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23-26 September 2019
Miami, USA



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Involuntary Interline TFC Problem and Solution

IBS OPS WG Breakout Session #1



Background

1. The current RAM rule allows TFC billing only if the TFC code was applicable to the original routing and caps the value to be billed
2. The comparison of original routing to revised routing is further complicated when the same TFC code applies to several sectors
3. This complexity has contributed heavily to tax rejections
 - The SIS team has reported tax rejections now represent 66% of all RMs



Background

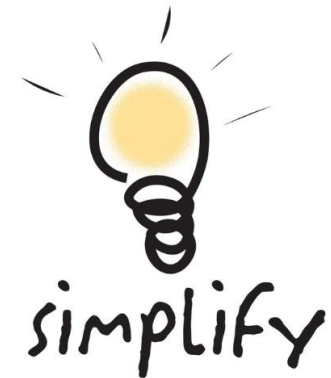
4. The premise of R785 is that the validating carrier collects TFCs on behalf of the operating carrier
 - TFCs should not be a commercial decision or revenue opportunity
5. Proposals to improve TFC settlement procedures in case of involuntary rerouting are routinely submitted with little success
 - A proposal to simplify procedures was narrowly defeated last year

Making the Proposal More Acceptable

1. Carriers are encouraged to request TFC exemptions in case of involuntary rerouting
 - Many tax codes have already been filed with exemptions in case of involuntary rerouting
 - Proposal: TFC exemptions in case of involuntary rerouting shall apply regardless of the reason for involuntary rerouting
 - The IBSOPSWG has submitted a business request to ATPCO to amend the TTBS and RATD X2 file with Y/N to indicate an involuntary exemption is present
2. Delay the effective date for the change to 1st April 2020

Goal to Rejection Free Tax Settlement

1. Remove the complexity
2. Standardize tax filings to the extent possible
3. Lobby authorities to file exemptions in case of invol rerouting
4. Universal source for coupon level taxes? ATPCO?
 - Tax source to be the same as used by GDS
 - Billing airline and validating airline receive the same tax value
 - All airlines review calculations for improved accuracy



Proposal

Step 1: Calculate the applicable TFCs on the reissued ticket without reference to the original ticket

- Based on date of issue and travel dates of the reissued ticket
- Applicable TFC is based on complete ticket data of the revised routing
- The Good for Passage Panel and Fare Calculation Area shall be used to determine stopover/transfer or other routing conditions



City	Country	Airport	Taxes and Fees
Punta Cana	Dominican Republic	PUJ	\$105.70
Santo Domingo	Dominican Republic	SDQ	\$105.70
Puerto Plata	Dominican Republic	POP	\$105.70
Montego Bay	Jamaica	MBJ	\$105.11

Proposal

Step 2: The operating carrier always pays TFCs (unless exempt) to the authorities

- Shouldn't the operating carrier be reimbursed?

Outcome: The validating carrier will see some gains and losses but usually has an amount to offset from TFCs collected on original ticket

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Example 1:

Original LX ticket	ZRH LX x/FRA LH YYZ			
Taxes:	CH \$35.47	DE \$10.73	RA \$24.08	Total \$70.28
Invol Reissue LX ticket:	ZRH LX x/AMS KL YYZ			
Proposed TFC to bill:		CJ \$7.34	RN \$7.23	Total \$14.57
Outcome:	LX gains \$20.24			
Collected TFCs:		DE \$10.73	RA \$24.08	Total \$34.81
Paid to KL:		CJ \$7.34	RN \$7.23	Total \$14.57



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Example 2:

Original SQ ticket	SIN SQ x/AMS KL CPH					
Taxes:	L7 \$7.94	OP \$4.48	SG \$24.18	CJ \$7.34	RN \$7.23	Total \$51.17
Invol Reissue SQ ticket:	SIN SQ x/LHR BA CPH					
Proposed TFC to bill:				UB \$24.63		Total \$24.63
Outcome:	SQ loses \$10.06					
Collected TFCs:				CJ \$7.34	RN \$7.23	Total \$14.57
Paid to BA:				UB \$24.63		Total \$24.63



Questions and Comments?



Thank You



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Chart 2 & The Impact on Revenue Accounting

IBS OPS WG Breakout Session #2


Gavin Pereira / Chen Wen / Sachin Jain



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Fare Distribution Companies

atpco +  routehappy
by atpco

SITA



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Fare Categories (CAT)

	DESCRIPTION		DESCRIPTION
CAT 1	Eligibility	CAT 17	HIP/Mileage Exceptions
CAT 2	Day / Time	CAT 18	Ticket Endorsements
CAT 3	Seasonality	CAT 19	Children Discounts
CAT 4	Flight Application	CAT 20	Tour Conduct Discounts
CAT 5	Advance Reservations & Ticketing	CAT 21	Agent Discounts
CAT 6	Minimum Stay	CAT 22	All Other Discounts
CAT 7	Maximum Stay	CAT 23	Miscellaneous Provisions
CAT 8	Stopovers	CAT 24	NA
CAT 9	Transfers	CAT 25	NA
CAT 10	Combinations	CAT 26	Groups
CAT 11	Black Out Dates	CAT 27	Tours
CAT 12	Surcharges	CAT 28	Visit Another Country
CAT 13	Accompanied Travel	CAT 29	Deposits
CAT 14	Travel Restrictions	CAT 31	Voluntary Changes
CAT 15	Sales Restrictions	CAT 35	Negotiated Fares
CAT 16	Penalties		



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Booking Classes (RBDs)

CABIN	RBD	DESCRIPTION
FIRST CLASS	P	First Class Premium
	F	First Class
	A	First Class Discounted
BUSINESS CLASS	J	Business Class Premium
	C	Business Class
	D	Business Class Discounted
	I	Business Class Discounted
	Z	Business Class Discounted
PREMIUM ECONOMY	W	Economy Class Premium
	E	Economy Class Premium Discounted
ECONOMY	S	Economy/Coach
	Y	Economy/Coach
	B	Economy/Coach Discounted
	H	Economy/Coach Discounted
	K	Economy/Coach Discounted
	L	Economy/Coach Discounted
	M	Economy/Coach Discounted
	N	Economy/Coach Discounted
	Q	Economy/Coach Discounted
	T	Economy/Coach Discounted
	V	Economy/Coach Discounted
X	Economy/Coach Discounted	



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What is Chart 1?

