



Proposed Recommendations Document:

1.14 Capturing non-bank financial intermediation¹

Summary Details

Links to Related Guidance/Discussion/Issue Notes and Latest Manuals:

[GN F.6 Capturing non-bank financial intermediation in the System of National Accounts and the External Sector Statistics](#)

[GN F.1 More Disaggregated Institutional Sector and Financial Instrument Breakdowns](#)

[Draft 2025 SNA](#) and [Draft BPM7](#)²

Global Consultation(s):

SNA/BPM Consultation: [May 2022](#)

BPM Consultation: [June 2021](#)

Discussions at the Advisory Expert Group on National Accounts (AEG) / Balance of Payments Committee (BOPCOM) Meeting(s):

Joint AEG/BOPCOM: [March 2022](#)

BOPCOM: [June 2021](#)

Discussions at GFSAC Meeting(s):

To be determined

Summary of Proposed Recommendations:

The proposed recommendations for the *GFSM 2014* update are to maintain the current broad institutional sector classifications for financial corporations but to encourage further subsector disaggregation where it is deemed relevant or applicable. This could mean only disaggregating other financial corporations into its component subsectors (S123-S129), or further disaggregation to capture more detail on non-bank financial intermediation.

In addition, it is proposed to encourage disclosure of information, where relevant, on loans in the form of repurchase agreements, securities lending with cash collateral, and margin lending.

¹ Previously titled, "Capturing non-bank financial intermediation in the System of National Accounts and the External Sector Statistics"

² Links are to the "white cover" versions of the 2025 SNA and BPM7. While technically still considered draft only editorial amendments will be made between these versions and the final versions.

Background and Issues

1. Non-bank financial intermediaries (NBFIs) (previously "shadow banking") have grown rapidly since the global financial crisis and are now a key part of the global financial system. NBFIs have become the largest global financial intermediaries, surpassing banks in size.³ However, the sectoral and instrument breakdowns in the *2008 SNA* and *BPM6* do not provide sufficient measure of economic activities of NBFIs.

2. The international macroeconomic statistics frameworks (*2008 SNA*, *BPM6*, *MFSMCG*, and *GFSM 2014*) use the same institutional sector classification and financial instrument breakdowns. The *SNA/BPM* guidance note (GN F.6) emphasizes the necessity of adapting national accounts and balance of payments statistics to reflect the evolving landscape of financial intermediation, particularly regarding the risks posed by NBFIs. The G20 Data Gaps Initiative II (DGI-II) [Recommendation II.5](#) also recommended further breakdown of the financial corporations sector to better capture NBFI in macroeconomic statistics.⁴ Therefore, revisions to the *SNA* and *BPM* were proposed with the aim to enhance data collection and analysis, fostering improved financial stability.

3. **Institutional Sector Breakdowns in the SNA:** By definition, "*financial corporations sector (S12) consists of all resident corporations that are principally engaged in providing financial services, including insurance and pension fund services, to other institutional units*" (*2008 SNA*, para. 4.98). Table 1 below list nine subsectors of the financial corporations sector as identified in the *2008 SNA*. In the revised draft *2025 SNA* the composition of the financial corporations subsector remained unchanged, although their coding structure was updated (S1221 – S1229). Yet a supplementary disaggregation of subsectors of financial corporations is included to better capture the economic activities of NBFIs, where they are relevant (see *2025 SNA*, Table 29.1). *2025 SNA* (Table A2.14 in Annex 2) also provides a list of the proposed breakdowns in financial corporations subsectors.

Table 1: Composition of financial corporations sector (as per 2008 SNA)

Sector code	Financial corporations sector (S12)
S121	Central bank
S122	Deposit-taking corporations (DTCs) except the central bank
S123	Money-market funds (MMFs)
S124	Non-MMF investment funds
S125	Other financial intermediaries, except insurance corporations and pension funds (ICPFs)
S126	Financial auxiliaries
S127	Captive financial institutions and money lenders
S128	Insurance corporations
S129	Pension funds (PFs)

³ Acharya, Cetorelli & Tuckman (2024). [Transformation of activities and risks between bank and non-bank financial intermediaries](#)

⁴ [G20 DGI Recommendations \(imf.org\)](#).

4. **Institutional Sector Breakdowns in the External Sector Statistics:** The current institutional sector classification in *BPM6* is consistent with the *2008 SNA* and other statistical manuals.⁵ While the subcategories of ‘Other financial corporations’ are described in Chapter 4 of *BPM6*, these were not included in the standard presentation of *BPM6*. The only changes in the classification of other financial corporations subsector in External Accounts in the draft *BPM7* are the inclusion of an “of which” *Central clearing counterparties (CCPs)* subcategory under Other financial intermediaries (S1225) and an “of which” *SPEs* subcategory under Captive financial institutions and money lenders, and financial auxiliaries (S1226+S1227). Annex 2 provides a list of breakdown in the draft *BPM7* (Table 4.2).

5. **Financial Instrument Breakdowns:** Additional breakdowns of financial instruments are important for assessing risks associated with non-bank financial intermediation. The draft *2025 SNA* introduces the inclusion of two “of which” items within the financial instrument of *loans*:

- *Of which: Repurchase agreements, securities lending with cash collateral, and margin lending*
- *Of which: Non-performing loans*

The *BPM 6* and *GFSM 2014* already includes memo items to capture the stock of non-performing loans at nominal and fair value but not information on repurchase agreements, securities lending with cash collateral or margin lending.

