



## International Transactions Reporting System (ITRS) -- introduction

**Statistics of International Trade in Service: Challenges and Good Practices**

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## Outline

- **Selection of the compilation system**
- **Description of the IRTS system**
- **Responsibility for reporting**
- **The main classification categories**
- **Classification of transactions**



### **Selection of the most appropriate compilation system:**

- Compatibility with BOP concepts
- Timeliness with which data are provided
- Quality of data coverage
- Respondent burden to the data provider
- Legal authority of the compiler
- Cost to the compiler

# Description of the ITRS system

## **ITRS systems measures:**

- Individual cash transactions that pass through domestic banks and enterprise bank accounts abroad,
- Non-cash transactions,
- Stock (balance sheet positions)

ITRS started as foreign exchange record systems and evolved as by-products of foreign exchange record system.

# ITRS by type

ITRS by type:

Closed

Open

Partial

# Responsibility for reporting

- The primary responsibility for reporting lies with the banking system. But with the abolition of exchange controls, a growing and more direct role has been devoted to companies.
- Residents are required to report their foreign payments to the Central Bank. The obligation applies to payments to and from non-residents.
- Domestic banks report their own payments and payments effected for their customers.

# Responsibility for reporting

- A resident having an account abroad for receiving or effecting payments must report on the account directly to the Central Bank.
- Enterprises must submit information to the Central Bank on their payment accounts in banks abroad. The reporting principles for enterprises are otherwise essentially the same as for banks.

# The main classification categories

In order to facilitate the usefulness of the information, it must be submitted to the Central Bank in a specified form and classification scheme.

## **The main classification categories**

- payment purpose,
- currency
- nonresident party's country of domicile

The responsibility for classifying lies with the data provider.

# Classification of transactions

**Banks** report positions and transactions settled through their foreign correspondent accounts.

## **Classification of Transactions**

- Balance of payments transactions should be coded for statistical recording:
  - at the time of transaction (complete information is readily available at that time);
  - by beneficiaries or remitters; and
  - in a way that enables statisticians to compile all standard components of the BOP statement and provide information for other purposes.

# Classification of transactions

## Codes should cover:

- standard components of balance of payments (i.e., current, capital, and financial transactions between residents and nonresidents);
- specific codes (more details) when required by specific needs of users;
- codes for 'neutral' transactions.