

A BRIEF HISTORY OF THE PROFESSION

The accounting practices in Turkey have a long history. Accounting practices date back to the period of Ilhanlilar in 13th Century. Until mid-19th century, these activities pertained only to the monitoring of public finance. During the rule of Ottoman Empire, the judges consulted expert persons in the area of accounting practices when deciding on cases of disputes between individuals. However, the understanding of accounting that forms the basis of modern accounting practices and which conforms to those practices in industrialized states began after the establishment of Istanbul Chamber of Commerce in 1881 and the subsequent inauguration of Istanbul Accounting High School in 1882. At the time, some foreign capital companies operating in the Ottoman Empire were reported to use accounting practices as well.

MILESTONES IN THE HISTORY OF ACCOUNTANCY

1. The first Turkish Commercial Code (adopted from the French Commercial Code – 1850)
2. Establishment of Istanbul Chamber of Commerce (1881)
3. Establishment of Istanbul Commerce High School (1882)
4. Authorization of freelancer accounting experts to perform tax audits (1926-1934)
5. Establishment of the first multi-partner public company in Turkey (1922-1938)
6. The second Turkish Commercial Code (based on the German Commercial Code – 1926)

7. Preparation of the first Draft Professional Accountancy Law (1932)
8. Development of the accounting systems for state-owned entities by German experts (1937)
9. Commencement of the first foreign capital firm audit (1939)
10. Establishment of Turkish Association of Accounting Experts (1942)
11. Amendment of Turkish tax system (1949)
12. Adoption of the foreign capital incentive law (1950)
13. The third Turkish Commercial Code (1957)
14. Publication of the report prepared by academicians from the US and Turkey on the improvement of the accounting systems of state-owned entities (1961)
15. Establishment of the uniform accounting system, generally accepted accounting principles and rules and management reporting system for public entities (1968-1970)
16. Establishment of the first audit firm in Turkey, by international audit firm Touch Ross together with Turkish partners (1967)
17. Establishment of the first local audit firm and the audit of the US Foreign Trade Bank by the members of Turkish Association of Accounting Experts (1971)
18. Turkish Association of Accounting Experts started to enroll members with a graduate degree after a two-year on-the-job training, by licensing them after passing an exam (1974)

19. Establishment of the Association of Accountants and Financial Advisors (1976)
20. Establishment of the International Federation of Accountants (IFAC), the participation of Turkish Association of Accounting Experts as a founding member and its adoption of its membership to International Accounting Standards Board on the same date (1977)
21. Adoption of the Capital Markets Law and the organization of stock exchange activities (1983)
22. Addition of certified public accounting to the Tax Procedures Law (1985)
23. Annulment of the certified public accounting provision added to the Tax Procedures Law (1987)
24. Initiation of independent external audit activities by banks and companies in the Capital Market, and the registration of audit firms (1987)
25. Establishment of the Independent Audit Association (1988)
26. Publication of the Law No. 3568 on Certified Public Accountancy and Sworn-in Certified Public Accountancy, and the recognition of accounting and auditing as a profession (1989)
27. Translation and publication of International Accounting Standards by Turkish Association of Accounting Experts (1991)
28. Publication of uniform accounting system; and the reform involving recognition of “economic” financial statements by the tax administration, putting tax accounting to the background (1992)

29. Parliamentary adoption of the practice whereby all accounting professionals perform the conformity audit of the balance sheets prepared using economic principles forming the basis of tax declarations, as “preliminary audits” in a limited way (1994)
30. Adoption of the requirement for entities requesting or using loans from banks to have audits performed before they apply to the bank or during the loan period (1994)
31. Establishment of the TÜRMOB’s Education and Training Center (TESMER) (1992)
32. Establishment of TİMÜDESK (Turkish Accounting and Auditing Standards Board) by TÜRMOB for the development of accounting standards (1993)
33. Adoption of the “Professional Code on Audit Partnerships” (1994)
34. TÜRMOB has been a Full Member of International Federation of Accountants (IFAC) (1994)
35. The Commercial Code has assigned the audit power to TÜRMOB members for the determination of the shareholders’ equity of joint stock companies (1995)
36. Introduction of the requirement for the audit of cooperative enterprises with more than 1,000 partners by TÜRMOB members (1995)
37. Adoption of the “Professional Code on Limited Compliance Audit” which regulates the Compliance Audit Framework and pre-audit techniques (1996)

