

Circular

25 February 2022

Circular No: 29

Subject: Certain amendments are made on Decree on Government Aids in investments and Communiqué on implementation of this Decree.

According to the Decree (Decree no: 5209) on Making Amendments on Decree No. 2012/3305 on Government Aids in terms of Investments published on Official Gazette dated February 24, 2022 and Communiqué on Implementation of Decree on Government Aids in terms of Investments:

- Certain adjustments have been made in the article of the Decree regulating the customs duty exemption and in Annex 8, which specifies the machinery and equipment that cannot be purchased as used.
- With the additions made to the article 11 regulating the interest support, TRY loans secured by the Credit Guarantee Fund and TRY financial leasing transactions within the scope of the "Manufacturing-Based Import Substitution Support Loan" have also been included in the incremental support in the article and the sanction status has been added to the end of the relevant article.
- It is stipulated that an application notification will be made by the Ministry to the investors which do not apply to the Ministry for a completion visa within 6 months from the end of the investment period in the incentive certificate and the incentive certificate may be canceled if no application is made for a completion visa within 2 months based on this notification.
- It has been stated that investments benefiting from subsidized loan support or other supports within the scope of investment loans by public institutions and organizations can benefit from other support elements other than interest support within the scope of the incentive certificate.
- The extension of the VAT refund application in building-construction expenditures applied for investments in the manufacturing industry until 31.12.2024 is included in the provisional article 8 of the Decree.

- It has been added to the Decree that investments in ferro-chromium production with the US-97 code of 2710.8.02 can benefit from the supports within the scope of regional incentive applications provided in the 4th region.
- It has been added to the Decree that electricity generation facilities based on solar and wind energies can benefit from the supports within the scope of regional incentive applications provided in the 4th region without providing interest and profit share support, provided that it is limited to the contract power in the connection agreement and within the scope of unlicensed activity.
- With the amendment made in the Communiqué, it has been stated that the import of solar panel and solar panel carrier construction systems, blades, generators and turbines from abroad cannot be considered within the scope of the incentive certificate, within the scope of electricity generation investments from solar and wind energy, which brought the opportunity to benefit from regional supports.

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.