

IMF Government Finance Statistics Advisory Committee

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**Proposals for Dealing with Newly Identified
Research Topics**

Prepared by the Statistics Department

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BACKGROUND

1. **In September 2024 two framework documents were agreed for the update to the GFSM 2014, one describing the [research program](#) and the other the [process, governance, and timeline for the update](#).** Although the framework documents noted that the update process was likely to evolve as it progressed, there was no specific process outlined for considering the merits for inclusion of additional research topics or the modalities for advancing these newly identified areas for research.
2. **During drafting, reviewing, and consulting on the SNA/BPM-related Proposed Recommendations, the need for additional research became apparent.** These additional research topics mainly relate to the need for further clarification and guidance on aspects of the proposed conceptual changes that specifically impact on government finance statistics.
3. **The objective of this paper is to arrive at a process for reviewing these additional research topics which balances user need with program constraints (such as the resources and timeline).**
4. **As resources are finite and additional possible areas of research will continue to arise there is a need to consider and agree how to assess, categorize, and where appropriate, advance these additional research topics.** The rationale for each additional research topic and the anticipated resource requirements vary and so any process needs to consider these different rationales and constraints. Given the potential impact on the wider research program, and the resource overheads involved, the establishment of a new research project to address a research topic is not a favored approach. Utilizing existing research projects, where possible, being a preferable approach.
5. **This paper sets out a light-touch process for assessing and addressing additional research topics, using some real examples of newly identified research topics.** The main section of this short paper sets out the framework of a process for assessing, categorizing, and advancing additional research topics. Annex 1 shows the process in diagrammatic format, and Annex 2 applies the proposed approach to seven additional research topics that have been identified.

PROPOSED PROCESS FOR DEALING WITH NEWLY IDENTIFIED RESEARCH TOPICS

6. **In terms of governance, the IMF Statistics Department (STA) will be responsible for assessing any newly identified research topics and these assessments will be shared with the GFS Advisory Committee (GFSAC).** The role of the GFSAC will be to review the STA proposals and on an optional basis provide comments. These comments will be considered prior to making a final decision as whether (and how) to advance the identified research topic. The proposed process for assessing newly identified research topics is described in the following paragraphs.
7. **The framework document on the process, governance, and timeline for updating the GFSM 2014 set out four criteria by which to assess research projects.** These four criteria are: (i) meeting emerging fiscal developments and user needs; (ii) harmonization and coherence between macroeconomic statistical standards; (iii) better data for fiscal policy analysis / making; (iv) material and relevant. All of which aim at capturing whether a research project addresses a user need.

8. As a first step it would therefore seem appropriate to assess any possible new topics of research against these four criteria. This paper does not propose a mechanistic application of these criteria, but rather that for all new research topics there should be a strong user rationale, based on one or more of these criteria.

9. However, as the work program for updating the GFSM 2014 has already been agreed, it is also important to consider two other criteria, (i) resource requirement, and (ii) implications for other macroeconomic statistical domains. The first of these criteria is needed as if the resources required to advance the research topic could negatively impact the overall research program, then the research topic should not be pursued as part of the current GFSM update. The second criteria is that if the research topic is likely to have significant conceptual implications for other macroeconomic statistical manuals then the priority for the current GFSM update should be carefully considered.

10. If there is a strong user requirement (based on the first four criteria), no major conceptual impacts on other macroeconomic statistics, and sufficient resource then, the research topic would be recommended to be advanced as part of the current GFSM update. It is not proposed to set a ceiling on what is considered sufficient resource as there are many nuances to this question, which will vary from case to case. For instance, the answer to this question may depend on whether research is already ongoing in a similar area, or whether individuals with the relevant expertise are available or are involved in multiple other parallel work.

11. If a research topic has significant conceptual impacts on other macroeconomic statistical domains, but there is a strong GFS user requirement and resources are estimated to be sufficient, then the research topic might still be advanced. However, as noted above, the priority for the current GFSM should be carefully considered and if it is decided to advance the research topic, it should be done in collaboration with experts from the other impacted macroeconomic statistical domains.

