

Additional guidelines for classification of clients in reporting

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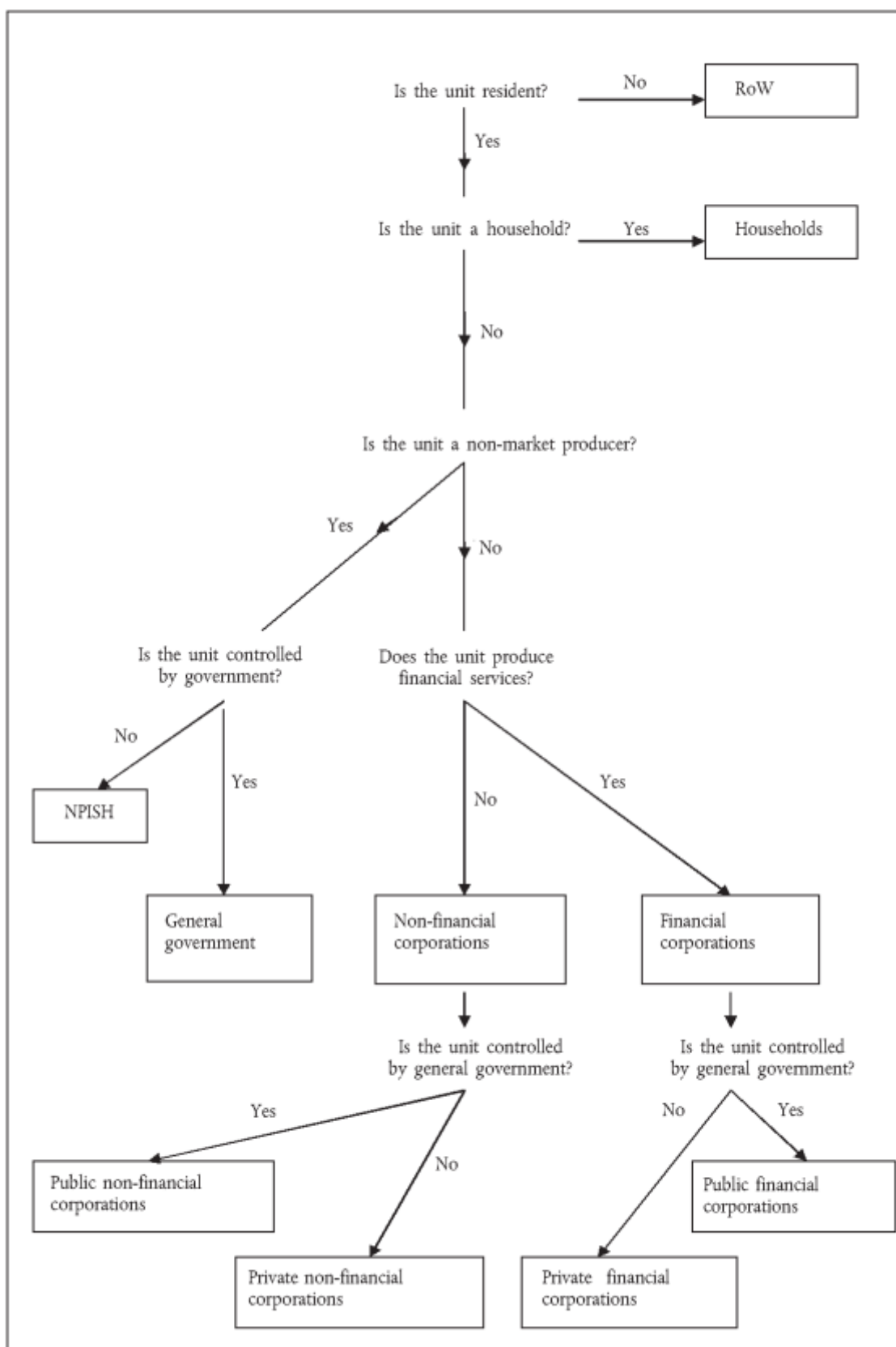
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1. ESA2010 institutional sectors

Credit institutions should group counterparties (clients and issuers) in reporting using the given categories. These categories appear in the identifier for clients and securities issuers and the identifier for additional client definitions. Client groups match the definitions in the European system of national and regional accounts used for compiling statistics in the European Union ([Regulation \(EU\) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union - \(ESA2010\)](#)). Such client groups are named institutional sectors in ESA2010 and those sectors can have subsectors.

