



INVESTMENT INCENTIVES IN TURKEY

**INVESTMENT
INCENTIVE PROGRAM**

**PROJECT BASED
INVESTMENT INCENTIVE
PROGRAM**



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**Regional
Investment
Incentive
Scheme**

**Aims to eliminate
inter-regional
imbalances**

**Priority
Investment
Incentive
Scheme**

**Aims to increase
production of
goods and services
in critical sectors**

**Strategic
Investment
Incentive
Scheme**

**Aims to increase
production of
intermediate and
final products with
high import
dependence**

**General
Investment
Incentive
Scheme**

**Aims to support all
investment
projects that are
not excluded from
the program**





Support Measures

VAT Exemption	for machinery and equipment, imported or local (18%)
Customs Duty Exemption	for imported machinery and equipment (2% on average)
Tax Deduction	15 to 55 % of fixed investment depending on location/industry
Social Security Premium Support (Employer's Share-over minimum gross wage)	for employment generated for 2 to 12 years depending on location/industry (603 TL=\$80 /month)
Interest Support	on credits used for investment financing (3-10% for TL, 1-2% for FX credits)
Land Allocation	Government land allocated for the investments
VAT Refund	Rebate of VAT paid for building & construction

Only For Region 6

Income Tax Withholding Support	for employment generated for 10 years (375 TL=\$50 /month)
Social Security Premium Support (Employee's Share)	for employment generated for 10 years (412 TL=\$55 /month)



PROJECT BASED INVESTMENT INCENTIVE PROGRAM

OBJECTIVES



Supply Security



Critical Production Needs



New Generation Technologies



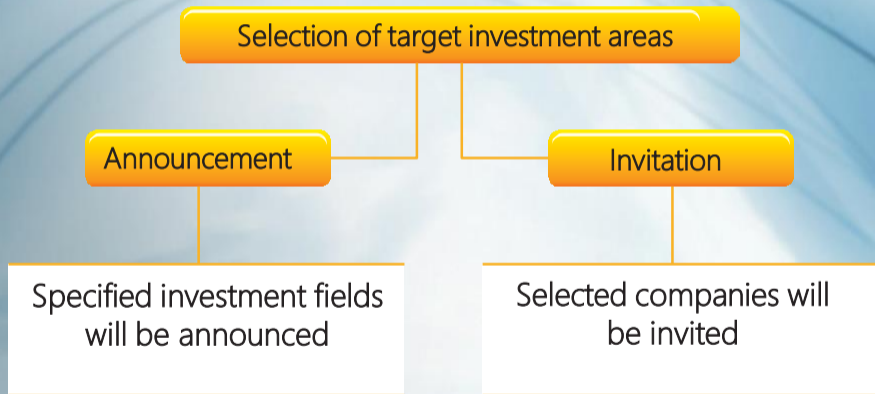
Technological Transformation



R&D Intense, Eco-friendly Products



Curbing Import Dependency



DOCUMENTS REQUIRED



Investor's
Profile

Investment
Details



Impact
Analysis

Feasibility
Report



Supports
Demanded

Project
Outcomes

OPERATION OF THE PROGRAM



INCENTIVES



TAX INCENTIVES

VAT Exemption

Customs Duty Exemption

Corporate Tax Deduction

VAT Refund

EMPLOYMENT INCENTIVES

Social Security Premium Support (Employer's Share)

Income Tax Withholding Support

Qualified Personnel Employment Support

FINANCIAL INCENTIVES

Energy Support

Interest Support

Capital Contribution Support

INCENTIVES RELATED TO LAND ALLOCATION

Infrastructure Support

Land Allocation

OTHER INCENTIVES

Facilitation of Legal and Administrative Procedures

Purchasing Guarantee

- Customs Duty Exemption,
- Value Added Tax Exemption for machinery and equipment,
- Value Added Tax Refund for construction,
- Corporate Income Tax Deduction up to **200 % of investment amount**

Tax Incentives



- Social Security Premium Support (Employer's share over **gross wage**) up to 10 years,
- **Qualified personnel wage support up to 20-fold of gross minimum wage and up to 5 years,**
- Income Tax Withholding Support up to 10 years

Employment Incentives



- **Energy Support:** up to %50 percent of energy consumption and maximum of 10 years.
- **Interest Support:** For investment loans, up to 10 years,
- **Capital Contribution Support:** The Government will get into a partnership with the investor by 49% for a certain period of time and leave the partnership by selling its shares at the very latest of 10 years

Financial Incentives



- Allocation of land for the investments up to 49 years. If **committed employment is maintained for 5 years following the completion of the investment**, premises can be transferred to investors free of charge,
- **Infrastructure support**

Incentives Related to Land



- **Purchasing guarantee for a certain period,**
- **Facilitation of Legal and Administrative Procedures**

Other Incentives



POTENTIAL INVESTMENT AREAS



Energy
technologies

Integrated
metallurgy
production

Petrochemical
investments

Biotech/
medicines

Medical
technologies

Transportation
technologies

Defense systems,
air&space
technologies

Electronics

Information
& communication
technologies



Ministry of Industry and Technology

General Directorate for Incentive
Implementation and Foreign Investment

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