



SIS Passenger Rejection Analysis (Jan – Mar 2018)

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Note: All SMI-A (Settlement through ACH using ACH rules) data is excluded from this report.

1. Rejection Reduction Target and Progress

In 2015 the IBSOPS working group was tasked to reduce the number of rejections by 32% in 5 years (by 2020). The reduction is applied on the rejection rate:

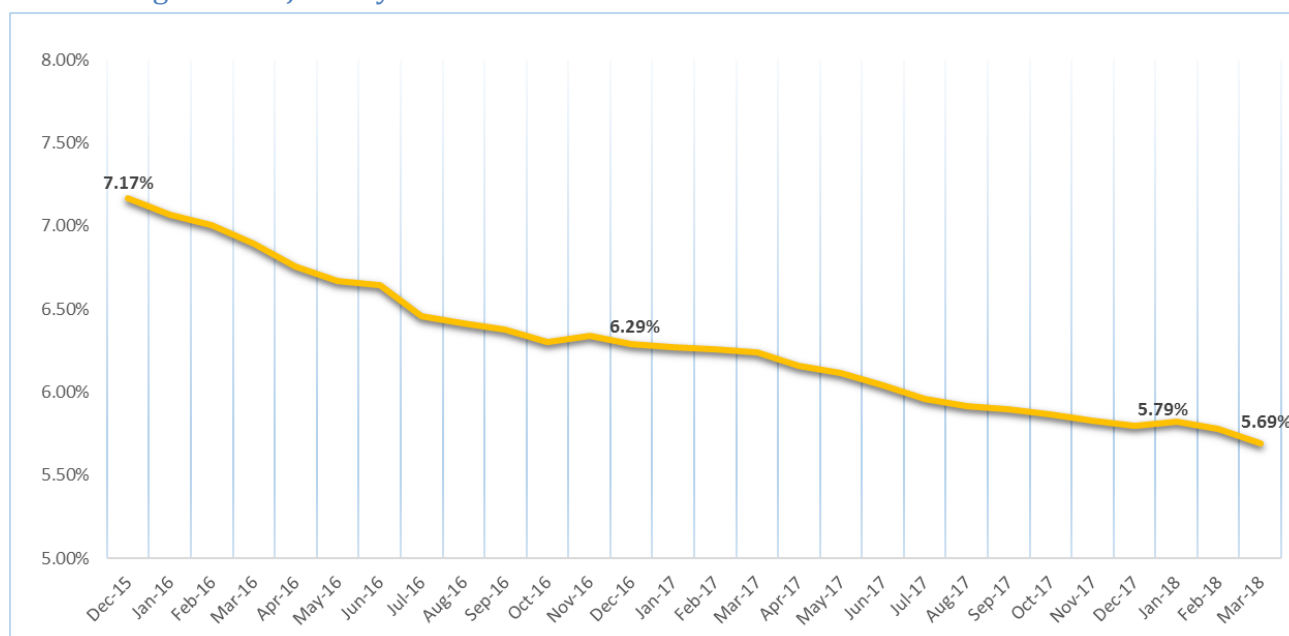
$$\text{Rejection Rate} = \frac{\text{Sum of Rejection Memos of Past 12 months}}{\text{Sum of Prime Billings of Past 12 months}} \times 100\%$$

By March 2018, there was a 16% decrease in comparison to the base year 2015.

	2015	2016	2017	Q1-2018	2018	2019	2020
Rejection Rate	9.87%	9.06%	8.38%	8.30%			
% change in comparison to 2015	-	8%	15%	16%			
Target					21%	27%	32%

Estimated Percentage of Rejected Prime Billings

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 2018.

