



SIS Passenger Rejection Memo Annual Report 2016

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The passenger rejection project is endorsed by the Financial Committee to reduce the number of unnecessary passenger rejection memos in the industry. The IBSOPS WG intends to achieve an industry-wide target of reducing the number of rejection memos by 32% by 2020. The IBSOPS WG and SIS Operations Team have already undertaken several actions to reduce the number of passenger rejections. The purpose of this report is to track the trend of passenger rejection memos in SIS and provide a comparative analysis of the rejection memo counts of 2016 versus the counts of the base year 2015. All values in this report exclude ACH to ACH billings (SMI-A). Also, the report covers Sampling and Non-Sampling analysis separately.

1. Global Comparison of 2016 vs 2015

Total Rejection Memo Count by Month

The counts below include rejection memos of all stages, sampling and non-sampling. During the first half of 2016 there was a decrease in the count of rejection memos billed by month. However, in November 2016 the rejection memo count was the highest in the past 2 years.



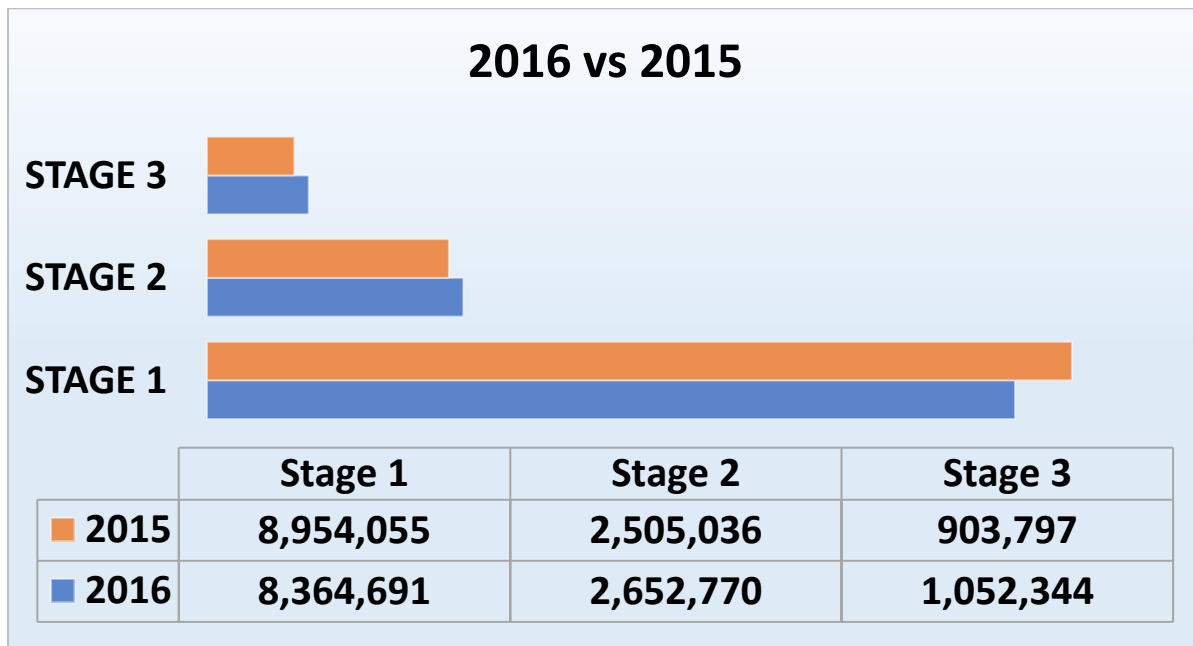
Summary of Count and Values 2016 vs 2015

	2016	2015	% change
Prime Billings	143,785,503	137,763,405	4%
RM Count	12,069,805	12,362,888	-2%
RM USD Amount (Mill)	\$ 1,415.80	\$ 1,731.71	-18%*

