INSTITUTIONAL SECTOR CLASSIFICATION GUIDE FOR SOUTH AFRICA

AUGUST 2022

SOUTH AFRICAN RESERVE BANK

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A. Introduction

Background

The Economic Statistics Department (ESD) of the South African Reserve Bank (SARB) collects economic data from most institutional sectors, including financial corporations, non-financial corporations and other institutions in the private and public sectors. The data are submitted by institutions which participate in the SARB's sample and census surveys administered by ESD. These data are used to compile macroeconomic statistics for the analysis of, among other things, sectoral balance sheets, money supply and credit aggregates, as well as the National Financial Account (NFA).

From an economic and statistical perspective, institutional sectorisation is important in, for example, the compilation process of the money supply and credit extension aggregates, as it determines those institutions which should form part of, or should be excluded from, the monetary aggregate framework. Sectorisation also enhances the usefulness of the accounts for the purposes of economic analysis. Institutional units with similar objectives and types of behaviour are grouped together. Corporations, government units, households and non-profit institutions serving households (NPISHs) differ with respect to their economic objectives, functions and behaviour. ESD and various stakeholders, including all ESD survey respondents, previously consulted the *Institutional Sector Classification Guide for South Africa 2017 (ISCG 2017)* when classifying entities according to their institutional sectors, and to aid in the compilation of Integrated Economic Accounts (IEA) statistics.[1]

Purpose of the guide

This *Institutional Sector Classification Guide for South Africa (ISCG)* identifies and categorises entities according to institutional sectors, and provides elaborate definitions according to the guidelines of the *ISCG*, the *System of National Accounts 2008 (2008 SNA)* as well as other manuals and directives utilised by the ESD units in the SARB, as listed above. The *2008 SNA* consists of a coherent, consistent and integrated set of macroeconomic accounts with balance sheets and tables based on a set of internationally agreed-upon concepts, definitions, classifications and accounting rules. A core element of this publication is the institutional sector classification.

The *ISCG* focuses on expanding the institutional sector classification, which is presented in Chapter 4 of the *2008 SNA*. This practical guide will assist ESD in creating uniform definitions by accounting for, and consolidating deviations between, all the input sources, and will therefore provide standardised definitions where institutional sector classification is concerned within ESD and for stakeholders at large. As a deviation from, and an improvement to, the classification process, the lists of entities classified according to institutional sectors are available on the official website of the SARB (https://www.resbank.co.za/en/home/publications/guides/institutional-sector-classification-guide-for-sa).

Structure of the guide

The structure of the guide includes an elaborate diagram depicting the total economy as an outline of the five sections to follow:

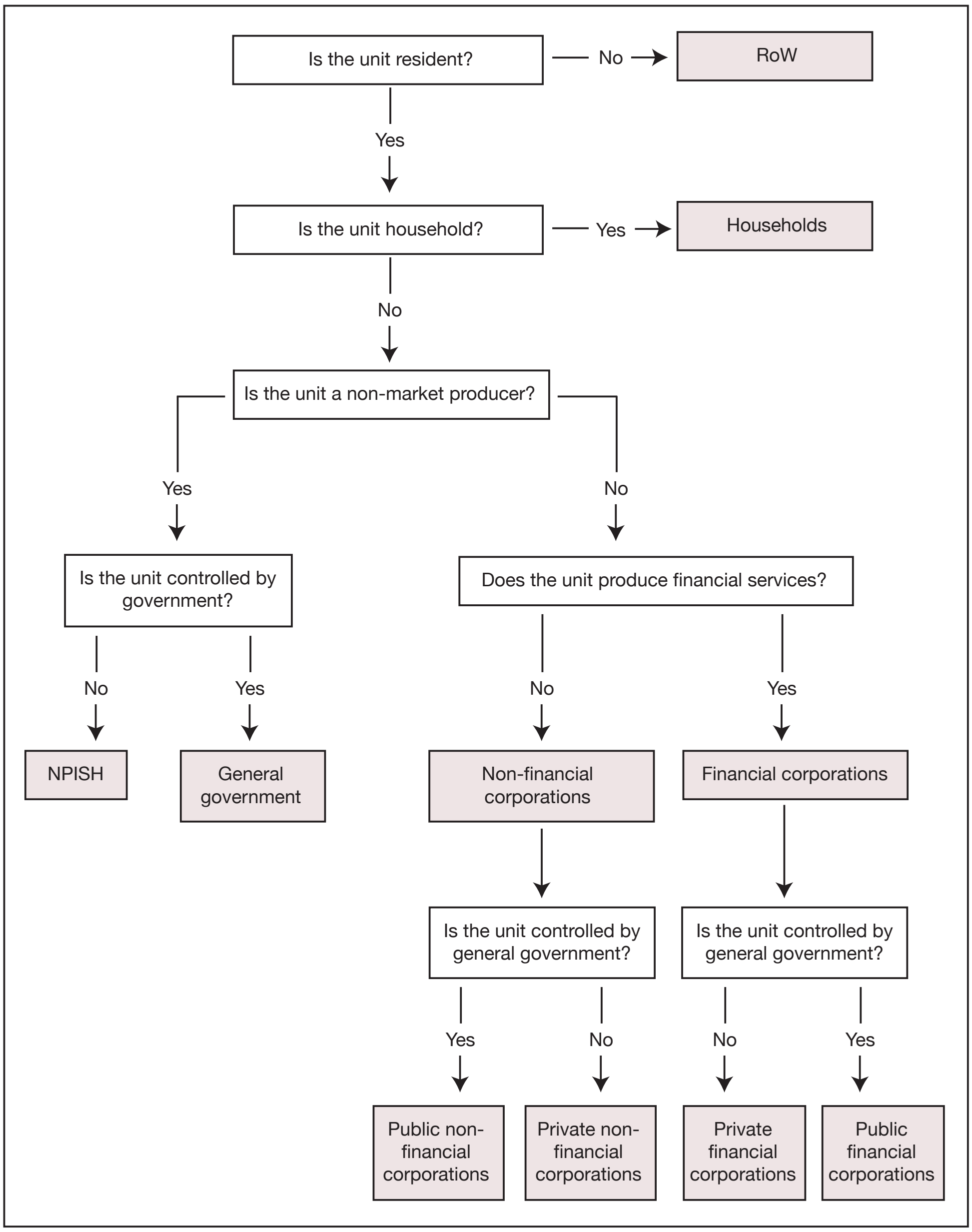
- The **first section** offers **definitions of terms** and **high-level sectors**, as depicted by Figure 1 below, which was sourced from Chapter 4 of the *2008 SNA*.

1 All material consulted for the compilation of this *ISCG* is outlined in the *Reference list* in Section 5 of this publication of this publication.

- The **second section** encompasses a breakdown of the **domestic sector** by providing definitions of the institutions within the financial corporations sector, the non-financial corporations sector, the general government sector and the household sector.
- The **third section** expands on the **foreign sector** by providing definitions of the institutions within the foreign financial corporations sector, the foreign non-financial corporations sector, foreign governments, international organisations and other non-residents.
- The **fourth section** includes annexures which encompass **additional information.**
- The **fifth section** contains the **reference list.**

B. Section 1: Classification decision tree

Figure 1: Illustrative allocation of units[2] to the institutional sectors



[2] Unit and institution to be used interchangeably in this decision tree.