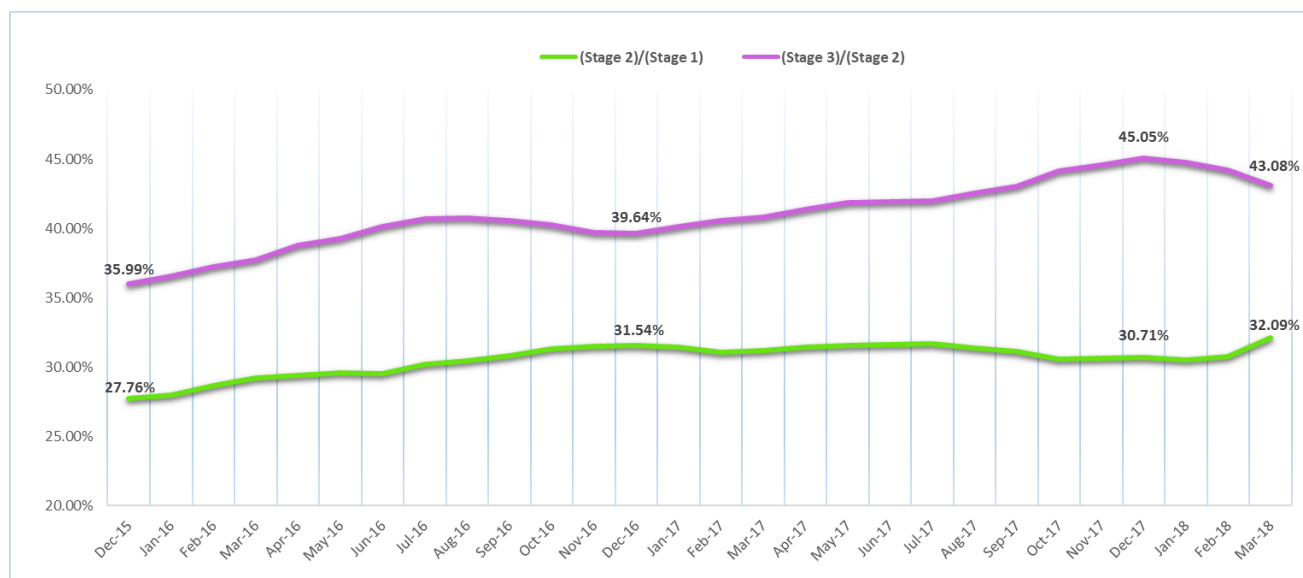


$$\text{Estimated \% of rejected prime billings} = \frac{\text{Sum of Stage 1 RMs of past 12 months}}{\text{Sum of Prime Billings of past 12 months}} \times 100\%$$

Estimated Percentage of re-rejected Stage 1 and Stage 2 Rejections

The percentage of 1st stage rejections which are re-rejected is estimated by dividing the sum of 2nd stage rejections of the previous 12 months by the sum of 1st stage rejections for the same period of time. The percentage is recalculated each month and plotted in the chart below. The trend shows an increase in 2018.

The percentage of 2nd stage rejections which are re-rejected is calculated in a similar way (formulas shown below) and also plotted in the below chart. The trend shows a decrease in 2018.



$$\text{Estimated \% of rejected Stage 1 RMs} = \frac{\text{Sum of Stage 2 RMs of past 12 months}}{\text{Sum of Stage 1 RMs of past 12 months}} \times 100\%$$

$$\text{Estimated \% of rejected Stage 2 RMs} = \frac{\text{Sum of Stage 3 RMs of past 12 months}}{\text{Sum of Stage 2 RMs of past 12 months}} \times 100\%$$

