

Turkey Updates Incentive Scheme For Projects Supporting National Development

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Turkey has updated its project-based investment incentives scheme, providing financial support for innovative, technology-oriented, R&D focused, high value-added projects, which assist in reducing foreign dependency. The incentives are available to projects which comply with the Turkish government's targets outlined in national development plans and annual programs, as well as projects specifically promoted by the Ministry of Economy.

The Law on Supporting Investments on Project Basis and Amending Certain Laws and Decrees numbered 6745 was published in Official Gazette number 29824 on 7 September 2016 ("**Amendment Law**").

Accordingly, qualifying projects could receive the following support instruments and exemptions:

- Up to 100% corporate tax exemption.
- Up to 200% investment support.
- Corporate tax exemption for profits derived from the investment during the first ten years of operations.
- Income tax withholding support.
- Exemption from customs duties.
- Free land allocation for 49 years where the investment is made on an immovable property belonging to the Turkish Treasury, or free transfer of these immovable properties for completed projects, provided the anticipated employment lasts for at least five years.
- Up to ten years' support with the employer's share of social security premiums.
- Up to 50% compensation of energy consumption expenses related to the investment, for up to ten years.
- Abolishment of interest on loans for fixed investments.
- Up to five years' salary support for qualified employees, capped at twenty times the gross monthly minimum wage.
- Up to 49% state partnership, provided an initial public offering or direct sale to investors will occur within ten years.

Support will be paid from the Ministry of Economy's budget.

Goods produced under the project based incentive schemes may benefit from the government's purchase guarantee, after the approval of the Council of Ministers on the amount and the time interval.

All infrastructure investments may be reimbursed, subject to approval from the Council of Ministers.

If ownership of an investment is transferred, all acquired rights under the investment scheme will be passed to the new investor.

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

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