

IATA Currency Clearance Service (ICCS)
Simplifying the Business of Airline Treasury

Frequently Asked Questions – FAQ’s

General ICCS 3

- What is ICCS? 3*
- What is the difference between ICCS and the IATA Clearing House (ICH)? 3*
- What are the key benefits of ICCS? 3*
- What is a “typical” ICCS airline (size, geography, ownership, etc.)? 3*
- Who has legal title to my funds while in ICCS bank accounts? 3*
- Where can I find information on ICCS Operations?..... 3*

ICCS Membership..... 4

- What are the steps to joining ICCS?..... 4*
- Is there a cost associated with using ICCS? 4*
- Is there any training required for new Members and what are the costs? 4*
- Can I start and stop using the service as I wish? 4*
- Will I have to change my banking set-up or banking partners if I use ICCS?..... 4*
- Can I close bank accounts if I implement the ICCS?..... 4*
- What if an authorised signatory leaves the company or we need to add another I&N user? 4*

ICCS Availability..... 5

- In which countries can I use ICCS?..... 5*
- Why is ICCS not available in certain countries? 5*
- Is there an alternative to joining the BSP network for smaller airlines to clear through ICCS? 5*
- Can I use ICCS if I am not a BSP or CASS member or have no GSA sales? 5*
- How quickly can I implement ICCS in a specific country?..... 5*

Payment Instructions..... 5

- What are “standing/default instructions” and what is their benefit?..... 5*
- Can I designate the value date of a payment? 6*
- Can I direct ICCS to remit payments to suppliers on my behalf? 6*
- Can I direct ICCS to send payables to the IATA Clearing House (ICH) on my behalf? 6*
- Can I direct the IATA Clearing House (ICH) to send receivables to ICCS? 6*

IATA Currency Clearance Service (ICCS)
Simplifying the Business of Airline Treasury

Currency Conversion..... 6

Am I obligated to convert funds being collected via ICCS? 6

What is the current ICCS FX conversion policy?..... 7

Can I know the FX rates ahead of time?..... 7

ICCS Operations Calendar 7

What is the ICCS Calendar? 7

Can I have the ICCS calendar for the whole year at the beginning of the year? 7

How is the ICCS Calendar generated? 7

Can I receive funds on the BSP/CASS Settlement date indicated on the ICCS calendar?..... 8

ICCS Interest and Charges 8

How is the interest that I earn on funds in transit computed? 8

How are my ICCS Charges applied?..... 8

ICCS Reports 9

Will ICCS notify me of my incoming funds? 9

What information do I receive from ICCS? 9

Why are the exchange rates on the final report (30F) different to what is shown on the approximate report (30A)?..... 9

What does the term Shortfall refer to on my reports?..... 9

What does the term Sub Settlement refer to on my reports? 10

How are the bank charges listed on the reports determined?..... 10

ICCS Information & Netting System 10

What is the I&N System? How does it differ from CitiDirect?..... 10

How do I log on to CitiDirect to access my reports and make transactions?..... 10

When I try to access CitiDirect, my computer indicates that it is “Loading” for an extended period of time, is it meant to do this?..... 11

When I try to logon to CitiDirect, the screen tells me there is a “Challenge Error”, what do I do? 11

ICCS Contacts 11

IATA Currency Clearance Service (ICCS) ***Simplifying the Business of Airline Treasury***

General ICCS

What is ICCS?

IATA Currency Clearance Service (ICCS) is a global cash management service that assists airlines, and other IATA Travel Partners, to effectively manage the collection and repatriation of their foreign sales proceeds. Presently, sales proceeds covered by ICCS are BSP sales, CASS sales, airlines' direct General Sales Agent (GSA) sales, IATA Clearing House (ICH) settlements and selected credit card sales. Please see the [ICCS Information Brief](#) on www.iata.org/iccs for more information.

What is the difference between ICCS and the IATA Clearing House (ICH)?

ICCS clears funds that are being transacted between airlines and BSP's/CASSes, whereas the ICH clears funds that are being transacted between airlines and other parties, such as other airlines or suppliers.

What are the key benefits of ICCS?

ICCS enables industry treasuries to outsource a portion, or all, of their foreign sales receivables to IATA. In doing so, Members benefit from a proven, efficient repatriation process and take advantage of terms negotiated on an industry-wide basis. In addition, ICCS allows industry treasuries to centralise their international cash management activities and thus creates proven efficiencies throughout the organisation.

What is a "typical" ICCS airline (size, geography, ownership, etc.)?

