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PERKS OF BEING IN A TURKISH TECHNOPARK

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All information in this guide is up to date as of 21.06.2022.

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COMPANY OVERVIEW

Sanap & Co. is a boutique law firm based in Istanbul providing legal services to a wide range of foreign and domestic companies and individuals.

Sanap & Co., in order to provide its clients with premium services, houses a number of top skilled experts both from the practice and the academy who can provide services in Turkish, English, German, French and Russian.

Sanap & Co. also owns **Legaling**, the first and only legal terminology database of Turkey created by a team of 20 legal experts and engineers headquartered in **Technopark Istanbul**, with key customers from among the top-ranking universities and other leading law firms in Turkey. Thanks to the presence of Legaling, Şanap & Co. can conveniently incorporate a business mindset and legal mindset and provide its clients with 360-degree solutions.

Please visit our website for detailed information about our team.

PRACTICE AREAS

- Corporate Law
- Startup Law
- Tax Law
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- Labour Law
- Migration Law
- Foreign Direct Investments
- Real Estate
- Sports Law
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- Dispute Resolution
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LEGAL AND PRACTICAL PERKS OF BEING IN A TURKISH TECHNOPARK

Turkey is a country highly preferred by startup companies and tech companies from all over the region. In the first quarter of 2022 only, startups in Turkey received around 1,25 billion dollars of investment. With this achievement, Turkey joined the same league as England, France, and Germany on a quarterly basis.

Startups, R&D companies, and tech companies may enjoy a lot of advantages and government incentives in Turkey.

As a company, you can apply for one of the approximately 90 technoparks scattered all around Turkey some of which are still in development.

Technoparks, being special zones established in cooperation with or by Turkish universities provide a lot of practical, legal and taxative benefits to their residents.

In order to be a resident of a Turkish technopark, the applicant (regardless of whether it is a company or a natural person), should propose a commercializable R&D or design project with a time plan and a budget. Once admitted, the applicant can fully benefit from all the benefits of being in a technopark.

TAX-RELATED BENEFITS

Companies in technoparks benefit from a range of tax exemptions or reliefs based on various factors.

Although some of these benefits have an expiration limit (e.g. 31/12/2028), these time limits are highly likely to be extended.

Corporate Tax Exemption

Companies found in technoparks are exempt from the corporate tax of 23% on their earnings accrued from their software, design, R&D related operations in the region for five years which can be ten years for certain technological fields.

VAT Exemption on Service and Product Deliveries

Deliveries and services of softwares within the scope of system management, data management, business applications, sectoral, internet, mobile, military applications etc. produced in technoparks are exempt from value added tax of 18% if not mass produced. Games even if mass produced will still be exempt from the VAT.

Income Tax Exemption for Employees

The incomes of R&D, design and support personnel working in a technopark are exempt from income tax, stamp duty and any other tax.

In order for the support personnel to benefit from this exemption, their percentage should not exceed 10% the number of R&D and design personnel.

Likewise, enough office space should be rented to benefit from these perks.

Social Security Premiums Exemption for Employees

The social security premiums of the employees working in a technopark are partially covered by the government.

In order to benefit from the income tax exemption and social security premiums exemption, the employees should physically spend at least 90 hours per month in a technopark.

PRACTICAL BENEFITS

All technoparks in addition to their tax-related benefits, provide a range of practical benefits as well. Although the scope and quality of these benefits may differ from one technopark to another, below are some of the most common benefits the technoparks offer.

- Office rooms for free or with affordable rents
- Laboratories
- Free mentorship in a wide range of fields
- Free inhouse experts in a wide range of fields
- Free trainings
- Networking events and meetings
- Get-togethers with investors
- Capacity to bring the resident companies with potential customers or partners

MAIN OBLIGATIONS OF THE TECHNO PARK COMPANIES

While technoparks provide a series of advantages for the companies, the companies are also expected to fulfill certain duties.

One of the major obligations are to fill up certain online monthly reports in relation to the progression of their R&D activities, their spendings and incomes. Depending on the size of the activities of the company or the number of R&D projects the company runs, filling up these forms can take between 10 mins to a couple of hours monthly. These duties can be delegated to an accountant/ financial advisor who is informed on the technopark legislation. As Sanap & Co., we would be happy to refer you to trusted accountants/ financial advisors who are knowledgeable about these procedures.

Although not necessary by law, certain technoparks can request stock option up to a certain ratio from early age startups and particularly from those who will benefit from their incubation centers.

