

Annex I. Definition of Medium and Small Scale Enterprises

The definition of an SME was confirmed in Turkish law, and brought into line with the EU definition, through Regulation No. 2005/9617, introduced on the 18th November 2005. The definition was modified with subsequent legislations; the final one was published in the Official Gazette No 32201 dated 25 May 2023. Under the current definition, SMEs are “economic entities, which employ less than 250 persons and which have an annual turnover or an annual balance sheet not exceeding 500 million TL”. According to TURKSTAT's 2020 data, the number of SMEs is 3.2 million, making up 99.8% of the enterprises in Türkiye. SMEs constitute 73.8% of employment, 64.5% of total turnover and 56.3% of total exports in Türkiye.

In the current legislation the sub-division of SMEs are defined as follows:

- Enterprises employing less than 10 persons throughout the year with turnover or total balance sheet less than 10 million TL are micro establishments.
- Enterprises employing less than 50 persons with turnover or total balance sheet less than 100 million TL are small establishments.
- Enterprises employing less than 250 persons with turnover or total balance sheet less than 500 million TL are medium establishments.