



SIS Passenger Rejection Analysis ACH (Jan - Mar 2017)

Created By: SIS Operations Team

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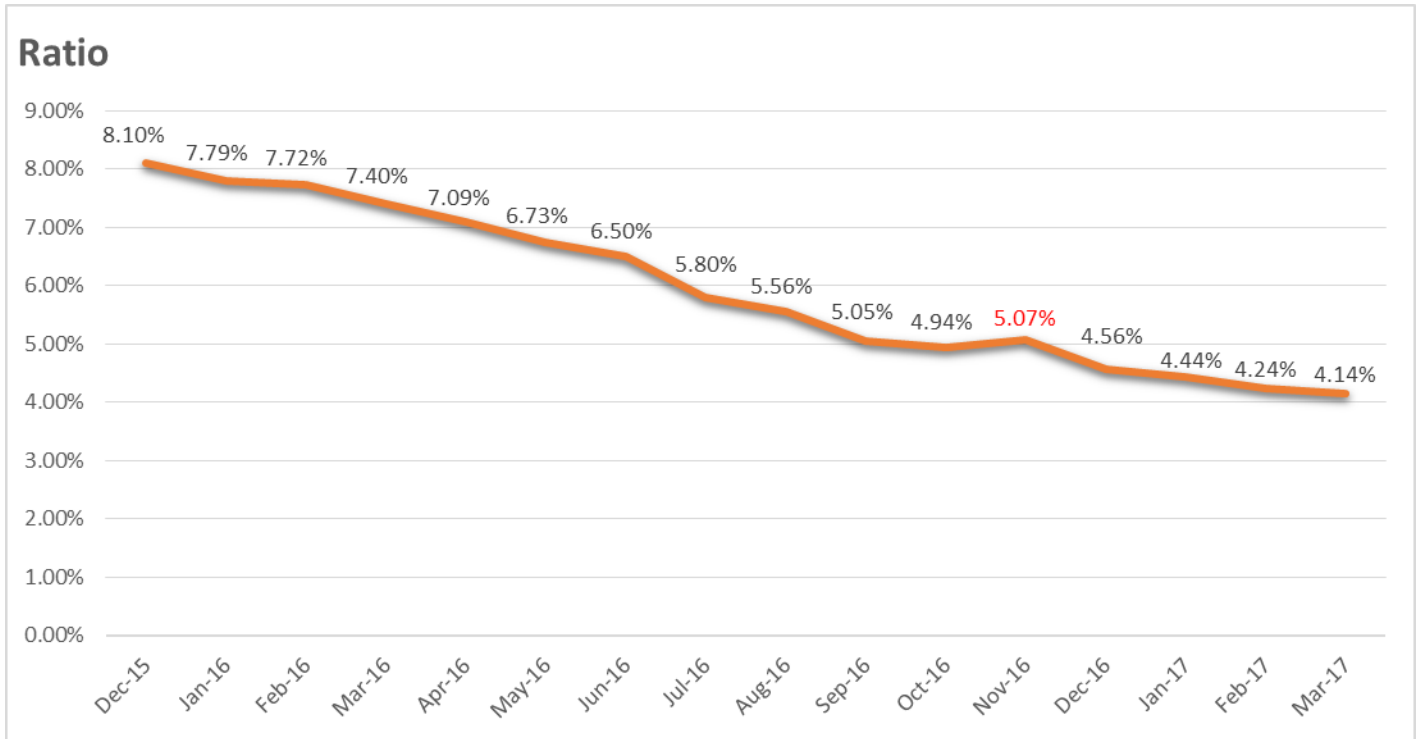
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Table of contents

1. Global Rejection Analysis	4
2. Non-Sampling Analysis	7
3. Non Sampling Analysis: FIMs.....	9
4. Sampling Billing Analysis	9
5. Glossary	10
6. Annex 1. Passenger Source Codes Table	11

1. Estimated percentage of prime billings rejected

The chart below illustrates the trend of estimated percentage of rejected prime billings. Each month the percentage is recalculated by dividing the sum of 1st stage rejections of the previous 12 months by the sum of prime billings for the same period of time (formula shown below). The graph is based on data from billing months January 2015 to March 2017.

