

DOING BUSINESS IN TURKEY: TAXATION, LEGAL ASPECTS and INCENTIVES TÜRKİYE

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PROJECT PARTNERSHIPS

*EU GRANTS
*TÜBİTAK
GRANTS

Complimentary partnerships
with other companies on
R&D / Design / Engineering
Projects

TRADE PARTNERSHIPS

*Grants: Ministry of
Trade

Business Development
and Partnership for Export
Activities

INORGANIC GROWTH

*Incentives

Vibrant start-up, scale-up
and SME ecosystem. Many
opportunities for seed, VC
or M&A level investments

ORGANIC GROWTH

*Incentives

As a Turkish company you are
eligible for all the investment
incentive programs

Market Landscape

VALUE ADDED MANUF. MARKET



of COMP IN TDZ:
7.331

R&D / DESIGN
CENTERS:
1.254 / 338

PATENT APPL / PATENT
HOLDERS:
8.500 / 7.000

OF COMP IN IND.
ZONES:
69.576

EXPORT LANDSCAPE



SME EXPORT:
61 BILLION USD

SMES SHARE IN
EXPORTS:
%36,4

of SMES EXPORTING:
85.336

OF COMP IN FREE
ZONES:
2.724

INVESTMENT LANDSCAPE



M&A TRANSACTION:
15,8 BILLION USD

INV. INCENTIVE DOC.:
1000 / MONTH

OF START-UPS RECV
INV:
323

START-UP
INVESTMENTS:
1,557 M USD

ECOSYSTEM PLAYERS



INDUSTRIAL ZONES:
260

TDZS:
73

FREE ZONES:
18

SMES:
3,294 M

Why TÜRKİYE?

Highlights



A HUB FOR INNOVATION & GROWTH

Booming economy reaching USD 803 billion in 2021

7 days to set up a company in Türkiye (average of 8,5 days in OECD high-income countries)

Vibrant start-up ecosystem; growth in health, fintech, gaming tech.



EASY & WIDE MARKET REACH

Vibrant local market

FTA with 28 countries & Customs union with European Union

Within a 4-hours flight, easy access to multiple markets of USD 25.55 trillion GDP, USD 7,9 trillion trade, and 1,3 billion people



FAVORABLE GRANTS & INCENTIVES

Incentives and grants for but not limited to:

Manufacturing
Employment
R&D & Innovation
Export



SKILLED LABORFORCE & SOPHISTICATED CONSUMER BASE

A population of 84,7 million
50% under age of 33,1 ; the largest youth population within EU

Over 31 million young & well-educated professionals

Annual 900,000 graduates from 211 universities

Start Your Business in TÜRKİYE

in 4 STEPS

MARKET
ANALYSIS &
INVESTMENT
FEASIBILITY

COMPANY or
LIAISON OFFICE
ESTABLISHMENT

FINANCIAL & LEGAL
INFRASTRUCTURE

ACCOUNTING, TAX &
LEGAL COMPLIANCE
AND CONSULTING

Company Structures in Turkey

LIASION OFFICE

- *Only for the purposes of market research, sales, marketing etc
- *Permission given for a limited amount of time
- *Cannot engage in commercial activity

BRANCH OFFICE

- *Partially independent from the Parent Company; has capital separately; and/or operates by itself.

SUBSIDIARY

- *Limited Liability Company
- *Joint Stock Company

Company Structures in Turkey

	BRANCH OFFICE	LIMITED LIABILITY COMPANY	JOINT STOCK
Term of the Company	No Time Limit	No Time Limit	No Time Limit
Min .Capital Requirement	N/A	10.000TL	50.000TL
Registration Office / Relevant Legislation	Trade Registry Office / Turkish Commercial Code #6102	Trade Registry Office / Turkish Commercial Code #6102	Trade Registry Office / Turkish Commercial Code #6102
Independency	Partially Independent	Independent	Independent
Freelance Lawyer Requirement	N/A	N/A	Yes if capital of more than 250.000 TL
Bookkeeping, Accounting Requirements	Statutory Bookkeeping & Filing Requirements	Bookkeeping in Accordance w Turkish Accounting Standards	Bookkeeping in Accordance w Turkish Accounting Standards
Scope of Activity	Can engage in commercial activity, scope of activity	Can engage in commercial activity	Can engage in commercial activity