Under *Chart 1* airlines file the RBD's relevant to their own fares i.e. the RBD's that should apply for the significant sectors of their fares, any exceptions such as for domestic sectors of an International fare and RBD's to be used on other airlines (if permitted).

Example: Airline ZZ files a fare from TC3 to TC1, under chart 1 it will file the RBD's to be used for the fare on its operated segments.



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What is Chart 2?

Under *Chart 2* airlines file the RBD's for their flight segments to be used on another airline fares. Note there is no requirement for the operating airline to file the fare owning airline's desired RBD correlations.

Example: Operating airline YY will file the RBD's to be used for airline ZZ's TC3 to TC1 fare if it is to be ticketed as secondary carrier on ZZ's fare.



Chart 2 Filing by YY

CHART1			CHART2		
Fare Type	Application	ZZRBDs	Application	ZZ Type Fares	RBD's to be used on YY's segments
Business	International (TC3 - TC1)	J	Within TC3	J	D
		C		C	D
		D		D	D
		I		I	E
		Z		Z	E
Premium Economy	International (TC3 - TC1)	W	Within TC3	W	U
		E		E	O
Economy	International (TC3 - TC1)	S	Within TC3	S	Y
		Y		Y	B
		B		B	M
		H		H	H
		K		K	Q
		L		L	V
		M		M	W
		N		N	T
		Q		Q	L
		T		T	S
		V		V	G
X	X	K			

Note: RBD's are filed in hierarchy Highest to Lowest



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Why Chart 2?

Chart 2 is specifically used by the operating airline to control and restrict access by other airline fares to its inventory.



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What does this mean for Interline Settlements?

In case of a no bilateral interline settlement situation, disputes could arise over mismatch in inventory and price if picked up by auditors.

e.g. ZZ E-type premium economy fare used and operating airline YY 'E' RBD is used

Or

e.g. ZZ V-type low economy fare used and operating airline YY 'V' RBD is used

CHART 1			CHART 2		
Fare Type	Application	ZZ RBDs	Application	ZZ Type Fares	RBD's to be used on YY 's segments
Business	International (TC3 - TC1)	J	Within TC3	J	D
		C		C	D
		D		D	D
		I		I	E
		Z		Z	E
Premium Economy	International (TC3 - TC1)	W	Within TC3	W	U
		E		E	O
Economy	International (TC3 - TC1)	S	Within TC3	S	Y
		Y		Y	B
		B		B	M
		H		H	H
		K		K	Q
		L		L	V
		M		M	W
		N		N	T
		Q		Q	L
		T		T	S
		V		V	G
X	X	K			



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What does this mean for Interline Settlements?

Bilateral Settlement based on SRP: Mismatches between inventory & price and subsequent hidden revenue leakages cannot be mitigated at the interline billing stages. Such issues must be addressed between the two commercial departments.

Bilateral Settlement based on fixed amounts: Ensure that the SPA contains fixed levels for the RBD's under Chart 2 and/or default rates exist for out-of-class tickets

e.g. ZZ E-type premium economy fare used and operating airline YY 'E' RBD is used. YY 'E' RBD fixed rate would apply mitigating the risk of revenue loss due to a mismatch between inventory and price.



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Summary

- Monitor & Report findings on Interline Proration to the Commercial department.**
- Ensure that Commercial & Pricing teams file the Chart 2 correctly and on time.**
- Mitigate risks of revenue leakages caused by incorrect Chart 2 filings by incorporating default clauses in the SPA.**
- Involve the Commercial department in settlement of Interline disputes related to incorrect Chart 2 filings.**



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Thank You



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Lowest Applicable Fare

The challenges of RAM A2, Para 3

IBS OPS WG Breakout Session #3



The challenge of RAM A2, Para 3 for interline billing & audit staff



→ I am the uplifting airline

- I need to bill the lifted coupon to the interline partner
 - I need to calculate the correct value
 - the lifted coupon does not show any value
 - or the lifted coupon is an invol
- I need to identify if the fare is a private fare or a public fare
 - If private I need to find the Lowest Applicable Fare