12. If a research topic is not recommended to be advanced under the current GFSM update, it may nonetheless be included in the post-2027 GFS research agenda. Research topics that are identified as addressing user needs but for which there are insufficient resources, or which would have major conceptual impacts on other macroeconomic statistics, and are not considered of sufficiently high priority for this GFSM, will be considered for inclusion in the post-2027 research agenda which will be prepared at the end of the current research phase (i.e., late 2026).

13. If a newly identified research topic is recommended to be advanced then a suitable modality (or ‘channel’) for conducting the research should be proposed, that seeks to take advantage of any synergies with other research projects. Under this approach the least favored option is to establish a new research project, due to the resource implications. Other options that should be considered are:

- (i) to advance the research topic within an existing research project – if there are clear synergies, the additional resource implications are not significant, and work on the research project is at an early stage. In this case the task team co-chairs responsible for the existing project would be notified and the relevant Project Initiation Document (PID) updated.
- (ii) to advance via an IMF-led clarification note – if there are no conceptual implications and clarification can be provided without the need for full task team involvement. In this case STA

would develop a short discussion note on the topic which will be shared with the GFSAC for review and endorsement, as with all other discussion notes.

- (iii) to advance via an existing team of experts – if the topic is already closely related to one already under consideration (such as within the research programs of the SEEA CF or COFOG updates, or as part of work on the post-SNA/BPM research agendas) and the research could be undertaken by this team of experts. In this case STA would consult with the relevant existing team of experts to seek agreement on the topic being advanced by that team with input from relevant GFS experts.

If the only viable option for progressing a research topic is considered to be to establish a new research project within one of the existing task teams then this will be discussed by STA with the task team co-chairs, to identify suitable resources for the research project. Resources from outside the task team might be brought in from outside the task team to conduct the research but under this modality the development of the discussion note would be overseen by the task team co-chairs as with any other research project.

14. It is proposed that after March 2026 no new research topics will be considered for inclusion in the updated GFSM. Given the need to finalize the updated GFSM by the end of 2027 it is important to have a cut-off date after which no newly identified research topics will be considered for inclusion. Therefore, any new topics of research identified after this date (end-March 2026) will only be considered for inclusion in the post-2027 research agenda. It should also be noted that as we approach the end of 2025 the options for advancing research topics will reduce as the work of task teams is progressed.

