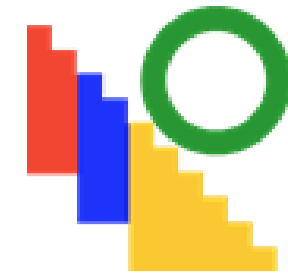


PAX Rejection Memo Reduction

Industry Initiative

Annual Report - 2023



The Passenger Rejection Memo Reduction initiative is endorsed by the IATA Financial Committee to reduce the number of unnecessary passenger rejection memos in the industry. The IBSOPS WG (now the ABS WG) and IATA SIS Rejection Reduction Team have undertaken several actions to reduce the number of passenger rejections:

- New validations in SIS
- Changes in the RAM
- Multiple presentations/workshops at industry meetings
- Continuous reporting and communications to the industry
- Publication of Best Practices Document

The purpose of this report is to track the trend of passenger rejection memos in SIS and provide a comparative analysis of the rejection memo counts of 2023 versus the counts of the base year 2015. Due to COVID-19 impacts, the target of 32% was put on hold in February 2020 due to the impact on volumes.

All values in this report exclude ACH billings (settlement through ACH using ACH rules). Also, the report covers Sampling and Non-Sampling analysis separately.

Rejection Rate									
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023
Rejection Rate	9.87%	9.06%	8.38%	7.82%	6.98%	12.51%	4.98%	4.95%	5.12%
% Var vs 2015		-8.21%	-15.14%	-20.73%	-29.24%	26.79%	-49.59%	-49.80%	-47.55%

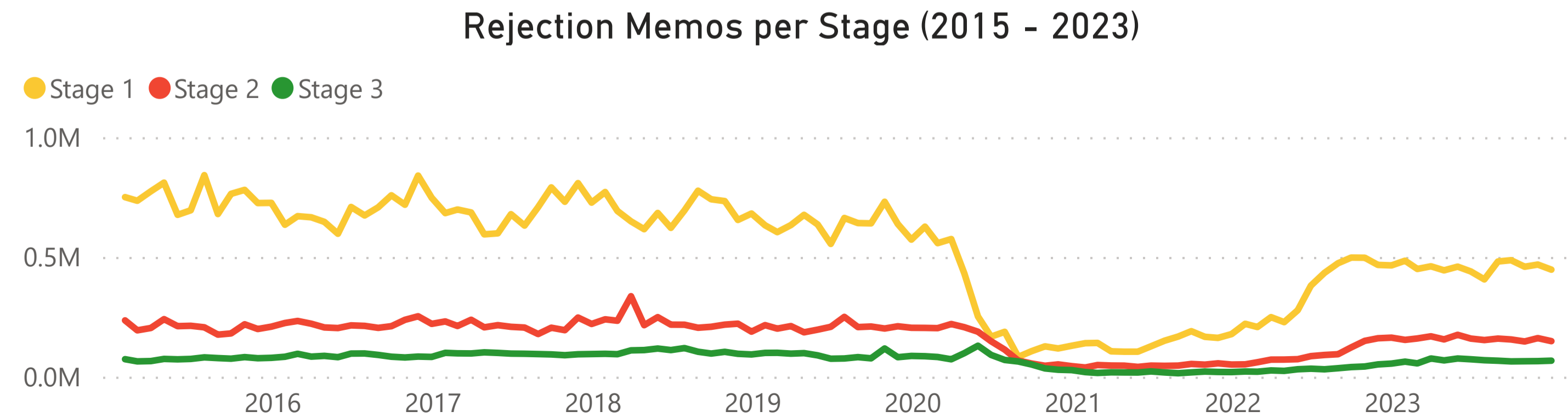
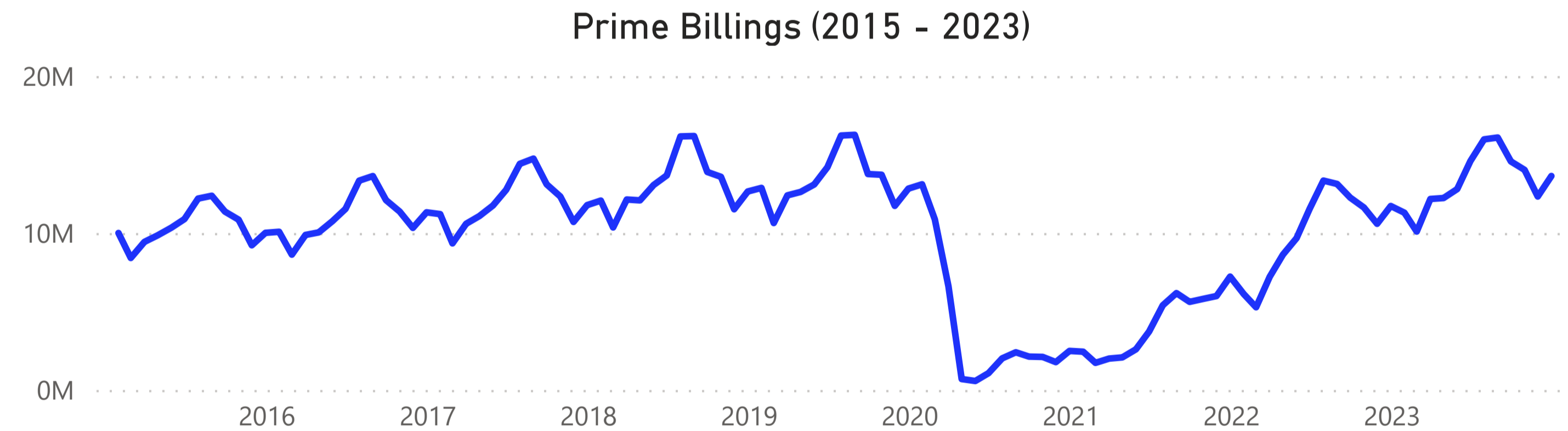
1. Highlight 2023

Prime Billings & Rejection Memos - 2015 - 2023

Prime Billings	Rejection Memos	RMs Stage 1	RMs Stage 2	RMs Stage 3	Rejection Rate
159.79M	8.19M	5.49M	1.90M	807.11K	5.12%
28%	-34%	-39%	-24%	-10%	-48%

Summary - 2023

- Prime Billings increased by 28% in comparison to 2015.
- Rejection Billings decreased by 34% in comparison to 2015.
- Stage 1 rejection counts have decreased by 39%, stage 2 by 24% and stage 3 by 10% in comparison to 2015.
- Fare related reasons (reason codes "1B, 1S, 1Z, 2S") are the number one reason for all stages of rejection memos with SMI I/M. Tax related reason ("1G, 1I, 1T, 1Y") are the number one reason for all stages of rejection memos with SMI B.



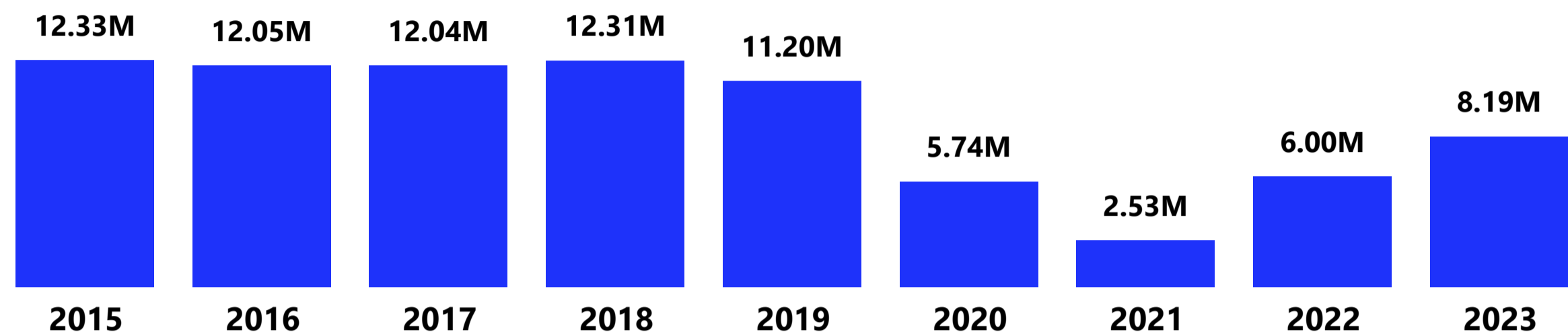
2. Global Non-Sampling Analysis

Total Rejection Memo Count and USD Value per Year

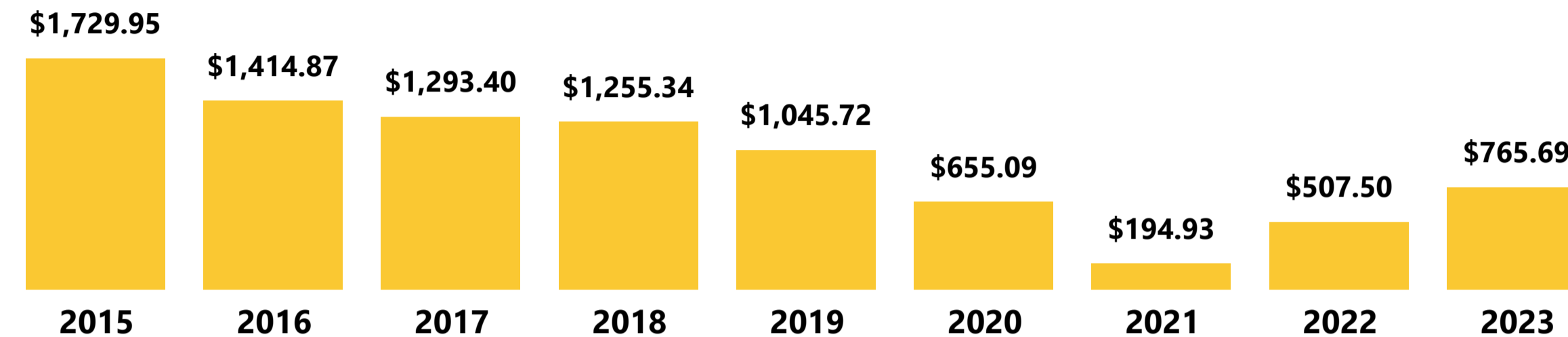
Rejection Memo Count: 8.19M (2023).