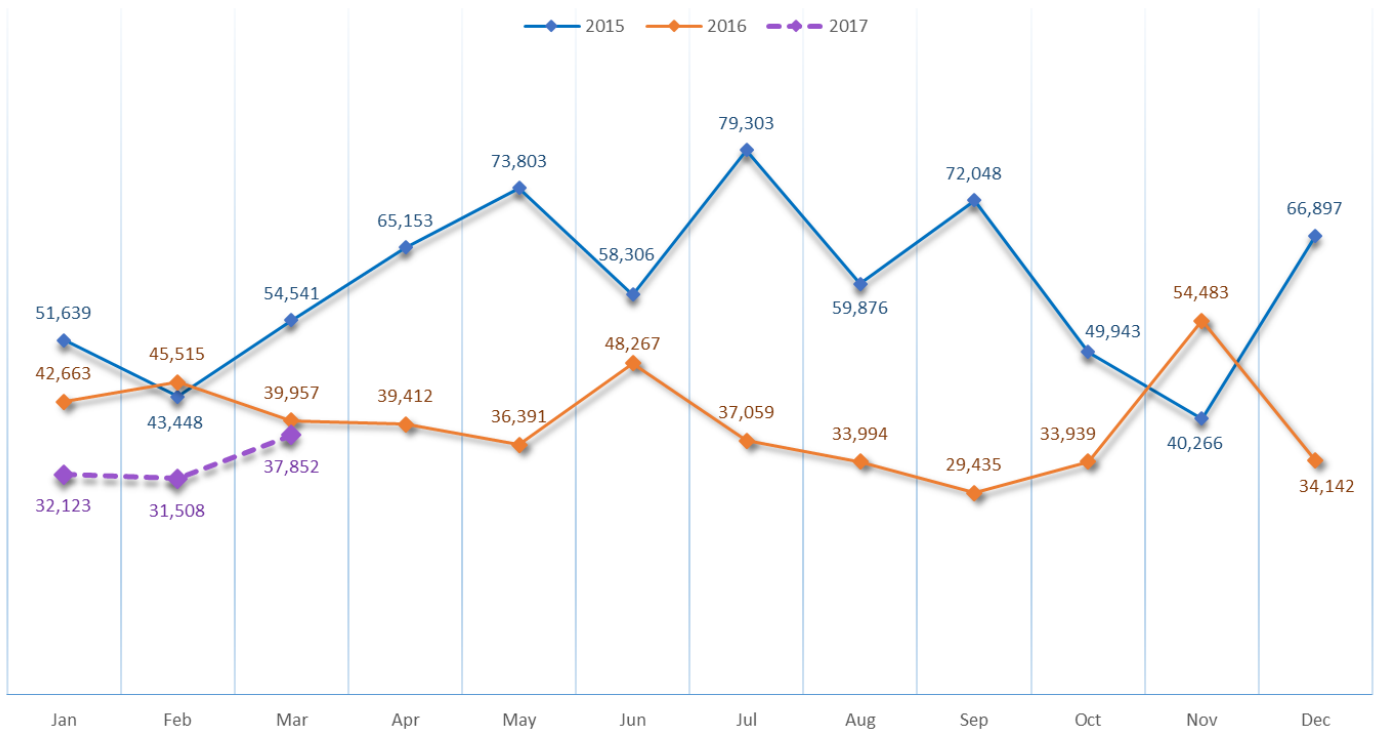


$$\text{Estimated \% of rejected prime billings} = \frac{\text{Sum of Stage 1 RMs of past 12 months}}{\text{Sum of Prime Billings of past 12 months}} \times 100\%$$

Note: This report includes only SMI-A data (Settlement through ACH using ACH rules)

