



STATISTICS

Discussion on Initial Content and Structure of GFSM Update

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Objective of this session

- Generate discussion on the content and structure of the updated GFSM
 - ▶ Represent initial thinking based on the research program
 - ▶ All discussions are pending the outcome of these projects

- Discussion Documents on the Draft Outline comprise:
 - ▶ Section I: Proposed Topics for Discussion
 - ▶ Section II: Matrix illustrating in summary the likely impact of the research projects on *GFSM 2014*
 - ▶ An Appendix with Detailed Assessment of impact of changes of pending research projects on *GFSM 2014*

Background to structure of *GFSM 2014*

Two main considerations determined the structure of *GFSM 2014*

- *GFSM 2014* is a principle-based conceptual manual
 - ▶ Not rules-based
 - ▶ Not a compilation guide
- *GFSM 2014* is organized according to the elements that determines the compilation of GFS data

These resulted in:

- 10 Chapters that are conceptually based with 2 Annexes that are extensions
- 9 Appendices
 - ▶ Changes from previous versions of the GFSM
 - ▶ Brings together concepts spreads over chapters and practically apply them to problematic topical areas such as social protection, debt, cross-cutting issues, etc.
 - ▶ Linkages with other statistics and accounting – resulting from need to reconcile
 - ▶ Framework Tables, Glossary, and Index

Outline of the updated GFSM

First main consideration for GFSM still holds:

- GFSAC confirmed that GFSM should remain a principle-based conceptual manual
 - ▶ Borderline between principles and application remains an issue that is up for interpretation and need to be clarified (“What?” versus “How?”)

Second main consideration still holds but aspects of it is up for discussion:

- Elements of GFS framework remains the same
- Analysis of impacts of research projects shows some areas where alternative structure of the manual may be considered
- Some decisions on the structure of updated GFSM could also be influenced by the timing and outcome of other strategic decisions and update processes
 - Future of Public Sector Debt Statistics Guide, Compilation Guide of Developing Countries and other Compilation Notes
 - Classification of Functions of Government (COFOG)
 - System of Environmental-Economic Accounting (SEEA-CF)
 - MFSM update

Remainder of this presentation focus on specific issues that are up for discussion

Issues for Discussion on the Structure of GFSM

<i>GFSM 2014 Section</i>	<i>Proposed structural changes for consideration</i>
<i>Chapter 1</i> Introduction	Consider whether the section on the differences with the traditional <i>GFSM 1986</i> framework should be maintained. Options are: <ul style="list-style-type: none">• It could be maintained as a section in Chapter 1;• It could be moved to an Appendix; or• It could be deleted, and reference could be made to external documents/training material with guidance on the topic.
<i>Chapter 2</i> Institutional Units and Sectors	Consider whether to align text fully with common chapter in SNA/BPM. Consider whether the practical application of sector classification principles on public sector units should remain an integral part of the chapter. Options are: <ul style="list-style-type: none">• Keep the practical application examples as part of Chapter 2; or• Move the practical application examples into a separate Chapter or an Appendix.

Issues for Discussion on the Structure of GFSM

<i>GFSM 2014 Section</i>	<i>Proposed structural changes for consideration</i>
<p><i>Chapter 3</i></p> <p>Economic Flows, Stock Positions, and Accounting Rules</p>	<p>Consider whether to align text fully with common chapter in SNA/BPM, while adding GFS specific elements such as discussion of consolidation and other outcomes of the research projects.</p>
<p><i>Chapter 4</i></p> <p>The Government Finance Statistics Analytical Framework</p>	<p>Consider whether the relationship with <i>GFSM 1986</i> should be maintained (see options in Chapter 1).</p> <p>Consider also the Annex to Chapter 4 in the revised GFSM. The options are:</p> <ul style="list-style-type: none"> • Maintain as is with updated and expanded text on the analytical uses of GFS; • Elevate the Annex to become a chapter in the revised GFSM; • Move to be an Appendix in the revised GFSM; or • Develop as a self-contained practical guideline outside of the Manual.
<p><i>Chapter 5</i></p> <p>Revenue</p>	<p>No change foreseen at this time.</p>

Issues for Discussion on the Structure of GFSM

<i>GFSM 2014 Section</i>	<i>Proposed structural changes for consideration</i>
<p><i>Chapter 6</i></p> <p>Expense</p>	<p>Consider whether to maintain COFOG as an Annex to Chapter 6 or to consider alternatives. These alternatives may be of relevance given the uncertainty around coincidence of timelines for the GFSM and COFOG updates. Alternatives that could be considered:</p> <ul style="list-style-type: none"> • Maintain COFOG as an Annex to Chapter 6; • Elevate the Annex to become a chapter in the revised GFSM; • Move the Annex to an Appendix in the revised GFSM; or • Keep the introductory text in GFSM but eliminate the duplication of the UN detailed COFOG but rather just reference the publication in GFSM. <p>In addition, consideration could be given to merging the chapter on expense and transactions in nonfinancial assets to have a single chapter on expenditure.</p>
<p><i>Chapter 7</i></p> <p>Balance Sheet</p>	<p>No change foreseen at this time.</p>
<p><i>Chapter 8</i></p> <p>Transactions in Nonfinancial Assets</p>	<p>No change foreseen at this time.</p> <p>Although, as noted above in Chapter 6, consideration could be given to merging the chapter on expense and transactions in nonfinancial assets to have a single chapter on expenditure.</p>