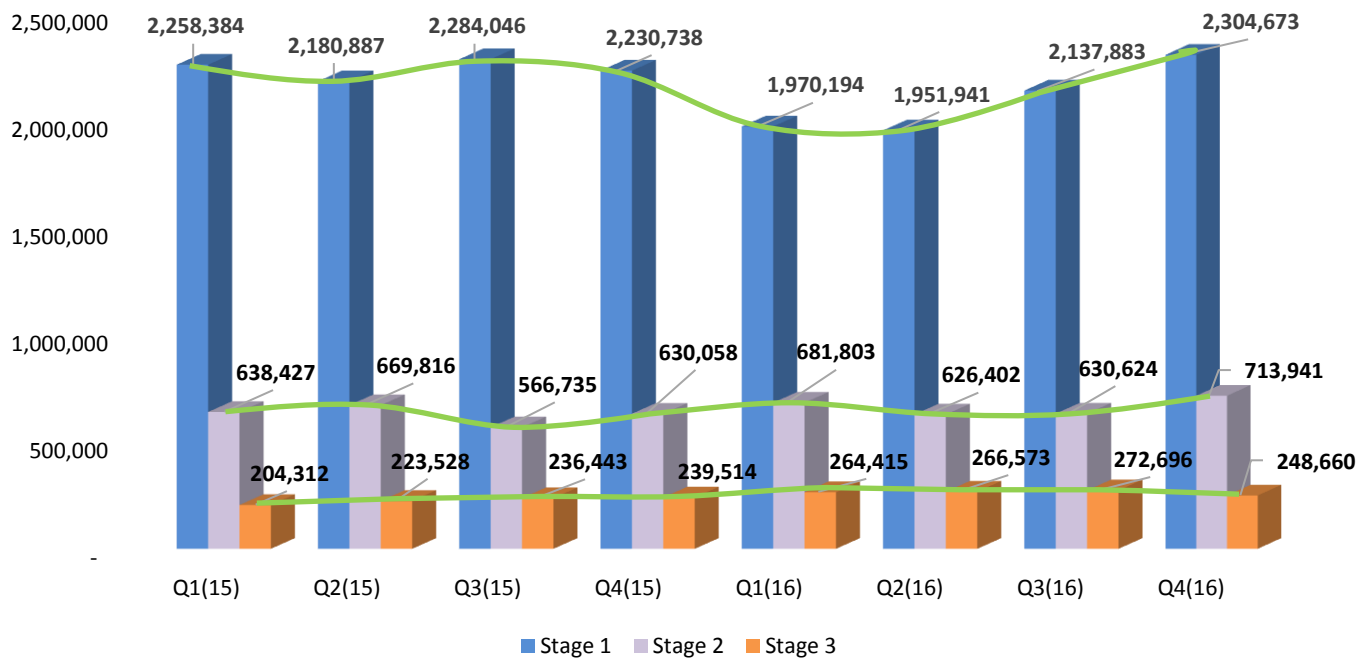
*Note: 7% of the decrease in value is due to the decrease in FIM rejections in 2016

Global Rejection Memo Count by Stage

The number of Stage 1 rejections billed in 2016 has decreased by 6% in comparison to Stage 1 in 2015. Meanwhile, Stage 2 and Stage 3 rejections have increased by 6% and 16% respectively.



