

**IMF Government Finance Statistics Advisory Committee**  
**Virtual Meeting**  
**October 22- 23, 2025**

## **Summary of Discussions**

Prepared by the GFS Advisory Committee (GFSAC) Secretariat

Statistics Department

INTERNATIONAL MONETARY FUND

## IMF GFSAC MEETING

<b>Date and Time</b>	Virtual meeting held on October 22-23, 2025 Time: 07:00am – 10:00am Washington, DC, time
<b>Attendees</b>	<i>GFSAC members:</i> Pridon Aslanikashvili, Galina Braverman, Kris Van Cauter, Jim Ebdon, Dane Mead, João Carlos Fonseca, Rasa Jurkonienė, Aiko Mineshima, Marcel Mukeshimana, Susana Paulse, Karla de Lima Rocha, Evis Rucaj, Philippe Samborski, Mei Ling Tjung, Jorrit Zwijnenburg, Majdeline El Rayess <i>IMF:</i> Bert Kroese, Jim Tebrake, Carol Baker, Steffi Schuster, Lewis Murara, Andrew Kitili <i>Task team co-chairs:</i> Andrew Howie, Camila Hernández Villamán, Carolina Cabañas-León <i>Task team members:</i> Artur da Silva Santos, Naoto Osawa, Imad Khanchaoui, Mike Seiferling, Marc Wermuth GFSAC Secretariat

## OPENING REMARKS

1. The Chair welcomed the GFSAC members, noting that this meeting is the first convening of the GFSAC since the three-day hybrid meeting in May in Brasília. He emphasized that this meeting offered a valuable opportunity for members to reconnect and to engage in substantive discussions on critical topics, including the delineation of government—an essential foundation for ensuring comparability of fiscal statistics between countries. Since the previous meeting, considerable progress had been achieved, notably the publication of 23 final notices of decision, completion of global consultation on the remaining 13 SNA/BPM-related Proposed Recommendations, and the task teams' advancement in developing initial drafts of some GFS-specific Discussion Notes (DNs).

## PROGRESS ON THE GFSM 2014 UPDATE

### Presentation by Foyz Khatun (IMF)

2. The presentation provided an overview of the GFSM update, encompassing a summary of consultation responses, revisions to draft Notices of Decision, and task team activities. Specifically, it elaborated on the feedback received from the consultation on the 13 Proposed Recommendations, highlighting broad endorsement of the recommendations. Additionally, it outlined the task teams' progress, emphasizing the development and review phases of multiple DNs and providing anticipated timelines for their completion. It noted some slippage in specific activities but overall concluded that the GFSM Update project remained on track.

### Main conclusions and actions

3. No specific comments were raised by the GFSAC members, and the Chair concluded that significant progress had been achieved, but momentum needed to be maintained. Members were invited to share at any time with the GFSAC Secretariat any suggestions they might have on how processes could be further improved.

## DN 2.1 BOUNDARY BETWEEN GOVERNMENT -CONTROLLED NON-MARKET PRODUCERS ENGAGED IN NON-FINANCIAL ACTIVITIES (GOVERNMENT UNITS) AND NONFINANCIAL PUBLIC CORPORATIONS

---

### Presentation by Artur Henrique da Silva Santos

4. The presentation outlined eight issues considered in the DN. These covered delineation of Government—Boundary Issues and Market Test Guidance, Sum of Costs, Public Utilities, Regulatory Agencies (Sectorization, Market test, Fees/Taxes) and NPIs Controlled by Public Corporations. For each of the issues discussed the presenter provided various options and highlighted the option being recommended. The issues were discussed one at a time.

### Summary of discussion

5. **Issue A: More prescriptive guidance on the market test:** This issue examines options for extended guidance on how to distinguish between market public nonfinancial corporations and nonmarket government units. The drafting team recommends option A3, which provides more prescriptive quantitative and qualitative guidance based on an indicator approach.

6. GFSAC members were generally supportive of more prescriptive and structured guidance, although members differed on whether they preferred a decision tree (option A2) or indicator-based approach (option A3). The importance of alignment with SNA/BPM was raised, given that sector classification should follow a common approach across all macroeconomic statistics, and the need for consistent classifications across macroeconomic statistics was emphasized. In this regard, it was mentioned that the text in the *2025 SNA* and *BPM7* was limited and many of the suggestions in the DN could be seen as applying or operationalizing that SNA/BPM guidance. However, some members raised concerns that option A3 moved too far away from the SNA/BPM and queried the basis of the different percentages proposed, while others were attracted to the structured approach it provided, suggesting that this would enhance comparability and assist compilers and users.