Rejection Memo Value: USD\$ 765.69M (2023)

Rejection Memo Count



Rejection Memo Value (USD Million)

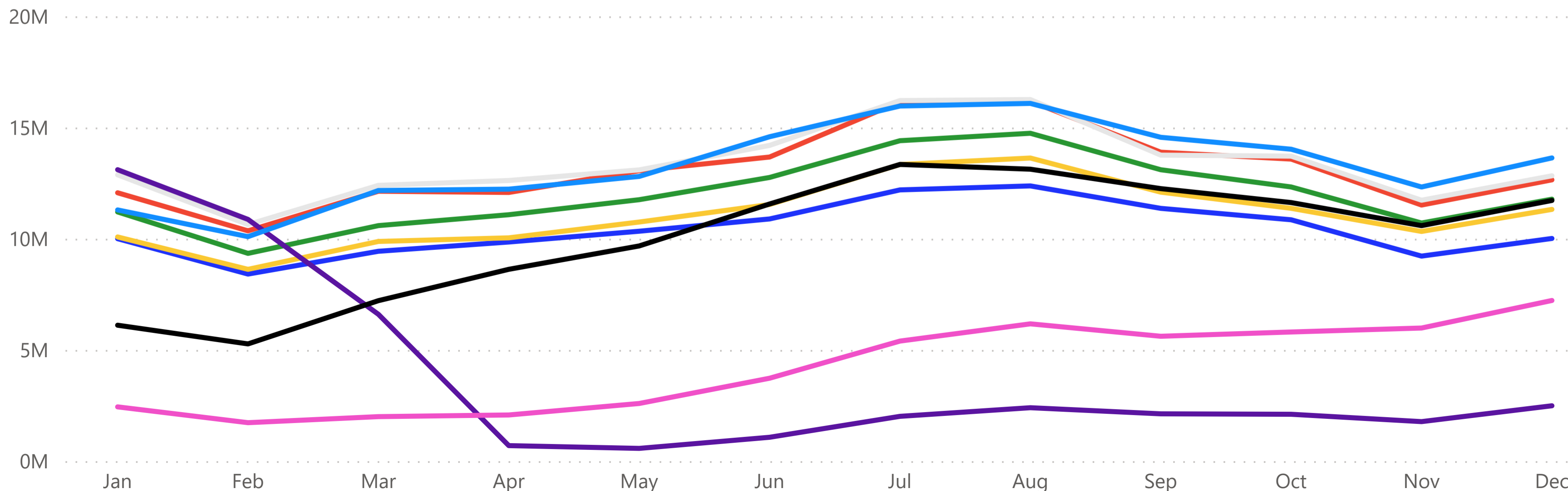


Total Prime Billing Counts - 2015 - 2023

2023 Prime Billings have increased of 27.87% compared to 2015

Prime Billings Count

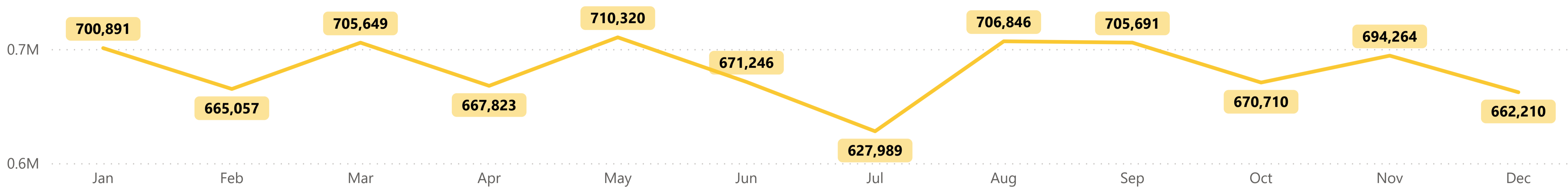
Year ● 2015 ● 2016 ● 2017 ● 2018 ● 2019 ● 2020 ● 2021 ● 2022 ● 2023



Year	Prime Billings	% Variation vs 2015
2015	124,965,120	
2016	133,004,194	6.43%
2017	143,807,432	15.08%
2018	157,354,093	25.92%
2019	160,339,228	28.31%
2020	45,856,996	-63.30%
2021	50,788,550	-59.36%
2022	121,133,951	-3.07%
2023	159,787,973	27.87%

Total Rejection Memo Count by Month - 2023

The below graph shows the total count of non-sampling rejection memos for all stages per month in 2023. May was the month that contained the highest rejection memo count.



Total Rejection Memo Count by Stage - 2015 - 2023

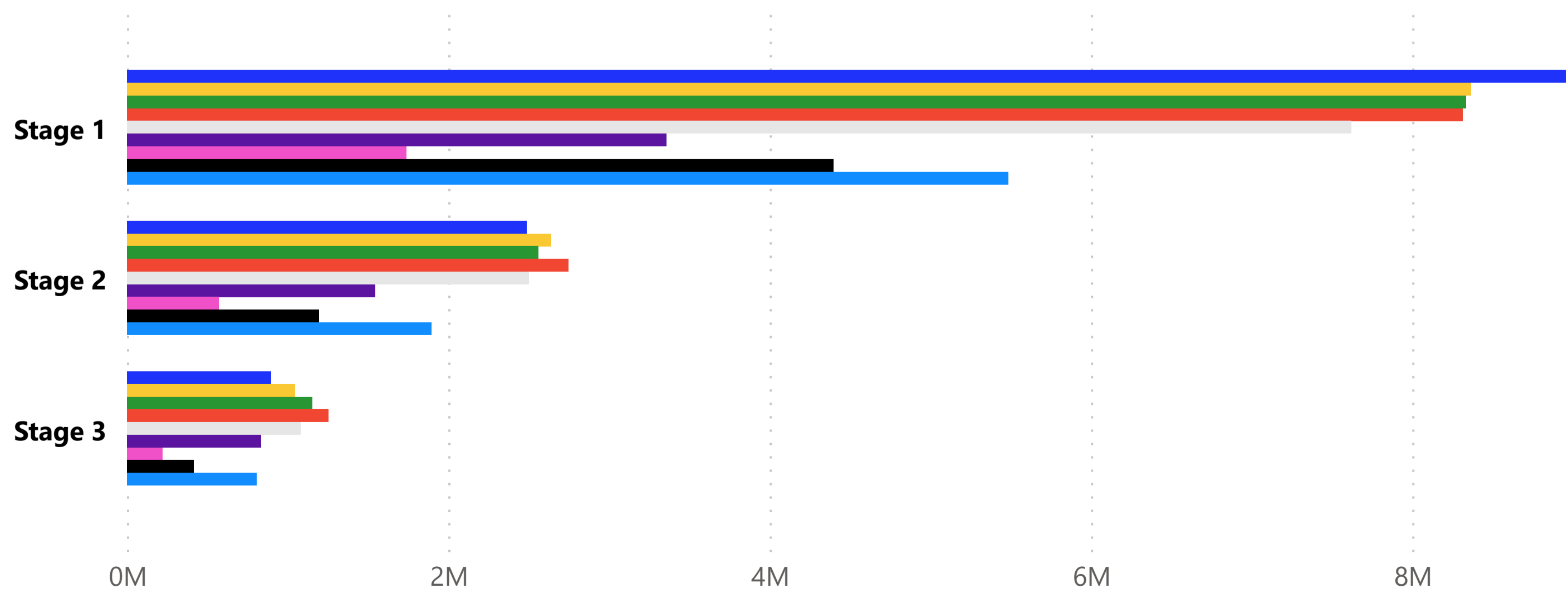
The below chart shows a comparison of rejections counts for each stage between 2015 and 2023.

Stage 1 Var. % vs 2015
-39%

Stage 2 Var. % vs 2015
-24%

Stage 3 Var. % vs 2015
-10%

Year ● 2015 ● 2016 ● 2017 ● 2018 ● 2019 ● 2020 ● 2021 ● 2022 ● 2023



Year	Stage 1	% Var. vs 2015	Stage 2	% Var. vs 2015	Stage 3	% Var. vs 2015
2015	8,954,055		2,485,300		894,364	
2016	8,364,691	-7%	2,638,520	6%	1,045,825	17%
2017	8,332,938	-7%	2,558,982	3%	1,152,795	29%
2018	8,312,757	-7%	2,747,008	11%	1,251,724	40%
2019	7,619,238	-15%	2,499,479	1%	1,078,478	21%
2020	3,358,353	-62%	1,545,387	-38%	834,672	-7%
2021	1,736,807	-81%	568,774	-77%	221,511	-75%
2022	4,395,290	-51%	1,193,625	-52%	412,613	-54%
2023	5,485,830	-39%	1,895,761	-24%	807,105	-10%

3. Rejection Reduction Target & Progress

Target

The industry target of **32%** reduction of the rejection rate by the year 2020 was put on hold in 2020 due to Covid-19. The rejection rate is calculated as follows:

$$\text{Rejection Rate} = \frac{\text{Sum of Rejection Memos of Past 12 months}}{\text{Sum of Prime Billings of Past 12 months}} \times 100\%$$