15. The proposed approach is shown in Annex 1 as a decision tree.

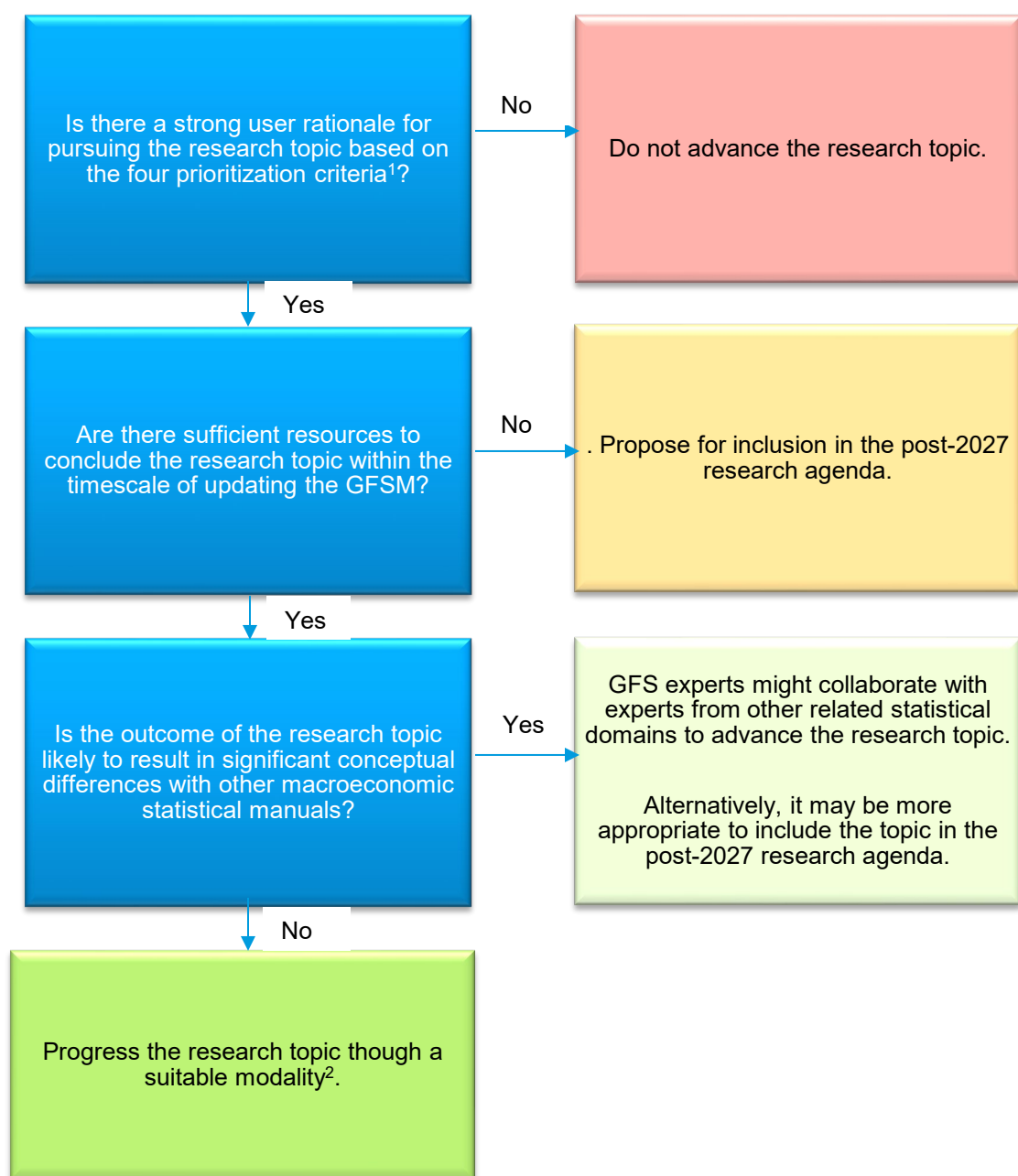
16. Annex 2 applies the proposed approach to seven identified additional topics for research and arrives at recommendations for each project.

QUESTIONS FOR GFS ADVISORY COMMITTEE MEMBERS

Q1. Do you agree with the proposed light-touch approach for assessing and advancing identified new possible areas for research? Are there any further refinements you would like to make or comments you would like to provide?

Q2. Do you agree with the proposed outcomes described in Annex 2 for the seven newly identified research topics? If not, what changes would you propose.

ANNEX 1: DECISION TREE FOR ASSESSING NEW RESEARCH TOPICS



- Four prioritization criteria are: (i) Meeting emerging fiscal developments and user needs, (ii) Harmonization and coherence between macroeconomic statistical standards, (iii) Better data for fiscal policy analysis / making, and (iv) Material and relevant.
- Possible modalities include: (i) IMF-led clarification note, (ii) inclusion within scope of existing research project, (iii) inclusion within work of other existing team (such as experts from the SEEA-CF or COFOG update), or (iv) establishment of new research project.

ANNEX 2: APPLICATION TO SEVEN NEWLY IDENTIFIED RESEARCH TOPICS

During the development of the Proposed Recommendations related to updates to the SNA and BPM, six areas have been identified as requiring additional research. These were all mentioned in the Proposed Recommendations documents. In addition, IMF Capacity Development in countries has recently raised a question on the correct treatment of UN payments to countries for peacekeeping forces, a topic which is not currently addressed in the *GFSM 2014*. Each of these potential research topics is assessed below with a table showing the outcome of the assessment and the proposal for each topic.

