



**STATISTICS**

# **Consultation Responses on Group 1 Research Projects and Draft Notices of Decision**

**GFSAC MEETING  
MAY 13-15, 2025**

Lewis Murara, Deputy Division Chief, STA  
David Bailey, Senior Economist, STA

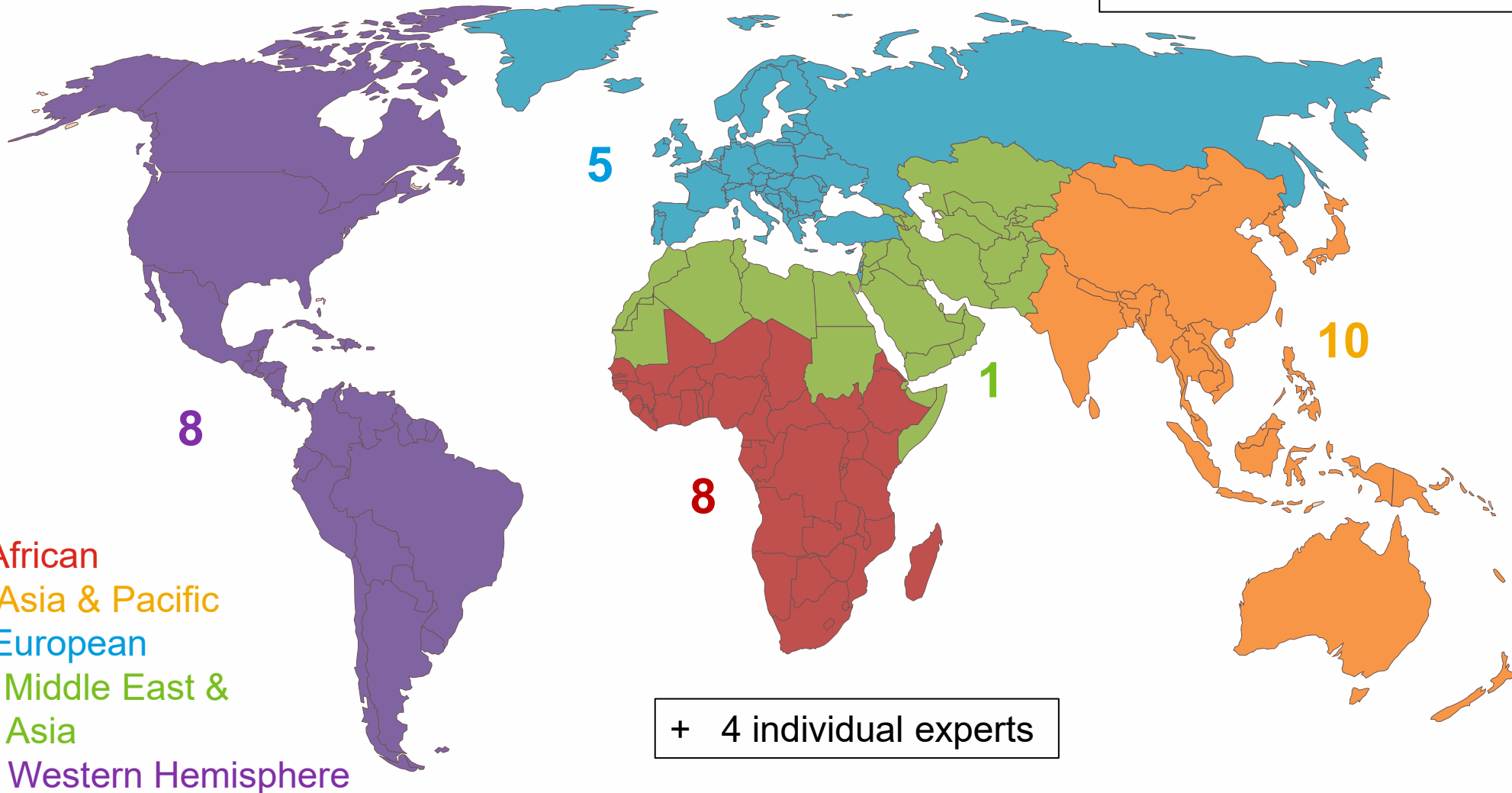
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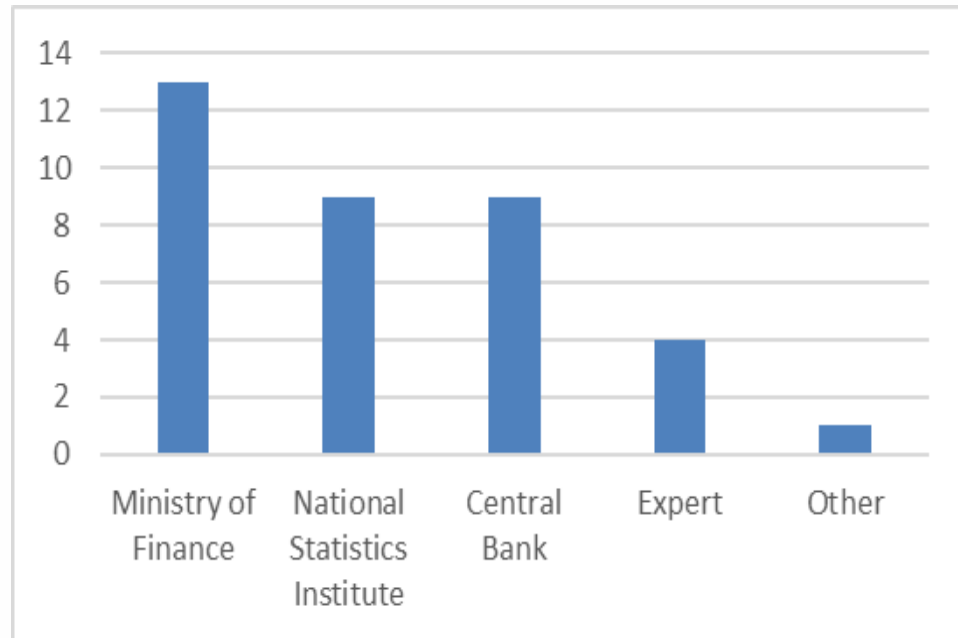
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# Respondents by Region

