



Discussion Note: 2.30 Methodological guidance on compilation and analyzing SOE data

Summary Details

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| Task Team Responsible | Fiscal Analysis and GFS Communication TT (TT4) |
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| Summary of Issues and Draft Recommendations: | |
| <p>The information relating to state-owned enterprises (SOEs)² as well as transactions between SOEs and government is dispersed across the <i>Government Finance Statistics Manual 2014 (GFSM 2014)</i>. The manual also fails to comprehensively address the application of the guidance generally designed for government to market producers. The lack of tangible examples on the application of the conceptual framework further complicates its interpretation.</p> <p>Noting the global challenges in applying the <i>GFSM 2014</i> guidance pertaining to SOEs, consideration should be given to improving the presentation of the guidance and to elaborating on the practical dimensions of data compilation and analysis. At the same time, the lack of technical advice must not be assumed to be the only or even the primary barrier to SOE data compilation. The outcome can be insensitive to the comprehensiveness of the technical guidance where the lack of resources or limitations of the national public financial management framework hinder the compilation of SOE data. Rather than presuming that the most comprehensive way of addressing the issue is also the most effectual, this note weighs the possible approaches against their potential to reduce the likelihood of the common challenges associated with the SOE data compilation. This approach leads to the</p> | |

¹ The views expressed in this Discussion Note are those of the authors and/or Task Team and do not necessarily represent the views of the IMF.

² Some countries make a legal distinction between SOEs and other categories of statutory enterprises, such as government business enterprise (GBE) and government-linked company (GLC). In other countries, differences exist between entities incorporated as statutory enterprises and those that are incorporated under the common business registration procedures, regardless of their control or ownership. It is also common to use different administrative terms for publicly owned entities largely dependent on grant funding by design (such as an enterprise with responsibility over the country's roads) and those charging its customers directly (such a public energy company). It may not be feasible to reflect the legal terminology used in each jurisdiction. In this note; the term SOE is therefore used in its broad meaning of any government-owned enterprise.

following recommendations:

1. Introduce a supplementary statement on interactions between general government and public corporation sectors into the GFS analytic framework.
2. Include research on how and under what circumstances the classification of the functions of government (COFOG) could be applied to market SOEs into the post-*GFSM 2014* update research agenda.
3. Maintain the present structure of the manual, appending core chapters with paragraphs and text boxes on SOE-specific considerations.
4. Produce a stand-alone applied compilation guide provided there is evidence of strong support for it among the international GFS community.

Introduction

20. **Limited institutional coverage may impair the usefulness of fiscal statistics.** The *GFSM 2014*³ notes that GFS should cover all entities that materially affect fiscal policies, irrespective of the country's institutional or legal structure.ⁱ In principle, the coverage of fiscal statistics should therefore extend to all entities owned or controlled by government, including SOEs.ⁱⁱ In practice, the GFS coverage in many countries is based on the narrower administrative boundaries of the government sector. The omission of the wider set of entities directly or indirectly controlled by government but not considered to be its part under the national legal or administrative framework complicates the holistic analysis of the fiscal risks and sustainability, and therefore to some extent impairs the relevance of the GFS to analysts and policymakers.⁴

21. **There is growing demand from users for more comprehensive, granular and internationally comparable public sector data.** The consultation on the proposals for advancing the *GFSM 2014* update demonstrated particularly strong demand from fiscal analysts, policymakers, and international organizations.⁵ As fiscal risks and sustainability concerns increasingly relate to the activities of state-owned enterprises (SOEs), there is a clear need to clarify and possibly expand the guidance and reporting frameworks in the *GFSM 2014* to accommodate these demands. In response, the IMF has sought to provide dedicated SOE training and technical assistance to support countries in compiling data on SOEs. However, the application of the *GFSM 2014* analytic framework can result in fiscal statistics that lack sufficient detail to understand the relationship and interactions between government and SOEs. This discussion note responds to user interest to ensure the GFSM evolves to meet these user demands.

22. **The reporting of SOEs within the *GFSM 2014* framework poses conceptual and practical challenges with implications for fiscal analysis and policymaking.** While the manual sets out

³ [Government Finance Statistics Manual 2014 \(GFSM 2014\)](#)

⁴ GFSM 2014 update research project 2.31 *GFS for fiscal analysis and policymaking* looks at the issue of fiscal risks associated with public corporations in more detail.

⁵ See [Summary of responses to consultation on proposal to advance the update of the GFSM 2014](#)

principles intended to be universally applicable, the diversity in institutional arrangements and administrative structures across countries means that the guidance may not be straightforward to implement. Some barriers to achieving complete public sector coverage lie in the conceptual dimension, such as establishing the statistical public sector boundary and delineating its subsectors.⁶ For example, in many countries, SOEs encompass units that, under the *GFSM 2014* framework, could be considered as either extrabudgetary units of government (non-market SOEs) or as public corporations (market SOEs). As such, accurate sector classification is a critical and necessary prerequisite for the reliable reporting of government finance statistics. Other obstacles are practical and arise from the need to collect source data outside of established budget and administrative processes for the core ministries, departments and agencies (MDAs).

23. This discussion note considers the presentation of conceptual guidance and ways of better illustrating the relationship between general government and market SOEs. First, it examines the presentation of transactions and stocks between general government and market SOEs classified as public corporations, highlighting the need for more granular data to support fiscal risk analysis. Second, it explores the application of the Classification of the Functions of Government (COFOG) to expenditure incurred by market SOEs, noting the lack of explicit guidance. Third, the paper considers options for restructuring the SOE-related guidance within the *GFSM* to enhance accessibility and usability for compilers. Finally, it discusses the potential for supplementary applied guidance outside the core manual, recognizing that many practical challenges in SOE data compilation stem from national practices and the need for pragmatic examples and case studies.

24. While additional guidelines and reporting frameworks can be helpful, expanding the size of the core manual, reporting, or indeed introducing any supplementary guides comes with its own costs. Rather than presuming that the most comprehensive way of addressing the issue is also the most effectual, this note weighs the possible approaches against their potential to reduce the challenges associated with the SOE data compilation as well as analytical usefulness, including the following:

- I. Failure to apply the statistical notion of government control resulting in the use of administrative or legal definition of the public sector in GFS.ⁱⁱⁱ
- II. Failure to conduct market / non-market tests, resulting in the use of administrative or legal classification to delineate between general government and public corporation subsectors.^{iv}
- III. Failure to map the SOE data to the *GFSM* taxonomy during the compilation process, resulting in misclassification of SOE transactions and stocks.
- IV. Failure to record transactions between the general government and public corporation subsectors in accordance with statistical guidance, resulting in the use of legal arrangements or their accounting recording to inform the statistical treatment.
- V. Failure to compile timely statistics as a result of longer lags associated with sourcing the SOE *data relative to that of the* budgetary government, resulting delays in compiling public sector level statistics.

⁶ The conceptual guidance relating to sector classification is considered by the *GFSM 2014* update research projects 2.1 *Boundary between government- controlled nonmarket producers engaged in nonfinancial activities (government units) and public nonfinancial corporations* and 2.2 *Boundary between government-controlled nonmarket producers engaged in financial activities (government units) and public financial corporations*. The potential refinement of the conceptual guidance in the updated *GFSM* may reduce but is unlikely to fully eliminate the barriers to achieving the complete public sector coverage discussed in this note.

