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Invest in Turkey: The Next Episode

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On 26 November 2016, the decision of Council of Ministers dated 17 October 2016 regarding project based investment aid structure has been published in the Official Gazette and became effective.

In order to create value added investment projects that includes innovative, R&D focused and sustainable elements and targets, Council of Ministers of Republic of Turkey has developed a new scheme that will allow investors to benefit from a myriad of exemptions and incentives, including;

- i. VAT exemption,
- ii. VAT refund,
- iii. Tax abatement or exemption,
- iv. Insurance premium incentive for employer shares,
- v. Income tax withholding incentive,
- vi. Interest incentive or grants,
- vii. Contribution to capital,
- viii. Contribution to energy consumption and storage,
- ix. Guarantee on public acquisitions,
- x. Assignment of investment zones and land,
- xi. Assistance for establishment of infrastructure, and,



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- xii. Establishing necessary steps in order to simplify administrative or legal process or to making exceptions while resuming procedures regarding permits, licenses, approvals or similar types of processes.

That said, a potential investor who desires to benefit from abovementioned must respond announcement or invitation of the Ministry of Economy with necessary documents, e.g. a prepared feasibility report, impact analysis of the project and requests of the investor. After this application, the Ministry of Economy will commence its evaluation and reach a decision whether to transfer application with an affirming opinion for approval of the Council of Ministers. Then, the latter will take a final decision whether to issue the decision to support the application, which, by the way, must reflect a minimum amount of USD 100 Million.

Apart from these, there are other vital elements that should be taken into consideration in terms of different areas of law. For instance, transfer of investment cannot be completed without permission of the Ministry of Economy and confirmation of the Prime Ministry. Add to that, apart from shares that are listed in Borsa Istanbul (“BIST”) share market, investor company cannot transfer its shares before completion of the investment without permission of the Ministry of Economy.

Having said these, it is anticipated that the relevant decision issued by the Council of Ministers will improve the pace of investments made in Turkey in a sustainable fashion by providing a secured and solution-oriented climate.



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In this regard, should you have any further queries regarding legal infrastructure of foreign [investment in Turkey](#), please do not hesitate to contact us at info@guzeloglu.legal