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Appendices:

**Detailed Analysis of Impacts of Identified Research Projects on
the *GFSM 2014***

Prepared by the Statistics Department

INTERNATIONAL MONETARY FUND

APPENDICES: DETAILED ANALYSIS OF IMPACTS OF RESEARCH PROJECTS ON GFSM 2014

FOREWORD

<i>GFSM 2014</i> Content	Updates to be incorporated
Provides context of the update in light of the international financial crisis and updates of other manuals	<ul style="list-style-type: none"> • Propose revised foreword that describe current financial conditions and challenges, discusses the current focus of the IMF with regards to data availability, and put all of this in the context of the 2025 <i>SNA</i> and <i>BPM7</i> revisions. • Describe the process of updating the GFS and elaborate on the importance of global collaboration in the process. • Present revised forward for clearance by the Managing Director.

PREFACE

<i>GFSM 2014</i> Content	Updates to be incorporated
Provides objective of the GFSM 2014, new features included, the practical implementation and the dissemination of the GFS data. It also acknowledges the contributors to the update.	<ul style="list-style-type: none"> • Review and revise the objectives, new features and broad compilation and dissemination guidelines. • Update the list of acknowledgements and contributors.

CHAPTER 1 INTRODUCTION

GFSM 2014 Content	Updates to be incorporated
Purpose of the Manual	<ul style="list-style-type: none"> Revise to emphasize the use of the manual also in guiding the preparation of fiscal frameworks for governments including for planning, execution and reporting on diverse topics such as fiscal risks and sustainability pending the outcome of Research Project 2.31 (<i>GFS within fiscal analysis and policymaking</i>).
The Evolution of International Statistical Guidelines on GFS	<ul style="list-style-type: none"> Include a high-level discussion on major changes between the <i>GFSM 2014</i> and the updated GFSM based on outcome of all research projects.
Uses of the GFS Framework	<ul style="list-style-type: none"> Incorporate a discussion on the use of GFS pending the outcome of Research Project 2.31 (<i>GFS within fiscal analysis and policymaking</i>). The objective is to promote the usefulness of GFS in public financial management processes such as fiscal forecasting, budget classification and management, fiscal risk analysis, and assessing fiscal sustainability.
Structure and Features of the GFSM Framework	<ul style="list-style-type: none"> None identified since the structure of the GFSM Framework is not changing
Methodological Differences with the GFSM 1986	<ul style="list-style-type: none"> Consideration should be given to whether the description of the differences with the traditional GFSM 1986 framework will be maintained in the update GFSM.
Implementation of the GFS Framework	<ul style="list-style-type: none"> Consider whether the updated framework for the presentation of GFS Metadata should be proposed as an integral part of the GFS reporting framework pending the outcome of Research Project 2.24 (<i>A framework for the presentation of GFS metadata</i>). The objective is to propose a framework for disclosure of metadata that can be compared with the IMF Data Quality Assessment Framework (DQAF) and the IMFs Data Adequacy Assessment (DAA). Such metadata requirement can be required as part of the implementation plans or as a new Appendix in the updated GFSM.
Structure of the Manual	<ul style="list-style-type: none"> To be updated with final structure of the revised GFSM.

CHAPTER 2 INSTITUTIONAL UNITS AND SECTORS

GFSM 2014 Content	Updates to be incorporated
Introduction	<ul style="list-style-type: none"> • No change foreseen at this time.
Residence	<ul style="list-style-type: none"> • Include an explanation that government-controlled nonresident SPEs should continue to be treated as nonresident units in line with PR 1.19 (<i>Treatment of SPEs and residency</i>). • Update the definition and description of a currency union in <i>GFSM 2014</i> (para. 2.21), to make a distinction between centralized and decentralized currency unions in line with PR 1.3 (<i>Treatment of centralized currency unions in macroeconomic statistics</i>).
Institutional Units	<ul style="list-style-type: none"> • Incorporate guidelines on indigenous governments pending the outcome of Research Project 2.3 (<i>Indigenous governments</i>). The objective is to provide guidance on when these structures/arrangements should be considered to constitute a government institutional unit.
Institutional Sectors	<ul style="list-style-type: none"> • Maintain the broad institutional sector classifications but update the details of the financial corporations subsector in line with PR 1.14 (<i>Capturing non-financial intermediation</i>). • Incorporate guidelines on indigenous governments pending the outcome of Research Project 2.3 (<i>Indigenous governments</i>). The objective is to provide guidance on when these structures/arrangements should be included within the local or state government subsectors. • Incorporate guidelines on further defining and classifying extrabudgetary units pending the outcome of Research Project 2.6 (<i>Defining and subclassifying extrabudgetary units</i>). The objective is to consider whether additional guidelines are needed to clarify the definition of extrabudgetary sector and whether further sub-sectoring of the sector is needed to improve fiscal analysis.
Institutional Coverage and Sectorization of the Public Sector	<ul style="list-style-type: none"> • Include a clarification on using the sum of cost approach for own capital formation in line with PR1.27 (<i>Consistency in the application of the sum-of-costs approach</i>) as well as any further implications that this may have on the market test pending the outcome of Research Project 2.1 (<i>Boundary between government and nonfinancial public corporations</i>). • Clarify the sector classification of public trusts/funds, and pension schemes in line with PR 1.26 (<i>Treatment of trusts and other types of funds as separate institutional units</i>). Also, develop public sector specific decision trees for the sector classification of these units.

- Include additional guidance on the sectorization of Islamic financial institutions in line with outcome of PR 1.21 (*Islamic finance*) and outcome of Research Project 2.5 (*Treatment of zakat*).
- Include in the definition of a central bank a reference to national agencies of a centralized currency units in line with PR 1.3 (*Treatment of centralized currency unions in macroeconomic statistics*).
- Update the guidelines on the boundary between government controlled nonmarket producers engaged in nonfinancial activities (government units, and public nonfinancial corporations pending the outcome of Research Project 2.1 (*Boundary between government and nonfinancial public corporations*)). The objective is to more precisely distinguish market and nonmarket producers, provide guidance on how to apply the principles to utility companies, market regulatory agencies, etc.
- Update the guidelines on social security schemes pending the outcome of Research Project 2.21 (*Social security schemes*). The objective is to clarify the delineation between social security and employment-related social insurance schemes and recommend improvements in the guidance around provident funds.
- Update the guidelines on employee benefits under defined benefit schemes pending the outcome of Research Project 2.23 (*Employee benefits – defined benefit schemes*). The objective is to clarify the distinction between pension, other retirement benefits, and nonpension benefit schemes.
- Incorporate guidelines on sector classification of indigenous governments pending the outcome of Research Project 2.3 (*Indigenous governments*). The objective is to identify different types of structures/arrangements related to indigenous communities and other self-governing communities.
- Incorporate guidelines on sector classification of charitable organizations (such as Zakat and other religious institutions pending the outcome of Research Project 2.5 (*Treatment of zakat*)). The objective is to provide guidance on when these should be considered to constitute a government institutional unit.
- Clarify guidelines on sector classification of nonlife insurance schemes pending the outcome of Research Project 2.7 (*Government or public nonlife insurance schemes*). The objective is to clarify guidelines on when to consider these as social security schemes versus public financial corporations.
- Clarify guidelines on the boundary between government controlled nonmarket producers engaged in financial activities (government units and public financial corporations pending the outcome of Research Project 2.2 (*Boundary between government and financial public corporations*)). The

	objective is to clarify the sector classification of public sector funds and trusts, how to apply the market test to financial units, and apply the principles to public sector financial entities.
Practical Application of Sector Classification Principles	<ul style="list-style-type: none"> Align the definition of SPE to the definition in the draft 2025 SNA/BPM7 and adopt special purpose units as the term to refer to resident controlled Spes in line with PR 1.19 (<i>Treatment of SPEs and residency</i>). Align text on SPEs in updated GFSM to draft 2025 SNA text. Update footnote 40 of GFSM to not refer to the example described in PSDS Guide and add a Box with an updated example of the way in which nonresident SPE transactions should be reflected in government accounts in line with PR 1.9 (<i>Improving the recording of government-controlled nonresident SPEs</i>). Clarify the sector classification of sovereign wealth funds in line with PR 1.26 (<i>Treatment of trusts and other types of funds as separate institutional units</i>). Clarify that transactions between Sovereign Wealth Funds and government need special consideration pending the outcome of Research Project 2.4 (<i>Transactions with SWFs</i>). The objective is to clarify how various transactions between government and the funds should be attributed and classified, and the impact that the classification of the fund has on the recording of their transactions.

