

# **Simplified Invoicing and Settlement**

# CMP 459 - Validation of RM Billed/Accepted Values

**Guidance Document** 

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# SIS – Simplified Invoicing and Settlement

#### **Table of Contents:**

1	Validation of RM Billed / Accepted Values in SIS	2
	Example of the validation	
2	Currency conversion validation	3
3	Currency conversion procedures for Bilateral invoices (SMI "B")	∠
4	Warning period prior to enabling the full validation.	

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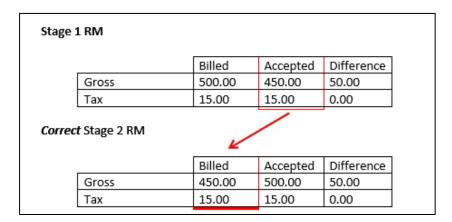


## 1 Validation of RM Billed / Accepted Values in SIS

Prior to SIS Major Release 1.3, the Billed and Accepted amounts provided in rejection memos were not being validated against what was provided in the previous transaction. In order to ensure the consistency of data throughout the course of the rejection process, SIS has implemented this validation of RM "Billed" and "Accepted" values.

#### **Example of the validation**

Please consider the following correct example.



SIS now validates that the billed value provided in a RM matches the accepted value of the previous transaction. Any discrepancies on these amounts will result in a warning and eventually full validation error.

Common mistakes observed by SIS Operations:

Incorre	ect Stage 2 RM			
		Billed	Accepted	Difference
	Gross	500.00	550.00	50.00
	Tax	0.00	0.00	0.00

In the <u>above incorrect example</u>, even though the difference is correct, the invoice will fail validation as the billed gross amount does not match with previous accepted amount (450). Also, the tax has been incorrectly specified as 0.00 which does not match the previous accepted value.

As per example provided in chapter 3.8.3 of the <u>ISPG</u> (below), all values that appear in the previous stage transaction should be provided in order to ensure billing accuracy.

Rejection Mem	o Amounts	Gross Ami	ISC Amt	Other Com	m. Amt UA	TP Amt	Handling	g Fee Amt	Tax Amt	VAT Amt	Net Rejec	t Amt		
Your Billing		521.05	-46.89		0.00	0.00		0.00	27.21	-72.95				
We Accept		308.21	-27.74		0.00	0.00		0.00	27.21	-43.16				
Difference		212.84	-19.15		0.00	0.00		0.00	0.00	-29.80	1	63.89		
lejected Coupon Details  Ficket No Sector Original PMI Validated PMI Agreement Indicator Supplied Agreement Indicator Validated														
000 0701005010	023 9761235842 1 LHR - DUB Rejected Coupon Amounts													
		<u> </u>						I						
Rejected Coup	n Amounts		Amt Othe	r Comm. %	Other Com	m. Amt	UATP %	UATP Amt	Handling	<b>j Fee A</b> mt	Tax Amt	VAT Amt	Net Rej	ect Ar
	n Amounts Bross Amt I	SC % ISC	Amt Othe	r Comm. %	Other Com	m. Amt	UATP %	UATP Amt	-	<b>Fee Am</b> t	Tax Amt 27.21	VAT Amt -72.95		ect Ar
Rejected Coupo	n Amounts Bross Amt II	SC % ISC 4			Other Com									ect Ai



This validation affects the following fields:

PAX		CGO	
	Gross		Weight Charges
	Tax		Valuation Charges
	ISC		Other Charges
	Other Commission		ISC
	Handling Fee		VAT
	UATP		

#### **Currency conversion validation** 2

Before comparing RM Billed/Allowed amounts with the previous transaction, currency conversion needs to be done.

It is possible that the Currency of Listing of the invoice of the rejected transaction; and the Currency of Listing of the invoice of the rejecting RM are different. Even if they are the same, it is possible that the Currency of Billing of the rejected invoice was different from the Currency of Listing of the rejected invoice, so exchange rate variations need to be considered.

In such cases, currency conversion procedures need to be applied.

The only scenario where currency conversion is not required is when the Currency of Listing & Billing of the previous rejected invoice and the Currency of Listing of the current rejecting RM are both the same (e.g. CoL and CoB = USD).

Currency conversion procedures for Currency of billing of previous transaction: USD/EUR/GBP

# Stage 1 RM Period: Dec P1 2012 Currency of Listing of invoice of rejected transaction = EUR Currency of Billing of invoice of rejected transaction = USD Dec 2012 rate EUR - USD = 0.77918

	Billed	Accepted	Difference
Gross	184.44	50.00	134.44
Tax	109.08	20.00	59.08

Correct Stage 2 RM Period: March P1 2013

Currency of Listing of invoice of rejecting RM = GBP

March 2013 rate GBP - USD = 0.65396

	Billed	Accepted	Difference
Gross	41.96	0.00	41.96
Tax	16.78	0.00	16.78

The amount to be provided in the billed gross amount of RM stage 2 should be calculated as follows: Gross amount of previous transaction / exchange rate of previous transaction (this value should be truncated (unrounded) at 10 decimals (high precision) to minimize loss of value) \* exchange rate of actual transaction (i.e. 50.00 / 0.77918 = 64.1700248979 \* 0.65396 = 41.96).



## 3 Currency conversion procedures for Bilateral invoices (SMI "B")

When SMI "B" (or bilateral like) billings have been rejected, where the exchange rate defined between Currency of Listing of invoice of previous transaction (i.e. AUD) and Currency of Billing of invoice of previous transaction is not USD,GBP or EUR, conversion has to happen via USD.

### 4 Warning period prior to enabling the full validation

Prior to January P4 2014, SIS provided a warning for this validation and allowed the transaction to still be eligible for settlement. Nevertheless, this validation remains in effect in SIS since then. Failure to provide calculated values in accordance with this guidance/concept will result the invoice to fail validation with error non-correctable status. Please ensure you make the appropriate changes in your systems to ensure you are following the rejection memo concept as per this reference guide and SIS standards.

In case of any questions, please contact us via the

**IATA Customer Portal** 

