

## Turkey Introduces Support Scheme for Investments Into R&D and Innovation Projects

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Turkey has introduced a support scheme for investments into R&D, innovation, and high value-added projects. The scheme aims to encourage investments which support the country's critical current and future needs, as well as provide supply security, reduce foreign dependency and realize technological development. To qualify, the fixed investment amount should be at least US \$100 million and be made for purposes which are consistent with the scheme's intentions.

The Ministry of Economy ("**Ministry**") published the Decision on Support for Project Based Investments ("**Decision**"), in Official Gazette number 29900 on 26 December 2016.

Qualifying investments can potentially receive:

- Exemptions from customs duties.
- Value Added Tax exemptions and refunds.
- Tax deductions or exemptions.
- Reduction in employers' contributions to social security premiums.
- Support with income tax withholding.
- Support for qualified employees.
- Interest or grant support.
- Capital contribution.
- Energy support.
- Public procurement guarantee.
- Land allocation for investments.
- Infrastructure support.
- Exemptions from allocation, permit, or license restrictions.

A Support Decision will be published for approved investments, as well as an investment incentive certificate, stating details of the government support (features, conditions, dates, project period, etc).

Investment transfers are subject to the Ministry's approval in accordance with the period and terms determined in the Support Decision.

The investor is responsible for failure to complete the investment within the determined time period. If the investor fails to meet obligations foreseen in the Support Decision, the taxes will be collected, with default interest (but without imposing tax loss penalty). Other support will also be withdrawn in accordance with the Law On Asset Collection Procedures.

If an investor benefits from support under the Decision, he or she cannot benefit from the other government supports.

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

### Related Practices

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## Related Attorneys

- DR. E. SEYF? MORO?LU, LL.M.
- A. BA?AK ACAR, LL.M.

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