

Practical Cases in ISIC, Rev. 5

United Nations Statistics Division

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Outline of presentation

- General rules in using ISIC, Rev. 5 to classify units
- Specific cases for intermediation activities
- Specific cases for wholesale and retail trade activities
- Other specific cases



General Rules in the Use of ISIC, Rev. 5



How to Classify Units with ISIC, Rev. 5: Basic Steps

Step 1: Find information concerning the unit

- A brief description of its main activities: input, output, business model, production process, etc.
- Whether it has been assigned any industry code before, in ISIC, Rev. 4 for example
- Focus on the principal activity of the unit from the beginning (check the description of main activities to see if one activity clearly stands out)



How to Classify Units with ISIC, Rev. 5: Basic Steps

Step 2: Study ISIC, Rev. 5

- ISIC, Rev. 5 explanatory notes: detailed description on the content of each category with examples, exceptional cases, included and excluded activities, etc.
- ISIC, Rev. 5 introduction: description of classifications rules and principles
- ISIC, Rev. 4 Rev. 5 Correspondence Table: helpful for updating ISIC, Rev. 4 codes to those of ISIC, Rev. 5



How to Classify Units with ISIC, Rev. 5: Basic Steps

Step 3: Establish an Automated Workflow

- Rely primarily on automatic mapping of units to ISIC, Rev. 5 codes with the help of modern IT tools (keyword matching, fuzzy matching, machine learning, AI, custom scripts, computer programs, etc.)
- Validation: spot check on special cases, manual validation on a small subset of sample units, peer review of the results of automatic mapping, etc.
- Feedback: establish a case law center to classify special units in a consistent manner; consultation among classification team, SBR team, and other teams within your office; ask UNSD



Specific cases for intermediation activities



Intermediation Service Activities

Definition

- Non-financial intermediation services activities are activities that facilitate transactions between buyers and sellers for the ordering and/or delivering of goods and services for a fee or commission, without supplying the services or taking ownership of the goods that are intermediated. (ISIC, Rev. 5 introduction, para. 158)
- These activities only concern units that provide non-financial services. They do not cover financial and insurance services.
 Neither do they cover units that produce goods.



Intermediation Service Activities

Treatment

- Non-financial intermediation services activities are generally separated from other activities, and included in dedicated categories in lower levels of the ISIC, Rev. 5 structure. See ISIC, Rev. 5 introduction, para. 224 for a list of such categories
- In most cases, ISIC, Rev. 5 does not consider characteristics such as the nature of the platform (digital vs. non-digital), source of revenue (from commission, fees, or sale of advertising space, etc.)



Intermediation Service Activities

Classification Rules

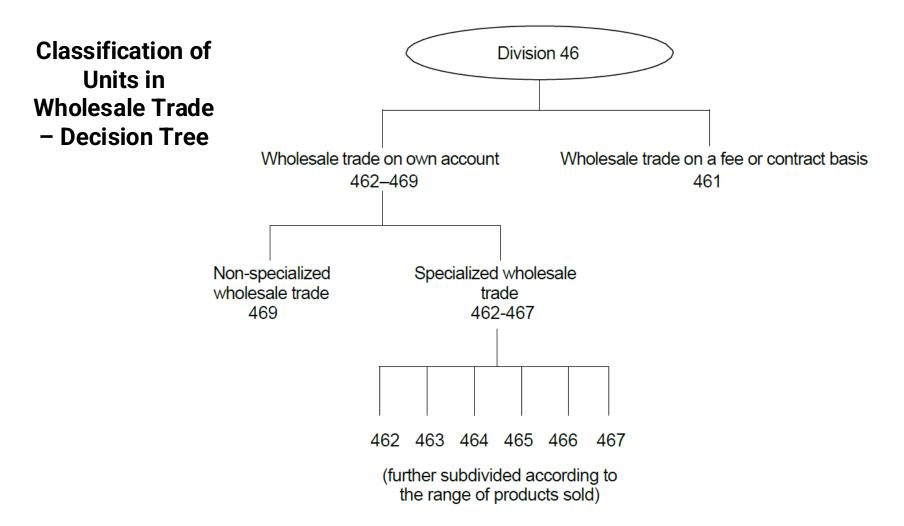
In the treatment of intermediation service activities, ISIC, Rev. 5 mainly considers the characteristics of the goods and services that are being delivered or facilitated:

- 5232 Intermediation service activities for passenger transportation
- 5540 Intermediation service activities for accommodation
- 6821 Intermediation service activities for real estate
- ...



