IATA WEBINAR

INTRO TO ICH: NAVIGATING ESSENTIALS FOR NOVICE USERS

10 July 2024
09:00 – 10:00 [EDT]
Agenda & Speakers

- Intro to ICH
- SIS & ICH
- ICH Manual
- ICH Reports
- ICH Notifications
- ICH Extranet
- ICH Credit Risk Management
- Take Away
- Testimonials
- Q&A

Moderated by:
Cedric Chretien
Head Settlement Operations & ICH Manager
IATA

Shehryar Sadiq
Senior Manager
ICH Finance
IATA

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Senior Manager
ICH Operations
IATA

Parm Kaur
Receivables & Revenue Protection Manager & ICH WG Chair
British Airways

Intro to ICH: Navigating Essentials for Novice Users

10 July 2024
IATA Legal Reminders

- Participants are reminded that live streaming of this webinar by participants to parties not in attendance is not permitted, except as indicated by and with the express permission and knowledge of IATA.

- Unauthorized recording of the meeting is also prohibited.

- IATA will record the webinar and share the link afterwards to the members of this group and shared by email.
Did you know about ICH?

Oldest IATA Financial Service
Over 75 Years of managing member funds. Created in 1947!

End Q2 2024, 543 Participants
From 140+ countries

Average Yearly Turnover (2014-23)
US$49b+
- US$62.49b in 2019
- US$19.19b in 2021
- US$58.95b in 2023

Average Settlement Success rate (2014-23)
> 99.998%
- 100% in 2014, 2016, 2017 & 2021
- 99.99999% in 2023 with USD7k resettled out of the USD58.95b processed.

Airline Members (323)
IATA (221) and non-IATA (102)

Associate Members (220)
Other companies trading with airlines. Ground Handlers, Maintenance Repair and Overhauls, Caterers, GDS', IT Companies etc.
What do we do?

**SETTLEMENT**
Provide fast, secure and cost-effective settlement of Passenger, Cargo, UATP & Miscellaneous/Non-Transportation transactions in multiple currencies USD, EUR, GBP but also AUD, CHF, JPY & SGD for participants in the air transport industry.

**EFFICIENCY**
Enable the application of set-off to reduce cost, risk and increase speed.

**DISPUTE**
Offer dispute mechanism of billings.

**RISK**
Provide additional protection in case of defaults, bankruptcies, or cessation of operations.
SIS & ICH

Integrated SIS & ICH Settlement

SIS
Billing & Invoicing Processes

Billing Entity

- Manual Entry Interface
  - IS-WEB
- Financial System Interface
  - IS-XML
- Converter
  - IS-XLS

ICH

- Manual download interface With PDF
  - IS-WEB
- Financial System Interface
  - IS-XML

$€,¥,¥,AU$, SG$

Billed Entity

$€,¥,¥,AU$, SG$

SIS is a prerequisite to joining the ICH

$IATA$
The ICH Manual of Regulations and Procedures governs the operation of the Clearing House and contains the following parts:

A. **Regulations**: containing the principal rules of the Clearing House

B. **Calendar**: showing the scheduled events for the year

C. **Procedures**: detailing the working procedures and other supporting information

![Manual is available on the ICH Extranet](image)
ICH Calendar

Weekly settlement cycles:
4 per month, 48 per year

ICH/ACH and SIS Processing Calendar is available to download from SIS:
ICH Calendar – Procedures and deadlines

- **Procedures and deadlines**

  **ADVICE OF NET POSITION**
  - SETTLEMENT OF RECEIVABLES TO ICH and PAYABLES TO AIRLINES
  - SETTLEMENT OF PAYABLES TO ASSOCIATES (GSP’s, Caterer’s, MRO’s etc.)

  - **Closure Day**: 16 Jan
  - **Advice Day**: 18 Jan
  - **Call Day**: 25 Jan
  - **Settlement Day**: 29 Jan

  **WEEK 1**
  - Period Opening: 09 January
  - SUBMISSION DEADLINE OF CLAIMS

  **WEEK 2**
  - Protest & Adjustment Period

  **WEEK 3**
  - Suspension Day: 30 January

- **January 2024**
  - Period 1

- **Call Day**: 25 Jan
- **Settlement Day**: 29 Jan
- **Suspension Day**: 30 January
ICH Procedures

Procedure 2: Reports retrieval

Procedure 3: Signatory Requirements

Procedure 4: Designated Banks

Procedure 11: ICH Service Charges and Fees

Procedure 15: Settlement Method Indicator SMI “X”

Procedure 18: Special Clearance in cases of suspension, bankruptcy or cessation of operations
ICH REPORTS

Form 1
Invoices against other Members

Form 1
Other member invoices against a Member

Form 3
Summary of Claims by and against a Member

How to download ICH Reports?

