

First Progress Report to the Government Finance Statistics Advisory Committee (GFSAC) on GFS Engagement in the International Statistical Standards (ISS) Update Process

Key messages:

- **GFS Experts from Eurostat, GFSAC, IMF, and the International Public Sector Accounting Standards Board (IPSASB) are actively contributing to seven System of National Accounts (SNA) and Balance of Payments Manual (BPM) task teams.** In their role as members of the task teams, the GFS experts have been preparing and reviewing relevant draft guidance notes and have been actively contributing to the task team discussions. *GFSAC members and observers are invited to take note of the GFS experts participating in the task teams (see Appendix 1).*
- **The GFSAC website has been updated to highlight the ISS update process and draw attention to the guidance notes of particular GFS relevance.** An [internet page](#) devoted to the GFS engagement in the update to the ISS has been added to the [GFSAC website](#). *GFSAC members and observers are encouraged to promote the new web page among their professional networks.*
- **Work on GFS priority issues through engagement in the SNA/BPM task teams is progressing well.** Guidance notes are under preparation for all of the previously identified GFS priority issues, with some already having progressed to public consultation, others being under review within task teams, and the remaining ones at earlier stages of drafting. *GFSAC members and observers are asked to note the progress made and to engage with the guidance notes once they reach the public consultation phase by providing comments and suggestions.*
- **During the second half of 2021, work will commence on the second phase of the [GFS Engagement Strategy for the ISS Update](#).** Such work will aim at progressing identified GFS priority topics through the GFSAC research agenda. Authors will be sought to lead on the drafting of guidance notes included in the research agenda for consideration by the GFSAC.

Introduction

- 1. This is the first progress report to the GFSAC on the GFS engagement in the ISS update.**¹ This report is produced in accordance with the [strategy](#) for the effective engagement of the GFS community in the ISS, which was adopted by the GFSAC in December 2020. Specifically, a biannual progress report was foreseen to be prepared by the GFSAC Secretariat, with inputs from the GFS experts appointed to the task teams, and circulated to the GFSAC members and observers to inform on progress made and key activities ahead.
- 2. The report refers to the progress made through the GFS engagement during the period October 2020 to March 2021.** During this period GFS experts have been appointed to the existing SNA and BPM task teams, established through the IMF's Committee on Balance of Payments Statistics (BOPCOM) and the UN's Intersecretariat Working Group on National Accounts (ISWGNA). These GFS experts have worked within these task teams to advance GFS-priority issues (such as, debt concessionality and public private partnerships) as well as GFS-relevant issues (such as, recording of penalties and fines and the treatment of tax amnesties). Full details on all the GFS-priority and GFS-relevant issues are presented in summary format below, and in fuller detail in the appendixes.
- 3. The report also looks ahead to the next six months (April – September 2021) and highlights upcoming activities of relevance to the GFSAC and the wider GFS community.** These upcoming activities principally relate to the work of GFS experts within SNA/BPM task teams. However, reference is also made to the need for further engagement of the GFSAC, and the wider GFS community, to ensure that the GFS perspectives are considered during consultation on proposed updates to the current statistical methodologies and concepts.
- 4. The progress report makes reference to GFS experts, the GFSAC, and the GFS community.** In the context of this report, GFS experts refers to those individuals who have been appointed to SNA/BPM task teams. The GFSAC consists of members and observers from both country authorities and international organizations, representing not only compilers of GFS but also the users of GFS. In contrast, the GFS community is a much wider concept, and the term is used to refer to all those with an interest in GFS, including international organizations, country statistical compilers, and users of fiscal statistics/data for analysis, policy making, and policy evaluation.

¹ More detailed information on the update to the SNA and the BPM can be found on dedicated pages of the [United Nations](#) and the [IMF](#) websites.

5. The report follows a standardized and concise structure.² It starts with the key messages that draw attention to the main achievements of the last six months and next steps for the forthcoming six months. The following sections on progress achieved and upcoming activities expand on the key messages and provide additional details. Three appendixes include more detailed information, as follows: Appendix 1 includes the list of GFS experts; Appendix 2 presents a high-level timetable for the GFS-relevant research issues; and Appendix 3 encompasses information on the progress on each research topic, by SNA/BPM task team.

Progress achieved

6. A framework has been established for the engagement of the GFS community in the ISS update. The [strategy note](#) that was adopted by the GFSAC in December 2020 guides this engagement. The first phase of the strategy describes the involvement of GFS Experts in the established SNA/BPM task teams. The mechanics of how these GFS Experts will effectively collaborate and communicate was specified in an operational framework document finalized in January 2021.

