

ATTACHMENT D—SIMPLIFIED INVOICING AND SETTLEMENT (SIS)—SERVICE DESCRIPTION

Simplified Invoicing and Settlement (SIS) Service Description

1. BACKGROUND

The SIS project aims to simplify interline billing, and to remove paper from the entire process, delivering tangible financial benefits to the industry. The vision is that a billing entity will submit a single electronic billing file that will be converted into an invoice and a settlement file, sent to the billed entity, and cleared through the relevant clearing house. As part of this project, an “Simplified Invoicing and Settlement (SIS) System has been developed based on the principles of completely paperless billing, invoicing, and settlement. The SIS solution encompasses Passenger, Cargo, Miscellaneous and UATP interline billings with settlements through ICH, ACH or on a bilateral basis.

In this document the terms Simplified Invoicing and Settlement (SIS) and Integrated Settlement (IS) may be used interchangeably and the term SIS Member(s) has the same meaning as Participant and/or SIS Participants, as the case may be.

1.1 Overview of Simplified Invoicing and Settlement (SIS)

SIS is an Invoicing Platform which is connected to various external systems such as ICH, ACH, ATPCO, a trusted Digital Signature service provider, etc, thus providing a single point of communication for Interline billing, invoicing and settlement.

A high level overview of SIS is shown in [Figure 1](#) below:

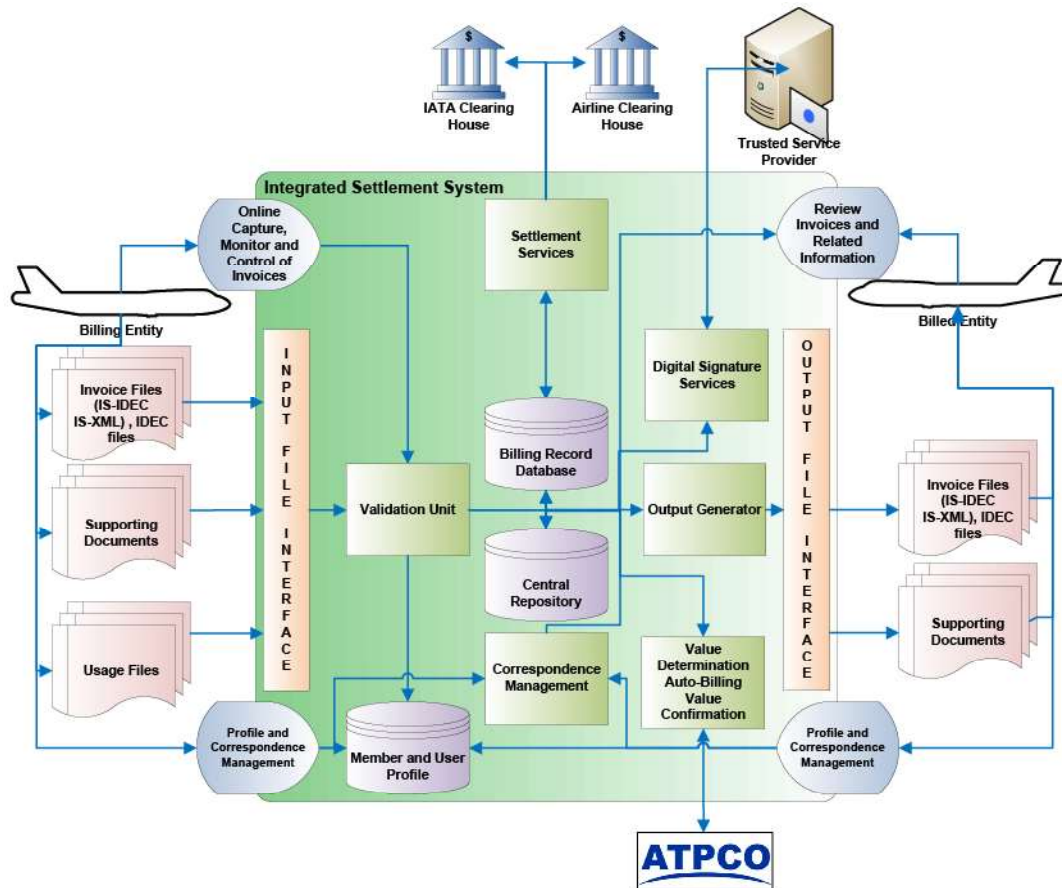


Figure: Overview of Simplified Invoicing and Settlement (SIS)

The SIS application can be grouped into the following logical modules:

- SIS Member and User Management
- Receivables Data Processing
- Payables Data Processing
- Correspondence Management

The services provided by each module are described in the subsequent chapters.

1.2 Supporting Documentation

The following documents provide additional information to the services described in this document:

- *SIS Participation Guide*: This document provides the details of the impact of SIS on the IT systems and processes of the SIS Members.
- *Sign up and Certification Guide*: This document provides detail explanation on the Sign up process and steps to be followed to get certified for SIS.
- *IATA Revenue Accounting Manual (RAM)*: The RAM contains all the rules and procedures associated with interline billing, with which the SIS application will be compliant, and of which the SIS Participation Agreement and this Attachment are a part.
- *ACH Manual of Procedure*: For members of the ACH, the Manual of Procedure contains all the rules and procedures associated with billings using the ACH for settlement.
- *SIS User Guide*: This manual documents all the functional processes of SIS that are available to the individual user.

1.3 Standard Services and Optional Services

Standard Services such as submission of invoices, flight coupon data, air waybill data, rejections etc are available to any Member as soon as participation formalities have been completed. Optional Services require specific notification or request to SIS Operations (SIS-Ops), whether before or after use of the service has commenced. Use of optional services will incur additional charges (such as Digital Signatures) and may also require secondary agreements to be signed (such as for A&A services). Because a service is shown as 'Optional' in SIS does not mean that it is optional in the Members operating jurisdictions.

