



PRESIDENTIAL DECREE ON ORGANIZATION OF BODIES AFFILIATED TO, RELATED TO, ASSOCIATED WITH MINISTRIES AND OTHER BODIES

Number of Presidential Decree

4

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SECTION EIGHTEEN

Presidency of Organization for Development of Small and Medium Enterprises

Purpose and establishment

ARTICLE 224 - (1) Presidency of Organization for Development of Small and Medium Enterprises (KOSGEB) is established in order to increase share and effectiveness of the small and medium enterprises in meeting the economic and social needs of our country, and enhance their competitive powers and levels, as well as ensure their integration to the industry in line with economic developments. Short title of the body is KOSGEB.

(2) KOSGEB is a public body with special budget, having legal personality, and related to Ministry of Industry and Technology, and subject to the private law in all its acts and actions.

Definitions

ARTICLE 225 – (1) In this Section;

- a) (**Suppl.:OJ-8/4/2020-31093-CK-58/1**) Minister: Minister of Industry and Technology,
- b) (**Suppl.:OJ-8/4/2020-31093-CK-58/1**) Ministry: Ministry of Industry and Technology,
- c) Presidency: Presidency of Organization for Development of Small and Medium Enterprises
- ç) General Assembly: General Assembly of Presidency of Organization for Development of Small and Medium Enterprises

- d) Entrepreneur: Natural persons who want to establish their own business on the basis of a business idea,
- e) Executive Committee: Executive Committee of Presidency of Organization for Development of Small and Medium Enterprises,
- f) Enterprises: Small and medium enterprises (SME), as defined in the applicable legislation,
- g) (**Amended:OJ-8/4/2020-31093-CK-58/1**) Centers and Institutes: Technology centers, business development centers, specialist centers and institutes, consulting centers, applied technical training centers and institutes,

Determination of the industrial and regional priorities in connection with the enterprises

9 Article 1 of Presidential Decree No 58 published in Official Journal No 31093 of 8/4/2020 inserted sub-paragraphs (a) and (b) to come before the existing sub-paragraph (a) to the paragraph, and subsequent sub-paragraphs are accordingly renumbered.

ARTICLE 226 – (1) With respect to the enterprises which will benefit from the services and supports to be provided by KOSGEB as part of this Section, the Industrial and Regional Priorities shall be determined by President of Republic by taking then-current economic and social conditions into consideration.

Tasks of the Body

ARTICLE 227 – (1) KOSGEB is assigned to perform following tasks:

a) **(Amended: OJ-8/4/2020-31093-CK-58/2)** To ensure establishment or/and supporting of the technology centers, business development centers, consulting centers, institutes and similar units in order to facilitate the development of enterprises and entrepreneurs.

b) To facilitate enterprises benefit from the scientific and technological infrastructure of the universities and public and private research institutions, and reinforce the industry-university cooperation.

c) To access the existing technological know-how, to develop new technological know-how, to disseminate the accessed and produced know-how for the purposes of advancing the technological level.

ç) To establish, or to facilitate establishment of, the technology centers where the novel and advanced technology-based know-how are compiled, assessed, developed, and operationalized and made available to the use of enterprises by making use of the resources available at the universities and research centers. ¹⁰

d) To establish, or facilitate establishment of, specialization centers which will implement project profiles to guide the investments in various industries in order to ensure enterprises have a planned managerial understanding and reach a modern and contemporary management level, will operationalize the idle capacities, improve efficiency, and implement comprehensive technical assistance and support programs and projects in the subjects such as modernization, production, management, marketing, information and technology adaptation.

e) To provide necessary assistances to ensure enterprises produce goods to the international standards, and become more contemporary enterprises; to implement the actions required for the industrial rehabilitation; to establish Consulting Centers which will provide proactive consulting services, on-hand and on-site, such as selection of know-how, design, prototype production, production methods and processes, tooling, maintenance and repair planning and finding customers so as to diversify industrial products, and develop sub-industry relations, and to establish, and facilitate establishment of, laboratories and workshops for material testing and analysis as well as final product physical testing for joint use of these enterprises.

¹⁰ Article 2 of Presidential Decree No 58 published in Official Journal No 31093 of 8/4/2020 replaced the "technology centers and technology parks" wording in this sub-paragraph with the "technology centers" wording.

f) (**Amended:OJ-8/4/2020-31093-CK-58/2**) To establish applied technical training centers in order for training KOSGEB personnel on specialist areas, organizing public training programs, assessing the training needs of the enterprises and providing necessary trainings.

g) To facilitate enterprises become stronger and develop in terms of knowledge and skills in the areas such as investment, production, management and planning.

