

ESTABLISHING BUSINESS AND
LIFE IN TÜRKİYE
(2026 EDITION)

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Abbreviations

Abbreviation	Meaning
A.Ş. / JSC	Anonim Şirket – Joint Stock Company
BSMV	Banking and Insurance Transactions Tax
CbCR	Country-by-Country Report
CBRT (TCMB)	Central Bank of the Republic of Türkiye
CFC	Controlled Foreign Company
CIT (KVK)	Corporate Income Tax (Corporate Income Tax Law No. 5520)
CPI / D-PPI	Consumer Price Index / Domestic Producer Price Index
DTT	Double Taxation Treaty
FDI	Foreign Direct Investment
FTZ	Free Trade Zone (Free Zone)
GDP	Gross Domestic Product
GloBE	Global Anti-Base Erosion Rules (OECD Pillar Two)
GVK / IIT	Individual Income Tax Law No. 193 / Individual Income Tax
ICT	Information and Communication Technologies
IFC (İFM)	Istanbul Finance Centre (İstanbul Finans Merkezi)
Ltd. Şti. / LLC	Limited Şirket – Limited Liability Company
MASAK	Financial Crimes Investigation Board (Turkish FIU)
MERSIS	Central Registration System of the Trade Registry
OSB	Organised Industrial Zone
QSC	Qualified Service Centre (Nitelikli Hizmet Merkezi)
SGK / SSI	Social Security Institution / Social Security
TCC (TTK)	Turkish Commercial Code No. 6102
TDZ	Technology Development Zone (technopark)
TP	Transfer Pricing
TRY	Turkish Lira
TURKSTAT (TÜİK)	Turkish Statistical Institute
UBO	Ultimate Beneficial Owner
VAT (KDV)	Value Added Tax
VUK	Tax Procedure Law No. 213
WHT	Withholding Tax
YMM	Sworn-in Certified Public Accountant

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1. Türkiye in a Nutshell

In this section, we present an overview of Türkiye and introductory information about the Turkish economy with key figures. Unless otherwise stated, the figures are the latest annual data available as of October 2026 (mostly for 2025).

1.1. Overview of Türkiye

Türkiye at the Crossroads of Europe, Asia and Africa

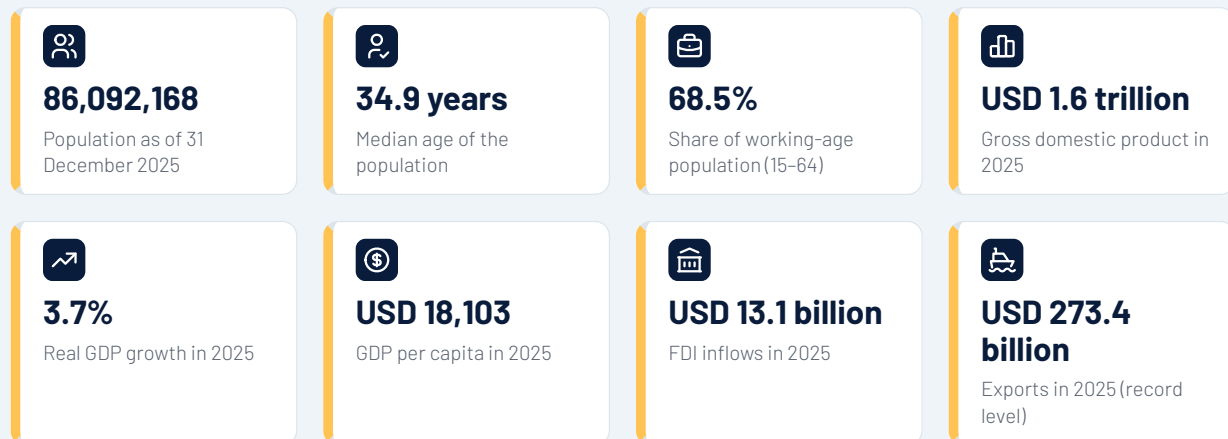


Türkiye is in a unique position due to its geographical location: it connects Europe and Asia by land as a transcontinental country. Throughout its history, Türkiye has acted as a bridge between the two continents in terms of trade and culture, and it continues to serve as a logistics, energy and manufacturing hub between the European Union, the Middle East, the Caucasus, Central Asia and Africa.

This position gives an advantage to import, export and transit activities, since Türkiye is located at the intersection of trade routes and is a gateway to both the Eastern and the Western world. Besides the usual commodities that benefit from this location, Türkiye also plays a significant role in the oil and gas market as a transit country and, more recently, as a regional natural gas trading hub.

Türkiye has a population of 86,092,168 as of 31 December 2025, with a median age of 34.9 years; 68.5% of the population is of working age (15–64).¹ The Turkish economy grew by 3.7% in 2025 and the gross domestic product reached approximately USD 1.6 trillion (TRY 63.2 trillion), corresponding to a GDP per capita of USD 18,103.² Türkiye is a member of the G20, the OECD, NATO and the Council of Europe, has been in a customs union with the European Union since 1996, and is a candidate country for EU membership.

Türkiye at a Glance

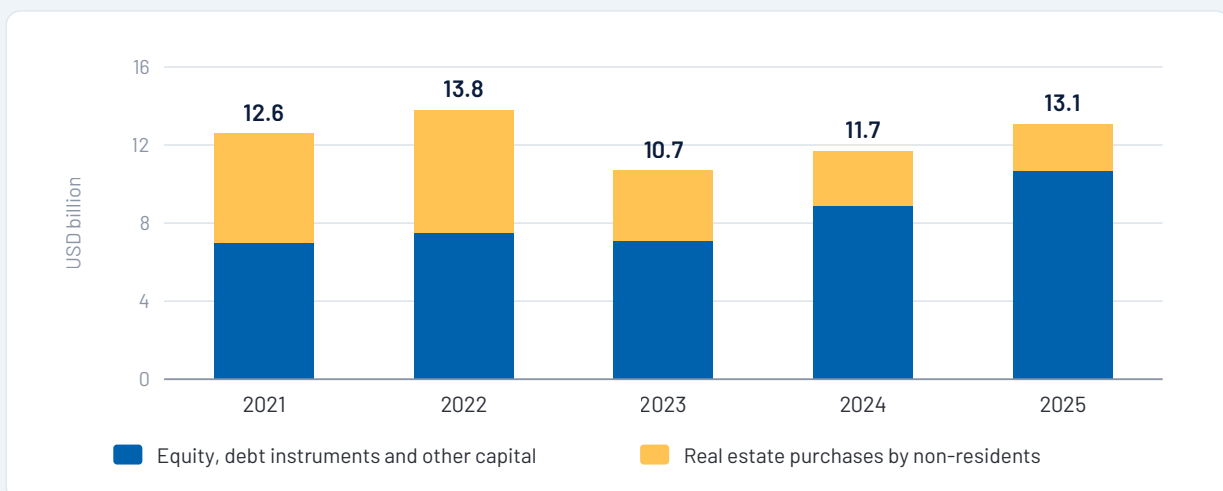


1.2. Turkish Economy

In this section, the Turkish economy is analysed through macroeconomic indicators such as foreign direct investment, foreign trade, currency, inflation and economic growth.

1.2.1. Foreign Direct Investment (FDI)

Figure 1: Foreign Direct Investment Inflows (USD billion)³



1. TURKSTAT, Address Based Population Registration System Results 2025 (published 9 February 2026).

2. TURKSTAT, Annual Gross Domestic Product 2025 (31 August 2026); World Bank, GDP (current USD) – Türkiye, <https://data.worldbank.org/country/turkiye>

3. CBRT, Balance of Payments Statistics; Ministry of Industry and Technology / Investment Office, International Direct Investment Statistics (2021–2025). The 2025 split between real estate and other components is based on preliminary data.

As presented in Figure 1, total FDI inflows to Türkiye have fluctuated between USD 10 billion and USD 14 billion per year since 2021. Real estate purchases by non-residents, which peaked in 2022 in the aftermath of the Russia-Ukraine conflict, have since declined, whereas equity and debt-type investments have increased. In 2025, FDI inflows reached USD 13.1 billion (an increase of 12.2% compared to 2024), of which USD 10.7 billion was non-real-estate investment. The Netherlands, Luxembourg and Kazakhstan were the largest source countries, and wholesale and retail trade (32%), manufacturing (31%) and ICT (14%) were the leading sectors.⁴

Türkiye continues to pursue an FDI-friendly policy. The Foreign Direct Investment Law No. 4875 guarantees national treatment for foreign investors, the free transfer of profits, dividends, sale proceeds and liquidation proceeds abroad, and protection against expropriation without compensation. Türkiye has concluded bilateral investment treaties with more than 80 countries and double taxation treaties with around 90 countries.

1.2.2. Foreign Trade

Türkiye's foreign trade volume reached a record level of USD 638.7 billion in 2025. Exports increased by 4.4% to USD 273.4 billion and imports increased by 6.2% to USD 365.4 billion, so that the foreign trade deficit was USD 92.0 billion and the export/import coverage ratio was 74.8%.⁵ As can be seen in Table 1, Germany remained the main export market of Türkiye with USD 22.2 billion (8.1% of total exports), followed by the United Kingdom, the United States, Italy and Iraq.

Table 1: Exports by Country (2025)⁶

Country	Amount (USD billion)	Share in Total Exports (%)
Germany	22.2	8.1%
United Kingdom	16.8	6.1%
United States	16.3	6.0%
Italy	13.2	4.8%
Iraq	12.4	4.5%
Others	192.5	70.4%
Total	273.4	100%

The share of the top five export markets in total exports is slightly below 30%, which shows that Turkish exports are diversified across a large number of markets. The European Union as a whole continues to absorb roughly 40% of Turkish exports. Automotive, machinery, chemicals, textiles and apparel, iron and steel, electrical equipment and agricultural products are the leading export categories.

⁴ Investment Office of the Presidency of the Republic of Türkiye, "Türkiye attracts USD 13.1 billion in FDI in 2025", January 2026.

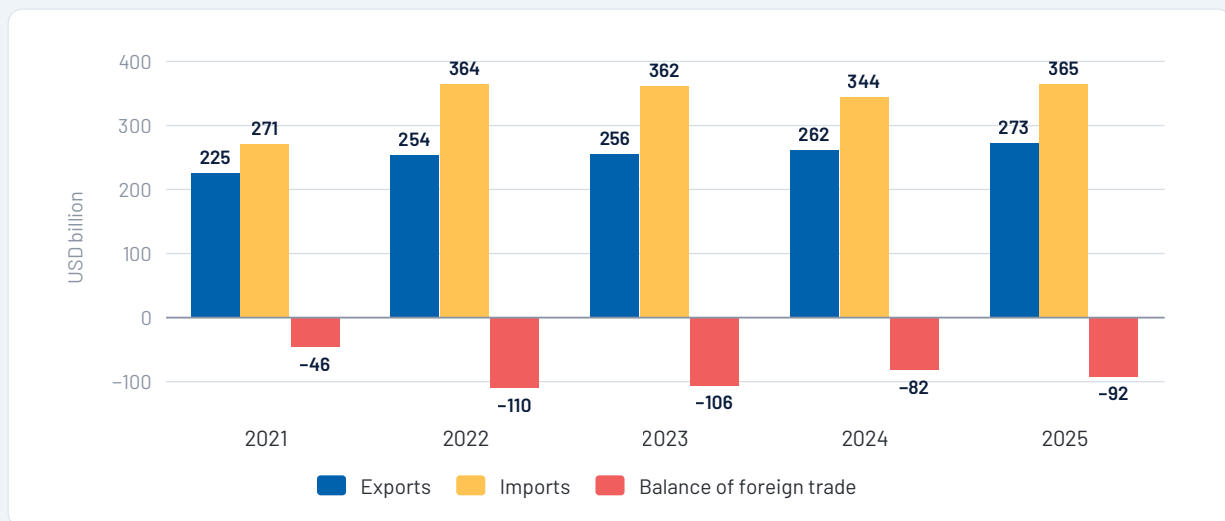
⁵ TURKSTAT, Foreign Trade Statistics, December 2025 (general trade system).

⁶ TURKSTAT, Foreign Trade Statistics, December 2025.

Table 2: Imports by Country (2025)⁷

Country	Amount (USD billion)	Share in Total Imports (%)
China	49.6	13.6%
Russia	42.4	11.6%
Germany	30.1	8.2%
United States	18.1	4.9%
Switzerland	15.7	4.3%
Others	209.5	57.3%
Total	365.4	100%

When the figures in Table 2 are considered, China is the main import partner of Türkiye with USD 49.6 billion (13.6% of total imports), followed by the Russian Federation (mainly energy products) with USD 42.4 billion and Germany with USD 30.1 billion. The top five import partners account for approximately 43% of total imports. Energy, intermediate goods, machinery and precious metals constitute the bulk of imports.

Figure 2: Balance of Foreign Trade by Years (USD billion)⁸

As presented in Figure 2, exports have followed a steady upward trend since the post-pandemic recovery of 2021 and have set a new record each year. Imports jumped in 2022 due to the surge in energy prices and strong domestic demand, declined in 2024 as a result of the tightening of monetary policy, and increased again in 2025. Accordingly, the foreign trade deficit, which exceeded USD 100 billion in 2022 and 2023, narrowed to USD 82 billion in 2024 and stood at USD 92 billion in 2025.

1.2.3. Currency

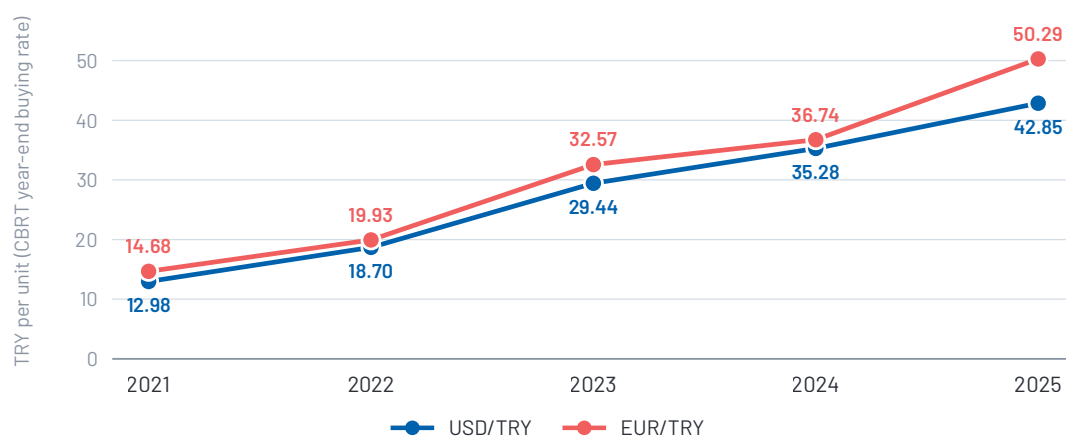
It is seen in Figure 3 that the Turkish Lira depreciated significantly against both the US Dollar and the Euro over the last five years. The sharpest movements were observed in 2021, 2023 and (against the Euro) in 2025. Since the shift to an orthodox monetary policy in mid-2023, the exchange rate has followed a more predictable path,

⁷ TURKSTAT, Foreign Trade Statistics, December 2025.

⁸ TURKSTAT, Foreign Trade Statistics (annual, general trade system).

with the CBRT allowing a gradual, managed depreciation broadly in line with the inflation differential. The foreign-currency-protected deposit scheme (KKM) introduced at the end of 2021 was fully phased out in August 2025.

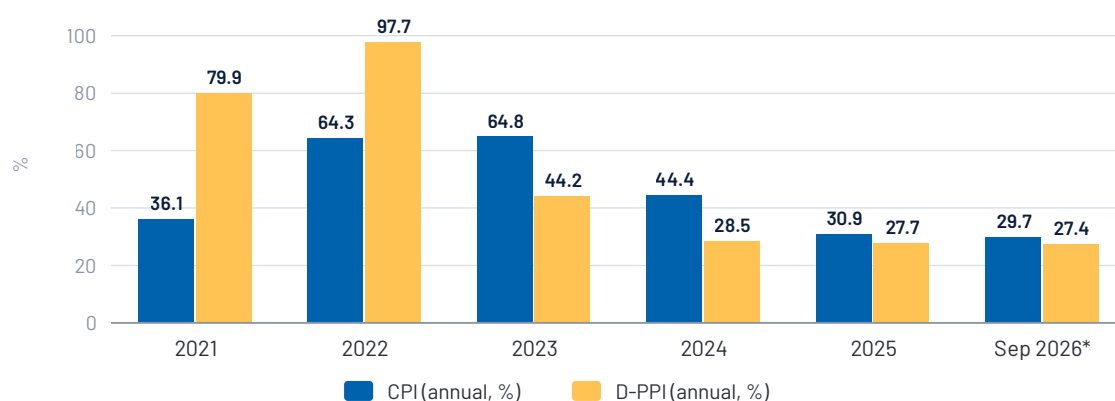
Figure 3: The Performance of the Turkish Lira Against USD and EUR (year-end, 2021–2025)⁹



Foreign investors should note that Turkish statutory accounts and tax returns are kept in Turkish Lira (except for companies that are permitted to keep their books in foreign currency, such as participants of the Istanbul Finance Centre and certain free zone companies), and that inflation adjustment of financial statements for tax purposes has been suspended for the 2025–2027 fiscal years (see Section 5.1).

1.2.4. Inflation

Figure 4: Consumer Price Index (CPI) and Domestic Producer Price Index (D-PPI) – annual change (%)¹⁰



* Year-on-year change as of September 2026; other bars are December-to-December changes.

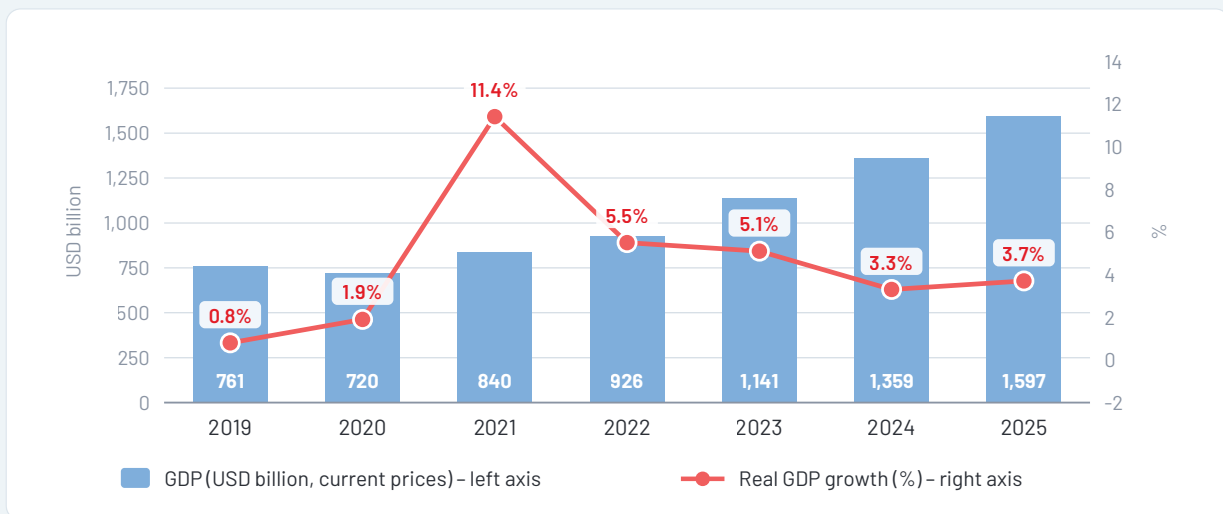
According to the data presented in Figure 4, annual consumer inflation peaked at around 65% in 2022 and 2023, and has been on a disinflation path since the second half of 2024 following the tightening of monetary policy.

Annual CPI inflation stood at 30.9% at the end of 2025 and at 29.7% in September 2026. The CBRT's one-week repo (policy) rate, which had been raised to 50% in 2024, was gradually reduced to 37% in January 2026 and has been kept at that level since then.¹¹

Inflation is expected to continue to decline gradually; nevertheless, investors should continue to take high nominal interest rates, indexation of wages and rents, and frequent revaluation of statutory thresholds (most tax and fee amounts are revalued annually by the revaluation rate, which was 25.49% for 2026) into account in their business plans.

1.2.5. Economic Growth

Figure 5: Gross Domestic Product and Real GDP Growth in Türkiye (2019–2025)¹²



The Turkish economy, which contracted sharply in the first half of 2020 due to the COVID-19 pandemic, recovered strongly and grew by 11.4% in 2021, driven by domestic demand, exports and tourism. Growth continued at 5.5% in 2022 and 5.1% in 2023 despite the devastating earthquakes of February 2023, and moderated to 3.3% in 2024 and 3.7% in 2025 as the disinflation programme slowed domestic demand. In nominal US Dollar terms, GDP has nearly doubled since 2020 and reached approximately USD 1.6 trillion in 2025, which places Türkiye among the twenty largest economies in the world.

1.3. Tourism

Türkiye is one of the top five tourism destinations in the world. The all-time record of 45.1 million foreign visitors set in 2019 was followed by a sharp decrease to 12.7 million in 2020 due to the pandemic. The sector recovered quickly: 24.7 million foreign visitors came in 2021, 44.6 million in 2022, 49.2 million in 2023 and 52.6 million in 2024. In 2025, Türkiye hosted 52.8 million foreign visitors (a new record) and 63.9 million visitors in total including Turkish citizens residing abroad, while tourism revenue increased by 6.8% to USD 65.2 billion.¹³

9. CBRT, Electronic Data Delivery System (EVDS), indicative foreign exchange buying rates as of the last business day of each year.