1. Global Rejection Analysis

Total Rejection Memo Count by Month



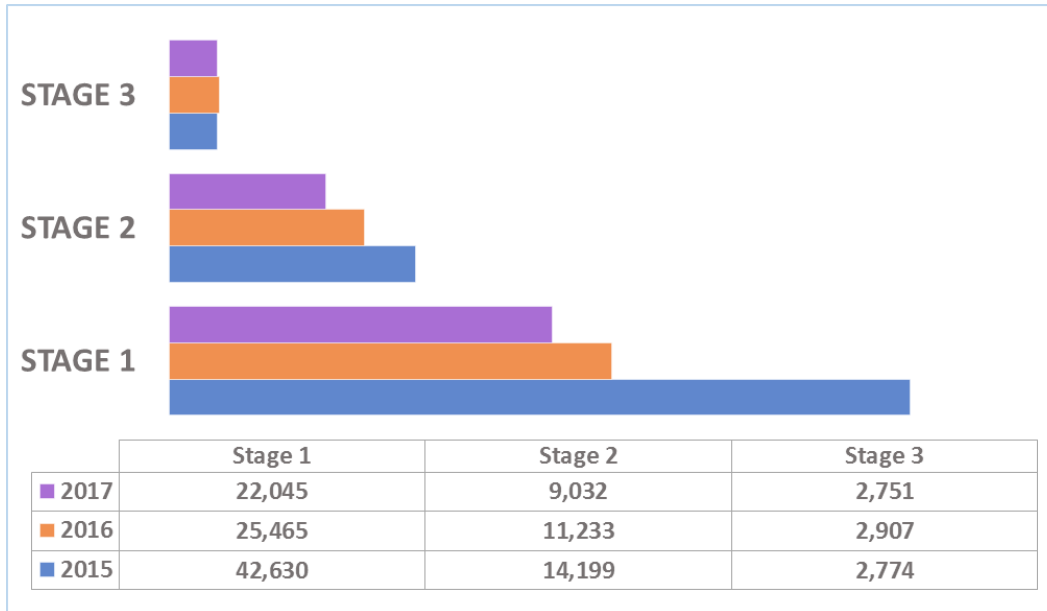
- Graph based on rejection memo counts of all stages.
- In comparison to the base year 2015, the average monthly rejection memo count has decreased by **43%**.
- The spike in March 2017 is mainly due to an increase in 2nd stage rejection memo counts.

Total Rejection Memo Count and Value by Month

	Jan 2017	Feb 2017	Mar 2017	Total
RM Count	32,123	31,508	37,852	101,483
USD Amount (Mill)	\$ 2.02	\$ 1.95	\$ 2.21	\$ 6.18

- In comparison to Q1 2016 (Jan - Mar 2016), the total rejection memo count in 2017 has decreased by 21%, while the total amount has decreased by 33%.