ğ) To seek solutions to the marketing challenges faced by the enterprises, to carry out activities to facilitate enterprises reach to a competitiveness level in domestic and foreign markets, and, accordingly, organize the consulting services in the most efficient manner.

h) To take necessary actions to develop and disseminate the entrepreneurship culture and environment, and support ventures and entrepreneurs in this respect.

ı) To develop cooperation between enterprises, to support and disseminate joint investments to be realized with the contribution of local and foreign capital, and take necessary actions and provide necessary supports to improve the investment climate.

i) (**Suppl.:OJ-8/4/2020-31093-CK-58/2**) To establish, or support establishment of, the business development centers in order to provide entrepreneurs and enterprises with the business development, accession to financial funding, management, consulting, mentorship, office, and network memberships and similar services during their pre-incubation, incubation and post-incubation processes in line with the development plans and programs.

Organs

ARTICLE 228 – (1) Organs of KOSGEB are as follows:

- a) General Assembly
- b) Executive Committee
- c) Presidency

General Assembly

ARTICLE 229 – (1) (**Amended:OJ-8/4/2020-31093-CK-58/3**) General Assembly shall be organized under the chair of President of the Republic or Minister, and shall be composed of the representatives of the public authorities and institutions and private industry, as determined by the Minister, one of the presidents of the technical universities to be appointed by the Turkish Council of Higher Education, and Chairman of Union of Chambers and Commodity Exchanges of Turkey, President of Confederation of Tradesmen and Artisans of Turkey, President of Central Union of the Unions of Tradesmen and Artisans Surety Cooperatives of Turkey, Chairman of Union of Chambers of Certified Public Accountants and Sworn-In Certified Public Accountants of Turkey, President of The Banks Association of Turkey, Chairman of Participation Banks Association of Turkey, General Directorate of Turkish Halk Bank, General Director of Development and Investment Bank of Turkey, and general directors of other banks, as found necessary by Minister, and a total of five chairmen, to be selected by General Assembly of Union of Chambers and Commodity Exchanges of Turkey among the chairmen of chambers of commerce, chambers of industry, chambers of commerce and industry so that every chambers will be represented, and President of Parent Institution of Organized Industrial Zones, two Presidents of Union to be delegated by General Assembly of Confederation of Tradesmen and Artisans of Turkey, President of Federation of Metalware Artisans of Turkey, President of Electric-Electronic and Similar Equipment Tradesmen and Artisans of Turkey,

President of Federation of Woodworking Tradesmen and Artisans of Turkey, President of Association of Turkish Travel Agencies, and President of SME Self-Employed and Managers Foundation of Turkey, as well as representatives of other public and private industries as will be delegated by Presidency of Republic by taking into agenda of the General Assembly into account.

(2) General Assembly will be convened at least annually upon the invitation of President of Republic or Minister. General Assembly convenes with the simple majority of the members and adopts decisions with the simple majority of the attendees. In case of tie-in, Chairperson of General Assembly shall have deciding vote.¹¹

(3) Secretarial tasks of General Assembly shall be carried out by Presidency.

Tasks of General Assembly

ARTICLE 230 - (1) Tasks of General Assembly include taking actions in order to ensure adoption of decisions, planning of the implementations, and coordination for development and supporting of the enterprises in order to facilitate enterprises adapt to the technological developments and free competition environment in line with the development plans and programs, and to issue regulatory instructions for these purposes, as well as review the activity report and performance program of Presidency and provide suggestions thereof.¹²

Executive Committee

ARTICLE 231 – (1) (**Amended:OJ-8/4/2020-31093-CK-58/5**) Executive Committee shall be organized under the chair of Ministry, and composed of the Vice Minister of Industry and Technology, President of KOSGEB, and one representative from, and to be delegated by, each Ministry of Finance and Strategy and Budget Department, as well as one representative from, and to be delegated by, the boards of each Union of Chambers and Commodity Exchanges of Turkey, Confederation of Tradesmen and Artisans of Turkey, Turkish Exporters Assembly, TÜBİTAK, and Development and Investment Bank of Turkey. In case of absence of Ministry in the meeting, Vice Ministry of Industry and Technology shall chair the meeting.

(2) Executive Committee convenes with the presence of one more than half of total numbers of member bi-monthly, at latest, upon the invitation of Chairman of Executive Committee. Decisions shall be adopted with the simple majority of the attendees. In case of tie-in, Chairman of Executive Committee shall have deciding vote.

(3) Secretarial tasks of Executive Committee shall be carried out by the Presidency.

Tasks of Executive Committee

ARTICLE 232 – (1) Tasks of Executive Committee are defined as follows:

a) (**Amended:OJ-8/4/2020-31093-CK-58/6**) To adopt and implement the implementation decisions for development and supporting of the enterprises in line with the development plans and programs and/or the policies, goals, targets, and principles as defined by General Assembly.

