

IATA WEBINAR



ICH

BENEFITS OF ICH UNDER INSOLVENCY PROCEEDINGS

14 April 2026
09:00 – 10:00 [EDT]



IATA Legal Reminders

Participants are reminded that live streaming of this webinar 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 and it will be available on the ICH extranet

Agenda & Speakers

- **What is it ?**
- **Impact on ICH?**
- **Why it matters?**
- **Wrap-up**
- **Q&A**

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IATA

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Receivables & Revenue Protection Manager
British Airways & ICH Working Group Chair



What is it?

- Bankruptcy, insolvency, judicial reorganization, receivership, liquidation....
- Varies but common themes
 - Bankruptcy / insolvency estate
 - Liquidation vs reorganization
 - Court appointed trustee / receiver / administrator
 - Legal protections against collection efforts for pre-filing claims
 - Claim process and plan to deal with debts & distribute assets

Impact on ICH

- Grounds for suspension under ICH Reg *49(a)(iii)
- Suspension can be avoided on provision of adequate assurance / financial security
- Engage with IATA early to mitigate risk of suspension
 - Financial security documentation
 - Necessary court approvals
 - Communication with other ICH participants

Claims

Applicable ICH Regulations (see Reg. 9; Proc. 18)

- 9(a): "...no liability for payment and no right of action to recover payment shall accrue between Clearing House Members."
- 9(b): The ICH has "... the exclusive right to institute court actions, file claims in appropriate jurisdictions and to settle and compromise such claims."
- Any approach by legal firms, administrators, liquidators, or other representatives of the bankrupt airline should be referred to the ICH.

Why it matters

- Individual member action can impact the rights and position of the ICH before courts, and therefore can jeopardize claims of others (**grounds for suspension**)
- ICH is often uniquely situated and is in a stronger position than many unsecured creditors
 - 1) **Value proposition**
 - 2) **Netting**
 - 3) **Risk management**

Value proposition

Insolvency estates and restructuring airlines/companies often seeking to maximize value of the company while reducing costs

