



# Tax Policy to Support Investments

REVENUE BUDGET DEPARTMENT

18.11.2025



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**KEY TAKEAWAYS**



17th largest economy (World Bank, 2024)



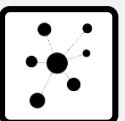
USD 1,323,254.81 (World Bank, 2024)



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



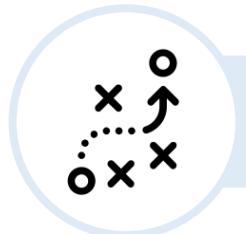
Enhancing competitiveness



Fostering innovation and technological development



Promoting regional balance and inclusive growth



Strategic policy instrument



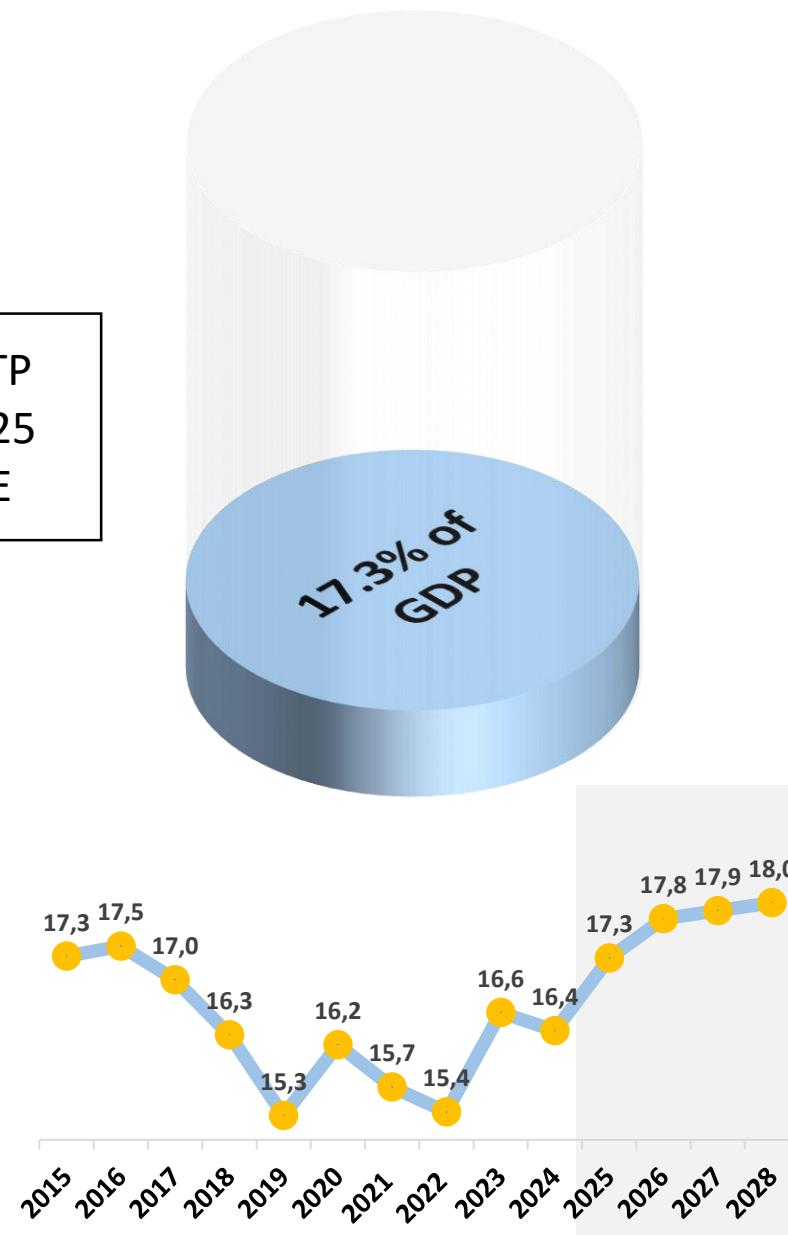
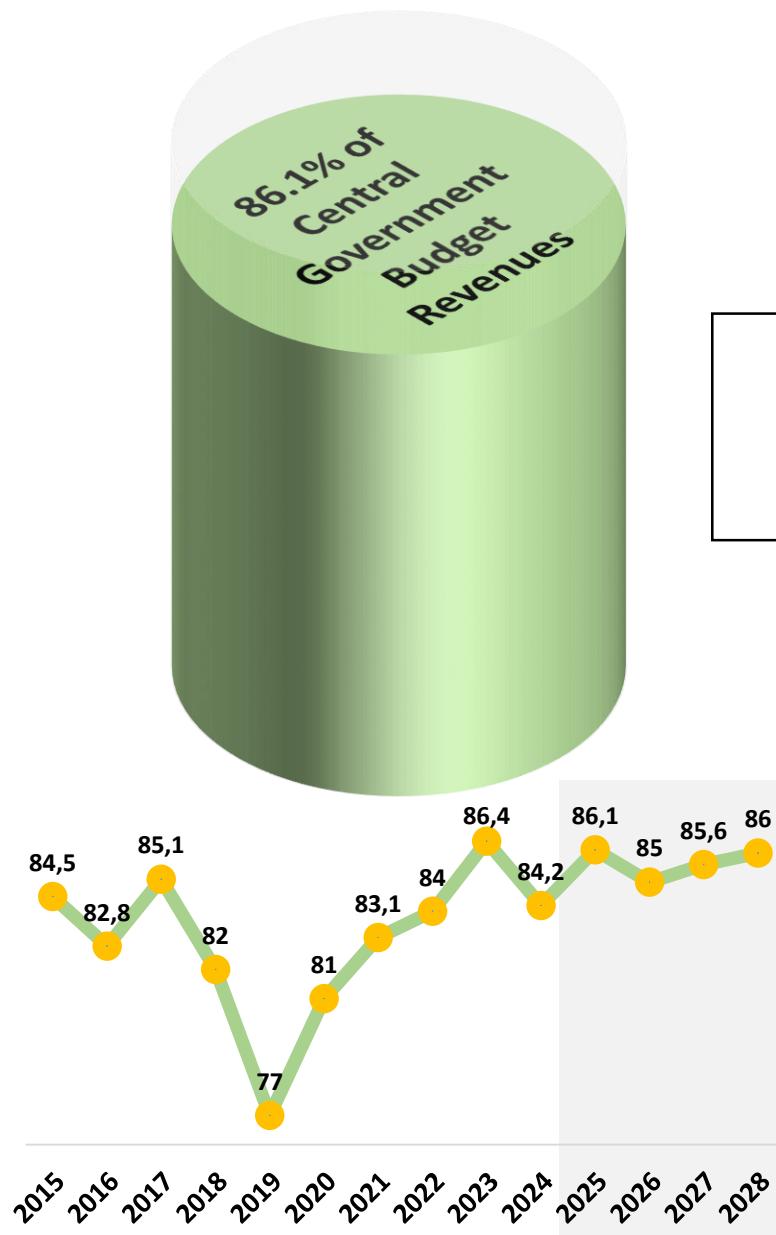
Incentive-oriented fiscal design