7. Some members counseled that being clear on the degree to which the GFSM update will include guidance beyond the principles to be followed was an important precursor to deciding on the options. Several members highlighted the benefit of having rules to follow and worked examples but were less sure about whether these should be part of the GFSM or in companion material. One member also suggested that a fourth option might be considered which incorporated merging elements of the indicator-based approach (option A3) into an alternative decision tree approach.

8. **Issue B: Sum of costs approach and production costs, with a focus on return to capital:** This issue examines how to calculate the production costs (expanded under the *2025 SNA*) within the market test. The drafting team recommends option B2, which adopts estimation of cost of capital from the Weighted Average Cost of Capital (WACC).

9. A concern was raised about the use of depreciation from financial statements in the calculation of the production costs given the conceptual difference between this and the statistical approach to depreciation. However, others noted that there may be few other practical options given that the standard PIM (Perpetual Inventory Model) approach to deriving depreciation did not generally allow depreciation to be estimated at the institutional unit level. Several members shared that their current national practice was to use depreciation from the financial statements as a default for most corporations but to adjust for those

corporations where there is expected larger deviations, such as railway companies or other infrastructure corporations.

10. Regarding calculating the net return to capital, there was broad conceptual support for the drafting team recommendation of B2, although it was recognized that there may be challenges in sourcing the necessary information requiring some additional guidance. One member emphasized the importance of maintaining full alignment between the sum of costs calculation for the output of nonmarket units with the approach followed within the market test.

11. **Issue C: Public utility companies – sector classification:** This issue examines how to sectorize public utility companies. The drafting team recommends option C2, which provides more detailed guidance on the classification of public utility companies.

12. There was broad support amongst GFSAC members for the recommended option C2, although it was suggested to make clear in the guidance the definitional scope of public utility companies. In addition, concerns were raised about the appropriateness of the profitability indicator should option C3 be pursued, as public corporations can be profitable thanks to government subsidies and transfers and so it was often not a good indicator of a market body.

13. Some members also commented that it wasn't clear why utility companies had been singled out for additional guidance, noting that public transport corporations was an area that often gave them more challenges in sector classification. One explanation provided was that many (but not all) public utilities are monopolies, which can make it harder to assess whether the prices charged are economically significant.

14. **Issue D: Regulatory agencies – sector classification:** This issue examines how to sectorize regulatory agencies distinguishing between direct and indirect market intervention. The drafting team recommends option D2, which uses a simple decision tree to classify regulatory agencies.

15. **Issue E: Regulatory agencies – market test percentage:** This issue examines how to perform the market test for regulatory agencies comparing between the general market test and 80% cost rule in MGDD 2022. The drafting team recommends option E1, which applies the same criteria used for other public corporations.

16. **Issue F: Regulatory agencies – market test sales:** This issue examines how to apply the market test for regulatory agencies whose revenue is mostly compulsory licenses considering that SNA 2025 reclassifies compulsory nontransferable licenses as taxes. The drafting team recommends option F2, which excludes compulsory non-transferable license revenues from the market test.

17. The GFSAC members considered issues D, E and F jointly given that they are interrelated and all relate to the sector classification of regulatory agencies. There was broad support for introducing a simple classification decision tree (option D1) and for applying the same market test as to other entities (option E1), but less agreement on the impact of the treatment of mandatory nontransferable license fees on the sector classification. Some members were attracted by option F3 which would by convention consider all regulatory agencies with powers to impose mandatory nontransferable license fees (to be recorded under 2025 SNA as taxes) as government units. One attraction of this approach mentioned would be that there would be no need to rearrange the tax transactions through a government unit, as all such entities would be government units. However, others argued that as taxes are not sales receipts then the same classification result would be achieved under the more principle-based option F2.

18. **Issue G: Regulatory agencies – regional/international bodies:** This issue examines how to classify regulatory agencies in economic unions. The drafting team recommends option G3, which follows the *BPM7* Approach – Change Residence Classification Depending on the outcome of the Market Test.

19. GFSAC members did not extensively discuss Issue G, but those who expressed a preference supported the drafting team recommendation of G3. One member explained that the Eurostat guidance described under option G2 was intended to deal with a very specific EU scenario regarding market regulatory agencies undertaking activities under the direction of the EU, and that this scenario might not be so relevant in the broader international context.

20. **Issue H: NPIs controlled by public corporations:** This issue examines how to classify NPIs that are established by public corporations and therefore don't get their resources directly from general government transfers but instead from public corporations. The drafting team recommends option **H2**, which provides more detailed guidance on the classification of NPI controlled by public corporations.