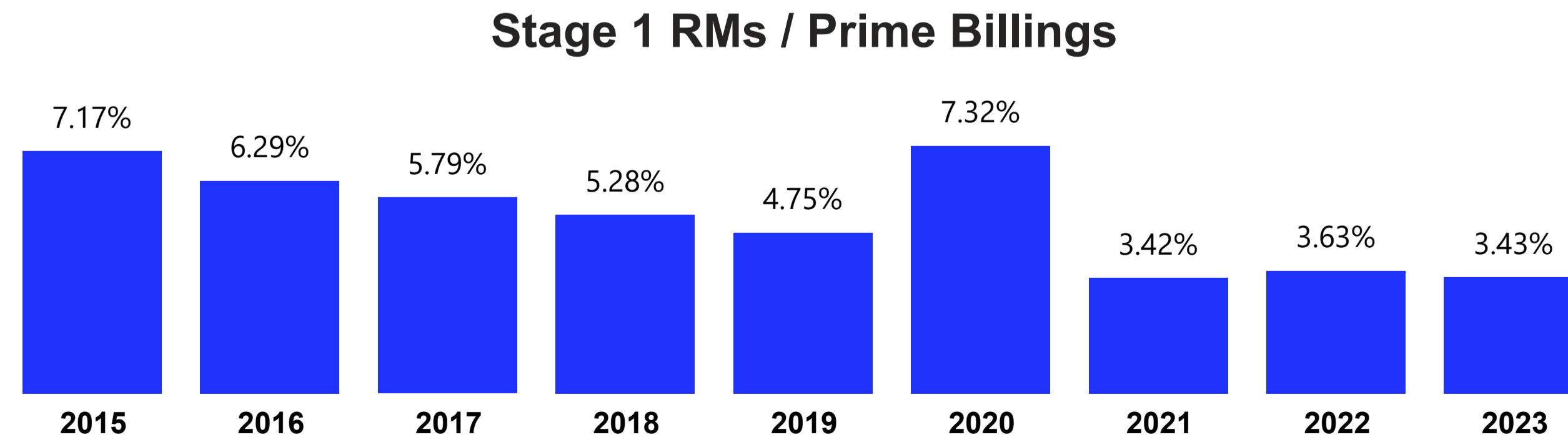
The table on the right shows the decrease in the rejection rate at the end of each year. By December 2023, the rejection rate decreased by **48.08%** in comparison to the base year 2015.

Year	RMs/ Primes	RMs/Primes Chart
2015	9.87%	
2016	9.06%	-8.21%
2017	8.38%	-15.14%
2018	7.82%	-20.73%
2019	6.98%	-29.24%
2020	12.51%	26.79%
2021	4.98%	-49.59%
2022	4.95%	-49.80%
2023	5.12%	-48.08%

Stage 1 Analysis - Estimated Percentage of Rejected Prime Billings

The chart below illustrates the trend of the estimated percentage of rejected prime billings for the full years from 2015 to 2023. Based on this calculation, approximately **3.43%** in 2023 were rejected, a consistent decrease since 2015. The percentage is calculated using the following formula:

$$\text{Estimated \% of rejected prime billings} = \frac{\text{Sum of Stage 1 RMs of past 12 months}}{\text{Sum of Prime Billings of Past 12 months}} \times 100\%$$



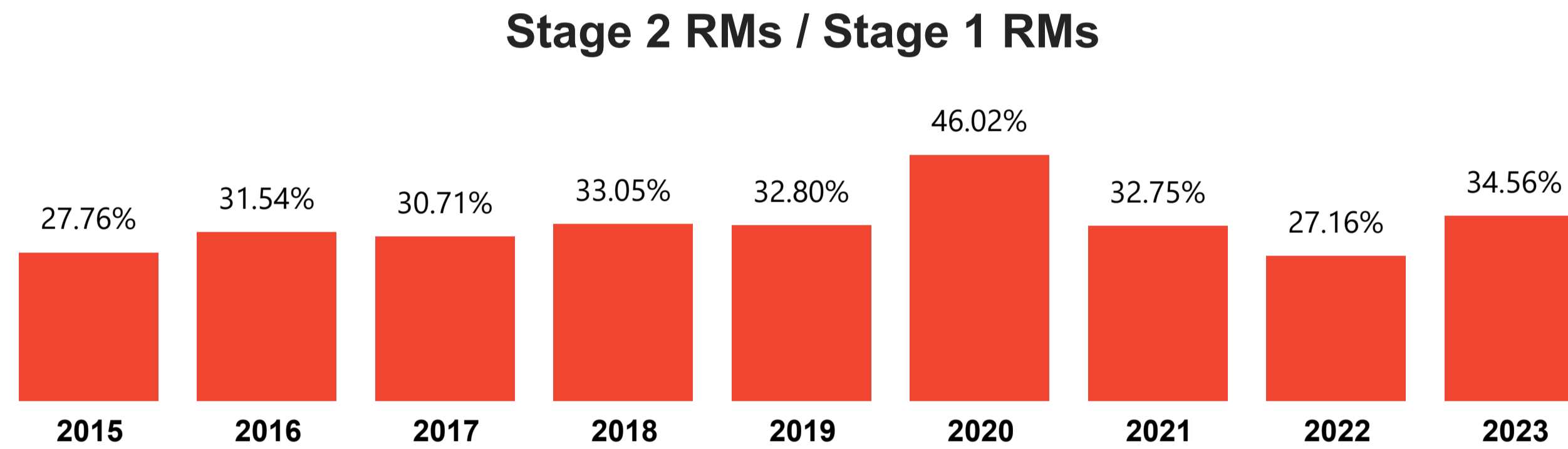
Stage 2 & 3 Analysis - Estimated Percentage of Re-Rejected Stage 1 and Stage 2 Rejections

The percentages are calculated using the following formulae:

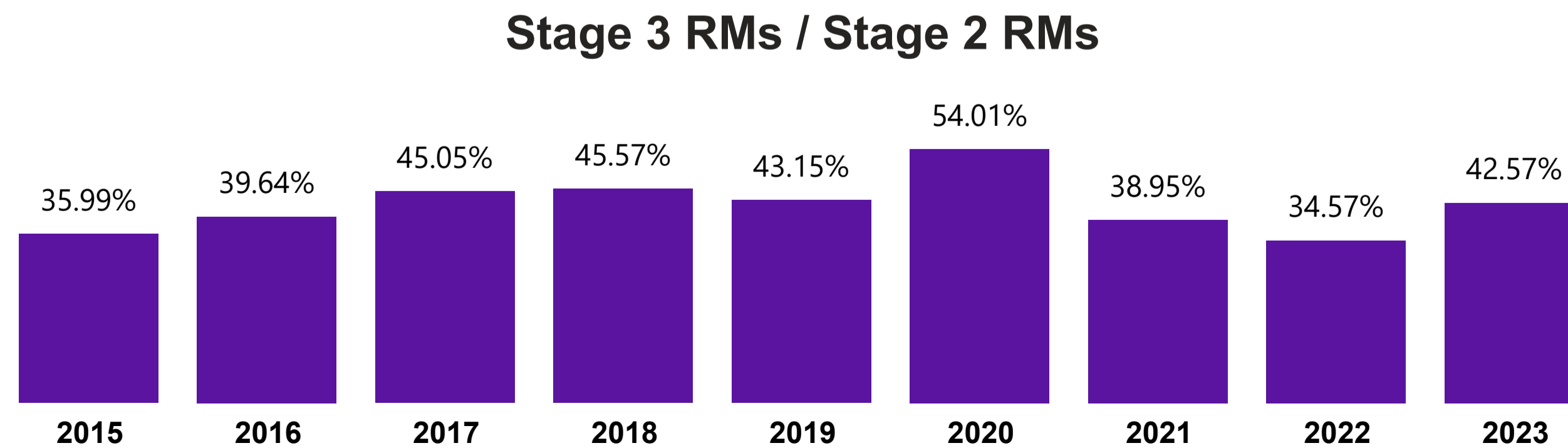
$$\text{Estimated \% of rejected Stage 1 RMs} = \frac{\text{Sum of Stage 2 RMs of past 12 months}}{\text{Sum of Stage 1 RMs of past 12 month}} \times 100\%$$

$$\text{Estimated \% of rejected Stage 2 RMs} = \frac{\text{Sum of Stage 3 RMs of past 12 months}}{\text{Sum of Stage 2 RMs of past 12 month}} \times 100\%$$

The chart below illustrates the trend of the estimated percentage of rejected stage 1 rejection memos for the full years from 2015 to 2023. The estimated percentage of rejected Stage 1 Rejection Memos is plotted in the graph below and show an increase in 2023 in comparison to previous years. Approximately **34.56%** of the Stage 1 rejection in 2023 were rejected back 2nd stage.



The chart below illustrates the trend of the estimated percentage of rejected stage 2 rejection memos for the full years from 2015 to 2023. The estimated percentage of rejected Stage 2 Rejection Memos is plotted in the graph below and show an increase in 2023 in comparison to previous years. Approximately **42.57%** of the Stage 2 rejection in 2023 were rejected back 3rd stage.



