

**DERIVATIVES USAGE IN RISK MANAGEMENT
BY TURKISH NON-FINANCIAL FIRMS AND BANKS:
A COMPARATIVE STUDY**

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ABSTRACT: The purpose of this study to compare the previous research about how the non-financial companies listed in the Istanbul Stock Exchange (ISE) and deposit banks in Turkey have disclosed information regarding the usage of derivatives, and the accounting treatment of these derivatives. The results of these studies indicate that banks and the non-financial companies listed in the ISE-100 Indices, which represent 86 % of the market capitalization, use derivatives mainly for hedging purposes. However, the evidence that they usually prefer reporting their gains/losses arising from these transactions as “held for trading” instead of applying “hedge accounting”, since they could not meet the compulsory criteria described in the IAS 39.

Key Words: Derivative Instruments, IAS 39, IFRS 7, Hedge Accounting,

JEL codes: G32, M41