2. Global Rejection Memo Analysis

Total Rejection Memo Count and Value Comparison - Split by Stage

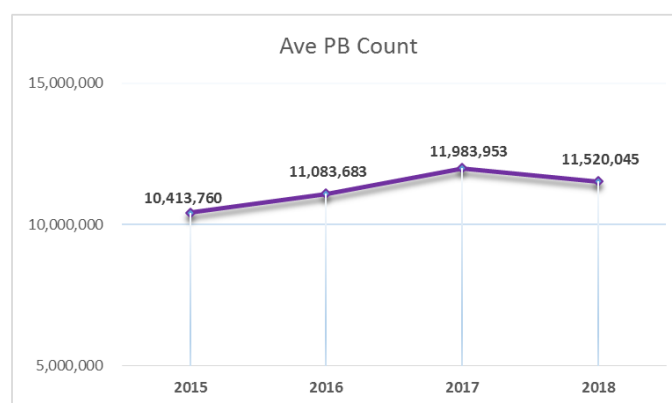
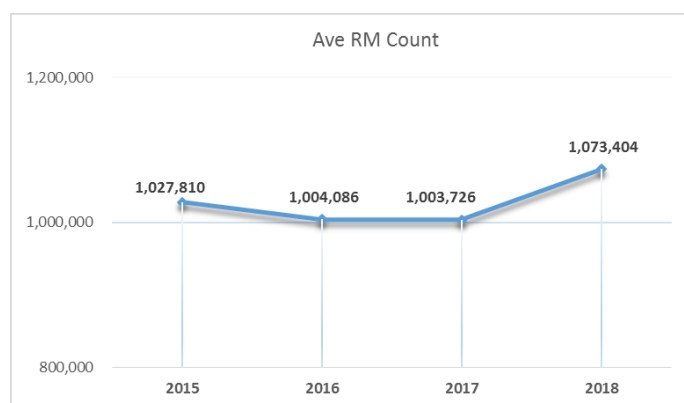
In Q1 2018 the counts of rejection memos have increased in all three stages in comparison to the same period last year. March 2018 had the highest count of stage 2 and stage 3 rejections so far.

The USD amounts of 2nd and 3rd stage rejections have increased while the USD amount of 1st stage has decreased slightly in comparison to the same period last year.

Stage	RM Count Jan-Mar 2018	RM Count Jan-Mar 2017		RM USD Amount (Mill) Jan-Mar 2018	RM USD Amount (Mill) Jan-Mar 2017	
Stage 1	2,111,488	2,066,809	↑	\$210.01	\$210.30	↓
Stage 2	809,254	680,192	↑	\$82.58	\$72.81	↑
Stage 3	299,470	294,151	↑	\$40.58	\$38.89	↑
Total	3,220,212	3,041,152	↑	\$333.16	\$322.01	↑

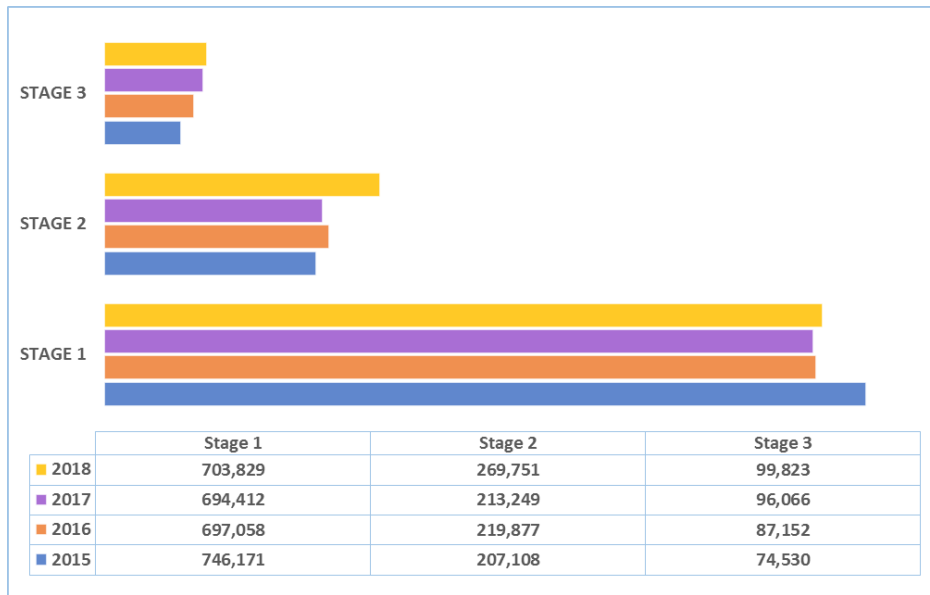
Ave Rejection Memo Count and Prime Billing Count per Month

The charts below show the average rejection memo count of all three stages and the average prime billing count per month.



