

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

June 2022

Key messages:

• **Good progress has been made on topics of GFS relevance.** Forty-four topics from the research agendas of the System of National Accounts (SNA) and Balance of Payments Manual (BPM) task teams have been identified as being of GFS priority or relevance. Global consultation on 35 of these topics has taken place, or is currently taking place, and 19 of those guidance notes have been approved by AEG and/or BOPCOM (as appropriate) or are in the process of being finalized for publication. For the remaining 9 topics, draft guidance notes (and/or user testing) are in the advanced stages of preparation and it is expected that all guidance notes will be finalized and approved within the next six-month period. *GFSAC members and observers are invited to note the progress made on GFS-relevant topics and that the process of writing and consulting on guidance notes is coming to an end.*

• **Work on preparation of the SNA and BPM manuals is commencing, with GFS experts collaborating closely with the editorial teams on GFS-relevant chapters.** The editorial teams for the update to the SNA and the BPM have been established and are working on the detailed processes by which the GFS community will be engaged and consulted with on proposed updates to the manuals. The [GFSAC website](#) will continue to be updated with information on this next stage of the ISS update. *GFSAC members and observers are invited to note the new phase of the ISS update and to welcome the involvement of GFS experts within the editorial process.*

• **A preliminary assessment has been made of the GFS implications resulting from the recommendations in the guidance notes of GFS relevance.** The assessment has categorized the GFS impacts into those (i) implying conceptual changes, (ii) that may require clarification, and (iii) that may result in presentational changes. In total 25 guidance notes have been assessed as containing GFS implications in one of these three categories. The possible GFS impacts are itemized in this progress report, but it should be underscored that this assessment is provisional and includes recommendations in guidance notes which are still under discussion and have not yet been approved. *GFSAC members and observers are asked to review the preliminary assessment of the emerging GFS implications, and if any of the impacts are of concern to raise these with the GFSAC Secretariat (STA-GFSAC@imf.org) and/or through the SNA/BPM consultation processes.*

Introduction

1. This is the third progress report to the GFSAC on the GFS engagement in the ISS update.¹ The [first report](#) was published in early April 2021 and the second report in [October 2021](#). Progress reports are being produced in accordance with the [strategy for the effective engagement of the GFS community in the ISS update](#), which was adopted by the GFSAC in December 2020 and which foresaw a biannual progress report. Reports are prepared by the GFSAC Secretariat, with inputs from the GFS experts appointed to the task teams, prior to being circulated to the GFSAC members and observers to inform on progress made and key activities ahead.

2. This report refers to the progress made through the GFS engagement during the period October 2021 to May 2022. During this period, the GFS experts within the SNA and BPM task teams² (see Appendix 1) have continued to help advance the research topics under the purview of each task team. While GFS experts support all work of the task team(s) to which they are assigned, they have a particular focus on topics of GFS priority and/or relevance. At the time of the last progress report 38 such topics had been identified, a list that has now been extended to 44 topics. The additional 6 topics in part reflect guidance notes that have been progressed through task teams which do not include GFS experts (specifically the Digitalization and Islamic Finance task teams) although it also includes other guidance notes, such as those on crypto assets and currency unions, which have been newly identified as being of GFS relevance. Full details on all the GFS-priority and GFS-relevant issues are presented in summary format below, and in fuller detail in the appendices.

3. The report also looks ahead to the remainder of this year (June 2022 – December 2022) and highlights upcoming activities of relevance to the GFSAC and the wider GFS community. These upcoming activities relate in part to the remaining work of GFS experts within SNA/BPM task teams in discussing and drafting guidance notes describing possible amendments to the current statistical guidance to address identified weaknesses and gaps. However, much of the work on guidance notes is now drawing to a close (see project timeline in Appendix 2) and so it is equally important in the months ahead that the GFSAC and GFS community engage and collaborate with the national accounts, balance of payments, and monetary and financial statistics communities to help to begin to draft the new SNA and BPM.

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.

² The SNA and BPM task teams have been established through the IMF's Committee on Balance of Payments Statistics ([BOPCOM](#)) and the UN's Intersecretariat Working Group on National Accounts ([ISWGNA](#)) with support provided by the Advisory Expert Group on National Accounts ([AEG](#)).

4. As many of the guidance notes are now approved,³ or close to being finalized, this report takes an initial look at the likely GFS impacts emerging from the update process. The previous two reports had focused on those topic areas where the GFS community had engaged without wide discussion of the GFS impacts. However, following consultation, the recommendations of many guidance notes have now received approval to be taken forward for incorporation in the new SNA and BPM manuals, subject to further review, testing (where appropriate), and consultation. As a result, it is now possible to take an initial look at how those decisions may collectively impact the GFS standards. It should be underlined that any such overview of GFS impacts is necessarily provisional at this stage and may subsequently change as progress continues to be made on the remaining guidance notes, and the decisions of the finalized guidance notes are reviewed for their consistency and coherence.

5. 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 relevant international organizations, country statistical compilers, and users of fiscal statistics/data for analysis, policy making, and policy evaluation.

6. The report follows a similar standardized and concise structure to that of the first and second progress reports.⁴ It starts with the key messages that draw attention to the main achievements since the last progress report 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; with a new section providing a provisional assessment of the implications for GFS from the published guidance notes. Three appendixes include more detailed information, as follows: Appendix 1 includes the list of GFS experts engaged in SNA/BPM task teams; Appendix 2 presents a high-level timetable of the update process; and Appendix 3 encompasses information on

³ The BOPCOM use the term “approved” whereas the ISWGNA use the term “endorsed”. In this report the word approved is used to signify either approved by the BOPCOM or endorsed by the ISWGNA.

⁴ 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.”

the progress on each research topic, by SNA/BPM task team, with information added on the likely GFS impacts.

Progress achieved

7. Of the 44 topics identified as being of GFS-priority or GFS-relevance, only 7 guidance notes have yet to be released for global consultation – all of which relate to proposals on economic environmental accounting. Of the remaining 37 topics: 2 relate to tools (the collaborative compilers hub and digitalization of the statistical manuals) that are being designed and built with the involvement of user input and testing; while 35 are guidance notes that have progressed to global consultation, of which 19 have been approved, or are in the process of being finalized for publication, and 16 are still being discussed by AEG and/or BOPCOM.

8. GFS experts in the task teams have been very engaged in drafting and commenting on a large number of guidance notes. Some recent guidance notes in which the GFS experts have been involved include (but are not limited to) the asymmetric treatment of retained earnings [GN F.2], debt concessionality [GN F.15], treatment of factoring transactions [GN F.14], emission permits [GN WS.7], assessment framework to measure alignment with the ISS [GN CM.1] and terminology and branding in the ISS [GN CM.2].

9. The GFSAC website has been regularly updated with links to global consultations on those topics which are of GFS-priority or GFS-relevance. Where a global consultation is thought to be of particular importance to the GFS community, then IMF's GFSAC Secretariat brings attention to the consultation by emailing its list of GFS compiler contacts in all member countries. This was done for instance in February for the guidance note on Debt Concessionality. In addition to information on the global consultations, the [internet page](#) provides summary background information, including the GFSAC strategy for engagement in the ISS update, and the subsequent first two progress reports on the GFS engagement in the ISS update.

10. The original distinction between GFS priority issues and GFS relevant issues is now of less importance as guidance notes have been developed and the likely GFS impacts clarified. A separate section of this report discusses the possible implications for the GFS standards in relation to the different GFS priority or relevant issues. The original GFS Engagement Strategy Note identified GFS priority issues for advancement through the SNA/BPM task teams. These GFS priority issues have been identified as being progressed through 16 guidance notes, of which 9 are now approved, or in the process of being finalized for publication. The other 7 are still under discussion, with 6 of these being related to proposals around changes in the economic-environmental accounting area,

where the recommendations are perhaps more far-reaching than many in terms of their extension to the current conceptual macroeconomic statistical framework. More discussion on these draft recommendations, and the implications they may have for GFS, can be found later in this report, while further details on GFS-priority and GFS-relevant issues and their current stage of advancement can be found in Appendixes 2 and 3.

