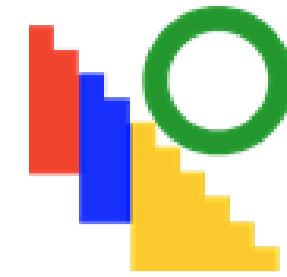


PAX Rejection Memo Reduction

Industry Initiative

Annual Report - 2024



The Simplified Invoicing and Settlement ("SIS") Operations Team, in coordination with the relevant industry Working Groups including the ABS WG, is pleased to publish the 2024 Annual Report from the IATA Passenger Rejection Memo Reduction Initiative. The purpose of this report is to track the trend of passenger rejection memos in SIS and provide a comparative analysis of the rejection memo counts of 2024 versus the counts of the base year 2015.

The IATA Passenger Rejection Memo Reduction Initiative is endorsed by IATA's Industry Financial Advisory Committee ("IFAC") to reduce the number of unnecessary passenger rejection billings in the industry. Airlines are encouraged to track the trend of their own passenger interline rejection billings by generating the SIS Report via the SIS module: Reports >> Passenger >> "Non Sampling RM Analysis Comparison to the Industry".

All values in this report exclude ACH billings (settlement through ACH using ACH rules). The report also covers Sampling and Non-Sampling analysis separately.

Rejection Rate

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Rejection Rate	9.87%	9.06%	8.38%	7.82%	6.98%	12.51%	4.98%	4.95%	5.12%	4.46%
% Var vs 2015		-8.21%	-15.14%	-20.73%	-29.24%	26.79%	-49.59%	-49.80%	-48.08%	-54.76%

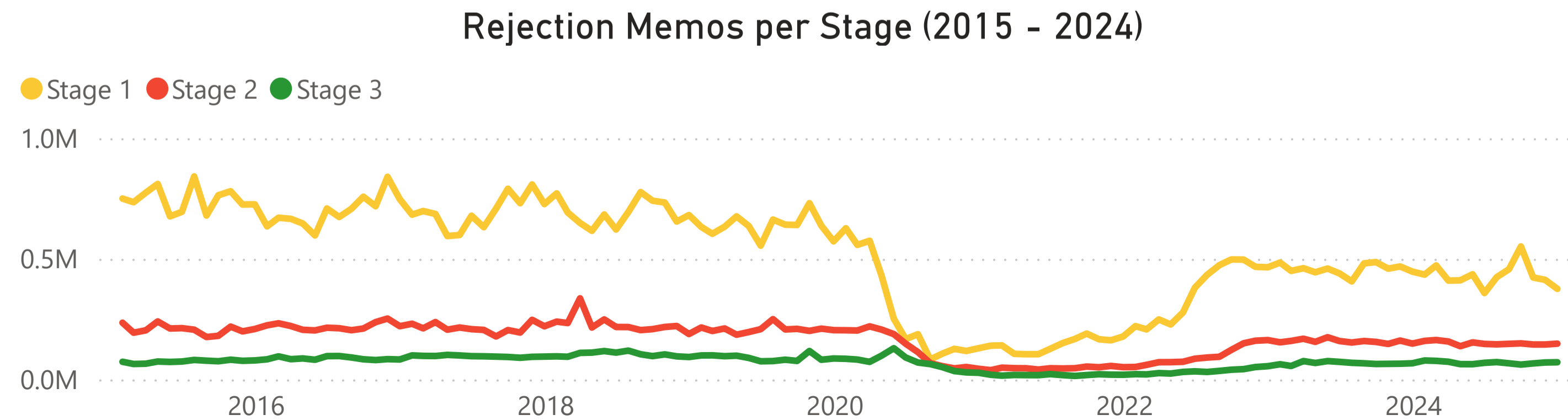
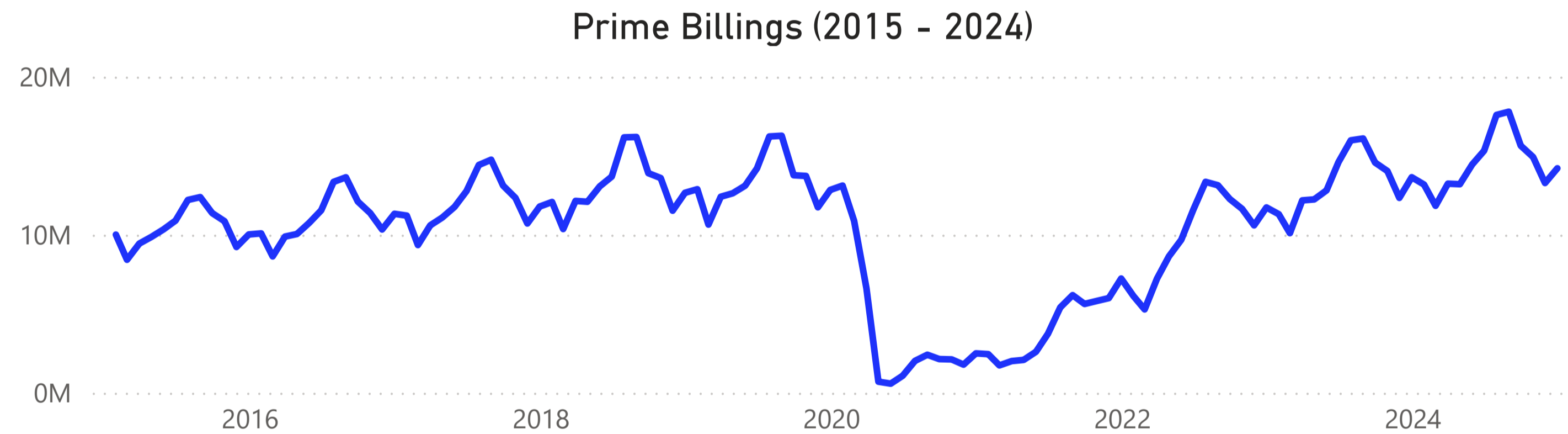
1. Highlight 2024

Prime Billings & Rejection Memos - 2015 - 2024

Prime Billings	Rejection Memos	RMs Stage 1	RMs Stage 2	RMs Stage 3	Rejection Rate
174.54M	7.79M	5.16M	1.80M	831.38K	4.46%
40%	-37%	-42%	-28%	-7%	-55%

Summary - 2024

- Prime Billings increased by 40% in comparison to 2015.
- Rejection Billings decreased by 37% in comparison to 2015.
- Stage 1 rejection counts have decreased by 42%, stage 2 by 28% and stage 3 by 7% in comparison to 2015.
- Fare related reasons (reason codes "1B, 1S, 1Z, 2S") are the number one reason for all stages of rejection memos with SMI I/M. Tax related reason ("1G, 1I, 1T, 1Y") are the number one reason for 1st stage of rejection memos with SMI B. Fare related reason ("1G, 1I, 1T, 1Y") are the number one reason for 2nd & 3rd stage of rejection memos with SMI B.