- VI. Failure to identify transactions and stock positions between government and SOEs, resulting in an overstatement of public sector positions and aggregates due to lack of adequate consolidation.
- VII. Failure to meaningfully apply the COFOG classification to public expenditure administered through SOEs, resulting in lack of sufficiently disaggregated functional spending analysis at the public sector level.

Issue A: Presentation of transactions and stocks between general government and public corporations

Background to Issue

25. **The GFS analytic framework does not sufficiently support the comprehensive analysis of interactions between general government and public corporations.** In countries that produce consolidated public sector-wide statistics, the data on the consolidated transactions provides insights into the interactions between government and SOEs. In practice, however, market SOEs (known as public corporations) fall outside of the general government boundary and therefore are less likely to be reported on. In the countries that do not produce consolidated public sector-level statistics, government transactions with public corporations are often indistinguishable from transactions with the private sector.

26. **Separately identifiable transaction categories are largely limited to *subsidies to public corporations (GFSM 2014 expense code 251)*.** However, governments engage in a much broader spectrum of interactions with public corporations. Most operations are referenced throughout the *GFSM 2014* but are not distinguishable within the current analytic framework:

- Capital injections
- Debt assumptions
- Debt relief
- Guarantee calls
- Asset transfers

Such transactions are frequently classified under broad categories such as *transfers not elsewhere classified (GFSM 2014 expense code 282)*, which can lead to substantial amounts being reported without sufficient detail. Furthermore, governments may both receive significant property income from public corporations (typically in form of interest on loans, dividends and rent) and pay interest on the government debt held by them. These transactions may not be easily distinguishable from the equivalent operations with the private sector entities.

27. **From the balance sheet perspective, government claims on (and obligations to) public corporations are similarly not distinguished from those in private corporations.** Common operations – such as government on-lending to public corporations – are not separately identifiable on the balance sheet despite their frequency and in some cases, non-repayment. Likewise, it may be problematic to differentiate government equity holdings in public corporations from investments in the private sector; government debt held by the public corporations may also be hard to identify where it is classified in the same way as (and reported together with) government liabilities to the private sector.

28. **Better identification of government transactions with public corporations may facilitate the production of consolidated public sector statistics.** For the countries aspiring to expand the GFS coverage from general government to public sector, the ability to identify transactions between the sectors is instrumental in developing the consolidation methodology. This is particularly relevant in the context of market SOEs, whose own financial data are often collected in a different format, often with less detail, than the data covering core MDAs. Even where the coverage of the GFS compilations remains limited to the general government sector, providing greater detail and clearer breakdowns of the interactions with public corporations would enable countries to enhance the quality of fiscal analysis and fiscal risk reporting.

Options Identified to Address Issue

29. **Increasing the availability of data on the interactions between general government and public corporations could be achieved in a number of ways.** Although some SOEs may be classified as extrabudgetary units of government (EBUs), for example owing to the extent of their subsidization or, more broadly, to the sale of goods and services at prices that are not economically significant, most are market and are reported in the public corporation sector. The following section explores several options for improving the presentation of interactions between general government and public corporation sectors, balancing the benefits of more detailed data with the challenges of increased reporting demands.

Option A1: Maintain status quo by making no changes to the GFS analytic framework (beyond the amendments introduced by other GFSM 2014 update projects)

30. **Additional breakdowns could increase compiler burden, particularly in countries where resources are low and information is not easily available.** While more data on the interactions between general government and public corporations could enhance fiscal reporting and analysis, introducing greater disaggregation would inevitably increase the complexity and volume of work required from compilers. In practice, countries already constrained by limited resources or where access to timely and comprehensive data is restricted, would face challenges in compiling additional breakdowns. Therefore, it is reasonable to consider maintaining the existing GFS analytic framework. Nonetheless, the continued absence of granular data on transactions and stocks between general government and public corporations presents ongoing limitations. Therefore, any enhancements to the framework should be carefully balanced against potential increases in compiler burden.

Option A2: Introduce a supplementary statement on interactions between general government and public corporations into the GFS analytic framework

31. **Supplementary reporting tables could be introduced in the existing GFS analytic framework as an alternative to modifying the core statements.** The current framework comprises four core statements and two supplementary statements based on their analytical usefulness. The addition of a third supplementary statement would enable compilers to present data specifically detailing the interactions between general government and public corporations. An example of such a table is provided in the Annex (Table 1), which includes general government revenue and expense items commonly associated with SOEs. While not fully extrapolated in the table below, transactions in assets and liabilities and stocks would be broken down by asset type, as well as by type of public corporation (financial or non-financial). Furthermore, the items listed could be amended to reflect other important interactions, as well

as any supplementary indicators recommended through other GFSM Update research projects, such as 2.29 *Retained earnings of public corporations and their impact on fiscal analysis*.

32. **The principal advantage of introducing a supplementary statement is its flexibility.** This approach allows countries to report additional data without making substantial changes to the established GFS structure, therefore minimizing disruption for compilers and users. Sitting outside the core analytic framework, the supplementary statement could be adapted or expanded in response to evolving analytical needs. However, the inclusion of a supplementary statement is not without limitation. The supplementary nature of the statement may result in it being overlooked in practice, which is often the case with the existing two supplementary statements. As such, a supplementary statement could potentially undermine efforts to improve the availability of additional data on public corporations.

Option A3: Incorporate additional breakdowns of flow and stock types within the core statements of the GFS analytic framework as standard reporting items.

33. **Introducing additional breakdowns into the core statements of the GFS analytic framework underscores the value of reporting data on interactions between general government and public corporations.** Embedding the necessary detail directly into the core analytic framework, enhances the availability of disaggregated data for fiscal analysis. This method would entail introducing disaggregation for relevant transactions and asset and liability items commonly linked to public corporations. The annex (Tables 2 and 3) provide examples of how such detailed breakdowns could be incorporated, consistent with the considerations outlined earlier in this document. Annex (Table 3) only uses debt security liabilities as an example; however, the breakdown would apply to all instruments, except monetary gold and Special Drawing Rights (SDRs), as well as transactions in financial assets and liabilities.

34. **Integration into the core analytic framework ensures that additional information is consistently available for users.** This approach addresses a key gap in the current GFS analytic framework and supports countries in the collection and dissemination of more detailed data to facilitate comprehensive fiscal analysis and policymaking. Incorporating these breakdowns into the core analytic framework emphasizes the importance of collecting and reporting these data. However, requiring expanded core statements necessitates increased requirements for data collection and reporting, which may not be practical for all countries. Additionally, adapting compilation systems or models to accommodate new data requirements could pose challenges and increase the workload for both compilers and users.

Option A4: Incorporate additional breakdowns of flow and stock types within the core statements of the GFS analytic framework as “of which” reporting items.

