



New version of NACE

Overview on the main changes in relation to NACE Rev.2

Executive summary

This document outlines the major changes that have taken place in the new version of NACE. The term *major change* encompasses all changes at section, division and group level, restructuring within groups as well as new classification rules. (*Minor changes*, i.e. changes not listed here, include e.g. title changes and partial transfer of contents between classes.)

First, Table 1 gives a one-page overview of the changes that have taken place.

Thereafter, headings 1 through 21 specify (by NACE section) the major changes that have taken place in the new version of NACE.

Finally, changes and new rules affecting the definition and classification of *intermediation service* activities are presented under heading 22, while the treatment of *Factoryless Goods Producers* (FGPs) is presented under heading 23.

Additional details (including all proposals, discussions and conclusions) are available in the NACE review database at <https://webgate.ec.europa.eu/fpfis/wikis/x/HJCnG>.

Table 1. Overview of the of the major changes in the new NACE

Note: All new NACE sections are listed, while new divisions are only listed if they are impacted by major changes and there are two or more divisions in the section.

Legend: ● = various major changes ○ = some major changes – = no changes

| Section Division | Heading | Changes | Comments |
|------------------|---|---------|---|
| A | AGRICULTURE, FORESTRY AND FISHING | | |
| 01 | Crop and animal production, hunting and related service activities | ○ | Consolidation of post-harvest crop activities |
| 03 | Fishing and aquaculture | ○ | New group for support activities |
| B | MINING AND QUARRYING | – | |
| C | MANUFACTURING | | |
| 14 | Manufacture of wearing apparel | ● | Overhaul of the entire division |
| 16 | Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials | ● | Changes for a number of headings |
| 20 | Manufacture of chemicals and chemical products | ○ | Overhaul of group 20.5 |
| 22 | Manufacture of rubber and plastic products | ○ | New class for processing and finishing of plastics |
| 25 | Manufacture of fabricated metal products, except machinery and equipment | ○ | Restructuring of group 25.6 |
| 26 | Manufacture of computer, electronic and optical products | ● | Integration of former groups 26.7 and 26.8 |
| 28 | Manufacture of machinery and equipment n.e.c. | ○ | New class 28.97 (additive manufacturing) |
| 30 | Manufacture of other transport equipment | ● | Separation of civilian and military use |
| 31 | Manufacture of furniture | ● | Consolidation into a single class |
| 33 | Repair, maintenance and installation of machinery and equipment | ● | Separation of civilian and military use |
| D | ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY | ● | Overhaul to distinguish (i) renewable sources and (ii) storage |
| E | WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES | | |
| 38 | Waste collection, recovery and disposal activities | ● | Overhaul of groups 38.2 and 38.3 |
| F | CONSTRUCTION | | |
| 41 | Construction of residential and non-residential buildings | ● | Overhaul; moving some headings to 68 |
| 43 | Specialised construction activities | ○ | New groups on specialized construction activities |
| G | WHOLESALE AND RETAIL TRADE | | |
| 46 | Wholesale trade | ● | Integration of division 45 into 46, 47 and 95 Various changes, including a new group for <i>wholesale</i> of motor vehicles etc. |
| 47 | Retail trade | ● | Various changes, including a new group for <i>retail sale</i> of motor vehicles etc. Most changes concern the reallocation of support activities |
| H | TRANSPORTATION AND STORAGE | | |
| 49 | Land transport and transport via pipelines | ● | New modes of transport |
| 50 | Water transport | ○ | New group on water transport service activities |
| 51 | Air transport | ○ | New group on air transport service activities |
| 52 | Warehousing, storage and support activities for transportation | ○ | Service activities moved to Sections 49, 50, 51 |
| I | ACCOMMODATION AND FOOD SERVICE ACTIVITIES | | |
| 56 | Food and beverage service activities | ○ | Group 56.1 split to separate out mobile food services |
| J | PUBLISHING, BROADCASTING, AND CONTENT PRODUCTION AND DISTRIBUTION ACTIVITIES | ● | Major overhaul of former Section J |
| K | TELECOMMUNICATIONS, COMPUTER AND INFORMATION SERVICE ACTIVITIES | ● | splitting it into two new sections J & K |
| L (ex K) | FINANCIAL AND INSURANCE ACTIVITIES | | |
| 64 | Financial service activities, except insurance and pension funding | ○ | Split of groups 64.2 and 64.3 |
| M (ex L) | REAL ESTATE ACTIVITIES | ○ | Class 41.10 moved to group 68.1 |
| N (ex M) | PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES | | |
| 70 | Activities of head offices; management consultancy activities | ○ | |
| 72 | Scientific research and development | ● | Consolidation into a single class |
| 73 | Activities of advertising, market research and public relations | ○ | New group from division 70 |
| 74 | Other professional, scientific and technical activities | ○ | Group 74.1 split |
| O (ex N) | ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES | | |
| 77 | Rental and leasing activities | ● | Class 77.22 dropped; new group 77.5 (intermediation) |
| 78 | Employment activities | ○ | Merger of groups 78.2 and 78.3 |
| 80 | Security and investigation activities | ● | Consolidation into a single group |
| 82 | Office administrative, office support and other business support activities | ○ | |
| P (ex O) | PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY | ○ | New class: Regulatory activities on the environment |
| Q (ex P) | EDUCATION | ○ | Move of post-secondary non-tertiary education from group 85.4 to 85.3 |
| R (ex Q) | HUMAN HEALTH AND SOCIAL WORK ACTIVITIES | | |
| 86 | Human health activities | ● | Most changes concern the refinement of 86.9 <i>other human health activities</i> which is split into 7 classes. |
| S (ex R) | ARTS, SPORT AND RECREATION | | |
| 90 | Arts and creative activities | ● | Splitting group 90.0 into multiple groups |
| 91 | Cultural, natural heritage and libraries activities | ● | Splitting group 91.0 into multiple groups |
| T (ex S) | OTHER SERVICE ACTIVITIES | | |
| 95 | Repair of computers and personal and household goods | ● | Move of maintenance and repair of motor vehicles from div. 45; merger of classes 95.11 and 95.12 |
| 96 | Other personal service activities | ● | Splitting group 96.0 into multiple groups |
| U (ex T) | ACTIVITIES OF HOUSEHOLDS AS EMPLOYERS; UNDIFFERENTIATED GOODS- AND SERVICES-PRODUCING ACTIVITIES OF HOUSEHOLDS FOR OWN USE | – | |
| V (ex U) | ACTIVITIES OF EXTRATERRITORIAL ORGANISATIONS AND BODIES | – | |