7. The GFSAC website has been extended to include an internet page dedicated to the GFS engagement in the ISS update. The [internet page](#) provides summary background information, including the GFSAC strategy for engagement in the ISS update, and highlights those public consultations on draft guidance notes that are considered to be of particular relevance to the GFS compilers and users. The availability of the web page generates the opportunity to post complementary material on the GFS implications of proposed methodological changes. However, to be effective the web page needs to be promoted throughout the GFS community. *GFSAC members and observers are therefore encouraged to alert their professional networks to the new web page, and are invited to suggest to the GFSAC secretariat any additional materials that might be usefully posted on the web page.*

8. GFS Experts from Eurostat, GFSAC, IMF, and the IPSASB have been appointed to seven of the ten SNA/BPM task teams (see Appendix 1). The only SNA/BPM task teams without GFS representatives are the task teams on Digitalization, Informal Economy, and Islamic Finance. Overall, the focus of these three task teams has few implications for GFS; also, if GFS-relevant issues arise, the task team leaders have the opportunity to reach out to the GFS experts in other task teams.

² The format of the report was initially set out in the “Operational Framework to Support the Effective Collaboration and Communication between/with GFS Experts and GFSAC during the First Phase of the Strategy for the Effective Engagement of the GFS Community in the ISS Update Process.”

9. All twelve GFS priority issues identified for advancement through the SNA/BPM task teams are currently being well progressed. The GFS Engagement Strategy Note identified twelve GFS priority issues for advancement through the SNA/BPM task teams. Table 1 summarizes the twelve priority issues and the progress status for these topics. Guidance notes for the first nine topics indicated in Table 1 are in advanced stages, and proposals related to these topics are expected to go through public consultation by end of June 2021.³ The other three topics are expected to be advanced to public consultation in the second half of 2021.

Table 1: Progress on GFS Priority Issues¹ Being Advanced Through SNA/BPM Task Teams

Issue¹ [Guidance Note (GN) reference]	SNA/BPM Task Team (TT)	Progress Status
Health and Social Expenditure – functional expenditure [WS.5]	Wellbeing & Sustainability (WSTT)	GN in progress – AEG ² conducting final review of GN (focused on health expenditure) prior to public consultation in April/May 2021
Financial vs Operating Leases [C.5.1 & C.5.2]	Current Account (CATT)	1 GN finalized and 1 GN in progress – GN C.5.1 approved by BOPCOM and public consultation on GN C.5.2 expected to start by May 2021
Public-Private Partnerships [D.8]	Direct Investment (DITT)	GN in progress – public consultation on GN expected to start by May 2021
Debt Concessionality (low-interest and interest-free loans) [F.15]	Financial Payments & Systems (FITT)	GN in progress – public consultation on GN expected to start by May 2021
Wider Use of Fair Value for Loans (including nonperforming loans) [F.9]	Financial Payments & Systems (FITT)	GN in progress – public consultation on GN expected to start by June 2021
Pollution Permits [WS.2(8)]	Wellbeing & Sustainability (WSTT)	GN in progress – AEG ² conducting initial review of draft GN
Valuation of Natural Resource Assets (including biological assets) [WS.2(3) & WS.2(2)]	Wellbeing & Sustainability (WSTT)	GNs in progress – AEG ² conducting final review of GN WS.2(3) prior to public consultation in April/May 2021, while GN WS.2(2) is expected to be developed by June 2021
Depletion of Natural Resources [WS.2(1) & WS.2(2)]	Wellbeing & Sustainability (WSTT)	GNs in progress – AEG ² conducting final review of GN WS.2(1) prior to public consultation in April/May 2021, while GN WS.2(2) is expected to be developed by June 2021

³ Additional guidance notes on recording of retained earnings, valuation of natural resource assets, and depletion of natural resources are being prepared and expected for circulation for public consultation in the third quarter of 2021.

Issue ¹ [Guidance Note (GN) reference]	SNA/BPM Task Team (TT)	Progress Status
Recording of Retained Earnings [F.2 & D.16]	Financial Payments & Systems (FITT) with DITT	GNs in progress – public consultation on GN F.2 expected to start by May 2021, and GN D.16 to start by September 2021
Treatment of Unlisted Equity [D.2]	Direct Investment (DITT)	GN in progress – public consultation on GN expected to start by September 2021
Alignment of Terms and Definitions [CM.D]	Communication (CMTT)	GN in progress – GN expected to be developed by June 2021
Climate Change / Environmental – functional expenditure [WS.2(5)]	Wellbeing & Sustainability (WSTT)	GN in progress – public consultation on GN expected in second half of 2021

1. Issues are those listed in Table 1 of the [Strategy Note](#). More details on the status of individual issues can be found in Appendix 3.