- ✓ You can contact us for more comparisons about Incorporation Process, Managing Body Req, Work Permits of the Representatives, Responsibility on Public Debts, General Assembly Meetings , Transfer of Shares, Tax Liability, Liquidation Process

INCOME TAXES

- *Personal Income Tax
- *Corporate Income Tax

TAXES ON EXPENDITURES

- *Value Added Tax
- *Special Consumption Tax
- *Banking and Insurance Transaction Tax
- *Stamp Duty

TAXES ON WEALTH

- *Property Taxes
- *Motor Vehicle Taxes
- *Inheritance and Gift Tax

Corporate taxpayers as per Article 1 of the Law on Corporate Tax No. 5520 are as follows:



- 01. Corporate Income Tax
- 02. Value Added Tax (VAT)
- 03. Customs Duty
- 04. Capital Duty
- 05. Stamp Duty
- 06. Special Consumption Tax
- 07. Payroll Taxes
- 08. Banking and Insurance Transaction Tax
- 09. Property Taxes
- 10. Real Estate Transfer Tax
- 11. Net Wealth Tax
- 12. Inheritance Tax
- 13. Digital Services Tax

Some of the Tax Rates

	2023 Rates	Notes
Corporate Income Tax	20%	%25 for 2021
Value Added Tax (VAT)	18%	Reduced VAT for special products: %1 or %8
Customs Duty	%5-%50	Depending on the goods; exemptions depending on country
Stamp Duty	0.189%- 0.948%	Depending on the type of document
Special Consumption Tax		Different rates depending on GTIP #s
Payroll Taxes		The employer withholds taxes and other duties on income at source, and the employees receive the net amount after the deductions.
Banking and Insurance Transaction Tax	5%	Specific transactions are %1
Digital Services Tax	7,50%	There are exemption scenerios

- ✓ Each company will have to analyze the taxes that it will be subject to carefully and as they are related to their commercial and scope of activity. You can contact us for more information.

Tax Incentives

	Technology Development Zones	R&D or Design Centers	Free Zones	Organized Industrial Zone (5th Zone)
Corporate Tax Incentive	✓	✓	✓	✓
Income Tax Incentive	✓	✓	✓	✗
Stamp Tax Incentive	✓	✓	✓	✗
SSI Employer Share Grant	✓	✓	✗	✓
VAT Incentive	✓	✓	✓	✓
Customs Duty Incentive	✓	✓	✓	✓
Property Tax Incentive	✗	✗	✓	✓
SCT and RUSF Incentive	✗	✗	✓	✗
Investment Zone Incentive	✗	✗	✗	✓
Environmental Cleaning Tax Exemption	✗	✗	✗	✓

Depending on the nature of your business; the above mechanisms can provide up to %50 discount in tax.

