

2021

# Feedback Paper

Definition of Listed Entity

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## **Mission**

To contribute to Ireland having a strong regulatory environment in which to do business by supervising and promoting high quality financial reporting, auditing and effective regulation of the accounting profession in the public interest.

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## 1. Summary

Following public consultation, IAASA has updated the definition of 'listed entity' in its [Glossary of Terms](#), which defines the terms used in the Irish auditing standards.

The current definition of listed entity contains provisions that are specific to the UK market. IAASA is of the view that this language should be removed. This is because it is in the public interest to ensure that the requirements of the standards relating to listed entities are applied to all entities listed on a market of the Irish Stock Exchange, including special purpose vehicles (SPVs).

The amendment will align the definition of 'listed entity' in the Irish auditing framework more closely with the International Auditing and Assurance Standards Board (IAASB) definition. It will also provide additional clarity to auditors about the entities classified as listed entities in Ireland.

The revised definition applies to audits of financial statements for periods beginning on or after 15 December 2021.

## 2. Summary of responses

In advance of making this amendment, IAASA sought the views of stakeholders on the impact of the revised definition of 'listed entity' in the Glossary of Terms. Three responses were received, as listed below – one from a recognised accountancy body and two from audit firms. The full responses are available [here](#) on the IAASA website.

1. ACCA
2. EY
3. KPMG

The respondents were in favour of the proposed changes and the provision of clarity.

One respondent expressed the view that the term "recognised stock exchange" is more commonly used in the area of taxation and company law and can have a different meaning in both of those contexts. They recommended removal of the word "recognised" from the definition or the inclusion of a definition of "recognised stock exchange" within the glossary.

## 3. IAASA's response

The definition of 'listed entity' by reference to a 'recognised stock exchange' is consistent with language used in the IAASB standard. It is IAASA's view that the additional text (highlighted in grey) that has been inserted in the definition should be sufficient to enable users to apply this definition to a 'recognised stock exchange'.

IAASA has amended the definition in the Glossary of Terms as follows:

*“Listed entity - An entity whose shares, stock or debt are quoted or listed on a recognized stock exchange, or are marketed under the regulations of a recognized stock exchange or other equivalent body.*

*This includes any entity in which the public can trade shares, stock or debt on the open market, such as those listed on the Irish/London Stock Exchanges (including those admitted to trading on the Alternative Investment Market **and Euronext Growth**), and ISDX Markets. ~~It does not include entities whose quoted or listed shares, stock or debt are in substance not freely transferable or cannot be traded freely by the public or the entity (e.g. because the listing is a structural requirement for that entity and its shares, stock or debt are not traded, or because the consent of another party is required to trade in the shares, stock or debt).~~”*

The revised definition will be effective for audits of financial periods beginning on or after 15 December 2021.



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