CHAPTER 3 ECONOMIC FLOWS, STOCK POSITIONS, AND ACCOUNTING RULES

GFSM 2014 Content	Updates to be incorporated
Introduction	<ul style="list-style-type: none"> No change foreseen at this time.
Economic Flows	<ul style="list-style-type: none"> Introduce the notion of depletion as a flow pending the outcome of Research Project 2.19 (<i>Accounting for natural resources and their exploitation in GFS</i>).
Stock Positions	<ul style="list-style-type: none"> Extend the boundary of assets to include data as an asset in line with PR 1.11 (<i>Identifying, valuing and reporting government data assets</i>).

	<ul style="list-style-type: none"> • Adopt the classification of fungible crypto assets with corresponding liabilities as financial assets, fungible crypto assets without a corresponding liability as well as and nonfungible crypto assets as nonproduced nonfinancial assets in line with PR 1.18 (<i>The recording of crypto assets in macroeconomic statistics</i>). • Clarify the recording of natural resources as an asset pending the outcome of Research Project 2.19.
Accounting Rules	<ul style="list-style-type: none"> • Include a clarification on using the sum of cost approach for own capital formation in line with PR1.27 (<i>Consistency in the application of the sum-of-costs approach</i>) as well as any further implications that this may have on the market test pending the outcome of Research Project 2.1 (<i>Boundary between government and nonfinancial public corporations</i>). • Confirm the valuation principle for concessional loans as the face/nominal value agreed to at the time of issuance, thereby not recognizing concessional elements in line with PR 1.17 (<i>Debt concessionality</i>). • Revise the valuation methods for unlisted equity to adopt the three preferred valuation methodologies, describe the alternatives and incorporate the valuation decision tree in line with PR 1.8 (<i>Valuation of unlisted equity</i>). • Adopt the terminology of exchange values to describe consistently the valuation of transactions and adopt the definition from the Glossary of Terms and Definitions in Macroeconomic Statistics in line with PR 1.1 (<i>Valuation principles and methodologies</i>). Also, include a short summary of comparison of the valuation principles used in macroeconomic statistics with that used in business and public sector accounting. • Clarify guidelines on the valuation of loans pending the outcome of Research Project 2.10 (<i>Valuation and recognition of loans</i>). The objective is to clarify guidelines on the circumstances under which government loans extended might be reset based on what constitutes a publicly know process in the public sector. • Clarify guidelines on the calculation of nominal value of debt liabilities pending the outcome of Research Project 2.8 (<i>Debt valuation issues</i>). The objective is to adopt a consistent wording of the definition and calculation of nominal value for debt instruments.

	<ul style="list-style-type: none"> • Introduce new guidance on the valuation of asset-backed securities and related flows pending the outcome of Research Project 2.8 (<i>Debt valuation issues</i>). The objective is to provide additional guidance on how to value these assets in a consistent manner. • Clarify the valuation of infrastructure assets, pending the outcome of Research Project 2.18 (<i>Recording and valuation of infrastructure assets</i>). The objective is to clarify infrastructure valuation in line with international accounting and valuation standards. • Include reference to the valuation of data as an asset, using market price for data and databases for sale while data produced for own account are valued using the sum of costs approach in line with PR 1.11 (<i>Identifying, valuing and reporting government data assets</i>). • Clarify the recording of natural resources and their exploitation pending the outcome of Research Project 2.19 (<i>Accounting for natural resources and their exploitation in GFS</i>). The objective is to introduce the notion of depletion as an expense.
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CHAPTER 4 THE GOVERNMENT FINANCE STATISTICS ANALYTICAL FRAMEWORK

GFSM 2014 Content	Updates to be incorporated
Introduction	<ul style="list-style-type: none"> • No change foreseen at this time.
Analytical Objectives	<ul style="list-style-type: none"> • No change foreseen at this time.
Construction of the Analytical Framework: relation to the GFSM 1986	<ul style="list-style-type: none"> • Consideration should be given to whether the description of the relation with the traditional GFSM 1986 framework will be maintained in the update GFSM.
Components and Concepts of the Analytical Framework	<ul style="list-style-type: none"> • Consideration should be given to explain any new supplementary reporting requirements that were incorporated into the framework.
The Statement of Operations	<ul style="list-style-type: none"> • Changes in classifications, presentation and supplementary details may result from the outcome of the various research projects.

The Statement of Sources and Uses of Cash	<ul style="list-style-type: none"> • Changes in classifications, presentation and supplementary details may result from the outcome of the various research projects.
The Statement of Other Economic Flows	<ul style="list-style-type: none"> • Changes in classifications, presentation and supplementary details may result from the outcome of the various research projects.
The Balance Sheet	<ul style="list-style-type: none"> • Changes in classifications, presentation and supplementary details may result from the outcome of the various research projects.
The Statement of Total Changes in Net Worth	<ul style="list-style-type: none"> • Changes in classifications, presentation and supplementary details may result from the outcome of the various research projects.
The Summary Statement of Explicit Contingent Liabilities and Net Implicit Obligations for Future Social Security Benefits	<ul style="list-style-type: none"> • Changes in classifications, presentation and supplementary details may result from the outcome of the various research projects.
Annex: GFS for Fiscal Analysis	
Introduction	<ul style="list-style-type: none"> • Consider whether the compilation, presentation, and analysis of public corporation data should be included as a separate document, be included as an appendix in the GFSM, or be presented inclusively as part of the main topical chapters pending the outcome of Research Project 2.30 (<i>Methodological guidance on compilation and analyzing SOE data</i>).
Fiscal Indicators Available from the GFS Framework	<ul style="list-style-type: none"> • Clarify the methodology for the analysis of public corporation data (SOE data) pending the outcome of Research Project 2.30 (<i>Methodological guidance on compilation and analyzing SOE data</i>). The objective is to clarify the compilation and presentation of GFS for public corporations. • Incorporate a discussion on the use of GFS pending the outcome of Research Project 2.31 (<i>GFS within fiscal analysis and policymaking</i>). The objective is to illustrate the usefulness of GFS to improve public financial management processes such as fiscal forecasting, budget management, fiscal risk analysis, and assessing fiscal sustainability.

Fiscal Indicators Requiring Additional Data	<ul style="list-style-type: none"> Clarify the methodology for the analysis of public corporations data (SOE data) pending the outcome of Research Project 2.30 (<i>Methodological guidance on compilation and analyzing SOE data</i>). The objective is to clarify the use of public corporation data as needed.
Balance Sheet Analysis (new)	<ul style="list-style-type: none"> Incorporate details on how the Balance Sheet Analysis could enhance fiscal analysis pending the outcome of Research Project 2.32 (<i>Balance sheet analysis</i>). The objective is to develop more guidance on how the GFS framework facilitate Balance Sheet Analysis and thereby public financial management.

