STATISTICS

IMF Government Finance Statistics Advisory Committee

Summary of Consultation Responses:

Proposed Recommendations - Group 3

Prepared by the Statistics Department

INTERNATIONAL MONETARY FUND

Consultation on Proposed Recommendations for Updating the *GFSM 2014* Based on Changes Agreed for Implementation in the *2025 SNA* and *BPM7* (Group 3)

The consultation on thirteen Proposed Recommendations for Updating the *Government Finance Statistics Manual 2014 (GFSM 2014)*[1] ran from July 4 – August 1, 2025.

In total 27 responses were received from country authorities in 23 countries, as well as two independent GFS experts. There was fairly good geographical spread of responses, with an almost equal number of respondents from countries in the IMF regions of Asia and Pacific, Europe and Middle East and Central Asia, slightly fewer responses from countries in Africa and slightly more responses from the Western Hemisphere.

Most respondents (89 percent) indicated that they were engaged in macroeconomic statistical compilation (predominantly of government finance statistics (GFS)) with the other respondents reporting they were users of GFS data.

Around half of the respondents (13 respondents) had also provided responses to the second global consultation on proposed recommendations (Group 2).

The below section provides summary information on the views of respondents with respect to the thirteen Proposed Recommendations, Annex 1 provides more details on the responses received, and Annex 2 summarizes the comments made by respondents where they only partially agreed with a Proposed Recommendations document.

RESPONSES TO PROPOSED RECOMMENDATIONS

All thirteen Proposed Recommendations (PRs) were agreed for inclusion in the update of the GFS manual by the majority of respondents who expressed an opinion[2].

Two Proposed Recommendations – ***PR 1.32 Recording of Share buybacks and PR 1.35 Recording of Central Bank swap arrangements in macroeconomic statistics*** - were agreed unanimously by all respondents who expressed an opinion, without any caveats.

For one Proposed Recommendations ***PR 1.1 Valuation Principles and Methodologies*** there was a single respondent who did not agree with the proposal (by selecting "No") but there was no comment provide to explain the reason for selecting "No".

A single respondent also argued against one other Proposed Recommendation (***PR 1.14 Capturing Non-Bank Financial Intermediation***), noting that "*full sector and instrument consistency between the*

[1] All thirteen Proposed Recommendations were based on changes agreed for the *System of National Accounts 2025 (2025 SNA)* and the *Balance of Payments Manual 7 (BPM7).*

[2] All analysis referenced in this section relates to those respondents who expressed an opinion on a Proposed Recommendation, excluding those who selected "no comment".

GFSM and SNA/BPM was beneficial. However, the high level of detail introduced in the 2025 editions is intended to address analytical needs that go beyond the usual scope of government finance analysis. On the interest of keeping the manual lean this detail may eventually not be included".

Another respondent voted against ***PR 1.26 Treatment of Trusts and Other Types of Funds as Separate Institutional Units)*** with the following comment "*We appreciate the effort to align GFSM 2014 with the 2025 SNA regarding the treatment of trusts, funds, and pension schemes. While we agree with the objective of enhancing consistency across frameworks, we believe that this area requires a careful and context-sensitive approach, particularly given the complexity and variability of fund structures in the public sector. We suggest that the updated guidance allows for some flexibility in application, especially when it comes to sector classification based on exposure to risks and rewards. In our view, the inclusion of public sector-specific decision trees could support more practical and consistent implementation. We also agree that the treatment of Sovereign Wealth Funds (SWFs) is best addressed under the broader scope of GFSM Research Project 2.2*." The request for a decision tree to guide the implementation was also raised by some of the respondents who voted "Yes" for this PR.

For eleven Proposed Recommendations, there were a few respondents who agreed "Partially "and their comments are provided in Annex 2.

All feedback from the consultation, including comments from those who agreed with the Proposed Recommendations, will be carefully considered when advancing each of the research projects and drafting Notices of Decision.