Another major obligation for companies in technoparks whose exempted income exceed ₺1,000,000 annually is to invest 2% of this income into a venture capital fund established in Turkey or into a startup established in one of the Turkish incubation centers. The amount that must be invested within the scope of this obligation is limited to a maximum amount of ₺20,000,000.

APPLICATION PROCEDURE

Applications to technoparks are made online, although following admission, certain documents may be signed and submitted physically. Certain technoparks may also request an application fee.

In order for admission to a technopark, an R&D or design project should be planned and submitted. Following the submission of the online application, a jury consisting of academics review the application along with the pitch deck. Certain technoparks may as well request the presentation of the pitch deck in a physical or virtual environment.

A high majority of the technoparks across Turkey accept applications only in Turkish. Therefore, it is advised to seek counsel from an expert before making an application to a technopark.

As Sanap & Co., being the owner of our own technopark company, we can help your company's incorporation in a Turkish technopark or relocate your company to a Turkish technopark from end to end using our wide network, first-hand experience and expertise.



TECHNOPARKS IN TURKEY

| NAME | CITY | OPERAT. ST. |
|---|-------------------|-------------|
| <u>METU Technocity Tech. Dev. Cent.</u> | <u>Ankara</u> | Operational |
| <u>Marmara Technocity</u> | <u>Kocaeli</u> | Operational |
| <u>Technopark Izmir</u> | <u>Izmir</u> | Operational |
| <u>GOSB Technopark</u> | <u>Kocaeli</u> | Operational |
| <u>Bilkent Cyberpark</u> | <u>Ankara</u> | Operational |
| <u>Hacettepe Technopark</u> | <u>Ankara</u> | Operational |
| <u>ITU Ari Technocity</u> | <u>Istanbul</u> | Operational |
| <u>Anadolu Technology Research Park</u> | <u>Eskisehir</u> | Operational |
| <u>Technocity Konya</u> | <u>Konya</u> | Operational |
| <u>Kocaeli Uni. Technopark</u> | <u>Kocaeli</u> | Operational |
| <u>Yildiz Technopark</u> | <u>Istanbul</u> | Operational |
| <u>Entertech Istanbul Technocity</u> | <u>Istanbul</u> | Operational |
| <u>Antalya Technocity</u> | <u>Antalya</u> | Operational |
| <u>Erciyes Technopark</u> | <u>Kayseri</u> | Operational |
| <u>Trabzon Technocity</u> | <u>Trabzon</u> | Operational |
| <u>Cukurova Technocity</u> | <u>Adana</u> | Operational |
| <u>Technoscope Mersin Technopark</u> | <u>Mersin</u> | Operational |
| <u>Lakes Region Technocity</u> | <u>Isparta</u> | Operational |
| <u>Ulutek Technopark</u> | <u>Bursa</u> | Operational |
| <u>Ata Technocity</u> | <u>Erzurum</u> | Operational |
| <u>Technopark Gaziantep</u> | <u>Gaziantep</u> | Operational |
| <u>Ankara Technocity</u> | <u>Ankara</u> | Operational |
| <u>Gazi Technopark</u> | <u>Ankara</u> | Operational |
| <u>Firat Technocity</u> | <u>Elazig</u> | Operational |
| <u>Pamukkale Technocity</u> | <u>Denizli</u> | Operational |
| <u>Cumhuriyet Technocity</u> | <u>Sivas</u> | Operational |
| <u>Dicle Technocity</u> | <u>Diyarbakir</u> | Operational |
| <u>Trakya Technopark</u> | <u>Edirne</u> | Operational |
| <u>Sakarya Technocity</u> | <u>Sakarya</u> | Operational |
| <u>Tokat Technopark</u> | <u>Tokat</u> | Operational |
| <u>ASO Technopark</u> | <u>Ankara</u> | Operational |
| <u>Bolu Technocity</u> | <u>Bolu</u> | Operational |
| <u>Malatya Technocity</u> | <u>Malatya</u> | Operational |
| <u>Dumlupinar Design Technocity</u> | <u>Kutahya</u> | Operational |
| <u>Technopark Istanbul</u> | <u>Istanbul</u> | Operational |
| <u>Samsun Technopark</u> | <u>Samsun</u> | Operational |
| <u>Duzce Technopark</u> | <u>Duzce</u> | Operational |
| <u>Sanliurfa Technocity</u> | <u>Sanliurfa</u> | Operational |
| <u>Technocity Maras</u> | <u>Maras</u> | Operational |
| <u>Namik Kemal Uni. Technopark</u> | <u>Tekirdag</u> | Operational |
| <u>Canakkale Technopark</u> | <u>Canakkale</u> | Operational |
| <u>IT Valley</u> | <u>Kocaeli</u> | Operational |
| <u>Izmir Sciencepark</u> | <u>Izmir</u> | Operational |
| <u>Van Technocity</u> | <u>Van</u> | Operational |