CHAPTER 5 REVENUE

GFSM 2014 Content	Updates to be incorporated
Defining Revenue	<ul style="list-style-type: none"> Clarify revenue definition in line with the Glossary of macroeconomic terms.
Time of Recording and Measurement of Revenue	<ul style="list-style-type: none"> Add clarification sentence to updated GFSM on the application of the accrual principles to previously undisclosed tax amnesties in line with PR 1.5 (<i>Treatment of tax amnesties</i>). Adopt the terminology of exchange values to describe consistently the valuation of transactions and adopt the definition from the Glossary of Terms and Definitions in Macroeconomic Statistics in line with PR 1.1 (<i>Valuation principles and methodologies</i>). Update the guidelines on the boundary between capital and current transfers, pending the outcome of Research Project 2.17 (<i>Boundary between capital and current transfers</i>). The objective is to clarify the time of recording capital transfers within the accrual reporting framework of the GFSM.
The Classification of Revenue	<ul style="list-style-type: none"> Update to clarify that compulsory payments to government for non-transferable licenses/permits required under a regulatory process should by default be classified as taxes in line with PR 1.24 (<i>Distinction between taxes, services and other flows</i>). Update to indicate that payments to use or extract a natural resource for an extended period of time, but for less than the lifespan of the natural resource should be classified as rent in line with PR 1.24 (<i>Distinction between taxes, services and other flows</i>).

- Add decision tree for classifying government receipts in line with decision tree in 2025 SNA.
- Clarify when to rearrange transactions, related to regulatory schemes through government in line with PR 1.24 (*Distinction between taxes, services and other flows*). and the outcome of the further research that need to be conducted on how to report on these in cases where government has no mechanism to fund the price gaps.
- Extend the definition of rent in the updated GFSM to include all payments related to the right to use any nonproduced nonfinancial assets under a lease arrangement for use in production in line with PR 1.2 (*Treatment of rent*).
- For analytical usefulness, include an 'of which' line for rent receivable on natural resources in line with PR 1.2 (*Treatment of rent*).
- Maintain "of which" lines for environmental taxes and pollution taxes while at the same time introduce 'of which' lines for environmental grants receivable in line with PR 1.23 (*Environmental classifications within GFS*).
- Introducing sub-classes of natural resource rent to include non-renewable mineral and energy resources, renewable energy resources, biological resources, water resources, and other natural resources in line with PR 1.23 (*Environmental classifications within GFS*).
- Revise the classification of citizen by investment programs by indicating that nonrefundable contributions to government (or their nominated agencies) should be classified as revenue, under transfers not elsewhere classified in line with PR 1.4 (*Recording CBI programs*). Also, in jurisdictions where these nonrefundable contributions are significant, include 'of which' lines for disclosure.
- Clarify the definition of fines and penalties to clarify that they are receipts that are punitive in nature and distinguish these receipts from receipts with a compensatory nature in line with PR 1.7 (*Recording penalties and fines*).
- Clarify that major compensation receivable should be recorded as capital transfers if they are intended to recover losses incurred over a multi-year period or to replace an asset in line with PR 1.7 (*Recording penalties and fines*).
- Maintain the distinction between dividends and super-dividends when assessing distributions from public corporations but add the exception for foreign direct investment to recognize all distributable income as dividends while distributions from sales of assets are to continue to be treated as

withdrawal of equity in line with PR 1.10 (*Identifying super dividends and establishing the borderline between dividends and withdrawal of equity*).

- Include factoring income as a fee payable by the supplier in line with PR 1.16 (*Treatment of factoring transactions*).
- Replace the term interest with interest and similar returns to encompass conventional and Islamic finance in line with PR 1. 21 (*Islamic finance*).
- Clarify the recording of negative interest income/receivable on deposits and other financial instruments in line with PR 1.33 (*Statistical treatment of negative interest rates*). Also, add for analytical purposes an 'of which' line where the negative interest is significant.
- Update the guidelines on the boundary between capital and current transfers, pending the outcome of Research Project 2.17 (*Boundary between capital and current transfers*). The objective is to identify the features that distinguish capital transfers from current transfers.
- Incorporate guidelines on how to record zakat or other church taxes in GFS pending the outcome of Research Project 2.5 (*Treatment of zakat*). The objective is to provide guidance on when these constitute a tax.
- Clarify guidelines on recording the revenue from nonlife insurance schemes pending the outcome of Research Project 2.7 (*Government of public nonlife insurance schemes*). The objective is to clarify guidelines on the recording of premiums, fees from compulsory insurance schemes.
- Clarify the revenue transactions between Sovereign Wealth Funds and government pending the outcome of Research Project 2.4 (*Transactions with SWFs*). The objective is to clarify how various revenue between government and the funds should be attributed and classified, and the impact that the classification of the fund has on the recording of their transactions.
- Clarify the recording and transparent disclosure of all tax relief measures pending the outcome of Research Project 2.28 (*Tax expenditures, tax deferrals, and other similar incentives*). The objective is to define the different types of tax relief measures, and the best approach to identifying, valuing and reporting on them. Proposals on supplementary information to be reported on these tax relief measures should also be considered.
- Clarify the recording of retained earnings of public corporations pending the outcome of Research Project 2.29 (*Retained earnings of public corporations and their impact on fiscal analysis*). The objective is to clarify the transparency and format of information on retained earnings of public corporations so that it could inform fiscal analysis.

CHAPTER 6 EXPENSE

GFSM 2014 Content	Updates to be incorporated
Defining Expense	<ul style="list-style-type: none"> Clarify expense definition in relation to the expenditure terminology used in 2025 SNA
Time of Recording Expense	<ul style="list-style-type: none"> Clarify the time of recording of terminal costs as an estimate at the time of acquisition of the asset and written off over the life of the asset in line with PR 1.29. Adopt the terminology of exchange values to describe consistently the valuation of transactions and adopt the definition from the Glossary of Terms and Definitions in Macroeconomic Statistics in line with PR 1.1 (<i>Valuation principles and methodologies</i>). Update the guidelines on the boundary between capital and current transfers, pending the outcome of Research Project 2.17 (<i>Boundary between capital and current transfers</i>). The objective is to clarify the time of recording capital transfers within the accrual reporting framework of the GFSM.
The Economic Classification of Expense	<ul style="list-style-type: none"> Extend the definition of rent in the updated GFSM to include all payments related to the right to use any nonproduced nonfinancial assets under a lease arrangement for use in production in line with PR 1.2 (<i>Treatment of rent</i>). For analytical usefulness, include an 'of which' line for rent payable on natural resources in line with PR 1.2 (<i>Treatment of rent</i>). Introduce 'of which' lines for environmental grants payable in line with PR 1.23 (<i>Environmental classifications within GFS</i>). Clarify the definition of fines and penalties to clarify that they are payments that are punitive in nature and distinguish these payments from payments with a compensatory nature in line with PR 1.7 (<i>Recording penalties and fines</i>). Clarify that major compensation payments should be recorded as capital transfers if they are intended to recover losses incurred over a multi-year period or to replace an asset in line with PR 1.7 (<i>Recording penalties and fines</i>). Replace the term interest with interest and similar returns to encompass conventional and Islamic finance in line with PR 1. 21 (<i>Islamic finance</i>).

