

NACE Rev. 2 - Structure and explanatory notes
SECTION K FINANCIAL AND INSURANCE ACTIVITIES

This section includes financial service activities, including insurance, reinsurance and pension funding activities and activities to support financial services.

This section also includes the activities of holding assets, such as activities of holding companies and the activities of trusts, funds and similar financial entities.

This division includes the activities of obtaining and redistributing funds other than for the purpose of insurance or pension funding or compulsory social security.

Note: National institutional arrangements are likely to play a significant role in determining the classification within this division.

64 Financial service activities, except insurance and pension funding

This group includes the obtaining of funds in the form of transferable deposits, i.e. funds that are fixed in money terms, obtained on a day-to-day basis and, apart from central banking, obtained from nonfinancial sources.

64.1 Monetary intermediation

This class includes:

- issuing and managing the country's currency
- monitoring and control of the money supply
- taking deposits that are used for clearance between financial institutions
- supervising banking operations
- holding the country's international reserves
- acting as banker to the government

The activities of central banks will vary for institutional reasons

64.11 Central banking

This class includes the receiving of deposits and/or close substitutes for deposits and extending of credit or lending funds. The granting of credit can take a variety of forms, such as loans, mortgages, credit cards etc. These activities are generally carried out by monetary institutions other than central banks, such as:

- banks
- savings banks
- credit unions

This class also includes:

- postal giro and postal savings bank activities
- credit granting for house purchase by specialised deposit-taking institutions
- money order activities

This class excludes:

- credit granting for house purchase by specialised non-depository institutions, see 64.92
- credit card transaction processing and settlement activities, see 66.19

64.19 Other monetary intermediation

64.2 Activities of holding companies

This class includes the activities of holding companies, i.e. units that hold the assets (owning controlling levels of equity) of a group of subsidiary corporations and whose principal activity is owning the group.

The holding companies in this class do not provide any other service to the businesses in which the equity is held, i.e. they do not administer or manage other units.

This class excludes: - active management of companies and enterprises, strategic planning and decision making of the company, see 70.10

64.20 Activities of holding companies

64.3 Trusts, funds and similar financial entities

This class includes legal entities organised to pool securities or other financial assets, without managing, on behalf of shareholders or beneficiaries. The portfolios are customised to achieve specific investment characteristics, such as diversification, risk, rate of return and price volatility. These entities earn interest, dividends and other property income, but have little or no employment and no revenue from the sale of services.

This class includes:

- open-end investment funds
- closed-end investment funds
- unit investment trust funds
- trusts, estates or agency accounts, administered on behalf of the beneficiaries under the terms of a trust agreement, will or agency agreement

This class excludes:

- funds and trusts that earn revenue from the sale of goods or services, see NACE class according to their principal activity
- activities of holding companies, see 64.20
- pension funding, see 65.30
- management of funds, see 66.30

64.30 Trusts, funds and similar financial entities

This group includes financial service activities other than those conducted by monetary institutions.

This group excludes:

- insurance and pension funding, see division 65

64.9 Other financial service activities, except insurance and pension funding

This class includes:

- leasing where the term approximately covers the expected life of the asset and the lessee acquires substantially all the benefits of its use and takes all the risks associated with its ownership. The ownership of the asset may or may not eventually be transferred. Such leases cover all or virtually all costs including interest.

This class excludes:

- operational leasing, see division 77, according to type of goods leased

64.91 Financial leasing

This class includes:

- financial service activities primarily concerned with making loans by institutions not involved in monetary intermediation, where the granting of credit can take a variety of forms, such as loans, mortgages, credit cards etc., providing the following types of services:

- granting of consumer credit
- international trade financing

- provision of long-term finance to industry by industrial banks
- money lending outside the banking system
- credit granting for house purchase by specialised non-depository institutions
- pawnshops and pawnbrokers

This class excludes:

- credit granting for house purchase by specialised institutions that also take deposits, see 64.19
- operational leasing, see division 77, according to type of goods leased
- grant giving activities by membership organisations, see 94.99

64.92 Other credit granting

This class includes:

- other financial service activities primarily concerned with distributing funds other than by making loans:
 - factoring activities
 - writing of swaps, options and other hedging arrangements
 - activities of viatical settlement companies
 - own-account investment activities, such as by venture capital companies, investment clubs etc.