2. MEMBER AND USER MANAGEMENT

The SIS application allows SIS Members to configure their company and staff responsibility details using the Member Profile module over IS-WEB.

2.1 Member Creation

The initial set-up of SIS Member is done by SIS-Ops using existing information within IATA, ICH, ACH etc as well as using information sourced from individual members during the sign-up process. This is done for all airline entities defined in the Airline Coding Database as well as non-airline entities who are members of ICH and/or ACH. Once the participation formalities are completed, the Membership status is activated by SIS-Ops and a Super user account is created and provided to the SIS Member. Login credentials to access IS-WEB as well as the FTP server (if required) are also provided by SIS-Ops so that the SIS Member can communicate with the SIS Platform.

Note: *The SIS Member will have to go through the Sandbox Testing and Certification process to be able to send invoice files to SIS. This process is described in detail in the SIS Sign Up and Certification Guide.*

2.2 Member Profile Set-up

Using the login credentials provided by SIS-Ops, the SIS Member can login to IS-Web and review the set-up details on the Member Profile Screen. SIS allows the SIS Member to update the details on the Member Profile. Certain fields on the Member Profile will only allow changes to be made which will be applicable for a future billing period or date.

Member Details

SIS application will allow the SIS Member to upload and store its official logo on to its platform. This logo will be used by SIS to display the image on the PDF invoices generated on behalf of the SIS Member. The Member's Accounting Code, Prefix, Legal Name, Status in SIS, IATA, the ICH, or the ACH, and the details of the Member's bank accounts for bilateral settlements cannot be changed by the SIS Member and must be referred to SIS-Ops.

Location Details

Every SIS Member needs to have at least one location detail setup in the Member Profile. This will be the default location of the SIS Member and is referred to as the "MAIN" location. The SIS Member will be allowed to update the details of the MAIN location as well as create any additional location details that may be required for legal or business reasons. This information is used at the time of PDF Invoice generation as well as when generating the Payable output invoices, in case the invoice reference data is not provided in the incoming receivables invoice.

Bank Details for Bilateral Settlement

Bank details can be set-up against each location created in the Member Profile to be used in case of bilateral settlement invoices. This set-up can only be done by SIS-Ops based on signed physical requests from the SIS Members. This information is included by SIS in the Payable Invoice in case of Bilateral Settlement.

Contacts

SIS allows set-up of two types of contacts in the Member Profile:

- *Informational Contacts:* These contacts are set up for purely informational purposes, For example Passenger RA Manager, etc. The contact details include information such as the name, designation, address, contact numbers, email id etc of that person. The SIS application allows SIS Members to retrieve the informational contacts of other SIS Members. As part of the initial data set-up, SIS-Ops will configure some of the informational contacts of the SIS Member based on the data available within IATA (RAM, ACH Manual of Procedure, ICH database, etc).
- *Processing Contacts:* These contacts, if set up by the SIS Member, will receive email alerts on specific events related to invoice processing e.g. Passenger File Receipt Alert Contact, Cargo Correspondence Alert Contact etc.

E-invoicing and Billing Category Specific Details

SIS allows the SIS Member to set-up Billing Category and e-invoicing specific parameters on the Member Profile which control the behavior of the SIS application at the time of processing.

Clearing House Specific Details

SIS allows view access to the Clearing House set-up details to the SIS Members. This information can only be updated by the respective clearing house operations team members.

Technical Details

The SIS application allows the SIS Members to store the login credentials of the ftp servers/iINET where the output files needs to be provided.

2.3 User Set-up

The SIS platform allows different type of users to be configured in the system. These include:

1. SIS Member Users
2. SIS-Ops Users
3. ICH Ops Users
4. ACH Ops Users

Depending on the type of the user, the IS-WEB Menu structure and the Screens changes accordingly. The User profile details stored in SIS includes the name, location details, email id, contact number etc of the person. The email id of the user acts as the login id for IS-WEB.

In case of SIS Member Users, SIS-Ops creates a Member Super User account once the participation formalities are completed. This Member Super User can create other Users for the SIS Member.

2.4 Assign Permissions

The SIS Platform will assign the maximum permission allowed for a SIS Member User to the SIS Member Super User Account. The SIS Member Super User, at the time of creating other users, can assign permissions to the users. These include permissions for viewing/editing information on a particular screen, permission to perform some special operations on specific screens, permission to create other users etc.

The SIS application will have default templates to assign permissions, which can be used by SIS Member users to assign permissions. Member Users will also have the ability to create their own permission templates and apply them to their users.

The SIS application also provides a facility to copy the user permission profile from one user and replicate them on other users.

3. DATA TRANSMISSION

All files to and from SIS will be processed initially by iiNet on behalf of SIS. Files will be received by iiNet from all Members, and will be transmitted by iiNet to the SIS application. Once the file is received correctly by iiNet, iiNet will complete delivery to the SIS application. Any files to be transmitted to a Member will be sent by the SIS application to iiNet, and will be transmitted from iiNet to the Member.

Files from the Member must be pushed to iiNet, and files from iiNet to the Member may be pushed by iiNet or pulled by the Member at the Member's choice.

There are no fees for this service provided by iiNet for files transmitted from and to SIS, but usage will require separate acceptance of the iiNet Terms Of Use. Any added-value services provided by iiNet beyond transmission between the SIS Member and SIS are subject to iiNet's normal terms and conditions, and fees may be applicable.

4. RECEIVABLES PROCESSING

The SIS application will process the incoming invoices and supporting documents provided by the billing entities for all four Interline Billing Categories (Passenger, Cargo, Miscellaneous and UATP).