There follows a brief summary of the descriptions of the institutional sectors that are the most important for reporting by credit institutions under ESA 2010 and the groups of units within those sectors. Examples are also given of which units may fall into one or other client sector under Estonian conditions. The [list of Estonian economic units](#) compiled and published by Statistics Estonia is based on the same principles, and it is updated each year at the start of December and is intended to help reporters classify economic units into institutional sectors. Which economic units should be classified into which institutional sectors is well illustrated by Diagram 2.1 — Allocation of units to sectors in ESA 2010 ([ESA2010](#) p63):

Diagram 2.1 — Allocation of units to sectors



1.1. General government (S.13)

1.1.1. Central government (S.1311) is a general term that covers all administrative departments of the state and other agencies whose reach extends over the whole economic territory of the country. It also covers enterprises and non-profit institutions whose reach extends over the whole economic territory and that are controlled by the central government, which covers more than half of their expenses. It does not cover state social security funds. In Estonia, central government comprises the following institutions:

- Riigikogu, the Office of the President of the Republic, the State Audit Office, the Legal Chancellor, the Supreme Court, the State Chancellery, and ministries and county governments and institutions in their area of government, including the embassies and consulates of the Republic of Estonia;
- other legal persons in public law for the purposes of subsection 25(2) of the General Part of the Civil Code Act, except Eesti Pank, the Estonian Health Insurance Fund, Töötukassa, and trade associations in public law;
- foundations established by the state and legal persons in public law, more than 50% of whose costs are covered by the institutions listed here. This covers for example the Tartu University Hospital Foundation, the Science Centre AHHA Foundation, Lõuna-Eesti Haigla AS, Riigi Kinnisvara AS, Eesti Vedelkütusevaru Agentuur AS, and TS Laevad OÜ.

1.1.2. Local government (S.1313) is a general term that covers all local government units, including municipal institutions administered by local government, enterprises established by local government units, and non-profit institutions, more than 50% of whose costs are covered by local government units.

In Estonia, Haapsalu Linnahoidus OÜ, Kadrina Hooldekodu OÜ, Ida-Tallinna Keskhaigla AS, Tartu Kultuurkapital Foundation, and Narva Hospital Foundation are classified under local government for example.

1.1.3. State social security fund (S.1314) is a general term that covers all state and local institutional units whose principal area of activity includes offering social support and which meet the following two criteria:

- by law or under other legislation certain population groups are obliged to participate in social security schemes or pay contributions;
- the general government is responsible for managing the institution by imposing or approving contributions and social benefits, irrespective of its role as a supervisory body or employer.

In Estonia the Estonian Health Insurance Fund and Töötukassa are regarded as state social security funds.

1.2. Financial institutions (S.12)

1.2.1. Monetary financial institutions are the European Central Bank, national central banks of the EU Member States, and credit institutions, electronic money institutions and other deposit-taking corporations as defined in Regulation (EU) 2021/379 of the European Central Bank of 22 January 2021 on the balance sheet items of credit institutions and of the monetary financial institutions sector (recast). The complete list of monetary financial institutions is available on the [European Central Bank's website](#).

- **Central bank** (S.121) is a legal person whose principal tasks are issuing currency and maintaining the value of currency, and holding in full or in part the country's international reserves. The Estonian central bank is Eesti Pank.
- **Credit institution** (S.122) is a financial corporation whose principal and permanent activity is to receive cash deposits and other repayable funds from the public and to grant loans on its own account and provide other financing.
In Estonia a credit institution is a commercial undertaking as defined in the Credit Institutions Act.
- **Other deposit-taking corporation** (S.122) is a non-credit financial institution that receives deposits or other similar funds from the public and grants loans on its own account or invests in debt securities. This includes electronic money institutions who issue payment instruments in the form of electronic money.
In Estonia other deposit-taking corporations include savings and loan associations.
- **Money market fund** (S.123) is an investment fund which issues shares and units that serve as an alternative to deposits in terms of liquidity, and which invests in the shares and units of other money market funds or other debt instruments with residual maturity of up to one year, or deposits with a return similar to that of money market instruments.

