


MANUAL

GOVERNMENT FINANCE
STATISTICS MANUAL 2014

INTERNATIONAL MONETARY FUND



STATISTICS

GFSM 2014 Update: Process, Timeline, and Research Issues (BOPCOM 24/11)

Forty-Fourth Meeting of the IMF Committee on
Balance of Payments Statistics

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Statistics Department

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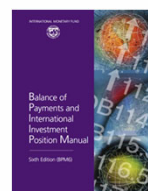
- Update to the *GFSM 2014* – Objectives & Governance
- Overview of Process and Timeline
- Research Program
- Global Consultation
- Next Steps
- Discussion

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The Update to the *GFSM 2014*

- **Objectives:**
 1. Harmonization with other statistical standards
 - not only 2025 SNA and BPM7
 - also launched COFOG, SEEA CF, MFS updates
 2. Meeting user needs
- **Intended outcome:**
 - A new GFS manual (updating and replacing the *GFSM 2014*)
- **Time required for update:**
 - Aim: Updated manual by end-2027
- **Who will be involved:**
 - IMF-led project requiring extensive collaboration and consultation with statistical compilers and users worldwide



Governance

- **IMF Statistics Department** responsible overall
- **Newly reconstituted GFS Advisory Committee (GFSAC)** was established in late-2023
- GFSAC's role is to advise the IMF on GFS matters. The update of the *GFSM 2014* is currently their key agenda item. They play a critical role and will review recommendations.
- **Task Teams** will provide the technical input and research on specific research projects—as with SNA and BPM updates
- **New website** established for the update to the *GFSM 2014*: [Government Finance Statistics Manual \(imf.org\)](https://www.imf.org/Government-Finance-Statistics-Manual)

Government Finance Advisory Committee (GFSAC)

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Mr. Jim Ebdon UK Office for Budget Responsibility	Mr. Jorrit Zwijsburg OECD
Ms. Galina Braverman Israel Central Bureau of Statistics	Ms. Rasa Jurkonienė Eurostat GFS
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Consultation-based Approach

- **The first Global consultation** on the update to the *GFSM 2014* closed in late July.
 - Documents included:
 - ❖ the proposed update processes and timeline
 - ❖ detailed information on the proposed research program
 - split between projects based on new SNA/BPM guidance and projects which are GFS-specific
- **Global consultations** throughout the update process as draft recommendations are reached and new manual is drafted.
- **Outreach** is also expected to take place throughout the update—in particular regional outreach.
- **Stakeholder engagement is critical to ensure a comprehensive and inclusive update to the *GFSM 2014*.**

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Overview of Process and Timeline

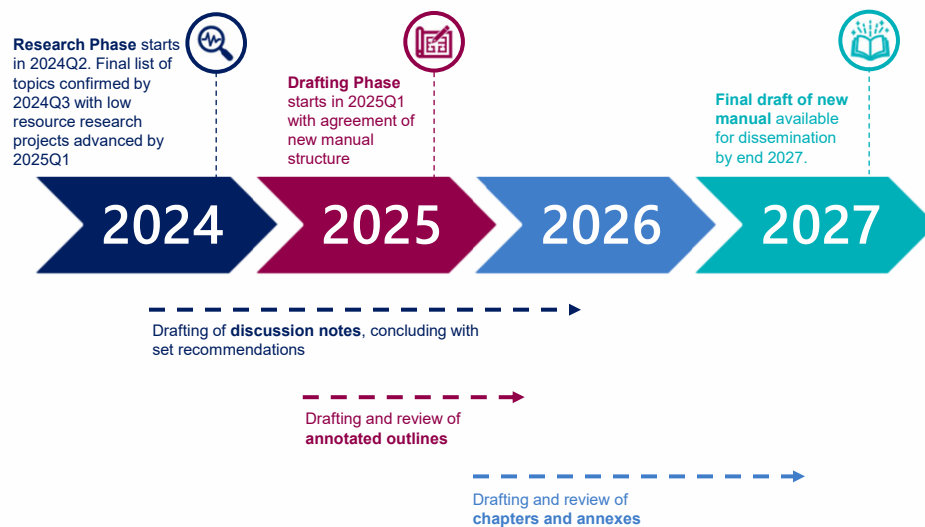
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Phases of Update Process