2. AEG refers to the [Advisory Expert Group](#) on national accounts

10. GFS experts have participated in the drafting of several guidance notes that are of priority, or relevance, to GFS. The process of drafting these guidance notes involves GFS experts working with experts from other statistical domains as part of a small team to consider the conceptual issues within a research topic and make a recommendation as to whether to update the SNA and BPM, and if so discuss options and propose a recommended option on how the manuals should be updated. These draft guidance notes are then reviewed by the full task team, and often other related task teams as relevant, prior to being authorized by BPTT/AEG (as appropriate) for release for public consultation. GFS experts have been, or are, involved in the drafting teams for the following guidance notes:

- D.5 Eliminating imputations for entities controlled by government
- D.8 Public private partnerships
- F.2 Asymmetric treatment of retained earnings
- F.9 Valuation of loans (fair value)
- F.10 Treatment of cash collateral
- F.15 Debt concessionality
- CM.C Compliance framework for the macroeconomic accounting manuals
- CM.D Terminology and “branding” of the macroeconomic accounting frameworks

11. GFS experts also have provided detailed comments and input into a number of guidance notes that are of priority, or relevance, to GFS. In addition to working as part of the drafting team on specific guidance notes, GFS experts have provided detailed written feedback on other relevant draft guidance notes. In some instances, the GFS experts have also engaged in meetings with the drafting teams of guidance notes, during the drafting stage, providing suggestions and sharing their views.

Upcoming activities

12. Advancement of the GFS priority issues is progressing well and will continue over the coming six months. As indicated in Table 1, over the next six months (April – September 2021) it is anticipated that at least nine of the twelve GFS priority issues will be advanced to the point where a recommendation has been reached and consulted on. *The GFSAC members and observers are encouraged to engage during the public consultations, to ensure that the views of the GFS compilers and users are fully considered. To facilitate this engagement, the dedicated GFSAC web page includes links to the ISWGNA/BOPCOM consultation pages on topics/guidance notes of particular relevance for the GFS community, where comments can be provided.*

13. During the second half of 2021, it is planned to commence work on the second phase of the GFS Engagement Strategy, which aims progressing those GFS priority issues that are not under consideration in existing SNA/BPM task teams. This second phase of the GFS Engagement Strategy requires topics to be addressed through the GFSAC research agenda. The topics previously identified as GFS priority issues are shown in Table 2. The intention is to identify authors who can lead the development of draft guidance notes on some or all of the topics. These guidance notes will be developed with the involvement of GFS experts and also of relevant experts from the wider national accounts and balance of payments communities. Once such draft guidance notes have been prepared, they will be shared with the GFSAC by written procedure for review. Close consultation with ISWGNA, BOPCOM, as well as with monetary and financial statistics experts will ensure that the identified cross-cutting issues are properly discussed and addressed.

Table 2: GFS Priority Issues which may be advanced through GFSAC Research Agenda*

Issue
Sectorization – financial activities (may cover: units engaged in financial activities, and/or quasi-fiscal activity of public corporations)
Sectorization – other (may cover: ratio for market test, concept of sales, social security funds)
Provisions (including guarantees)
Treatment of compulsory payments to government as administrative fees (may cover: sales of passports, visa fees, citizenship charges to noncitizens, and/or licenses)
Capital transfers (may cover: when to recognize, and/or time of recording)

* This table is a summary of those issues included in Table 2 and Table 3 of the [Strategy Note](#)

Appendix 1: GFS Experts by SNA/BPM Task Team

ISS Task Teams	GFS Experts
Globalization (GZTT)	Phil Stokoe (IMF/GO) Laura Wahrig (Eurostat) <i>Additional participants in topic-specific sub-teams:</i> Martim Assunção and Floris Jansen (Eurostat)
Wellbeing and Sustainability Task Team (WSTT)	Philippe De Rougemont (Eurostat) João Carlos Fonseca (IPSASB) Philippe Samborski (Canada/GFSAC) Phil Stokoe (IMF/GO)
Communication (CMTT)	David Bailey (IMF/GO) João Carlos Fonseca (IPSASB)
Balance of Payments Task Team (BPTT)	Sagé De Clerck (IMF(FAD)/GFSAC) Philippe De Rougemont (Eurostat) Héctor Hernández (IMF/GO) <i>Additional participants in topic-specific sub-teams:</i> Martim Assunção and Floris Jansen (Eurostat)
Current Account Task Team (CATT)	David Bailey (IMF/GO) João Carlos Fonseca (IPSASB) Laura Wahrig (Eurostat) <i>Additional participants in topic-specific sub-teams:</i> Martim Assunção and Floris Jansen (Eurostat)
Direct Investment Task Team (DITT)	Bruno Da Rocha (IMF/GO) Philippe De Rougemont (Eurostat) Mei Ling (Indonesia/GFSAC) <i>Additional participants in topic-specific sub-teams:</i> Martim Assunção and Floris Jansen (Eurostat)
Financial and Payments Systems Task Team (FITT)	Nabila Akhazzan (IMF/GO) <i>up to March 15, 2021</i> Phil Stokoe (IMF/GO) <i>from March 15, 2021</i> Philippe De Rougemont (Eurostat) João Carlos Fonseca (IPSASB) <i>Additional participants in topic-specific sub-teams:</i> David Bailey (IMF/GO), Martim Assunção and Floris Jansen (Eurostat)

