



Proposed Recommendations Document:

1.36 Statistical Treatment of Precious Metal Accounts

Summary Details

Links to Related Guidance/Discussion/Issue Notes and Latest Manuals: Statistical Treatment of Precious Metals Accounts Draft 2025 SNA and Draft BPM7 ¹	
Global Consultation(s):	Not applicable
Discussions at the Advisory Expert Group on National Accounts (AEG) / Balance of Payments Committee (BOPCOM) Meeting(s):	BOPCOM: October 2017
Discussions at GFSAC Meeting(s):	To be determined
Summary of Proposed Recommendations: The proposed recommendation is to maintain the current guidelines on the treatment of precious metals in the <i>GFSM 2014</i> without change.	

Background and Issues

1. Precious metals are metals that have high economic value. While the *GFSM 2014* does not provide a comprehensive list of metals considered as part of precious metals, the statistical treatment of transactions arising from precious metals therein depends on whether they are: (i) monetary gold; or (ii) nonmonetary gold and other precious metals. The treatment further considers whether monetary gold is allocated or unallocated.
2. According to *GFSM 2014* (para. 7.126), monetary gold is gold to which the monetary authorities have title and is held as a reserve asset. Monetary gold comprises gold bullion (including allocated gold accounts) and unallocated gold accounts with nonresidents that give them title to claim the delivery of gold. Transactions and stock position for monetary gold are recorded under financial assets (GFS code 62011).
3. Allocated gold accounts represent ownership of a specific piece of gold. Therefore, allocated gold accounts, other than monetary gold, and all allocated accounts for other precious metals represent

¹ 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.

ownership of a nonfinancial assets according to *GFSM 2014* (para. 7.127). As such, their corresponding transactions and stock positions are recorded under nonfinancial assets, as valuables (if used as a store of value) or inventories (if used in the production process) as indicated in *GFSM 2014* (para. 7.88). There are no financial claims associated with monetary gold and other allocated precious metals, and thus no corresponding liability entry (*GFSM 2014*, para. 7.15).

4. Unallocated accounts for precious metals, are classified as deposits (*GFSM 2014*, para. 7.139), except unallocated gold accounts held for reserve assets. The financial institution holding unallocated precious metals, including unallocated gold, issues a financial claim to account holders denominated in gold and their transactions are recorded in foreign currency (*GFSM 2014*, para. 3.135).

5. The *GFSM 2014* further describes the transactions in monetary gold as well as the recording when authorities acquire allocated and/or unallocated gold for reserve purposes. The *GFSM 2014* (para. 9.29 and 10.84) indicates that newly mined gold, when acquired by monetary authority, would first be classified as a transaction in nonfinancial assets and then reclassified under other economic flows as other changes in the volume of monetary gold. Similarly, unallocated gold that becomes monetary gold is first recorded under currency and deposits (as unallocated gold) and then reclassified through other changes in volume to monetary gold. Reductions in holdings of monetary gold are reclassified either into valuables or inventories (for allocated gold or gold bullions) or currency and deposits (for unallocated gold) (*GFSM 2014*, para. 10.84).

6. Changes in prices for precious metals are recorded as other economic flows (changes in holding gains). For unallocated gold and other unallocated precious metals, that are recorded in foreign currency is affected by movements in exchange rates as well as changes in the value of the precious metal. The difference between this value and the value recorded in the balance sheet is recorded as a change in holding gain. For allocated precious metals, price changes are reflected in revaluations and recorded as changes in holding gains (*GFSM 2014*, para. 3.135).

7. In 2017 a paper was considered by BOPCOM which discusses the statistical treatment of precious metals. It maintained the distinction between monetary and nonmonetary gold as in *BPM6* and clarified the treatment of the ownership of other precious metals as nonfinancial assets, with unallocated precious metal accounts treated as deposits in foreign currency. As shown above, this is in line with the current guidance in the *GFSM 2014*.

Proposed Recommendations

The *GFSM 2014* manual provides guidance on recording of monetary gold and other precious metals. The manual clearly distinguishes treatment of transactions for allocated and unallocated precious metals, including monetary gold. As such, the proposed recommendation is to maintain the presentation in the current *GFSM 2014*.

Rationale for Proposed Recommendations

The *GFSM 2014* guidance on precious metals is already in line with the BOPCOM paper from 2017. No further action for the update of *GFSM 2014* is needed to maintain alignment.