

# Welcome to the 5<sup>th</sup> IBS OPS General Meeting!

# Report of the IBS OPS WG

Harold Schwart, DL

IBS OPS WG Chairman

23 September 2019



# Introduction

## Survey

- Thank you for completing the survey
- Your comments matter to us and help us to better serve you
- The primary comment received – so much material to cover in one day
  - This year is no different but unfortunately not in our control
  - I will do my best to follow the Agenda running order and a schedule of events has been provided
- Please complete the survey again this year; we hear you and will continue trying to improve

# Breakout Sessions

There are Four Breakout Sessions planned

- BS1- Involuntary Interline TFC Problem and Solution
- BS2- Chart 2 and Impact on Passenger Revenue Accounting
- BS3- Lowest Applicable Fare
- BS4- Interline Settlement Best Practices (Passenger & Cargo)
  - ❖ They are informal and interaction is encouraged

# WG Membership

- Membership approval of FinCom is required
- The IBS OPS WG consists of 15 members and;
- 2 Official Observers
  - They are full members but do not vote for Chair & Vice-Chair
- Appointments are for a term of 3 years

# Meetings

- Since the 5<sup>th</sup> WFS in Madrid the IBS OPS WG met:
  - In YUL - November 2018
  - In MAD - May 2019
  - And, here yesterday in preparation for this General Meeting
- We have monthly conference calls when not meeting face to face

# Composition of the WG

## IBSOPSWG Members

- Harold Schwart – DL - Chair
- Sophie Creusot – AF – Vice Chair
- Priscilla Stiller – AA
- Myrna Adams – AC
- Matthew Holden – BA
- Chen-Wen – CZ
- Suresh Verkot – EK
- Sachin Jain – EY

# Composition of the WG

## IBSOPSWG Members

- Amisha Jhaveri – HR
- Myriam Burget – LX
- Gavin Pereira – NZ
- James Hayward - QF
- Felicity Sekoto - SA
- Ssu Hui - SQ
- Paulo Godinho - TP



# Composition of the WG

## Official Observers of the IBSOPSWG

- Ab Bouman – KL
- Nermin Azem Kiran - TK

# Achievements in 2019

The WG and Editor Group are responsible for 11 proposals on the IBS OPS GM Agenda

4 Breakout Sessions were prepared

- TFC Settlement in Case of Involuntary Rerouting
- Chart 2 and Impact on Passenger Revenue Accounting
- Lowest Applicable Fare
- Interline Settlement Best Practices (Passenger & Cargo)

# Achievements in 2019

A growing number of TFCs are becoming exempt in case of involuntary rerouting

I continue to encourage airlines to lobby tax authorities to waive ticket transportation taxes in case of involuntary rerouting

- IATA & TTBS have agreed to serve as a point of coordination and assist with this campaign

# Achievements in 2019

9 new non-IATA member airlines for ICH participation in 2019 have been approved: 4N, ZP, 6E, U7, RQ, EF, KG, CG, & BF

Future efforts for the ICH will focus on improvements for interline and correspondence settlements in case of bankruptcy

# Achievements in 2019

Report to FinCom on rejection reduction progress

Ongoing developments include:

- Develop and follow the workplan
- Follow developments in coupon level TFCs
- Follow developments in Dynamic Pricing
- Follow developments in Settlement with Orders

# Rejection Reduction Initiative

In 2015 the IBS OPS WG was tasked to reduce rejections by 32% within 5 years (2020)

At end of June 2019 we achieved more than 26% reduction

Targets to achieve our objective are:

- 27% or more by end of 2019
- 32% or more by end of 2020

Let's continue the good work to achieve another 6% or more

# Rejection Reduction Advisory Group

WG members SA, EK, LH, NZ, EY, AA and DL have partnered with SIS to form the Rejection Reduction Advisory Group

- The goal: reduce rejections and correspondence

Outputs to date include:

- Improved reporting providing metrics for top 5 airlines you reject or reject your billings
- Best Practices document on the SIS Website

# Rejection Reduction – How do we reach 32%

Simplify settlement processes

- Involuntary Rerouting
- Request/Respond and similar file exchange processes

Simplify SPAs settlement to the extent possible

Partner with your Revenue Management team

Remember – there is a cost associated with rejections



# Simplify Invol Reroute Settlement

The lowest applicable fare rule is outdated and no longer aligned with fare distribution channels used today

In response to a survey sent by IATA, 90% of you indicated a desire to simplify settlement in case of involuntary rerouting

The solution should be an industry neutral source and IATA and related industry WGs should be formed to pursue a solution

# Committee on Differences

I am pleased to report there were no disputes referred to a Committee on Differences this year

# Questions?

Thank you!

Harold Schwart

Delta Airlines



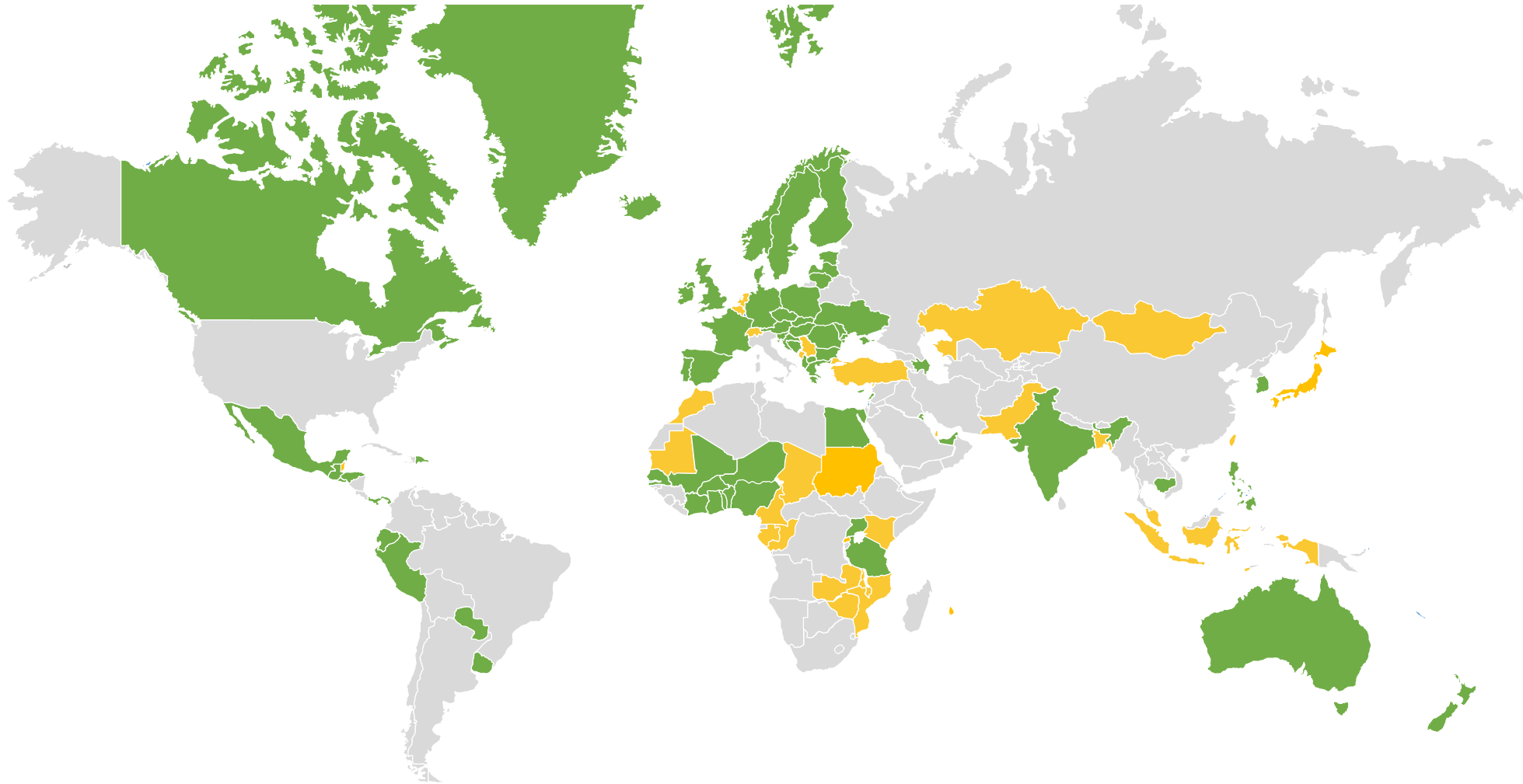
# Financial and Distribution Services Update

Jean Antonio Rodriguez, IATA  
Director FDS Operations

23 September 2019



# NewGen ISS & TIP Markets Live



■ Market Live NewGen ISS & TIP



# IATA Pay

The new payment solution for the Airline industry

Built by Airlines for Airlines



# IATA Pay



Built by airlines for airlines

IATA Pay is a new **form of payment** for the airline industry



## Universal

IATA Pay aims to be Universal, Transversal and Interoperable



## Instant

IATA Pay is based on instant bank transactions



## Open Banking

IATA Pay is leveraged on Open Banking schemes



## Airline Industry

IATA Pay is an industry-focused solution owned by airlines

## Why IATA Pay



### Industry Support

IATA Pay has onboarded 26 airlines which represent 35% of the BSP global sales



### Single integration

IATA Pay only requires a single integration to operate in all reachable markets

## Opportunities for Airlines

### Strategic

**Customers Payments data**  
under IATA's neutrality

**Consumer trust**

**Versatile to fit Airline's strategy**  
not dependent on 3rd parties'

### Financial

**Competitive fixed fee per transaction**  
Transparent and fitted for each market

**Settlement** within **24h**  
Compatible with the rest of ISS services (i.e. ICCS)

**Risk Free:** Fraud & charge back mitigation

### Operational

**Universal acquirer**  
Single and easy integration

**Real-time refunds**

**Industry-focused reconciliation**



# Value proposition



## Targeted benefits

- **Seamless user experience**
- **Consumer trust:** Bank transfer as known method + Airline industry support
- **Risk-free** solution
- **Simplified reconciliation:** Lump settlement + Industry-oriented Recon report
- **Improved working capital:** Faster settlement
- **DATA** of customer's payments flowing through a **neutral** party
- **Real-time refunds**
- **Reduced costs:** without interchange fees
- **Universal Single integration** for airlines in all IATA Pay markets.

