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POSITIONING OF FINANCIAL CORPORATIONS IN THE ECONOMICS SECTORIAL STRUCTURE

Statistical approach to the investigation of economy structure is based on the methodology of the macroeconomic statistics systems. The System of National Accounts (SNA) plays the main role among them.

SNA considers the structure of domestic economy as a set of institutional units that are grouped into five institutional sectors. These sectors are mutually exclusive.

The concepts of institutional unit and institutional sector are the key elements of the SNA central framework.

The institutional units are economic entities that can take part in the economic activities and in transactions with other entities. They are capable of owning assets and incurring liabilities [1, c. 17, 61]. The decision making for all aspects of economic behavior falls within the competence of the institutional units.

In order to identify an economic unit as an institutional unit it is necessary to take into consideration its main attributes [2]:

- right to self-ownership of goods and assets on its own behalf. It gives the opportunity to exchange the property rights of these goods and assets in transactions with other units;
- ability to take economic decisions and carry out the economic activity for which it is itself held to be directly responsible and accountable at law;
- ability to incur financial and other liabilities on its own behalf and to enter into contracts;
- presence of full set of accounts or ability to compile the complete set of accounts including balance sheet of assets and liabilities.

The System of National Accounts interprets institutional sectors as groups of institutional units that are similar by kinds [1, c. 61]. Grouping institutional units into institutional sectors is carried out in accordance with their functions, behavior and objectives (Table 1).

The institutional units grouped into a certain institutional sector are homogeneous by following criteria [3, c. 155]:

- functional responsibilities;
- sources of financing of their economic activities;
- availability of goods and services produced by them.

Table 1

Institutional sectors of domestic economy

Sector	Main functions	Sources of income (resources)	Institutional units
Non-financial corporations (S11)	Production of market goods and non-financial services	Receipts from goods sales and non-financial services	Non-financial corporations and quasi-corporations, private non-profit institutions (market NPI) serving non-financial corporations
Financial corporations (S12)	Financial operations, financial and monetary intermediation, financial auxiliary services, insurance, non-government pension provision	Receiving and redistribution of financial assets; exchange transactions; interest charges; insurance premiums	Financial corporations and quasi-corporations, private non-profit institutions (market NPI) serving financial corporations
General government (S13)	Production of non-market services for collective consumption; redistribution of the national income and wealth	Taxes and compulsory payments	Central, regional and local government, social security funds, non-market non-profit institutions controlled and mainly financed by government
Households (S14): - as consumers - as producers	Consumption of products, supply of factors of production	Wages and salaries; property incomes; transfers	Persons
	Production of market goods and services	Receipts from goods sales and services	Self-employed persons (individual entrepreneurs)
Non-profit institutions serving households (S15)	Provision of non-market goods and services (without charge or at price that is not economically significant) to individual households or to the entire community	Voluntary donations; property incomes; transfers	Political parties, religious organizations, charities, professional and other unions, cultural organizations, some educational and research institutions, etc.

Source: formed by author on [4, c. 12-13; 5]

As we can see from Table 1, the economic activities of institutional units are quite different. In general it can be represented as production of goods and services, final consumption or capital accumulation in various forms [1, c. 63].

Corporations, both non-financial and financial, are engaged in production or accumulation, or both of them. In contrary, a final consumption is not typical

for corporations. The main aim for corporations is production of products (goods and services) for the market at economically significant prices.

Corporations are divided to financial (produce financial services) and non-financial (produce goods and non-financial services). SNA distinguishes corporations in such manner because of «the special role» [1, c. 63] of financial corporations in the economy. The provision of financial services is strictly regulated and is used by the systems of macroeconomic statistics as criteria for institutional unit categorization as financial corporation. The reason is that institutional units providing financial services don't produce other goods and services. On the other hand, corporations do not provide financial services as secondary production [1, c. 75].

Financial corporation sector, as it is defined in the SNA, encompasses all resident corporations engaged in financial services providing. The list of these services includes services of financial intermediation, insurance and pension funds. Financial auxiliaries and non-profit institutions serving financial corporations also belong to financial sector.

The sub-sector structure of financial sector has been modifying significantly during national accounts development [6]. The fourth international standard, SNA-2008, recognizes nine sub-sectors within financial sector. These sub-sectors may be grouped into three broad categories. They are: financial intermediaries; financial auxiliaries; other financial corporations.

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