MOROĞLU ARSEVEN

# Turkey Clarifies Restrictions on Independent Auditors

*12 Apr 2017*

Turkey's Public Oversight, Accounting and Auditing Standards Authority ("**Authority**") has softened restrictions for individuals working as independent auditors. The new rules clarify the prohibition on individual auditors which prevents them from working for or being a shareholder, manager or auditor for other audit companies, or acting as an auditor on their own behalf for a certain period after for 12 months after leaving their own business. The Authority also announced the details of exceptions to the general prohibition.

The Authority's decision was published in Official Gazette number 29981 on 16 February 2017.

The decision clarifies Article 13/1-l of the Independent Audit Regulation, which states that auditors, shareholders or key employees of authorized audit companies must not:

- Be a shareholder, manager or auditor in another company which performs audit activities.
- Work on his or her own behalf.

In practice, the prohibition on performing audit activities imposed a one year stand-down period on auditors. The Authority has announced that the restriction will not apply if:

- The auditor has executed audit agreements on their own behalf and notified them to the Authority before authorization to perform auditing business.
- The auditor undertakes to refrain from:
    - Performing any audit business except as provided under the audit agreements.
    - Signing any other audit agreements.
- The audit company undertakes not to assign the individual until he or she completes any auditing business performed on their own behalf

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

## Related Attorneys

- BURCU TUZCU ERSİN, LL.M.
- BENAN ARSEVEN
- C. HAZAL BAYDAR, LL.M.