

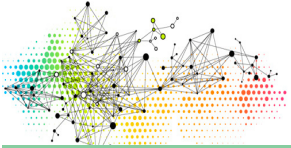


# **GFSAC 2017**

## **GFS Research Agenda**

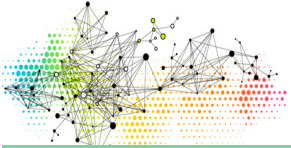
March 16, 2017

Phil Stokoe (STA Government Finance Division)



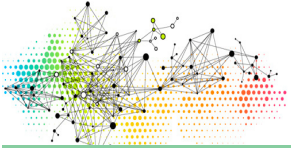
# Background

- *2008 SNA* recognized some issues as unresolved
  - Annex 4 presents a research agenda
  
- During preparation of *GFSM 2014* additional issues emerged
  
- Ongoing series of issues arising where current manual is not sufficient clear
  
- GFS Community need a way to address these issues and contribute to the debate



# Objectives of this session

- To remind the GFSAC of the outstanding issues
  - Not to discuss or resolve these issues during session
  - Consider as starting point for a GFS research agenda
  
- To agree the top priorities for resolution and discuss how to resolve these issues



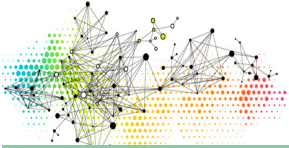
# Topics of the Research Agenda

## ■ Sector Classification Issues

- Practical application of the market test for nonfinancial corporations – depreciation vs consumption of fixed capital (P)
- Delineation of public financial corporations from general government units (P)

## ■ Transactions Issues

- Distinction between current maintenance and capital repairs
- Application of rerouting
- Terminal costs
- Treatment of negative interest rates (P)
- Treatment of changes in claims of pension fund on pension manager (P)



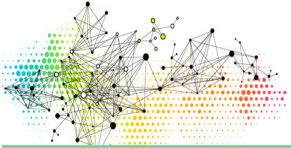
# Topics of the Research Agenda

## ■ Balance Sheet Issues

- Discount rates used in calculating pension and social security entitlements
- Equity of government units
- Valuation of nonfinancial assets of public sector units
- Leases
- Treatment of Public-Private Partnerships (P)

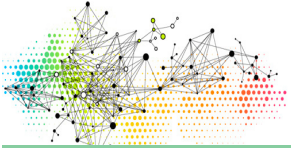
## ■ Longer Term Methodological Issues

- Recognizing social security entitlements as liabilities
- Provisions
- Debt concessionality
- Leases to use or exploit natural resources



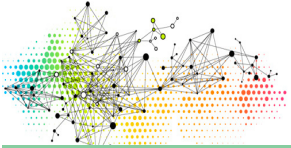
# Procedures to update methodological guidelines

- Four types of changes to GFSM 2014:
  - Editorial changes
  - A clarification beyond dispute
  - An interpretation
  - A change



# Types of updates

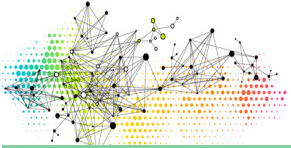
- Editorial
  - Example: Wording errors, apparent contradictions, translation errors
  - Action: Staff will draft amendments, GFSAC will be informed, errata information will be prepared, and the relevant website updated
  
- A clarification beyond dispute
  - Example: New economic situation emerges, but treatment under existing principles is straightforward
  - Action: Staff will draft clarifications, electronic consultation with GFSAC, clarification will be posted on the relevant website



# Types of updates

- An interpretation
  - Example: Treatment under the Manual may not be clear and several solutions under different interpretations possible
  - Action: Staff will consult with GFSAC and draft proposed text, consult with experts and ISWGNA on proposed final text, and interpretation will be published on the relevant website
  
- A change
  - Example: Economic situation arises in which *GFSM 2014* is not relevant or misleading – requires substantial rewrite of parts
  - Action: Staff will consult with GFSAC, prepare proposals, disseminate widely to panels of experts and ISWGNA, GFSAC advise on immediate change through booklet of amendments to the next revised Manual, decision published on the relevant website





## Points for discussion

- Do GFSAC members agree with the priorities identified that have been identified?
- What other important topics should be added to the research agenda?
- How should the IMF involve GFSAC members in discussions on these issues?