



SIS Passenger Rejection Memo Annual Report 2017

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Table of contents

1. Global Non-Sampling Analysis.....4

2. Rejection Reduction Progress 7

3. Rejection Memo Analysis - Split by SMI 9

4. FIMs..... 12

5. Sampling Billing Analysis 12

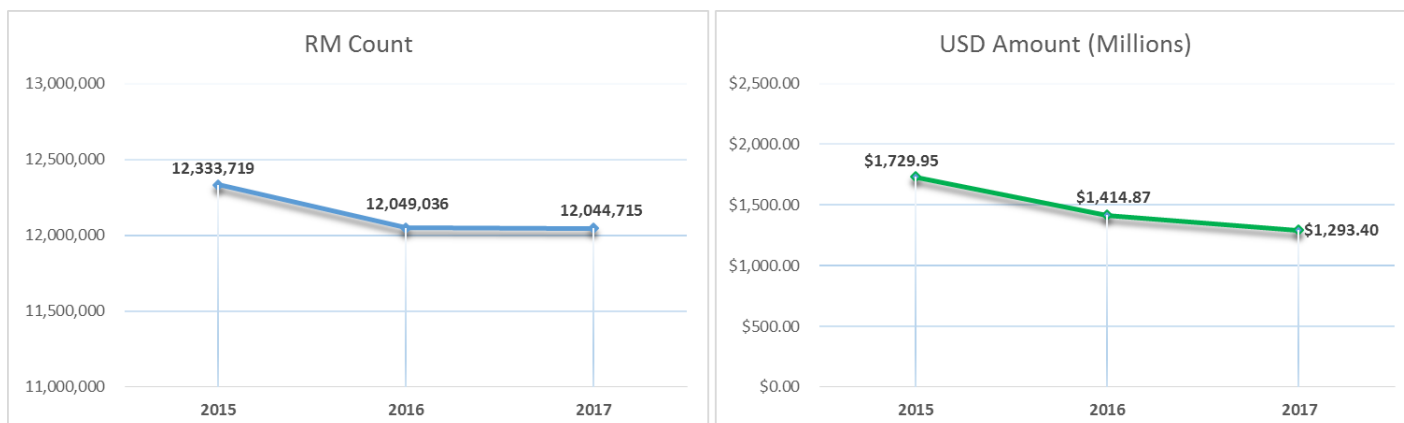
6. Glossary 13

7. Annex 1. Passenger Source Codes Table 14

The passenger rejection initiative 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 2017 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 Non-Sampling Analysis

Total Rejection Memo Count and USD Value per Year



Comparison of Prime Billing Counts, Rejection Memo Counts and Rejection Memo Values

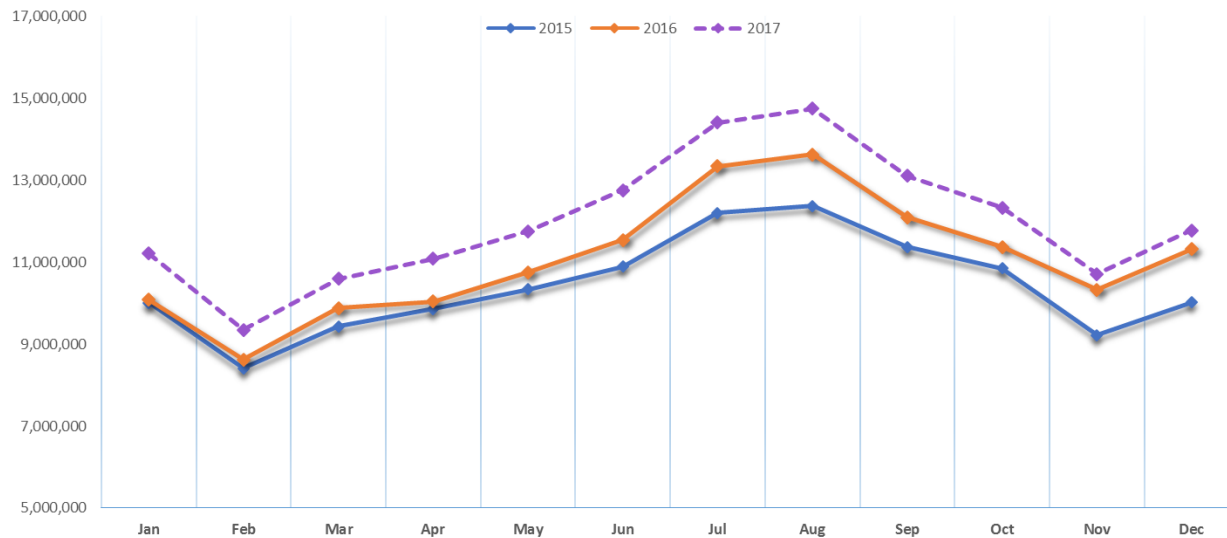
	2017	2016	2015	% change 2017 vs 2015
Prime Billings	143,807,432	133,004,194	124,965,120	15%
RM Count	12,044,715	12,049,036	12,333,719	-2%
RM USD Amount (Mill)	\$ 1,293.40	\$ 1,414.87	\$ 1,729.95	-25%*