¹¹ Article 3 of Presidential Decree No 58 published in Official Journal No 31093 of 8/4/2020 repealed the "Industry and Technology" wording in this paragraph.

¹² Article 4 of Presidential Decree No 58 published in Official Journal No 31093 of 8/4/2020 replaced the wording "to review annual activity reports, to determine principles of annual activity program" in this paragraph with the wording "review the activity report and performance program".

b) **(Amended: OJ-8/4/2020-31093-CK-58/6)** To adopt decisions on the proposals relating to the roles and positions, numbers and salaries of the personnel to be employed at Presidency for submission to the relevant authorities.

c) To review the working principles and procedures, tasks and authorities of KOSGEB organs, as well as other draft regulations, prepared by the Presidency under this Section, and decide on and implement the regulations that are found suitable.

ç) To adopt decisions on the acquisition, management of the properties needed for operations of Presidency, as well as, if and when necessary, disposal of them, after approval of General Assembly,

d) **(Amended: OJ-8/4/2020-31093-CK-58/6)** To adopt decisions on establishment of, and subscription in, companies with local and foreign capitals in order to provide services to the small and medium enterprises, and, if and when necessary, sourcing of the funds which will contribute to these enterprises, and seeking funds locally or internationally.

Presidency

ARTICLE 233 – (1) Presidency is the executive organ of KOSGEB.

(2) President represents KOSGEB. President conducts entire activities and operations of the organization in line with the applicable legislation, and decisions of General Assembly and Executive Committee.

Tasks of presidency

ARTICLE 234 – (1) Tasks of Presidency are defined as follows:

- a) To implement the decisions adopted by Executive Committee.
- b) To implement the decisions of Executive Committee with respect to the organization in the form of centers and institutes and performance of the consulting, guidance, mentorship, training and audit services in order to ensure production be made via advanced production methods using modern technologies to the required quality and standards in line with the goals of the Presidency for the overarching purposes of development and supporting of the small and medium enterprises.
- c) To implement the decisions of Executive Committee on procurement, locally or internationally, of the equipment, shop and laboratory equipment and tools required at the centers and institutes
- ç) To rehabilitate, reorganize and integrate the existing small and medium enterprises, according to the development policies, to encourage new enterprises, and to provide them guidance as per such integration and requirements, to search the opportunities of foreign financing and technology contribution, and to plan governmental supports and contributions to be made to enterprises in this respect.
- d) To identify the strategies necessary for development, supporting and guidance of the enterprises, and develop and submit implementation proposals to Executive Committee in this respect.
- e) To carry out and implement the activities as decided by Executive Committee in order to facilitate establishment, development and supporting of the enterprises which will develop new ideas and inventions based on the science and technology.
- f) To provide enterprises supports for the subjects such as entrepreneurship training in the economic, technological, management areas.
- g) (**Amended:OJ-8/4/2020-31093-CK-58/7**) To provide enterprises support in the procurement of equipment, materials, laboratory, shop equipment and raw materials necessary for research and development activities of the enterprises.
- ğ) To conduct guidance and support activities in relation with arrangements and practices necessary for the marketing and particularly export of the products and services produced by enterprises, and to take steps necessary for organization in line with the decisions of Executive Committee in this respect,
- h) (**Amended:OJ-8/4/2020-31093-CK-58/7**) To maintain coordination between small and medium enterprises and relevant bodies, as well as between centers and institutes affiliated to the Presidency.

i) **(Amended:OJ-8/4/2020-31093-CK-58/7)** To evaluate, or ensure evaluation of, technically and economically the investment projects submitted by enterprises and entrepreneurs, or deliver opinions on them, to provide consulting services for financing requirements, and to provide guidance services on their relations with insurance, surety and loan institutions.

i) **(Amended:OJ-8/4/2020-31093-CK-58/7)** To embed or support the system which will ensure large industrial enterprises procure final or semi-goods they will use in their own production from small and medium industrial enterprises, and large enterprise arrange their productions so as to meet the needs of small and medium industrial enterprises for the purposes of the development of efficiencies, productions and marketing opportunities of the enterprises, and to create export opportunities for the small and medium industrial enterprises.

j) To determine the training areas to be needed by the enterprises, and to provide trainings for implementation purposes in this respect.

k) To conduct technical and scientific research on the small and medium enterprises in cooperation with the universities conducting studies on the small and medium enterprises, institutions conducting scientific and technical research, as well as other bodies and institutions which affect the operations of the small and medium enterprises, by also keeping up with the activities of foreign organizations and international organizations conducting similar studies, and to create and launch the IT system which contains any kind of information which will meet the requirements of these enterprise and help relevant organizations.

l) To provide services for rehabilitation and common interests of the enterprises located in the Small Industrial Zones and Organized Industrial Zones.

m) **(Amended:OJ-8/4/2020-31093-CK-58/7)** To acquire the properties as decided by the Executive Committee.

n) To submit to the Executive Committee, proposals of principles and regulations on the assignments, job descriptions, tenure, and salaries of the personnel to be employed at the Presidency.

o) To incentive, reward the natural and legal persons which has successful studies, either production or research&development, relating to the small and medium enterprises, help these successful studies put into practice.