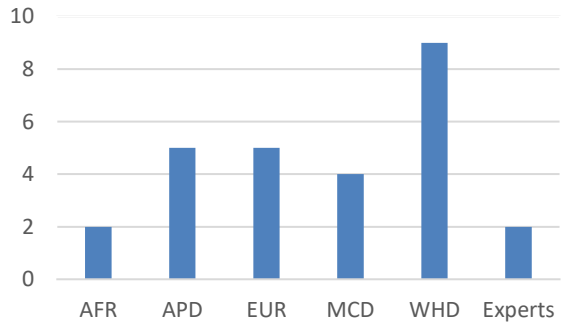
Annex 1: Detailed Responses

RESPONDENTS

Number of responses: 27

BY REGION

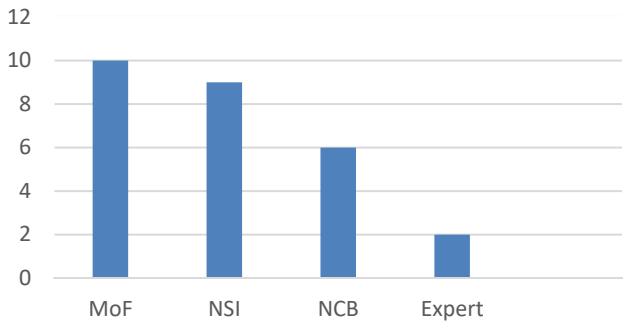
Region	Count
Country authorities in:	25*
Africa (AFR)	2
Asia & Pacific (APD)	5
Europe (EUR)	5
Middle East & Central Asia (MCD)	4
Western Hemisphere (WHD)	9
Individuals (Experts)	2
Total	**27**



* 25 responses were received from authorities in 23 different countries

BY ORGANIZATION

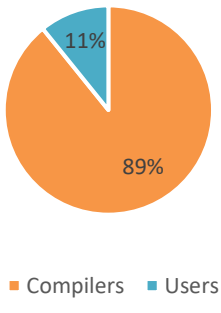
Institution	Count
Ministry of Finance (MoF)	10
National Central Bank (NCB)	6
National Statistics Institute (NSI)	9
Independent Expert (Expert)	2
Total	**27**



BY AREAS OF EXPERTISE / INTEREST

Question: What is your main interest in, and/or relationship with, Government Finance Statistics?

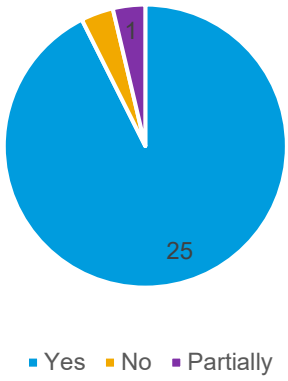
Main Interest	Count
GFS compilation	18
Compilation of other macroeconomic statistics (e.g., national accounts, balance of payments)	2
Policymaking	0
GFS analysis and use (e.g., analyst, academic)	2
Other (4 compilers,1 user)	5
Total	**27**



VIEWS ON PROPOSED RECOMMENDATIONS

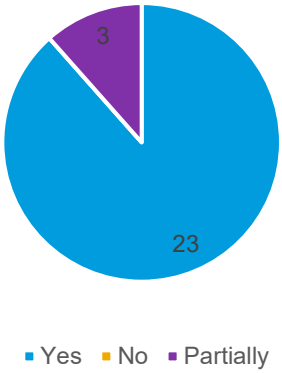
PR 1.1 Valuation Principles and Methodologies

Do you agree with the recommendations and their incorporation into the update of the GFS manual?	Count
Yes	25
No	1
Partially	1
No Comment	0
Total	**27**



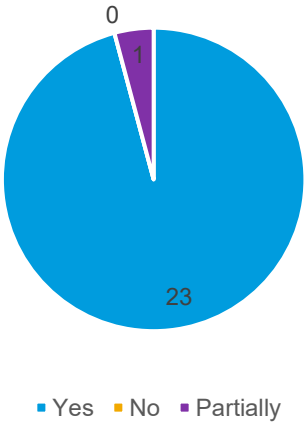
PR 1.3 Treatment of Centralized Currency Unions in Macroeconomic Statistics

Do you agree with the recommendations and their incorporation into the update of the GFS manual?	Count
Yes	19
No	0
Partially	1
No Comment	7
Total	**27**



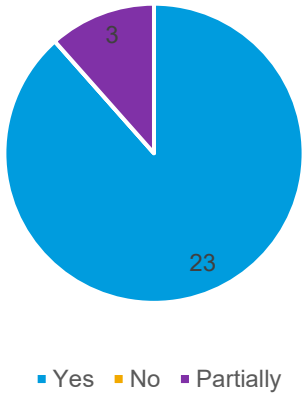
PR 1.12 Reverse Transactions

Do you agree with the recommendations and their incorporation into the update of the GFS manual?	Count
Yes	23
No	0
Partially	1
No Comment	3
Total	**27**