*The decrease in USD values is partly due to the decrease in FIM rejections, but as well due to lower rejection amounts in Source Code 4 rejections.

Total Prime Billings Count by Month (2015 - 2017)

The below graph shows the total counts of non-sampling prime billings per month for the past 3 years.

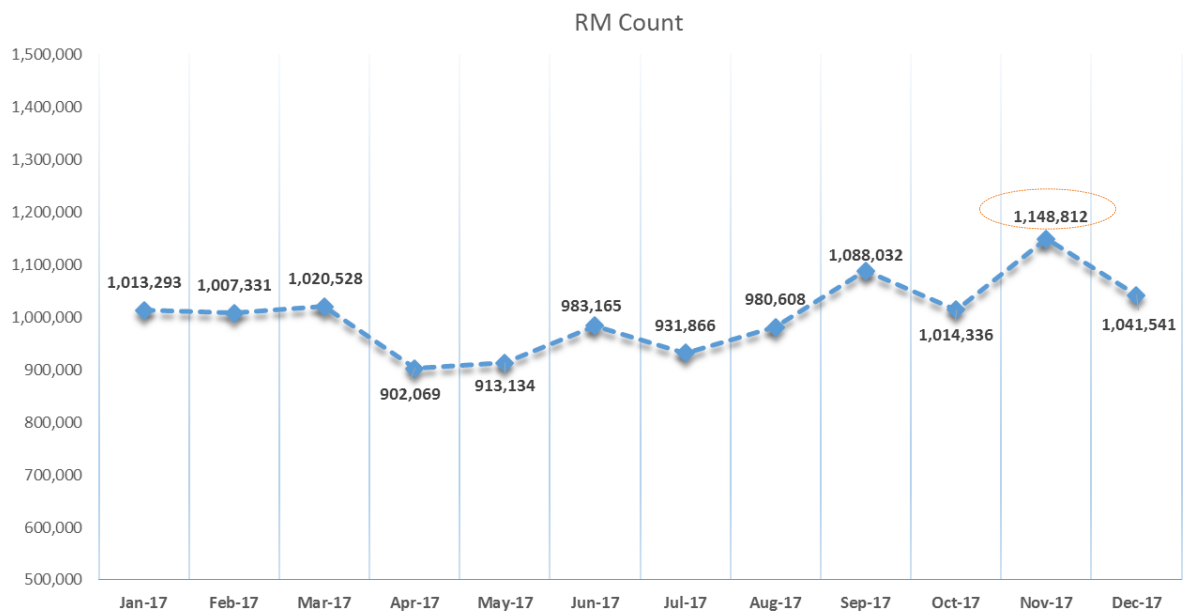
The prime billings are following a seasonal pattern with the highest counts in August.



