

Türkiye Introduces Major Tax Incentive

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On 4 June 2026, Law No. 7582 on Amendments to Certain Laws, adopted on 21 May 2026, introduced a comprehensive legislative package designed to attract multinational companies and high net worth individuals to establish their presence in Türkiye.

Qualified Service Centers

A new category called the Qualified Service Center (Center) has been introduced under the Foreign Direct Investment Law. A company qualifies as a Center if it is established to serve a group of related companies operating in at least three different countries and derives at least 80% of its annual revenue from those related foreign entities.

Centers may provide a broad range of services including financial advisory, strategic management, risk and liquidity management, treasury and funding operations, investment planning, budgeting, financial reporting, audit, digital transformation, HR and training, branding, and R&D coordination. Legal advisory services are also within scope, with the caveat that advice on domestic matters or Turkish law must be obtained exclusively from lawyers or law partnerships licensed to practice under the Turkish Bar Association Law (Law No. 1136).

Corporate Tax Exemption

Centers benefit from a 95% corporate tax reduction on income derived exclusively from their qualifying cross-border activities. For Centers located in designated industrial zones or within the Istanbul Financial Center, this rises to a full 100% exemption.

The exemption applies for 20 consecutive fiscal years from the date the Center commences operations, provided the relevant income is transferred to Turkey by the corporate tax filing deadline.

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Personal Income Tax Exemption for Qualified Personnel

Qualified personnel employed at these Centers benefit from a personal income tax exemption on the portion of their salary up to three times the gross minimum wage. For Centers located in designated industrial zones or the Istanbul Financial Center, this threshold increases to five times the gross minimum wage.

International Trade Incentive

Companies earning income from purchasing goods abroad and selling them without bringing them into Türkiye or acting as an intermediary in international trade transactions are entitled to a 95% corporate tax reduction on such income (100% for Istanbul Financial Center and eligible industrial zone participants), provided the income is transferred to Türkiye by the filing deadline and neither the buyer nor the seller is based in Türkiye.

Tax Exemption for New Residents

Türkiye has introduced a non-domiciled tax regime for individuals relocating to Türkiye. Individuals who have not been resident in Türkiye or subject to Turkish income tax in the three calendar years preceding their relocation are exempt from Turkish income tax on all foreign-source income and gains for a period of 20 years.

The exemption covers all categories of foreign sourced income. No annual tax return is required for exempt income, and even where a return is filed for other reasons, exempt income is excluded. Foreign taxes paid on exempt income cannot be credited against Turkish income tax, and costs related to exempt income cannot be deducted from taxable income.

Individuals who previously held passive income tax obligations in Türkiye such as rental income, investment income, or capital gains from Turkish sources, remain eligible for the exemption provided the other conditions are met.

Conclusion

These measures position Türkiye as a financially attractive base for regional headquarters, international trading companies, and internationally mobile individuals. Qualifying companies face almost no corporate tax burden, their key personnel benefit from personal tax relief, and the 20-year timeframe offers long-term certainty. As for individuals, the new regime offers a strong incentive to relocate to Türkiye while continuing to earn income from abroad.

With this package, Türkiye is sending a clear signal to foreign investors as it is open for business and ready to compete as a regional hub.

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