Frequently Asked Questions

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**What is NewGen ISS?**
NewGen ISS (New Generation of IATA Settlement Systems) is a strategic program aimed at updating IATA’s Billing and Settlement Plan (BSP) to ensure its continued relevance, and to generate greater value for agents and airlines.

**Why have you developed NewGen ISS?**
Since its launch in 1971, the BSP has successfully facilitated the distribution and settlement of funds between travel agents and airlines safely and securely. However, the rules for the BSP were established in an era of paper ticket stock, brick-and-mortar travel agencies, limited payment methods and a highly regulated airline industry. NewGen ISS aims to bring the settlement system into the modern world by delivering simplified processes, lower costs and improved protection of funds, new payment methods and a choice of agent accreditation models.

**What are the main initiatives under NewGen ISS?**
The key initiatives under NewGen ISS are as follows:
• Agency Accreditation Models: The introduction of new accreditation models to better fit agents’ needs and a simplified set of business rules.
• Risk Management: Implementation of new risk management framework, including thresholds for agents’ cash amounts outstanding to the BSP, known as Remittance Holding Capacity (RHC), which will enable safer selling and mitigate risk exposure.
• IATA EasyPay: Introduction of a new, voluntary pay-as-you-go method based on the e-wallet concept, for agents to issue tickets via the BSP.
• Global Default Insurance: Introduction of a new and optional financial security type for travel agents in addition to those already available in the market.

According to IATA’s 2017 Annual Review, the BSP processed US $219 billion in 2016, with an on-time settlement rate of 100%. Given that superb performance, why is it necessary to introduce thresholds for cash amounts outstanding to the BSP?
On-time settlement rate refers to the timeliness of IATA’s settlement of monies received from travel agents to the airlines, not the rate of unrecovered default losses. IATA has a fundamental responsibility to protect the industry financial systems that make possible today’s global air transport network. About $50 million disappears from this particular part of the distribution chain every year owing to fraud, an amount that at least doubles when other losses, such as agent bankruptcy, are taken into account.
What are Cash Sales in the context of the BSP?
In the context of the BSP, cash sales are ticket sales in which the travel agent receives payment directly from the passenger (by any method the agent allows). The agent holds those monies in trust on behalf of the airline until an established remittance date, when the funds are remitted to the BSP and then from the BSP to the airline.

Under the RHC proposal, what will happen if an agent reaches their threshold for cash amounts outstanding to the BSP? Are they prevented from selling any more tickets?
As envisioned, agents will be notified when they reach a certain percentage of their capacity (50%, 75% and 90%), so as to be able to take applicable actions. When the RHC is reached, BSP Cash sales will be restricted. Importantly, the agent can continue issuing tickets using IATA EasyPay or the traveler’s credit card as the form of payment. In addition, the agent can remit monies to the BSP in advance of the remittance date to re-open the related capacity, something that was not possible previously.

What percentage of sales through the BSP are cash sales?
Approximately 70% of sales through the BSP are cash sales.

What is IATA EasyPay?
IATA EasyPay is an electronic payment solution based on a pay-as-you-go e-wallet model.

Will agents be required to use EasyPay?
There is no requirement to use IATA EasyPay. It is a voluntary payment option. IATA EasyPay is available to all accredited agents, unlike other forms of payment (Cash, Card) which can be restricted.

Why did IATA develop IATA EasyPay?
IATA EasyPay was developed in order to offer an additional, secure and cost-effective payment method to travel agents that would enable the introduction of the new accreditation models and risk management framework under NewGen ISS. As a secure form of payment, IATA EasyPay transactions will not be part of an agent’s cash sales at risk. This will offer agents a means to lower their financial security amounts with IATA, and to issue transactions which are not included in their cash issuance capacity.

Who approves the NewGen ISS changes?
The Passenger Agency Conference (PAConf), which governs matters relating to the relationship between airlines and IATA accredited travel agents, approves most of the required Resolution
changes for NewGen ISS. However, some changes, such as the implementation of IATA EasyPay, involved other IATA governance groups like the Passenger Services Conference (PSC) and the BSP Data Interchange Specifications Group (BDSIG).

**Did IATA engage with the travel agency user community on NewGen ISS before it was approved by the PAConf?**

The travel agency community was informed and consulted on NewGen ISS through local, regional and global governance forums. Locally, NewGen ISS was presented to the Agency Association representatives participating in the Agency Program Joint Councils (APJCs). Globally, we have consulted with the global agency associations via the Passenger Agency Program Global Joint Council (PAPGJC) and its joint Remittance Holding Capacity working group.

Agent concerns that RHC would limit their ability to sell tickets have been addressed through an extensive discussion process over the past 12–18 months that has seen the RHC calculation rise from the average of the three busiest periods plus 5%, to the three busiest periods plus 100%. In addition, the NewGen ISS team has conducted one-to-one engagement with several travel agent associations to gather their feedback. Similarly, IATA has consulted with a number of large multinational agencies on the Multi-Country Accreditation individually and via a targeted forum.

**When will NewGen ISS go-live?**

Two pillars of NewGen ISS—Global Default Insurance and IATA EasyPay are already live in select markets. Implementation of the other two pillars—RHC and new accreditation models—will begin in 2018, subject to approval by the PAConf in November 2017. The full migration of countries to NewGen ISS is expected to take approximately 2 years.