

TAX NEWS NO: 2016/2

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Subject:



The Companies which will be subject to independent audit pursuant to the Turkish Commercial Code (No.6102) have been re-determined.

The Council of Ministers Decision No. 2016/8549 "Amending the Decree Regarding the Determination of the Companies Subject to Independent Audit" was published in the Official Gazette dated 19 March 2016 to be effective as of 1 January 2016.

As you may remember, the companies which would be subject to independent audit pursuant to the Turkish Commercial Code (No.6102) had been determined with the Council of Ministers Decision no. 2012/4213 which was published in the Official Gazette dated 23 January 2013.

Later, the criterion of being subject to independent audit have been amended to include more companies with Decision No. 2014/5973 dated 14 March 2014 and then with Decision No. 2014/7149 dated 1 February 2015.

In analogy to the above stated regulation, the companies which will be subject to independent audit as per the Turkish Commercial Code (No.6102) have been re-determined and the scope of independent audit has been extended with the Council of Ministers Decision no. 2016/8549 published in the Official Gazette dated 19 March 2016.

The new regulation can be summarized as follows.

The companies meeting at least two of the following criterion shall be subject to independent audit;

- a) Total asset size of TRY **40 million** or more. (It was **50 million** or more TRY in the previous decree)
- b) Annual net sales revenue of TL **80 million** or more. (It was **100 million** or more TRY in the previous decree)
- c) Minimum of 200 employees or more. (This criteria is the same as in the previous decision)

To determine whether or not the abovementioned conditions have been satisfied;

- Financial statements of **2014** and **2015** years,
- Average number of employees for **2014** and **2015**

will be considered.

The Council of Ministers Decision in question has been put into effect on its publication date to be effective as of **1 January 2016**.

Yours sincerely,
Deloitte Turkey

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