1. Section A: Agriculture, forestry and fishing

- Merger of classes 01.63 *Post-harvest crop activities* and 01.64 *Seed processing for propagation*
- Creation of a new group 03.3 *Support activities on fishing and aquaculture* and a new class 03.30 *Support activities on fishing and aquaculture*

2. Section B: Mining and quarrying

- Divisions, groups and classes of this section have not changed

3. Section C: Manufacturing

- Restructuring of division 14 *Manufacture of wearing apparel*: Groups 14.2 *Manufacture of articles of fur and leather clothes* and 14.3 *Manufacture of knitted and crocheted apparel* have been dropped and a new group 14.1 *Manufacture of wearing apparel* has been created.
- Split of group 16.1 *Sawmilling, planing and finishing of wood* into classes 16.11 *Sawmilling and planing of wood* and 16.12 *Processing and finishing of wood*.
- Split of class 16.29 into 3 new classes: 16.26 *Manufacture of doors and windows of wood*, 16.27 *Manufacture of solid fuels from biomass* and 16.29 *Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials*.
- Split of class 20.59 into 20.51 *Manufacture of liquid bio-fuels* and 20.59 *Manufacture of other chemical products*. Merge of 20.51 *Manufacture of explosives*, 20.52 *Manufacture of glues* and 20.53 *Manufacture of essential oils* into class 20.59.
- New class 22.24 *Processing and finishing of plastics*.
- Restructuring of group 25.6 *Treatment and coating of metals; machining*.
- Integration of group 26.8 *Manufacture of magnetic and optical media* into group 26.7 *Manufacture of optical instruments, magnetic and optical media and photographic equipment*
- New class 28.97 *Manufacture of additive manufacturing machinery*
- Creation of classes 30.13 *Building of military ships or vessels*, 30.32 *Manufacture of military air and spacecraft and related machinery* and 33.18 *Repair and maintenance of military fighting vehicles ships, boats and aircraft and space craft*
- Restructuring of group 31.0 *Manufacture of furniture* in merging classes 31.01 *Manufacture of office and shop furniture*, 31.02 *Manufacture of kitchen furniture*, 31.03 *Manufacture of mattresses* and 31.09 *Manufacture of other furniture* into a new class 31.00 *Manufacture of furniture*.
- Creation of a new class 33.18 *Repair and maintenance of military fighting vehicles, ships, boats, air and spacecraft*.