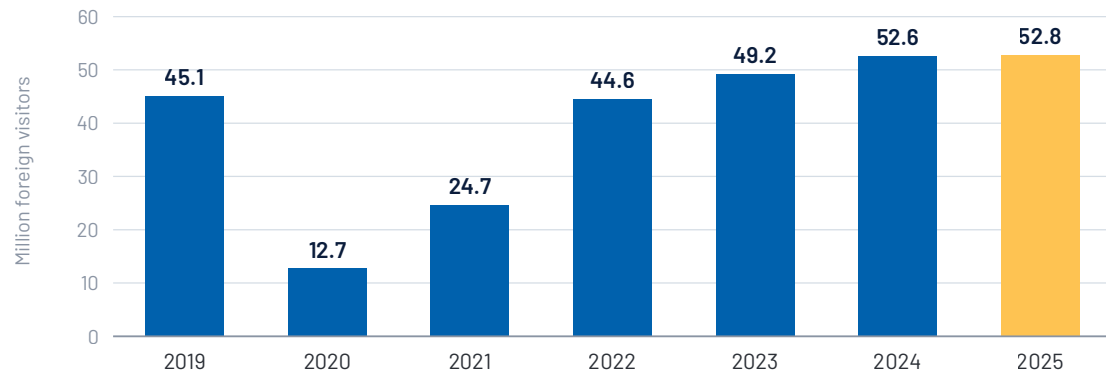
10. TURKSTAT, Consumer Price Index and Domestic Producer Price Index, December figures (annual change) and September 2026.

11. CBRT, Monetary Policy Committee decisions (January–September 2026).

12. TURKSTAT, Annual Gross Domestic Product; World Bank, GDP (current USD) – Türkiye.

13. Ministry of Culture and Tourism, Border Statistics 2025; TURKSTAT, Tourism Statistics, Quarter IV: October–December 2025.

Figure 6: Number of International Tourist Arrivals in Türkiye (million foreign visitors)¹⁴



Russia was the country that sent the most tourists to Türkiye in 2025 with 6.9 million visitors (13.1% of the total), followed by Germany with 6.75 million and the United Kingdom with 4.3 million visitors. Iran and Bulgaria complete the top five source markets.



14. Ministry of Culture and Tourism, Border Statistics (2019-2025).

2. Main Industries in Türkiye

In this section, we present a brief introduction to the main industries in Türkiye that are relevant to foreign investors: tourism, energy, construction and information and communication technologies. Türkiye also has large and export-oriented automotive, machinery, chemicals, textiles and apparel, iron and steel, food and defence industries.

Main Industries at a Glance



52.8 million

Foreign visitors in 2025 (a new record)



62.3%

Renewable share of installed electricity capacity (end of 2025)



USD 557.5 billion

Projects undertaken abroad by Turkish contractors since 1972



TRY 2.13 trillion

ICT market size in 2025

2.1. Tourism

The tourism industry has been one of the fastest-growing industries in Türkiye in recent years and is one of the main sources of foreign currency revenue, financing a significant part of the foreign trade deficit. According to the TURKSTAT Tourism Satellite Account, around 1.2 million people are directly employed in tourism (3.7% of total employment), and the direct contribution of tourism to gross value added is around 5%; when indirect effects are included, the share of the industry in the economy is estimated at approximately 10–12% of GDP.¹⁵

As presented in Figure 6, international arrivals exceeded the pre-pandemic record in 2023 and reached 52.8 million foreign visitors in 2025. Tourism revenue reached USD 65.2 billion in 2025. The Government's 12th Development Plan (2024–2028) and the Tourism Strategy aim at around 82 million visitors and USD 100 billion of tourism revenue by 2028, through the diversification of tourism products (health, congress, gastronomy, culture, golf, cruise and winter tourism), extending the tourism season, increasing service quality, attracting high-spending visitors and increasing the length of stay.

¹⁵. TURKSTAT, Tourism Satellite Account 2024.

Türkiye is also one of the leading destinations for health tourism (aesthetic surgery, dental treatment, hair transplantation and thermal tourism) and for the “bleisure” and digital-nomad segments.

The main risks and challenges faced by the tourism industry in Türkiye are summarised below:



Seasonality:

Most tourists prefer a sea holiday and come during the summer months. This situation limits profitability and the contribution of tourism to the economy throughout the year.



Regional concentration:

Incoming tourists are concentrated in key coastal destinations (Antalya, Muğla, İzmir) and Istanbul. Other regions with significant cultural and natural assets receive a small share of visitors and revenue.



Efficient use of resources:

New instruments, methods and products are needed in line with changing consumer trends and technology. Using natural and cultural resources sustainably is critical for the long-term competitiveness of the industry.



Quality of human resources:

With employment approaching 1.2 million directly and more than 2 million indirectly, the quality and continuity of the workforce is a significant issue. Continuous training is required to respond to changing consumer preferences and needs.



Geopolitical developments:

Türkiye's location between East and West, which is an advantage at first glance, also brings risks. War, embargoes or instability in neighbouring countries and regions can seriously affect visitor numbers from particular markets.

2.2. Energy¹⁶

Türkiye's rapid economic growth and population increase over the last 25 years have not only caused an increase in energy demand but have also increased its dependence on imported energy. Oil, natural gas and imported coal are commodities on which Türkiye is highly dependent on foreign sources; the overall import dependency in primary energy is around 70%, which is one of the most important reasons behind the current account deficit and high energy costs.

On the other hand, Türkiye has been pursuing policies to increase domestic supply and reduce energy costs. The Sakarya Gas Field in the Black Sea, discovered in 2020 with estimated reserves of 785 billion cubic metres, started production in 2023; daily production is expected to reach around 20 million cubic metres with the commissioning of the floating production unit at the end of 2026 and 45 million cubic metres in the third phase planned for 2028. The Akkuyu Nuclear Power Plant (four units of 1,200 MW each), the first nuclear power plant of Türkiye, is in the commissioning stage, with the first unit expected to start generating electricity around the end of 2026. Türkiye also aims to become a regional natural gas trading hub by using its LNG terminals, underground storage facilities and pipeline infrastructure.

Türkiye has experienced remarkable growth in renewable energy over the last 10 years, with government incentives (feed-in tariffs under the YEKDEM scheme and large-scale YEKA tenders) for solar, wind, geothermal, hydro and biomass. As of the end of 2025, total installed electricity capacity reached 122.5 GW, of which 62.3% (76.3 GW) is renewable: hydro accounts for 26.4%, solar for 20.5%, wind for 12.1%, geothermal and biomass for 3.3% of total capacity, while natural gas accounts for 19.8% and coal for approximately 18%. Electricity generation

16. Ministry of Energy and Natural Resources; TEİAŞ, Installed Capacity Reports (December 2025); IEA, Türkiye 2021 Energy Policy Review.

reached a record 363 TWh in 2025, more than half of which was produced from domestic and renewable sources.

The National Energy Plan targets around 120 GW of combined solar and wind capacity by 2035, which creates significant investment opportunities in generation, grid, storage, electric vehicle charging and green hydrogen projects. Energy investments benefit from the general investment incentive system and, for strategic projects, from project-based incentives (see Section 6.1).

2.3. Construction¹⁷

The construction industry, like tourism, is one of the industries that makes the biggest contribution to the Turkish economy. The direct share of the construction industry in GDP was around 6% in 2025 and the industry employs approximately 2.2 million people (6.8% of total employment). When indirect effects on more than 200 sub-sectors (cement, iron and steel, glass, ceramics, furniture, etc.) are included, the total impact of the industry on the economy is estimated at approximately 30% of GDP. The reconstruction of the eleven provinces affected by the February 2023 earthquakes, urban transformation projects and large infrastructure projects (highways, railways, airports, hospitals and energy projects, mostly under public-private partnership models) continue to drive activity.

In addition to the domestic market, Turkish construction companies are among the most active contractors in the international market. Since 1972, Turkish contractors have undertaken 12,827 projects in 138 countries with a total value of USD 557.5 billion. In the Engineering News-Record (ENR) "Top 250 International Contractors" list for 2025, 45 Turkish companies were included, ranking Türkiye second in the world after China by the number of companies.

2.4. Information and Communication Technology (ICT)¹⁸

The Information and Communication Technologies (ICT) industry in Türkiye reached a market size of TRY 2.13 trillion (approximately USD 54 billion) in 2025, of which TRY 1.26 trillion was information technologies (hardware, software and services) and TRY 0.87 trillion was communication technologies. The industry employs approximately 289,000 people, and ICT exports reached around USD 5 billion in 2025.

Türkiye has a young and digitally literate population, more than 1,360 registered R&D centres and 340 design centres, and 113 technology development zones (95 of which are operational) hosting more than 12,000 technology companies. The Turkish start-up ecosystem has produced several unicorns and decacorns (such as Trendyol, Getir, Peak Games, Dream Games, Insider and Hepsiburada) and attracted approximately USD 1.4 billion of venture investment in 360 deals in 2025.

The Turkish government considers ICT a priority industry and supports it through the R&D Law No. 5746 (R&D and design centres), the Technology Development Zones Law No. 4691 (technoparks), the Technology-Oriented Industry Move ("Teknoloji Hamlesi") programme, the HIT-30 high-technology investment programme and the generous tax deduction for software and other services exported from Türkiye (100% of qualifying income is deductible from the corporate tax base as of 2026 – see Section 6.2.7). Corporate tax exemptions, VAT exemptions, income tax withholding incentives and social security premium support are the main instruments of these schemes, which are explained in Chapter 6.

¹⁷ TURKSTAT, Quarterly GDP and Labour Force Statistics 2025; Turkish Contractors Association (TMB), Overseas Contracting Services Report, February 2026.

¹⁸ TÜBİSAD / Deloitte, Information and Communication Technologies Sector 2025 Market Data (June 2026); Ministry of Industry and Technology, 2025 Activity Report; Investment Office, <https://www.invest.gov.tr/en/sectors/pages/ict.aspx>

Some of the major players operating in the ICT industry in Türkiye are listed below:

Telecommunications	Global technology companies	Turkish technology companies
Turkcell	Microsoft	Trendyol
Türk Telekom	Google	Hepsiburada
Vodafone Türkiye	Amazon Web Services	Getir
TÜRKSAT	Huawei	Insider
	SAP / Oracle	Peak Games / Dream Games
	Cisco / IBM	Aselsan / Havelsan



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3. Turkish Legal System

In this part of our guide, the judicial system of Türkiye, the Turkish Commercial Code, audit obligations, the social security system, labour law and the foreign exchange (currency control) regime are explained from the most important points of view for a foreign investor.

Employment Essentials at a Glance (2026)

**45 hours**Maximum normal working
time per week**TRY 33,030**Gross monthly minimum
wage**38.75%**Total social security
contribution rate**14–26 days**Minimum paid annual
leave, by years of service

3.1. Judicial System

Türkiye has adopted the principle of separation of powers in its Constitution. Based on Article 9 of the Constitution, judicial power is exercised by independent and impartial courts on behalf of the Turkish nation. The independence of the courts, the security of tenure of judges and public prosecutors, the organisation of the courts and the powers and duties of the high courts are regulated by the Constitution (Articles 138–160), and the organisation, duties, jurisdiction and trial procedures of the courts are regulated by law (Article 142 of the Constitution).

Türkiye is a civil law country; its codes were historically modelled on Swiss, German, French and Italian law and have been substantially harmonised with EU law. The Turkish court system consists of two main branches, each organised in three tiers since the regional courts of appeal (istinaf) became operational in 2016:

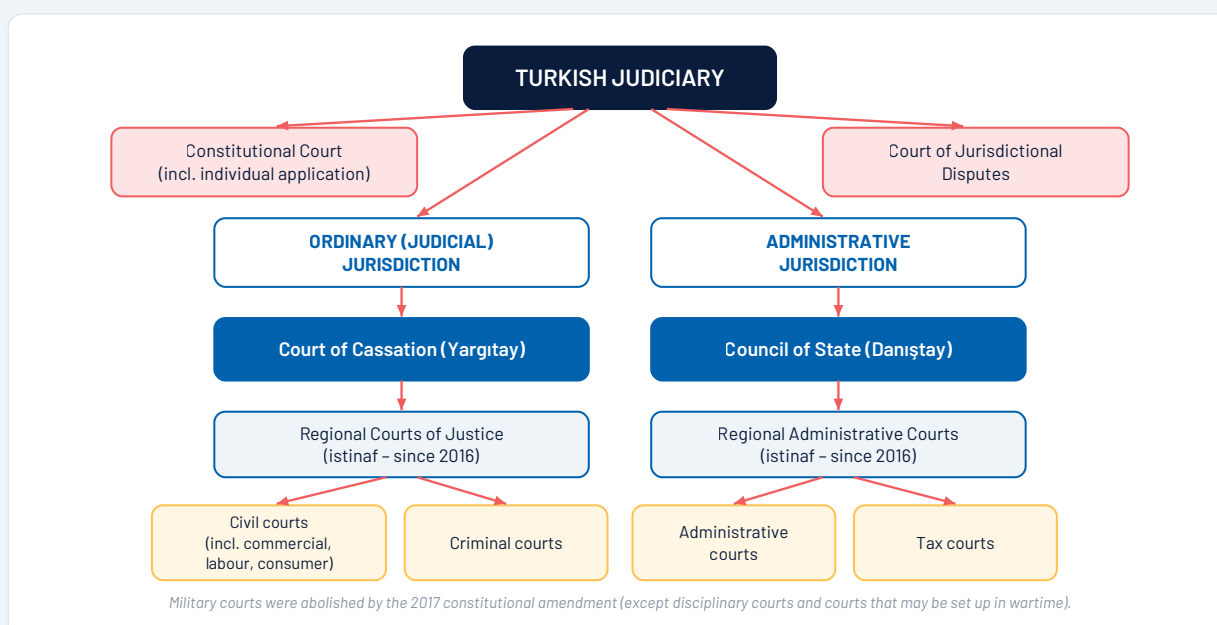
- » **Ordinary (judicial) courts:** Civil courts of first instance (including specialised commercial, labour, consumer, intellectual property and enforcement courts) and criminal courts of first instance settle civil and criminal disputes. Their decisions are reviewed by the Regional Courts of Justice (istinaf) and, in the last instance, by the Court of Cassation (Yargıtay).
- » **Administrative courts:** Administrative courts and tax courts hear cases brought against administrative bodies, including all tax disputes with the Revenue Administration and the customs administration. Their

decisions are reviewed by the Regional Administrative Courts and, in the last instance, by the Council of State (Danıştay).

- » **Constitutional Court:** Reviews the constitutionality of laws and presidential decrees and, since 2012, decides on individual applications for violations of fundamental rights after ordinary remedies are exhausted. The Court of Jurisdictional Disputes resolves conflicts of jurisdiction between the two branches.

Military courts were abolished by the constitutional amendment of 2017 (apart from disciplinary courts and courts that may be established in wartime). Mandatory mediation applies before filing lawsuits for monetary commercial claims (since 2019), employment claims (since 2018), consumer disputes and certain lease and real estate disputes, and commercial arbitration is widely used; the Istanbul Arbitration Centre (ISTAC) offers institutional arbitration and mediation services, and Türkiye is a party to the New York Convention on the recognition and enforcement of foreign arbitral awards.

Figure 7: Turkish Judicial System (simplified)



3.2. Turkish Commercial Code

Commercial life in Türkiye is governed by the Turkish Commercial Code No. 6102 (TCC), in force since 1 July 2012, together with the Turkish Code of Obligations and the Capital Markets Law for publicly held companies. The basic principles of the TCC are:

- » Corporate governance (a professional board of directors, the possibility of single-member boards and electronic board and general assembly meetings);
- » Accountability (independent audit of companies above certain size thresholds and the use of Turkish Financial Reporting Standards for audited companies);
- » Transparency (mandatory corporate websites for companies subject to independent audit, registration and announcement of key corporate information in the Trade Registry Gazette); and
- » Liability law (liability of founders, directors and auditors, and directors' and officers' liability insurance).

Under the TCC, the following types of companies can be established: joint stock companies (anonim şirket, A.Ş.), limited liability companies (limited şirket, Ltd. Şti.), collective companies, commandite (limited) partnerships –

ordinary and divided into shares – and cooperatives. Only joint stock companies and limited liability companies have legal personality with the liability of shareholders limited to the capital subscribed, which is why they are used by practically all foreign investors (see Chapter 4).

A single shareholder is sufficient to establish a joint stock company or a limited liability company. A limited liability company may not have more than fifty shareholders, whereas there is no limit for a joint stock company. Under both company types, the shareholders may be real persons or legal entities of any nationality, and 100% foreign ownership is permitted. The minimum capital requirement is **TRY 250,000** for joint stock companies (TRY 500,000 for non-public joint stock companies that adopt the registered capital system) and **TRY 50,000** for limited liability companies, with effect from 1 January 2024.¹⁹

Each shareholder has the right to information and to inspect the company's books within the limits set by the TCC. Real estate, intellectual property rights and other assets that can be valued and transferred may also be contributed as capital in kind, subject to a court-appointed expert valuation. Since 1 January 2013, Turkish Financial Reporting Standards (TFRS), which are identical to IFRS, must be applied by companies subject to independent audit (companies that are not public-interest entities may apply the simplified Financial Reporting Standard for Large and Medium-Sized Enterprises, BOBİ FRS), whereas the statutory books kept for tax purposes follow the Tax Procedure Law and the Uniform Chart of Accounts.

3.3. Audit Obligations in Türkiye

Under Article 397 of the TCC, the companies that are subject to independent audit are determined by a Presidential Decree. In accordance with the Decree on the Determination of Companies Subject to Independent Audit (Decree No. 6434, as amended by Presidential Decree No. 11066 published in the Official Gazette of 17 March 2026), the following thresholds apply to fiscal years beginning on or after 1 January 2026:²⁰

- » **Companies in general:** total assets of TRY 500 million or more; annual net sales revenue of TRY 1 billion or more; 150 or more employees.
- » **Companies in regulated sectors listed in Annex II of the Decree** (e.g., companies operating under licences of the Information Technologies and Communication Authority, companies in which municipalities hold 50% or more, etc.): TRY 120 million total assets; TRY 150 million net sales; 100 employees.
- » **Companies subject to the Capital Markets Law whose shares are not traded on the stock exchange:** TRY 30 million total assets; TRY 40 million net sales; 50 employees.
- » **Companies listed in Annex I of the Decree** (public-interest entities such as listed companies, banks, insurance companies, financial leasing and factoring companies, portfolio management companies, etc.) are subject to independent audit regardless of their size.

A company becomes subject to independent audit if it exceeds at least two of the three criteria in two consecutive fiscal years (alone or together with its subsidiaries and affiliates), and ceases to be subject to audit if it falls below at least two of the criteria in two consecutive years or below 20% of two of the criteria in a single year. Companies subject to independent audit must prepare their financial statements in accordance with TFRS or BOBİ FRS and maintain a corporate website with a dedicated information section.

During the independent audit process, the company's financial statements and the board of directors' annual activity report are audited. The audit report, which is prepared and submitted to the managing body of the company, includes explanations on:

- » whether the bookkeeping system and financial statements of the company comply with the provisions of the TCC and the company's articles of association regarding financial reporting;

¹⁹ Presidential Decree No. 7887, Official Gazette dated 24 November 2023. Companies incorporated before 2024 with a lower capital must increase their capital to the new minimum by 31 December 2026 (TCC Provisional Article 15, as amended by Law No. 7511); otherwise they are deemed dissolved.

²⁰ Presidential Decree No. 11066, Official Gazette No. 33199 dated 17 March 2026. For fiscal year 2025 the thresholds were TRY 150 million total assets, TRY 300 million net sales and 150 employees.

- » whether the independent auditor has had difficulty in obtaining the documents requested from the managing body within the scope of the audit;
- » whether the company's books are kept in accordance with the prescribed chart of accounts; and
- » whether the financial statements of the company are prepared in accordance with the Turkish Financial Reporting Standards.

In the report prepared on the annual activity report, the auditor states whether the financial information in the annual report is consistent with the audited financial statements. The independent auditor must be elected by the general assembly of the company for each fiscal year, in principle before the end of the fourth month of the relevant fiscal year. After the election, the board of directors registers the elected audit firm (which must be authorised by the Public Oversight, Accounting and Auditing Standards Authority – KGK) with the Trade Registry, announces it in the Trade Registry Gazette and publishes it on the company's website. Companies that are subject to audit but fail to appoint an auditor have their auditor appointed by the court, and their financial statements are deemed not to have been prepared.

3.4. Social Security System of Türkiye

The social security system in Türkiye is based on the centralisation of the different social security funds in a single institution, the Social Security Institution (Sosyal Güvenlik Kurumu, SGK), under the Social Insurance and General Health Insurance Law No. 5510. Social security contributions are calculated as a percentage of the employee's gross earnings between a floor (the gross minimum wage) and a ceiling (nine times the gross minimum wage as of 2026) and are paid partly by the employer and partly by the employee. The contribution rates applicable in 2026 are shown in the table below.

Table 3: Social Security Contribution Rates (2026)²¹

Type of risk	Employer's share (%)	Employee's share (%)	Total (%)
Short-term insurance branches (work accidents, occupational diseases, sickness, maternity)	2.25	–	2.25
Long-term insurance branches (invalidity, old age, death)	12	9	21
General health insurance	7.5	5	12.5
Unemployment insurance	2	1	3
Total	23.75	15	38.75

The Treasury covers part of the employer's share for employers that fulfil certain conditions (no overdue premium debts, timely filing, no undeclared employment): as of 1 January 2026 this general incentive is 2 percentage points for most employers and 5 percentage points for manufacturing workplaces (until the end of 2026, extendable to 2027), so that the effective employer rate is 21.75% or 18.75% respectively. Additional incentives are available for the employment of young people, women, disabled persons and for investments made under an investment incentive certificate (see Section 6.1). The monthly ceiling for premium calculation is TRY 297,270 for 2026 (nine times the gross minimum wage of TRY 33,030).

Foreigners who continue to be covered by the social security system of their home country do not have to pay Turkish social security premiums for a limited period (generally up to 24 months, extendable) if there is a bilateral social security agreement between the home country and Türkiye and a certificate of coverage is obtained; Türkiye has social security agreements with more than 30 countries, including Germany, the Netherlands, the United Kingdom, France, Italy, Austria, Switzerland, the Nordic countries, Canada and South Korea. Foreign em-

²¹ Law No. 5510, Articles 81–82, as amended by Law No. 7566 (Official Gazette dated 19 December 2025) with effect from 1 January 2026.

employees of companies in Türkiye who are not covered by such an agreement are subject to Turkish social security on the same basis as Turkish nationals. Employers may deduct their social security contributions from taxable income, and the employee's share is deducted when computing the employee's income tax base.