- Align the treatment of interest under reverse transactions in line with PR 1.12 (*Reverse transactions*).
- Confirm the recognition of a concessionary element in the case of loans from employers to employees in line with PR 1.17 (*Debt concessionality*).
- Delete references to the concept of implicit subsidies provided by central banks (Box 6.2) in the case of concessionary loans in line with PR 1.17 (*Debt concessionality*).
- Clarify the distinction between maintenance and capital repairs for intellectual property products in line with PR 1.30 (*Add clarifications on the distinction between maintenance and capital repairs for intangible assets*).
- Clarify the recording of negative interest expense/payable on deposits and other financial instruments in line with PR 1.33 (*Statistical treatment of negative interest rates*). Also, add for analytical purposes an 'of which' line where the negative interest is significant.
- Clarify guidelines on recording the payments from nonlife insurance schemes pending the outcome of Research Project 2.7 (*Government or public nonlife insurance schemes*). The objective is to clarify guidelines on the recording of claims on compulsory public insurance schemes.
- Clarify guidelines on the recording of capital injections by government into corporations pending the outcome of Research Project 2.15 (*Treatment of capital injections by government into corporations*). The objective is to clarify the recording of support to central banks and other public corporations to make a distinction on when to record these as equity injections versus grants/subsidies.
- Clarify the expense transactions between Sovereign Wealth Funds and government pending the outcome of Research Project 2.4 (*Transactions with SWFs*). The objective is to clarify how various expense between government and the funds should be attributed and classified, and the impact that the classification of the fund has on the recording of their transactions.
- Clarify the various approaches to calculate accrual of interest on debt securities issues at a premia/discount and recommend a preferred approach in line with the outcome of Research Project 2.8 (*Debt valuation issues*). The objective is to eliminate the difference in calculations that currently exist between the PSDS and Handbook on securities.
- Clarify the recording of natural resources and their exploitation pending the outcome of Research Project 2.19 (*Accounting for natural resources and their exploitation in GFS*). The objective is to introduce the notion of depletion as an expense.

	<ul style="list-style-type: none"> • Introduce the recording of climate sustaining and climate-damaging subsidies and other transfers pending the outcome of Research Project 2.20 (<i>Climate-sustaining and climate-damaging subsidies and other transfers</i>). The objective is to introduce definitions of climate-sustaining and climate-damaging subsidies/transfers, how to identify them and how to present them. • Maintain the distinction between dividends and super-dividends when assessing distributions from public corporations but add the exception for foreign direct investment to recognize all distributable income as dividends while distributions from sales of assets are to continue to be treated as withdrawal of equity in line with PR 1.10 (<i>Identifying super dividends and establishing the borderline between dividends and withdrawal of equity</i>).
Annex: Classification of the Functions of Government	
Introduction	<ul style="list-style-type: none"> • No change foreseen at this time.
Structure of COFOG Classifications	<ul style="list-style-type: none"> • No change foreseen at this time.
Uses of COFOG	<ul style="list-style-type: none"> • No change foreseen at this time.
Individual versus Collective Goods and Services	<ul style="list-style-type: none"> • No change foreseen at this time.
Units of Classification	<ul style="list-style-type: none"> • No change foreseen at this time.
Problems in Identifying Functions of Government	<ul style="list-style-type: none"> • Revise “Problems” to rather refer to “challenges.”
Cross-Classification of the Functions of Government	<ul style="list-style-type: none"> • Revise cross-classification matrix with the pending update of GFS classifications and revised COFOG classifications.
Detailed Classification of the Functions of Government	<ul style="list-style-type: none"> • Incorporate all environmental classifications updated in the context of the COFOG in line with PR 1.23 (<i>Environmental classifications within GFS</i>). • Incorporate all the revisions of COFOG in the context of the update by the UN. (Alternatively consider whether the detailed COFOG framework should be only referenced without replicating it in the manual.)

CHAPTER 7 THE BALANCE SHEET

GFSM 2014 Content	Updates to be incorporated
Introduction	<ul style="list-style-type: none"> • No change foreseen at this time.
Defining Assets and Liabilities	<ul style="list-style-type: none"> • Expand the asset boundary to include data as an asset in line with PR 1.11 (<i>Identifying, valuing and reporting government data assets</i>).
Valuation of Assets and Liabilities	<ul style="list-style-type: none"> • Include reference to the valuation of data as an asset, using market price for data and databases for sale while data produced for own-account are valued using the sum of costs approach in line with PR 1.11 (<i>Identifying, valuing and reporting government data assets</i>). • Clarify that terminal costs as an estimate should be included in the value of an asset at the time of acquisition and written off over the life of the asset in line with PR 1.29 (<i>Clarifications on the treatment of terminal costs during ownership transfer for different types of assets</i>). Also clarify that a counterpart entry of provisions at the liability side will be recorded for such estimated terminal costs and be reduced as the actual terminal cost value is written off over the life of the asset. • Confirm the recognition of a concessionary element in the case of loans from employers to employees in line with PR 1.17 (<i>Debt concessionality</i>). • Clarify the valuation principle for concessionary loans to not recognize the concessionary elements except in the cases of loans extended by employers to employees in line with PR 1.17 (<i>Debt concessionality</i>). • Adopt the terminology of exchange values to describe consistently the valuation of transactions and adopt the definition from the Glossary of Terms and Definitions in Macroeconomic Statistics in line with PR 1.1 (<i>Valuation principles and methodologies</i>). Also, explicitly reference the distinction between initial recognition and subsequent measurement of stock/positions, introduce the notion of capital services and clarify the valuation principles for various asset categories, including for natural resources.

	<ul style="list-style-type: none"> • Revise the valuation methods for unlisted equity to adopt the three preferred valuation methodologies, describe the alternatives and incorporate the valuation decision tree in line with PR 1.8 (Valuation of unlisted equity). • Clarify guidelines on the valuation of loans pending the outcome of Research Project 2.10 (<i>Valuation and recognition of loans</i>). The objective is to clarify guidelines on the circumstances under which government loans extended might be reset based on what constitutes a publicly know process in the public sector. • Clarify guidelines on the recording of provisions pending the outcome of Research Project 2.11) (<i>Recording of provisions and contingent liabilities</i>). The objective is to clarify the circumstances under which government should record provisions related to assets and liabilities, the options for reporting provisions and the merits of recognition of each type of provision. • Clarify guidelines on the valuation of equity of public corporations pending the outcome of Research Project 2.13 (<i>Equity for public corporations</i>). The objective is to clarify the valuation and calculation of equity in public corporations where the government shareholding is not traded on the market, including where the equity are deemed negative. • Clarify guidelines on the calculation of nominal value of debt liabilities pending the outcome of Research Project 2.8 (<i>Debt valuation issues</i>). The objective is to adopt a consistent wording of the definition and calculation of nominal value for debt instruments. • Introduce new guidance on the valuation of asset-backed securities pending the outcome of Research Project 2.8 (<i>Debt valuation issues</i>). The objective is to provide additional guidance on how to value these assets in a consistent manner. • Clarify the valuation of infrastructure assets, pending the outcome of Research Project 2.18 (<i>Recording and valuation of infrastructure assets</i>). The objective is to clarify infrastructure valuation in line with international accounting and valuation standards.
Classifications of Assets and Liabilities	<ul style="list-style-type: none"> • Include data as a category of assets under produced fixed assets in line with PR 1.11 (<i>Identifying, valuing and reporting government data assets</i>). • Include practical guidelines on the implications of recognizing data as an asset in line with the outcome of the additional research that was identified in PR 1.11 (<i>Identifying, valuing and reporting government data assets</i>) which should clearly delineate between governments' administrative information and data assets.