Total Rejection Memo Count by Month - 2017

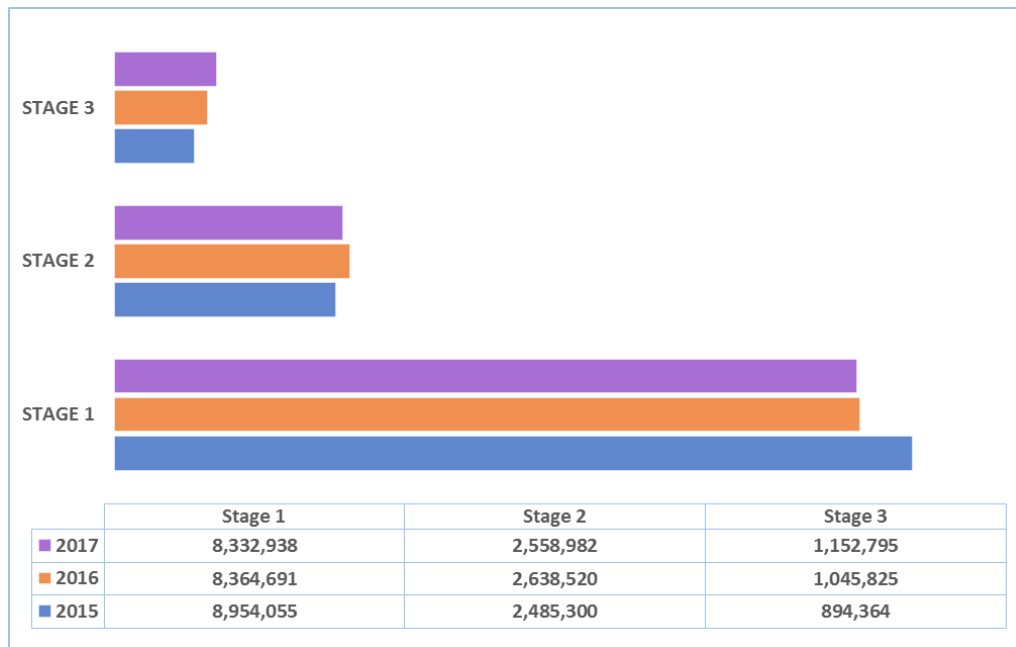
The below graph shows the total count of non-sampling rejection memos per month for 2017

November had the highest rejection memo count of 2017.



Total Rejection Memo Count by Stage

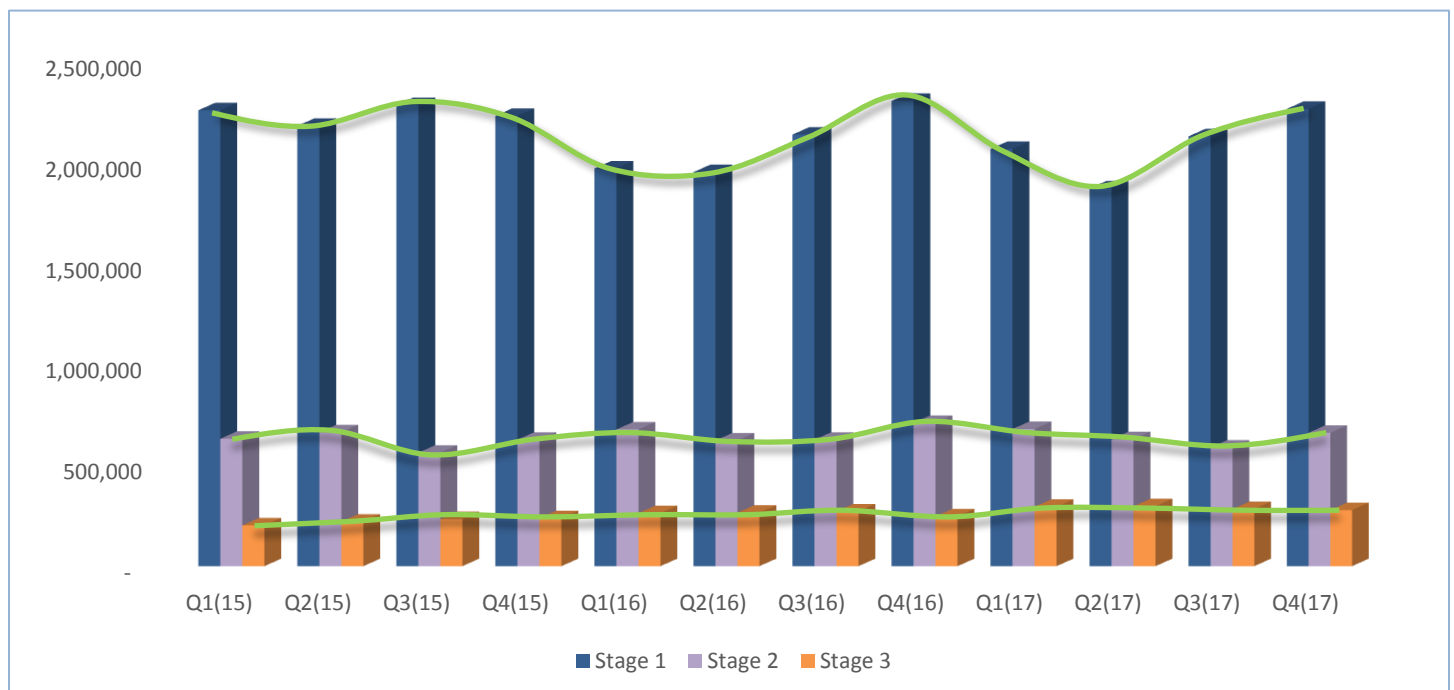
The below chart shows a comparison of rejections counts for each stage between 2015, 2016 and 2017.