Global Rejection Memo Count - Split by Quarter






2. Non-Sampling Analysis

Total Prime Billings Count and Rejection Memo Count - 2016 vs 2015

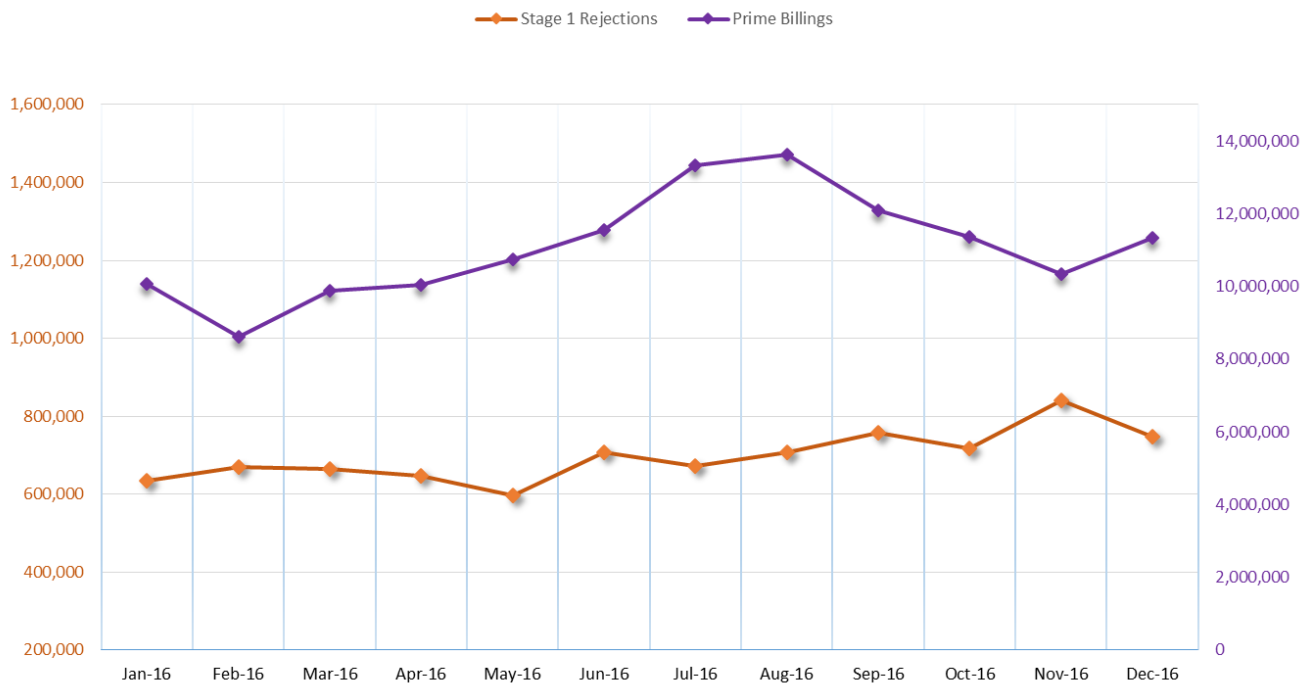
In 2016 there has been an increase in non-sampling prime billings of **6%** in comparison to 2015.

The count of 1st stage rejections has decreased by **7%**. However, when looking at the trend of counts per month (graph below) there is an alarming increase during the last quarter of 2016.

	2016	2015	2016 vs 2015
Prime Billings	133,004,194	124,965,120	
1st Stage Rejections	8,364,691	8,954,055	
Estimated % of Rejected Prime Billings	6.29%	7.17%	

