



GFS Notice of Decision

1.7 Recording of Fines and Penalties

GFS Notice of Decision¹:

No conceptual changes will be made with regard to the recording of fines and penalties. However, the *GFSM 2014* text (paras. 5.142-5.144, 5.147-5.148, 6.123-6.124 and A7.1244) will be updated to further clarify the distinction that fines are “punitive in nature” whereas compensation payments are “intended to compensate for damage or injury” and that efforts should be made to differentiate between the two as court rulings may commonly include both elements. In addition, the current time of recording of fines and penalties will also be explicitly referenced in relation to court-imposed compensation payments.²

The textual changes will align with those introduced in the [2025 SNA](#) (paras. 9.138.141 and 9.146-9.147) and [BPM7](#) (paras. 13.56-13.59 and 14.37).

GFS Related Documents:

GFS Proposed Recommendations Document	GFSM PR 1.7
GFS Discussion Note	Not applicable
GFS Global Consultations	March 2025
Discussions at GFSAC Meeting(s)	May 2025
SNA/BPM Related Documents:	
Guidance/Issue Note	BPM GN C.8
Global Consultation(s)	BPM Consultation: February 2021
Discussions at the AEG/BOPCOM³ Meeting(s)	BOPCOM: February 2021

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 This clarification on the time of recording of court-imposed compensation payments was not in the original PR, but has been added to address feedback from the global consultation.

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