



## GFSAC Review

### Cover Page

#### 1.12 Reverse transactions

### For Endorsement

**Global Consultation Responses:**

Do you agree with the recommendations and their incorporation into the update of the GFS manual?	Count
Yes	23
No	0
Partially	1
No Comment	3
<b>Total</b>	<b>27</b>

**Global Consultation Comments:** Although the majority of respondents agreed with the proposed recommendations, some provided comments for clarification as well as highlighting issues with implementation. The respondent that partially agreed mentioned in the comments that their country was not part of a currency union, however, noted the usefulness of the proposed recommendations. It is likely therefore that the comment was intended to relate to PR 1.3 and not PR 1.12. Some select other comments are replicated below:

- *"Please take into account:*
  - *Loans in RT only arise when there is cash-collateral. The text in the recommendation document and in some of the proposed draft paragraph (e.g. 7.159) might be interpreted as if all RT would give rise to loans.*
  - *Also note that RTs with cash collateral are to be classified as deposits if the asset lender is a deposit taking institution.*
  - *Even if not so relevant for government, crypto asset lending should also be covered in this recommendation (there is a separate clarification/ issues note produced by the IMF on the subject).*
  - *Given that gold swaps are mentioned, it might be worth referring to the impact in reserve assets of such transactions (again, see separate note prepared by the IMF in the context of the BPM6 update)."*
- *"I think it would be a more clear guide if you explained with examples about interest, dividend records, and negative asset records according to reverse transactions."*



- *“Agree with the recommendations, however, the concept of legal and economic ownership is confusing. For example, many of the rights of legal ownership, such as the receipt of interest and dividend income reside with the economic owner and ultimately, ownership usually passes back to the original (original legal) owner of the asset. Yet, we say during the contract term, the lender is the economic owner. There are good reasons for this but clarification would be appreciated. A worked example -- perhaps more than one -- of an RT involving government would be very useful.”*
- *“...GFS is more likely to be based on available administrative data and bound by its limitations compared with other domains of economic statistics. We note that the activities in question are likely to take place in the public corporation subsector (or financial institutions classified to the general government sector), for which the most detailed FMIS-style data are rarely available. In the more aggregated IFRS/IPSAS-based source data, repurchase agreement assets and liabilities tend to be identifiable (subject to their materiality). However, we are not convinced that instances of on-lending can be distinguished from primary lending. We therefore feel that a further discussion of the practicalities would be desirable in the GFSM context.”*

**Questions for GFSAC:**

- Should worked examples to support this guidance be developed?
- Do you endorse the draft Notice of Decision?



# GFS Notice of Decision

**DRAFT**

## 1.12 Reverse transactions

**GFS Notice of Decision:**

To provide additional and concise clarification and references regarding reverse transactions (RTs), and to maintain consistency with the [draft 2025 SNA](#) and [draft BPM7](#) on the treatment of interest under RTs and the treatment as negative assets of short (negative) positions generated by on-selling. Specifically, the updated GFSM will:

- Adopt the definition of RTs as contained in the Glossary of System of National Accounts terms and definitions;
- Align to the treatment of interest under RTs as described in the *draft 2025 SNA* (para. 8.125);
- Align to the treatment of short (negative) positions as described in the *draft 2025 SNA* (para. 12.83);
- Ensure the consistent treatment of reverse transactions in line with *draft 2025 SNA* paras. 12.80-12.85 and GFSM Update research projects 1.15 (treatment of cash collateral); 1.18 (the recording of crypto assets in macroeconomic statistics); 1.13 (financial derivatives by type); and 1.16 (treatment of factoring transactions);
- Inclusion of one or more worked examples to support the updated guidance on the treatment of RTs.

**GFS Related Documents:**

GFS Proposed Recommendations Document	<a href="#">GFSM PR 1.12</a>
GFS Discussion Note	Not applicable
GFS Global Consultations	<a href="#">July 2025</a>
Discussions at GFSAC Meeting(s)	To be added

**SNA/BPM Related Documents:**

Guidance/Issue Note	<a href="#">SNA/BPM F.3</a>
Global Consultation(s)	BPM Consultation: <a href="#">June 2021</a>



**Discussions at the AEG/BOPCOM<sup>1</sup> Meeting(s)**

BOPCOM: [February 2021](#)

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