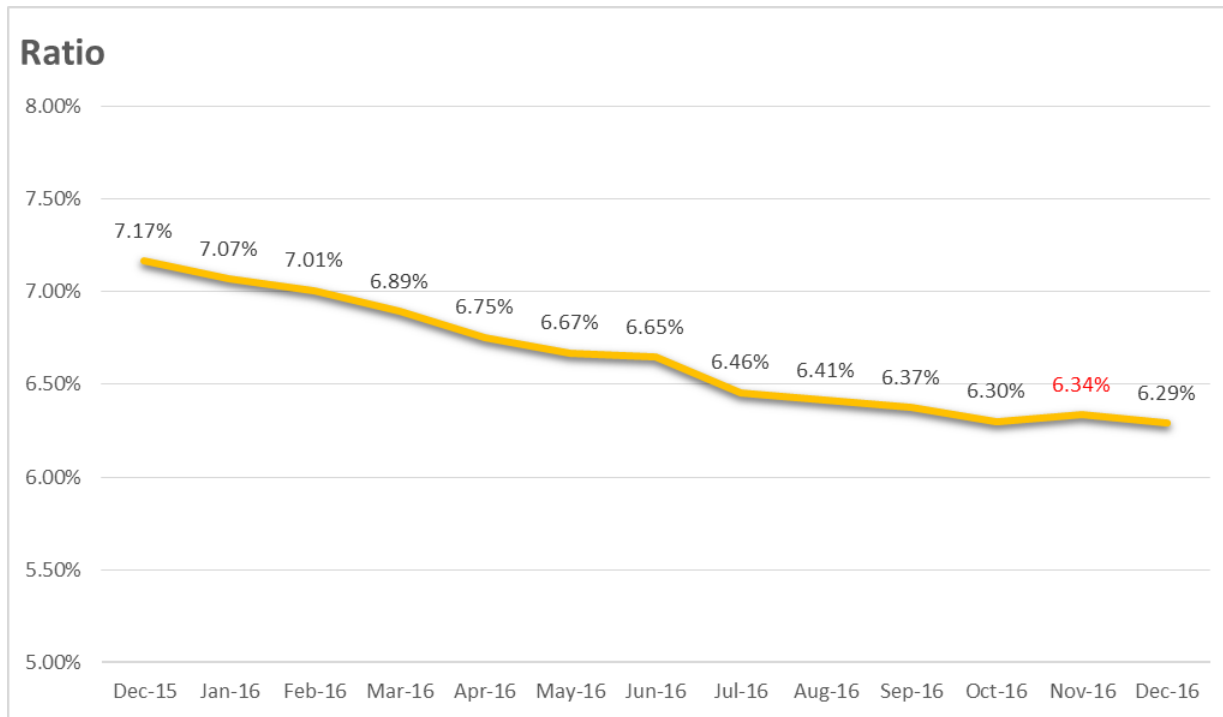
Monthly Prime Billing Counts and Stage 1 Rejection Memo Counts

The chart below shows the trend of prime billing counts and the trend of 1st stage rejections in 2016. The high rejection counts during the months of October to December 2016 are partially due to the high prime billings of the months July to September 2016. In fact, **61%** of the 1st stage rejections billed in the last three months of 2016 are linked to prime billings from July to September.



Trend of 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 prime billings for the same period of time (formula shown below). The graph is based on data from billing months January 2015 to December 2016.



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

Non-sampling Rejections by Stage

Stage	RM Count 2016	RM Count 2015	
Stage 1	8,364,691	8,954,055	↓
Stage 2	2,638,520	2,485,300	↑
Stage 3	1,045,825	894,364	↑
Total	12,049,036	12,333,719	↓

Non-Sampling Rejections as per Settlement Method

SMI - I/M

	1 st Stage		2 nd Stage		3 rd Stage		RM Count
2016	7,682,448	68%	2,570,322	23%	1,019,576	9%	11,272,346
2015	7,692,894	70%	2,425,398	22%	863,209	8%	10,981,501

Reason Code SMI - I/M	Reason Description	1 st Stage Count and Percentage 2016		1 st Stage Count and Percentage 2015		Percentage change 2016 vs 2015	
1B	Fare Reclaim	3,025,507	39%	3,248,605	42%		-7%
1G	Tax Reclaim	2,836,874	37%	2,591,444	34%		9%
1A*	Fare/Tax/ISC	926,496	12%	929,403	12%		0%
1E	UATP Reclaim	256,828	3%	94,152	1%		173%
5Z	Others	200,262	3%	243,756	3%		-18%
1C	ISC Reclaim	185,735	2%	264,514	3%		-30%
5B	FIM Rejection / Rebill	70,576	1%	105,623	1%		-33%
	Other codes	180,170	2%	215,397	3%		-16%
	Total	7,682,448	100%	7,692,894	100%		0%

