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# National Accounting Standards in Turkey

*Birsel Sabuncu*

## Abstract

This study describes the accounting standards being implemented in Turkey. Uniform Accounting System and Uniform Chart of Accounts, Turkish Financial Reporting Standards (TFRS), and Financial Reporting Standards for Large- and Medium-Sized Enterprises (FRS for LMEs) are simultaneously applied in Turkey. TFRS are a direct translation of the International Financial Reporting Standards (IFRS). Enterprises that are subject to independent audit apply TFRS. FRS for LMEs is a financial reporting framework that is subject to independent audit and is valid for financial statements presented to general assemblies of enterprises that do not apply the TFRS. Enterprises that are not subject to independent audit apply Uniform Accounting System. Uniform Chart of Accounts is used by all these businesses. Despite these new practices, a revision has not been carried out in Uniform Chart of Accounts. Because of these applications, it is necessary to define the new accounts needed and to review Uniform Chart of Accounts. Banks, insurance and pension companies, finance companies, financial leasing and factoring companies, and asset management companies are required to use a different account plan despite the application of TFRS.

**Keywords:** Uniform Accounting System, Uniform Chart of Accounts, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS), Financial Reporting Standards for Large- and Medium-Sized Enterprises (FRS for LMEs)

## 1. Introduction

Every country initially established its own accounting techniques to report the results of the activities of the enterprises to the relevant interest groups. Due to economic, historical, and traditional differences, there are differences between the accounting techniques. A need to standardize accounting techniques was born both locally and internationally in order to eliminate these differences, which caused negativity about the consistency and comparability of the information in the financial statements. The existence of different accounting systems for different countries can cause various difficulties for international money flow, while a Uniform Accounting System makes it easier for businesses. The existence of a single accounting system to be implemented by all enterprises increases the speed of international transactions, facilitates transparency, and supervision in financial statements and also facilitates transactions.

To eliminate the differences in accounting practices; to perform uniformity in the accounting principles; to ensure that the financial statements are clear,

appropriate, understandable, objective, and comparable; to prevent misappropriation of the individuals and institutions related to enterprises; to prevent wrong decisions; and to create a common language during the production and presentation of financial information, Uniform Accounting System and Uniform Chart of Accounts came into force in Turkey in 1994 and still continue today.

As with financial reports prepared in accordance with the different legal and financial structures of countries, International Accounting Standards (IAS) were made compatible which resulted in an exact translation of the International Accounting Standards (IAS), and International Financial Reporting Standards (IFRS) were entered into force as Turkish Financial Reporting Standards (TFRS) in Turkey. Public Oversight, Accounting and Auditing Standards Authority (POAASA) is authorized for the creation, publishing, and monitoring of changes of the accounting standards that are in compliance with international standards. POAASA aims to ensure the transparency, reliability, comprehensibility, comparability, and consistency of the financial statements of the firms. Currently, there are various accounting practices in Turkey, and the preference of which one to be used depends on being subject to independent audit by the enterprises. Companies whose shares are traded on the stock exchange and that are subject to independent audit apply TFRS, while Large- and Medium-Sized Enterprises which are subject to independent audit but whose shares are not traded on the stock exchange and do not apply TFRS, apply Financial Reporting Standards for Large- and Medium-Sized Enterprises (FRS for LMEs). Enterprises that are not subject to independent audit apply Uniform Accounting System.

Uniform Chart of Accounts is used by all businesses. Despite the application of new accounting standards in Turkey, there are no new regulations regarding the needs of Uniform Chart of Accounts, which are used by the companies that perform accounting and reporting in accordance with these new standards. In Uniform Chart of Accounts, there is a need for a revision of the needs of enterprises.

Banks and insurance companies: private financial institutions: financial leasing, factoring, and financing companies: security mutual funds, brokerage houses, and investment trusts are subject to Banking Regulation and Supervision Agency (BRSA) legislation and have a different chart of accounts, and a revision has been performed for this chart of accounts. The mentioned company activities are accounted in accordance with the declarations of BRSA and TFRS.

## **2. Uniform Accounting System**

Before 1994, there was no standard in accounting applications and in accounting principles in Turkey. As of 1.1.1994, there has been a transition to the standard Uniform Accounting System in accordance with the Accounting System Application General Communiqué, Order No.1 published in the Official Gazette dated 26.12.1992 and numbered 21,447 (repeated). With the regulation, it was aimed to provide uniformity in all accounting applications in Turkey and to have the same operating language for all segments. Accordingly, natural and legal persons holding books according to balance sheet basis are obliged to apply the accounting procedures and principles stated in the General Communiqué on Accounting System.

