



## Definition of Private Enterprises

The following definitions have been adopted for the purposes of determining which Part of the Handbook applies to a reporting entity:

- a. A **publicly accountable enterprise** is an entity, other than a not-for-profit organization, or a government or other entity in the public sector, that:
  - i. has issued, or is in the process of issuing, debt or equity instruments that are, or will be, outstanding and traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); or
  - ii. holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses. Banks, credit unions, insurance companies, securities brokers / dealers, mutual funds and investment banks typically meet the second criterion above. Other entities may also hold assets in a fiduciary capacity for a broad group of outsiders because they hold and manage financial resources entrusted to them by clients, customers or members not involved in the management of the entity. However, if they do so for reasons incidental to a primary business (as, for example, may be the case for travel or real estate agents, co-operative enterprises requiring a nominal membership deposit, or sellers that receive payment in advance of delivery of the goods or services, such as utility companies), that does not make them publicly accountable.
- b. A **private enterprise** is a profit-oriented entity that is neither a publicly accountable enterprise nor an entity in the public sector.
- c. A **not-for-profit organization** is an entity, normally without transferable ownership interests, organized and operated exclusively for social, educational, professional, religious, health, charitable or any other not-for-profit purpose. A not-for-profit organization's members, contributors and other resource providers do not, in such capacity, receive any financial return directly from the organization.
- d. A **pension plan** is any arrangement (contractual or otherwise) by which a program is established to provide retirement income to employees.