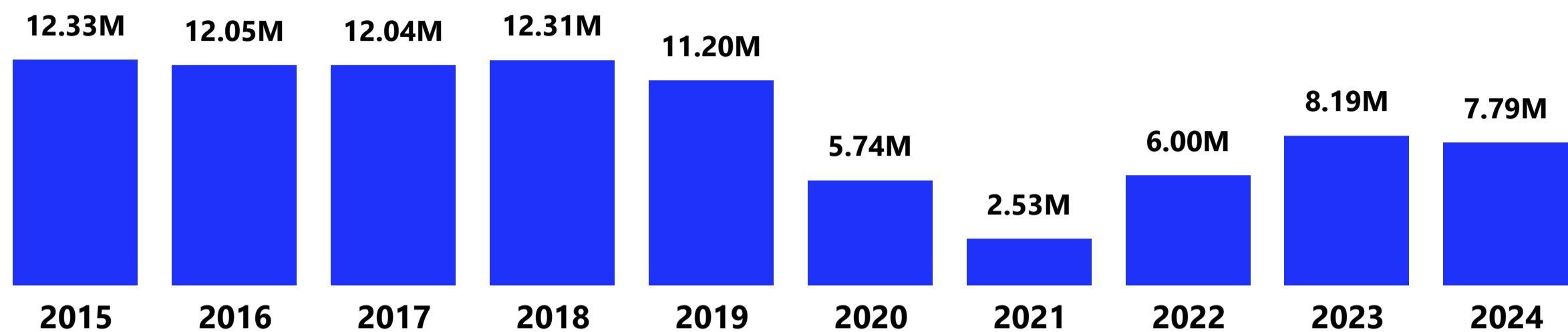
2. Global Non-Sampling Analysis

Total Rejection Memo Count and USD Value per Year

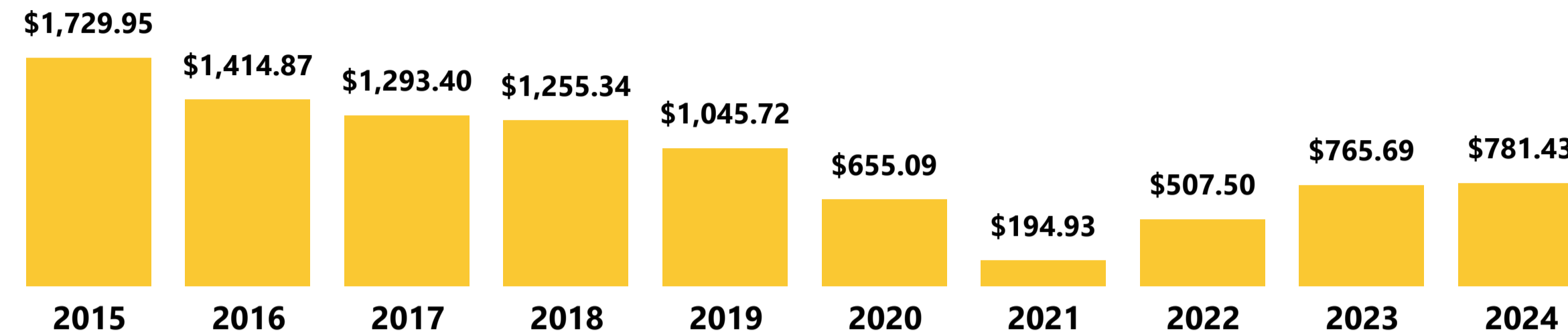
Rejection Memo Count: 7.79M (2024).

Rejection Memo Value: USD\$ 781.43M (2024)

Rejection Memo Count



Rejection Memo Value (USD Million)

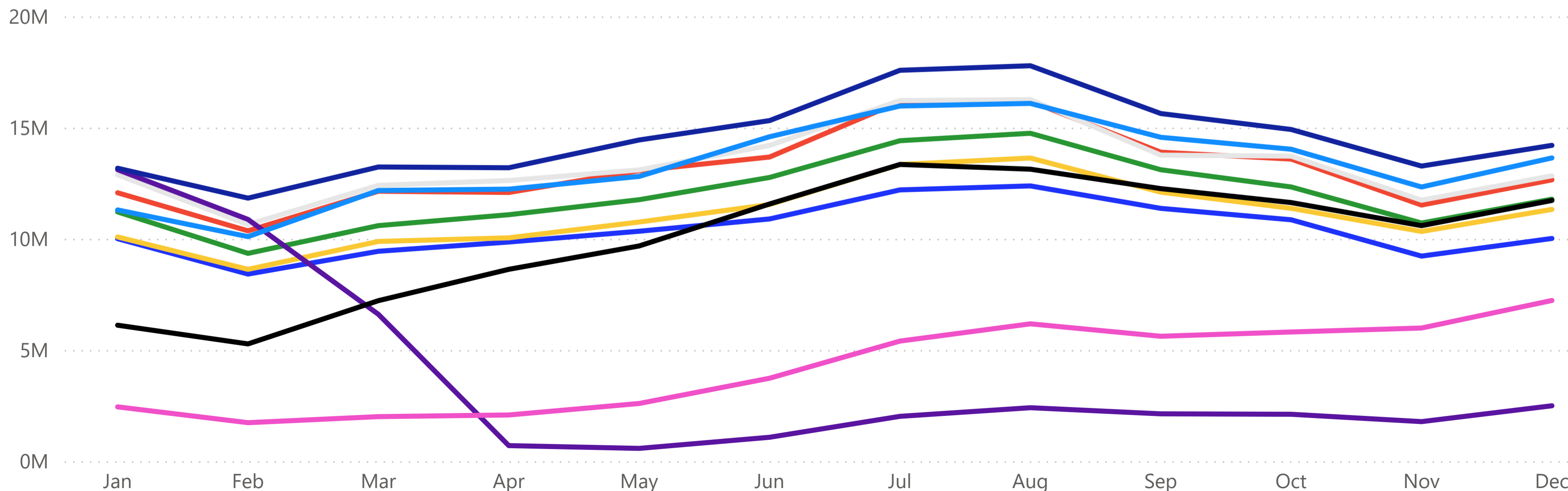


Total Prime Billing Counts - 2015 - 2024

2024 Prime Billings have increased of 39.67% compared to 2015

Prime Billings Count

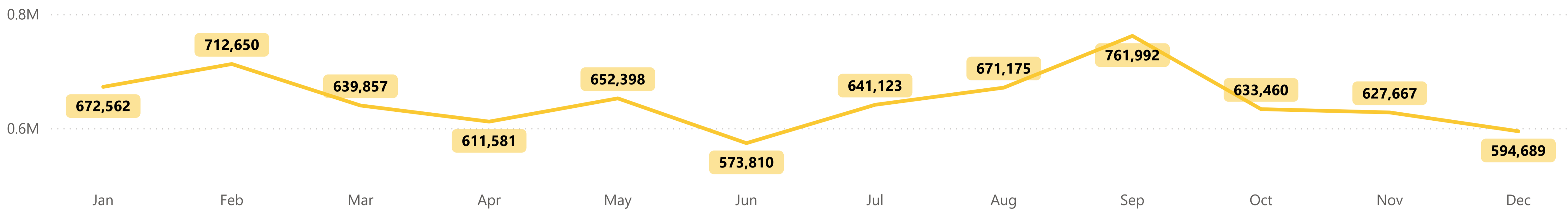
Year ● 2015 ● 2016 ● 2017 ● 2018 ● 2019 ● 2020 ● 2021 ● 2022 ● 2023 ● 2024



Year	Prime Billings	% Variation vs 2015
2015	124,965,120	
2016	133,004,194	6.43%
2017	143,807,432	15.08%
2018	157,354,093	25.92%
2019	160,339,228	28.31%
2020	45,856,996	-63.30%
2021	50,788,550	-59.36%
2022	121,133,951	-3.07%
2023	159,787,973	27.87%
2024	174,539,555	39.67%

Total Rejection Memo Count by Month - 2024

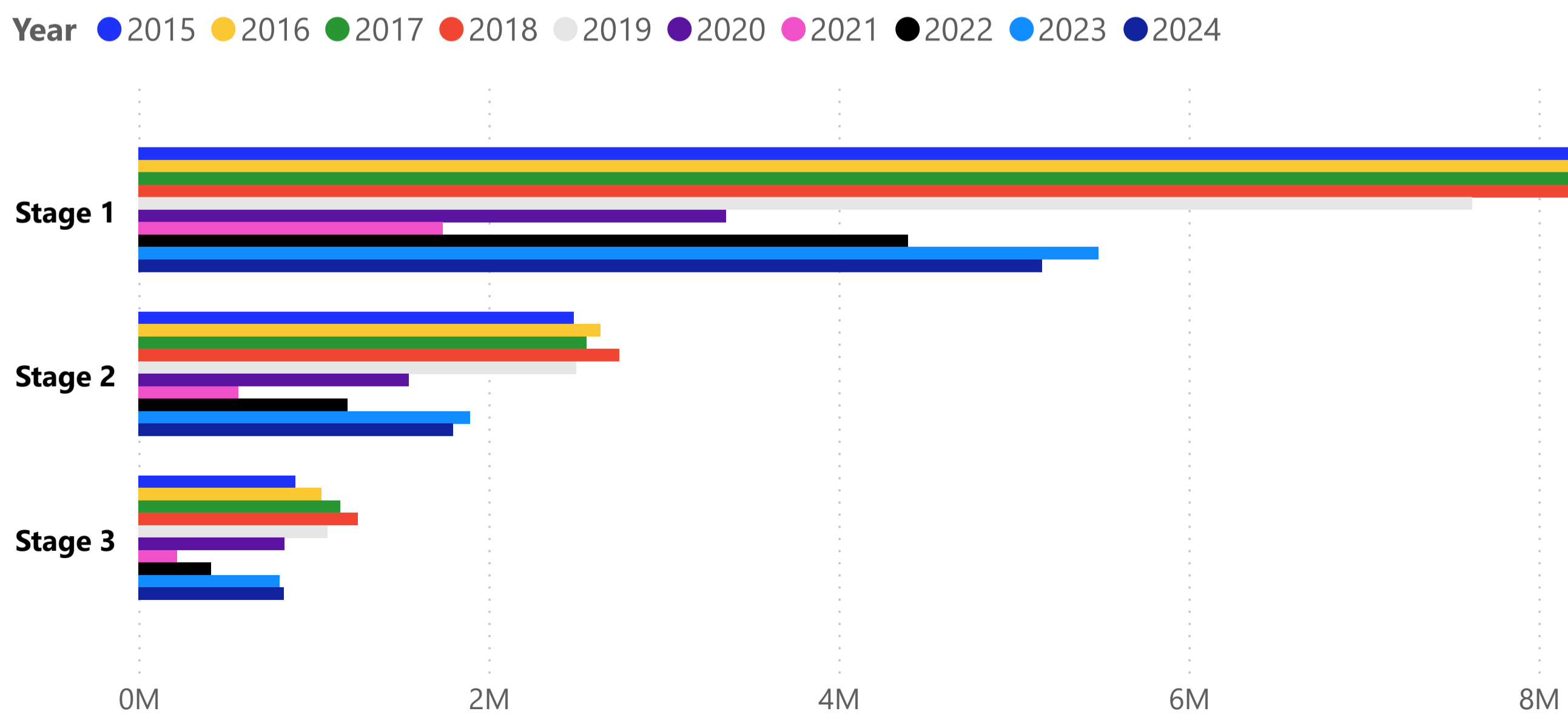
The below graph shows the total count of non-sampling rejection memos for all stages per month in 2024. September was the month that contained the highest rejection memo count.