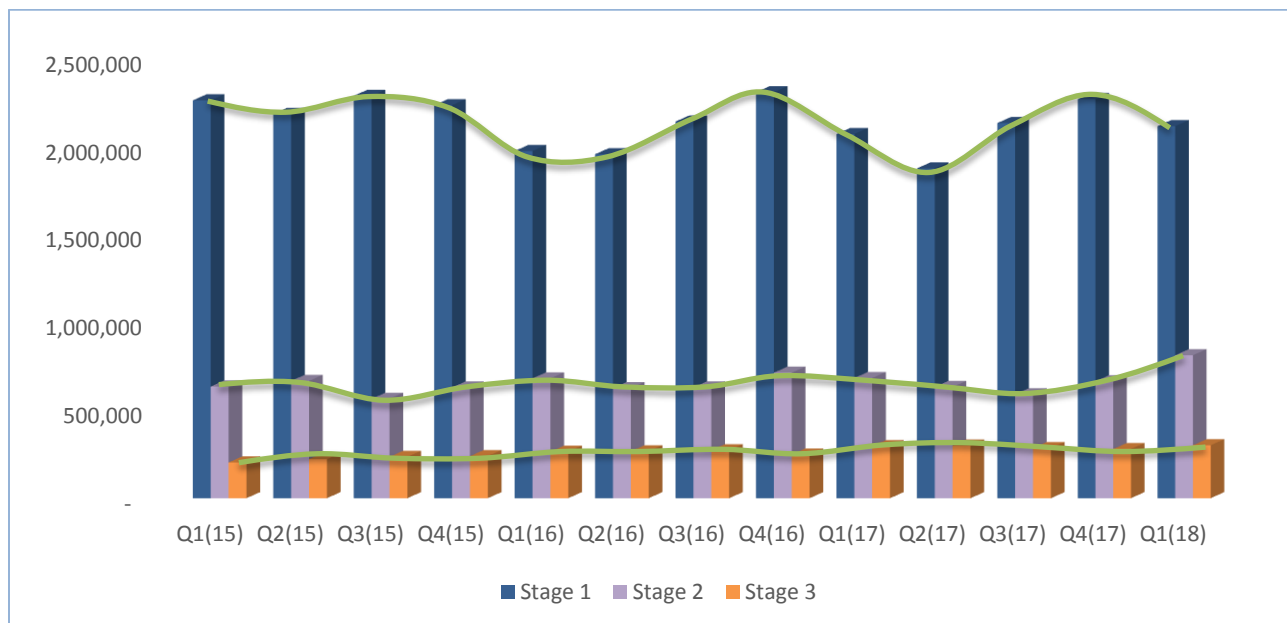
Average Rejection Memo Count - Split by Stage

- While the average number of 1st stage rejections has decreased by 6% in comparison to 2015, it shows an increase in comparison to 2016 and 2017.
- The average number of 2nd stage rejections has increased in comparison to the previous years and is now 30% higher than in 2015.
- While the average number of 3rd stage rejections has increased and is now 34% higher than in 2015.



Total Rejection Memo Count - Split by Quarter

The chart below shows the rejection memo count split by quarter for each stage.



3. Rejection Memo Analysis - Settlement Method and Reason Code Split

Rejection count - Split by Stage (Q1 2018 vs Q1 2017)










SMI I/M	1 st Stage		2 nd Stage		3 rd Stage		RM Count
Jan - Mar 2018	1,886,696	65%	714,577	25%	296,176	10%	2,897,449
Jan - Mar 2017	1,872,469	66%	666,595	24%	290,887	10%	2,829,951

- In Comparison to Q1 2017, there has been an increase in all three stages.

SMI B	1 st Stage		2 nd Stage		3 rd Stage		RM Count
Jan - Mar 2018	224,792	70%	94,677	29%	3,294	1%	322,763
Jan - Mar 2017	194,340	92%	13,597	6%	3,264	2%	211,201

- In Comparison to Q1 2017, there has been a big increase in stage 2 rejections. Stage 1 and stage 3 have also increased.