- ICH is very cost effective and efficient

Value placed on maintaining positive relationships w/ partners and customers

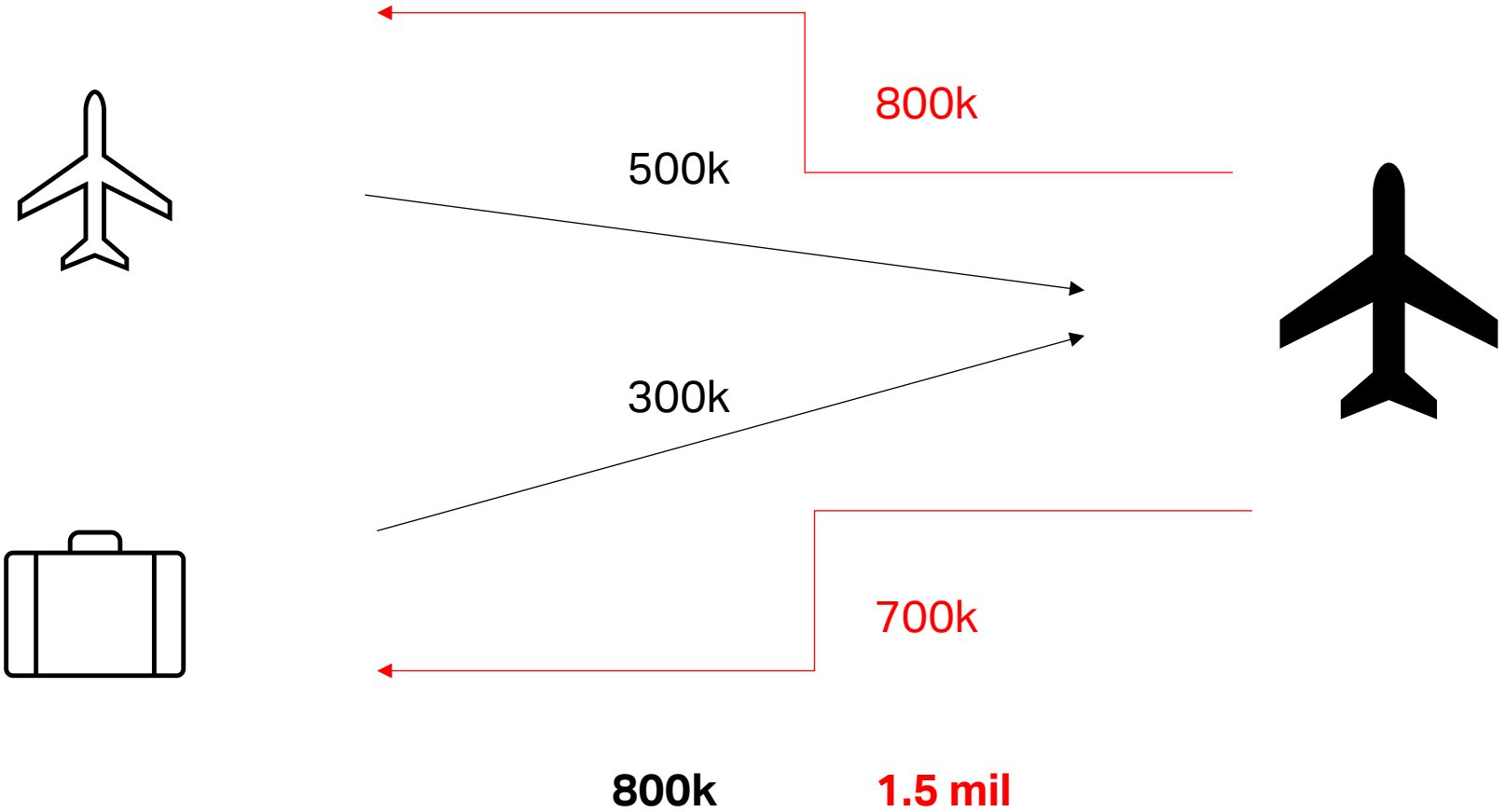
- Ability for courts to provide approval to pay “critical vendors” pre-petition debt