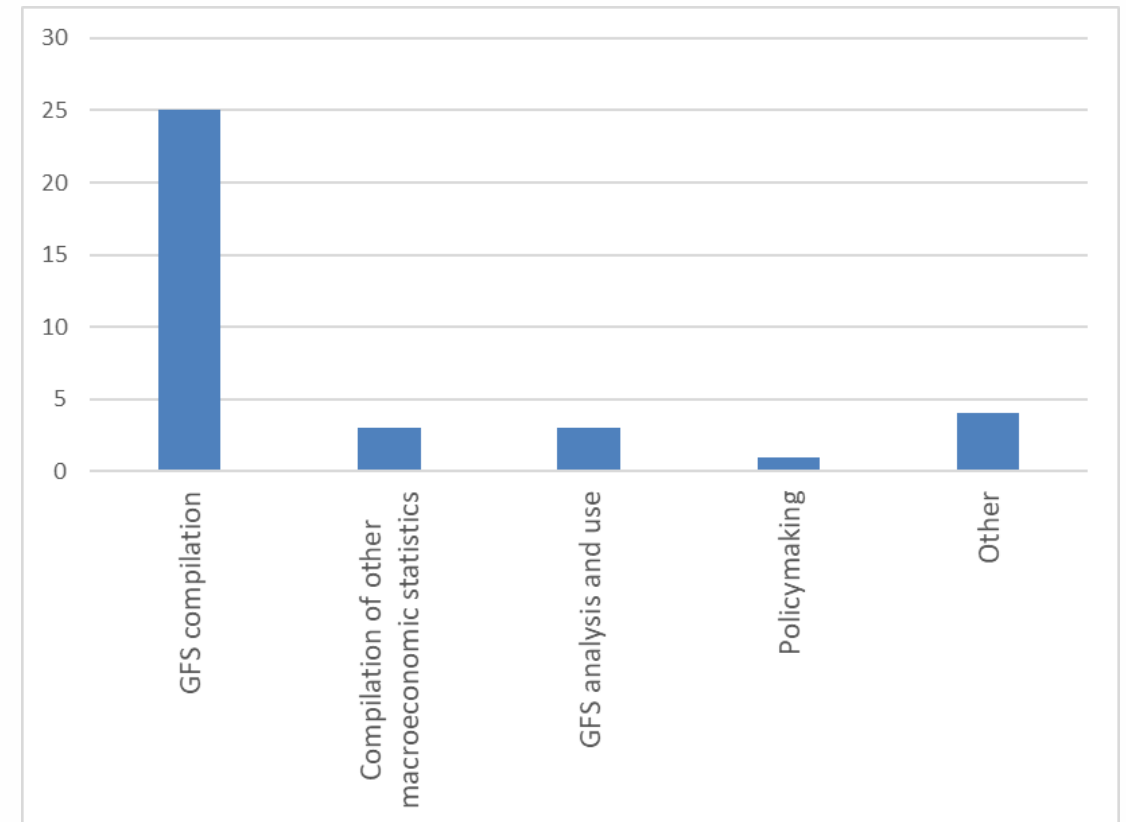
36 Respondents in Total



# Respondents by Institute and Main Interest



Majority of respondents from MoFs, but also significant numbers from NCBs and NSIs.



Vast majority of respondents stated their main interest as GFS compilation.

“Other” = 2 statistical compilers, 1 accountant, and 1 involved in all aspects

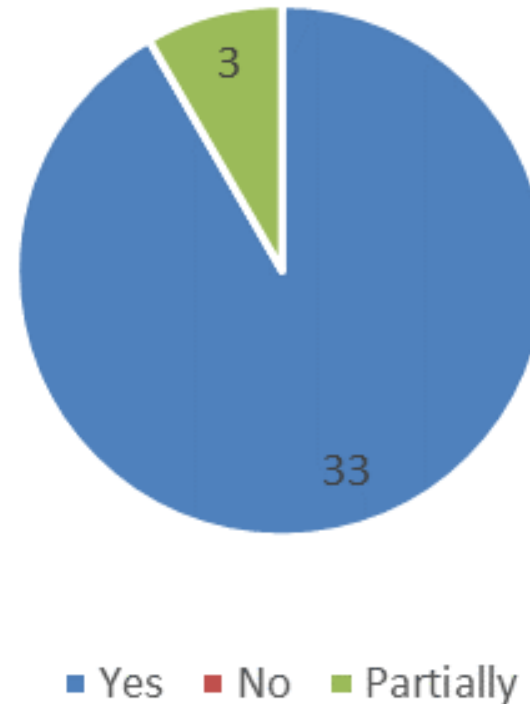
# Main Points from Consultation Responses

