



IATA Currency Coordination

Leading Airlines' lobbying activities related to the repatriation of sales funds

IATA's Currency Coordination is a non-commercial activity, which co-ordinates and leads industry lobbying aimed at removing regulatory obstacles that prevent IATA Member Airlines from freely repatriating their worldwide sales proceeds. To do this, IATA Currency Coordination surveys the airlines as to what countries they face issues repatriating funds or have blocked funds, determines the issues and best course of action, and then proceeds to lobby the responsible authorities in the reported countries on behalf of the airlines.

IATA Currency Coordination Working Group (ICWG)

The IATA Currency Coordination Working Group (ICWG) is a panel of 10 representatives from airlines affected by repatriation issues. This panel meets twice a year and reports its progress to the IATA Financial Committee (FinCom). IATA Currency Coordination, with the assistance of the ICWG, pursues industry-wide approaches to address issues affecting the repatriation of members' sales funds.

One of the primary tools used by the ICWG is the Remittances of Foreign Balances (RFB) Survey. The Survey allows the ICWG to track improvements or deteriorations in existing problem countries, enabling IATA and its airline members to address the problems that exist on an industry-wide basis.

Remittances of Foreign Balances (RFB) Survey

At the end of each year, IATA Currency Coordination conducts the Remittances of Foreign Balances (RFB) Survey of IATA member airlines. This one-page survey first asks if the IATA Member has difficulty repatriating funds from any country. A "No" answer is just as important as a "Yes" as it allows IATA to determine if the overall level of blocked or delayed funds in the industry is decreasing.

The Survey then goes on to gather information on the specific countries in which funds are blocked or delayed and the underlying problem. Reasons can vary from lack of foreign exchange in the country to cumbersome repatriation procedures, however the reason must be beyond the airline's control for the information to be included in the results of the survey. Funds that have been blocked or delayed for less than 2 months are not included.

The survey is published in March, presenting the prior year's total amount of worldwide delayed or blocked funds reported by the airline industry. Specific airlines are not identified.

Airlines' Treasury and Finance departments use the survey results as a risk management tool, as it can assist in making decisions on whether to start operations to new countries or stop operations in current countries where remittance problems exist.



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Lobbying

Once the RFB Survey is completed and published, IATA's Currency Coordination contacts the airlines that did report blocked or delayed funds to determine the specific issue and how to channel lobbying efforts in order to eliminate the blockage.

Input and feedback from the affected airlines at this stage is crucial to IATA's lobbying efforts. As IATA does not have an office in many of the problem countries, IATA Currency Coordination is very dependant on the assistance of the airlines operating to these countries, which can obtain more accurate and valuable information through their local representatives. Therefore, IATA stresses the importance of the Airlines' collaboration to improve the outcome of the industry's lobbying efforts.

At the end of each month, IATA's Currency Coordination distributes a newsletter summarising the issues in each problem country and any progress in its lobbying activities.

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