Upcoming activities

11. Over the remainder of this year (June 2022 – December 2022) work on the remaining guidance notes will conclude and the focus of the update will move to preparing the draft new set of SNA and BPM manuals for consolidation. Appendix 2 provides a high-level overview of the overall update process from initiation (in March 2020) to completion (in March 2025). As shown, there are some differences in terms of the governance and detailed processes for the update of the SNA and BPM, but both communities are working closely together to ensure that the new manuals are advanced in parallel with a high degree of coordination and collaboration.

12. The editorial teams for the new SNA and BPM are establishing a framework for consultation and collaboration with GFS and monetary and financial statistics (MFS) experts. The editorial teams for the update to the SNA and the BPM have been established and are working on the detailed processes by which the GFS, MFS, and system of environmental-economic accounting (SEEA) communities will be engaged and consulted with on proposed updates to the manuals. Efforts will be made to ensure consistency across the macroeconomic statistics manuals, where possible and appropriate to do so. One area where this is currently in evidence is in the work to establish a common glossary of terms for macroeconomic statistics [see GN CM.2].

13. GFS experts will engage closely with the editorial teams of the SNA and BPM and will continue to use the GFSAC webpages to promote the update and its implications for GFS. Where they are relevant to GFS, information on the latest proposals emerging from the editorial process will be shared via the GFSAC webpages. Links to consultations will also be posted and where practical to do so, the GFS inputs will be summarized. When appropriate, GFS covering notes will be included to highlight any implications for GFS from the proposals.

14. The ISS update aims to leverage the potential for digital versions of the manuals to be linked and interconnected. A key feature of the update process is to develop digital versions of the SNA and BPM [see CM.B] that can be easily navigated and searched. Where feasible, the different macroeconomic statistical manuals will be interlinked, allowing users to better navigate across manuals and experience them as a single coherent set of statistical standards. To facilitate this,

opportunities to introduce shared common text on core principles (such as institutional units and sectors, residence, valuation, time of recording and accounting rules) and terms are being explored.

15. The “compilers’ hub”, a new web tool, is expected to be launched before the end of 2022 and GFS compilers are strongly encouraged to make use of it once it is available. The compilers’ hub [see CM.A] aims to provide a digital solution for the macroeconomic statistical compilation community which will allow them to access resources, share knowledge, convene topical conversations, and engage in global collaboration. The hub has been designed through an iterative process of consultation with potential users, including members of the GFS community, and is currently in the build stage. To realize the many benefits that the hub has to offer it will be important that as many compilers as possible, from across the different macroeconomic statistical domain, begin to use the hub after it is launched. The GFSAC Secretariat will therefore promote the hub widely to the GFS compiler community once it is live.

16. GFS priority issues, which are not included in the research topics of existing SNA/BPM task teams, and which do not imply conceptual changes to the macroeconomic statistical framework, are to be progressed through the GFSAC research agenda. It had been proposed to develop a note providing clarification on the distinction between taxes, administrative fees, and other non-tax revenue as part of the GFSAC research agenda. However, it has now been agreed to prepare this as a guidance note [WS.14] for consideration as part of the SNA update, and as such the draft guidance note will be considered by the AEG, as well as GFSAC. A guidance note on this topic is being prepared by GFS experts for consideration at the next AEG meetings in July and October 2022. Progress on the wider GFSAC research agenda will commence once the work on the SNA and BPM guidance notes has completed. It has been agreed that the first topic on the GFSAC research agenda to be progressed will be a clarification on the recording of transactions between governments and public corporations. Therefore, later in the year a guidance note on this topic will be shared with the GFS community for consultation, prior to discussion and/or written consultation with the GFSAC.

Provisional implications for GFS

17. A preliminary review of the guidance notes has categorized all of the GFS priority and relevant issues according to their implications for the current GFS standards. Table 1 provides a high-level overview of the provisional assessment of the implications for GFS by categorizing the impacts of GN recommendations according to whether they involve conceptual changes, clarification (or extension) of existing guidance, presentational differences, or other impacts (including those where no change is proposed other than providing additional compilation guidance). Appendix 3 provides more detail on the possible GFS implications for each individual guidance note.

Table 1: Provisional assessment^{1,2} of guidance notes (GNs) by type of implication for GFS

Type of implication for GFS	Number of GNs ³	GN topic areas ⁴
Conceptual – implies a change to the GFS accounting framework, concepts and/or principles	8	Economic ownership and depletion of natural resources [WS.6]; biological assets [WS.8]; renewable energy [WS.11]; emission permits [WS.7]; provisions [WS.9]; valuation of loans [F.9]; nonresident government controlled special purpose entities (SPEs) [D.5]; factoring [F.14]
Clarification – may require clarifying text on recording activities where the GFS manuals are currently silent or where guidance is limited	10	crypto assets [F.18]; currency unions [B.3]; data as an asset [DZ.6]; Islamic finance [IF.1]; citizenship by investment (CBI) [B.8]; fines and penalties [C.8]; valuation of debt securities [F.8]; valuation of natural resources [WS.10]; valuation of unlisted equity [D.2]; reverse transactions [F.3]
Presentation – may lead to an extension to memorandum items or changes in terminology	7	debt concessionality [F.15]; non-performing loans [F.6]; retained earnings of public corporations [F.2]; derivatives typology [F.4]; terminology harmonization [CM.2]; dissemination taxonomy [CM.3]; assessment framework [CM.1]
Compilation – no change required in conceptual manuals but may benefit from additional compilation guidance	3	operating and financial leases [C.5.1 & C.5.2]; public-private partnerships (PPPs) [D.8]
Other – additional tools / resources available to GFS compilers / users	2	collaborative compilers hub [CM.A]; digital manuals [CM.B]
Unknown – type of implication for GFS currently unclear	4	3 GNs still under development and the GN on cash collateral where the recommendation is subject to change [WS.12, WS.13, WS.14 & F.10]
No impact – no implications foreseen for current GFS guidance	10	<i>[not relevant]</i>
Total	44	

1. Assessment is based on the recommendations of published guidance notes, not all of which have been approved/endorsed.

2. Provisional assessment is the work of IMF staff as of May 2022 and is subject to change as more information becomes available.

3. Only GNs which have been identified as GFS priority or GFS relevant issues have been assessed.

4. Topic areas are summarized using broad descriptions with the related guidance note referenced afterwards in brackets.

18. It is important to note that the assessment in Table 1 is based on the recommendations in those guidance notes that have gone to global consultation (or otherwise been published) regardless of whether the recommendations included therein have been approved. This necessarily means that some of the highlighted GFS implications may not be realized if those guidance notes either are ultimately not approved or if their recommendations are amended following discussion and consultation. Despite this uncertainty in the GFS implications presented, it is believed important to share them at this early stage with the GFS community while there is still an

opportunity, should it be required, to influence the SNA and BPM update through engagement in the collaborative and consultative processes. Future progress reports will revise the GFS implications, as required, to reflect the latest decisions and proposals of the SNA and BPM update.

19. A further assumption made is that all proposed amendments to the SNA and BPM will ultimately be reflected in the GFS standards, if appropriate to do so. This is a necessary assumption given the importance of consistency of concepts, principles, accounting rules, and terminology across the different domains of macroeconomic statistics. With this in mind, it is intended that the new manuals will include common text on core concepts, principles, and accounting rules which will be subsequently incorporated in the next GFS manual. The harmonization of macroeconomic statistics has been an aim of the ISS update process from the outset and has been underscored by the collaborative approach in involving a wide range of economic statistical domains, most notably the GFS, MFS, and SEEA communities.

