STATISTICS

GFSM 2014 update

Proposed Recommendations Document:

2.30 Methodological guidance on compiling and analyzing State-Owned-Enterprise (SOE) data

Summary Details

Links to Related Guidance/Discussion/Issue Notes and Latest Manuals: DN 2.30 Methodological guidance on compiling and analyzing SOE data *GFSM 2014*, *2025 SNA (pre-edit)* and *BPM7 (pre-edit)* [1]	
Global Consultation(s):	GFSM: March 2026
Discussions at the Advisory Expert Group on National Accounts (AEG) / Balance of Payments Committee (BOPCOM) Meeting(s):	N/A
Discussions at GFSAC Meeting(s):	January 2026
Summary of Proposed Recommendations: The proposed recommendations to update the GFSM are to: • introduce a supplementary statement within the GFS analytical framework to present key transactions and balance-sheet positions between general government and public corporations, using a standard format (Annex I) to be revisited after completion of the GFSM update research phase. • maintain current *GFSM 2014* guidance (i.e., no explicit direction) on applying the classification of the functions of government (COFOG) to expenditure of market SOEs (i.e., public corporations). • retain the GFSM's current structure while adding targeted SOE-specific paragraphs and/or text boxes in core chapters, to be developed after the research phase. • develop, after publication of the GFSM update, a stand-alone applied SOE compilation guide with practical examples to support implementation (see Annex II for proposed structure).	

[1] Links are to the pre-edit (or "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. The information relating to state-owned enterprises (SOEs) as well as transactions between SOEs and government is dispersed throughout the *GFSM 2014*. 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.

2. There is growing demand from users for more comprehensive, granular and internationally comparable public sector data. As fiscal risks and sustainability concerns increasingly relate to the activities of 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.

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

3. The GFS analytic framework does not fully support detailed analysis of interactions between government and market SOEs. In many countries, public corporations are often not reported, and where consolidated public sector statistics are missing, their transactions can be confused with those involving private entities. Subsidies to public corporations are usually identifiable, but other interactions, such as capital injections, debt relief, guarantee calls, and asset transfers, are not always separately captured and often fall under broad categories. Property income flows between government and public corporations are also hard to distinguish from those with private entities.

4. From a balance sheet perspective, government claims and obligations to public corporations are not clearly separated from those with private companies. For example, on-lending to public corporations is often not distinct, and government equity in public corporations can be mixed with investments in private firms. Government debt held by public corporations may also be grouped with liabilities to the private sector. Better identification of these transactions and positions would help expand GFS coverage and improve fiscal analysis and risk reporting

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

5. The *GFSM 2014* encourages using the Classification of the Functions of Government (COFOG) to report government expenditure but provides no explicit guidance on whether or how COFOG should be applied to market SOEs/public corporations, a gap also reflected in UN and Eurostat manuals. Excluding public corporation spending can bias functional public-sector analysis (notably for utilities and transport), yet COFOG was not designed for market producers, making consistent application difficult without further conceptual and practical guidance. The consultation on the list of issues for the COFOG update indicated some country practice and demand (with a minority of compilers producing, and users utilizing, COFOG data for public corporations), but this topic was not explicitly included in the initial COFOG update issue list.

6. The global consultation on discussion note 2.30 highlighted that most respondents reported that they do not compile COFOG data for public corporations' expenditure. The main reasons cited were

conceptual concerns, reliance on commercial accounting standards, and data capacity constraints. A small minority of respondents indicated that their country compiles such data, often partially, for internal use, or using modified classifications. Most respondents indicated limited user demand, of which they were aware, for COFOG-based expenditure data for public corporations. Where respondents were aware of demands it was issue-specific, e.g. for climate-related expenditure analysis.

Issue C: Structure of the SOE guidance in the GFSM

7. The *GFSM 2014* offers comprehensive general guidance regarding the treatment of all publicly controlled entities, including SOEs. Nevertheless, information pertaining to SOEs and the transactions between SOEs and government is distributed throughout the manual. The absence of concrete examples illustrating the application of the conceptual framework to real-world SOEs further complicates interpretation. Given the global challenges associated with implementing the *GFSM 2014* methodology as it relates to SOEs, it could be prudent to enhance the presentation of SOE-related guidance and to provide greater elaboration on the practical aspects of data compilation and analysis.

Issue D: Supplementary applied guidance outside GFSM

8. Many practical challenges in compiling SOE data fall outside the scope of the core GFSM, such that further conceptual clarifications alone are unlikely to resolve the most common implementation problems. Even for conceptual issues, compilers would benefit from applied examples and case studies, as the rules governing sector classification and the recording of government, SOE transactions often require an intermediate to advanced understanding of the GFSM framework and may be difficult to apply without additional, practice-oriented support.

9. The need for applied guidance is increasing as accounting and statistical standards become more sophisticated and, in some areas, diverge. Because compilers frequently rely on SOE financial statements rather than underlying transaction-level data, practical guidance is needed to translate accounting information (such as that of the International Public Sector Accounting Standards or International Financial Reporting Standards) into SNA/GFSM concepts (e.g., leases, insurance contracts, and emerging treatments such as data assets). While regional materials (such as Europe's *MGDD 2022*[2]) provide useful case studies, their regional focus and alignment with *ESA 2010*[3] limit their suitability as a global reference.

