PIOB
Enhancing Public Interest

THE PIOB CERTIFIES NARROW SCOPE AMENDMENTS TO THE IAASB STANDARDS IN RESPONSE TO THE IESBA´S REVISED DEFINITIONS OF LISTED ENTITY AND PUBLIC INTEREST ENTITY

Madrid, 29 August 2025

The Public Interest Oversight Board (PIOB) is pleased to announce the Certification of the International Auditing and Assurance Standards Board´s (IAASB) *Narrow Scope Amendments to the International Standards on Quality Management (ISQMs), International Standards on Auditing (ISAs), and International Standard on Review Engagements (ISRE) 2400 (Revised),* as approved by the IAASB in June 2025.

These targeted amendments respond to revisions in the International Ethics Standards Board for Accountants´ (IESBA) *International Code of Ethics for Professional Accountants* (the Code), specifically the updated definitions of Listed Entity and Public Interest Entity, with the goal of aligning the IAASB standards and the Code as closely as possible.

The IAASB's adoption of the IESBA's definition of Public Interest Entity would pose the risk of jurisdictional differences in the application of the ISAs, as allowed by the IESBA´s definition. Hence, the IAASB has adopted the definition of "Publicly Traded Entity", one of the categories within IESBA's definition to replace the term "Listed Entity" in its standards. The IAASB has further introduced a framework to guide the auditor in determining whether other entities may warrant treatment similar to Publicly Traded Entities.

The PIOB considers the IAASB's approach to be a pragmatic and constructive first step towards alignment with the IESBA's Public Interest Entity definition that supports interoperability between the ISAs and the Code, while ensuring consistent implementation of the ISAs across jurisdictions.

However, the PIOB is of the view that further alignment towards a single Public Interest Entity definition is necessary in the public interest. This requires a joint project by the IAASB and the IESBA as the most appropriate route to address underlying matters which have to date hindered meeting the expectations for the global adoption of a baseline, interoperable Public Interest Entity definition with categories beyond Publicly Traded Entity. The PIOB recommends that the joint project commences as soon as practicable, recognizing that it will be necessary to consider evidence gathered through the IESBA's post-implementation review of its Public Interest Entity definition in 2027.

For More Information

The PIOB provides recommendations to the IAASB through its quarterly Public Interest Issues, which are available on the PIOB website.

See the PIOB Certification

Media Enquiries
Ms. Rocío Goudie
PIOB Communications Director
Email: rgoudie@ipiob.org