This section encompasses high-level definitions, as guided by Figure 1 above. The sections that follow are guided by some of the sectors defined below. Expanded definitions and examples, where applicable, are provided as additional information in the annexures.

i. Total economy

The total economy is defined in terms of resident institutional units. An institutional unit is resident in a country where it has its centre of predominant economic interest in the economic territory of that country over a period of one year or more.

ii. Institutional unit

An institutional unit is an economic entity that is capable of, in its own right, owning assets, incurring liabilities, and engaging in economic activities and in transactions with other entities.

The main attributes of institutional units may be described as follows:

- An institutional unit is entitled to own goods or assets in its own right; it is therefore able to exchange the ownership of goods and assets in transactions with other institutional units.
- An institutional unit is able to take economic decisions and engage in economic activities for which it is itself held directly responsible and accountable in law.
- An institutional unit is able to incur liabilities on its own behalf, to take on other obligations or future commitments, and to enter into contracts.
- Either a complete set of accounts, including a balance sheet of assets and liabilities, exists for the institutional unit, or it would be possible and meaningful, from an economic viewpoint, to compile a complete set of accounts if it were required.

iii. Residence

The residence of each institutional unit is the economic territory with which it has the strongest connection, in other words: its centre of predominant economic interest. Some key features to identify residence are as follows:

- In its broadest sense, an economic territory can be any geographic area or jurisdiction for which statistics are required.
- The connection of entities to a particular economic territory is determined from aspects such as physical presence and being subject to the jurisdiction of the government of the territory.
- The most commonly used concept of economic territory is the area under the effective economic control of a single government. However, economic territory has the dimensions of physical location as well as legal jurisdiction, so that corporations created under the law are part of that economy. The concepts of economic territory and residence are designed to ensure that each institutional unit is a resident in one economic territory, determined by its centre of predominant economic interest.

The residence of individual persons is determined by the household to which they belong and not by their place of work. All members of the same household have the same residence as the household itself, even though they may cross borders to work or otherwise spend periods of time abroad. If they reside and work abroad for such an extended period that they acquire a centre of economic interest abroad, they cease to be members of their original households.

iv. Rest of the world

The rest of the world is the account of transactions occurring between resident and non-resident units, but it may also be seen as the whole group of non-resident units that enter into transactions with resident units. Non-resident institutional units are units which have their centre of predominant economic interest outside of the economic territory.

The rest of the world account covers transactions between resident and non-resident institutional units as well as the related stocks of assets and liabilities where relevant.[3]

v. Household sector

The household sector consist of individuals or groups of individuals as consumers and as entrepreneurs producing market goods as well as financial and non-financial services (market producers) provided that the production of goods and services is not by separate entities treated as quasi-corporations.[4] Households also include individuals or groups of individuals as producers of goods and non-financial services for exclusively own final use.[5]

vi. Market producer

A market producer covers all the institutional units whose output is mainly market-related, that is: output that is, or is intended to be, sold in the market at prices that are economically significant or otherwise disposed on the market. The output is only sold at economically significant prices when more than 50% of the production costs is covered by sales.

vii. Non-market producer

Non-market producers provide most of their output to others for free or at prices that are not economically significant. Thus, non-market producers engaged mainly in non-market production may be distinguished not only by the fact that they are incapable of providing financial gain to the units that control/manage them, but also by the fact that they must rely principally on funds other than receipts from sales to cover their costs of production or other activities. Their principal source of finance may be regular subscriptions paid by the members of the association that controls/manages them, transfers or donations from third parties, including government or from property income.

viii. Government control

A corporation is a public corporation if a government unit, another public corporation or a combination of government units and public corporations controls the entity, where control is defined as the ability to determine the general corporate policy of the corporation. The expression 'general corporate policy' as used here is understood in a broad sense to mean the key financial and operating policies relating to the corporation's strategic objectives as a market producer.

Because governments exercise sovereign powers through legislation, regulations, orders and the like, care needs to be applied in determining whether the exercise of such powers amounts to a determination of the general corporate policy of a particular corporation and therefore control of the corporation. Laws and regulations applicable to all units as a class or to a particular industry should not be viewed as amounting to control of these units.

Control can be executed through different means, such as[6]:

- ownership of the majority of the voting interest;
- control of the board of directors (board) or another governing body;
- control of the appointment and removal of key personnel;
- control of the key committees of the entity;

3 Additional information and references are provided in the *Annexure* and *Reference list* in Section 4 of this publication.
4 Definitions and types of quasi-corporations are provided in the *Annexures* in Section 4 of this publication.
5 Guidance on compiling transaction accounts and balance sheets for households is provided in Section 2.
6 Definitions of these indicators of control can be found in Chapter 4 (4.80) of the *2008 SNA*, under 'Government control of corporations'.

- golden shares and options;
- regulation;
- control by a dominant customer; and
- control attached to borrowing from government.

In some instances, only one indicator of control is required to influence the policy(-ies) of the institutional units, for example if government owns the majority of the voting interests, more than 50% of shares or a so-called 'golden share' that allows it to block decisions of the corporation.

ix. General government sector

Government units are unique kinds of legal entities established by political processes that have legislative, judicial or executive authority over other institutional units within a given area, mainly to produce non-market goods and services for individual and public consumption, and to redistribute income and wealth. In general, an institutional unit is resident in only one economic territory determined by the unit's centre of predominant economic interest. Exceptions can be made for multi-territory enterprises that operate a seamless operation over more than one economic territory.

x. Non-profit institutions

Non-profit institutions (NPIs) are legal or social entities created for the purpose of producing goods and services but whose status does not permit them to be a source of income, profit or other financial gain for the units that establish, control or finance them. In practice, their productive activities are bound to generate either surpluses or deficits, but any surpluses they happen to make cannot be appropriated by other institutional units, including those that control/manage them. NPIs engaged in market production are classified as corporations.[7]

xi. Non-profit institutions serving households

All NPISHs provide goods and services for free or at prices that are not economically significant. There are two types of NPISHs. The one type consists of those NPISHs that are created by associations of persons to provide goods or, more often, services primarily for the benefit of the members themselves. The services are usually provided for free, being financed by regular membership subscriptions or dues. The second type of NPISHs consists of charities, relief organisations or aid agencies that are created for philanthropic purposes and not to serve the interests of the members of the association controlling the NPISH.

xii. Financial corporations sector

The financial corporations sector includes all privately and publicly owned resident institutional units whose principal activity is financial intermediation or financial auxiliary activities related to financial intermediation. It includes NPIs engaged in market production of a financial nature.

Financial intermediation is the incurrence of own-account liabilities to acquire financial assets through engaging in financial transactions, and channelling funds from lenders to borrowers.

The financial corporations sector consists of all resident corporations, including quasi-corporations, that are principally engaged in providing financial services, including insurance and retirement fund services, to other institutional units.

The characteristics of financial intermediation include:

- the incurrence of liabilities to raise funds for lending;

7 Further discussions are provided in the *Annexures* at the back of this publication.

- the transformation of financial instruments with respect to maturity, the interest rate, the currency of denomination etc.; and
- the acquisition of credit and financial risks.

Among the key factors in determining if an entity is part of the financial corporations sector are:

- the incurrence of credit and financial risks;
- the existence of a separate set of accounts for the financial intermediation activities; and
- the predominance of the provision of financial services within the total production of goods and services of the unit.