4.1 Invoice Data Processing

Input Possibilities

The SIS application allows the billing entities to provide invoice information in multiple electronic formats. In the case of Passenger and Cargo billings, the invoice information can be provided in a flat file based structure (IS-IDEC) or in an XML file format (IS-XML). Miscellaneous and UATP invoices can be submitted only in the IS-XML format.

Along with the electronic mode of invoice submission, SIS will also provide a facility to manually capture and review invoice information online over the internet, named IS-WEB. The table below details the support provided by SIS for different type of transactions within each Billing Category.

Table: Input possibilities for each Billing Category in SIS

Transaction Types	Input Option		
	IS-IDEC	IS-XML	IS-WEB
Passenger Billings			
Non Sample Prime Coupon Billings (including FIMs)	X	X	X
Non Sample Rejection Memos	X	X	X
Billing Memos and Credit Memos	X	X	X
Sampling Provisional Invoice (Form A/B)	X	X	–
Sampling Universe Adjustment (Form C)	X	X ²	X
Sample Adjustments (Form D/E)	X	X	X
Sample Rejections (Form F and XF)	X	X	X
Correspondence	–	–	X
Cargo Billings			
Original AWB Billings	X	X	X
Rejection Memos	X	X	X
Billing Memos and Credit Memos	X	X	X
Correspondence	–	–	X
Miscellaneous Billings			
Original Invoice	–	X	X
Rejection Invoice	–	X	X
Correspondence Invoice	–	X	X
Correspondence	–	–	X
UATP Billings			
Original Invoice	–	X	X

On successful receipt of an incoming file, SIS generates a confirmation email and sends it to the billing entity. This email alert can be configured by billing entity using the Member Profile screen on IS-WEB.

In case of invoices captured over IS-WEB, SIS generates an email alert to the billing entity 24 hours before the billing period closure providing a list of open invoices yet to be submitted for further processing.

Data Validation

Invoice data provided by the billing entities will be validated by SIS. This process will ensure that the invoice data is of good quality and the billed entities can process the same without any issue within their internal systems. This process will take place upon receipt of each SIS billing file.

The different types of validation checks performed by the SIS application are as follows:

- **File Construction checks:** SIS will validate if the invoice files are created as per the defined file specifications, naming convention, duplicate files, compression logic, etc
- **Field Format checks:** SIS will check if data values have been provided for mandatory data elements, conditionally mandatory data elements if the condition is met, etc. It will also ensure that the data is provided as per the field format (e.g. numeric, alphabetic, date, etc) and as per the field length specifications (e.g. numeric field with a maximum of 5 digits)

² Form C data needs to be provided in Form C IS-XML file which is separate from the standard IS-XML file.

- **Reference Master checks:** Invoice data fields having standard reference data values are valid (e.g. From City field if populated should have a valid IATA city/airport code, etc)
- **Interline Billing Rules checks:** Some of the Interline billing rules defined in the RAM or ACH Manual of Procedure, such as possible duplicate billing check, outside time limit billings, minimum billing amount check for different type of transaction, etc.
- **Settlement Information checks:** SIS will validate the correctness of the Settlement details provided on the invoice if it needs to be cleared through a clearing house (e.g. Currency of Clearance information, Clearing House information, etc).
- **Billing Audit Trail checks:** SIS will check if the various stages of billing are linked together and there are no out of turn billings (e.g. validation of 'Previous Invoice number', 'Previous Billing Month', 'Previous Rejection number', 'Rejection Stage number' in case of Rejections etc)
- **Computation checks:** SIS will validate if billing amounts specified at various levels within the invoice add up together (e.g. the invoice total adds up to the sum of all Line Item totals, similarly Line Item total adds up to the sum of all Line Item details totals etc). The total of the line items must not vary from the invoice value by more than a small tolerance.
- **Legal Requirement checks:** SIS will validate if certain legal requirements are satisfied by the Billing Entity in the invoice data (e.g. invoice Number is unique for a Billing Member within a calendar year, VAT breakdown information is provided in the case that VAT amounts are billed in the invoice, etc)

Wherever possible, SIS will validate the entire file and identify all possible errors in the file. A validation report is generated at the end of this process and is provided to Billing Entity irrespective of the status of the validation. In case of errors, the Billing Entity can configure its Member Profile to receive an email alerting its contact about the details of the Validation error.

Invoice data captured using IS-WEB is validated at the time of data entry. SIS will alert the user in case invalid data is entered at the time of saving the information.

The SIS Platform does not validate the following:

- Whether the entity can legally bill the invoice through SIS
- Whether the billed amounts are correct
- Whether all required taxes are applied correctly
- Whether all required legal information of all countries in the world is provided

Error Handling

In case of validation error, SIS provides a facility to delete the erroneous invoices or the entire file through IS-WEB. For certain errors, SIS also provides an option of carrying out online correction on the IS-WEB. These correctable errors are errors related to reference data values such as invalid city/airport code, invalid tax code etc.

Invoices in an error status are not considered for further processing by SIS.

4.2 Supporting Document Management

Input Possibilities

SIS provides the facility for billing entities to supply supporting documents in electronic format in both batch and as online modes. At the time of invoice capture, billing entities can manually upload the supporting documents. SIS will store the uploaded supporting documents and link them to the invoice, or to the transaction within the invoice.

SIS supports 3 indexing options for submitting supporting documents in a batch mode. These are:

- Using folder name based indexing
- Using a CSV file based indexing
- Using an XML file based indexing

The formats are explained in the SIS Participation Guide.

Billing entities can use any of the options to submit the batch supporting documents to SIS.

On successful receipt of a batch supporting file, SIS generates a confirmation email and sends it to the billing entity.

