

# REGULATION ON THE KOSGEB SUPPORT PROGRAMS (1)

## SECTION ONE

### Purpose, Scope, Legal Basis and Definitions

#### Purpose

**ARTICLE 1 – (1)** This Regulation is set out to regulate the principles of the support programs to be implemented by the Small And Medium Enterprises Development Organization ("KOSGEB") in order to increase the share and effectiveness, competitive power and levels of the small and medium enterprises, to integrate them to the industries in line with the economic developments, and to increase their shares in the export, to support their research-development, innovation and collaboration activities, as well as develop the entrepreneurship culture in our country, while meeting the economic and social needs of our country.

#### Scope

**ARTICLE – (1)** This Regulation covers the principles of implementation support programs created by KOSGEB for the benefit of enterprises, entrepreneurs, professional organizations, and operators.

#### Legal Basis

##### **ARTICLE 3 – (Amended: OJ-6/3/2021-31415)**

(1) This Regulation is set out on the basis of Articles of 227 and 234 of the 4 Numbered Presidential Decree on the Organization of Bodies Affiliated, Related and Associated to Ministries and Other Bodies published on Official Journal No 30479 of 15/7/2018.

#### Definitions

##### **ARTICLE 4 – (1)** In this Regulation;

- a) Presidency: KOSGEB Presidency,
- b) Support Program: The program, which purpose, scope, support types and elements, support amounts, support ratio and general provisions specific to each program are determined by Executive Committee, and implemented by the Presidency.
- c) **(Amended: OJ-6/3/2021-31415)** Repayable Support: Support provided to enterprises, entrepreneurs, professional organizations and operators as part of support programs to be repaid by them, with or without guarantee, in line with the principles and procedures defined by Executive Committee,
- ç) Non-repayable Support: Support provided to enterprises, entrepreneurs, professional organizations and operators as part of support programs not to be repaid by them.
- d) Entrepreneur: Natural persons who want to establish their own business on the basis of a business idea,
- e) Executive Committee: KOSGEB Executive Committee,
- f) Operator: Legal persons established to benefit from support programs,
- g) Business: Small and Medium Enterprises (SME) which are covered by the Regulation on the Definition, Qualifications and Classification of Small and Medium Enterprises published on Official Journal No 25997 of 18/11/2005, and operating in the industries as identified by the Decree of Council of Ministers No 2009/15431 published on Official Journal No 27353 of 18/9/2009,
- ğ) KOSGEB: Organization for Development of Small and Medium Enterprises
- h) KOSGEB Units: Units contained in central and rural organization of KOSGEB,
- ı) KOSGEB Database: Database where information about enterprises, professional organizations and operators are recorded and kept,
- i) Professional Organization: Chambers, exchanges, unions, associations, confederations, federations, foundations, and cooperatives as well as managements of small industry zones and organized industrial zones, which are organized by and working for the benefits of the enterprises and entrepreneurs,
- j) Letter of Guarantee: The document, submitted to KOSGEB by enterprises, professional organizations and operators applied to benefit from support programs, which contain their administrative, financial and legal commitments,

## SECTION TWO

### Support Process

#### Support programs

**ARTICLE 5 – (1)** Supports to be provided under this Regulation shall be provided by KOSGEB by virtue of support programs.

(2) Support programs shall be designed to serve the goals such as to increase the share and effectiveness, competitive power and levels of the small and medium enterprises, to integrate them to the industries in line with the economic developments, and to increase their shares in the export, to support their research-development, innovation and collaboration activities, as well as develop the entrepreneurship culture in our country, while meeting the economic and social needs of our country for the areas such as R&D and innovation, industrial application, entrepreneurship, marketing, e-transformation, institutionalization, branding, quality development, design, environment, energy and cooperation - alliance and such other areas depending on the current conditions by considering the goals as set by Development Plans, Government Programs and Annual Programs. The framework of the cooperation with Development Areas for the support programs shall be defined via protocols.

(3) Technical, financial and administrative aspects of the support programs shall be defined separately in each support programs. Support programs contains objective, scope, support types and elements, support amount, support ratio, as well as general provisions specific to each program.

(4) Support programs shall be launched by the approval of Executive Committee. Approved support programs shall be announced on the website of KOSGEB at [www.kosgeb.gov.tr](http://www.kosgeb.gov.tr) and no further written announcement is required. Changes to, cancellation and/or combination of support programs shall be made with a decision of Executive Committee.

(5) Implementation principles of the support programs approved by Executive Committee shall be announced on the website of KOSGEB at [www.kosgeb.gov.tr](http://www.kosgeb.gov.tr) and no further written announcement is required.

#### **Support Types**

**ARTICLE 6 – (1)** As part of the support programs, supports are provided on either repayable and/or non-repayable basis.

#### **Application to support program and evaluation**

**ARTICLE 7 – (1)** Enterprises, professional organizations and operators which will benefit from support programs must be recorded in KOSGEB Database.

