

Asset and Sales Thresholds Triggering Independent Audit Requirements Have Decreased in Turkey

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The value thresholds for total assets and net annual sales which trigger an obligation to obtain an independent audit have lowered in Turkey. The primary change is that companies with total assets of more than TRY 40 million or net annual sales of more than TRY 80 million may now be required to obtain an independent audit (thresholds were previously TRY 50 million and 100 TRY 100 million, respectively). The asset and sales thresholds for energy or ICT companies have also decreased.

The Decision Amending the Decision on Determination of Companies Subject to Independent Audit ("**Amendment Decision**") was published in Official Gazette number 29658 on 19 March 2016. The Amendment Decision entered into effect on 19 March 2016 with the provisions become valid as of 1 January 2016. The Amendment Decision regulated the numeral thresholds as to procedures and principles for determining companies to be subject to independent audit as per the Turkish Commercial Code numbered 6102.

Under the Amendment Decision, companies (including affiliates and subsidiaries) must now subject to an independent audit if they meet two of these criteria:

- Total assets are TRY 40 million or more (previously TRY 50 million).
- The net annual sales revenue is TRY 80 million or more (previously TRY 100 million).
- 200 employees or more.

Companies with at least 25% of their share capital belonging directly or indirectly to professional organizations with public institution status, unions, associations, foundations, cooperatives and higher institutions must undertake an independent audit if they meet two of these criteria:

- Total assets are TRY 30 million or more (previously TRY 40 million).
- The net annual sales revenue is TRY 40 million or more (previously TRY 50 million).
- 25 employees or more.

With certain exclusions, the Amendment Decision requires companies which are subject to supervision by the Information and Communication Technologies Authority or regulations of the Energy Market Regulatory Authority to undertake an independent audit if they meet two of these criteria:

- Total assets are TRY 30 million or more (previously TRY 50 million).
- The net annual sales revenue is TRY 60 million or more (previously TRY 100 million).
- 200 employees or more.

The Amendment Decision also decreases threshold triggers for total asset and net annual sales revenue for:

- Companies that publish national daily newspapers

- Companies which have been taken over by a fund
- State-owned enterprises and their subsidiaries
- Companies with at least 50% of their share capital owned by municipalities.

Please see this [link](#) for the full text of the Amendment Decision (only available in Turkish).

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