There is no simple answer since ICCS Membership is so varied, from airlines using ICCS in 68 BSP's and CASSes to 1 BSP or CASS. The flexibility and ability for tailored solutions makes ICCS attractive to any airline managing international revenues.

Who has legal title to my funds while in ICCS bank accounts?

The Member does. The ownership of the Member's receivables is never interrupted as they are cleared through ICCS. ICCS acts as an Agent for the airline - as stipulated in the Article 17 of the Terms & Conditions.

Where can I find information on ICCS Operations?

For more information on ICCS Operations, Members should visit www.iata.org/iccs-users, where first time visitors will be required to register for a password. Registered Members should continue on to the Private Site. Here the Member will have full access to such information as, instructions on using the CitiDirect system, the ICCS Calendar and Operational Releases.

IATA Currency Clearance Service (ICCS) ***Simplifying the Business of Airline Treasury***

ICCS Membership

What are the steps to joining ICCS?

An airline or IATA travel partner must simply sign the standard ICCS Terms and Conditions and the ICCS Pricing Agreement to become a Member. Non-IATA members must also provide documentation to satisfy the Swiss Money Laundering law. To actually begin using ICCS, a Member must then complete a Standard Instructions package outlining those within the organisation who are authorised to sign documents on behalf of the Member. Also included are letters to the BSP/CASS managers authorising them to remit funds to ICCS on the Member's behalf and a form for the Member's bank account details.

Is there a cost associated with using ICCS?

There is no joining fee or annual membership fee. There is, however, a standard ICCS service charge schedule. It is only activated when a Member begins to use ICCS to clear funds (if there are no funds, there is no fee). The current service charge schedule can be found on our website www.iata.org/iccs under [ICCS Pricing Policy](#).

Is there any training for new Members and what are the costs?

Yes, there is training. ICCS will contact the Member several times during the initial phases of implementation to ensure that everything is clear and answer any questions. There will be a briefing on the web-based ICCS Information & Netting (I&N) system and the ICCS Members Private Page. The Member will be contacted next on the first Order Day to explain the procedures and concepts. There is no cost for this training. Should the Member wish to visit ICCS or have a representative of ICCS visit them for further explanation, the Member would be responsible for all travel expenses.

Can I start and stop using the service as I wish?

Yes. Total flexibility is given to the Member and normally only a short 1 to 2 week notification must be given to ICCS in order to implement the desired change at the local BSP/CASS level.

Will I have to change my banking set-up or banking partners if I use ICCS?

No. ICCS basically acts as an agent for its Members to repatriate funds to head office or local office bank accounts. ICCS will deliver funds to any specified Member bank account on file and thus there is no need for the Member to open new bank accounts. However, there is the potential for Members to close foreign bank accounts by using ICCS. Please see next question.

Can I close bank accounts if I implement the ICCS?

Yes. This is something that ICCS Members have experienced. ICCS, with its many features and options, allows Members to close certain foreign (sales office) bank accounts depending on the regulations of that particular country.

What if an authorised signatory leaves the company or we need to add another I&N user?

For account security, it is the Member's responsibility to notify ICCS as to who has left and who will be replacing them.

IATA Currency Clearance Service (ICCS) ***Simplifying the Business of Airline Treasury***

ICCS Availability

In which countries can I use ICCS?

A complete list by BSP, CASS and GSA can be found on the ICCS website www.iata.org/iccs under Operational Countries.

Why is ICCS not available in certain countries?

This is due to either a lack of demand or due to local restrictions that do not allow IATA to operate the service efficiently in a particular country. Presently, IATA is working to implement ICCS in additional countries with the goal of making it available in all IATA BSPs and CASSes in the future.

Is there an alternative to joining the BSP network for smaller airlines to clear through ICCS?

Yes. The IATA BSP Consolidator System (IBCS) allows an airline to partake of full BSP membership without having to pay the fees of becoming a BSP member, which can be substantial for smaller airlines. Visit http://www.iata.org/ps/financial_services/bsp/ibcs.htm for more information. Please note the fee for using ICCS via the IBCS programme is also less than via full BSP membership (see ICCS Pricing Policy on www.iata.org/iccs).

Can I use ICCS if I am not a BSP or CASS member or have no GSA sales?

No. In order to clear funds via ICCS, a Member must first join the BSP (either directly or via IBCS) or CASS or have direct GSA sales.

How quickly can I implement ICCS in a specific country?

The process is relatively straightforward and driven by the Member's particular time objective. In general, 2 to 3 weeks would be required to circulate the necessary documents for signing and to advise the relevant IATA BSP and CASS offices or the GSA of the changes.