Thank you!

Juan Antonio Rodriguez

IATA

[rodriguezja@iata.org](mailto:rodriguezja@iata.org)




# The Year in ICH Update

Cedric Chretien, IATA

Head Settlement GDC/ ICH Manager

# 2018 Highlights

 Volume of transactions: New ICH record with **USD62,131,900,620** (+9.3% vs 2017)

– In Value terms:

- Passenger **+10%** with USD34.6b
- UATP **+9.3%** with USD7.4b
- Miscellaneous **+8.2%** with USD19.1b
- Cargo **+7.7%** with USD994m

– In Transactional terms: overall growth of **8.6%** vs 2017 with 1,261,383 invoices processed with SMI “I”

# 2018 Highlights

- Certified "**SOC2**" Service Organization Control
  - Management of: user access, roles & responsibilities, data received from SIS, Clearing Bank
  - Security and Compliance trainings
  - Business Continuity Plan "BCP" & Disaster Recovery "DR" documentation complete and tested
- Successful implementation of the Global Delivery Center "**GDC**"
  - All ICH activities (System, Operations, Finance) exclusively conducted from Montreal

# 2018 Highlights

- At year end, Settlement Success Rate was at 99.9990% with USD590k resettled out of USD62.1b processed despite 12 suspensions. Note: USD292k has been recovered since then.  
=> 2018 **Settlement Success Rate 99.9995%**
- Total active membership was **445**: (+7 vs end 2017)
  - **301 Airlines** (226 of which were IATA Members & 75 Non-IATA), **128 Associates** and **16 Sponsored**
  - 16 new participants (6 IATA, **5 Non-IATA**, 4 Associates & 1 Sponsor)
  - 12 suspensions (with 3 reinstatements by year-end)

# Outlook 2019

- Volume: (after completion of the Aug-19 P4 clearance)
  - In value terms, volume with USD42.2b has been up by 0.7% over the same period in 2018.
  - Year-end forecast for total throughput is likely to be around **USD62.5b**
  - In transactional terms, there was an overall decrease of 0.7% compared to same period in 2018.
- Membership: (as at 15 Sep-19)
  - 24 new participants (6 IATA, **9 Non-IATA** & 9 Associates)
  - 9 suspensions (7 IATA & 2 Non-IATA)

# Jan to Sep-19 Highlights

- For the 1<sup>st</sup> time ever in ICH history, the number of active participants (airlines & suppliers) has passed the bar of 450 with 459 as at 15 September 2019.
- BCP: "Business Continuity Plan"
  - Detailed training has been completed with our Remittance & Settlement Madrid colleagues now capable to run ICH critical financial and operational activities.
  - Live test has been successfully executed during the Jun-19 P1 and P2 settlement cycles whereby the R&S MAD Team performed payment files generation, FX and late submission activities.



# Jan to Sep-19 Highlights

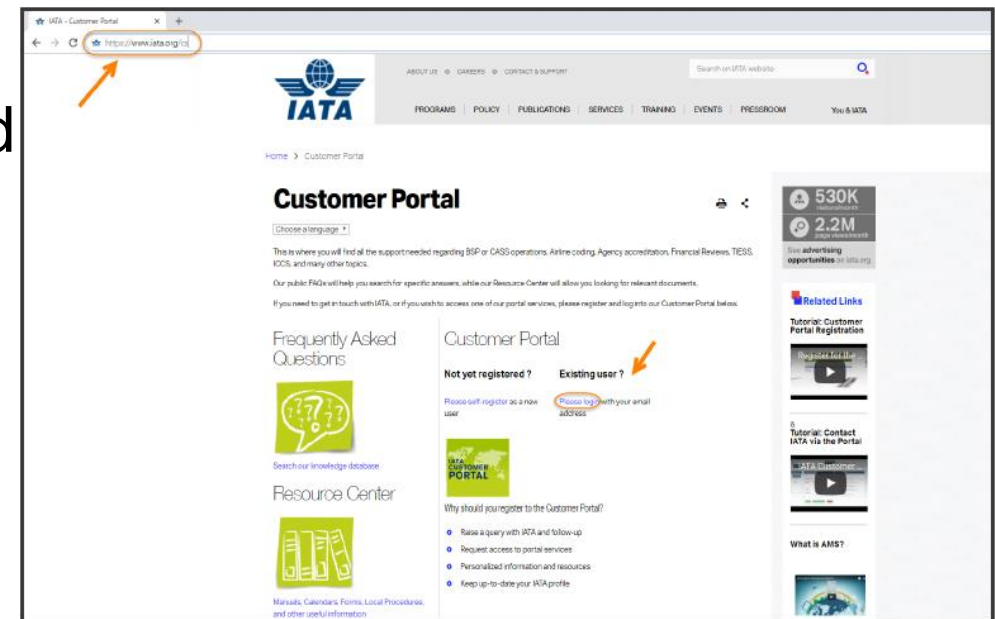
## ○ ICH Support:

- Per Circular 057/18 and 006/19, since 01 Feb-19, ICH email-to-case and web form have been decommissioned. The IATA Customer Portal is the sole channel to communicate with ICH

- Customer Service Teams in Madrid and Montreal have been trained on how to handle ICH L1 and L2 queries



Adobe Acrobat Document



# Jan to Sep-19 Highlights

- SGD:
  - New currency of billing and settlement
  - Offered through the SMI "X" feature
  - New bank account with Barclays has been opened.
- ICH4 system:
  - YTD 7 releases addressing 5 Enhancements and 58 Incidents
    - Automation of Interest on Security Deposit calculation
    - Automation of Special Clearance
  - To come by year-end: (Nov-18 release)
    - Push F3 to the Treasury Dashboard
    - Automation of Deposit accounts

# Jan to Sep-19 Highlights

## ○ Special Clearances:

### – Completed:

- (WE-307) Centurion Air Cargo: Collection & Distribution Apr P1
- (2N-121) NextJet: Collection Jul P1 & Distribution Jul P3
- (5Z-225) Cemair: Collection & Distribution Aug P1
- (IY-635) Yemenia: Collection Aug P2 & Distribution Aug P4

### – Upcoming:

- (ST-246) Germania: Collection Sep P2 & Distribution Sep P4
- (9W-589) Jet Airways: TBD

# Risk Management

➔ YTD we have had 9 suspensions: (12 in total in 2018)

- **3 for ICH Default:** (8U-546) Afriqiyah Airways, (C2-304) Ceiba Intercontinental S.A, (O6-247) Oceanair t/a Avianca Brasil
- **5 for ISS Suspension:** (5Z-225) Cemair (Pty) Ltd., (ST-246) Germania Fluggesellschaft Mbh, (BM-480) British Midland Regional, (9W-589) Jet Airways (India) Limited, (ZI-439) Aigle Azur
- **1 following code withdrawal:** (S2-705) Jet Lite (India) Limited

➔ Settlement Success Rate: **99,9937%**

- USD2.6m resettled out of USD42.1b processed (after completion of Aug-19 P4 clearance)