Total Rejection Memo Count by Stage - 2015 - 2024

The below chart shows a comparison of rejections counts for each stage between 2015 and 2024.

Stage 1 Var. % vs 2015: -42%
Stage 2 Var. % vs 2015: -28%
Stage 3 Var. % vs 2015: -7%



Year	Stage 1	% Var. vs 2015	Stage 2	% Var. vs 2015	Stage 3	% Var. vs 2015
2015	8,954,055		2,485,300		894,364	
2016	8,364,691	-7%	2,638,520	6%	1,045,825	17%
2017	8,332,938	-7%	2,558,982	3%	1,152,795	29%
2018	8,312,757	-7%	2,747,008	11%	1,251,724	40%
2019	7,619,238	-15%	2,499,479	1%	1,078,478	21%
2020	3,358,353	-62%	1,545,387	-38%	834,672	-7%
2021	1,736,807	-81%	568,774	-77%	221,511	-75%
2022	4,395,290	-51%	1,193,625	-52%	412,613	-54%
2023	5,485,830	-39%	1,895,761	-24%	807,105	-10%
2024	5,163,489	-42%	1,798,095	-28%	831,380	-7%

3. Rejection Reduction Target & Progress

Target

The industry target of **32%** reduction of the rejection rate by the year 2020 was put on hold in 2020 due to Covid-19. The rejection rate is calculated as follows:

$$\text{Rejection Rate} = \frac{\text{Sum of Rejection Memos of Past 12 months}}{\text{Sum of Prime Billings of Past 12 months}} \times 100\%$$

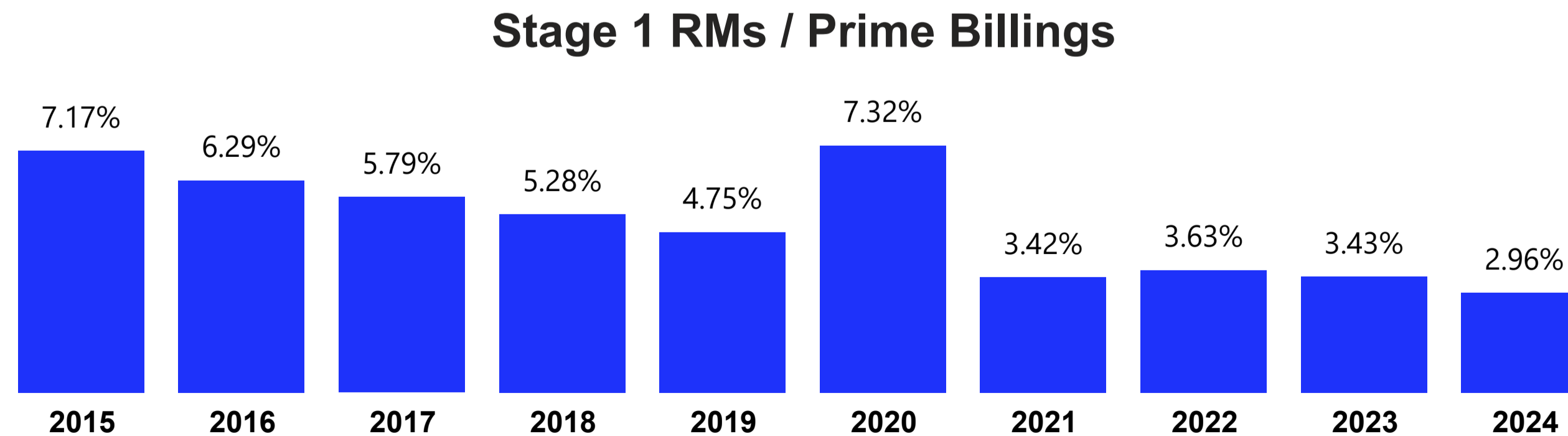
The table on the right shows the decrease in the rejection rate at the end of each year. By December 2024, the rejection rate decreased by **54.76%** in comparison to the base year 2015.

Year	RMs/ Primes	RMs/Primes Chart
2015	9.87%	
2016	9.06%	-8.21%
2017	8.38%	-15.14%
2018	7.82%	-20.73%
2019	6.98%	-29.24%
2020	12.51%	26.79%
2021	4.98%	-49.59%
2022	4.95%	-49.80%
2023	5.12%	-48.08%
2024	4.46%	-54.76%

Stage 1 Analysis - Estimated Percentage of Rejected Prime Billings

The chart below illustrates the trend of the estimated percentage of rejected prime billings for the full years from 2015 to 2024. Based on this calculation, approximately **2.96%** in 2024 were rejected, a consistent decrease since 2015. The percentage is calculated using the following formula:

$$\text{Estimated \% of rejected prime billings} = \frac{\text{Sum of Stage 1 RMs of past 12 months}}{\text{Sum of Prime Billings of Past 12 months}} \times 100\%$$



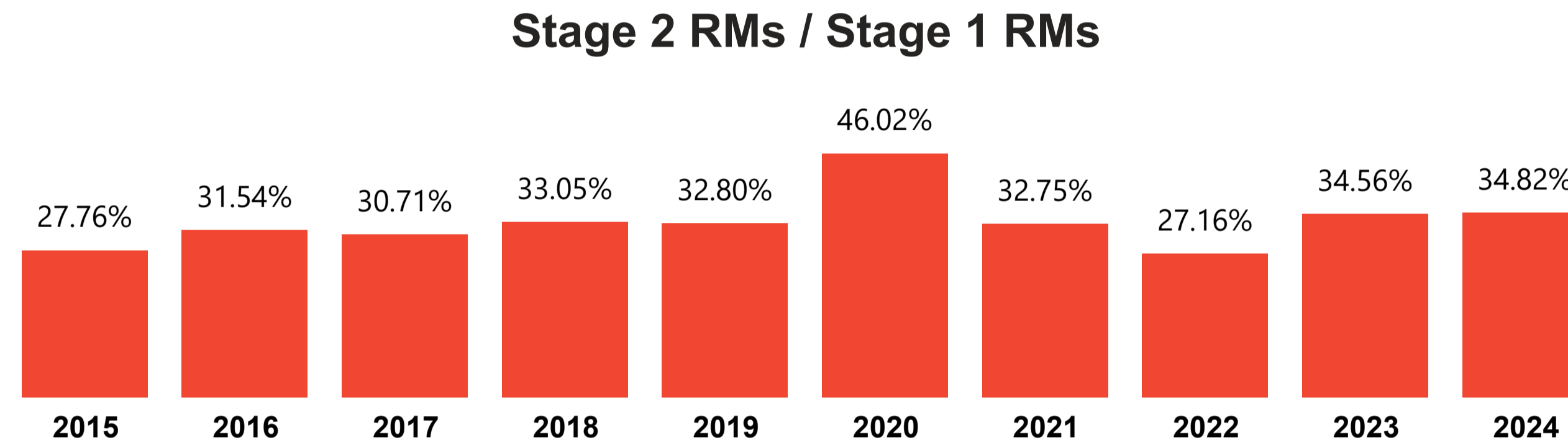
Stage 2 & 3 Analysis - Estimated Percentage of Re-Rejected Stage 1 and Stage 2 Rejections

The percentages are calculated using the following formulae:

