SIS General Update

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Agenda

- Governance
- SIS SOC2 Audit
- 2020 Budget and Forecast

Governance - general

- **Who can vote for SIS SG Members?**
  - Any company that has signed the ISPA
- **Who can vote for changes to the service or to the Participation Agreement?**
  - Companies signatories of ISPA that are submitting and receiving invoices through the service
- **What happens to system changes that have been passed by a vote?**
  - They go to the SIS SG for prioritization, and confirmation on funding availability once IATA has determined the implementation cost

Governance - general

- **Will all voted changes be implemented?**
  - Not necessarily. If they are too difficult or expensive to implement, they may be de-prioritized by the SIS SG
  - IBS OPS items that passed and affects SIS – mandatory to be implemented in next major release as they represent changes to the billing rules
  - Also, the meeting cannot vote on items that are outside its jurisdiction, such as legal or policy matters, nor cause IATA to act contrary to Board decisions

SIS SOC2 Audit

- **Airlines Participants and SIS Steering Group requested IATA to obtain a SOC2 (Service Organization Controls) certification for SIS**
  - Audit conducted on Controls at a Service Organization relevant to Security, Availability, Processing Integrity, and Confidentiality (SOC 2 Type II)
- **The third external audit for SOC2 certification audit took place in January & February 2019**
  - Accelya - Pune and Mumbai
  - IATA – Montreal
  - Period audited: January 1, 2019 to December 31, 2019

SIS SOC2 Audit

- Complex audit
  - More than 150 controls
  - Covered one full year of operations 2019
  - Includes the exercise of Disaster Recovery environment switch
- Audit opinion states that the description of the system of controls as designed and implemented is fairly stated, the system is fit-for-purpose, and operated effectively during the period under review
- **No exceptions** were noted as a result of the external audit testing
- Second SOC 2 certification, obtained in 3 consecutive years, with no exception, which is an exceptional result
- Report have been distributed to Participants based on request

SIS SOC2 Audit

- Communication sent to SIS super users of the availability of the SOC2 report
  - Request for the report to be raised through IATA Customer Portal
    - Request must come from an authorized representative of the entity
    - The entity must be customer of IATA for the SIS service and is seeking access to the SOC 2 Report for its own internal business purposes
- SOC2 report contains a notice of restricted use which must be accepted to view the report
    - Agree to not disclose or distribute the report in the public domain

SIS SOC2 Audit – Next steps

- Audit of the full year 2019: 1st January to 31st December 2019
- Audit will take place in two phases to allow an early publish of the report:
  - Early December 2019
  - January 2020
- Report to be published end of February 2020

2020 Budget and Forecast

- SIS service is run on a full cost-recovery basis with prices set so as to recover the budgeted costs
- As per ISPA, the surplus/deficit amounts will be shared between all ISPA participants proportionally to the total paid in the relevant year
  - 2018 SIS Deficit of USD 253,306.89USD
  - Recharged in P4 July 2019 to 482 participants – ISPA signatories
  - Impact in 2018 mostly due to new policy of zero capitalization and depreciation
  - IATA worked with SIS SG and reduced the initial deficit projected for 2018, by implementing several measures, i.e. reduced enhancements budget and implemented first price increase from 1 Jan 2018
- As a result of 2019 activity we estimate we will be in a Surplus situation
  - Result of measures implemented and second Prices increase effective 1 Jan 2019

2020 Budget and Forecast

- SIS SG has worked closely and actively with IATA to find solutions for deficit reduction
- Measures related to gradual price increase synchronized with cost reduction initiatives
  - First price increase since service went live in 2011, to incentivize the correct usage of the platform and promote quality of data being exchanged – effective 1st January 2018
  - Second price increase – effective 1st January 2019
  - Cost reduction initiatives - 2018 - 2019
    - Reduced scope for major releases
    - New support contract with improved conditions in place end 2017
- No more effect of the new policy of zero capitalization and depreciation
- Benefits realization after new GDC structure implementation

Thank you!

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