- 36 Respondents
- Reasonably diverse geographic coverage of respondents
- 75% or more of respondents, who expressed a view, agreed with each PR
- In nearly all cases, other respondents stated they “partially” agreed with PR
- Some of the comments received have led to proposed revisions to proposals in original PRs (details covered in the draft Notices of Decision)
  - *PR 1.4 Citizenship-by-Investment Programs*
  - *PR 1.7 Recording of Fines and Penalties*
  - *PR 1.24 Distinction between Taxes, Services and Other Flows*
- Three PRs attracted dissent (a single “no” response in each case), but only one of these responses was substantive
  - *PR 1.22 Treatment of Emissions Trading Schemes* – respondent argued that emission permits should be treated as nonproduced assets throughout their life

# PR 1.2 Treatment of Rent

## Comments on Implementation Challenges

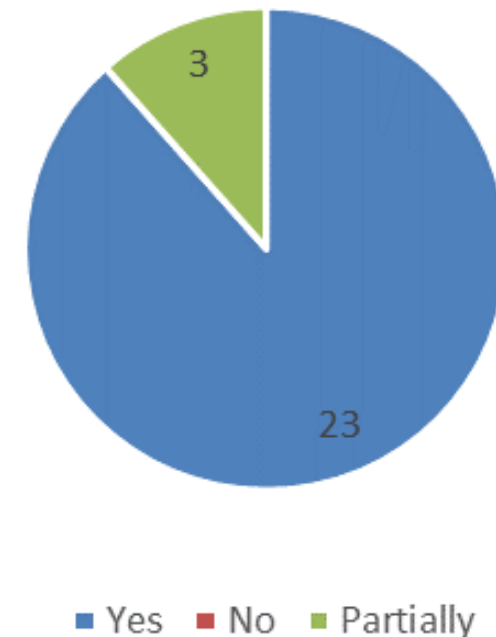
- Suggest allowing some flexibility on presentation of breakdown items.
- Highlight implementation challenges which may require phased implementation.
- May be practically difficult to separate out receivables/payables for authorization to record observable phenomena from other revenue/expenditure.



# PR 1.4 Citizenship-by-Investment Programs

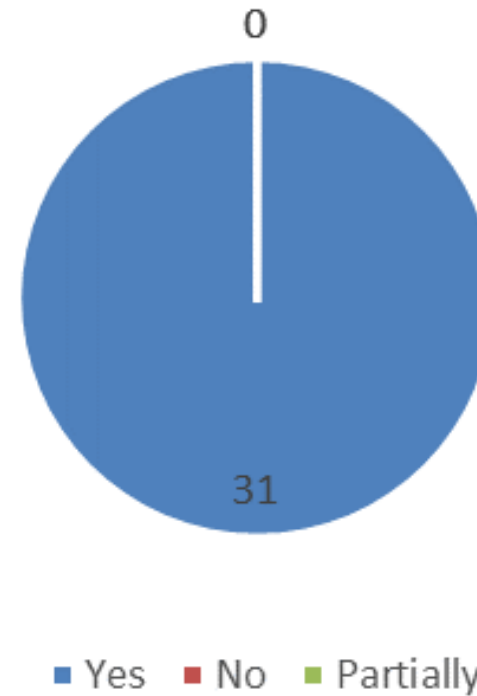
## Comments on Concepts

- Concern over the discrepancy between the GFSM/SNA/BPM and the European System of Accounts (ESA) guidance – which highlights a divergence in the interpretation of what constitutes a compulsory payment.
- Highlight diverging views in country authority, with some supporting the proposal but others suggesting instead to consider citizenship as a nonproduced nonfinancial asset.



# PR 1.5 Treatment of Assets and Related Income Declared under Tax Amnesty

No Comments.



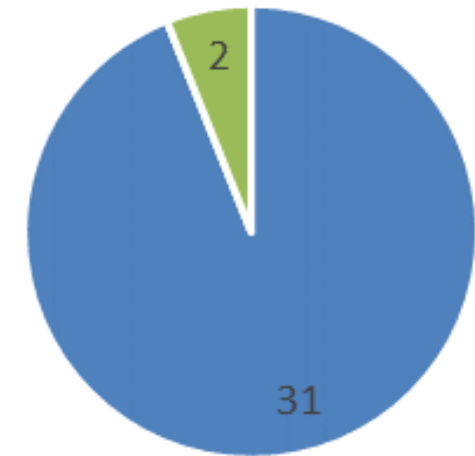


# PR 1.6 Operating and Financial Leases

## Comments on Compilation Guidance

- Would like to review the proposed additional practical guidance on the differences between IPSAS 43 on leases and the statistical treatment.

(This will be consulted on as part of GFSM research project 2.27 *Relationship between GFS and IPSAS*.)