Tax regulations in Turkey may directly interfere with accounting practices and education in time. This relationship between tax regulations and accounting causes accounting in Turkey to be intended for tax and focused on tax regulations. Tax Procedure Law obligates application of the conditions required by the General Communiqué on Accounting System Application and Tax Procedure Law simultaneously. The arrangements made with the General Communiqué on Accounting System

Application do not regulate or modify any matter related to tax legislation. The difference between period income and taxable income shall not be settled on balance sheets or income statements; taxable profit shall be calculated outside of financial statements.

Uniform Accounting System is defined as the use of the same chart of accounts in accounting applications, adopting the same accounting principles, benefiting from the same accounting concepts, and providing accounting information in uniform financial statements and reports.

Uniform Accounting System is a system that includes financial statements, charts of accounts, account codes, and similar details. This regulation related to the transition to Uniform Accounting System was made in order to facilitate and provide a sound and reliable follow-up of the results of the undertakings and enterprises belonging to real and legal persons holding books on a balance sheet basis and to ensure that the information presented to the related parties through the financial statements reflects the real situation while maintaining the consistency and comparability characteristics of the audit.

It is the responsibility of the business to be in compliance with the procedures and principles seen in changes made in the name of Uniform Accounting System and organization of reports and declarations for related legislation provisions. Regulation [1]:

- Full and direct delivery of accounting information to respective persons making a decision.
- To compare different periods of the same enterprise with different enterprises.
- Account names in the financial statements give the same meaning to all segments.
- Retaining accounting term uniformity while remaining understandable.
- Aims to establish trust between businesses and those concerned.

Uniformity of the financial statements to be prepared within the framework of the procedures and principles related to the regulation and presentation of financial statements in Uniform Accounting System cannot be changed. In the determination of the taxable income, companies are required to make the necessary adjustments and calculations in accordance with tax legislation. The accounting principles and procedures of the Uniform Accounting System are explained in five sections as follows:

- Basic concepts of accounting
- Explanation of accounting policies
- Principles of financial statements
- Arrangement and presentation of financial statements

Uniform account framework, chart of accounts, and descriptions of accounts. Businesses must establish their accounting systems in accordance with the uniform accounting framework and the chart of accounts. The basic concepts of accounting in Turkey are the concept of social responsibility, the concept of business entity, the going-concern concept, the concept of periodicity, the concept of monetary unit, the concept of cost basis, the concept of objectivity and documentation, the

consistency concept, the full disclosure concept, the concept of prudence, the concept of materiality, and the concept of substance over form.

In the Uniform Accounting System, it is not required to disclose them if they are prepared on the basis of the concepts of going-concern, consistency, and periodicity in the preparation of financial statements. However, in the case of deviation from these concepts, the disclosures of the financial statements should explain this deviation together with their reasons. All significant accounting policies included in the financial statements should be clarified and explained briefly. Financial statements should be comparable in terms of periods. If a change is made in the current period or will occur in future periods, which has a significant effect on financial policies, it should be explained together with the reasons and the effects of these changes on financial statements. The financial statements consist of the following ones [1]:

- Balance sheet
- Income statement
- Statement of cost of sales
- Fund flow statement
- Cash flow statement
- Statement of profit distribution
- Statement of changes in equity

Providing useful information in making decisions for investors, lenders, and other interested parties; providing useful information on assessing future cash flows; providing information about assets, resources and changes in these items; and obtaining information about the business activities, these statements should be understandable, appropriate, reliable, comparable, and promptly arranged so that the information in the financial statements can be used in the best possible way by decision-makers.

Uniform Accounting System includes real and legal persons holding books according to the balance sheet basis. However, there are institutions that need to use different accounting techniques in terms of their activities. These include bank and insurance companies; private financial institutions; financial leasing, factoring, and financing companies; security investment funds; brokerage houses; and investment trusts. These institutions are subject to BRSA's legislation, and they are required to comply with the basic principles of accounting, explanation of accounting policies, and principles of financial statements in Uniform Accounting System. They have a different chart of accounts and do not have to fulfill other obligations.