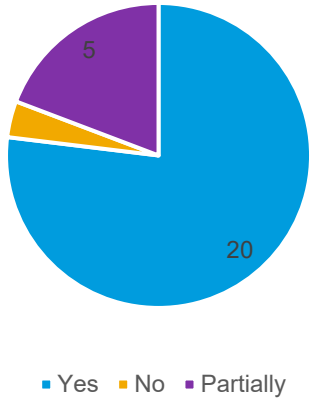
PR 1.13 Financial Derivatives by Type

Do you agree with the recommendations and their incorporation into the update of the GFS manual?	Count
Yes	23
No	0
Partially	3
No Comment	1
Total	**27**



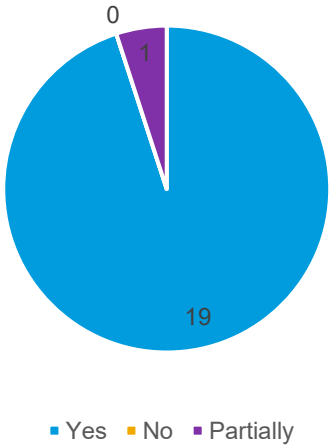
PR 1.14 Capturing Non-Bank Financial Intermediation

Do you agree with the recommendations and their incorporation into the update of the GFS manual?	Count
Yes	20
No	1
Partially	5
No Comment	1
Total	**27**



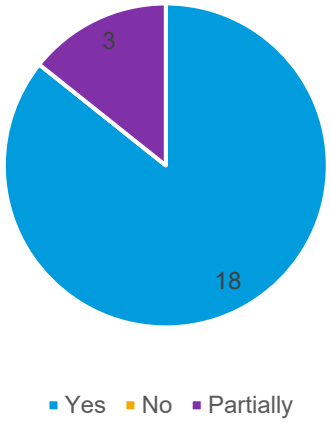
PR 1.15 Treatment of Cash Collateral

Do you agree with the recommendations and their incorporation into the update of the GFS manual?	Count
Yes	19
No	0
Partially	1
No Comment	7
Total	**27**



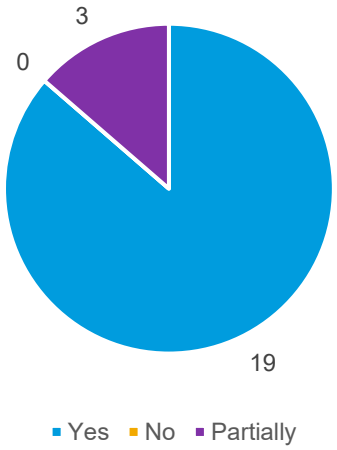
PR 1.16 Treatment of Factoring Transactions

Do you agree with the recommendations and their incorporation into the update of the GFS manual?	Count
Yes	18
No	0
Partially	3
No Comment	6
Total	**27**



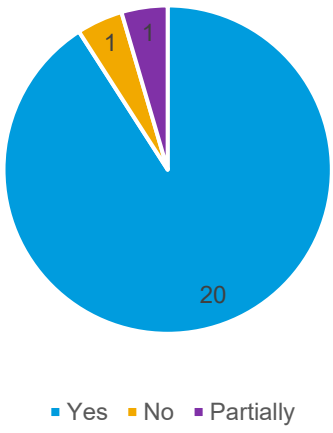
PR 1.18 The Recording of Crypto Assets in Macroeconomic Statistics

Do you agree with the recommendations and their incorporation into the update of the GFS manual?	Count
Yes	19
No	0
Partially	3
No Comment	5
Total	**27**



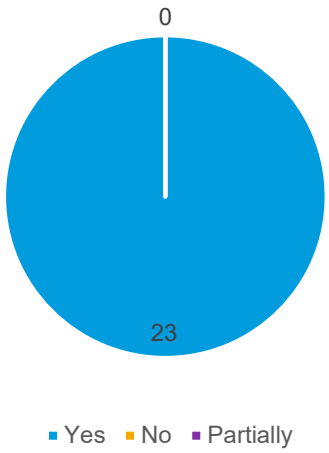
PR 1.26 Treatment of Trusts and Other Types of Funds as Separate Institutional Units

Do you agree with the recommendations and their incorporation into the update of the GFS manual?	Count
Yes	20
No	1
Partially	1
No Comment	5
Total	**27**



