

BUILDING MARKETS BUSINESS SURVIVAL GUIDE #2

GOVERNMENT INCENTIVES FOR BUSINESSES IN TURKEY

The information presented in this document has been compiled as a guide for businesses and foreign investors looking to do business in Turkey. Rules, regulations and incentives are subject to change without notice. Always check with the information source to confirm authenticity before making any financial decisions for your business.



Do you want to start a new business?

TÜBİTAK and KOSGEB support entrepreneurship and innovative business ideas by offering training, mentoring, reimbursement for personnel expenses, grants, and bank credit.

Do you want to grow your business?

In order to increase the capacity of businesses in Turkey, the government offers incentives that assist businesses to increase and improve productivity, international competitiveness, employment, and innovation.

Eligibility

There are three types of entrepreneurs that are eligible for government incentives in Turkey.

- Youth (Entrepreneurs under the age of 27)
- Women
- Foreign investors

Types of Support

These agencies provide comprehensive support from grants to loans to expense reimbursement. Depending on the needs of your business, you could be eligible to receive travel expense reimbursement, a grant for purchasing equipment, free consultancy services, support for R&D, and more! Visit their websites for more information.

Which Government Agencies Provide Incentives?

- IPEKYOLU (Silk Road Development Agency): <https://www.ika.org.tr/>  
- İŞKUR (Turkish Employment Agency): <http://www.iskur.gov.tr/>  
- ISTKA: (Istanbul Development Agency): <http://www.istka.org.tr/> 
- KGF (Credit Guarantee Fund): <http://www.kgf.com.tr/index.php/tr/>  
- KOSGEB (Small and Medium Business Development Agency): <http://www.kosgeb.gov.tr/>  
- TESKOMB (Tradesmen and Artisans Credit and Surety Cooperatives Central Association of Turkey): <http://www.teskomb.org.tr/> 
- Turkish Ministry of Economy: <https://www.ekonomi.gov.tr/>  
- Turkish Agency for Investment in Turkey: <http://www.invest.gov.tr/>   
- TÜBİTAK (Scientific and Technological Research Council of Turkey): <https://www.tubitak.gov.tr/>  

Did you know that the Turkish Ministry of Economy also provides incentives for foreign investors?

New incentives have become available in order to attract foreign investors to not only reduce the current account deficit but to boost investment in Turkey. Different incentives are available for the six regions that the Turkey government created based on development level. The following incentives are available from the Ministry of Economy:

Support Measures	General Investment Incentive Scheme	Regional Investment Incentive Scheme	Priority Investment Incentive Scheme	Large-Scale Investment Incentive Scheme	Strategic Investment Incentive Scheme
VAT Exemption	X	X	X	X	X
Customs Duty Exemption	X	X	X	X	X
Tax Deduction		X	X	X	X
Social Security Premium Support (Employer's Share)	X	X	X	X	X
Income Tax Withholding Support*		X	X	X	X
Social Security Premium Support (Employee's Share) *		X	X	X	X
Interest Support**		X	X		X
Land Allocation		X	X	X	X
VAT Refund ***					X

*Provided that the investment is made in Region 6

**Provided that the investment is made in Regions 3, 4, 5, or 6 within the frame of the Regional Investment Incentive Scheme

***For Strategic Investments with a minimum fixed investment of 500 million TL.

Are you an exporter? There are also special incentives for you!

In Turkey, the **Inward Processing Program** provides tax and other incentives for exporters. These types of incentives include:

- 100% Customs, VAT, Special Consumption Tax, Resource Utilization Support Fund, and Stamp Tax refunds.
- Exemption from quotas and surveillance measures.
- These incentives can also be applied for domestic sales.

References

1. For more information on incentives available from TÜBİTAK visit: <http://www.tubitak.gov.tr/tr/destekler/girisimcilik/ulusal-destek-programlari>
2. For more information on incentives available from KOSGEB visit: <http://www.kosgeb.gov.tr/site/tr/genel/detay/1231/girisimcilik-destek-programi/>

3. For more information on incentives from the Turkish Ministry of Economy visit: <https://www.ekonomi.gov.tr/>
4. For more information on how the Turkish Ministry of Economy can support your business visit: <http://www.invest.gov.tr>
5. For more information on Turkey's Exporter support program visit: <http://www.invest.gov.tr/en-US/investmentguide/investorsguide/Pages/Incentives.aspx>