■ Yes ■ No ■ Partially

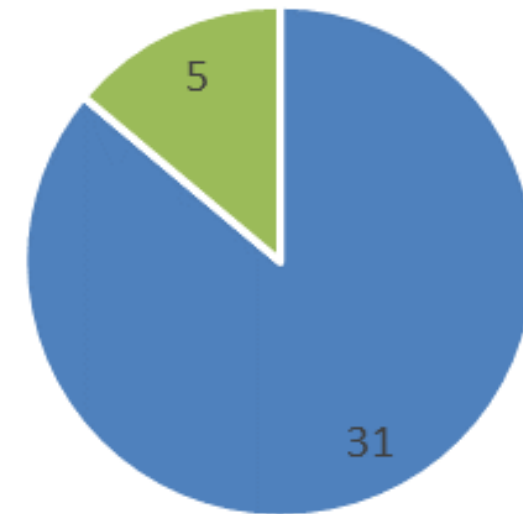
# PR 1.7 Recording of Fines and Penalties

## Comments on Possible Clarifications

- More guidance requested on what constitutes “major compensation” payments.
- Suggest to provide clarification on “ex-gratia” payments.
- Suggest to further clarify time of recording, including for when a transaction should be reversed.

## Comments on Implementation Challenges

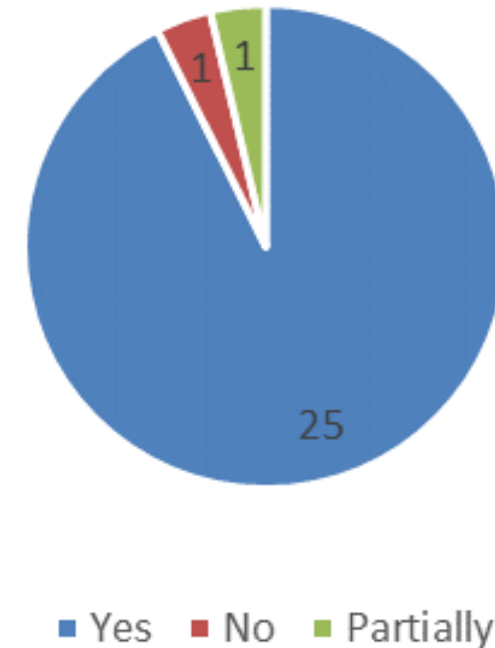
- Delineation between compensation and fines/penalties within a court decision is challenging.
- Highlight implementation challenges which may require flexibility in implementation.



■ Yes ■ No ■ Partially

# PR 1.9 Improving the Recording of Government-controlled Nonresident SPEs

No Comments.



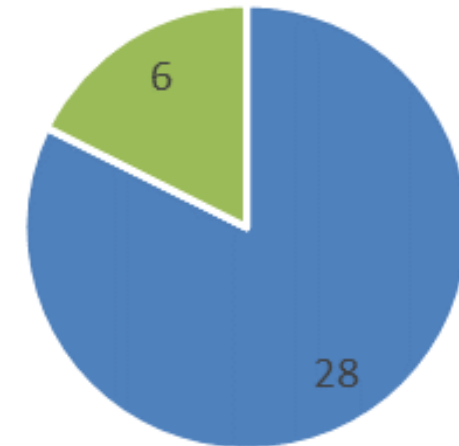
# PR 1.11 Identifying, Valuing and Reporting Government Data Assets

## Comments on Possible Clarifications

- Further clarity needed on what constitutes a government data asset for capitalization.
- How to apply depreciation to data assets.
- Suggest to further understand the impact on fiscal aggregates from the reclassification of spending related to generating data assets.

## Comments on Implementation Challenges

- Practical challenges on consistent application of data ownership and valuation.

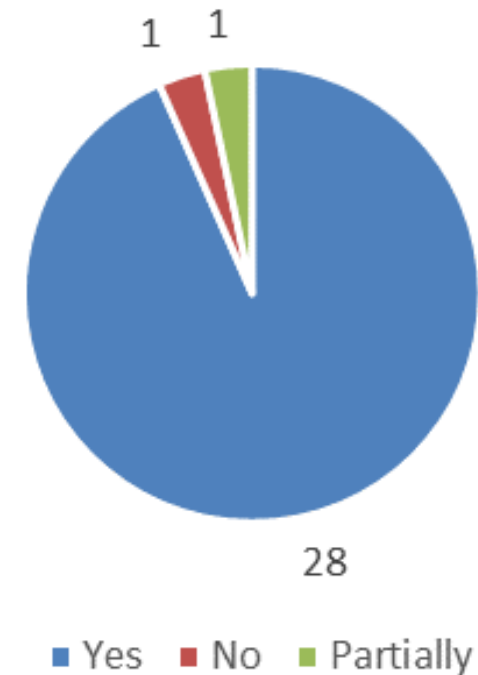


■ Yes ■ No ■ Partially

# PR 1.19 Treatment of SPEs and Residency

## Comments on Implementation

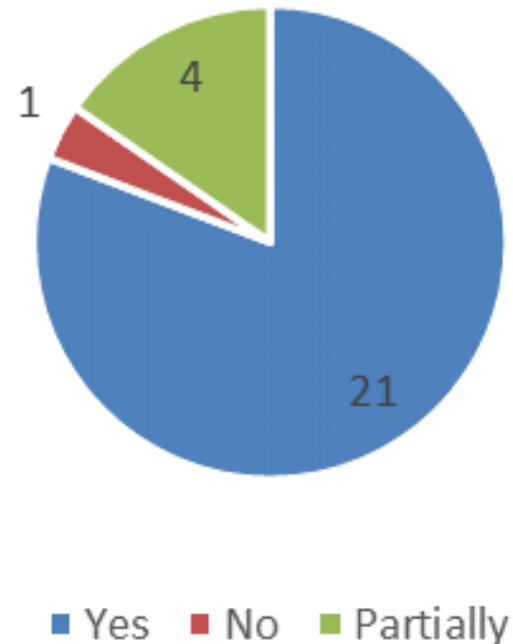
- Suggest that governments with multiple SPEs involved in fiscal policy should be encouraged to report each separately.