3.5. Labour Law

Working conditions in Türkiye are mainly regulated by the Labour Law No. 4857, the Trade Unions and Collective Bargaining Agreements Law No. 6356 and the Occupational Health and Safety Law No. 6331. Under the Labour Law, there are different types of employment contracts:

- » Employment contracts for “temporary” and “permanent” work;
- » Employment contracts for a “definite period” or an “indefinite period” (fixed-term contracts require an objective reason and may not be chained);
- » Employment contracts for “part-time” and “full-time” work;
- » Employment contracts for “work-upon-call” and remote working (regulated by the Remote Working Regulation of 2021);
- » Employment contracts with a trial period (maximum two months, extendable to four months by collective agreement); and
- » Employment contracts constituted with a team contract.

Under the Labour Law, normal working time is a maximum of 45 hours per week. In principle, this 45-hour period is distributed equally over the working days; however, the parties may agree on a different distribution (equalisation over a period of up to two months, or four months by collective agreement), provided that the daily working time does not exceed 11 hours. Hours exceeding 45 hours per week are overtime and must be paid at 150% of the normal hourly wage (or compensated with free time of 1.5 hours per hour of overtime at the employee's request), and total overtime may not exceed 270 hours per year. The gross monthly minimum wage for 2026 is TRY 33,030 (net TRY 28,075.50), and the portion of all wages corresponding to the minimum wage is exempt from income tax and stamp duty.

Employees are entitled to paid annual leave after one year of service; the minimum paid annual leave according to years of service is listed in the table below. Employees under 18 and over 50 are entitled to at least 20 days.

Table 4: Rights to Annual Leave

Years of service	Minimum paid annual leave
1 – 5 years (inclusive)	14 working days
More than 5 and less than 15 years	20 working days
15 years (inclusive) or longer	26 working days

Other key features of Turkish employment law that foreign investors should be aware of are: (i) the notice periods for indefinite-term contracts range from two to eight weeks depending on seniority (payment in lieu is possible); (ii) employees with at least one year of service are entitled to severance pay of 30 days' gross wage per year of service (subject to a ceiling that is revised every six months) upon termination by the employer without just cause, retirement, military service, marriage of female employees and certain other cases; (iii) job security provisions apply in workplaces with 30 or more employees to employees with at least six months of service, so that terminations must be based on a valid reason and may be challenged through mandatory mediation and the labour courts; (iv) employment contracts with foreign employees and wages may be denominated in foreign currency; and (v) foreign nationals need a work permit before starting to work (see Section 6.3.5).

3.6. Currency Control

Türkiye has a liberal foreign exchange regime. Residents and non-residents may freely hold foreign currency, open foreign currency accounts, and transfer funds into and out of Türkiye through banks; profits, dividends, interest, royalties, sale and liquidation proceeds may be freely repatriated in accordance with the Foreign Direct Investment Law No. 4875 and Decree No. 32 on the Protection of the Value of the Turkish Currency. Banks are, however, obliged to perform anti-money-laundering checks and to report transfers above certain thresholds to the authorities, and loans in foreign currency may only be used by Turkish companies that have foreign currency income or that fall under specific exemptions (such as investment incentive certificates or loans exceeding USD 15 million).

The most important restriction for foreign investors is the limitation on foreign currency denominated or indexed contracts between Turkish residents, introduced by Presidential Decree No. 85 of 12 September 2018 and the Communiqué No. 2008-32/34 (as amended). In principle, the contract price and other payment obligations arising from real estate sale and lease contracts, employment contracts, service contracts and construction (work) contracts concluded between persons resident in Türkiye (including Turkish subsidiaries and branches of foreign companies) may not be determined in or indexed to foreign currency, except in the cases determined by the Ministry of Treasury and Finance. The obligation introduced in April 2022 to settle payments under movable property sale contracts between residents in Turkish Lira was abolished in March 2025; accordingly, sale contracts for movables (other than vehicles) may again be priced and paid in foreign currency.²² The main exceptions that are relevant to foreign investors are as follows:

- » **Real estate sale and lease agreements:** Agreements to which non-residents, branches, representative offices, liaison offices or funds of non-residents, companies in which non-residents directly or indirectly hold 50% or more of the shares, or free zone companies (for their activities in the free zone) are a party as buyer or lessee may be denominated in foreign currency. Lease agreements of accommodation facilities certified by the Ministry of Culture and Tourism and of duty-free shops may also be denominated in foreign currency.
- » **Employment contracts:** Employment contracts to which non-residents or persons resident in Türkiye who are not Turkish citizens are a party, and employment contracts to be performed abroad, may be denominated in or indexed to foreign currency. Employment contracts of Turkish nationals with Turkish-resident employers must be in Turkish Lira except for the exemptions provided in Communiqué No. 2008-32/34.
- » **Service contracts:** Service contracts to which persons who are not Turkish citizens are a party; service contracts concluded within the scope of exports, transit trade, sales and deliveries deemed as exports and foreign-exchange-earning services and activities; service contracts regarding activities to be carried out abroad by Turkish residents; and service contracts between Turkish residents that start in Türkiye and end abroad, start abroad and end in Türkiye, or start and end abroad, may be denominated in foreign currency.
- » **Contracts with the public sector, capital market instruments, aviation and shipbuilding contracts, and software and hardware licence and service contracts for products developed abroad** are also exempt.
- » **Free zone companies:** Employment and service contracts to which companies operating in free zones are a party as employer or service recipient, within the scope of their activities in the free zone, may be denominated in foreign currency.

In addition, exporters are currently required to repatriate their export proceeds to Türkiye within 180 days and to sell a portion of them (35% as of the first half of 2026, under a temporary provision of the CBRT Export Circular that has been extended several times) to the CBRT through their banks; this measure is temporary and its status

²² Communiqué No. 2025-32/72 amending Communiqué No. 2008-32/34, Official Gazette dated 6 March 2025.

should be checked at the time of the transaction. Where a payment obligation under one of the restricted contracts has been agreed in foreign currency in breach of the rules, the parties are liable to administrative fines, and the amount must be converted into Turkish Lira. Foreign investors should therefore review lease agreements, service agreements and employment contracts for compliance with Decree No. 32 before signing.



GUIDELINES

ESTABLISHING BUSINESS AND
LIFE IN TÜRKİYE

4. Business Structures in Türkiye

According to the Turkish Commercial Code, there are five different types of companies in Türkiye: joint stock companies, limited liability companies, collective companies, commandite (limited) partnerships and cooperatives. In addition, a foreign company may operate in Türkiye through a **branch** (which has no separate legal personality, is registered with the Trade Registry and is taxed as a non-resident taxpayer on its Turkish-source income) or a **liaison office** (which may not carry out any commercial activity, operates under a permit of the Ministry of Industry and Technology that is initially granted for up to three years and whose expatriate employees' salaries paid in foreign currency from abroad are exempt from income tax). Joint ventures and consortia are generally structured as ordinary partnerships under the Code of Obligations or as joint stock companies.

Company Set-Up at a Glance (2026)

**TRY 250,000**

Minimum capital of a joint stock company (A.Ş.)

**TRY 50,000**

Minimum capital of a limited liability company (Ltd. Şti.)

**0.04%**

Competition Authority fee on the capital

**2-4 weeks**

Typical time to become fully operational

4.1. Widely Used Company Structures

In Türkiye, local and foreign investors generally opt for the joint stock company or the limited liability company for their investments. In this guide, accordingly, we only present these two most commonly used company types, the JSC (A.Ş.) and the LLC (Ltd. Şti.).

4.1.1. Joint Stock Company (JSC)

A joint stock company (anonim şirket) is a company whose capital is fixed and divided into shares, and which is liable for its debts only with its own assets. Shareholders are liable to the company only up to the capital they have subscribed and have no personal liability towards the company's creditors or for the company's public (tax and social security debts), which is an important advantage over the limited liability company. There is no legal limit to the number of shareholders in a joint stock company, and the shareholders can be natural or legal persons.

Joint stock companies can be established for all kinds of economic purposes that are not prohibited by law. The articles of association are prepared on MERSIS and registered with the Trade Registry of the place where the company's headquarters is located. The minimum capital is **TRY 250,000** (TRY 500,000 for companies adopting the registered capital system), and at least one-quarter of the nominal value of the shares subscribed in cash must be paid before registration; the remaining amount must be paid within 24 months following registration. Certain activities (banking, insurance, financial leasing, factoring, payment services, asset management, holding companies, etc.) require the permission of the Ministry of Trade or the relevant regulator for incorporation and amendments to the articles of association.

Joint stock companies may issue registered or bearer share certificates to represent their shares (bearer shares must be notified to the Central Securities Depository), and may issue bonds and similar debt instruments. Joint stock companies are the only type of company whose shares can be offered to the public and traded on the stock exchange. In order to facilitate transactions, the transfer of registered shares is not subject to general assembly approval and does not require a notarised agreement or registration with the Trade Registry as a rule; restrictions on transfer may, however, be included in the articles of association. The joint stock company has two mandatory organs:

- » **General Assembly:** The body in which all shareholders are represented and which is exclusively authorised to take the most important decisions about the company (e.g., amending the articles of association, electing the board of directors and the auditor, approving the financial statements, deciding on the distribution of profits, and dissolving the company). The ordinary general assembly must be held within three months after the end of each fiscal year, and electronic participation is possible.
- » **Board of Directors:** The body responsible for the management and representation of the company. The board may consist of a single member, and there is no requirement for board members to be shareholders, Turkish citizens or residents of Türkiye; legal entities may also be appointed as board members (acting through a real person representative). At least one member must be authorised to represent the company, and the signatory authorities are registered and announced.

4.1.2. Limited Liability Company (LLC)

Similar to joint stock companies, a limited liability company (limited şirket) is liable for its debts only with its own assets, and its shareholders are only obliged to pay the capital they have subscribed and to fulfil the additional payment and ancillary performance obligations stipulated in the articles of association. However, unlike in a joint stock company, the shareholders of a limited liability company are personally liable, in proportion to their capital shares, for **public debts** (taxes, duties, social security premiums and related penalties) of the company that cannot be collected from the company itself. The number of shareholders may not exceed fifty, and the shareholders can be real or legal persons.

Limited liability companies can be established for all kinds of lawful activities and have articles of association registered with the relevant Trade Registry. The minimum capital is **TRY 50,000**, and there is no obligation to pay any part of the capital before registration; the capital must be paid within 24 months following registration. Limited liability companies cannot issue bearer shares or offer their shares to the public, and the transfer of shares requires a written share transfer agreement with notarised signatures, the approval of the general assembly (unless the articles of association provide otherwise) and registration with the Trade Registry. The limited liability company also has two organs:

- » **General Assembly:** The body in which all shareholders are represented and which is exclusively authorised to take the most important decisions (e.g., amending the articles of association, appointing the managers, approving the financial statements and profit distribution, approving share transfers and dissolving the company).
- » **Manager(s):** The body responsible for the management and representation of the company. The company may have one or more managers, at least one of whom must be a shareholder; managers do not have to be

Turkish citizens or residents of Türkiye, and a legal entity shareholder may be appointed as manager, acting through a real person representative.

4.1.3. Comparison of the Two Types of Companies

Below, the JSC and the LLC are compared on the most important issues. In practice, the joint stock company is recommended for operating companies with several shareholders, companies that plan to raise external financing or attract investors, and in cases where the shareholders wish to avoid personal liability for public debts; the limited liability company is often preferred for small subsidiaries because of its lower capital requirement and simpler governance.

Table 5: Comparison of the Joint Stock Company and the Limited Liability Company (2026)

	Joint Stock Company (A.Ş.)	Limited Liability Company (Ltd. Şti.)
Shareholders	Minimum 1 – no upper limit	Minimum 1 – maximum 50
Minimum capital	TRY 250,000 (TRY 500,000 under the registered capital system); 25% paid before registration	TRY 50,000; no payment required before registration
Organs	General Assembly, Board of Directors (1 or more members)	General Assembly, Manager(s) (at least one shareholder)
Share transfer	Free as a rule; no notary or registry formality for registered shares	Notarised agreement, general assembly approval and registry registration
Liability of shareholders for public debts	None (board members are liable)	Personal, in proportion to capital share (managers also liable)
Capital gains on sale of shares by individuals	Exempt from income tax if share certificates are held for more than 2 years	Always taxable
Public offering / bonds	Possible	Not possible
CIT rate (FY2026)	25% (30% for financial institutions)	25%
WHT on dividends (FY2026)	15% (treaty rates may apply)	15% (treaty rates may apply)

4.2. Company Establishment Process

Two registration processes must be completed during the establishment of a company: registration with the relevant Trade Registry Office (which also results in registration with the Chamber of Commerce or Industry) and the opening of a tax file with the relevant tax office, which is now triggered automatically by the Trade Registry. Before starting, the company type, trade name, registered address, business purpose (NACE code), capital and shareholding structure, and the persons who will manage and represent the company must be determined, and the articles of association must be prepared on the Central Registration System (MERSIS).

MERSIS checks the compliance of the articles of association with the legal requirements and standard templates. After the articles of association are prepared, the signatures of the founders (or their proxies) are affixed before the Trade Registry Office, and the signature declarations of the persons authorised to represent the company are also prepared at any Trade Registry Office; notarisation is no longer required for these steps. Foreign founders must obtain a Turkish tax identification number (which can be obtained online through the Interactive Tax Office with a passport copy) and, if they are legal entities, must provide an apostilled (or consular-legalised) and sworn-translated certificate of registration/good standing, a resolution of the competent corporate body to incorporate the Turkish company, and a power of attorney for the persons who will sign on their behalf. The company's registered office may initially be a virtual or serviced office, although banks and tax offices may visit the address.

The application for registration is made to the Trade Registry Office of the place where the company's headquarters is located. The application file includes the petition, the incorporation notification form, the articles of association, the signature declarations, the bank letter confirming that at least 25% of the cash capital has been blocked (for joint stock companies only), proof of payment of the Competition Authority fee (0.04% of the capital, pursuant to Article 39 of the Law on the Protection of Competition No. 4054) and, where applicable, the permission or approval of the relevant ministry or regulator. The Trade Registry Office registers the company, certifies the statutory books (journal, general ledger, inventory book, share ledger and board/general assembly resolution books) and issues the registration certificate; the incorporation is announced in the Turkish Trade Registry Gazette. The capital blocked at the bank is released upon registration.

After registration, the following steps complete the set-up: the tax office registers the company and conducts an on-site inspection of the address; the company applies for an e-Notification (e-Tebliğat) address, enrolls in the e-Invoice and e-Ledger systems if required (mandatory from the start for certain sectors and for companies exceeding the gross sales thresholds, and strongly recommended in any case), registers with the Social Security Institution as an employer before hiring the first employee, files the Ultimate Beneficial Owner notification (see below), obtains any sector-specific licences and, if it will trade internationally, registers with the relevant Exporters' Association and with the customs administration. With complete documents, the registration of a company is typically completed within a few business days, and a company can be fully operational (including bank account and e-invoice enrolment) within two to four weeks.

Under Tax Procedure Law General Communiqué No. 529, all corporate taxpayers must notify the Revenue Administration of their ultimate beneficial owners (real persons who ultimately hold more than 25% of the shares or otherwise control the company) through the Interactive Tax Office within one month from the start of their tax liability, annually in August, and within one month of any change. Failure to comply is subject to special irregularity penalties. The documents to be submitted to the Trade Registry Office at incorporation are listed in the table below for convenience.

Table 6: The List of Required Documents by Company Type

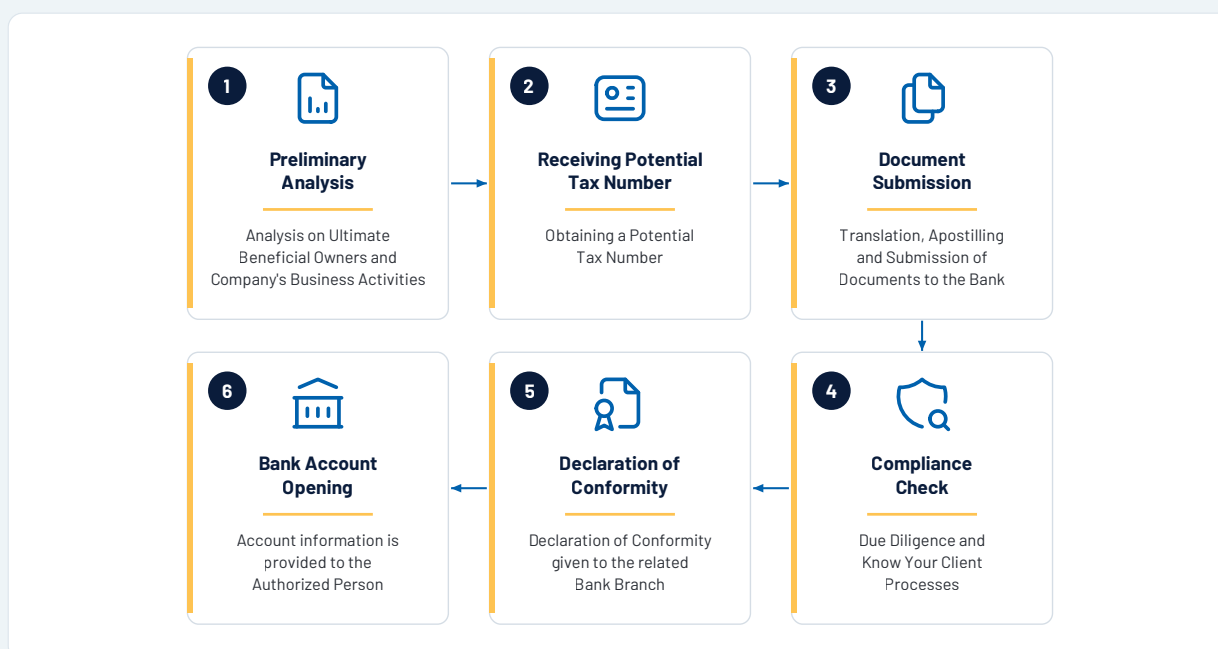
Joint Stock Company (A.Ş.)	Limited Liability Company (Ltd. Şti.)
Articles of association prepared on MERSIS and signed by the founders before the Trade Registry (or a notary/consulate)	Articles of association prepared on MERSIS and signed by the founders before the Trade Registry (or a notary/consulate)
Bank letter proving that at least 25% of the capital subscribed in cash has been deposited and blocked	Not required (no pre-payment of capital)
Receipt proving that the Competition Authority's share (0.04% of the capital) has been paid	Receipt proving that the Competition Authority's share (0.04% of the capital) has been paid
Signature declarations of the persons authorised to represent the company	Signature declarations of the managers
Written statements of non-shareholder board members accepting their appointment	Written statements of non-shareholder managers accepting their appointment
If a legal entity is appointed to the board: the resolution of the legal entity determining its real person representative	If a legal entity is appointed as manager: the resolution of the legal entity determining its real person representative
For foreign legal entity shareholders: apostilled/legalised and sworn-translated registry extract, incorporation resolution and power of attorney; for foreign individuals: passport copy and tax identification number	For foreign legal entity shareholders: apostilled/legalised and sworn-translated registry extract, incorporation resolution and power of attorney; for foreign individuals: passport copy and tax identification number

Joint Stock Company (A.Ş.)	Limited Liability Company (Ltd. Şti.)
Permission or opinion letter of the relevant ministry/regulator, for companies whose establishment is subject to permission	Permission or opinion letter of the relevant ministry/regulator, for companies whose establishment is subject to permission
Valuation report of a court-appointed expert, if capital in kind is contributed	Valuation report of a court-appointed expert, if capital in kind is contributed

4.3. Opening a Bank Account and Bank-Related Procedures

Although the details of the account opening process vary from bank to bank, there is a general process that is valid for every Turkish bank. The steps of this process are indicated in the figure below.

Figure 8: Bank Account Opening Process



When a legal entity decides to open an account with a Turkish bank, a preliminary examination is carried out by the bank. For this review, the bank requests information about the ultimate beneficial owners of the company, the shareholding structure up to the ultimate parent, the activities of the company and the expected transaction volumes and counterparties. Since Türkiye was removed from the FATF "grey list" in June 2024, Turkish banks apply international standards of customer due diligence, and companies whose shareholders or counterparties are connected with sanctioned jurisdictions or persons should expect enhanced scrutiny.

If this preliminary check is positive, the following information and documents are requested by the bank:

- » Tax identification number (or potential tax identification number for companies in formation);
- » Articles of association and the Trade Registry Gazette in which the incorporation was announced;
- » Certificate of activity (faaliyet belgesi) and trade registry extract;
- » Passport copies (and Turkish tax numbers) of the company's ultimate beneficial owners and shareholders holding 25% or more;
- » Identity documents and Turkish tax numbers of the company's authorised representatives;

- » Signature circular and information about the authorised signatories;
- » A copy of the licence, if the activity is subject to licensing (e.g., payment services);
- » Other information and documents requested by the bank (e.g., financial statements of the parent company, group structure chart, business plan, statements of accounts at other banks, FATCA/CRS self-certification forms).

Documents issued abroad must be apostilled (or legalised by the Turkish consulate) and translated into Turkish by a sworn translator. In addition, every foreign shareholder, beneficial owner and signatory must have a Turkish tax identification number, which can be obtained online in a few minutes through the Interactive Tax Office (ivd.gib.gov.tr) or from any tax office.

4.3.1. Know Your Client (KYC) Procedures

In addition to international standards, Türkiye has detailed regulations regarding the identification of customers. Pursuant to Article 3 of the Law No. 5549 on the Prevention of Laundering of Proceeds of Crime, obliged parties (including banks, payment institutions, capital market intermediaries, insurance companies, notaries, real estate agents and crypto-asset service providers) must identify the persons who carry out transactions and the persons on whose behalf transactions are carried out before performing or intermediating any transaction. The obliged parties are listed in Article 4 of the Regulation on Measures Regarding the Prevention of Laundering Proceeds of Crime and Financing of Terrorism (the “Measures Regulation”).

According to Article 5 of the Measures Regulation (as amended most recently by Presidential Decree No. 11845 published in the Official Gazette of 7 October 2026), obliged parties must identify their customers and the persons acting on their behalf, verify the identification information and take the necessary measures to reveal the beneficial owner of the transaction:

- » when establishing a permanent business relationship (such as opening an account), regardless of the amount;
- » when the amount of a single transaction or the total amount of multiple interrelated transactions is TRY 370,000 or more (previously TRY 185,000);
- » in electronic transfers, when the amount of a single transaction or the total amount of multiple interrelated transactions is TRY 30,000 or more (previously TRY 15,000); the same threshold applies to crypto-asset transfers;
- » in cases requiring suspicious transaction reporting, regardless of the amount; and
- » when there is doubt about the adequacy and accuracy of previously obtained customer identification information, regardless of the amount.