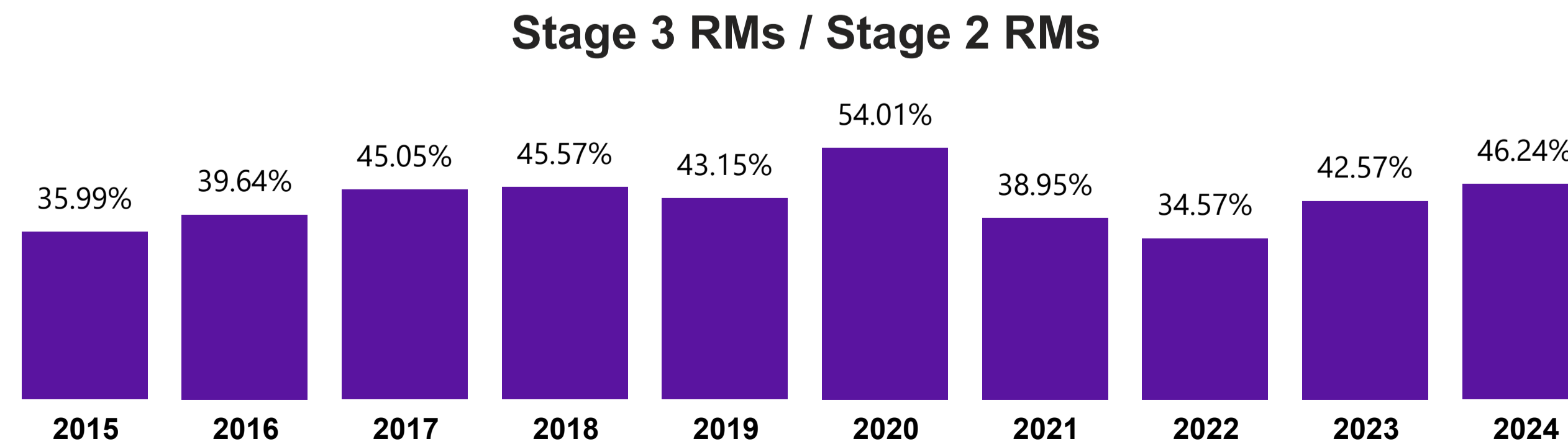
$$\text{Estimated \% of rejected Stage 1 RMs} = \frac{\text{Sum of Stage 2 RMs of past 12 months}}{\text{Sum of Stage 1 RMs of past 12 month}} \times 100\%$$

$$\text{Estimated \% of rejected Stage 2 RMs} = \frac{\text{Sum of Stage 3 RMs of past 12 months}}{\text{Sum of Stage 2 RMs of past 12 month}} \times 100\%$$

The chart below illustrates the trend of the estimated percentage of rejected stage 1 rejection memos for the full years from 2015 to 2024. The estimated percentage of rejected Stage 1 Rejection Memos is plotted in the graph below and show an increase in 2024 in comparison to previous years. Approximately **34.82%** of the Stage 1 rejection in 2024 were rejected back 2nd stage.



The chart below illustrates the trend of the estimated percentage of rejected stage 2 rejection memos for the full years from 2015 to 2024. The estimated percentage of rejected Stage 2 Rejection Memos is plotted in the graph below and show an increase in 2024 in comparison to previous years. Approximately **46.24%** of the Stage 2 rejection in 2024 were rejected back 3rd stage.



4. Rejection Memos Analysis by SMI

SMI - I/M Analysis - 2019 - 2024

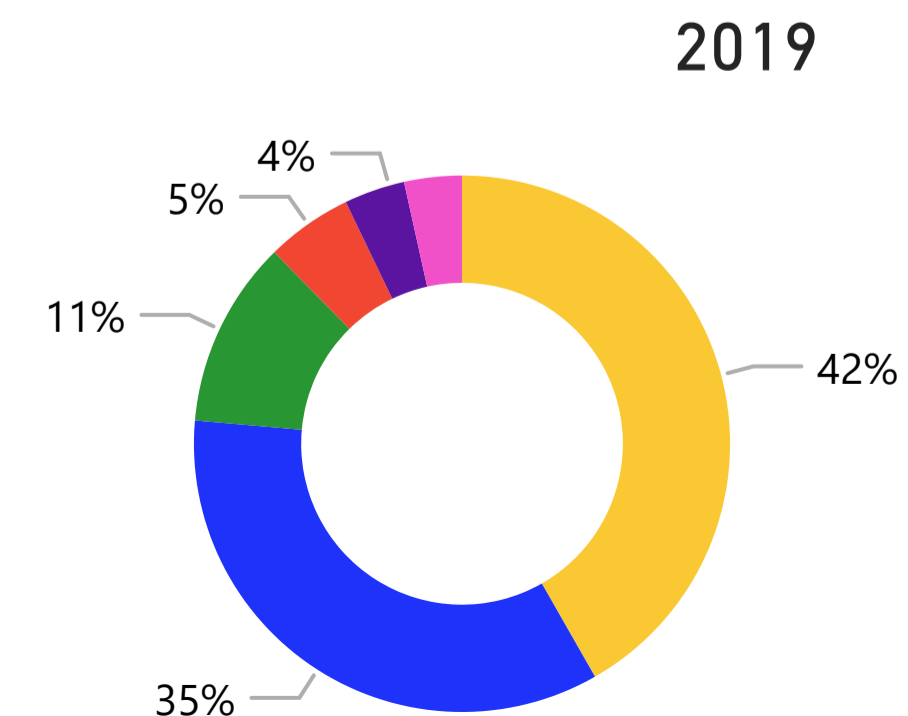
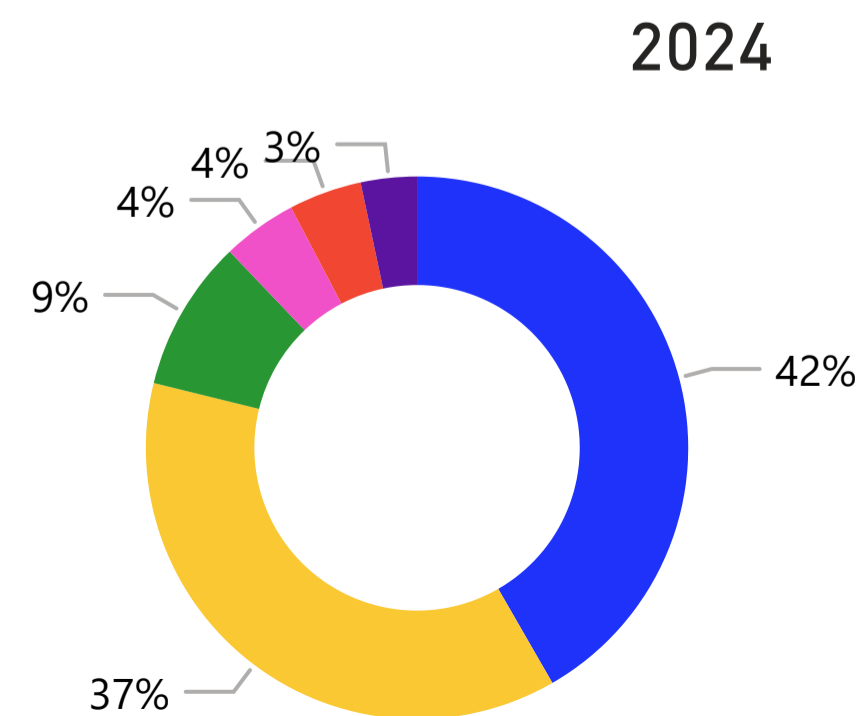
The table below shows the counts of SMI I and SMI M rejections per stage (2024 vs 2019). All rejection stages in 2024 have decreased compared to 2019. Data prior to 2019 is only at annual summary level, hence years prior to 2019 were removed from the analysis.

Year	1st Stage	% Var. vs 2019	2nd Stage	% Var. vs 2019	3rd Stage	% Var. vs 2019	Total RM Count
2019	7,251,647		2,439,040		1,048,062		10,738,749
2024	4,998,757	-31%	1,767,790	-28%	823,448	-21%	7,589,995

1st Stage Reason Code Analysis

The table below shows the Top 7 Reason Codes, sorted by 2024 stage 1 rejection counts. The top 7 reason codes represent **98%** of all SMI-I/M stage 1 rejections. Fare related reasons account for the highest count of 1st stage rejections in 2024.