Further flexibility in comparison with Option A3 could be achieved through the use of ‘of which’ categories. The Annex (Tables 2 and 3) illustrate how complete breakdowns of transactions and positions can be directly embedded within the core GFS statements, as described earlier under Option A3. However, rather than including detailed categories, the core statements could alternatively use “of which” categories to highlight key subcomponents. In the statement of operations, for example, adopting this approach would mean omitting the separate line for “from residents other than public corporations,” as shown in the Annex (Table 2), while still allowing users to identify the relevant amounts through the “of which” notation. This method is particularly useful for the balance sheet, where “of which” categories help to keep the core statement concise and easier to interpret, as demonstrated in the Annex (Tables 4 and

5). **Option A5: Incorporate additional breakdowns of flow and stock types within the core statements of the GFS analytic framework as memorandum reporting items.**

33. **Appending core statements with new memorandum items presents an alternative to embedding new breakdowns into the core table structure.** The *GFSM 2014* suggests reporting memorandum including the various definitions and valuations of debt, stocks of arrears and explicit contingent liabilities, as well as acquisitions and disposals of non-financial assets. Hypothetically, introducing additional memorandum items to capture interactions between government and public corporations would provide a vehicle for disclosing analytically useful information while alleviating the need to alter core transaction and stock classifications or to introduce a supplementary statement.

34. **The inclusion of memorandum item is fraught with practical challenges.** A fundamental risk of relying on memorandum items is that such items are not given the same attention as core reporting elements and often remain unreported. Another issue stems from the multitude of forms that could be taken by interactions with public corporations: the memorandum items would have to be either defined in very broad terms, potentially impairing their usefulness; or else their sheer number would make this option substantively similar but less structurally coherent than a new supplementary table described under option A2.

Draft Recommendations

35. **The Task Team recommends Option A2:** Introduce a supplementary statement on interactions between general government and public corporation sectors into the GFS analytic framework

36. Introducing a supplementary statement on interactions between the general government and public corporation sectors into the GFS analytic framework is recommended under option A2 because it offers greater clarity regarding the relationships and exposures between these sectors. It also recognizes that as country capacity and data availability improves, further improvements could be incorporated into GFS reporting. A supplementary statement supports enhanced analysis of fiscal risks and government obligations linked to public corporations and its primary advantage over options A3-A5 is that it can be implemented without requiring changes to the core framework.

Issue B: Application of COFOG to expenditure incurred by market SOEs

Background to Issue

37. **The *GFSM 2014* encourages the use of COFOG for reporting government expenditure but does not provide explicit guidance on whether or how it should be extended to public corporations.** Although the *GFSM* has encouraged the use of the COFOG nomenclature since 2001, it remains silent on its application to expenditure incurred by market SOEs classified to the public corporation sector. As a result, the guidance provides no answer to the question of the appropriateness of COFOG's application to public units outside of the general government. This gap is echoed in manuals

published by both the UN Statistics Division and Eurostat, which offer no reference to the functional classification of public corporations' expenditure.^{7, 8}

38. **The *Global Consultation on the Initial List of Issues for the Update of COFOG* highlighted compilation and use of COFOG data for public corporations in some countries.**⁹ COFOG data were produced for public corporations (or SOEs more broadly) according to 11% (n=8) of the compiler respondents; 14% (n=7) of user respondents indicated that COFOG data for public corporations (or SOEs) was utilized by their institution. Although these figures demonstrate that the compilation and use of the COFOG data for SOEs or public corporations remained far less common than for central or local government, it is not insignificant. Nevertheless, research into the applicability of the COFOG to public corporations was not explicitly included in the initial issue list of the COFOG update, although it does fall under the scope of issue B3: Additional uses of COFOG.

39. **The inconsistent application of COFOG to public corporations hinders the international comparability of the functional breakdowns.** Noting that certain functions such as utilities and transport are more likely to be administered through market SOEs than others, the exclusion of public corporation spending from the functional breakdowns leads to a potential bias at the public sector level. However, while certain COFOG divisions, such as Division 04 *Economic Affairs* and select groups within Divisions 05–09, may be relevant given the typical activities of public corporations, the COFOG was not originally developed to address expenditure of market units. Consequently, without additional conceptual and practical guidance, the consistent application of COFOG to public corporations remains challenging.

Options Identified to Address Issue

40. ***GFSM 2014* does not provide guidance on the applicability of COFOG breakdown of expenditure to Public Corporations (PCs).** The *GFSM 2014* remains silent on the application of COFOG for expenditure incurred by public corporations, as are the manuals published by both the UN Statistics Division and Eurostat. Noting that certain functions such as utilities and transport are more likely to be administered through PCs than others, the exclusion of PC spending from the functional breakdowns leads to potential bias at the public sector level. On the other hand, the COFOG framework was not originally developed to address expenditure of market units. Without additional conceptual and practical guidance, the consistent application of COFOG to PCs remains challenging.

41. **It is essential to weigh the relative merits and limitations of the application of COFOG to expenditure incurred by public corporations.** This section outlines four options, ranging from maintaining current guidance, to encouraging or discouraging the use of COFOG, or providing tailored guidance for specific analytical contexts.

⁷ See [Manual on sources and methods for the compilation of COFOG statistics — Classification of the Functions of Government \(COFOG\) — 2019 edition](#), Eurostat.

⁸ In countries where there is close integration of National Accounts and GFS, PC data may also be presented using the International Standard Industrial Classification (ISIC).

⁹ See [TT-COFOG Global Consultation on the Initial List of Issues Final Results - April 2025](#) for the summary of the consultation responses.

Option B1: Maintain the current guidance without explicit direction on the use of COFOG for reporting expenditure of public corporations

42. **Retaining the existing guidance maintains a neutral stance.** Under this option, countries retain the flexibility to decide whether to report public corporation expenditure using COFOG based on their national priorities. For countries with limited resources, this approach avoids the need for changes to data collection or processing systems. However, the absence of functional information on public corporations' expenditure can limit the ability to assess the full scope of public sector's involvement across government functions. This gap may be particularly relevant in countries where public corporations deliver services closely aligned with government objectives, such as transport or housing. It may also reduce the international comparability of the COFOG estimates, as the marginal difference between market or nonmarket status of the SOEs (for example, the extent of subsidization) may in practice influence the way in which public sector expenditure is captured within the COFOG statistics.¹⁰

Option B2: Encourage the use of COFOG for reporting public corporations' expenditure

43. **Promoting the application of COFOG to public corporations' expenditure would enhance functional comparability across the public sector.** Encouraging COFOG use could improve transparency and provide a more comprehensive view of public sector activities, supporting policy analysis. This option would require the development of additional guidance on the application of COFOG to public corporations' expenditure, which would facilitate consistent application across countries that wish to report such data.

44. **There are conceptual challenges in applying the framework to commercial enterprises.** The COFOG was designed primarily for classifying non-market government expenditure by function, reflecting collective and individual services provided by government units free of charge or at prices that are not economically significant. In contrast, public corporations are market producers whose expenditure may not be reflective of the value of goods and services they deliver. Some expenditures would also relate to commercial operations rather than government functions. Applying COFOG in this context risks conflating market-oriented activities with government service provision, potentially distorting functional spending analysis. Furthermore, the classification of certain expenditures — such as those related to production or commercial investments — may not align with COFOG's purpose.

