

THE UNDERSECRETARIAT OF TREASURY

BUSINESS ANGEL SUPPORT PROGRAM IN TURKEY

TURKISH TREASURY
October 16, 2012





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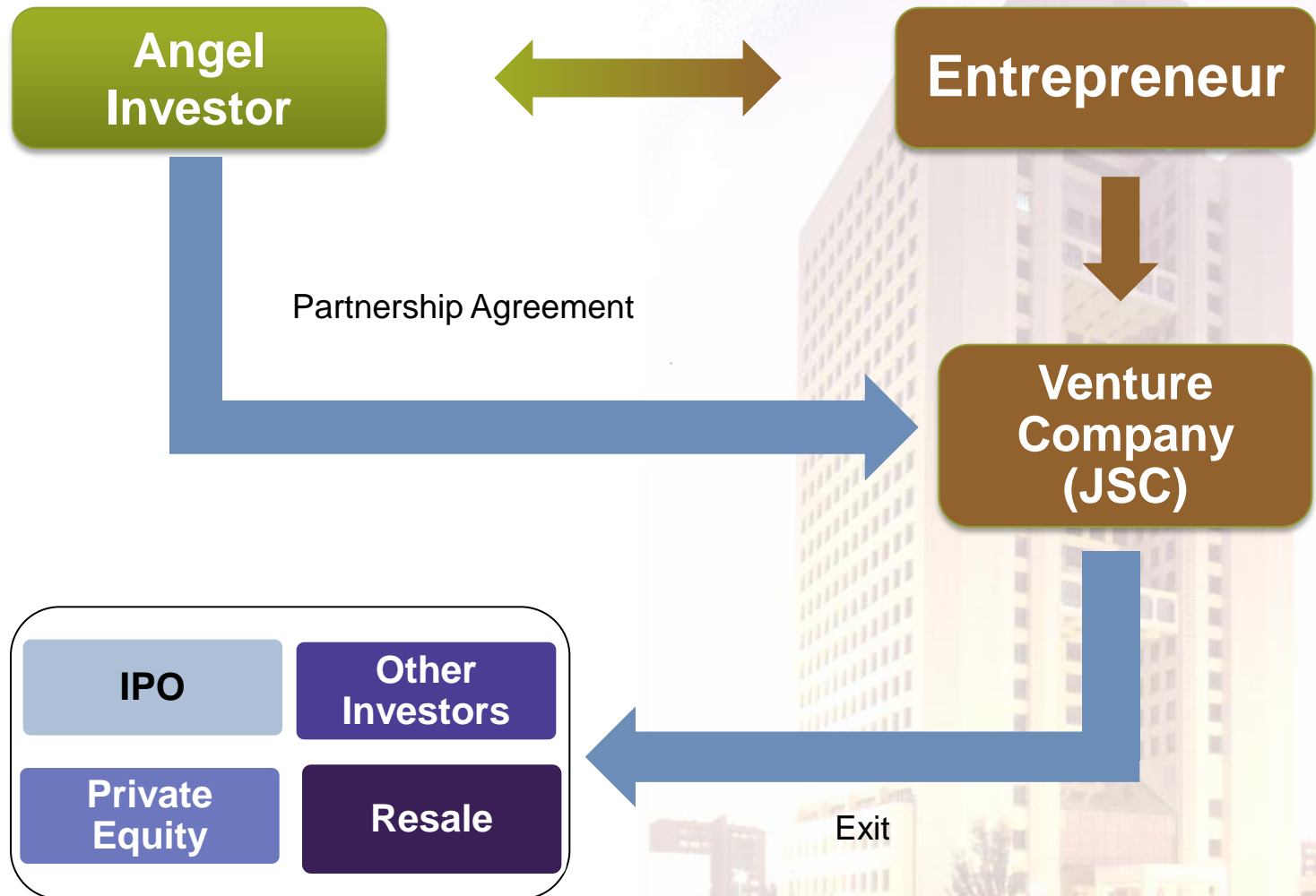
The Law on Angel Investments (Business Angel Investment Scheme)



- New Law defines business angels as individuals who invest their personal wealth and experience into the dynamic companies at their early or development stage.
- The Law aims to;
 - introduce a new instrument for those companies at their early development stages and having funding difficulties,
 - increase professionalism and improve business culture and ethics among angel investors,
 - make angel capital an institutionalized and trustworthy source of finance,
 - make angel investments attractive through state supports.



Angel Investments and Exit Phase



Eligibility Criterias SME's for Angel Capital



Criteria for SME's:

- No more than 5.000.000 TL annual turnover,
- Maximum 50 employees,
- Not under control of another company,
- Not an affiliated company,
- Not a listed company in the stock exchange,

Last but not the least;

- Operate in certain sectors defined by the Treasury,



Tax Incentives for Business Angels



- New law allows 75% deduction from the annual tax base for the capital invested by angel investors who receive license from Turkish Treasury, which will be in force until 2017. The maximum annual deductible amount is 1 million ₺
- Deduction ratio will be applied as 100% for those angel investors investing into the companies whose projects are supported by Ministry of Science, Industry and Technology and The Scientific and Technological Research Council of Turkey and Small and Medium Enterprises Development Organization in the last 5 years.
- In order to get a deduction from their taxable income, investors have to meet the following conditions;
 - The requirements of the Angel Investment law and regulations,
 - Acquired stocks to be held at least 2 years,
- Capital gains as a result of sale of shares are exempted from income tax.