CONCEPTUAL CHANGES

20. Some of the most significant GFS-relevant conceptual changes proposed are in terms of how to account for the use of natural resources. Box 1 summarizes the key proposals with respect to accounting for the economic ownership and depletion of natural resources (including noncultivated biological resources). Other proposed changes within the economic-environmental accounts, with potential GFS impacts, are (i) to record emission permits as sales of nonfinancial assets and no longer as taxes on production [GN WS.7], (ii) to treat terminal costs (such as decommissioning costs) as “provision charges” rather than within consumption of fixed capital [GN WS.9], and (iii) to extend the asset boundary by recognizing renewable energy resources as nonproduced assets to be valued using the net present value of the expected net returns which would result from their commercial exploitation [GN WS.11].

21. Other potential conceptual changes identified are in relation to valuation of loans, nonresident government-controlled SPEs, and factoring transactions. In the case of loans, the decision has been made to continue to value loans at nominal value but to recognize more situations under which loan values should be “reset” as a result of public information which highlights that the nominal valuation clearly provides an unrealistic value for the loans. In the case of nonresident government controlled SPEs, the decision is that where the SPE is used for fiscal purposes the current guidance to impute the debt in the government accounts should be extended to not only reflect the debt of the SPEs but also other transactions and stock positions (including mirroring the SPE debt instrument). The other guidance note on factoring transactions is still under discussion and more information on the potential implications can be found in Appendix 3.

Box 1: Proposed changes to the recording of the use and ownership of natural resources

Current GFS guidance

Natural resources owned by government (either directly or on behalf of the wider society) are held on the government balance sheet at values estimated using the net present value of the expected future stream of rent which would result from their commercial exploitation. Where government allows another unit to use or extract of the natural resource then this will usually be recorded as a resource lease with the related payments to government recorded as rent.

Although if the government allows the use of the natural resource to extinction, or for an extended period of time with little or no intervention, then it may be recorded respectively as either the sale of the natural resource asset or sale of a permit to use a natural resource asset. In all scenarios depletion of the natural resource is recorded, in the accounts of the economic owner, as an other change in the volume of assets.

Proposed new guidance¹

Depletion of natural resources is to be recognized as a transaction similar to that of the consumption of fixed capital recorded for fixed assets.

Where government is the economic owner of the natural resource and the user/extractor; depletion would be included both as a cost of production (in expense) and negatively within the net investment in nonfinancial assets (natural resources).

Where government retains economic ownership of the natural resource but it is subject to a resource lease with the use/extraction being carried out by a different unit; depletion would still be recorded as a cost of production for the user/extractor but this cost would ultimately be transferred to the government by netting it off against the rent receivable by government.

Economic ownership of natural resource assets is to be split based on the distribution of resource rents and share of operational risks.

The split-asset approach proposes to record some of the natural resource asset on the balance sheet of the user/extractor and some on the balance sheet of the legal owner (usually government) with the transfer of ownership recorded as disposal of a nonfinancial asset (natural resources) and an offsetting capital transfer expense.

1. The proposed new guidance is discussed in [WS.6 on Accounting for the Economic Ownership and Depletion of Natural Resources](#), and is also being discussed with respect to WS.8 (biological resources) and WS.11 (renewable energy resources)

Box 1: Proposed changes to the recording of the use and ownership of natural resources

(continued)

Implications for GFS

The proposed introduction of depletion and split-asset approach for certain natural resources have no impact on net lending / net borrowing but they do impact government's net worth and the government's net operating balance. They also introduce new complexities in terms of calculating depletion and making an assessment of how to split those natural resource assets, where the split-asset treatment is proposed.

Discussions regarding the proposals are ongoing and GFS experts involved in the task teams prepared a [paper](#) raising some GFS concerns with the split-asset approach, which was discussed at the AEG meeting in May 2022.

The next steps are to continue testing the split-asset approach for (i) the feasibility of sourcing the necessary data to allocate the asset between the government and the extractor, and (ii) the best way to reflect the transactions and stocks in the SNA and GFS accounts. Members of the GFS community are encouraged to participate in the testing, which they can do by emailing STA-GFSAC@imf.org.

CLARIFICATION CHANGES

22. The update to the SNA and BPM will provide clarification on a number of topics on which the GFS manual is currently silent or for which guidance is limited. As can be seen in Table 1, these areas include discussion of (i) when to treat data as an asset, (ii) how to record crypto assets, (iii) the treatment of financial entities, instruments, and products which are unique to Islamic finance, (iv) payments to government under CBI programs, and (v) when transactions and stock positions within currency unions should be considered as domestic and when external.

23. The update also will provide additional clarification on the conceptual approach in the following areas: valuation of unlisted equity, valuation of debt securities, valuation of natural resources, recording of reverse transactions, and distinguishing between current and capital transfers related to compensation payments.

PRESENTATION CHANGES

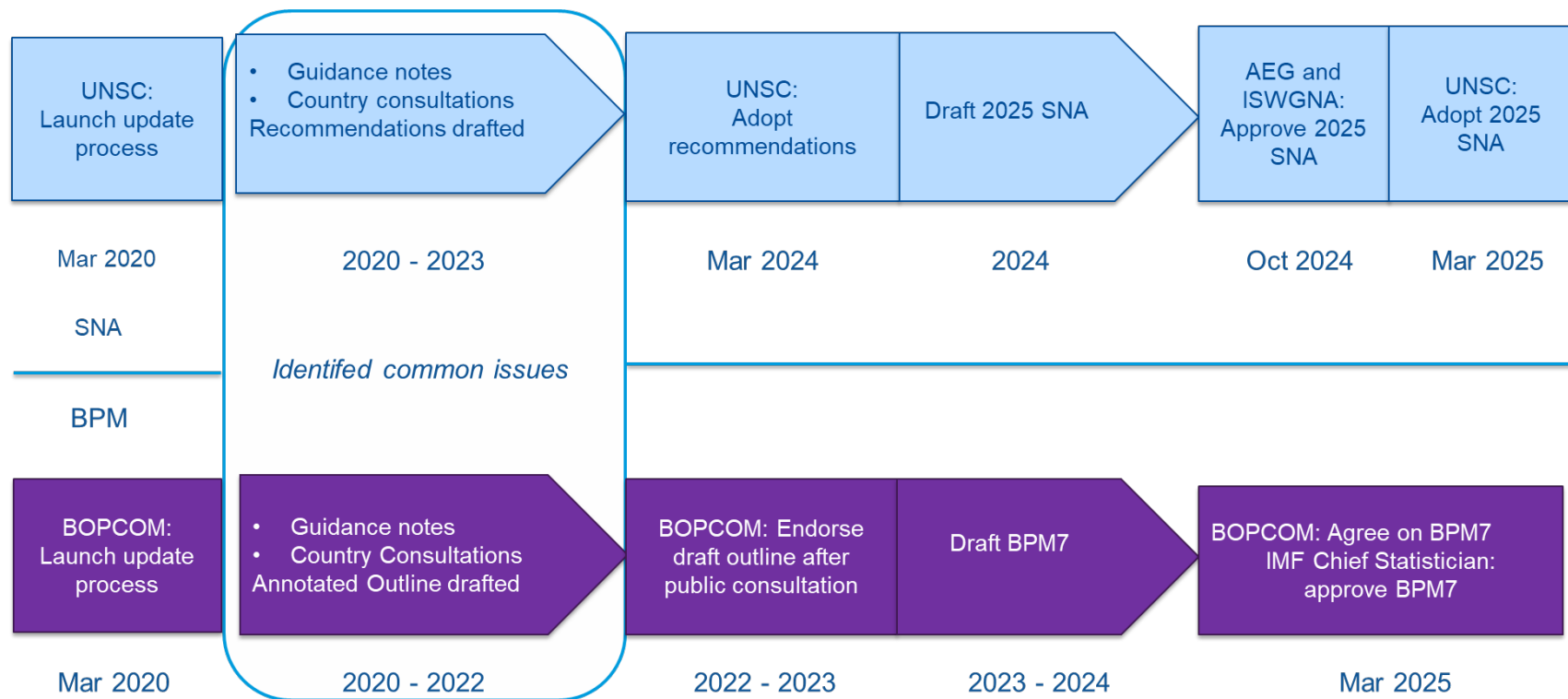
24. The guidance notes propose inclusion in the SNA and BPM of several new subcategories for financial instruments and the financial sector. A decision as to which, if any, of these subcomponents should be reflected in GFS in the future will depend on the fiscal usefulness and relevance of the subcategories. The proposals include a more disaggregated institutional sector breakdown of financial corporations, a new breakdown of derivatives by market risk category, as well as capturing as supplementary items on the imputed reinvested earnings of public corporations and the extent of concessionary lending and nonperforming loans.