- Further guidance on data as an asset should be footnoted as contained in [Handbook on Measuring Data in the System of National Accounts](#).
- Include non-renewable mineral and energy resources, and renewable energy resources classes into the GFSM classification of stocks in line with PR 1.23 (*Environmental classifications within GFS*). The final classification should also be based on the outcomes of GFSM Research Project 2.19 (*Accounting for natural resources and their exploitation in GFS*).
- Including 'of which' categories and definitions for ESG and green instruments for debt securities, loans, and equity and investment fund shares for supplementary reporting in line with PR 1.23 (*Environmental classifications within GFS*).
- Maintain the treatment of marketing assets as intangible nonproduced nonfinancial assets in line with PR 1.20 (*Payments for nonproduced knowledge-based capital (marketing assets)*) while keeping an eye out for any new developments on this topic in the 2025 SNA research agenda.
- Include a clarification on using the sum of cost approach for own capital formation of research and development, database and data, and entertainment, literary and artistic originals in line with PR 1.27 (*Consistency in the application of the sum-of-costs approach*) as well as any further implications that this may have on the market test pending the outcome of Research Project 2.1.
- Clarify that a counterpart entry of provisions at the liability side should be recorded for estimated terminal costs and be reduced as the actual terminal cost value is written off over the life of the asset in line with PR 1.29 (*Treatment of terminal costs during ownership transfer for different types of assets*).
- Revise the classification of incomplete assets to be in all cases recorded as inventories of work-in-progress in line with PR 1.28 (*Work-in-progress, transfer of ownership and capital services*).
- Clarify the use of the split asset approach to natural resources in line with Research Project 2.19 (*Accounting for natural resources and their exploitation in GFS*).
- Maintain the guidance on the recording of monetary gold and other precious metals in line with PR 1.36 (*Statistical Treatment of Precious Metals Accounts*).
- Introduce a more granular classification of financial derivatives in line with PR 1.13 (*Financial derivatives by type*).
- Maintain the existing guidance on cash collateral provided in the context of financial derivatives in line with PR 1.15 (*Treatment of cash collateral*).

- Maintain the guidance for financial leases in the updated version but develop practical guidance on data sources and compilation methods to bridge the differences between accounting and statistical standards in line with PR 1.6 (Financial and operating leases) and based on the outcome of Research Project 2.27 (Relationship between GFS and IPSAS).
- Introduce a description of the nature of factoring and the two major types of factoring in line with PR 1.16 (*Treatment of factoring transactions*). Also, record factoring without recourse as a loan between the factor and the debtor, with the reclassification recorded as a transactions and not an other volume change in line with PR 1.16 (*Treatment of factoring transactions*).
- Include in deposits any reserves held by a factor if it is a liability of a deposit-taking corporation or otherwise an other account receivable/payable in line with PR 1.16 (*Treatment of factoring transactions*).
- Adopt the proposed typology to differentiate between different types of crypto assets in line with PR 1.18 (*The recording of crypto assets in macroeconomic statistics*) and incorporate additional guidance on the involvement of governments in creating, issuing and using crypto assets based on the additional research that was identified.
- Adopt the classification of fungible crypto assets with corresponding liabilities as financial assets, fungible crypto assets without a corresponding liability as well as and nonfungible crypto assets as nonproduced nonfinancial assets in line with PR 1.18 (*The recording of crypto assets in macroeconomic statistics*). Also, incorporate the decision tree for classifying fungible digital assets.
- Maintain the broad financial instrument classifications but update financial instrument breakdowns with supplementary information in line with PR 1.14 (*Capturing non-bank financial intermediation*).
- Distinguish between off-market central bank swaps and standard (market-priced) currency swaps of the central bank and describe the stocks of these swaps in line with PR 1.35 (*Recording of Central Bank Swap Arrangements in Macroeconomic Statistics*).
- Revise the description of the reserve positions and reserve tranche positions in the IMF in line with PR 1.34 (*Clarification on Reserve Position in the IMF*).
- Incorporate guidelines on how to record Islamic financial instruments in GFS pending the outcome of Research Project 2.5 (*Treatment of zakat*). The objective is to provide guidance on when these constitute a liability of government.
- Clarify guidelines on the recording of stock positions with the IMF and other regional/international organizations pending the outcome of Research Project 2.12 (*Stock positions and related flows with*

	<p><i>the IMF and other regional / international organizations</i>). The objective is to clarify the stock positions with the IMF, including the treatment of SDRs and subscriptions to international/regional organizations.</p> <ul style="list-style-type: none"> • Clarify the stock positions between Sovereign Wealth Funds and government pending the outcome of Research Project 2.4 (<i>Transactions with SWFs</i>). The objective is to clarify how various stocks between government and the funds should be attributed and classified, and the impact that the classification of the fund has on the recording of their transactions. • Clarify the recording of retained earnings of public corporations pending the outcome of Research Project 2.29 (<i>Retained earnings of public corporations and their impact on fiscal analysis</i>). The objective is to clarify the transparency and format of information on retained earnings of public corporations so that it could inform fiscal analysis. • Clarify the recording of natural resources and their exploitation pending the outcome of Research Project 2.19 (<i>Accounting for natural resources and their exploitation in GFS</i>). The objective is to introduce the notion of depletion and the partitioning or sharing of economic ownership of natural resources between owners and extractors. • Clarify the presentation of GFS stocks of natural resources pending the outcome of Research Project 2.26 (<i>Presentation of GFS flows related to natural resources</i>). The objective is to enhance the existing guidance on compiling and presenting flows related to natural resources, and consider advances in this area made within IPSASB and in SEEA CF updates. • Include additional guidance on the recording of Islamic financial instruments in line with PR 1.21 (<i>Islamic finance</i>) and outcome of Research Project 2.5 (<i>Treatment of zakat</i>).
Net Worth	<ul style="list-style-type: none"> • No change foreseen at this time.
Memorandum Items	<ul style="list-style-type: none"> • Encourage the disclosure of supplementary information on the concessionary elements of loans and their impacts on government finances in line with PR 1.17 (<i>Debt concessionality</i>). • Introduce supplementary breakdowns of derivatives by instrument, trading venue where relevant in line with PR 1.13 (<i>Financial derivatives by type</i>). • Include factoring with recourse as a contingent liability for the supplier in line with PR 1.16 (<i>Treatment of factoring transactions</i>). • Clarify guidelines on the recording of provisions pending the outcome of Research Project 2.11 (<i>Recording of provisions and contingent liabilities</i>). The objective is to clarify the circumstances

	under which government should record provisions related to assets and liabilities, the options for reporting provisions and the merits of recognition of each type of provision.
Classification of the Counterparty of Financial Assets and Liabilities by Institutional Sector	<ul style="list-style-type: none"> No change foreseen at this time.
Classification of Debt Liabilities and Financial Assets Corresponding to Debt Instrument by Maturity	<ul style="list-style-type: none"> Introduce new guidance on the calculation of remaining (or residual) maturity pending the outcome of Research Project 2.8 (<i>Debt valuation issues</i>). The objective is to eliminate inconsistent guidance on how to calculate remaining/residual maturity.

CHAPTER 8 TRANSACTIONS IN NONFINANCIAL ASSETS

GFSM 2014 Content	Updates to be incorporated
Introduction	<ul style="list-style-type: none"> No change foreseen at this time.
Costs of Ownership Transfer	<ul style="list-style-type: none"> No change foreseen at this time.
Valuation	<ul style="list-style-type: none"> Include references to valuation of transactions in data as an asset at sum of costs for own-accounts data assets and market price for purchased data assets in line with PR 1.11 (<i>Identifying, valuing and reporting government data assets</i>). Adopt the terminology of exchange values to describe consistently the valuation of transactions and adopt the definition from the Glossary of Terms and Definitions in Macroeconomic Statistics in line with PR 1.1 (<i>Valuation principles and methodologies</i>). Clarify the valuation of transactions in infrastructure assets, pending the outcome of Research Project 2.18 (<i>Recording and valuation of infrastructure assets</i>). The objective is to clarify infrastructure valuation in line with international accounting and valuation standards.
Time of Recording	<ul style="list-style-type: none"> Revise the recording of all incomplete assets to be recorded as inventories of work-in-progress in line with PR 1.28 (<i>Work-in-progress, transfer of ownership and capital services</i>).

