

Turkey Widens Scope of Government Incentives for Investments in Certain Industries or Regions

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Turkey has widened the scope of government incentives offered for investments in certain industries. Changes to the Investment Incentive Scheme are intended to update the existing framework to keep pace with Turkey's market needs and address recent developments. Changes particularly apply to investments into airports, tourism and production of certain flat aluminum goods. Conditions for the government incentives are also outlined in a more detailed manner than previously.

Governmental grants for enterprises are outlined by Cabinet Decision 2012/3305, which entered into effect on 15 June 2012. The Decision Amending the Decision Regarding Governmental Grants on Investments ("**Amendment Decision**") was published on 29 February 2016, entering into effect on 8 April 2016.

The Investment Incentive Scheme allows entrepreneurs to receive incentives depending on the scale of investment, sector, region and the goods/services which will be produced. The scheme has four main aspects:

- Regional Incentives.
- Large Scale Investments Incentives.
- Strategic Investments Incentives.
- General Incentives.

Significant changes introduced by the Amendment Decision include:

- Applications for Strategic Investments will be accepted up to 31 December 2016.
- Employers will receive support for their national insurance contribution with regard to Large Scale and Regional Investments within the scheme, for certain time periods and regions, as outlined in the Amendment Decision.
- For large Scale investments which had begun by 31 December 2016, income or corporate tax will be reduced until the amount reaches the defined contribution amount.
- Integrated investments regarding production of flat aluminum goods via direct frigorific slab casting and hot rolling are now included in the scheme.
- Tourism investments and investments into operating permitted sea tourism facilities are now included in the Regional Incentives aspect of the scheme.
- Airport investments are now included in the Large Scale Incentives aspects of the scheme.
- For investments which remain unfinished due to safety issues, entrepreneurs can request extra time to receive the incentive and continue to work, provided the Investment Incentive Documentation was finalized before 1 June 2015.

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

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