21. Of those who commented on this issue, GFSAC members were somewhat split between providing more guidance on the classification of NPIs controlled by public corporations (option H2) and limiting guidance to the existing general principles (option H1). Those who supported option H2 felt that the additional guidance would be welcomed by compilers, while those who supported H1 raised reservations about expanding too much on existing unit/industry-specific guidance.

## **Main conclusions and actions**

22. The Chair thanked the GFSAC members for the good feedback on the eight issues within the DN, and noted that the points raised both in the interventions and in the chat would be captured and shared. He requested that GFSAC members provide any further written comments on the DN, to the GFSAC Secretariat, by the end of the following week – Friday October 31.

23. The GFSAC Secretariat will share this information with Task Team 1 who will then revise the DN accordingly, and provide a final draft version to the GFSAC for endorsement to go out to global consultation on the recommended options.

## **GFSAC ENGAGEMENT WITH STAKEHOLDERS**

---

### **Presentation by Lewis Murara**

24. The presenter underscored the critical role of outreach and engagement with the broader GFS community on the GFSM update, posing three questions to GFSAC members:

- What engagement activities have you undertaken to date in relation to the GFSM update?
- Are there best practices or lessons learned from stakeholder engagement that you would recommend to fellow members?
- How can the IMF Statistics Department better support you in maximizing the effectiveness and impact of these engagement efforts?

### **Summary of discussion**

25. The following specific engagement practices were shared:

- **Intra-agency Collaboration:** Some members described forming task teams/committees in their countries that typically included the central bank, statistical office, and ministry of finance to coordinate on the GFSM Update and align with SNA/BPM implementation plan.
- **Regional and Professional Outreach:** One member mentioned sharing recommendations within their professional networks, including an association of accountant generals, and regional professional bodies, to broaden consultation and feedback.
- **Events and Forums:** There was a suggestion of organizing hybrid or online events for fiscal statistics compilers and users, including forums with national statistics institutes and accounting communities, to discuss updates and objectives.
- **Regular Stakeholder Updates:** Members proposed maintaining working groups and advisory committees within national statistical offices (and similar) to keep stakeholders informed and coordinate responses to international consultations.
- **Capacity Building and Change Management:** A member recommended starting change management and capacity building early, using materials and technical assistance centers to prepare for upcoming manual changes.
- **Information Sharing:** A member confirmed sharing public consultation information with relevant working groups, including representatives from NSIs, Ministries of Finance, and central banks across EU and EFTA countries.
- **Accessible Communication Materials:** A member proposed that STA produces short videos and visual materials to explain main changes and practical implications for compilers. There was also a general request for materials on the GFSM update that can be shared through different media and with different types of stakeholder groups. In this regard, the meeting was reminded of the slides made available on the [GFSM Update website](#).

## Main conclusions and actions

26. It was noted that maintaining constant communication on the GFSM update was essential and that inter- and intra-agency committees within countries, regional outreach initiatives, and clear communication materials are important communication channels. The GFSAC Secretariat stands ready to support outreach activities, where possible, and members were requested to reach out to the GFSAC Secretariat with suggestions of additional materials that they would find useful to support their outreach.

## DN 2.9 DEBT ASSUMPTION AND DEBT PAYMENTS ON BEHALF OF OTHERS

---

### Presentation by Naoto Osawa & Imad Khanchaoui

27. The presentation outlined four issues regarding the treatment of debt assumption, how to manage debt assumption when the debtor no longer exists, treatment of debt payments on behalf of others, and treatment of debt assumption under the cash basis recording.

## Summary of discussion

28. **Issue A: Treatment of debt assumption:** This issue examines the different interpretations of treatment for debt assumption across various manuals. The Task Team recommended either option A2 (harmonize the updated GFSM with the 2025 SNA) or A3 (reflecting the notion that debt assumption is in principle a gift from the new debtor to the former debtor.)

29. Most GFSAC members supported option A2, which aligns with the 2025 SNA using the “effective legal claim” and “realistic probability” criteria for recording debt assumption. This approach was seen as conceptually sound and practical, promoting harmonization across manuals.

30. However, several members emphasized the need for clearer practical guidance on how to assess “effective financial claim” and “realistic probability,” suggesting the possibility of including illustrative examples and/or referencing guidance in the international accounting standards (e.g., IPSAS, IFRS).

31. One member noted a link between this topic and that of DN 2.1 on the delimitation of general government as many public entities who are in need of debt assumption might not be charging economically significant prices and so be government units. They also highlighted the importance of this guidance for fiscal risk analysis and surveillance.