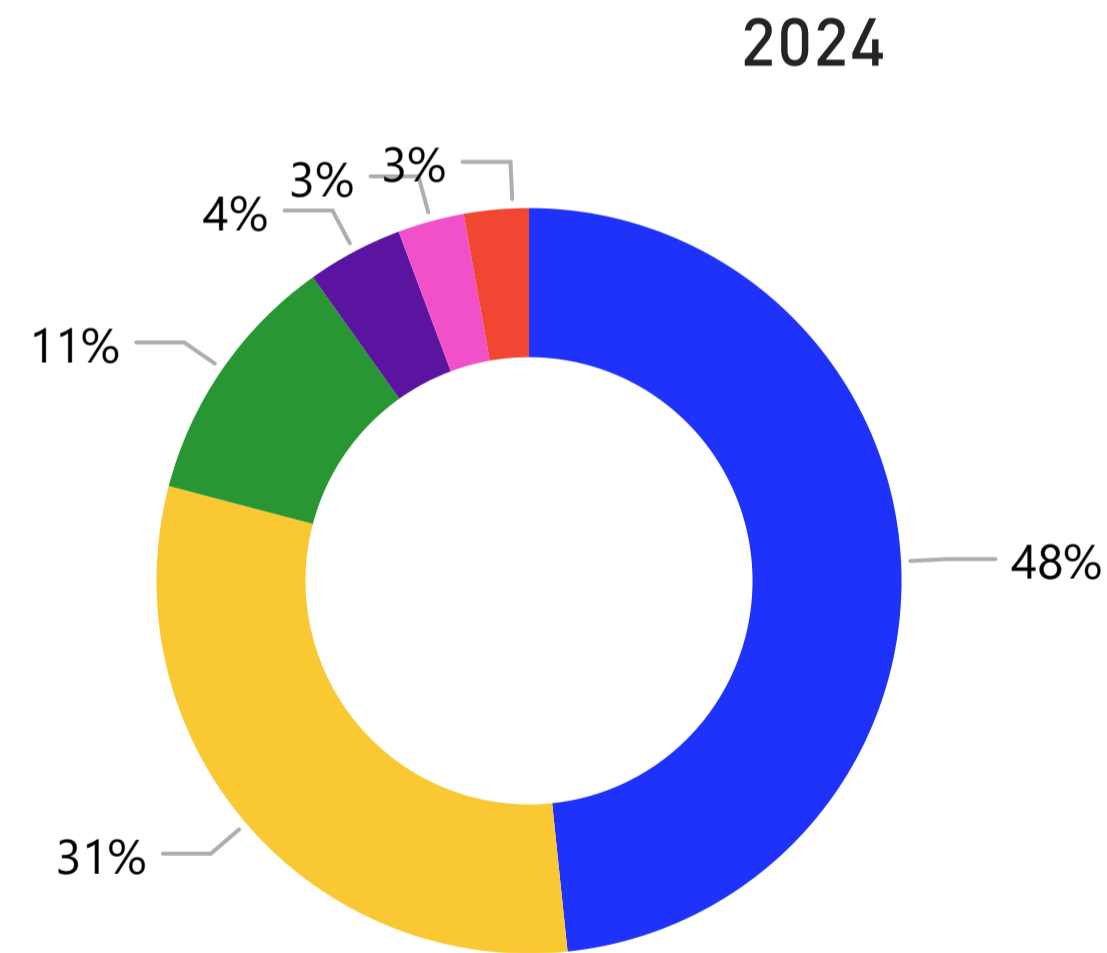
Reason Codes	Reason Code Description	1st Stage 2024	1st Stage 2023	1st Stage 2022	1st Stage 2021	1st Stage 2020	1st Stage 2019	% Variation 2024 vs 2019
1B, 1S, 1Z, 2S	Fare Related	2,072,748	2,145,745	1,772,129	654,937	1,220,844	2,509,370	-17%
1G, 1I, 1T, 1Y	Tax Related	1,847,855	1,914,217	1,503,663	602,133	1,209,088	3,022,945	-39%
1A, 1R	Fare/Tax/ISC Related	448,819	540,183	384,053	127,693	339,374	816,108	-45%
1E	UATP Reclaim	221,111	220,475	213,060	66,659	121,873	251,541	-12%
1C	ISC Reclaim	166,059	189,106	152,287	66,278	116,719	265,126	-37%
5Z	Others	123,284	126,925	67,802	41,584	92,072	141,340	-13%
1D	Other Commission Reclaim	28,407	35,812	18,084	27,347	11,346	57,045	-50%



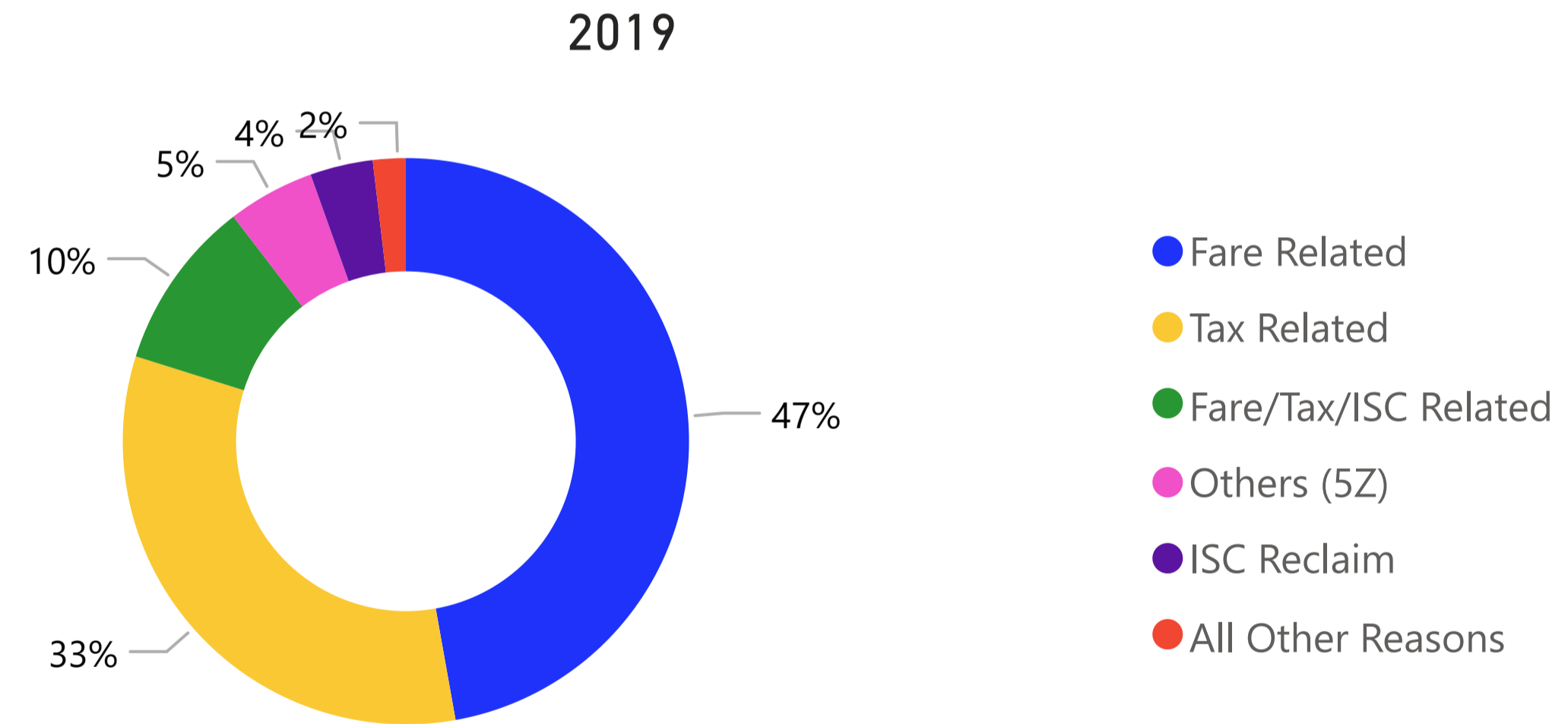
2nd Stage Reason Code Analysis

The table below shows the Top 7 Reason Codes, sorted by 2024 stage 2 rejection counts. The top 7 reason codes represent **99%** of all SMI-I/M stage 2 rejections. Fare related reasons account for the highest count of 2nd stage rejections in 2024.