Rejection count - Split by Reason Code (Q1 2018 vs Q1 2017)

Reason Code SMI - I/M	Reason Description	1 st Stage Count and Percentage Jan-Mar 2018		1 st Stage Count and Percentage Jan-Mar 2017		Percentage change 2018 vs 2017	
1G	Tax Reclaim	732,269	39%	695,102	37%		5%
1B	Fare Reclaim	721,105	38%	747,502	40%		-4%
1A	Fare/Tax/ISC	214,310	11%	215,134	11%		0%
1E	UATP Reclaim	63,765	3%	78,404	4%		-19%
1C	ISC Reclaim	48,687	3%	45,427	2%		7%
2B	Duplicate Billing	38,413	2%	9,896	1%		288%
5Z	Others	37,622	2%	42,630	2%		-12%
	Other codes	30,525	2%	38,374	2%		-20%
	Total	1,886,696	100%	1,872,469	100%		1%

- Top 7 reason codes sorted as per 2018 counts

Reason Code SMI – I/M	Reason Description	2 nd Stage Count and Percentage Jan-Mar 2018		2 nd Stage Count and Percentage Jan-Mar 2017		Percentage change 2018 vs 2017	
1B	Fare Reclaim	351,723	49%	300,285	45%		17%
1G	Tax Reclaim	199,108	28%	199,730	30%		0%
1A	Fare/Tax/ISC	66,978	9%	65,677	10%		2%
5Z	Others	39,386	6%	55,199	8%		-29%
1C	ISC Reclaim	23,759	3%	32,456	5%		-27%
2B	Duplicate Billing	18,091	3%	1,368	0%		1,222%
2A	Unmatched Sale	4,487	1%	1,103	0%		307%
	Other codes	11,045	2%	10,777	2%		2%
	Total	714,577	100%	666,595	100%		7%

➤ Top 7 reason codes sorted as per 2018 counts

Reason Code SMI – I/M	Reason Description	3 rd Stage Count and Percentage Jan-Mar 2018		3 rd Stage Count and Percentage Jan-Mar 2017		Percentage change 2018 vs 2017	
1B	Fare Reclaim	147,831	50%	139,581	48%		6%
1G	Tax Reclaim	92,807	31%	69,589	24%		33%
1A	Fare/Tax/ISC	27,210	9%	23,457	8%		16%
5Z	Others	15,414	5%	33,238	11%		-54%
1C	ISC Reclaim	7,284	2%	18,217	6%		-60%
1D	Other Commission Reclaim	2,242	1%	952	0%		136%
1E	UATP Reclaim	1,418	0%	1,929	1%		-26%
	Other codes	1,970	1%	3,924	1%		-50%
	Total	296,176	100%	290,887	100%		2%

➤ Top 7 reason codes sorted as per 2018 counts

SMI - B: Reason code breakup as per average monthly RM count

Reason Code SMI – B	Reason Description	1 st Stage Count and Percentage Jan-Mar 2018		1 st Stage Count and Percentage Jan-Mar 2017		Percentage change 2018 vs 2017	
1G	Tax Reclaim	117,905	52%	150,738	78%		-22%
1B	Fare Reclaim	82,633	37%	24,165	12%		242%
1A	Fare/Tax/ISC	12,450	6%	16,102	8%		-23%
1C	ISC Reclaim	8,454	4%	531	0%		1492%
5Z	Others	1,004	0%	1,028	1%		-2%
1E	UATP Reclaim	519	0%	145	0%		258%
2A	Unmatched Sale	504	0%	1,036	1%		-51%
	Other codes	1,323	1%	1,126	1%		17%
	Total	224,792	100%	194,340	100%		16%

➤ Top 7 reason codes sorted as per 2018 counts

Reason Code SMI – B	Reason Description	2 nd Stage Count and Percentage Jan-Mar 2018		2 nd Stage Count and Percentage Jan-Mar 2017		Percentage change 2018 vs 2017	
1B	Fare Reclaim	79,976	84%	4,382	32%	↑	1,725%
1C	ISC Reclaim	5,969	6%	61	0%	↑	9,685%
1G	Tax Reclaim	5,775	6%	7,710	57%	↓	-25%
1A	Fare/Tax/ISC	1,587	2%	712	5%	↑	123%
5Z	Others	657	1%	574	4%	↑	14%
2D	Out of Period	355	0%	-	0%	↑	
1E	UATP Reclaim	188	0%	-	0%	↑	
	Other codes	170	0%	158	1%	↑	8%
	Total	94,677	100%	13,597	100%	↑	596%

