



GFSAC Meeting: May 13-15, 2025

Cover Page

1.22 Treatment of Emissions Trading Schemes

Paper: GFSAC/2025/05/2J

For Endorsement

For discussion

Global Consultation Responses:

| Do you agree with the recommendations and their incorporation into the update of the GFS manual? | Count |
|--|-----------|
| Yes | 21 |
| No | 1 |
| Partially | 4 |
| No Comment | 10 |
| Total | 36 |

Global Consultation Comments: The respondent who disagreed with the proposal argued that:

“In economic reality, emission permits owners treat them as nonproduced assets. On one hand they are a key figure for the production process because without them production would be reduced and even brought to zero. On the other hand, emission permits are a source of holding gains for their owners due to their scarcity is only increasing over time, especially in a cap-and-trade scheme. So, if emissions permit are nonproduced assets for producers and they acquire them (for a price or for free) from the government its clear that the government should start to record some kind of nonproduced asset reflecting the income flow that could get from, e.g., auctioning the emission permits which at the end are a form to get a price for the air.”

The respondents who only “partially” agreed with the proposal mostly pointed out that the issues were not fully resolved during the 2025 SNA and BPM7 updates and that the topic therefore remained on the research agendas of these two manuals. One other respondent who gave a “partially” response, suggested that the taxes might be recorded as *excise taxes* (GFS code 1142) instead of *other taxes on use of goods and on permission to use goods or perform activities* (GFS code 11452).

Some of those respondents who agreed with the proposal also mentioned the ongoing work under the post-2025 SNA and BPM7 research agendas. They also highlighted the many practical challenges in implementing the recording due to the volume and granularity of the data required.

**Questions for GFSAC:**

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



GFS Notice of Decision

DRAFT

1.22 Treatment of Emissions Trading Schemes

*Paper: GFSAC/2025/05/2J***GFS Notice of Decision:**

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

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

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

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

GFS Related Documents:

| | |
|--|------------------------------|
| GFS Proposed Recommendations Document | GFSM PR 1.22 |
| GFS Discussion Note | Not applicable |
| GFS Global Consultations | March 2025 |
| Discussions at GFSAC Meeting(s) | To be added |



| SNA/BPM Related Documents: | |
|---|--|
| Guidance/Issue Note | SNA GN WS.7 ; Summary of Workshop and Proposed Recording for WS.7 |
| Global Consultation(s) | SNA Consultations: December 2023 ; June 2022 |
| Discussions at the AEG/BOPCOM ¹ Meeting(s) | Joint AEG/BPOCOM: July 2023 ; October 2022 AEG: February 2024 ; July 2023 ; October 2022 ; April 2022 |

¹ AEG = Advisory Expert Group on National Accounts, BOPCOM = Balance of Payments Committee