	<ul style="list-style-type: none"> Clarify the recording of the return of a leased assets as the building up of a financial claim over the duration of the lease that is extinguished at the time of the transfer of the asset in line with PR 1.31 (<i>Treatment of the transfer of leased assets at the end of the lease period</i>).
Consumption of Fixed Assets	<ul style="list-style-type: none"> Revise to refer consistently to depreciation.
Netting of Transactions	<ul style="list-style-type: none"> No change foreseen at this time.
Classification and Recording of Transactions in Nonfinancial Assets	<ul style="list-style-type: none"> Clarify the distinction between maintenance and capital repairs for intellectual property products in line with PR 1.30 (<i>Clarifications on the distinction between maintenance and capital repairs for intangible assets</i>). Clarify that in using the split asset approach to natural resources, the transfer of the residual value of the leased assets at the end of the leased period shall be proportional to the value of the assets recorded in the balance sheet of the lessee in line with PR 1.31 (<i>Treatment of the transfer of leased assets at the end of the lease period</i>). Clarify guidelines on the recording of privatization pending the outcome of Research Project 2.16 (<i>Treatment of privatization</i>). The objective is to clarify when to treat privatization as the disposal of equity and when to treat such disposals as the disposal of nonfinancial assets. Clarify the recording of natural resources and their exploitation pending the outcome of Research Project 2.19 (<i>Accounting for natural resources and their exploitation in GFS</i>). The objective is to introduce the notion of depletion and the partitioning or sharing of economic ownership of natural resources between owners and extractors. Clarify the presentation of GFS transactions related to natural resources pending the outcome of Research Project 2.26 (<i>Presentation of GFS flows related to natural resources</i>). The objective is to enhance the existing guidance on compiling and presenting flows related to natural resources and consider advances in this area made within IPSASB and in SEEA CF updates. Adopt the classification of transactions in fungible crypto assets without a corresponding liability as well as and nonfungible crypto assets as nonproduced nonfinancial assets in line with PR 1.18 (<i>The recording of crypto assets in macroeconomic statistics</i>).

CHAPTER 9 TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES

GFSM 2014 Content	Updates to be incorporated
Introduction	<ul style="list-style-type: none"> • No change foreseen at this time.
Valuation	<ul style="list-style-type: none"> • Adopt the terminology of exchange values to describe consistently the valuation of transactions and adopt the definition from the Glossary of Terms and Definitions in Macroeconomic Statistics in line with PR 1.1 (<i>Valuation principles and methodologies</i>). • Clarify guidelines on the valuation of equity of public corporations pending the outcome of Research Project 2.13 (<i>Equity for public corporations</i>). The objective is to clarify the valuation and calculation of equity in public corporations specifically making a distinction between transactions and other economic flows.
Time of Recording	<ul style="list-style-type: none"> • Clarify the time of recording of incomplete assets as work-in-progress in line with PR 1.28 (<i>Work-in-progress, transfer of ownership and capital services</i>). • Clarify the recording of the return of a leased assets as the building up of a financial claim over the duration of the lease that is extinguished at the time of the transfer of the asset in line with PR 1.31 (<i>Treatment of the transfer of leased assets at the end of the lease period</i>). • Distinguish between off-market central bank swaps and standard (market-priced) currency swap transactions of the central bank and describe the transactions of these swaps in line with PR 1.35 (<i>Recording of Central Bank Swap Arrangements in Macroeconomic Statistics</i>).
Netting and Consolidation of Flows	<ul style="list-style-type: none"> • No change foreseen at this time.
Arrears	<ul style="list-style-type: none"> • No change foreseen at this time.
Classification of Transactions in Financial Assets and Liabilities by Sector and Residence	<ul style="list-style-type: none"> • Clarify the recording of reverse transactions in line with PR 1.12 (<i>Reverse transactions</i>). • Introduce the notion of novation of derivatives in line with PR 1.13 (<i>Financial derivatives by type</i>). • Clarify the text on cash collateral and remove the discretion given to compilers in deciding whether margins should be recorded as deposits or other accounts receivable/payable in line with PR 1.15 (<i>Treatment of cash collateral</i>).

- Record factoring without recourse as a loan between the factor and the debtor, with the reclassification recorded as a transactions and not an other volume change in line with PR 1.16 (*Treatment of factoring transactions*).
- Explain that factoring with recourse constitute a contingent liability for the supplier in line with PR 1.16 (*Treatment of factoring transactions*).
- Clarify the recording of share buy-backs as financial transactions without recording an imputed distribution of dividends in line with PR 1.32 (*Recording of share buybacks*).
- Clarify the recording of negative interest revenue/ receivable and interest expense/payable on deposits and other financial instruments in line with PR 1.33 (*Statistical treatment of negative interest rates*). Also, add for analytical purposes an 'of which' line where the negative interest is significant.
- Update the guidelines on governments' assumption of pension obligations pending the outcome of Research Project 2.22 (*Government assumption of pension obligations*). The objective is to clarify the different scenarios under which pension liabilities/entitlements may be assumed by government and to illustrate the impact on government using examples.
- Update the guidelines on employee benefits under defined benefit schemes pending the outcome of Research Project 2.23 (*Employee benefits – defined benefit schemes*). The objective is to clarify the guidelines on employment-related schemes as informed by IPSAS 39.
- Clarify guidelines on the recording of transactions with the IMF and other regional/international organizations pending the outcome of Research Project 2.12 (*Stock positions and related flows with the IMF and other regional / international organizations*). The objective is to clarify the stock positions with the IMF, including the treatment of SDRs and subscriptions to international/regional organizations.
- Clarify guidelines on the recording of capital injections by government into corporations pending the outcome of Research Project 2.15 (*Treatment of capital injections by government into corporations*). The objective is to clarify the recording of support to central banks and other public corporations to make a distinction on when to record these as equity injections.
- Clarify guidelines on the recording of privatization pending the outcome of Research Project 2.16 (*Treatment of privatization*). The objective is to clarify when to treat privatization as the disposal of equity and when to treat such disposals as the disposal of nonfinancial assets

- Clarify that transactions in financial assets and liabilities between Sovereign Wealth Funds and government pending the outcome of Research Project 2.4 (*Transactions with SWFs*). The objective is to clarify how various transactions between government and the funds should be attributed and classified, and the impact that the classification of the fund has on the recording of their transactions.
- Clarify the various approaches to calculate accrual of interest on debt securities issues at a premia/discount and recommend a preferred approach in line with the outcome of Research Project 2.8 (*Debt valuation issues*). The objective is to eliminate the difference in calculations that currently exist between the PSDS and Handbook on securities.
- Introduce new guidance on the valuation of asset-backed securities related flows pending the outcome of Research Project 2.8 (*Debt valuation issues*). The objective is to provide additional guidance on how to record these assets in a consistent manner.
- Clarify guidelines on the recording of provisions pending the outcome of Research Project 2.11) (Recording of provisions and contingent liabilities). The objective is to clarify the circumstances under which government should record provisions related to assets and liabilities, the options for reporting provisions and the merits of recognition of each type of provision.
- Clarify the treatment of debt assumption and debt payments on behalf of others, pending the outcome of Research Project 2.9 (*Debt assumption and debt payments on behalf of others*). The objective is to clarify the application of “an effective claim”, “going concern” and how to apply these in practice.
- Clarify transactions in financial leases with practical guidance on data sources and compilation methods to bridge the differences between accounting and statistical standards in line with PR 1.6 (Financial and operating leases) and based on the outcome of Research Project 2.27 (Relationship between GFS and IPSAS).
- Include additional guidance on the recording of transactions in Islamic financial instruments in line with PR 1.21 (*Islamic finance*) and outcome of Research Project 2.5 (*Treatment of zakat*).
- Adopt the classification of transactions in fungible crypto assets with corresponding liabilities as financial assets in line with PR 1.18 (*The recording of crypto assets in macroeconomic statistics*).
- Revise the recording of transactions with the IMF in line with PR 1.34 (Clarification on Reserve Position in the IMF).

