

Amendments to Turkish Sustainability Reporting Standards

December 2024



Dear Clients, Colleagues and Friends,

The decision of the Public Oversight, Accounting, and Auditing Standards Authority (the “**Decision**”) on determining the scope of application of the Turkish Sustainability Reporting Standards (“**TSRS**”), which was published in the Official Gazette on 29 December 2023, entered into force as of 1 January 2024. The Decision, by taking into account the International Sustainability Reporting Standards, regulates the scope of application of TSRS 1 “General Requirements for Disclosure of Sustainability-Related Financial Information” and TSRS 2 “Climate-Related Disclosures.”

An amendment to the Decision regarding changes to the scope of application set forth in the original Decision (the “**Amendment Decision**”) was published in the Official Gazette dated 18 December 2024. The amendments entered into effect for financial periods starting on or after 1 January 2024.

Accordingly, the main amendments to the scope of application are as follows:

- The list of entities required to apply TSRS in the preparation of sustainability reports, specified in the Decision, has been amended and joint-stock companies whose capital market instruments are traded on an exchange or other organized markets or whose prospectus or issuance certificate are approved by the Capital Markets Board are now excluded from the list. According to the Amendment Decision, companies whose shares are traded on markets of Borsa İstanbul A.Ş. (“**Borsa İstanbul**”), except those whose shares are traded on the Watchlist Market and the Venture Capital Market for sale to qualified investors of Borsa İstanbul, are included in the related list and they are required to apply TSRS in the preparation of their sustainability reports.
- Joint stock companies that issue capital markets instruments other than shares without being offered to public or that have obtained issuance limits, but are not publicly listed on an exchange or other organized markets, have been excluded from the obligation to apply TSRS in the preparation sustainability reports.

- Except for those whose shares are traded on Borsa İstanbul, banks and non-bank financial institutions listed under the Decision whose number of branch does not exceed one branch or whose number of employees does not exceed 250 as of the end of the previous year are allowed to voluntarily report their greenhouse gas emissions during the first two-year reporting periods in which TSRS is implemented (*the period when the Scope 3 - greenhouse gas emissions reporting exemption applies*).



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