

**IATA Currency Clearance Service (ICCS)**  
*Simplifying the Business of Airline Treasury*

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### **Payment Instructions**

#### ***ICCS Payments***

##### ***What are “standing/default instructions” and what is their benefit?***

For every BSP/CASS implemented by an ICCS Member, the Member must inform ICCS of their standing instruction for those BSP/CASS sales proceeds. For example, a standard instruction can be: “Convert all funds to USD and send funds to XYZ bank in New York City...etc.” On the forms available when implementing a new BSP/CASS, the instruction has to specify the preformat ID of the account.

##### **These instructions can be used in two ways:**

1. They can be used as a default order, which ICCS will act upon for every BSP/CASS settlement, therefore relieving treasuries of the burden of contacting ICCS for every settlement;
2. Alternatively, for Members that require more active management of their sales proceeds, the Standard Instructions are used as back-up instructions in the unlikely case that the Member does not place their “order” with ICCS before the cut-off time.

NOTE: “Orders” must be notified via the I&N system, fax or email to ICCS by 09:00 AM GVA on the Contract day according to the ICCS Calendar (available on [www.iata.org/iccs-users](http://www.iata.org/iccs-users) under ICCS Operations Calendars).

##### ***What is ad-hoc instruction and their benefit?***

Ad-hoc instruction refers to an instruction that takes place only for that cycle and over writes the standard instructions. The instruction has to be cleared in order to ensure correct appliance and it should mention the amount, the currency and the preformat ID of the account.

Examples of ad-hoc instruction and their consequences:

‘Please send all EUR to XXEUR ‘ – in this case all the receivable in EUR are sent to the account mentioned and everything else is sent to base account.

If you wish to apply ad-hoc for just one currency or one amount, this has to be specified like in the example below:

‘Please send BSP BEE to XXEUR and apply default instruction for the rest ‘.

‘Please send 2 mil JPY to XXJPY and the difference to XXJPY1 ‘.

‘Please send all receivable in CAD to XXCAD ‘.

##### ***Can I designate the value date of a payment?***

Yes. With ICCS, the Member has the possibility of delaying payments up to 30 days from a specific ICCS Clearance Day. Please note that during this period funds earn interest on behalf of the Member.

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### ***Can I direct ICCS to remit payments to suppliers on my behalf?***

Yes. It is possible to use ICCS to make payments to Third Parties around the world unless restricted by the United Nations or US banking regulations. The Member must sign a separate **Third Party Agreement**. It should be noted that ICCS cannot accept standing orders for a fixed date. There is a US\$ 20 annual charge per third party bank account that ICCS has on file.

### ***Can I direct ICCS to send payables to the IATA Clearing House (ICH) on my behalf?***

**Yes, on the following conditions:**

- ICCS must have a **Third Party Agreement** signed by the Member on file. There is a charge of US\$ 20 per Third Party Agreement Bank Account on file.
- Payments to the ICH must take place for good value on Call Day or Early Call Day.
- The payment must be the exact amount of what is owed to the ICH, paid in one instalment, except in instances where there is a special agreement with the ICH or an adjustment during the protest period. In this case more than one payment will be accepted.

Please bare in mind that ICCS assumes no responsibility for ICH penalties should the value date be later than the ICH Call Day or Early Call Day. It is entirely up to the Member to ensure the amount and timeliness of any remittances to the ICH.

### ***Can I direct the IATA Clearing House (ICH) to send receivables to ICCS?***

Yes. Instead of remitting ICH USD, GBP or EUR receivables directly to the Member's local bank account, ICH can release them to ICCS on the Member's behalf. Then ICCS can remit them to the Member according to the standard instructions given.

### ***How can I check the amount to be received?***

The 30F reports shows the exact details of your incoming payments, the amount and the preformat ID together with the account where the funds are being sent.

Note: There is just one transfer to be made per preformat ID. This means that if you have more BSP/CASSes settling to the same account, double check the incoming amount by taking the total from the 30F account and not by checking in the bank account for the settlement of each BSP or CASS.

### ***Can ICCS provide details of the incoming funds for a certain BSP or CASS?***

ICCS is only settling the amounts received from the BSP/CASS. There is no further information regarding ticket sales or any other kind of breakdown regarding this. The only detail ICCS has is the total amount for the airline and the sales period and this is exactly what our 30A/F show.

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### ***Can ICCS delay funds?***

If there is an-hoc instruction requesting to settle the funds later than the clearance day of the cycle then ICCS can release the payment with the Value date requested as long as the time frame is smaller than 30 days.

### ***Can ICCS cover negative funds?***

If there is a negative amount from a BSP/CASS then ICCS can offset that amount with other positive sales from other BSP/CASS. If the entire balance per airline is negative then ICCS will decide if to issue a credit note to offset that amount or to immediately contact the airline and ask for a deposit of that amount.

The deposit asked has to be paid in either EUR or USD depending on the currency of the base account of the airline.

## ***Currency Conversion***

### ***Am I obligated to convert funds being collected via ICCS?***

No. ICCS Members are free to decide if they will convert funds via ICCS or if they will take delivery of local currency funds. Members can also be selective and make this decision for each currency and for every BSP/CASS settlement. **Countries with currency restrictions may be exceptions.** Please note that on behalf of the industry, ICCS has negotiated a very attractive foreign exchange conversion policy with its main service bank, which is based on inter-bank benchmark rates (see next question).

### ***What is the current ICCS FX conversion policy?***

Presently, ICCS is using a Citibank Treasury product called “FX Benchmark”. It is a new development in FX trading that “locks-in” FX rates based on benchmark rates derived using various inter-bank market rates. The process is very transparent and audited by independent auditors. Information on our Forex Conversion Policy for freely convertible currencies is available on our website [www.iata.org/iccs](http://www.iata.org/iccs) under Forex Conversion Policy. In cases where currencies are not freely convertible, IATA has negotiated separate local FX conversion policies. Please contact ICCS for specific details.

### ***Can I know the FX rates ahead of time?***

No. ICCS uses the Citibank “FX Benchmark” rate as fixed at noon GMT on the ICCS Contract Day. ICCS does, however, provide a report based on the FX rates used in the previous clearance, which gives approximate figures (30A). Please consult our website [www.iata.org/iccs](http://www.iata.org/iccs) under Forex Conversion Policy for more information.