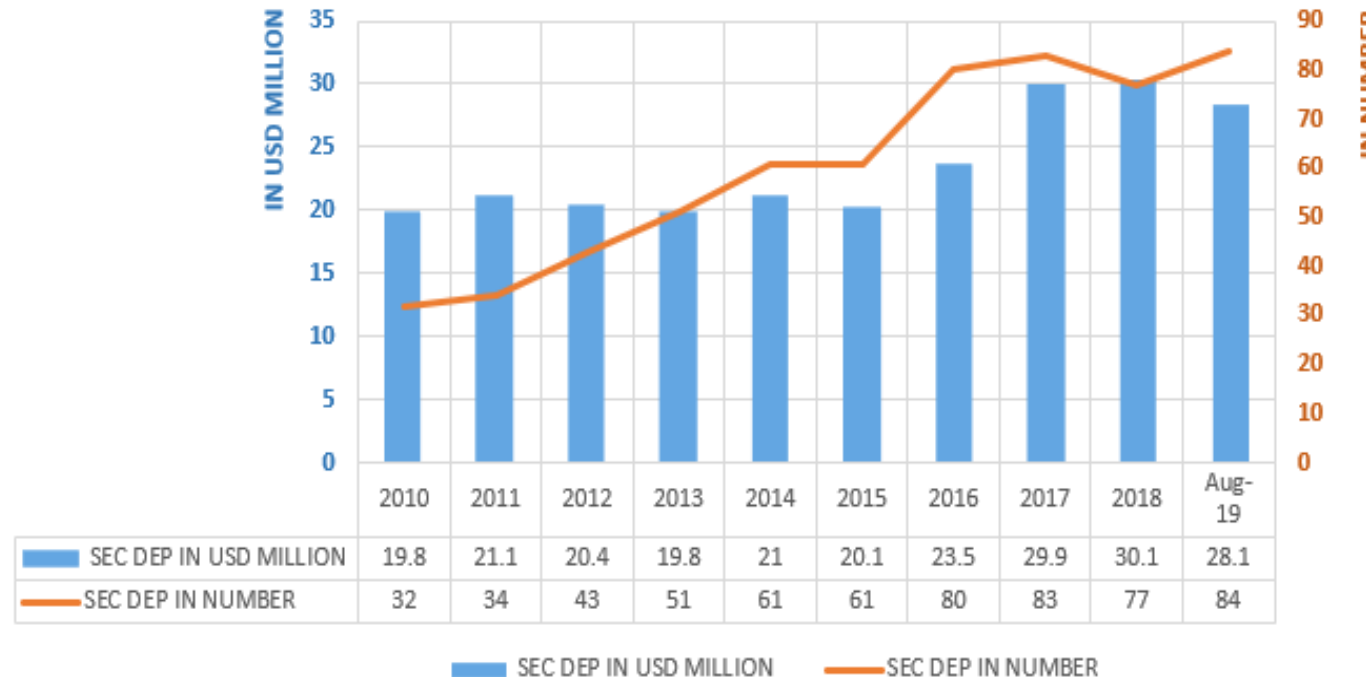
# Risk Management



Reinforced controls & monitoring of participants position and activity:

- Increase in number +13.5% (84 as at end Aug-19 vs 74 end Aug-18)
- Decrease in value -4.3% (USD28.1m as at end Aug-19 vs USD29.4m end Aug-18)
- Hold deposits (security and/or voluntary) on behalf of over 30% of airlines

ICH SECURITY DEPOSITS 2010 TO AUGUST 2019



# ICH Regulations

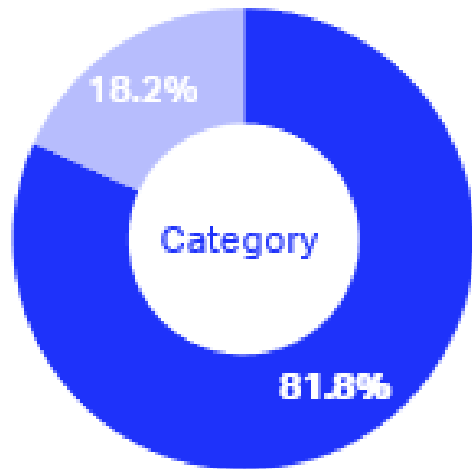


## ICH Manual 24<sup>th</sup> Edition: effective 01<sup>st</sup> Jan-19

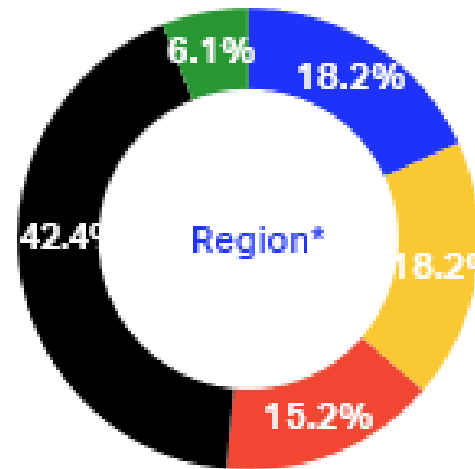
- Inclusion under Improper Billing definition of a new sub-point related to third party billings which are prohibited.
- Removal of references to pricing structure for Associate members in order to implement a tailored / variable pricing taking into consideration the nature of the services provided and the value of the service for these Associates (Ground Handlers, Caterers, MROs, IT Companies, GDSs...)

# Customer Satisfaction

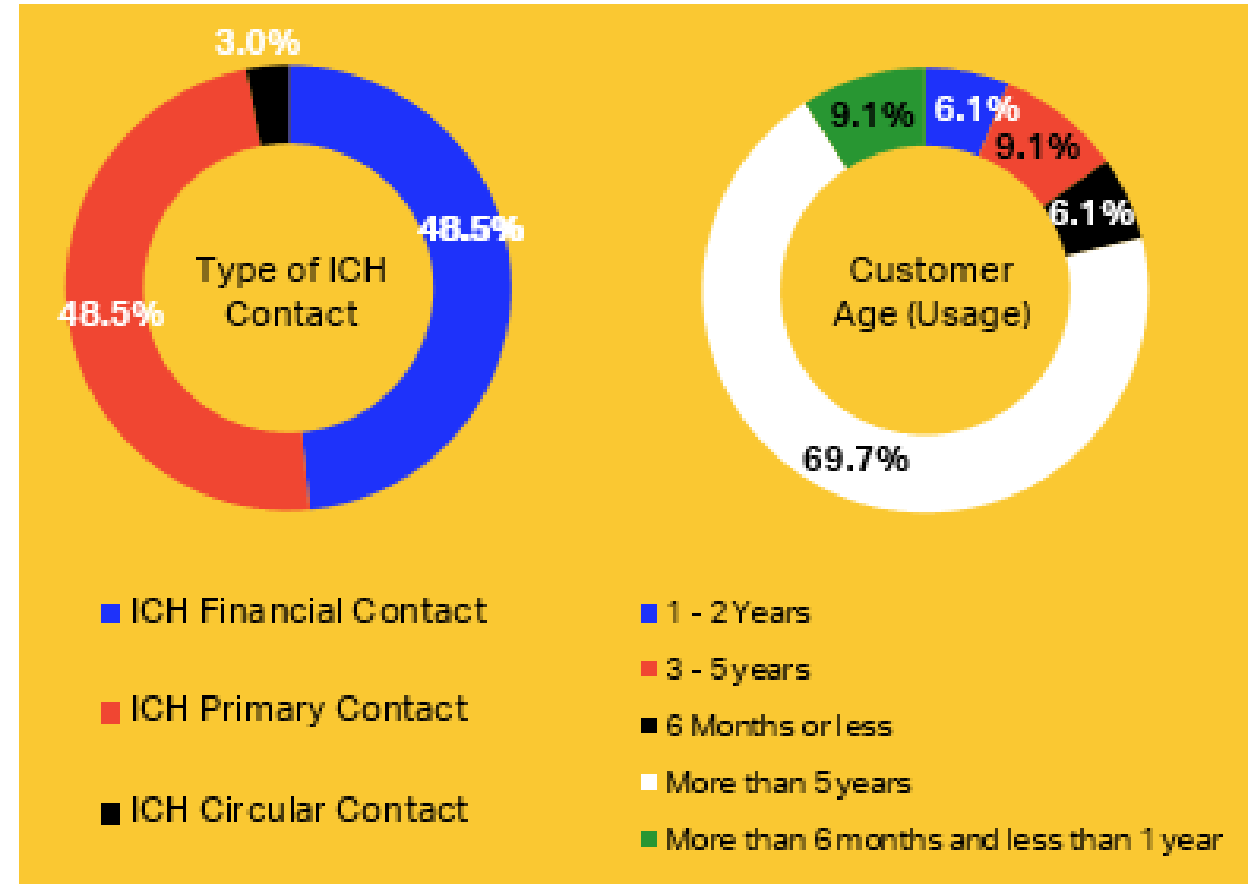
## Respondents profile:



- Airline Member
- Associate Member



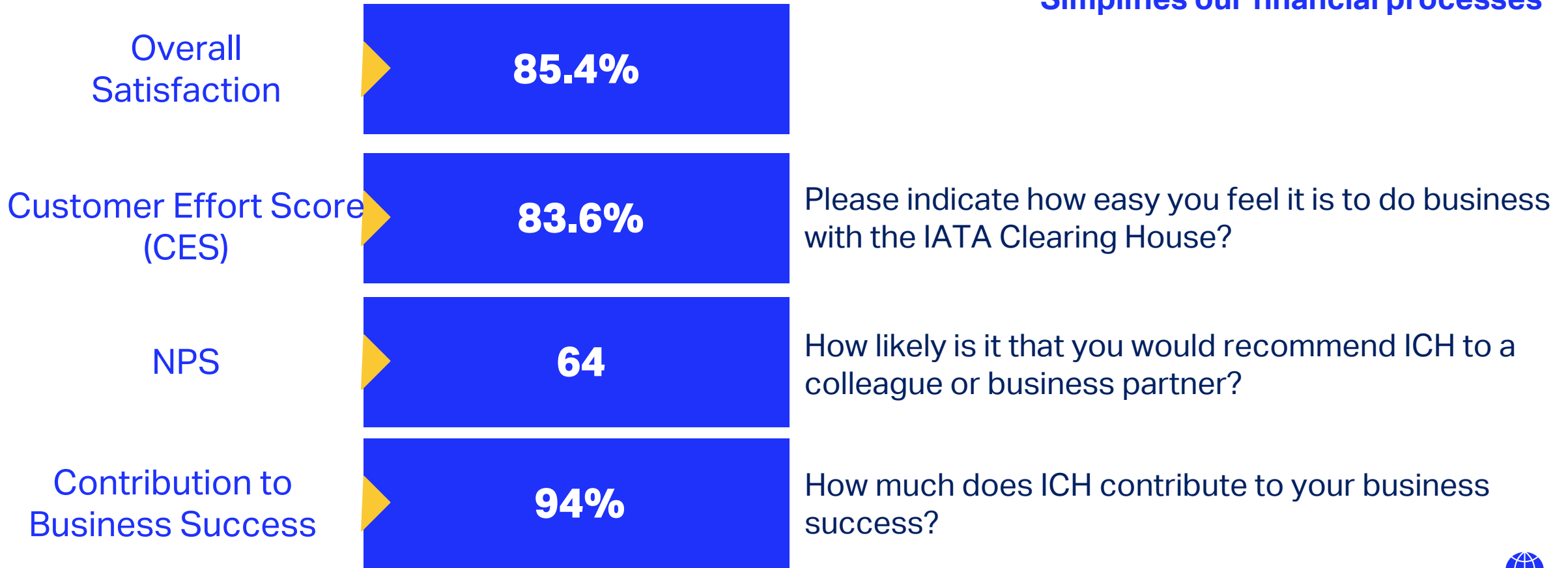
- Africa & Middle East
- Americas
- Asia Pacific
- Europe
- North Asia



- ICH Financial Contact
- ICH Primary Contact
- ICH Circular Contact
- 1 - 2 Years
- 3 - 5 years
- 6 Months or less
- More than 5 years
- More than 6 months and less than 1 year

# Customer Satisfaction

## Key Experience Metrics:





# Customer Satisfaction



## Key Experience Metrics: (NPS verbatims)

### Promoters

- Paperless Solution
- Simplified planning with approved ICH calendar
- Reliable & Efficient
- On-time settlement
- Great support
- Centralization for debt clearance

### Detractors

- Handling of Rejections

### Neutrals

- Need for a better search Engine for Invoices

### Voice of the Customer:

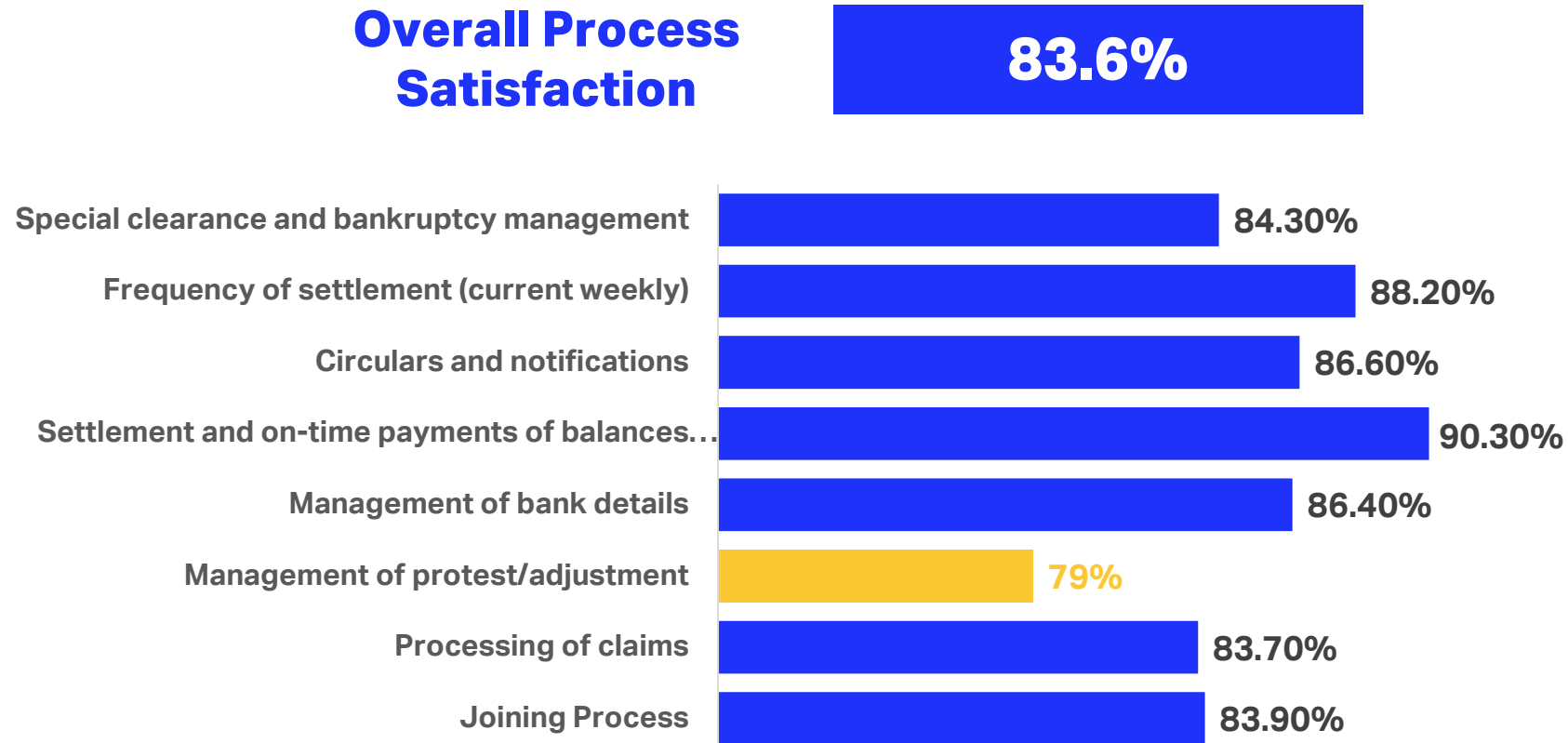
**“1 recommended ICH due to: Ease of doing business, reliability and certainty of collections”**

# Customer Satisfaction



Satisfaction ICH processes:

Voice of the Customer:  
"Protest days is too short"



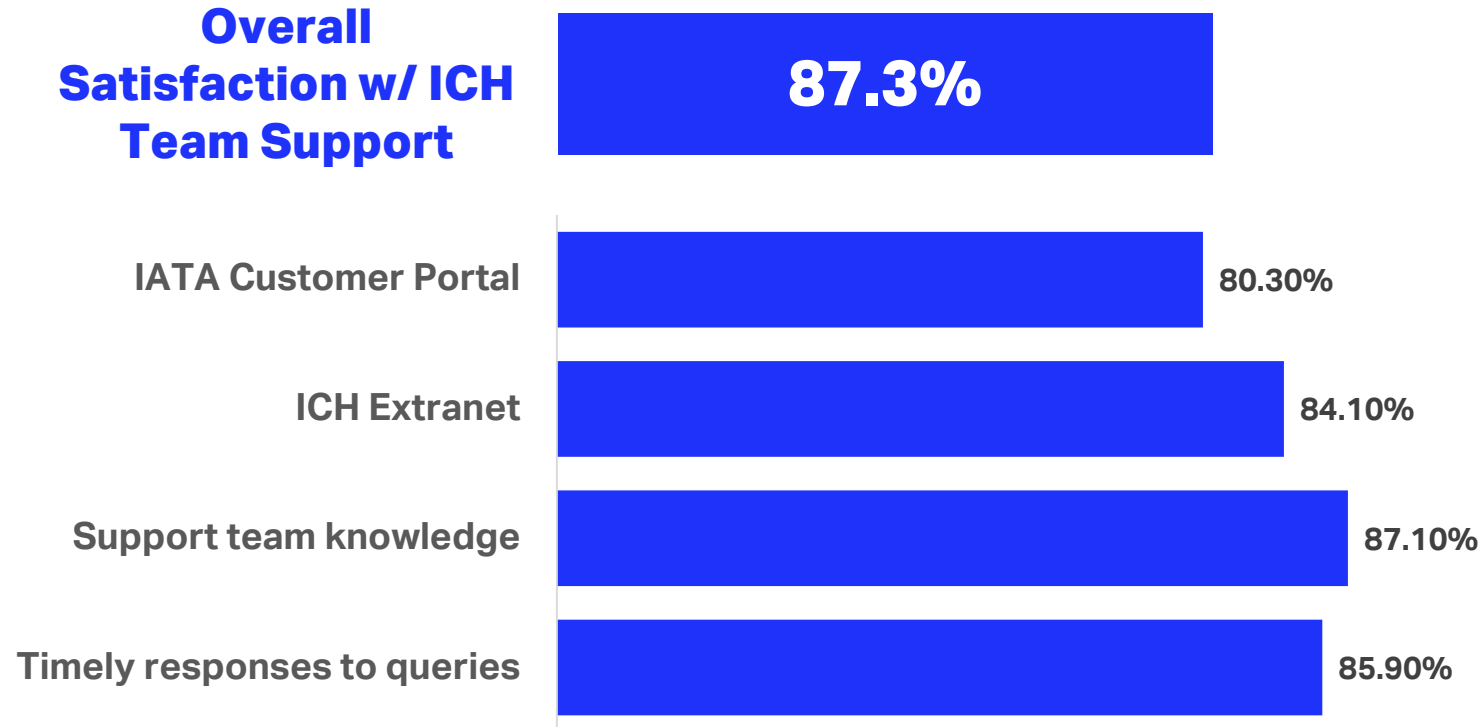
# Customer Satisfaction



## Satisfaction ICH Support:

Voice of the Customer:

**"IATA Customer portal been a little confusing - would have loved some training in this regard"**



Thank you!