Classification of Debt Liabilities and Financial Assets Corresponding to Debt Instruments by Maturity	<ul style="list-style-type: none"> Introduce new guidance on the calculation of remaining (or residual) maturity pending the outcome of Research Project 2.8 (<i>Debt valuation issues</i>). The objective is to eliminate inconsistent guidance on how to calculate remaining/residual maturity.
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CHAPTER 10 OTHER ECONOMIC FLOWS

GFSM 2014 Content	Updates to be incorporated
Introduction	<ul style="list-style-type: none"> No change foreseen at this time.
Holding Gains	<ul style="list-style-type: none"> Clarify the difference between transactions and other flows related to derivatives in line with PR 1.13 (<i>Financial derivatives by type</i>). Clarify guidelines on the valuation of equity of public corporations pending the outcome of Research Project 2.13 (<i>Equity for public corporations</i>). The objective is to clarify the valuation and calculation of equity in public corporations specifically making a distinction between transactions and other economic flows. Clarify the methodology for estimating holding gains and losses in infrastructure assets, pending the outcome of Research Project 2.18 (<i>Recording and valuation of infrastructure assets</i>). The objective is to clarify infrastructure valuation in line with international accounting and valuation standards. Clarify the presentation of GFS other economic flows related to natural resources pending the outcome of Research Project 2.26 (<i>Presentation of GFS flows related to natural resources</i>). The objective is to enhance the existing guidance on compiling and presenting flows related to natural resources and consider advances in this area made within IPSASB and in SEEA CF updates.
Other Changes in the Volume of Assets	<ul style="list-style-type: none"> Clarify that if an asset is disposed of before the costs of ownership transfer are completely written off, the remainder of these costs should be recorded as an other change in the volume of assets in line with PR 1.29 (<i>Clarifications on the treatment of terminal costs during ownership transfer for different types of assets</i>).

	<ul style="list-style-type: none"> • Clarify that incomplete fixed assets that were recorded as work-in-progress should be reclassified in the appropriate category of fixed asset upon completion in line with PR 1.28 (<i>Work-in-progress, transfer of ownership and capital services</i>). • Edit text of footnote 14 regarding provisions impact on the valuation of unlisted equities in line with PR 1.8 (<i>Valuation of unlisted equity</i>). • Eliminate the reclassification of factoring without recourse as an other volume change in line with PR 1.16 (<i>Treatment of factoring transactions</i>).
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APPENDIX 1 CHANGES FROM THE GFSM 2001 AND GFSM 1986

GFSM 2014 Content	Updates to be incorporated
Introduction	<ul style="list-style-type: none"> • No change foreseen at this time.
Changes from the GFSM 2001 (by chapter)	<ul style="list-style-type: none"> • Update to reflect changes from the GFSM 2014.
Changes from the GFSM 1986	<ul style="list-style-type: none"> • Consideration should be given to whether the description of the differences with the traditional GFSM 1986 framework will be maintained in the update GFSM.

APPENDIX 2 SOCIAL PROTECTION

GFSM 2014 Content	Updates to be incorporated
Introduction	<ul style="list-style-type: none"> • No change foreseen at this time.
The Nature of Social Protection	<ul style="list-style-type: none"> • No change foreseen at this time.

Boundary between Social Protection and Private Insurance	<ul style="list-style-type: none"> • Update the guidelines on government pending the outcome of Research Project 2.21 (<i>Social security schemes</i>). The objective is to clarify the delineation between social security and employment-related social insurance schemes and recommend improvements in the guidance around provident funds.
Classification Criteria for Social Protection Arrangements	<ul style="list-style-type: none"> • Clarify the sector classification of pension schemes in line with PR 1.26 (<i>Treatment of trusts and other types of funds as separate institutional units</i>). • Update the guidelines on social security schemes pending the outcome of Research Project 2.21 (<i>Social security schemes</i>). The objective is to clarify the delineation between social security and employment-related social insurance schemes and recommend improvements in the guidance around provident funds. • Update the guidelines on employee benefits under defined benefit schemes pending the outcome of Research Project 2.23 (<i>Employee benefits – defined benefit schemes</i>). The objective is to clarify the distinction between pension, other retirement benefits, and nonpension benefit schemes. • Clarify guidelines on sector classification of nonlife insurance schemes pending the outcome of Research Project 2.7 (<i>Government or public nonlife insurance schemes</i>). The objective is to clarify guidelines on when to consider these as social security schemes versus public financial corporations. • Clarify guidelines on sector classification and recording of transactions of nonlife insurance schemes pending the outcome of Research Project 2.7 (<i>Government or public nonlife insurance schemes</i>). The objective is to clarify the delineation between social security and public insurance corporations, and on the recording of premiums, fees, and claims on compulsory public insurance schemes.
Typology of Social Protection Arrangements	<ul style="list-style-type: none"> • Revise the typology in line with changes introduced in the classification criteria for Social Protection Arrangements pending the outcome of Research Project 2.21 (<i>Social security schemes</i>).

APPENDIX 3 DEBT AND RELATED OPERATIONS

GFSM 2014 Content	Updates to be incorporated
Introductions	<ul style="list-style-type: none"> Clarify guidelines on the calculation of nominal value of debt liabilities pending the outcome of Research Project 2.8 (<i>Debt valuation issues</i>). The objective is to adopt a consistent wording of the definition and calculation of nominal value for debt instruments.
Debt Reorganization	<ul style="list-style-type: none"> Edit text of footnote 11 regarding provisions impact on the valuation of unlisted equities in line with PR 1.8 (<i>Valuation of unlisted equity</i>). Clarify guidelines on the recording of provisions pending the outcome of Research Project 2.11 (<i>Recording of provisions and contingent liabilities</i>). The objective is to clarify the circumstances under which government should record provisions related to assets and liabilities, the options for reporting provisions and the merits of recognition of each type of provision. Clarify the treatment of debt assumption and debt payments on behalf of others, pending the outcome of Research Project 2.9 (<i>Debt assumption and debt payments on behalf of others</i>). The objective is to clarify the application of “an effective claim”, “going concern” and how to apply these in practice. Also, the recording of debt assumption or payments on behalf of others in the cash basis of accounting need to be clarified. Clarify guidelines on the valuation of loans pending the outcome of Research Project 2.10 (<i>Valuation and recognition of loans</i>). The objective is to clarify guidelines on the circumstances under which government loans extended might be reset based on what constitutes a publicly know process in the public sector. Clarify guidelines on the recording of provisions pending the outcome of Research Project 2.11 (<i>Recording of provisions and contingent liabilities</i>). The objective is to clarify the circumstances under which government should record provisions related to assets and liabilities, the options for reporting provisions and the merits of recognition of each type of provision.
Other Debt Related Issues	<ul style="list-style-type: none"> Update guidance on the imputation of nonresident SPE stocks and flows in line with PR 1.9 (<i>Improving the recording of government-controlled nonresident SPEs</i>). Confirm the valuation principle for concessional loans as the face/nominal value agreed to at the time of issuance, thereby not recognizing concessional elements in line with PR 1.17 (Debt concessionality).