Appendix 2: Expected¹ Timeline for Development of GFS Priority and Relevant Issues (April – October, 2021)

Guidance Note		GFS Relevance ²	Task Team	Status	April	May	June	July	August	September	October
B.9	Treatment of tax amnesty	GFS Relevant Issue	BPTT	draft GN	(AEG)						
B.12	Treatment of illiquid equity in international organizations in the IIP	GFS Relevant Issue	BPTT	in progress	TT Review	Public Consultation	BOPCOM				
C.5.1	Statistical impact of the change in treatment of operating leases in business accounting	GFS Priority Issue	CATT	completed							
C.5.2	Economic ownership in the context of financial and operating lease transactions pertaining, in particular, to aircrafts	GFS Priority Issue	CATT	in progress	TT Review	Public Consultation	BOPCOM				
C.8	Recording penalties and fines	GFS Relevant Issue	CATT	draft GN	(AEG)						
CM.A	Collaborative compilers hub	GFS Relevant Issue	CMTT	in progress	Build and User testing						
CM.B	Digitalization of the SNA, and related manuals, handbooks, and guides	GFS Relevant Issue	CMTT	in progress	Build and User testing						
CM.C	Compliance framework for the macroeconomic accounting manuals	GFS Relevant Issue	CMTT	in progress	TT Review						
CM.D	Terminology and "Branding" of the macroeconomic accounting frameworks	GFS Priority Issue	CMTT	in progress	TT Review						
CM.E	Taxonomy for Macroeconomic Accounting Frameworks	GFS Relevant Issue	CMTT	in progress	TT Review						
D.2	Valuation of unlisted equity in direct investment	GFS Priority Issue	DITT	in progress			TT Review			Public Consultation	BOPCOM
D.5	Eliminating imputations for an entity owned or controlled by general government that is used for fiscal purposes	GFS Relevant Issue	DITT	in progress	TT Review	Public Consultation	BOPCOM				

Guidance Note		GFS Relevance ²	Task Team	Status	April	May	June	July	August	September	October
D.8	Public-private partnerships (PPPs)	GFS Priority Issue	DITT	in progress	TT Review	Public Consultation	BOPCOM				
D.16	Treatment of retained earnings	GFS Priority Issue	DITT	in progress			TT Review			Public Consultation	BOPCOM
D.17	Identifying superdividends and establishing the borderline between dividends and withdrawal of equity in context of direct investment	GFS Relevant Issue	DITT	draft GN	(AEG)						
F.2	Asymmetric treatment of retained earnings between direct and portfolio investment and potential extension to domestic relationships	GFS Priority Issue	FITT	in progress	TT Review	Public Consultation	BOPCOM				
F.3	Reverse transactions	GFS Relevant Issue	FITT	draft GN	AEG						
F.4	Financial derivatives by type	GFS Relevant Issue	FITT	in progress	TT Review	Public Consultation	BOPCOM				
F.6	Non-bank Financial Intermediation	GFS Relevant Issue	FITT	in progress			TT Review			Public Consultation	BOPCOM
F.8	Valuation of debt securities at both market and nominal value	GFS Relevant Issue	FITT	completed							
F.9	Valuation of loans (fair value)	GFS Priority Issue	FITT	in progress	TT Review	Public Consultation	BOPCOM				
F.10	Treatment of cash collateral	GFS Relevant Issue	FITT	draft GN	AEG						
F.14	Treatment of factoring transactions	GFS Relevant Issue	FITT	in progress	TT Review	Public Consultation	BOPCOM				
F.15	Debt concessionality	GFS Priority Issue	FITT	in progress	TT Review	Public Consultation	BOPCOM				
G.4	Treatment of SPEs and residency	GFS Relevant Issue	GZTT	draft GN	(AEG)	Public Consultation					