Reason Codes	Reason Code Description	2nd Stage 2024	2nd Stage 2023	2nd Stage 2022	2nd Stage 2021	2nd Stage 2020	2nd Stage 2019	% Variation 2024 vs 2019
1B, 1S, 1Z, 2S	Fare Related	854,728	913,988	512,345	249,034	678,735	1,150,983	-26%
1G, 1I, 1T, 1Y	Tax Related	543,510	548,159	388,093	187,332	504,537	796,531	-32%
1A, 1R	Fare/Tax/ISC Related	195,410	170,609	106,077	46,093	155,190	237,291	-18%
1C	ISC Reclaim	73,536	66,177	55,528	16,847	53,660	87,480	-16%
5Z	Others	50,986	69,417	58,309	34,695	96,458	121,034	-58%
1E	UATP Reclaim	23,611	17,623	9,940	2,338	7,804	13,113	80%
1D	Other Commission Reclaim	6,665	18,241	2,438	4,851	4,421	13,835	-52%



- Fare Related
- Tax Related
- Fare/Tax/ISC Related
- ISC Reclaim
- Others (5Z)
- All Other Reasons

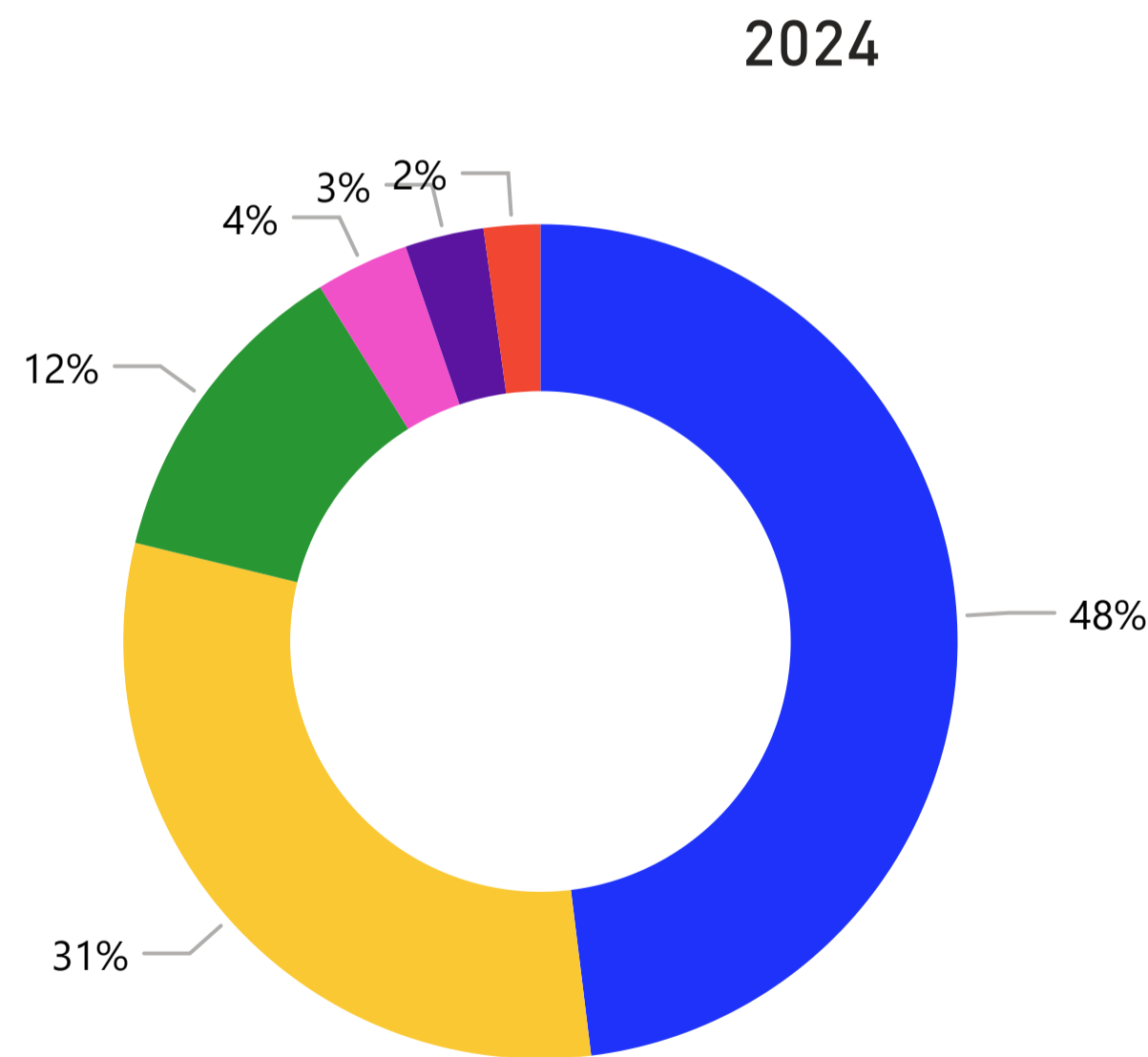


- Fare Related
- Tax Related
- Fare/Tax/ISC Related
- Others (5Z)
- ISC Reclaim
- All Other Reasons

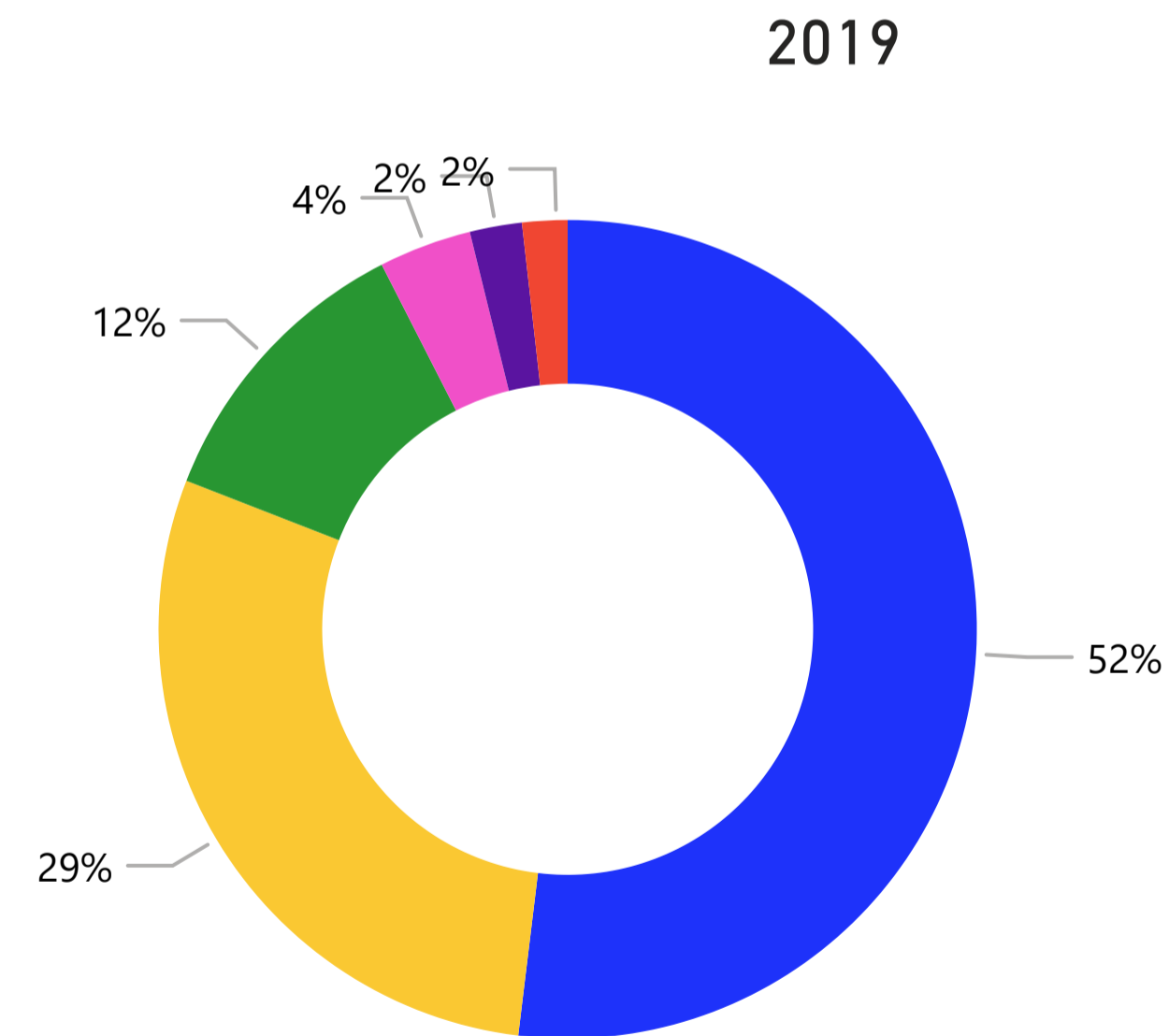
3rd Stage Reason Code Analysis

The table below shows the Top 7 Reason Codes, sorted by 2024 stage 3 rejection counts. The top 7 reason codes represent **99%** of all SMI-I/M stage 3 rejections. Fare related reasons account for the highest count of 3rd stage rejections in 2024.