4. Rejection Memos Analysis by SMI

SMI - I/M Analysis - 2019 - 2023

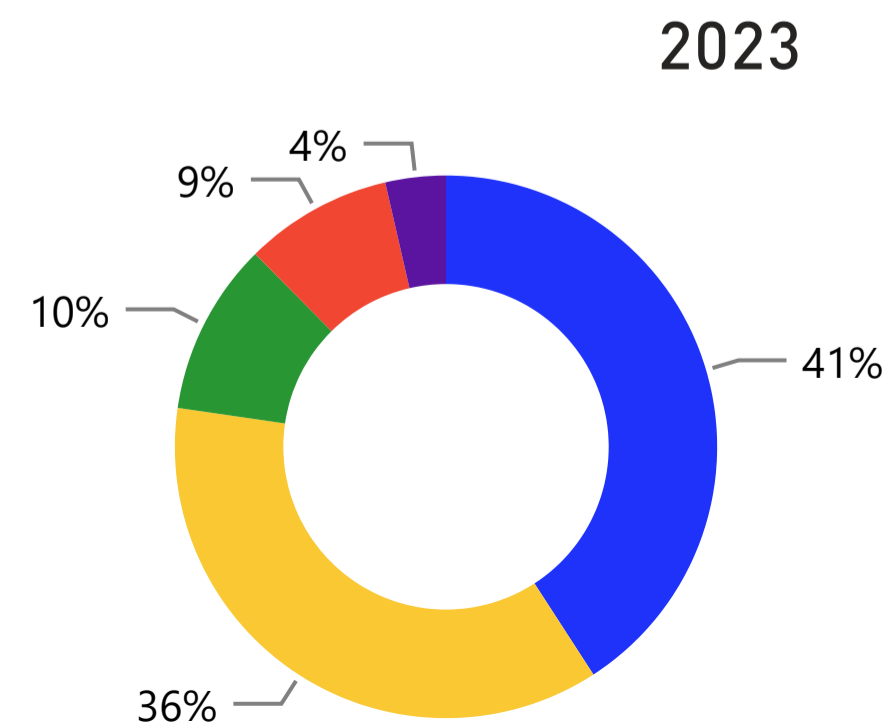
The table below shows the counts of SMI I and SMI M rejections per stage (2023 vs 2019). All rejection stages in 2023 have decreased compared to 2019. Data prior to 2019 is only at annual summary level, hence years prior to 2019 were removed from the analysis.

Year	1st Stage	% Var. vs 2019	2nd Stage	% Var. vs 2019	3rd Stage	% Var. vs 2019	Total RM Count
2019	7,251,647		2,439,040		1,048,062		10,738,749
2023	5,292,808	-27%	1,822,417	-25%	789,720	-25%	7,904,945

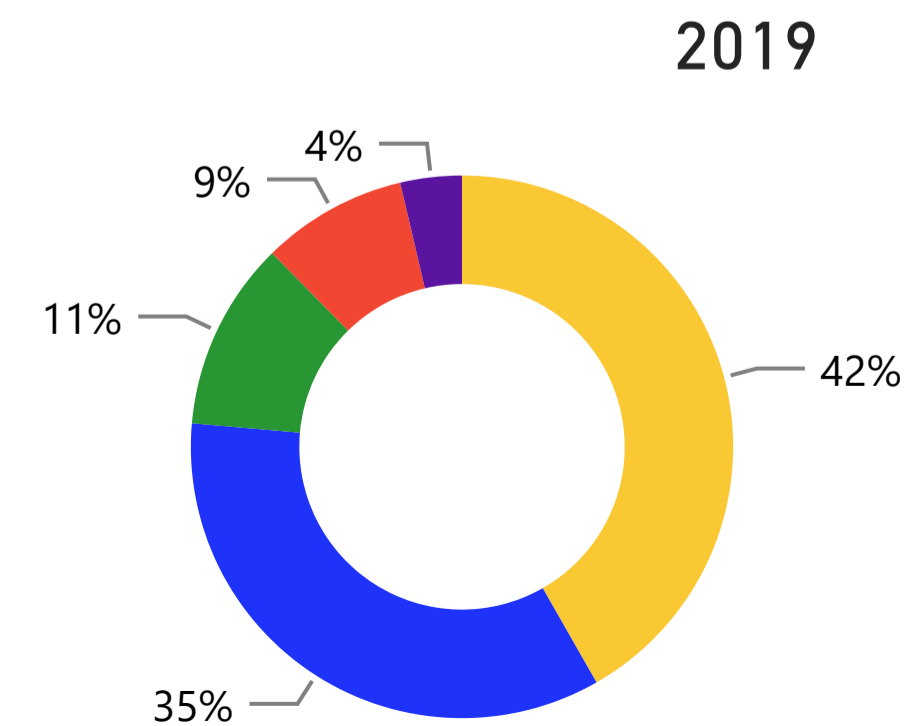
1st Stage Reason Code Analysis

The table below shows the Top 7 Reason Codes, sorted by 2023 stage 1 rejection counts. The top 7 reason codes represent **98%** of all SMI-I/M stage 1 rejections. Fare related reasons account for the highest count of 1st stage rejections in 2023.

Reason Codes	Reason Code Description	1st Stage 2023	1st Stage 2022	1st Stage 2021	1st Stage 2020	1st Stage 2019	% Variation 2023 vs 2019
1B, 1S, 1Z, 2S	Fare Related	2,145,745	1,772,129	654,937	1,220,844	2,509,370	-14%
1G, 1I, 1T, 1Y	Tax Related	1,914,217	1,503,663	602,133	1,209,088	3,022,945	-37%
1A, 1R	Fare/Tax/ISC Related	540,183	384,053	127,693	339,374	816,108	-34%
1E	UATP Reclaim	220,475	213,060	66,659	121,873	251,541	-12%
1C	ISC Reclaim	189,106	152,287	66,278	116,719	265,126	-29%
5Z	Others	126,925	67,802	41,584	92,072	141,340	-10%
2D	Billina Outside Time Limits	40,281	18,545	7,710	16,223	9,303	333%



- Fare Related
- Tax Related
- Fare/Tax/ISC Related
- All Other Reasons
- ISC Reclaim

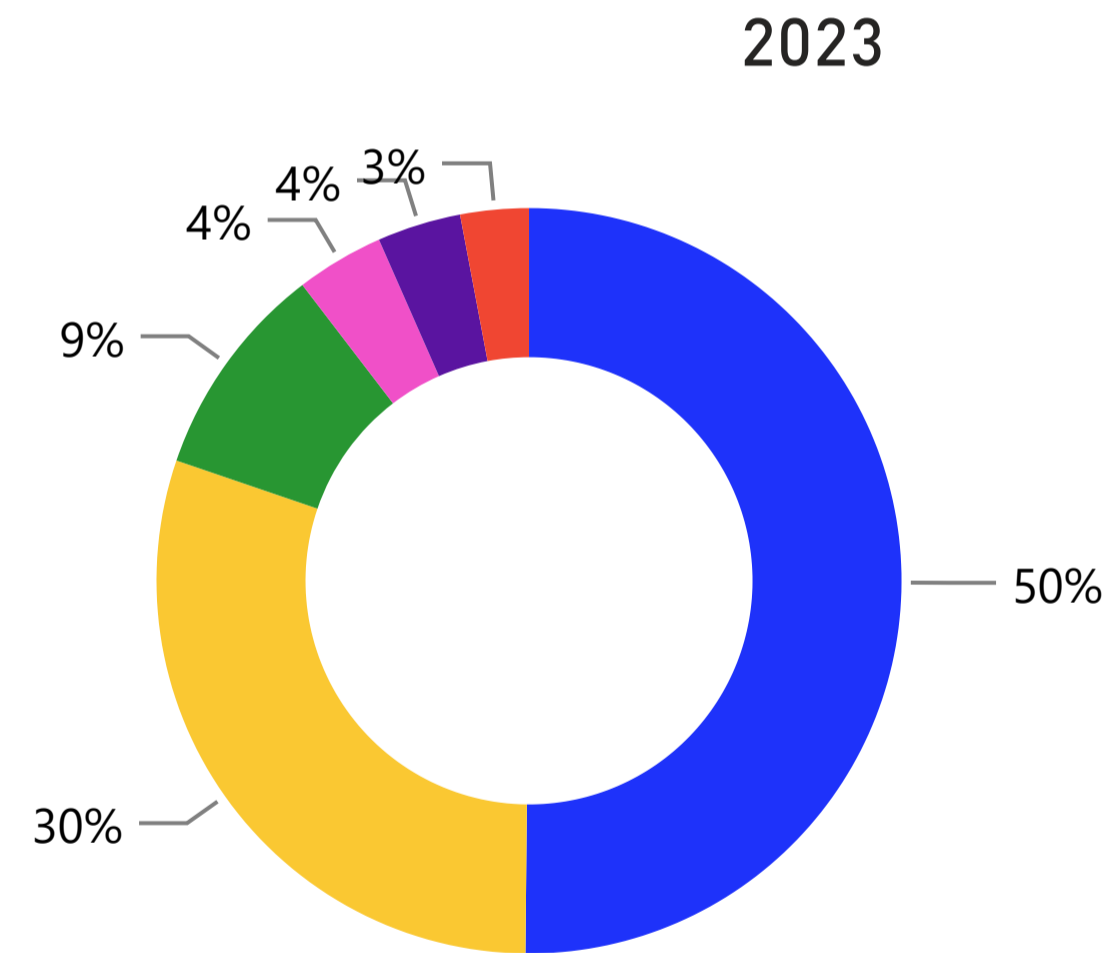


- Tax Related
- Fare Related
- Fare/Tax/ISC Related
- All Other Reasons
- ISC Reclaim