In comparison to the base year **2015**:

- Stage 1 counts have decreased by **7%** ↓
- Stage 2 counts have increased by **3%** ↑
- Stage 3 counts have increased by **29%** ↑

Total Rejection Memo Count - Split by Quarter



2. Rejection Reduction 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:

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

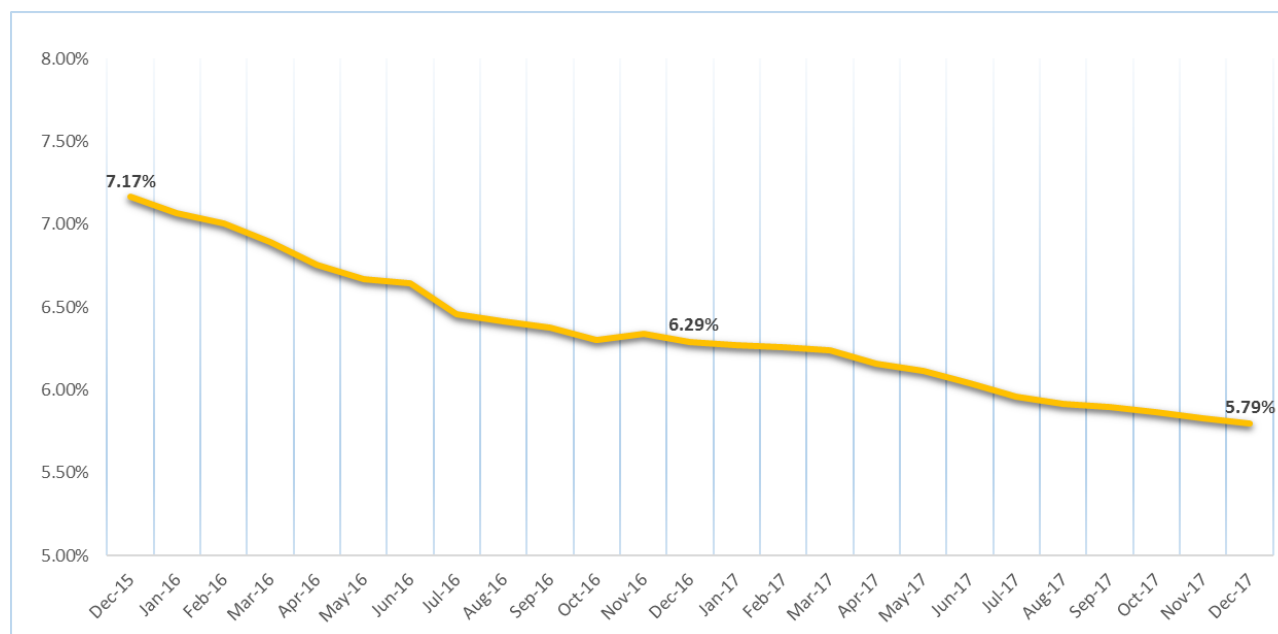
By the end of 2017, there was a 15% decrease in comparison to the base year 2015.