Broader positioning in the IATA Settlement Systems

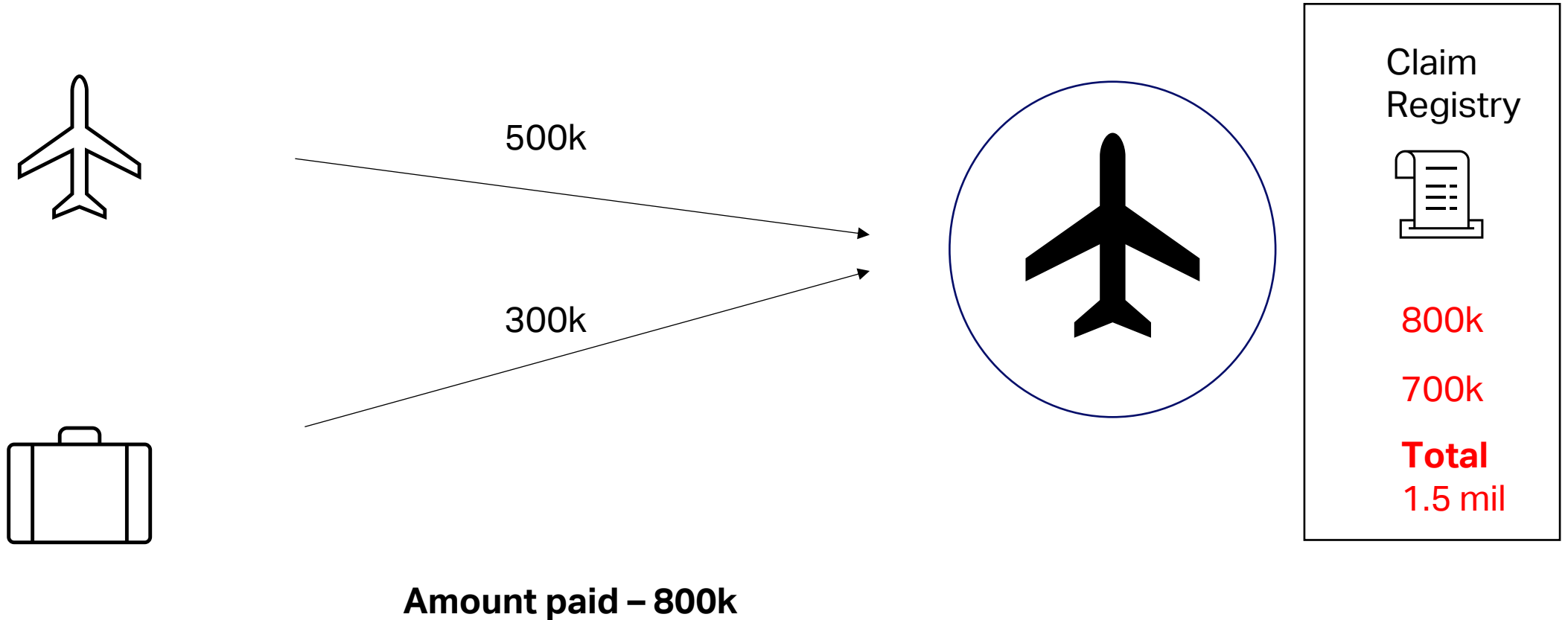
Netting

- ICH operates on a true net-in / net-out basis
- Generally, the ability to setoff or net is fact specific and limited

