

Industry Classification Systems

Applying a market-based classification schema, such as the TRBC, ICB or GRCS, could be a simpler, standardized way of segmenting the joint venture data and listings from the various directories, without re-creating the wheel. This document defines those available.

Market Based Classification Systems

1) The **Global Industry Classification Standard (GICS)** is an industry taxonomy developed by Morgan Stanley Capital International (MSCI), and Standard & Poor's (S&P) for use by the global financial community. The GICS structure consists of 10 sectors, 24 industry groups, 68 industries and 154 sub-industries into which S&P has categorized all major public companies. The system is similar to ICB (Industry Classification Benchmark), a classification structure maintained by Dow Jones Indexes and FTSE Group.

GICS is used as a basis for S&P and MSCI financial market indexes in which each company is assigned to a sub-industry, and to a corresponding industry, industry group and sector, according to the definition of its principal business activity.

2) The **Industry Classification Benchmark (ICB)** is a company classification system developed by Dow Jones and FTSE. It is used to segregate markets into sectors within the macroeconomy. The ICB uses a system of 10 industries, partitioned into 19 supersectors, which are further divided into 41 sectors, which then contain 114 subsectors.

The principal aim of the ICB is to categorize individual companies into subsectors based primarily on a company's "source of revenue or where it constitutes the majority of revenue." If a company is equally divided amongst several distinct subsectors, authorities from Dow Jones and FTSE may be summoned to make a final judgment. Firms may appeal their classification at any time.

The ICB is used globally (though not universally) to divide the market into increasingly specific categories, allowing investors to compare industry trends between well-defined subsectors. The ICB replaced the legacy FTSE and Dow Jones classification systems on 3 January 2006, and is used today by the NASDAQ, NYSE and several other markets around the globe. All ICB sectors are represented on the New York Stock Exchange except Equity Investment Instruments (8980) and Nonequity Investment Instruments (8990).

3) The **Thomson Reuters Business Classification (TRBC)** is an industry classification of global companies; it is owned and operated by Thomson Reuters and is also the basis for Thomson Reuters Indices. TRBC is used primarily in the Financial Investment and Advisory space, where investors identify and select groups of comparable companies and look at trends.

Establishment Based Classification Systems

1) **International Standard Industrial Classification (ISIC) of All Economic Activities** is a United Nations system for classifying economic data. The United Nations Statistics Division describes it in the following terms:

Wide use has been made of ISIC, both nationally and internationally, in classifying data according to kind of economic activity in the fields of production, employment, gross domestic product and other statistical areas. ISIC is a basic tool for studying economic phenomena, fostering international comparability of data, providing guidance for the development of national classifications and for promoting the development of sound national statistical systems.

2) The **North American Industry Classification System** or **NAICS** (pronounced "nakes") is used by business and government to classify business establishments according to type of economic activity (process of production) in Canada, Mexico and the United States. It has largely replaced the older Standard Industrial Classification (SIC) system; however, certain government departments and agencies, such as the U.S. Securities and Exchange Commission (SEC), still use the SIC codes.

3) The **Statistical Classification of Economic Activities in the European Community** (in French: Nomenclature statistique des activités économiques dans la Communauté européenne), commonly referred to as **NACE**, is a European industry standard classification system consisting of a 6 digit code.