+BSP for NDC

▶▶▶ WHY IS THIS IMPORTANT?

The IATA Billing and Settlement Plan (BSP) is designed to facilitate and simplify the sales reporting, remittance and settlement from IATA Accredited Travel Agents, as well as improve financial control and cash flow for airlines (including streamlined risk management features with the NewGenISS program).

In a NDC environment, the airline is in control of the offer and order management as well as the NDC transaction issuance. The airline, with NDC, will want to benefit or continue benefiting from the BSP and its enhanced value proposition, namely:

▷ Access to an industry distribution framework composed of a reliable and professional network of agents in some 180 countries and territories
▷ A single standard Reporting & Settlement process available for airlines and their appointed agents
▷ Enhanced BSP risk management functionalities with the implementation of NewGenISS[1]
▷ Visibility and control of forms of payment within the BSP

For more detailed information, please refer to NDC InFocus - Benefits of Reporting NDC sales through the BSP.

▶▶▶ ZOOM INTO THE TOPIC

How does it work?

The main features include risk management activities before transaction issuance, IATA agency sales monitoring regardless of the sales channels and reporting/settlement services for both airlines and their partners. The three main functionalities are:

1. An API for Agency Upfront Validation
2. An API for Real Time Sales Monitoring (RTSM)
3. A daily NDC sales reporting (batch process via NDCLink)

Figure 1. BSP and NDC Complete Workflow from Order Create Request to Settlement

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[1] The NewGenISS functionalities are deployed in wave mode within each BSP according to the 2018-2020 roadmap.
[2] Travel agents currently make a self-declaration of their card usage and their PCI DSS status regarding card sales.

1. API for agency upfront validation

For every transaction, the airline submits a real-time request using an API and receives a reply which allows the airline either to issue the transaction or deny the request. This request will validate:

▷ If the agent is active or inactive within a BSP
▷ If the agent is allowed to use a specific BSP form of payment (E.g. Cash, Card)
▷ If the agent has opened an IATA EasyPay account to enable that form of payment to be used – applies to NewGenISS BSPs only
▷ If the agent is PCI DSS compliant[2]

2. API for real time sales monitoring

To enable IATA to pro-actively monitor risk and reduce the possibility of defaults, short payments and bust-outs, IATA requires a limited amount of sales related data (11 elements based on existing sales reporting standards) to be sent for each transaction in real-time. 100% of all agency sales fulfilled directly by the airline including all forms of payment is required to ensure the integrity of the risk monitoring engine. Real time means as close as possible after the completion of the ticketing and transaction-by-transaction. The process is identical to the one currently in place with each GDS.

3. NDC sales reporting – Existing batch file reporting process via NDCLink

NDCLink is a service available only to BSP participants. The airline must be NDC Level 3 certified and participate in each BSP of the countries it plans to report their agency NDC transactions in.
The airline creates a single global sales daily reporting file in the BSP industry standard reporting format (DISH-RET) and sends it to the BSP portal NDCLink. NDCLink conducts data integrity checks, splits the file into separate BSP files and submits them as required to each concerned BSP. Airlines will subsequently receive a report (HOT file) summarizing all NDC transactions along with their traditional BSP sales.

What are the costs?

The three components are fully integrated within the already existing BSP Standard Charging Unit for core processing. A one off single NDCLink implementation fee of 15.000 USD for all BSPs and all IT Providers applies per each airline designator.
Note: should an airline not be able to supply the sales data in the standard RET format, IATA is able to perform the data transformation from the reported format to the RET compliant format for an additional per transaction fee.

What is the recommended rollout plan for an airline?

As a first step, a NDC Airline can start any time with the NDC Link reporting service independently from Upfront Validation and Real Time Sales Monitoring APIs. Additionally, for BSPs where NewGenISS is implemented, it is essential that to benefit from IATA BSP risk management, the airline implements the API functionalities as soon as possible.

▷▷▷▷ INDUSTRY STATE OF PLAY

IATA has been actively working to ensure that the BSP and other IATA solutions are integrated seamlessly for the benefit of the industry. As a result, we already count 5 airlines in 28 BSPs processing their NDC sales in BSP.

Future state

In addition to these new features, IATA has identified some additional key industry benefits that will result in some major efficiencies for reporting, remittance and settlement and at the same time incorporate the NewGenISS program. We envision a future state of providing a variety of possible reporting options which will ultimately see:

▷ As per airlines' needs, further validations included in the IATA Upfront validation API (for example, airline-agent ticketing authorities)
▷ A shortened set of data elements for the sole purposes of collecting monies held in trust in the context of settlement of orders

Link to more detailed information
Get in touch with the IATA customer service team
at IATA Customer Portal.