Average Rejection Memo Count by Stage

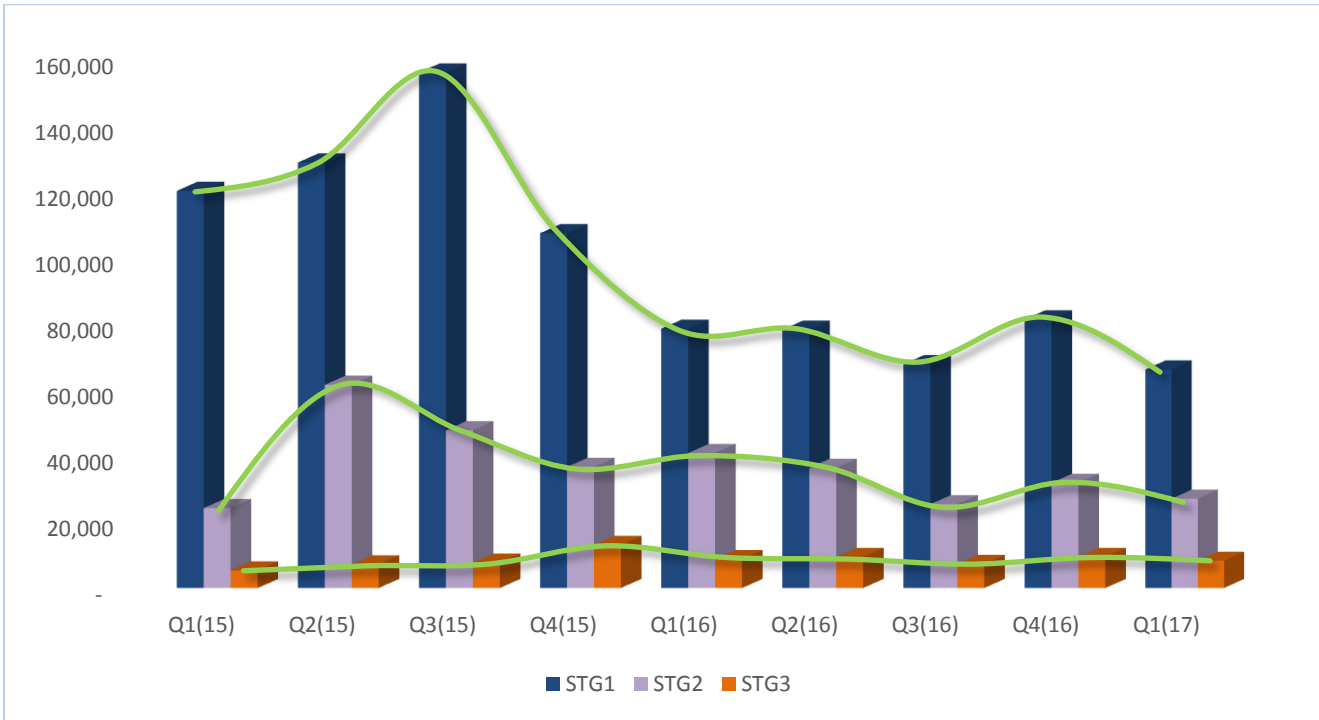


- In comparison to the base year 2015, the average stage 1 rejection memo count per month has decreased by 48%, 2nd stage has decreased by 36% and 3rd stage by 1%.

Total Rejection Memo Count and Value Comparison - Split by Stage - Q1 2017 vs Q1 2016

Stage	RM Count Jan - Mar 2017	RM Count Jan - Mar 2016		RM USD Amount (Mill) Jan - Mar 2017	RM USD Amount (Mill) Jan - Mar 2016	
Stage 1	66,136	78,445	↓	\$ 3.88	\$ 5.89	↓
Stage 2	27,095	40,940	↓	\$ 1.67	\$ 2.60	↓
Stage 3	8,252	8,750	↓	\$ 0.63	\$ 0.79	↓
Total	101,483	128,135	↓	\$ 6.18	\$ 9.29	↓

Total Rejection Memo Count - Split by Quarter



2. Non-Sampling Analysis

Total Rejection Memo Count by Stage - Q1 2017 vs Q1 2016

Q1	1 st Stage		2 nd Stage		3 rd Stage		RM Count
Jan - Mar 2017	66,136	66%	26,405	26%	8,059	8%	100,600
Jan - Mar 2016	78,445	62%	39,759	31%	8,508	7%	126,712

- In Comparison to Q1 2016, there has been a decrease in the number of non-sampling rejection memos in all three stages. In total, the non-sampling rejection memo count has decreased by 21%.