Data Validation

SIS carries out certain sanity checks on the batch supporting document file before it is considered for processing. The different type of checks includes the following:

- **File Construction checks:** SIS will validate if the batch supporting documents files are created as per the defined file specifications, naming convention, duplicate files, compression logic, etc
- **Index Information checks:** SIS will validate the index information supplied with the batch supporting documents files and confirm if it is as per the defined specification.
- **File Extension checks:** SIS will validate the file extensions of the individual supporting documents and check if it matches with one of the supported neutral file formats. In case it is not a neutral file format, SIS will validate if any exceptions for supporting document file types have been defined in the Member Profile of the billed entity for acceptance. If it is not an exception, SIS will delete the supporting document file from the system.

Wherever possible, SIS will validate the entire file and identify all possible issues in the batch supporting document file. A validation report is generated at the end of this process and is provided to the billing entity.

Automated Linking of Supporting Documents

The SIS application will carry out auto-linking of supporting documents provided in a batch mode to the corresponding billing record. This linking will be based on the Index information supplied in the batch supporting document file. Invoices which are successfully validated will be considered for automated linking. SIS will take care of any timing issues in case of automated linking if the supporting document file is provided prior to the invoice being successfully validated.

For cases where the SIS application is not able to automatically link the supporting documents, SIS provides a facility by which the billing entity can update the linking information on IS-WEB and manually trigger the linking process.

4.3 Value Determination, Auto-Billing and Billing Value Confirmation

Value Determination

This is an optional service provided by SIS in conjunction with A&A which can be utilized by Passenger billing entities that store prorated coupon values within ARC COMPASS®.

As part of this service, SIS accepts Usage Files (modified Record 50 file format as defined in the SIS Participation guide) from billing entities requesting prorate values for coupons utilized by them. SIS validates the file format and forwards the Usage File to ATPCO for further processing. The processed information is provided by ATPCO back to SIS. SIS forwards the output files provided by ATPCO to the billing entities.

Internally SIS keeps track of which transactions were provided by the billing entities for processing and which transactions were processed and returned by ATPCO. On a daily basis SIS creates a report highlighting transactions where a response is not provided by ATPCO as per the defined timelines, and provides it to the billing entities.

Auto-Billing

Auto-Billing is an optional service provided by SIS in conjunction with A&A and is an extension of the Value Determination process.

As part of this service, SIS will store the prorate records received through the Value Determination process and generate invoices on behalf of the Billing Entity. On a daily basis SIS will generate a Revenue Recognition File (File Format defined in the SIS Participation Guide) containing the billing records of coupons included in the Auto-Billing Invoices. This Revenue Recognition File along with

the optional ISR data is forwarded to the billing entity by SIS. SIS allows the billing entity to correct/update the values of the Auto-Billing invoices through the IS-WEB. Any update made on IS-WEB is reported back to the billing entity in the next Revenue Recognition File.

The Auto-Billed invoices are automatically closed and finalized by SIS and processed further like any other IS-IDEC/IS-XML invoices. At the end of the billing period, SIS generates an IS-IDEC file for the billing entity called Invoice Posting File which includes details of all Auto-Billed invoices. The billing entity can use it to carry out any account postings for such invoices within its Revenue Accounting/General Ledger System.

Billing Value Confirmation

This is also an optional service provided by SIS in conjunction with A&A. This service validates the Passenger billing values against the prorate values stored within ATPCO.

SIS generates a Billing Value Confirmation file for passenger prime billing coupons where both the billing entity and billed entity are subscribers to this service. This file is forwarded to ATPCO for further processing. ATPCO validates the billing values with the prorate values stored within its database. Any exchange rate conversions of the prorate values as per the billing month will be done by ATPCO before comparing the values. The results of the comparison are updated by ATPCO and provided to SIS. SIS updates the comparison results within its Billing Record Database.

SIS automatically generates a Billing Value Confirmation report at the end of each billing period and provides it to the billing and billed entities.

4.4 Digital Signature Services

This is an optional service provided by the SIS application.

Digital Signature Application

SIS offers digital signature (DS) application service through a trusted digital signature service provider (currently [TrustWeaver](#)). Based on the instructions provided by the billing entity, SIS creates from the SIS-format invoice data an invoice subset file in PDF or XML format with the necessary legal and invoice information fields. This invoice subset file is forwarded to a trusted DS service provider in order to apply the appropriate digital signature. The file is sent immediately unless the file is incomplete (awaiting attachment). If there are attachments awaited, the file is not sent until all attachments have been uploaded and matched, or the billing deadline is reached, at which point the number of attachments reported is updated to reflect the number that are actually available at that time. The invoice is then sent for digital signature. After applying the digital signature, SIS receives the invoice subset file and stores it in its Central Repository. This digitally signed file is made available by SIS as one of the outputs to the billing entity at the end of the billing period, based on the configuration of the Member Profile. The file can also be downloaded online over the IS-WEB.

4.5 Settlement Services

The SIS application provides interfaces with industry clearing houses thus enabling automatic settlement of billed invoices as well as other clearing house related services.

Settlement Information

The SIS application interfaces with two clearing houses: The IATA Clearing House (ICH), and the Airlines Clearing House (ACH). Based on the instructions provided by the billing entity, SIS generates a summary statement of the billed invoices and forwards it to the respective clearing house for settlement. In case of ICH, SIS generates claim files every 10 minutes whereas in case of ACH the settlement information is generated and passed only once at the billing period closure.

Suspended Member Billing Management

SIS supports billings from or against entities that continue in business but have been suspended from the clearing house. The billing entities can continue to send invoices to be routed through the clearing house or for bilateral settlement. In case of billing from/to suspended members involving ICH, SIS will flag the invoices as "Suspended" in the summary settlement statement and forward them to ICH. The ICH will record this information in accordance with its procedures. In the case of

billing from/to suspended members involving ACH, SIS will not include such invoice details at the time of creating the summary settlement statement, and no record will be retained by the ACH. When creating the SIS-Format output (IS-IDEC, IS-XML or IS-WEB), SIS flags such invoices as “Suspended” and forwards them to the billed entity along with the other invoices.