	2015	2016	2017	% change 2017 vs 2015
Rejection Rate	9.87%	9.06%	8.38%	-15%

Stage 1 Analysis - Estimated Percentage of Rejected Prime Billings

The chart below illustrates the trend of estimated percentage of rejected prime billings. The percentage is calculated 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).

Based on this calculation, approximately 5.79% of the prime billings in 2017 were rejected, a decrease in comparison to 7.17% of rejected prime billings in 2015.

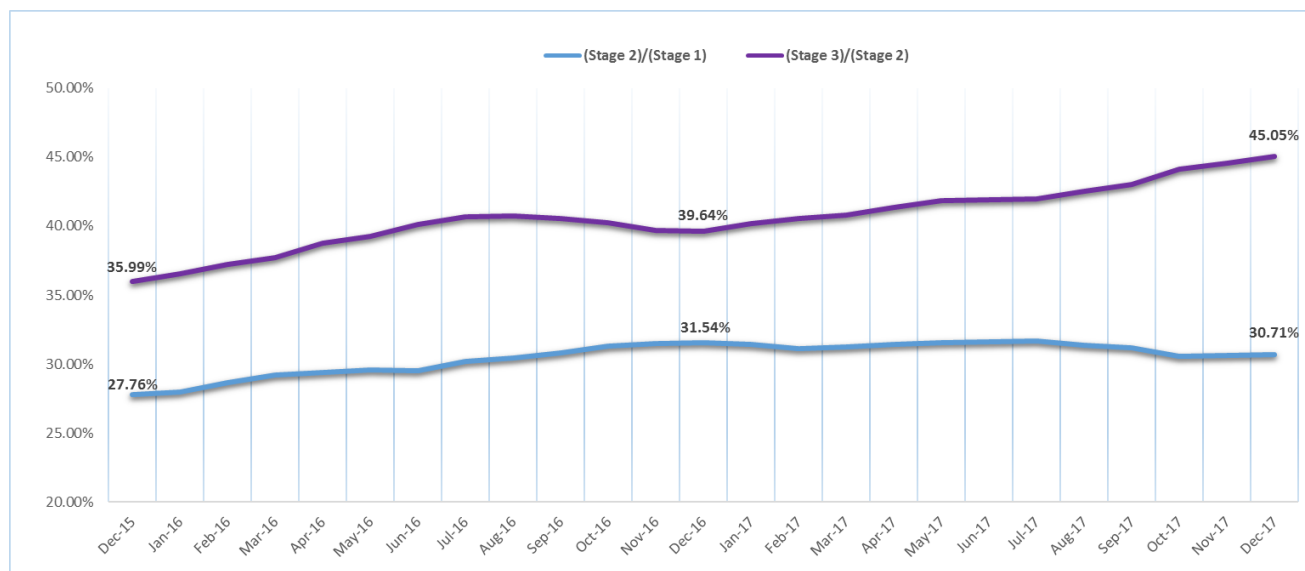


$$\text{Estimated \% of rejected prime billings} = \frac{\text{Sum of Stage 1 RMs of past 12 months}}{\text{Sum of Prime Billings of past 12 months}} \times 100\%$$

Stage 2 & 3 Analysis - 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 calculated percentages are plotted in the graph below and show a decline in 2017 in comparison to 2016. Approximately 30.71% of the Stage 1 rejection in 2017 were rejected back 2nd stage.

The percentage of 2nd stage rejections which are rejected back 3rd stage is calculated in a similar way (formulas shown below) and also plotted in the below chart with an increasing trend in 2017. Approximately 40.05% of the 2nd stage rejections in 2017 were rejected back 3rd stage.