4. Section D: Electricity, gas, steam and air conditioning supply

- Restructuring of group 35.1 *Electric power generation, transmission and distribution*, creation of new classes 35.11 *Production of electricity from non-renewable sources*, 35.12 *Production of electricity from renewable sources* and 35.16 *Storage of electricity*.
- New class 35.24 *Storage of gas*.

5. Section E: Water supply, sewerage, waste management and remediation activities

- Restructuring of groups 38.2 *Waste treatment and disposal* and 38.3 *Waste recovery*.

6. Section F: Construction

- Group 41.1 *Development of building projects* has been dropped and class 41.10 *Development of building projects* has been moved to group 68.1 *Real estate activities with own property*.

- There was an agreement within the ESS on the introduction of a new division 44 *Other specialised construction activities* and enriching divisions 43 and 44 with some new groups and classes. However, as the new ISIC does not propose this new division and to keep the consistency between ISIC and NACE at division level, the new proposal for groups and classes in division 43 *Specialised construction activities* merges the 2 proposed divisions back into the original division 43. Thus, three new groups from the proposed division 44 were integrated in division 43: 43.4 *Specialised construction activities in construction of buildings*, 43.5 *Specialised construction activities in civil engineering* and 43.6 *Intermediation services for specialized construction services*.

7. Section G: Wholesale and retail trade; repair or motor vehicles and motorcycles

- Currently ISIC and NACE make a distinction at group and class level between in-store and online retail trade (with much greater focus on the in-store activities). The distinction between the two forms of trade is eliminated in Division 47. The reason for this decision was based on the following considerations:
 - most of the retail activities operate both in-store and online (as well other distribution channels) and it is difficult to differentiate between the two distribution/sale channels based on the primary sales methods.
 - the share of online and in-store sales can vary over time affecting the stability of the classification.

The analytical importance of monitoring activities of on-line retail is recognised but it was agreed that the main classification criteria for retail trade in ISIC will be based on what is sold and not the sale channels.

- As a consequence of the decision to eliminate the distinction between in-store and online retail trade and for consistency reasons, groups 47.8 *Retail sale via stalls and markets* and 47.9 *Retail trade not in stores, stalls or markets* have been dropped.

- Division 45 *Wholesale and retail trade and repair of motor vehicles and motorcycles* has been eliminated in order to make it consistent with the classification structure of ISIC and NACE. This means that the wholesale activities of motor vehicles will be moved to division 46 *Wholesale trade*, the activities of retail trade of motor vehicles to division 47 *Retail trade* and the activities of *Maintenance and repair of motor vehicles and motorcycles* to division 95 *Repair of computer and personal and households goods* in Section S.
- It was agreed to maintain the scope of Section G limited to physical goods, as defined in the 2008 SNA paragraph 6.15 *Goods are physical, produced objects for which a demand exists, over which ownership rights can be established and whose ownership can be transferred from one institutional unit to another by engaging in transactions on markets*. This is consistent with the definitions and concepts applied in the Balance of Payments domain, the G20 Digital Economy Task Force, the Handbook on Measuring Digital Trade etc.

The commerce of digital goods, download and streaming are included in Section J.

