

Turkey Amends the Decision on State Aids in Investment

21 Sep 2020

The Decision Amending the Decision on State Aids in Investment amends ("**Amendment Decision**") the Decision on State Aids in Investment mainly with the purposes of supporting environmental responsibility in production and high technology investment by considering the investors' needs. The Amendment Decision has been published in the Official Gazette dated 21 August 2020 and numbered 31220.

Within the framework of the amendments;

- Gold-backed mining investments shall not be qualified as strategic investments.
- The amount of incentive for research and development and environmental investments shall be up to 1,800,000 Turkish Lira.
- The investment participation rate set forth within the framework of large-scale investments, investments for regional incentives, and strategic incentives shall be increased by one half provided that it is requested during the application for incentive certificate and the tax deduction is not claimed.
- The issues mentioned below are also added to the investments which may benefit from regional incentive:
 - Railway and seaway transportation;
 - Investments on test centers regarding the products in medium-high and high technology industry according to OECD;
 - Investments providing energy conservation with a minimum ratio of 15%;
 - Investments subject to environmental licenses according to Regulation on Environmental Permit and License;
 - Investments in manufacturing software and information products in the free zone without any requirement on the minimum investment amount.
- Investment, which may benefit from sub-regional incentives, shall not claim incentives for the insurance premium and income tax withholding.
- Republic of Turkey Ministry of Industry and Technology also assigned Provincial Directorates for completion of investment visa proceedings.
- Cities are re-classified according to the new regions.

Please see this [link](#) for the full text of the Amendment Decision (only available in Turkish).

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