Research topic	Source	Is there strong a user rationale?	What are the estimated resource requirements? ¹	Might the outcomes lead to significant conceptual differences with SNA/BPM?	Proposal
Identifying and Measuring Government Data Assets	PR 1.11	Yes	Medium	No	New research project to advance with assistance of experts who worked on <i>Handbook on Measuring Data in the SNA</i> .
Lease guidance - IPSAS vs GFSM	PR 1.6	Yes	Medium	No	Include in <i>GFSM Research Project 2.27</i> (existing mention in PID to be further clarified)
Emission trading schemes: free permits and cross border schemes	PR 1.22	Yes	Medium	Yes	Post-2027 Research Agenda. Joint research with SNA and BPM experts.
Mandatory regulatory licenses: taxes vs. services	PR 1.24	Yes	Low	No	IMF-led clarification note

Crypto assets created, issued and/or used by governments	PR 1.18	Yes	Low/Medium	No	IMF-led clarification note
Market test implications from inclusion of rent and depletion	PR 1.27	Yes	Low	No	Include in <i>GFSM Research Project 2.1</i> (PID to be updated to include reference to this aspect)
Recording of UN peacekeeping payments	IMF CD	Yes	Low	Yes	Post-2027 Research Agenda. Joint research with SNA and BPM experts.

1 Resource required is a staff assessment of the amount of effort (in terms of time of experts) required to prepare proposals to advance the topic, using a relative scale of High, Medium, and Low.

Identifying and measuring government data assets: *PR 1.11 Identifying, valuing, and reporting government data assets* notes that although there is a Handbook on Measuring Data in the System of National Accounts which provides a lot of valuable information on the measurement and valuation of data assets there is currently insufficient guidance on how GFS compilers should identify which government data should be capitalized as assets. The risk being that countries apply the new guidance on capitalizing data assets inconsistently with impacts on the cross-country comparability of data impacting key aggregates, such as expense.

- This lack of guidance has material impacts on statistical consistency and comparability as well as fiscal analysis and therefore there is a strong user case for improved guidance.
- The improved guidance would not impact the conceptual guidance in SNA on data assets, but the extended guidance on government data assets might lead to further clarifications with regard to the *2025 SNA* and *Handbook on Measuring Data in the SNA*.
- Although there are resource implications in developing this guidance, the need for the guidance is critical to successfully implementing the capitalization of government data assets in the GFSM.
- As there is no related workstream in the GFSM update it is proposed to establish this as a new research project but given the closely related work on the *Handbook on Measuring Data in the SNA* STA to engage with experts involved in its drafting prior to deciding whether the project should be under the auspices of a task team or led by STA and delivered outside a task team.
- There may also be opportunity to collaborate with Eurostat GFS colleagues given that the topic will also have relevance to the new European System of Accounts (ESA).

Lease guidance – IPSAS vs GFSM: *PR 1.6 Operating and financial leases* notes that there is a divergence between the statistical and accounting guidance on the treatment of leases for lessees. It further notes that because accounting data is often source data for the GFS

compilers need practical guidance on how to use accounting data in GFS and users need to understand the differences between the two information sources.

- Leases for many countries can be highly material and the lack of practical guidance impacts comparability and fiscal analysis, as such there is a strong user case for improved guidance.
- The practical guidance will not require amendments to other statistical guidance as the guidance would be compilation / user guidance.
- Although there are resource implications in developing this guidance, there exists a GFSM research project on the relationship between GFS and IPSAS, and leases are already mentioned as a topic to consider within the Project Initiation Document (PID).
- It is proposed to advance this topic through *GFSM Research Project 2.27 Relationship between GFS and IPSAS*, minorly amending the PID to fully capture the expected outcomes in relation to leases.

Emission trading schemes: free permits and cross border schemes: *PR 1.22 Treatment of Emission Trading Schemes* notes that despite much discussion during the update to the SNA and BPM there remains no agreed treatment for freely issued permits within emission trading schemes or for all aspects of cross-border schemes. These issues have therefore been included in the Post- 2025 SNA and BPM7 Research Agendas.

- The treatment of freely issued permits and cross border schemes is highly relevant to GFS.
- Any advances on this topic will impact SNA and BPM and require updates to these other manuals.
- Given the conceptual impact on other statistical manuals it is proposed not to advance this topic as part of updating the *GFSM 2014*. However, if SNA, BPM and GFS experts can all reach agreement on the appropriate treatment of this topic during the research phase of the GFSM Update then the agreed treatment could be included in the updated GFSM.
- One consideration for advancing this topic could be the proposals developed by Eurostat on the recording of freely issued emission permits and cross-border treatment within the context of the European Emission Trading Scheme (ETS).