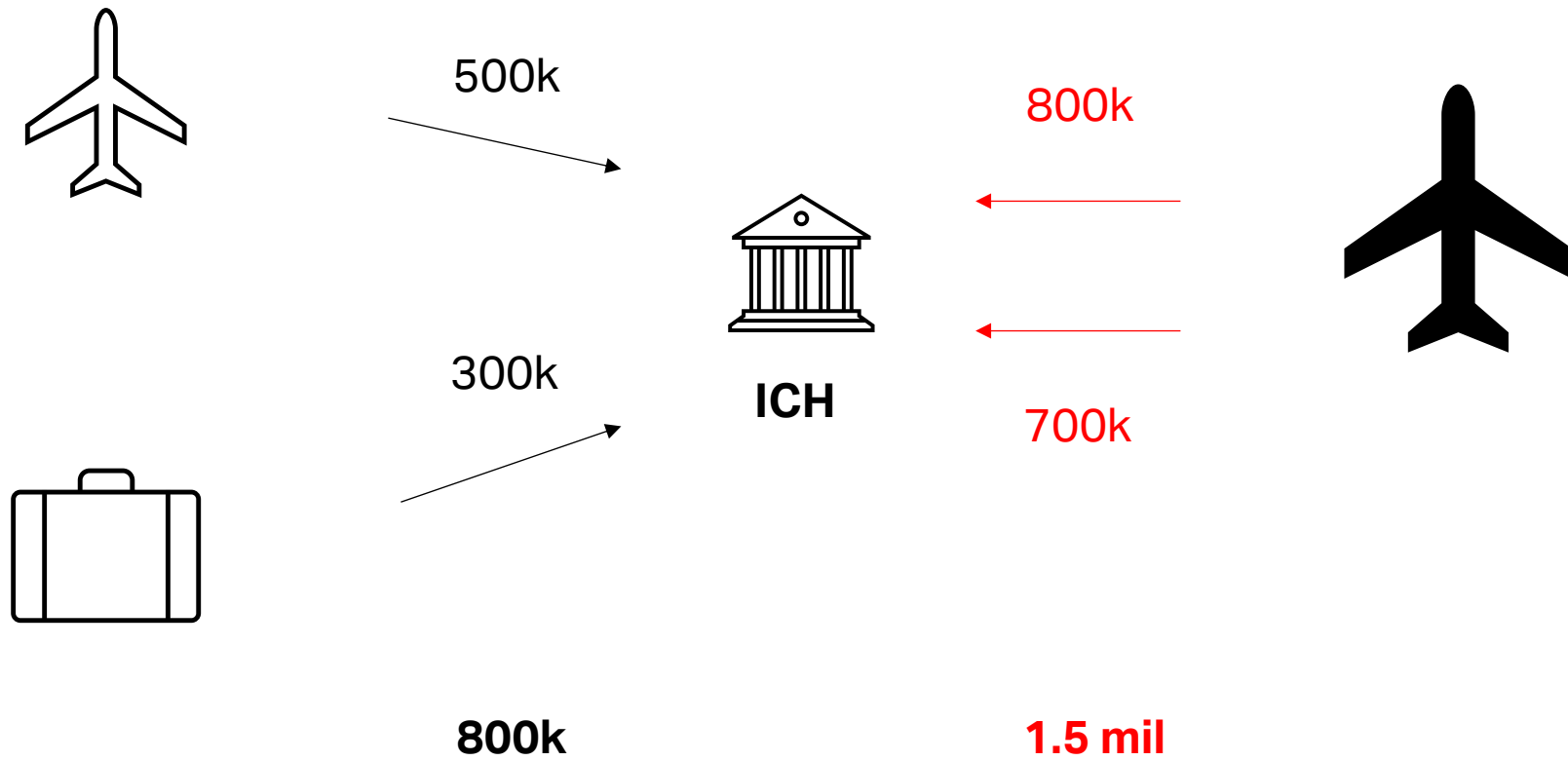
Normal course



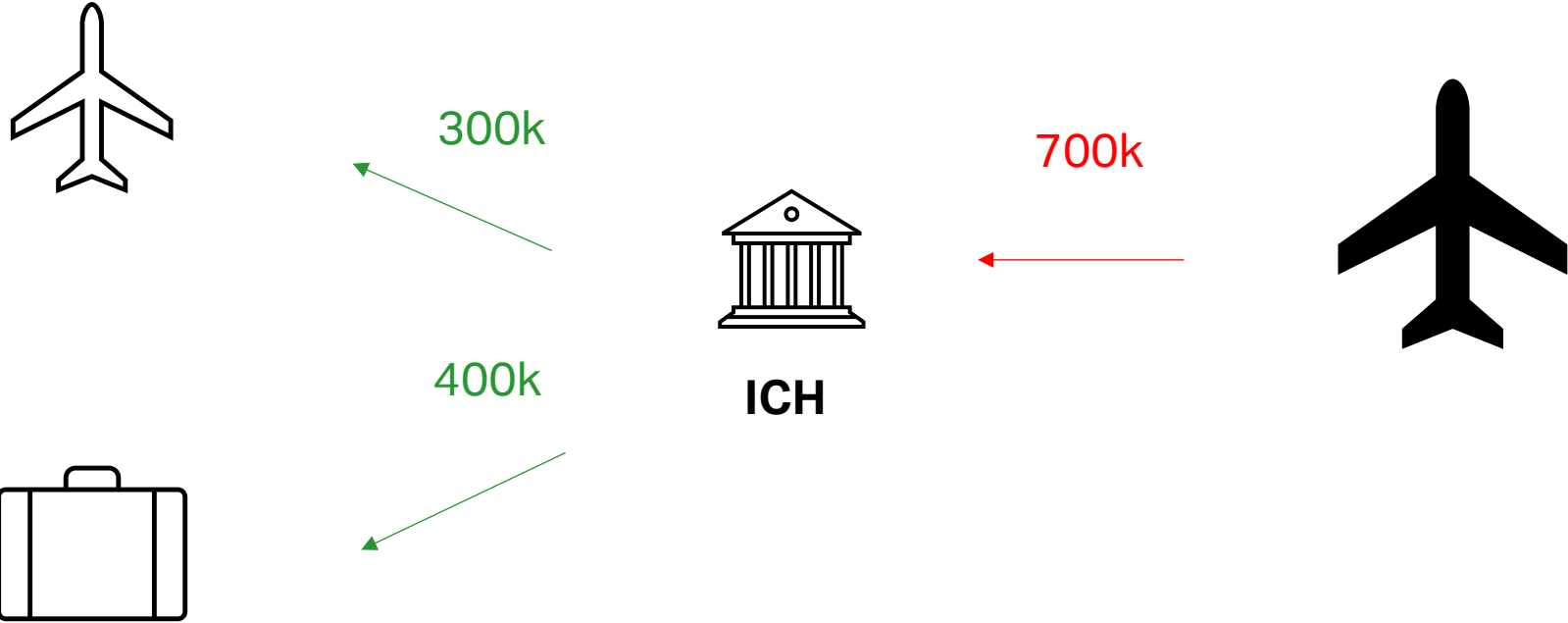
Insolvency context – outside of ICH



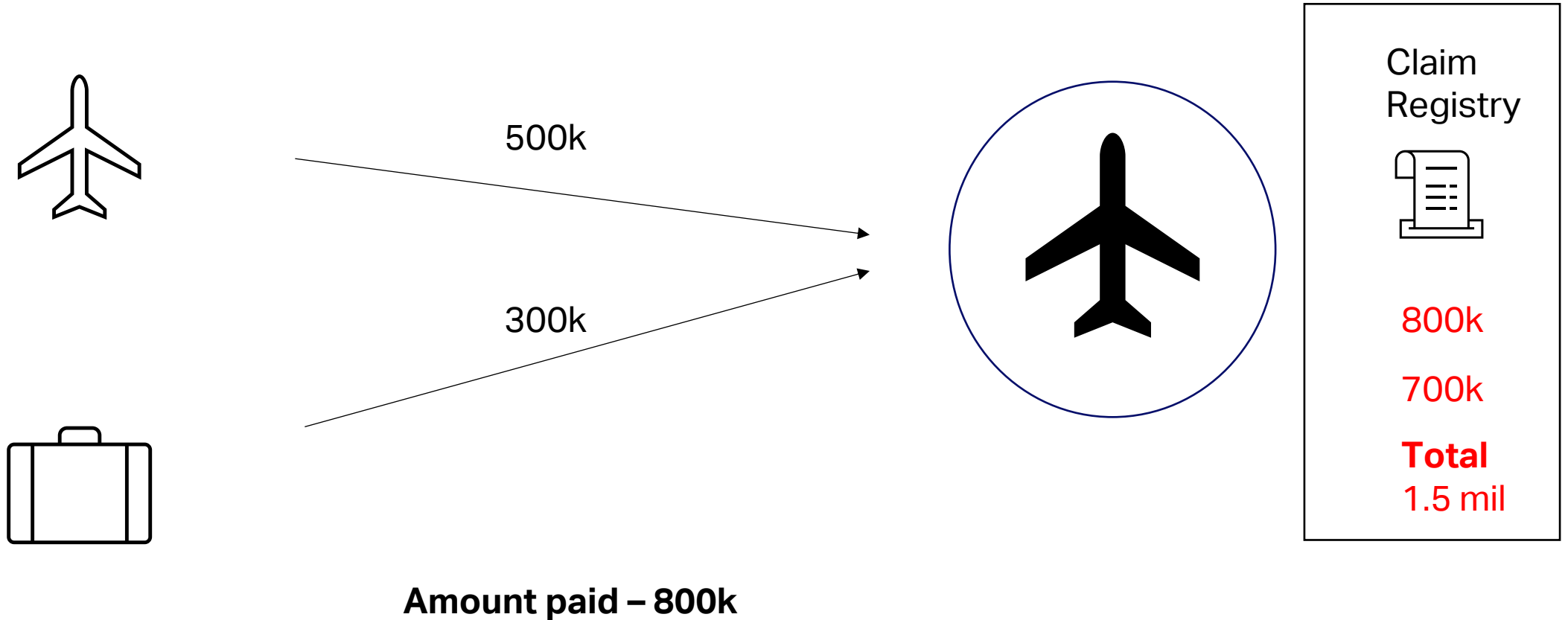
Netting – ICH context



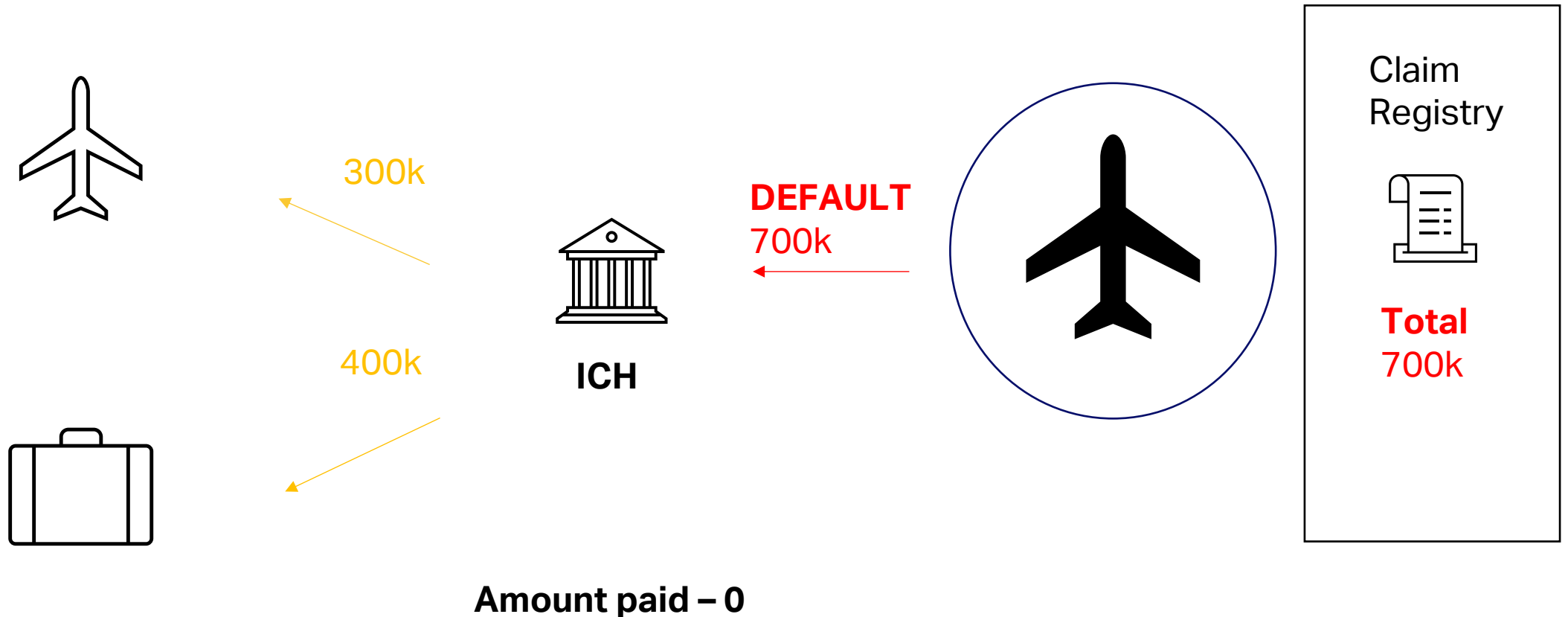
Netting – ICH context



Insolvency context – outside of ICH



Netting – ICH context (payment default)



Risk Management

- ICH Regulations inherently include controls and risk mitigation measures
- Standing & security deposits
- Risk monitoring (across the ISS)
- Insolvency claim management

Reminder on Procedure

ALWAYS follow Proc. 18: timely submit claims vs. suspended airline

- 6 months will be provided for submission, unless local law states otherwise
- Failure to timely submit will prevent any recovery on those claims

ALWAYS check claims submitted during 6-months post-suspension

- The suspended airline should also submit its own claims, which may need to be rejected
- Untimely rejections will not be allowed, as per RAM guidelines

NEVER bilaterally settle claims already submitted in ICH

- Bilateral settlement often results in a worse outcome for your own claims, and is in any case grounds for suspension

Wrap-up

Airline legal advisors may contact IATA Legal Services as needed

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Q&A

THANK YOU!

