

Extension of the Completion Period for Investments benefitting from Investment Incentives

18 May 2020

Background

The disruption caused by COVID-19 and related measures has impacted holders of investment incentive certificates (**IIC**) as it has obstructed the performance of their obligations in a timely manner. In an attempt to remedy the situation, the Presidential Decree No. 2501 (the **Decree**) was issued on 8 May 2020, which introduced a temporary provision to the Decree on State Aids for Investments No. 2012/3305 dated 15 June 2012. The Decree aims to alleviate the negative impact of COVID-19 on certain obligations of IIC holders.

Remedies under the Decree

According to the Decree, investments implemented under an IIC can benefit from an extension of time of up to one year for completing their incomplete or delayed investments, provided that they meet certain eligibility criteria. The eligibility criteria that must be satisfied by investors in IICs (**Eligible Investors**) are as follows:

- (a) the failure to complete the investment must have been attributable to a natural or biological disaster such as an earthquake (*deprem*) or a pandemic (*salgın*); and
- (b) the IIC for the relevant investment should have been issued before 11 March 2020 and should not have expired as of 8 May 2020.

However, it is important to note that the satisfaction of the above-mentioned criteria would not de facto entitle the IIC holders to benefit from an extension of time. It is recommended that investors who foresee delays in the completion of their investments and who, therefore, wish to benefit from an extension of time should make individual requests to the Ministry of Industry and Technology, which is the relevant line ministry for the issuance of IICs.

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