Cedric Chretien

IATA

[chretienc@iata.org](mailto:chretienc@iata.org)



# Bankruptcy / Special Clearance update

Marie-Christine Brochu, IATA  
Assistant General Counsel

# Agenda

## Main Cases – Bankruptcy and Suspension

- Not all cases addressed involve a bankruptcy or insolvency filing

## Reminder on Procedure

# Reminder on the Basics...

## Applicable ICH Regulations (see Reg. 9; Proc. 18)

- 9(a): "...no liability for payment and no right of action to recover payment shall accrue between Clearing House Members."
- 9(b): The ICH has "... the exclusive right to institute court actions, file claims in appropriate jurisdictions and to settle and compromise such claims."
- Individual member action can interfere with the ICH's ability to claim its rights in court, and therefore jeopardize the rights of other members.
- Any approach by legal firms, administrators, liquidators, or other representatives of the bankrupt airline should be referred to the ICH.

# Also...

## Unfortunately bankruptcy processes are slow

- The ICH is not the only creditor and some take much longer to provide data
- Government rules may be applied
- Many companies are trying to negotiate with the Administrator at once
- The airline may no longer have access to systems, data, or expertise
- The airline may dispute the claims of the ICH
- Court appearances need to be scheduled
- Assets need to be identified by the Administrator



# Also...

## Internally it also takes time

- Funds in IATA's hands have to be identified from around the world
- Local regulations on release and remittance apply
- Members have six months to clear their accounts and submit claims
- Special Clearances take time to set up, run, and release funds
- **Additional information is available via the bankruptcy/suspension extranet updates**

# 2012 and Prior (part 1)

## **KW-100 Wataniya**

- Won fully at trial court & first appeal. Airline has appealed again, and IATA has attached its assets to preserve collection opportunities.

## **NM-476 Air Madrid**

- IATA successful at trial court and appeal, defeating claim for ICH claims without offset of debts; airline appealing further. Distribution unlikely on the pending claims.

## **LC-183 VarigLog**

- Claim confirmed by the court, awaiting completion of bankruptcy process.

# 2012 and Prior (part 2)

## **B3-208 Bellview**

- Marginal recovery to be made via internal offset; special clearance to follow.

## **C9-251 Cirrus**

- Amount of ICH claim still under negotiation; small recovery ultimately likely.

## **JK-680 Spanair**

- Amount of ICH claim still under negotiation; small recovery ultimately likely.

## **U8-669 Armavia**

- Claim filed in bankruptcy; special clearance to follow for partial distribution.

# 2014 Cases

## V3-021 Carpatair

- Claim filed in bankruptcy; amount agreed. Suspension upheld by court. Distribution appears unlikely.

## DN-440 Senegal Airlines

- Considering collection options following cessation of operations; possibility of small distribution via offset of internally held funds.

# 2015 Cases

## IY-635 Yemenia

- A partial distribution was made in this case following a special clearance. This case will therefore be closed.

## UN-670 Transaero

- Claim filed in bankruptcy, partially successful at trial court – matter may be appealed. Distribution depends on potential appeal process.

## OV-960 Estonian

- Claim filed in bankruptcy, but denied without explanation – ICH proceeding with appeal. Distribution uncertain, and depends on appeal process.

# 2016 Cases

## 4Q-741 SAFI Airways

- A material distribution is expected in this case following a special clearance.

## LC-753 Equatorial Congo Airlines

- The ICH has determined that collection efforts will not be effective in this case. A small distribution will be made following a special clearance.

## GE-170 TransAsia Airways Corporation

- Claim submitted in bankruptcy and accepted by estate. Recovery questionable.

# 2017 Cases

## 71-958 Insel Air International

- Submitted claim in court case; material distribution eventually likely.

## LV-400 Mega Maldives

- The ICH will not pursue collection actions, but a small distribution will likely be possible through internal offset, following a special clearance.

## AZ-055 Alitalia

- Airline has placed a security deposit and continues to settle all amounts due in the ordinary course.

# 2018 Cases (part 1)

## **F7-033 Darwin Airline**

- Claim submitted in bankruptcy and accepted by estate. Partial distribution possible depending on outcome of case.

## **8U-546 Afriqiyah Airways**

- Airline reinstated and then suspended in 2019. The ICH has determined that collection actions will not be taken, but it is expected that the airline will seek reinstatement, in which case all claims must be paid. This case will therefore be closed.



# 2018 Cases (part 2)

## UG-150 Tunisair Express

- The ICH has determined that collection actions will not be taken in this case. A special clearance is being considered for a partial distribution.

- **2N-121 NextJet AB**

- A special clearance has been performed, resulting in payment in full of all claims. This case will therefore be closed.

- **CO-354 Cobalt Air**

- Claim filed in bankruptcy. Recovery depends on outcome of bankruptcy process.

# 2019 Cases (part 1)

## **BM-480 British Midland Regional Limited**

- It was possible to pay all claims in full in this case, which will be closed.

## **9W-589 Jet Airways**

- Claim filed in bankruptcy, with possible amendment following 6-month period. Small distribution may be possible depending on outcome of case. All claims in periods before suspension were paid under a deposit agreement with the airline.

# 2019 Cases (part 2)

## **S2-705 Jet Lite India, Ltd.**

- The ICH is collecting post-suspension claims in this case and will consider possible collection actions upon the completion of this process.

## **O6-247 Avianca (Brasil)**

- The ICH is collecting post-suspension claims in this case and will consider possible collection actions upon the completion of this process. All claims in periods before suspension were paid under a deposit agreement with the airline.

# 2019 Cases (part 3)

## ZI-439 Aigle Azur

- The ICH is collecting post-suspension claims in this case and will consider possible collection actions upon the completion of this process. Unfortunately not all claims as of suspension were able to be satisfied.

# Reminder on Procedure

## **ALWAYS follow Proc. 18: timely submit claims vs. suspended airline**

- 6 months will be provided for submission, unless local law states otherwise
- Failure to timely submit will prevent any recovery on those claims
- **ALWAYS check claims submitted during 6-months post-suspension**
  - The suspended airline should also submit its own claims, which may need to be rejected
  - Untimely rejections will not be allowed, as per RAM guidelines
- **NEVER bilaterally settle claims already submitted in ICH**
  - Bilateral settlement often results in a worse outcome for your own claims, and is in any case grounds for suspension

# Thank you!

Marie-Christine Brochu

IATA

[brochum@iata.org](mailto:brochum@iata.org)

John Middleton

IATA

[middletonj@iata.org](mailto:middletonj@iata.org)