– **Domestic private financial corporations**

Domestic private financial corporations include all resident financial corporations that are not controlled by government.

– **Domestic public financial corporations**

All resident financial corporations controlled by general government units or other public corporations are part of the public financial corporations subsector. In addition, this category includes public NPIs engaged in the market production of a financial nature such as those financed by subscriptions from financial enterprises whose role is to promote and serve the interests of those enterprises.

– **Foreign-controlled financial corporations**

These are all financial corporations controlled by non-resident units.

xiii. Non-financial corporations sector

Non-financial corporations are corporations and quasi-corporations whose principal activity is the production of market goods or non-financial services with the intent to generate a profit.

– **Domestic private non-financial corporations**

The private sector non-financial corporations consists of all resident institutional units not owned or controlled by units in the general government sector.

– **Domestic public non-financial corporations**

The public non-financial corporations sector consists of corporations where the principal activity is the production of market goods and non-financial services. These institutional units are owned or controlled by units in the general government sector. The Companies Act 71 of 2008 (Companies Act) specifies that the name of a state-owned company (SOC) be followed by the abbreviation 'SOC Limited'.

– **Foreign-controlled non-financial corporations**

These are all non-financial corporations controlled by non-resident units.

C. Section 2: Domestic sector

1. Financial corporations sector (S12)[8]

1.1 Monetary authority (S121)	The monetary authority consists of the South African Reserve Bank (SARB), which is the central bank of South Africa, governed in terms of the South African Reserve Bank Act 90 of 1989, as amended (SARB Act), and its subsidiary, the Corporation for Public Deposits (CPD), governed in terms of the Corporation for Public Deposits Act 46 of 1984 (CPD Act). 1.1.1 South African Reserve Bank (SARB) The SARB, among other things, issues banknotes and coin, conducts monetary policy, provides credit to banks, manages South Africa's foreign exchange (FX) reserves, regulates and supervises the banking sector, and acts as the lender of last resort to the banking system. 1.1.2 Corporation for Public Deposits (CPD) The CPD was established as a wholly owned subsidiary of the SARB in 1984. Due to its specialised financial role and functions, it forms part of the monetary authority. The CPD accepts call deposits from the public sector and invests the funds mainly in short-term money market instruments, including Treasury bills. The CPD can also accept call deposits from other depositors.
1.2 Registered deposit-taking corporations (Banks) (S122)	A bank is a public company ('Limited') registered as a bank in terms of the Banks Act 94 of 1990 (Banks Act). The business of a bank is defined in the Banks Act and includes, among other things, the solicitation and advertising for, and the acceptance of, deposits from the general public on a regular basis as well as the utilisation of the deposits accepted to grant credit. In terms of the provisions of section 10A of the SARB Act, banks are required to place a specified percentage of their liabilities in reserve accounts maintained at the SARB. For the full definition of the business of a bank, see the Banks Act. 1.2.1 Commercial banks A commercial bank is a public company as defined in, and registered as a bank in terms of, the Banks Act. 1.2.2 Mutual banks Mutual banks accept deposits and grant loans, advances or other credit in South Africa. The Mutual Banks Act 124 of 1993 (Mutual Banks Act) provides the legal framework for these institutions. The primary distinction between a mutual bank and a bank incorporated as a public company in terms of the Companies Act is the ownership structures: a public company is owned by the persons invested in its share capital, while mutual banks are intended to be owned by their members (whose deposits qualify them as shareholders of the mutual bank). To this end, shareholders in commercial banks share in the profits through dividends, while members of mutual banks receive returns on their investments in the form of interest income on the specific type(s) of shares in which they have invested. 1.2.3 Co-operative banks A co-operative bank is defined in, and registered as a co-operative bank in terms of, the Co-operative Banks Act 40 of 2007 (Co-operative Banks Act). 1.2.4 Co-operative financial institutions A co-operative financial institution takes deposits and chooses to identify itself by using the name 'financial co-operative', 'financial services co-operative', 'credit union' or 'savings and credit co-operative'.

8 These codes are a numerical representation of the institutional sectors based on the 2008 System of National Accounts.

1.3 Money market funds (MMFs) (S123)	A money market fund (MMF), or unit trust, is a collective investment scheme that pools investors' money with a manager for investment, on their behalf, in assets mostly consisting of money market instruments. Its business is to issue investment fund shares or units to the public and to invest the proceeds primarily in short-term debt securities and/or deposits. For an investment fund to be recognised as an MMF, there needs to be: • a certain degree of capital certainty. If the preceding conditions are not met, an investment fund is not classified as an MMF but as a non-MMF investment fund.
1.4 Non-money market investment funds (S124)	Non-money market fund investment funds are collective investment schemes that raise funds by issuing shares or units to the public, excluding MMFs. The proceeds are invested predominantly in long-term financial assets such as shares, bonds and mortgage loans, and in non-financial assets such as real estate. Non-MMF investment funds may also invest a small percentage of their total assets in highly liquid instruments. Non-money market investment funds comprise of non-money market unit trusts, hedge funds, participation bond schemes, private equity funds and other investment schemes. Depending on the investment strategy, different kinds of non-MMF investment funds can be identified: • equity-based investment funds; • real estate investment funds, which invest in debt and equity securities of companies that purchase real estate; • mortgage real estate investment trusts (REITs), which provide dividends to shareholders by investing in real estate mortgages or mortgage-backed securities; • index funds, which are index-tracking funds that mirror the performance of a specific group of shares; • exchange-traded funds, which are a subset of index funds that are priced continuously throughout the trading day and therefore trade like stock; • fund of funds, which hold a portfolio of other investment fund shares rather than investing directly. 1.4.1 Non-money market unit trusts These are collective investment schemes or unit trusts that raise funds by issuing shares or units to the public and invest in long-term financial and non-financial assets. 1.4.2 Hedge funds A hedge fund is a scheme that makes use of pooled funds using a variety of investment strategies. 1.4.3 Participation bond schemes A participation bond scheme is a scheme where investors' money is pooled with the objective of providing loans to real estate developers. 1.4.4 Private equity funds These are collective investment schemes that invest in unlisted equity. They are usually constituted as closed-ended investment funds or as limited partnerships, and are mainly funded by institutional investors.