# PR 1.22 Treatment of Emissions Trading Schemes

## Comments on Concepts

- Highlight that aspects of this topic are still on the research agenda of the *2025 SNA / BPM7* and discussions around the *2025 SNA* implementation remain ongoing.
- Differences with ESA highlight unresolved contradictions that will require further discussion and research to ensure a coherent, comparable treatment across countries.
- Suggestion that taxes might be recorded as *excise taxes* (GFS code 1142) instead of *other taxes on use of goods and on permission to use goods or perform activities* (GFS code 11452).



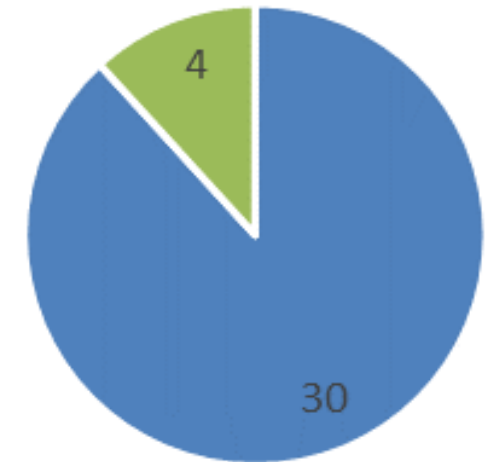
# PR 1.23 Environmental Classifications within GFS

## Comments on Concepts

- Would like to be assured that the outcome allows for comprehensive identification of climate-related spending, particularly in light of *SEEA CF* update.
- Not sufficiently clear on the rationale for multiple “of which categories”

## Comments on Implementation Challenges

- Highlight concerns around data availability and tension between the desire for greater detail and the practical limitations imposed by existing source data.
- Compilers may face challenges in separating environmental transactions from broader fiscal data.



■ Yes ■ No ■ Partially

# PR 1.24 Distinction between Taxes, Services and Other Flows

## Comments on Concepts

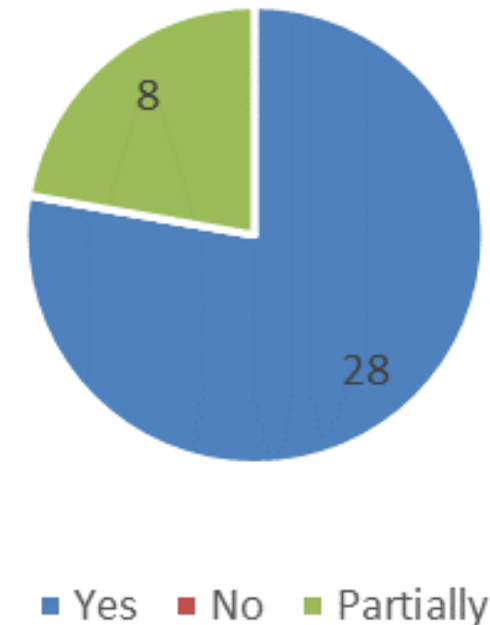
- Payments for services where the party has the option to acquire or not the service should **not** be treated as taxes (e.g., passports, driver licenses).
- Strong reservation about rearrangement when government replaces a pre-existing scheme involving actual payments to and from government with a new scheme under which the payments are made directly and not through government.
- Concern about breadth of guidance on rearrangement.

## Comments on Possible Clarifications

- Need to clarify “mandatory” and “sufficiently material”.

## Comments on Implementation

- Impact on tax burden and possible time series break.





**Any questions?**

# **Draft Notices of Decision**

## **“No Discussion”**

## PR 1.2 Treatment of Rent (No discussion)

### **GFS Notice of Decision:**

The definition of rent (GFS codes 1415 and 2814) will be expanded to include payments for the rights to use, in production, **all** nonproduced nonfinancial assets. In addition, an 'of which' category will be introduced to separately capture the rent payable/receivable on natural resources. Where relevant and material, economies may further separately report rent related to specific natural resources.

### **Question for GFSAC:**

Do you endorse the draft Notice of Decision?

### **Additional note in Notice of Decision:**

Explains that payments for CAWLM are not to be treated as rent as crypto assets are not lent for use in production. Treatment of these payments is considered under PR 1.18.

# PR 1.5 Treatment of Assets and Related Income Declared Under Tax Amnesty

## (No discussion)

### **GFS Notice of Decision:**

No conceptual changes will be made with regard to the treatment of tax amnesties. The concepts described in the *GFSM 2014* (para. 5.19) remaining unchanged.

Clarifying text will be included on the application of the accrual principles to previously undisclosed transactions, events and/or assets. Text to be in accordance with that in the *2025 SNA* (para. 8.89) and *BPM7* (para. 13.18).