45. **Countries could face significant practical barriers to compiling COFOG data for PCs.** Many countries lack the systems, resources, or institutional mandates to collect and classify detailed expenditure data for their public corporations, particularly when they operate under commercial accounting frameworks. Consequently, the information presented in public corporations' financial statements is generally not well-suited for compiling COFOG data. The accounting data, including annual financial statements, typically lack the detailed transaction-level information or clear indications of the purpose behind expenditures necessary to align with COFOG classifications. This is unlike government budget and budget execution data, which often includes programmatic and departmental structures that can be directly mapped to COFOG classifications. As such, implementing COFOG for public corporations could require resource intensive additional mapping exercises and methodological innovations.

¹⁰ In this context, the difference between the COFOG breakdown of expenditure and its economic classification is that the latter can be applied to the entire public sector, including public corporations, whereas the former is typically only used for the narrower general government sector.

46. **While the development of additional guidance could help address conceptual and practical challenges, doing so presents its own set of constraints.** Noting the extensive nature of conceptual questions requiring resolution, the new COFOG-specific guidance for public corporations may go beyond the scope of *GFSM 2014* update. Moreover, the issue of applying COFOG to public corporations is not currently on the research agenda of the COFOG update itself.¹¹ An extrapolation of this approach could be to include in the post-GFSM Update research agenda a more thorough exploration of the demand for such guidance and to establish whether and how countries use COFOG for reporting public corporations' expenditure.

Option B3: Discourage use of COFOG for reporting public corporations' expenditure

47. **This approach would provide clear guidance by recommending against the use of COFOG for reporting public corporations' expenditure.** This is based on considerations outlined in the earlier paragraphs, recognizing the distinct nature of public corporations and the potential challenges and associated with applying COFOG in this context. However, explicitly discouraging COFOG use could be perceived as reducing transparency in countries where meaningful PC data could be or is currently produced.

Option B4: Offer guidance on how and when COFOG could be applied in the context of public corporations

48. **Better guidance on when the application of COFOG would be appropriate retains flexibility while offering clarity.** It would outline circumstances where applying COFOG to public corporations' expenditure may be analytically useful—such as when they perform quasi-fiscal activities closely aligned with government functions. At the same time, it would explain why COFOG is generally unsuitable for classifying expenditure related to market activities, given its design for non-market spending. Such guidance would help countries make informed decisions, balancing analytical needs with conceptual consistency. It would also reduce risk of misinterpretation by clarifying that COFOG should not be applied to all types of public corporations' expenditure without careful consideration.

49. **The conceptual challenges outlined under Option B2 equally apply under Option B4.** While countries would retain a higher degree of flexibility under Option B4, additional guidance would still be required in instances whether the use of COFOGs for public corporations is warranted. For the reasons outlined earlier, it may not be viable for such guidance to be compiled within the timescale of the *GFSM 2014* update. Accordingly, while the update process could be used to gauge the interest in such an approach, the work on the guidance itself may need to be included in the post-GFSM Update research agenda.

Draft Recommendations

50. **The Task Team recommends Option B1,** but will, through the global consultation on this discussion note, assess the compilation and use of COFOG data for public corporations to determine whether further research is warranted. At present, this issue is not part of the COFOG update's research agenda, highlighting a gap in understanding of how countries use COFOG for reporting public corporations' expenditure. This approach allows actual demand for such guidance to be assessed and

¹¹ See [UNSD — Classification of the Functions of Government](#).

ensure that any future recommendations are relevant. This approach helps balance the need for clarity and flexibility in reporting, while avoiding premature or impractical solutions. Any such research should be conducted jointly by the IMF and the UN Statistics Division, who are custodians of the GFSM and COFOG, respectively and responsible for managing the associated revision processes.

Issue C: Structure of the SOE guidance in the GFSM

Background to Issue

31. **More can be done to present statistical guidance on the compilation of GFS for SOEs in a structured way.** Notwithstanding the need to review some aspects of the technical guidance as part of the *GFSM 2014* update process, the framework already provides ample general guidance on the treatment of all publicly controlled entities, including SOEs. At the same time, the information relating to SOEs as well as the transactions between SOEs and government is dispersed across the manual.¹² The lack of tangible examples of the application of the conceptual framework to the real-world SOEs further complicates its interpretation. Noting the global challenges in applying the *GFSM 2014* methodology pertaining to SOEs, consideration should be given to improving the presentation of the SOE-related guidance and to elaborating on the practical dimensions of data compilation and analysis.¹³

Options Identified to Address Issue

32. **There are several ways in which the presentation of conceptual guidance on SOEs and the associated transactions could be improved, varying in volume and composition of new text.**

33. ***GFSM 2014* and the earlier *Government Finance Statistics Manual 2001 (GFSM 2001)*, including their appendices, have been largely limited to the provision of conceptual guidance.** Practical considerations and applied examples were largely discussed in stand-alone papers or guides, such as the *Public Sector Debt Statistics: Guide for Compilers and Users* and *Government Finance Statistics: Compilation Guide for Developing Countries*.¹⁴ Assuming that the same approach would be followed in the updated *GFSM*, an applied SOE compilation guide could be introduced as a stand-alone document. The new guide could be compiled regardless of the option chosen for the core manual, therefore the merits of drafting it are considered separately in the next section of this note.

¹² The existence of ample guidance on the interactions between general government and SOEs should not be confused with the limited visibility of such interactions in the core GFS statements, as explained earlier in this discussion note. The latter issue is caused by the structure of the GFS statements (and the related matter of the *GFSM 2014* nomenclature), rather than by insufficient guidance on how to classify public entities and their transactions.

¹³ *GFSM 2014* acknowledges the challenge but notes that the heterogeneity of the institutional arrangements across the globe would make it problematic to describe statistical institutional sector classifications with reference to administrative ones. At the same time, while the regional European guidance in form of Eurostat's Manual on Government Deficit and Debt covers the practical application of the statistical framework and offers tangible case studies to support compilers in interpreting the conceptual guidance – including on sector classifications and the recording of complex SOE-related transactions – such relatable examples are generally missing at a global level.

¹⁴ In the European region, Eurostat's *Manual on Government Deficit and Debt (MGDD)* has become the main vehicle for the provision of applied guidance.

Option C1: Maintain status quo by making no changes to the presentation of the conceptual guidance applicable to the SOEs.

34. **The current breakdown of the SOE guidance into thematic chapters contributes to the challenges facing compilers but is unlikely to be the primary obstacle to data compilation.** The SOE-related conceptual guidance is dispersed over the various chapters of the *GFSM*. Undoubtedly, finding the relevant piece of information requires familiarity with the structure of the manual or some search effort, or both. This challenge is not unique to the SOE guidelines, nor can it be fully avoided in any comprehensive manual.¹⁵ Conversely, the concentration of the guidance in a single chapter does not prevent lack of compliance with it, as exemplified by the challenges in applying the guidelines on sector classification (such as the “market test”) contained in Chapter 2. It is therefore doubtful that the distributed nature of the guidance per se is the root cause or the largest obstacle to the compilation of the SOE data, although it is indeed a contributing factor.

