ISTANBUL FINANCIAL CENTER LAW

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Purpose and scope

ARTICLE 1- (1) The purpose of this Law is to increase the financial competitiveness of the Republic of Türkiye in the international arena, to contribute to the development and deepening of financial markets and products and services, to strengthen the integration with international financial and capital markets, and thus to make Istanbul Financial Center one of the leading global financial centers.

(2) This Law regulates the Istanbul Financial Center area, the provisions regarding the management and operation of the Istanbul Financial Center, the activities carried out at the Istanbul Financial Center, and the incentives, discounts, exceptions and exemptions for such activities.

Definitions and abbreviations

ARTICLE 2- (1) In the implementation of this Law;

a) The term financial activities refers to activities, services and transactions specified within the scope of:

1) The Law on the Protection of the Value of Turkish Currency No. 1567 dated 20/2/1930,

2) Private Pension Savings and Investment System Law No. 4632 dated 28/3/2001,

3) Banking Law No. 5411 dated 19/10/2005,

4) Law on Debit Cards and Credit Cards No. 5464 dated 23/2/2006,

5) Insurance Law No. 5684 dated 3/6/2007,

6) Factoring, Financing and Savings and Financing Companies Law No. 6361 dated 21/11/2012,

7) Capital Markets Law No. 6362dated 6/12/2012,

8) Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions, No. 6493 dated 20/6/2013,

b) Financial institutions: refers to legal entities engaged in financial activities, and their branches, liaison offices, representative offices, and national wealth funds,

c) IFC : The Istanbul Financial Center Region, which is determined by the layout with coordinates and the list in annex (1),

ç) Out-of-scope area: The area within the boundaries of IFC, outside the office area that consists of places designated for purposes other than office use such as shopping mall, hotel and similar places,

d) Participant: Real and legal persons, their branches and representative offices, ordinary partnerships, liaison offices, regional management centers and national wealth funds which are to operate in the office area by obtaining a participant certificate,

e) Participant certificate: Refers to the document that allows a participant to benefit from the relevant independent unit and common areas in the office area; the procedures and principles regarding the issuance, suspension and cancellation of which document are set forth in the implementing regulation,

f) Office area: refers to the area that can be used within the boundaries of IFC, by obtaining a participant certificate, and consists of independent units dedicated to office use,

g) Managing company: refers to the joint stock company established by the Turkish Wealth Fund pursuant to private law, to exercise the duties and authorities given under this Law.

Area and participant certificate

ARTICLE 3- (1) The area shown on the layout with coordinates and the list in appendix (1) is hereby designated as the IFC area, where the activities within the scope of this Law and other relevant laws are to be carried out.

(2) Articles 6, 7 and 8 shall not be implemented for the out-of-scope area.

(3) A certificate of participation is to be given to participants by the managing company in order to operate in the office area.

(4) The procedures and principles in regard to the participant certificate, including the issues regarding the issuance of the participant certificate, the conditions for the exemption of the participant certificate, the suspension and annullment of the participant certificate, are regulated in the implementing regulation.

One-stop-shop

ARTICLE 4- (1) A one-stop-shop has been established, where the relevant units of public institutions and organizations shall be commissioned, for processing the applications for permits, certification, licenses and similar approvals regarding the activities of the participants, as well as permits and approvals for their employees and their dependents, and for acceleration of such application processes.

(2) Representatives of the Ministry of Labor and Social Security, the Ministry of Environment, Urbanization and Climate Change, the Ministry of Treasury and Finance, the Ministry of Interior, the Ministry of Commerce and, if deemed necessary by these ministries, their affiliated, associated, related institutions, or representatives of public institutions and organizations under the control of the foregoing ministries and relevant district municipality representatives shall operate at the one-stop-shop.

(3) Without prejudice to the provisions of the relevant legislation, the one-stop-shop shall be administered and managed by the Presidency Investment and Finance Office, in order to monitor the works and processes to be carried out in IFC from a single source and to ensure the coordination between the public institutions and organizations at the one-stop-shop. Where

necessary, other ministries, public institutions and organizations may also be commissioned at the one-stop-shop. The procedures and principles regarding the operation of the one-stop-shop shall be regulated under the implementing regulation.

Financial service export

ARTICLE 5- (1) Financial services provided by institutions conducting financial operations to persons residing abroad by obtaining a participant certificate shall be considered as financial service exports, provided that the service is ultimately utilized abroad.

(2) Derivative trades carried out by financial institutions on their own behalf and account, asset purchases on their portfolios or asset sales from their portfolios, and activities, services and transactions of residents that take their savings abroad shall not be considered as financial service exports.

Exceptions and discounts on taxes and other financial liabilities

ARTICLE 6- (1) For the activities, transactions and transactions relating to the activities that are realized at IFC by financial institutions that have been granted participation certificates, which qualify as financial service export;

a) 75% of the earnings obtained within the scope of the activities shall be deducted from the corporate income in the determination of the corporate tax base, provided that it is separately shown on the corporate tax return.

b) Transactions and money received in favor of these transactions shall be exempt from banking and insurance transactions tax.

c) Transactions related to activities shall be exempt from all kinds of fees, and the papers issued regarding these transactions shall be exempt from stamp duty.