### **Question for GFSAC:**

Do you endorse the draft Notice of Decision?

# 1.6 Financial and Operating Leases

## (No discussion)

### **GFS Notice of Decision:**

No conceptual changes will be made with regard to the approach to distinguishing between financial and operating leases. The concepts described in the *GFSM 2014* (paras. A4.4–A4.15) remaining unchanged.

As conceptual changes have been made in recent years to the international accounting standards (e.g. IFRS and IPSAS) practical guidance will be developed on the differences between the statistical and accounting lease concepts and how to use accounting data sources to distinguish between, and value, operating and financial leases in accordance with the GFSM. This practical guidance will be developed under GFSM research project *2.27 Relationship between GFS and IPSAS*.

### **Question for GFSAC:**

Do you endorse the draft Notice of Decision?

# 1.9 Improving the Recording of Government-Controlled Nonresident SPEs

## (No discussion)

### **GFS Notice of Decision:**

The conceptual treatment will be maintained of government-controlled nonresident special purpose entities (SPEs) as separate institutional units with imputations of their transactions and stocks included in the accounts of the controlling government. However, the details of those imputations will be amended so that:

- Debts incurred by the SPE should be imputed in the government accounts under the same financial instrument;
- Interest related to the SPE debt should be imputed in the government accounts as interest expense;
- Revenues and expenditures of the SPE to be rerouted through the government accounts according to their nature and counterparty;
- Transactions in financial assets of the SPE to be rerouted through the government accounts according to their nature and counterparty.

The textual changes will align with those introduced in the 2025 SNA (paras. 30.51-30.52) and BPM7 (paras. 8.21-8.22).

**Question for GFSAC:** Do you endorse the draft Notice of Decision?

# 1.19 Treatment of SPEs and Residency

## (No discussion)

### **GFS Notice of Decision:**

The conceptual treatment of how to identify special purpose units and when to treat them as institutional units will be maintained, with some additional clarifications as per the *2025 SNA*. In addition, the *GFSM 2014* (paras. 2.43, 2.136-2.139, A3.46, A3.54-A3.57 and A3.61-A3.62) will be amended so as to only use the term special purpose entity (SPE) for a special purpose unit that is nonresident. All similar resident units will be referred to as special purpose units or special purpose vehicles.

The textual changes will align with those introduced in the *2025 SNA* (paras. 5.81-5.84, 5.94-5.96 and 30.49-30.52).

### **Question for GFSAC:**

Do you endorse the draft Notice of Decision?

# 1.23 Environmental Classifications within GFS

## (No discussion)

### **GFS Notice of Decision:**

The update to the *GFSM 2014* will, subject to the outcome of other related GFS research projects:

- maintain the existing ‘of which’ reporting options for environmental taxes, while also maintaining the inclusion and definition of pollution taxes (GFS code 114522) in the main GFSM framework,
- introduce ‘of which’ categories for environmental grants receivable and payable;
- introduce ‘of which’ categories for Environment, Social and Governance (ESG) and green instruments for debt securities, loans, and equity and investment fund shares.
- introduce ‘of which’ categories of natural resource rent to include non-renewable mineral and energy resources, renewable energy resources, biological resources, water resources, and other natural resources;
- include separate categories for non-renewable mineral and energy resources, and renewable energy resources into the GFSM classification of stocks and flows;
- update and expand the existing text in *GFSM 2014* Appendix 7 on the relationship of GFS with the *SEEA CF* to discuss how users and compilers can use GFS for environment-related analysis, thereby broadening the discussion to other sources of government environmental statistics.

**Question for GFSAC:** Do you endorse the draft Notice of Decision?



# **Draft Notices of Decision**

## **“For Discussion”**

## 1.4 Citizenship-by-Investment Programs: Consultation Feedback (For discussion)

- **ESA vs GFSM:** Discrepancy between the and the European System of Accounts (ESA) guidance – which in the resGFSM/SNA/BPM pondents’ view highlights a divergence in the interpretation of what constitutes a compulsory payment.
- **Citizenship as an asset:** Diverging views in country authority, with some supporting the proposal but others suggesting instead to consider citizenship as a nonproduced nonfinancial asset.
- **Possible rearrangement:** Guidance should be expanded to cover the case where the nonrefundable contribution is made to a nominated agency, suggesting that in these cases rearrangement principles should be followed.
- **Non-CBI Programs:** Desirable for the text to be clearer on the treatment of other unrequited payments for citizenship, which are not related to CBI programs, such as “naturalization fees”

## 1.4 Citizenship-by-Investment Programs: Draft Notice of Decision **(For discussion)**

### **GFS Notice of Decision:**

New text will be included in the GFSM to discuss the treatment of nonrefundable contributions to government (or their nominated agency) under Citizenship-by-Investment (CBI) programs. The text will explain that these nonrefundable contributions will be treated as government revenue under transfers not elsewhere classified (GFS code 144): capital transfers (GFS code 1442) if specifically earmarked for capital purposes but otherwise as current transfers (GFS code 1441).

The text will clarify that if the payment is to a nominated agency outside of the budgetary central government then the principles of rearrangement should be followed, and the transfer be recorded to the budgetary central government (as the body responsible for the CBI program) with a matching grant (GFS code 13) or transfer (GFS code 144) to the nominated agency (grant if a government unit and transfer if outside of general government).