1.2.2. Other investment fund (S.124) is a collective investment scheme for financial intermediation that raises capital from the public and invests it in financial and non-financial assets, primarily real estate. For the purpose of this term, "the public" means retail, professional and institutional investors. Investment funds include:

- entities whose shares or units are repurchased at the request of the holder or redeemed directly or indirectly on account of the undertaking's assets;
- entities that have issued a fixed number of shares and whose shareholders must buy or sell existing shares to enter or exit the fund.

Money market and pension funds are not classed under investment funds.

In Estonia investment funds are funds established in line with section 2 of the Investment Funds Act, and private equity and venture capital funds that meet the definition of investment fund of the European Central Bank, and also mandatory and voluntary pensions as defined in the Funded Pensions Act. The list of investment funds operating in the European Union can be found on the website of the European Central Bank under [Lists of financial institutions](#). The data are updated quarterly.

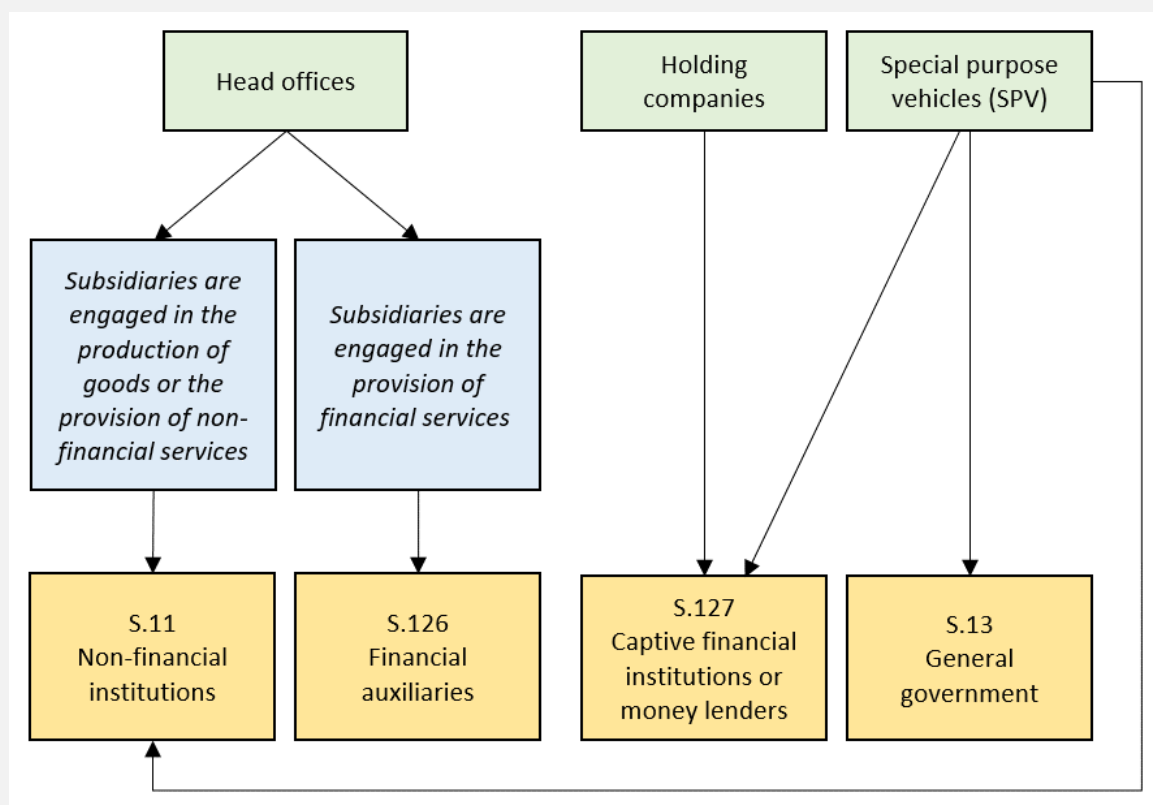
1.2.3. Other financial institution is:

- A **financial intermediary** (S.125), which is a company that renders financial intermediation services by taking liabilities in a form other than money, deposits, or investment fund shares or units, or through insurance and pension schemes. During financial intermediation, funds move from those units that have a surplus of funds to units that have a shortfall of them. A financial intermediary does not only operate as an agent of other institutional units, but also takes on its own risks by acquiring financial assets and taking liabilities in its own name. Financial intermediaries mainly handle long-term funding. Financial intermediaries include investment firms, leasing companies, factoring companies, other businesses specialised in lending, financial vehicle corporations, and central counterparties.