Payment Instructions

What are "standing/default instructions" and what is their benefit?

For every BSP/CASS implemented by an ICCS Member, the Member must inform ICCS of their standing instruction for those BSP/CASS sales proceeds. For example, a standard instruction can be: "Convert all funds to USD and send funds to XYZ bank in New York City...etc."

These instructions can be used in two ways:

1. They can be used as a default order, which ICCS will act upon for every BSP/CASS settlement, therefore relieving treasuries of the burden of contacting ICCS for every settlement;
2. Alternatively, for Members that require more active management of their sales proceeds, the Standard Instructions are used as back-up instructions in the unlikely case that the Member does not place their "order" with ICCS before the cut-off time. Please note that "orders" must be notified via the I&N system, fax or email to ICCS by 19:00 (CET) on the Order Day

IATA Currency Clearance Service (ICCS) ***Simplifying the Business of Airline Treasury***

according to the ICCS Calendar (available on www.iata.org/iccs-users under ICCS Operations Calendars).

Can I designate the value date of a payment?

Yes. With ICCS, the Member has the possibility of delaying payments up to 30 days from a specific ICCS Clearance Day. Please note that during this period funds earn interest on behalf of the Member.

Can I direct ICCS to remit payments to suppliers on my behalf?

Yes. It is possible to use ICCS to make payments to Third Parties around the world unless restricted by the United Nations or US banking regulations. The Member must sign a separate **Third Party Agreement**. It should be noted that ICCS cannot accept standing orders for a fixed date. There is a US\$ 20 annual charge per third party bank account that ICCS has on file.

Can I direct ICCS to send payables to the IATA Clearing House (ICH) on my behalf?

Yes, on the following conditions:

- ICCS must have a **Third Party Agreement** signed by the Member on file. There is a charge of US\$ 20 per Third Party Agreement Bank Account on file.
- Payments to the ICH must take place for good value on Call Day or Early Call Day.
- The payment must be the exact amount of what is owed to the ICH, paid in one instalment, except in instances where there is a special agreement with the ICH or an adjustment during the protest period. In this case more than one payment will be accepted.

Please bare in mind that ICCS assumes no responsibility for ICH penalties should the value date be later than the ICH Call Day or Early Call Day. It is entirely up to the Member to ensure the amount and timeliness of any remittances to the ICH.

Can I direct the IATA Clearing House (ICH) to send receivables to ICCS?

Yes. Instead of remitting ICH USD, GBP or EUR receivables directly to the Member's local bank account, ICH can release them to ICCS on the Member's behalf. Then ICCS can remit them to the Member according to the standard instructions given.

Currency Conversion

Am I obligated to convert funds being collected via ICCS?

No. ICCS Members are free to decide if they will convert funds via ICCS or if they will take delivery of local currency funds. Members can also be selective and make this decision for each currency and for every BSP/CASS settlement. **Countries with currency restrictions may be exceptions.** Please note that on behalf of the industry, ICCS has negotiated a very attractive foreign exchange conversion policy with its main service bank, which is based on inter-bank benchmark rates (see next question).

IATA Currency Clearance Service (ICCS) ***Simplifying the Business of Airline Treasury***

What is the current ICCS FX conversion policy?

Presently, ICCS is using a Citibank Treasury product called “FX Benchmark”. It is a new development in FX trading that “locks-in” FX rates based on benchmark rates derived using various inter-bank market rates. The process is very transparent and audited by independent auditors. Information on our Forex Conversion Policy for freely convertible currencies is available on our website www.iata.org/iccs under [Forex Conversion Policy](#). In cases where currencies are not freely convertible, IATA has negotiated separate local FX conversion policies. Please contact ICCS for specific details.

Can I know the FX rates ahead of time?

No. ICCS uses the Citibank “FX Benchmark” rate as fixed at noon GMT on the ICCS Contract Day. ICCS does, however, provide a report based on the FX rates used in the previous clearance, which gives approximate figures (30A). Please consult our website www.iata.org/iccs under [Forex Conversion Policy](#) for more information.

ICCS Operations Calendar

What is the ICCS Calendar?

The ICCS calendar lists the dates of the ICCS Clearances. Amongst other important dates, the calendar outlines the BSP/CASS Settlement Days, the ICCS Order Days and the ICCS transfer dates to Members’ bank accounts (Clearance Days). These are the most important dates for Members in managing their ICCS funds and associated financial decision-making. The ICCS Calendar is available on www.iata.org/iccs-users under ICCS Operations Calendars.

Can I have the ICCS calendar for the whole year at the beginning of the year?