(2) **(Amended: OJ-28/12/2016-29932)** To be recorded in the KOSGEB Database, an application shall be made by following the procedure as published on the website of KOSGEB at [www.kosgeb.gov.tr](http://www.kosgeb.gov.tr)

(3) For enterprises, professional organizations and operators recorded in KOSGEB Database, process and conditions of application to the support programs shall be determined in the support program and implementation principles.

(4) Applications submitted to the support programs will be evaluated according to the relevant support program and implementation principles. Results of evaluation shall be communicated to the applicants.

(5) A letter of guarantee shall be obtained from applicants of the support program by which they commit to comply with the legislation of KOSGEB.

#### **Payment**

**ARTICLE 8 – (Amended: OJ-28/12/2016-29932)**

(1) Process and conditions of payment in the support programs shall be determined in the support program and implementation principles.

#### **Monitoring and evaluation**

**ARTICLE 9 – (Amended: OJ-28/12/2016-29932)**

(1) Support programs shall be monitored on the basis of program and/or enterprise, and effects and results of the programs on the national economy and enterprises shall be evaluated. Monitoring and evaluations shall be made in line with the principles set out by the Presidency.

#### **Inspection**

**ARTICLE 10 – (1)** Beneficiaries of the support program shall be subjected to the inspection, if found necessary by KOSGEB, with respect to the support program they have benefited. During inspection, all documents and information as required by officials shall be submitted by relevant persons and necessary convenience shall be provided as well in this respect.

#### **Form of application and notification**

**ARTICLE 10/A – (Suppl.: OJ-28/12/2016-29932)**

(1) All notifications and application may be made in written as well as electronically. **(Additional sentence: OJ-30/5/2018-30436)** All documents and information under the Support Programs can be obtained electronically.

### **SECTION THREE**

#### **Miscellaneous and Final Provisions**

#### **General Provisions**

**ARTICLE 11 - (1) (Repealed: OJ14/12/2016-29932)**

(2) Restrictions relating to the support programs shall be indicated in the support program and implementation principles.

(3) It is possible to benefit from the same type of support provided that it is provided via different support programs.

However, the documents used to prove expenses can only be used for one single support.

(4) Application to any support program may not constitute commitment on the part of KOSGEB, nor entitles the applicant.

(5) In case of any non-conformities with KOSGEB Legislation during or after support program, supports shall be ceased to be given to the beneficiaries, and no further applications to support shall be admitted until such inconsistency is eliminated. If such non-conformity has not been eliminated, or in case of dispute, the sums which have been provided as support, together with legal interest, shall be collected by KOSGEB. Once dispute ended, and if a new application is submitted, the right to benefit from new support shall subsist. Regulatory acts in this respect shall be determined by the Presidency.

(6) In case of occurrence of events such as earthquake, fire, flooding etc. natural disasters, legal strike, lockout, general epidemic, pandemic, terrorist activities, sabotage, war, partial or general mobilization, which can be regarded as a force majeure during the implementation of the support programs, KOSGEB President shall decide if support process should be sustained until end of such events, or continued despite such events.

(7) **(Amended: OJ-4/7/2018-30468)** In the scope of this Regulation, the dates on which enterprises gain or lose the qualification of an SME shall be taken as the end of April for Corporate Taxpayers, and end of March for enterprises subject to income tax on the real/simplified basis. The applications for projects and supports which are found eligible before an enterprise losing its qualification as SME may be considered as vested rights and accordingly payments may be made. No further project/support application may be made once an enterprise lost its qualification as SME.

#### **Repealed regulations and references**

**ARTICLE 12** – (1) Regulation on KOSGEB Supports published in Official Journal No 25795 of 24/4/2005 is repealed. The references made to the repealed Regulation on KOSGEB Supports shall be deemed to have been made to this Regulation.

**Determination of support and upper limits**

**PROVISIONAL ARTICLE 1** – (1) Supports previously provided by KOSGEB shall not be considered in the determination of the supports and upper limits to be provided under this Regulation.

**Ongoing Projects**

**PROVISIONAL ARTICLE 2** – (Repealed: OJ-28/12/2016-29932)

**Signed Support Agreement**

**PROVISIONAL ARTICLE 3** – (Repealed: OJ-28/12/2016-29932)

**Effectiveness**

**ARTICLE 13** – (1) This Regulation for which opinion was sought from Ministry of Finance and Court of Accounts shall come into force on the publication date.

**Enforcement**

**ARTICLE 14** – (1) The provisions of this Regulation shall be enforced by the President of KOSGEB.

- 
- (1) With the amendment to the Regulation published on Official Journal No 29932 of 28/12/2016, the Regulation on Organization for Development of Small and Medium Enterprises (KOSGEB) Support Program is renamed as "Regulation on KOSGEB Support Programs"

	<b>Official Journal of Publication:</b>	
	<b>Date</b>	<b>Number</b>
	15/6/2010	27612
	<b>Official Journals where Regulations Amending the Regulation is published</b>	
	<b>Date</b>	<b>Number</b>
1	28/12/2016	29932
2	30/5/2018	30436
3	4/7/2018	30468
4	6/3/2021	31415