- A **financial vehicle corporation** is an entity that is primarily engaged in performing securitisation transactions. Securitisation is the issuance of debt securities for which the coupon or principle is backed by a named asset or future flow of income. The list of financial vehicle corporations operating in the European Union can be found on the website of the European Central Bank under [Lists of financial institutions](#). The data are updated quarterly.
- A **central counterparty** is an entity that legally interposes itself between counterparties to contracts traded in financial markets, becoming the buyer to every seller and the seller to every buyer.
- A **financial auxiliary** (S.126), which is a company that renders auxiliary financial intermediation services. These are services used for transactions with financial assets and liabilities or transformation of funds. A financial auxiliary is mainly engaged in activities related to financial intermediation, while it is not a financial intermediary itself, as it does not take risks related to the acquisition of financial assets or liabilities. This covers for example regulated securities market operators, securities settlement system operators, companies providing securities listing services, companies providing financial consultation services, payment institutions, fund managers, securities brokers, insurance brokers, financial market supervisory authorities, and currency exchangers. It also covers head offices if all or most of their subsidiaries provide financial intermediation or ancillary financial intermediation services as their main area of activity. Financial auxiliaries also include non-profit institutions that are established by financial institutions and that service them, such as the Estonian Banking Association, the Estonian Leasing Association and the Estonian Insurance Association. Finantsinspektsioon as a supervisory institution that is mostly funded by market participants is also classed under financial auxiliaries.
- A **captive financial institution or money lender** (S.127), which is a company that is not engaged in financial intermediation or providing ancillary financial intermediation services and most of whose assets or liabilities are not transacted on open markets. These are mainly:
 - trust funds with legal status, inheritance funds, pre-registered companies and similar;
 - holding companies whose single task is to hold the shares or units of subsidiaries;
 - special purpose vehicles (SPV) operating as an institutional unit that takes funds from the open market for the benefit of the parent company;
 - units that provide financial services to a range of clients using exclusively their own funds or funds provided by a sponsor, and that incur the financial risk of the debtor defaulting. Such units include creditors, companies handling student loans or funding foreign trade that lend funds received from sponsors such as government entities or non-profit institutions, and pawnshops whose main activity is lending;
 - special-purpose general government funds that are usually called state investment funds if they are classified as financial institutions.

Classifying head offices, holding companies and SPVs

One of the trickiest issues in classification is distinguishing between a business's head office and a holding company, and deciding which sector they fall into. Choosing between sectors can also be more difficult for special purpose vehicles (SPVs). The possible relations can be summarised as follows:



A head office (EMTAK 70101) handles the management and supervision of the units in a group, the strategic and organisational planning of the group, and decision making. Whether a head office is in the financial or non-financial sector depends on which sector a majority of the subsidiaries fall into. Head offices in the financial sector come under financial auxiliary (S.126), since their activity is essentially providing assistance to the companies in the group.

Holding companies (EMTAK 64201) are units whose main activity is owning the shares or units of subsidiaries at a level that gives them control. Holding companies do not provide other services either within the group or outside it, and they are not involved in managing the companies in the group.

The guidelines in ESA2010 for identifying holding companies are quite general, and so they have been clarified in more detail by international organisations like Eurostat, the European Central Bank and the OECD. The result is recommended additional criteria such as minimum sales revenue and labour expenses that can be used to identify whether a company is only a passive holder of the shares or units of subsidiaries and does not provide any services.

SPVs are classified into the sector that suits their core activity, which can be the non-financial sector (S.11), the financial sector (S.12) or the general government sector (S.13).

1.2.4. Insurance company (S.128) is a financial undertaking whose principal and permanent activity is compensating damage created upon and as a result of insured events, or paying agreed sums of money mainly in the form of insurance or reinsurance.

In Estonia an insurance company is an undertaking as defined under subsection 3(1) of the Insurance Activities Act.

1.2.5. Pension fund (S.129) is a pool of assets collected by a person who holds units in the fund or by a person's employer with the purpose of providing additional income after that person reaches pensionable age or suffers incapacity for work.