35. **While the structure of *GFSM 2014* may not be the root cause of the issues, further guidance may nevertheless help the compilers.** Put simply, the primary issue affecting the treatment of SOEs in fiscal statistics is not the lack of conceptual guidance or its dispersed presentation, but the difficulty in interpreting it and complying with it. Retaining the present structure and content on the manual (subject to changes introduced through other research projects) would do little to improve the accessibility of this information, perpetuating some of the issues outlined in the introduction.

Option C2: Move guidance pertaining to transactions between SOEs and government to a newly created chapter.

36. **In theory, combining the guidance on transactions with SOEs in a single coherent chapter should aid readers’ understanding.** It should also somewhat reduce the level of expertise required to apply the guidance, which at present often relies on knowledge of the various types of economic activities described in different parts of the manual. This could be particularly beneficial for countries with high staff turnover in the compiler roles. Moreover, if the additional statements on interactions between general government and SOEs (or equivalent breakdowns within core statements) were to be added to the framework, the new chapter would contain information relevant to the compilation of these data.

37. **Consolidation of guidance on transactions between government and SOEs in a single new chapter may lead to duplication.** Low compliance with the sector classification guidance, which is already consolidated in a single chapter, is not the only argument against consolidating the rest of the SOE guidance in a single new chapter or appendix. Such a move will double the volume of text where an existing piece of guidance covers government interactions with both public and private corporations. An example is *GFSM 2014* Appendix A3: Debt and Related Operations: although debt-related operations typically take place between government and SOEs, they can also happen between government and private sector entities. Common examples include private infrastructure companies and banks deemed to be of national importance. It follows that similar guidance would need to be included both in the potential

¹⁵ It should be noted that many principles applicable to the government interactions with “market” SOEs are equally applicable to the government interactions with private corporations; similarly, “non-market” SOEs would be treated similarly to other types of extrabudgetary units of government (EBUs). Consequently, if duplication were to be avoided, it would not be viable to concentrate SOE-related guidance in a single core chapter of the manual.

new chapter on SOEs and in the original chapter (or appendix), so as to avoid any ambiguity around the treatment of transactions with private sector entities.

Option C3: Introduce an appendix summarizing SOE-related guidance and providing references to the relevant text in the core chapters, without making significant changes to those core chapters (beyond the amendments introduced by other GFSM 2014 update projects).

38. **The extensiveness of the existing body of guidance applicable to SOEs may make a new appendix redundant.** Noting the difficulty of separating SOE-specific and not SOE-specific transaction guidance in the core *GFSM* chapters, an alternative would be to consolidate the text on SOEs in a new appendix without removing it from the core chapters. *GFSM* appendices are a helpful way of providing detailed information on the statistical treatment of specific economic phenomena and relationship between *GFSM* and other frameworks.¹⁶ Yet as a rule, the topics covered by the appendices are not explained in detail in the core chapters of the manual; the appendices therefore add genuinely new material. In contrast, to address the common issues identified in this paper, any new appendix on SOEs would have to paraphrase (or reference) much of Chapters 2: Institutional Units and Appendix A3: Debt and Related Operations, as well as consolidating specific guidance on transactions distributed across the rest of the manual. At the same time, a new appendix may be justified if changes are also made to the presentation of transaction and stocks though the addition of new “of which” breakdowns or supplementary statements, as explained earlier in this paper: it could consolidate the guidance pertaining to the compilation of those specific statements.

Option C4: Maintain the present structure of the manual, appending core chapters with paragraphs (or text boxes) on SOE-specific considerations.

39. **Where the need for a specific clarification of concepts is identified, such a clarification could be provided within the existing chapters without deviating from the established structure of the *GFSM*.** In general, substantive changes to the guidance pertaining to SOEs do not form part of this option: technical amendments and clarifications are being considered as part of the *GFSM* Update Research Projects 2.1 Boundary between government and nonfinancial public corporations; 2.2 Boundary between government and financial public corporations; 2.9 Debt assumption and debt payments on behalf of others; 2.13 Equity for public corporations; 2.15 Treatment of capital injections by government into corporations; and 2.16 Treatment of privatization. For the reasons discussed earlier, following the existing structure of the manual may be optimal in implementing these updates.

40. ***GFSM 2014* provides ample conceptual guidance on the treatment of SOEs, however it is not universally accessible.** At nearly 30 pages, the guidance on sector classification is both among the most comprehensive in the *GFSM 2014* and among the less understood. The topic is explained in Chapter 2, which generally follows the *System of National Accounts 2008 (2008 SNA)* structure and terminology in addressing the issue. The original *GFSM 2014* text also uses *SNA*-based terminology for consistency: by way of example, the sector classification decision tree in Figure 2.4 requires compilers to be familiar with the concepts of institutional units and market production (and by implication, economically significant prices) to arrive at a conclusion. These concepts are intuitive to a national accountant; but their

¹⁶ The full of topics covered by the *GFSM 2014* appendixes includes changes from the *GFSM 2001* and *GFSM 1986*; social protection; debt and related operations; cross-cutting issues; regional arrangements; GFS and International Public Sector Accounting Standards; GFS and other macroeconomic statistics; and GFS classifications.

interpretation often proves challenging to the finance officials lacking exposure to macroeconomic statistics beyond GFS. This complicates the application of the GFS principles in some of the countries where the Ministry of Finance (or equivalent) staff bear the responsibility for the production of fiscal statistics.

41. **A small number of additional text boxes may improve the accessibility of the core conceptual guidance.** While there is strong rationale for preserving the language consistent with the *System of National Accounts 2025 (2025 SNA)* and the *7th edition of the Balance of Payments Manual (BPM7)* in the core paragraphs, harmonized statistical terminology complicates the interpretation of the sector classification rules by officials with limited exposure to these frameworks. While there is no suggestion to provide substantively new guidance beyond what may be recommended by other research projects, text boxes are already extensively used to summarize complex areas of methodology; many cover PC-related issues.¹⁷ They can be employed in a more targeted way than a new appendix, reducing the risk of a significant overlap between different parts of the manual. The number of additional boxes must be limited to preserve the coherence of the core text. One specific area their use may be warranted is where the core guidance, often drafted with the government sector in mind, may be misinterpreted in application to the public corporations subsector. The additional topics covered by the boxes could be as follows:

- Chapter 2: Box on delineation between corporations (market) and extrabudgetary (nonmarket) units controlled by government, including on distinguishing the term SOE (and equivalent) from the statistical notion of public corporation;
- Chapter 4: Box on interpretation and analytical use of fiscal aggregates for public corporations and public sector as a whole;
- Chapters 5 and/or 6: Box on SOE transactions that should be rearranged through government accounts;
- Chapter 6: Box on application of the classification of the functions of government (COFOG) to public corporations;
- Appendix A6: Box on the use of financial statements prepared in accordance with the International Financial Reporting Standards (IFRS), provided the topic is not already covered in the main text of the updated appendix.