The text will also make clear that the scope of the guidance will only relate to CBI programs and not to payments under visa schemes, such as those required for employment, study, visitor, residency visas or fees to obtain permanent residency or citizenship following a required period of residency.

# 1.4 Citizenship-by-Investment Programs: Questions **(For discussion)**

## Questions for GFSAC:

- Do you agree with the proposed additional text on rearranging the transaction if the nonrefundable contribution is made to a nominated agency of government, to address a comment from the global consultation?
- Do you agree with further clarification on scope of “CBI programs”, to address a comment from the global consultation?
- Do you endorse the draft Notice of Decision?

# 1.7 Recording of Fines and Penalties: Consultation Feedback **(For discussion)**

- Current vs Capital and Fines vs Compensation
  - more guidance on what constitutes "major compensation payments" is requested
  - defining or quantifying what constitutes 'major' could pose a challenge to jurisdictions
  - separation of transactions into punitive and compensatory is helpful but creates a separate problem of delineating between the two
- Ex-gratia payments
  - suggest to clarify if "an ex-gratia payment that is not substantial enough to fully replace an asset but was voluntarily given to a jurisdiction as assistance (not an admission of liability) to help partially recover losses or damages to a property or resources, can be classified as part of the capital receivables." (ex-gratia payments mentioned in final bullet of *GFSM 2014 para. 6.123*)
- Time of recording
  - suggest to include ESA reference to when a transaction is reversed via a court (*GFSM 2014 paras. 3.85-3.86 and 5.144 discuss time of recording of court settlements, and similar*)

## 1.7 Recording of Fines and Penalties: Draft Notice of Decision (**For discussion**)

### **GFS Notice of Decision:**

No conceptual changes will be made with regard to the recording of fines and penalties. However, the *GFSM 2014* text (paras. 5.142-5.144, 5.147-5.148, 6.123-6.124 and A7.1244) will be updated to further clarify the distinction that fines are “punitive in nature” whereas compensation payments are “intended to compensate for damage or injury” and that efforts should be made to differentiate between the two as court rulings may commonly include both elements. In addition, the current time of recording of fines and penalties will also be explicitly referenced in relation to court-imposed compensation payments.

The textual changes will align with those introduced in the *2025 SNA* (paras. 9.138.141 and 9.146-9.147) and *BPM7* (paras. 13.56-13.59 and 14.37).

# 1.7 Recording of Fines and Penalties: Questions (**For discussion**)

## Questions for GFSAC:

- Do you agree that additional compilation and practical guidance on how to record court fines, penalties and compensation payments, suggested by some global consultation respondents, should not be included in the GFSM but provided as a “how to” note, or similar?
- Do you agree that the *GFSM 2014* is already sufficiently clear on the time of recording of fines and penalties (paras. 3.85 and 5.144) but that this text should be expanded to include court-imposed compensation payments, to address global consultation responses?
- Do you agree that the current *GFSM 2014* text on ex gratia payments (para. 6.123), raised by one respondent to the global consultation, is already sufficiently clear?
- Do you endorse the draft Notice of Decision?

# 1.11 Identifying, Valuing and Reporting Government Data Assets: Consultation Feedback (For discussion)

- Many respondents raised **practical challenges** of consistently identifying data assets, assigning economic ownership, and subsequently valuing/measuring those data assets
  - suggest to develop further guidance in these areas
- Several respondents also raised the **impact on fiscal aggregates** from the reclassification of spending related to generating data assets from expense categories to transactions in data assets
  - concern that large amongst of government expense could be reclassified as transactions in nonfinancial assets impacting conventional analysis of economic categories of expense
  - also concern of potential lack of consistency between countries



# 1.11 Identifying, Valuing and Reporting Government Data Assets:

## Draft Notice of Decision (For discussion)

### **GFS Notice of Decision:**

The asset boundary in the *GFSM 2014* will be expanded to include data as an asset, under (produced) fixed asset. Data assets will include those that are intended for repeated or continuous use for a period greater than one year, regardless as to whether they are produced on an own-account basis or purchased from the market. Spending on data that are intended for use of one year or less will continue to be recorded as use of goods and services expense.

Data assets produced on an own-account basis will be valued using the sum of costs approach, which means that compensation of employees (remuneration of employees), use of goods and services and consumption of fixed capital (depreciation) incurred during own-account capital formation of the data asset should be excluded from expense and recorded as a component of the cost of the acquisition of the data asset (produced fixed asset).

However, to ensure consistent application of the above new guidance on government data assets a separate research project will be initiated on how to delineate between government data assets and other government administrative information which does not meet the definition of an asset. The same research project will also consider other aspects of the treatment of government data, such as how to identify economic ownership of data assets, and the practical application of the sum of costs approach.

# 1.11 Identifying, Valuing and Reporting Government Data Assets: Questions **(For discussion)**

## Questions for GFSAC:

- Do you agree with the need for a research project on the delineation, ownership, measurement and valuation of government data assets?
- Do you agree that we should commit in the updated GFSM to recognize data as a produced nonfinancial asset, ahead of the outcome of the research project seeking to address the implementation challenges?
- Do you endorse the draft Notice of Decision?