From 2021 there are no pension funds in Estonia that meet the definition of pension fund for the Estonian statistical classification. The list of pension funds operating in the European Union can be found on the website of the European Central Bank under [Lists of financial institutions](#). The data are updated quarterly.

1.3. Non-financial institutions (S.11)

1.3.1. Non-financial corporation of the state and local government is an independent legal entity whose main area of activity is the production of market products or the provision of non-financial services and that is controlled by central government or local government, with the governmental owner covering less than half of its costs. This also covers non-profit institutions established by and serving a state or local government.

In Estonia this definition covers companies that are under the dominant influence or control of the central government, a local government unit or any other legal person in public law for the purposes of the Securities Market Act, except for professional investors specified under subsection 6(2) of the Securities Market Act. Profit-making state agencies such as the State Forest Management Centre are also regarded as non-financial corporations of the state and local government. Corporations within the central government and local government are not covered.

1.3.2. Other non-financial corporation is an independent legal entity whose main area of activity is the production of market products or the provision of non-financial services and that is not controlled by the central government or local government. This also covers non-profit institutions established by and serving other non-financial corporations.

In Estonia this includes corporations providing non-financial market services, sole proprietors with ten and more employees, holders of offices in public law such as notaries, sworn translators and bailiffs, and non-profit associations serving non-financial corporations such as the Estonian Association of SMEs, the Estonian Traders Association, and the Concrete Association of Estonia.

1.4. Households (S.14)

Household mainly covers individuals or groups of individuals acting as consumers. It also covers households acting as employers and sole proprietors, when their primary income is income from the production of market products or the provision of services. If the household's business is extensive and separable into an independent entity, this part of the household's activity is classified under non-financial corporations or other financial institutions.

In Estonia this includes, apart from private persons, sole proprietors who employ up to nine employees. Sole proprietors whose status cannot be established as employer are also classified under households.

1.5. Non-profit institution serving households (S.15)

Non-profit institution serving households is a legal entity that serves households and that does not have profiting from its economic activity as the purpose of its activities. The primary resources of this entity include voluntary financial or non-financial contributions from households, general government payments, and property income.

In Estonia this includes apartment associations, garage associations, cultural clubs, trade unions, churches, political parties and other similar non-profit institutions and privately funded foundations.

2. The relationship between the customer identifiers and the ESA2010 institutional sector descriptions

The table below shows the links between the customer/issuer identifiers used in the reporting by credit institutions (and several other financial sector units) and the institutional sectors/subsectors of ESA2010, and it can be used as an initial guide for the accurate classification of customers.

Identifier number	Customer identifier	ESA 2010 code	ESA sector/subsector
		S.13	The general government
1	Central government	S.1311	Central government
2	Local government	S.1313	Local government
13	Social security fund	S.1314	State social security funds
		S.12	Financial companies
12	Central bank	S.121	Central bank
6	Credit institution	S.122	Deposit-taking corporations
15	Other deposit-taking corporation		
16	Money market fund	S.123	Money market funds
17	Insurance company	S.128	Insurance companies
18	Pension fund	S.129	Pension funds
19	Other investment fund	S.124	Investment funds other than money market funds and pension funds
20	Other financial institution	S.125	Other financing institutions
		S.126	Financial auxiliaries
		S.127	Captive financial institutions or money lenders
7	Non-financial corporation of the state or local government	S.11	Non-financial companies
8	Other non-financial corporation		
10	Household	S.14	Households
9	Non-profit institution serving households	S.15	Non-profit institutions serving households

3. The relationship between the customer identifier and additional customer identifier used in Eesti Pank reporting

There is a clear relationship between the “Additional customer identifier” and “Customer identifier”. The following table shows what combinations of these identifiers are possible.

