



GFS Notice of Decision

1.17 Debt concessionality

GFS Notice of Decision¹:

The update of the *GFSM 2014* will maintain the existing treatment in the *GFSM 2014* (para. 7.246), where concessional loans are generally not recorded in the central GFS framework with concessional lending recorded at the face/nominal value.

The reporting of a memorandum item (or similar) for the value of the implicit transfers resulting from loans at concessional interest rates (GFS code 6M392) will continue. Specifically, for concessional loans provided in non-market contexts, like those from governments or international organizations, supplementary information on the concessionary nature of the loans should be disclosed. Where a transfer element is recognized as supplementary information, it should be recorded as a capital transfer at inception of the loan.

The *GFSM 2014* allows for two exceptions to the above treatment of concessional lending – employer loans to employees (*GFSM 2014* para. 6.17) and central bank lending (*GFSM 2014* Box 6.2 and para. 6.89). In the update to the GFSM the references to reporting a subsidy element for concessional lending by central banks will be removed. However, the exception for concessional loans between employers and employees will remain, with a clarification added that the imputed transfer element should be recorded as a continuous stream of remuneration of employees (compensation of employees) over the period of the loan, to better reflect actual cost of labor.

For the purposes of enhancing fiscal transparency and fiscal analysis, innovative options for the presentation of concessional lending, such as specific aggregates or analytical memo items, will be explored as part of the GFSM research project 2.10 *Valuation and recognition of loans*.

GFS Related Documents:

GFS Proposed Recommendations Document	GFSM PR 1.17
GFS Discussion Note	Not applicable
GFS Global Consultations	April 2025
Discussions at GFSAC Meeting(s)	May 2025

¹ The final language used in the updated GFSM will be subject to review during the manual drafting phase to ensure consistency throughout the updated GFSM.



SNA/BPM Related Documents:	
Guidance/Issue Note	SNA/BPM: GN F.15 ; IN: SNA/M4.22/17
Global Consultation(s)	SNA: Feb 2022
Discussions at the AEG/BOPCOM ² Meeting(s)	Joint AEG/BOPCOM: October 2022 ; March 2022

² AEG = Advisory Expert Group on National Accounts, BOPCOM = Balance of Payments Committee