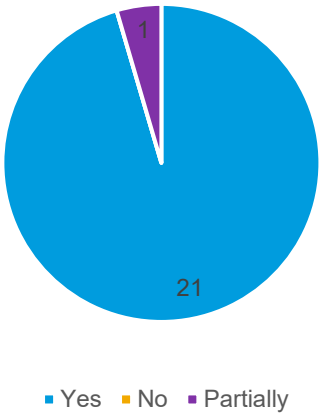
PR 1.32 Recording of Share Buybacks

Do you agree with the recommendations and their incorporation into the update of the GFS manual?	Count
Yes	23
No	0
Partially	0
No Comment	4
Total	**27**



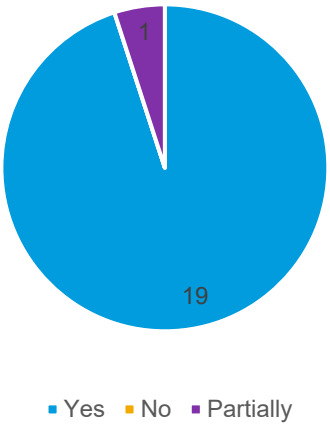
PR 1.33 The Statistical Treatment of Negative Interest Rates

Do you agree with the recommendations and their incorporation into the update of the GFS manual?	Count
Yes	21
No	0
Partially	1
No Comment	5
Total	**27**



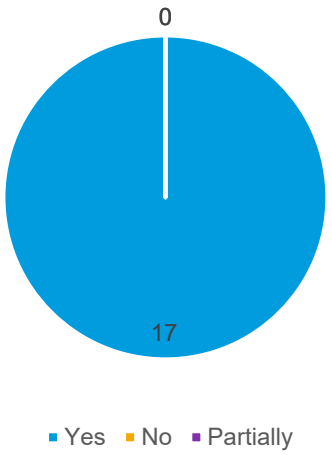
PR 1.34 Clarification on Reserve Position in the IMF

Do you agree with the recommendations and their incorporation into the update of the GFS manual?	Count
Yes	19
No	0
Partially	1
No Comment	7
Total	**27**



PR 1.35 Recording of Central Bank Swap Arrangements in Macroeconomic Statistics

Do you agree with the recommendations and their incorporation into the update of the GFS manual?	Count
Yes	17
No	0
Partially	0
No Comment	10
Total	**27**



Annex 2: Reasons for Partial Agreement with Proposed Recommendations

Proposed Recommendation	Number of respondents indicating their partial agreement	Summary of rationales given for only partially agreeing to the Proposed Recommendation
PR 1.1 Valuation Principles and Methodologies	1	• Consultation respondent did not provide consent for publication of comments.
PR 1.3 Treatment of Centralized Currency Unions in Macroeconomic Statistics	1	• "In Mexico, the central bank does not have agencies, so in our particular case, the recommendation has no impact on either the compilation or processing of information or the presentation of statistical results."
PR 1.12 Reverse Transactions	1	• Consultation respondent did not provide consent for publication of comments.
PR 1.13 Financial Derivatives by Type	3	• "The dis-aggregation level recommended for financial derivative operations is too extended for government statistics purposes, namely by market risk categories and type of instrument. In this respect, the availability of reliable data sources is the main concern." • "Partially agree. Agree conceptually and on the basis that this aligns with SNA. There are concerns that: The IMF and ABS GFS manuals do not appear to adequately address the extent to which GFS principles align or diverge from hedge accounting principles in IFRS. Under IFRS, accounting for

		movements in derivatives and the related hedged item depends on whether the arrangement meets the criteria for hedge accounting. If the IMF intends to introduce more granular classifications of financial derivatives, further guidance on practical applications of classifying different instruments would be required noting complexity of derivative arrangements. There will be implementation costs for providers and compilers to split asset codes at 4-digit level and accommodate upwards of 6 new subtypes within the framework."
PR 1.14 Capturing Non-Bank Financial Intermediation	5	• "Giving the increasing importance of the harmonized data sets availability from the perspective of both data producers and data users at the global level, we underline the importance of using common international standards, for example for institutional sector and financial instrument codes (NA_DSD SDMX). The changing of all institutional sector codes for the sub-sectors of the financial institutional sector (S12), i.e. from S123 to S1223 has major implications for the corresponding updates in related IT applications, with high costs and limited benefits. We strongly support that the new breakdowns for institutional sectors and financial instruments as "of which" to be reported only as memo items and not to be core of the accounts." • "Conceptually, countries with an integrated systems of economic statistics should have no difficulty adopting an SNA-style breakdown of financial corporations. In practice it is likely to require significant alterations to the GFS data sources, data collection and production systems, and a long implementation timeline." • "While we recognize that the proposed breakdowns may not apply to all countries, we agree that offering standardized categories enhances comparability and allows countries like the UAE—where relevant—to apply consistent and internationally aligned classifications for non-bank financial institutions." • "Agree conceptually and on the basis that this aligns with SNA. There are concerns particularly for level 1 government providers reporting that: Further disaggregation from the current sectoral level reporting is not achievable from current reporting arrangements. Implementing the proposals would require substantial implementation costs as well as ongoing. Further clarification of the proposing would be needed to support implementation as this could considerably complicate the process of consolidation as entities in the PFC sector are financial assets in the GGS. It is also thought to be of limited value for the Australian public sectors as individual financial corporations are required to prepare financial statements. The International Financial Reporting Standards (IFRS)' financial