Banks are required to account for their activities in accordance with the communiqués published by BRSA and within the framework of the conceptual provisions of POAASA. However, the accounting for subsidiaries, jointly controlled entities and associates and consolidated financial statements, financial statements to be disclosed to public, and procedures and principles regarding the disclosure and footnotes are determined by the communiqués issued by BRSA.

In accordance with Banking Law, banks are obliged to implement a uniform order in accounting systems in accordance with the procedures and principles determined by BRSA by taking the opinion of the POAASA. Banks must be able to account for all transactions in accordance with their real nature in accordance with the accounting and Financial Reporting Standards issued by POAASA in a manner

that is capable of meeting the need to obtain financial reports in an understandable, reliable, and comparable style, suitable for auditing, analysis, and interpretation. Banks are required to achieve transparency and uniformity in accounting and reporting systems, by preventing transactions from being left out of record and by accounting for all activities in a timely, healthy, and secure manner within the framework of correct and timely preparation, reporting, and publishing of financial statements showcasing financial performance and management.

The “Declaration in Reference to the Uniform Chart of Accounts and Prospectus” published in 26.01.2007 and 26,415 (repeated) numbered Official Gazette based on the regulation of procedures and principles for the accounting of bank’s accounting practices and documents provides uniformity in terms of accounting and financial reporting for banks and direct acquisition of a single type of balance sheet and income statement, obtaining direct and healthy information in a verifiable and auditable manner in order to ensure supervision and monitoring and to provide the information needed for various analyses and interpretations in a standardized way.

## **2.1 Uniform Chart of Accounts**

The chart of accounts is expressed as a list of accounts to be used in accounting. Uniform Chart of Accounts is a system that is organized for the systematic execution of all accounts held in an enterprise and to ensure that the same events are always recorded in the same accounts.

In Turkey, Uniform Chart of Accounts mentioned in the Accounting System Application General Communiqué, Order No.1 published in the Official Gazette dated 26.12.1992 and numbered 21,447 (repeated) became a necessity for all businesses and accounting activities as of 01.01.1994. Thus, it is aimed to provide unity in accounting practices in enterprises. Uniform Chart of Accounts is a scale that shows the accounts of the activities of the enterprises, and the enterprises comply with the chart of accounts and transfer the same type of documents to the accounting records and financial statements according to the same chart of accounts and the same accounting system. The purpose of the Uniform Chart of Accounts is to use the same chart of accounts for companies holding books on the balance sheet basis and to include the economic events occurring in enterprises in the same accounts within the framework of the same systems and principles. Uniform Account Chart framework [1] is as follows:

1. Current assets
2. Noncurrent assets
3. Short-term liabilities
4. Long-term liabilities
5. Equity
6. Income statement accounts
7. Cost accounting accounts
8. Free
9. Off-balance sheet accounts

Uniform Chart of Accounts is divided into nine account classes, from 1 to 9. Likewise, each account class is divided into ten account groups, ranging from 0 to 9. There are a total of ten main accounts in each account group, from 0 to 9. The main accounts are given three-digit numbers. For instance; 1 Current assets (account class), 10 Cash and Cash Equivalents (account group), 100 Cash (main account). In the Uniform Chart of Accounts coding, various code systems are used while numbering the accounts. Account codes make it easy to distinguish between account groups and accounts.

According to the Uniform Accounting System, enterprises have to establish their accounting systems in accordance with the uniform accounting framework and chart of accounts. Businesses plan their accounts in advance and make a list of them. With the introduction of new standards in Turkey, there was a need for new account codes. There are a number of problems related to the definition of new account codes due to new applications of the Uniform Chart of Accounts related to the application of TFRS and FRS for LMEs such as account of investment property and account of qualified assets held for sale purpose. Therefore, a serious review and revision is needed.