6. For GFS purposes, the public financial corporations subsector may be divided into two categories: public deposit-taking corporations (central bank and deposit taking corporations) and other public financial corporations (*GFSM 2014*, para 2.116). Accordingly, **other public financial corporations** subsector include all financial intermediaries⁶ except deposit-taking corporations (central bank and public deposit-taking corporations except the central bank), and also include financial auxiliaries (S126), and captive financial institutions and money lenders (S127).

Proposed Recommendations

Against this background, the following recommendations are proposed for the *GFSM 2014* update:

- Maintain the current GFSM’s broad institutional sector classifications for counterpart data as per *GFSM 2014* Appendix 8 (Table A8.4). However, encourage, where it is deemed relevant or applicable, a disaggregation of institutional subsectors of financial corporations as supplementary information (see Annex 1 for details of disaggregation).
- Maintain the current breakdown of public financial corporations in the GFSM. However, encourage, where it is deemed relevant or applicable, a disaggregation of institutional subsectors of public financial corporations. In particular, distinguishing public pension funds

⁵ However, the use of ‘Other Financial Corporations’ (OFCs) as a component of the financial corporations sector for presentation and analytical purposes differs in the *BPM6* and *GFSM 2014* (which both include MMFs (S123) as part OFCs) from the *Monetary and Financial Statistics Manual and Compilers Guide (MFSCMG)*, which considers MMFs as part of other depository corporations (i.e., MMFs are excluded in the composition of OFCs).

⁶ *GFSM 2014* (para.2.55) classifies financial intermediaries into seven subsectors: central bank; deposit-taking corporations except the central bank; money market funds; nonmoney market investment funds; other financial intermediaries except insurance corporations and pension funds; insurance corporations; and pension funds. In other words, financial intermediaries are all financial corporations excluding financial auxiliaries (S126), captive financial institutions and money lenders (S127).

from other financial intermediaries as well as separately identifying auxiliaries and captive financial corporations, will often provide additional analytical value.

- Encourage the provision of supplementary information, where relevant, on loans in the form of repurchase agreements, securities lending with cash collateral and margin lending. It is proposed to capture the supplementary breakdown as an “of which” item.

Rationale for Proposed Recommendations

The proposed recommendations aim to harmonize the updated *GFSM* with the *2025 SNA* and *BPM7*, a key objective of the *GFSM 2014* update process. The recommendation will also eliminate the inconsistency in the *GFSM 2014* with respect to the description of OFCs. Although it is acknowledged that the proposed breakdowns are not relevant for all countries, the availability of these standardized breakdowns means that compilers in countries where these breakdowns are relevant can use the same criteria and classification for NBFIs.

Proposed Text for GFSM Update

The following text and tables in the current *GFSM 2014* may be affected:

- Tables 7.11, 9.2, and A8.4 with respect to encouraging further breakdowns and descriptions of relevant institutional subsectors (see Annex 1 for breakdowns).
- Paragraphs 2.46, 2.116, and 2.121 with respect to ensuring consistency of description of OFCs (other public financial corporations).

Annex 1: Further Breakdowns of Other Financial Corporations in draft 2025 SNA

The breakdown was agreed as part of the DGI II and includes further breakdowns of the other financial corporations in the 2025 SNA (additions in italic):

- Money Market Funds (MMFs) (S1223), into:
 - *Constant net asset value funds*
 - *Variable net asset value funds*
- Non-MMF investment funds (S1224), into:
 - *Open-ended funds*
 - *Real estate funds*
 - *Equity funds*
 - *Bond funds*
 - *Mixed or balanced funds*
 - *Hedge funds*
 - *Other open-ended funds*
 - *Closed-ended funds*
 - *Real estate funds*
 - *Equity funds*
 - *Bond funds*
 - *Mixed or balanced funds*
 - *Hedge funds*
 - *Other closed-ended funds*
- Other Financial Intermediaries, except insurance corporations and pension funds (S1225), into:
 - *Financial corporations engaged in the securitization of assets*
 - *Financial corporations engaged in lending and leasing*
 - *Underwriters, security and derivative dealers*
 - *Specialized financial corporations*
 - *Central clearing counterparties*
- Financial auxiliaries (S1226)
- Captive financial institutions and money lenders (S1227), into:
 - *Trusts, estate and agency accounts*
 - *Corporate groups' captive financial entities*
 - *Of which: Special Purpose Entities (SPEs)*
 - *Other captive finance companies and money lenders*
- Insurance corporations (S1228), into:
 - *Non-life insurance corporations*
 - *Life insurance corporations*
- Pension funds (S1229), into:
 - *Defined benefit pension funds*
 - *Defined contribution pension funds*

Source: 2025 SNA, Table A2.14.

Annex 2: Proposed Further Breakdowns for Other Financial Corporations in ESS

- Money market funds (MMFs)
- Non-MMF investment funds
- Insurance corporations
- Pension funds
- Other financial intermediaries except insurance corporations and pension funds
 - *Of which: Central clearing counterparties*
- Captive financial institutions and money lenders, and financial auxiliaries
 - *Of which: SPEs*

Source: BPM7, Table 4.2.