Guidance Note		GFS Relevance ²	Task Team	Status	April	May	June	July	August	September	October
G.5	Economic ownership and recording of IPP	GFS Relevant Issue	GZTT	in progress				TT Review			
WS.2(1)	Refining economic ownership of natural resources	GFS Relevant Issue	WSTT	draft GN	(AEG)	Public Consultation					
WS.2(2)	Accounting for biological resources	GFS Priority Issue	WSTT	in progress	TT Review						
WS.2(3)	Stronger guidance on valuation methods including net present value (NPV) calculations	GFS Priority Issue	WSTT	draft GN	(AEG)	Public Consultation					
WS.2(5)	SEEA classifications	GFS Priority Issue	WSTT	in progress			TT Review				
WS.2(6)	Recording of the 'regular' environmental taxes and subsidies in the SNA&SEEA	GFS Relevant Issue	WSTT	in progress			TT Review				
WS.2(7)	Distinction between recording a tax or a services transaction	GFS Relevant Issue	WSTT	in progress			TT Review				
WS.2(8)	Recording of pollution permits	GFS Priority Issue	WSTT	draft GN	AEG						
WS.2(9)	Recording of provisions	GFS Priority Issue	WSTT	draft GN	(AEG)	Public Consultation					
WS.2(10)	Recording of depletion – subsumed in guidance notes WS.2(1) and WS.2(2)	GFS Priority Issue	WSTT								
WS.2(11)	Accounting for renewable energy resources	GFS Relevant Issue	WSTT	in progress			TT Review				
WS.4	Labor, human capital, and education	GFS Relevant Issue	WSTT	draft GN	AEG						
WS.5	Health and social conditions	GFS Relevant Issue	WSTT	draft GN	(AEG)	Public Consultation					

1. All dates are indicative and based on latest available information; dates may change (either earlier or later) and new activities may be added or existing activities removed.
2. A GFS "Priority Issue" indicates that it is referenced in the [Strategy Note](#), while a GFS "Relevant Issue" is any other issue being discussed in the Task Team which has been considered to be of particular relevance to GFS.
3. AEG refers to the [Advisory Expert Group](#) for the national accounts, and BOPCOM to the IMF's [Committee on Balance of Payments Statistics](#). In general, these are used to indicate when topics are expected to be discussed in meetings of the AEG or BOPCOM, but when AEG is in parentheses (i.e., (AEG)) this indicates when a draft GN is anticipated to be sent to AEG for written consultation.

Appendix 3a: Balance of Payments Task Team (BPTT) research topics

GFS Priority and GFS Relevant Research Topics

Issue no.	Description	Documents	GFS Relevance ¹	Current Status
B.9	Treatment of tax amnesty	Public consultation (February 2021)	Relevant Issue	Public consultation on draft GN closed on February 1, 2021. BOPCOM supported GN recommendations but requested further consultation with AEG prior to approving by written procedure.
B.12	Treatment of illiquid equity in international organizations in the IIP		Relevant Issue	Draft guidance note is under development by the BPTT. It is expected to go out for public consultation in April/May 2021, ahead of review in the June 2021 BOPCOM meeting.
B.13	Considering separate institutional units of SPEs that are resident in a different territory to that of their owners		Relevant Issue	Drafting of guidance note being led by Direct Investment Task Team (DITT) under GN D.5 – see Appendix 3d.
B.17	Emission (pollution) permits		Priority Issue	Drafting of guidance note being led by Wellbeing and Sustainability Task Team (WSTT) under GN WS.2(8) – see Appendix 3g.

1. A GFS “Priority Issue” indicates that it is referenced in the [GFSAC Strategy Note](#), while a GFS “Relevant Issue” is any other issue being discussed in the Task Team which has been considered to be of particular relevance to GFS.

Other BPTT Topics

- B.1 Nationality concept
- B.2 Standardized definition of net international reserves/revisit reserves-related liabilities definition
- B.3 Treatment of currency unions
- B.4 Reconciliation between flows and stocks

- B.6 Sustainable finance
- B.7 Arrears in IIP
- B.8 Recording citizen by investment programs
- B.10 Auxiliary reconciliation tables
- B.11 Other economic flows on insurance and pension reserves
- B.14 Treatment of digital economy
- B.15 Sectorization of Multi-National Enterprises (MNES)

