

Amendments to the Communiqué on Application Principles of Technology-Oriented Industrial Movements Program

26 Dec 2019

Turkey's Ministry of Industry and Technology has published the Communiqué Amending the Communiqué on Application Principles of Technology-Oriented Industrial Movements Program ("**Communiqué**").

The amendments made within this scope can be summarized as follows:

- The cost of the independent evaluation report of the investor enterprises qualified as Small and Medium-Sized Enterprises ("**SMSE**") will be covered by the Small and Medium Enterprises Development Organization ("**SMEDO**") at a coverage ratio in accordance with the procedures stipulated in the relevant legislation. The cost of the independent evaluation report of the projects provided by large-scaled investors and are determined to benefit from Research and Development ("**R&D**") supports of the Scientific and Technological Research Council of Turkey ("**STRCT**") by the Technology-Oriented Industrial Movements Program Evaluation Committee ("**Committee**") will be covered by STRCT following the *de facto* initiation of R&D supports within the limits stipulated in the relevant legislation.
- For the SMSEs with all legal entities as shareholders, to be able to benefit from the SMEDO support, Committee now seeks all shareholders being established at least one year ago before the application to the program.
- Manufacturing of multiple products can be aimed in the facility that will initiate its operations within the scope of the application, and that it is mandatory for the product that is aimed to be manufactured as the fundamental product to be on the product list partaking in the invitation announcement.
- Independent evaluation reports of the project shall henceforth involve the conclusion section including general views and assessments of the independent consultancy firm evaluating the project.
- While reviewing the projects that have applied, the Committee will consider the criteria of (i) being carried out with a high equity financing ratio by a financially adequate firm that conducts its investment and business period activities with limited external financing and government support and (ii) being supported in terms of demand through the undertaking of its project stakeholder, being directed at the manufacture of the products that has an adequate and developing market potential.
- Moreover, investment incentive certificates can be drawn as per the request of the investor within the frame of incentive applications by considering the findings at the stage of completion visa as a result of the evaluation to be made for the projects. If the application of this certificate is ended, the supports will no longer be provided and if any, extra supports provided will not be retrieved.
- In addition, the processes begun before the relevant regulation are also included in the scope as well.

The Communiqué has been published in the Official Gazette number 30969 on 5 December 2019, being effective from this date.

You can reach the full text of the Communiqué from this [link](#) (only available in Turkish).

Related Practices

- R&D, Licensing and Technology Transactions
-

Related Attorneys

- IŞIK ÖZDOĞAN, LL.M.
 - MERVE ALTINAY
-

Moroglu Arseven | www.morogluarseven.com