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## New Presidential Decree on Export Subsidies

The Presidential Decree on Export Subsidies (“Decree” No. 5973), which entered into force upon its publication in the Official Gazette on August 18, 2022, aims to ensure a sustainable increase in exports. The existing export support mechanisms provided by the Ministry of Trade (“Ministry”) for companies were updated with additional incentives and were unified under the Decree.

Accordingly, all incentive rates have been adjusted to 50% or 75% and their upper limits were set in Turkish Lira. Promotional expenditures to increase export growth and brand awareness are supported. In this regard, consultancy and report expenses related to the preparation process of a market entry project, and financing and pricing strategies for foreign markets are supported up to TRY 2,000,000. Furthermore, expenses incurred for promoting and marketing domestically produced and exported products abroad are supported up to TRY 2,500,000. Pursuant to the Decree, export expenses such as foreign trademark registration, renewal, and protection expenses as well as rental and franchise expenses of companies owning retail store chains will also be in the scope of the subsidies provided.

The above-mentioned export subsidies will be provided by the Support and Price Stabilization Fund. The Decree authorizes the Ministry to determine all procedures and principles regarding the implementation and also allows to grant additional support rates in cases of force majeure or according to performance evaluation and target market strategies.

The Decree aims to regulate export subsidies to strengthen the institutional capacities of companies to prepare them for export and to give them a competitive advantage in international markets. In particular, the export subsidies shall encourage companies to build brand awareness in international markets to be able to become a permanent player in the markets they enter.

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