- **Research Phase:** to develop new guidance for each project in the research program.
 - ❖ **IMF staff led** – new guidance agreed in the context of SNA/BPM updates
 - recommendations on how to incorporate in GFSM
 - global circulation of proposals + final notice of decision
 - aim to finalize by 2025Q2
 - ❖ **Task Teams led** – additional GFS-specific topics identified
 - develop discussion notes for global consultation
 - proceed to propose recommendations
 - global circulation of proposals + final notice of decision
 - expected to conclude in mid-2026
- **Drafting Phase:** to prepare the new manual (structure and content).
- Research and drafting phases overlap and are nonlinear.

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Overview of Proposed Timeline

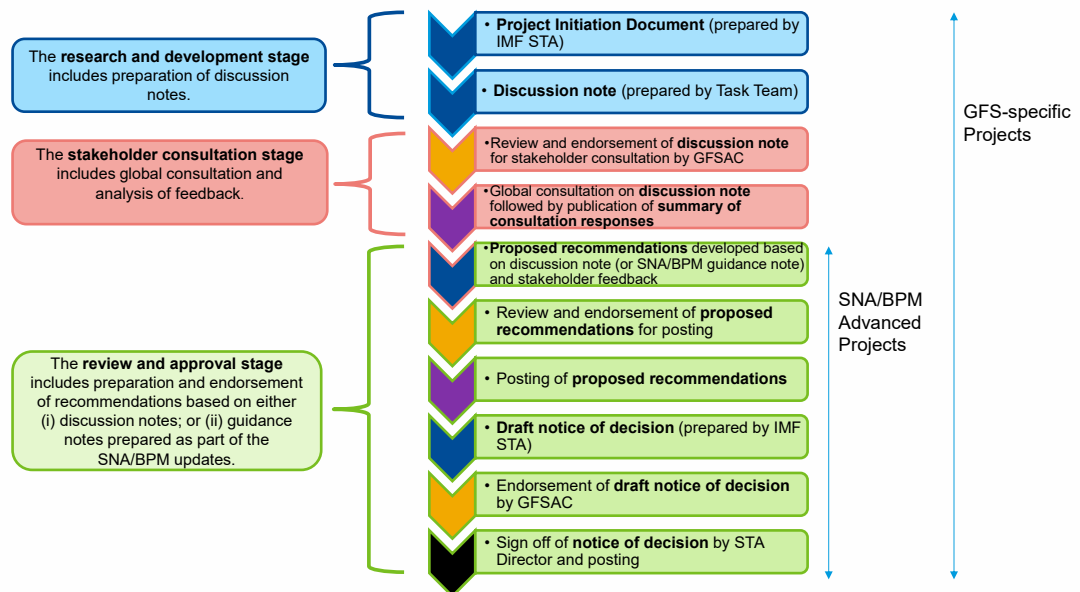


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Overall Process for Advancing Research Projects