➤ Top 7 reason codes sorted as per 2016 counts

Reason Code SMI - I/M	Reason Description	2 nd Stage Count and Percentage 2016		2 nd Stage Count and Percentage 2015		Percentage change 2016 vs 2015	
1B	Fare Reclaim	1,217,942	47%	1,181,272	49%		3%
1G	Tax Reclaim	721,209	28%	661,343	49%		9%
1A*	Fare/Tax/ISC	242,609	9%	218,045	27%		11%
5Z	Others	221,913	9%	211,451	9%		5%
1C	ISC Reclaim	104,675	4%	102,918	9%		2%
5B	FIM Rejection / Rebill	18,759	1%	18,733	4%		0%
1E	UATP Reclaim	7,931	0%	3,010	0%		163%
	Other codes	35,284	1%	28,626	1%		23%
	Total	2,570,322	100%	2,425,398	100%		6%

➤ Top 7 reason codes sorted as per 2016 counts

Reason Code SMI - I/M	Reason Description	3 rd Stage Count and Percentage 2016		3 rd Stage Count and Percentage 2015		Percentage change 2016 vs 2015	
		1B	Fare Reclaim	543,865	53%	428,002	50%
1G	Tax Reclaim	206,564	20%	183,276	21%	↑	13%
1A*	Fare/Tax/ISC	106,127	10%	73,045	8%	↑	45%
5Z	Others	95,065	9%	132,107	15%	↓	-28%
1C	ISC Reclaim	41,681	4%	25,210	3%	↑	65%
5B	FIM Rejection / Rebill	8,534	1%	9,108	1%	↓	-6%
1E	UATP Reclaim	3,109	0%	2,208	0%	↑	41%
	Other codes	14,631	1%	10,253	1%	↑	43%
	Total	1,019,576	100%	863,209	100%	↑	18%

➤ Top 7 reason codes sorted as per 2016 counts

SMI - B

RM count	1 st Stage		2 nd Stage		3 rd Stage		RM Count
2016	682,243	88%	68,198	9%	26,249	3%	776,690
2015	1,261,159	93%	59,902	4%	31,155	2%	1,352,216

Reason Code SMI - B	Reason Description	1 st Stage Count and Percentage 2016		1 st Stage Count and Percentage 2015		Percentage change 2016 vs 2015	
		1G	Tax Reclaim	470,669	69%	847,088	67%
1B	Fare Reclaim	105,694	15%	151,458	12%	↓	-30%
1A*	Fare/Tax/ISC	79,521	12%	192,204	15%	↓	-59%
2A	Unmatched Sale	6,661	1%	1,133	0%	↑	488%
5Z	Others	5,737	1%	12,955	1%	↓	-56%
1D	Other Commission Reclaim	3,666	1%	4,432	0%	↓	-17%
1C	ISC Reclaim	3,515	1%	11,390	1%	↓	-69%
	Other codes	6,780	1%	40,499	2%	↓	-83%
	Total	682,243	100%	1,261,159	100%	↓	-46%

➤ Top 7 reason codes sorted as per 2016 counts

Reason Code SMI - B	Reason Description	2 nd Stage Count and Percentage 2016		2 nd Stage Count and Percentage 2015		Percentage change 2016 vs 2015	
		1G	Tax Reclaim	34,594	51%	22781	38%
1B	Fare Reclaim	22,794	33%	23228	39%	↓	-2%
5Z	Others	4,795	7%	6198	10%	↓	-23%
1A*	Fare/Tax/ISC	2,927	4%	2825	5%	↑	4%
1C	ISC Reclaim	1,883	3%	2477	4%	↓	-24%
2A	Unmatched Sale	605	1%	56	0%	↑	980%
5B	FIM Rejection / Rebills	432	1%	348	1%	↑	24%
	Other codes	168	0%	1,989	3%	↓	-92%
	Total	68,198	100%	59,902	100%	↑	14%