Reason Codes	Reason Code Description	3rd Stage 2024	3rd Stage 2023	3rd Stage 2022	3rd Stage 2021	3rd Stage 2020	3rd Stage 2019	% Variation 2024 vs 2019
1B, 1S, 1Z, 2S	Fare Related	395,727	410,092	198,460	118,805	425,711	474,398	-17%
1G, 1I, 1T, 1Y	Tax Related	253,176	228,878	124,114	49,918	221,588	387,393	-35%
1A, 1R	Fare/Tax/ISC Related	101,623	91,449	37,301	19,206	83,670	101,013	1%
5Z	Others	29,801	28,928	13,448	9,827	41,687	46,630	-36%
1C	ISC Reclaim	25,140	16,264	20,524	5,707	26,597	22,810	10%
1E	UATP Reclaim	10,396	9,539	4,024	1,357	6,746	7,083	47%
1D	Other Commission Reclaim	2,703	1,245	1,711	1,924	796	1,533	76%



- Fare Related
- Tax Related
- Fare/Tax/ISC Related
- Others (5Z)
- ISC Reclaim
- All Other Reasons



- Fare Related
- Tax Related
- Fare/Tax/ISC Related
- Others (5Z)
- ISC Reclaim
- All Other Reasons

SMI - B Analysis - 2019 - 2024

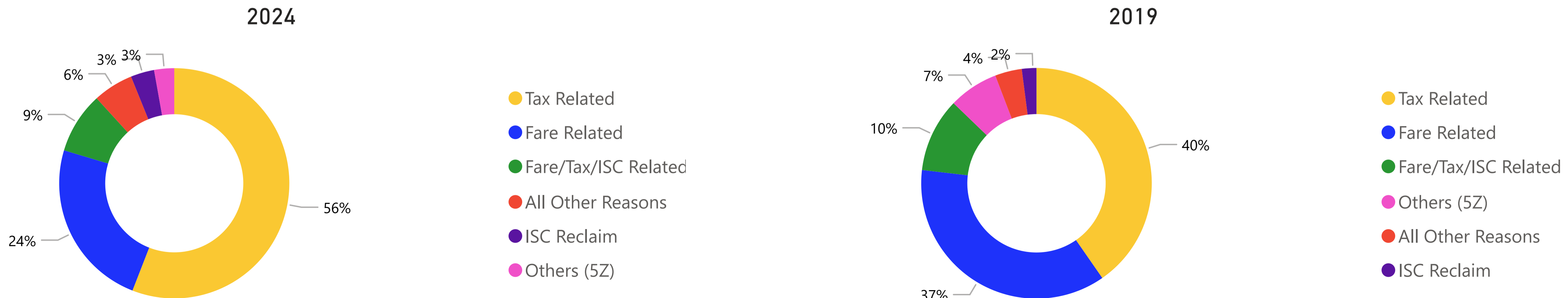
The table below shows the counts of SMI I and SMI M rejections per stage (2024 vs 2019). In 2024 all stages of rejections have decreased in comparison to 2019.

Year	1st Stage	% Var. vs 2015	2nd Stage	% Var. vs 2015	3rd Stage	% Var. vs 2015	Total RM Count
2019	367,591		60,439		30,416		458,446
2024	164,732	-55%	30,305	-50%	7,932	-74%	202,969

1st Stage Reason Code Analysis

The table below shows the Top 7 Reason Codes, sorted by 2024 stage 1 rejection counts. The top 7 reason codes represent **99%** of all SMI-I/M stage 1 rejections. Tax related reasons account for the highest count of 1st stage rejections in 2024.

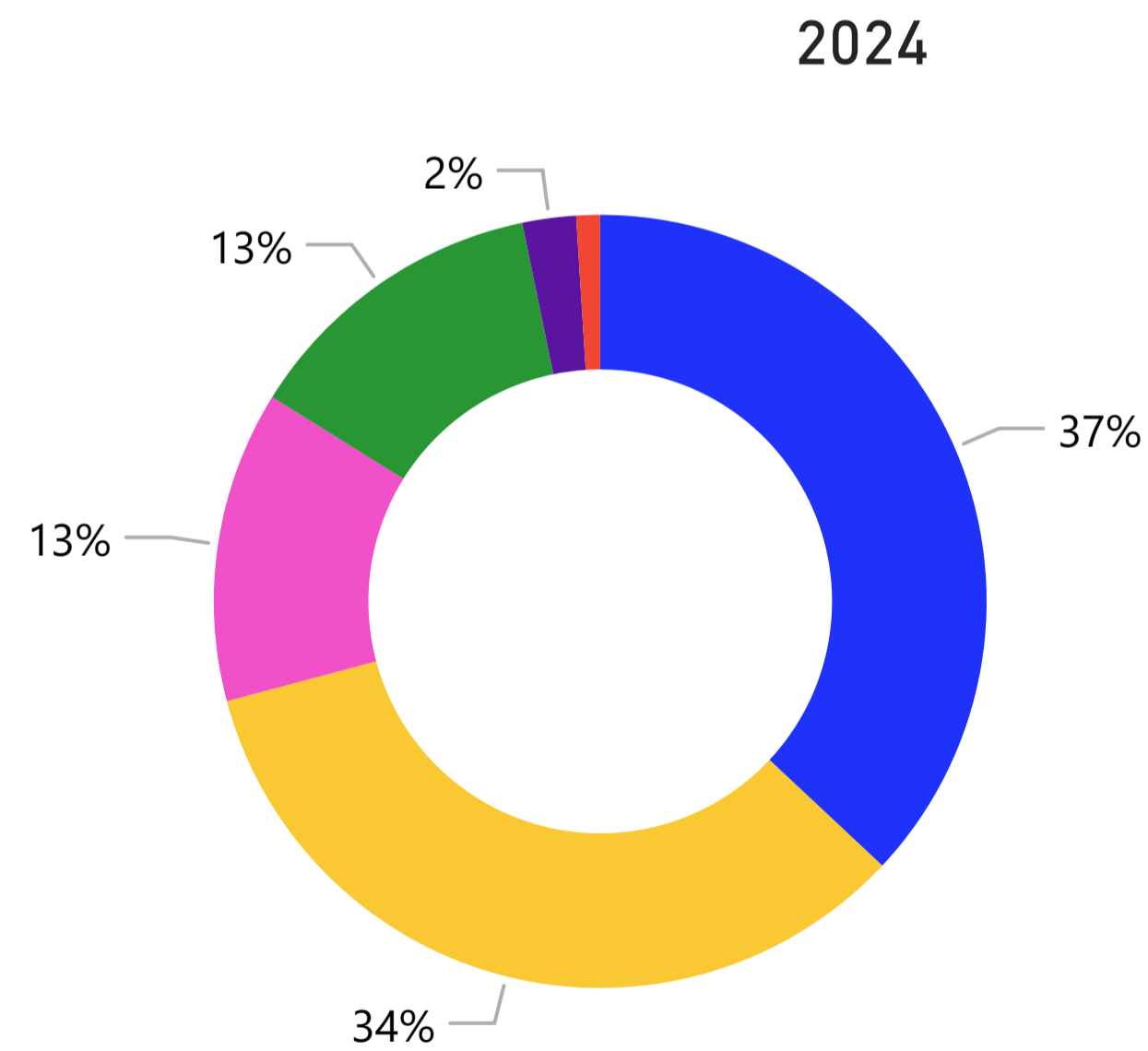
Reason Codes	Reason Code Description	1st Stage 2024	1st Stage 2023	1st Stage 2022	1st Stage 2021	1st Stage 2020	1st Stage 2019	% Variation 2024 vs 2019
1G, 1I, 1T, 1Y	Tax Related	92,112	82,925	100,844	49,018	76,135	148,263	-38%
1B, 1S, 1Z, 2S	Fare Related	39,055	67,375	56,726	30,965	48,043	134,203	-71%
1A, 1R	Fare/Tax/ISC Related	14,149	22,991	29,000	17,736	16,466	38,145	-63%
1C	ISC Reclaim	5,456	6,054	2,028	1,077	623	7,525	-27%
5Z	Others	4,637	9,216	7,538	4,753	6,966	25,611	-82%
1E	UATP Reclaim	3,781	845	7,793	4,117	4,885	2,836	33%
2B	Duplicate Billing	3,315	2,307	1,119	3,778	4,025	2,141	55%