TECHNOPARKS IN TURKEY

| NAME | CITY | OPERAT. ST. |
|--|-----------------------------------|-----------------|
| <u>Corum Technocity</u> | <u>Corum</u> | Operational |
| <u>Manisa Technocity</u> | <u>Manisa</u> | Operational |
| <u>Depark</u> | <u>Izmir</u> | Operational |
| <u>Bozok Technopark</u> | <u>Yozgat</u> | Operational |
| <u>Kirikkale Technopark</u> | <u>Kirikkale</u> | Operational |
| <u>Nigde Technopark</u> | <u>Nigde</u> | Operational |
| <u>MAKU-BAKA Technocity</u> | <u>Burdur</u> | Operational |
| <u>Finance Technopark</u> | <u>Istanbul</u> | In Construction |
| <u>Marmara Uni. Technopark</u> | <u>Istanbul</u> | Operational |
| <u>Ege Technopark</u> | <u>Izmir</u> | Operational |
| <u>Technopark Ankara</u> | <u>Ankara</u> | Operational |
| <u>Ostim Technopark</u> | <u>Ankara</u> | Operational |
| <u>Technopark Hatay</u> | <u>Hatay</u> | Operational |
| <u>Technocity Balikesir</u> | <u>Balikesir</u> | Operational |
| <u>Karaman Technopark</u> | <u>Karaman</u> | In Construction |
| <u>Mugla Technopark</u> | <u>Mugla</u> | Operational |
| <u>Innopark</u> | <u>Konya</u> | Operational |
| <u>Zafer Technopark</u> | <u>Afyon-Usak</u> | Operational |
| <u>ADU Technocity</u> | <u>Aydin</u> | Operational |
| <u>Gaziantep OSB Technocity</u> | <u>Gaziantep</u> | Operational |
| <u>Zonguldak Technopark</u> | <u>Zonguldak</u> | Operational |
| <u>Technocity Batman</u> | <u>Batman</u> | In Construction |
| <u>Osmaniye Technopark</u> | <u>Osmaniye</u> | In Construction |
| <u>Karabuk Technopark</u> | <u>Karabuk</u> | Operational |
| <u>Cappadocia Technopark</u> | <u>Nevsehir</u> | Operational |
| <u>GTU Technopark</u> | <u>Kocaeli</u> | Operational |
| <u>Technopol Istanbul</u> | <u>Istanbul</u> | Operational |
| <u>BUDOTEK Technopark</u> | <u>Istanbul</u> | Operational |
| <u>Antalya OSB Technopark</u> | <u>Antalya</u> | In Construction |
| <u>Zaim Technopark</u> | <u>Istanbul</u> | In Construction |
| <u>IMU Technopark</u> | <u>Istanbul</u> | Operational |
| <u>Mersin Agropark</u> | <u>Mersin</u> | In Construction |
| <u>Kirklareli Technocity</u> | <u>Kirklareli</u> | In Construction |
| <u>Teknohab</u> | <u>Ankara</u> | In Construction |
| <u>Cankiri Technocity</u> | <u>Cankiri</u> | In Construction |
| <u>Kastamonu Technocity</u> | <u>Kastamonu</u> | In Construction |
| <u>Technopark ISTE</u> | <u>Hatay</u> | In Construction |
| <u>Giresun Technopark</u> | <u>Giresun</u> | In Construction |
| <u>Digitalpark</u> | <u>Istanbul</u> | In Construction |
| <u>ASBU Sociocity</u> | <u>Ankara</u> | In Construction |
| <u>BAU Technology Development Center</u> | <u>Istanbul</u> | In Construction |
| <u>Bursa Technopark</u> | <u>Bursa</u> | In Construction |

CONTACT US



SANAP & CO.

As Sanap & Co., we provide you with a reliable business partner in Turkey. As a boutique law firm, we do not only provide you with our extensive legal knowledge, but also our market know-how and wide network. With our background rooted in legal practice, academy, and commerce, we make sure to provide you with a 360-degrees perspective.

Please feel free to reach out to us in any legal matter. Even in areas falling outside our areas of expertise, we would be happy to direct you to other reliable business partners for no cost.

You may always reach us at the below email address. We ideally respond to all service requests within 24 hours.

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