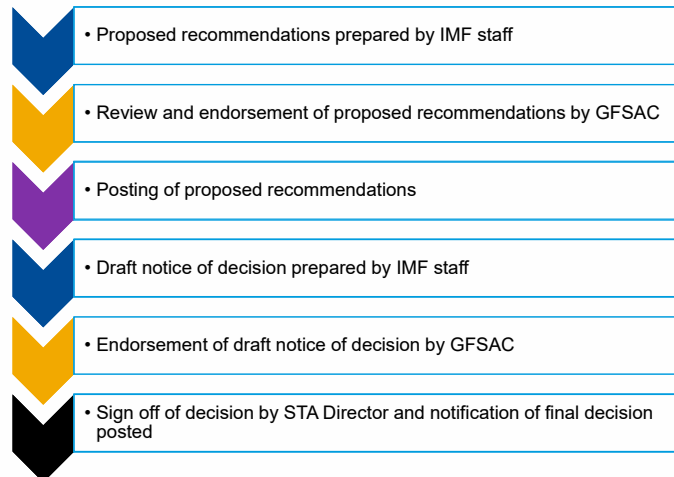


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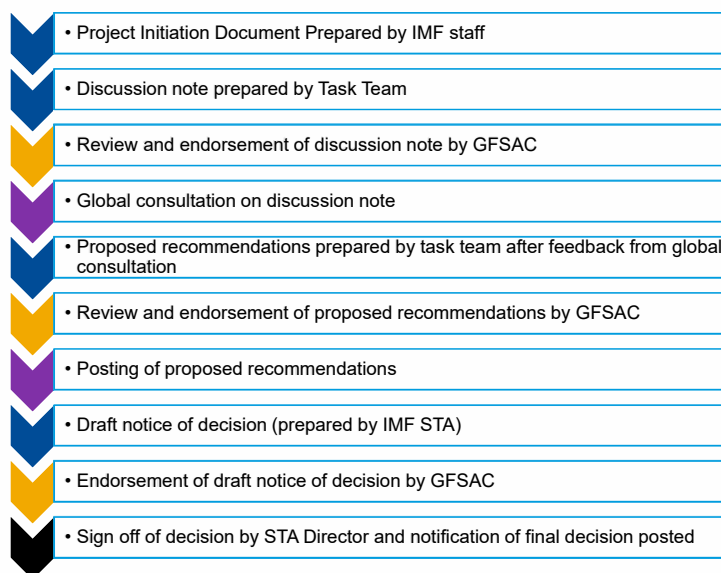
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Research Projects for new guidance agreed in the context of SNA/BPM updates



Research Projects for additional GFS-specific topics



Research Program

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Recap: Process for Advancing Research Projects

Key Points

- The research phase includes **three stages** to advance the research program:
 - ▶ Stage 1: Research and development
 - ▶ Stage 2: Stakeholder consultation
 - ▶ Stage 3: Review and approval stage
- Research projects that are GFS-specific require the development of discussion notes and will start the process at the research and development stage. The research projects will be advanced through the Task Teams.
- Research projects for which SNA/BPM guidance notes exist, will start the process at the review and approval stage. The proposed GFS recommendations are prepared by IMF staff in parallel to the work of Task Teams.

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SNA/BPM Recommendations

- **36 Research projects** for which new SNA/BPM guidance developed
 - Includes clarification and issue notes and not only guidance notes
 - Some projects may result in a recommendation for no change to the guidance in GFSM but included for completeness.
 - As part of the drafting phase, a review of all changes in the SNA and BPM will also be conducted to identify any additional changes of GFS-relevance.
- IMF staff will prepare a proposed recommendations document for each of the 36 projects highlighting the GFS implications from a compilation and fiscal analysis perspective.
- **The preparation of proposed recommendations** by IMF staff has started and drafting will be completed by the end of 2024. The process ends with the posting of decision notes by Q2 2025.

SNA/BPM Advanced Research Topics (1)

No.	SNA/BPM Reference	Title
1.1	AI.1	Valuation principles and methodologies
1.2	AI.2	Treatment of rent
1.3	B.3	Treatment of centralized currency unions in macroeconomic statistics
1.4	B.8	Recording citizenship-by-investment (CBI) programs
1.5	B.9	Treatment of external assets and related income declared under tax amnesty in external sector statistics
1.6	C.5	Financial and operating leases
1.7	C.8	Recording penalties and fines
1.8	D.2	Valuation of unlisted equity in direct investment
1.9	D.5	Eliminating imputations for an entity owned or controlled by general government that is used for fiscal purposes
1.10	D.17	Identifying superdividends and establishing the borderline between dividends and withdrawal of equity in the context of Direct Investment
1.11	DZ.6	Identifying, valuing and reporting government data assets
1.12	F.3	Reverse transactions

SNA/BPM Advanced Research Topics (2)