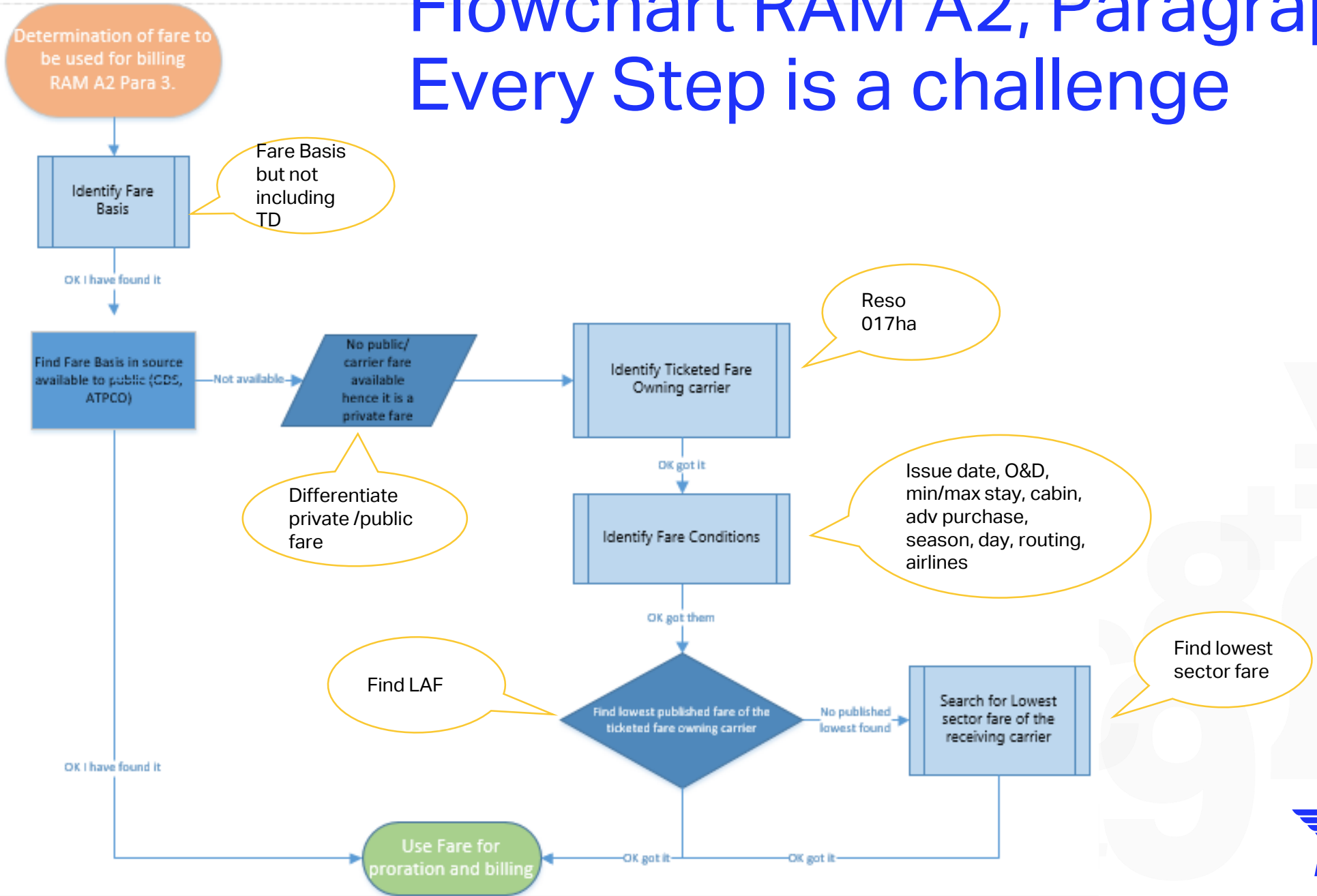


→ I am the issuing airline

- I get an invoice from an interline partner
 - I need to match it to my sales proration result
 - the values do not match
- I need to know if my fare is a private fare or a public fare
- I need to reject based on the correct applicable fare

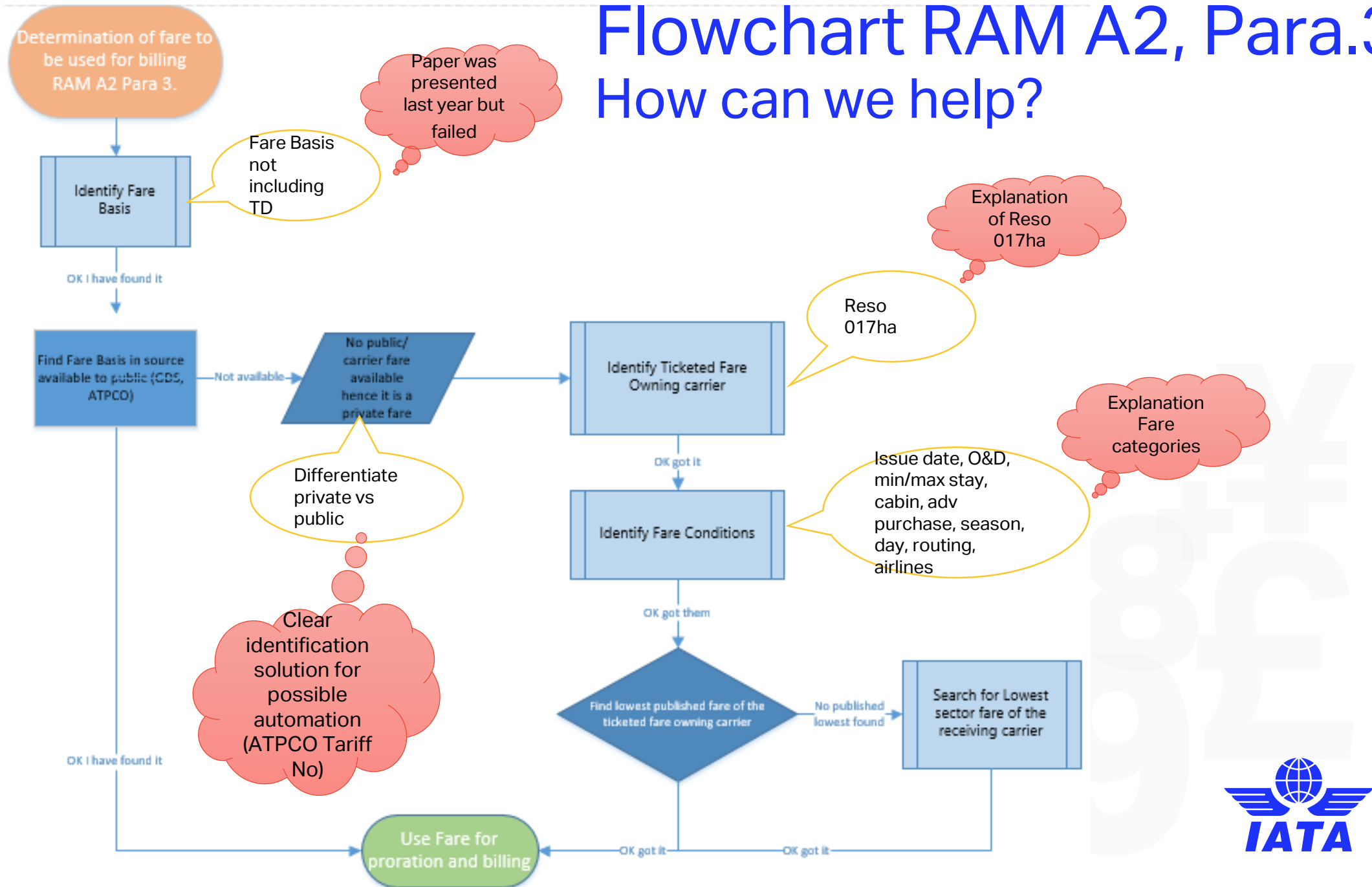
Flowchart RAM A2, Paragraph 3

Every Step is a challenge



Flowchart RAM A2, Para.3

How can we help?



