PRESIDENCY OF THE REPUBLIC OF TÜRKİYE
INVESTMENT & FINANCE OFFICE

INVEST IN TÜRKİYE

nexus OF THE WORLD

POWERHOUSE FOR INVESTMENTS

IN THE TÜRKİYE CENTURY

New Incentive Program

POWERHOUSE FOR INVESTMENTS
IN THE TÜRKİYE CENTURY

Announced by President Recep Tayyip Erdoğan, the **“Powerhouse for Investments in the Türkiye Century”** program sets out a comprehensive economic positioning and investment attraction framework aimed at strengthening Türkiye’s role in the global economy.

The program introduces a **broad set of policy measures** designed to enhance the investment climate, reinforce competitiveness, and support foreign direct investments through reforms spanning taxation, investment processes and the broader business climate.

POWERHOUSE FOR INVESTMENTS

IN THE TÜRKİYE CENTURY

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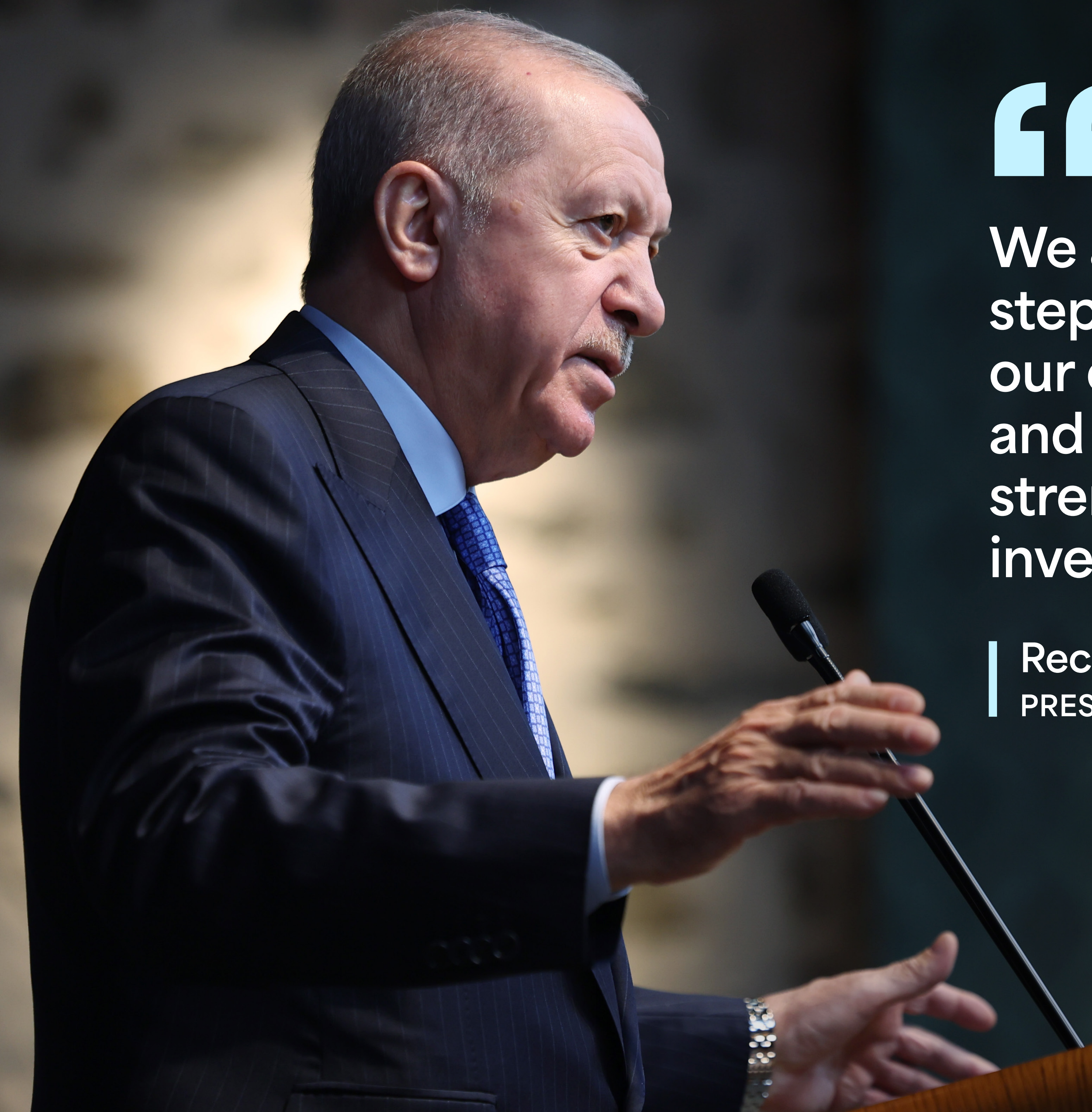

"We are taking all steps to enhance our competitiveness and support FDIs by strengthening the investment environment."