32. The discussion highlighted that the existing *GFSM 2014* guidance recognized that capital injections into public corporations can be seen as impacting on equity and so are neutral overall in terms of net worth. This may therefore need further reflection to ensure treatment of all capital injections (including in the case of debt assumption) are consistently recorded in both transactions and the balance sheet.

33. While Option A2 (principle-based) was favored, some participants acknowledged the operational clarity of Option A3 (Eurostat’s rule-based approach) but stressed that any deviation from SNA should require strong justification.

34. **Issue B: Debt assumption when the former debtor no longer exists:** The Task Team recommended option B2, which would harmonize the updated GFSM with *BPM7*.

35. There was strong support for option B2, which aligns with *BPM7* guidance: record a capital transfer to the creditor when the former debtor is defunct, rather than to the debtor. This approach was seen as clearer and more consistent.

36. One member suggested that consideration be given as to whether this scenario could be added to the existing decision tree.

37. **Issue C: Treatment of debt payments on behalf of others:** This issue examines when to apply the treatment for debt payments on behalf of others comparing temporary liquidity difficulties and permanent solvency problems. The Task Team recommends either option C2 (principle-based approach in line with *GFSM 2014*) or option C3 (rule-based approach in line with the *MGDD 2022*).

38. There was preference amongst members for option C2, a principle-based approach that requires compilers to assess whether payments reflect temporary liquidity difficulties or permanent solvency problems, with suggested indicators to guide assessment. Although, some members noted that government support may occur for reasons beyond liquidity/solvency (e.g., investment), suggesting guidance should address broader scenarios. In this regard, members noted the practical challenges in applying liquidity, solvency (or other) criteria and the need for clear, implementable guidance.

39. Option C3 (Eurostat's "three consecutive calls" rule) was also considered viable for operational guidance, but most favored option C2 for its alignment with SNA principles. It was noted that in most cases option C2 and option C3 would arrive at the same outcome. Members requested that the basis on which the Eurostat rule was developed/decided (three and not two or four calls) should be further explored. Also, some consistency with IFRS, where 1 missed payment signals technical default, could be explored further.

40. **Issue D: Treatment of debt assumption under cash basis of recording:** This issue examines how to record debt assumption under cash basis of recording. The Task team recommends option D3, which proposes to keep the cash basis of recording in the main reporting system (i.e., no debt assumption recording) while recording debt assumption transactions as a memorandum section.

41. Majority of the members supported option D3 to record debt assumption transactions as memorandum items on a cash basis, balancing transparency and reporting integrity while reducing compiler burden. Although, some members called for further clarity and examples to help compilers use memorandum items in fiscal analysis.

42. There was also some discussion about the continued relevance of cash-basis reporting and whether guidance should be in the main manual or a separate document.

### **Main conclusions and actions**

43. The Chair appreciated the good discussion and emphasized that alignment with *2025 SNA* and *BPM7* was an appropriate guiding principle for all issues. He requested that GFSAC members provide any further written comments on the DN, to the GFSAC Secretariat, by the end of the following week – Friday October 31.

44. The GFSAC Secretariat will share this information with Task Team 2 who will then revise the DN accordingly and provide a final draft version to the GFSAC for endorsement to go out to global consultation on the recommended options.

## **DN 2.8 DEBT VALUATION ISSUES**

---

### **Presentation by Mike Seiferling and Marc Wermuth**

45. The presentation addressed four key debt valuation issues: nominal value, interest accrual on debt securities, asset-backed securities, and remaining maturity. The presenters outlined options for each topic, emphasizing the need for harmonization with *SNA 2025* and a principle-based approach for the GFSM manual

### **Summary of discussion**

46. **Issue A: Nominal value of debt liabilities:** The Task Team recommended option A3, to align the GFSM guidance with the *2025 SNA* definition. Members fully supported the recommendation, noting that this option would lead to more consistency and clarity.

47. **Issue B: Interest accrual on debt securities:** The Task Team recommended option B1, to maintain the current guidance in GFSM with some minimal extra principle-based guidance. Most GFSAC members supported the recommendation preferring to maintain conceptual guidance and avoid exhaustive lists of examples, though a minority saw value in including high-level examples, cross-references to other manuals, or separate compilation guidance.



48. **Issue C: Asset-backed securities:** The Task Team recommended option C1, to not significantly expand the current GFSM guidance but align it with the 2025 SNA. GFSAC members agreed that the current guidance was insufficient, but generally only envisaged limited additional guidance as described under option C1. However, some members saw advantages in option C3 which could expand on the types of assets securitized in the public sector and how these should be treated. In addition, several members suggested adding practical examples in complementary material outside the manual.