1.5 Other financial intermediaries, except insurance corporations and pension funds (S125)	These consist of financial corporations that are engaged in providing financial services by incurring liabilities in forms other than currency, deposits or close substitutes for deposits included in broad money, on their own account, for the purpose of acquiring financial assets by engaging in financial transactions on the market. The characteristics of a financial intermediary include transactions on both sides of the balance sheet carried out in open markets. Examples of S125 are corporations that engage in lending, financial leasing, hire purchase as well as the provision of personal and commercial finance such as finance companies, securitisation vehicles, investment banks, central clearing counterparties (CCPs) etc. 1.5.1 Finance companies Finance companies (including microlenders) obtain funds in various forms, such as loans and interest-bearing securities, with the sole objective of lending these funds in the form of instalment sale finance, financial leases, mortgage loans and other loans or investing in various assets. These companies are registered under the Companies Act 71 of 2008 (Companies Act). 1.5.2 Securitisation vehicles A securitisation vehicle (SV) is a legal entity that holds assets for securitisation and issues debt securities. It is normally a 'Limited' company, created to fulfil a narrow, specific and sometimes temporary objective. An SV is usually owned by the entity on whose behalf it was established. The Companies Act ensures that the general public is alerted to these companies' restricted capacity by requiring that such a company's name be immediately followed by the term '(RF)', which stands for 'ring-fenced'. 1.5.3 Public sector financial intermediaries Public sector financial intermediaries are institutional units that are owned or controlled by institutional units in the general government sector, excluding the monetary authority and the public sector institutions included as banks. The Companies Act specifies that the name of an SOC be followed by the abbreviation 'SOC Limited'. 1.5.4 Financial leasing companies These companies engage in financing for the purchase of tangible assets. The leasing company is the legal owner of the financed goods (airplanes, automobiles, machine tools, mainframe computers etc.). Ownership is, in effect, conveyed to the lessee who incurs the benefits, costs and risks associated with the ownership of the assets. 1.5.5 Central clearing counterparties (CCPs) CCPs provide the clearing and settlement of market transactions in various securities. Clearing refers to the process of offsetting obligations and entitlements vis-à-vis counterparties to transactions so that settlement – which involves the actual exchange of securities and funds – can occur more efficiently on a net basis. CCPs involve themselves in the transaction and mitigate counterparty risk through what is called 'tri-party repo'. CCPs are financial corporations but not money issuers as they do not collect deposits from money-holding sectors.

	1.5.6 Investment banks These assist corporations in raising funds in equity and debt markets, and provide strategic advisory services for mergers, acquisitions and other types of financial transactions. In addition to assisting with the raising of funds for their corporate clients, investment banks invest their own funds directly in the securities offerings of their clients. 1.5.7 Underwriters and dealers These entities specialise in securities market activities, operating through public exchanges, OTC markets and privately negotiated deals. They assist firms in issuing securities through the underwriting and market placement of new securities issues, and may trade in new or outstanding securities on their own account. Only underwriters and dealers that act as financial intermediaries are classified in this category. Securities brokers and other units that arrange trades between securities buyers and sellers but do not purchase or hold securities on their own account are classified as financial auxiliaries. 1.5.8 Financial derivative intermediaries These consist of units that engage primarily in issuing and/or taking positions in financial derivatives. 1.5.9 Specialised financial intermediaries These are a diverse group of highly specialised intermediaries, such as: • import/export finance firms, which offer a broad range of financial and documentary services associated with international trade; • factoring companies, which acquire account receivables from commercial enterprises, extend credit by rediscounting the receivables, and provide guarantees that cover late or defaulted payments; and • venture capital. 1.5.10 Asset management companies (AMCs) and bank restructuring agencies AMCs and bank restructuring agencies are created to address the workout of non-performing loans (NPLs) or other impaired financial assets through the acquisition, management and disposal of the impaired financial assets, often in the context of a banking crisis. These entities can function as fast-disposal units for selling loans and/or other impaired financial assets, medium-term corporate restructuring agencies, warehouses for holding NPLs for extended periods of time and hybrid units performing multiple functions. Most bank restructuring agencies have been established by governments as public institutions, but AMCs have also been created as subsidiaries of financial corporations to facilitate the management of their own NPL portfolios. For AMCs that are subsidiaries of other depository corporations (ODCs) and resident in the same economy as their parent company, their balance sheets are consolidated with the balance sheets of their parent ODCs unless they meet all the criteria of an institutional unit.
1.6 Financial auxiliaries (S126)	Financial auxiliaries are institutions such as brokers whose primary activity is to facilitate financial intermediation but who do not primarily perform an intermediation role themselves. These institutions provide the regulatory context for these transactions but in circumstances that do not involve the auxiliary taking ownership of the financial assets or liabilities being transacted. Most members of the formal exchanges can be classified as financial auxiliaries.

1.6.1 Private sector financial auxiliaries

1.6.1.1 Members of the formal exchanges

JSE Limited (JSE), ZAR X, the Cape Town Stock Exchange (CTSE), A2X Markets (A2X) and the Equity Express Securities Exchange (EESE) are licensed stock exchanges in South Africa, governed in terms of the Financial Markets Act 19 of 2012 (Financial Markets Act), where members buy and sell securities on behalf of clients as agent or principal. These exchanges comprise equity, equity derivatives, commodity derivatives, currency derivatives and interest rate markets. Only members whose primary activity is of a financial auxiliary nature are classified here. Other members, such as banks, are classified in the sector of their primary activity.

1.6.1.2 Trust companies

Trust companies are legal entities that act as fiduciaries, agents or trustees on behalf of a person or business for the purpose of the administration, management and eventual transfer of assets from the trust to a beneficial party.

1.6.1.3 Insurance brokers, agents and actuaries

Insurance brokers, agents and actuaries arrange, execute or facilitate transactions in financial assets on behalf of clients.

1.6.1.4 South African representative offices of foreign banks

Foreign banks do not accept deposits or extend credit, and are classified as resident financial auxiliaries, even though they promote and facilitate transactions of the non-resident parent company.

1.6.1.5 Nominee companies

Nominee companies registered in terms of the Companies Act are wholly owned by a holding company. Nominee companies are formed for the explicit purpose of operating nominee accounts for the holding of assets on behalf of beneficial owners. The assets are registered in the name of the nominee company operating a nominee account on behalf of the beneficial owner, which could be a resident or non-resident client.

1.6.1.6 Foreign exchange (FX) companies

These are units that buy and sell FX in retail or wholesale markets. In many countries, FX corporations are licensed and regulated, and high-quality data on their activities can be collected. In economies with FX controls, individuals or enterprises such as travel agencies engage in informal FX trade, complicating the measurement of overall activity. Commercial banks have departments that trade in FX and include this activity in their reported balance sheets.

1.6.1.7 Insurance and pension funds auxiliaries

These include agents, adjusters and salvage administrators. The unique nature and the large scale of their activities in some countries justify the separate identification of these units.

1.6.1.8 Financial derivative corporations

These institutions facilitate the issuance of financial derivative contracts without issuing the financial derivatives or taking financial positions in them. Although these units may have financial assets, they are not classified as other financial intermediaries because they do not intermediate by incurring liabilities in order to acquire financial assets. Financial derivative corporations are distinguished from financial derivative intermediaries that issue or take positions in financial derivatives, and which are classified as other financial intermediaries except ICPFs.

