



## **Simplified Invoicing and Settlement**

### **CMP 459 - Validation of RM Billed/Accepted Values**

#### **Guidance Document**

February 2021

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## 1 Validation of RM Billed / Accepted Values in SIS

Prior to SIS Major Release 1.3, the Billed and Accepted amounts provided in rejection memos were not being validated against what was provided in the previous transaction. In order to ensure the consistency of data throughout the course of the rejection process, SIS has implemented this validation of RM "Billed" and "Accepted" values.

### Example of the validation

Please consider the following correct example.

Stage 1 RM			
	Billed	Accepted	Difference
Gross	500.00	450.00	50.00
Tax	15.00	15.00	0.00

  

Correct Stage 2 RM			
	Billed	Accepted	Difference
Gross	450.00	500.00	50.00
Tax	15.00	15.00	0.00

SIS now validates that the billed value provided in a RM matches the accepted value of the previous transaction. Any discrepancies on these amounts will result in a warning and eventually full validation error.

Common mistakes observed by SIS Operations:

Incorrect Stage 2 RM			
	Billed	Accepted	Difference
Gross	500.00	550.00	50.00
Tax	0.00	0.00	0.00

In the above incorrect example, even though the difference is correct, the invoice will fail validation as the billed gross amount does not match with previous accepted amount (450). Also, the tax has been incorrectly specified as 0.00 which does not match the previous accepted value.

As per example provided in chapter 3.8.3 of the ISPG (below), all values that appear in the previous stage transaction should be provided in order to ensure billing accuracy.

Rejection Amounts									
Rejection Memo Amounts	Gross Amt	ISC Amt	Other Comm. Amt	UATP Amt	Handling Fee Amt	Tax Amt	VAT Amt	Net Reject Amt	
Your Billing	521.05	-46.89	0.00	0.00	0.00	27.21	-72.95		
We Accept	308.21	-27.74	0.00	0.00	0.00	27.21	-43.15		
Difference	212.84	-19.15	0.00	0.00	0.00	0.00	-29.80	163.89	

Reason for Rejection: 1B FARE RECLAIM  
 Additional Remarks: Rejection for difference in Fare

Rejected Coupon Details					
Ticket No	Sector	Original PMI	Validated PMI	Agreement Indicator Supplied	Agreement Indicator Validated
023 9761235942 1	LHR - DUB				

Rejected Coupon Amounts											
Coupon Amt	Gross Amt	ISC %	ISC Amt	Other Comm. %	Other Comm. Amt	UATP %	UATP Amt	Handling Fee Amt	Tax Amt	VAT Amt	Net Reject Amt
Your Billing	521.05	-9.00	-46.89	0.00	0.00	0.00	0.00	0.00	27.21	-72.95	
We Accept	308.21	-9.00	-27.74	0.00	0.00	0.00	0.00	0.00	27.21	-43.15	
Difference	212.84		-19.15		0.00		0.00	0.00	0.00	-29.80	163.89

This validation affects the following fields:

<p><b>PAX</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Gross</li> <li><input type="checkbox"/> Tax</li> <li><input type="checkbox"/> ISC</li> <li><input type="checkbox"/> Other Commission</li> <li><input type="checkbox"/> Handling Fee</li> <li><input type="checkbox"/> UATP</li> </ul>	<p><b>CGO</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Weight Charges</li> <li><input type="checkbox"/> Valuation Charges</li> <li><input type="checkbox"/> Other Charges</li> <li><input type="checkbox"/> ISC</li> <li><input type="checkbox"/> VAT</li> </ul>
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## 2 Currency conversion validation

Before comparing RM Billed/Allowed amounts with the previous transaction, currency conversion needs to be done.

It is possible that the Currency of Listing of the invoice of the rejected transaction; and the Currency of Listing of the invoice of the rejecting RM are different. Even if they are the same, it is possible that the Currency of Billing of the rejected invoice was different from the Currency of Listing of the rejected invoice, so exchange rate variations need to be considered.

In such cases, currency conversion procedures need to be applied.

The only scenario where currency conversion is not required is when the Currency of Listing & Billing of the previous rejected invoice and the Currency of Listing of the current rejecting RM are the same.

Currency conversion procedures for Currency of billing of previous transaction: USD/EUR/GBP

<b>Stage 1 RM</b>			
Period: Dec P1 2012			
Currency of Listing of invoice of rejected transaction = EUR			
Currency of Billing of invoice of rejected transaction = USD			
Dec 2012 rate EUR - USD = 0.77918			
	Billed	Accepted	Difference
Gross	184.44	50.00	134.44
Tax	109.08	20.00	59.08
 <b>Correct Stage 2 RM</b>			
Period: March P1 2013			
Currency of Listing of invoice of rejecting RM = GBP			
March 2013 rate GBP - USD = 0.65396			
	Billed	Accepted	Difference
Gross	41.96	0.00	41.96
Tax	16.78	0.00	16.78

The amount to be provided in the billed gross amount of RM stage 2 should be calculated as follows: Gross amount of previous transaction / exchange rate of previous transaction (this value should be truncated (unrounded) at 10 decimals (high precision) to minimize loss of value) \* exchange rate of actual transaction (i.e. 50.00 / 0.77918 = 64.1700248979 \* 0.65396 = 41.96).

### 3 Currency conversion procedures for Bilateral invoices (SMI “B”)

When SMI “B” (or bilateral like) billings have been rejected, where the exchange rate defined between Currency of Listing of invoice of previous transaction (i.e. AUD) and Currency of Billing of invoice of previous transaction is not USD,GBP or EUR, conversion has to happen via USD.

### 4 Warning period prior to enabling the full validation

Prior to January P4 2014, SIS provided a warning for this validation and allowed the transaction to still be eligible for settlement. Nevertheless, this validation remains in effect in SIS since then. Failure to provide calculated values in accordance with this guidance/concept will result the invoice to fail validation with error non-correctable status. Please ensure you make the appropriate changes in your systems to ensure you are following the rejection memo concept as per this reference guide and SIS standards.

**In case of any questions, please contact us via the**

**[IATA Customer Portal](#)**