In case of re-instatement of the suspended member, SIS provides the functionality for the billing entities to re-submit their claims and settle through the clearing house any outstanding amounts that arose after suspension. SIS also provides a report which helps the billing entities to manage the invoice claims made during the suspension period.

Handling Late Submission Billings

SIS supports processing of invoices of closed billing periods for a short duration of time, immediately after the closure of the billing period. The designated person identified in the Member Profile can request invoices to be considered for Late Submission. On acceptance of such request by the clearing house, the invoices will automatically be considered for settlement. Clearing houses may charge a fee for such submissions.

4.6 Reports, Alerts and Outputs

Processing Dashboard

SIS has an online dashboard on IS-WEB which provides visibility of the status of processing of receivable invoices. There are 2 views provided by the dashboard:

- *File Level View:* This view provides the status of processing of files submitted to SIS.
- *Invoice Level View:* This view provides the status of the receivable invoices processed in SIS. The status of the intermediate stages of invoice processing can also be viewed and downloaded by the SIS Member.

Reports

SIS provides reports to its members based on the receivables data which can be used to analyze billing trends and volumes. These reports can be queried using a number of different criteria and saved in PDF or Microsoft Excel format.

Alerts

SIS generates a number of alert messages to the SIS Member. These alert messages are sent by email to the contacts setup in the Member Profile. Some of these alerts are listed below:

- *Profile data update alert:* An alert email message is generated every time a change is made to the Member profile details. It is also generated when a post-dated change made on the Member profile becomes effective.
- *Other Members Invoice Reference Data Update alert:* An alert message is sent with an attached CSV file providing details of changes made by other SIS Members on their location information. This update can be used by the SIS Members to synchronize the new location details within their receivables system.
- *DS failure alert:* An alert email message is generated in case SIS Platform was unable to apply Digital Signature on a particular invoice.
- *File Receipt alert:* An alert email message is generated by SIS whenever a file is received by the platform for processing. This alert can be set up on the Member Profile for incoming files related to individual billing categories.
- *Validation Error alert:* An alert email message is generated whenever an invoice file fails in the validation process. This alert can be set up on the Member Profile for an individual Billing Category. The Validation report is attached along with the alert email.
- *Open invoices alert:* An alert email message is generated 24 hours before the billing period closure informing the user about open invoices on IS-WEB, yet to be submitted for processing. A list of Open invoices is also attached with this email.

Output Information

SIS application generates the following outputs from the receivables data provided by the Member:

- E-invoicing related files, which include
 - Invoices in PDF format
 - Detail Listings in csv or pdf format
 - Digital Signature files
- Memos (in case of Passenger and Cargo billings)
 - Rejection/Billing/Credit Memo details in html format

Based on the preference defined in the member profile, SIS automatically creates a zip file and includes in it the above mentioned files for all invoices fully processed in that period. The above mentioned outputs can also be downloaded manually from the IS-WEB for individual invoices.

In case of invoices submitted by 3rd parties on behalf of SIS Members (e.g. invoices raised by IATA for Call Day Adjustments; invoices submitted by ATCAN for UATP claims), SIS provides the billing entity with the option to generate an IS-XML output file at the end of each billing period. This file can be used to carry out account adjustments within the Receivable system of the billing entity.

SIS provides an option via the member profile to automatically generate a summary report with the listing of all invoices fully processed in a particular billing period. This report can be used by the billing entity to synchronize the processing status of invoices within its Receivable system.

5. PAYABLES PROCESSING

The processed invoices of the Passenger, Cargo, Miscellaneous and UATP Billing Categories are made available by the SIS Platform to the SIS Member at Output File Generation Time as shown in the SIS Calendar.

5.1 Invoice and Supporting Data Management

Based on the setup in the Member Profile, the SIS Member can receive the following from SIS for Payables processing:

- SIS-Format Invoice Files: SIS groups the payable invoice information as per the Billed Entity and Billing Category level and generates invoice files as per the format requested by the billed entity. The SIS Member has the option of selecting both IS-IDEC and IS-XML format (if applicable for the Billing Category) in the Member Profile and SIS will generate two separate zip files one with invoice information in IS-IDEC format and another in IS-XML format.

The Payable invoices can also be reviewed over IS-WEB.

In case of Passenger Sample billings, SIS supports an option to generate a consolidated SIS-Format Payables file containing Sample Provisional Invoices raised by other SIS Members on a monthly basis. This file will be in addition to the weekly SIS-Format billing file generated for the billed entity and will be zipped separately.

- Offline Archive Files: At Output File Generation Time as defined in the SIS Calendar, SIS generates the following additional output files and groups them as per the Billed Entity and Billing Category into separate offline archive files:
 - E-invoicing related files
 - Invoice in PDF format
 - Detail Listings in csv or pdf format
 - Digital Signature files
 - Digital Signature Verification log files

- Memos (in case of Passenger and Cargo billings)
 - Rejection/Billing/Credit Memo details in html format
- Supporting Documents

An XML index file is also provided having references for each file provided in the Offline Archive. This XML file is used by the SIS Member to automatically read and link the contents of the Offline Archive within its internal payables system.

The above outputs can also be downloaded for individual invoices manually over the IS-WEB. They are kept for 60 days, and then deleted.

An alert email can be configured on the Member Profile at a Billing Category level to be triggered whenever the output files are generated and available to download. In case of a SIS-Member opting for IS-WEB, this alert will denote that the invoices are available for review on IS-WEB.