SCT: special consumption tax
RUSF: resource utilization support fund

What to Consider

Company Stage / Activity Type	R&D Related Activities	Investment Related Activities	Export Related Activities
Ideation & Establish. Phase	TÜBİTAK TEYDEB 1512 - Entrepreneurship Support KOSGEB R&D and Innovation Support Program KOSGEB Advanced Entrepreneur Support Program		
Early Stage	KOSGEB SME Development Support Program KOSGEB R&D and Innovation Support Program TÜBİTAK TEYDEB 1507 SME R&D Start-up Support TÜBİTAK TEYDEB 1505 University-Industry Collaboration KOBİGEL – SME Development Support Program R&D / Design Center Incentives Technology Development Zone Incentives (Technoparks) HORIZON EUROPE Program ERANET & ARDEB 1071 – R&D and Innovation Projects	KOSGEB SME Technological Product Investment Support Investment Incentive Certificate	Ministry of Trade
Growth & Commercialization Phase	TÜBİTAK TEYDEB 1501 Industrial R&D Projects Grant TÜBİTAK TEYDEB 1505 University-Industry Collaboration R&D / Design Center Incentives Technology Development Zone Incentives (Technoparks) KOBİGEL – SME Development Support Program TÜBİTAK TEYDEB 1702 Patent Based Tech Transfer TÜBİTAK TEYDEB 1707 SME Support Call for Order-EUREKA Program Clusters EUREKA EUROSARS & TEYDEB 1709 – Innovation ERANET & ARDEB 1071 – R&D and Innovation Projects HORIZON EUROPE Program	Technology Driven Industry Initiative Program KOSGEB SME Technological Product Investment Support Investment Incentive Certificate	Ministry of Trade KOSGEB International Market Support Program
Globalization	TÜBİTAK TEYDEB 1509 – International Indust. R&D EUREKA EUROSARS & TEYDEB 1709 – Innovation	Technology Driven Industry Initiative Program KOSGEB SME Technological Product Investment Support Investment Incentive Certificate	Ministry of Trade

- ✓ Eligibility to apply to all local grants
- ✓ Eligibility to take part in European Union Grants
- ✓ 75% to 100% support in grants

- ✓ A lot of grant calls
- ✓ Opportunities for Project based collaborations

1. Define Your Purpose of Coming to Turkey (market research, commercial etc)
2. Define The Scope of Activities in Turkey (sales, R&D, manufacturing, commercial, etc)
3. Decide Whether Your Investment is Organic or Inorganic (M&A etc)
4. Define The Potential for Export from Turkey
5. Consider the Location (proximity to partnerships, logistics, necessary work force qualifications nearby)
6. Understand How the International Taxation May Apply to Your Case
7. Analyze Scope Of Activities/Company Structure/Company Location/Eligibility for Grants and Incentives/Taxation As a Whole
8. Design Long Term Road Map from Day 1

1. Relatively easy to set up a company
2. Clear legislation in line with international standards
3. Once you establish your company, even if it is 100% foreign owned, you are treated as a Turkish company eligible for all the grants and incentives.
4. Once you establish your company, you need to make sure you have a financial framework in place that allows you to do proper bookkeeping and tax declarations.
5. Has a Clear Personal Data Protection Law, make sure that you are compliant (website, personnel contracts, client contracts, etc)
6. Has memberships to all the International Organizations for Intellectual Property; have to comply with local Laws; mature IT/IP legal structure

Start Your Business in TÜRKİYE

with Sistem Global



MARKET ANALYSIS & INVESTMENT FEASIBILITY

- *Market Research
- *Investment Feasibility
- *M&A Consulting

We work with you for the right product market fit & assist you in your organic/inorganic growth strategies with hands on research, reports and introductions to potential business partners.

COMPANY or LIAISON OFFICE ESTABLISHMENT

- *Company Structure & Incentive Analysis
- *Company Establishment

We analyze your goals in Türkiye and help you choose the right company structure and incentive mechanism for your operations.

SETTING UP FINANCIAL & LEGAL INFRASTRUCTURE

- *Accounting
- *SSI Consulting
- *Legal Contracts
- *PDP Compliance

We make sure you start off with the right foot and that your legal, financial, data protection and incentive infrastructure is set up correctly.

ACCOUNTING, TAX & LEGAL COMPLIANCE AND CONSULTING

- *Accounting & Payroll
- *Legal Consulting
- *PDP Consulting
- *Tax Consulting

We assist you as you grow your company and make sure that your accounting, legal contracts, PDP projects, tax & incentive declarations are in par with Turkish laws while we constantly keep you updated with new regulations.

Thank You!

Contact Us

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