Recep Tayyip Erdoğan
PRESIDENT OF TÜRKİYE

POWERHOUSE FOR INVESTMENTS IN THE TÜRKİYE CENTURY

1 | Istanbul Financial Center Incentive Framework

Under the **Istanbul Financial Center** (IFC) framework, **income derived from financial service** exports by participant financial institutions currently benefits from a 100% deduction from the corporate tax base until 2031, pursuant to the temporary provisions of Law No. 7412. The program envisages extending this incentive period **until 2047.**

In addition, the exemption from **financial activity fees granted** to participant financial institutions operating within the IFC is planned to be extended **from 5 years to 20 years.**

The existing IFC framework also **continues to provide:**

- Exemptions from **Banking and Insurance Transactions Tax** (BSMV)
- Exemptions from **stamp duty and fees** for eligible transactions
- **Income tax incentives** for qualified international employees
- Foreign **currency bookkeeping rights** for eligible participants.

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2 | Expansion of Tax Advantages for Transit Trade

The tax advantage applicable to income derived from **transit trade** is being significantly expanded. Under the new regime, the scope of the incentive is also broadened to cover intermediary activities in overseas trade transactions, in addition to conventional transit trade activities.

Current Regime

For companies operating within the *Istanbul Financial Center* (IFC),

50% of income

derived from transit trade can be deducted from the corporate tax base.

New arrangement

(within the IFC and specific industrial zones)

For companies operating within the *Istanbul Financial Center (IFC) and specific industrial zones,*

100% of income

derived from transit trade can be deducted from the corporate tax base for twenty fiscal years.

New arrangement

(outside the IFC and specific industrial zones)

Companies operating outside the *IFC and specific industrial zones,*

95% of income

derived from transit trade and overseas trade intermediation activities from the corporate tax base.

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We are determined to transform Türkiye into a 'Global Powerhouse'.

Recep Tayyip Erdoğan
PRESIDENT OF TÜRKİYE

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3 | Corporate Tax Reduction for Manufacturing and Production Activities

To support domestic production and strengthen Türkiye's industrial base, Türkiye plans to introduce a significantly more competitive corporate tax structure for manufacturing and production activities.

Current Regime

- The general corporate tax rate stands at **25%.**
- Manufacturing income benefits from a 1-point reduction **(24%),**
- While export income benefits from a 5-point reduction **(20%),**
- **For manufacturing exporters,** only the export incentive rate currently applies **(20%),** without an additional deduction for manufacturing activities.

New Arrangement (Manufacturing and Production Activities)

- Income derived exclusively from **manufacturing activities** by companies holding an industrial registry certificate and actively engaged in production activities will be subject to a reduced 1**2.5% corporate tax rate.**
- The same reduced rate **(12.5%)** will also apply to companies exclusively engaged in a**gricultural production activities.**

The measure aims to strengthen Türkiye's production ecosystem, encourage investment in manufacturing and agricultural production activities, and enhance industrial competitiveness.

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4 | Expansion of Tax Advantages for Services Exports

Türkiye is further expanding the tax advantages available for services exports in order to enhance competitiveness in high-value service sectors.

Current Regime

Income derived from services exports benefits from an **80% deduction** from the **income and corporate tax** base.

New Arrangement

- Under the Presidential Decree published in the Official Gazette on April 30, 2026, the deduction rate applicable to **income and corporate tax** calculations has been increased **from 80% to 100%.**
- Accordingly, **income generated from services provided to clients abroad** will fully benefit from the deduction, provided that the related revenues are **transferred to Türkiye.**
- As a result, eligible services export income will effectively benefit from a zero-tax treatment.

"Türkiye is the strongest candidate to become a 'pole' in a world moving toward multipolarity.

Recep Tayyip Erdoğan
PRESIDENT OF TÜRKİYE

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5 | Tax Incentives for Qualified Service Centers

As part of the program, Türkiye is introducing a new legal and tax framework for **Qualified Service Centers** to strengthen high-value services exports, enhance Türkiye's attractiveness for international investors, and position the country as a regional hub for multinational corporate operations and global business services (GBS)-type activities.

Under the framework, companies operating across **at least three countries** and generating a minimum of **80% of their annual revenues from overseas affiliated entities** will be eligible for Qualified Service Center status.