No.	SNA/BPM Reference	Title
1.13	F.4	Financial derivatives by type
1.14	F.6	Capturing non-bank financial intermediation in the System of National Accounts and the External Sector Statistics
1.15	F.10 & SNA B.4	Treatment of cash collateral
1.16	F.14	Treatment of factoring transactions
1.17	F.15	Debt concessionality
1.18	F.18	The recording of crypto assets in macroeconomic statistics
1.19	G.4	Treatment of special purpose entities (SPEs) and residency
1.20	G.9	Payments for nonproduced knowledge-based capital (marketing assets)
1.21	IF.1	Islamic finance in the national accounts and external sector statistics
1.22	WS.7	Emissions permits: the atmosphere as an asset
1.23	WS.12	Environmental classifications within GFS
1.24	WS.14	Distinction between taxes, services and other flows

SNA/BPM Advanced Research Topics (3)

No.	SNA/BPM Reference	Title
1.25	A.5 / X.53	Differences between SNA and IPSAS/IAS
1.26	A.6 / X.54	Treatment of trusts and other types of funds as separate institutional units
1.27	A.8 / X.55	Consistency in the application of the sum-of-costs approach
1.28	A.12 / X.9	Work-in-progress, transfer of ownership and capital services
1.29	A.14 / X.56	Add clarifications on the treatment of costs of ownership transfer for different types of assets
1.30	A.15 / X.57	Add clarifications on the distinction between maintenance and capital repairs for intangible assets
1.31	A.16 / X.58	Possible alternative treatment of the transfer of leased assets at the end of the lease period
1.32	B.2	Recording of share buybacks
1.33	BPM Note 3	BPM Clarification Note 3: The Statistical Treatment of Negative Interest Rates
1.34	BPM Note 4	BPM Clarification Note 4: Clarification on Reserve Position in the IMF
1.35	BPM Note 5	BPM Clarification Note 5: Recording of Central Bank Swap Arrangements in Macroeconomic Statistics
1.36	BPM Note 6	BPM Clarification Note 6: Statistical Treatment of Precious Metals Accounts

Research Projects for Delivery by Task Teams

- **32 Research projects that are GFS specific** are assigned to **four different task teams based on the subject**.
- IMF staff has started to prepare Project Indication Documents (PIDs) for each project for the Task Teams.
- Task Teams will prepare two deliverables for each assigned research project, a discussion note, and a proposed recommendations document.
 - **Discussion Notes** will convey the issues to encourage informed discussion and develop recommendations.
 - **Proposed Recommendations:** Once global consultation on the discussion note has taken place, the Task Teams will prepare a proposed recommendations document.

Research Projects in Task Teams

GFS Compilation Task Team	Debt and Other Monetary and Financial Topics Task team	Environmental Topics Task team	Fiscal Analysis & GFS Communication Task team
2.1 Boundary between government and nonfinancial public corporations	2.8 Debt valuation issues	2.19 Accounting for natural resources and their exploitation in GFS	2.32 Balance sheet analysis
2.14 Treatment of public private partnerships (PPPs)	2.15 Treatment of capital injections by government into corporations	2.18 Recording and valuation of infrastructure assets	2.31 GFS within fiscal analysis and policymaking
2.21 Social Security Schemes	2.2 Boundary between government and financial public corporations	2.20 Climate-sustaining and climate-damaging subsidies and other transfers	2.25 Communicating GFS to users
2.22 Government assumption of pension obligations	2.11 Recording of provisions and contingent liabilities	2.26 Presentation of GFS flows related to natural resources	2.27 Relationship between GFS and IPSAS
2.23 Employee benefits – defined benefit schemes	2.9 Debt assumption and debt payments on behalf of others		2.30 Methodological guidance on compilation and analyzing SOE data
2.17 Boundary between capital and current transfers	2.13 Equity for public corporations		2.24 A framework for the presentation of GFS metadata
2.6 Defining and subclassifying extrabudgetary units	2.10 Valuation and recognition of loans		2.28 Tax expenditures, tax deferrals, and other similar incentives
2.7 Government or public nonlife insurance schemes	2.16 Treatment of privatization		2.29 Retained earnings of public corporations and their impact on fiscal analysis
2.5 Treatment of zakat	2.12 Stock positions and related flows with the IMF and other regional / international organizations		
2.3. Indigenous governments	2.4 Transactions with sovereign wealth funds (SWFs)		

Note: The research projects for each Task Team are listed in terms of the average priority given them by respondents to the global consultation.