Issues for Discussion on the Structure of GFSM

<i>GFSM 2014 Section</i>	<i>Proposed structural changes for consideration</i>
<i>Chapter 9</i> Transactions in Financial Assets and Liabilities	No change foreseen at this time.
<i>Chapter 10</i> Other Economic Flows	No change foreseen at this time.

Issues for Discussion on the Structure of GFSM

<i>GFSM 2014 Section</i>	<i>Proposed structural changes for consideration</i>
<p><i>Appendix 1</i></p> <p>Changes from the GFSM 2001 and GFSM 1986 (by chapter)</p>	<p>Consider whether the description of changes with the traditional <i>GFSM 1986</i> should be maintained (see Chapter 1). Options that could be considered are:</p> <ul style="list-style-type: none"> • Continue to include a description of changes, including those that are currently presented as part of Chapters 1 and 4; • Elevate the description of changes to become a separate Appendix; or • It could be deleted, and reference could be made to external documents/training material with guidance on the topic.
<p><i>Appendix 2</i></p> <p>Social Protection</p>	<p>Consider whether the social protection topic should be maintained as an appendix or whether other alternative should be considered. These alternatives are:</p> <ul style="list-style-type: none"> • Maintain the topic as an appendix and just update with relevant research projects; • Elevate the topic to become a standalone chapter in the manual; or • Eliminate the topic and provide practical guidelines in a standalone document outside of the manual.
<p><i>Appendix 3</i></p> <p>Debt and Related Operations</p>	<p>Consider whether to align text fully with common chapter in <i>BPM7</i>. Consider whether the debt topics should be maintained as an appendix or whether other alternative should be considered. These alternatives are:</p> <ul style="list-style-type: none"> • Maintain the topic as an appendix and just update with relevant research projects; • Elevate the topic to become a standalone chapter in the manual; or • Eliminate the topic provide practical guidelines in a standalone document outside of the manual.

Issues for Discussion on the Structure of GFSM

<i>GFSM 2014 Section</i>	<i>Proposed structural changes for consideration</i>
<p><i>Appendix 4</i></p> <p>Some cross-cutting issues</p>	<p>Consider whether these largely unrelated topics could be reorganized or relocated to be more logically placed.</p> <p>Consider also the way in which the topics of public corporations, Islamic Finance, and financial derivatives should be treated. Options are:</p> <ul style="list-style-type: none"> • Include the respective topics as one of the cross-cutting topics in this Appendix; or • Elevate the topics of public corporations and Islamic Finance to be separate Appendices/Chapters. <p>Consider whether Communicating GFS should be added as a separate Chapter/Appendix.</p>
<p><i>Appendix 5</i></p> <p>Types of Regional Arrangements</p>	<p>No change foreseen at this time.</p>
<p><i>Appendix 6</i></p> <p>GFS and International Public Sector Accounting Standards</p>	<p>Consider whether the Appendix should only summarize the high-level similarities and differences while referencing an external document on the detailed comparisons <u>in order to</u> facilitate keeping the correspondences up to date as new IPSASs are developed.</p>

Issues for Discussion on the Structure of GFSM

<i>GFSM 2014 Section</i>	<i>Proposed structural changes for consideration</i>
<i>Appendix 7</i> GFS and other macroeconomic statistics	Consider whether these detailed comparisons should be maintained and updated or whether a high-level summary should be included with references to more detailed comparisons across manuals in an external document.
<i>Appendix 8</i> GFS Classifications	No change foreseen at this time.
<i>Appendix 9</i> Glossary	Consider whether there is a need for a Glossary given that a common macroeconomic glossary exists.

Issues for Discussion

Do you agree that the main issues for discussion around the structure of the manual were identified?

Do you have specific views on the structure of the updated GFSM?

- Comparisons with GFSM 1986
- Annexes to Chapter 4 and 6
- Combination of Chapter 6 and 8
- Appendices on guidelines on social protection, debt, and cross-cutting issues
- Appendices on Islamic Finance and public corporations
- Appendix on comparison with IPSAS
- Appendix on comparisons with other macroeconomic statistics
- Appendix on Glossary
- Any other issues around the structure of the updated GFSM

Thank you!