ICH REPORTS
Reports are Provisional up to Advice Day then are Final
Report data is real-time
Reports are available in multiple formats
No front-end access
ICH REPORTS

F1 Reflecting ICH invoices issued by the Member XX-XXX against other ICH members

Invoice amount is in Currency of Clearance (ICH Reg. 13).
For Currency of Settlement (ICH Reg. 18) please refer to Form 3

![IATA Clearing House Form 1 - Final](image-url)

<table>
<thead>
<tr>
<th>Zone Code</th>
<th>Debit Member</th>
<th>Currency Code</th>
<th>Billing Category</th>
<th>Invoice Number</th>
<th>Invoice Date</th>
<th>Local Currency</th>
<th>Local Amount</th>
<th>Input Rate</th>
<th>Converted Amount</th>
<th>Invoice Origin</th>
<th>Invoice Source</th>
<th>Suspended Invoice</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>XX-XXX SAMPLE AIRLINE 1</td>
<td>USD</td>
<td>PAX</td>
<td>12345</td>
<td>2024/05/01</td>
<td>USD</td>
<td>75,570.50</td>
<td>1.00000</td>
<td>75,570.50</td>
<td>SIS</td>
<td>IS-DEC</td>
<td>N</td>
</tr>
<tr>
<td>B</td>
<td>XX-XXX SAMPLE AIRLINE 2</td>
<td>USD</td>
<td>Cargo</td>
<td>546821</td>
<td>2024/05/07</td>
<td>EUR</td>
<td>20,504.42</td>
<td>0.76923</td>
<td>62,675.67</td>
<td>SIS</td>
<td>IS-WEB</td>
<td>N</td>
</tr>
<tr>
<td>B</td>
<td>XX-XXX SAMPLE AIRLINE 3</td>
<td>USD</td>
<td>MISIC</td>
<td>235658781</td>
<td>2024/05/06</td>
<td>GBP</td>
<td>15,230.00</td>
<td>0.58966</td>
<td>22,083.50</td>
<td>SIS</td>
<td>IS-WEB</td>
<td>N</td>
</tr>
<tr>
<td>B</td>
<td>XX-XXX SAMPLE AIRLINE 4</td>
<td>USD</td>
<td>PAX</td>
<td>178451</td>
<td>2024/05/31</td>
<td>JPY</td>
<td>8,881.95</td>
<td>157.000</td>
<td>645</td>
<td>SIS</td>
<td>IS-DEC</td>
<td>N</td>
</tr>
<tr>
<td>B</td>
<td>XX-XXX SAMPLE AIRLINE 5</td>
<td>USD</td>
<td>PAX</td>
<td>9031</td>
<td>2024/05/31</td>
<td>AUD</td>
<td>13,374.42</td>
<td>1.50000</td>
<td>20,110.28</td>
<td>SIS</td>
<td>IS-DEC</td>
<td>N</td>
</tr>
<tr>
<td>B</td>
<td>XX-XXX SAMPLE AIRLINE 6</td>
<td>USD</td>
<td>PAX</td>
<td>7841DD</td>
<td>2024/05/31</td>
<td>SGD</td>
<td>1,532.00</td>
<td>1.35000</td>
<td>1,134.81</td>
<td>SIS</td>
<td>IS-DEC</td>
<td>N</td>
</tr>
</tbody>
</table>
ICH REPORTS

F1 Reflecting ICH invoices issued by ICH members against the member XX-XXX

Invoice amount is in Currency of Clearance (ICH Reg. 13).
For Currency of Settlement (ICH Reg. 18) please refer to Form 3
### IATA CLEARING HOUSE

**Form 3 Legacy - Final**

<table>
<thead>
<tr>
<th>Zone B (USD)</th>
<th>Debits</th>
<th>Credits</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Member</strong></td>
<td><strong>PAX</strong></td>
<td><strong>UATP</strong></td>
<td><strong>CARGO</strong></td>
</tr>
<tr>
<td>XX-123</td>
<td>1,125</td>
<td>1,125</td>
<td>1,125</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,125</td>
<td>1,125</td>
<td>1,125</td>
</tr>
</tbody>
</table>

**Equivalent in Currency of Settlement (USD) (Exchange Rate: 1.00000)**

<table>
<thead>
<tr>
<th>Zone D (USD)</th>
<th>Debits</th>
<th>Credits</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Member</strong></td>
<td><strong>PAX</strong></td>
<td><strong>UATP</strong></td>
<td><strong>CARGO</strong></td>
</tr>
<tr>
<td>XX-456</td>
<td>3,574</td>
<td>3,574</td>
<td>3,574</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,574</td>
<td>3,574</td>
<td>3,574</td>
</tr>
</tbody>
</table>

**Equivalent in Currency of Settlement (USD) (Exchange Rate: 1.00000)**

**Total (USD):**

| **Balance Due to Clearing House (USD):** | 4,699 |

**Net Receivables (USD):**

| **0** |

*End of Report*
F1 invoices can be downloaded via the IS Portal.

