or a higher education institution abroad that is recognized by the Higher Education Board in Turkey can be granted a work permit temporarily or on a project-by-project basis.
21. After the date of notification, the related parties can object to the verdict within 30 days. If the objection is rejected, they can apply for administrative procedures.
22. Employers who employ foreigners and foreigners who hold indefinite or independent work permits are obliged to notify the Ministry within 15 days if employment starts or ends, or if work permits or work permit exemptions require cancellation.

23. The foreign work permit and work permit exemption holder, as well as the employers who employ foreigners, are obliged to fulfil the Social Security liabilities within the legal period in accordance with Social Security laws and general health insurance law number 5510, dated 31/5/2006.
24. According to this law, the administrative fines should be paid within a month of the notification date.
25. The Ministry of Foreign Affairs is authorized to determine the work permit fees within the scope of the reciprocity principle. A fee is not applicable for foreigners who have work permit exemptions of less than three months, as well as Turquoise Card holders and their immediate family members.
26. For Northern Cyprus citizens, a short-term residence permit is granted for two years maximum.
27. The work permits that are granted based on the previous legislation prior to the law being enforced are still valid unless they have been cancelled. For the applications that were filed before the law was enforced or for ongoing applications, the provisions that are in favor of the applicant are taken into consideration.
28. Until the regulations of the application of this law are enforced, the provisions that are not in contradiction with this law will continue to be applied.

Deloitte's view

The new law brought changes in accordance with the changing shape of international labor policies. New regulations will assist with overseeing the significant increase of international labor in Turkey. Even though there are not many changes compared to the Law on Work Permits of Foreigners No. 4817, international labor law number 6735 will be more purposeful in practice. New regulations may also be enforced in the future as additions to international labor laws become available.

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