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Amendment to the Decision on State Aids for Investments:

'DIGITAL TRANSFORMATION' and 'GREEN TRANSFORMATION'
Support Programs Included within the Scope of Priority Investment Subjects

With Decision No. 7108, published in the Official Gazette dated 20 April 2023 and numbered 32169 and having entered into force, amendments were made to the Decision on State Aids for Investments No. 2012/3305. Accordingly, investments to be carried out within the scope of the 'Digital Transformation Support Program' and the 'Green Transformation Support Program', as well as investments aimed at the production of certain R&D products/parts, have been added to the scope of priority investment subjects.

Details regarding the amendments made within the scope of Decision No. 7108 are provided below.

ARTICLE 1

Two definitions have been added to the first paragraph of Article 2 (Definitions) of the Decision on State Aids for Investments, which entered into force on 15 June 2012 with the Council of Ministers Decision No. 2012/3305:

"(o) Digital Transformation Support Program: the support program to be implemented by the General Directorate of National Technology under the implementation procedures and principles to be determined by the Ministry, aimed at supporting investments that seek to achieve outcomes such as cost reduction, increased efficiency and quality, and improved employee and customer satisfaction through the integration of technological products and solutions into business processes,

(ö) Green Transformation Support Program: the support program to be implemented by the General Directorate of Strategic Research and Productivity under the implementation procedures and principles to be determined by the Ministry, aimed at supporting investments that are compatible with the circular economy approach, protect natural resources, contribute to climate and sustainability targets, and target resource-efficient and low-carbon production,"

With this article, the framework defining which investments are covered by the Digital Transformation Support Program and the Green Transformation Support Program has been established, and it is stated that the implementation procedures and principles to be determined by the Ministry of Industry and Technology will be carried out respectively by the General Directorate of National Technology and the General Directorate of Strategic Research and Productivity.

ARTICLE 2

The following sentence has been added to the third paragraph of Article 5 (Fixed Investment Amount and Minimum Capacity) of the Decision:

"This provision shall not apply to investments within the scope of the Digital Transformation Support Program and the Green Transformation Support Program."

Within this scope, it is stated that the limitation ratio introduced for Intangible Fixed Assets (brand, licence, know-how, etc.) shall not apply to these two support programs.

ARTICLE 3

Subparagraph (g) of Article 11/1 titled "Interest or Profit Share Support" and the second sentence of Article 11/3 of the same Decision have been repealed. Accordingly, the provision allowing investments supported within this scope to benefit from "interest and profit share" support has been abolished.

ARTICLE 4

Subparagraph (h) of Article 17/1 titled "Priority Investment Subjects" of the same Decision has been expanded and amended as follows, and subparagraphs (ee) and (ff) have been added to Article 17/1:

"h) Investments aimed at the production of products or parts that are developed as a result of R&D projects supported by TÜBİTAK and KOSGEB, or developed as a result of R&D projects carried out in R&D centres within the scope of Law No. 5746 on the Support of Research, Development and Design Activities, and documented by the monitoring report prepared by the observer appointed by the Ministry or, where applicable, by the decision of the relevant Evaluation and Audit Commission."

"ee) Investments within the scope of the Digital Transformation Support Program.

ff) Investments within the scope of the Green Transformation Support Program."

With this article, the investments listed above have been added to the priority investment subjects and may be supported with 5th Region Supports within the scope of the Decision on State Aids for Investments No. 2012/3305. However, investments located in the 6th Region may benefit from the regional supports applicable to their location.

ARTICLE 5

The following additional subparagraph has been added to Footnote No. 9 of Annex-2B titled "SECTOR NUMBERS OF PROVINCES THAT MAY BENEFIT FROM REGIONAL SUPPORTS" of the same Decision:

"i) US-97 Code: O12.0.10 – Controlled vertical farming/greenhouse investments within the scope of urban agriculture, where photosynthesis is provided entirely by artificial light and the total area of the layers in which production is carried out is at least 1,000 m²."

Within this scope, the specified investments may benefit from the supports applicable in the regions in which they are located.

ARTICLE 6

Subparagraphs 4 and 5 of Section I/A of Annex-4 titled “INVESTMENT SUBJECTS THAT WILL NOT BE INCENTIVISED OR WHOSE INCENTIVISATION IS SUBJECT TO CERTAIN CONDITIONS” of the same Decision have been amended, and the NEW REGULATION is as follows:

ANNEX-4
INVESTMENT SUBJECTS THAT WILL NOT BE INCENTIVISED OR WHOSE INCENTIVISATION IS SUBJECT TO CERTAIN CONDITIONS

I – INVESTMENTS THAT WILL NOT BE INCENTIVISED
A. AGRICULTURE AND AGRICULTURAL INDUSTRY

4 – (Amended: OG-20/4/2023-32169) Greenhouse investments under 5 decares and controlled vertical farming/greenhouse investments within the scope of urban agriculture where photosynthesis is provided entirely by artificial light and the total area of the layers in which production is carried out is under 1,000 m².

5 – (Amended: OG-29/6/2021-31526) (Amended: OG-20/4/2023-32169) Crop production (excluding greenhouse investments of 5 decares and above, controlled vertical farming/greenhouse investments within the scope of urban agriculture where photosynthesis is provided entirely by artificial light and the total area of the layers in which production is carried out is 1,000 m² and above, cultivation of cultivated mushrooms, forage crop cultivation within integrated livestock investments, and plantation investments of at least one hundred hectares aimed at pulp production within the framework of the relevant legislation determined by the Ministry of Agriculture and Forestry).

ARTICLE 7

This Decision shall enter into force on the date of its publication.

ARTICLE 8

The provisions of this Decision shall be executed by the Minister of Industry and Technology.