

## B. General description and purpose of the international transactions reporting system

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8.3. The ITRS is a system of collecting data of individual international settlements and/or transactions as reported by banks, enterprises and/or households.<sup>[1]</sup> In the present *Guide*, the ITRS system, in which reporters are resident banks that report to the authority (the central bank in most cases) on behalf of transactors (enterprises or households) is called a bank ITRS, while the ITRS based on reports to the authority from transactors themselves is called a direct reporting ITRS.

8.4. In most countries that maintain an ITRS, the reporting is mandatory. Because the ITRS is often a by-product of present or past foreign exchange controls, the data collected involve settlements (as opposed to transactions<sup>[2]</sup>). The most comprehensive ITRS collects data on (a) settlements with non-residents through resident banks, (b) settlements with non-residents through non-resident banks, (c) settlements with non-residents through intercompany accounts and (d) transactions without cash settlements.<sup>[3]</sup>

8.5. Historically, the use of the ITRS started with settlement reports by resident banks in most countries. However, as resident transactors increasingly started to use non-resident banks for international settlements, direct reporting from such transactors (i.e., not through resident banks) became necessary to maintain the completeness of data collection. In addition, requests of resident banks to reduce reporting burdens have made data collection more dependent upon reporting from transactors.

8.6. When the bank ITRS is complemented with direct reporting, the information included in the ITRS can be extremely useful for identifying the major players involved in international trade in services, especially if the reports include not only settlement amounts, but also the names of transactors.<sup>[4]</sup> In some countries, the framework of the ITRS is maintained even after the introduction of surveys specifically to capture international settlements with large amounts. By accumulating such information, a balance of payments enterprise register can be established, which can be used when conducting periodical surveys to measure small value transactions or adopting survey systems in place of the ITRS (see chapter 5, on business registers and survey frames). For the proper maintenance of such a register, the international payments database would need to include, at least once a year, the total sum of transactions in services conducted by individual enterprises.

8.7. In addition to its use for statistics of international trade in services, the ITRS can also be used for statistics of other financial transactions, as the ITRS can cover a wide range of financial operations, including currency exchanges in foreign exchange companies and bank information on settlements, as well as position and flow data regarding foreign assets and liabilities.

**Next:** [C. Using the international transactions reporting system for collecting data on international trade in services](#)

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[1] See also *BPM6 Compilation Guide*, para. 4.2.

[2] In countries in which the ITRS was not maintained after the abolishment of foreign exchange controls, surveys have become main source for statistics on trade in services and the focus has already shifted from settlement to transaction data.

[3] See *BPM6 Compilation Guide*, para. 4.3.

[4] This point is especially important for countries changing their collection system from a bank ITRS to direct reporting and surveys.