

Turkey Tweaks Government Financial Support Scheme for Technological Products

1 May 2017

Turkey has amended the scope and procedure of a government investment support scheme for technological products ("**Scheme**"). Notably, support for loan interest has been removed from the Scheme, but micro-enterprises have become eligible to apply for support. The Scheme now also includes technological products resulting from R&D projects in technology development areas, as well as produced by public research organizations.

The Regulation Amending The Regulation of The Investment Support Program For Technological Products ("**Amendment Regulation**") was published in Official Gazette number 30032 on 8 April 2017, entering into effect on the same date.

Significant changes introduced by the Amendment Regulation include:

- Loan interest support will no longer be provided in the Scheme.
- Micro-enterprises can now apply for investment support.
- The Scheme now includes technological products:
 - Resulting from R&D projects conducted by enterprises in technology development areas.
 - Produced by public research organizations.
- Products developed using equity capital were previously only eligible to be included in the Scheme if they are patented. The Scientific and Technological Research Council of Turkey (TÜBİTAK) can now also approve specific products to be included in the Scheme.
- The upper limits of investment support and rates has increased.
 - Micro-enterprises: Upper limit is 60% of the investment project amount. The total amount cannot exceed eight million Turkish Lira.
 - Small scale enterprises: Upper limit is 50% of the investment project amount. The total amount cannot exceed seven million Turkish Lira.
 - Medium sized enterprises: The upper limit is 40% of the investment project amount. The total amount cannot exceed six million Turkish Lira.
 - Large enterprises: The upper limit is 10% of the investment project amount. The total amount cannot exceed three million Turkish Lira.
- The upper limits above will increase 20% if machines and devices purchased for a project have a domestic goods certificate.
- The total support amount of each investment project is now capped at ten million Turkish Lira.
- Feasibility reports no longer listed among the required application documents.
- If rights derived from products produced by public research organizations are assigned, the Examination Commission will assess the support amount by considering the business scale of the larger party.
- Applications can now be submitted at any time, rather than only at specific application points.
- The examination term for applications decreases to 45 working days.
- Enterprises can only receive advance payments for machine and equipment if they deposit 25% of the upper limit. Machines and equipment purchased via leasing companies do not qualify.

- Enterprises are prohibited from selling, pledging and assigning of machines and equipment purchased within the Scheme's scope, for a certain period. The term has been reduced from five years to three years.
- Enterprises must provide an annual progress report within a certain period of the Ministry's Completion Document being issued. The period has been reduced from five years to three years.

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

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