

Independent Audit Requirements for Companies have been Amended

12 Jan 2023

The Decree on the Determination of the Companies Subject to Independent Audit ("**Decree**") is published in Official Gazette dated 30 November 2022 and numbered 32029. The Decree will enter into effect on 1 January 2023, upon which the current Decree numbered 2018/11597 on the Determination of Companies Subject to Independent Audit ("**2018 Decree**") will be obsolete.

The Decree introduces the following amendments to 2018 Decree:

- Thresholds for publicly held companies whose capital market instruments are not traded in a stock exchange or other organized markets, but which are subject to Capital Markets Law numbered 6362 are amended as follows:
 - Total assets worth of TRY **30 million or above** (previously TRY 5 million)
 - Annual net sales revenue of **40 million or above** (previously TRY 20 million)
 - Number of employees being 50 or above
- Thresholds for companies, including energy and ICT companies which are listed in Annex II of the Decree (the same as 2018 Decree) are amended as follows:
 - Total assets worth of TRY **60 million or above** (previously TRY 30 million)
 - Annual net sales revenue of TRY **80 million or above** (previously TRY 40 million)
 - Number of employees being **100 or above** (previously 125 employees)
- Thresholds for other companies which are not covered above are amended as follows:
 - Total assets worth of TRY **75 million or above** (previously TRY 35 million).
 - Annual net sales revenue of **150 million or above** (previously TRY 70 million)
 - Number of employees being **150 or above** (previously 175 employees)

It will be evaluated whether the companies exceed any two of the assets, sales and employee thresholds for consecutive two financial years, which is the same as 2018 Decree.

Moreover, companies that hold qualified shares in banks and savings financing companies as defined in Banking Law numbered 5411 will be subject to independent audit, regardless of any criteria.

In addition, financing companies whose liquidation was decided by the Banking Regulation and Supervision Agency and whose liquidation proceedings are carried out by liquidation commissions appointed by the Savings Deposit Insurance Fund (TMSF) pursuant to temporary article 7/4 of Leasing, Factoring and Financing Companies Law numbered 6361 will be excluded from the scope of the Decree for independent audit requirement.

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

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