## 1.22 Treatment of Emissions Trading Schemes: Consultation Feedback **(For discussion)**

- Issues not fully resolved during SNA and BPM updates
- Practical challenges in implementing due to volume and granularity of data required
- Treat as nonproduced nonfinancial assets
  - “So, if emissions permit are nonproduced assets for producers and they acquire them (for a price or for free) from the government its clear that the government should start to record some kind of nonproduced asset...”
- “Taxes might be recorded as **excise taxes** (GFS code 1142) instead of **other taxes on use of goods and on permission to use goods or perform activities** (GFS code 11452).” (*GFSM 2014 para. 5.62 for excises definition*)

## 1.22 Treatment of Emissions Trading Schemes: Draft Notice of Decision (**For discussion**)

### **GFS Notice of Decision:**

Permits in emission trading schemes will continue to follow the *GFSM 2014* recording of:

- valuing permits at the issuance value and recording as taxes on the use of goods and on permission to use goods or perform activities (GFS code 11452) at the time the emission occurs – for which the time of surrender of the permits can be used as a proxy;
- recording an other accounts payable (GFS code 3308) in the government accounts to reflect the timing difference between when the payments for the permits are received (usually at auction) and when the emission occurs.

However, there will no longer be a contract, leases, and licenses nonfinancial asset recorded in the accounts of the permit holder to reflect the difference between the market value and the value at issuance as per *GFSM 2014* (paras. 5.81 and A4.48-A4.49). Instead, when traded at values different to the issuance price, this will be accounted for through revaluations before and after the sale. Similarly, when permits are surrendered, they are revalued in the holders' accounts to their issuance value (which is zero in the case of freely issued permits).

The Post-2025 SNA and *BPM7* Research Agendas (paras. A5.60 and A15.43 respectively) identify the need for more guidance on the treatment of emission permits issued freely by governments, multi-country emission permit schemes and the typology of emission permits. GFS experts plan to work with SNA and BPM experts to develop this additional guidance. If this research can be undertaken and the conclusions agreed ahead of the GFSM Update, it may require amendments to the above decision.

## 1.22 Treatment of Emissions Trading Schemes: Questions **(For discussion)**

### Questions for GFSAC:

- Do you agree that a decision can be made now to align to the *2025 SNA* and *BPM7* with the caveat that if the further work foreseen under the research agendas of these two manuals concludes in time, then the decision may require amendment?
- Do you endorse the draft Notice of Decision?

## 1.24 Distinction between Taxes, Services and Other Flows: Consultation Feedback **(For discussion)**

- **Regarding the proposal for reporting mandatory payments for non-transferable licenses/permits as taxes.**
  - Respondents who reported that they “partially” agreed with the recommendations highlighted that this would increase the reported tax burden and may introduce a break in time series. A need to sufficiently define “mandatory” was also noted.
- **Regarding the proposal for the treatment of permits to use a natural resource for an extended period of time.**
  - No substantive comments.
- **Regarding the rearrangement of certain transactions through government.**
  - Strong reservation from one respondent about example 1 – “Where government replaces a pre-existing scheme involving actual payments to and from government with a new scheme under which the payments, which provide a similar economic outcome, are made directly and not through government.”
  - Reservations from another respondent around the breadth of the guidance on rearrangement.

## 1.24 Distinction between Taxes, Services and Other Flows: Draft Notice of Decision **(For discussion)**

### **GFS Notice of Decision:**

The update to the *GFSM 2014* will include a conceptual change to no longer record payments to government for non-transferable licenses issues as part of a mandatory regulatory process as either a tax or sale of service depending on whether or not the payments are “out of proportion” but instead to record all such payments as taxes on use of goods and on permission to use goods or perform activities (GFS code 1145). The new guidance will include clarification on the features of a “mandatory” regulatory process and on what would constitute an “exceptional case” which would lead to recording as sales of goods and services (GFS code 142). Text to be in accordance with that in the *2025 SNA* (paras. 8.82-8.83, 9.54-9.55, 9.66, 10.71, and 30.87-30.91) with additional clarifications as noted.

The update to the *GFSM 2014* will include a clarification that payments for permits to use a natural resource for an extended period of time should be recorded as rent (GFS code 1415). The full details will be subject to the outcome of GFSM research project 2.19 Accounting for natural resources and their exploitation in GFS, which considers the “split asset approach” to exhaustible natural resources.

The update to the *GFSM 2014* will include new guidance on when regulatory schemes should lead to the rearrangement of transactions through government. The new guidance will require additional clarification on the limited circumstances under which rearrangement should be followed. Text to be in accordance with that in the *2025 SNA* (paras. 30.170-30.171) with additional clarifications as noted.

# 1.24 Distinction between Taxes, Services and Other Flows : Questions **(For discussion)**

## Questions for GFSAC:

- Do you agree that the proposal for compulsory payments to government for non-transferable licenses/permits can be adopted, with the caveats included on the need to provide further clarity on instances as to when a service element may be recognized and as to the definition of mandatory?
- Do you agree that the proposal for treating as rent the payments to use or extract a natural resource for an extended period of time can be adopted?
- Do you agree that the proposal for rearrangement of transactions through government, with the caveats included on the need to provide further clarity on the limits of rearrangement?
- Do you endorse the draft Notice of Decision?



**Thank you!!**