5.2 Rejections of Incoming Billings

SIS enables rejection of incoming billings either via file upload using the IS-IDEC or IS-XML formats, or by manual entry into the IS-WEB. Rejection processing can only take place once the Billing Output file has been received from SIS at the end of the clearance period. It is not possible to reject an incoming invoice in the same period as it was issued.

The SIS application will check that rejections are in sequence, and contain the required information, and will not permit rejections beyond the limits defined in the RAM or the ACH Manual of Procedure.

Rejections are only possible while the billing or rejection to which it refers remains live in SIS. Billing data in SIS is deleted at the expiry of the relevant billing time limit defined in the RAM or ACH Manual of Procedure, plus a system-defined period, normally set at two months after the deadline (e.g. 2nd rejection is no longer possible after 6+2 months from issue of the 1st rejection).

5.3 Process Invoices on IS-WEB

The SIS Platform allows SIS Members to review the Payable invoice and transaction details on the IS-WEB. It also allows the user to view supporting documents linked to the invoice/transactions within the invoice. SIS maintains an audit trail of all invoices/transactions within the platform so that the complete billing history of any invoice/transaction can be viewed at any time.

SIS allows Rejection Invoices/Memos to be raised weekly against Payable invoice transactions via the IS-WEB once received in the SIS outward file. The transaction details selected by the SIS Member when raising the Rejection Invoices/Memos are automatically carried forward thus reducing the data entry effort to some extent.

5.4 Digital Signature Services

This is an optional service provided by SIS.

Digital Signature Application

SIS allows billed entities to configure the application of Digital Signature on Payable Invoices on the Member Profile. Based on the location details specified on the payable invoice, if it matches the profile set-up of the billed entity, SIS triggers the process to apply digital signature as explained in [section 4.4](#).

Digital Signature Verification

SIS provides an option whereby the billed entity can request verification of the digital signature applied on Payable Invoices, via the Member Profile. A verification log file is created by this process which contains the status of the applied digital signature.

5.5 Reports

SIS provides a number of reports to its members based on the payables data which can be used to analyze billing trends and volumes. These reports can be queried using a number of different criteria and saved in PDF or MS Excel format.

6. CORRESPONDENCE MANAGEMENT

As per the Interline billing rules defined in the RAM and ACH Manual of Procedure, once the maximum number of allowed rejections for a billing has been reached, the entity which received the last rejection can only continue the dispute by initiating correspondence. SIS will not permit further rejections after the limit has been reached.

6.1 Generate Correspondence

Once the maximum number of allowed rejections has been reached, the SIS application provides a facility by which the SIS Member, who received the last rejection, selects the rejection transaction/invoice on IS-WEB and initiates correspondence. The SIS application automatically populates the data in the correspondence screen based on the Member Profile information. SIS automatically generates a correspondence reference number which remains the same until the end of the correspondence cycle. SIS provides an option to the SIS Member to attach supporting documents to the correspondence.

SIS provides a facility by which the SIS Member user can save the correspondence in the draft stage and work on it later. SIS also provides a facility by which, if a user does not have the permission to send correspondence, can mark the correspondence as "Ready to Submit" and the supervisor can review, edit (if required) and send the correspondence.

6.2 Receive Correspondence

When a correspondence is sent via SIS, an email notification is generated and is sent to the Correspondence Alert contact defined in the Member Profile for the specific Billing Category. The email only contains a URL reference, which on clicking, will open up the IS-WEB Correspondence screen (note: it may be necessary for the user to modify their junk/spam filters to enable these communications to be viewed/actioned). On reading the correspondence if the SIS Member wants to continue with the correspondence process, SIS provides a facility by which a reply correspondence is generated and the SIS Member user is allowed to enter the details and send it to the interline partner.

SIS ensures that there is no out of turn correspondence done by the SIS Member User.

6.3 Grant Authority to Bill for Correspondence

SIS provides a facility where the SIS Member who received the 1st correspondence can grant an Authority to Bill when responding to the received correspondence. If the interline partner who received the Authority to Bill Correspondence is not satisfied with the amount for which the authority is granted, it can continue with the correspondence process and the Authority will be considered null and void.

If the interline partner receiving the authority to bill accepts the amount for which authority is granted, the Member is expected to raise a Billing Memo/Correspondence Invoice and claim the amount for which the authority is granted. SIS validates the amount of such Billing Memos/Correspondence Invoices and matches it with the Authority amount. In case the two are not matching and the difference is more than the allowed tolerance, the invoice will fail in the Validation process.

6.4 Expiry of Correspondence Cases

SIS tracks the expiry dates of open correspondence cases in the system as per the rules defined in RAM/ACH Manual of Procedure. In case the party that initiated the 1st correspondence does not respond to a received correspondence by the expiry of the time limit, the Correspondence case is closed by SIS automatically with no further recourse through SIS for that particular case.

Similarly if an Authority to Bill was granted and the SIS Member fails to raise the Billing Memo/Correspondence Invoice by the expiry time limit, SIS will close the correspondence case with no further recourse.

In case the party who received the 1st correspondence fails to respond to a received correspondence by the expiry time limit, SIS will mark the correspondence case as Expired. The SIS Member who caused the expiry will not be allowed to respond to the correspondence any further by SIS. The other party has the right to raise a billing memo/Correspondence Invoice equal to the amount stated in the last correspondence sent which had expired. SIS validates the amount of such Billing Memos/Correspondence Invoices and matches it with the amount of the last correspondence. In case the two are not matching and the difference is more than the allowed tolerance, the invoice will fail in the validation process.

In the above case if the SIS Member fails to raise the Billing Memo/Correspondence Invoice by the expiry time limit, SIS will close the correspondence case with no further recourse.