Identification Private or Public Fare Opportunity for automation

The ATPCO Tariff Matrix – Appendix H shows the number and associated information of all public tariffs. If a tariff number is not on this list, it can be considered to be private.

→ There are 69 Tariff numbers + US. A list of these numbers could be used to automate the process or at least help your staff to identify “private” fare and avoid disputes

APPENDIX H - TARIFF MATRIX

INTERNATIONAL TARIFFS

FARE/FT TARIFF	RULES TARIFF	GENERAL RULES TARIFF	ARBITRARY TARIFF	ROUTING TARIFF	CONSTRUCTED FARES TARIFF	GFS GLOBAL AREA	AREA
TAFP 001	IPRA 001	IPRG 080	AUSA 999	TARG 001	TAFU 001	AT	Transatlantic US/CA To/From Area 2/3
TPFP 003	IPRP 003	IPRG 080	PUSA 996	TPRG 003	TPFU 003	PA	Transpacific US/CA to Area 2/3
WHFP 005	IPRW 005	IPRG 080 IPRG100 385	WUSA 995	WHRG 005	WHFU 005	WH	Within Area 1 Western Hemisphere To/From US/CA
WHFG 007	IPRWG 007	IPRG 080 IPRG100 385	N/A	WGRG 007	N/A	WH	Within Area 1 - To/From US/CA Subs Cxrs (tape support only)
AATCP 101	IPRAI 101	IPRG 080 IPRGI 070	ACAN 985	TARP 101	AATCU 101	AT	Transatlantic DOT/NTA filings
PATCP 201	IPRPI 201	IPRG 080	PUSAP 201	TPRG 003	PATCU 201	EH	Between Transpacific Micronesia and Points in Area 2/3
RW1 334	RWR1 334	IPRG100 385 IPRG 080	ARBRW 334	RWRG 334	N/A	RW	Round-The-World Fares

001, 003, 005, 007, 101, ...etc

In your GDS search for «Tariff No» (Entry in 1A) : FRVxx)

→if the Tariff No is in the list consider it as «Public», **if not in list then it is to be considered «private»**



Search in your GDS for the Tariff Number information

(Example : In 1A there are 2 entries where the tariff number is shown : FRVxx and FQN (upon FQD))

```
FRV10

VENDOR          : ATP      PASSENGER TYPE CODE : ADT
TARIFF CATEGORY : 1        FARE CLASS           : YSRFLXP0
GENERAL CLASS   : Y        FOOTNOTE 1           :
FARE TYPE CODE  : EU       FOOTNOTE 2           :
RBD             : Y        RULE              : ZFCH
STRUCTURE       : S        ROUTING           : 5000
PERCENTAGE FARE : N        TARIFF NUMBER       : 21

XQR LX/EH/0004/5000          -> ROUTING
  NONE                      -> FOOTNOTE 1
  NONE                      -> FOOTNOTE 2
XFM/ATP/ZRH/BRU/LX /EH/0021/N/CHF/NML/5000/S/N-> BASE FARE HRT
CURRENCY AMOUNT :      830.00  CURRENCY CODE :CHF
  NONE          -> ADD-ON ORIGIN
  NONE
  NONE          -> ADD-ON DEST.
  NONE
XEF ATP/EH/LX/0021/ZFCH     -> RECORD 1
>                           PAGE 1/ 2
```

```
> fq03

FQN03
** RULES DISPLAY **
TAX MAY APPLY
SURCHG MAY APPLY-CK RULE
14MAY19**14MAY19/LX ZRHBRU/NSP;EH/TPM 301/MPM 361
LN FARE BASIS  OW  CHF  RT  B PEN  DATES/DAYS  AP MIN MAX R
03 JSRBUZP9    1266          J  -  -  -  -  -  -  R
FCL: JSRBUZP9 TRF: 21  RULE: ZBCH BK: J
PTC: ADT-ADULT          FTC: BU -BUSINESS UNRESTRICTED
FARE FAMILY             : BUSINESS
FARE FAMILY DESCRIPTION: BUSINESS
```

→ Tariff number 21 is part of the list therefore to be considered as published



Tariff No to be considered as PUBLIC

Quick Reference List

001	101	430	816
003	105	446	817
004	161	531	848
005	203	533	849
007	270	547	861
008	300	562	875
017	302	563	876
018	303	589	877
021	304	759	992
022	305	776	
023	306	777	
026	307	786	
027	327	788	
029	334	792	
031	340	795	
032	346	798	
033	357	801	
034	378	806	
044	382	813	
078	421	814	

Source : ATPCO Appendix H - TARIFF MATRIX
International Tariffs – All fares tariffs



Information from Airlines' pricing department

→ Resolution 017ha – Fare selection criteria

→ ATPCO Filing categories



Resolution 017ha – Fare Selection Criteria

RESOLUTION 017ha

FARE SELECTION CRITERIA

- △ PTC1(95)017ha (amended) Expiry: Indefinite
PTC2(173)017ha (amended) Type: B
PTC3(100)017ha (amended)
PTC12(204)017ha (amended)
PTC23(169)017ha (amended)
PTC31(134)017ha (amended)
PTC123(183)017ha (amended)
- RESOLVED that,
- △ 1) for the purposes of fare selection, the fares to be used will be those applicable to the carrier(s) selected.
- 2) the fares to be selected for comparison, in the direction of the fare selection in accordance with Resolution 017a, will be
- a) the fares of the carrier which provides
- i) the carriage on the first sector which crosses from one area to another, if none
- ii) the carriage on the first sector which crosses from one sub-area to another, if none
- iii) the carriage on the first international sector,
- and
- b) the fares of the carrier which provides carriage on the longest of the following, as measured by TPM(s)
- i) international sector, or
- ii) consecutive international sectors, or
- iii) combination of consecutive international and domestic sectors
- △ 3) When surface sector occurs in the itinerary and this surface sector matches 2)a) and/or 2)b) criteria, such sector shall be ignored in the carrier fare selection process
- △ 4) The resultant fares shall be as per Resolution 017a 1) a) when calculated
- 5) The pricing solution to be offered shall be the lowest of the resultant fares and additional fees towards end result