Reason Code breakup as per monthly Rejection Memo Count

Reason Code	Reason Description	1 st Stage Count and Percentage Jan - Mar 2017		1 st Stage Count and Percentage Jan - Mar 2016		Percentage change 2017 vs 2016	
		1B	Fare Reclaim	39,241	59%	47,979	61%
1G	Tax Reclaim	11,654	18%	18,304	23%	↓	-36%
1A*	Fare/Tax/ISC	11,225	17%	5,004	6%	↑	124%
1C	ISC Reclaim	1,986	3%	2,263	3%	↓	-12%
2B	Duplicate Billing	709	1%	2,319	3%	↓	-69%
5Z	Others	610	1%	971	1%	↓	-37%
1D	Other Commission Reclaim	184	0%	77	0%	↑	139%
	Other codes	527	1%	1,528	2%	↓	-66%
	Total	66,136		78,445		↓	-16%

- Top 7 reason codes sorted as per 2017 counts

Reason Code	Reason Description	2 nd Stage Count and Percentage Jan - Mar 2017		2 nd Stage Count and Percentage Jan - Mar 2016		Percentage change 2017 vs 2016	
		1B	Fare Reclaim	18,890	72%	32,091	81%
1A*	Fare/Tax/ISC	3,221	12%	685	2%	↑	370%
1G	Tax Reclaim	3,087	12%	3,608	9%	↓	-14%
1C	ISC Reclaim	847	3%	2,157	5%	↓	-61%
2B	Duplicate Billing	115	0%	239	1%	↓	-52%
5Z	Others	103	0%	699	2%	↓	-85%
2F	Void Coupon Billing	57	0%	11	0%	↑	418%
	Other codes	85	0%	269	1%	↓	-68%
	Total	26,405		39,759		↓	-34%

- Top 7 reason codes sorted as per 2017 counts

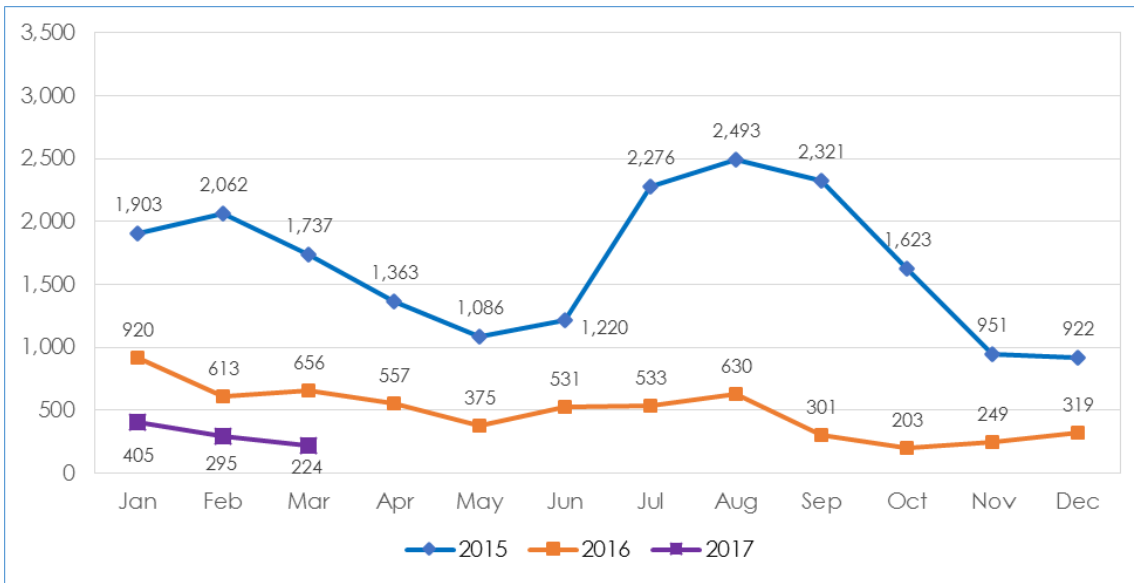
Reason Code	Reason Description	3 rd Stage		3 rd Stage		Percentage change	
		Count and Percentage		Count and Percentage		2017 vs 2016	
		Jan - Mar 2017		Jan - Mar 2016			
1B	Fare Reclaim	5,383	67%	6,515	77%	↓	-17%
1A*	Fare/Tax/ISC	1,110	14%	499	6%	↑	122%
1G	Tax Reclaim	1,050	13%	1,177	14%	↓	-11%
1C	ISC Reclaim	384	5%	175	2%	↑	119%
5Z	Others	57	1%	66	1%	↓	-14%
2B	Duplicate Billing	45	1%	35	0%	↑	29%
2F	Void Coupon Billing	9	0%	0	0%	↑	
	Other codes	21	0%	41	0%	↓	-49%
	Total	8,059		8,508		↓	-5%

➤ Top 7 reason codes sorted as per 2017 counts

*Note: Reason code 1A is being misused as a default code. Due to this misuse, the counts of 1A were split into the correct reason codes. For example, a rejection memo which has only a difference of fare but with reason code 1A will be included in the 1B count.