Appendix 3b: Current Account Task Team (CATT) research topics

GFS Priority and GFS Relevant Research Topics

Issue no.	Description	Documents	GFS Relevance ¹	Current Status
C.5.1	Statistical impact of the change in treatment of operating leases in business accounting	Public consultation (October 2020)	Priority Issue	Public consultation on draft guidance note closed on October 19, 2020. Guidance note approved by BOPCOM. Guidance note proposes <u>not</u> to change the statistical manuals to align with IFRS 16, but to provide more practical advice on how to compile leasing data in accordance with statistical manuals. Will be combined with GN C.5.2 once approved.
C.5.2	Economic ownership in the context of financial and operating lease transactions pertaining, in particular, to aircrafts		Priority Issue	Draft guidance note is under development by the CATT. It is expected to go out for public consultation in April/May 2021, ahead of review in the June 2021 BOPCOM meeting.
C.8	Recording penalties and fines	Public consultation (February 2021)	Relevant Issue	Public consultation on draft guidance note closed on February 9, 2021. BOPCOM requested further refinement to the GN recommendations and

Issue no.	Description	Documents	GFS Relevance ¹	Current Status
				consultation with AEG, after which the GN could be approved by BOPCOM through written procedure.

1. A GFS “Priority Issue” indicates that it is referenced in the [GFSAC Strategy Note](#), while a GFS “Relevant Issue” is any other issue being discussed in the Task Team which has been considered to be of particular relevance to GFS.

Other CATT Topics

- C.1 Recording transactor based components of services (travel, construction and government goods under services)
- C.2 Goods and services account by (trading) enterprise characteristics
- C.3 International trade classified by currency (including for trade linked to long term trade credits and advances)
- C.4 Merchanting and factoryless producers; clarifying negative exports in merchanting; Merchanting of services
- C.6 Trade in services classification
- C.7 Treatment of travel packages, health related travel, and taxes and fees on passenger tickets
- C.9 Valuation of trade under long term contracts
- C.10 *FISIM [dropped from research topic list]*
- C.11 Valuation of imports and exports (CIF-FOB adjustment)

Appendix 3c: Communications Task Team (CMTT) research topics

GFS Priority and GFS Relevant Research Topics

Issue no.	Description	Documents	GFS Relevance ¹	Current Status
CM.A	Collaborative compilers hub		Relevant Issue	The hub is being developed by IMF through an iterative approach which involves frequent user consultation and testing. An initial version of the hub, based on user feedback, is currently being built and the initial version is expected to go live in 2021.

Issue no.	Description	Documents	GFS Relevance ¹	Current Status
CM.B	Digitalization of the SNA, and related manuals, handbooks, and guides		Relevant Issue	The digitalization of the manuals is being led by the UN Statistics Division, and is in the early stages of progress.
CM.C	Compliance framework for the macroeconomic accounting manuals		Relevant Issue	Draft guidance note is under development by the CMTT. It is expected to go out for public consultation after June 2021.
CM.D	Terminology and “Branding” of the macroeconomic accounting frameworks		Priority Issue	Draft guidance note is under development by the CMTT (with involvement of GFS Experts in the CMTT). It is expected to go out for public consultation after June 2021.
CM.E	Taxonomy for Macroeconomic Accounting Frameworks		Relevant Issue	Draft guidance note is under development by the CMTT. It is expected to go out for public consultation after June 2021.

1. A GFS “Priority Issue” indicates that it is referenced in the [GFSAC Strategy Note](#), while a GFS “Relevant Issue” is any other issue being discussed in the Task Team which has been considered to be of particular relevance to GFS.

Appendix 3d: Direct Investment Task Team (DITT) research topics

GFS Priority and GFS Relevant Research Topics

Issue no.	Description	Documents	GFS Relevance ¹	Current Status
D.2	Valuation of unlisted equity in direct investment		Priority Issue	First draft of guidance note expected to be developed by DITT members by July 2021. Following which it will

Issue no.	Description	Documents	GFS Relevance ¹	Current Status
				go out for public consultation ahead of review in the October 2021 BOPCOM meeting.
D.5	Eliminating imputations for an entity owned or controlled by general government that is used for fiscal purposes		Relevant Issue	Draft guidance note is under development by the DITT. It is expected to go out for public consultation in April/May 2021, ahead of review in the June 2021 BOPCOM meeting.
D.8	Public-private partnerships (PPPs)		Priority Issue	Draft guidance note is under development by the DITT. It is expected to go out for public consultation in April/May 2021, ahead of review in the June 2021 BOPCOM meeting.
D.16	Treatment of retained earnings		Priority Issue	First draft of guidance note expected to be developed by DITT members by July 2021. Following which it will go out for public consultation ahead of review in the October 2021 BOPCOM meeting.
D.17	Identifying superdividends and establishing the borderline between dividends and withdrawal of equity in the context of Direct Investment	Public consultation (February 2021)	Relevant Issue	Public consultation on draft guidance note closed on February 9, 2021. BOPCOM indicated general support for the recommendation (A3), to not apply the superdividend concept to accumulated reserves from ordinary earnings for direct investment enterprises (only), but requested further consultation with AEG. BOPCOM also identified an important crossover with GNs on retained earnings (F.2 and D.16). A final decision will be taken following consideration of the AEG consultation and discussion on F.2 and D.16.

