

Turkey Introduces New Financial Reporting Standard for Large and Medium-Sized Companies

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Turkey has introduced a new Financial Reporting Standard for Large and Medium-Sized Companies ("**New Standard**"), relevant to entities which are currently subject to independent audit, but are exempt from applying the Turkish Financial Reporting Standards. The New Standard will apply to these companies for financial periods beginning on or after 1 January 2018.

Large companies are those which meet or exceed at least two of the following criteria, either individually, or with their affiliates, for two subsequent reporting periods::

- Net assets of 75 million Turkish Lira.
- Annual net sales revenue of 150 million.
- Average 250 employees.

Implementation details for the Standard are outlined in Communiqué (Serial No: 56) ("**Communiqué**"), issued by the Public Oversight Accounting and Auditing Standards Authority.

The Communiqué also addresses the process for companies' transition between the New Standard and the Turkish Financial Reporting Standards. Accordingly:

- Companies which apply the New Standard must have applied this for at least two years, before they are eligible to voluntarily apply the Turkish Financial Reporting Standards.
- Companies which voluntarily apply the Turkish Financial Reporting Standards must have applied this for two years, before they are eligible to apply the New Standard.

Please see this [link](#) for the full text of the Communiqué published in Official Gazette number 30138 on 29 July 2017 (only available in Turkish).

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