COMPARE

→Fares of

- carrier of 1st sector across area
 - or carrier of 1st sector across sub-area
 - or carrier of 1st international sector

AND

→Fare of carrier of longest leg(s) in TPM

- for international sector
 - or consecutive international sectors
 - or combination of consecutive international & domestic

TAKE LOWEST



Geographical specifications - Resolution 017ha :

6) for the purpose of this Resolution

a) travel between Canada and USA is not considered as international travel

Journey: YUL-ZZ-NYC-UU-MEX
----->

Fare Component: YUL-MEX

The fares to be selected will be carrier UU NYC-MEX (as result of both 2)a)iii) and 2)b)i) above)

b) travel between Denmark, Norway and Sweden is considered as international travel

Journey: SVG-BB-STO-BB-CPH surface ATH-CC-BEY
----->

Fare component: SVG-BEY

The fares to be selected for comparison will be those of carrier CC ATH-BEY (as result of 2)a)ii) above) and carrier BB SVG-STO-CPH (as result of 2)b)ii) above)

c) within TC1 when crossing sub-areas, the following applies:

North America	Canada, Greenland, Mexico, St. Pierre and Miquelon, USA		
Caribbean	Anguilla	Guadeloupe	
	Antigua and Barbuda	Haiti	
	Aruba	Jamaica	
	Bahamas	Martinique	
	Barbados	Montserrat	
	Bermuda	St. Barthelemy	
	Bonaire, Saba, Sint Eustatius	St. Kitts and Nevis	
	British Virgin Islands	Saint Lucia	
		Cayman Islands	St. Vincent and the Grenadines
		Cuba	Sint Maarten
		Curacao	Trinidad and Tobago
		Dominica	Turks and Caicos Islands
		Dominican Republic	Suriname
	Grenada		
	Guyana		
	French Guiana		
Central America	Belize	Guatemala	
	Costa Rica	Honduras	
	El Salvador	Nicaragua	
South America	Argentina	Panama	
	Bolivia	Paraguay	
	Brazil	Peru	
	Chile	Uruguay	
	Colombia	Venezuela	
	Ecuador		

→ Examples of fare components are available in the

*«Passenger Tariff Coordinating Conferences Resolutions Manual»
Composite and Worldwide 2019*



ATPCO Filing Categories

Category 1 -- Eligibility

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THE ASSUMPTION IS THAT THERE ARE NO ELIGIBILITY RESTRICTIONS. This category is used to define the identification requirements and age range for a particular passenger type, if such conditions exist. It is not used to define the actual passenger types, e.g. clergy/military/etc., for a fare class. Passenger type information is provided in the fare class application.

Category 2 -- Day/Time

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THE ASSUMPTION IS THAT THE FARE IS AVAILABLE FOR TRAVEL AT ALL TIMES OF THE DAY AND ALL DAYS OF THE WEEK. This category defines times and/or days when travel is permitted. The day/time information applies to origins of trips scheduled to depart during that time period.

Category 3 -- Seasonality

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THE ASSUMPTION IS THAT THE FARE IS AVAILABLE EVERY DAY OF THE YEAR. This category is used to reflect the dates of a specific season or the dates on which a fare is valid. The assumption for applying this category is that a seasonal fare is based on the season of the origin portion of travel. The Carrier Class for Instructing Rules Standard Format of Electronic Rules seasonal level in effect at the origin is used for all subsequent travel regardless of date.

Category 4 -- Flight Application

ASSUMPTION: IN THE ABSENCE OF THIS CATEGORY, THE SYSTEM ASSUMPTION FOR FLIGHT APPLICATION IS THERE ARE NO FLIGHT RESTRICTIONS OTHER THAN THOSE SPECIFIED WITHIN THE ROUTING OR TRANSFER CATEGORY. This category reflects information regarding the use of a fare on specific flight numbers, types of service (non-stop, multi-stop, etc.), equipment types and travel via points. It may be used to reflect either positive or negative application of the information.

Category 5 -- Advance Reservations / Ticketing

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THERE ARE NO ADVANCE RESERVATIONS OR TICKETING REQUIREMENTS FOR THE FARE. This category is used to define reservations and/or ticketing requirements applicable to a fare for original ticket issue. It will indicate which sectors of travel, if any, must be confirmed prior to ticketing. When time limits exist, it is assumed that these must be met prior to commencement of outbound travel. Advance requirements for ticket revalidation or reissue are not reflected in this category but are reflected in Category 16 - Penalties.



ATPCO Filing Categories

Category 6 -- Minimum Stay

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT IT IS ASSUMED THAT THERE ARE NO MINIMUM STAY REQUIREMENTS FOR THIS FARE. This category specifies the first time return travel may commence. It will also indicate the points to be used in calculating the minimum stay. Unless stated otherwise, it is assumed that the calculation begins at the point of origin and the day of departure is not included. If the point from which return travel may commence is not defined, it will be assumed to be the last point of stopover. Likewise, if outward destination is not defined, it will be assumed that the outward destination is the last point of stopover. Carrier Class for Instructing Rules Standard Format of Electronic Rules

Category 7 -- Maximum Stay

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT IT IS ASSUMED THAT THERE IS NO MAXIMUM STAY FOR THE FARE. This category indicates the last time at which return travel may commence or be completed. When this category is present, it will always specify whether the maximum stay applies to travel commencement from point of return or travel completion. As in Minimum Stay, it is assumed that the points of calculation for Maximum Stay are the day of departure from origin and the last point of stopover unless stated otherwise. Likewise, the day of departure is not included when counting. In no case shall the maximum stay be greater than one year from the date travel commences from the point of origin.

Category 8 -- Stopovers

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT STOPOVERS ARE NOT PERMITTED ANYWHERE ALONG THE PASSENGER'S ROUTE. This category will define the conditions under which stopovers are permitted and the applicable charges. Other than the above system assumption, the following assumptions apply if stopovers are allowed: 1. Stopovers may be made at any point along the carrier's routing. 2. Stopovers are permitted free of charge at the point of turnaround. 3. Stopovers are defined internationally as an interruption of travel for more than 24 hours.