The draft chart of account has been drawn up by POAASA that will enable the companies to establish their accounting systems so that they can prepare their financial statements. In the drafting of the chart of account, account groups and accounts have added to ensure that all companies have access to financial statement data directly. This draft chart of account was submitted to the public on 25.12.2018. After taking the comments of the public and related institutions and organizations, the final version of the new chart of account will be given. These accounts have added in the draft chart of account [2]:

- Financial investments whose fair value difference is measured at amortized cost by financial investments reflected in other comprehensive incomes (accounts 111, 112, 201, and 202)
- Financial assets from ongoing construction (undertaking), project or service contracts, and obligations arising from these contracts and construction works performed in advance (groups 14 and 24 with the exception of accounts 142 and 242 and groups 34 and 44)
- Live assets and gains and losses related to them (account numbers 17 and 27 and account numbers 643 and 653)
- Liabilities related to noncurrent assets classified for sale and groupings classified as held for sale (account numbers 196–199 and account numbers 396–399)
- Investment properties and related income and expenses (accounts numbers 245–249 and account numbers 647 and 657)
- Deferred tax assets and liabilities and deferred tax income and expense effects (account numbers 289 and 489 and account numbers 692 and 696)
- The effect of mergers involving enterprises or enterprises subject to joint control (account number 516)
- Income and expenses accumulated in shareholders' equity (groups 55 and 56)
- Other comprehensive income and expenses for the period (groups 80, 81, 82, and 83)

- Income and expenses relating to discontinued operations and taxes on these income and expenses (accounts 684 and 697)

## 2.2 Bank Uniform Chart of Accounts

Banks and leasing and factoring companies have a Uniform Chart of Accounts different from the other entities due to the different types of activities and operations of the financing companies. The operations of such institutions are recorded by using Bank Uniform Chart of Accounts that is recognized under the provisions of the Banks Association of Turkey. Banks are subject to the Bank Uniform Chart of Accounts and the regulatory authority, BRSA. Bank Uniform Chart of Accounts consists of the following groups [3]:

0. Return values
1. Credits
2. Investment values and other assets
3. Deposits and other foreign resources
4. Equity
5. Interest income
6. Interest expenses
7. Noninterest income
8. Noninterest expenses
9. Off-balance sheet accounts

The accounts in each group are divided into two as Turkish currency and foreign currency. The foreign currency-denominated accounts are the accounts in which the amounts arising from the foreign currency transactions of the bank are recorded. Foreign currency balances in these accounts are valued at the end of the period and transferred to related accounts. Foreign currency interest, commissions, and income received from foreign currency accounts and transactions are translated into Turkish Lira at the exchange rates prevailing at the transaction date and recorded in the related foreign currency profit/loss accounts. Even if the revenues are collected in Turkish currency instead of foreign currency, they are recorded in the related foreign currency profit and loss accounts. In the Uniform Chart of Accounts, the accounts working for Turkish Lira and foreign currency transactions are separated at the general ledger level. If the last digit of the general ledger accounts is an even number, then it is in Turkish Liras, and if the last digit is an odd number, then it indicates a foreign currency account.

A new account cannot be opened in the book at a new level without the permission of the BRSA. For the accounts that are opened at the level of general ledger and do not have any subaccounts, banks can open auxiliary, sub-, and subordinate accounts if needed. If there is no special account in which to record a transaction, a special account must be opened with permission from the BRSA for such transactions.



### **3. Turkish Financial Reporting Standards (TFRS)**

In the POAASA's decision dated 13.09.2018 numbered (03/161), TFRS are redefined. They cover the standards published under the names of TAS, TFRS, TAS Interpretation, and TFRS Interpretation [4].

The financial statements are prepared and presented by their preparers across the globe for their users. There are some differences due to the use of different financial statements by different countries during the creation of national regulations for social, economic, and legal reasons. The efforts of the International Accounting Standards Board (IASB) to form a common language in the process of globalization are in question. IASB aims to reduce the differences by harmonizing the rules and accounting standards and application procedures for the preparation and presentation of financial statements.

As the common language used by businesses in terms of financial reporting, IFRS are the standard set which directs financial reporting in the world and are formed by the IASB that is the authority for financial reporting in terms of the level of implementation and adoption by the world. The purpose of the IFRS is to increase international investments and trade through a comparable, reliable, understandable, and transparent presentation of financial statements. TAS/TFRS and TAS/TFRS Interpretations are literal translations into the International Accounting Standards/International Financial Reporting Standards/International Financial Reporting Interpretation Committee (IAS/IFRS/IFRIC) as issued by the IASB.

A set of financial statements prepared under the TFRS [5] are as follows:

- Statement of financial position.
- Statement of profit or loss and other comprehensive incomes.
- Statement of cash flows.
- Statement of changes in equity.
- Financial statements are composed of footnotes.

TFRS are prepared to meet the needs of the users of the securities and their financial statements.