	1.6.1.9 Peer-to-peer lending companies These facilitate the lending of money from individuals and other lenders to unrelated individuals or small businesses ('peers'), circumventing traditional financial intermediaries. The loans are for relatively small amounts and made mostly to individuals for consumption or credit refinancing. Peer-to-peer lending companies operate online by matching individual investors and other lenders with borrowers. They are classified as financial auxiliaries. Their main source of income is the fees collected from lenders and borrowers. Using several credit-checking tools, they are able to assign differentiated risk ratings to potential borrowers and so set customised interest rates. The interest rate is lower than for similar loans provided by banks because of the lower overhead costs of peer-to-peer lending companies, but the lenders receive a yield significantly higher than for a deposit. Nonetheless, the loans are generally unsecured and the lenders bear the default risk. Peer-to-peer lending companies typically assume no liability or risk for the loans being made, although sometimes they also use own funds for lending. If the latter is the case, they act as financial intermediaies and should be classified as other financial intermediaries except ICPFs. 1.6.1.10 Corporations primarily involved in the operation of electronic payment mechanisms These are classified as financial auxiliaries if they can be separately identified as institutional units, are primarily engaged in this specialised activity, and do not incur liabilities against the electronic payment instruments. If they incur liabilities against the issuance of electronic money, they are included in the ODCs subsector (if the electronic money is included in broad money). 1.6.1.11 Third-party payment processors These institutions provide banks with a payment platform, and are classified as financial auxiliaries. Examples include online payment corporations, prepaid card corporations and financial payment corporations. 1.6.1.12 Managers of retirement funds and of investment funds Such managers are responsible for implementing the fund's investment strategy and managing its portfolio trading. They are paid a fee for their services, which is normally a percentage of the fund's average assets under management. These managers are allocated to the financial auxiliaries subsector, while the funds they manage are sectored as MMFs, non-MMF investment funds or retirement funds. 1.6.1.13 Head offices of financial corporations Head offices of financial corporations which are principally engaged in controlling financial corporations or groups of financial corporations, but which do not themselves conduct financial intermediation, are sectored as financial auxiliaries. Only if all or most of their subsidiaries are financial corporations are they classified as financial auxiliaries. Otherwise they are allocated to the non-financial corporations sector. 1.6.2 Public sector financial auxiliaries This refers to public sector financial auxiliaries such as financial supervisory authorities. Examples of financial supervisory authorities include the Financial Sector Conduct Authority (FSCA) and the National Credit Regulator (NCR). However, the SARB's supervisory functions fall under classification 1.1 as part of the monetary authority.

	1.6.2.1 Supervisory agencies Supervisory agencies and regulatory bodies that regulate or supervise financial corporations are sectored as financial auxiliaries if they are independent units, even if they are affiliated with government. When the regulation or supervision is exercised by the central bank through one of its departments, such regulatory or supervisory activities are subsumed within the central bank. Supervisory agencies and regulatory bodies may become involved in extending emergency credits or acquiring assets and liabilities of financial corporations during bankruptcies or reorganisations. When the holdings of financial assets and liabilities become substantial, the unit should be reclassified as another financial intermediary except ICPFs.
1.7 Captive financial institutions and money lenders (S127)	1.7.1 Captive financial institutions These are units that provide financial services to a limited group of units without open financial market transactions in assets and liabilities. Examples of captive financial institutions are Sovereign wealth funds and special-purpose entities. 1.7.1.1 Special-purpose entities (SPEs) SPEs are typically created to carry out a single, well-defined, specific activity. Usually, they are created to: • raise funds in open markets to be used by their parent corporations or government; • hold and manage wealth for individuals or families; and/or • issue debt securities on behalf of related companies or government units. 1.7.1.2 Sovereign wealth funds (SWFs) SWFs are created and owned by general government to hold, manage or administer assets to achieve financial objectives. They employ a set of investment strategies, which include investing in foreign financial assets. The funds are commonly established out of balance of payments surpluses, official foreign currency operations, privatisation proceeds, fiscal surpluses and/or receipts resulting from commodity exports. The establishment of an SWF thus raises the issue of whether it is a separate institutional unit of the other financial corporations (OFCs) subsector or part of general government. As with SPEs, the decision will depend on whether the SWF actively manages its portfolio and provides financial services on a market basis to government or simply acts as a passive holder of government's assets. 1.7.2 Money lenders Money lenders (persons or group) offer small personal loans at a high interest rate. Money lenders includes corporations that engage in lending from funds received from a sponsor such as government for student loans, import and export loans. Pawnshops or pawnbrokers are part of money lenders.
1.8 Holding companies	A holding company is a legal unit that holds the assets of other legal units but does not undertake any management activities. A holding company owns a group of subsidiary companies. Holding companies are classified according to the predominant activities undertaken by the majority of their subsidiaries. 1.8.1 Financial holding companies These can be defined as holding companies where the predominant activity of the group of companies whose shares are held is of a financial, insurance or financial auxiliary nature, which includes real estate, general financial services and investment instruments, but excludes those activities under controlling companies. This category includes listed and unlisted financial holding companies.

1.9 Insurance corporations	1.9.1 Insurance corporations (S128) Insurance corporations are engaged in financial intermediation because of the pooling of risks mainly in the form of direct insurance or reinsurance. They provide life and non-life insurance, and are established in terms of the Insurance Act 18 of 2017. Insurance corporations consist of incorporated, mutual and other entities whose principal function is to provide life, accident, sickness, fire or other forms of insurance to individual institutional units or groups of units, or reinsurance services to other insurance corporations. These corporations can also be subdivided into private and public. 1.9.1.1 Private sector Non-life insurers (excluding medical schemes) Under a non-life insurance policy, the insurance company accepts a premium from a client and holds it until a claim is made or the period of the insurance expires. 1.9.1.2 Public sector non-life insurers (excluding medical schemes) Under a non-life insurance policy, the insurance company, which would be a public sector entity in this regard, accepts a premium from a client and holds it until a claim is made or the period of the insurance expires. 1.9.1.3 Private sector Life insurers Life insurance is an activity whereby a policyholder makes regular payments to an insurer in return for which the insurer guarantees to provide the policyholder (or, in some cases, another nominated person) with an agreed sum, or an annuity, at a given date or earlier if the policyholder dies beforehand. The agreed sum of money that the insurer guarantees to provide to the policyholder is known as a benefit. A life insurance policy is a sort of saving scheme. 1.9.1.4 Public sector Life insurers Life insurance is an activity whereby a policyholder makes regular payments to an insurer, who would be a public sector entity in this regard, in return for which the insurer guarantees to provide the policyholder (or, in some cases, another nominated person) with an agreed sum, or an annuity, at a given date or earlier if the policyholder dies beforehand. The agreed sum of money that the insurer guarantees to provide to the policyholder is known as a benefit. A life insurance policy is a sort of saving scheme. 1.9.2 Medical schemes Medical schemes provide a form of insurance and are established in terms of the Medical Schemes Act 131 of 1998 (Medical Schemes Act).
1.10 Pension funds (S129)	Retirement funds include pension, provident, beneficiary and retirement annuity funds. These funds provide retirement benefits for specific groups of employees and are separate from the units that have created them. Retirement funds are engaged in financial intermediation as a consequence of the pooling of social risks and the needs of the insured persons (social insurance). 1.10.1 Private sector retirement funds These retirement funds are established in terms of the Pension Funds Act 24 of 1956, as amended (Pension Funds Act). 1.10.2 Public sector retirement funds Public sector retirement funds are autonomous funds regulated under their own statutes. They are not subject to regulation and supervision in terms of the Pension Funds Act, but were established in terms of specific provisions in other statutes.

2. Non-financial corporations sector (S11)

The non-financial corporations sector includes all resident privately and publicly owned institutional units whose principal activity is the production of goods and non-financial services.