The identification of legal entities registered in the trade registry is detailed in Article 7 of the Measures Regulation. Accordingly, the title, trade registry number, tax identification number, field of activity, full address, telephone number, fax number and e-mail address (if any) of the legal entity, and the name, surname, place and date of birth, nationality, type and number of the identity document and a specimen signature of the persons authorised to represent the legal entity are required. If the authorised person is a Turkish citizen, the names of the mother and father and the Turkish ID number are also required.

After the required information is obtained, the verification process starts. The title, trade registry number, field of activity and address of the legal entity are verified against the trade registry documents, and the tax identification number is verified through the documents issued by the Revenue Administration. The identity information of the persons authorised to represent the legal entity is verified through identity cards, driver's licences or passports for Turkish nationals and through passports, residence permit documents or an identity document approved by the Ministry for non-Turkish nationals.

Financial institutions also confirm the timeliness and accuracy of the registration documents by querying the trade registry records or the database of the Union of Chambers and Commodity Exchanges of Türkiye (TOBB)

when establishing a permanent business relationship. A legible photocopy or electronic image of the verified documents is retained for at least eight years to be submitted when requested by the authorities. Banks are also obliged to identify the ultimate beneficial owner (real persons holding more than 25% of the shares or otherwise controlling the entity) and to take enhanced measures for politically exposed persons and high-risk countries.

4.3.2. Requirements for the Personal Attendance of the Company Representative

KYC and other due diligence procedures are mandatory for financial institutions in Türkiye, and these procedures are run with the authorised representatives and the ultimate beneficial owners of the entity. Within the scope of the "Regulation on Remote Identification Methods to Be Used by Banks and the Establishment of Contractual Relationships in the Electronic Environment", in force since 1 May 2021, Turkish banks are allowed to carry out their KYC procedures electronically, by live video call, after the necessary documents are transmitted electronically. Remote identification is now widely used for individual customers (including foreigners holding a Turkish identification number) and is increasingly available for the authorised representatives of corporate customers.

Accordingly, the physical presence of the company representative is not necessarily required for opening a corporate bank account in Türkiye. In practice, however, most banks prefer to carry out the procedures face to face with a local director (or a representative holding a notarised power of attorney) who has a local address and a Turkish mobile phone number, in order to ensure the rapid progress of KYC procedures and to create an environment of mutual trust. We therefore recommend that the account opening be planned together with the incorporation visit of the representative, or that a local director be appointed.

4.3.3. Account Management Procedure

Unlike individual bank accounts, corporate accounts can only be opened and operated by the persons with signing authority registered in the signature circular. The authorised director applies to the bank with the company documents (articles of association, trade registry gazette, certificate of activity, signature circular, licences if any) together with the tax number; documents issued abroad must be translated and apostilled or legalised by a consulate.

It should also be noted that the company whose bank account will be opened does not have to be established in Türkiye: foreign companies may open accounts with Turkish banks as non-resident customers, subject to the bank's risk appetite and enhanced due diligence. For non-resident companies, an active correspondence address and a Turkish tax identification number (obtainable from the tax office) are sufficient.

Foreign individuals must have a Turkish tax identification number (or a foreigner's identification number, which is issued together with a residence permit) in order to open a bank account in Türkiye. Most banks also require a Turkish mobile phone number (which requires a passport registration for foreign devices after 120 days) and an address declaration; some banks require a residence permit or a minimum deposit for non-resident individuals. After the KYC procedures are completed and all information is confirmed, the account agreement is signed, the account is opened and the internet and mobile banking credentials and verification codes are sent to the customer's phone number.

4.3.4. Bank Accounts in Different Currencies

Deposit accounts can be opened in Turkish Lira and in all major currencies (EUR, USD, GBP, CHF, JPY, CNY, SAR, AED, RUB and others) at most Turkish banks, and online banking allows instant foreign exchange transactions between accounts. There is currently no legal restriction on making or receiving payments in any currency with non-residents. A special request may be required for certain currencies depending on the bank, and transfers involving countries subject to international sanctions are screened closely by Turkish banks, which generally apply the sanctions regimes of the United States, the European Union and the United Kingdom in their correspondent banking relationships. Precious metal (gold) accounts and participation (interest-free) banking products are also widely available.

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5. Taxation in Türkiye

The Turkish tax system consists of direct taxes, indirect taxes and taxes on wealth. Direct taxes are taxes on income: individual income tax for real persons and corporate income tax for legal entities. Indirect taxes are charged on expenditure, such as value added tax, special consumption tax, banking and insurance transactions tax, stamp duty, digital services tax and customs duties. Taxes on wealth are the real estate tax, the motor vehicle tax and the inheritance and gift tax.

Key Tax Rates at a Glance (2026)

**25%**

General corporate income tax rate (30% for financial institutions)

**15%**

Dividend withholding tax (treaty rates may apply)

**20%**

Standard VAT rate (reduced rates of 10% and 1%)

**15%–40%**

Progressive individual income tax tariff

**10%**

Domestic minimum corporate income tax

**12.5%**

Corporate income tax on production income from 2027

**100%**

Service export deduction as of 2026

**25.49%**

Revaluation rate for 2026

The main tax laws are the Corporate Income Tax Law No. 5520 (KVK), the Individual Income Tax Law No. 193 (GVK), the Value Added Tax Law No. 3065 and the Tax Procedure Law No. 213 (VUK). The Tax Procedure Law lays down the accounting and valuation principles, bookkeeping methods, documentation rules, electronic filing rules, tax audit procedures and penalties; taxable income is determined on the basis of the Income Tax Law and the Corporate Income Tax Law. Tax returns are filed electronically through the Revenue Administration's systems (e-Beyanname and the Interactive Tax Office), and almost all companies issue electronic invoices and keep electronic ledgers.

The Individual Income Tax Law defines the tax object (i.e., income) and the computational methods for the determination of the taxable base. These rules, especially the provisions defining business income, form the basis of the corporate income tax. The Corporate Income Tax Law then prescribes specific rules (such as exemptions,

deductions, non-deductible expenses and anti-avoidance provisions) for determining the taxable income of corporations. Tax amounts, thresholds and brackets are revalued every year by the revaluation rate (25.49% for 2026).

5.1. Corporate Income Tax

In Türkiye, the main tax on corporate profits is the corporate income tax. Under the Corporate Income Tax Law (KVK), all profits derived by a corporate taxpayer are included in its taxable income. Corporate taxpayers are capital companies (A.Ş., Ltd. Şti. and partnerships limited by shares), cooperatives, public economic enterprises, economic enterprises owned by associations and foundations, and joint ventures that elect to be taxed as corporate taxpayers. Investment funds and partnerships are also treated as corporate taxpayers under certain conditions.

Tax liability is determined on the basis of residence. If either the legal seat (registered office) or the place of effective management of a company is in Türkiye, the company is considered resident and is subject to corporate income tax on its worldwide income. A non-resident company that conducts business in Türkiye through a permanent establishment (e.g., a branch) or a permanent representative is subject to corporate income tax only on its Turkish-source income (limited tax liability).

Corporate income is taxed at two levels. First, corporate profits are subject to corporate income tax at the general rate of **25%** (30% for banks, financial leasing, factoring, financing and savings finance companies, electronic payment and e-money institutions, authorised foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies). Second, when profits are distributed to individual or non-resident shareholders, dividend withholding tax is levied (see Section 5.1.1). The following reductions of the general rate apply:

- » **Exporters:** the rate is reduced by 5 points (to 20%) for the portion of profits derived from exports of goods and services, including exports made through intermediary exporters (KVK Article 32/7).
- » **Manufacturers:** the rate is reduced by 1 point (to 24%) for profits derived exclusively from manufacturing activities by companies holding an industrial registration certificate (KVK Article 32/8). With effect from the 2027 fiscal year, Law No. 7582 replaces this 1-point reduction with a **flat 12.5% corporate income tax rate** on the production income of companies holding an industrial registration certificate and actually engaged in production (including software production registered under the certificate), as well as on the agricultural production income of registered agricultural producers; the 5-point export reduction cannot be applied on top of the 12.5% rate.²³
- » **Newly listed companies:** a 2-point reduction applies for five fiscal years to companies (other than financial institutions) whose shares are listed on Borsa Istanbul for the first time with a free float of at least 20%.
- » **Investment incentive certificates:** reduced corporate tax rates (up to a 60% reduction of the rate, i.e. 10%) apply to income from investments made under an investment incentive certificate until the “contribution to investment” amount is reached (see Section 6.1).

Domestic minimum corporate tax: With effect from the 2025 fiscal year, Law No. 7524 introduced a domestic minimum corporate income tax (KVK Article 32/C). The corporate income tax payable may not be less than 10% of the corporate profit before deductions and exemptions, except for certain listed exemptions and deductions (such as the participation exemption, the R&D and technopark exemptions, the investment incentive reduction and, under Law No. 7582, the new transit trade and qualified service centre deductions). Newly established companies are exempt from the minimum tax for their first three fiscal years. The minimum tax can be a relev-

²³ Law No. 7582, Official Gazette No. 33270 dated 4 June 2026, Article 8; Corporate Income Tax General Communiqué Serial No. 26, Official Gazette dated 4 July 2026.

ant factor for companies relying on deductions such as the service export deduction, which is not excluded from the domestic minimum corporate income tax base.

Global minimum tax (Pillar Two): Türkiye has implemented the OECD GloBE rules through Law No. 7524 (KVK Additional Articles 1–13) for fiscal years beginning on or after 1 January 2024. Turkish constituent entities of multinational groups with consolidated revenues of EUR 750 million or more in at least two of the four preceding fiscal years are subject to a Qualified Domestic Minimum Top-up Tax (QDMTT) and the Income Inclusion Rule (IIR), and the Undertaxed Profits Rule (UTPR) applies from 2025. The effective tax rate test is 15%; the GloBE information return and the top-up tax returns are filed within 15 months (18 months for the first year) after the end of the fiscal year, and the domestic top-up tax return within 12 months. Groups benefiting from Turkish incentives (free zones, technoparks, R&D, investment incentives, the new 12.5% rate and the international service deductions) should model the interaction of these incentives with the minimum tax rules.²⁴

Taxable income is computed according to the Income Tax Law and the Corporate Income Tax Law, starting from the commercial balance sheet profit prepared under the Tax Procedure Law. Income is classified into seven categories under the Income Tax Law – business income; agricultural income; employment income; professional (self-employment) income; income from immovable property and rights (rents and royalties); income from movable property (dividends and interest); and other income (capital gains and occasional income) – but all income of a corporate taxpayer is treated as business income. Deductible expenses are those incurred for earning and maintaining business income; non-deductible items include disguised profit distributions (transfer pricing adjustments and thin capitalisation interest), 10% of financing expenses of companies whose borrowings exceed their equity, fines and penalties, and corporate income tax itself. Tax losses can be carried forward for five years (no carry-back). Depreciation is calculated over the useful lives determined by the Ministry of Treasury and Finance (straight-line or declining-balance method), and a notional interest deduction of 50% (75% for capital brought in cash from abroad) of the notional interest on cash capital increases is available for five fiscal years.

The taxable period is usually the calendar year; however, the Ministry of Treasury and Finance may permit a company to apply a special accounting period of 12 months if justified by the nature of its activities. Corporate taxpayers file quarterly advance corporate tax returns (for the first three quarters only, by the 17th day of the second month following the quarter, i.e. 17 May, 17 August and 17 November) and pay advance tax at the corporate tax rate, which is credited against the annual tax. The annual corporate income tax return is filed and the tax is paid by the end of the fourth month following the end of the fiscal year (30 April for calendar-year taxpayers). Inflation adjustment of the balance sheet under the Tax Procedure Law, which was applied for the 2023 and 2024 fiscal years, has been suspended for the 2025, 2026 and 2027 fiscal years by Law No. 7571, irrespective of whether the statutory inflation conditions are met.²⁵

5.1.1. Withholding Tax and Participation Exemption

Withholding tax is applied by the payer (withholding agent) on certain payments to resident and non-resident taxpayers. Dividends distributed by resident companies to resident individuals, non-resident individuals and non-resident companies are subject to dividend withholding tax at **15%** (increased from 10% by Presidential Decree No. 9286 with effect from 22 December 2024); the rate may be reduced under the applicable double taxation treaty (typically to 5%, 10% or 15% depending on the treaty and the shareholding percentage).²⁶

Profits remitted by a Turkish branch to its foreign head office are subject to the same 15% withholding (branch profit tax). Other main withholding tax rates on payments to non-residents are: 0% on interest paid to foreign banks and financial institutions and 10% on interest paid to other non-resident lenders; 20% on royalties and licence fees; 20% on rents paid to non-residents for immovable property; and 0–20% on advertising services depending on the payee. In all cases, double taxation treaties may reduce or eliminate the Turkish withholding tax,

²⁴. Law No. 7524, Official Gazette No. 32620 dated 2 August 2024; Local and Global Minimum Top-up Corporate Tax Implementation General Communiqué, Official Gazette dated 26 December 2025.

²⁵. Tax Procedure Law, Provisional Article 37, added by Law No. 7571 (Official Gazette dated 25 December 2025). The President may extend the suspension for up to three further fiscal years.

²⁶. Presidential Decree No. 9286, Official Gazette dated 22 December 2024; GVK Article 94, KVK Articles 15 and 30.

provided that a certificate of residence is obtained from the recipient. Türkiye has around 90 double taxation treaties in force, including treaties with all EU member states, the United Kingdom, the United States, Switzerland, China, Japan, Russia, the Gulf countries and most Central Asian countries, and applies the OECD Multilateral Instrument (MLI) to most of them.

There is a participation exemption regime under the KVK. The following items of income are exempt from corporate income tax under the domestic participation exemption (KVK Article 5/1-a):

- » dividends derived from participation in the capital of another resident corporate taxpayer;
- » dividends obtained from founders' shares and other usufruct shares that entitle the holder to participate in the profits of another resident corporate taxpayer; and
- » dividends derived from participation shares of investment funds (other than real estate and venture capital funds, which have their own regimes) and venture capital investment trusts subject to full tax liability.

No withholding tax is applied on dividends distributed by resident companies to resident corporate shareholders or to the Turkish permanent establishments of non-resident companies. Dividends received by a resident company from a **non-resident** company are fully exempt from corporate income tax under the foreign participation exemption (KVK Article 5/1-b) if all of the following conditions are met:

- » the foreign subsidiary is a joint stock company or limited liability company (or an equivalent entity);
- » the legal seat and the place of effective management of the foreign subsidiary are outside Türkiye;
- » the Turkish company holds at least 10% of the paid-in capital of the foreign subsidiary;
- » the participation has been held for an uninterrupted period of at least one year as of the date the dividend is derived;
- » the foreign subsidiary's profits (including the tax on the dividend distribution) bear a total tax burden of at least 15% in its country of residence under a tax of the same nature as income or corporate tax; if the main activity of the subsidiary is financing, insurance or investment in securities, the tax burden must be at least equal to the Turkish corporate tax rate; and
- » the dividend is transferred to Türkiye by the filing deadline of the corporate income tax return for the year in which it is derived.

As an alternative that does not require the tax burden test, since 2026 **80%** of the dividends received from foreign subsidiaries in which the Turkish company holds at least **20%** of the paid-in capital are exempt, provided that the dividends are transferred to Türkiye by the corporate tax return deadline (before 2026: 50% exemption and a 50% shareholding requirement).²⁷

In addition, 100% of the capital gains derived by Turkish holding companies from the sale of qualifying foreign participations held for at least two years are exempt under certain conditions (KVK Article 5/1-c), and a foreign tax credit is available for foreign taxes paid on income that is not exempt. In summary, Türkiye offers an attractive participation exemption regime both for domestic groups and for international holding structures, which, combined with the wide treaty network, makes Turkish holding companies a viable option for investments in the region.

5.1.2. Taxation of Capital Gains

Capital gains derived by corporate taxpayers are included in taxable income and taxed at the general corporate income tax rate. According to Article 5/1-e of the KVK, **50%** of the capital gains derived from the sale of participation shares (shares in subsidiaries), founders' shares, usufruct shares and pre-emptive rights that have been

²⁷ Presidential Decree No. 11257, Official Gazette No. 33239 dated 30 April 2026, applicable to income of fiscal periods beginning on or after 1 January 2026.

held for at least two full years are exempt from corporate income tax, provided that all of the following conditions are satisfied (the exemption rate was reduced from 75% to 50% for sales made after 27 November 2024):²⁸

- » the exempt portion of the gain is kept in a special fund account under shareholders' equity until the end of the fifth year following the year of sale;
- » the exempt profit is not transferred to another account within this period (other than being added to the capital) and the company is not liquidated; and
- » the sales price is collected by the end of the second calendar year following the year of sale.

Accordingly, the effective corporate income tax rate on gains from the sale of qualifying participation shares is **12.5%** (25% × 50%). The former 50% exemption for gains on the sale of immovable property held for two years was abolished by Law No. 7456 for immovables acquired on or after 15 July 2023; for immovables acquired before that date, a reduced exemption of 25% continues to apply. If the conditions are breached (e.g., the fund is distributed within five years or the price is not collected in time), the tax not paid is assessed together with late payment interest and a tax loss penalty.

For individual shareholders, gains from the sale of share certificates of joint stock companies held for more than two years are exempt from income tax (for shares traded on Borsa Istanbul, the holding period is one year and a 0% withholding tax applies), whereas gains from the sale of limited liability company shares are always taxable; non-residents are taxed on Turkish-source capital gains unless a treaty provides otherwise.

5.1.3. Thin Capitalisation

Thin capital refers to debts provided by related legal or real persons that function as capital because they are used continuously in the business. Not all related-party debt is treated as thin capital, but only the portion exceeding a certain ratio.

Pursuant to Article 12 of the KVK, the portion of the loans obtained directly or indirectly from shareholders or related parties that exceeds **three times** the company's equity at any time during the fiscal year is considered thin capital for that fiscal year (the ratio is six times for loans obtained from related banks and financial institutions that are not exclusively financing the group). Equity for this purpose is the equity at the beginning of the fiscal year as determined under the Tax Procedure Law (total assets minus liabilities other than equity). Loans obtained from unrelated banks against the guarantee of related parties and loans obtained by related parties from third parties and passed on under the same conditions (back-to-back loans) are not treated as thin capital.

Interest, foreign exchange losses, maturity differences and similar expenses paid or accrued on the portion of the loans treated as thin capital cannot be deducted in the determination of the corporate income tax base (KVK Article 11/1-b). Moreover, interest and similar payments (excluding realised exchange rate differences) on the thin capital portion are treated as **disguised profit distributions** (dividends) as of the last day of the fiscal year; dividend withholding tax (15%, subject to treaty relief) may therefore be due, and the lender may be able to claim a corresponding adjustment. In addition, in accordance with Article 13 of the KVK on disguised profit distribution through transfer pricing, the interest rate applied to related-party loans must be at arm's length and supported by transfer pricing documentation. Group companies should therefore monitor their debt-to-equity ratio and the arm's length nature of intra-group financing throughout the year, and consider capital increases or capital advances where appropriate.

5.1.4. Transfer Pricing

Article 13 of the KVK contains the primary legislation on transfer pricing ("disguised profit distribution through transfer pricing"), and is supplemented by Presidential Decree No. 2151 (2020) and the General Communiqués on Disguised Profit Distribution through Transfer Pricing Nos. 1 to 4 (the latter published on 1 September 2020). Turkish transfer pricing rules follow the OECD Transfer Pricing Guidelines, including the five OECD methods and

²⁸ Presidential Decree No. 9160, Official Gazette No. 32735 dated 27 November 2024.

other methods where appropriate, and apply to transactions between related parties regardless of whether they are resident or non-resident companies or individuals; thus, the rules apply in principle to both domestic and cross-border transactions, as well as to transactions between a Turkish permanent establishment of a non-resident company and its head office.

If a transaction between a company and a related party is carried out at prices or values that are not consistent with the arm's length principle, the profit is deemed to be fully or partially distributed in a disguised manner. Relevant transactions include the purchase and sale of goods, manufacturing and construction, services, leasing, loans and guarantees, intangibles and salary payments. The following persons are considered related parties:

- » the shareholders of the company;
- » real persons or legal entities related to the company or its shareholders (including relatives up to the third degree, and entities under common control); and
- » real persons or legal entities that are directly or indirectly connected to or controlled by the company or its shareholders in terms of management, supervision or capital.

Where the relationship is established through direct or indirect shareholding, voting rights or rights to profits, a threshold of at least **10%** is required for the related-party definition to apply. Transactions with persons resident in countries designated by the President as harmful tax competition jurisdictions are also deemed to be related-party transactions. For domestic transactions between related resident companies (and between a resident company and the Turkish permanent establishment of a related non-resident), a transfer pricing adjustment is made only if there is a "treasury loss", i.e. if the total tax collected from the related parties is lower than it would have been under arm's length pricing; this safe harbour does not apply to cross-border transactions.

Türkiye adopted the three-tiered transfer pricing documentation approach (Master File, Local File and Country-by-Country Report) with effect from the 2019 fiscal year. The documentation obligations are as follows:

- » **Master File:** Required from corporate taxpayers that are members of a multinational group and whose total assets **and** net sales revenue in the previous fiscal year both exceed TRY 500 million. The Master File must be prepared by the end of the second month following the corporate income tax return deadline (i.e. by the end of June for calendar-year taxpayers) and submitted to the tax authorities in Turkish within 15 days upon request. A centrally prepared Master File complying with the OECD content may be used.
- » **Local File (Annual Transfer Pricing Report):** Taxpayers registered with the Large Taxpayers Office must prepare an annual transfer pricing report for all their domestic and cross-border related-party transactions; other corporate taxpayers must prepare the report for their cross-border related-party transactions (and free zone companies for their domestic transactions). There is no minimum threshold. The report must be prepared by the corporate income tax return deadline (30 April) in the format set out in General Communiqué No. 1, retained by the taxpayer and submitted within 15 days upon request.
- » **Country-by-Country Report (CbCR):** Turkish ultimate parent entities of multinational groups with consolidated group revenue of EUR 750 million or more file the CbCR within 12 months after the end of the fiscal year; Turkish subsidiaries of foreign groups file a CbCR notification by the end of June each year, and the CbCR itself only if it cannot be exchanged automatically with the parent's jurisdiction.
- » **Transfer Pricing Form:** All corporate taxpayers must report their related-party transactions exceeding TRY 30,000 per related party in the "Transfer Pricing, Controlled Foreign Company and Thin Capitalisation Form" annexed to the annual corporate income tax return.