42. **Existing tables and figures could be appended where differences between market and nonmarket units exist.** New text boxes may not be necessary in all cases. Some clarifications can also be made in a more concise format by amending existing tables and figures. One area where this approach may be optimal is the clarification on the permissible use of revenue and expense transactions across subsectors. Examples of common mistakes include misclassifications of the various types of transfers and the erroneous recording of tax revenue in the PC subsector.

¹⁷ Box 2.2 Government Control of Corporations and Box 6.3 Transactions with Public Corporations, as well as Figure 2.3 The Public Sector and Its Main Components, Figure 2.4 Decision Tree for Sector Classification of Public Entities, Figure A3.1 Decision Tree for the Statistical Treatment of Debt Assumption and Figure A3.2 Decision Tree for the Statistical Treatment of “Capital Injections” are directly relevant to the SOE compilation; a number of other boxes and figures cover cross-cutting matters that would also be applicable.

- Append Table 5.1 Summary Classification of Revenue and Table 6.1 Summary Classification of Expense (and their derivatives) by inserting a column indicating whether each transaction can be applied to both or either GG and PC;
- Alternatively, insert Annexes in Chapters 5 and 6 with a detailed matrix of permissible *transaction x subsector* combinations, noting some differences between subsectors of GG and PCs.¹⁸

This update should decrease the risk of misclassifications where the sector classification should be considered during the transaction classification.

Draft Recommendations

43. **The Task Team recommends Option C4:** Maintain the present structure of the manual, appending core chapters with paragraphs and text boxes on SOE-specific considerations.

44. Maintaining the current structure of the manual, while adding targeted paragraphs and text boxes that address SOE-specific issues, is an effective approach for several reasons. Firstly, it requires limited changes to the manual, therefore maintaining a familiar structure consistent with the earlier GFSMs. Additionally, by embedding SOE considerations directly within the relevant chapters, the guidance becomes immediately accessible and context-specific. The proposal does not seek to provide substantively new guidance (beyond accommodating changes introduced through other GFSM update research projects), however the text boxes may seek to clarify the meaning of the core guidance when ambiguous or inaccessible to compilers and analysts.

Issue D: Supplementary applied guidance outside GFSM

Background to Issue

45. **Many common issues hindering the SOE compilation fall outside of the scope of the core manual.** The clarifications to the *GFSM* advocated by this note will not fully resolve the compilation challenges outlined in the introduction. Even with respect to conceptual issues, compilers would greatly benefit from clear examples and case studies: understanding of the complex rules governing the sector classification and the recording of government transactions with SOEs require an intermediate to advanced level of *GFSM* framework; even at the conceptual level, this guidance may be inaccessible to less experienced compilers in the absence of case studies and numerical examples. Such examples would generally go beyond the scope (or at least the present format) of the conceptual framework. Many other issues are altogether practical, as discussed below.

46. **The relevance of applied guidance grows with increasing sophistication of the accounting and statistical standards.** Unlike the case of general government data compilation, compilers often lack access to primary financial data held in the financial management systems of SOEs. It is common practice to rely on financial statements (or questionnaires with an equivalent level of detail) for compilation. Against this backdrop, it is worth noting that the *International Public Sector Accounting Standards (IPSAS)* / *International Financial Reporting Standards (IFRS)* and *SNA* / *GFSM* approaches to

¹⁸ An example of such a matrix, as applicable under the European System of Accounts 2010 (ESA 2010), can be found in [European system of accounts - ESA 2010 - Transmission programme of data](#).

accrual methodology are not fully aligned. Moreover, there are new areas of divergence between the accounting and statistical standards, as exemplified by the introduction of *IFRS 16 Leases / IPSAS 43 Leases* and *IFRS 17 Insurance contracts* on the one hand, and the recognition of data assets in the *2025 SNA* on the other. The ability to access practical guidance on translating the data to the statistical format is thus becoming increasingly important.

47. **Variation in regional practices renders existing regional guidance inappropriate for use as a supplementary global resource.** In Europe, the *Manual on Government Deficit and Debt (MGDD)*, while mainly focusing on the general government sector, nevertheless provides case studies and practical examples of both the classification and recording of the SOEs (avoiding the term itself as rarely used in the regional context). However, unlike another Eurostat's manual - the *Manual on sources and methods for the compilation of COFOG statistics* – the MGDD is of limited use outside of its region: its alignment with the *European System of Accounts 2010 (ESA 2010)* framework, primary focus on the general government sector, and examples derived from the European case studies, all make it an inappropriate source of advice on SOEs for compilers in other regions.

Options Identified to Address Issue

Option D1: Produce a stand-alone applied compilation guide.

48. **The format of a guide would be appropriate owing to the breadth of topic.** The SOE compilation is affected by a variety of issues. It follows that any supplementary guidance should be comprehensive, as would generally be provided through compilation guides, such as the *Public Sector Debt Statistics: Guide for Compilers and Users*, *Quarterly Government Finance Statistics: Guide for Compilers and Users* and *Government Finance Statistics: Compilation Guide for Developing Countries*. In addition to summarizing the relevant conceptual guidance from the *GFSM*, the following topics would be relevant:

- **Sector classification of SOEs**
 - Distinction between the national and statistical sector classification, including case studies and special cases.
 - Distinction between market and non-market entities, including case studies of market / non-market test, special cases, and advice on performing the quantitative assessment.
 - Public sector institutional table (PSIT), including a discussion of its use in the wider economic statistics and public financial management (PFM) practices.
- **Data collection and compilation issues**
 - Common data sources, including a discussion of periodicity, timeliness and statistical techniques that could be applied for predicting missing time series data, the present or the very near future of an indicator, such as nowcasting, linear interpolation, time series models, Kalman filter and so on.

- Approaches to data mapping, including a discussion of applicability of *GFSM* transaction categories to market and non-market entities.
- Common conceptual adjustments, including transaction and instrument recognition boundary, time of recording and valuation; consistency between flow and balance sheet adjustments.
- Consolidation, including dealing with subsidiaries of the SOEs; identification of intra-public sector flows and stocks; treatment of estimates recorded on an asymmetric basis in accounting (such as leased assets and grant revenue).

○ **Selected issues**

- Reconciliation between accounting and statistical aggregates.
- Practical approaches to dealing with data sources that are not compliant with statistical requirements, including based on *IAS 20 Accounting for Government Grants and Disclosure of Government Assistance*; *IFRS 16 Leases / IPSAS 43 Leases*; *IFRS 17 Insurance contracts* and equivalent standards.¹⁹

There is a clear niche for a new guide or paper. However, the production of a new guide is a major undertaking. It can only be justified where both the demand exists and the likelihood of material improvements to the GFS compilation are high.

Option D2: Do not produce a stand-alone applied compilation guide.

49. **Obstacles to SOE data compilation often arise from the national public financial management (PFM) practices.** The lack of technical advice must not be assumed to be the only or even the primary barrier to SOE data compilation. The outcome can be insensitive to the comprehensiveness of the technical guidance in the following cases:

- Where the omission or misclassification of the SOEs in the GFS statistics is an administrative (or political) decision, for example aimed at maintaining consistency with the budgetary boundary.
- Where persistent resource constraints prevent the collection or processing of the SOEs data.
- Where data sharing arrangements preclude compilers from accessing the SOE financial data, for example due to the perceived commercial or political sensitivity.