No. ICCS makes every effort possible to provide this information by the beginning of each year; however, this is subject to the availability of the information.

How is the ICCS Calendar generated?

The Calendar is generated by taking the BSP/CASS settlement dates and incorporating as many of them as possible into each ICCS 4-day Clearance.

Specifically, each BSP/CASS publishes an annual calendar indicating the sales period covered, remittance dates for travel agents and payment settlement dates to the airlines or, in our case, ICCS. Based on those calendars, ICCS then builds the monthly ICCS calendar, which shows all Clearances for that period; for this purpose ICCS extracts from the BSP/CASS calendar the only two dates that are needed, namely:

The **reporting day**, the day on which the BSP/CASS settlement amounts are notified to ICCS.

The **settlement day**, the day on which the BSP/CASS through its clearing bank will settle funds due to ICCS on behalf of its Members.

In each clearance ICCS tries to integrate as many BSP/CASS settlements as possible, bearing in mind that each BSP/CASS operate on different remittance schemes and frequencies.

IATA Currency Clearance Service (ICCS) ***Simplifying the Business of Airline Treasury***

The ICCS Clearances are comprised of 4 consecutive working days: the **Order Day**, **Contract Day**, **Closing Day** and **Clearance Day** as described in the Operations Manual available on www.iata.org/iccs-users under File Download Center.

- **Order Day** - the day on which any changes to a Member's standard instructions must be notified to ICCS either through the CitiDirect system or via email or fax. Members have until 19:00 (CET) to submit. On this day the Member will receive an email notification that the Approximate report (30A) of receivables is available for download from CitiDirect.
- **Contract Day** - the day on which ICCS trades its net currency positions entering into 2-day spot contracts for value on Clearance Day.
- **Closing Day** - the day on which funds are released by ICCS to its Members. On this day the Member's Final report (30F) will be available for download from the CitiDirect system.
- **Clearance Day** - the value date for which payments released on Closing Day are credited to the Members' accounts.

Can I receive funds on the BSP/CASS Settlement date indicated on the ICCS calendar?

No. It is not possible to transfer funds to Members as of the BSP/CASS Settlement date due to time limitations. ICCS needs time to:

1. Verify receipt of funds from the BSP's/CASSes, **Order Day**
2. Make the foreign exchange transactions, **Contract Day**
3. Issue payments to Members, **Closing Day**
4. For value the next day, **Clearance Day**

The **Clearance Day** will always fall after the **BSP/CASS Settlement Day**, in order for ICCS to verify receipt of funds from the BSP/CASS and undergo the above steps before releasing funds to the final beneficiary. Please note that during the time ICCS holds funds on behalf of Members, those monies earn interest, which is passed back in full to Members on a quarterly basis.

ICCS Interest and Charges

How is the interest that I earn on funds in transit computed?

The interest is computed by taking the actual interest earned on a daily basis per currency and applying it to the receivable amount of each Member for the number of days that the money stays in the ICCS account (e.g. from the BSP/CASS/GSA Settlement Day up to but excluding the ICCS Clearance Day). The interest owed to the Member is shown on the Quarterly Summary Report (see question "What information do I receive from ICCS?")

How are my ICCS Charges applied?

The ICCS charges (country charge, bank transfer charge) are applied on a quarterly basis. They are offset against the interest earned by the Member over the quarter and the positive or negative balance is then included in a specific clearance 6 weeks after the quarter's end. Depending whether the amount is a receivable or a payable the Member's receivable will be reduced or increased in that specific clearance. An email will be sent to each Member a few days before the actual clearance advising them of the clearance number with the Quarterly Statement attached, reflecting the total amount of interest less charges.

IATA Currency Clearance Service (ICCS) *Simplifying the Business of Airline Treasury*

ICCS Reports

Will ICCS notify me of my incoming funds?

No. Notification of incoming funds will be posted in the Information and Netting (I&N) system as and when received from BSP's and CASSes. It is the Member's responsibility to login to the system and retrieve this information.

What information do I receive from ICCS?

There are several reports that ICCS sends to its Members, several that are available for download and several that are available upon request.

Each quarter, about 6 weeks after the end of the quarter, ICCS will send the **Quarterly Statement**: a report of interest earned on funds in transit and charges owed to ICCS based on country usage and transaction fees. The first time a Member receives this report, there will be a breakdown of the interest rates earned and country charges included. This breakdown will only be included in later reports upon request.

On the first day of the ICCS Clearance (Order Day) ICCS will send an email notification that the **approximate report (30A)** is available to download from CitiDirect. This approximate information is provided so that the Member may confirm the funds expected, as well as to give the Member an opportunity to make changes to the standing instructions as desired.