1. A GFS “Priority Issue” indicates that it is referenced in the [GFSAC Strategy Note](#), while a GFS “Relevant Issue” is any other issue being discussed in the Task Team which has been considered to be of particular relevance to GFS.

Other DITT Topics

- D.1 Compiling statistics of greenfield investments and extension of capacity
- D.3 Treatment of collective investment institutions
- D.4 Corporate inversion
- D.6 Ultimate investing economy and ultimate host economy in direct investment (including identifying capital in transit)
- D.7 Sectoral breakdown of direct investment
- D.9 Reconciling BPM-based direct investment and FATS/AMNE statistics
- D.10 Defining the boundaries of direct investment, including whether direct investment relationships can be achieved other than by economic ownership of equity
- D.11 Removing debt between affiliated insurance corporations and pension funds from direct investment
- D.12 Including intra-concern (between affiliates) derivatives in direct investment
- D.14 Financial conduits
- D.15 Treatment of payments made by nonresident affiliated enterprises on behalf of DI enterprises
- D.18 Cash pooling in direct investment

Appendix 3e: Financial and Payments Systems Task Team (FITT) research topics

GFS Priority and GFS Relevant Research Topics

Issue no.	Description	Documents	GFS Relevance ¹	Current Status
F.2	Asymmetric treatment of retained earnings between direct and portfolio investment and potential extension to domestic relationships		Priority Issue	Draft guidance note is under development by the FITT (with involvement of GFS Experts in FITT). It is expected to go out for public consultation in April/May 2021, ahead of review in the June 2021 BOPCOM meeting.
F.3	Reverse transactions	Public Consultation (February 2021)	Relevant Issue	Public consultation of draft GN closed on February 1, 2021. BOPCOM approved by BOPCOM subject to consultation with AEG. The guidance note proposes to maintain the existing methodological framework in

Issue no.	Description	Documents	GFS Relevance ¹	Current Status
				BPM6 and 2008 SNA, but to provide additional clarification on recording of short (negative) positions. It also supports the current treatment of recording payments of manufactured dividends/interest as negative credit for the security borrower.
F.4	Financial derivatives by type			Draft guidance note is under development by the FITT. It is expected to go out for public consultation in April/May 2021, ahead of review in the June 2021 BOPCOM meeting.
F.6	Non-bank Financial Intermediation		Relevant Issue	First draft of guidance note expected to be developed by FITT members by June 2021. Following which it will go out for public consultation ahead of review in October 2021 BOPCOM meeting.
F.8	Valuation of debt securities at both market and nominal value	Public Consultation (October 2020)	Relevant Issue	Public consultation on draft guidance note closed on October 19, 2020. Guidance note approved by BOPCOM. The guidance note proposes strengthened guidance on presenting stocks of debt securities at nominal value for liabilities and introducing a supplementary table in the BPM to show the reconciliation between debt securities valued at nominal and market value for liabilities. It also recommends clarifying across all statistical manuals the definition of nominal value
F.9	Valuation of loans (fair value)		Priority Issue	Draft guidance note is under development by the FITT. It is expected to go out for public consultation in May/June 2021, ahead of review in the June 2021 BOPCOM meeting.

Issue no.	Description	Documents	GFS Relevance ¹	Current Status
F.10	Treatment of cash collateral	Public Consultation (February 2021)	Relevant Issue	Public consultation of draft guidance note closed on February 10, 2021. The draft guidance note proposes the classification all cash-collateral related liabilities as deposits. The public consultation reflected mixed views on this proposal, and BOPCOM requested further consultation with AEG prior to the drafting of an updated guidance note.
F.14	Treatment of factoring transactions		Relevant Issue	Draft guidance note is under development by the FITT. It is expected to go out for public consultation in April/May 2021, ahead of review in the June 2021 BOPCOM meeting.
F.15	Debt concessionality		Priority Issue	Draft guidance note is under development by the FITT (with involvement of GFS Experts in FITT). It is expected to go out for public consultation in April/May 2021, ahead of review in the June 2021 BOPCOM meeting.

1. A GFS “Priority Issue” indicates that it is referenced in the [GFSAC Strategy Note](#), while a GFS “Relevant Issue” is any other issue being discussed in the Task Team which has been considered to be of particular relevance to GFS.