- Classes 46.51 *Wholesale of computers, computer peripheral equipment and software* and 46.52 *Wholesale of electronic and telecommunications equipment and parts* were merged. The same principle was applied to retail trade where classes 47.41 *Retail sale of computers, peripheral units and software in specialised stores*, 47.42 *Retail sale of telecommunications equipment in specialised stores* and 47.43 *Retail sale of audio and video equipment in specialised stores* were also merged.
- Merger of classes 47.61 *Retail sale of books in specialised stores* and 47.63 *Retail sale of music and video recordings in specialised stores*.

8. Section H: Transportation and storage

- Group 49.1 *Passenger rail transport, interurban* has been split into two classes 49.11 *Passenger heavy rail transport* and 49.12 *Other passenger rail transport*.
- Group 49.3 *Other passenger land transport* has been restructured with the creation of new classes 49.31 *Scheduled passenger transport by road*, 49.32 *Non-scheduled passenger transport by road* and 49.34 *Passenger transport by cableways, funiculars and ski-lifts*.
- Class 52.21 *Service activities incidental to land transport* has been moved to a new group 49.6 *Service activities incidental to land transport*.
- Class 52.22 *Service activities incidental to water transport* has been moved to a new group 50.5 *Service activities incidental to water transport*.
- Class 52.23 *Service activities incidental to air transport* has been moved to a new group 51.3 *Service activities incidental to air transport*.

9. Section I: Accommodation and food service activities

- Group 56.1 *Restaurants and mobile food service activities* has been split into two classes 56.11 *Restaurants activities* and 56.12 *Mobile food services activities*.

10. Former Section J: Information and communication

- Section J has been split into two new sections: Section J *Publishing, broadcasting, and content production and distribution activities* and Section K *Telecommunications, Computer and Information Service Activities*.
- The objective of the creation of the new section J is to reflect that the publishing, broadcasting, and content production and distribution activities (Divisions 58, 59 and 60) are often carried out together. The new section K will cover telecommunications, computer programming, consultancy, computing infrastructure, and other information service activities.
- The publishing of own developed software will be classified in group 58.2 *Software publishing*.
- Creation of a new group 60.3 *News agency and other content distribution activities* composed of classes 60.31 *News agency activities* (moved from group 63.9) and 60.39 *Other content distribution activities* (new class).
- Removal of the distinction at the group level between wired, wireless, and satellite telecommunications activities. Groups 61.1, 61.2 and 61.3 have been merged into one only group 61.1 *Wired, wireless and satellite telecommunications activities* containing a single class 61.10 *Wired, wireless and satellite telecommunications activities*.
- Class 62.01 *Computer programming activities* has been transformed in group 62.1 *Computer programming activities* and that in turn split into two classes 62.11 *Development of video games, video game software, and video game software tools* and 62.19 *Other computer programming activities*.
- Classes 62.02 *Computer consultancy activities* and 62.03 *Computer facilities management activities* have been merged into one new group 62.2 *Computer consultancy and computer facilities management activities* containing a single class 62.20 *Computer consultancy and computer facilities management activities*.
- Class 62.09 *Other information technology and computer service activities* has been transformed in a new group 62.9 *Other information technology and computer service activities* containing a single class 62.90 *Other information technology and computer service activities*.
- A new group 63.1 *Computing infrastructure, data processing, hosting and other information service activities* containing a single class 63.10 *Computing infrastructure, data processing, hosting and other information service activities* has been created to include activities such as cloud infrastructure and platform provision (IaaS, PaaS) and cloud computing (except software publishing and computer systems design) whether or not in combination with infrastructure provision, distributed ledger (blockchain) technology data processing activities and technical infrastructure provisioning services related to streaming.
- A new group 63.9 *Web search portals and other information service activities* containing a single class 63.90 *Web search portals and other information service activities* has been created to cover activities of web sites that use a search engine to generate and maintain extensive databases of Internet addresses and content in an easily searchable format (known as Web search portals).
- Cybersecurity activities will be integrated in activities of software development, programming, consultancy activities and incident/information management under

the new classes 62.19 *Other computer programming activities*, 62.20 *Computer consultancy and computer facilities management activities* and 62.90 *Other information technology and computer service activities*. Cybersecurity software publishing will be added to group 58.2. The explanatory notes of these classes will be adapted accordingly.

