



Data Center Investments in Türkiye: Incentive Mechanisms

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The digital transformation has increased dependence on digital data across all sectors, thereby increasing the need for data centers. In parallel, interest in data center investments in Türkiye continues to rise. In this article, we review the incentives available for data center investments in Türkiye.

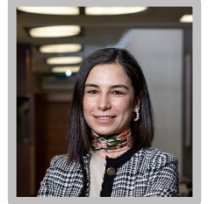
Overview

Data centers are infrastructure facilities designed to securely store, process, and manage large amounts of data, supported by physical servers, uninterruptible power supplies, cooling systems, and network components. Although previously viewed only as part of information technology systems, data centers are now considered indispensable and strategic investments for companies to conduct their commercial activities.

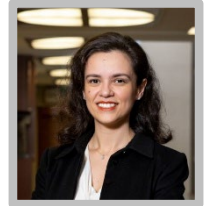
Globally, the increasing economic value of data is driving up demand for data centers. In this context, investments in data centers are on the rise, particularly among artificial intelligence and technology companies. By 2030, global data center investments are projected to reach approximately USD 7 trillion. [1]

In Türkiye, data center investments continue to increase and are strategically supported. In this context, Türkiye plans to implement USD 10 billion worth of data center and artificial intelligence investments by 2030. [2]

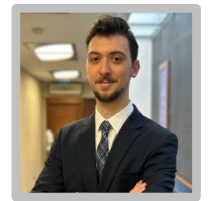
Data centers larger than a certain scale in Türkiye can benefit from various incentives under the Decree No. 2016/9495 on Project-Based Incentives, while smaller-scale data center investments can be supported under the Presidential Decree No. 9903 on State Aids in Investments (“Decree No. 9903”).



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Incentive Mechanisms

HIT-30 High Technology Investment Program

To increase high-tech investments in Türkiye, the Ministry of Industry and Technology (“Ministry”) introduced the HIT-30 High Technology Investment Program (“HIT-30”) on 26 July 2024. HIT-30 is a project-based incentive program established under Law No. 6745 on the Project Based Support of Investments and Amendment of Certain Statutory Decrees, and Decree No. 2016/9495 on Project-Based Incentives. It has been announced that under HIT-30, USD 30 billion will be provided in support for high-tech investments in various sectors by 2030. [3] Under the HIT-30 program, support can be provided in the form of tax deductions or exemptions, investment site allocation, employment support, energy support, public procurement guarantees, and financing support depending on the sector in which the investment is made.

Under the HIT-30 Program, applications are evaluated for more than 30 priority investment matters in eight areas, namely semiconductors, mobility, green energy, advanced manufacturing, healthy living, digital technologies, communication and space, and investments to complement the value chain.

Under the project-based incentive legislation, to be eligible for HIT-30 support a minimum fixed investment amount of TRY 2 billion is required. Eligible investments are expected to focus on emerging technologies, have the necessary economic scale for competitiveness, include a technological gain dimension, and provide strategic added value, while investors are also required to demonstrate technical competence and financial capability.

With respect to data center investments, the HIT-Data Center Call (the “Call”) was announced on 17 October 2025 under the HIT-30 Program. [4] Within the scope of the Call, a total of USD 1.5 billion in support will be provided to investments meeting the specified criteria. Investments to be supported are required to meet the following qualifications:

- A minimum information technology capacity of 30 MW,
- Minimum of 50% capacity compatible with artificial intelligence hardware,
- A maximum Power Usage Effectiveness (PUE) value of 1.4, and
- Integration with large-scale cloud or artificial intelligence service centers.

Within the scope of the Call, tax incentives of up to 50%, energy support of up to 10% of the investment amount, and employment incentives may be granted.

To benefit from the full scope of the announced incentives, all qualifications specified under the Call must be satisfied. However, even where not all such qualifications are met, partial support may be granted to the extent deemed appropriate for the project.

Application

Applications to the HIT-30 Program are submitted electronically. The application is required to include following information:

- details of the investor company (such as corporate details, management information, shareholding structure, and past and current fields of activity);
- details of the investment (such as financial size, employment, capacity, and localization ratio);
- a breakdown of the total fixed investment amount (including land/plot acquisition, buildings and construction, machinery and equipment, and R&D);

- the added value to be generated by the investment;
- the investment's impact on the current account balance;
- a general market analysis;
- project stakeholders; and
- information demonstrating the investor's financial and technical capabilities.

Review of the Application

Applications are first evaluated by the HIT-30 Program Office, and investments deemed appropriate are forwarded to the Directorate General of Incentive Implementation and Foreign Investment. As the incentives to be granted pursuant to the project-based incentive legislation are awarded through the issuance of a Presidential Decision constituting a Support Decision, applications are initially submitted to the Ministry and subsequently forwarded to the Presidency. Following the issuance of the Presidential Decision, the investor is required to apply for the issuance of an investment incentive certificate through the E-TUYS system.

Applications that are not deemed eligible for support under the project-based incentive legislation may, upon the investor's request, be taken into consideration for support within the scope of the Decree No. 9903.

Decree No. 9903

Within the framework of Decree No. 9903, data center investments may also be supported under either the Priority Investment Incentive Scheme or the Target Investments Incentive Scheme, depending on their scale.

Investments to be supported under the Priority Investment Incentive Scheme or the Target Investment Incentive Scheme may benefit from customs duty exemption, value-added tax exemption, tax reduction, interest or profit-share support, and investment land allocation.

For both incentive schemes, applications for the issuance of an investment incentive certificate for either greenfield or expansion investments are required to include a TSE Data Center Design Certificate issued in accordance with the TS EN 50600 standard, demonstrating a minimum Availability Class 3 (AC: 3), a minimum Protection Class 4 (PC: 4), and a minimum Energy Granularity Level 3 (GL: 3). In addition, the data center must have a Power Usage Effectiveness (PUE) value not exceeding 1.65 at full occupancy without partial load calculation and must be connected to fiber-optic cables belonging to at least two telecommunications operators. Following the completion of the investment, a TSE Data Center Facility Certificate shall be obtained. Such certificates are issued by TSE upon the completion of the design and facility phase audits with a positive outcome.

Priority Investment Incentive Scheme

Data center investments that meet the aforementioned technical requirements and standards and satisfy a minimum installed capacity requirement of 3 MW may be supported under the Priority Investment Incentive Scheme.

For investments supported under the Priority Investment Incentive Scheme, income or corporate tax is applied at a reduced rate of 60% until the investment contribution amount calculated on the basis of a 30% investment contribution rate is reached.

Within this framework, investments to be supported may benefit from interest or profit-share support of up to TRY 30.1 million, provided that such support does not exceed 10% of the fixed investment amount.

Target Investment Incentive Scheme

Data center investments that meet the aforementioned technical requirements and standards and satisfy a minimum installed capacity requirement of 500 kW may be supported under the Target Investment Incentive Scheme.

For investments supported under the Targeted Investments Incentive Scheme, income or corporate tax is applied at a reduced rate of 60% until the investment contribution amount calculated on the basis of a 20% investment contribution rate is reached.

Within this framework, investments to be supported may benefit from interest or profit-share support of up to TRY 15.1 million, provided that such support does not exceed 10% of the fixed investment amount.

Conclusion

Data center investments in Türkiye are supported through various incentive mechanisms. Large-scale data center investments that meet specific criteria may be supported under the HIT-30 Program, while smaller-scale investments may be supported within the framework of Decree No. 9903. In all cases, it is essential that the program-specific requirements are carefully examined and that the relevant application processes are conducted diligently.