25. The Communication task team has proposed several changes with the aim of further harmonizing economic statistics between countries and across statistical domains. These proposals include: a common set of terms and definitions to be used within all macroeconomic statistics; a standard taxonomy to use when referring to disseminated statistical products; and a framework to be used by countries to assess their degree of alignment with the international statistical standards in a standardized manner.

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)
Digitalization Task Team (DZTT)	<i>No GFS representation</i>
Islamic Finance Task Team (IFTT)	<i>No GFS representation</i>
Informal Economy Task Team (IETT)	<i>No GFS representation</i>

Appendix 2: High-level Timeline and Process for Update of SNA and BPM



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 ²	Possible GFS Impact ³
B.3	Treatment of centralized currency unions in macroeconomic statistics ⁴	Global consultation (August 2021)	Relevant Issue	<p>Under discussion</p> <p>Global consultation on draft GN closed on August 16, 2021. Consultation on GN planned with central banks of currency unions prior to BOPCOM reviewing for final approval via written procedure.</p>	<p>GFS impact (clarification)</p> <p>GN includes recommendations with respect to the national agencies of currency union central banks and related transactions/stock positions. The main relevance for GFS is with respect to clarification on when transactions/positions with government should be treated as domestic and when external.</p>
B.8	Recording citizenship by investment programs	Global consultation (August 2021 , June 2021)	Relevant Issue	<p>Under discussion</p> <p>An initial global consultation closed on June 15, 2021. Results of the consultation and subsequent BOPCOM and AEG discussions revealed a split of views between treating nonrefundable payments to government under citizenship by investment (CBI) programs as taxes or transfers.</p>	<p>GFS impact (clarification)</p> <p>GN recommendation is to harmonize the treatment of CBI nonrefundable payments to government as either taxes, payments for services, or transfers.</p> <p>There is consensus that the CBI payments should be treated as government revenue so government net lending / net borrowing (and net operating balance) will be</p>

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
				Subsequently, a consultation of the GFS community was held over August 2021. However, the consultation results revealed a lack of consensus as to whether to treat the CBI payments to government as tax revenue or non-tax revenue.	<p>impacted regardless of the option chosen.</p> <p>Treatment as a tax would impact the tax burden of the recipient country.</p>
B.9	Treatment of tax amnesty	<p>Global consultation (February 2021)</p> <p>GN Approved (January 2022)</p>	Relevant Issue	<p>Approved</p> <p>Global consultation on draft GN closed on February 1, 2021. GN was subsequently approved by BOPCOM after consultation with AEG.</p>	<p>No GFS impact</p> <p>The GN recommends that transactions and stock positions related to tax amnesties should be recorded in accordance with accrual principles.</p> <p>The GN supports the current text in the GFSM 2014 which explains that the time of recording and measurement of tax revenue arising from tax amnesties will be in accordance with accrual principles and will depend on the nature of amnesty granted and whether the revenue has been previously accrued.</p>

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
B.12	Treatment of illiquid equity in international organizations in the IIP	Global consultation (August 2021)	Relevant Issue	Under finalization Global consultation on draft GN closed on August 16, 2021. The GN and results of the global consultation have been discussed by BOPCOM through written consultation.	No GFS impact The GN relates to the treatment of capital subscriptions in international organizations in external sector statistics (recommending a recording under “other investment”) with no direct impact on the GFS recording.

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.
2. The issue status is summarized using the following terms: “Under development” indicates that the GN is still being written; “Under discussion” that the GN is being discussed by AEG and/or BOPCOM; “Under finalization” that the GN has been broadly agreed by the AEG and/or BOPCOM and is being finalized (which may include testing with the compiler community); and “Approved” that the GN has been endorsed/approved by AEG/BOPCOM and a final version published.
3. GFS impact is summarized using the following terms: “conceptual” for those GN recommendations which alter the treatment in the current GFS manual; “clarification” for those which explain how to apply the existing conceptual guidance in the GFS manual; “presentational” for those which only require presentational changes to the GFS; and “compilation” which identify GNs whose recommendations are limited to the drafting of compilation guidance.
4. The issue of the treatment of centralized currency unions has been added as a GFS relevant issue since the last progress report in October 2021.

Other BPTT Topics

- B.1 *Nationality concept [topic dropped from research topic list]*
- B.2 *Standardized definition of net international reserves/revisit reserves-related liabilities definition [global consultation closed on May 9, 2022]*
- B.4 *Reconciliation between flows and stocks [GN approved, January 2021]*
- B.6 *Sustainable finance: Integrating Climate Change Risks into External Sector Statistics [GN approved, January 2022]*
- B.7 *Arrears in IIP [GN approved, November 2021]*
- B.10 *Auxiliary reconciliation tables [topic dropped from research topic list]*
- B.11 *Other economic flows on insurance and pension reserves [topic dropped from research topic list]*

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 ²	Possible GFS Impact ³
C.5.1	Statistical impact of the change in treatment of operating leases in business accounting	Global consultation (October 2020) GN Approved ⁴	Priority Issue	Approved Global consultation on draft GN closed on October 19, 2020. GN was subsequently approved by BOPCOM after consultation with AEG.	GFS impact (compilation) GN recommends <u>not</u> to change the statistical manuals to align with IFRS ⁵ 16, but instead to provide additional practical advice on how to compile statistical leasing data from business accounting data based on IFRS 16.
C.5.2	Economic ownership in the context of financial and operating lease transactions pertaining, in particular, to aircrafts	Global consultation (August 2021)	Priority Issue	Under finalization Global consultation on draft GN closed on August 16, 2021. GN is being subsequently reviewed by BOPCOM and AEG through written consultation	GFS impact (compilation) GN recommends to continue to apply the current concept of economic ownership based on risks and rewards when distinguishing between operating and financial leases.
C.8	Recording penalties and fines	Global consultation (February 2021)	Relevant Issue	Under discussion Global consultation on draft GN closed on February 9, 2021. BOPCOM discussed the GN in their February 201 meeting and requested further refinements to the GN	GFS impact (clarification) GN recommends adopting current GFSM 2014 guidance which states that fines and penalties should only be recorded when an unconditional claim to the

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
				recommendations and consultation with AEG, after which the GN could be approved by BOPCOM through written procedure.	funds exists. GN also seeks to more clearly distinguish between current and capital transfers related to payments of compensation. Finally, GN provides recommendations on cross-border recording of fines payable by MNEs ⁵ .