2.1 Private non-financial corporations sector (S1101)	Private sector corporations are companies that were previously registered under the Companies Act 61 of 1973 and more recently in terms of the Companies Act 71 of 2008. Private sector non-financial companies are legal entities separate from their owners. They are principally engaged in the production of market goods and non-financial services at economically significant prices with the intent to generate a profit or financial gain for the shareholders. 2.1.1 Non-financial institutions Non-financial institutions can be listed or unlisted. The listed ones can have a singular or dual listing on the JSE and/or on another exchange, but must be domiciled in South Africa. A list of non-financial institutions can be accessed on the following websites: https://www.ciproza.co.za/ and www.jse.co.za. 2.1.2 Non-profit institutions (NPIs) serving the non-financial corporations sector NPIs are legal entities engaged in the production of goods and services without the intent to generate income or financial gain directly for those that finance or control them. Examples of this kind of institution are the South African Chamber of Business (SACOB) and all industry associations serving the non-financial corporations sector. The Companies Act stipulates that an NPI's name needs to be followed by the abbreviation 'NPC' for 'non-profit company'. 2.1.3 Co-operatives Co-operatives are legal entities created by producers for the purpose of marketing collective output. Any profits raised are distributed in accordance with agreed rules. 2.1.4 Close corporations Close corporations are private sector entities registered under the Close Corporation Act 69 of 1984 (Close Corporation Act). They are obliged to incorporate the abbreviation 'CC', for 'close corporation', as the last entry in their name. The new Companies Act stipulates that it will no longer be possible to register any new close corporation, nor may companies be converted into a close corporation. A close corporation currently in existence will be able to exist indefinitely, and the Close Corporation Act will be brought in line with legislation on private companies. Where a close corporation is primarily involved in financial activity, it should be classified under the relevant grouping within the financial corporations sector. 2.1.5 Other private sector non-financial corporations This classification includes all the other companies in the private sector previously registered under the Companies Act 61 of 1973 or more recently under the Companies Act 71 of 2008, in other words organisations that are required by law to incorporate the abbreviation(s) '(Pty) Limited' or 'Inc' as the last entry(-ies) in their names, but excludes all the institutions listed in the financial sector. 2.1.6 Non-financial quasi-corporations These are all the entities which are market producers principally engaged in the production of goods and non-financial services, and which meet the conditions qualifying them as quasi-corporations.

2.2	Public non-financial corporations sector (S1102)	The public non-financial corporations sector consists of corporations where the principal activity is the production of market goods and non-financial services. These institutional units are owned or controlled by units in the general government sector. The Companies Act specifies that an SOC be followed by the abbreviation 'SOC Limited'.
2.3	Holding companies	A holding company is a legal unit that holds the assets of other legal units but does not undertake any management activities. A holding company owns a group of subsidiary companies. Holding companies are classified according to the predominant activities undertaken by the majority of their subsidiaries. 2.3.1 Non-financial holding companies Non-financial holding companies hold shares in a group of subsidiary companies where the majority of the activities of the companies in the group is non-financial in nature. This category includes listed and unlisted non-financial holding companies.

3. General government sector (S13)

The general government sector consists of institutional units that are legal entities with political responsibilities established through the political process, mainly to produce non-market goods and services for individual and public consumption, and to redistribute income and wealth. These institutional units invest in assets and fund activities by levying taxes and issuing financial instruments. Some units owned by units in the general government sector may also be engaged in the production of goods and services for which economically significant prices are charged.

3.1	Central government (S1311)	Central government consists of national government departments and ministries as well as institutional units not classified as quasi-corporations that are owned by central government. Central government institutional units are established in terms of the Constitution of the Republic of South Africa Act 108 of 1996. 3.1.1 National government departments National government departments are the departments listed in Schedule 1 of the Public Service Act 103 of 1994 (Public Service Act) but exclude the Office of the Premier. 3.1.2 National extra-budgetary institutions National extra-budgetary institutions produce goods and services for government or sell goods and services to the public on behalf of government. An extra-budgetary institution may be a national public entity, and may consist of a board, a commission, a fund or another entity that is not classified as a quasi-corporation and: • is established in terms of national legislation; • mainly serves government; • is fully or substantially funded either from the National Revenue Fund or by way of a tax, levy or other money imposed in terms of national legislation; and • is accountable to Parliament. 3.1.3 Universities and universities of technology Universities and universities of technology are higher education institutions established in terms of the Higher Education Act of 1997 (Act 101 of 1997, as amended by Act 55 of 1999, Act 54 of 2000 and Act 23 of 2001). These institutions provide higher education on a full-time, part-time or distance basis.

	3.1.4 Technical and vocational education and training (TVET) colleges TVET colleges were established in 2002 in terms of the Further Education and Training Act 98 of 1998, after a merger of 150 technical colleges across the nine provinces. TVET colleges provide vocational as well as occupation and career-orientation training in various sectors of economic and social life through formal, non-formal and informal learning methods. 3.1.5 Social security funds (S1314) Social security funds are autonomous institutional units that manage and operate social security schemes. The social insurance schemes collect imputed or/and actual contributions in the form of revenue and provide non-pension social protection to the beneficiaries (community as a whole or majority of the population), although possibly limited by eligible criteria. The schemes cover a wide variety of programmes, providing benefits in cash or in kind for old age, invalidity and death, survivors, sickness and maternity, work injury, unemployment, family allowance, health care etc. There is not necessarily a direct link between the contribution amount paid by an individual and the benefits he/she may receive.
3.2 Consolidated provincial governments (S1322)	Provincial governments exercise the functions of government at a level just below that of central government. This includes institutional units whose fiscal, legislative and executive authority extends only to individual provinces into which the country as a whole may be divided, namely the provincial governments of South Africa's nine provinces: the Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, the Northern Cape, North West and the Western Cape. According to the PFMA, a 'provincial department' means (a) a provincial administration listed in Schedule 1 of the Public Service Act or (b) a department within a provincial administration listed in Schedule 2 of the Public Service Act. 3.2.1 Provincial legislators 3.2.2 Provincial government departments 3.2.3 Provincial extra-budgetary institutions This classification includes unincorporated provincial public entities not classified as quasi-corporations.
3.3 Local governments (S1313)	Local governments are third-tier government units that provide a wide range of services to resident institutional units. The local government subsector consists of local governments that are separate institutional units plus those non-market NPIs that are controlled by local governments. In principle, local government units are institutional units whose fiscal, legislative and executive authority extends over the smallest geographical areas distinguished for administrative and political purposes. They are often heavily dependent on grants or transfers from higher levels of government, and they may also act as agents of central or provincial governments to some extent. 3.3.1 Metropolitan councils Defined in the Local Government: Municipal Structure Act 117 of 1998, a metropolitan municipality is a municipality that has exclusive executive and legislative authority in its area, and is described in section 155(1) of the Constitution as a category A municipality. This is by contrast to areas which are primarily rural, where the local government is divided into district municipalities and local municipalities.

	3.3.2 District councils and municipalities Defined in the Local Government: Municipal Structure Act 117 of 1998, a district municipality is a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and is described in section 155(1) of the Constitution as a category C municipality. District municipalities are seen as successors to former Regional Services Councils (RSCs). 3.3.3 Local municipalities Defined in the Local Government: Municipal Structure Act 117 of 1998, a local municipality is a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and is described in section 155(1) of the Constitution as a category B municipality. 3.3.4 Other local government entities Autonomous institutional units classified as business enterprises, quasi-corporations and any other NPIs controlled by local government unit.