11. Former Section K: Financial and insurance activities

- NACE Rev.2 Section K has been renamed Section L (as explained in 10 above).
- Group 64.2 has been split into class 64.21 *Activities of holding companies* and 64.22 *Activities of financing conduits*.
- Group 64.3 has been split into class 64.31 *Activities of money market and non-money market investments funds* and 64.32 *Activities of trust, estate and agency accounts*.
- Classification of **Financial technology** ('fintech') in the new NACE:
 - Like any other company, fintech companies have to be classified in economic activity classifications based on their principal economic activity, defined according to the value added principle. Thus a fintech unit principally active in financial intermediation will be classified in Section K, whereas a unit whose principal activity is to provide digital technology that supports the provision of a financial service – including many 'big tech' companies – will be classified in Section J, even if they provide services to financial enterprises.
 - Technology is not a dominant classification criterion in defining an economic activity, rather the type of service provided.
 - For the classification of fintech activities (including activities related to crypto currencies), no additional groups or classes were created as these activities are already in NACE (in Section J or Section K). The explanatory notes will be improved accordingly.

12. Former Section L: Real estate activities

- NACE Rev.2 Section L has been renamed Section M (as explained in 10 above).
- Class 41.10 "Development of building projects" has been moved to group 68.1 "Real estate activities with own property" (new class 68.12)

13. Former Section M: Professional, scientific and technical activities

- NACE Rev.2 Section M has been renamed Section N (as explained in 10 above).
- Reorganisation of division 72 *Scientific research and development*. Groups 72.1 *Research and experimental development on natural sciences and engineering* and 72.2 *Research and experimental development on social sciences and humanities* have been merged into one new group 72.0 *Scientific research and development* containing a single class 72.00 *Scientific research and development*.
- Class 70.21 is moved to a new group 73.3 *Public relation and communication activities* containing a single class 73.30 *Public relation and communication activities*.
- Group 74.1 *Specialised design activities* has been split into 4 new classes 74.11 *Industrial product and fashion design activities*, 74.12 *Graphic design and*

visual communication activities, 74.13 Interior design activities and 74.14 Other specialised design activities.

- Class 74.90 split into new class 74.91 *Patent brokering (marketing) service activities* and a residual class 74.99.

14. Former Section N: Professional, scientific and technical activities

- NACE Rev.2 Section N has been renamed Section O (as explained in 10 above).
- Content of class 77.22 *Renting of video tapes and disks* was included in 77.29.
- Creation of new group 77.5 *Intermediation service activities for renting and leasing of tangible goods and non-financial intangible assets* with the classes 77.51 *Intermediation service activities for renting and leasing of cars, motorhomes and trailers* and 77.59 *Intermediation service activities for renting and leasing of other tangible goods and non-financial intangible assets*.
- Group 78.3 *Other human resources provision* has been dropped and its content moved to group 78.2 *Temporary employment agency activities and other human resource provisions* and class 78.20 *Temporary employment agency activities and other human resource provisions*.
- Groups 80.2 *Security systems service activities* and 80.3 *Investigation activities* have been integrated into group 80.1 *Security activities* which itself has been restructured.
- Content of class 82.91 *Activities of collection agencies and credit bureaus* was included in the residual class 82.9.

15. Former Section O: Public administration and defence; compulsory social security

- NACE Rev.2 Section O has been renamed Section P (as explained in 10 above).
- New class 84.13 *Regulation of the activities of providing environmental services*. The current class 84.13 *Regulation of and contribution to more efficient operation of businesses* has been changed to class 84.14 *Regulation of and contribution to more efficient operation of businesses*.

16. Former Section P: Education

- NACE Rev.2 Section P has been renamed Section Q (as explained in 10 above).
- The content of this section was adapted to the new ISCED classification by extending group 85.3 *Secondary education* with a new class 85.33 *Post-secondary non-tertiary education* (moved from group 85.4 *Higher education*) and renaming the groups accordingly.