6.5 Alerts and Reports

Alerts

SIS generates a number of alerts for the following correspondence cases;

- An email alert is generated and sent to all Correspondence Alert contacts when a new correspondence is received
- 72 hours before expiry of a received correspondence, an alert is generated by SIS informing the Correspondence Alert contacts
- 72 hours before expiry of a draft correspondence, an alert is generated by SIS informing the Correspondence Alert contacts
- For any received correspondence which has the Authority to Bill flag and a Billing Memo/Correspondence Invoice has not yet been raised two days prior to the expiry of this Correspondence

Correspondence Alert Contact can be different for each Billing Category.

Reports

SIS provides a Correspondence Status report allowing the users to track the details of the correspondence within the system. This report can be downloaded in PDF or Excel format.

6.6 Download

SIS provides an option to download the correspondence case with the complete mail trail in PDF format.

7. SYSTEM REPORTS

SIS provides a number of reports to support the member. These include:

- SIS Usage Report
- Member Details Report
- Contact Details Report
- Suspended Billings Report

- PAX Receivables—Supporting Documents Mismatch Report
- PAX Correspondence Status
- PAX Receivables—RM BM CM Summary
- PAX Payables—RM BM CM Summary
- PAX Receivables—Billing Value Confirmation Analysis
- PAX Payables—Billing Value Confirmation Analysis
- Cargo Supporting Attachments Mismatch Report
- Cargo Submission Overview—Receivables
- Cargo Submission Overview—Payables
- Cargo Interline Billing Summary—Receivables
- Cargo Interline Billing Summary—Payables
- Cargo Rejection Analysis—Receivables
- Cargo Rejection Analysis—Payables
- Correspondence Status Report
- MISC Correspondence Status
- MISC Payables Invoice Summary Report
- MISC Receivable Invoice Summary Report
- UATP-ATCAN Statement

A full list is available in the SIS Participation Guide and SIS User Guide.

8. GLOSSARY

Term	Definition
ACH	ACH stands for Airlines Clearing House. It is the ATA's Clearing House for Interline Billings.
ACH Recap Sheet Submission Deadline	This is the time by which ACH members should submit their Claim details (Recap Sheet) to the Clearing Bank.
A&A	A&A stands for ATPCO and ARC. A&A is the organization formed by ATPCO and ARC to support the First & Final™ process.
ARC	Airlines Reporting Corp. ARC operates COMPASS® which houses transaction and prorate data for the purposes of settlement.
ATA	(Air Transport Association)—The trade group for U.S.-based airlines.
ATPCO	Airline Tariff Publishing Company. ATPCO, amongst other services, operates the Sales Exchange process whereby sales for First & Final™ transactions are extracted, prorated, and sent to the uplifting carrier.
Audit trail	A chronological sequence of audit records.

Term	Definition
Auto Billing	A proposed feature of SIS whereby a billing carrier is able to submit a list of uplifts. SIS will then find the prorate (either a stored own prorate or an NFP) and create the necessary billing, settlement, and invoice files. A pro-forma invoice is sent to the billing carrier daily, and invoices are sent to the billing and billed carrier on settlement.
Batch Key	Batch Key is a set of data elements that uniquely identifies an Invoice or a transaction that needs to be linked with supporting documents.
Billed Entity	The Billed Airline or Supplier
Billing Category	The Category of the Interline Billing Invoice. There are 4 Billing Categories: Passenger, Cargo, Miscellaneous and UATP
Billing Date	The Billing Date field refers to the month period of settlement. This field is referred extensively in RAM chapter A13 in case of Miscellaneous billings.
Billing Entity	The Billing Airline or Supplier
Billing Entity Code	The Numeric code of the Billing airline or the Alpha numeric code of the Supplier
Billing Period	Billing Period refers to the Period of the Clearance Month used for billing. As the current interline settlement is on a weekly basis, there are 4 periods in a month. The billing period is represented as 01, 02, 03 and 04.
Billing Record Database	This is the data store within SIS which will maintain the Invoice data provided by SIS Participants in SIS-Format. The data is kept in the system till the time the transactions are expired.
BM	Billing Memo. Applicable in case of Passenger and Cargo Billings
Breakdown Record	A Breakdown record provides additional information regarding the certain data elements present in the parent record.
BSP	Billing and Settlement Plan—An IATA service for the settlement of ticket revenues between agents and carriers. BSP fees can appear on interline billing invoices
CASS	Cargo Account Settlement Systems—An IATA Service designed to simplify the billing and settlement of accounts between airlines and freight forwarders
Central File Repository	Central File Repository is the data store within SIS which maintains the input and output files including the Supporting documents for the billing transactions.
Charge Category	The major types of Miscellaneous Invoice billed between carriers
Charge Code	The sub group within the Charge Category which identifies the different reasons for the Miscellaneous Invoice claim.
Clearance Month	It represents the month of Interline Billing.
CM	Credit Memo
CSV File	Comma separated file
Currency of Billing	In case of Passenger, Cargo and UATP Billings, the Currency of Billing is the currency in which the total Invoice values are converted. This Currency of Billing can be GBP, USD or EUR in case of ICH Invoices and USD or CAD in case of ACH Invoices.
Currency of Listing	The Currency in which the billing transactions are listed in case of Passenger, Cargo and UATP billings. The Currency of Listing can be any local currency.

