

## Annex V: International Transaction Reporting System (ITRS)

In February 1997 a new system of International Transaction Reporting System (ITRS) was introduced at National Bank of the Kyrgyz Republic. This system serves to reflect the balance of payments transactions conducted through the banking system and to provide for collection of detailed and timely statistical information on external economic operations. The system covers operations of commercial banks conducted through their correspondent accounts with foreign banks, operations with cash foreign currency and operations of nonresidents, having accounts in Kyrgyz currency. Full coverage of international transactions conducted through correspondent accounts of commercial banks with their foreign partners is a distinctive feature of the ITRS in Kyrgyzstan. It is ensured by no minimal threshold, below which transactions would not be accounted. Information is an important source of for the balance of payments compilation and formulation of the international investment position of the Kyrgyz Republic. The reporting data are classified and reflected according to the list of operations determined on the basis of the balance of payments standard components. The software "Automated system of operational accounting" (ASOA), developed by the National Bank, ensures efficiency in operations of the system, which functions at commercial banks and allows to automatically verify summary accounting statistics and to reveal inaccurate records.

Monthly reports are submitted by commercial banks to the National Bank of the Kyrgyz Republic in electronic and paper forms by the 15 the day of a month following the reporting month. Information on each account in the report starts from indicating a balance on the account at the beginning of the period, then movements of resources on the account during the reporting period. Information on each account in the report is completed with an indication of the balance on the account at the end of the reporting period. The balance at the beginning and at the end of the reporting period is indicated depending on the nature of the account. For nostro accounts and cash foreign currency, the balance at the beginning and at the end of the period is reflected as a credit entry, while for loro accounts and som accounts of nonresidents, on the contrary, - as a debit entry. After processing, all of the reports are grouped into a general database and are classified by standard balance of payments components. Then, data are selected from this database and are selectively reflected in the balance of payments of the Kyrgyz Republic.

In the electronic form, which is filled by commercial banks according to this system, each operation is classified with a breakdown by correspondent banks, currency of operation, date of operation, type of operation, country of a partner (contractor) of the bank's client, specific sector of the economy, country of the client, on whose account the operation is conducted. The type of the operation, name of the country, currency and sector of the economy are presented in the coded form. The PB-1 electronic form of the report is given in 13 fields, whose description is given below.

<i>Nº</i>	<i>Box</i>	<i>Contents of the box</i>
1.	Partner	The correspondent bank abroad is indicated in this box. The "currency in cash" is indicated in this box in case of accounting transactions in cash. "Som accounts of nonresident customers" are indicated herein in accounting transactions of nonresidents in the Kyrgyz Republic.
2.	Code of the country of the partner's residence	The code of the country of location of the correspondent bank is indicated in this box. The NSC codifier country codes are used herein. When accounting cash transactions or transactions of nonresidents in the Kyrgyz Republic, the code of the Kyrgyz Republic would be given herein as well.
3.	Currency	The code of the currency used in the transaction is indicated herein. Letter codes of currencies given in the ISO 4217 classifier are used in this box.
4.	Date of transaction	The transaction entry date in the account book of the bank is indicated herein.
5.	Code of transaction	The transaction code is indicated herein in compliance with the list of standard balance of payments items.
6.	Code of the country of residence of the partner (counteragent) of the bank's customer	The code of the country of the partner (counteragent) of the bank's customer is indicated herein. When accounting cash transactions, the code of the country of origin of the currency in cash should be indicated herein.

7.	Sectoral code	The code of the economic sector the bank customer in the Kyrgyz Republic is affiliated with should be indicated herein.
8.	Code of the customer's country	The code of the country whose resident is the customer of the bank in the Kyrgyz Republic is indicated herein to show transactions on his account with the bank. The NSC country codifier codes are used herein.
9.	Credit	Movement of funds on accounts is shown as credit and debit entries.
10.	Debit	
		These data should be reflected in the following way: for transactions on nostro accounts and cash transactions – as receipt of funds as a credit entry, their write-off should be shown as a debit entry; for transactions on loro accounts and som accounts of nonresident customers – vice versa: the write-off – as the debit entry, while the receipt of funds – as the debit entry. The amount is shown in the nominal value and in monetary units with two figures after a comma.
11.	Amount in soms	The equivalent amount in soms at the official NBKR exchange rate effective on the date of the transaction entry in the account book of the bank should be indicated herein. The amount should be indicated in the monetary unit with two figures after a comma.
12.	Amount in U.S. dollars	The equivalent amount in U.S. dollars at the official NBKR exchange rate effective on the date of the transaction entry in the account book of the bank should be indicated herein.
13.	Transactions	Full information is given herein to indicate the destination of each transfer of funds. Information in this column should not repeat transactions already entered into the standard balance of payments classification, it should give contents of each specific transaction. It is required for exercising control over the correctness of the codification of transactions. Therefore, such explanations as “financial services”, “other business services”, “export of goods” do not meet the reporting completeness requirements. When indicating a transfer of funds as a payment for a delivery of goods, a specific commodity should be indicated in the presence of such information.

In addition to the report, information on balances at the beginning and the end of the reporting month is given according to the format PB-1. These data should correspond to the data on balances at the beginning and the end of the period reflected in the PB-1 reports. Additional reports are given according to the following forms:

- PB-1K – information on correspondent balances with foreign banks.
- PB-1H - information on balances in foreign currency in cash available at the cash office.
- PB-1C – information on balances on som accounts of nonresident customers.