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[Draft] Sector classification – SEC 1

Cover note

Objective

1. The purpose of this EFRAG SRB session is to provide an update on the SR TEG 15 and 18 January discussions on sector classification. A verbal update of the SR TEG sessions will be provided at the meeting.
2. The objective of the SR TEG sessions was to seek SR TEG's approval on updated versioning and proposed changes to the sector classification (SEC 1) before going for public consultation.

Background

3. NACE rev. 2.1 will be used for European statistics from 2025 onwards and was adopted by the European Commission in October 2022. NACE rev. 2.1 introduces new concepts at all levels of the classification and restructures a number of the existing headings. In particular, some noteworthy changes are:
 - (a) Insertion of implementation rules for agriculture, newspapers, journals and periodicals specifying how to classify certain of these activities. For example, using number of hours worked to classify vertically integrated agricultural activities;
 - (b) Expansion and adding of sustainability related activities;
 - (c) More detailed remediation activities, including storage of captured carbon dioxide;
 - (d) Waste treatment, energy and materials recovery;
 - (e) Engineering, testing, scientific research activities; ...
 - (f) Modernising the list of economic activities eg:
 - (g) Crypto activities are added to the financial sector;
 - (h) Addition of specialised construction activities;
 - (i) More explicit description of activities in relation to biofuels;
 - (j) Addition of non-scheduled passenger transport by road;
 - (k) Clarification that in-store and online sales are not separated as most retail activities operate both together. ie activities are not separated based on the distribution channels but on what is being sold and the targeted customer group (retail or wholesale);
 - (l) Expansion of intermediation activities relating to economic activities as such transport, tutorial activities, real estate, IT, ...
 - (m) 3D printing;

(n) Expansion of medical activities; ...

Question for EFRAG SR TEG/SRB

4. Does EFRAG SRB have any comment in respect with comments from EFRAG SR TEG?

Agenda papers

5. In addition to this cover note, 07-02 – *Sector classification SEC 1 – proposed changes SRB 240124* has been uploaded.