



GFS Notice of Decision

1.24 Distinction between Taxes, Services and Other Flows

GFS Notice of Decision¹:

The update to the *GFSM 2014* will include a conceptual change to no longer record payments to government for non-transferable licenses issues as part of a mandatory regulatory process as either a tax or sale of service depending on whether or not the payments are “out of proportion” but instead to record all such payments as *taxes on use of goods and on permission to use goods or perform activities* (GFS code 1145). The new guidance will include clarification on the features of a “mandatory” regulatory process and on what would constitute an “exceptional case” which would lead to recording as *sales of goods and services* (GFS code 142).² Text to be in accordance with that in the [2025 SNA](#) (paras. 8.82-8.83, 9.54-9.55, 9.66, 10.71, and 30.87-30.91) with additional clarifications as noted.

The update to the *GFSM 2014* will include a clarification that payments for permits to use a natural resource for an extended period of time should be recorded as *rent* (GFS code 1415). The full details will be subject to the outcome of GFSM research project 2.19 *Accounting for natural resources and their exploitation in GFS*, which considers the “split asset approach” to exhaustible natural resources.

The update to the *GFSM 2014* will include new guidance on when regulatory schemes should lead to the rearrangement of transactions through government. The new guidance will require additional clarification on the limited circumstances under which rearrangement should be followed. Text to be in accordance with that in the [2025 SNA](#) (paras. 30.170-30.171) with additional clarifications as noted.

GFS Related Documents:

GFS Proposed Recommendations Document	GFSM PR 1.24
GFS Discussion Note	Not applicable
GFS Global Consultations	March 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.

² The PR only noted that there “may be needed” additional guidance in this respect, but it was clear from the responses to the global consultation that compilers and users would value these additional clarifications.



SNA/BPM Related Documents:	
Guidance/Issue Note	SNA GN WS.14
Global Consultation(s)	SNA Consultation: March 2023
Discussions at the AEG/BOPCOM ³ Meeting(s)	Joint AEG/BOPCOM: March 2023 ; October 2022 AEG: July 2022 ; May 2022

³ AEG = Advisory Expert Group on National Accounts, BOPCOM = Balance of Payments Committee