

THE

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## E-transformation, E-invoice, E-archive... and all that jazz



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## **E-transformation, E-invoice, E-archive... and all that jazz**

A brief interview with Koray Bahar of FIT Solutions

In this issue we are delighted to have a brief interview with the CEO of one of our clients, Koray Bahar of FIT Solutions. Mr. Bahar kindly responded our queries on E-invoice and E-archive.



But first, let's start with a brief introduction to the concepts E-transformation, E-invoice and E-archive.

E-transformation is a general title for transforming paper-based legal documents, archives and delivery procedures into electronic format. This term refers not only to E-archive, E-invoice but also, E-ledger, E-tax declaration, in fact, all E-state applications including the E-ID system. Having said that, we must mention that FIT Solutions is the registered owner of "E-transformation" trade mark in its area of activity. Neither E-invoice, nor E-archive (invoice) is a new type of document. These concepts refer to electronic formatting of an invoice, as we know it.

E-invoice is an invoicing system, enabling its users to create, deliver and archive the invoices in an electronic environment. This system enables taxpayers, which are registered with the E-invoice system, to create and deliver electronic invoices between each other. One must note that E-invoice users are required to deliver E-invoices to the other E-invoice users.

Integration to E-invoice system is mandatory to certain companies based on their sector and/or revenue. The entities, which are required to register with the E-invoice system, are listed in Tax Procedure Law General Communiqués No. 421 and 454.

E-archive is generally thought to be a digital archive for ordinary documentation. However, in Turkey's tax practice, E-archive refers to a system enables the taxpayers to create, archive the electronic counterpart of the invoice that is required to be issued and delivered in a "paper" form. This system also enables taxpayers to deliver the invoice in electronic environment in certain cases. In contrast with E-invoice, E-archive enables an invoice issuer to benefit from this system when delivering such invoice to persons, who are not registered with the E-invoice or E-archive, or the final customers.

E-commerce companies in Turkey which have gross sales of minimum 5 million TL in their 2014 balance sheet are required to register with the E-archive system until 1 January 2016.



**Fine Print (FP):** Mr. Bahar, we are aware that FIT Solutions is one of the leading companies in E-invoice, E-archive sector and you are pretty much in the field. From your perspective what are the companies' reaction to these systems?

**Koray Bahar (KB):** At the early days of the implementation of these systems by the Income Revenue Administration, the companies, who were to transform their systems into the E-invoice system mandatory or voluntarily, had some concerns about the system. Their concerns were about the confidentiality of their financial data, practicability and efficiency of the system and integration of this system within their organisation. But based on our experience, mostly after our first meeting, especially when they receive satisfactory responses to their queries, their concerns are gone; because the Income Revenue Administration have put a great effort in this matter and systems are designed to protect the companies' confidentiality and other rights and these systems are easy to use.

**FP: You mentioned about voluntary integration into the system. Are there companies, which chose to integrate into the system although they are not required to do so?**

Yes there are actually. Because with the help of E-transformation process, labour productivity increases and work force, printing, archiving, cargo, transportation and public notary expenses decrease. For instance, with the usage of E-invoice, the cost of paper invoice per unit decreases from 6 Lira (Lira) to 2 Kurus (0.02 Lira).

From an environmental point of view, since 2010 E-invoice users saved thousands of trees by creating their invoices in electronic format rather than paper format.





**FP:** Now there is an upcoming deadline of 1 January 2016 for certain E-commerce companies to transform their systems into E-archive. What is your advice to your companies?

**KB:** Firstly, as you rightly mention it is a deadline. By 1 January 2016 such transformation must be complete. So it is better for these companies to start working on this transformation, start meetings with private integrators or providers of direct integration. It is better to make some legal and market research on these systems. They can easily receive information on these systems through Income Revenue Administration's website and they can try to receive feedback from their fellow companies, which have already integrated into e-invoice or e-archive system.

**FP:** Mr. Bahar thank you for accepting our interview request.

**KB:** Thank you for having me.

## Recent Competition Board Decisions

- It is decided by the Competition Board, with its decision numbered 15-32/450-BD and dated 28 July 2015 that the acquisition of 99,99% of shares owned by Enerya Elektrik A.S., which is in control of STFA Yatirim Holding A.S., by Enerji Yatirim A.S. in joint control of STFA Yatirim Holding A.S. and Energizer Turkey SARL is not subject to permission.
- It is decided by the Competition Board, with its decision numbered 15-32/454-138 and dated 28 July 2015, to approve that Turk Telekomunikasyon A.S. has taken single control of Avea Iletisim Hizmetleri A.S. and its subsidiary Fleksus Odeme Hizmetleri A.S. It was previously jointly controlled by Turk Telekomunikasyon A.S. and its group of companies.
- It is decided by the Competition Board, with its decision numbered 15-32/453-137 and dated 28 July 2015, to approve Alcatel-Lucent's acquisition process to Nokia Corporation's single control.





# Answers. Not theories.

## Gokce Attorney Partnership

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## About our firm

Gokce Attorney Partnership is an Istanbul-based law firm offering legal services across a broad range of practice areas including mergers and acquisitions, joint ventures, private equity and venture capital transactions, banking and finance, capital markets, insurance, technology, media, telecoms and internet, e-commerce, data protection, intellectual property, regulatory, real property, and commercial litigation. Please visit our web site at [www.gokce.av.tr](http://www.gokce.av.tr) for further information on our legal staff and expertise.

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