49. **Issue D: Remaining/residual maturity:** The Task Team recommended option D1, to clarify the valuation basis to use when reporting remaining maturity, with alignment to 2025 SNA where appropriate. This recommendation was also generally supported by GFSAC members, several members also favored option D3 as they felt it was important to clarify the definitions and reporting guidance for all relevant financial instruments, including complex cases such as pension liabilities.

50. Several members noted that these topics highlighted the need for compilation guidance as well as principle-based guidance and recognized the need to consider how to provide these supporting examples and guidance. One current vehicle for this guidance is the *Public Sector Debt Statistics Guide: For Compilers and Users (PSDSG)* and one member asked about plans to update this. It was explained that this was something currently under consideration, as with the production of other more compilation-based guidance.

51. One member asked about the treatment of concessional lending, and it was explained that this had initially been dealt with through PR 1.17 on Debt Concessionalities and would also be touched on in DN 2.10 on Valuation and Recognition of Loans.

### **Main conclusions and actions**

52. As with the other two DNs, the Chair requested that GFSAC members provide any further written comments on the DN, to the GFSAC Secretariat, by the end of the following week – Friday October 31.

53. The GFSAC Secretariat will share this information with Task Team 2 who will then revise the DN accordingly and provide a final draft version to the GFSAC for endorsement to go out to global consultation on the recommended options.

## **UPDATES FROM MONETARY AND FINANCIAL STATISTICS**

---

### **Presentation by Bidisha Das (IMF)**

54. The presentation outlined the update process for the *Monetary and Financial Statistics Manual (MFSM)*, emphasizing the need for consistency with other international statistical standards (*SNA 2025*, *BPM7*, *GFSM*) and flexibility in the compilation guide to accommodate rapid financial sector innovations. The update is motivated by changes in financial innovation, integration, regulatory standards (e.g., *Basel III*, *IFRS 17*), digitalization (central bank digital currencies, stablecoins, tokenization), and environmental considerations for the financial sector.

55. The update process, like the *GFSM* update process, involves a research phase (identifying and consulting on preliminary research projects) and a drafting phase, with the goal of producing a new manual by end-2028. Overlapping phases are expected to allow for iterative development. Key research topics include compiling money and liquidity aggregates in the digital age, classification of new financial instruments, implications of *IFRS 17* for insurance statistics, and environmental impacts.

## **Main conclusions and actions**

56. The GFSM Update and MFS Update teams will work closely together to ensure good collaboration and coordination. MFS colleagues are already involved in the work of Task Team 2 and are helping draft the DNs on common areas of interest.

## **NEXT STEPS AND REVIEW OF PROJECT TIMELINE**

---

### **Presentation by Steffi Schuster (IMF)**

57. The presentation reviewed the good progress of the GFSM update, highlighting that the SNA/BPM-related projects had been completed and the Committee was now moving into the more complex, GFS-specific issues requiring broader input. However, throughout the process, harmonization with other macroeconomic standards and responsiveness to user needs would remain the key objectives.

58. It was acknowledged that the ambitious target for completing all discussion notes by mid-2026 may slip somewhat but emphasized that work was still on track to deliver the GFSM Update by end-2027.

59. Task Team and GFSAC members were praised for their contributions to-date, and GFSAC members were asked to continue to provide timely feedback in the form of written comments on DNs.

60. Upcoming meetings include a virtual session in late January and an in-person meeting in Washington, DC in May, with requests for feedback on the proposed meeting dates to avoid any potential scheduling conflicts with other international meetings.

61. A member proposed having an outreach event alongside the in-person meeting and prioritizing early discussion of the manual's structure to streamline future work. The presenter confirmed that the importance of both outreach events and the next manual structure were top of mind and more would be communicated on these to GFSAC members in due course.

62. The presentation concluded with a reminder that over the coming six to nine months the GFSAC members can expect to see a steady stream of draft DNs for their review. In addition, the GFSAC Secretariat will be working on developing options for the structure of the next manual and the GFSAC members can expect to receive initial proposals for their review in early 2026.

## **CLOSING REMARKS**

---

63. The Chair thanked GFSAC members for their active and thoughtful contributions throughout the update process and during the virtual meeting. The Chair noted that a draft summary of the meeting discussions will be circulated for comments and reminded the GFSAC members of the proposed upcoming meeting dates (January 27-29, 2026 (virtual) and May 5-7, 2026 in Washington DC), and asked for feedback on these as well as the three DNs discussed in the meeting by Friday October 31.