Draft Recommendations

50. **The Task Team recommends Option D1:** Produce a stand-alone applied compilation guide provided there is evidence of strong support for it among the international GFS community.

¹⁹ Some of these issues are considered through *GFSM 2014 Update Research Project 2.27: Relationship between GFS and IPSAS*.

51. There is clear demand for additional guidance, as demonstrated by the results of the global consultation on the GFSM 2014 update research agenda and ongoing IMF interactions with country authorities. This guidance would offer valuable support to compilers and help resolve a range of compilation challenges that may not be fully addressed in the core manual. Nevertheless, it is important to recognize that developing such guidance is a considerable undertaking. Therefore, the feasibility of completing this work within the desired timeframe should be carefully weighed against the overall resource requirements of the GFSM 2014 update and prioritized accordingly.

Preliminary Views of the GFSAC

52. **An earlier version of the discussion note was discussed at the GFSAC meeting of January 2026.** This version of the discussion note has addressed suggestions made by GFSAC members at that meeting and the task team recommendations in the note are consistent with the preliminary views of most GFSAC members. More information is available in the [Summary of Discussions](#) of the January 2026 GFSAC meeting.

Questions for Global Consultation

Issue A: Presentation of transactions and stocks between general government and public corporations

- Indicate your preferred choice: Option A1, Option A2, Option A3, Option A4 or Option A5. Please explain the reason for your choice and provide any other additional comments (including any alternative options you would like to propose).
- If one of the proposed Options A2 to A5 is adopted, how practical and likely would it be for your country to compile the necessary data? Please share any opportunities or challenges you foresee.

Issue B: Application of COFOG to expenditure incurred by market SOEs

- Indicate your preferred choice: Option B1, Option B2 or Option B3. Please explain the reason for your choice and provide any other additional comments (including any alternative options you would like to propose).
- Does your country compile expenditure data for public corporations using COFOG classifications? If yes, please describe the methods used and provide any relevant links to published data.
- If your country does not currently compile public corporations' expenditure data using COFOG, are you aware of any user demand for such data?

Issue C: Structure of the SOE guidance in the GFSM

- Indicate your preferred choice: Option C1, Option C2, Option C3 or Option C4. Please explain the reason for your choice and provide any other additional comments (including any alternative options you would like to propose).

- If your country currently compiles data on state-owned enterprises (SOEs), would the proposed recommendations enhance the quality or scope of your reporting? Please provide details on potential improvements.
- If your country does not currently compile data on SOEs, would the recommendations facilitate the initiation of such data collection and reporting? Please share any opportunities and challenges you foresee.

Issue D: Supplementary applied guidance outside GFSM

- Indicate your preferred choice: Option D1 or Option D2. Please explain the reason for your choice and provide any other additional comments (including any alternative options you would like to propose).
- If your country currently compiles data on state-owned enterprises (SOEs), would a stand-alone applied guide enhance the quality or scope of your reporting? Please provide details on potential improvements.

If your country does not currently compile data on SOEs, would a stand-alone applied guide facilitate the initiation of such data collection and reporting? Please share any opportunities and challenges.

Annex: Proposed Tables to Address Issue A by Option

Table 1: Example supplementary statement

| Option A2: Statement of operations and balances between general government and public corporations | |
|---|---|
| 1PC | Revenue from public corporations |
| 11PC | Taxes from public corporations |
| 14PC | Other revenue from public corporations |
| 141PC | Property income from public corporations |
| 1411PC | Interest from public corporations |
| 1412PC | Dividends from public corporations |
| 1413 | Withdrawals of income from quasi-corporations |
| 1414 | Property income from investment income disbursements |
| 1415PC | Rent from public corporations |
| 1416 | Reinvested earnings on foreign direct investment |
| 144PC | Transfers not elsewhere classified from public corporations |
| 1441PC | Current transfers from public corporations |
| 1442PC | Capital transfers from public corporations |
| 142PC | Sales and goods and services from public corporations |
| 143PC | Fines, penalties, and forfeits from public corporations |
| 144PC | Transfers not elsewhere classified from public corporations |
| 145PC | Premiums, fees, and claims related to nonlife insurance and standardized guarantee schemes |
| 2PC | Expense to public corporations |
| 24PC | Interest to public corporations |
| 251 | Subsidies to public corporations |
| 28PC | Other expense to public corporations |
| 2812 | Withdrawals of income from quasi-corporations |
| 2813 | Property expense for investment income disbursements |
| 2813PC | Property expense for investment income disbursements |
| 2815PC | Reinvested earnings on foreign direct investment |
| 282PC | Transfers not elsewhere classified to public corporations |
| 2821PC | Current to public corporations |
| 2822PC | Capital to public corporations |
| 283PC | Premiums, fees, and claims related to nonlife insurance and standardized guarantee schemes to public corporations |
| 31 | Net/gross investment in nonfinancial assets with public corporations |
| ... | Transactions in financial assets |
| ... | Transactions in liabilities |
| ... | Asset positions with public corporations |
| ... | Liability positions with public corporations |

Table 2: Incorporating additional breakdowns into GFS statements

| Option A3: Statement of Operations | | | |
|---|---|-----------|--|
| 1 | Revenue | 2 | Expense |
| 11 | Taxes | 21 | Compensation of employees |
| 12 | Social Contributions | 211 | Wages and salaries |
| 13 | Grants | 212 | Employers' social contributions |
| 14 | Other revenue | 2121 | Actual employers' social contributions |
| 141 | Property income | 2122 | Imputed employers' social contributions |
| 1411 | Interest | 22 | Use of goods and services |
| 14111 | From nonresidents | 23 | Consumption of fixed capital |
| 14112 | From residents other than general government | 24 | Interest |
| 141121 | From resident public corporations | 241 | To nonresidents |
| 141122 | From residents other than public corporations | 242 | To residents other than general government |
| 14113 | From other general government units | 2421 | To resident public corporations |
| 1412 | Dividends | 2422 | To residents other than public corporations |
| 14121 | From public corporations | 243 | To other general government units |
| 14122 | From units other than public corporations | 25 | Subsidies |
| 1413 | Withdrawals of income from quasi-corporations | 251 | To public corporations |
| 1414 | Property income from investment income disbursements | 252 | To private enterprises |
| 1415 | Rent | 253 | To other sectors |
| 14151 | From public corporations | 26 | Grants |
| 14152 | From units other than public corporations | 27 | Social benefits |
| 1416 | Reinvested earnings on foreign direct investment | 28 | Other expense |
| 142 | Sales of goods and services | 281 | Property expense other than interest |
| 1421 | Sales of market establishments | 2811 | Dividends |
| 1422 | Administrative fees | 2812 | Withdrawals of income from quasi-corporations |
| 1423 | Incidental sales by nonmarket establishments | 2813 | Property expense for investment income disbursements |
| 1424 | Imputed sales of goods and services | 2814 | Rent |
| 143 | Fines, penalties, and forfeits | 2815 | Reinvested earnings on foreign direct investment |
| 144 | Transfers not elsewhere classified | 282 | Transfers not elsewhere classified |
| 1441 | Current | 2821 | Current |
| 14411 | From public corporations | 28211 | To public corporations |
| 14412 | From units other than public corporations | 28212 | To units other than public corporations |
| 1442 | Capital | 2822 | Capital |
| 14421 | From public corporations | 28221 | To public corporations |
| 14422 | From units other than public corporations | 28222 | To units other than public corporations |
| 145 | Premiums, fees, and claims related to nonlife insurance and standardized guarantee schemes | 283 | Premiums, fees, and claims related to nonlife insurance and standardized guarantee schemes |
| 1451 | Premiums, fees, and current claims | 2831 | Premiums, fees, and current claims |
| 14511 | Premiums | 28311 | Premiums |
| 14512 | Fees for standardized guarantee schemes | 28312 | Fees for standardized guarantee schemes |
| 14513 | Current claims | 28313 | Current claims |
| 1452 | Capital claims | 2832 | Capital claims |