Licensing and Eligibility for Tax Deduction



Application for
Tax Deduction

**TURKISH
TREASURY**

Notification for Eligibility to
the Ministry of Finance

**MINISTRY
OF FINANCE**

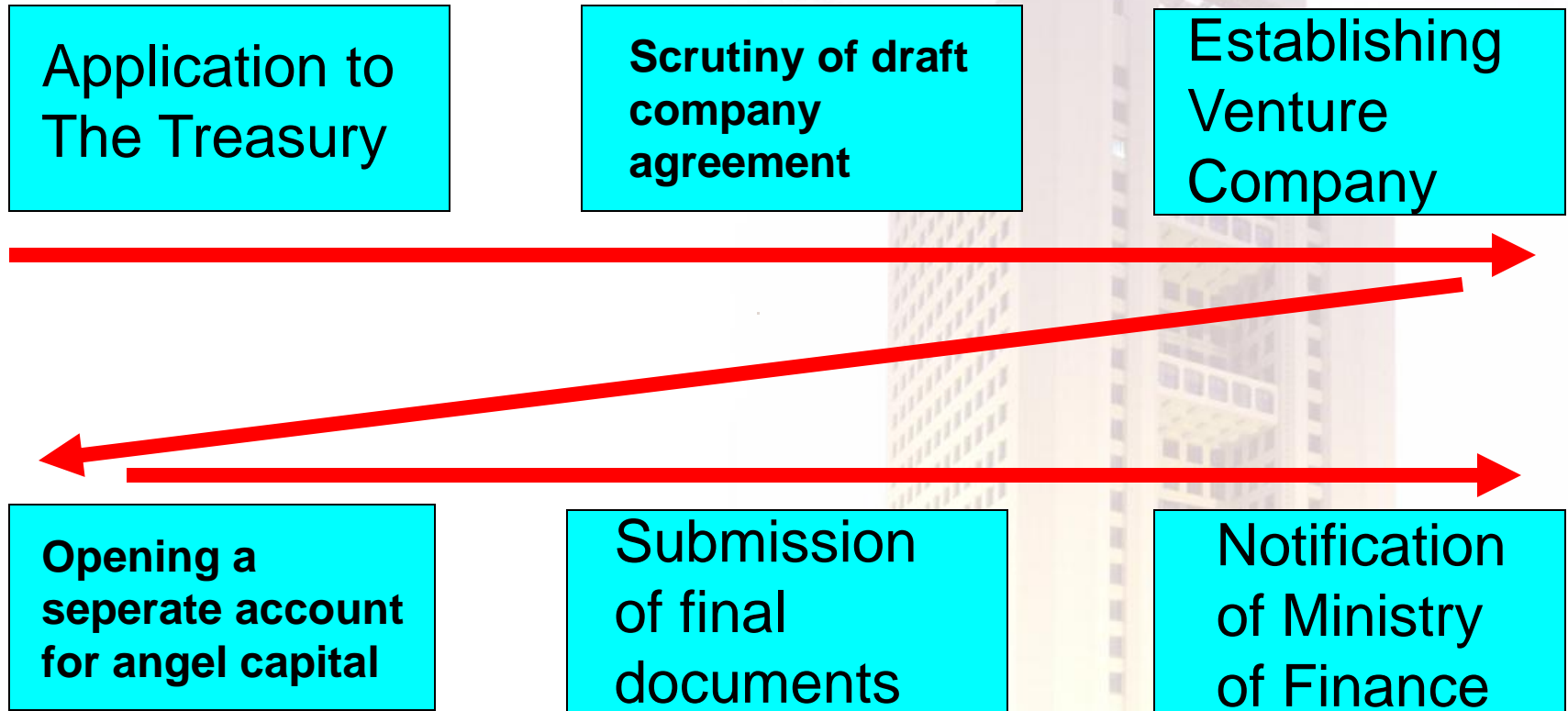
Monitoring
by Treasury
and Periodic
reporting by
BA's

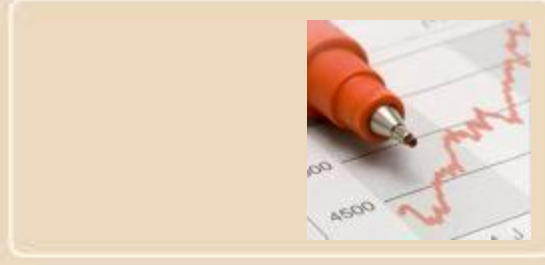
**Licensed Angel
Investor**

Granting Tax
Deduction



Tax Deduction Process





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Thank you.

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