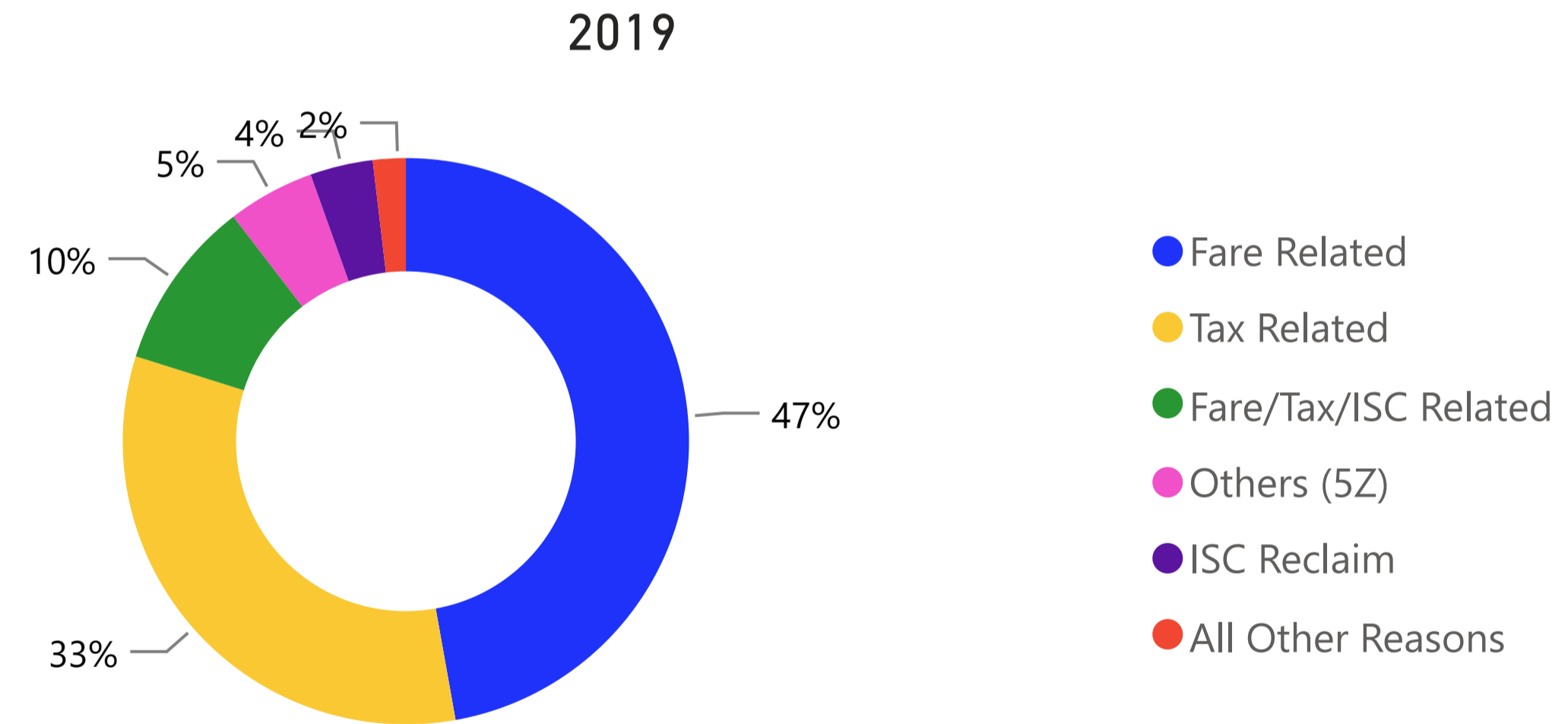
2nd Stage Reason Code Analysis

The table below shows the Top 7 Reason Codes, sorted by 2023 stage 2 rejection counts. The top 7 reason codes represent **99%** of all SMI-I/M stage 2 rejections. Fare related reasons account for the highest count of 2nd stage rejections in 2023.

Reason Codes	Reason Code Description	2nd Stage 2023	2nd Stage 2022	2nd Stage 2021	2nd Stage 2020	2nd Stage 2019	% Variation 2023 vs 2019
1B, 1S, 1Z, 2S	Fare Related	913,988	512,345	249,034	678,735	1,150,983	-21%
1G, 1I, 1T, 1Y	Tax Related	548,159	388,093	187,332	504,537	796,531	-31%
1A, 1R	Fare/Tax/ISC Related	170,609	106,077	46,093	155,190	237,291	-28%
5Z	Others	69,417	58,309	34,695	96,458	121,034	-43%
1C	ISC Reclaim	66,177	55,528	16,847	53,660	87,480	-24%
1D	Other Commission Reclaim	18,241	2,438	4,851	4,421	13,835	32%
1E	UATP Reclaim	17,623	9,940	2,338	7,804	13,113	34%



- Fare Related
- Tax Related
- Fare/Tax/ISC Related
- Others (5Z)
- ISC Reclaim
- All Other Reasons

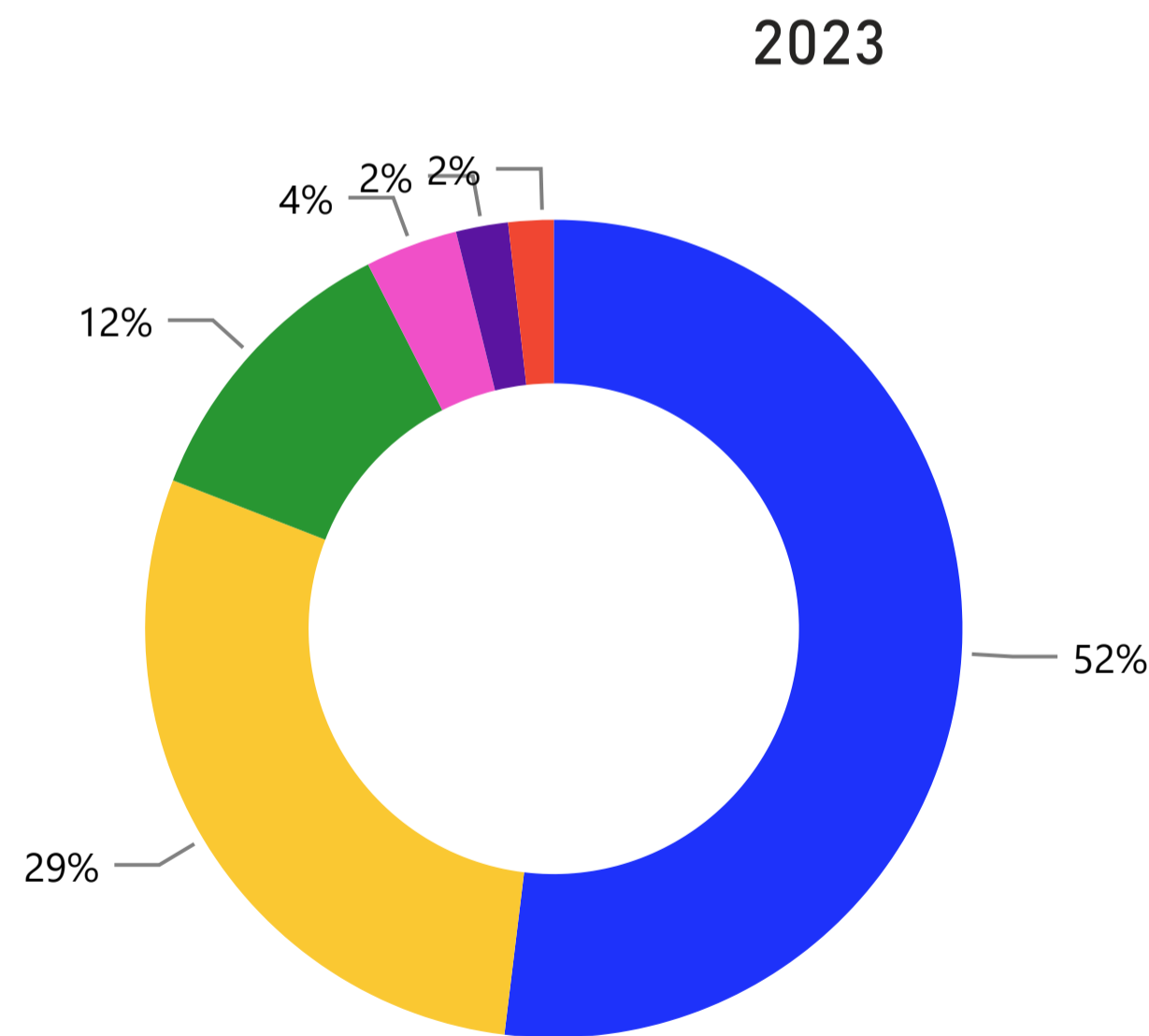


- Fare Related
- Tax Related
- Fare/Tax/ISC Related
- Others (5Z)
- ISC Reclaim
- All Other Reasons