Additional customer identifiers	Identifier number	Customer identifier	Identifier number
Intra-group monetary financial institution	7	Credit institution	6
Other monetary financial institution	8	Central bank	12
		Credit institution	6
		Other deposit-taking corporation	15
		Money market fund	16
Central counterparty	4	Other financial institution	20
Financial vehicle corporation	5	Other financial institution	20
European Investment Bank (EIB)	20	Credit institution	6
European Stability Mechanism (ESM)	21	Central government	1
Single Resolution Board (SRB)	22	Central government	1
International organisation	9	Central government	1
		Central bank	12
		Other financial institution	20
		Credit institution	6
Auxiliary financial intermediary	23	Other financial institution	20
Captive financial institution and money lender	24	Other financial institution	20

4. Classification of international organisations

Under the agreed methodology, international organisations can be put in four client groups: central government, central bank, credit institution and other financial institution. International organisations are generally treated as units in the general government sector. An exception is those organisations that are involved in some type of banking activities, and these can be classified both as credit institutions and as other financial institutions. If the main activity of such organisations, often called development banks, is long-term project financing, they should be classified as other financial institutions. Other organisations that have the characteristics of a bank remain under credit institutions. In some cases there may be a combination of central bank and international organisation, such as the Bank for International Settlements (BIS), and these are treated as central banks in terms of client sector.

A non-comprehensive list of international organisations is given below with an indication of which client identifiers and residential category should be used for them in reporting to Eesti Pank and Finantsinspektsioon. Residential category is mostly based on the country where the head office of the organisation is located.

Client sector / International organisation	Abbreviation	Residency
CENTRAL BANK (client identifier 12)		
Bank for International Settlements	BIS	CH
International Monetary Fund	IMF	US
Eastern Caribbean Central Bank	ECCB	KN
West African Economic and Monetary Union	WAEMU	BF
CREDIT INSTITUTION (client identifier 6)		
West African Monetary Agency	WAMA	SL
Latin American Reserve Fund	LARF	CO
Central Bank of West African States	BCEAO	SN
Banque des Etats de l’Afrique Central	BEAC	CM
European Investment Bank	EIB	LU
African Export-Import Bank	Afremixbank	EG
Foreign Trade Bank for Latin America	Bladex	PA
Andean Development Corporation	CAF	VE
Central American Bank for Economic Integration	CABEI	HN
CENTRAL GOVERNMENT (client identifier 1)		
EU institutions and units		
European Union		BE
European Commission		BE
European Parliament		BE
Council of the European Union - Presidency		BE
Court of Justice of the European communities		LU
European Court of Auditors		LU
European Ombudsman		FR

European Data Protection Supervisor		BE
European Economic and Social Committee		BE
Committee of the Regions		BE
Office for Official Publications		LU
European Personnel Selection Office		BE
European Administrative School		BE
European Patent Office		DE
European Police College	CEPOL	UK
European Medicines Agency	EMA	UK
European Banking Authority	EBA	UK
Agency for the Cooperation of Energy Regulators	ACER	SI
European Centre for Disease Prevention and Control	ECDC	SE
European Monitoring Centre for Drugs and Drug Addiction	EMCDDA	PT
European Maritime Safety Agency	EMSA	PT
European Agency for the Management of Operational Cooperation at the External Borders	FRONTEX	PL
The European Union's Judicial Cooperation Unit	EUROJUST	NL
European Police Office	EUROPOL	NL
European Asylum Support Office	EASO	MT
Body of European Regulators for Electronic Communications	BEREC	LV
Translation Centre for the Bodies of the European Union	CdT	LU
Executive Agency for Health and Consumers	EAHC	LU
European Institute for Gender Equality	EIGE	LT
European Training Foundation	ETF	IT
European Food Safety Authority	EFSA	IT
European Foundation for the Improvement of Living and Working Conditions	EUROFOUND	IE
European Institute of Innovation and Technology	EIT	HU
European Network and Information Security Agency	ENISA	GR
European Centre for the Development of Vocational Training	Cedefop	GR
European Union Institute for Security Studies	ISS	FR
European Securities and Markets Authority	ESMA	FR
European Railway Agency	ERA	FR
European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice	eu-LISA	AT
Community Plant Variety Office	CPVO	FR
European Chemicals Agency	ECHA	FI
Office for Harmonisation in the Internal Market – Trade Marks and Designs	OHIM	ES
European Union Satellite Centre	EUSC	ES
European Joint Undertaking for ITER and the Development of Fusion Energy	F4E	ES
European Fisheries Control Agency	EFCA	ES
European Agency for Safety and Health at Work	OSHA	ES