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

Source: OECD Global Revenue Statistics

\* 2023  
23,5

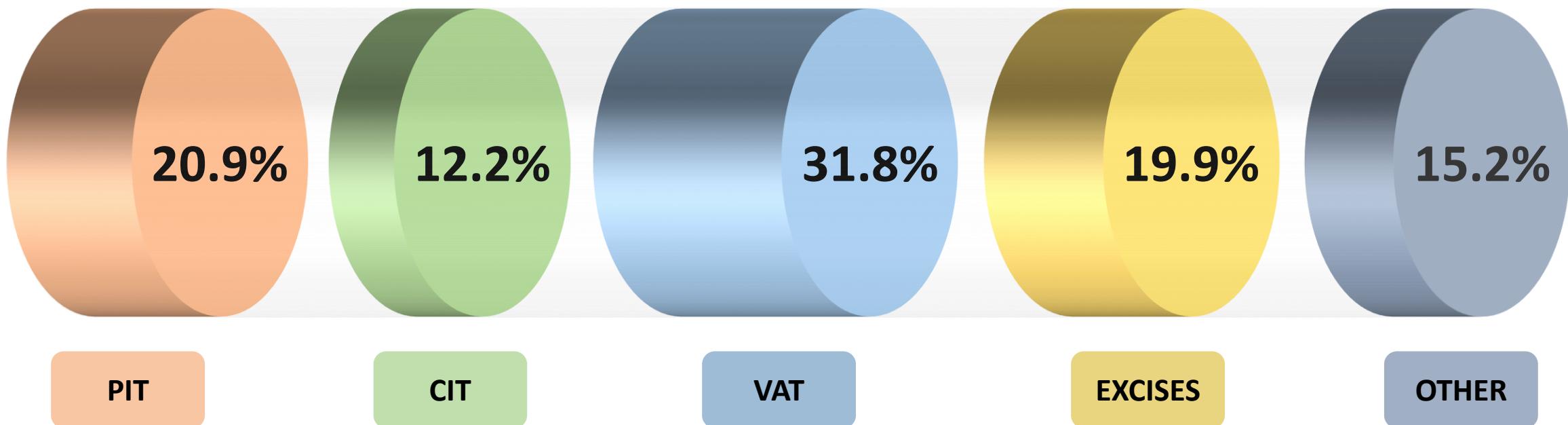


# Central Government Tax Revenues, 2024

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





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

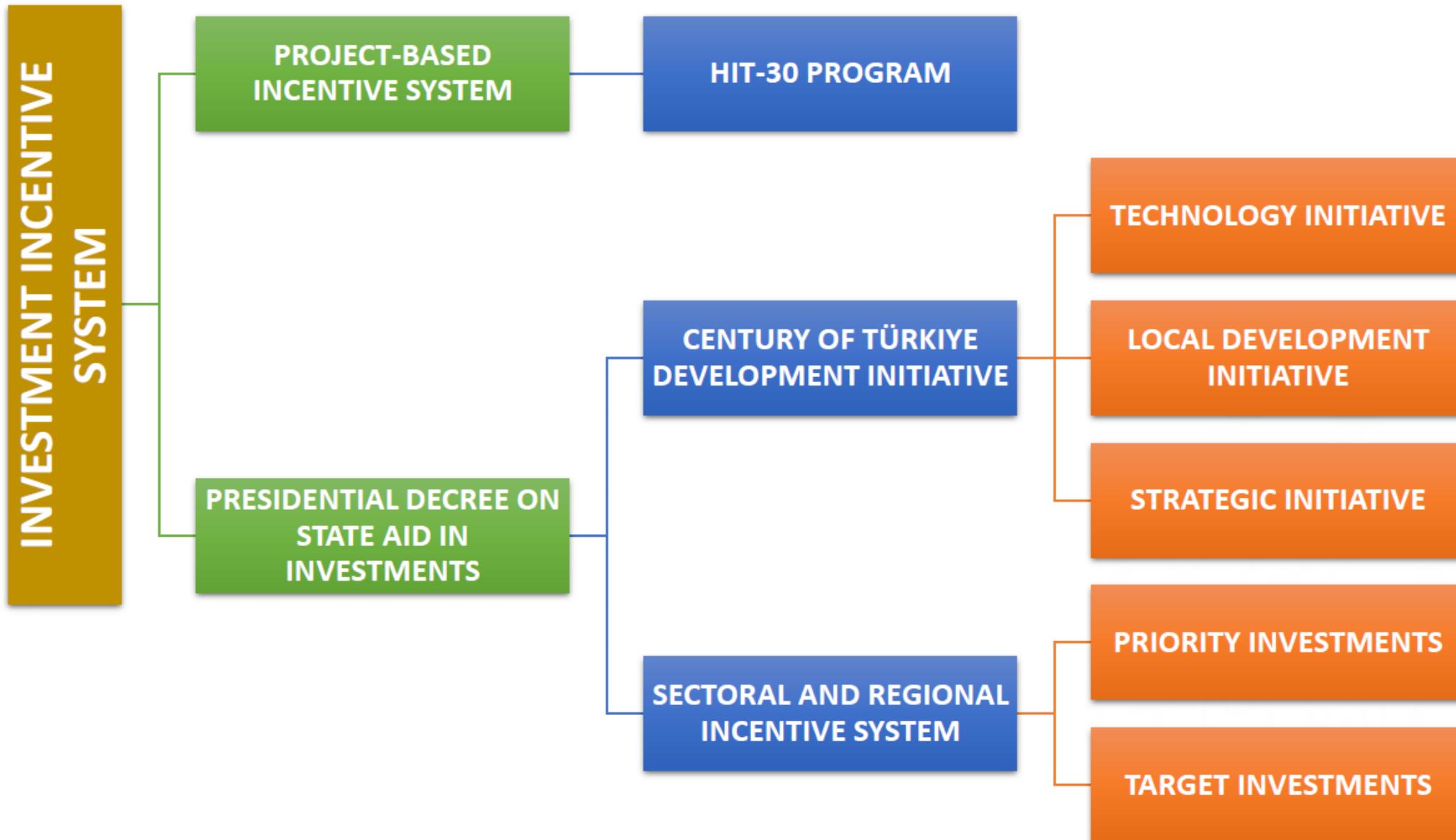


**Support**

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



# Investment Incentive Structure



Source: Ministry of Industry and Technology



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



# Century of Türkiye Development Initiative

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.



# Sectoral and Regional Incentive System

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



## Tax Expenditures, Share to GDP, %

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



## Key Takeaways

- 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