The accounting records of companies of the specified nature and scale determined by the decision of the Council of Ministers which was formed around the decision of the POAASA following 01.01.2013 continue to be done in accordance with Tax Procedure Law with compatibility to TFRS [6].

The publication of TAS/TFRS does not mean that Uniform Accounting System has completed its function, but rather increases its importance in order to ensure their healthy implementation, comparability, and reliability [7].

With the application of TAS/TFRS, there are some changes in the format and classification of the financial statements in the Uniform Accounting System which have been compulsory since 1994, and the formal structure is changing. The importance of information is emphasized in the standards, and it is required to present important information in a truthful manner. TAS/TFRS also made significant changes in the valuation of balance sheet items and income statement items. These changes in measurement and valuation significantly affect the reported amounts of items in financial statements [8].

In the POAASA's decision dated 13.09.2018 and numbered (03/161), TAS are redefined. TAS cover TFRS mentioned above and FRS for LMEs and other standards determined by the agency. TAS of the decision for determining the scope of application is detailed below [4]:

- Institutions that require TFRS to be used in the preparation of their individual and consolidated financial statements: (A)—(i) Joint stock companies traded on the stock exchange; (ii) Investment institutions; (iii) Collective investment institutions; (iv) Portfolio management organizations; (v) Mortgage financing institutions; (vi) Housing finance and asset financing funds; (vii) Asset leasing companies; (viii) Central clearing houses; (ix) Central lending organizations; (x) Data storage organizations; and (xi) Capital market instruments that are not traded on the stock exchange, but which provide at least two of the three criteria from publicly traded companies in the capital market: (a) Total of 15 million and more Turkish Lira; (b) Annual net sales revenue of 20 million and more Turkish Liras; (c) Number of employees 50 and above. (B)—Businesses subject to the regulation and supervision of the BRSA in accordance with Banking Law—(i) Banks; (ii) Financial leasing companies; (iii) Factoring companies; (iv) Financing companies; (v) Asset management companies; (vi) Rating agencies; (vii) Financial holding companies; (viii) Companies holding financial holding companies; and (ix) Payment agencies. (C)—Insurance, reinsurance, and pension companies. (D)—Corporations, which are allowed to operate in Borsa Istanbul, joint stock companies.
- Subject to independent audit and the implementation of FRS for LMEs in the preparation of individual and consolidated financial statements of institutions, establishments, and enterprises other than the above; however, it will be able to implement the TFRS upon request of the institutions, organizations, and enterprises in question.

TFRS is the basis of the policy. It does not give businesses the chance to use the account name according to their needs. In the principle-based approach, only the account framework is determined, and the chart of accounts is not compulsory. Each business determines its own chart of accounts.

#### **4. Financial Reporting Standards for Large- and Medium-Sized Enterprises (FRS for LMEs)**

IFRS is divided into two as IFRS full set and SME sets in the world and in Turkey, although TFRS for SMEs that was in line with IFRS for SMEs was published in 2010 in the official gazette, but there has been no chance to implement it. Later, FRS for LMEs was issued by POAASA instead of the TFRS for SMEs. FRS for LMEs, entered into force on the date of publication, to be applied in the accounting periods beginning on or after 01.01.2018. It consists of 27 chapters and sets out the accounting principles for all accounting transactions that the companies may encounter in general.

The purpose of the IASB is to prepare a separate standard for SMEs as a set of accounting principles derived from IFRS, which will be used by small, simplified entities whose stocks are not listed on the stock exchange. IASB has defined IFRS for SMEs as a set of simple and simplified Financial Reporting Standards derived from IFRS that will be used by nonpublic entities [9].

FRS for LMEs was issued by replacing TFRS for SMEs with certain additions. This standard includes interest costs, fair value application, receivables and asset

provisions, depreciation, severance pay, receivable and debt aging, inflation adjustment, and consolidation matters. It is essential that the fair value application and active registered fixed assets are valued. This issue has been added to FRS for LMEs while it was not included in TFRS for SMEs.

The purpose of FRS for LMEs is to provide financial statements that are in compliance with financial information needs. Four financial statements are required to be prepared in the FRS for LMEs [10]:

- Statement of financial position
- Statement of Profit or loss
- Statement of changes in equity
- Statement of cash flows

The objectives of the FRS for LMEs are defined as follows:

- Real
- Fits financial information requirements
- Providing the preparation of comparable financial statements

Since the FRS for LMEs has set a standard for the determination of commercial profit in Turkey and can be applied more easily than TFRS, it will contribute to a clearer understanding and proper implementation of the full set of standards. Thus, the main task of accounting, real activity result reporting, real situation detection, planning, and control will be available to produce information, and commercial purposes to use financial data will become a habit [11].