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

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










3. Rejection Memo Analysis - Split by SMI

SMI - I/M Analysis










	1 st Stage	2 nd Stage	3 rd Stage	Total RM Count
% change 2017 vs 2015	-1%	3%	31%	2%
2017	7,607,622	2,498,130	1,129,738	11,235,490
2015	7,692,894	2,425,398	863,209	10,981,501

Reason Code SMI - I/M	Reason Description	1 st Stage Count and Percentage 2017		1 st Stage Count and Percentage 2015		Percentage change 2017 vs 2015	
1B	Fare Reclaim	3,054,911	40%	3,248,605	42%		-6%
1G	Tax Reclaim	2,785,137	37%	2,591,444	34%		7%
1A	Fare/Tax/ISC	835,804	11%	929,403	12%		-10%
1E	UATP Reclaim	352,210	5%	94,152	1%		274%
1C	ISC Reclaim	207,161	3%	264,514	3%		-22%
5Z	Others	155,389	2%	243,756	3%		-36%
2B	Duplicate Billing	57,604	1%	82,491	1%		-30%
	Other codes	159,406	2%	238,529	4%		-33%
	Total	7,607,622	100%	7,692,894	100%		-1%

➤ Top 7 reason codes sorted as per 2017 counts

Reason Code SMI - I/M	Reason Description	2 nd Stage Count and Percentage 2017		2 nd Stage Count and Percentage 2015		Percentage change 2017 vs 2015	
1B	Fare Reclaim	1,193,123	48%	1,181,272	49%		1%
1G	Tax Reclaim	733,642	29%	661,343	27%		11%
1A	Fare/Tax/ISC	231,577	9%	218,045	9%		6%
5Z	Others	184,575	7%	211,451	9%		-13%
1C	ISC Reclaim	106,640	4%	102,918	4%		4%
1E	UATP Reclaim	10,721	0%	3,010	0%		256%
5B	FIM Rejection / Rebill	9,649	0%	18,733	1%		-48%
	Other codes	28,203	1%	28,626	1%		-1%
	Total	2,498,130	100%	2,425,398	100%		3%










➤ Top 7 reason codes sorted as per 2017 counts

Reason Code SMI - I/M	Reason Description	3 rd Stage Count and Percentage 2017		3 rd Stage Count and Percentage 2015		Percentage change 2017 vs 2015	
1B	Fare Reclaim	554,115	49%	428,002	50%		29%
1G	Tax Reclaim	302,771	27%	183,276	21%		65%
1A	Fare/Tax/ISC	114,919	10%	73,045	8%		57%
5Z	Others	99,763	9%	132,107	15%		-24%
1C	ISC Reclaim	39,081	3%	25,210	3%		55%
1E	UATP Reclaim	5,386	0%	2,208	0%		144%
5B	FIM Rejection / Rebill	4,231	0%	9,108	1%		-54%
	Other codes	9,472	1%	10,253	1%		-8%
	Total	1,129,738	100%	863,209	100%		31%










➤ Top 7 reason codes sorted as per 2017 counts

SMI - B Analysis










RM count	1 st Stage	2 nd Stage	3 rd Stage	RM Count
% change 2017 vs 2015	-42%	2%	-26%	-40%
2017	725,316	60,852	23,057	809,225
2015	1,261,159	59,902	31,155	1,352,216

Reason Code SMI - B	Reason Description	1 st Stage Count and Percentage 2017		1 st Stage Count and Percentage 2015		Percentage change 2017 vs 2015	
1G	Tax Reclaim	513,834	71%	847,088	67%		-39%
1B	Fare Reclaim	128,096	18%	151,458	12%		-15%
1A	Fare/Tax/ISC	59,326	8%	192,204	15%		-69%
2A	Unmatched Sale	10,533	1%	1,133	0%		830%
5Z	Others	4,367	1%	12,955	1%		-66%
1C	ISC Reclaim	2,638	0%	11,390	1%		-77%
2D	Billing Outside Time limit	2,194	0%	28,358	2%		-92%
	Other codes	4,328	1%	16,573	2%		-74%
	Total	725,316	100%	1,261,159	100%		-42%