Specific cases for wholesale and retail trade activities







Example of Intermediation Service Providers

Online retail platforms that facilitate trade of goods between sellers and buyers. This platform might take ownership of the goods being trader, or it might engage only in intermediation without taking ownership of the goods, or it might adopt a mixed business model (selling some goods that it owns, while providing a platform for other sellers to trade their products)

- In the scenario that the platform takes ownership of the goods being traded, it is considered as a wholesale or retail trader and classified accordingly
- If the platform do not take ownership of the goods being traded, it is considered as engaging in intermediation service activity
- If the platform engages in both types of activities, it is considered as a case of integration (of mixed activities), and it should be classified only by the principal activity (the one that contributes to the most value added)



Other specific cases Use of the ISIC, Rev. 4 – Rev. 5 Correspondence Table



Format of the ISIC, Rev. 4 - ISIC, Rev. 5 Correspondence Table

- Bi-directional: from ISIC, Rev. 4 to ISIC, Rev. 5 and vice versa
- Includes correspondences only at the lowest level (four-digit classes)
- All four-digit classes in ISIC, Rev. 4 are mapped to ISIC, Rev. 5 and vice versa
- Codes are shown in two formats: with section letter ("A0111"), and without ("0111")
- Changes are described in terms of GSIM



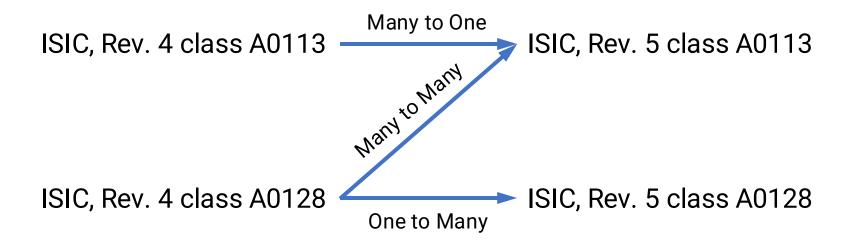
Types of Relationship in the Correspondence Table

Type of Relationship	Number of Entries	Examples
One to One	288	ISIC, Rev. 4 class A0111 – ISIC, Rev. 5 class A0111 (no change in scope)
Many to One	122	ISIC, Rev. 4 classes A0113 and A0128 (partial) – ISIC, Rev. 5 class A0113 *
One to Many	16	ISIC, Rev. 4 class A0128 – ISIC, Rev. 5 classes 0113 (partial) and A0128 *
Many to Many	177	ISIC, Rev. 4 class A0128 (partial) – ISIC, Rev. 5 class A0113 (partial) *
Total	603	

^{*} See subsequent slide for detailed explanation



Detailed Explanation on the Examples



This particular change is defined in GSIM as RC5 - Transfer, and described as follows:

Class 0128 continues to exist while parts of its activities (growing of chillies and peppers) are moved to the existing class 0113.



Correspondences Concerning Intermediation Services

- The correspondence table only includes entries presenting the most common cases of intermediation services.
- Users are strongly encouraged to check the explanatory notes of relevant categories in both ISIC, Rev. 4 and ISIC, Rev. 5 for an accurate description of the activities that are included in any given class.



Activities Involving Products That Are Downloadable from Internet

- Activities previously included in ISIC, Rev. 4 class 4791 (Retail sale via mail order houses or via Internet) that involve the retail sale of Internetdownloadable products are no longer considered as retail sale activities in ISIC, Rev. 5
- Instead, these activities are treated as part of the "other content distribution activities", as included in ISIC, Rev. 5 class 6039 (Social network sites and other content distribution activities)



Resources

Existing ISIC, Rev. 5 introduction and explanatory notes:

https://unstats.un.org/unsd/classifications/Econ

- ISIC, Rev. 4 − Rev. 5 Correspondence Table: (same link as above)
- Email to UNSD Classifications Hotline:

chl@un.org



Thank you!

!Muchas gracias!

United Nations Statistics Division
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