



Tax Policy to Support Investments

REVENUE BUDGET DEPARTMENT
18.11.2025



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KEY TAKEAWAYS



17th largest economy (World Bank, 2024)



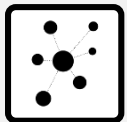
USD 1,323,254.81 (World Bank, 2024)



85.518.661 (World Bank, 2024)



Connecting Europe, Asia and the Middle East



Energy, logistics, and manufacturing supply chains



OIC, G20, OECD, and Customs Union with the EU



Enhancing competitiveness



Fostering innovation and technological development



Promoting regional balance and inclusive growth



Strategic policy instrument



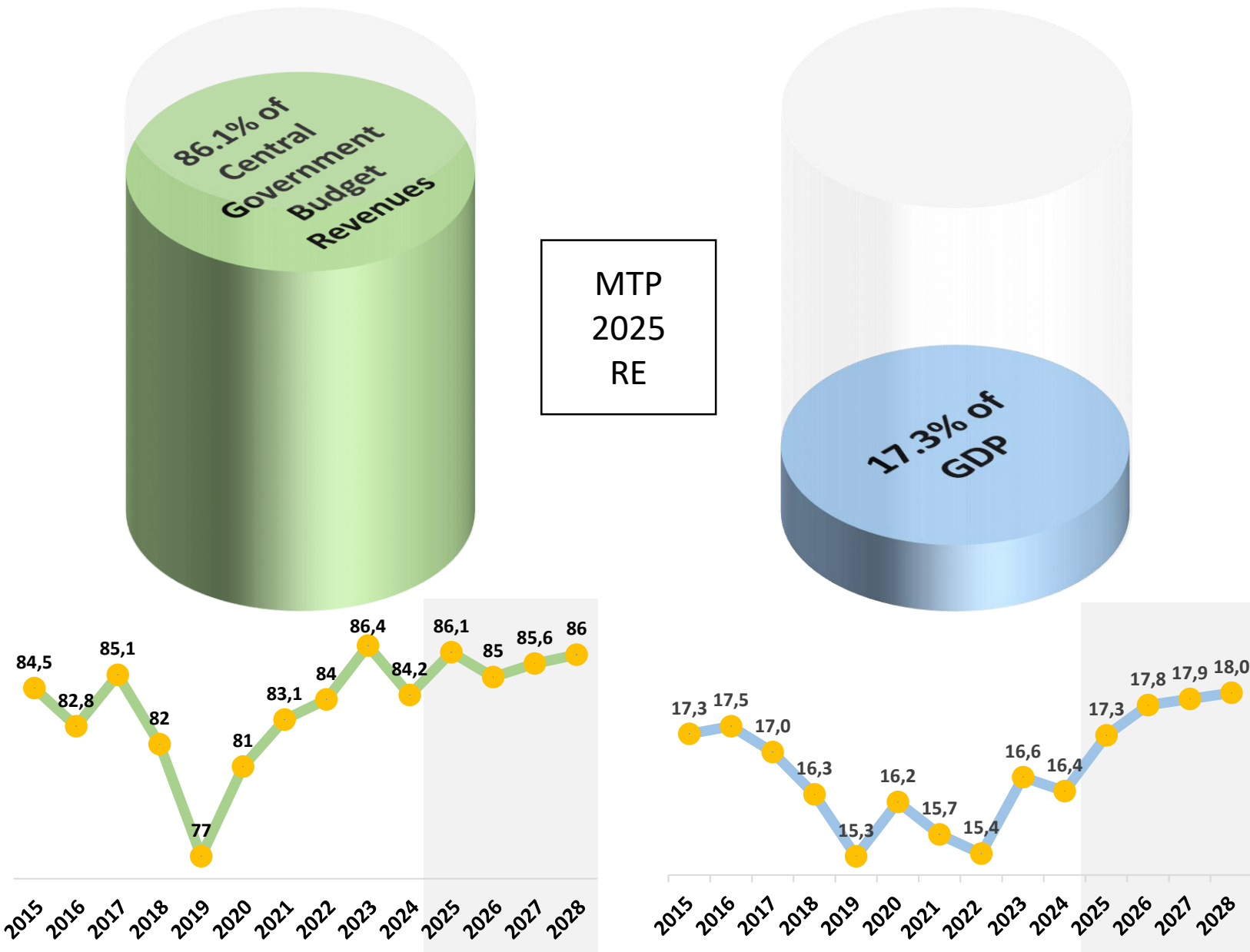
Incentive-oriented fiscal design



Stability, predictability and investor confidence



Tax System Overview



General Government / GDP, 2022, % (Central+Local+SSC)		
1	Tunisia	33,5
2	Morocco	29,9
3	Türkiye*	20,9
4	Maldives	20,4
5	Senegal	19,8
6	Mauritania	14,7
7	Egypt	14,2
8	Uganda	12,5
9	Malaysia	12,1
10	Indonesia	12,1
11	Sierra Leone	11,4
12	Guyana	10,6
13	Pakistan	10,0
14	Bangladesh	7,3

