

# The procedures and principles regarding the companies subject to audit within the scope of Article 398 of the Turkish Commercial Code has been amended.

30/11/2022

In accordance with Article 397 of the Turkish Commercial Code numbered 6102, companies to be subject to independent audit are determined by the President. Based on this, Presidential Decision on Determination of Companies Subject to Independent Audit, numbered 6434 has been published in the Official Gazette dated 30 November 2022. With this decision, the Decision on Determination of Companies Subject to Independent Audit, which was put into effect by the Council of Ministers Decision dated 26.03.2018 has been repealed. This amendment will enter into force on 1 January 2023. Amendments made in the previous Council of Ministers Decision with this published decision are listed below.

No amendments were made in the companies that are determined to be subject to independent auditing regardless of any criteria. The list of these companies (List numbered I) is shared below.

The rule that companies that exceed the threshold values of two of the; total assets, annual net sales revenue and number of employees, are subject to independent auditing, has not been amended. However, with the President Decision dated 30 November 2022, these threshold values have been amended as follows:

-For companies whose capital market instruments are not traded in a stock exchange or other organized markets but considered publicly traded within the scope of the CML(SPK);

- Threshold value for total assets has been increased from 15 million Turkish Liras to 30 million Turkish Liras,
- Threshold value for annual net sales revenue has been increased from 20 million Turkish Liras to 40 million Turkish Liras,
- No amendment has been made in the threshold value for the number of employees, as it has been determined as 50 people.

- For companies listed in the List numbered II shared below;

- Threshold value for total assets has been increased from 30 million Turkish Liras to 60 million Turkish Liras,
- Threshold value for annual net sales revenue has been increased from 40 million Turkish Liras to 80 million Turkish Liras,
- Threshold value for the number of employees has been reduced from 125 to 100 people..

- For companies other than the companies listed above;

- Threshold value for total assets has been increased from 35 million Turkish Liras to 75 million Turkish Liras,
- Threshold value for annual net sales revenue has been increased from 70 million Turkish Liras to 150 million Turkish Liras,

- Threshold value for the number of employees has been reduced from 175 to 150 people.

In addition to the companies that were excluded from the scope of the previous Council of Ministers decision, the savings finance companies that were decided to be liquidated by the BRSA(*BDDK*)TM and whose liquidation process was carried out by the liquidation commissions appointed by the SDIF(*TMSF*) were also excluded from the scope of this decision.