ö) To establish, subscribe in, companies with local and foreign capital in order to provide services to the small and medium enterprises, and, if and when necessary, to procure resources which will contribute to these enterprises, and to seek funding locally or internationally.

p) To ensure implementation issues, which prevent development of small and medium enterprises, to be resolved at the relevant authorities and institutions.

r) To provide repayable or non-repayable supports in order to help enterprises and entrepreneurs procure the products and services in the areas of investment, export, employment, technology development, marketing and other subjects, and enter the capital markets. 13

¹³ Article 1 of Presidential Decree No 55 published in Official Journal No 30990 of 26/12/2019 replaced the wording "or" with wording "and/or" in this paragraph.

s) (**Amended: OJ-8/4/2020-31093-CK-58/7**) To provide repayable or non-repayable supports for the interest, profit share, commission, and other expenses for the enterprises and entrepreneurs to procure cash or non-cash loans under convenient conditions from the public banks, private banks and participation banks as well as other financial institutions.

ş) To make early payment for the supports listed in this Article in line with the principles and procedures defined by Presidency.

t) (**Amended: OJ-8/4/2020-31093-CK-58/7**) To collect, analyze, report and share with natural and legal persons under the applicable legislation any kind of information and data pertaining to the enterprises and entrepreneurs kept by the public authorities and institutions as well as natural and legal persons in order for use in the design processes of the support policies for the benefit of the enterprises and entrepreneurs, and ensure services fast, high quality, simplified manner and in low-cost.

(2) (**Suppl.: OJ-6/1/2021-31356-CK-69-1/Art. 1**) The supports and early payments to be provided as repayable basis under this Article may be provided with or without obtaining guarantee in line with the principles and procedures defined by Executive Committee.

Personnel regime

ARTICLE 235 – (1) Original personnel of Presidency are contracted personnel employed under the Additional Article 27 of Statutory Decree No 375 of 27/6/1989. (**Add. sentence: OJ-26/12/2019-30990-CK-55/Art. 2**) Personnel employed as such is subject to the sub-paragraph (c) of first paragraph of Article 4 of Social Securities and Global Health Insurance No 5510.

(2) Services in temporary character or requiring certain specialization shall be assessed and determined by the Presidency. Personnel may be hired for these jobs with deputation or exclusion contract according to Additional Article 31 of Statutory Decree No 375.

(3) (**Repealed: OJ-8/4/2020-31093-CK-58/Art. 8**)

(4) Personnel may be employed at Presidency in accordance with Additional Article 26 of Statutory Decree No 375. ¹⁴

(5) Temporary assignment may be made by Presidency in accordance with Additional Article 25 of Statutory Decree No 375.¹⁵

(6) Inspector or Junior Inspector may be employed at Presidency in accordance with Additional Article 24 of Statutory Decree No 375.

(7) (**Suppl.: OJ-26/12/2019-30990-CK-55/Art. 2**) SME Specialist or SME Junior Specialist may be employed at Presidency in accordance with Additional Article 23 of Statutory Decree No 375.

¹⁴ Article 8 of Presidential Decree No 58 published in Official Journal No 31093 of 8/4/2020 replaced the wording "foreign specialists" with wording "personnel" in this paragraph.

¹⁵ Article 8 of Presidential Decree No 58 published in Official Journal No 31093 of 8/4/2020 repealed the wording "to take role in any kind of processes relating to the research development, design and innovation activities supported" wording in this paragraph.

Budget

ARTICLE 236 – (1) Budget of Presidency consists of following revenues:

- a) Appropriations to be allocated to the budget of Ministry.¹⁶
 - b) Contribution dues to be paid by enterprises, organizations and subsidiaries subject to the legislation on the public economic enterprises at one (1) thousandth of their profit subject to the annual and corporate tax base.
 - c) Contribution dues to be paid by banks which more than 50 percent of capital is owned by public entities at the two (2) percent of their annual profits forming the base of corporate tax (except for the banks subject to Law No 4603).
 - ç) Fees to be charged by Presidency for the services to provided.
 - d) Loans procured from external resources.
 - e) Donations and aids to be provided to Presidency, and revenues from properties and rights owned by Presidency.
- (2) **(Repealed: OJ-26/12/2019-30990-CK-55/Art. 3)**

¹⁶ Article 9 of Presidential Decree No 58 published in Official Journal No 31093 of 8/4/2020 replaced the wording "Ministry of Industry and Technology" with "Ministry in this paragraph."