➤ Top 7 reason codes sorted as per 2018 counts

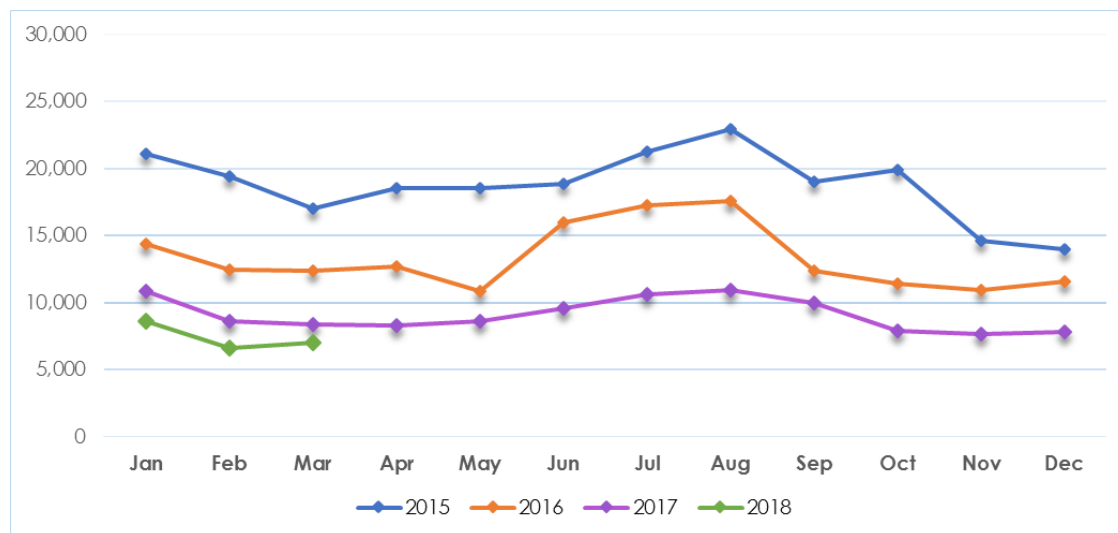
Reason Code SMI – B	Reason Description	3 rd Stage Count and Percentage Jan-Mar 2018		3 rd Stage Count and Percentage Jan-Mar 2017		Percentage change 2018 vs 2017	
1G	Tax Reclaim	1,519	46%	704	22%	↑	116%
1B	Fare Reclaim	1,289	39%	1,771	54%	↓	-27%
1A	Fare/Tax/ISC	229	7%	206	6%	↑	11%
5Z	Others	155	5%	316	10%	↓	-51%
2A	Unmatched Sale	37	1%	232	7%	↓	-84%
5B	FIM Rejection / Rebill	36	1%	31	1%	↑	16%
1C	ISC Reclaim	16	0%	2	0%	↑	700%
	Other codes	13	0%	2	0%	↑	550%
	Total	3,294	100%	3,264	0%	↑	1%

➤ Top 7 reason codes sorted as per 2018 counts

4. FIMs Analysis

Prime Billing Count by Month

The graph below 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 Prime Billing Count - Split by Settlement Method

FIMs	Jan-18	Feb-18	Mar-18	Total
SMI I/M	6,866	5,273	5,326	17,465
SMI B	1,810	1,397	1,739	4,946
Total	8,676	6,670	7,065	22,411

FIMs Rejection Memos - Split by Settlement Method

SMI - I/M	SRCD 44	SRCD 45	SRCD 46	Total
% change	-31%	-9%	-43%	-28%
Jan - Mar 2018	9,899	3,139	1,214	14,252
Jan - Mar 2017	14,253	3,437	2,113	19,803

SMI - B	SRCD 44	SRCD 45	SRCD 46	Total
% change	32%	-47%	-75%	-18%
Jan - Mar 2018	363	63	45	471
Jan - Mar 2017	274	119	183	576

5. Sampling Billing Analysis

	Form A/B Count	Form D/E Count	Form F Count	Form XF Count
% change	-6%	-3%	-38%	-49%
Jan - Mar 2018	2,155,388	35,329	2,793	1,090
Jan - Mar 2017	2,303,301	36,434	4,516	2,126

6. 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

7. 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