



Public Sector Definition

Understanding Public Sector Entities, Employees & Officials. You need to understand whether an entity is a Public Sector Entity because important compliance rules, limits, and/or processes may apply to these entities and their employees or officials, who are **deemed to be** Public Sector Employees or Officials. The definition of Public Sector is broad and can include- beyond obvious organizations such as government agencies and ministries - organizations or companies that perform commercial services or conduct commercial activities or are traded on stock exchanges. An entity may be a Public Sector Entity under this policy irrespective of how Oracle allocates its sales territories, groupings, or segments. For example, a bank or telecommunications company may be a Public Sector Entity, even though, internally, Oracle designates it with Financial Services or Telco and not within Public Sector sales.

Important. The definition of Public Sector goes well beyond traditional or obvious government institutions and their employees and officials. An entity also is a Public Sector Entity (and accordingly its employees and officials would be deemed to be Public Sector Employees or Officials) if **(1)** it is controlled by a government **or** **(2)** it performs a function the local government treats as its own.

1. An entity **is controlled by a government** if **any** of the following factors apply:

- The government owns 30% or more of the entity;
- The government has voting control or the ability to appoint officers or directors;
- The government has formally identified the entity as a government agency or state-owned enterprise;
- The entity is financed through government appropriations, tax revenue, licenses, fees, or royalties;
- The entity's profits are paid or go directly to the government;
- The government subsidizes the entity's costs of providing services; **OR**
- The entity is funded by the government in the event it fails to "break even."

2. An entity **performs a government function** if **any** of the following factors apply:

- The government designates the entity as performing a governmental function or otherwise clearly recognizes that the entity is performing a function expressed in the government's policies;
- The public generally perceives the entity to be performing a governmental function;
- The entity has a monopoly over the function it carries out, or exclusive power to administer the function it carries out;
- Employees of the entity are considered locally to be public officials or civil servants; **OR**
- The entity provides services, which the local government treats as its own, to the public at large, such as:
 - Public medical/healthcare or life-science services
 - National defense / aerospace
 - Public educational services
 - Public transportation
 - National banking or financial services
 - National utility or infrastructure services (e.g., telecommunications, gas, electric, water, sewage)
 - State media (e.g., broadcast, print)
 - Energy exploration, extraction, and development (including oil and gas)

Public Sector Entities also include national, state, provincial, or local government organizations, and any of their divisions, departments, agencies, branches, or ministries, whether executive, administrative, legislative, or judicial. Public Sector Entities additionally include political parties, political organizations, and any public foundations, public organizations, or NGOs, such as the International Red Cross, United Nations and the World Bank. As a result, Public Sector Employees & Officials include employees of these entities, even if temporarily employed or uncompensated; officials of these entities (no matter how appointed); any private person acting on their behalf, even if temporarily or without compensation, including those hired to prepare a request for proposal or an invitation for bids, or to review and/or accept bids; and any candidates for political office.