



## GFSAC Review

## Cover Page

## 1.1 Valuation principles and methodologies

## For Endorsement

## Global Consultation Responses:

Do you agree with the recommendations and their incorporation into the update of the GFS manual?	Count
Yes	25
No	1
Partially	1
No Comment	0
<b>Total</b>	<b>27</b>

**Global Consultation Comments:** Although the majority of respondents agreed with the proposed recommendations, several called for the inclusion of practical guidance with one cautioning the risk of moving away from economic concepts in an effort to align with accounting standards. One respondent while agreeing with the proposed recommendations, suggested that actually “exchange value” should be used consistently throughout the updated GFSM and not “exchange price” to avoid confusion. The respondent that disagreed with the proposed recommendations did not provide a reason, while the respondent that partially agreed noted the need for careful guidance to ensure international comparability.

Some select comments:

- “...However, we suggest that the future GFSM text be accompanied by practical application examples — especially for assets without observable prices — and by clear guidance on how to address divergences from accounting records.”
- “...However, I consider it equally important to complement these recommendations with guidelines that explicitly address the application of different valuation methods in the context of fiscal monitoring and public financial management. This includes practical guidelines on the valuation of public assets and liabilities, particularly for fiscal risk analysis, debt sustainability assessments, and fiscal transparency reporting.”
- “An understanding of the various valuation principles and methodologies is necessary and so we agree with the recommendations in the Guidance Note. However, by making the principles align



*more to accounting measurement than economic principles (and this Guidance Note is not the only example), we risk moving too far away from economic concepts.”*

**Questions for GFSAC:**

- Do you agree to use the term “exchange price” as the basis for determining “exchange values” consistently throughout the updated GFSM for respectively valuing transactions and stock positions.
- Do you endorse the draft Notice of Decision?



# GFS Notice of Decision

**DRAFT**

## 1.1 Valuation principles and methodologies

**GFS Notice of Decision:**

The updated GFSM will incorporate a number of clarifications arounds valuation principles and methodologies, in line with the draft [2025 SNA](#) and draft [BPM7](#).

In particular, these include:

- Adopting the terminology of “exchange price” as the basis to determine “exchange values” to describe the principle for valuing transactions and stocks positions, respectively, as well as providing clarifications on the application of this principle.
- Clarifying the different methods for valuing transactions (and their order of preference).
- Explicitly referencing the distinction between the initial recognition and subsequent measurement of stock/positions.
- Further clarifying the valuation principles for valuing positions, in particular for nonfinancial assets where the notion of capital services needs to be introduced and elaborated.
- Clarifying the application of the valuation principle for various assets, including for natural resources.
- Include a short summary of comparisons of the valuation principles used in macroeconomic statistics with that used in business and public sector accounting.

For these changes, *GFSM 2014* paras. 3.107-3.129 will be updated in line with text on the valuation of transactions (paras. 4.130-4.152) and valuation of stocks (paras. 4.153-4.166 ). Other references to valuations in the remainder of the *GFSM 2014* will be revised accordingly. Additionally, the comparison on valuation principles used in business accounting in the *draft 2025 SNA* (paras. 4.167-4.168) will be considered for inclusion in the updated GFSM.

**GFS Related Documents:**

<b>GFS Proposed Recommendations Document</b>	<a href="#">GFSM PR 1.1</a>
<b>GFS Discussion Note</b>	Not applicable
<b>GFS Global Consultations</b>	<a href="#">July 2025</a>
<b>Discussions at GFSAC Meeting(s)</b>	To be added



SNA/BPM Related Documents:	
Guidance/Issue Note	<a href="#">SNA AI.1</a>
Global Consultation(s)	SNA Consultation: <a href="#">September 2023</a>
Discussions at the AEG/BOPCOM <sup>1</sup> Meeting(s)	AEG: <a href="#">March 2023</a> ; <a href="#">October 2022</a>

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<sup>1</sup> AEG = Advisory Expert Group on National Accounts, BOPCOM = Balance of Payments Committee