Payables Invoices are available on Billing Output Generation same day as Advice Day.
ICH NOTIFICATIONS & COMMUNICATIONS

- Claims not Received
- Claims Confirmation
- Advice Day Message
- Outstanding Balance Message

Extranet
Claims not Received

Sent on Closure Day - 1 @ midnight EST

Subject: XX-XXX - ICH Claims not received for Period P03 May 2024 - STD - Agreement

Please note that we have not yet received your claims of billing category Cargo, Miscellaneous for the subject clearance period. If you have a claim for the period kindly submit it before close of business today (Closure Day) on 28 May 2024 at 17:00 EST.

Should you have any questions please contact ICH support via the IATA Customer Portal.
Subject: P03 May 2024 – Provisional / Final Confirmation of claims received by ICH for member XX-XXX

We confirm that invoices for subject clearance within the ICH STD – Agreement have been received and entered into P03 May 2024 clearance on behalf of member XX-XXX

The total of invoices claims by currency of clearance is:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Pax</th>
<th>Cargo</th>
<th>MISC</th>
<th>UATP</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>4,363,506</td>
<td>688,642</td>
<td>3,158,929</td>
<td>515,935</td>
<td></td>
</tr>
</tbody>
</table>

ICH reports are available in SIS under reports – Financial Controller and from your iiNET account as applicable. In case there is a discrepancy, please notify us urgently via the IATA Customer Portal.

Thank you.
ICH Team.
Advice Day Message

Subject: ADVICE MESSAGE Period 03 MAY 2024 - STD - Agreement

Company: XX-XXX
Attention to:
CC:

Clearance Period: **03 MAY 2024** of STD - Agreement

Advice Day: **30 May 2024**

DUE TO ICH: USD 6,397,864

Call Day: **06 Jun 2024**

Final Form 3 is now available for download from the ICH.

Protest Deadline: **04 Jun 2024**

SIS Billing output generation: 30 May 2024, 23:00 EST.

Should you have any queries or require assistance with reported claims please contact us via the [IATA Customer Portal](#).
Outstanding Balance Message

Subject: Outstanding Balances - P02 May 2024 STD - Agreement

To all Clearing House Members

In accordance with ICH Regulation 33 you are notified that the following balances due to the Clearing House remain outstanding at close of business on 31 May-24

AGREEMENT: STD - Agreement
CLEARANCE: 20240502

<table>
<thead>
<tr>
<th>Member Designator</th>
<th>Member Code</th>
<th>Member</th>
<th>Currency</th>
<th>Amount Outstanding</th>
<th>Security Deposit Held by ICH in USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>XX</td>
<td>XXX</td>
<td>Sample</td>
<td>USD</td>
<td>50,000</td>
<td>150,000</td>
</tr>
</tbody>
</table>

ICH NOTIFICATIONS

Sent weekly only for information purposes
ICH COMMUNICATIONS

Extranet
**ICH CREDIT RISK MANAGEMENT**

<table>
<thead>
<tr>
<th>Security Deposit</th>
<th>Set-off Rights</th>
<th>Legal Actions</th>
<th>Settlement Success Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any debtor paying late on more than 2 occasions in 3 months becomes subject to security deposit requirements</td>
<td>ICH has set-off rights against any other funds or credits anywhere in other IATA settlement systems (BSP, CASS etc.)</td>
<td>ICH also takes responsibility for legal action wherever the debtor is located</td>
<td>ICH settlement success rate is over 99.998% between 2014 &amp; 2023</td>
</tr>
</tbody>
</table>

- For Bankruptcy filing purposes and in accordance with ICH Procedure 18 all claims must be registered with the ICH via SIS:
  - Provide the administrator with more details to support claims
  - Ease resubmission process in case of reinstatement

ICH never forgets a debt
TAKE AWAY

SCALABLE

- Settlement frequencies: from weekly SMI “I” to real time SMI “X”
- Settlement Currencies: 7 today USD, EUR, GBP, AUD, JPY, SGD, CHF
- Membership: from 11 to 543 participants

SECURE

- SOC2 Type 2 certified (5th consecutive year with a clean report and no exceptions noted on 150+ controls)
- SIS: single source of truth for all invoices cleared through ICH & ACH

EFFECTIVE

- 99.998% average Settlement Success rate (2014-23) out of USD489.5B processed. With 100% in 2014, 2016, 2017, 2021 and 2024 (*) YTD out of the USD27.8B processed (Jan P1 to Jun P2).
- Free for IATA member airlines
ICH is **fast, secure** and very **convenient**.

ICH is the **product of choice**.

ICH is the **best way to get the money**.

ICH reduces debts and Collections activities.

ICH provides tremendous support and increases our business in terms of driving our ticketing sales, cargo and revenue in general.

“As a company, we’ve got very good experience with settlement of invoices through ICH. Rules are strict to everyone and there are clear rules and deadlines.” – 10, using >5 yrs.

I recommend that everyone who is not yet affiliated with IATA do it urgently, because through IATA many things improve, namely the stress of having to walk behind the companies to make payments, send and receive invoices and the ease of networking with all the players in the aviation area with highest professionalism that the IATA team has shown throughout my almost 14 years working with this entity. With one click it’s done.
Q&A

THANK YOU!