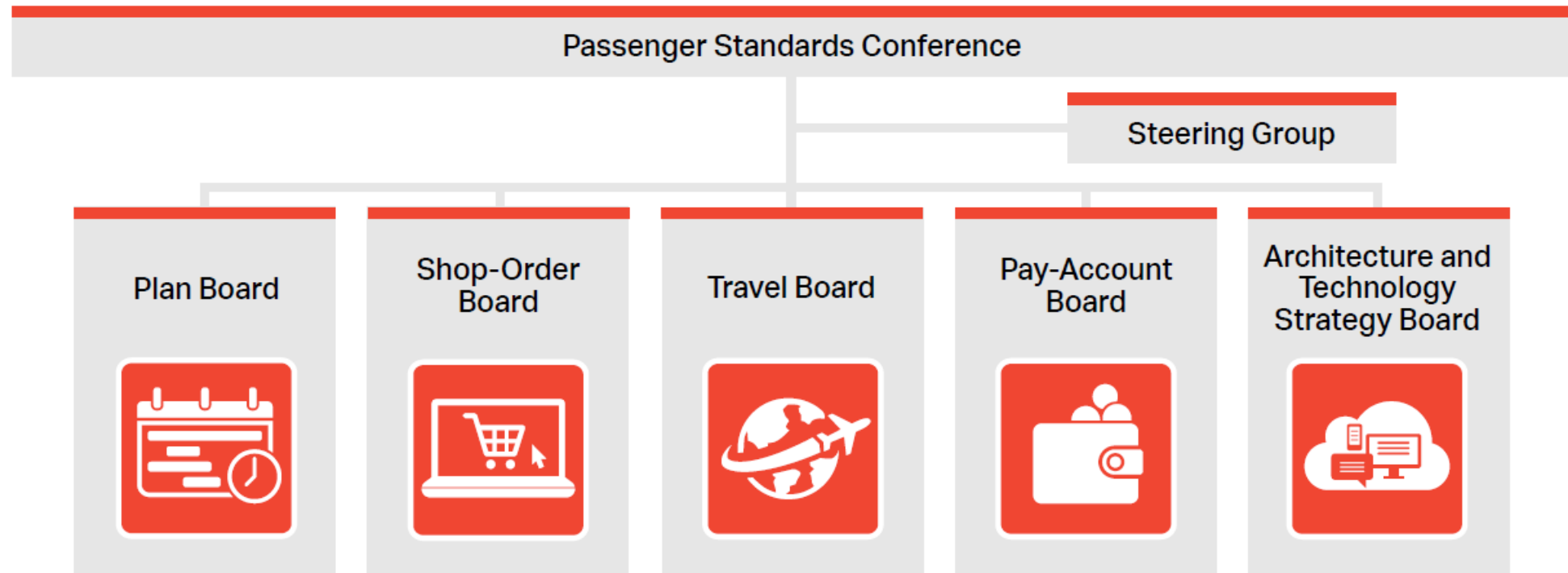


# Airline Distribution Standards Update

Henry Coles, IATA

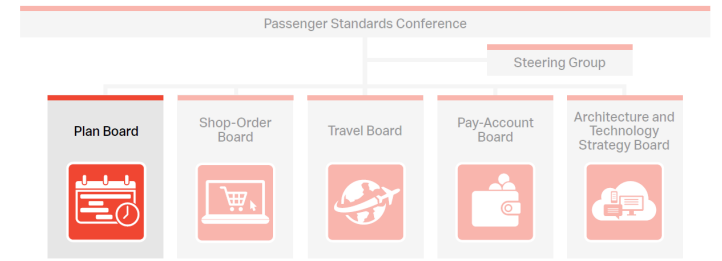
Head, Airline Distribution  
Standards

# New governance structure for passenger standards



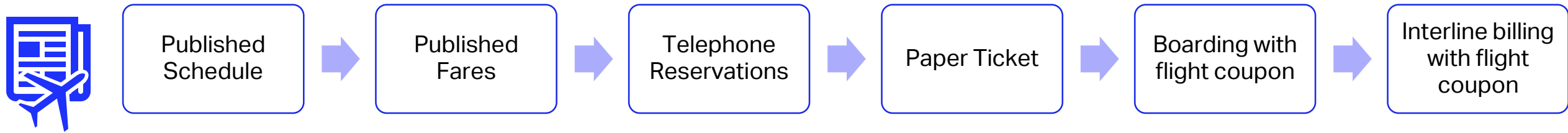
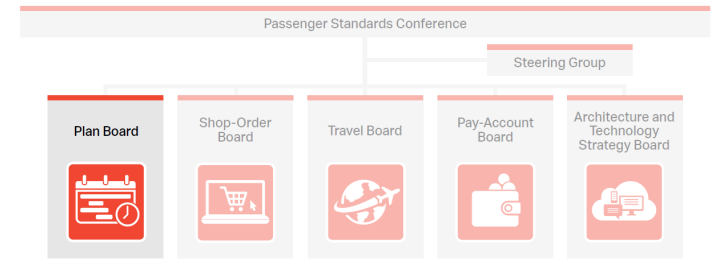


# Plan Standards

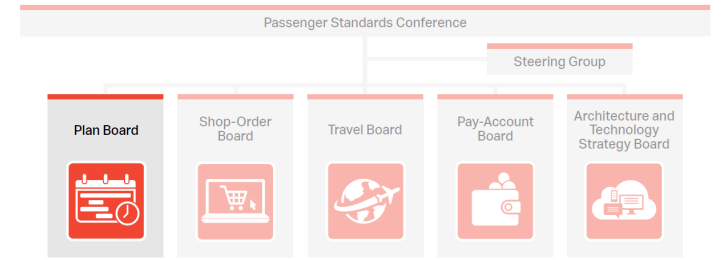


- New Minimum Connecting Time (MCT) standards take effect October 2019
- Future of Interline explorations

# Future of Interline

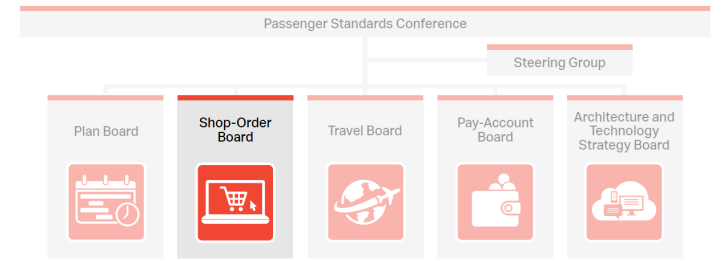


# Future of Interline



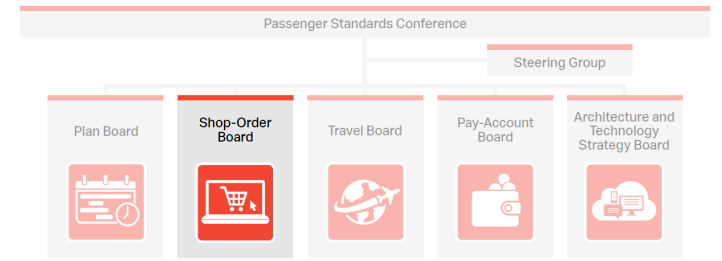
- New **Standard Retailer and Supplier Interline Agreement** under development
- Initial set of **Offer and Order Interline standards** under development for release 2020
- Work with technical groups will continue in 2020 as the use cases continue to be developed, **including interline billing and taxes**

# Shop – Order Standards



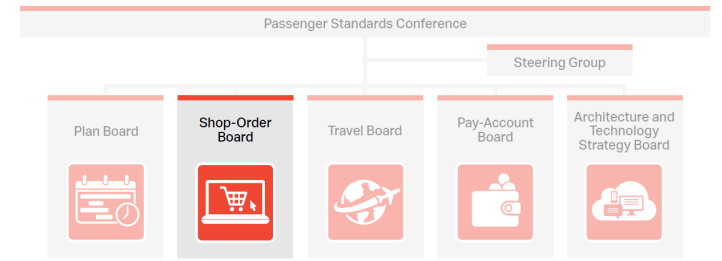
- Continued development of Offer and Order Management standards
- New Recommended Practice with industry taxonomy for products and services
- Identification of non-IATA accredited agents
- Maintenance of reservation and ticketing standards

# Changes to pricing and ticketing standards to keep an eye out for



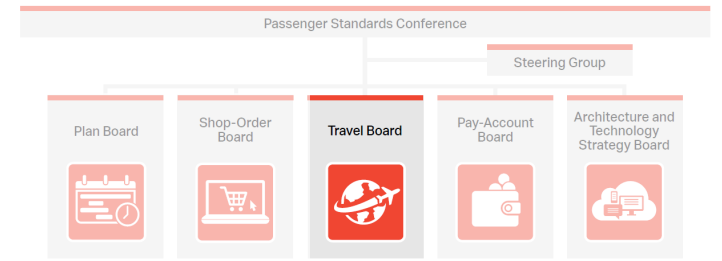
- Ticketing standards to support exempt taxes
- Changes to mileage standards
  - Missing TPMs
  - Separation of metropolitan area and multi-airport city processes
- Updates to definitions of ticket, sub-journey
- Updates to global indicator, fare selection standards
- New Recommended Practice on stopovers and transfers for pricing

# Currency updates



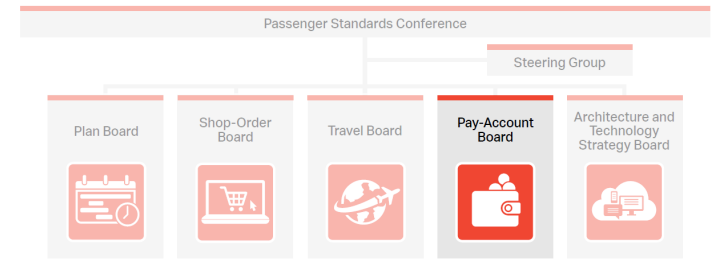
- USD fare establishment in Sri Lanka and Pakistan
- Significant variation in VEF and ARS
- FDR and MMR .csv and .xml formats, new base currencies
- ICER API. Free now for 3 months!
- Currency mapping exercise ongoing with impacted groups
- Single currency Resolution, 2020

# Travel Standards



- Maintenance of baggage, bar-coded boarding passes, self-service and facilitation standards.
- One Identity project.