Global Consultation

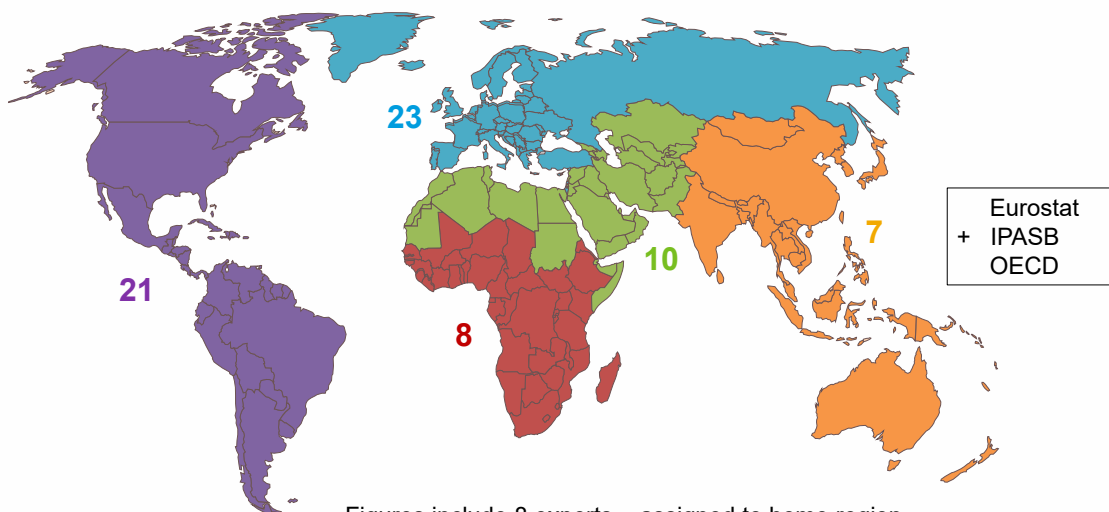
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Respondents by Region

72 Respondents in Total

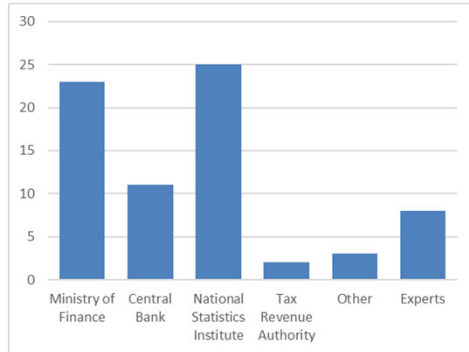


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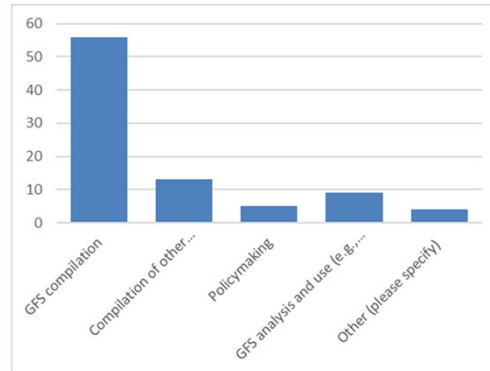
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Respondents to Consultation



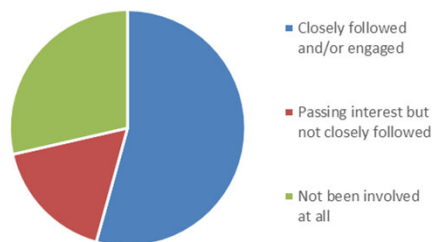
Vast majority of respondents were involved in some way in GFS compilation, but also analysis, policymaking, and compilation of other macroeconomic statistics.