➤ Top 7 reason codes sorted as per 2016 counts

Reason Code SMI - B	Reason Description	3 rd Stage Count and Percentage 2016		3 rd Stage Count and Percentage 2015		Percentage change 2016 vs 2015	
		1B	Fare Reclaim	15,398	59%	15,739	51%
1G	Tax Reclaim	5,503	21%	7,585	24%	↓	-27%
1A*	Fare/Tax/ISC	1,807	7%	1,176	4%	↑	54%
5Z	Others	1,505	6%	5,720	18%	↓	-74%
1C	ISC Reclaim	1,484	6%	135	0%	↑	999%
5B	FIM Rejection / Rebills	337	1%	121	0%	↑	179%
2B	Duplicate Billing / Usage	119	0%	16	0%	↑	644%
	Other codes	96	0%	663	2%	↓	-86%
	Total	26,249	100%	31,155	100%	↓	-16%

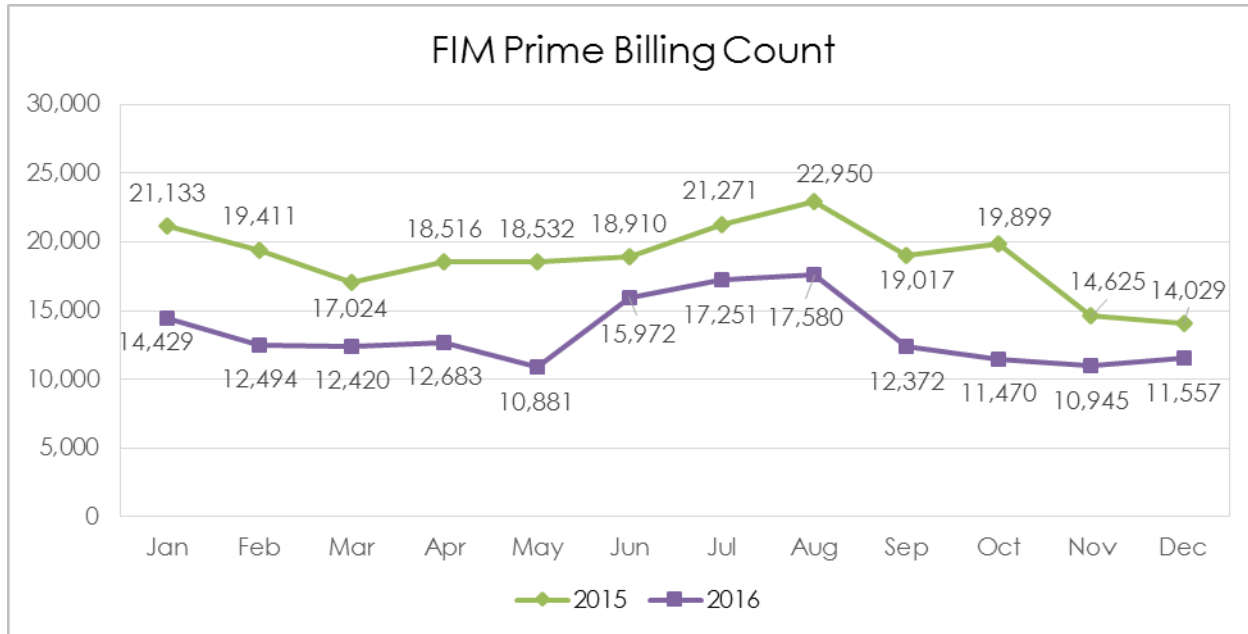
➤ Top 7 reason codes sorted as per 2016 counts

*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.

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 Prime Billing Count and FIMs Rejection Memos split by Source code

SMI - I/M	FIMs	Total RMs	SRCD 44	SRCD 45	SRCD 46
2016	129,012	125,338	90,673	20,866	13,799
2015	197,600	179,347	134,704	27,983	16,660

SMI - B	FIMs	Total RMs	SRCD 44	SRCD 45	SRCD 46
2016	31,042	2,186	1,451	494	241
2015	27,717	5,699	4,167	888	644

3. Sampling Billing Analysis

Total Monthly Count 2016 vs 2015

	Form A/B	Form D/E	Form F	Form XF
2016	10,781,309	150,971	14,250	6,519
2015	12,798,285	166,634	19,736	9,433

4. 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

5. 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