

Country experience: South Africa (Chapter 8)

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8.21. The research department of South African Reserve Bank (SARB), responsible for the compilation and dissemination of quarterly balance of payment statistics, relies mainly on ITRS (managed by the financial surveillance department), to compile statistics on international trade in services. The electronic ITRS was introduced in 2001, replacing the previous paper system, as a compulsory reporting system to be used by all reporting entities (banks and foreign currency exchange offices), using the United Nations Electronic Data Interchange for Administration, Commerce and Transport (UN/EDIFACT) international electronic reporting standard. During the transition, which coincided with the liberalization of exchange controls, special care was taken to ensure that the data needs for compiling balance of payments were covered. In an ITRS, the reporting entities provide all details of payments made to foreign parties by South African residents, as well as payments received by South African residents from foreign parties, irrespective of the value.

8.22. SARB considers the ITRS to be a cost effective reporting system that provides accurate and timely information that is validated via the SARB data exchange architecture (SARBDEX). The information contains comprehensive details of all transactions including the names, surnames, addresses, identification numbers, company registration numbers, telephone numbers and physical addresses of transactors. The confidentiality of the data is guaranteed by using Internet encryption, SARBDEX senders' validation and the Society for Worldwide Interbank Financial Telecommunication's SWIFTNet system.

8.23. The ITRS of South Africa has been enhanced several times since its introduction. The most recent improvement, at the end of 2013, has also ensured better alignment with the requirements of BPM6, although it required a substantial additional investment by reporters. The ITRS is used to assist the compilation of balance of payments statistics in general, but from the point of view of SARB, it has special benefits for collecting trade in services data. Given that the ITRS of South Africa has no threshold, it can identify potential new services traders and serve as a sampling framework for surveys aimed at better understanding specific transactions in international trade in services.

8.24. The ITRS is seen as a primary tool for obtaining information for statistics on international trade in services. To mitigate any potential downsides related to inaccurate reporting (e.g., misclassification) the financial surveillance department conducts regular onsite and offsite inspections. In addition, the systems of the reporting entities are certified annually to ensure compliance.

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