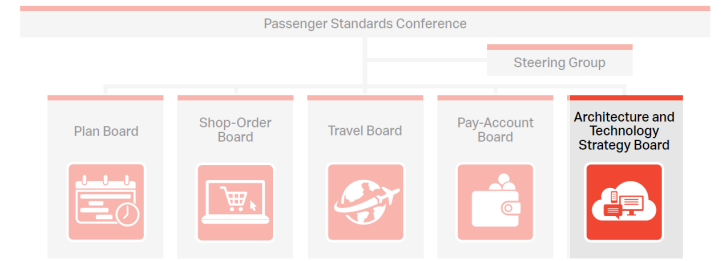
# Pay – Account Standards



- Maintenance of DISH specifications supporting sales reporting
- Customer Payment in Offer and Order Management
- Transparency in Payment for airlines
- Risk management for airlines



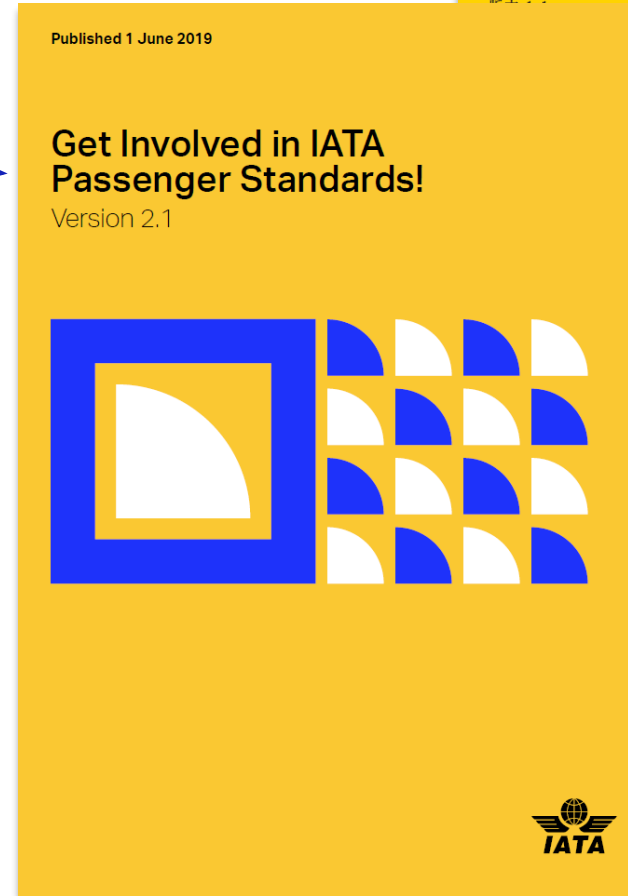
# Architecture and Technology



- Improvements to data exchange standards release methodology
- Airline Industry Data Model (AIDM)
- API Ecosystem project

Take me home!

[iata.org/PSC](https://iata.org/PSC)



Thank you!

Henry Coles

IATA

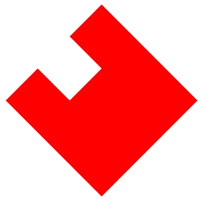
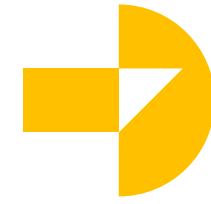
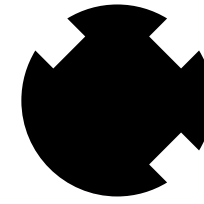
[colesh@iata.org](mailto:colesh@iata.org)



# RATD and TTBS Update

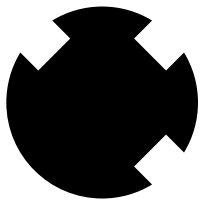
Carlos Alanis, IATA

Manager, Smart Tax Data  
Solutions



UPDATE





# Enhanced RATD update - Usage

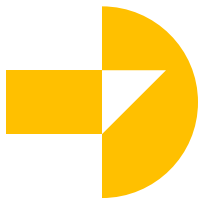
- Granted access to **1,287 users** since deployment.
- From **127 organizations** ( 105 airlines and 22 system providers)
- 34 organizations set up for **FTP transmission**
- 2 more in progress

## What's new

- **Enhancements** Master visible for all users – **nothing outstanding**
- **CSA Bulletins list** – visible to all users via ATPCO Customer Portal
- **Involuntary rerouting** – Identification at RATD Viewer and RATD file
- Contribution with all **IR exemptions** present in TTBS



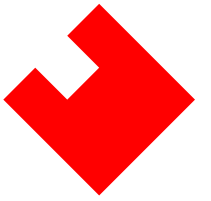
# TTBS update – Complex Taxes



- **Cases in the pipeline by end 2019:**
  - **DISH 23 cases (36):** Standards need to be populated by system providers.
  - **Nationality:** Implemented solution solving 10 additional cases (June '19)
    - Belize (2), Colombia (2), Mexico (1), Nepal (1), Turkmenistan (1), Maldives (2) and Honduras (1)
  - **Ongoing:** India K3/K7, Pakistan N9, Malaysia G1, Morocco MA (stamp tax)
- **Creation of a public Sharepoint site**
  - Closed cases and proposed solutions to open ones visible to all users
- **Awareness webinar**
  - Conducted by FINDEV in February 2019
  - Promotion of actions worldwide



# Enhanced TTBS update



- **Adoption including 500+ users**
  - Daily and Monthly data.
  - Customized options.
  - Intelligent search and data export - preferred functionalities.
  - Increased self service tools and tutorials
- **What's new**
  - Data export added to segment/flight search
  - Full tax information at country level exportable to editable formats
  - ICER rates of exchange incorporated for same currency comparisons
- **Demos**
  - Here at WFS!





# Thank you!

Carlos Alanis

IATA

[alanisc@iata.org](mailto:alanisc@iata.org)



# Introduction of voting devices

Margarita Liaifer, IATA

23 September 2019



# A6 – Introduction of voting devices

An airline representative have picked up voting device at the registration.  
Take your voting pad and when the voting is open press:

1A for YES

2B for NO

3C for ABSTENTION

# A6 – Introduction of voting devices

## Voting Item A6

Is Revenue Account fun?

# Revenue Accounting Manual – Voting Procedure

- A quorum for the IBS OPS GM consists of the delegates of 30 airlines
- Changes to the Revenue Accounting Manual can be approved by a majority vote of IATA airline representatives voting on the proposed change in the GM, provided that the change is not opposed by 15% or more of those airline representatives voting on the proposed change
- One vote per IATA Member is permitted
- Abstentions will not be considered/ counted

# Breakout Sessions Information

- There will be four (4) separate breakout sessions
- Kindly stay in the same Break Session room – Presenters will change rooms
- Follow the **R1/R2/R3/R4** signage that will lead you to the room
- The room number is written on your badge
- All sessions start after lunch
- Each session lasts thirty (30) minutes
- After each session, the presenters will take five (5) minutes to transition between rooms
- Participants will have the opportunity to attend all breakout sessions
- After all sessions, there will be coffee break followed by continuation of plenary session

# Breakout Sessions Information

Breakout Session **Room R1** – “Majestic” – this room

Breakout Session **Room R2 & R3** – “Royal 3” & “Royal 4” – First Floor on your left

Breakout Session **Room R4** – “Palmetto 1” – Second Floor

## IBS OPS Timing

Lunch 12:00 – 13:00

Breakout Sessions 13:00 – 15:10

Coffee Break 15:10 - 15:30

Plenary Meeting 15:30

# SwO – Settlement with Orders

Thibaut Ruy

IATA – Head of SwO Program



# Goals and Expressions

Goal of this presentation:

Interline Experts understand the potential future changes in finance – based on NDC and ONE Order

- OMS: Order Management System
- ORA: Order Responsible Airline (aka Retailer) (VC and billed entity)
- POA: Participating Order Airline (aka Supplier) (Interline partner and billing entity)
- SwO: Settlement with Orders

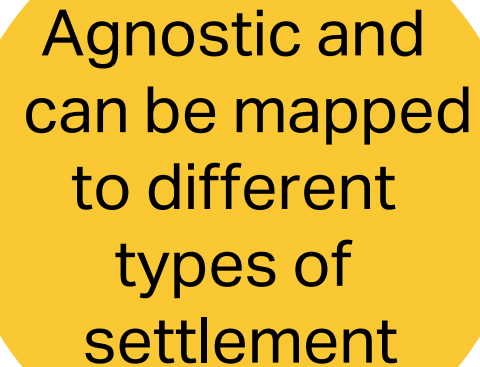
# Main benefits of the SwO standard



**Based  
on Orders**



Enable  
cash collection  
in NDC  
and ONE Order



Agnostic and  
can be mapped  
to different  
types of  
settlement



Cash  
management  
& automated  
Reconciliation  
(on transaction  
level)

# NDC & ONE Order → Finance



## NDC

- OMS – same information
- Shop – Offer - Order
- Payment Commitments
- eTickets and EMDs issued

## Order

- No more eTickets and EMDs

**Order World Today**

- NDC
  - OMS has Orders and additionally eTickets and EMDs issued in the background
  - The “shopping” is directly between the two carriers. Includes agreed value for fare, taxes, YQ, ISC
- Order
  - Same as NDC
  - No eTickets and EMDs issued anymore

OMS = Order Management System

# NDC & ONE Order → Finance



## NDC

- Settlement via SIS billing process possible but efficient?
- SwO settlement

## Order

- SIS would not work without major changes
- SwO settlement

## Challenges

- IS-IDEC is the way and SwO could be another way to interact with the settlement platforms
- SIS and the future SwO Settlement Manager are transfer platforms enabling the settlement
- ICH is the real settlement platform and can receive the information either from SIS or SwO Settlement Manager
- SwO is not replacing SIS, it is an additional option that fits with the world of orders
- Settlement in ICH: is not impacted by the choice IS-IDEC vs SwO

