

Press release: MINROGROUP Real Estate & Investments



Important Editorial Update: As the Turkish Parliament officially passed the tax package on Thursday, May 21, 2026, the status in all texts has been updated from "proposed bill / initiative" to "**enacted law** / new regulation."

Istanbul, May 21, 2026

New Draft Tax Law in Turkey: 20 Years Tax-Free for Expats!

In recent weeks (April/May 2026), a new political initiative by the Turkish government has caused a major stir in the international tax and expat community. Finance Minister Mehmet Şimşek and President Erdoğan have introduced plans for a comprehensive tax package aimed at positioning Turkey as a global financial and startup hub.

First things first: As of **May 2026, this is not yet a finalized law**, but a planned tax package that is to be submitted to parliament. The objective is to place Turkey on par with top-tier international business destinations like Dubai and Singapore, or former European models such as Portugal's NHR (Non-Habitual Resident) status.

Key Points of the Proposed Bill

- **20-Year Tax Holiday:** Expats as well as returning Turkish citizens who relocate to Turkey are to receive massive tax incentives for a period of 20 years.

- **0% Tax on Foreign Income:** The plan includes a full tax exemption on income generated abroad (e.g., foreign consulting fees, dividends, rental income outside of Turkey, and global capital gains).
- **Pre-Residency Requirement:** This privilege will likely only apply if you have not been a tax resident in Turkey for the past 3 years.
- **Remote Work & Digital Nomads:** Initial feedback from industry experts indicates that the law is specifically designed to allow location-independent entrepreneurs and remote workers with foreign clients to benefit from the 100% tax exemption.

Accompanying Measures of the Tax Package

In addition to the regulations for new residents, the initiative includes further far-reaching reforms to attract foreign capital and startups:

| Measure | Planned Change |
|---|--|
| Corporate Tax for Exporters | Reduction for manufacturing exporters from 25% to 9% (other exporters: 14%). |
| Istanbul Finance Centre (IFM) | Full tax exemptions for companies established within the center. |
| Asset Amnesty (<i>Varlık Barışı</i>) | A new program for the repatriation of foreign-held capital at significantly reduced tax rates. |

Important Information for Expats from Germany

Should this bill become law, expats relocating from Germany, Austria, or Switzerland must carefully consider the strict regulations of their home tax authorities:

Exit Taxation (*Wegzugsbesteuerung*): Anyone holding substantial shares in German corporations (e.g., a GmbH) who relocates abroad triggers Germany's exit tax (a fictitious sale of those shares).

- **Extended Partial Tax Liability (§ 2 AStG):** If Germany classifies Turkey as a "low-tax country" due to this new law, an extended tax liability on German-sourced income can apply for up to 10 years after relocation, provided there is substantial domestic economic interest.
- **Actual Relinquishment of Residence:** To lose German tax status, the residence in Germany must be completely abandoned (no access/power of keys, and stays under 6 months per year). While the Double Taxation Agreement (DTA) between Germany and Turkey provides some relief, it does not protect against domestic German exit regulations.

Stay Informed: Digital Nomads & Remote Work in Turkey

The proposed 20-year tax exemption on foreign income could completely transform the landscape for international entrepreneurs, freelancers, and remote workers. Since the exact definitions regarding location-independent work for foreign clients are still being finalized in the legislative draft, professional guidance during relocation is essential.

– High-resolution editorial image (610 kB) – click on the image to download.

Press Contact:

MINROGROUP Real Estate & Investments

E-Mail: info@minrogroup.com

Web: www.minrogroup.com

