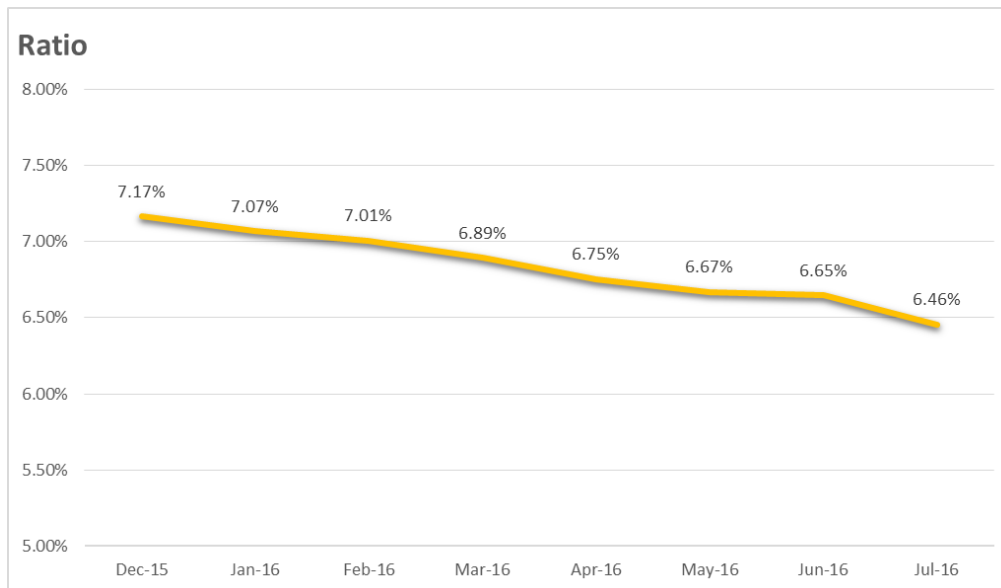


## PAX Rejection Memo Reduction July 2016



### Estimated percentage of prime billings rejected

To obtain an estimate on the percentage of Prime billings rejected during a given period of time, the ratio of the sum of 1<sup>st</sup> stage rejections to the sum of prime billings submitted has been considered. For the method of calculation, refer to the [last page](#).



- Graph based on Non-Sampling data from January 2015 to July 2016.
- Dec 2015 is taken as the base. It takes into account the volumes processed for the entirety of 2015
- As tracking of RM data started in 2015 and the formula considers the past 12 months, we are unable to provide a ratio for months before Dec 2015
- Excluding SMI-A\*\*

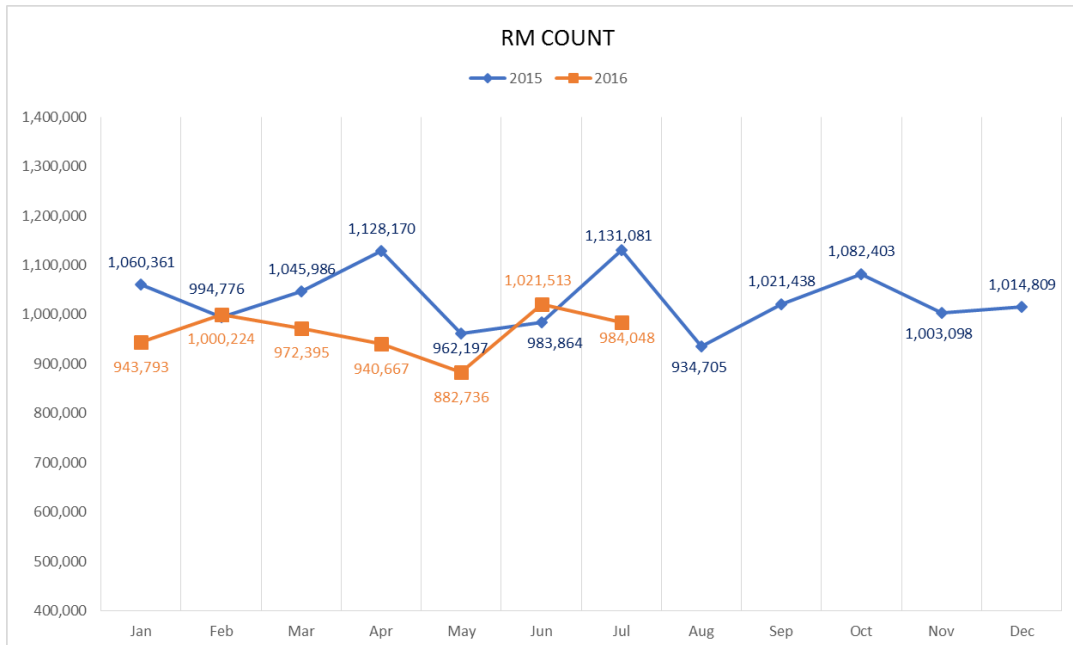
\*\*SMI-A: Settlement through the ACH (Airlines Clearing House) using ACH rules