Mandatory regulatory licenses: taxes vs. services: *PR 1.24 Distinction between taxes, services, and other flows* notes that although the SNA and BPM updates have stipulated that mandatory payments for regulatory permits/license should generally be treated as taxes, there remains an option to treat them as services if “the service element of the payment is considered sufficiently material”. The PR notes that there may be need for additional guidance on how to make this assessment and the need for this was further emphasized by many respondents to the consultation.

- Without further clarification there is a risk that GFS in this area will continue to not to be comparable between countries and as such there is an impact on fiscal analysis, especially with respect to tax burdens.
- The improved guidance will not impact the conceptual approach described in the *2025 SNA* and *BPM7* but it would lead to further clarification on how to interpret phrases such as “sufficiently material”.
- The resource implications in developing this clarification are not considered to be large.

- It is proposed to advance this topic through an IMF-led and developed clarification note given that there are no other closely related research projects being pursued within the task teams.

Crypto assets created, issued and/or used by governments: The draft *PR 1.18 The recording of crypto assets in macroeconomic statistics* has noted that although the SNA and BPM updates have clarified the classification and recording of different crypto assets there is relatively little guidance in the SNA and BPM on the involvement of government in creating, issuing and using crypto assets or how this should be reflected in GFS.

- Without further clarification there are likely to be challenges for some countries in implementing the new guidance on crypto assets with consequential impacts on fiscal analysis and comparability.
- The improved guidance will not impact the conceptual approach described in the *2025 SNA* and *BPM7* but it may lead to further clarification with respect to government involvement in issuing crypto assets as a payment method.
- The resource implications in developing this clarification are not considered to be large.
- It is proposed to advance this topic through an IMF-led and developed clarification note given that there are no other closely related research projects being pursued within the task teams.

Market test implications from inclusion of rent and depletion: *PR 1.27 Consistency in the application of the sum-of-costs approach* notes that although the SNA and BPM updates have decided that rent payable on non-produced assets and depletion (where relevant) should be included in the sum of costs calculation there has been no research on the implications of this for the “market test”.

- Without further understanding of the impact on the market test the conceptual change may result in changes to current sector classifications delimiting the perimeter between government and public corporations, and as such there is a potential impact on fiscal analysis.
- The improved guidance will not impact the conceptual approach described in the *2025 SNA* and *BPM7*, but it may lead to further clarification with respect to application of the “market test”.
- The resource implications in developing this clarification are not considered to be large, and a GFSM research project exists that is already looking at the “market test”, although this particular aspect of the market test is not within the Project Initiation Document (PID).
- It is proposed to advance this topic through *GFSM Research Project 2.1 Boundary between government-controlled nonmarket producers engaged in nonfinancial activities and public nonfinancial corporations*, minorly amending the PID to fully capture the expected outcomes in relation to the inclusion of rent payable and depletion (where relevant) within the production costs.

Recording of payments from the UN for the supply of peacekeeping forces: IMF Capacity Development activities have encountered a lack of consistency in the recording by governments of payments from the UN for the provision of peacekeeping forces. The payments from the UN are based on a formula approach with some countries recording the payments as grant revenue and others as sales of service. Conceptually sound arguments can be made for both treatments depending on whether you consider the payment to be required and who you consider to be

the beneficiary of the peacekeeping forces. It was therefore proposed to take advantage of the update to the *GFSM 2014* to clarify this issue, as currently there is no text on this in the *GFSM 2014*.

- Countries have addressed questions to the IMF on the correct treatment of these payments, indicating user interest in the recording of these payments. Further, the current lack of consistency between countries leads to a lack of comparability.
- The *BPM7* (and *BPM6*) does have a reference to these payments where it states that “The acquisition of goods and services for joint military arrangements, peacekeeping forces, and other services, such as those provided by the United Nations, are also included in government goods and services n.i.e.” (para. 11.176). Therefore, there is a potential for the outcome of this research project to impact *BPM7* – although only if the outcome is to treat this revenue as grants.

Given the potential impact on the *BPM7* it is proposed not to advance this topic as part of updating the *GFSM 2014*. However, if BPM and GFS experts can all reach agreement on the appropriate treatment of this topic during the research phase of the GFSM Update then the agreed treatment could be included in the updated GFSM.