		instruments standards include detailed recognition, measurement and disclosure requirements which could inform consideration of this."
PR 1.15 Treatment of Cash Collateral	1	• "While we support the goal of harmonization with the 2025 SNA and BPM7, we find that the proposed approach introduces an unnecessary level of complexity, which may complicate implementation at the national level. The distinction between different types of cash collateral and the varying treatments (e.g., for reverse transactions) may be difficult to apply consistently in practice and could result in confusion among compilers and users of the data. We recommend a simplified and more practical approach that retains flexibility and ensures clarity for national compilers, particularly in countries where institutional arrangements and data systems may not fully support this level of granularity."
PR 1.16 Treatment of Factoring Transactions	3	• "We agree with the transfer of commercial credit as a loan with non-recourse factoring registration. However, I have concerns about the proposed registration for non-recourse factoring because the risk is not transferred." • "Recording the factoring element as contingent liability instead of financial liability is debatable. However, we do not expect factoring to be very prevalent in the General Government Sector."
PR 1.18 The Recording of Crypto Assets in Macroeconomic Statistics	3	• "Regarding specific methods for capturing and recording crypto assets, we understand that no clear policies and/or methodologies have been established even in discussions regarding updates to the SNA. Currently, there are many uncertainties, and it is anticipated that ongoing updates will be made to both the SNA and BPM in the future. We request that the approach to be taken in the GFS be clarified in advance." • "We do not believe there are sufficiently strong arguments to deviate from the agreed 2025 SNA / BPM7 guidance in the updated GFSM in relation to the majority of crypto-asset classes. At the same time, the UK's National Statistician's Committee for Advice on Standards for Economic Statistics (NSCASE), which makes recommendations to the National Statistician on where to deviate from international guidance, has currently reserved final judgement on the UK treatment of crypto assets without corresponding liability (e.g. bitcoins) where the 2025 SNA records these as non-financial assets. Whilst we await conclusion of the NSCASE process in this respect, we do not anticipate any desire to consider crypto assets in the public sector as sufficiently different to those in the private sector to warrant a materially different approach across the domains of economic statistics."

		• "We agree conceptually and on the basis that this aligns with SNA. We support the: recommendations as it is important to harmonize with 2025 SNA and BPM7 around these relatively 'new' rapidly changing assets. Also support the proposal to reconsider the classification of crypto assets without a corresponding liability if these assets ever gain widespread acceptance as a general medium of exchange. Inclusion of a decision tree for classifying fungible digital assets along with any additional information for users. proposal to conduct further research and consideration of the need to provide guidance on taxes related to crypto asset as well as the seizure of crypto assets by governments. We note that there should be further consideration of the divergence between IFRS/AAS and GFS that would arise from the proposed GFS recognition criteria. There would be a difference between AAS and AGFS15: current treatment under AAS is recognition as an intangible or inventory. crypto currency does not meet AAS financial asset recognition criteria as "cash or cash equivalents". We suggest that the IMF review the proposed treatment as the use of crypto asset evolves."
PR 1.26 Treatment of Trusts and Other Types of Funds as Separate Institutional Units	1	• "We agree a clarification to the GFSM 2014 guidance would be beneficial. However, we believe the proposal conflates two practical issues: the recording of major, special-purpose government funds such the national wealth funds (NWF) and the recording of "standard" commercial investment vehicles used by the public financial institutions."
PR 1.33 The Statistical Treatment of Negative Interest Rates	1	• Consultation respondent did not provide consent for publication of comments.
PR 1.34 Clarification on Reserve Position in the IMF	1	• "It brings clarity on IMF-related assets, ensures alignment with BPM7, and enhances consistency in recording international reserve positions."