Table 3: Balance Sheet incorporating additional breakdowns

| Option A3: Balance Sheet | |
|---------------------------------|-------------------------------------|
| 63 | Liabilities |
| ... | |
| 6303 | Debt securities [6213+6223] |
| 630301 | with other general government units |
| 630302 | with public corporations |
| 630303 | with units other than public sector |
| ... | |
| 631 | Domestic creditors |
| ... | |
| 6313 | Debt securities |
| 631301 | with other general government units |
| 631302 | with public corporations |
| 631303 | with units other than public sector |
| ... | |
| 632 | External creditors |
| ... | |
| 6323 | Debt securities |
| ... | |

Table 4: Statement of Operations incorporating “of which” categories

| Option A4: Statement of Operations | | | |
|---|--|-----------|--|
| 1 | Revenue | 2 | Expense |
| 11 | Taxes | 21 | Compensation of employees |
| 12 | Social Contributions | 211 | Wages and salaries |
| 13 | Grants | 212 | Employers' social contributions |
| 14 | Other revenue | 2121 | Actual employers' social contributions |
| 141 | Property income | 2122 | Imputed employers' social contributions |
| 1411 | Interest | 22 | Use of goods and services |
| 14111 | From nonresidents | 23 | Consumption of fixed capital |
| 14112 | From residents other than general government | 24 | Interest |
| 141121 | of which, from public corporations | 241 | To nonresidents |
| 14113 | From other general government units | 242 | To residents other than general government |
| 1412 | Dividends | 2421 | of which, to public corporations |
| 14121 | of which, from public corporations | 243 | To other general government units |
| 1413 | Withdrawals of income from quasi-corporations | 25 | Subsidies |
| | Property income from investment income | 251 | To public corporations |
| 1414 | disbursements | 252 | To private enterprises |
| 1415 | Rent | 253 | To other sectors |
| 14151 | of which, from public corporations | 26 | Grants |
| 1416 | Reinvested earnings on foreign direct investment | 27 | Social benefits |
| 142 | Sales of goods and services | 28 | Other expense |
| 1421 | Sales of market establishments | 281 | Property expense other than interest |
| 1422 | Administrative fees | 2811 | Dividends |
| 1423 | Incidental sales by nonmarket establishments | 2812 | Withdrawals of income from quasi-corporations |
| 1424 | Imputed sales of goods and services | 2813 | Property expense for investment income disbursements |
| 143 | Fines, penalties, and forfeits | | |

| | | | |
|------------|---|-------|--|
| 144 | Transfers not elsewhere classified | 2814 | Rent |
| 1441 | Current | 2815 | Reinvested earnings on foreign direct investment |
| 14411 | of which, from public corporations | 282 | Transfers not elsewhere classified |
| 1442 | Capital | 2821 | Current |
| 14421 | of which, from public corporations | 28211 | of which, to public corporations |
| 145 | Premiums, fees, and claims related to nonlife insurance and standardized guarantee schemes | 2822 | Capital |
| 1451 | Premiums, fees, and current claims | 28221 | of which, to public corporations |
| 14511 | Premiums | | Premiums, fees, and claims related to nonlife insurance and standardized guarantee schemes |
| 14512 | Fees for standardized guarantee schemes | 283 | |
| 14513 | Current claims | 2831 | Premiums, fees, and current claims |
| 1452 | Capital claims | 28311 | Premiums |
| | | 28312 | Fees for standardized guarantee schemes |
| | | 28313 | Current claims |
| | | 2832 | Capital claims |

Table 5: Balance Sheet incorporating “of which” categories

| Option A4: Balance Sheet | |
|---------------------------------|-----------------------------------|
| 63 | Liabilities |
| ... | |
| 6303 | Debt securities [6213+6223] |
| | of which with public corporations |
| ... | |
| 631 | Domestic creditors |
| ... | |
| 6313 | Debt securities |
| | of which with public corporations |
| ... | |
| 632 | External creditors |
| ... | |
| 6323 | Debt securities |
| ... | |

ⁱ *GFSM 2014* paragraph 1.5: The basic concepts, classifications, and definitions employed in this Manual reflect economic principles that should be universally valid regardless of the circumstances in which they are applied. Therefore, the GFS framework is applicable to all types of economies regardless of the institutional or legal structure of a country’s government, the sophistication of its statistical development, the financial accounting system of government, or the extent of public ownership of for-profit entities. Nevertheless, the fact that the institutional and economic structures of countries differ greatly means that the various parts of this Manual will not be equally relevant.

ⁱⁱ *GFSM 2014* paragraph 2.1: In principle, GFS should cover all entities that materially affect fiscal policies. Normally, fiscal policies are carried out by entities, established by political processes, wholly devoted to the economic functions of government (see paragraph 2.38), such as government ministries or municipal councils. The term “government” is often used as a collective noun for various combinations of entities in a country involved in the functions of government, or reference is made to the various individual governments of a country. For example, a country may have one central government; several state, provincial, or regional governments; and many local governments. Nonprofit institutions under government control may also exist. In addition to those entities, government-owned or controlled enterprises that engage in some commercial activities may be instruments of fiscal policy (see paragraphs 2.104–2.105). These government-owned enterprises, such as the central bank, post office, or railroad, which are often referred to as public corporations, state-owned enterprises, or parastatals in a legal sense, may be part of the general government or public sector, and statistics should be compiled for all of them.

ⁱⁱⁱ *GFSM 2014* paragraph 2.63: The public sector consists of all resident institutional units controlled directly, or indirectly, by resident government units—that is, all units of the general government sector and resident public corporations. Figure 2.3 illustrates the main components of the public sector. Statistics should be compiled for the general government and public sectors, as well as for all the subsectors of the general government and the public corporations subsector.

^{iv} *GFSM 2014* paragraph 2.31: (...) The key to classifying a unit as a corporation in macro-economic statistics is not its legal status but rather the economic substance of the nature of the entity. The laws governing the creation, management, and operations of legally constituted corporations and other entities may vary from country to country, so that it is not feasible to provide a legal definition of a corporation that would be universally valid. Therefore, in macroeconomic statistics, the term corporation is not necessarily used in the same way as in the legal sense.