* 2023
23,5

Source: OECD Global Revenue Statistics



Central Government Tax Revenues, 2024

TAXES ON INCOME, PROFITS AND
CAPITAL GAINS

TAXES ON GOODS AND SERVICES
incl. VAT on IMPORTS

TAXES ON
PROPERTIES
INTERNATIONAL
TRADE (excl. VAT)
STAMP TAX
FEES
OTHER

20.9%

12.2%

31.8%

19.9%

15.2%

PIT

CIT

VAT

EXCISES

OTHER



- **Fiscal Discipline**
- **Price Stability**

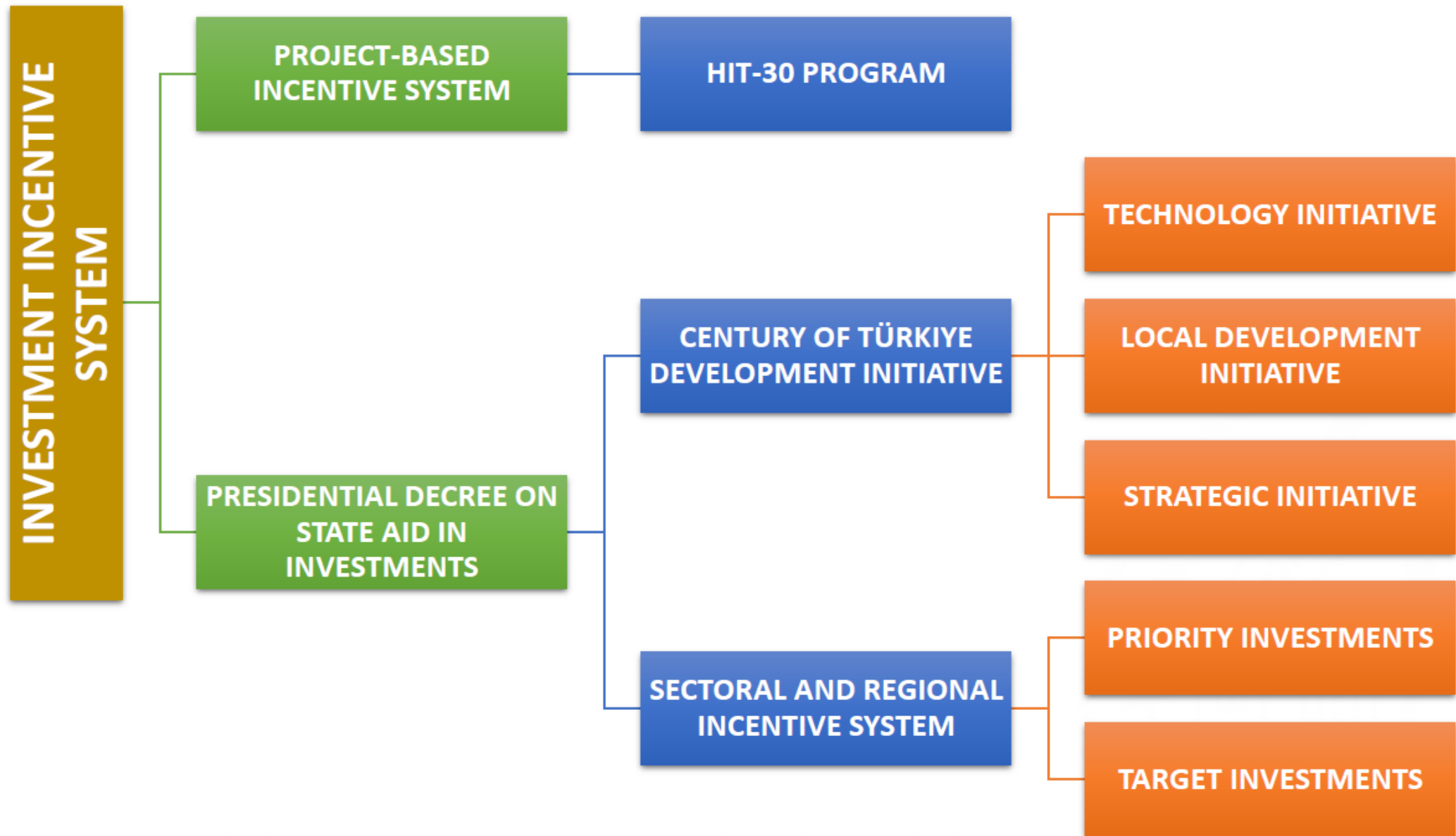


Support

- **Production**
- **Investment**
- **Export**
- **Employment**



Investment Incentive Structure



Source: Ministry of Industry and Technology



HIT-30 Program

Criteria	Support Items
<ul style="list-style-type: none">▪ Investment over TRY 2 billion (~USD 50 million)▪ Production of high-tech, strategic products▪ High value-added manufacturing▪ Investments in highly imported or low domestic production products	<ul style="list-style-type: none">▪ Cashback Support▪ VAT Exemption (Machinery & Equipment)▪ VAT Exemption (Construction Expenditures)▪ Customs Duty Exemption▪ Corporate Tax Reduction▪ Social Security Premium Support (Employer's Share)▪ Qualified Personnel Support▪ Energy Support▪ Interest or Profit Share Support▪ Land Allocation▪ Infrastructure Support▪ Purchasing Guarantee

Source: Presidency of the Republic of Türkiye, Investment and Finance Office

Supports		Technology Initiative	Local Development Initiative	Strategic Initiative
VAT Exemption		✓	✓	✓
Customs Duty Exemption		✓	✓	✓
Tax Deduction	Rate of Contribution to Investment (%)	50	50	40
	Tax Deduction Rate(%)	60	60	60
Social Security Premium Support for the Employer's Share		8 Years (12 Years in the Region 6)		
Social Security Premium Support for the Employee's Share		Only valid in the region 6 for 10 years		
Interest/ Profit Share Support	Support Rate**	40%	40%	30%
	Maximum Support Amount	240 m TL	240 m TL	180 m TL
	Maximum Support Rate	20% of the investment	20% of the investment	15% of the investment
OR				
Machinery Support*	Support Rate	25%	25%	25%