Other FITT Topics

- F.1 More disaggregated definition of the financial sector and financial instruments
- F.5 Treatment of credit default swaps
- F.7 Impact of FINTECH and other financial innovations
- F.12 Covering hybrid insurance and pension products
- F.13 Measurement of margins on buying and selling of financial instruments
- F.16 Subscription rights
- F.17 Treatment of Master Risk Participation Agreements
- F.18 Treatment of crypto assets in macroeconomic statistics

Appendix 3f: Globalization Task Team (GZTT) research topics

GFS Priority and GFS Relevant Research Topics

Issue no.	Description	Documents	GFS Relevance ¹	Current Status
G.4	Treatment of special purpose entities (SPEs) and residency		Relevant Issue	Guidance note is under final review by the AEG and BPTT prior to public consultation. It is expected to go out for public consultation in April/May 2021. The guidance note will not specifically address the treatment of government SPEs. This is more directly being addressed as part of the DITT GN D.5.
G.5	Economic ownership and recording of intellectual property products (IPP)		Relevant Issue	Draft of guidance note is expected to be developed by GZTT by the second half of 2021. Following which it will go out for public consultation.

1. A GFS “Priority Issue” indicates that it is referenced in the [GFSAC Strategy Note](#), while a GFS “Relevant Issue” is any other issue being discussed in the Task Team which has been considered to be of particular relevance to GFS.

Other GZTT Topics

- G.1 Valuation of imports and exports (CIF-FOB adjustment)
- G.2 Treatment of Multi-National Enterprises (MNEs) and intra-MNE flows
- G.3 Transfer pricing within MNE group
- G.6 Merchanting and factoryless goods producers and recording of their transactions
- G.7 Global value chains and trade in value-added
- G.8 Typology of global production arrangements
- G.9 Payments for “knowledge-based” capital

Appendix 3g: Wellbeing and Sustainability (WSTT) research topics

GFS Priority and GFS Relevant Research Topics

Issue no.	Description	Documents	GFS Relevance ¹	Current Status
WS.2(1)	Refining economic ownership of natural resources		Relevant Issue	Draft guidance note is under final review by the AEG prior to public consultation. It is expected to go out for public consultation in April/May 2021.
WS.2(2)	Accounting for biological resources		Priority Issue	Draft guidance note is under development by the WSTT and is expected to become available in April/May, after which it will be considered by the AEG.
WS.2(3)	Stronger guidance on valuation methods including net present value (NPV) calculations		Priority Issue	Draft guidance note is under final review by the AEG prior to public consultation. It is expected to go out for public consultation in April/May 2021.
WS.2(5)	SEEA classifications		Priority Issue	First draft of guidance note to be developed by July 2021 for discussion within the WSTT, prior to being considered by AEG.
WS.2(6)	Recording of the 'regular' environmental taxes and subsidies in the SNA&SEEA		Relevant Issue	First draft of guidance note to be developed by July 2021 for discussion within the WSTT, prior to being considered by AEG.
WS.2(7)	Distinction between recording a tax or a services transaction		Relevant Issue	First draft of guidance note to be developed by July 2021 for discussion within the WSTT, prior to being considered by AEG.
WS.2(8)	Recording of pollution permits		Priority Issue	Draft guidance note is being considered by AEG.

Issue no.	Description	Documents	GFS Relevance ¹	Current Status
WS.2(9)	Recording of provisions		Priority Issue	Draft guidance note is under final review by the AEG prior to public consultation. It is expected to go out for public consultation in April/May 2021.
WS.2(10)	Recording of depletion		Priority Issue	This issue is now being covered within the guidance notes for issues WS.2(1) and WS.2(2).
WS.2(11)	Accounting for renewable energy resources		Relevant Issue	First draft of guidance note to be developed by July 2021 for discussion within the WSTT, prior to being considered by AEG.
WS.4	Labor, human capital, and education		Relevant Issue	Draft guidance note is being considered by AEG, prior to public consultation.
WS.5	Health and social conditions		Relevant Issue	Draft guidance note is under final review by the AEG prior to public consultation. It is expected to go out for public consultation in April/May 2021.

1. A GFS “Priority Issue” indicates that it is referenced in the [GFSAC Strategy Note](#), while a GFS “Relevant Issue” is any other issue being discussed in the Task Team which has been considered to be of particular relevance to GFS.

Other WSTT Topics

- WS.1 Unpaid household activities
- WS.2(4) Recording of losses
- WS.3 Distribution of household income, consumption, saving and wealth
- WS.6 Broader framework