

Circular

Istanbul, 21 August 2017

Circular No: 96

Subject: Certain laboratory investments included in the investment items with higher priority through the Council of Ministers Decision no.2017/10585.

Through the Council of Ministers Decision no.2017/10585 published in the Official Gazette dated 17 August 2017, the sub-clause provided below has been added to the 1st clause in Article 17 of the Decision on State Aid for Investments no.2012/3305:

“Laboratory complex investments containing units as research & reference labs, consumer safety & infectious diseases reference labs, analysis and control labs for drugs and medical equipment, experimental animals production test and research center”.

Through this amendment, laboratory investments stated above have been included into the investment items with higher priority. Pertaining to this, in the circumstance that the above stated investments are handled within the regions 1-5, they will be benefitting the regional supports for the 5th region while the regional supports for the 6th region will be applicable to the investment if it is handled within that region.

The concerning Council of Ministers Decision has been enacted as of its publication date (17 August 2017).

Supports provided to those investments are summed up in brief within the table below:

Support items	Region 1 - 5	Region 6
VAT exemption	Available	Available
Customs duty exemption	Available	Available
Tax deduction	80 %	90 %
Investment contrbtn. rate	40 %	50 %
SSI employer's share support	7 years	10 years
Interest support	5 points for TL denominated loans, 2 points for foreign currency and foreign currency based loans	7 points for TL denominated loans, 2 points for foreign currency and foreign currency based loans
VAT refund	To be applicable until 31/12/2023, concerning the investments with proposed fixed amount of minimum 500 million TL within the context of investment incentive certificates, if the VAT incurred for construction work and not compensated by deductions till the end of calendar year is demanded in the following year	

Our explanations provided above include general information on the issue. No responsibility can be claimed against EY and Kuzey YMM ve Bağımsız Denetim A.Ş. due to the implications arising from the context of this document or emerging with respect to its context.

Best regards;
KUZEY YMM VE BAĞIMSIZ DENETİM A.Ş.