	Maximum Support Amount	240 m TL	240 m TL	180 m TL
	Maximum Support Rate	15% of the investment	15% of the investment	15% of the investment
Land Allocation		✓	✓	✓

* Machinery support is not provided to investments that benefit from interest or dividend support.

** It refers to the rate to be applied to the CBRT's one-week repo auction rate valid on the date of credit utilization.

SUPPORTS		PRIORITY INVESTMENTS	TARGET INVESTMENTS
VAT Exemption		✓	✓
Customs Duty Exemption		✓	✓
Tax Deduction	Rate of Contribution to Investment (%)	30	20
	Tax Deduction Rate(%)	60	60
Social Security Premium Support for the Employer's Share		Gradual in Region 1 to 6: 0 – 1 – 2 – 4 – 8 – 12 years	
Social Security Premium Support for the Employee's Share		Only valid in the region 6 for 10 years	
Interest / Profit Share Support	Support Rate**	25%	25%*
	Maximum Support Amount	24 m TL	12 m TL*
	Maximum Support Rate	10% of the investment	10% of the investment
Land Allocation		✓	✓

* Applies only to Regions 4, 5 and 6.

** It refers to the rate to be applied to the CBRT's one-week repo auction rate valid on the date of credit utilization.



Developing the Business World and Increasing Investments



Labor Market Development, Wages and Employment



R&D, Innovation and Design Activities



TYPE OF EXPENDITURE	2024
Developing the Business World and Increasing Investments	1,06
Labor Market Development, Wages and Employment	1,57
R&D, Innovation and Design Activities	0,28



- Tax policy, when strategically designed, can serve as a powerful driver of investment, innovation, and regional development.
- A comprehensive incentive framework — combining fiscal, R&D, and regional tools — will strengthen competitiveness and support economic diversification.
- Predictability, transparency, and digitalization in tax administration will sustain investor confidence.

For more

VISIT: <https://www.invest.gov.tr/en/pages/home-page.aspx>

«INCENTIVES GUIDE»

- Why invest in Türkiye
- Guide to State Investments in Türkiye



THANK YOU