➤ Top 7 reason codes sorted as per 2017 counts

Reason Code SMI - B	Reason Description	2 nd Stage Count and Percentage 2017		2 nd Stage Count and Percentage 2015		Percentage change 2017 vs 2015	
1G	Tax Reclaim	31,200	51%	22,781	38%		37%
1B	Fare Reclaim	21,824	36%	23,228	39%		-6%
1A	Fare/Tax/ISC	4,063	7%	2,825	5%		44%
5Z	Others	2,911	5%	6,198	10%		-53%
5B	FIM Rejection / Rebills	406	1%	348	1%		17%
1C	ISC Reclaim	329	1%	56	0%		488%
2A	Unmatched Sale	75	0%	2,477	4%		-97%
	Other codes	44	0%	1,989	3%		-98%
	Total	60,852	100%	59,902	100%		2%

➤ Top 7 reason codes sorted as per 2017 counts

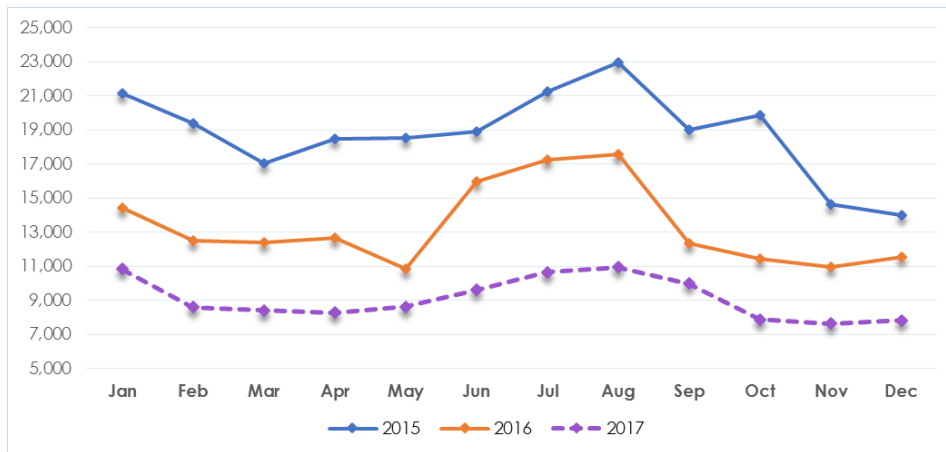
Reason Code SMI - B	Reason Description	3 rd Stage Count and Percentage 2017		3 rd Stage Count and Percentage 2015		Percentage change 2017 vs 2015	
1B	Fare Reclaim	11,131	48%	15,739	51%		-29%
1G	Tax Reclaim	8,545	37%	7,585	24%		13%
1A	Fare/Tax/ISC	1,526	7%	1,176	4%		30%
5Z	Others	1,049	5%	5,720	18%		-82%
2A	Unmatched Sale	443	2%	55	0%		705%
5B	FIM Rejection / Rebills	206	1%	121	0%		70%
1C	ISC Reclaim	143	1%	135	0%		6%
	Other codes	14	0%	624	3%		-98%
	Total	23,057	100%	31,155	100%		-26%

➤ Top 7 reason codes sorted as per 2017 counts

4. 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

In comparison to the base year 2015, the total FIM billings have decreased by 57% and the total FIM rejections have also decreased by 57%. The tables below contain the counts for each settlement method.

SMI - I/M	FIMs	Total RMs	SRCD 44	SRCD 45	SRCD 46
% change 2017 vs 2015	-54%	-57%	-58%	-52%	-60%
2017	91,002	77,205	57,181	13,374	6,650
2015	197,600	179,347	134,704	27,983	16,660

SMI - B	FIMs	Total RMs	SRCD 44	SRCD 45	SRCD 46
% change 2017 vs 2015	-76%	-62%	-68%	-40%	-52%
2017	6,650	2,158	1,317	532	309
2015	27,717	5,699	4,167	888	644

5. Sampling Billing Analysis

Total Monthly Count

	Form A/B	Form D/E	Form F	Form XF
% change 2017 vs 2015	-20%	-14%	-42%	-24%
2017	10,252,140	143,496	11,490	7,180
2015	12,798,285	166,634	19,736	9,433

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