This class excludes:

- financial leasing, see 64.91
- security dealing on behalf of others, see 66.12
- trade, leasing and renting of real estate property, see division 68
- bill collection without debt buying up, see 82.91

grant-giving activities by membership organisations, see 94.99

64.99 Other financial service activities, except insurance and pension funding n.e.c.

This division includes the underwriting annuities and insurance policies and investing premiums to build up a portfolio of financial assets to be used against future claims. Provision of direct insurance and reinsurance are included.

65 Insurance, reinsurance and pension funding, except compulsory social security

This group includes life insurance with or without a substantial savings element and non-life insurance.

65.1 Insurance

This class includes:

- underwriting annuities and life insurance policies, disability income insurance policies, and accidental death and dismemberment insurance policies (with or without a substantial savings element)

65.11 Life insurance

This class includes:

- provision of insurance services other than life insurance:
 - accident and fire insurance
 - health insurance
 - travel insurance
 - property insurance
 - motor, marine, aviation and transport insurance
 - pecuniary loss and liability insurance

65.12 Non-life insurance

65.2 Reinsurance

This class includes:

- activities of assuming all or part of the risk associated with existing insurance policies originally underwritten by other insurance carriers

65.20 Reinsurance

65.3 Pension funding

This class includes legal entities (i.e. funds, plans and/or programmes) organised to provide retirement income benefits exclusively for the sponsor's employees or members. This includes pension plans with defined benefits, as well as individual plans where benefits are simply defined through the member's contribution.

This class includes:

- employee benefit plans
- pension funds and plans
- retirement plans

This class excludes:

- management of pension funds, see 66.30
- compulsory social security schemes, see 84.30

65.30 Pension funding

This division includes the provision of services involved in or closely related to financial service activities, but not themselves providing financial services. The primary breakdown of this division is according to the type of financial transaction or funding served.

66 Activities auxiliary to financial services and insurance activities

This group includes the furnishing of physical or electronic marketplaces for the purpose of facilitating the buying and selling of stocks, stock options, bonds or commodity contracts.

66.1 Activities auxiliary to financial services, except insurance and pension funding

This class includes the operation and supervision of financial markets other than by public authorities, such as:

- commodity contracts exchanges
- futures commodity contracts exchanges
- securities exchanges
- stock exchanges
- stock or commodity options exchanges

66.11 Administration of financial markets

This class includes:

- dealing in financial markets on behalf of others (e.g. stock broking) and related activities
- securities brokerage
- commodity contracts brokerage
- activities of bureaux de change etc.

This class excludes:

- dealing in markets on own account, see 64.99
- portfolio management, on a fee or contract basis, see 66.30

66.12 Security and commodity contracts brokerage

This class includes activities auxiliary to financial service activities not elsewhere classified, such as:

- financial transaction processing and settlement activities, including for credit card transactions
- investment advisory services
- activities of mortgage advisers and brokers

This class also includes:

- trustee, fiduciary and custody services on a fee or contract basis

This class excludes:

- activities of insurance agents and brokers, see 66.22
- management of funds, see 66.30

66.19 Other activities auxiliary to financial services, except insurance and pension funding

This group includes acting as agents (i.e. brokers) in selling annuities and insurance policies or provide other employee benefits and insurance and pension related services such as claims adjustment and third party administration.

66.2 Activities auxiliary to insurance and pension funding

This class includes the provision of administration services of insurance, such as assessing and settling insurance claims, such as:

- assessing insurance claims
 - claims adjusting
 - risk assessing
 - risk and damage evaluation
 - average and loss adjusting
- settling insurance claims

This class excludes:

- appraisal of real estate, see 68.31
- appraisal for other purposes, see 74.90
- investigation activities, see 80.30

66.21 Risk and damage evaluation

This class includes:

- activities of insurance agents and brokers (insurance intermediaries) in selling, negotiating or soliciting of annuities and insurance and reinsurance policies

66.22 Activities of insurance agents and brokers

This class includes:

- activities involved in or closely related to insurance and pension funding (except financial intermediation, claims adjusting and activities of insurance agents):
 - salvage administration
 - actuarial services

This class excludes:

- marine salvage activities, see 52.22

66.29 Other activities auxiliary to insurance and pension funding

66.3 Fund management activities

This class includes portfolio and fund management activities on a fee or contract basis, for individuals, businesses and others, such as:

- management of mutual funds
- management of other investment funds
- management of pension funds