Proposed Recommendations

10. The proposed recommendations to address **Issue A** are to:

- Introduce a new supplementary statement on interactions between general government and public corporation sectors into the GFS analytic framework.
- A proposed format is provided in Annex I and should be revisited after the GFSM update research phase is complete to reflect any relevant changes arising from other research projects.

11. The proposed recommendation to address **Issue B** is to:

[2] Manual on Government Deficit and Debt 2022 *(MGDD 2022)*
[3] European System of Accounts 2010 *(ESA 2010)*

- Maintain the current guidance in *GFSM 2014* without explicit direction on the use of COFOG for reporting expenditure of public corporations.

12. The proposed recommendation to address **Issue C** is to:

- Maintain the present structure of the manual, appending core chapters with paragraphs and/or text boxes on SOE-specific considerations. These boxes should be developed after the GFSM update research phase is complete to reflect any relevant changes arising from other research projects.

13. The proposed recommendation to address **Issue D** is to:

- Produce a stand-alone applied compilation guide for SOE data provided. This guide should be developed after the update of the GFSM. The proposed structure for such a guide is provided in Annex II.

Rationale for Proposed Recommendations

14. The recommendations aim to improve transparency and consistency in how interactions between government and state-owned enterprises are recorded and presented, supporting better fiscal analysis without requiring major changes to the existing framework. They also preserve flexibility where international practice and user needs are still evolving, while strengthening the manual through targeted SOE-related additions that fit within the current structure. Finally, they recognize the value of complementary, practical guidance, such as examples and case studies, to help compilers address common implementation challenges, subject to available resources and prioritization.

Proposed Text for GFSM Update[4,5]

15. Proposed text to accompany supplementary statement (Issue A):

x.x The supplementary statement provides a standardized presentation of key flows and balance sheet positions between the general government sector and the public corporations sector. Its purpose is to improve the visibility of fiscal relationships and exposures that are often difficult to identify in the core GFS framework, such as equity injections and withdrawals, on-lending, debt assumption and relief, guarantee calls, and other forms of support, thereby strengthening fiscal analysis, transparency, and fiscal risk monitoring. The statement is intended to complement (not replace) existing GFS statements and can be compiled for the total general government and/or for subsectors, depending on country needs and data availability.

x.x For this statement, “public corporations” refers to resident public corporations as defined in the GFSM. “Between” general government and public corporations refers to transactions and positions for which the counterpart unit is in the other sector; accordingly, totals in this statement are not intended to equal totals

[4] The proposed text for the updated GFSM remains subject to further review and may not be finalized until the conclusion of the drafting phase of the GFSM update.

[5] Text shown in red indicates proposed additions; text shown with strikethrough indicates proposed deletions; and text shown in blue indicates text moved from elsewhere in the same section.

for the same categories in the main statements, which also include transactions and positions with other counterpart sectors (households, private corporations, nonresidents, etc.).

x.x The table groups items into (i) revenue and expense with public corporations (e.g., taxes, subsidies, dividends/withdrawals, interest, transfers); (ii) net/gross investment in nonfinancial assets with public corporations (e.g., acquisitions/disposals of produced and nonproduced assets, and asset transfers); (iii) transactions in financial assets and liabilities with public corporations (e.g., loans and on-lending, equity and investment fund shares, accounts payable/receivable, and other instruments); and (iv) asset and liability positions vis-à-vis public corporations (e.g., government claims on public corporations and obligations to them). These groupings help users distinguish between current support, capital support, and changes in fiscal risks reflected in the financial balance sheet.

16. No text is proposed for Issue B, while text for Issue C will require development during the drafting phase of the GFSM update. The proposed recommendation for Issue D is to develop a compilation guide after publication of the GFSM update.

Annex I: Proposed supplementary statement

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 from public corporations 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
31PC	**Net/gross investment in nonfinancial assets with public corporations**
32PC	**Transactions in financial assets with public corporations**
3202PC	Currency and deposits
3203PC	Debt securities
3204PC	Loans
3205PC	Equity and investment fund shares
3206PC	Insurance, pension, and standardized guarantee schemes
3207PC	Financial derivatives and employee stock options
3208PC	Other accounts payable
33PC	**Transactions in liabilities with public corporations**
3302PC	Currency and deposits
3303PC	Debt securities
3304PC	Loans
3305PC	Equity and investment fund shares

3306PC	Insurance, pension, and standardized guarantee schemes
3307PC	Financial derivatives and employee stock options
3308PC	Other accounts payable
62PC	**Asset positions with public corporations**
6202PC	Currency and deposits
6203PC	Debt securities
6204PC	Loans
6205PC	Equity and investment fund shares
6206PC	Insurance, pension, and standardized guarantee schemes
6207PC	Financial derivatives and employee stock options
6208PC	Other accounts payable
63PC	**Liability positions with public corporations**
6302PC	Currency and deposits
6303PC	Debt securities
6304PC	Loans
6305PC	Equity and investment fund shares
6306PC	Insurance, pension, and standardized guarantee schemes
6307PC	Financial derivatives and employee stock options
6308PC	Other accounts payable

Annex II: Proposed structure for standalone SOE applied compilation guide

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.[6]

[6] Some of these issues are considered as part of the *GFSM 2014* Update Research Project 2.27: Relationship between GFS and IPSAS.