# NDC & ONE Order → Finance



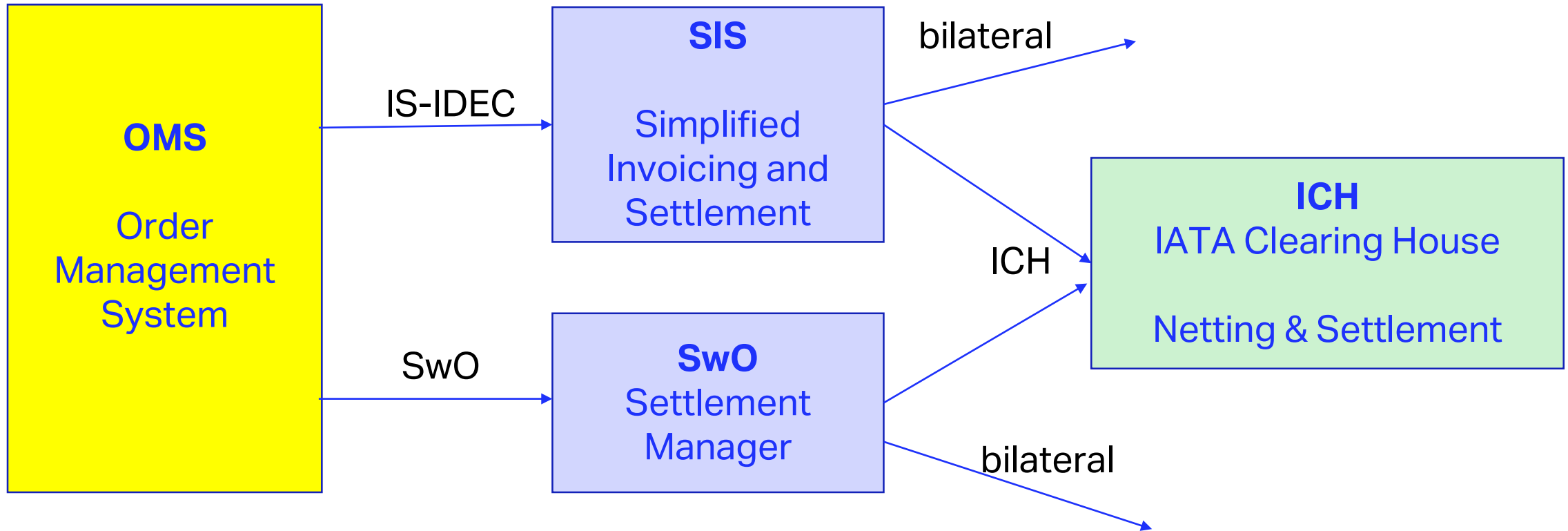
Simplified settlement  
framework

Settlement with Orders  
**SwO standard**

**Opportunity**

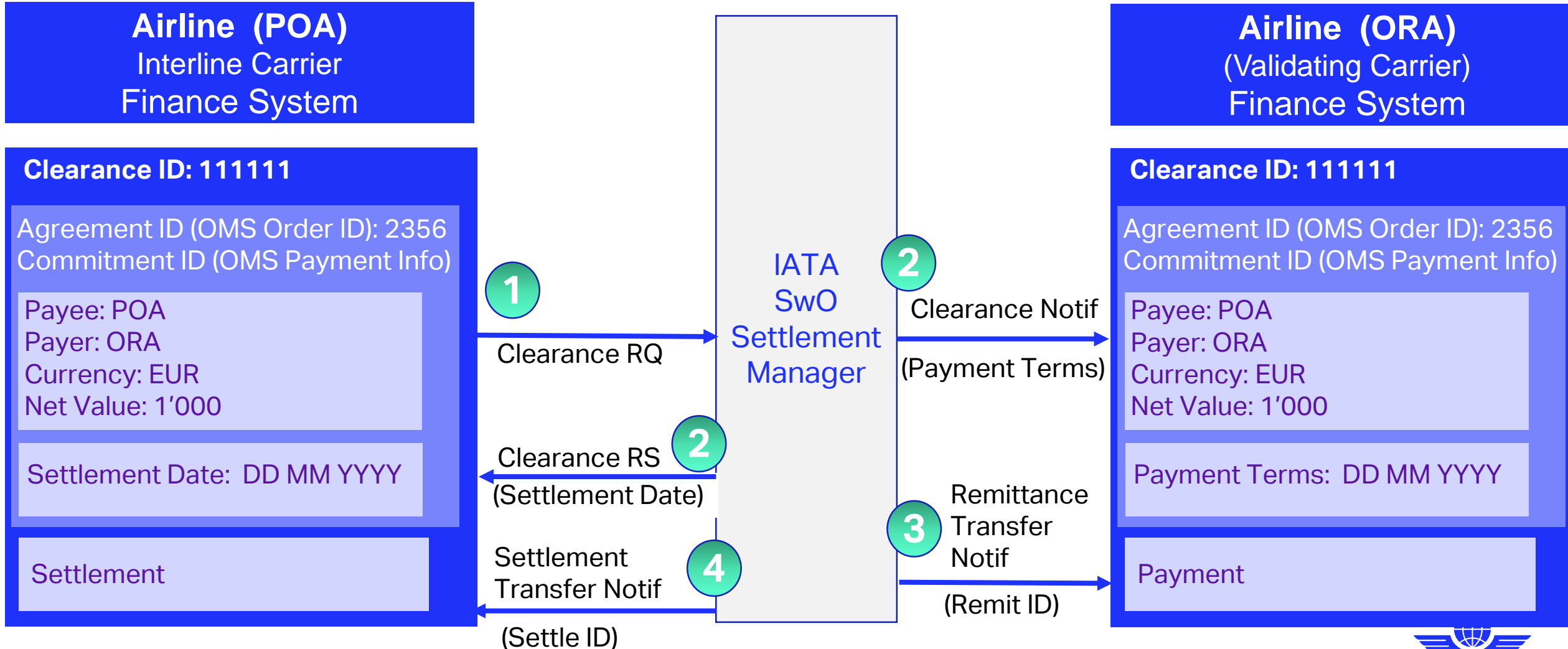
- Settlement in ICH is not impacted by the choice IS-IDEC vs SwO
- The benefits of ICH netting (for P, C, M) and the money transfer are not in question
- ICH can have two sources: SIS and SwO Settlement Manager

# Comparison IS-IDEC vs. SwO



# SwO process at a glance

"Net" in favour of POA



# SwO Adoption Group

Working together with various providers to allow adoption



**Lufthansa Systems**



Accounting Centre of China Aviation

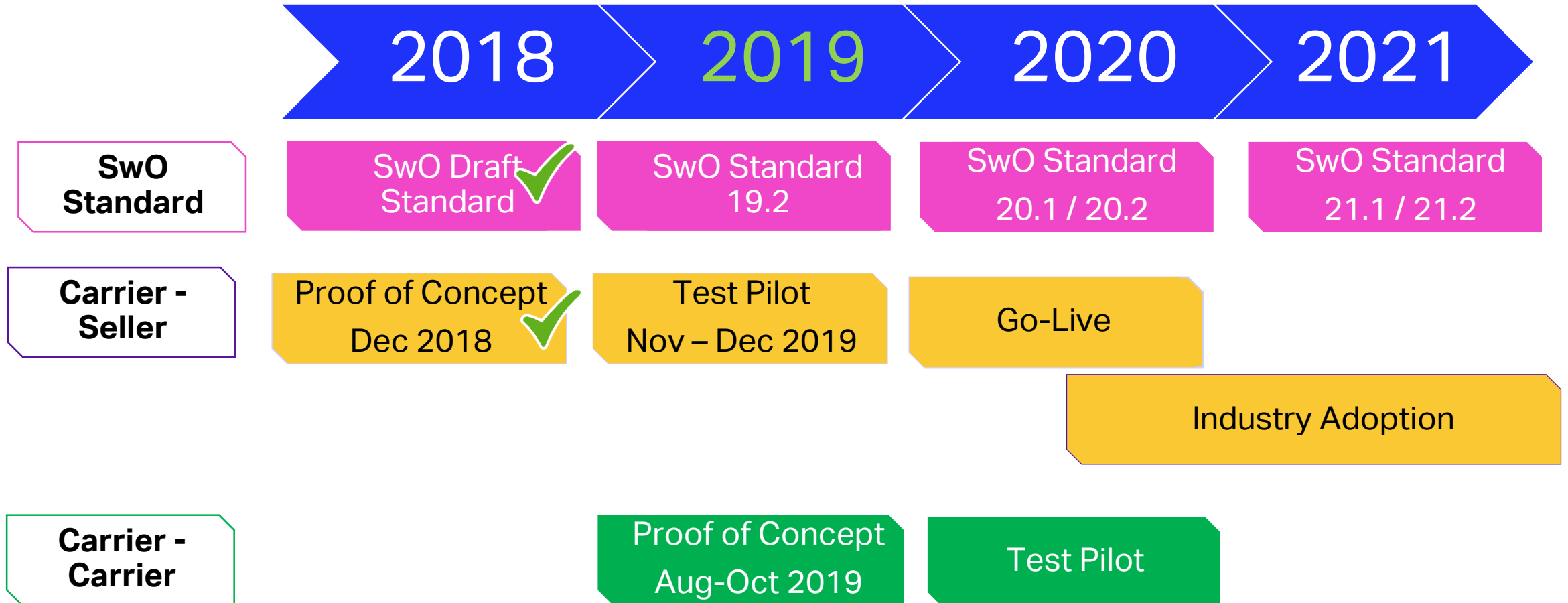


.... more to come





# NDC & ONE Order → Finance



# Thank you!

Thibaut Ruy

IATA

[ruyt@iata.org](mailto:ruyt@iata.org)

