

## Turkey Makes a Range of Changes to Investment Support Scheme

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Turkey has made a range of changes to its state investment support scheme. Amendments apply to eligibility criteria, tax rates, support periods, as well as investment completion processes, among others aspects of the scheme.

The Decree Amending Cabinet Decree on State Supports for Investments ("**Decree**") was published in Official Gazette number 29848 on 5 October 2016.

Notable amendments under the Decree include:

- Investors were previously required to apply to the Ministry of Economy for certain specified investments within the incentive scheme, worth up to ten million Turkish Lira. Investors can now apply to local offices located in the place where these investments are made, rather than to the central Ministry.
- Interest support for strategic investments will now be applied regardless of the investment's commencement date.
- Support for employers' national insurance contributions is now available in regions where large-scale investment and regional incentive practices previously offered no support.
- Discounts to corporate and income tax have increased, meaning that investors must now provide a larger monetary contribution.
- Manufacturing industry investments in industrial districts will now qualify to for one-down regional supports.
- A minimum fixed investment amount for incentive certificates prepared for one-down regional support is introduced as:
  - One million Turkish Lira for investments in regions 1 and 2 (except Istanbul).
  - 500,000 Turkish Lira for investments in other regions.
- For investments which were not completed within the investment period, investment expenditures made up until the completion visa step are considered to be within the incentive certificate regime's scope during the completion visa. However, these expenditures cannot benefit from support available under the incentive certificate.
- Completion visas for hotel investments, which have obtained a hotel business license but cannot submit their tourism operation license during the completion visa period, can be made by converting the document via the general incentive system.

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

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