4. Household sector (S14)

4.1 Households	A household is a group of individuals who share the same living accommodation, who pool some or all of their income and wealth, and who consume certain types of goods and services collectively, mainly housing and food. In general, each member of a household should have some claim upon the collective resources of the household. At least some decisions affecting consumption or other economic activities must be taken for the household as a whole. It is meaningful to compile transaction accounts or balance sheets for an entire household unit and not for individuals belonging to the same household. The individual members of multi-person households are therefore not treated as separate institutional units, but the household as a whole is treated as one institutional unit.[9]
4.2 Unincorporated business enterprises of households	Unincorporated business enterprises of households comprise households that engage in market production as one-person businesses, sole proprietorships or partnerships. They are legal entities but are not organised in the form of a company, and the household and business accounts cannot be separated. The one-person business or sole proprietorship can be with or without employees, with the latter being own-account workers. However, if these unincorporated enterprises have their own sets of accounts independent of the households, their assets are separable from those of the enterprise owners, and they do not bear unlimited liability for the debts of the enterprise; they are then treated as quasi-corporations and are classified in the non-financial corporations sector.
4.3 Non-profit institutions serving households (NPISHs) (S15)	NPISHs are legal or social entities that provide goods and services to households free of charge or at economically insignificant prices, but that are neither controlled nor mainly financed by government. NPISHs include welfare organisations, aid societies, clubs, non-profit hospitals and schools, churches, trade unions, stokvels, political parties and companies previously registered under section 21 of the Companies Act 61 of 1973. According to the new Companies Act, the name of an NPISH should be followed by the abbreviation 'NPC', which stands for 'non-profit company'.
4.4 Private trusts	Private trusts are assets of individuals and estates administered by, among others, banks, trust companies and attorneys on their behalf.

9 Details on the production activities of households are provided in the *Annexures* at the back of this publication.

4.5	Friendly societies	Friendly societies are governed in terms of the Friendly Societies Act 25 of 1956 (Friendly Societies Act). A friendly society can be defined as a non-profit organisation, a formal mutual organisation or an association of persons with the purpose of providing its members and/or their relatives with benefits, relief and/or maintenance for minors, old age, widowhood and/or illness. Such relief can include the payment of a sum of money upon the death of members, for the insurance of tools used in a trade, for unemployment benefits or for the education and/or training of members and/or their children. There were 201 friendly societies registered under the Friendly Societies Act as at 31 December 2014, 11 of which were in the process of liquidation.

D. Section 3: Rest of the world (S2)

Non-resident institutional units that transact with resident institutional units are grouped into the foreign sector or the rest of the world. The classification of the foreign sector is based on the distinction between residents and non-residents. The concept of residency is based on the centre of economic interest and not necessarily on nationality or purely legal criteria. An institutional unit is considered to be a resident of a country when it has an economic interest in a country, that is, when it has a location (a dwelling or premises) within the economic territory of a country from where it intends to engage indefinitely or over a finite but lengthy period of time of longer than a year in economic activity on a significant scale. The economic territory of a country consists of the geographic territory administered by government within which persons, goods and capital move freely, inclusive of airspace, territorial waters and enclaves.

Branches and subsidiaries of foreign enterprises domiciled in South Africa are therefore classified as resident institutional units. In this instance, the foreign enterprise or non-resident owner is classified in the foreign sector, while the foreign-owned branch or subsidiary is classified as a South African resident. By contrast, the branches and subsidiaries of South African companies domiciled in the rest of world are classified as non-resident or part of the foreign sector. Therefore, the foreign sector or non-residents could similarly be defined as institutional units or enterprises with a centre of economic interest outside of the borders of South Africa.

The rest of the world account covers transactions between resident and non-resident institutional units as well as the related stocks of assets and liabilities.

1. Foreign financial corporations sector

1.1	Financial corporations listed on JSE Limited and classified as non-resident	Financial companies such as banks, insurance companies, financial services providers (which include real estate and general financial services) and investment instruments providers with a dual listing, both on the JSE and on another exchange, but domiciled in a country other than South Africa, are classified as non-resident.
1.2	Non-resident deposit-taking corporations (banks)	A foreign bank is an institution lawfully established in a country other than South Africa that conducts the business of a bank in another country (such as South Africa).
1.3	Other foreign financial corporations	Other foreign financial corporations are lawfully established institutions in a country other than South Africa that conduct financial business in another country (such as South Africa).

2. Foreign non-financial corporations sector

2.1	Non-financial corporations listed on JSE Limited and classified as non-resident	Non-financial companies with a dual listing, both on the JSE and on another exchange, but domiciled in a country other than South Africa, are classified as non-resident.
2.2	Other foreign non-financial corporations	These are companies registered in countries other than South Africa that are not listed on the JSE.

3. Foreign governments

Foreign governments are institutional units that conduct the functions of government as a primary activity, with legislative, judicial and executive authority over other institutional units within a specific area outside of South Africa.

4. International organisations

International organisations refer to those organisations, entities or persons that meet either of the following conditions:

- The members of the organisation are either national states or other international organisations whose members are national states, that is, said organisations derive their authority either directly from the national states that are their members or indirectly from them through other international organisations.
- The organisations, entities or persons are established by formal political agreements between their members that have the status of international treaties, and their existence is recognised by law in the relevant member countries.

5. Other non-residents

Other non-residents are natural persons or legal entities that are not residents of South Africa.

E. Section 4: Annexures

1. Additional information

This section provides additional information and examples that could not be merged into the definitions provided in the sections above. It is to be used for reference if clarity is needed for certain sectors and subsectors that require extended information in order to conclusively classify an entity.

1.1 Additional information for Section 1

1.1.1 Household sector (S14)

Production activities undertaken by households, such as the production and selling of goods and services, are treated as an integral part of the households, unless legal or social entities are created separately from the households, such as those that satisfy the criteria to be considered quasi-corporations. Quasi-corporations are unincorporated enterprises that function in all (or almost all) respects as if they were incorporated. For the purposes of sectoring and subsectoring, they are treated as institutional units (corporations) separate from the units that own them.

For a quasi-corporation to exist, it must be possible to develop a full set of accounts, including balance sheets, to distinguish it from its owners. The business-related assets and liabilities of the quasi-corporation must be separate from the personal assets and liabilities of its owners. Moreover, it must be possible to identify flows of capital and income occurring between the quasi-corporation and its owners.

The intent is to separate from their owners those unincorporated enterprises that are sufficiently self-contained and independent that they behave in the same way as corporations do. Included are unincorporated enterprises owned by a non-resident institutional unit that is deemed to be a resident institutional unit because it engages in a significant amount of production in the economic territory over a long or indefinite period of time.

The three main kinds of quasi-corporations are:

- unincorporated enterprises owned by government units engaged in market production and operated in a similar way as publicly owned corporations are;
- unincorporated enterprises, including unincorporated partnerships or trusts, owned by households that are operated as if they were privately owned corporations; and
- unincorporated enterprises that belong to institutional units resident abroad, referred to as ‘branches’.

1.1.2 Non-profit institutions serving households (NPISHs) (S15)

Schools, colleges, universities, clinics and hospitals constituted as NPIs are market producers when they charge fees for their services that are based on production costs and are economically significant. Also treated as market producers are NPIs that, because of their status, are able to raise additional funds from donations by households, corporations and/or governments but still charge economically significant prices for their goods and services. The majority of NPIs in most countries are non-market producers that provide most of their output free of charge or at prices that are not economically significant. NPIs engaged mainly in non-market production fall into two main groups:

- NPIs controlled by government; and
- NPIs not controlled by government.

The latter group is the NPISHs, which constitute a separate sector of the economy.

