
I. *Introduction*

Purpose of the Code guide

1. Statistics Department is the sole compiler of Pakistan's Balance of Payments (BOP) Statistics. The business process includes the designing of questionnaire; providing guidance to the respondents; collection; processing; validation and dissemination of data. The process involves maximum possible coverage of the transactions of residents with rest of the world (ROW).
2. Exchange Records or International Transactions Reporting System (ITRS) of banks is a major source of BOP Statistics. All cash transactions; inward and outward remittances; inter-bank sale and purchase; sales to and/ or purchases from SBP; and conversion of currencies in exchange of other currencies are captured through ITRS. The foreign exchange data thus collected are incorporated in the balance of payments accounts with some adjustments.
3. The main purpose of the guide is to provide coding system/ guidelines to the respondents for reporting the data of foreign exchange transactions. It can be useful for other stakeholders since it covers the conceptual framework, definitions, and Standard Component Classification as per BPM5.
4. The guide is a supplement to Chapter XXII of Foreign Exchange Manual (Eighth Edition – 2002) and to be used in line with the instructions issued from time to time by the SBP.
5. We assume that the guide will serve the purpose. The suggestions for improvement are highly appreciated.

Changes from the previous code lists

6. This is the first code guide in booklet form wherein one can get a glimpse of overall scenario of the balance of payments standard components; conceptual framework; and the relevance of data collection and its importance regarding accuracy and timeliness. The code lists have been duly updated and reclassified as per definitions of Balance of Payments Manual 5th edition (BPM5) of 1993.
7. The code lists provided to the banks in 1984 were prepared according to the definitions of Balance of Payments Manual 4th Edition (BPM4) of IMF. The developments since then in the field of international trade and finance including trade in services; decentralization of foreign exchange controls; and developments in debt instruments; etc are covered in revised classification.
8. The codes for commodity classification (exports / imports) were specific for the reporting by ADs to SBP in the previous code lists. In order to have consistency with World Custom Organization (www.wcoomd.org) and the Federal Bureau of Statistics Harmonized Commodity Description and Coding System is being introduced. This will facilitate the coding as the exporters; importers; and ADs are well aware with HS Codes.

Composition of the guide

9. First section describes definitions and conceptual framework of balance of payments. The structure and standard components of balance of payments are also provided to let the banks understand the structure of end product of the system.
10. Second section brings in the details of various schedules and their summaries along with inter relationships.

11. Third section comprises of code lists for classification of transactions by the ADs.
12. Annexure are the specimen of all related summary statements and schedules.