



GFS Notice of Decision

1.21 Islamic finance

GFS Notice of Decision¹:

The update to the *GFSM 2014* will:

- a. Replace the term “interest” with the term “interest and similar returns” defined in line with the [2025 SNA](#), (para. 8.119) as “investment income or interest-like income that is receivable by the owners of certain kinds of financial assets, namely: deposits, debt securities, loans, and other accounts receivable and some similar instruments in the case of Islamic finance, for putting the financial asset at the disposal of another institutional unit”.
- b. Introduce additional guidance in the updated GFSM to clarify how to properly account for Islamic finance and insurance arrangements in the GFS. The guidance would be based on the joint SNA/ BPM Chapter on Islamic finance ([2025 SNA](#) Chapter 26 / [BPM7](#) Chapter 17) and include:
 - A general overview of Islamic finance and how it is different from conventional finance;
 - A review of Islamic financial institutions and their sectorization;
 - A review of Islamic financial arrangements, and how these may be reflected in macroeconomic financial instruments (classification and corresponding investment income);
 - Clarification of economic ownership of nonfinancial assets in Islamic finance arrangements; and
 - Clarification of Islamic financial instruments, specifically, discussing the different sukuk arrangements and how to treat these in GFS as well as including examples of other Islamic finance instruments in the relevant asset and liability categories.

GFS Related Documents:

GFS Proposed Recommendations Document	GFSM PR 1.21
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 IF1
Global Consultation(s)	SNA: January 2024 ; January 2022
Discussions at the AEG/BOPCOM ² Meeting(s)	AEG: October 2023 ; November 2021 ; October 2019 Joint AEG / BOPCOM: October 2022 ; March 2022

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