On the third day of the ICCS Clearance (Closing Day), ICCS will send an email notification that the **final report (30F)**, which shows the final FX rates used for our transactions, is available for download on the CitiDirect site.

The monthly reports that are available upon request are:

- **Current Cash Flow Report** - shows the receivables in the original currencies due to the Member from those BSP's/CASSes/GSA's for which the Member uses ICCS.
- **Rolling 12 Month Cash Flow Report** - the same as the Current Cash Flow Report, but offers projections on next year's funds flows.
- **Payables Report** - shows what ICCS has paid the Member in their respective bank accounts over the period.

Why are the exchange rates on the final report (30F) different to what is shown on the approximate report (30A)?

In a given clearance cycle, the Approximate report (30A) is created and distributed to the Members on Order Day using the exchange rates from the previous ICCS clearance cycle. The 30A only gives an indication as to the amount the Member will receive. On the Contract Day, the final exchange rates are implemented and on Closing Day the Final report (30F), available for download in the CitiDirect system, reflects the new final exchange rates.

What does the term Shortfall refer to on my reports?

Some BSP's/CASSes report an approximate amount that they will be sending to ICCS on their settlement day. Often it is the case that by their settlement day they have not received that same amount from the travel agents (some may be delayed in paying) and therefore the BSP/CASS

IATA Currency Clearance Service (ICCS) ***Simplifying the Business of Airline Treasury***

does not have the full amount of funds that they had estimated in their possession. In this case, they cannot remit funds they do not have and they report a "Shortfall".

What does the term Sub Settlement refer to on my reports?

When a shortfall is reported (see question above), the BSP/CASS will send the shortfall amount when they receive it. If this falls in between BSP/CASS settlements then ICCS will release the funds when received in what is called a "Sub Settlement".

How are the bank charges listed on the reports determined?

Certain BSP and CASS clearing banks impose their own transfer charges. ICCS prorates these charges among the ICCS Members for that particular BSP or CASS. These are listed on the 30A and 30F reports as, "Bk Trf Charge ProRate."

ICCS Information & Netting System

What is the I&N System? How does it differ from CitiDirect?

The Information & Netting (I&N) system is the general term for the netting system that ICCS uses to match fund flows and make transactions on the Members' behalf. The system ICCS currently uses to do this is the CitiDirect system.

How do I log on to CitiDirect to access my reports and make transactions?

The Member will be able to logon to the I&N system (the Citibank web-based platform, CitiDirect) with a Citibank SAFEWORD card, which looks like a small calculator, and PIN number, which is mailed separately.

For first time users: Once both the SAFEWORD card and PIN are received:

- Register on one of the below sites:
 - Asia <https://asia.citidirect-eb.citicorp.com/jre>
 - Europe, Middle East and Africa <https://europe.citidirect-eb.citicorp.com/jre>
 - North and South America <https://citidirect-eb.citicorp.com/jre>
- Enter a personal username
- Enter the 6-character Serial Number from the back of the SAFEWORD card.

For all users:

To logon:

- Go to the CitiDirect site listed above.
- Enter the PIN (which was sent separately) into the SAFEWORD card.
- The card will prompt for the **HOST?** which is always 9 and the first digit of the Challenge number listed on the CitiDirect screen.
- The card will then prompt for the **CHALLNG?** Here enter the last 8 digits of the number on the CitiDirect screen.

IATA Currency Clearance Service (ICCS) *Simplifying the Business of Airline Treasury*

- The card will then provide an alphanumeric code (numeric always wins, e.g. 0 always equals zero), which should be entered into the blank area (**Response**) on the CitiDirect screen.
- Submit.
- You will then be asked for a Client ID number. The **Client ID** is **594667**.

When I try to access CitiDirect, my computer indicates that it is “Loading” for an extended period of time, is it meant to do this?

No. This problem has to do with whether the computer runs on a Microsoft platform or a Java platform. Please use the website <https://europe.citidirect-eb.citicorp.com/jre>. If this still does not work please contact CitiDirect directly at the most convenient number ([Click for listing](#)) and they will help configure the computer.

When I try to logon to CitiDirect, the screen tells me there is a “Challenge Error”, what do I do?

In this instance, contact Amy Christopher at ICCS in order to have a new card issued.

Note: Many of the answers to these questions and more can be found in the ICCS Operations Manual, which is available on www.iata.org/iccs-users under the Information Materials tab.

ICCS Contacts

Please do not hesitate to contact ICCS if you have any other question on the ICCS service or require clarification on any of the above points.

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