Law No. 7582 on Amending Certain Laws.

ARTICLE 6- The following supplementary article has been added to the Foreign Direct Investment **Law numbered 4875 and** dated 5 June 2003:

"Qualified service center

ADDITIONAL ARTICLE 1- Qualified Service Center refers to a joint stock company established to provide services to its affiliated companies or group companies actively operating in at least three different countries and to carry out the activities specified in the second paragraph, provided that at least 80% of its annual revenues are derived from such affiliated companies or group companies located abroad.

These centers may provide:

(a) Financial advisory, strategic management consultancy, risk management, cash and liquidity management, funding and borrowing operations, investment and capital structure planning, budgeting, financial reporting and analysis, international accounting and compliance, audit, digital transformation and technology consultancy, investment and data analytics, legal consultancy *(provided that legal consultancy relating to domestic activities or Turkish law shall be obtained only from lawyers or law partnerships authorized to provide such services under the* **Attorneyship Law numbered 1136** *and dated 19 March 1969)*, promotion, brand management, human resources and training services, as well as coordination and management services related to these activities;

(b) Coordination and management services relating to sales, after-sales support, technical support, research and development, outsourcing, testing of newly developed products, laboratory services, and similar activities.

Employees who directly perform the services covered by the second paragraph, excluding support personnel, shall be deemed **Qualified Service Personnel.**

The **Ministry of Industry and Technology** shall be authorized to determine the procedures and principles regarding the implementation of this Additional Article, subject to obtaining the opinions of the **Ministry of Treasury and Finance** and the **Ministry of Trade.**

ARTICLE 7- Sub-clause (i) of the first paragraph of Article 10 of the Corparate Income Tax Law dated 13/6/2006 and numbered 5520 has been amended as follows, and the following sub-clause has been added to the paragraph.

"i) 95% of the earnings derived from the sale abroad of goods purchased from abroad without being brought into Türkiye, or from mediating the purchase and sale of good realized abroad (This rate shall be applied as 100% for the industrial zones established under the Industrial Zones Law dated 9/1/2002 and numbered 4737 that are deemed appropriate by the President based on the foreign investment density of the zone, and for the institutions operating in the Istanbul Financial Center Zone by obtaining a participant certificate pursuant to the provisions of the Istanbul Financial Center Law dated 22/6/2022 and numbered 7412.)

In order to benefit from this reduction, it is mandatory that the relevant earnings shall be transferred to Türkiye by the due date for filing the annual corporate income tax return for the accounting period in which the earnings were derived, and that both seller and the buyer of the goods subject to the mediation activity shall be located outside Türkiye. The President is authorized to reduce down to zero percent or to increase up to 100% the rates stipulated in this sub-clause"

"j) 95% of the earnings derived from abroad exclusively within the scope of their activities as a qualified service center by institutions operating as such centers under the Foreign Direct Investments Law dated 5/6/2003 and numbered 4875"

(This rate shall be applied as 100% for the industrial zones established under Law No. 4875 that are deemed appropriate by the President based on the foreign investment density of the zone, and for the institutions operating as a qualified service center in the Istanbul Financial Center Zone by obtaining a participant certificate pursuant to the provisions of Law No. 7412.)

This reduction shall be applied for twenty accounting periods starting from the accounting period in which the qualified service center commences its operations, provided that the earnings derived shall be transferred to Türkiye by the due date for filing the annual corporate income tax return for the relevant accounting period. The President is authorized to reduce down to 50% or increase up to %100 the rates stipulated in this sub-clause."

ARTICLE 12- The phrase "Financial institutions holding a participant certificate" in the first sentence of the second paragraph of Article 6 of the Istanbul Financial Center Law dated 22/6/2022 and numbered 7412 has been amended as "Participants", and the following sentences has been added to the paragraph.

“The exemption stipulated in sub-clause (20) of the first paragraph of Article 23 of the Income Tax Law dated 31/12/1960 and numbered 193 shall not apply to the personnel of qualified services centers who benefit from this exemption.”

ARTICLE 13- In the first paragraph of **Provisional Article 1 of Law No. 7412**, the year **"2031"** has been replaced with **"2047",** and in the second paragraph, the term **"five"** has been replaced with **"twenty."**