

Citizenship Network

Strategic Insights: Global Investment & Tax Residency

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Türkiye Unveils Groundbreaking 20-Year Tax-Free Regime for Foreign Income

In a move that has captured the attention of the global investment community, Türkiye has proposed a revolutionary tax incentive package designed to redefine its role in the international residency market. Announced by President Recep Tayyip Erdoğan, this initiative aims to position Türkiye as a premier destination for high-net-worth individuals and globally mobile investors. At **Citizenship Network**, we view this as a potential game-changer for our clients seeking both lifestyle benefits and fiscal efficiency.

The core of the proposal is a staggering 20-year exemption on all foreign-sourced income and capital gains. To qualify for this incentive, new residents must not have been tax residents in Türkiye for at least the preceding three years. For investors weighing their options, **Citizenship Network** highlights that this 20-year window offers unparalleled long-term financial predictability.

Proposed Framework:

- **Foreign Income Exemption:** Income generated outside of Turkish borders would be entirely exempt from domestic taxation for 20 years.
- **Capital Gains:** Gains realized on international assets would also fall under the zero-tax umbrella.
- **Domestic Income:** Any income earned within Türkiye remains subject to standard local tax rates.

Setting a New Global Standard

If ratified by parliament, Türkiye's proposed regime would become one of the most aggressive and attractive tax programs in the world, outperforming several well-established European models. By removing fixed annual charges and extending the duration beyond the 10-to-15-year limits seen elsewhere, Türkiye is signaling its intent to dominate the "tax-friendly residency" sector.

Country	Duration of Incentive	Tax Structure
Türkiye (Proposed)	20 Years	Zero tax on foreign income
Italy	15 Years	Fixed annual tax
Greece	15 Years	Fixed annual tax
Portugal	10 Years	Variable depending on status

Synergies with Citizenship by Investment (CBI)

This proposal introduces a powerful new layer of planning for those interested in the Turkish Citizenship by Investment program. Currently, the CBI program provides a direct route to a passport but does not include a specialized tax exemption for foreign wealth. The combination of a Turkish passport and a 20-year tax-free status would create an elite "dual-benefit" package. **Citizenship Network** is ready to assist investors in navigating how these two programs can be integrated into a single, cohesive strategy.

Part of a Vision for "Istanbul Financial Centre"

This tax holiday is part of a wider set of economic measures, including reduced corporate tax rates for exporters and additional incentives for companies within the Istanbul Financial Centre. While this remains at the proposal stage and awaits parliamentary approval, the intent is clear: Türkiye is open for business. **Citizenship Network** will continue to provide updates as this legislation moves through the Grand National Assembly.