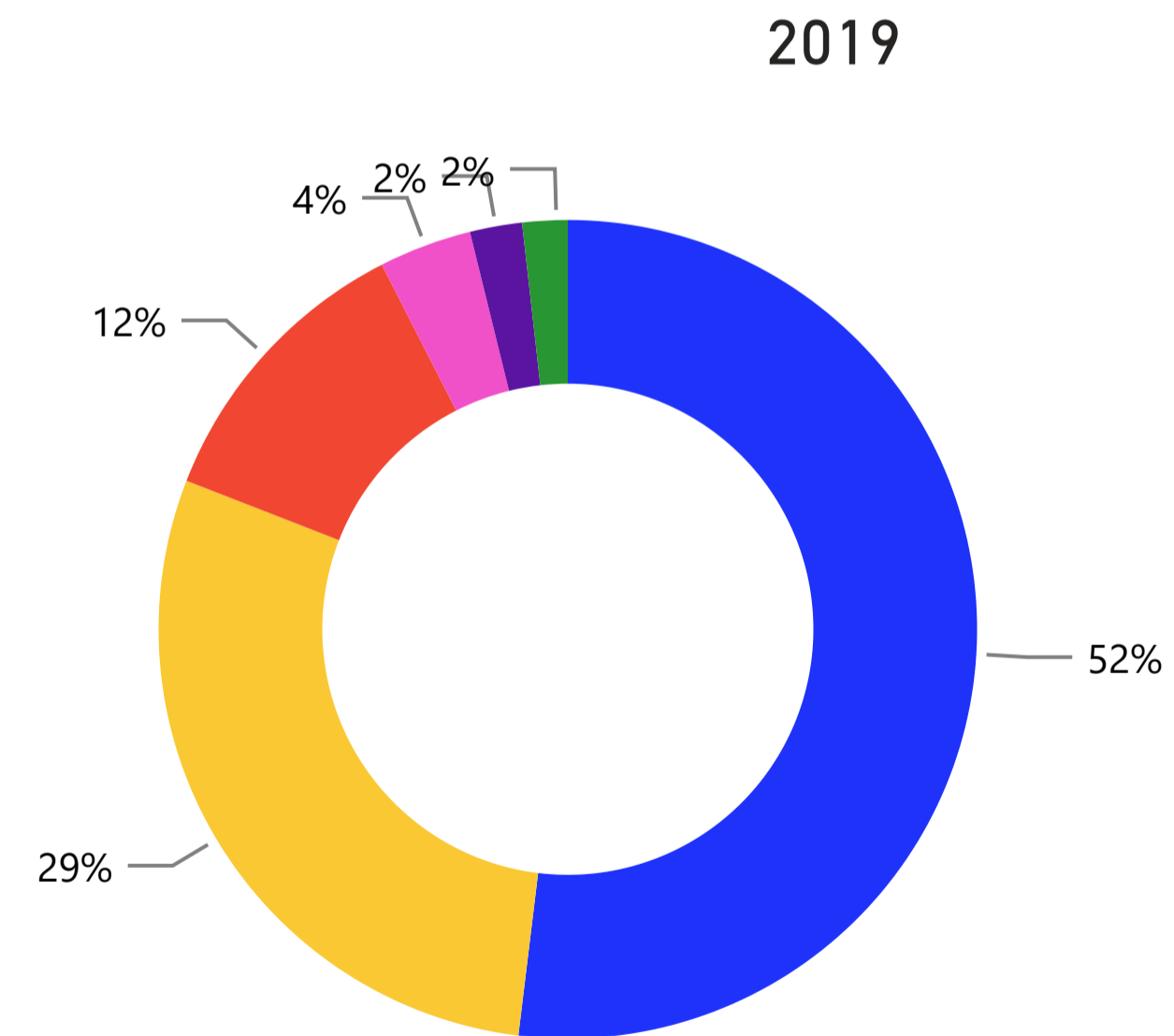
3rd Stage Reason Code Analysis

The table below shows the Top 7 Reason Codes, sorted by 2023 stage 3 rejection counts. The top 7 reason codes represent **99%** of all SMI-I/M stage 3 rejections. Fare related reasons account for the highest count of 3rd stage rejections in 2023.

Reason Codes	Reason Code Description	3rd Stage 2023	3rd Stage 2022	3rd Stage 2021	3rd Stage 2020	3rd Stage 2019	% Variation 2023 vs 2019
1B, 1S, 1Z, 2S	Fare Related	410,092	198,460	118,805	425,711	474,398	-14%
1G, 1I, 1T, 1Y	Tax Related	228,878	124,114	49,918	221,588	387,393	-41%
1A, 1R	Fare/Tax/ISC Related	91,449	37,301	19,206	83,670	101,013	-9%
5Z	Others	28,928	13,448	9,827	41,687	46,630	-38%
1C	ISC Reclaim	16,264	20,524	5,707	26,597	22,810	-29%
1E	UATP Reclaim	9,539	4,024	1,357	6,746	7,083	35%
2B	Duplicate Billing	910	282	350	4,402	1,396	-35%



- Fare Related
- Tax Related
- Fare/Tax/ISC Related
- Others (5Z)
- ISC Reclaim
- All Other Reasons



- Fare Related
- Tax Related
- Fare/Tax/ISC Related
- Others (5Z)
- ISC Reclaim
- All Other Reasons

SMI - B Analysis - 2019 - 2023

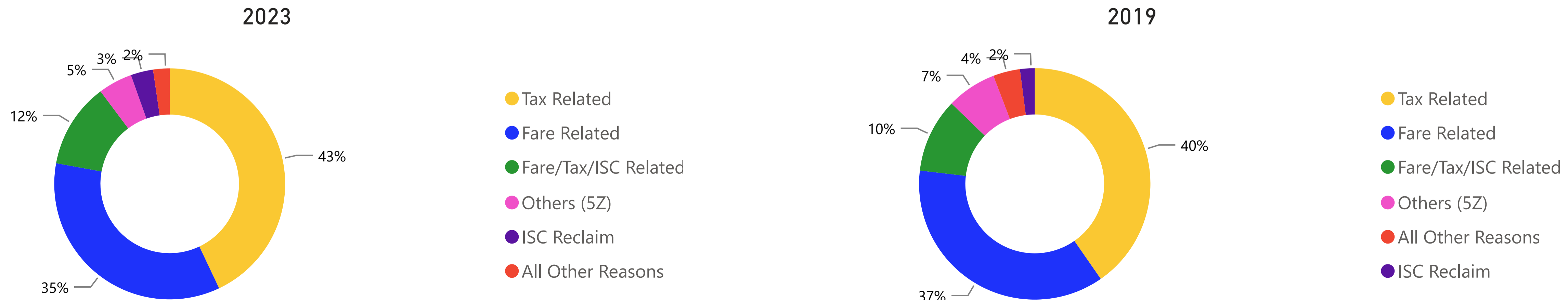
The table below shows the counts of SMI I and SMI M rejections per stage (2023 vs 2019). In 2023 stage 1 & 3 of rejections have decreased in comparison to 2019. Stage 2 rejections have increased compared to 2019.

Year	1st Stage	% Var. vs 2015	2nd Stage	% Var. vs 2015	3rd Stage	% Var. vs 2015	Total RM Count
2019	367,591		60,439		30,416		458,446
2023	193,022	-47%	73,344	21%	17,385	-43%	283,751

1st Stage Reason Code Analysis

The table below shows the Top 7 Reason Codes, sorted by 2023 stage 1 rejection counts. The top 7 reason codes represent **99%** of all SMI-I/M stage 1 rejections. Tax related reasons account for the highest count of 1st stage rejections in 2023.

Reason Codes	Reason Code Description	1st Stage 2023	1st Stage 2022	1st Stage 2021	1st Stage 2020	1st Stage 2019	% Variation 2023 vs 2019
1G, 1I, 1T, 1Y	Tax Related	82,925	100,844	49,018	76,135	148,263	-44%
1B, 1S, 1Z, 2S	Fare Related	67,375	56,726	30,965	48,043	134,203	-50%
1A, 1R	Fare/Tax/ISC Related	22,991	29,000	17,736	16,466	38,145	-40%
5Z	Others	9,216	7,538	4,753	6,966	25,611	-64%
1C	ISC Reclaim	6,054	2,028	1,077	623	7,525	-20%
2B	Duplicate Billing	2,307	1,119	3,778	4,025	2,141	8%
1E	UATP Reclaim	845	7,793	4,117	4,885	2,836	-70%

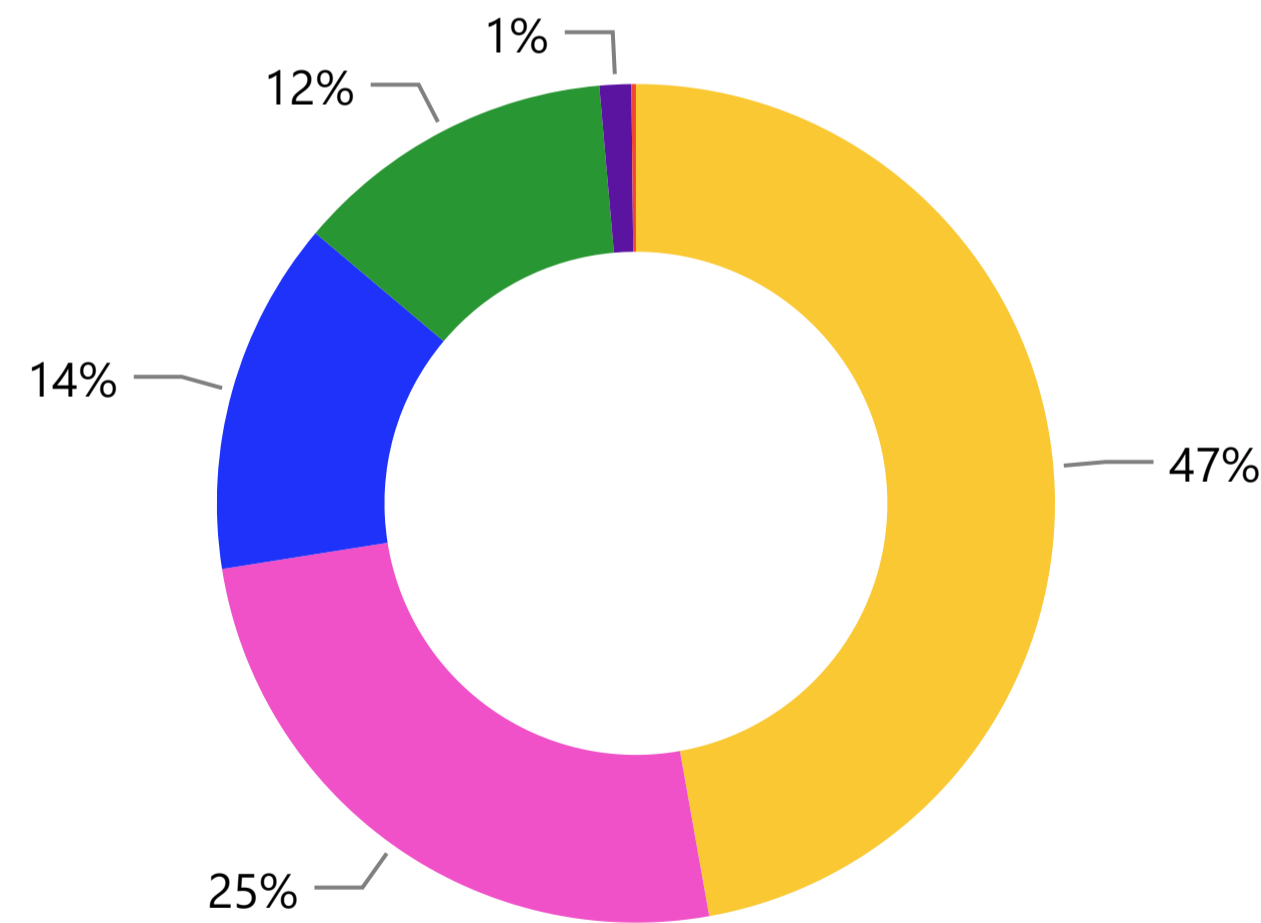


2nd Stage Reason Code Analysis

The table below shows the Top 7 Reason Codes, sorted by 2023 stage 2 rejection counts. The top 7 reason codes represent **99%** of all SMI-I/M stage 2 rejections. Tax related reasons account for the highest count of 2nd stage rejections in 2023.