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2. The issue status is summarized using the following terms: “Under development” indicates that the GN is still being written; “Under discussion” that the GN is being discussed by AEG and/or BOPCOM; “Under finalization” that the GN has been broadly agreed by the AEG and/or BOPCOM and is being finalized (which may include testing with the compiler community); and “Approved” that the GN has been endorsed/approved by AEG/BOPCOM and a final version published.
3. GFS impact is summarized using the following terms: “conceptual” for those GN recommendations which alter the treatment in the current GFS manual; “clarification” for those which explain how to apply the existing conceptual guidance in the GFS manual; “presentation” for those which only require presentational changes to the GFS; and “compilation” which identify GNs whose recommendations are limited to the drafting of compilation guidance.
4. GN C.5.1 is included in the BOPCOM [list of approved GNs](#) but the document is not yet posted as it is intended to produce a single GN from C.5.1 and C.5.2
5. IFRS = International Financial Reporting Standards; MNEs = Multi-national entities

Other CATT Topics

- C.1 Recording transactor based components of services *[GN approved]*
- C.2 Goods, services, and investment income accounts by enterprise characteristics *[GN approved]*
- C.3 International trade classified by currency (including for trade linked to long term trade credits and advances) *[GN approved, January 2022]*
- C.4 Merchanting and factoryless producers; clarifying negative exports in merchanting; Merchanting of services *[global consultation closed on October 21, 2021]*
- C.6 Trade in services classification *[GN approved, January 2022]*
- C.7 Treatment of travel packages, health related travel, and taxes and fees on passenger tickets *[global consultation closed on February 1, 2021]*
- C.9 Valuation of trade under long term contracts *[topic dropped from research topic list]*
- C.10 FISIM *[topic dropped from research topic list]*

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

GFS Priority and GFS Relevant Research Topics

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
CM.A	Collaborative compilers hub		Relevant Issue	<p>In development</p> <p>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 before the end of 2022.</p>	<p>GFS impact</p> <p>Compilers hub will be an important resource and tool for GFS compilers.</p>
CM.B	Digitalization of the SNA, and related manuals, handbooks, and guides		Relevant Issue	<p>In development</p> <p>The digitalization of the manuals is being led by the UN Statistics Division and will be progressed during the editorial phase of the manual update.</p>	<p>GFS impact</p> <p>Digital and interlinked manuals will be an important resource for GFS compilers.</p>
CM.1	An assessment framework to measure alignment with the economic accounting statistical standards	Global consultation (December 2021)	Relevant Issue	<p>Under discussion</p> <p>Global consultation on draft GN closed on December 20, 2021. GN was subsequently discussed at the March 2022 joint AEG/BOPCOM meeting. It was agreed to conduct</p>	<p>GFS impact (presentation)</p> <p>GN includes an assessment framework for GFS proposed to be used by authorities as a self-assessment tool to indicate degree of alignment</p>

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
				community testing during 2022.	with international GFS standards.
CM.2	Terminology and branding of the international macroeconomic statistical standards	Global consultation (December 2021)	Priority Issue	Under discussion Global consultation on draft GN closed on December 20, 2021. GN was subsequently discussed at the March 2022 joint AEG/BOPCOM meeting. It was agreed to conduct community testing during 2022.	GFS impact (presentation) GN recommends terminology changes with the aim of increasing accessibility/ understanding; harmonizing across macroeconomic statistics; and enforcing consistency in use of terms (such as the use of “net”).
CM.3	A taxonomy for communicating economic statistics, products, and product updates	Global consultation (December 2021)	Relevant Issue	Under discussion Global consultation on draft GN closed on December 20, 2021. GN was subsequently discussed at the March 2022 joint AEG/BOPCOM meeting. It was agreed to conduct community testing during 2022.	GFS impact (presentation) GN recommends use of a standard naming convention for countries to follow when publishing macroeconomic statistical products and product updates, including GFS publications.

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2. The issue status is summarized using the following terms: “Under development” indicates that the GN is still being written; “Under discussion” that the GN is being discussed by AEG and/or BOPCOM; “Under finalization” that the GN has been broadly agreed by the AEG and/or BOPCOM and is being finalized (which may include testing with the compiler community); and “Approved” that the GN has been endorsed/approved by AEG/BOPCOM and a final version published.
3. GFS impact is summarized using the following terms: “conceptual” for those GN recommendations which alter the treatment in the current GFS manual; “clarification” for those which explain how to apply the existing conceptual guidance in the GFS manual; “presentation” for those which only require presentational changes to the GFS; and “compilation” which identify GNs whose recommendations are limited to the drafting of compilation guidance.

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 ²	Possible GFS Impact ³
D.2	Valuation of unlisted equity in direct investment	Global Consultation (October 2021)	Priority Issue	<p>Under finalization</p> <p>Global consultation on GN closed on October 22, 2021. The GN was subsequently discussed in the October 2021 joint BOPCOM/AEG meeting where it received general support. The GN is to be updated and circulated to BOPCOM and AEG for approval by written procedure.</p> <p>A separate note on treatment of negative equity has been proposed.</p>	<p>GFS impact (clarification)</p> <p>The GN recommends improved guidance on the most appropriate calculation methods for valuing unlisted equity, with own funds at book value, transaction prices, and market capitalization being the favored approaches.</p> <p>The GN also recommends improved guidance on the treatment of provisions when calculating equity.</p>
D.5	Eliminating imputations for an entity owned or controlled by general government that is used for fiscal purposes	Global consultation (August 2021 , June 2021)	Relevant Issue	<p>Under finalization</p> <p>An initial global consultation closed on June 15, 2021. The GN was subsequently discussed in the June 2021 BOPCOM and July 2021 AEG meetings. Results of the consultation and BOPCOM / AEG discussions revealed strong support for maintaining the current treatment as nonresident units, but with</p>	<p>GFS impact (conceptual)</p> <p>The GN recommends maintaining the nonresident treatment of government controlled special purpose entities (SPEs) established in other countries. However, where the SPE is used for fiscal purposes the GN recommends extending the current imputations in the government accounts to not</p>

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
				<p>enhanced imputations in the government accounts.</p> <p>Subsequently, a consultation of the GFS community was held over August 2021, with similarly strong support for introducing enhanced imputations in the government accounts.</p>	<p>only reflect the debt of the SPEs but also other transactions and stock positions (including mirroring the SPE debt instrument).</p>
D.8	Public-private partnerships (PPPs)	<p>Global consultation (June 2021)</p> <p>GN Approved (December 2021)</p>	Priority Issue	<p>Approved</p> <p>Global consultation on draft GN note closed on June 15, 2021. The draft GN was discussed at the June 2021 BOPCOM meeting and the GN approved.</p>	<p>GFS impact (compilation)</p> <p>The GN recommends including additional clarifying guidance on the treatment of cross-border PPPs within the <i>BPM7</i>, with further compilation guidance in the <i>BPM7 Compilation Guide</i>.</p> <p>There is no change to the risk and reward approach for assessing economic ownership.</p>
D.16	Treatment of retained earnings	Global consultation (October 2021)	Priority Issue	<p>Under finalization</p> <p>Global consultation on draft GN closed on October 25, 2021. The draft GN was discussed at the October 2021 Joint AEG/BOPCOM meeting where there was general agreement to the recommendations. The GN</p>	<p>No GFS impact</p> <p>The GN recommends clarifications and further compilation guidance regarding the treatment of the reinvestment of earnings (RIE) in direct investment enterprises (DIEs). As it is limited to Direct Investment</p>

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
				will be finalized following further discussion with AEG and the national accounts community.	there are no immediate implications for GFS.
D.17	Identifying superdividends and establishing the borderline between dividends and withdrawal of equity in the context of Direct Investment	Global consultation (February 2021)	Relevant Issue	<p>Under finalization</p> <p>Global consultation on draft GN closed on February 9, 2021. The draft GN was discussed at the February 2021 BOPCOM meeting, where BOPCOM indicated general support for the recommendations.</p> <p>BOPCOM also identified an important crossover with GNs on retained earnings (F.2 and D.16). A final decision would therefore be taken following consultation with AEG and consultation and discussion on F.2 and D.16.</p>	<p>No GFS impact</p> <p>The GN recommends to not apply the superdividend concept to accumulated reserves from ordinary earnings for direct investment enterprises, thus limiting superdividends to payments related to sales of assets.</p> <p>The recommendation is limited to Direct Investment and so there are no immediate implications for GFS.</p>

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2. The issue status is summarized using the following terms: “Under development” indicates that the GN is still being written; “Under discussion” that the GN is being discussed by AEG and/or BOPCOM; “Under finalization” that the GN has been broadly agreed by the AEG and/or BOPCOM and is being finalized (which may include testing with the compiler community); and “Approved” that the GN has been endorsed/approved by AEG/BOPCOM and a final version published.
3. GFS impact is summarized using the following terms: “conceptual” for those GN recommendations which alter the treatment in the current GFS manual; “clarification” for those which explain how to apply the existing conceptual guidance in the GFS manual; “presentational” for those which only require presentational changes to the GFS; and “compilation” which identify GNs whose recommendations are limited to the drafting of compilation guidance.