Non-market NPIs that are controlled by government are included in the general government sector. NPIs are considered to be controlled by government when:

- government has the right to appoint the officers managing the NPI;
- other provisions exist enabling government to determine significant aspects of the policy and/or programme of the NPI;
- a contractual agreement exists between government and an NPI allowing government to determine key aspects of the NPI’s general policy;
- an NPI is mainly financed by government; and/or
- government is exposed to all, or a large proportion of, the financial risks associated with the NPI’s activities.

1.1.3 Rest of the world (S2)

Institutional units that have their centre of predominant economic interest outside of a country’s economic territory are non-residents. In addition to cases in which it is easy to identify the accounts of non-residents, there are several cases in which it is not clear-cut that the account holder is a non-resident of the country, for example with migrant workers, students, medical patients, foreign diplomats, government entities abroad, military personnel and international organisations. Please refer to https://www.elibrary.imf.org/ for details on how to classify these.

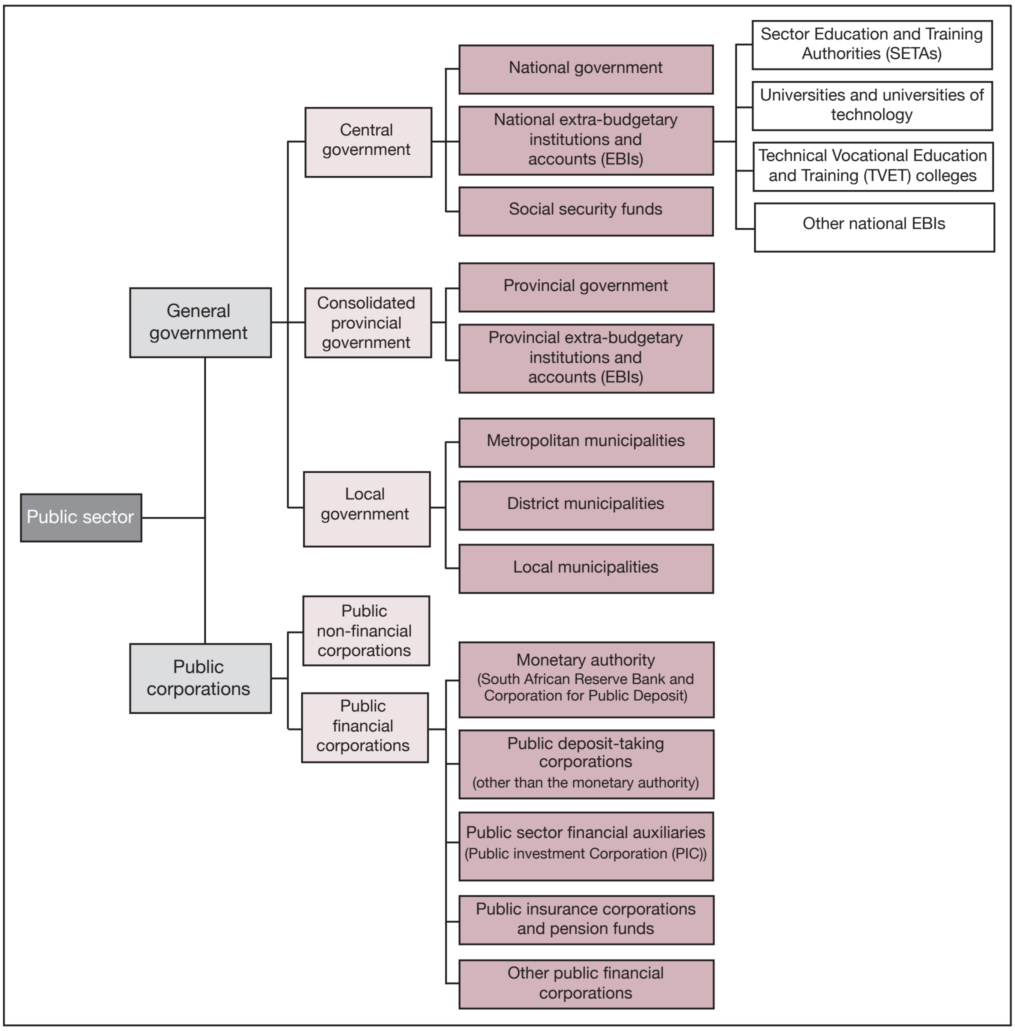
1.2 Additional information for Section 2

Special-purpose entities (SPEs)

Although there is no common definition of SPEs, they share the characteristics described below:

- Often, SPEs have no employees and no or very few non-financial assets.
- They are sometimes referred to as 'brass plate companies' or 'shell companies'. They may have little physical presence beyond a 'brass plate' confirming their place of registration. In the absence of any physical dimension to these entities, their residence is determined by the territory of registration or incorporation.
- They are always related to another corporation or government unit, and are often resident in a territory other than the territory of residence of the related corporation or government unit.
- SPEs are commonly managed by employees of another corporation or government unit, which may or may not be a related one. The SPE pays fees for the services rendered to it, and in turn charges its parent or other related corporation/ government unit a fee to cover these costs.
- Independent of specific characteristics and denominations, units described as SPEs are allocated to a sector and an industry according to their principal activity, unless they fall into one of these three categories: (1) captive financial institutions, (2) artificial subsidiaries of corporations, or (3) special-purpose units of general government.
- A resident SPE that raises funds in open markets to be used by its parent corporation or government unit is one example of a captive financial institution. Other units also treated as captive financial institutions are units with the characteristics of SPEs used for holding and managing the wealth for individuals or families and issuing debt securities on behalf of related companies.
- Another example of an SPE is a holding company that simply holds the assets (owns controlling levels of equity) of its subsidiaries and whose principal activity is to own the group.

Figure 2: Public sector structure



F. Section 5: Reference list

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Abbreviations

2008 SNA	*System of National Accounts 2008*
AMC	asset management company
CC	close corporation
CCP	central clearing counterparty
CPD	Corporation for Public Deposits
CTSE	Cape Town Stock Exchange
EESE	Equity Express Securities Exchange
ESD	Economic Statistics Department
EUROSTAT	Statistical Office of the European Communities
FAIS Act	Financial Advisory and Intermediary Services Act 37 of 2002
FX	foreign exchange
GEPF	Government Employees Pension Fund
GPAA	Government Pensions Administration Agency
ICPF	insurance corporations and pension fund
ICPFs	insurance corporations and pension funds
IEA	Integrated Economic Accounts
IMF	International Monetary Fund
ISCG	*Institutional Sector Classification Guide*
JSE	JSE Limited
MMF	money market fund
NFA	National Financial Account
NPC	non-proft company
NPI	non-profit institution
NPISH	non-profit institution serving households
NPL	non-performing loan
ODC	other depository corporation
OECD	Organisation for Economic Co-operation and Development
OFC	other financial corporation
OTC	over-the-counter
PFMA	Public Finance Management Act 29 of 1999
PIC	Public Investment Corporation
REIT	real estate investment trust
RF	ring-fenced
RSC	Regional Services Council
SACOB	South African Chamber of Business
SARB	South African Reserve Bank
SETA	Sector Education and Training Authorities
SOC	state-owned company
SPE	special-purpose entity
SV	securitisation vehicle
SWF	sovereign wealth fund
TVET	technical and vocational education and training

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