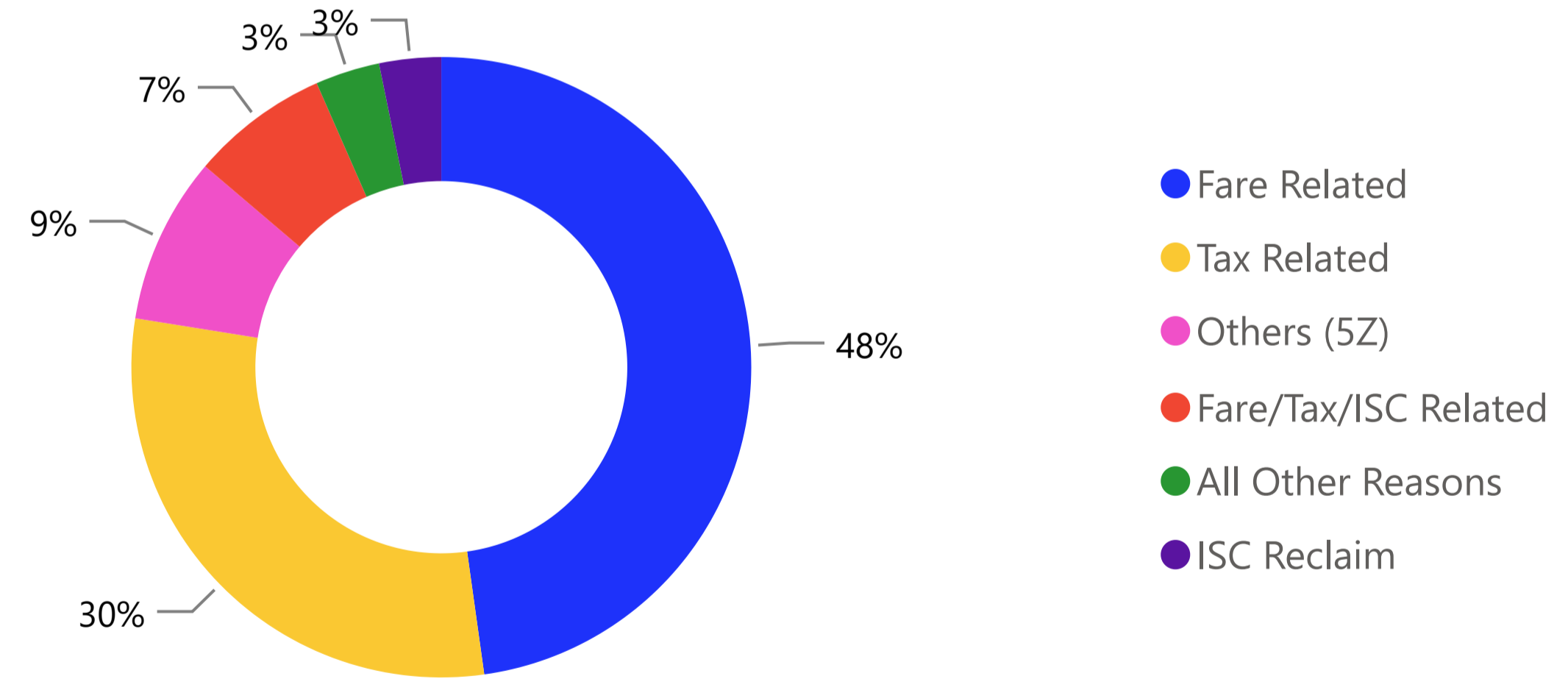
Reason Codes	Reason Code Description	2nd Stage 2023	2nd Stage 2022	2nd Stage 2021	2nd Stage 2020	2nd Stage 2019	% Variation 2023 vs 2019
1G, 1I, 1T, 1Y	Tax Related	34,620	25,571	10,940	8,498	17,973	93%
5Z	Others	18,552	5,456	1,371	5,801	5,251	253%
1B, 1S, 1Z, 2S	Fare Related	10,012	11,890	7,739	14,601	28,882	-65%
1A, 1R	Fare/Tax/ISC Related	9,138	9,576	3,040	3,993	4,352	110%
1C	ISC Reclaim	896	530	181	178	1,951	-54%
2B	Duplicate Billing	43	14		2	768	-94%
2A	Unmatched Sale	27	5	15	269	660	-96%

2023



- Tax Related
- Others (5Z)
- Fare Related
- Fare/Tax/ISC Related
- ISC Reclaim
- All Other Reasons

2019

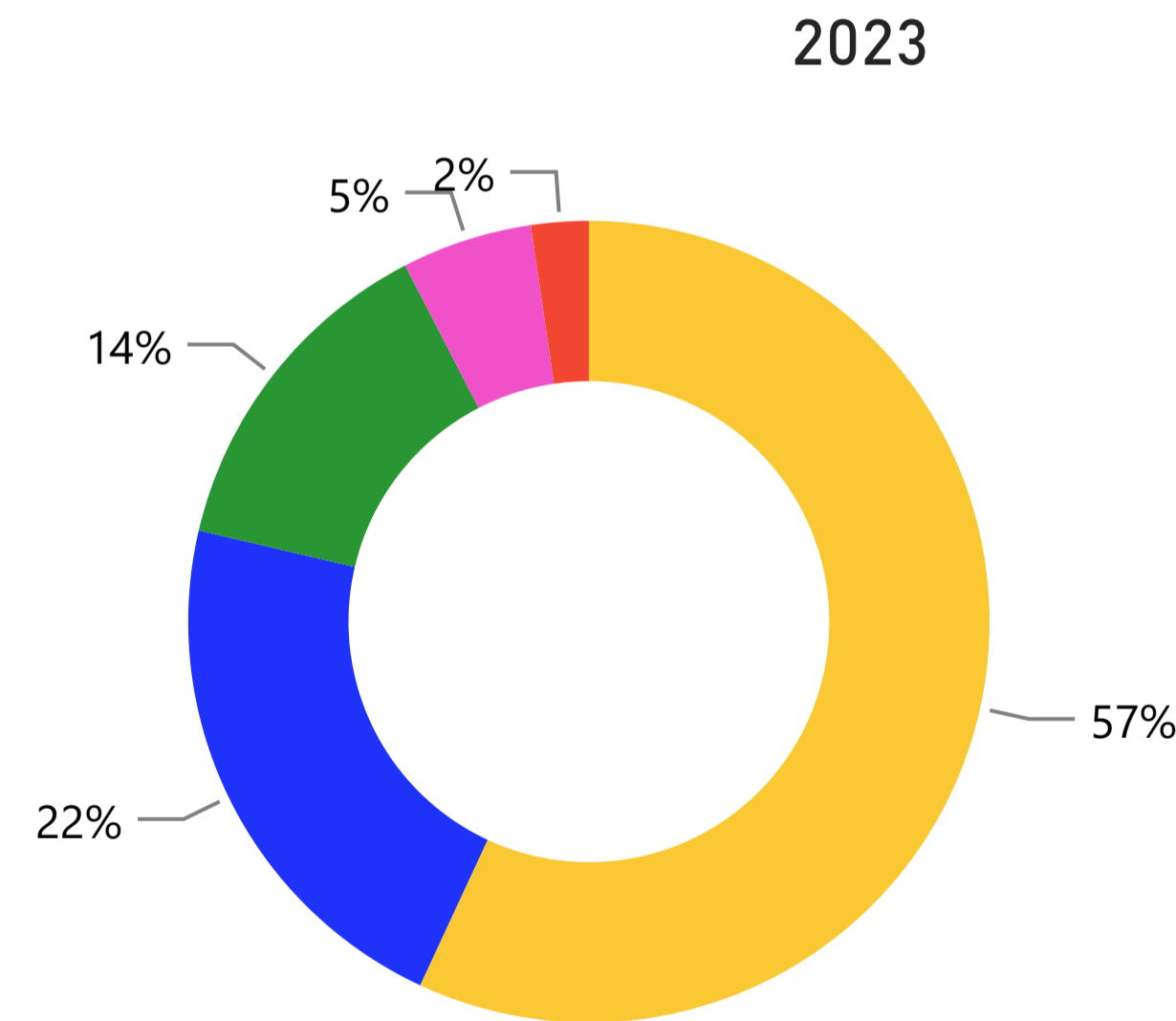


- Fare Related
- Tax Related
- Others (5Z)
- Fare/Tax/ISC Related
- All Other Reasons
- ISC Reclaim