Category 9 -- Transfers

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT TRANSFERS MAY BE MADE ANYWHERE ALONG THE PASSENGER'S ROUTE. This category defines the conditions or restrictions under which transfers may occur and the applicable charges, carriers and locations associated with these transfers. Carrier Class for Instructing Rules Standard Format of Electronic Rules



ATPCO Filing Categories

Category 10 -- Combinations

ASSUMPTIONS: THE FOLLOWING ASSUMPTIONS WILL APPLY UNLESS OTHERWISE SPECIFIED: Open Jaws/Round Trips/Circle Trips and End-on-End combinations are not permitted. International fares may be combined with add-ons unless specifically prohibited/restricted. When Open Jaws/Round Trips/Circle Trips are permitted, unless otherwise stated: Combinations are permitted with any carrier. Combinations are permitted with any tariff and any rule. Combinations are permitted with any round trip or one way fare. The Open Jaw segment can be between any two geographic points. This category deals with combinations that are permitted with specified fares and other fares/add-ons to construct one way, round trip, circle trip and open jaw transportation. It consists of five major and four minor sub-categories. The five major types are:

1. Open Jaws (Category 101)
2. Two Component Circle Trips (Category 102)
3. More Than Two Component Circle Trips (Category 103)
4. End to End (Category 104)
5. International Add-ons (Category 105)

The four minor types are used to provide specific restrictions for the five major types. They are:

1. Carrier Combinations (Category 106)
2. Tariff/Rule Combinations (Category 107)
3. Fare Class/Fare Type Combinations (Category 108)
4. Open Jaw Sets (where open jaws are permitted (Category 109)

Carrier Class for Instructing Rules Standard Format of Electronic Rules

Category 11 -- Blackout Dates

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THE FARE IS NOT SUBJECT TO BLACKOUT DATES. This category is used to define single dates or date ranges where travel is not permitted. The assumption is made that blackouts apply to the scheduled departure time of a flight regardless of the portion of the passenger's travel they represent.

Category 12 -- Surcharges

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THERE ARE NO SURCHARGES. This category defines the conditions under which surcharges are applicable and the corresponding charge. If restrictions for a fare may be waived or modified based upon payment of a charge, this will be found here or in CATEGORY 16..PENALTIES.

Category 13 -- Accompanied Travel

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT ANY PASSENGER MAY TRAVEL ALONE OVER THE ENTIRE ROUTING. This category is used as a component of a rule when travel with one or more other passengers is necessary to qualify for a fare.



ATPCO Filing Categories

Category 14 -- Travel Restrictions

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THE FARE IS AVAILABLE FOR TRAVEL AT ALL TIMES. This category is used to state specific travel date restrictions. Usually these are the dates when the fare may first be used for travel or after which it may no longer be used. Carrier Class for Instructing Rules Standard Format of Electronic Rules

Category 15 -- Sales Restrictions

PRIVATE TARIFF ASSUMPTION: THE ABSENCE OF CATEGORY 15, OR THE ABSENCE OF A CATEGORY 15 PROVISION APPLICABLE TO THE FARE IN QUESTION, INDICATES THAT THE SALE OF THIS FARE IS NOT PERMITTED.

PUBLIC TARIFF ASSUMPTION: THE ABSENCE OF THIS CATEGORY, OR THE ABSENCE OF A PROVISION APPLICABLE TO THE FARE IN QUESTION, ALLOWS THE FARE TO BE TICKETED IMMEDIATELY AND WITHOUT REGARD TO WHERE OR BY WHOM.

This category is used to define a fare that is available for sale subject to restrictions based on date, point of sale or similar conditions. These dates are most commonly first and last reservation or ticketing dates.

Category 16 -- Penalties

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THERE ARE NOT PENALTIES FOR A FARE. This category is used to determine if penalties are applicable for a fare and what charges will be assessed. It is also used to specify under what conditions reroutings may take place or tickets may be reissued

Category 17 -- HIP / Mileage Exceptions

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THE HIGHER INTERMEDIATE POINT RULE APPLIES.

This category is used to negate the assumption that stopovers or connections are made at specific geographic locations.

Category 18 -- Ticket Endorsements

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THERE ARE NO TICKET ENDORSEMENT REQUIREMENTS FOR THE FARE. This category is used to indicate ticket endorsement text and the location on the ticket for the endorsement. Carrier Class for Instructing Rules Standard Format of Electronic Rules

Category 19 -- Children Discounts

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THE FARE IS NOT DISCOUNTABLE FOR CHILDREN. This category is used to provide either specific fare amounts or the information for calculating discount fares for children. It also specifies accompanying travel requirements for children traveling at the calculated or specified fare.



ATPCO Filing Categories

Category 20 -- Tour Conductor Discounts

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THE FARE IS NOT DISCOUNTABLE FOR TOUR CONDUCTORS. This category is used to provide either specific fare amounts or the information for calculating discount fares for tour conductors. It also specifies accompanying travel requirements for tour conductors traveling at the calculated or specified fare.

Category 21 -- Agent Discounts

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THE FARE IS NOT DISCOUNTABLE FOR AGENTS. This category is used to provide either specific fare amounts or the information for calculating discount fares for agents. It also specifies accompanying travel requirements for agents traveling at the calculated or specified fare.

Category 22 -- All Other Discounts

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THE FARE IS NOT DISCOUNTABLE FOR THE PASSENGER TYPES THAT FALL INTO THIS CATEGORY. This category is used to provide the specific fare amounts or the information for calculating discount fares for all passenger types other than children, tour conductors or agents. It also specifies the accompanying travel requirements for the passengers traveling at the calculated or specified fare. Carrier Class for Instructing Rules Standard Format of Electronic Rules

Category 23 -- Miscellaneous Provisions

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THEN THE FARES MAY BE USED FOR ANY PURPOSE. This category is used to specify whether specific fares should or should not be used for construction of unpublished fares, proration, refund calculation, currency adjustments or as proportional fares. It will also contain any miscellaneous information that is not category specific, e.g., general rules not applicable.