Other DITT Topics

- D.1 Compiling statistics of greenfield investments and extension of capacity [**GN approved**, May 2022]
- D.3 Treatment of collective investment institutions [**GN approved**, May 2022]
- D.4 Corporate inversion [*global consultation closed on February 9, 2021*]
- D.6 Ultimate investing economy / ultimate host economy and pass-through funds [**GN approved**, January 2021]
- D.7 Sectoral breakdown of direct investment (DI) [**GN approved**, January 2021]
- D.9 Reconciling BPM-based direct investment and AMNE statistics [**GN approved**, May 2022]
- D.10 Defining the boundaries of DI, including whether DI relationships can be achieved other than by economic ownership of equity [*global consultation closed on December 22, 2021*]
- D.11 Removing debt between affiliated insurance corporations and pension funds from DI [*global consultation closed on August 16, 2021*]
- D.12 Including intra-concern (between affiliates) derivatives in direct investment [**GN approved**, April 2021]
- D.14 Financial conduits [*global consultation closed on August 16, 2021*]
- D.15 Treatment of payments made by nonresident affiliated enterprises on behalf of DI enterprises
- D.18 Cash pooling in direct investment [*global consultation closed on August 16, 2021*]

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 ²	Possible GFS Impact ³
F.2	Asymmetric treatment of retained earnings between direct and portfolio investment and potential extension to domestic relationships	Global Consultation (June 2021)	Priority Issue	<p>Under finalization</p> <p>Global consultation on draft GN closed on June 19, 2021. The GN was subsequently discussed in the June 2021 BOPCOM, July 2021 AEG and March 2022 Joint AEG/BOPCOM meetings.</p> <p>The GN recommendations will be updated to reflect the AEG/BOPCOM preference for Option 2. In parallel feasibility testing with the balance of payments and national accounts communities will continue, and this testing is expected to complete by end-2022.</p>	<p>GFS impact (presentation)</p> <p>Results of the consultation and BOPCOM / AEG discussions revealed a diversity of views but with a majority favoring no change to the “core accounts” but inclusion of additional information on retained earnings included as supplementary information (Option 2).</p> <p>Although no change to the “core accounts” is recommended, it is recommended to include supplementary information on government retained earnings in public corporations.</p>
F.3	Reverse transactions	<p>Global Consultation (February 2021)</p> <p>GN Approved (June 2021)</p>	Relevant Issue	<p>Approved</p> <p>Global consultation of draft GN closed on February 1, 2021. GN was subsequently approved by BOPCOM and AEG.</p> <p>The GN recommends maintaining the existing</p>	<p>GFS impact (clarification)</p> <p>The GN recommends maintaining the existing methodological framework in BPM6, 2008 SNA and GFSM 2014, but to provide additional clarification on the recording of short (negative)</p>

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
				methodological framework in BPM6 and 2008 SNA, but to provide additional clarification on the 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.	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	Global Consultation (May 2021) GN Approved (November 2021)	Relevant Issue	Approved Global consultation on draft GN closed on May 31, 2021. GN was subsequently approved by BOPCOM and AEG.	GFS impact (presentation) The GN recommendations include a new breakdown of financial derivatives by market risk category, instrument, and trading venue / clearing type. The latter two breakdowns being as supplementary items.
F.6	Capturing non-bank financial intermediation in the System of National Accounts and the External Sector Statistics	Global Consultation (June 2021) GN Approved (November 2021)	Relevant Issue	Approved Global consultation on draft GN closed on June 19, 2021. GN was subsequently approved by BOPCOM and AEG.	GFS impact (presentation) The GN recommendations include further breakdowns of financial corporations in the <i>BPM</i> and <i>SNA</i> , as supplementary items. The GN also recommends introducing “of which” categories for loans to identify non-performing loans as well as repurchase agreements,

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
					securities lending with cash collateral, and margin lending.
F.8	Valuation of debt securities at both market and nominal value	Global Consultation (October 2020) GN Approved (January 2022)	Relevant Issue	Approved Global consultation on draft GN closed on October 19, 2020. GN was subsequently approved by BOPCOM and AEG.	GFS impact (clarification) The GN recommendations include strengthening guidance on presenting stocks of debt securities at nominal value for liabilities and clarifying across all statistical manuals the definition of nominal value.
F.9	Valuation of loans (fair value)	Global Consultation (October 2021) GN Approved (April 2022)	Priority Issue	Approved Global consultation on draft GN closed on October 20, 2021. GN was subsequently approved by BOPCOM and AEG.	GFS impact (conceptual) The GN recommends to maintain the current treatment of loans at nominal value, but to recognize more situations under which loan values should be “reset” as a result of public information which highlights that the nominal valuation clearly provides an unrealistic value for the loans.
F.10	Treatment of cash collateral	Global Consultation (February 2021)	Relevant Issue	Under discussion Global consultation of draft GN closed on February 10, 2021. The GN was subsequently discussed in	GFS impact unknown The GFS impact is not currently known as the GN recommendations are being

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
				<p>the February 2021 BOPCOM and April 2021 AEG meetings.</p> <p>The global consultation responses reflected mixed views on the GN recommendations, and these mixed views were also evident during BOPCOM and AEG discussions.</p> <p>As a result, FITT is updating the GN with new proposals for consideration by AEG and BOPCOM.</p>	<p>revised following feedback from AEG/BOPCOM.</p>
F.14	Treatment of factoring transactions	Global Consultation (June 2022)	Relevant Issue	<p>Under discussion</p> <p>Global consultation of draft GN closes on June 10, 2022.</p>	<p>GFS impact (conceptual)</p> <p>The draft GN provides recommendations on the treatment of factoring with and without recourse. In the case of non-recourse factoring the GN tentatively recommends recording the factor's claim against the debtor as an other accounts receivable and the factoring income as a fee paid by the original creditor on transfer of the claim. This differs from the current (limited) guidance in <i>GFSM 2014</i> (see footnote 64 for para. 7.225) which</p>

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
					advocates recording the new claim of the factor as a loan.
F.15	Debt concessionality	Global Consultation (February 2022)	Priority Issue	<p>Under finalization</p> <p>Global consultation of draft GN closed on February 25, 2022. The GN was subsequently discussed in the March 2022 Joint AEG/BOPCOM meeting, where a preference for Option A/A1 was expressed.</p> <p>FITT will update the recommendations of the GN for final approval of AEG and BOPCOM by written procedure.</p>	<p>GFS impact (presentation)</p> <p>The draft GN had recommended to partition concessionary loans between a “genuine” loan element and an “explicit” transfer element. While AEG, BOPCOM and respondents to the global consultation recognized merits in the recommended option on conceptual grounds, concerns were raised with respect to the practical application of this approach. As a result, it was preferred to maintain the current guidance (option A) which records concessionary loans (a term preferred over concessional loans) in the same way as other loans, at nominal value. However, there was support for providing additional details on the transfer element of concessionary loans as supplementary information (option A1), notably the fair value of the loan and the respective accrued interest.</p>