Transfer pricing adjustments are treated as disguised profit distributions as of the last day of the fiscal year and are subject to dividend withholding tax (15%, subject to treaty relief) in addition to the corporate income tax, late payment interest and a tax loss penalty (which is reduced by 50% if the documentation obligations have been fulfilled completely and on time).

Taxpayers may conclude unilateral, bilateral or multilateral Advance Pricing Agreements with the Revenue Administration for a period of up to five years, which may be renewed. Transfer pricing is one of the main focus

areas of Turkish tax audits, in particular intra-group services, management fees, royalties, financing and the remuneration of limited-risk distributors and contract manufacturers; robust documentation and benchmarking studies are therefore strongly recommended.

5.1.5. Controlled Foreign Company

A controlled foreign company (CFC) regime has been included in the KVK (Article 7) since 2006. Under this regime, the profits of a CFC, whether distributed or not, may be taxable in Türkiye in the hands of its Turkish resident shareholders. The CFC profits corresponding to the participation ratio of the Turkish company are included in its taxable base for the fiscal year in which the CFC's accounting period ends and taxed accordingly in Türkiye (with a credit for foreign taxes paid by the CFC).

A CFC is a foreign company in which resident companies and/or resident individuals, directly or indirectly, jointly or separately, own at least 50% of the share capital, voting rights or rights to profits. The control ratio is determined according to the highest holding at any time during the relevant taxable period. The CFC rules apply if all of the following conditions are met:

- » at least 25% of the CFC's gross revenue consists of passive income, such as dividends, interest, rents, licence fees or capital gains from the sale of securities, that is not derived from commercial, agricultural or professional activities carried out with proportionate capital, organisation and personnel;
- » the effective tax burden on the CFC's commercial profits in its country of residence is less than 10%; and
- » the CFC's gross revenue in the relevant taxable period exceeds the foreign currency equivalent of TRY 100,000.

Dividends subsequently distributed by the CFC out of profits that have already been taxed in Türkiye are not taxed again. Since the 15% minimum tax under the GloBE rules and the 15% tax burden test of the participation exemption interact with the CFC rules, multinational groups holding low-taxed foreign subsidiaries through Turkish companies should review their structures in light of all three sets of rules.

5.1.6. Deductions for International Service and Trading Activities

Türkiye has introduced a set of generous deductions from the corporate income tax base for companies that serve non-resident customers from Türkiye. These regimes, which are explained in detail in Section 6.2, are summarised below because they significantly change the effective tax rate of international service and trading businesses established in Türkiye.

Table 7: Corporate Tax Deductions for International Service and Trading Activities (2026)

Regime (legal basis)	Deductible portion of qualifying income	Key conditions
Service exports – architecture, engineering, design, software, medical reporting, bookkeeping, call centre, product testing, certification, data storage/processing/analysis, vocational training, education and health services provided to non-residents (KVK Art. 10/1-ğ)	100% (80% for 2023–2025; 50% before 2023)	Services rendered in Türkiye to non-residents and used exclusively abroad; invoice issued to the non-resident; full proceeds transferred to Türkiye by the CIT return deadline; education and health providers must be licensed by the relevant ministry
Transit trade and foreign-to-foreign trade intermediation – purchase of goods abroad and sale abroad without the goods entering Türkiye, or intermediation between non-resident sellers and buyers (KVK Art. 10, Law No. 7582)	95% (100% for Istanbul Finance Centre participants and companies in designated industrial zones)	Neither the seller nor the buyer is located in Türkiye; profits transferred to Türkiye by the CIT return deadline; applicable to income of fiscal periods beginning on or after 1 January 2026
Qualified Service Centres – capital companies providing financial, strategic, risk, treasury, tax, IT, digital transformation, HR, training, marketing, brand, sales support, R&D coordination, procurement and laboratory services to group companies abroad (FDI Law No. 4875 Add. Art. 1; KVK Art. 10, Law No. 7582)	95% (100% in the Istanbul Finance Centre and designated industrial zones), for 20 fiscal periods	Group active in at least three countries; at least 80% of annual revenue from foreign related companies; income transferred to Türkiye by the CIT return deadline; wage income tax exemption for qualified personnel up to 3× (5× in the IFC) the gross minimum wage
Istanbul Finance Centre participants – income from financial services exported to non-residents (Law No. 7412 Art. 6)	75% , applied as 100% for the fiscal years 2022–2047	Participant certificate issued by the Presidency Finance Office; services provided to non-residents and used abroad; income transferred to Türkiye by the CIT return deadline

Where a company's income consists entirely of qualifying income, the effective corporate income tax rate under these regimes falls to between 0% and 1.25%; however, the 10% domestic minimum corporate tax should be checked for each regime (the service export deduction is included in the minimum tax base, whereas the transit trade, qualified service centre and Istanbul Finance Centre deductions are excluded as of 2026), and groups within the scope of the GloBE rules should assess the top-up tax exposure.

5.2. Individual Income Tax

Individual income tax is a personal and direct tax levied on the net amount of the earnings and revenues earned by real persons in a calendar year according to a progressive tariff. Article 1 of the Individual Income Tax Law (GVK) states that the income of real persons is subject to income tax, and Article 2 lists the seven categories of income that are subject to tax:

1

Business (commercial) income;

2

Agricultural income;

3

Wages and salaries (employment income);

4

Self-employment (professional) income;

5

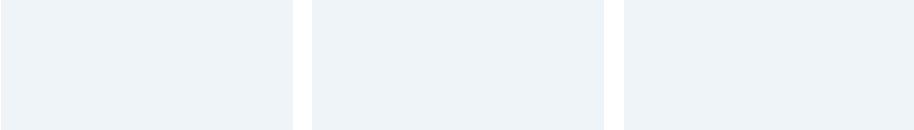
Income from immovable property and rights (rental income);

6

Income from movable property (dividends, interest and similar capital income); and

7

Other earnings and revenues (capital gains and occasional income).



Income is subject to income tax only if it falls within one of these seven categories. Based on Article 3 of the GVK, individuals who are resident (“settled”) in Türkiye – whether Turkish citizens or foreign nationals – are taxed on their worldwide income (full tax liability). Turkish citizens who live abroad because of their employment by Turkish public institutions or companies headquartered in Türkiye are also treated as residents, unless they are subject to income tax on the same income in the foreign country. According to Article 4 of the GVK, the following persons are deemed to be resident in Türkiye:

- » those whose legal domicile (ikametgâh) is in Türkiye; and
- » those who reside in Türkiye continuously for more than six months in a calendar year (temporary absences do not interrupt the period of residence).

The six-month period is assessed for each calendar year separately. For example, a person who arrives in Türkiye on 1 October 2026 and leaves on 2 April 2027 is not considered resident in either year, since the “more than six months in a calendar year” condition is not met in 2026 or in 2027, even though the total stay exceeds six months. Foreigners who stay in Türkiye for more than six months for a specific and temporary assignment or business, or for education, medical treatment, rest or travel (such as businesspersons, experts, officials, press correspondents, students and patients), and persons who are detained or who stay in Türkiye for reasons beyond their control, are not deemed resident under Article 5 of the GVK. Where a person is also resident in another country, the tie-breaker rules of the applicable double taxation treaty (permanent home, centre of vital interests, habitual abode, nationality) determine the treaty residence.

Non-resident individuals (limited tax liability) are taxed only on their Turkish-source income. Wages, self-employment income, rental income, interest and dividends of non-residents that have been subject to withholding tax in Türkiye are not declared; non-residents file an annual return only for Turkish-source business income and agricultural income, and a special return within 15 days for capital gains and occasional income that have not been subject to withholding. If a double taxation treaty exists with the country of residence of the non-resident, its provisions must be considered first in order to determine whether and how the Turkish-source income may be taxed in Türkiye.

Taxable income of residents is determined by aggregating the net income from the seven categories (subject to specific exemptions and filing thresholds: for example, 50% of dividends received from resident companies is exempt, and dividends and withheld investment income are declared only if the gross amount exceeds the second bracket of the tariff, TRY 400,000 for 2026; interest and gains on deposits, bonds, funds and listed shares are taxed at final withholding rates between 0% and 17.5% under Provisional Article 67 of the GVK until the end of 2030). Income tax is calculated according to the progressive tariff in Article 103 of the GVK, which is revalued every year. The tariff applicable to 2026 income is as follows:

Table 8: Individual Income Tax Brackets in Türkiye for 2026²⁹

Taxable income (TRY)	Rate
Up to 190,000	15%
190,001 – 400,000	20%
400,001 – 1,000,000 (1,500,000 for wage income)	27%
1,000,001 (1,500,001 for wage income) – 5,300,000	35%
Over 5,300,000	40%

The annual income tax return for the previous calendar year is filed electronically through the Interactive Tax Office or the pre-filled return system of the Revenue Administration between 1 and 31 March, and the tax is paid in two equal instalments at the end of March and the end of July. Employees who receive wages from a single Turkish employer and whose annual gross wage does not exceed the fourth bracket (TRY 5,300,000 for 2026) are not required to file a return, as the tax is withheld through payroll; employees with wages from more than one employer, with wages above this threshold or with wages from a foreign employer that are not subject to Turkish withholding must file an annual return. Expenses such as private pension and life insurance premiums (within limits), and education and health expenses (up to 10% of the declared income) are deductible from the declared income.

Among the exemptions applicable to employment income, the most relevant ones for international groups are: (i) wages paid in foreign currency out of foreign-source income by non-resident employers (including liaison offices) to employees working in Türkiye are exempt from income tax (GVK Article 23/14); (ii) the portion of all wages corresponding to the minimum wage is exempt from income tax and stamp duty (since 2022); (iii) wages of R&D, design and support personnel in technoparks and R&D centres are supported through withholding incentives (see Section 6.2.2); (iv) 60% or 80% of the wages of qualified personnel with foreign experience employed by Istanbul Finance Centre participants, and the portion of the wages of qualified personnel of Qualified Service Centres up to three times (five times in the IFC) the gross minimum wage, are exempt (see Sections 6.2.4 and 6.2.5); and (v) shares granted free of charge or at a discount to employees of technology start-ups are exempt up to twice the annual gross wage if held for a certain period (GVK Article 17). The most significant recent development for individuals moving to Türkiye is the 20-year exemption for foreign-source income, explained below.

5.2.1. 20-Year Exemption for Foreign-Source Income of New Residents (GVK Supplementary Article 20/D)

Law No. 7582, published in the Official Gazette of 4 June 2026, added Supplementary Article 20/D to the Individual Income Tax Law and introduced a regime that is designed to attract high-net-worth individuals, entrepreneurs, retirees and internationally mobile professionals to Türkiye. Under this regime, real persons who become resident in Türkiye are exempt from income tax on **all income and earnings derived outside Türkiye for a period of 20 years**, provided that they did not have a legal domicile in Türkiye and were not registered as income taxpayers in Türkiye in the three calendar years preceding the year in which they became resident. The regime applies to persons who become resident in Türkiye on or after 1 January 2026, and its implementation is governed by Income Tax General Communiqué Serial No. 333 (Official Gazette of 4 July 2026).³⁰ The main features are as follows:

²⁹ Income Tax General Communiqué Serial No. 332, Official Gazette dated 31 December 2025. For 2025 income the brackets were TRY 158,000 / 330,000 / 800,000 (1,200,000 for wages) / 4,300,000.

³⁰ Law No. 7582, Article 4; Income Tax General Communiqué Serial No. 333, Official Gazette No. 33300 dated 4 July 2026.



Eligible persons:

Turkish and foreign nationals alike, provided that in the three calendar years before becoming resident they had neither a domicile in Türkiye nor an income tax registration in Türkiye. A previous limited (non-resident) tax registration solely for Turkish rental income, investment income or capital gains does not prevent eligibility, whereas a previous registration for business, professional or employment income does. Being resident in Türkiye for even one of the three preceding years disqualifies the applicant.



Scope of the exemption:

All categories of income earned outside Türkiye – foreign dividends, interest, rental income from foreign real estate, capital gains on foreign assets, foreign pensions, business and professional income from activities carried out abroad and employment income for work performed abroad – without any monetary ceiling. Turkish-source income (including income from services physically performed in Türkiye, such as remote work for a foreign employer, and income from Turkish real estate, deposits and companies) remains taxable under the normal rules.



Application:

The person must apply in person to the competent tax office and obtain an

Exemption Certificate (İstisna Belgesi)

by the end of the calendar year in which he or she becomes resident (or, if residence is established in November or December, by the end of February of the following year). Late applications forfeit the exemption for that year.



Compliance:

Exempt income is not declared in Türkiye and no annual return is required for it; if a return is filed for other (Turkish-source) income, the exempt income is not included. Expenses relating to exempt income cannot be deducted and foreign taxes paid on exempt income cannot be credited against Turkish tax.



Inheritance tax:

Assets passing by inheritance from a beneficiary of the exemption during the 20-year period are subject to inheritance tax at a flat rate of

1%

(instead of the progressive 1-10% tariff); gifts remain subject to the normal tariff.



Loss of the exemption:

If it is subsequently established that the conditions were not met, the taxes not assessed are deemed to have been lost and are collected together with penalties and interest.

Since Türkiye, as the state of residence, exempts the foreign-source income, double taxation is avoided in a very favourable manner; however, source states retain their right to tax under the applicable treaties, and the person's residence certificate and treaty position should be managed carefully. In combination with the Turkish citizenship-by-investment programme, the residence permit options and the relatively low cost of living, this regime makes Türkiye one of the most attractive relocation destinations in Europe and the Middle East. Level International advises individuals and families on eligibility, pre-arrival planning (timing of asset sales and dividend distributions, exit taxes in the former country of residence), the application for the Exemption Certificate and ongoing compliance.

5.2.2. Payroll Taxes and Social Security Premiums

For a payment to be considered a wage for income tax purposes, the following three elements must be present together: (i) dependence on an employer; (ii) attachment to a specific workplace; and (iii) payment in return for

services. Benefits in kind (company cars, housing, meal and transport allowances above the exempt amounts, stock options, etc.) are also treated as wages at their market value, subject to specific exemptions.

5.2.2.1. Payroll Taxes

All employees working for a resident employer in Türkiye are included in the local payroll. Employers withhold income tax and stamp duty on wages at source and remit them to the tax office, together with the social security premiums, through the monthly Withholding and Premium Service Return (Muhtasar ve Prim Hizmet Beyannamesi), which is filed by the 26th day of the following month; the withheld taxes are paid by the 26th and the social security premiums by the end of the following month. Employees receive the net amount after deductions. Wages are taxed at the progressive rates in Table 8 on a cumulative basis over the calendar year; the employee's share of social security and unemployment premiums is deducted from the gross wage before the tax base is computed, and the income tax and stamp duty corresponding to the minimum wage are exempt for all employees. The stamp duty rate on wages is **0.759%** of the gross wage.

Residents are subject to tax on their worldwide employment income, including wages received from foreign group companies for services performed in Türkiye; where such wages are paid from abroad and are not subject to Turkish payroll withholding, the employee must declare them in an annual return (the exemption under GVK Article 23/14 applies only to wages paid in foreign currency by non-resident employers out of their foreign earnings for employees of liaison offices and similar). Non-residents are subject to Turkish tax only on wages for services performed in Türkiye, subject to the 183-day rule of the applicable treaty. International assignees, split payrolls and equity compensation require careful structuring; the employer is primarily liable for the withholding tax as a withholding agent.

The gross monthly minimum wage for 2026 is TRY 33,030 (net TRY 28,075.50), and the total cost to the employer, including the employer's social security and unemployment premiums without any incentive, is TRY 40,874.63 per month. Severance pay (capped at an amount revised each January and July), notice pay, and employee share and unemployment premiums are exempt from income tax within the statutory limits, and meal cards, commuting allowances and certain other benefits are exempt up to daily amounts that are revalued annually.

5.2.2.2. Social Security Premiums

Pursuant to Article 8 of the Labour Law No. 4857, an employment contract is a contract in which one party (the employee) undertakes to perform work in dependence on the other party (the employer), which undertakes to pay wages. The employment contract is not subject to a specific form unless otherwise provided by law; employment contracts with a term of one year or more must be made in writing, and employment contracts are exempt from stamp duty.

According to Article 4 of the Social Insurance and General Health Insurance Law No. 5510, all persons employed under an employment contract are compulsorily insured. The employer must file the employment declaration (işe giriş bildirgesi) electronically at least one day before the employee starts work. For foreign employees, the employment declaration must be filed within 45 days from the start date of the work permit (or from the date on which the employee notifies the employer, if later). Social security premiums are calculated at the rates in Table 3 on gross earnings between the floor (the gross minimum wage) and the ceiling (nine times the gross minimum wage, TRY 297,270 per month in 2026) and must be paid to the Social Security Institution by the end of the month following the month in which the wage was earned; if the last day coincides with a public holiday, payment is made on the first business day thereafter.

The employer is liable for both the employer's and the employee's share, and the employee's share is deducted from the net wage. Late payments are subject to penalties and interest, and employers with overdue premium debts lose the premium incentives. Foreign employees seconded to Türkiye by an employer in a country with which Türkiye has a social security agreement may remain in their home country system for the period provided in the agreement, subject to obtaining a certificate of coverage.

5.3. Value Added Tax (VAT)

Taxable persons for VAT purposes are those who supply goods or services in the course of commercial, industrial, agricultural or professional activities, and importers of goods and services. No distinction is made between resident and non-resident taxable persons or between private entities and public bodies performing taxable transactions; non-resident suppliers without a fixed establishment in Türkiye are, however, generally not registered, and the Turkish recipient accounts for the VAT under the reverse charge mechanism (VAT Return No. 2), except for electronically supplied services to Turkish consumers, for which the non-resident supplier must register and file VAT Return No. 3.

As a general rule, the supply of goods or services is subject to Turkish VAT if the transaction takes place or is utilised in Türkiye. The place of supply of goods is deemed to be in Türkiye if the goods are located in Türkiye at the time of delivery or if the transport begins in Türkiye. Services are deemed to be supplied in Türkiye if they are performed in Türkiye or if the benefit of the service is enjoyed in Türkiye; the tax administration regards a service related to the Turkish business activities of the recipient as utilised in Türkiye. Services provided to non-resident customers that are utilised abroad are treated as exports of services and are exempt with credit (zero-rated), provided that the invoice is issued to the non-resident and the payment is received in foreign currency. Transit trade (sale of goods abroad without the goods entering Türkiye) is outside the scope of Turkish VAT.

The VAT rates applicable since 10 July 2023 are as follows:³¹

- » the standard rate of **20%**;
- » the reduced rate of **10%** for basic food products, restaurant and accommodation services, medicines and medical devices, books, cinema and theatre tickets, textile and apparel products and certain other specified categories; and
- » the reduced rate of **1%** for particular agricultural products, bread, newspapers and magazines, certain financial leasing transactions, used passenger car sales by dealers and other items specified in the relevant decrees (the 1% rate for small residential units was replaced by a 10%/20% regime based on the size and value of the property).

The following transactions are among those that are exempt with credit (zero-rated), so that the related input VAT can be deducted or refunded:

- » exports of goods and deliveries made to exporters under the export registration regime;
- » the supply of services to customers located outside Türkiye and utilised abroad (export of services);
- » roaming services provided in Türkiye to customers abroad under international roaming agreements, subject to reciprocity;
- » the supply of ships, aircraft and rail vehicles to operators, and services for their construction, maintenance and repair, as well as services provided to ships and aircraft at ports and airports;
- » international transportation and transit transportation services;
- » deliveries of machinery and equipment to holders of investment incentive certificates, and deliveries of machinery and equipment to manufacturers, R&D centres and technopark companies for use in their activities;
- » contract manufacturing services for customers in free zones and deliveries to free zones;
- » deliveries and services to diplomatic missions and consulates (on condition of reciprocity) and to international organisations with tax exemption status;
- » petroleum, natural gas and mining exploration activities; and

³¹ Presidential Decree No. 7346, Official Gazette dated 7 July 2023 (previously 18%, 8% and 1%).

- » the first sale of residential and commercial real estate to non-resident individuals and companies that pay in foreign currency and hold the property for at least one year.

Transactions that are exempt without credit (so that the related input VAT is not recoverable) include banking and insurance transactions subject to the banking and insurance transactions tax, the sale of participation shares and immovables held for at least two years by companies (subject to conditions), the lease of immovables by persons who are not VAT taxpayers, and education and health services provided by certain public institutions.

5.3.1. VAT Base, Taxable Period, Returns and Payment

The VAT base is the consideration for the supply of goods or services (Article 20 of the VAT Law). The term “consideration” refers to the sum of money, goods and other benefits, services and values that can be expressed in money, which are received or receivable from the customer or from third parties on behalf of the customer. For example, when goods worth TRY 1,000 subject to VAT at the general rate of 20% are purchased, TRY 200 VAT is charged by the supplier and a total of TRY 1,200 is paid by the purchaser; the supplier remits the VAT to the tax office after deducting its own input VAT.

Where the consideration is in kind, is unknown or is manifestly lower than the market value without a justifiable reason, the market value (emsal bedel) determined in accordance with the Tax Procedure Law is taken as the tax base. If the price is denominated in foreign currency, it is converted into Turkish Lira at the CBRT foreign exchange buying rate on the date of the taxable event; for currencies not quoted by the CBRT, the actual exchange rate is used.

Transactions between related parties must be at arm's length for VAT purposes as well.