Category 24 -- Currently Not Available

Category 25 -- Fare By Rule

ASSUMPTION: If this category IS present, the assumption is that there are no published fare records for this rule. This category provides the formula for the automation of dynamic fare creation in a global distribution system. In addition, it identifies passenger eligibility, fare comparison information, resulting fare basis identification and other fare rule conditions.

Category 26 -- Groups

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THE ASSUMPTION IS THAT THERE ARE NO GROUP PROVISIONS FOR THE FARE. This category defines the requirements to qualify for group fares, e.g., minimum group size, type of group, substitutes, travel together and individual travel restrictions.



ATPCO Filing Categories

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Category 24 -- Currently Not Available

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ATPCO Filing Categories

Category 27 -- Tours

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THE ASSUMPTION IS THAT THERE ARE NO TOUR PROVISIONS FOR THE FARE. This category reflects the requirements to qualify for a tour fare, e.g., minimum package and nights, minimum price, the tour number and tour type. Carrier Class for Instructing Rules Standard Format of Electronic Rules

Category 28 -- Visit Another Country

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THE ASSUMPTION IS THAT THE FARE IS NOT A VISIT ANOTHER COUNTRY FARE. This category reflects the requirements to qualify for a Visit Another Country fare, e.g., country of residence, distance from destination country and ticket purchase.

Category 29 -- Deposits

ASSUMPTION: IF THIS CATEGORY IS NOT PRESENT THE ASSUMPTION IS THAT THERE ARE NO DEPOSIT REQUIREMENTS FOR THE FARE. This category indicates if there are deposit requirements to qualify for a fare, e.g., deposit amount, days required prior to ticketing/travel, refund of deposit conditions, and waivers for the deposit requirements.

Category 31 -- Voluntary Changes

Category 35 -- Negotiated Fare Restrictions

ASSUMPTION: If this category IS present, the assumption is that the fares are **private negotiated fares**. This category is used to identify ticketing, security, and fare creation requirements. It is also facilitates the handling of the multiple linked fare amounts (gross, selling, net) that are traditionally associated with negotiated fares.



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Best Practices for Interline Revenue Accounting

IBS OPS WG Breakout Session # 4



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Best Practices for Interline Revenue Accounting

Presented By

Myrna Adams  AIR CANADA

Nermin Kiran  TURKISH AIRLINES

Paulo Godinho  AIRPORTUGAL

Sophie Creusot  AIRFRANCE






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Department Objective - Interline Revenue Accounting

-  Improve cash flow with timely and accurate billing
-  Reduce cost of processing by reducing rejections
-  Support business in finalizing interline agreements



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Initiatives taken by IATA

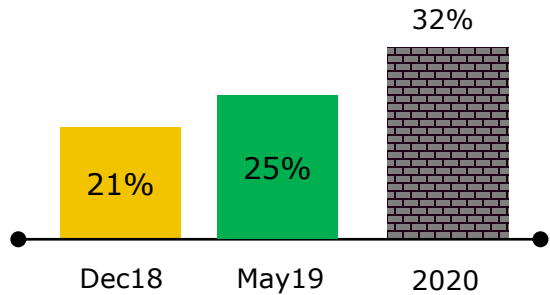
1
FinCom endorsed initiative to reduce rejections in 2015

Target
32%
by 2020

2
Pilot carriers selected for the project



Status update



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Best Practices – Rejection Reduction

Why?

- To reduce costs
- Improve relationship with partners
- Better follow up of Interline billing with SIS Rejection analysis report and Ageing correspondence report
- Quality Control in case of outsourcing.

What initiatives or improvements to reduce rejection could you share with us?

How frequently do you engage with partner airlines?

Are you using the SIS analysis report?

Are you using SIS ageing correspondence report?

How do you control your outsourcing activity?

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Best Practices – Improve Interline billing of Taxes using X1 – agenda item P17

How?

- Tax referential data is managed in the IATA TTBS : carriers send latest tax information to IATA
- Enhanced RATD is a monthly snapshot of TTBS and is used for Interline billing
- ATPCO manages TTBS and Enhanced RATD, provides transactions and generates machine readable files (X1 & X2) for automatised update of tax referential data

• **Automised update** → tax rules used to calculate tax amounts for interline billing are correct and updated in a timely and reliable manner → less rejections → cost reduction

Who uses Enhanced RATD as the source of data for Interline billing?

Who uses X1 as the source of data for Interline billing?

Who updates their tax referential data automatically using X1?

Who would like to share feedback on use of X1 as an automated source for tax referential data?

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Best Practices – SPA Checklist (RAM Chapter B14)

Why?

- At WFS 2018, an SPA check list was added to RAM in Chapter B14.
 - It is recommended to share this check list with commercial to ensure that SPA include all the information necessary for processing in revenue accounting for interline billing purposes in compliance with RAM rules
- **Commercial and RA work together : the check list ensures SPA covers all RA issues → shared comprehension of how SPA should be applied → easier implementation for interline billing → less dispute → lower cost**

Do you have challenges engaging with your Commercial?

Who has shared the SPA check list with Commercial?

Who has feedback

Is the SPA check list useful?

What should be added?

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Best Practices – UATP Discount – Agenda item P19

Why?

- A UATP discount field was introduced in SIS in 2011 to include UATP discounts on prime billings, for travel documents with UATP form of payment, similar to the concept of the Interline Service Charge (ISC).
- When the UATP discount is not included in the prime billing, this results in a rejection memo to reclaim this UATP discount from the billing carrier.
- Rejections to reclaim UATP discount ranks 4th by volume in 1st stage rejections and represents the reason code with the largest increase of 1st stage rejection memos from 2015 to 2018 (175%).

➤ **Recommendation is to use the available UATP discount field in all prime billings → Agenda item P19**

Does your airline use the UATP discount field?

If not why?

Any other feedback/comments?