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
F.18	The recording of Crypto Assets in Macroeconomic Statistics	Global Consultation (February 2022)	Relevant Issue ⁴	<p>Under discussion</p> <p>Global consultation of draft GN closed on February 25, 2022. The GN was subsequently discussed in the March 2022 Joint AEG/BOPCOM meeting, where most of the GN recommendations were agreed but the decision on the treatment of CAWLM was deferred pending FITT producing a revised GN. AEG/BOPCOM also requested a separate guidance note on the treatment of non-fungible tokens (NFTs).</p>	<p>GFS impact (clarification)</p> <p>The draft GN recommends a classification typology of crypto assets and recommends treating crypto assets with corresponding liabilities as financial assets. However, the GN has greater difficulty in deciding how to treat crypto assets without a corresponding liability designed to act as a general medium of exchange (CAWLM), such as Bitcoin, and instead describes the different options and their pros and cons.</p> <p>As the GFSM 2014 is silent on the treatment of crypto-assets any agreed treatment (within the existing conceptual framework) will be a clarification.</p>

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3. GFS impact is summarized using the following terms: “conceptual” for those GN recommendations which alter the treatment in the current GFS manual; “clarification” for those which explain how to apply the existing conceptual guidance in the GFS manual; “presentation” for those which only require presentational changes to the GFS; and “compilation” which identify GNs whose recommendations are limited to the drafting of compilation guidance.

4. The issue of the treatment of crypto assets has been added as a GFS relevant issue since the last progress report in October 2021.

Other FITT Topics

F.1 More disaggregated definition of the financial sector and financial instruments [*global consultation closed on February 4, 2022; **GN approved for posting***]

F.5 Treatment of credit default swaps [**GN approved, January 2021**]

F.7 Impact of FINTECH and other financial innovations [*global consultation closed on February 4, 2022; **GN approved for posting***]

F.12 Covering hybrid insurance and pension products [*global consultation closed on October 22, 2021; **GN approved for posting***]

F.13 Measurement of margins on buying and selling of financial instruments [*global consultation closes on June 10, 2022*]

F.16 Subscription rights [**GN approved, November 2021**]

F.17 *Treatment of Master Risk Participation Agreements [has been dropped as an issue]*

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

GFS Priority and GFS Relevant Research Topics

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
G.4	Treatment of special purpose entities (SPEs) and residency	Global Consultation (August 2021) GN Approved (May 2022)	Relevant Issue	Approved Global consultation of draft GN closed on August 14, 2021. GN was subsequently agreed with AEG and BOPCOM.	No GFS Impact The GN recommends leaving the core SNA and BPM framework unchanged but collecting supplemental information on SPEs. The GN does not specifically address the treatment of government-controlled SPEs. This is addressed through the DITT GN D.5.
G.5	Economic ownership and recording of intellectual property products (IPP)	Global Consultation (February 2022) GN Approved (May 2022)	Relevant Issue	Approved Global consultation of draft GN closed on February 7, 2022. GN was subsequently approved in the March 2022 joint AEG/BOPCOM meeting.	No GFS impact The GN relates specifically to IPP amongst units of a multinational enterprise (MNE) and as such has no impact on GFS, despite it being identified earlier in the update process as a GN of potential GFS relevance.

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2. The issue status is summarized using the following terms: “Under development” indicates that the GN is still being written; “Under discussion” that the GN is being discussed by AEG and/or BOPCOM; “Under finalization” that the GN has been broadly agreed by the AEG and/or BOPCOM and is being finalized (which may include testing with the compiler community); and “Approved” that the GN has been endorsed/approved by AEG/BOPCOM and a final version published.

3. GFS impact is summarized using the following terms: “conceptual” for those GN recommendations which alter the treatment in the current GFS manual; “clarification” for those which explain how to apply the existing conceptual guidance in the GFS manual; “presentation” for those which only require presentational changes to the GFS; and “compilation” which identify GNs whose recommendations are limited to the drafting of compilation guidance.

Other GZTT Topics

- G.1 Valuation of imports and exports of goods (CIF-FOB adjustment) **[GN approved]**
- G.2 Treatment of Multi-National Enterprises (MNEs) and intra-MNE flows **[GN approved, May 2022]**
- 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 **[GN approved, May 2022]**
- G.8 Typology of global production arrangements
- G.9 Payments for nonproduced knowledge-based capital *[global consultation closed on February 7, 2022]*

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

GFS Priority and GFS Relevant Research Topics

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
WS.4	Labor, human capital, and education	Global Consultation (October 2021)	Relevant Issue	<p>Under finalization</p> <p>Global consultation of draft GN closed on October 1, 2021. The GN was subsequently discussed in the November 2021 AEG meetings and the</p>	<p>No GFS impact</p> <p>The GN recommends to include labour accounts within the central framework of the SNA; to include supplementary information on education and training outside the “core accounts”; and to develop extended accounts for human capital, also outside the core accounts.</p>
WS.5	Health and social conditions	Global Consultation (May 2022)	Relevant Issue	<p>Under discussion</p> <p>Global consultation of draft GN closed on May 2, 2022.</p>	<p>No GFS impact</p> <p>The GN recommends making improvements to estimates of health services in constant prices by compiling health expenditure in volume terms with improved methods to capture changes in quality of care. The GN also recommends other extensions outside the central framework of the SNA, such as the creation of extended supply and use tables for health care and long-term</p>

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
					social care, and the inclusion of additional indicators to help inform policy on health care, social care and well-being.
WS.6	Accounting for the Economic Ownership and Depletion of Natural Resources	Global Consultation (September 2021)	Relevant Issue	<p>Under discussion</p> <p>Global consultation of draft GN closed on September 10, 2021. AEG discussed in November 2021 and May 2022 meetings. Further testing and consultation planned.</p>	<p>GFS impact (conceptual)</p> <p>The GN recommends a new transaction to reflect the depletion of natural resources, that would largely mirror the current recording for consumption of fixed capital.</p> <p>The GN also recommends a split-asset approach for those natural resource assets whose economic ownership can be considered to be shared between government (on behalf of society) and the extractor/user who is benefitting from exploitation of the natural resource. The split-asset approach has impacts not only on the government balance sheet, but also on the government operations through the recording of disposal of a nonfinancial asset and a matching capital transfer.</p>

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
WS.7	Emissions permits: the atmosphere as an asset	Global consultation (June 2022)	Priority Issue	<p>Under discussion</p> <p>AEG discussed draft GN in April 2021 and April 2022. Further drafting refinements being made ahead of global consultation.</p>	<p>GFS impact (conceptual)</p> <p>The GN recommends to treat emission permits as nonfinancial nonproduced assets which government creates and sells (or gives away), after which these assets are traded and eventually surrendered by companies to government (based on their emissions), which is treated as an other change in volume.</p>
WS.8	Accounting for biological resources	GN draft (April 2022)	Priority Issue	<p>Under discussion</p> <p>AEG discussed draft GN in April 2022 meeting. Further drafting refinements being made ahead of global consultation.</p>	<p>GFS impact (conceptual)</p> <p>The GN recommends the split-asset approach in the case of leased biological resource assets, as well as recognizing the depletion of biological assets, in a parallel manner to that described in GN WS.6.</p> <p>The GN also recommends a modified asset taxonomy with natural resources established as a main nonproduced asset category with detailed subcategories, including ones for biological resources.</p>