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5 | Tax Incentives for Qualified Service Centers

Corporate Tax Incentives

- Companies establishing Qualified Service Centers in Türkiye will benefit from a **95% deduction** from the **corporate tax base** on eligible overseas-source service income transferred to Türkiye.
- For Qualified Service Centers **operating within the *Istanbul Financial Center*** (IFC) and ***specific industrial zones***, the deduction rate will apply at **100%**.
- The incentive will be available for **20 fiscal years** starting from the accounting period in which the Qualified Service Center becomes operational.

Income Tax Incentives

- Income tax exemptions will be introduced for qualified service personnel employed within these centers.
- The exemption will apply to salaries up to four times the gross minimum wage for centers located outside the IFC, and up to six times the gross minimum wage for centers operating within the IFC and specific industrial zones.
- Relevant employment-related documents will also be exempt from stamp duty.

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6 | Simplification of Investment Processes and the One-Stop Shop Model

As part of the program, a **One-Stop Shop model** coordinated by the Investment and Finance Office is planned to simplify and streamline investment processes. The model aims to enable investors to manage procedures involving multiple public institutions through a single integrated structure.

Processes to be managed through a single interface:

- Company incorporation procedures
- Work and residence permits
- Tax and social security procedures
- ISKUR-related procedures
- Land allocation, investment incentives, and permit processes
- Environmental Impact Assessment (EIA) and environmental approval procedures

Implementation approach:

- **Representatives of relevant public** institutions will operate within the same structure
- Processes will be managed in a coordinated and integrated manner
- Applications will receive **faster and more streamlined responses**
- Investors will be provided with dedicated **fast-track support**

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7 | 20-Year Tax Regime for Individuals Relocating to Türkiye (“Non-Dom” Window)

As part of the program, Türkiye plans to introduce a new tax regime designed to encourage internationally mobile individuals to relocate to the country and support the inflow of foreign currency and international capital.

Scope

- Individuals, including Turkish citizens, who have not had tax residency or domicile in Türkiye during the **previous three calendar years**

Tax treatment

- **Foreign-source income and earnings** obtained by eligible individuals relocating to Türkiye will be exempt from **income tax for 20 years.**
- Income and earnings generated within Türkiye will remain subject to the standard tax regime.
- **Inheritance and transfer tax applicable** to individuals benefiting from this regime is planned to be **reduced from 10% to 1%.**

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Our country is not only a bridge or an energy corridor, but also a critical hub for regional energy and trade routes.

Recep Tayyip Erdoğan
PRESIDENT OF TÜRKİYE

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8 | Bringing Overseas Assets to Türkiye

As part of the program, alongside efforts to attract entrepreneurs, capital, and qualified talent to Türkiye, a new **"Bring It Home"** framework is being introduced to **encourage the transfer of overseas assets into the Turkish economy.**

New Arrangement

Scope

- The framework covers overseas assets owned by individuals and legal entities, including: **cash, foreign currency, gold, equities, bonds, securities and other capital market instruments.**
- Certain domestic assets not currently recorded in official books and records may also be declared under the framework, subject to the applicable conditions.

Implementation

- Eligible assets are planned to be declared to banks or intermediary institutions **by July 31, 2027.**
- Declared overseas assets will be required to be transferred to Türkiye **within two months** following notification.

Tax treatment

- Tax rates will **range between 0% and 5%,** depending on the investment instrument selected in Türkiye and the related holding period.
- Subject to the fulfillment of applicable conditions, declared assets may benefit from protection against tax inspections and additional tax assessments.

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9 | Strengthening Entrepreneurship and Startup Ecosystem

Türkiye is introducing a comprehensive reform package aimed at strengthening its technology and innovation-driven startup ecosystem, reducing operational barriers for early-stage ventures, and improving access to growth capital.

A Digital Company Regime will enable fully online company incorporation, operation, and management processes. Eligible digital companies will also benefit from exemptions related to chamber registration fees and membership dues for up to three years.

Employee Stock Option (ESOP) frameworks are being enhanced to encourage broader employee participation in company ownership. Tax exemption ceilings are being expanded, while holding periods required to benefit from the incentives are being shortened.

Venture capital-friendly financing tools are also being simplified, particularly for technology startups using convertible debt instruments. The framework aims to reduce procedural barriers and facilitate investment processes for both domestic and international venture capital investors.

In addition, **Terminal Istanbul** is being developed as a large-scale startup and innovation hub bringing together entrepreneurs, capital, technology companies, and talent within a single ecosystem.

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