17. Section Q: Human health and social work activities

- NACE Rev.2 Section Q has been renamed Section R (as explained in 10 above).
- Redefinition of group 86.9 *Other human health activities* by splitting it into 8 classes 86.91 *Intermediation service activities for medical, dental, and other health services*, 86.92 *Diagnostic imaging services and medical laboratory activities*, 86.93 *Patient transportation by ambulance*, 86.94 *Activities of psychological psychotherapists*, 86.95 *Nursing and midwifery activities*,

86.96 Physiotherapy activities, 86.97 Traditional, complementary and alternative medicine activities and 86.99 Other human health activities n.e.c.

18. Section R: Arts, entertainment and recreation

- NACE Rev.2 Section R has been renamed Section S (as explained in 10 above).
- Complete restructuring of division 90 with definition of new groups 90.1 *Arts creation activities*, 90.2 *Activities of performing arts* and 90.3 *Support activities to arts creation and performing arts* with the corresponding new classes.
- Complete restructuring of division 91 with definition of new groups 91.1 *Library and archive activities*, 91.2 *Museums, collections, historical sites and monuments activities*, 90.3 *Conservation, restoration and other support activities for cultural heritage* and 90.4 *Botanical and zoological gardens and nature reserves activities* with the corresponding new classes.

19. Section S: Other service activities

- NACE Rev.2 Section S has been renamed Section T (as explained in 10 above).
- Merger of classes 95.11 *Repair of computers and peripheral equipment* and 95.12 *Repair of communication equipment*.
- Integration of a new group 95.3 *Maintenance and repair of motor vehicles and motorcycles* containing two classes 95.31 *Maintenance and repair of motor vehicles* and 95.32 *Maintenance and repair of motorcycles* (moved from division 45).
- Complete restructuring of division 96 with upgrade of previous classes to groups resulting in the definition of new groups 96.1 *Washing and (dry-) cleaning of textile and fur products*, 96.2 *Hairdressing, beauty treatment day-spas and similar activities* and 96.9 *Other personal service activities n.e.c.* with the corresponding new classes.

20. Section T: Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use

- NACE Rev.2 Section T has been renamed Section U (as explained in 10 above).
- Divisions, groups and classes of this section have not changed.

21. Section U: Activities of extraterritorial organisations and bodies

- NACE Rev.2 Section U has been renamed Section V (as explained in 10 above).
- Divisions, groups and classes of this section have not changed.

22. Definition and classification of *Intermediation service activities*

- Both the Task Team on ISIC (TT-ISIC) and the NACE review Task Force discussed the issue of intermediaries in general, but also the issue of digital intermediaries. Retail intermediaries are retailers that sell products without owning them. These intermediation activities have increased enormously due to the technological advances through digital platforms. The identification of these

activities is of great importance from the policy perspective. Currently, there is an intermediate agreement¹ by the Expert Group on Classification on the treatment of intermediation activities within the current structure of ISIC, but enterprises are generally coded in Statistical Business Registers based on national rules or reflections.

- Some of the activities of intermediation services are already considered in ISIC and NACE. The current structures reflects the intermediation activities that were prevalent at the time of writing ISIC Rev.4 and NACE Rev.2. Nowadays, these activities have spread across many industries due also to the technological development, i.e. digitalisation, and should therefore, due to their economic importance, be reflected into the new classification structures.
- Although most of the activities of intermediation services may be digital in nature, digitalisation should not be a classification criterion in ISIC following the principles and criteria of ISIC (see for example the discussion of online and in-store retail). Other classifications or alternative aggregations could be used to separately identify those intermediaries that operate through digital means (i.e. digital platforms). The so-called ‘digital intermediation platforms’ that provide intermediation services via online platforms, will not be treated differently from those that provide similar intermediation services via other means (face-to-face, telephone, mail, email, etc.)
- Both the TT-ISIC and NACE review TF discussed this issue at length and agreed to reflect these activities more explicitly in the classifications. The TT-ISIC has agreed to define Intermediation services activities as follows:

‘Intermediation services activities are activities that facilitate transactions between buyers and sellers for the ordering and/or delivering of goods and services for a fee or commission, without supplying the services or taking ownership of the goods that are intermediated. These activities can be carried out on digital platforms or through non-digital channels. The fee or commission can be received from either the buyers or sellers, and revenue for intermediation activities can include other sources of income, such as revenues from advertising.’

