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This Profile provides information about the application of IFRS Standards in Turkey. IFRS Standards are developed and issued in the public interest by the International Accounting Standards Board (the Board). The Board is the standard-setting body of the IFRS® Foundation, an independent, private sector, not-for-profit organisation.

This Profile has been prepared by the IFRS Foundation based on information from various sources. The starting point was the answers provided by standard-setting and other relevant bodies in response to a survey that the Foundation conducted on the application of IFRS Standards around the world between August and December 2012. The Foundation drafted the profile and invited the respondents to the survey and others (including regulators and international audit firms) to review the drafts, and their comments are reflected.

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RELEVANT JURISDICTIONAL AUTHORITY

Organisation Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu (KGK)
[English: Public Oversight, Accounting and Auditing Standards Authority (POA)]

Role of the organisation POA has the authority to:

- set and issue Turkish Accounting Standards compliant with international accounting standards;
- to ensure uniformity, high quality and confidence in statutory audits;
- set auditing standards;
- authorise independent auditors and independent audit firms; and
- inspect their audits, and perform public oversight in the field of statutory audits.

Website <http://www.kgk.gov.tr/>

Email contact muhasebe.standartlari@kgk.gov.tr

COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS

Has the jurisdiction made a public commitment in support of moving towards a single set of high quality global accounting standards?

Yes.

Has the jurisdiction made a public commitment towards IFRS Standards as that single set of high quality global accounting standards?

Yes.

What is the jurisdiction's status of adoption?

Turkey has already adopted IFRS Standards for the financial statements of all public interest entities. Specifically following entities are required to use IFRS Standards:

- Companies whose securities are traded in a regulated market;
- Intermediary institutions;
- Portfolio management companies;
- Banks;
- Financial lease companies;
- Factoring companies;
- Financing companies;
- Insurance companies;
- Reassurance companies;
- Pension companies;
- Asset management companies;
- Pension funds;
- Investment firms;
- Collective investment schemes;
- Credit rating agencies;
- Mortgage finance institutions;
- Housing finance and asset finance funds;
- Asset leasing companies;
- Central clearing institutions;
- Central depository institutions;
- Trade repositories;
- Financial holding companies;
- Payment institutions;
- Electronic money institutions;
- Currency offices, precious metals brokerage houses and precious metals producing and marketing companies that are member of Borsa Istanbul.

Additional comments provided on the adoption status?

Companies whose securities are traded in a regulated market, intermediary institutions, and portfolio management companies were permitted to use IFRS Standards as of 2003 voluntarily and have been required to use IFRS Standards since 2005.

<http://www.spk.gov.tr>

Banks have been required to use IFRS Standards since 2006.

<http://www.bddk.org.tr>

Financial lease companies, factoring companies and financing companies have been required to use IFRS Standards since 2007.

<http://www.bddk.org.tr>

Insurance, reinsurance and pension companies have been required to use IFRS Standards since 2008.

<http://www.resmigazete.gov.tr/eskiler/2007/07/20070714-4.htm>

In 2011, POA was established with the authority to set and to issue Turkish Financial Reporting Standards (TFRSs) that are in full compliance with IFRS Standards and to determine the application scope of those standards. In this regard, POA published a decision in the Official Gazette by which public interest entities are required to apply IFRS Standards in their separate and consolidated financial statements. Thus, asset management companies, investment firms, collective investment schemes, credit rating agencies, mortgage finance institutions, housing finance and asset finance funds, asset leasing companies, central clearing institutions, central depository institutions, trade repositories, financial holding companies, payment institutions, electronic money institutions, currency offices, precious metals brokerage houses and precious metals producing and marketing companies that are member of Borsa Istanbul have been required to use IFRS Standards in addition to above mentioned companies since 1 January 2013. Other companies that are not included in the list specified in the decision are permitted to apply IFRS Standards.

POA decision: http://www.kgk.gov.tr/contents/files/Pdf/Kurul_Karar%C4%B1-degisikliklerislenmis.pdf

If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Standards in the jurisdiction.

Not applicable.

EXTENT OF IFRS APPLICATION

For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:

Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Standards in their consolidated financial statements?

Yes.

If YES, are IFRS Standards REQUIRED or PERMITTED?

Required.

Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?	All.
Are IFRS Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?	Yes.
For instance, are IFRS Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?	Yes.
For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?	Yes. Required for some and permitted for all others. See above .
If the jurisdiction currently does NOT require or permit the use of IFRS Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Standards for such companies in the future?	Not applicable.
<i>For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:</i>	
Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Standards in their consolidated financial statements?	Yes.
If YES, are IFRS Standards REQUIRED or PERMITTED in such cases?	Required.
Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones?	All.
IFRS ENDORSEMENT	
Which IFRS Standards are required or permitted for domestic companies?	IFRS Standards as issued by the IASB.
The auditor's report and/or the basis of presentation footnotes states that financial statements have been prepared in conformity with:	Turkish Accounting Standards (TAS), which are defined by law as accounting standards published in full compliance with IFRS Standards.
Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Standards and the jurisdiction's GAAP)?	No.

Are IFRS Standards incorporated into law or regulations?	Yes.
If yes, how does that process work?	POA publishes Turkish Accounting Standards and Turkish Financial Reporting Standards, which are in full compliance with IFRS Standards, in the Official Gazette as communiqués.
If no, how do IFRS Standards become a requirement in the jurisdiction?	Not applicable.
Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Standards (including Interpretations) in place	Yes.
If yes, what is the process?	New and amended Standards are continuously updated by POA and published in the Official Gazette.
If no, how do new or amended IFRS Standards become a requirement in the jurisdiction?	Not applicable.
Has the jurisdiction eliminated any accounting policy options permitted by IFRS Standards and/or made any modifications to any IFRS Standards?	No.
If yes, what are the changes?	Not applicable.
Other comments regarding the use of IFRS Standards in the jurisdiction?	None.
TRANSLATION OF IFRS STANDARDS	
Are IFRS Standards translated into the local language?	Yes, they are translated into the local language.
If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Standards?	IFRS Standards are translated pursuant to the Translation Policy of the IASB. This process also ensures an ongoing translation of the latest updates to IFRS Standards.
APPLICATION OF THE IFRS FOR SMEs	
Has the jurisdiction adopted the IFRS for SMEs Standard for at least some SMEs?	No. Turkey has not adopted the IFRS for SMEs Standard.
If no, is the adoption of the IFRS for SMEs Standard under consideration?	No.
Did the jurisdiction make any modifications to the IFRS for SMEs Standard?	Not applicable.
If the jurisdiction has made any modifications, what are those modifications?	Not applicable.

Which SMEs use the IFRS for SMEs Standard in the jurisdiction, and are they required or permitted to do so?	Not applicable.
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For those SMEs that are not required to use the IFRS for SMEs Standard, what other accounting framework do they use?	Turkish National GAAP (The Uniform Chart of Accounts).
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Other comments regarding use of the IFRS for SMEs Standard?	The IFRS for SMEs Standard has been translated into Turkish.
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