	<ul style="list-style-type: none"> • Revise the description of the reserve positions and reserve tranche positions in the IMF in line with PR 1.34 (<i>Clarification on Reserve Position in the IMF</i>). • Clarify guidelines on the recording of stock positions with the IMF and other regional/international organizations pending the outcome of Research Project 2.12 (<i>Stock positions and related flows with the IMF and other regional / international organizations</i>). The objective is to clarify the stock positions with the IMF, including the treatment of SDRs and subscriptions to international/regional organizations.
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APPENDIX 4 SOME CROSS-CUTTING ISSUES

GFSM 2014 Content	Updates to be incorporated
Introduction	<ul style="list-style-type: none"> • No change foreseen at this time.
Leases, Licenses, Permits and Other Contracts	<ul style="list-style-type: none"> • Remove references to treating the difference between the prepaid tax value of an emission permit and the market value as a marketable contract in nonproduced nonfinancial assets in line with PR 1.22 (<i>Treatment of emissions trading schemes</i>). Rather clarify that any transactions between nongovernment permit holders are to be recorded as financial transactions in other accounts receivable with revaluations applied to maintain the overall stock of other accounts receivable equal to the government held stock of other accounts payable. • Update GFSM for any new results that may have emerged on the topic of emission permits due to the continued research included in the 2025 SNA Research Agenda as indicated in PR 1.22 (<i>Treatment of emissions trading schemes</i>). • Maintain the guidance for financial and operating leases in the updated version but develop practical guidance on data sources and compilation methods to bridge the differences between accounting and statistical standards in line with PR 1.6 (<i>Financial and operating leases</i>) and based on the outcome of Research Project 2.27 (<i>Relationship between GFS and IPSAS</i>). • Clarify the recording of financial leases in line with PR 1.31 (<i>Treatment of the transfer of leased assets at the end of the lease period</i>).

Public-Private Partnerships	<ul style="list-style-type: none"> Update the guidelines on PPPs, pending the outcome of Research Project 2.14 (<i>Treatment of PPPs</i>). The objective is to harmonize with the revised guidelines in the 2025 SNA/BPM7, clarify the policy implication of using the statistical risk and rewards approach versus the accounting control approach, and incorporate useful guidelines from the IPSAS on service concession arrangements and Eurostat guidance on PPPs and concessions, as well as clarify the application of the conceptual guidance.
Insurance and Standardized Guarantee Schemes	<ul style="list-style-type: none"> No change foreseen at this time.
Addition: Islamic Finance	<ul style="list-style-type: none"> Include additional guidance on the recording of Islamic finance in line with PR 1.21 (<i>Islamic finance</i>) and outcome of Research Project 2.5 (<i>Treatment of zakat</i>). The addition will provide an overview of its nature, the sectorization of Islamic financial institutions, the classification and financial arrangements of Islamic instruments, and the concept of economic ownership and how these instruments and institutions can be integrated into the conventional macroeconomic frameworks used in GFS
Addition: Financial Derivatives	<ul style="list-style-type: none"> Consider whether further aspects of financial derivatives should be included or whether users should be directed to the draft 2025 SNA in line with PR 1.13 (<i>Financial derivatives by type</i>).

APPENDIX 5 REGIONAL ARRANGEMENTS

GFSM 2014 Content	Updates to be incorporated
Introduction	<ul style="list-style-type: none"> No change foreseen at this time.
Types of Regional Arrangements	<ul style="list-style-type: none"> Revise the descriptions of currency unions in line with PR 1.3 (<i>Treatment of centralized currency unions in macroeconomic statistics</i>) and consider the inclusion of the illustration on the difference in the classification of the central banks in the centralized and decentralized models.

Using the GFSM Statistical Framework under Regional Arrangements	<ul style="list-style-type: none"> Clarify guidelines on the recording of stocks and flows with the IMF and other regional/international organizations pending the outcome of Research Project 2.12 (<i>Stock positions and related flows with the IMF and other regional / international organizations</i>). The objective is to clarify the stock positions with the IMF, including the treatment of SDRs and subscriptions to international/regional organizations.
Harmonization Requirements for GFS in Economic or Monetary Unions	<ul style="list-style-type: none"> Update with more recent cases of harmonized reporting requirements.

APPENDIX 6 GFS AND INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS

GFSM 2014 Content	Updates to be incorporated
Introduction	<ul style="list-style-type: none"> Consider whether this Appendix should only summarize the high-level similarities and differences while referencing an external life document on the detailed comparisons, which will facilitate updates as and when IPSASs change in line with the outcome of Research Project 2.27 (<i>Relationship between GFS and IPSAS</i>).
Comparison of IPSASs and GFS Reporting Standards	<ul style="list-style-type: none"> Review and revise the relationship between GFS and International Public Sector Accounting Standards (IPSAS) in line with PR 1.25 (<i>Relationship between SNA and IPSAS/IAS</i>) and the outcome of Research Project 2.27 (<i>Relationship between GFS and IPSAS</i>).

APPENDIX 7 GFS AND OTHER MACROECONOMIC STATISTICS

GFSM 2014 Content	Updates to be incorporated
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Introduction	<ul style="list-style-type: none"> • No change foreseen at this time.
Overview of Similarities and Differences	<ul style="list-style-type: none"> • Update in comparison to <i>2025 SNA</i> and <i>BPM7</i>
Coverage and Accounting Rules	<ul style="list-style-type: none"> • No change foreseen at this time.
Comparison of the Analytical Framework of GFS and the SNA	<ul style="list-style-type: none"> • Update in comparison to <i>2025 SNA</i>.
Comparison of the Analytical Frameworks of the GFS and the Balance of Payments and the International Investment Position	<ul style="list-style-type: none"> • Update in comparison to <i>BPM7</i>.
Comparison of the Analytical Frameworks of the GFS and the Monetary and Financial Statistics	<ul style="list-style-type: none"> • Update in comparison to <i>MFSM</i> – strategic decision given pending update of the Manual.
Comparison of the Analytical Framework of the GFS and the System of Environmental Economic Accounting Central Framework	<ul style="list-style-type: none"> • Establish close collaboration with the task team working on implementing G-20 DGI-3 Recommendations and colleagues involved in the updates to the SEEA CF and COFOG, and incorporate changes in these frameworks in the GFS. • Update and expand 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 (e.g. environmental protection expenditure accounts, G20 Data Gaps Initiative 3 (DGI-3) recommendations 6 and 7) in line with PR 1.23 (<i>Environmental classifications within GFS</i>). • Introduce the recording of climate sustaining and climate-damaging subsidies and other transfers pending the outcome of Research Project 2.20 (<i>Climate-sustaining and climate-damaging subsidies and other transfers</i>). The objective is to introduce definitions of climate-sustaining and climate-damaging subsidies/transfers, how to identify them and how to present them. • Clarify the presentation of GFS flows related to natural resources pending the outcome of Research Project 2.26 (<i>Presentation of GFS flows related to natural resources</i>). The objective is to enhance

	the existing guidance on compiling and presenting flows related to natural resources and consider advances in this area made within IPSASB and in SEEA CF updates.
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APPENDIX 8 GFS CLASSIFICATIONS

GFSM 2014 Content	Updates to be incorporated
All tables	<ul style="list-style-type: none"> Update to correspond with changes made in the detailed chapters.

APPENDIX 9 GLOSSARY

GFSM 2014 Content	Updates to be incorporated
Presents a list of terms used in GFSM 2014 and their definitions as used in the manual	<ul style="list-style-type: none"> Update Glossary to be simplified and consistent with the revised GFSM and aligned terms as with the Glossary of macroeconomic data terms used in 2025 SNA/BPM7 pending the outcome of Research Project 2.25 (<i>Communicating GFS to users</i>). The objective is to simplify and standardize terminologies and to enhance clarity across statistical manuals and products.

INDEX

GFSM 2014 Content	Updates to be incorporated
Index of terms/topics and their references in the GFSM 2014	<ul style="list-style-type: none"> Update the Index with terms/topics and their references in the updated GFS Manual