Term	Definition
Detailed Validation	This is the second phase of the SIS-Validation process in which the billing data is loaded in the Billing Record Database and each and every data element in the billing data is validated.
Digital Signature	Digital Signature is a mathematical scheme for demonstrating the authenticity of a digital message or document. A valid digital signature gives a recipient reason to believe that the message was created by a known sender, and that it was not altered in transit
DS	Digital Signature
E-Archiving	E-archiving is an optional service provided by SIS. This service allows Participants to store digitally signed invoices in an external Legal archive for a longer period as required by the local regulations.
EST	<i>Eastern Standard Time</i>
F&F	First & Final —Process in which two carriers agree to use a Neutral Fare Proration engine for interline billings. In agreeing to settle on a First & Final basis, they are also agreeing that rejects based on prorate values are not permitted.
File Naming Convention	Rules followed for construction of the file name
GDS	<i>Global Distribution System</i>
GL	General Ledger
Hard Cut Over	The Phase in the SIS Migration when the old IDEC processing will be switched to the SIS Platform from ATPCo.
HTML files	Files in Hypertext markup language. HTML is a structured file format used in websites, which includes tags.
ICH Period Closure Day	This is the time by which ICH Members should submit their invoices to SIS to be sent to ICH and considered for settlement.
Index File	An index file contains the mapping information of the various supporting documents and its corresponding Batch Key. There are two formats of index files supported by SIS. These are CSV and XML
IS or SIS	Integrated Settlement Integrated Settlement is the name for the collection of systems which provide the functionality behind Simplified Invoicing and Settlement (SIS). The term SIS is also used interchangeably.
SIS Calendar	The Calendar used by SIS to trigger various automated processes. It also has deadlines for some of the processes impacting the end-users of SIS.
SIS Calendar Billing Output Generation Date	This is the date and time stamp by which SIS will generate the billing output files and keep it ready for download,
SIS Format	SIS Format is a generic term used to define Invoice data provided to SIS in either automated formats like IS-IDEC or IS-XML or manually over IS-WEB
IS-IDEC	IS-IDEC is the new flat file specification defined for Passenger and Cargo invoice data billing and settlement through SIS.
IS-WEB	IS-WEB is the online user interface of the SIS System. It allows users to capture data, pull out reports, as well as configure the Member profile information.
IS-XML	IS-XML is the new interface file format defined for PAX, CGO MISC and UATP. This file format is based on the existing IATA Aviation Invoice Standard.
ISC	Interline Service Charges

Term	Definition
ISR	Industry Standard Record (enhanced version of TCN–Transmission Control Number data). A&A value determination process returns prorate values files to SIS, and these files are referred to as ISR in the context of this document. The prorate values file may or may not contain sales data. In A&A/ATPCO terminology, ISR is a term used only for sales data.
JPEG Image files	Image files in JPEG (Joint Photographic Experts Group) format.
Late Submission	Invoices submitted after the SIS Submission Deadline but within the Late Submission Acceptance Window to be considered for settlement in the previously close period
Late Submission Acceptance Window	Time window in which Late Submission can be submitted.
Location Code	Code of the Member's location.
Location IDs	User defined code that uniquely identifies the Member's location in the Member Profile.
Member Profile	Centralized functionality that enables the participants to: <ol style="list-style-type: none"> 1. Create and Manage Users of SIS 2. Configure the various processes within SIS 3. Set default values to be used at the time of processing 4. Set up Third Party preferences, such as parameters applicable to ACH, ICH, A&A
NFP	Neutral Fare Prorate—A prorate created by a “neutral” party, as currently used within First & Final™ settlement. Because of their neutral nature, NFPs are less likely to get rejected by the billed carrier, even outside of First & Final™. In the future, NFP values will be available to all carriers that wish to use them.
Partially Migrated	Migration to SIS can be carried out in Phases. In case of Passenger billings the Billing entities have the option of migrating Prime billing first, then rejection and then Sampling. Any Billing entity who has not completed all phases of migration is referred to as Partly Migrated
Participant	An Airline or a Non Airline Entity who is a signatory or a potential signatory to SIS Services.
Payables	Billing received from other interline partners for a billing period is referred to as Payables
PDF	Portable Document Format
Prime Billing	First time billing or billings of original documents (like coupons, air waybills) are referred to as Prime Billings
Processing Dashboard	Module in SIS for: <ul style="list-style-type: none"> • Viewing processing details • Submitting of invoices/files for late processing • Increment the period of the invoices
Protest	Protest is the action taken by a billed entity against an erroneous billing done by a billing entity before the amount in error is settled by the Clearing House.
RAM	Revenue Accounting Manual
Reason Code	A two character code to be assigned to each Rejection Memo, Billing Memos as well as Credit Memos to indicate the reason for raising a Memo;

Term	Definition
Receivables	Invoices billed to other interline partners is referred to as Receivables
Record 50 file	Record 50 is the file used today in First & Final™ for Post Sales Processing. This file has been modified in SIS is now called "Usage File".
Reference Data	Reference data relates to the basic legal information of the Billing and Billed entity. This includes details like the Company Legal Name, Tax Registration ID, Address details etc.
RM	Rejection Memos
Sanity Check	This is the first phase of SIS-Validation, where a file is checked for Construction errors. If an error is encountered in this phase the entire file is rejected by SIS.
Settlement Method Indicator	The field Settlement Method Indicator in the Invoice data drives the Settlement process of the Invoice.
SIS	Simplified Invoicing and Settlement (SIS)
SIS Operations	User for SIS operations
SITA	Provider of global information and telecommunication solutions for the air transport industry.
SPA	Special Prorate Agreement
Submissions Open Date	The date and time from which SIS starts accepting Billing Files for a particular Clearance period
Supporting Attachments	The additional documentation provided to support interline billing claim. The Supporting Attachments needs to be provided in electronic format
Supporting Attachments Linking Deadline	The date and time stamp by which the system will stop manual and automated linking of supporting documents for the clearance period
TIFF Image files	Tagged Image File Format (TIFF) is a file format for storing images.
Time Stamp	Sequence of characters, denoting the date and/or time at which a certain event occurred
UATP	Universal Air Travel Plan, an Industry owned charge card
Usage File	The modified Record 50 file is now called Usage File. This is used as an input to SIS to carry out the process of Value Determination and/or Auto-billing
VAT	Value added tax