FRS for LMEs is an important development in terms of accounting practices in Turkey. It is a financial reporting standard that enables the financial statements of the enterprises that are subject to independent audit and are not obliged to be accountable to the public and do not prefer to apply TFRS, to be understood by investors and lenders with their fair presentation, needed for financial information, and provides comparability of financial statements [12].

FRS for LMEs prepared by POAASA has been prepared in a simpler language than TAS/TFRS, avoiding the details that are not necessary for large- and medium-sized enterprises and addressing the basic principles of related subjects only [13].

The primary objective of the Accounting System Application General Communiqué issued based on the Tax Procedure Law is to show the financial position of the taxpayers against tax. FRS for LMEs is subject to independent audit and replaces the Accounting System Application General Communiqué and Supplementary Issues in entities not applying TFRS. The financial reporting framework that will be the basis for the preparation of the financial statements of the companies which are subject to independent audit and which will not be subject to TFRS in accordance with the Turkish Commercial Code; the base financial report must be FRS for LMEs.

In the POAASA's decision dated 13.09.2018 and numbered (03/161), FRS for LMEs are redefined. FRS for LMEs is a financial reporting framework that is subject to independent audit and is valid for financial statements presented to general assemblies of enterprises that do not apply the TFRS. It has been decided that may apply FRS for LMEs in the preparation of the individual and consolidated financial statements of the institutions, establishments, and enterprises other than those which are obliged to apply TFRS. However, it has been decided that such institutions, organizations, and enterprises may apply TFRS on demand [4].

## 5. Conclusion

Accounting shows the financial structure of the enterprise and the results of its economic activities. Accounting practices constitute the source of accounting practices including basic accounting concepts, accounting principles, and accounting policies. Accounting standards is a set of rules that are formed in order to enable the comparison of the information generated in the accounting information system as a result of the business activities with confidence in accordance with the reality without considering the distinction of events of the same nature.

The subject of accounting is the financial statements and reports to be prepared for public disclosure. Therefore, the concept of public disclosure is in a sense also the purpose of generally accepted accounting standards. In order to meet the increasing need for trust in an environment of global competition, the rapid increase of standardization movements has also emerged in the accounting field.

Works aiming for standardization of both national and international dimensions of accounting are implemented in Turkey. Uniform Accounting System which has been in use in Turkey for a long period of time is a topic of discussion. However, as a result of this change, the Turkish translations of IAS/IFRS are in use as TAS/TFRS. TAS and TFRS-applicable Financial Reporting Standards also continues to use the Uniform Accounting System which has been applied for a long time. In addition, the financial reporting standard has been enacted for large- and medium-sized enterprises. Despite the fact that Full Set TAS/TFRS is translated into Turkish, FRS for LMEs has been put into effect instead of IFRS for SMEs because it is a closer match. Companies that are subject to independent auditing and that do not apply TFRS are required to apply FRS for LMEs in the presentation of their consolidated financial statements.

International Accounting Standards have emerged as a result of the harmonization of financial reports prepared according to the standards determined by the legal or financial structures of different countries in order to enable users to compare the same criteria for information users in different countries. The consolidated financial statements of companies whose stock is traded in the stock exchange and that are subject to independent auditing must be prepared in accordance with TFRS.

Banks, insurance, reinsurance and pension companies, factoring companies, finance companies, financial leasing companies, and asset management companies are required to implement TFRS and have their own chart of accounts.

FRS for LMEs is applied by companies subject to independent audits but do not apply TFRS and provides comparable financial information. The purpose of FRS for LMEs is to provide financial statements that are in compliance with financial information needs. The companies that are not subject to independent audits are generally required to prepare their financial statements in accordance with Uniform Accounting System.

The application of the Accounting System Application General Communiqué and its annexed Uniform Chart of Accounts as prescribed by the Tax Procedure Law is still in progress. The combination of all these applications may cause confusion in some cases. In addition, it is necessary to review Uniform Chart of Accounts as soon as possible to define and reorganize the account codes that businesses need due to new applications.

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