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
WS.9	Recording of provisions	GN draft (April 2022)	Priority Issue	<p>Under discussion</p> <p>AEG discussed draft GN in April 2022 meeting. Further drafting refinements being made ahead of global consultation.</p>	<p>GFS impact (conceptual)</p> <p>The draft GN recommends to include a supplementary account in the SNA for provisions. Provisions in general will remain outside the “core accounts”. However, in the specific case of terminal costs the draft GN recommends to record these as provisions within the SNA rather than the current treatment as consumption of fixed capital.</p>
WS.10	Valuation methods	GN draft (April 2022)	Priority Issue	<p>Under discussion</p> <p>AEG discussed draft GN in April 2022 meeting. Further drafting refinements being made ahead of global consultation.</p>	<p>GFS impact (clarification)</p> <p>The draft GN proposes to provide further clarification and complication guidance on the use of net present values to calculate resource rents and natural resource asset values.</p>
WS.11	Accounting for renewable energy resources	GN draft (April 2022)	Relevant Issue	<p>Under discussion</p> <p>AEG discussed draft GN in April 2022. Further drafting refinements being made ahead of global consultation.</p>	<p>GFS impact (conceptual)</p> <p>The draft GN proposes to recognize renewable energy resources as a new category of nonfinancial nonproduced assets. The draft GN recommends that economic</p>

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
					ownership would follow the principles in GN WS.6, and so in some circumstances the asset would be partitioned between the government and the renewable energy exploiter based on the economic benefit each receives.
WS.12	SEEA classifications		Priority Issue	<p>Under development</p> <p>Draft guidance note under development by WSTT, prior to being considered by AEG.</p>	<p>GFS impact unknown</p> <p>The GFS impact is not currently known as the GN is still under development.</p>
WS.13	Recording of losses		Relevant Issue	<p>Under development</p> <p>Draft guidance note under development by WSTT, prior to being considered by AEG.</p>	<p>GFS impact unknown</p> <p>The GFS impact is not currently known as the GN is still under development.</p>
WS.14	Distinction between taxes, services and other flows ⁴		Priority Issue	<p>Under development</p> <p>Draft guidance note under development by IMF GFS division, prior to being considered by AEG and GFSAC.</p>	<p>GFS impact unknown</p> <p>The GFS impact is not currently known as the GN is still under development. Although given the subject matter it is expected that the recommendations will have some GFS impact.</p>

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.
2. The issue status is summarized using the following terms: “Under development” indicates that the GN is still being written; “Under discussion” that the GN is being discussed by AEG and/or BOPCOM; “Under finalization” that the GN has been broadly agreed by the AEG and/or BOPCOM and is being finalized (which may include testing with the compiler community); and “Approved” that the GN has been endorsed/approved by AEG/BOPCOM and a final version published.
3. GFS impact is summarized using the following terms: “conceptual” for those GN recommendations which alter the treatment in the current GFS manual; “clarification” for those which explain how to apply the existing conceptual guidance in the GFS manual; “presentation” for those which only require presentational changes to the GFS; and “compilation” which identify GNs whose recommendations are limited to the drafting of compilation guidance.
4. The issue of the treatment of the distinction of taxes, services and other flows has been added as a GFS relevant issue since the last progress report in October 2021.

Other WSTT Topics

- WS.2 Distribution of household income, consumption, saving and wealth *[global consultation closed on September 10, 2021]*
- WS.3 Unpaid household service work *[global consultation closed on September 10, 2021]*
- WS.13 Recording of losses

Appendix 3h: Digitalization Task Team (DZTT) research topics

GFS Priority and GFS Relevant Research Topics

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
DZ.3	Clarifying the existing SNA treatment of “free” products	Global Consultation (May 2022)	Relevant Issue ⁴	<p>Under discussion</p> <p>Global consultation of draft GN closed on May 13, 2022. AEG are expected to discuss ahead of deciding whether or not to endorse the GN recommendations.</p>	<p>No GFS Impact</p> <p>The draft GN does not foresee the need for any changes to the “core” SNA framework to account for free products.</p>
DZ.4	Recording and valuing “free” products in an SNA satellite account	Global Consultation (May 2022)	Relevant Issue ⁴	<p>Under discussion</p> <p>Global consultation of draft GN closed on May 13, 2022. AEG are expected to discuss ahead of deciding whether or not to endorse the GN recommendations.</p>	<p>No GFS impact</p> <p>The draft GN proposes developing a “satellite” account on “free” digital products to be included within the SNA.</p>
DZ.6	Recording of data in the national accounts	Global Consultation (May 2022)	Relevant Issue ⁴	<p>Under discussion</p> <p>Global consultation of draft GN closed on May 13, 2022. AEG are expected to discuss ahead of deciding whether or not to endorse the GN recommendations.</p>	<p>GFS impact (clarification)</p> <p>The draft GN recommends to treat data that is (i) produced and used in production for more than one year, and (ii) provides an economic benefit when used in the productive activities of its owner, as a nonfinancial produced intangible asset.</p>

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2. The issue status is summarized using the following terms: “Under development” indicates that the GN is still being written; “Under discussion” that the GN is being discussed by AEG and/or BOPCOM; “Under finalization” that the GN has been broadly agreed by the AEG and/or BOPCOM and is being finalized (which may include testing with the compiler community); and “Approved” that the GN has been endorsed/approved by AEG/BOPCOM and a final version published.
3. GFS impact is summarized using the following terms: “conceptual” for those GN recommendations which alter the treatment in the current GFS manual; “clarification” for those which explain how to apply the existing conceptual guidance in the GFS manual; “presentation” for those which only require presentational changes to the GFS; and “compilation” which identify GNs whose recommendations are limited to the drafting of compilation guidance.
4. The issues of the treatment of data and free digital products have been added as a GFS relevant issue since the last progress report in October 2021.

Other DZTT Topics

- DZ.1 Price and volume measurement of goods and services affected by digitalization [**GN approved**]
- DZ.5 Digital SUTs [**GN approved**]
- DZ.7 Artificial Intelligence [*global consultation closed on June 16, 2022*]
- DZ.8 Cloud computing
- DZ.9 Digital intermediary platforms [*global consultation closed on June 16, 2022*]

Appendix 3i: Islamic Finance Task Team (IFTT) research topics

GFS Priority and GFS Relevant Research Topics

Issue no.	Description	Documents	GFS Relevance ¹	Current Status ²	Possible GFS Impact ³
IF.1	Islamic Finance in the SNA and ESS	Global Consultation (January 2022)	Relevant Issue ⁴	<p>Under discussion</p> <p>Global consultation of draft GN closed on January 25, 2022. GN was subsequently approved in the March 2022 joint AEG/BOPCOM meeting, subject to testing being undertaken for the relevant reference rate to be used for calculating Islamic FISIM.</p>	<p>GFS Impact (clarification)</p> <p>The GN provides comprehensive recommendations on the terminology, sector classification, instrument classification and treatment of select financial entities, instruments, and products which are unique to Islamic finance.</p> <p>As the GFSM 2014 is silent on the treatment of Islamic finance any agreed treatment (within the existing conceptual framework) will be a clarification.</p>

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.
2. The issue status is summarized using the following terms: "Under development" indicates that the GN is still being written; "Under discussion" that the GN is being discussed by AEG and/or BOPCOM; "Under finalization" that the GN has been broadly agreed by the AEG and/or BOPCOM and is being finalized (which may include testing with the compiler community); and "Approved" that the GN has been endorsed/approved by AEG/BOPCOM and a final version published.
3. GFS impact is summarized using the following terms: "conceptual" for those GN recommendations which alter the treatment in the current GFS manual; "clarification" for those which explain how to apply the existing conceptual guidance in the GFS manual; "presentational" for those which only require presentational changes to the GFS; and "compilation" which identify GNs whose recommendations are limited to the drafting of compilation guidance.
4. The issue of the treatment of Islamic finance has been added as a GFS relevant issue since the last progress report in October 2021.

Appendix 3j: Informal Economy Task Team (IETT) research topics

GFS Priority and GFS Relevant Research Topics

none

Other IETT Topics

IE.1 Statistical framework for the Informal Economy [*global consultation closed on March 4, 2022*]