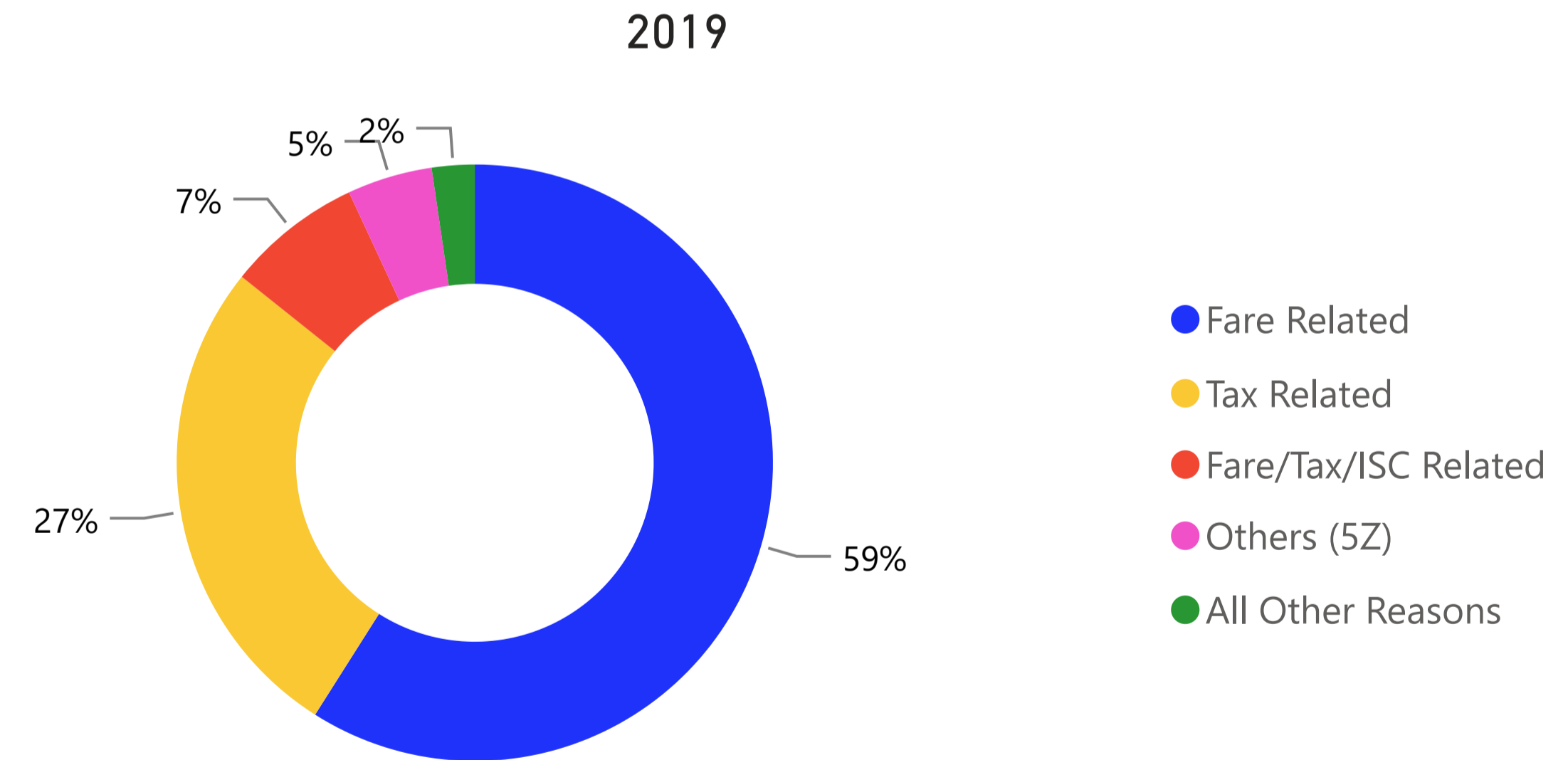
3rd Stage Reason Code Analysis

The table below shows the Top 7 Reason Codes, sorted by 2023 stage 3 rejection counts. The top 7 reason codes represent **99%** of all SMI-I/M stage 3 rejections. Tax related reasons account for the highest count of 3rd stage rejections in 2023.

Reason Codes	Reason Code Description	3rd Stage 2023	3rd Stage 2022	3rd Stage 2021	3rd Stage 2020	3rd Stage 2019	% Variation 2023 vs 2019
1G, 1I, 1T, 1Y	Tax Related	9,822	3,286	6,969	3,265	8,016	23%
1B, 1S, 1Z, 2S	Fare Related	3,751	3,652	3,560	9,878	17,695	-79%
1A, 1R	Fare/Tax/ISC Related	2,375	1,974	1,460	1,672	2,204	8%
5Z	Others	908	1,080	548	2,757	1,384	-34%
2D	Billing Outside Time Limits	347	11	53	2	3	11467%
1C	ISC Reclaim	129	4	5	113	422	-69%
1E	UATP Reclaim	18	96	3	15	1	1700%



- Tax Related
- Fare Related
- Fare/Tax/ISC Related
- Others (5Z)
- All Other Reasons



- Fare Related
- Tax Related
- Fare/Tax/ISC Related
- Others (5Z)
- All Other Reasons

5. Source Code 31 (Involuntary Reroute) Analysis

Rejection Counts per Month

The table below shows the count of Involuntary Reroute rejections per month from January 2023 until December 2023. The columns in the table represent the months in which the prime billings of these rejections were billed, and the rows represent the months in which the prime billings were rejected. The table also shows the Total number of SC31 prime billings per month.

There were **361,009** rejections raised against **2,897,906** SC 31 prime billings that were issued over the period September 2022 to August 2023.

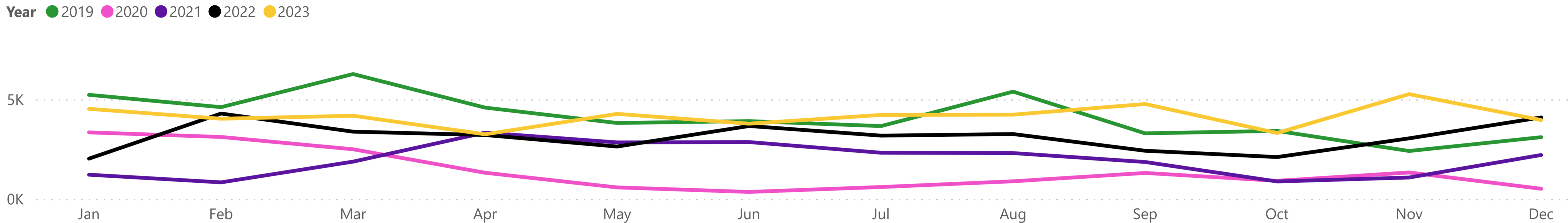
The last row represents the percentage of SC31 prime billings which are rejected.

Month of Rejections	Month of Prime Billings												Total	
	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023		
January 2023	9,244	6,324	4,306	13,664	3,049									36,587
February 2023	32	9,351	5,022	7,253	10,610	2,899								35,167
March 2023	2	91	5,282	11,424	5,051	11,979	3,613							37,442
April 2023				13,060	5,617	4,591	14,109	2,755						40,132
May 2023		2		56	7,628	5,913	7,589	15,622	1,560					38,370
June 2023				2		7,220	4,225	5,644	10,864	2,429				30,384
July 2023						28	6,010	2,989	7,468	13,838	2,863			33,196
August 2023				2			6	5,213	2,746	10,184	14,035	4,244		36,430
September 2023								2	5,381	7,850	9,214	9,984		32,431
October 2023				5					6	5,905	6,974	9,809		22,699
November 2023						1			2	3	8,972	3,001		11,979
December 2023												6,192		6,192
Total RM's	9,278	15,768	14,610	45,466	31,955	32,631	35,552	32,225	28,027	40,209	42,058	33,230		361,009
Total Prime Billings	228,509	192,604	196,331	306,919	219,103	208,708	223,129	212,269	212,666	296,166	318,296	283,206		2,897,906
Rejection %	4%	8%	7%	15%	15%	16%	16%	15%	13%	14%	13%	12%		12%

Note: The above table represents up to prime billing month August 2023, before which no further rejections can be raised. Source code 31 coupons issued from September 2023 and onwards are still within the rejection time limits and hence not included in the table.

6. FIMS

Prime Billings Counts by Month - 2019 - 2023



Prime Billings Counts & FIM Rejections Memos by Source Code - 2019 - 2023

In comparison to 2019, the total FIM prime billings with SMI I & M have increased by **16%** and the total FIM rejection billings have decreased by **54%**.

SMI - I/M

Year	FIM Prime Billings	% Var. vs 2019	SC 44	% Var. vs 2019	SC 45	% Var. vs 2019	SC 46	% Var. vs 2019	Total RM Count	% Var. vs 2019
2019	41,680		23,331		8,453		3,234		35,018	
2023	48,271	16%	8,280	-65%	7,520	-11%	375	-88%	16,175	-54%

In comparison to 2019, the total FIM prime billings with SMI B have decreased by **92%** and the total FIM rejection billings have decreased by **91%**.

SMI - B

Year	FIM Prime Billings	% Var. vs 2019	SC 44	% Var. vs 2019	SC 45	% Var. vs 2019	SC 46	% Var. vs 2019	Total RM Count	% Var. vs 2019
2019	7,695		1,171		430		196		1,797	
2023	651	-92%	78	-93%	54	-87%	25	-87%	157	-91%

7. IATA Passenger Interline Rejection Reduction Dashboard

The Interline Billing and Settlement Operations ("IBS OPS") Working Group (now the Airline Billing and Settlement "ABS" Working Group) and the IATA SIS Rejection Reduction Team continue to publish the **Passenger Interline Rejection Billings Quarterly Dashboard**. This dashboard is a quarterly publication from the IATA Passenger Rejection Memo Reduction Initiative, which is endorsed by the IATA Financial Advisory Committee to reduce the number of unnecessary passenger rejection billings in the industry. The purpose of this new quarterly dashboard is to maintain industry awareness of passenger interline rejection billings and encourage airlines to track the trend of their own passenger interline rejection billings by generating the **report in SIS** titled, "**Non Sampling RM Analysis Comparison to the Industry**".

Below is the dashboard for the 4th Quarter of 2023 (Q4-2023). Keep updated with these quarterly dashboards via the [PAX Rejection Memo Reduction Website](#)