European Environment Agency	EEA	DK
European Insurance and Occupational Pensions Authority	EIOPA	DE
European Aviation Safety Agency	EASA	DE
European GNSS Supervisory Authority	GSA	CZ
Trans-European Transport Network Executive Agency	TEN-T EA	BE
Research Executive Agency	REA	BE
Executive Agency for Competitiveness and Innovation	EACI	BE
European Research Council Executive Agency	ERC	BE
European Defence Agency	EDA	BE
Education, Audiovisual and Culture Executive Agency	EACEA	BE
European Union Agency for Fundamental Rights	FRA	AT
European Financial Stability Facility	EFSF	LU
European Stability Mechanism	ESM	LU
Single Resolution Board	SRB	BE
Other European organisations		
European Atomic Energy Community	EURATOM	BE
Council of Europe	CE	FR
European Free Trade Association	EFTA	CH
European Organization for Nuclear Research	CERN	DE
European Space Agency	ESA	FR
European Telecommunications Satellite Organization	EUTELSAT	FR
Western European Union	WEU	BE
Intergovernmental organisations		
Association of Southeast Asian Nations	ASEAN	ID
Caribbean Community and Common Market	CARICOM	GY
Central American Common Market	CACM	GT
Latin American Integration Association	LAIA	UY
League of Arab States	LAS	EG
North Atlantic Treaty Organisation	NATO	BE
Organisation for Economic Co-operation and Development	OECD	FR
Organization of American States	OAS	US
Organization of Central American States	OCAS	SV
Organisation of Eastern Caribbean States	OECS	LC
South Asian Association for Regional Cooperation	SAARC	NP
United Nations		
United Nations Conference on Trade and Development	UNCTAD	CH
United Nations Children's Fund	UNICEF	US
Food and Agriculture Organization	FAO	IT
International Atomic Energy Agency	IAEA	AT
International Civil Aviation Organization	ICAO	CA
International Fund for Agricultural Development	IFAD	IT
International Labour Organization	ILO	CH
International Maritime Organization	IMO	UK

International Telecommunication Union	ITU	CH
United Nations Educational, Scientific and Cultural Organization	UNESCO	FR
Universal Postal Union	UPU	CH
World Health Organization	WHO	CH
World Intellectual Property Organization	WIPO	CH
World Meteorological Organization	WMO	CH
World Tourism Organization	UN WTO	ES
World Trade Organization	WTO	CH
Trade organisations		
International Cocoa Organization	ICCO	UK
International Coffee Organization	ICO	UK
International Cotton Advisory Committee	ICAC	US
International Jute Study Group	IJSG	BD
International Lead and Zinc Study Group	ILZSG	PT
International Olive Oil Council	IOOC	ES
International Rubber Study Group	IRSG	SG
International Sugar Organization	ISO	UK
International Grains Council	IGC	UK
Latin American Energy Organization	OLADE	EC
Organization of Arab Petroleum Exporting Countries	OAPEC	KW
Organization of the Petroleum Exporting Countries	OPEC	AT
Other		
International Committee of the Red Cross	ICRC	CH
World Council of Churches	WCC	CH
International Maritime Satellite Organization	INMARSAT	UK
International Finance Facility for Immunisation	IFFIm	UK
Paris Club		FR
OTHER FINANCIAL INSTITUTION (client identifier 20)		
European Bank for Reconstruction and Development	EBRD	UK
European Investment Fund	EIF	LU
International Bank for Reconstruction and Development	IBRD	US
International Development Association	IDA	US
International Finance Corporation	IFC	US
International Investment Bank	IIB	RU
International Bank for Economic Cooperation	IBEC	RU
Arab Monetary Fund	AMF	AE
African Development Bank	AfBD	CI
Arab Bank for Economic Development in Africa	BADEA	SD
Arab Fund for Economic and Social Development	AFESD	KW
Asian Development Bank	ADB	PH
Black Sea Trade and Development Bank	BSTDB	GR
Caribbean Development Bank	CDB	BB
Central African States Development Bank	CASDB	CG

Council of Europe Development Bank	CEB	FR
East African Development Bank	EADB	UG
Eurasian Development Bank	EDB	KZ
Fonds Belgo-Congolais D'Amortissement et de Gestion	RDC	BE
Inter-American Development Bank	IADB	US
Inter-American Investment Corporation	IIC	US
Islamic Development Bank	IDB	SA
Nordic Investment Bank	NIB	FI
EUROFIMA- European Company for the Financing of Railroad Rolling Stock		CH
OPEC Fund for International Development	OFID	AT
World Bank Group	WBG	US