### Actions Taken

- A [bulletin](#) was sent in July, highlighting the IATA Financial Committee initiative to reduce the number of rejections in the industry.
- 33 airlines were contacted and provided with personalized rejection memo analysis reports.
- Agenda paper was raised for new source codes for involuntary reroute by IBSOPS WG for the next RAM meeting.

# Global

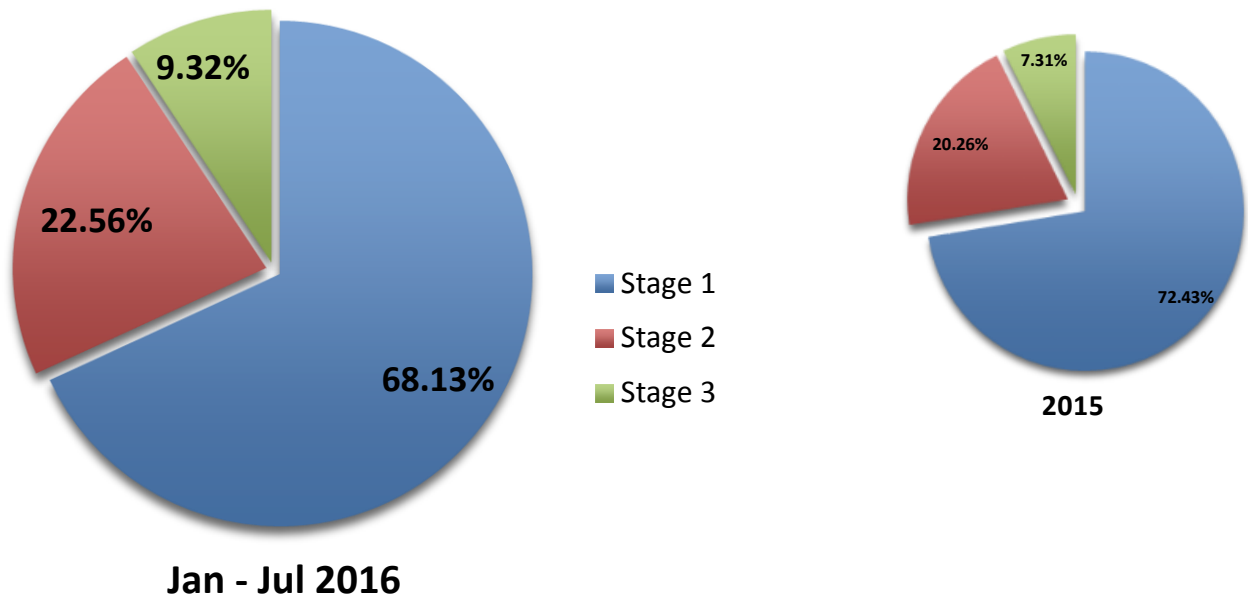
In comparison to the base year 2015, the average monthly rejection memo count has decreased by 6%.



- Graph based on Rejection Memo breakdowns of all stages
- Excluding SMI-A\*\*

## By Stage

While the analysis is mainly based on 1<sup>st</sup> stage rejections, the percentages of 2<sup>nd</sup> and 3<sup>rd</sup> stage rejections are also tracked.



## Method of measuring progress on the volume of Non-Sampling Rejections raised:

An estimate of the percentage of prime billings rejected is computed by taking the sum of Stage 1 rejections for the past 12 months over the sum of prime billings submitted during the previous 12 months. The ratio is recalculated at each month in order to monitor the trend.

$$\frac{\textit{Sum of Stage 1 RMs of Past 12 months}}{\textit{Sum of Prime Billings of Past 12 months}} \times 100\%$$

➤ Example:

$$\frac{\textit{Sum of Stage 1 RMs of Mar 2015–Feb 2016}}{\textit{Sum of Prime Billings of Mar 2015–Feb 2016}} \times 100\% = \frac{8,774,486}{125,255,314} \times 100\% = 7.01\%$$