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## **Turkey**

*Local stock exchange*

*Borsa Istanbul*

*<http://www.borsaistanbul.com/>*

### **Rules for listed filings**

#### **IFRS required or permitted for listed companies?**

Required for consolidated and standalone/separate financial statements.

Effective from January 1, 2008, all listed companies started to prepare financial statements according to the EU endorsed IFRS. Until the announcement of the differences between IFRS as published by the IASB and EU endorsed IFRS by the Turkish Accounting Standards Board, IFRS as published by IASB may be used by the listed companies. The reservation on the application of IAS 29, Financial Reporting in Hyperinflationary Economies (1 year difference between IFRS) shall remain as it is.

#### **Version of IFRS**

IFRS as published by the IASB or as endorsed by the EU as described above.

#### **Are subsidiaries of foreign companies or foreign companies listed on local exchanges subject to different rules?**

No

### **Rules for statutory filings**

#### **Is IFRS or IFRS for SMEs required, permitted or prohibited for statutory filings?**

KGK (The Public Oversight, Accounting and Auditing Standards Board of Turkey) has decided the following for accounting periods beginning on or after January 1, 2014:

1. Companies specified in Decree No. 660 as "organisations of public interest" must use IFRS to prepare individual or consolidated financial statements (\*).
2. Companies subject to statutory audit by the decision of the Council of Ministers within the framework of the new TCC, Article 397 (Companies meeting at least two of the following three criteria, alone or together with their affiliates and/or subsidiaries, in the two consecutive reporting period that are subject to statutory audit) have the option to use IFRS or Uniform Chart of Accounts (Turkish GAAP) to prepare their individual or consolidated financial statements.
  - Total assets: TL 75 million (approximately US\$ 35 million) or more.
  - Revenue: TL 150 million (approximately US\$ 70 million) or more.
  - Average number of employees: 250 or more.

\* Companies under supervision and regulation of Capital Markets Board (CMB) of Turkey according to the related CMB Act numbered 6362 dated 06.12.2012 and authorized

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institutions which are allowed to operate in the stock market; precious metals brokerage companies, joint-stock companies engaged in production or trade of precious metals.

Otherwise, companies must prepare its financial statements per Uniform Chart of Accounts which is mainly tax based rules.

IFRS for SMEs is prohibited.

### **Version of IFRS**

IFRS as published by the IASB

**In addition to local GAAP statutory financial statements, are there any other regulatory financial statement requirements that permit or require the use of IFRS?**

Refer to the section above

### **IFRS conversion plans**

#### **Plans for converging**

The KGK has not announced any adoption to IFRS for SMEs.

#### **Other useful websites**

Public Oversight- Accounting and Auditing Standards Authority of Turkey ("KGK")  
<http://www.kgk.gov.tr>

### **Tax information**

#### **Type of tax regime**

Quasi-dependent: Taxable profit is based on the legal entity statutory accounts, with a number of adjustments to determine taxable profits.

#### **Plans for IFRS converging as the basis of tax reporting**

The local tax authorities have not announced any adoption or convergence plans of tax reporting to IFRS or IFRS for SMEs.