The taxable period for VAT is one month. Corporate taxpayers file their VAT returns electronically and pay the tax monthly: **VAT Return No. 1** (for sales of goods and services) is filed and paid by the **28th day of the following month**, regardless of whether there were taxable transactions in the period; **VAT Return No. 2** (reverse charge VAT on purchases from non-residents and partial withholding VAT on certain domestic services such as construction, labour supply and consultancy) is filed and paid by the **25th day of the following month**; and **VAT Return No. 3** is filed by non-resident providers of electronic services to Turkish consumers. Input VAT exceeding output VAT is carried forward indefinitely (no refund in principle), except for input VAT related to zero-rated transactions, reduced-rate supplies and partial withholding, which can be refunded in cash or offset against other tax and social security debts, subject to a YMM (sworn-in CPA) certification report or a tax inspection depending on the amount.³²

Taxes are paid through the Interactive Tax Office or the GiB mobile application by credit or debit card, or through the banks authorised by the Revenue Administration (which include the state-owned banks and most large private banks). In practice, a Turkish bank account with an authorised bank is required for the payment of taxes, social security premiums and customs duties, and we recommend opening the account with a bank that is authorised for all types of tax collection.

Electronic invoices and ledgers: Companies whose gross sales revenue exceeds TRY 3 million (TRY 500,000 for e-commerce, real estate and vehicle traders; no threshold for certain sectors such as hotels and energy) must issue e-Invoices (e-Fatura) to registered recipients and e-Archive invoices to others from the seventh month of the following year, and must keep electronic ledgers (e-Defter) from the beginning of the year after they become subject to e-Invoice. In addition, invoices above the thresholds set by the Revenue Administration must be issued electronically through the GiB portal even by companies that are not otherwise within the e-Invoice scope. Many newly established companies opt into the e-Invoice system voluntarily from the start, since e-documents are required by most large customers and public institutions.

³². Tax Procedure Law Circulars No. 149 (22 December 2022) and No. 164 (10 February 2024).

5.4. Other Taxes

Foreign investors should also be aware of the following taxes and duties:

- » **Stamp duty:** Levied on a wide range of documents (contracts, agreements, guarantees, payrolls, tax returns and corporate resolutions) at proportional rates – 0.948% of the highest monetary value stated in contracts (0.189% for lease agreements, 0.759% on wages) – subject to a ceiling per document (approximately TRY 30.7 million for 2026) and fixed amounts for certain documents. Many documents are exempt (e.g., employment contracts, share transfer agreements of joint stock companies, loan agreements with banks, documents relating to exports, investment incentive certificates, free zones, technoparks and the IFC). Since the duty is triggered by signature, including by Turkish parties abroad, contract structuring should take stamp duty into account.
- » **Special consumption tax (ÖTV):** A one-off excise tax on petroleum products, motor vehicles, alcohol, tobacco and certain luxury goods and consumer electronics, levied at the import or first delivery stage and included in the VAT base.
- » **Banking and insurance transactions tax (BSMV):** 5% on the income of banks, insurers and financiers from their transactions (10% on consumer loan interest, 0.2% on foreign exchange sales to individuals in certain cases, 0% on many corporate foreign exchange and securities transactions); IFC participants are exempt for their financial service exports.
- » **Real estate tax:** Levied annually by municipalities at 0.1%–0.6% of the tax value of land and buildings (doubled in metropolitan municipalities), plus a “valuable housing tax” on residential properties whose value exceeds a threshold revalued annually, and a real estate transfer (title deed) fee of 4% of the sale price (2% each for buyer and seller) on acquisitions.
- » **Inheritance and gift tax:** Levied on assets passing by inheritance (1%–10%) or by gift (10%–30%) at progressive rates, with exemptions for spouses and children; assets inherited from a beneficiary of the 20-year foreign-source income exemption are taxed at a flat 1%.
- » **Motor vehicle tax, environmental taxes, accommodation tax (2% on hotel services), tourism share, digital services tax** (levied on digital advertising, content and platform revenues of large digital service providers at 5% in 2026 and 2.5% from 2027) and municipal fees complete the picture.

5.5. Customs Duties

The customs regime is regulated by the Customs Law No. 4458, which is harmonised with the EU Customs Code, and by the Customs Union Decision No. 1/95 between Türkiye and the European Union, under which industrial goods and processed agricultural products circulate freely between Türkiye and the EU without customs duties, and Türkiye applies the EU's Common Customs Tariff to imports from third countries. Türkiye also has free trade agreements with the EFTA countries, the United Kingdom and more than 20 other countries. Export transactions are exempt from customs duties in accordance with the Customs Law. Customs duties on imports are defined in Article 3 of the Customs Law.

Customs duty rates are determined annually by the Import Regime Decree published in the Official Gazette, and depend on the tariff classification (GTİP/HS code) and the origin of the goods; the rates applicable are those in force on the date of registration of the customs declaration. The customs value is determined in accordance with the WTO Customs Valuation Agreement, primarily on the basis of the transaction value (price actually paid or payable), adjusted for the cost of transport and insurance up to the port or place of entry (CIF value). For example, if freight of TRY 3,000 and insurance of TRY 2,000 are incurred for the import of goods invoiced at TRY 10,000, the CIF value used as the tax base for customs duty is TRY 15,000. Additional customs duties, anti-dumping duties and safeguard measures apply to certain products and origins.

Not all taxes paid at customs are calculated on the CIF value. Import VAT is calculated on the sum of the customs value, all customs duties and other taxes and all costs incurred until the registration of the customs declaration. The taxes that may be levied at import and their bases are given in the table below; the applicability of each item depends on the product and the circumstances.

Table 9: Taxes Paid at Customs and Their Tax Bases

Tax type	Tax base
Customs duty	CIF value
Additional customs duty	CIF value
Single and fixed duty (for travellers and postal items)	Value of goods
Anti-dumping duty	CIF value
Countervailing duty against subsidies	CIF value
VAT	CIF value + customs duties and other taxes + other costs
Special consumption tax (ÖTV)	CIF value + customs duties and other taxes + other costs
Additional financial liabilities	CIF value
Mass Housing Fund levy	CIF value
Tobacco Fund	Amount / package
Resource Utilisation Support Fund (KKDF) on credit imports	Value of goods
Environmental contribution (recycling)	CIF value
Compensatory levy (on exports of certain products)	FOB value
TRT banderole fee	VAT base (excluding ÖTV)

Goods and vehicles entering or leaving the customs territory of Türkiye are subject to customs supervision and must be assigned a “customs-approved treatment or use”: placement under a customs procedure, placement in a free zone, re-export, destruction or abandonment to the Treasury. Customs formalities may be carried out by the company itself (direct representation by its employees) or, more commonly, through licensed customs brokers (indirect representation) acting under a power of attorney; representatives must be resident in Türkiye. Companies with a good compliance record may apply for Authorised Economic Operator (YYS) status, which provides simplified procedures and reduced controls. Before starting import formalities, the tariff classification (GTİP) of the goods must be determined, since it determines the duty rates, trade policy measures, permits and documents required; binding tariff information can be obtained from the customs administration.

5.5.1. Customs Regimes

Customs regimes are the sets of rules determining the treatment of goods by the customs office. There are eight customs regimes under Turkish customs legislation:



- » Release for free circulation (import) regime
- » Transit regime
- » Customs warehousing regime
- » Inward processing regime
- » Processing under customs control regime
- » Temporary importation regime
- » Outward processing regime
- » Export regime

Release for free circulation is the regime under which imported goods obtain the status of goods in free circulation after the application of trade policy measures, the completion of the formalities for import and the payment of customs duties and other charges; it is used for goods to be sold in the Turkish market. **Transit** is the movement of non-free-circulation goods (and of export goods whose formalities have been completed) between two points within the customs territory under customs supervision without payment of import duties; goods may be moved from abroad to abroad, from abroad to Türkiye, from Türkiye to abroad or between two customs offices in Türkiye (Türkiye is a party to the Common Transit Convention and uses the NCTS system).

Note that “transit trade” in the tax sense (purchase and sale of goods abroad without them entering Türkiye) does not require any customs formality in Türkiye. **Customs warehousing** covers the storage of non-free-circulation goods (and, where permitted, export goods) in public or private bonded warehouses (antrepo) for an unlimited period without payment of import duties and VAT; goods may be sold from the warehouse to third countries without ever being imported, which makes the bonded warehouse an efficient tool for regional distribution hubs.

Inward processing allows non-free-circulation goods to be processed in Türkiye and re-exported with suspension or refund of import duties (see Section 6.2.3). **Processing under customs control** allows non-free-circulation goods to be processed in Türkiye without import duties and trade policy measures, and the processed products to be released for free circulation at the duty rates applicable to them.

Temporary importation allows non-free-circulation goods (e.g., professional equipment, exhibition goods, vehicles of non-residents) to be used in Türkiye with total or partial relief from import duties and to be re-exported without having undergone any change other than normal depreciation. **Outward processing** allows free-circulation goods to be temporarily exported for processing and the processed products to be re-imported with total or partial relief from import duties. The **export regime** governs the exit of free-circulation goods from the customs territory; all goods may be freely exported, without prejudice to the prohibitions and restrictions set by international agreements, laws and decrees.

5.5.2. Legal Requirements for Exporting Activities

No special permit or licence is required to export from Türkiye. However, in accordance with the Law No. 5910 on the Establishment and Duties of the Turkish Exporters Assembly and Exporters' Associations, real and legal persons that wish to export must register with the Exporters' Association of their sector in the region where they are registered with the Trade Registry. There is no obstacle to foreign nationals or companies with foreign shareholders becoming exporters or members of an Exporters' Association. The goods exported do not have to be produced in Türkiye: goods imported from another country or purchased from another party in Türkiye may also be exported.

The membership application process and the documents required vary from association to association; most associations accept online applications and complete the registration within a few days to a maximum of three to four weeks if all documents are submitted in full. The documents generally required are:

- » a copy of the articles of association and the Trade Registry Gazette showing the establishment of the company;
- » the tax registration certificate (tax plate);
- » the signature circular; and
- » proof of payment of the entrance fee and the annual fee of the association.

All goods whose exportation is not prohibited may be exported from Türkiye; for certain goods (e.g., dual-use goods, certain agricultural products, cultural assets, and some strategic raw materials), permission from or registration with the responsible public authority is required. In order to carry out the customs procedures of goods that will leave Türkiye, a detailed declaration about the goods and the transaction must be filed with the customs administration; this declaration is called the “customs declaration” and is filed electronically through the BİLGE system of the Ministry of Trade. Exports may also be declared through the simplified “micro export” procedure (electronic commerce customs declaration) for low-value shipments sent by express cargo companies.

The customs declaration filed for export contains the sender and consignee information, the value, tariff classification, origin and quantity of the goods, the transport details and the documents accompanying the goods (commercial invoice, packing list, transport document, certificate of origin or movement certificate such as A.TR or EUR.1, and any permits or certificates required by the country of destination).

As a basic rule, a customs declaration and the invoice are sufficient for exports; additional documents are required where the export is subject to the permission of an institution or where preferential treatment under a trade agreement is claimed. Getting support from a customs broker is effective for completing the export process quickly and correctly, although companies may file declarations themselves. Export proceeds must be repatriated within 180 days (see Section 3.6).

5.5.3. Legal Requirements for Importing Activities

Every real or legal person that has a tax identification number can carry out import transactions; unlike for exports, there is no obligation to register with an association. Importers must, however, register with the customs administration's systems (through the Ministry of Trade's single window), obtain an EORI-type registration (vergi numarası based) and, for certain products, register with the relevant authority (e.g., the Ministry of Agriculture for food and agricultural products, the Ministry of Health for medicines and medical devices, the TSE for products subject to conformity assessment).

The President and the Ministry of Trade are authorised to impose restrictions or prohibitions on imports on grounds of public morality, public order, public security, the protection of human, animal and plant health and life, the protection of national treasures and the protection of intellectual and industrial property rights, and to apply trade policy measures (anti-dumping duties, safeguards, quotas, surveillance and import licences). Whether a product is subject to any prohibition, restriction, licence or conformity assessment can be checked on the basis of its tariff classification (GTİP).

The types of taxes and the rates applicable to imported goods vary according to the country from which the goods are imported and the origin of the goods. Customs duty rates and Mass Housing Fund contributions are determined by the Import Regime Decree within the framework of the international agreements to which Türkiye is a party; the rates are shown in separate columns for the EU and EFTA countries, countries with free trade agreements, developing countries under the Generalised System of Preferences, least developed countries and other countries. The lists are updated every year by the Ministry of Trade and published in the Official Gazette, effective from the first day of the respective year. Goods arriving in Türkiye by sea must be assigned a customs-

approved treatment or use within 45 days after the summary declaration, and goods arriving by land or air within 20 days.

5.5.4. Customs Declaration

The basic document used in customs procedures is the customs declaration. The information in the customs declaration determines which customs and foreign trade rules will be applied to the goods; after the customs administration checks the accuracy of the declaration (through document control, physical inspection or post-clearance audit according to the risk analysis), the taxes to be paid are calculated. The customs declaration can be made in writing, electronically and, in limited cases, orally. The declaration contains the parties to the transaction, the transport details, the type, quantity, tariff classification, origin and customs value of the goods, the customs procedure requested and other information required by the legislation. According to the Customs Law, the declarant is bound by the declaration and is liable for the customs duties and any penalties relating to the goods.

After the customs declaration is registered, the declarant may request the correction of the information recorded in it; however, corrections are not allowed after the customs administration has informed the declarant that the goods will be inspected, after it has established that the information is incorrect, or after the goods have been released. The declaration may be invalidated if the goods were placed under the customs procedure by mistake or if, for special reasons, it is no longer possible to place them under the declared procedure; the customs administration requests supporting documents, and if a request for invalidation is made after the administration has notified that the goods will be examined, the request is not accepted until the result of the examination is known.

The invalidation of the declaration does not prevent the application of penal provisions. Except for the exceptional cases determined by the Ministry, declarations cannot be invalidated after the release of the goods. Customs penalties for incorrect declarations resulting in a loss of duties are generally three times the duty difference (reduced if the declarant voluntarily discloses the error), and procedural irregularities are subject to fixed fines (TRY 1,494 and multiples thereof in 2026).



6. Opportunities for Business and Individuals in Türkiye

Local and foreign investors benefit equally from investment incentives in Türkiye. The main objectives of the Turkish incentive system are:

- » increasing the domestic production of intermediate goods and products with high import dependency in order to reduce the current account deficit;
- » supporting high and medium-high technology investments and the green and digital transformation of industry;
- » increasing the investment support provided to less developed regions and reducing regional development differences; and
- » attracting international capital, regional headquarters, international service businesses and qualified individuals to Türkiye.

This chapter first explains the investment incentive system and the other business incentives (free zones, tech-noparks and R&D centres, inward processing, the Istanbul Finance Centre and the new regimes for qualified service centres, transit trade and service exports), and then the opportunities available to individuals (the 20-year foreign-source income exemption, the asset repatriation programme, citizenship by investment, residence and work permits, and practical matters such as vehicles and driving licences).

Opportunities at a Glance

**20 years**

Income tax exemption on foreign-source income of new residents

**USD 400,000**

Real estate investment for Turkish citizenship

**19**

Free zones across Türkiye

**113**

Technology development zones

**100%**

IFC deduction on financial service exports (2022–2047)

**95%**

Transit trade and foreign-trade intermediation deduction

**95%**

Qualified Service Centre deduction (100% in the IFC)

**5%**

Asset repatriation programme tax (until 31 July 2027)

6.1. Investment Incentive System

6.1.1. Introduction

The investment incentive system was comprehensively renewed by Presidential Decree No. 9903 on State Aids in Investments, published in the Official Gazette of 30 May 2025, which replaced the former Decree No. 2012/3305 (applications are accepted until 31 December 2030).³³ The new system is organised around the “Türkiye Century Development Move” programmes and sector-based investment categories:

- » **Technology Move Programme (Teknoloji Hamlesi):** investments in the priority products, critical technologies and critical raw materials determined by the Ministry of Industry and Technology (1,126 products, 414 technology areas and 34 critical raw materials as of 2026), supported through periodic calls.
- » **Local Development Move Programme (Yerel Kalkınma Hamlesi):** investments in the products and sectors determined for each province in order to strengthen regional value chains.
- » **Strategic Move Programme (Stratejik Hamle):** large-scale investments (generally at least TRY 100 million for high-technology products and TRY 200 million for others, and green and digital transformation investments of at least TRY 50 million) in products with high import dependency or strategic importance.
- » **Priority investments (Öncelikli Yatırımlar):** investments in the sectors listed in the Decree (e.g., high and medium-high technology manufacturing, pharmaceuticals, defence, energy efficiency, renewable energy equipment, data centres, LNG and gas storage, tourism in certain areas, education, health, logistics, mining, R&D-based investments), which benefit from the priority investment incentives regardless of their location.
- » **Target investments (Hedef Yatırımlar):** manufacturing and service investments in the sectors determined for each region, which benefit from region-based incentives (the former “regional incentives”).

The former “general incentive” and “large-scale investment” categories have been abolished; investments that do not fall within one of the above categories only benefit from VAT and customs duty exemptions where applicable under other legislation. Türkiye continues to be divided into six regions according to their level of development (Region 1 being the most developed, including Istanbul, Ankara, İzmir, Bursa, Kocaeli and Antalya, and Region 6 the least developed, mainly the eastern and south-eastern provinces); investments in organised industrial zones and industrial zones, and investments in the districts listed in the Decree, benefit from the incentives of the next region.

Large project-based investments (including the HIT-30 High-Technology Investment Programme announced in 2024 with a USD 30 billion support budget for semiconductors, electric vehicles and batteries, green energy, advanced manufacturing, health technologies, digital technologies and aerospace, with a minimum investment of TRY 2 billion) are supported separately under Decree No. 2016/9495 with tailored packages that may include cash grants, energy support and qualified personnel support.

The table below summarises the support instruments available under each programme.

³³ Presidential Decree No. 9903, Official Gazette No. 32915 dated 30 May 2025; Communiqué No. 2025/1 on the Implementation of the Decree, Official Gazette dated 21 June 2025, as amended by Communiqué No. 2026/1. Investment incentive certificates issued under Decree No. 2012/3305 continue to benefit from the provisions of that decree until completion.

Table 10: Investment Incentive Programmes and Support Instruments (Decree No. 9903)³⁴

Support instrument	Technology Move	Local Development Move	Strategic Move	Priority investments	Target investments
VAT exemption	✓	✓	✓	✓	✓
Customs duty exemption	✓	✓	✓	✓	✓
Tax reduction – contribution to investment rate	50%	50%	40%	30%	20%
Tax reduction – rate of reduction of CIT/IIT	60%	60%	60%	60%	60%
SSI premium support (employer's share)	8 years (12 years in Region 6)	8 years (12 years in Region 6)	8 years (12 years in Region 6)	By region: up to 12 years	By region: up to 12 years
SSI premium support (employee's share)	10 years (Region 6 only)	10 years (Region 6 only)	10 years (Region 6 only)	10 years (Region 6 only)	10 years (Region 6 only)
Interest / profit share support	✓ (40% of the CBRT policy rate, capped)	✓ (40%, capped)	✓ (30%, capped)	✓ (25%, capped)	✓ (25%, capped; Regions 4–6 only)
Machinery and equipment support (alternative to interest support)	✓ (25% per machine, capped)	✓	✓	–	–
Land allocation	✓	✓	✓	✓	✓

The minimum fixed investment amount for priority and target investments is TRY 12 million in Regions 1 and 2 and TRY 6 million in Regions 3 to 6 (base amounts of the Decree, which are indexed every year by the revaluation rate; approximately TRY 15 million and TRY 7.5 million for 2026), with higher thresholds for certain priority investments (e.g., TRY 500 million base amount for high-technology product manufacturing). Investment incentive certificates are applied for electronically through the E-TUYS system of the Ministry of Industry and Technology before the investment starts, and the support is used during the investment period and, for the tax reduction and SSI support, after the completion of the investment.

6.1.2. Support Instruments

Brief descriptions of the support instruments mentioned in the table above are given below.

- » **VAT exemption:** Machinery and equipment (domestic or imported), software and intangible rights purchased or leased within the scope of the investment incentive certificate are exempt from VAT; construction expenditures of manufacturing investments under a certificate are also exempt from VAT under a temporary provision of the VAT Law (Provisional Article 37).
- » **Customs duty exemption:** Machinery and equipment imported within the scope of the investment incentive certificate are exempt from customs duties (and, for certain investments, from additional financial liabilities).
- » **Tax reduction:** Income or corporate tax is applied at a reduced rate (the rate is reduced by 60%, i.e. the 25% corporate tax rate becomes 10%) on the income derived from the investment until the tax saved reaches the “contribution to investment” amount (the contribution rate multiplied by the fixed investment

³⁴. Decree No. 9903, Articles 4–10; Investment Office, Türkiye Investment Incentive System (January 2026).

amount). During the investment period, a part of the contribution amount may also be used against income from other activities of the company, subject to a cap of 50% of the contribution amount.

- » **Social security premium support (employer's share):** The employer's share of the social security premiums for the additional employment created by the investment, calculated on the minimum wage, is covered by the Ministry for the period shown in the table (50% of the premium calculated on the minimum wage, 100% in Region 6), after the completion of the investment.
- » **Social security premium support (employee's share):** In Region 6 only, the employee's share of the social security premiums for the additional employment, calculated on the minimum wage, is covered by the Ministry for 10 years.
- » **Interest or profit share support:** A portion of the interest (or profit share for participation banks) on investment loans with a maturity of at least one year used for the investment is covered by the Ministry, up to 20% of the fixed investment amount (15% for the Strategic Move and 10% for priority and target investments) and up to monetary caps that are revalued annually (TRY 301 million for the Technology and Local Development Move programmes in 2026).
- » **Machinery and equipment support:** As an alternative to interest support, 25% of the cost of each machine purchased within the scope of the Move programmes may be reimbursed, up to 15% of the fixed investment amount and the same monetary caps.
- » **Land allocation:** Public land may be allocated to investments under an investment incentive certificate, in accordance with the procedures determined by the Ministry of Environment, Urbanisation and Climate Change, generally in the form of a long-term easement right with a reduced fee.

Unlike the former system, income tax withholding support and stamp duty exemption are no longer provided under Decree No. 9903 (except under old certificates), and VAT refunds for construction expenditure are no longer a separate instrument. In addition to these instruments, exporters benefit from a wide range of export supports of the Ministry of Trade (market entry, trade fair participation, branding and "Turquality", e-export, overseas office rent and consultancy supports), and R&D, innovation and digitalisation projects are supported by TÜBİTAK, KOSGEB and the development agencies.