38. Adoption of the “Accounting Profession Code of Ethics” which complies with the accounting profession ethical rules of IFAC (1996)
39. Adoption of “Continuous Professional Training Code” which complies with the “Continuous Professional Training Guidelines” published by IFAC Education Board (1999)
40. TÜRMOB has been a Founder Member of Federation of Mediterranean Accountants (Federation des Experts Comptables Méditerranéens) (FCM) (1999)
41. Establishment and commissioning of Turkish Accounting Standards Board (TMSK) (2002)
42. Establishment and Commissioning of an independent and autonomous Turkish Audit Standards Board (TÜDESK) within the TÜRMOB (2003)
43. Introduction of the Distance Learning System by TESMER (2003)
44. Translation of International Auditing and Assurance Standards by TÜDESK and publishing it as a TÜRMOB publication (2004)
45. First set of Turkish Accounting Standards to be effective in 2006 which are converged with IFRS by Turkish Accounting Standards Board (TMSK) (2005)
46. Amendment of the Law No. 3568 on on Certified Public Accountancy and Sworn-in Certified Public Accountancy (2009)
47. Full set of Turkish Accounting Standards (TMSs)/Turkish Financial Reporting Standards (TFRSs) fully convergent with the IASs /IFRSs by TMSK (2010)

48. Turkish Financial Reporting Standards for SMEs (TFRS for SMEs) to be effective in 2013 (2010)
49. New Turkish Commercial Code which requires all the companies to use TMS/TFRS and subject to audit and give authority to TÜDESK to set the Turkish Auditing Standards (2011)
50. Representation of TÜRMOB at the Board of International Federation of Accountants (IFAC) (2011)
51. Establishment of Turkish Public Oversight, Accounting and Auditing Standards Authority (POA) by Statutory Decree No. 660 (2011)
52. Amendments have been made on provisions related to financial reporting and statutory audit regarding being restricted the scope of entities that are subject to audit, with the Law numbered 6335 (2012)
53. Determination of regulations in preparing financial statements of entities, pursuant to "The Decision on the scope of Implementation of TAS" dated November 14, 2012, issued by POA (2012)
54. Publishing of "The Cabinet Decree on Determining The Entities That Are Subject To Audit" based on determination of entities that should apply to TAS (2013)
55. TÜRMOB has been a Full Member of FEE (Fédération des Experts-comptables Européens – Federation of European Accountants) (2013)
56. Addition provisions on " joint-stock companies" that are out of the scope of statutory audit in accordance with the Article No. 397 titled "Auditing" of Turkish Commercial Code, with the Law numbered 6455 (2013)

57. Initiation of "TÜRMOB Ethics Education Project" to be implemented throughout Turkey.
58. Restricting of scope of TAS implementation to PIEs, pursuant to "The Decision on the scope of Implementation of TAS" dated November 14, 2012, issued by POA (2014)
59. Publishing of the Board Decision of PAO on the considerations applied in addition to current regulations by the entities being subject to statutory audit, but wouldn't apply TAS (2014)
60. Enforcement of Unfair Competition Application in accordance with Compulsory Professional Resolution approved at the 21st Ordinarily General Assembly (2015)
61. Publishing the amendments on regulations approved at 21st Ordinarily General Assembly of TÜRMOB (2015)
62. Releasing of Draft Local Financial Reporting Framework for the entities being subject to statutory audit, but wouldn't apply TAS, by PAO (2015)
63. Draft Tax Procedure Law (TPL) issued (2015)
64. Decreasing gradually criterions being subject to statutory audit with "The Decision amended to Cabinet Decree" (at various dates such as 2014, 2015 and 2016)