The definition excludes financial and insurance intermediation service activities.

- The TT-ISIC discussed options for reflecting these activities in the classification and agreed to create separate groups or classes in the divisions of ISIC where these goods and services are produced. Thus those new categories, combined with existing dedicated categories, can identify all non-financial intermediation services which are now a significant component in the delivery of the underlying good or service of the respective divisions. Intermediation services (except financial intermediation) which cannot be classified in the dedicated classes or which intermediate services belonging to several divisions, are integrated into a dedicated group in division 82.
- A list of relevant intermediation service activities was identified by the TT-ISIC and the following new classes were created for these activities:

¹ See document ESA/STAT/AC.340/10 at <https://unstats.un.org/unsd/classifications/expertgroup/egm2017/ac340-10.PDF> together with the decision of the Expert Group on International Statistical Classification in paragraph 79 of the meeting report at <https://unstats.un.org/unsd/classifications/expertgroup/egm2017/ac340-4.pdf>

- Activities of brokers and agents for electric power and natural gas
 - Intermediation services for specialized construction services
 - Intermediation services for non-specialized retail trade
 - Intermediation services for specialized retail trade
 - Intermediation services for freight transportation
 - Intermediation services for passenger transportation
 - Intermediation services for postal and courier activities
 - Intermediation services for accommodation
 - Intermediation services for food and beverage services activities
 - Intermediation services for telecommunications activities
 - Intermediation services for real estate activities
 - Patent brokering (marketing) services
 - Intermediation services for renting and leasing of cars, motorhomes and trailers
 - Intermediation services for renting and leasing of other tangible goods and non-financial intangible assets
 - Intermediation services for business support activities (except financial intermediation), n.e.c.
 - Intermediation services for courses and tutors
 - Intermediation services for medical, dental, and other health services
 - Intermediation services for residential care activities
 - Intermediation services for repair and maintenance of computers, personal and household goods, and motor vehicles and motorcycles
 - Intermediation services for other personal services
- The TT-ISIC recognised that an alternative treatment of intermediation service activities could be to classify them in a (single) separate division, but there was overall resistance in creating such a Division. The TT-ISIC may reconsider this option at its next revision when more experience is collected on the classification of intermediation service activities. The current proposal would in any case allow alternative aggregations to be defined if needed by the producers of statistical data due to the fact that the activities are integrated in devoted categories in the revised ISIC.
 - The new NACE version applies the same general principles, with intermediation services presented under the same heading as the production of the good or service being the subject of the intermediation.

23. Treatment of *Factoryless Goods Producers (FGPs)*

- The current guidance on the classification of FGPs in ISIC Rev. 4 was reviewed especially in light of the ongoing discussion on the definition of FGPs within the revision process of the System of National Accounts 2008 (2008 SNA) and the Balance of Payments and International Investment Position Manual (BPM6) and the guidance note C.4 Merchanting and Factoryless Producers; Clarifying Negative Exports in Merchanting; and Merchanting of Services.
- After careful considerations, the TT-ISIC agreed that the definition criteria of FGPs should be extended to include the ownership of the IPP and not be solely based on the ownership of the input material. In addition, the criteria for defining

the FGPs should cover some aspects of the control of the transformation process including quality control, oversight of the production process etc. The distinction between affiliates and non-affiliates is not a relevant criterion in the definition and classification of FGPs.

- The TT-ISIC recognised the analytical importance of separately identify FGPs, however, based on the current practices and the feedback collected by the TT-ISIC members, it is not feasible at this stage to separately classify FGPs in ISIC. The TT-ISIC, therefore, agreed that FGPs will be classified in Section C in the same class where they would have been classified if they carried out the manufacturing process themselves. In addition, the TT-ISIC will encourage the identification of FGPs in the Statistical Business Registers so that this issue can be reconsidered in the next revision of ISIC.
- In order to stay consistent with the new version of ISIC, the new version of the NACE classification does not attempt to single out FGPs. Classification of factoryless goods production will thus take place in NACE Section C, applying the same principles as ISIC.