6.2. Other Business Incentives

In Türkiye, there are other business incentives alongside the investment incentive system explained in the previous section. The regimes that are most relevant to foreign investors are explained below.

6.2.1. Free Zones

A free zone (serbest bölge) is a special area that is located within the political boundaries of Türkiye but is considered to be outside the customs territory for the purposes of customs duties and trade policy measures. In these zones, goods may be landed, stored, handled, manufactured, reconfigured and re-exported under specific customs rules without being subject to import duties. There are currently **19 free zones** in Türkiye, located close to ports on the Mediterranean, the Aegean and the Black Sea and near Istanbul, Bursa, Kocaeli, Kayseri and Gaziantep, hosting around 1,900 user companies (approximately 25% of which have foreign capital) with more than 87,000 employees; exports from the free zones reached USD 7.7 billion in the first seven months of 2026.³⁵

In accordance with the Customs Law No. 4458 and the Free Zones Law No. 3218, goods that are not in free circulation are placed in free zones without being subject to any customs procedure, and the foreign trade regime is not applied between the free zones and other countries. Trade between the free zones and the rest of Türkiye is subject to the foreign trade regime (goods entering Türkiye from a free zone are imported, and goods delivered to a free zone from Türkiye are exported). Free zones are designed to boost export-oriented investments; both

³⁵ Ministry of Trade, General Directorate of Free Zones, Overseas Investment and Services; Investment Office, August 2026.

production and trading activities are allowed, and in general all kinds of activities can be performed in Turkish free zones, such as:

- » manufacturing;
- » general trading, storage, packing and labelling;
- » research and development and software development;
- » maintenance and repair;
- » banking, insurance, logistics and other services (subject to licence).

Companies wishing to operate in a free zone must obtain an operating licence (faaliyet ruhsatı) from the Ministry of Trade for a specified period (typically 10 to 30 years depending on the activity and whether the company builds its own facility) and rent land or premises from the zone operator. Taxation in free zones differs from inland taxation, since there are several tax incentives for companies operating in free zones:

- » **Corporate income tax exemption for manufacturers:** Under Provisional Article 3 of the Free Zones Law, the income of licensed manufacturers derived from the sale of the goods they manufacture in the zone is exempt from income and corporate tax for the duration of the operating licence. **Important change:** for income derived from 1 January 2025 onwards, the exemption is limited to income from sales made **abroad** (exports) and, as of 2026, to sales made to other free zone users; income from sales of manufactured goods into the Turkish domestic market is no longer exempt.³⁶ Trading and service companies in free zones are subject to corporate income tax on their income (but benefit from the other exemptions and, where applicable, from the transit trade and service export deductions explained below).
- » **Income tax exemption on wages:** The wages paid to employees by manufacturers that export at least 85% of the FOB value of the products they manufacture in the free zone are exempt from income tax (the tax withheld is cancelled).
- » **Stamp duty and fee exemption:** Documents issued and transactions carried out in relation to the activities in the zone are exempt from stamp duty and fees for the duration of the licence.
- » **VAT and special consumption tax:** Deliveries of goods and services to free zone users for their activities in the zone, and transactions within the zone, are exempt from VAT and special consumption tax; contract manufacturing services for free zone customers are also VAT-exempt.
- » **Customs duties:** No customs duties are levied on goods brought into the zone from abroad; goods may remain in the zone for an unlimited period, and duties are paid only if and when the goods are imported into Türkiye.
- » **Foreign exchange:** Companies in free zones may keep their books in foreign currency, may conclude contracts in foreign currency, and may transfer their profits abroad or to Türkiye without any restriction.

The obligation to keep books and comply with the Tax Procedure Law remains valid for companies established in free zones, and transactions between free zone companies and their related parties are subject to the transfer pricing rules in the same way as inland companies (free zone companies must prepare an annual transfer pricing report even for their domestic related-party transactions). A comparison of free zones with the inland regime is provided in the table below.

³⁶ Law No. 7524, Article 24 (Official Gazette dated 2 August 2024) and Law No. 7577 (Official Gazette dated 17 April 2026). Companies holding operating licences obtained before 6 February 2004 continue to benefit from a full exemption for all their activities until the expiry of their licences.

Table 11: Comparison of Free Zones and the Inland Regime from an Exemptions Point of View (2026)

Free zone	Inland
Corporate income tax exemption for manufacturers on income from export sales (and sales to other free zone users); domestic sales taxable since 2025	25% CIT (24% on manufacturing income; 12.5% from 2027 for industrial-registry manufacturers; 20% on export income)
100% exemption from customs duties and other import charges on goods brought into the zone from abroad	Customs duties payable on import (exemption under investment incentive certificates and inward processing)
100% exemption from VAT and special consumption tax on deliveries to and within the zone	VAT at 20%/10%/1% (exemptions for exports and investment goods)
100% exemption from stamp duty and fees for applicable documents and transactions	Stamp duty of 0.948% on contracts (with exemptions)
100% exemption from real estate tax	Real estate tax of 0.1%-0.6%
Income tax exemption on wages of manufacturers exporting at least 85% of their production	Wage withholding at progressive rates (minimum wage portion exempt)
Books may be kept and contracts concluded in foreign currency; profits may be transferred abroad or to Türkiye without restriction	Books kept in TRY; foreign currency contract restrictions between residents
Goods can remain in the zone for an unlimited period	Bonded warehouse regime available
Exemption from title deed fees when acquiring and selling property in the zone	Title deed fee of 4%
VAT exemption during construction, design, installation and approval processes; ready infrastructure	Construction VAT exemption only for manufacturing investments under investment incentive certificates

As can be understood from the comparison table above, establishing a company in a free zone is not necessarily beneficial for every business, since the corporate income tax exemption is available only for manufacturing activities oriented towards exports and other free zones. Free zones remain attractive for export-oriented manufacturers, for regional logistics and distribution hubs serving third countries, and for software and R&D exporters; the choice between a free zone, a bonded warehouse inland, a technopark and the new international service and transit trade regimes should be made on the basis of the specific business model.

6.2.2. Technology Development Zones and R&D Centres

Technology development zones (technoparks) are ecosystems in which universities, research institutions and industrial organisations carry out their research, development and innovation activities in the same environment and transfer knowledge and technology among one another. There are 113 technology development zones in Türkiye (95 of which are operational) hosting more than 12,000 companies, in addition to more than 1,360 R&D centres and 340 design centres established by companies under the R&D Law No. 5746. The incentives provided under the Technology Development Zones Law No. 4691 and the R&D Law No. 5746 are currently in force until **31 December 2028**.³⁷

6.2.2.1. Corporate and Individual Income Tax Exemptions and Incentives

In accordance with the Technology Development Zones Law No. 4691, the income of companies located in a technopark that is derived exclusively from their software development, design and R&D activities in the zone is exempt from income and corporate tax until 31 December 2028. Income from the sale, licensing or transfer of intangible assets (such as patents and software) developed in the zone is exempt to the extent that it corresponds

³⁷ Law No. 4691, Provisional Article 2 and Law No. 5746, Article 3, as extended by Law No. 7263 (Official Gazette dated 3 February 2021).

to the ratio of qualifying R&D expenditure incurred in Türkiye to total expenditure (the “nexus” approach), and income from sales and marketing activities, maintenance, consultancy and other activities is taxable at the ordinary rates. In practice, the activities of a technopark company must be carefully allocated between exempt and non-exempt income. The sale of application software developed exclusively in the zone (system management, data management, business applications, internet, mobile and military command and control software, etc.) is also exempt from VAT. Technopark companies with exempt income above a certain threshold (TRY 2 million, re-valued) must place 3% of the exempt amount in a fund account to be invested in venture capital funds or start-ups.

The wages of R&D, design and support personnel working in the zone in relation to these activities are supported through the cancellation of the income tax withheld (the tax is calculated on the payroll and then set off against the employer's withholding tax return, so that the social security premium base is not reduced); the number of support personnel benefiting may not exceed 10% of the number of R&D personnel. Wages for time spent outside the zone are also eligible, provided that the work is directly related to the projects carried out in the zone, within the limits determined by the Presidency: for 2026, time spent working remotely counts 100% for personnel in information technology-related activities and 75% for other personnel.³⁸ The wages of such personnel are also exempt from stamp duty, and the documents issued in relation to the activities in the zone are exempt from stamp duty and fees.

Under the R&D Law No. 5746, companies employing at least 15 full-time-equivalent R&D personnel (30 for certain sectors) may obtain an R&D Centre certificate, and companies employing at least 10 design personnel a Design Centre certificate, from the Ministry of Industry and Technology, regardless of their location. R&D and design centres benefit from: (i) a 100% deduction of their R&D and design expenditure from the corporate tax base (in addition to the deduction of the expenses themselves), (ii) the income tax withholding incentive on the wages of R&D, design and support personnel (95% for personnel with a PhD, 90% for those with a master's degree in a basic science, and 80% for the others), (iii) stamp duty exemption on the related documents and payrolls, and (iv) the social security premium support described below. The remote-working rules for 2026 described above also apply to R&D and design centres.

6.2.2.2. Social Security Premium Incentives

Half of the employer's share of the social security premiums calculated on the wages of the R&D, design and support personnel whose wages benefit from the income tax withholding incentive under Law No. 4691 or Law No. 5746 is covered by the Ministry of Treasury and Finance. The employee's share and the remaining half of the employer's share must be paid by the employer. Technopark companies and R&D centres may also benefit from TÜBİTAK, KOSGEB and EU Horizon Europe grants and from the Technology Move Programme calls.

6.2.3. Inward Processing Regime

The inward processing regime is an economically effective customs regime based on the temporary importation of goods that are not in free circulation to be processed within the customs territory of Türkiye and the re-exportation of the processed products. The regime is widely used by Turkish manufacturers that import raw materials, components and packaging for the production of export goods.

Pursuant to Article 108 et seq. of the Customs Law, inward processing authorisation may be granted upon the application of the person who carries out the processing or has it carried out. Companies resident in the customs territory of Türkiye (excluding free zones) can benefit from the regime; persons resident outside Türkiye may be granted authorisation for imports of a non-commercial nature. Companies apply electronically to the Ministry of Trade for an Inward Processing Authorisation Certificate (DİİB) or to the relevant customs office for an inward processing permit for simpler cases. The regime operates either under the suspension system (import duties and VAT are secured by a guarantee and are not paid if the processed products are exported within the

³⁸ Presidential Decree No. 10766, Official Gazette dated 25 December 2025 (valid until 31 December 2026).

period of the certificate, generally 12 months, extendable) or the drawback system (duties are paid at import and refunded upon export). The advantages of the inward processing regime are listed below:

- » 100% exemption from (or refund of) customs duties and additional customs duties;
- » 100% exemption from (or refund of) VAT and special consumption tax;
- » 100% exemption from the Resource Utilisation Support Fund (KKDF) on credit imports;
- » exemption from stamp duty and fees on the related documents; and
- » exemption from trade policy measures (anti-dumping duties, quotas and surveillance) for the imported inputs, subject to conditions.

Domestic purchases of inputs by DiİB holders may also be made without VAT under the “export registration” mechanism of the VAT Law (the application of this VAT-free purchase mechanism is subject to a temporary provision whose extension beyond 2025 should be checked). Failure to export the processed products within the certificate period results in the collection of the suspended duties with interest and penalties, so that careful monitoring of the certificate commitments (quantities, values and deadlines) is required.

6.2.4. Istanbul Finance Centre (IFC)

The Istanbul Finance Centre (İstanbul Finans Merkezi, İFM) is a purpose-built financial district on the Asian side of Istanbul (Ataşehir), officially opened in April 2023, which hosts the headquarters of the Turkish state-owned banks, the CBRT's Istanbul operations, Borsa Istanbul-related institutions and a growing number of domestic and international banks, insurers, asset managers, fintech companies and professional service firms. The legal framework is provided by the Istanbul Finance Centre Law No. 7412 (Official Gazette of 28 June 2022) and the IFC Regulation (2023), and the tax incentives were significantly expanded by Law No. 7582 in June 2026.³⁹

Companies that obtain a **participant certificate** (katılımcı belgesi) from the Presidency Finance Office and operate in the IFC area benefit from the following incentives:

- » **Corporate income tax deduction:** 75% of the income derived by participants from financial services (banking, insurance, capital market, asset management, financial leasing, factoring, payment and fintech services, financial advisory, etc.) exported to non-residents and used abroad is deductible from the corporate tax base; for the fiscal years **2022 to 2047**, the deduction is applied as **100%**. The income must be transferred to Türkiye by the corporate income tax return deadline.
- » **Transit trade and qualified service centre income:** Participants benefit from a **100%** deduction (instead of 95%) for income from transit trade and foreign-trade intermediation and for qualified service centre income (see below).
- » **Banking and insurance transactions tax and other exemptions:** Transactions relating to financial service exports are exempt from BSMV; documents, transactions and fees relating to these activities are exempt from stamp duty and fees; and the financial activity fee (harç) for branches in the IFC is waived for 20 years. Rental agreements for premises in the IFC are exempt from stamp duty and fees.
- » **Employee income tax exemption:** 60% of the net wages of personnel employed by participants who have at least five years of professional experience abroad, and 80% for those with at least ten years of experience abroad, are exempt from income tax, provided that they have not worked in Türkiye in the three years before their employment in the IFC. This exemption is available to all participants (not only financial institutions) as of 2026. Qualified service centre personnel in the IFC may alternatively benefit from the exemption of wages up to five times the gross minimum wage.
- » **Regional treasury and financial management centres:** Regional treasury, cash-pooling and financial management centres of groups operating in at least three countries are also covered by the regime.
- » **Operational flexibilities:** Participants may keep their books and records and conclude contracts in foreign currency, are exempt from the Decree No. 32 restrictions on foreign currency contracts for their activities

in the IFC, and benefit from a one-stop-shop for licences, work permits and residence permits of foreign personnel.

With the extension of the full deduction to 2047, the opening of the wage exemption to all participants and the 100% deduction for transit trade and qualified service centres, the IFC has become the most tax-efficient location in Türkiye for regional headquarters, treasury centres, trading hubs and international service companies.

6.2.5. Qualified Service Centres

Law No. 7582 introduced the concept of the **Qualified Service Centre** (Nitelikli Hizmet Merkezi) into the Foreign Direct Investment Law No. 4875 in order to attract shared service centres, regional headquarters and back-office operations of multinational groups to Türkiye. A qualified service centre is a capital company that:

- » belongs to a group that actively operates in **at least three different countries**;
- » provides services to related companies or group companies in the following areas: financial, strategic, risk, treasury and tax advisory; accounting and reporting; information technologies and digital transformation; human resources management and training; marketing and brand management; coordination of sales support, research and development, procurement and laboratory services; technical support and after-sales services (legal advice is limited to Turkish-law work performed by licensed lawyers); and
- » derives **at least 80%** of its annual revenue from related companies or group companies located abroad.

Qualified service centres benefit from the following incentives for **20 fiscal periods** starting from the period in which they begin operations:

- » **Corporate income tax deduction:** 95% of the income derived from the qualifying services provided to group companies abroad is deductible from the corporate tax base (100% for centres located in the Istanbul Finance Centre or in industrial zones designated by the President as having a high density of foreign investment), provided that the income is transferred to Türkiye by the corporate income tax return deadline. The President may reduce the rates to 50% or increase them to 100%. The deduction is also taken into account for the domestic minimum corporate tax, so that the effective corporate income tax rate on qualifying income is 1.25% (or 0% in the IFC).
- » **Wage income tax exemption:** The portion of the wages of the qualified personnel who directly perform the services (excluding support staff) up to **three times the gross minimum wage** per month (TRY 99,090 in 2026) is exempt from income tax, and up to **five times** the gross minimum wage in the IFC and in the designated industrial zones; the President may adjust these multiples between one and seven times.
- » **Related exemptions:** Stamp duty and fee exemptions, foreign currency bookkeeping and the facilitated work permit and residence permit procedures for foreign personnel under the Foreign Direct Investment Law.

The regime applies to income of fiscal periods beginning on or after 1 January 2026 (returns filed from 1 July 2026) and the wage exemption applies from 4 June 2026. Combined with Türkiye's qualified and cost-competitive workforce, time-zone advantages and the double taxation treaty network, the qualified service centre regime positions Türkiye as an alternative to the traditional shared-service locations in Central and Eastern Europe and the Gulf. Groups that already operate shared services in Türkiye should assess whether their existing structures can be reorganised to meet the three-country and 80% foreign revenue tests.

6.2.6. Transit Trade and Foreign Trade Intermediation Deduction

Transit trade (purchasing goods abroad and selling them abroad without the goods entering the Turkish customs territory) has long been a common business model for Turkish trading companies, in particular for trade with the neighbouring countries of the Middle East, the Caucasus, Central Asia and Africa. Transit trade is outside the scope of Turkish VAT and customs duties, but the profits were fully subject to corporate income tax until 2025

39. Law No. 7412, Articles 6 and Provisional Article 1, as amended by Law No. 7582 (Official Gazette dated 4 June 2026).

(except for a 50% deduction for IFC participants). Law No. 7582 extended and increased the deduction to all corporate taxpayers:⁴⁰

- » **95%** of the profits derived from (i) the purchase of goods abroad and their sale abroad without bringing them into Türkiye (transit trade), and (ii) the intermediation of trade between sellers and buyers located abroad (foreign-to-foreign brokerage), is deductible from the corporate income tax base;
- » the deduction is **100%** for participants of the Istanbul Finance Centre and for companies located in industrial zones designated by the President as having a high density of foreign investment;
- » neither the seller nor the buyer of the goods may be located in Türkiye, and the profits must be transferred to Türkiye by the corporate income tax return deadline;
- » the deduction is excluded from the domestic minimum corporate tax base, so that the effective corporate income tax rate on transit trade profits is 1.25% (0% in the IFC); and
- » the President may reduce the rates to 0% or increase them to 100%.

This regime makes Türkiye a highly competitive jurisdiction for international trading companies, commodity traders and procurement hubs, in particular when combined with the Turkish banking system's experience in trade finance, the availability of bonded warehouses and free zones for goods that need to touch Turkish territory, and the wide treaty network. A simple limited liability company is sufficient to benefit from the regime, although a joint stock company is generally recommended for trading companies with external financing or several shareholders.

Trading companies should nevertheless pay attention to transfer pricing (where the counterparties are related), to the substance of the Turkish entity (personnel, decision-making and risk control in Türkiye) and to the documentation of the foreign-to-foreign nature of the transactions. Where the goods physically enter Türkiye (even into a bonded warehouse), the deduction does not apply; such operations should be structured under the free zone or bonded warehouse regimes instead.

6.2.7. Service Export Deduction

Under Article 10/1-ğ of the KVK (and Article 89/1-13 of the GVK for individual entrepreneurs), companies that provide architecture, engineering, design, software, medical reporting, bookkeeping, call centre, product testing, certification, data storage, data processing and data analysis services, vocational training services in the fields determined by the Ministry, and education and health services (the latter two under the licence of the relevant ministry) from Türkiye to persons resident abroad or to foreign workplaces and head offices, where the services are used exclusively abroad, may deduct **100%** of the income from these services from the corporate income tax base, with effect from the 2026 fiscal year (the deduction was 50% until 2022 and 80% for 2023–2025).⁴¹ The conditions are that the invoice is issued to the non-resident customer and that the full amount of the income is transferred to Türkiye by the corporate income tax return deadline. The services are also exempt from VAT as service exports.

Unlike the transit trade and qualified service centre deductions, the service export deduction is included in the domestic minimum corporate tax base, so that companies whose income consists entirely of qualifying service exports may still pay a minimum tax of 10% on their profits. Nevertheless, for software houses, engineering firms, design studios, data centres and other service exporters, Türkiye offers one of the most favourable regimes in the region, especially in combination with the technopark and R&D centre incentives.

6.3. Opportunities for Individuals

Foreign individuals may freely invest in Türkiye in real estate (subject to limited restrictions on the nationality of the buyer and the location and size of land), in companies, in Borsa Istanbul-listed shares, bonds and investment

⁴⁰. KVK Article 10, as amended by Law No. 7582, Article 7; applicable to income of fiscal periods beginning on or after 1 January 2026.

⁴¹. Presidential Decree No. 11257, Official Gazette No. 33239 dated 30 April 2026.

funds, and in bank deposits; bank account opening and investing in Turkish assets are straightforward once a tax identification number has been obtained. Non-resident investors are taxable only on their Turkish-source income, which is generally subject to final withholding tax at reduced rates (for example, 0% on gains from listed shares held for more than one year and on government bonds in most cases, and 10%–15% on deposit interest depending on the maturity), so that the filing burden is low. The following sections explain the main opportunities for individuals who consider moving to Türkiye or acquiring Turkish citizenship.

6.3.1. 20-Year Tax Exemption for Foreign-Source Income

As explained in detail in Section 5.2.1, individuals who become resident in Türkiye from 1 January 2026 onwards and who had neither a domicile nor an income tax registration in Türkiye in the three preceding calendar years are exempt from Turkish income tax on all their foreign-source income for 20 years, and assets they leave to their heirs during this period are subject to inheritance tax at only 1%. The exemption is obtained by applying for an Exemption Certificate at the tax office in the year of arrival, and it can be combined with the residence permit and citizenship options explained below.

Together with the absence of a wealth tax, the relatively low real estate taxes and the possibility to hold foreign assets through foreign structures without Turkish reporting obligations on exempt income, the regime is particularly attractive for retirees with foreign pensions and investment income, entrepreneurs who have sold or still own businesses abroad, and families relocating from high-tax jurisdictions. Careful planning before arrival (exit taxes and deemed disposals in the former residence country, timing of dividends and capital gains, treaty residence and the risk of Turkish-source characterisation of income from services performed in Türkiye) is essential.

6.3.2. Asset Repatriation Programme (Varlık Barışı)

Law No. 7582 also introduced a new asset repatriation and regularisation programme (Provisional Article 19 of the KVK). Individuals and companies may notify Turkish banks or brokerage houses, until **31 July 2027**, of money, gold, foreign currency, securities and other capital market instruments held abroad and bring them to Türkiye within two months of the notification, and may also record in their books assets held in Türkiye that were not previously recorded. No proof of the date of acquisition or of the source of the assets is required.

