



MEMBERS' HANDBOOK

Update No. 338

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VOLUME III

Document Reference and Title

Explanations

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Section 2: Pronouncements issued but not yet effective

HONG KONG STANDARDS ON AUDITING

Narrow Scope Amendments to the HKSQMs, HKSAAs and HKSRE 2400 (Revised) as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code

Note

Note:

Narrow Scope Amendments to the HKSQMs, HKSAAs and HKSRE 2400 (Revised) as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code ("Narrow Scope Amendments") are issued in response to the release of the International Auditing and Assurance Standards Board's ("IAASB") *Narrow Scope Amendments to the ISQMs, ISAs, and ISRE 2400 (Revised) as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the IESBA Code*.

The Narrow Scope Amendments:

- Adopt the same definition of publicly traded entity ("PTE") in the HKSQMs and HKSAAs as adopted in Chapter A of the HKICPA *Code of Ethics for Professional Accountants* ("Code").
- Incorporate an overarching objective for differential requirements for PTEs in the HKSQMs and HKSAAs and a framework for when it may be appropriate to apply such requirements to other entities.
- Amend the applicability of the existing requirements for audits of listed entities to apply to audits of PTEs.
- Add a new requirement in HKSRE 2400 (Revised) for public disclosure in the practitioner's review report when the practitioner applied independence requirements specific to reviews of financial statements of certain entities, e.g., for public interest entities ("PIEs").

Effective Date and Early Adoption

The Narrow Scope Amendments are effective for audits and reviews of financial statements for periods beginning on or after 15 December 2026.

Because of the potential confusion for users if auditors' reports for the same or similar periods within the marketplace lack consistency, the IAASB believes that if early adoption for Narrow Scope Amendments is contemplated, the collective changes arising from the Going Concern,¹ Fraud² and Narrow Scope Amendments should preferably be early adopted as a package, rather than on a piecemeal basis.³

¹ [HKSA 570 \(Revised 2024\), *Going Concern*](#); effective for audits of financial statements for periods beginning on or after 15 December 2026

² [HKSA 240 \(Revised\), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*](#); effective for audits of financial statements for periods beginning on or after 15 December 2026

³ Paragraph 83, IAASB [Basis for Conclusions: Narrow Scope Amendments to ISQMs, ISAs, and ISRE 2400 \(Revised\) as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the IESBA Code](#) (August 2025)