



GFS Notice of Decision

1.8 Valuation of unlisted equity

GFS Notice of Decision¹:

Text in the *GFSM 2014* will be updated to align with guidance in the [2025 SNA](#) and [BPM7](#) on the preferred methods for valuing unlisted equity namely: own funds at book value (OFBV); transactions prices; and market capitalization. The text will define and describe these methods, reference information from the [2025 SNA](#) (para. 14.82) and [BPM7](#) (para. 7.16), while also incorporating the decision tree explaining selection criteria (Figure 14.1 in the [2025 SNA](#)).

An additional paragraph will be included, briefly describing alternative methods of calculating net asset value, present value/price to earnings ratios, and apportioning global value for situations with inadequate data for the preferred methods, as per [2025 SNA](#) (para. 14.83).

The *GFSM 2014* will also be updated to adopt the guidance in the [2025 SNA](#) (para. 14.86-14.89) and [BPM7](#) (Box 7.1) on negative equity, removing the current footnote 47 in the *GFSM 2014* (para. 7.173) which states that negative equity should be zeroed out in cases of limited liability. Clarification will also be included to explain that negative equity positions in public corporations should not be zeroed out even when government owns less than 10% of the shares.²

Furthermore, *GFSM 2014* (footnote 14 in Chapter 10 and footnote 11 in Annex 3 regarding provisions) will be amended to reflect the impact of the various provisions on the valuation of unlisted equities, serving as indicators of asset quality and value deterioration.

GFS Related Documents:

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| GFS Proposed Recommendations Document | GFSM PR 1.8 |
| GFS Discussion Note | Not applicable |
| GFS Global Consultations | April 2025 |
| Discussions at GFSAC Meeting(s) | May 2025 |

SNA/BPM Related Documents:

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 did not explicitly reference this issue, but it was raised during the global consultation as a useful clarification in reference to *2025 SNA*, para. 14.88.



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| Guidance/Issue Note | SNA/BPM GN D.2 |
| Global Consultation(s) | SNA/BPM Consultation: December 2021 |
| Discussions at the AEG/BOPCOM³ Meeting(s) | Joint AEG/BOPCOM: Feb 2024 ; Oct 2023 ; Oct 2021 |

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