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Key Checklist – Airline Entering New Cargo Agreement

-  Obtain Clearing House membership for settlement purposes
-  Ensure that agreements are received and entered into the Revenue Accounting system well in advance of effective date
-  Ensure all bilateral agreements are in compliance of RAM Rules and that all individuals involved have a good understanding of RAM rules
-  Maintain mutually respectful relationship with partners
-  Follow through with good billing practices to ensure all parties involved benefit and rejections are minimized






• Above will ensure accuracy in first time billing and will reduce rejections

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Other Reasons Contributing to Cargo Rejection Memos

-  Rejection Codes: Ensure that you are utilizing the appropriate rejection codes and be sure to provide an explanation for the rejection. For instance, "Freight Mismatch" is not an appropriate explanation. Details or attachments should be provided.
-  Weight discrepancy pertinent to SPA agreements which are based on actual or volume weight as opposed to Chargeable weight, not weight break
-  No Record of SPA - Many rejections are due to the fact that the OAL's Revenue Accounting department has no record of SPA or adhoc SPA; Ensure agreements are forwarded to the Revenue Accounting department of both airlines prior to effective dates
-  The OAL has no record of participation in shipment; Provide TFM & proof of carriage to substantiate your billing. Prior to rejecting an awb, be sure to check in your operations system for the awb and/or check with your local office
-  Airline states supporting documents attached, however, the airline fails to upload supporting documents – ie Transfer Manifests – Ensure all supporting documents are uploaded in SIS

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Billing Involuntary rerouted coupons - Use of source code 31

What?

- There have been some requests for clarification on use of source code 31.
- Only a coupon identified as involuntary rerouted and prorated as such should be billed using source code 31.
- A source code 31 should not be used to bill a coupon identified as planned schedule change and prorated as such.
- There are no specific source codes for rejection of coupons billed using source code 31 → the standard source codes should be used

Any Questions?



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Best Practices – Q&A
Involuntary rerouting and Planned Schedule Change

What?

- At WFS 2018, an agenda item was voted that changed the rules for identification of involuntary rerouting or planned schedule change coupons and clarified billing rules.
- A coupon identified as involuntary rerouted and prorated as such should be billed using source code 31. A Source code 31 should not be used to bill a coupon identified as planned schedule change and prorated as such.
- Many requests for clarification were sent this year to IBS OPS.

Now is the moment to ask any questions you have

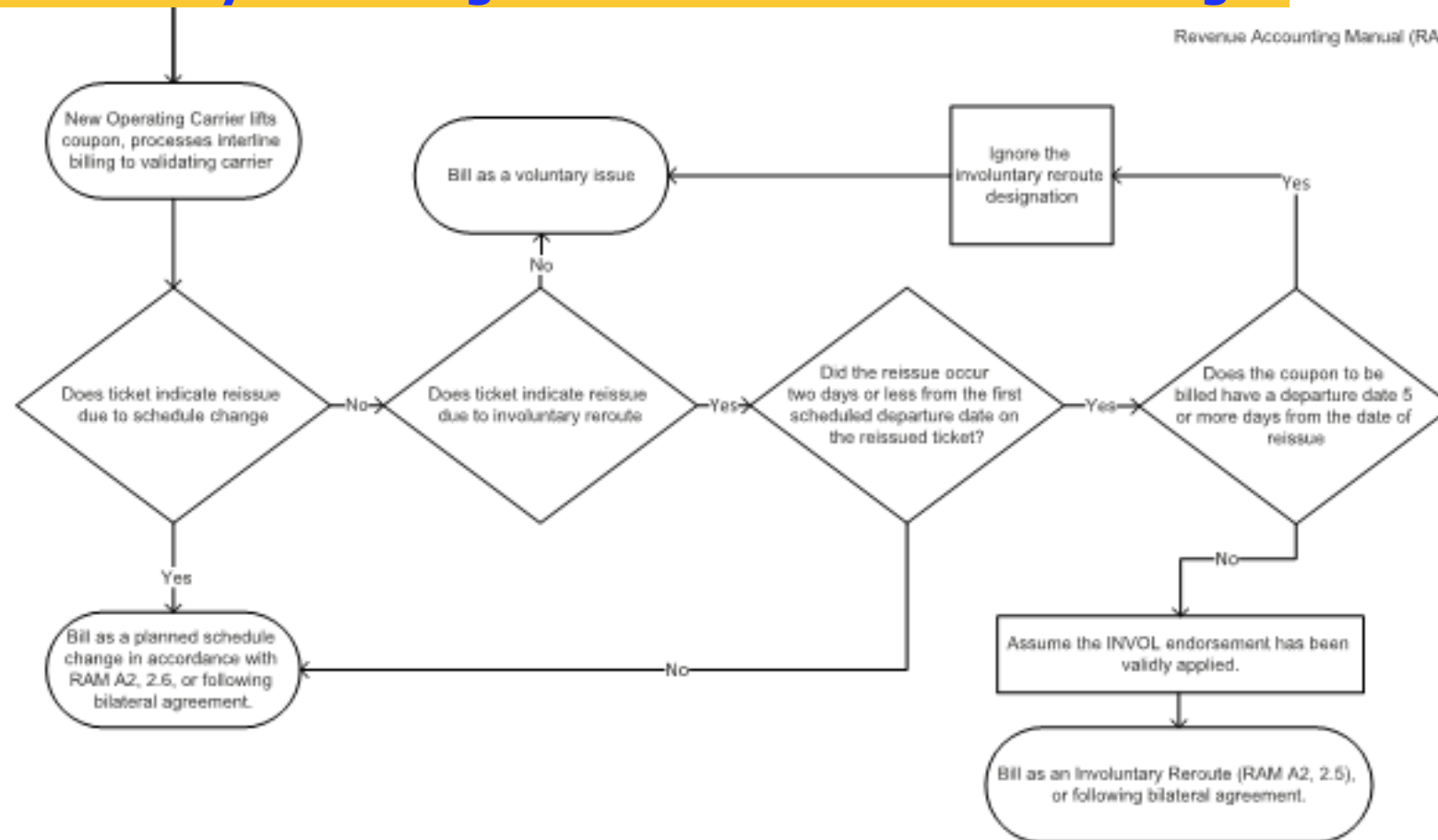


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Best Practices – Q&A Involuntary rerouting and Planned Schedule Change

Revenue Accounting Manual (RAM)



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*thank
you*

For further questions please contact Altug Meydanli
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