The tax is **5%** of the declared amount (increased by 0.5 points for notifications made between 1 January and 31 July 2027), reduced to 4%, 3%, 2%, 1% or 0% if the assets are committed to be kept for one, two, three, four or five years in time deposits, Turkish government bonds, lease certificates or venture capital funds. No tax audit or assessment may be made in relation to the declared assets, and the programme does not cover offences under the foreign exchange, capital markets, customs and anti-smuggling legislation. The repatriated assets may be used freely (including for the capital of a Turkish company or the purchase of real estate) and are not subject to any further tax; the programme is therefore a useful tool for new residents and for Turkish shareholders of foreign structures who wish to bring capital into Türkiye.

6.3.3. Acquisition of Turkish Citizenship by Investment

Due to its growing economy, young population, qualified workforce, geographical and geopolitical position and liberal investment environment, Türkiye has been one of the most preferred countries by foreign investors in recent years. Since the enactment of the Foreign Direct Investment Law in 2003, foreigners making direct investments benefit from all the incentives on an equal footing with domestic investors, and may establish joint stock companies, limited liability companies and partnerships or acquire existing companies. In addition, foreigners who make long-term and direct investments can benefit from the facilities offered by the Turkish Government, among which the exceptional acquisition of Turkish citizenship by investment is the most significant. A Turkish passport allows visa-free or visa-on-arrival travel to more than 110 countries, and Turkish citizens are eligible for the E-2 treaty investor visa of the United States. Citizenship by investment is regulated by Article 12 of the Turkish Citizenship Law No. 5901 and Article 20 of the Regulation on the Implementation of the Turkish Citizenship Law, as amended most recently by Presidential Decree No. 7938 of 12 December 2023.

6.3.3.1. General

Foreigners who fulfil any one of the following conditions, as certified by the relevant ministry or authority, may be granted Turkish citizenship by a decision of the President (the investment options cannot be combined to reach the thresholds):



purchasing immovable property with a value of at least **USD 400,000** (or the equivalent in foreign currency), with an annotation on the title deed that the property will not be sold for three years, as certified by the Ministry of Environment, Urbanisation and Climate Change (General Directorate of Land Registry and Cadastre); a notarised preliminary sale agreement for a property under construction with at least USD 400,000 paid in advance and a three-year no-transfer annotation is also accepted;



making a fixed capital investment of at least **USD 500,000**, as certified by the Ministry of Industry and Technology;



creating employment for at least **50 persons**, as certified by the Ministry of Labour and Social Security;



depositing at least **USD 500,000** (or the equivalent in foreign currency or Turkish Lira) in a bank operating in Türkiye for three years, as certified by the Banking Regulation and Supervision Agency;



purchasing government debt instruments of at least **USD 500,000** and holding them for three years, as certified by the Ministry of Treasury and Finance;



purchasing participation shares of real estate investment funds or venture capital investment funds of at least **USD 500,000** and holding them for three years, as certified by the Capital Markets Board; or



contributing at least **USD 500,000** to the private pension system and keeping the contribution in the funds determined by the Insurance and Private Pension Regulation and Supervision Agency for three years.

In determining the monetary values, the effective selling rate (or cross rate) of the CBRT on the date of the transaction is taken into account. Switching between investment types is possible in order to complete the three-year period. The spouse and the children under 18 (or dependent) of the applicant acquire Turkish citizenship together with the main applicant, and dual citizenship is permitted under Turkish law (applicants should check the rules of their current country of citizenship). Türkiye does not offer a separate “golden visa” investor residence permit; the short-term residence permit for investors under Article 31/1-j of the Law on Foreigners and International Protection is issued as part of the citizenship-by-investment process. The real estate option, which is by far the most commonly used, is explained in detail below.

6.3.3.2. Acquisition of Turkish Citizenship through Real Estate Investment

Foreign nationals may become Turkish citizens by purchasing immovable property with a value of at least USD 400,000 (the threshold was USD 250,000 between September 2018 and June 2022) and committing not to sell it for three years. The property may be residential, commercial or a plot of land with a building; since December 2023, only independent units under condominium ownership (kat mülkiyeti) or condominium easement (kat irtifakı) and land with a building are accepted, whereas bare land and agricultural plots are excluded. Several prop-

erties may be combined to reach the threshold if they are purchased at the same time. The following rules and restrictions apply:

- » the property must be purchased from a Turkish citizen or a Turkish company that is not controlled by the applicant; properties owned by the applicant's spouse or children, properties previously owned by any foreign natural person (including the applicant's spouse and children), and properties transferred by the applicant, spouse or children to a Turkish person after 12 January 2017 are not accepted; properties that have previously been used for a citizenship application cannot be reused by another applicant within the three-year commitment period of the previous owner; shared ownership (hisseli) and timeshare (devre mülk) properties are not accepted;
- » the sale price, the value in the valuation report and the amount actually paid must each be at least USD 400,000; the valuation report must be prepared through the Web-Tapu system by a valuation company licensed by the Capital Markets Board and is valid for a limited period;
- » the purchase price must be paid in foreign currency through a Turkish bank by wire transfer from the applicant's (or a related person's, with a declaration) account to the seller's account, and the foreign currency must be sold to the bank (and on-sold to the CBRT) before the transfer of title, as evidenced by a foreign exchange purchase document (döviz alım belgesi); cash payments are not accepted, and the bank receipts of both the buyer and the seller must be submitted;
- » the title deed must be registered in the name of the applicant (not of a company), with the three-year no-sale annotation, and the applicant must hold a Turkish tax identification number before the transfer; and
- » the property may be rented out during the three-year period, and after the three years it may be sold freely (subject to the normal capital gains and title deed fee rules).

Application process and required documents. After the title deed with the annotation, the valuation report and the bank documents are obtained, the applicant (or his or her attorney under a notarised power of attorney) applies to the General Directorate of Land Registry and Cadastre for the **Certificate of Conformity** (uygunluk belgesi), which is generally issued within one to three weeks. The applicant and the family members then apply for a short-term residence permit for investors at the Provincial Directorate of Migration Management (no actual residence in Türkiye is required), and finally file the citizenship application with the Provincial Directorate of Civil Registration and Citizenship. The documents required for the citizenship application (in addition to the residence permit) are:

- » the citizenship application form;
- » two biometric photographs per applicant;
- » the passport (original and notarised Turkish translation) of each applicant;
- » a certificate of marital status and, if married, the marriage certificate (apostilled and translated);
- » a birth certificate or civil registry extract for each applicant and, if applicable, documents proving the family relationship of the spouse and children;
- » the Certificate of Conformity and the bank documents; and
- » the receipt for the citizenship service fee.

A complete application can be filed within one to two months from the purchase of the real estate, and the evaluation of the citizenship application by the Ministry of Interior and the President typically takes four to eight months (longer in case of security clearance issues). Once the main applicant becomes a Turkish citizen, the spouse and the children under 18 acquire citizenship together with him or her. The acquisition of Turkish citizenship does not in itself make the applicant tax resident in Türkiye (residence is determined by the domicile and 183-day tests explained in Section 5.2), and it does not prevent the application of the 20-year foreign-source income exemption; nevertheless, applicants who intend to benefit from that exemption should coordinate the timing of their residence and citizenship applications with their tax adviser.

6.3.4. Residence Permits

Foreign nationals who wish to stay in Türkiye for more than the period allowed by their visa or visa exemption (generally 90 days within any 180-day period) must obtain a residence permit (ikamet izni). Residence permits are regulated by the Law on Foreigners and International Protection No. 6458 and its implementing regulation, and are administered by the Presidency of Migration Management (Göç İdaresi Başkanlığı) under the Ministry of Interior. The main types are:

- » **Short-term residence permit** (Article 31), issued for up to two years at a time, for purposes such as tourism, scientific research, ownership of immovable property, establishing business or commercial connections, in-service training, education and language courses, medical treatment, investors, and foreigners who have graduated from a Turkish university within the last six months. The property-based short-term permit requires a residential property with a title deed value of at least **USD 200,000** (for properties acquired on or after 16 October 2023). First applications for touristic residence permits are, in practice, granted for shorter periods and are refused in neighbourhoods that are “closed” to new foreign registrations (neighbourhoods in which the foreign population exceeds 20% of the total population; more than 1,100 neighbourhoods in 63 provinces, including several districts of Istanbul, are currently closed);
- » **Family residence permit** (Article 34), for the spouse and minor children of Turkish citizens and of foreigners holding a residence or work permit, issued for up to three years;
- » **Student residence permit** (Article 38), for the duration of the studies;
- » **Long-term residence permit** (Article 42), granted indefinitely to foreigners who have resided in Türkiye without interruption for at least eight years with a residence permit, have not received social assistance in the last three years, have sufficient and regular income and valid health insurance, and do not pose a threat to public order; and
- » **Work permit**, which is also deemed to be a residence permit (see Section 6.3.5).

Applications are made online through the e-ikamet system (e-ikamet.goc.gov.tr), after which the applicant attends an appointment at the Provincial Directorate of Migration Management with the original documents; the printed application form allows the applicant to stay legally in Türkiye until the decision, which must be given within 90 days. Renewal applications must be filed within the last 60 days before the expiry of the permit. A residence permit that is not used to enter Türkiye within six months lapses, and the permit may be cancelled if the holder stays abroad for more than 120 days in a year (short-term permit) without a valid reason. The documents generally required for a residence permit application are:

- » the residence permit application form (generated by the e-ikamet system) and the appointment confirmation;
- » the passport (valid for at least 60 days beyond the requested permit period) and photocopies of the identity page and the pages with entry stamps and visas;
- » four biometric photographs taken within the last six months (with a white background);
- » a declaration (and, if requested, proof) of sufficient and regular financial means for the duration of the stay (in practice, bank statements showing an amount at least equal to the minimum wage per month of stay);
- » proof of address: a notarised lease agreement (or title deed for owners) and the address registration (yerleşim yeri belgesi) obtained from the Civil Registry, a hotel reservation and receipt, or a notarised undertaking of the host if staying with a third party;
- » valid private health insurance covering the entire permit period (or proof of coverage under the Turkish general health insurance scheme); health insurance is mandatory for applicants under 65;
- » the receipt for the residence permit fee and the card fee; and

- » a power of attorney, if the application is filed through a representative, and, for family permits, apostilled and translated marriage and birth certificates and a criminal record certificate.

The Directorate may request additional supporting documents. The approximate costs of a one-year short-term residence permit in 2026 are given in the table below; the residence permit fee depends on the nationality of the applicant under the principle of reciprocity (citizens of some countries are exempt or pay reduced fees), and the actual amount is shown in the e-ikamet system at the time of application.

Table 12: Approximate Cost of a One-Year Short-Term Residence Permit – 2026⁴²

Cost item	Amount (TRY)	Amount (USD, approx.)
Residence permit card (valuable paper fee)	964	22
Residence permit fee for 12 months (general tariff; nationality-dependent, some nationalities exempt)	approx. 27,900	650
Private health insurance for 12 months*	10,000 – 40,000	230 – 930
Notary, sworn translation and address registration expenses	3,000 – 6,000	70 – 140
Apostille / legalisation fees** (per document, abroad)	varies	varies
Total (indicative)	42,000 – 75,000	970 – 1,750

(*) Health insurance premiums vary according to the age of the applicant and the coverage; the ranges above are indicative for adults. (**) Required only for foreign documents such as marriage and birth certificates.

6.3.5. Work Permits, Turquoise Card and Digital Nomad Visa

Foreign nationals may not work in Türkiye without a work permit issued by the Ministry of Labour and Social Security under the International Labour Force Law No. 6735, except for the persons who are exempt (e.g., short-term assignees for up to 90 days in certain cases, board members of joint stock companies who do not reside in Türkiye, and non-managing shareholders of limited liability companies). The application is made by the employer online through the e-Devlet system; if the foreigner is abroad, a work visa application is first filed at the Turkish consulate and the employer files the work permit application within 10 working days.

The main evaluation criteria for the employer are: (i) at least five Turkish citizens employed per foreign employee (the ratio is waived for up to five foreigners if the previous year's net sales exceed TRY 50 million, and for the first six months for foreign shareholders); (ii) paid-in capital of at least TRY 500,000, or net sales of at least TRY 8 million, or exports of at least USD 150,000 in the previous year; (iii) for foreign shareholders applying as managers, a shareholding of at least 20% and a capital share of at least TRY 500,000; and (iv) a minimum wage for the foreigner of 1 to 5 times the minimum wage depending on the position (five times for senior executives, four times for engineers and architects, three times for other managers, 2 times for qualified employees). Work permits are initially granted for up to one year and can be extended for two years and subsequently for three years; the work permit fees for 2026 are TRY 12,574.90 for one year, TRY 25,149.80 for two years and TRY 37,724.70 for three years, plus the card fee. Foreigners who have resided in Türkiye for at least eight years are exempt from the employment criteria as of August 2026.

The **Turquoise Card** (Turkuaz Kart) is a special permit for highly qualified professionals, investors, scientists, artists, athletes and persons who contribute to Türkiye's international recognition, granted on the basis of a points system; it is issued with a three-year transition period and then becomes indefinite, provides work and residence rights for the holder and residence rights for the family, and is a path to citizenship. Investors who establish a company in Türkiye and employ Turkish nationals may obtain a work permit as company shareholders and managers, which is often the preferred route for entrepreneurs.

⁴². Law on Fees No. 492, Tariff No. (6), as revalued for 2026 (General Communiqué on Fees Serial No. 98); Communiqué on Valuable Paper Fees for 2026. USD amounts are converted at approximately TRY 43 = USD 1.

Since April 2024, Türkiye also offers a **digital nomad visa** for remote workers aged between 21 and 55 who are nationals of the EU/EEA countries, the United Kingdom, Switzerland, the United States, Canada, Russia, Ukraine and Belarus, hold a university degree, have an employment or service contract with a company outside Türkiye and earn at least USD 3,000 per month (USD 36,000 per year). The digital nomad certificate is obtained through the GoTürkiye platform and the visa at the Turkish consulate; the visa allows a stay of up to one year and can be combined with a short-term residence permit. Remote workers who become tax resident in Türkiye should note that income from work physically performed in Türkiye is Turkish-source income and is not covered by the 20-year foreign-source income exemption.

6.3.6. Vehicles with Foreign Licence Plates

Real persons residing outside Türkiye may temporarily bring a vehicle with a foreign licence plate that is registered in their name in their country of residence into Türkiye under the temporary importation regime, without paying customs duties, VAT and special consumption tax. The basic condition is that the person is resident abroad, which means that he or she must have stayed abroad for at least **185 days** in the 365 days preceding the date of entry (or wished entry) into Türkiye.

This condition is checked by the customs administration at each entry with a vehicle, on the basis of the passport entry and exit records; the days spent in Türkiye without the vehicle (for example by plane) are also taken into account, and the residence status can be checked in advance through the "Residence Abroad Enquiry" service on the e-Government portal (www.turkiye.gov.tr).

6.3.6.1. Vehicles of Persons Staying in Türkiye for up to Two Years

Foreign nationals who hold a Turkish residence permit may keep and use their foreign-plated vehicle in Türkiye for the duration of their residence permit, up to a maximum of **730 days** (two years) in total; if the residence permit is extended, the period granted to the vehicle is extended accordingly, within the 730-day limit. Foreign nationals who do not have a residence permit may use their vehicle in Türkiye for a total of 90 days within any 180-day period (in one or several stays). Retired persons who receive a foreign pension benefit from certain facilitations (exemption from the 185-day condition on their first entry and extension of the period within the last three months), and residents of the EU, EFTA and the United Kingdom who do not meet the 185-day condition may be granted a one-off period of one month.⁴³

When entering Türkiye with a vehicle, the person must have a valid driving licence, the registration document of the vehicle (in his or her name, or a notarised power of attorney and a rental agreement in the case of leased or company vehicles) and a motor insurance policy valid in Türkiye (which can be purchased at the border if the green card is not valid). The vehicle may be driven by the person in whose name it was brought into Türkiye and by his or her spouse, parents and children, provided that they are also resident abroad (i.e., they fulfil the 185-day condition); nobody else may drive the vehicle except in emergencies.

If the person wishes to leave Türkiye temporarily without the vehicle, he or she must either deliver the vehicle to the nearest customs office or submit an undertaking that the vehicle will not be used by anyone else during the absence, which can be filed electronically through the e-Government portal ("Undertaking and Removal of Undertaking for Departures Abroad") or at the customs office; this procedure must be repeated for each departure, and departure without it is subject to a fine of eight times the basic irregularity fine (TRY 11,952 in 2026). The customs police at the border check whether the vehicle formalities have been completed.

The following constitute breaches of the regime and lead to administrative fines in accordance with the Customs Law:

- » using the vehicle for purposes other than its intended use, or renting, lending, transferring or selling it to another person without permission;

⁴³ Customs General Communiqué on Temporarily Imported Land Vehicles (Serial No. 1), as amended; Ministry of Trade, Passenger Guide for Vehicles with Foreign Licence Plates (July 2026).

- » changing the essential parts (e.g., the engine) of the vehicle registered in the documents without the permission of the customs administration; and
- » failing to take the vehicle abroad or deliver it to a customs office within the period granted.

If the vehicle is not taken out of Türkiye within the period granted, the fines applicable in 2026 are TRY 2,988 if the vehicle leaves within one month after the expiry of the period, TRY 5,976 within two months and TRY 8,964 within three months (two, four and six times the basic irregularity fine of TRY 1,494 under Article 241 of the Customs Law). If the delay exceeds three months, or in the case of unauthorised use, transfer or sale, a fine equal to one-quarter of the customs duties on the vehicle is imposed under Article 238 of the Customs Law and the vehicle is seized by the customs administration and compulsorily exported.

6.3.6.2. Vehicles of Persons Staying in Türkiye for More than Two Years

Persons who wish to use their foreign-plated vehicle in Türkiye for more than two years must take the vehicle abroad and may bring it back only after they have again stayed abroad for at least 185 days within the following 365 days; this also applies if they return with a different vehicle. Even if the residence permit is longer than 730 days or is extended, the vehicle cannot remain in Türkiye for more than 730 days without interruption, and the administrative penalties described above apply if the period is exceeded.

Persons who intend to continue residing in Türkiye after 730 days and wish to keep their vehicle must convert it to a Turkish licence plate by importing it definitively and paying the applicable customs duties, special consumption tax (which varies between 45% and 220% depending on the engine size and value of the car) and VAT; given the level of these taxes, it is often more economical to sell the vehicle abroad and purchase a car in Türkiye. Foreigners who move to Türkiye definitively (transfer of residence) may import their used household goods free of duties under certain conditions, but this relief does not cover vehicles.

6.3.6.3. Driving Licences

Foreigners may drive in Türkiye with a valid foreign driving licence for a maximum of **six months** from the date of entry into Türkiye (Turkish citizens residing abroad for one year); licences issued in languages other than Turkish should be accompanied by a notarised translation or an international driving permit. After six months, foreigners who are resident in Türkiye must exchange their foreign driving licence for a Turkish driving licence in order to continue driving. The exchange is possible for licences issued by countries that are party to the 1968 Vienna Convention or that have a bilateral arrangement with Türkiye; otherwise, the applicant must pass the Turkish driving test. The application is made by appointment at the Civil Registry and Citizenship Directorate (Nüfus Müdürlüğü) with the following documents:

- » the original and a colour photocopy of the foreign driving licence;
- » a notarised (or consular) Turkish translation of the foreign driving licence;
- » the identity document (passport and residence permit card) of the applicant;
- » a driver's health report obtained from a family physician or a licensed health institution;
- » the receipt for the driving licence fee and the valuable paper fee;
- » one biometric photograph;
- » a document or written declaration indicating the blood group;
- » an education certificate (notarised translation of a diploma obtained abroad; at least primary education is required); and
- » a criminal record certificate (checked electronically from the system; no submission is required).

The foreign licence is retained by the Directorate and returned to the issuing authority or to the holder upon leaving Türkiye, and the Turkish licence is delivered by post within a few weeks.

6.3.6.4. Toll Roads (HGS/OGS)

All vehicles using the toll highways, bridges and tunnels in Türkiye (in particular around İstanbul, Ankara and İzmir, including the Bosphorus bridges, the Eurasia Tunnel, the Osmangazi and Çanakkale bridges and the Northern Marmara Motorway) must pay the tolls through the electronic toll collection systems HGS (Fast Pass System, a sticker or card obtained from PTT branches and contracted banks) or OGS (Automatic Pass System).

Vehicles with foreign licence plates can also obtain an HGS sticker from PTT branches, and the account must have sufficient balance to cover the toll before passing through the toll gates. Vehicles that pass through a toll gate without a valid HGS/OGS device or with insufficient balance may pay the toll without penalty within 15 days of the passage by obtaining or topping up an HGS account; after this period, the toll is collected together with a penalty of four times the toll. Tolls for vehicles with foreign licence plates can also be paid through the Interactive Tax Office (ivd.gib.gov.tr) under the “Fast Payment” menu (“Payments for Vehicles with Foreign Licence Plates”).





ABOUT US

Level International is a professional services firm with offices in Istanbul and Amsterdam, providing comprehensive and qualified tax, legal and consultancy services to domestic and multinational companies and to private clients in Türkiye, the Netherlands and across borders.

Our firm offers fast, effective and up-to-date solutions with a result-oriented approach in the context of ever-changing and increasing needs. We closely monitor current tax and legal developments and changing legislation and provide top-quality services tailored to the needs of individual and corporate clients within the framework of professional ethics and social values.

Level International aims to provide added value to its clients with its business discipline and regular follow-up, and aims at sustainable success with the right values, working culture and principles. Considering our team as part of our clients' teams and a strategic solution partner, providing high-quality service with a flexible working approach and the satisfaction of our clients are the most important factors for us.

Level International places importance on specialisation as an innovative firm. One of the points that differentiates us is that we focus on the areas in which we are most experienced: international tax and transfer pricing, Turkish and Dutch corporate tax, tax disputes and advance rulings, VAT refunds, Pillar Two compliance, market entry and corporate structuring, company formation and accounting, payroll and tax compliance outsourcing, relocation and citizenship advisory for individuals, and management consulting. Through our Amsterdam office we support Dutch holding and financing structures of Turkish groups and the Turkish operations of Dutch and European investors.

With our strong international network of independent member firms, we serve as a reliable business partner giving our clients access to experienced professionals all over the world.



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- » Multi-currency consolidations
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