3. Non Sampling Analysis: FIMs

Prime Billing Count by Month



- The graph shows a decrease in FIM prime billings starting towards the end of 2015 due to the IATA Paper Out project to eliminate all paper documents.

FIMs Rejection Memo Count - Q1 2017 vs Q1 2016

	SRCD 44	SRCD 45	SRCD 46	Total
Jan - Mar 2017	109	72	22	203
Jan - Mar 2016	960	216	43	1,219

4. Sampling Billing Analysis

Monthly Count - Q1 2017 vs Q1 2016

	Form A/B Count	Form D/E Count	Form F Count	Form XF Count
Jan - Mar 2017	2,681,557	15,339	690	193
Jan - Mar 2016	3,912,825	17,284	1,181	242
% change	-31%	-11%	-42%	-20%

5. Glossary

Term	Definition
ACH	Airlines Clearing House. It is the A4A's Clearing House for Interline Billings
BM	Billing Memo
IBSOPS WG	Interline Billing and Settlement Operation working group
ICH	IATA Clearing House
ISC	Interline Service Charge
RAM	IATA Revenue Accounting Manual
RM	Rejection Memo
SMI	<p>Settlement Method Indicator - In SIS it indicates the clearing house to be used for settlement as well as the Revenue Accounting rules to be followed</p> <p>SMI - I – settlement through the ICH using the RAM rules</p> <p>SMI - M – Inter clearance settlement of a billing from an ACH member to an ICH member using RAM rules. It could also be a billing from an ACH member to another ACH member using RAM rules</p> <p>SMI - A – Settlement through the ACH using ACH rules</p> <p>SMI - B – Bilateral settlement using RAM rules</p>
SIS	Simplified Invoicing and Settlement
SIS SG	The SIS Steering Group that overlooks the governance of SIS
SRCD	Source Code
UATP	Universal Air Travel plan

6. Annex 1. Passenger Source Codes Table

Source Code	Description
1	Lifted Passenger Coupons
2	Exchange Passenger Coupons
3	Refunded Passenger Coupons
4	Rejected documents – 1 st Rejection
5	Rejected documents – 2 nd Rejection
6	Rejected documents - 3 rd Rejection
8	Lost Ticket Billings
9	Billing Memos
14	Flight Interruption Manifests
21	Mutilated / Illegible Documents
23	EMD Billings
24	Credit Memos
25	Excess Baggage Coupon Billings
26	Multi-Purpose Document Billings
27	Rebilling of UAF coupons in Non Sampling
44	Rejected Flight Interruption Manifests – 1 st Rejection
45	Rejected Flight Interruption Manifests – 2 nd Rejection
46	Rejected Flight Interruption Manifests – 3 rd Rejection
51	Sample Form C coupons
54	Sample Evaluation (Form D)
55	Sample Audit / Rebills (Form F)
56	Sample Rebills (Form XF)
60-69	Prime Billing Source codes (Optional source codes for Bilateral use)
70-79	Billing Memo Source codes (Optional source codes for Bilateral use)
80-89	Rejection Memo Source codes (Optional source codes for Bilateral use)
90	Frequent Flyer Prime Coupon Billing
91	Rejected Frequent Flyer Coupons – 1 st Rejection
92	Rejected Frequent Flyer Coupons – 2 nd Rejection

93	Rejected Frequent Flyer Coupons – 3 rd Rejection
94	Billing Memo – Frequent Flyer Coupons