(2) 60% of the real net value of the monthly wage paid to the personnel employed by the participants that have obtained the participation certificate at IFC shall be exempt from income tax for persons with at least five years of professional experience abroad; and the exemption shall be 80% for persons with at least ten years of professional experience abroad. The exception stated in this paragraph shall be implemented to the wage income of the personnel who have not worked in Türkiye in the last three years before starting to work at IFC. **(Additional sentence: Added by Article 12 of Law No. 7582, dated 21/5/2026.)** The exemption set forth in subparagraph (20) of the first paragraph of Article 23 of the Income Tax Law No. 193, dated 31/12/1960, shall not apply to the personnel of qualified service centres who benefit from this exemption.

(3) Transactions regarding the leasing of the real estate in IFC shall be exempt from all kinds of charges, and documents issued regarding such transactions shall be exempt from stamp duty.

(4) The provisions of this article shall also be implemented to the regional treasury and financial management centers of the participants who is operating actively in at least three countries.

Joint provisions

ARTICLE 7- (1) The Ministry of Treasury and Finance is authorized to regulate the keeping of accounts and issuance of documents in foreign currency by the participants that is mandatory without being subject to the provisions of the Tax Procedure Law No. 213 of 4/1/1961 and the Turkish Commercial Code No. 6102 of 13/1/2011.

(2) Articles 1 and 3 of the Law on Compulsory Use of Turkish in Economic Establishments dated 10/4/1926 number 805 shall not be implemented to any kind of transaction, contract and communication arranged within the scope of the activities carried out by the participants among themselves and at IFC.

(3) Within the scope of the activities carried out by the participants among themselves at IFC, the choice of law can be made freely in all kinds of transactions and contracts made under private law, provided that such activities are not contrary to the legislation they are subject to.

(4) The provisions of this article shall also be implemented to the regional treasury and financial management centers of the participants who is operating actively in at least three countries.

Employment of foreign personnel

ARTICLE 8- (1) The regional treasury and financial management centers of the participants who is operating actively in at least three countries and participiants who are to operate at IFC, can employ foreign national personnel upon permission from the Ministry of Labor and Social Security pursuant to the International Labor Law No. 6735 dated 28/7/2016. Work permit applications to be made in this context shall be evaluated as exception within the context of Article 16 of the Law No. 6735.

Provisions on real estate

ARTICLE 9- (1) The real estate in IFC can only be used for the purposes determined in its project and management plan. The Ministry of Environment, Urbanization and Climate Change isauthorized to issue, procure and approve all types and scales of spatial plans, parcellation plans, plot and land arrangements, geological and geotechnical surveys, micro-zoning, maps and urban design projects in the IFC.

(2) The IFC management plan and operation project shall be prepared by the managing company and registered ex officio.

(3) Upon annulment of a participant certificate for any reason, the lease contract executed by the participants to operate in IFC shall be terminated automatically. If the lease contract is annotated on the title deed, the annotation shall be annulled upon the request of the managing company. The provisions of the Law No. 3091 dated 4/12/1984 on the Prevention of Encroachments on the Possession of Immovable Property shall be implemented for the evacuation of the real estate subject to the lease contracts so terminated.

Regulation

ARTICLE 10- (1) The procedures and principles regarding the implementation of this Law and other matters shall be regulated in the implementing regulation issued by the President.

Additional exemption for corporate tax and fees

PROVISIONAL ARTICLE 1- (1) The 75% rate in subparagraph (a) of the first paragraph of Article 6 shall be implemented as 100% for the corporate earnings of the corporations for the taxation periods of 2022 to 2047, including the accounting periods commencing within the relevant years for institutions designated as special accounting periods.

(2) For a period of twenty years following the effective date of this Law, the financial activity fees, due under the Fees Law No. 492 dated 2/7/1964, shall not be charged to headquarters and branches of financial institutions in IFC, which have obtained a participant certificate. Any fees accrued as of the effective date of the law shall be not abated, and any fees already collected shall not be refunded.

Transitional provision on the management of the Istanbul Financial Center Region

PROVISIONAL ARTICLE 2- (1) At IFC, the management company shall, for twenty years, operate and manage the whole infrastructure and superstructure, and lease the independent units, and operate and manage the roads, squares, green areas, parks and likewise places except for the state-owned areas allocated to the relevant institutions in line with the functions determined in the zoning plan.

(2) Within the scope of the Property Ownership Law dated 23/6/1965 number 634, the aouthority vested to the condominium owners' assembly, the block representatives' assembly, and to the collective building representatives' assembly shall, for the immovables at IFC, be exercised by the managing company for twenty years.

Entry into Force

ARTICLE 11- (1) This Law shall enter into force on the date of publication.

Execution

ARTICLE 12- (1) The provisions of this Law shall be executed by the President.

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