Majority of respondents from National Statistical Offices and Ministries of Finance, but also from Central Banks and independent experts.



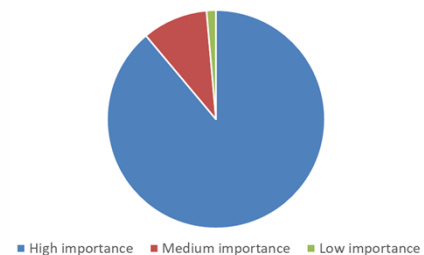
Relationship with SNA/BPM Update

Extent of Involvement in SNA/BPM Update



Nearly half of respondents had either not been involved in the SNA/BPM Update or had only had a passing interest.

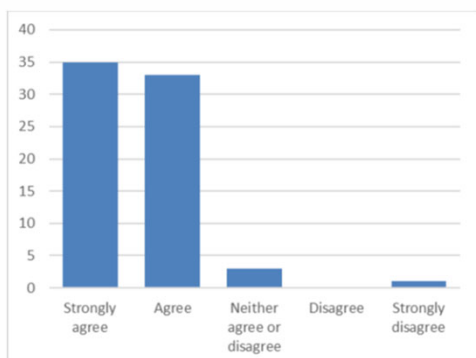
Importance of Harmonization and Consistency with SNA/BPM



Just under 90% of respondents thought harmonization across macroeconomic statistical domains was of high importance.

Proposed Objectives, Governance, & Process

Do you agree with the objectives of the update of the GFSM?



Broad support for the proposals around **governance**, **process**, and **timeline** for GFSM Update.

Comments focused on:

- Good communication
- Broad representation
- Meeting user needs
- Criticality of task teams
- Coordination with other updates (e.g., COFOG)

Also, several references to ambitious timetable, requiring

- Appropriate prioritization
- Good project management

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Proposed Research Program

Topics Advanced During the SNA/BPM Update

- **36 topics** identified and included in consultation.
- **No topics** identified as missing from the list.
- Have all topics been sufficiently developed during the SNA/BPM Update for recommendations to be reflected in the updated GFSM?

	Count
Yes	32
Partially	16
No	1
No comment	23
Total	72

Most commented that during the SNA/BPM update the focus was not the GFS, so GFS impacts still needed to be described.

No explanation given, other than it would be beneficial to identify new topics for the GFSM Update.

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Proposed Research Program (cont.)

Of the 32 GFS specific topics identified and included in consultation:

- **29 topics** were considered by majority of respondents as being either “critically important” or “of significant importance”.
- **Other 3 topics** (zakat, indigenous communities, SWFs) attracted less support as many respondents noted these were not relevant to their country.

Takeaways from Consultation Responses

- **Broad support for the objectives of the GFSM Update** and proposals around governance, process, and timeline.
- **Some concerns over the size of the research program** and the timeline to deliver it within.
- **Not all in the GFS community have been closely following the SNA and BPM updates** with just under half of respondents not having followed updates.
- **Strong support for the individual research projects:**
 - No other SNA/BPM guidance notes identified as being of relevance.
 - 29 GFS-specific research projects topics were considered by majority of respondents as being either “critically important” or “of significant importance”.

Next steps

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Next milestones

- IMF staff to progress the GFSM relevant changes arising from the SNA and BPM update. Expect draft conclusions to be posted next year for global review.
- Establishment of Task Teams to progress 32 GFS specific projects. Discussion notes' consultation will begin in mid-2025.
- Consultation of the draft updated manual is expected in 2027.
- In addition to global consultations, we are planning outreach events to seek input from the IMF membership. We want to hear from you.
- Close consideration is given to the update of COFOG and the SEEA-CF—both are related standards with relevance for GFS, and are updated to a similar timeline.

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Discussion

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Discussion

- What are your views on the objectives of the *GFSM 2014* update?
- What advice would you give based on your experience of the SNA update?
- How would you like to be involved in the GFSM update?

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