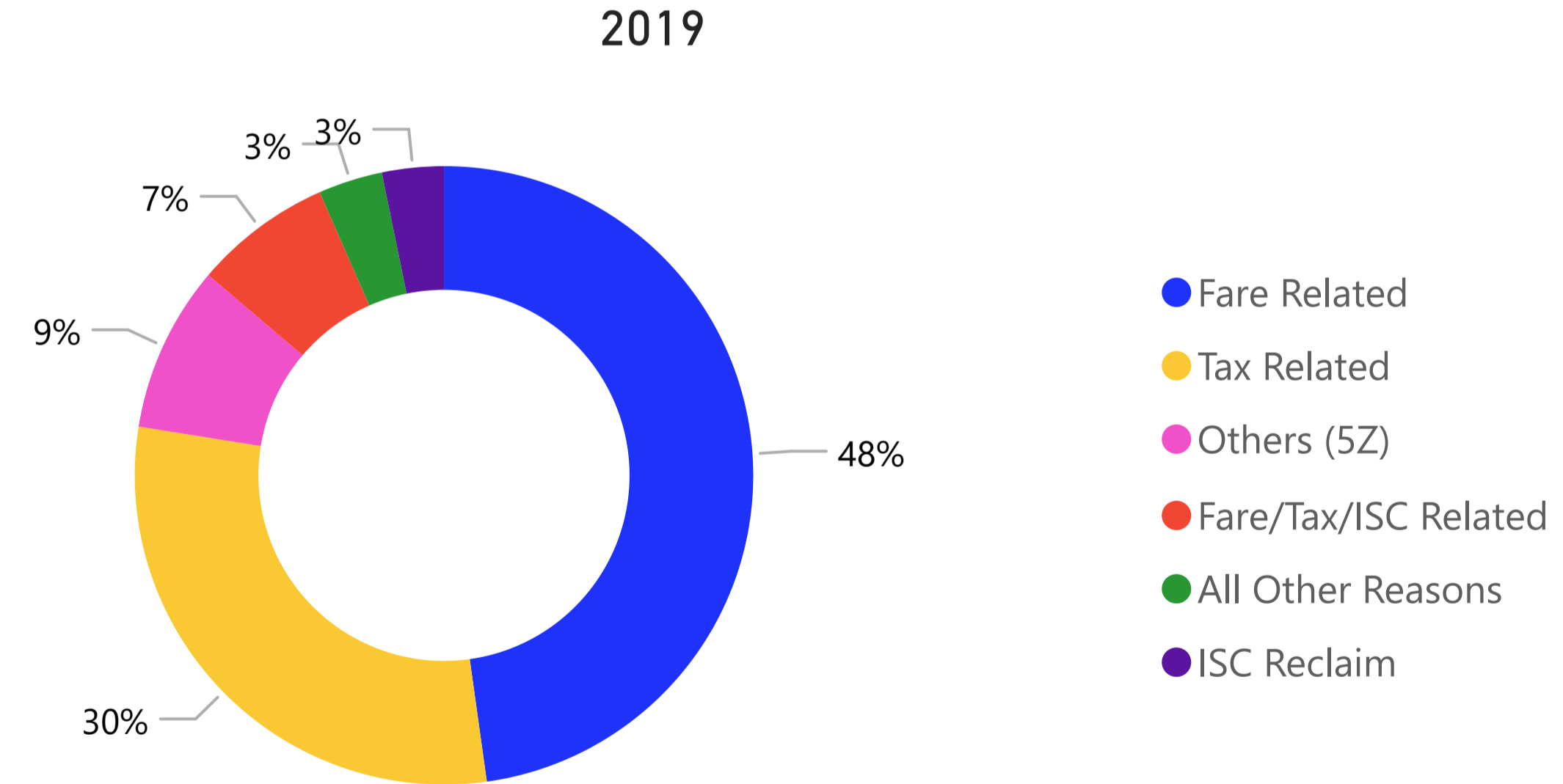
2nd Stage Reason Code Analysis

The table below shows the Top 7 Reason Codes, sorted by 2024 stage 2 rejection counts. The top 7 reason codes represent **99%** of all SMI-I/M stage 2 rejections. Fare Related reasons account for the highest count of 2nd stage rejections in 2024.

Reason Codes	Reason Code Description	2nd Stage 2024	2nd Stage 2023	2nd Stage 2022	2nd Stage 2021	2nd Stage 2020	2nd Stage 2019	% Variation 2024 vs 2019
1B, 1S, 1Z, 2S	Fare Related	11,206	10,012	11,890	7,739	14,601	28,882	-61%
1G, 1I, 1T, 1Y	Tax Related	10,263	34,620	25,571	10,940	8,498	17,973	-43%
5Z	Others	3,946	18,552	5,456	1,371	5,801	5,251	-25%
1A, 1R	Fare/Tax/ISC Related	3,909	9,138	9,576	3,040	3,993	4,352	-10%
1C	ISC Reclaim	680	896	530	181	178	1,951	-65%
2C	Endorsement Required	229	5	141	26		2	11350%
2D	Billing Outside Time Limits	23	1	11	32		12	92%



- Fare Related
- Tax Related
- Others (5Z)
- Fare/Tax/ISC Related
- ISC Reclaim
- All Other Reasons

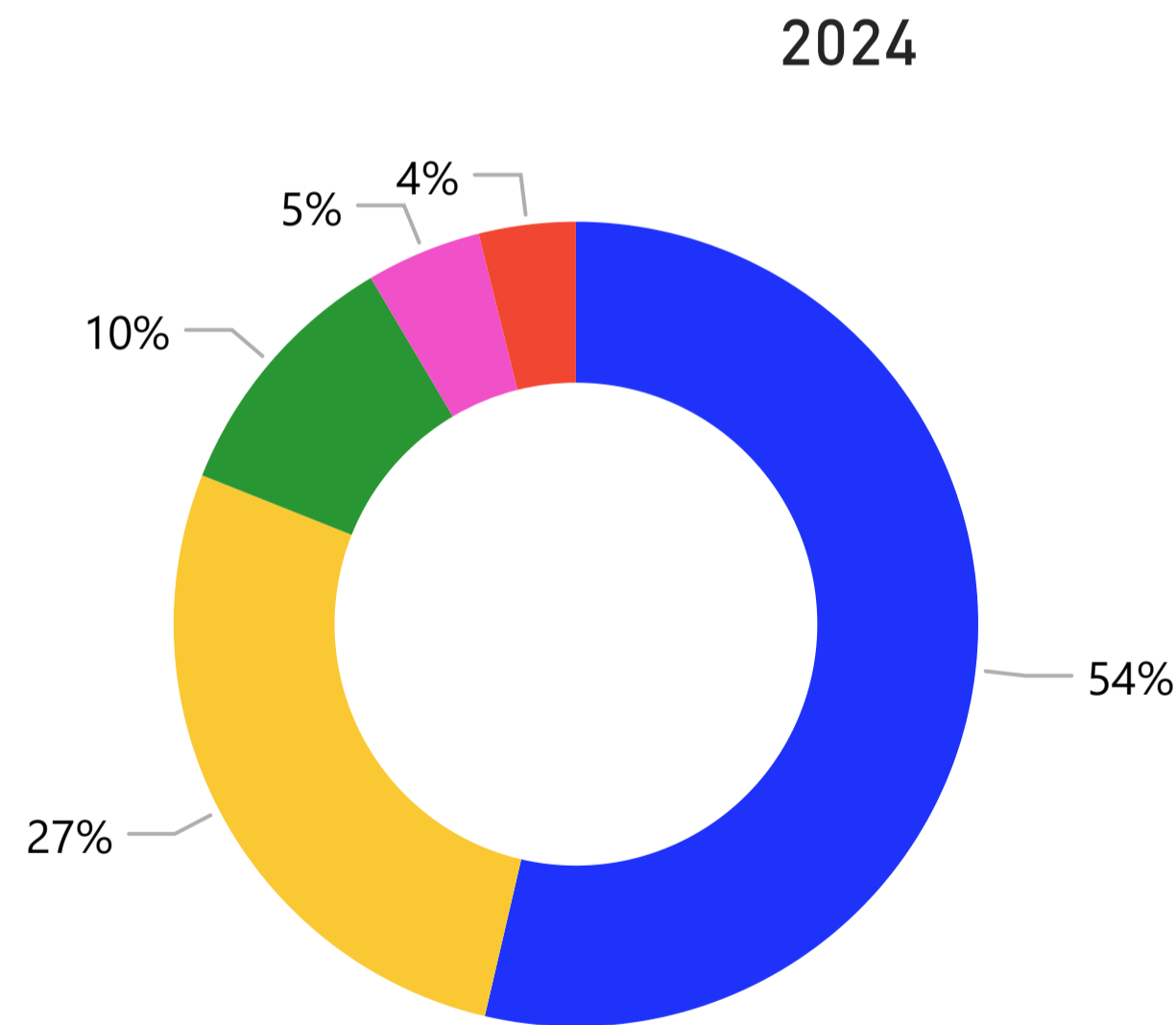


- Fare Related
- Tax Related
- Others (5Z)
- Fare/Tax/ISC Related
- All Other Reasons
- ISC Reclaim

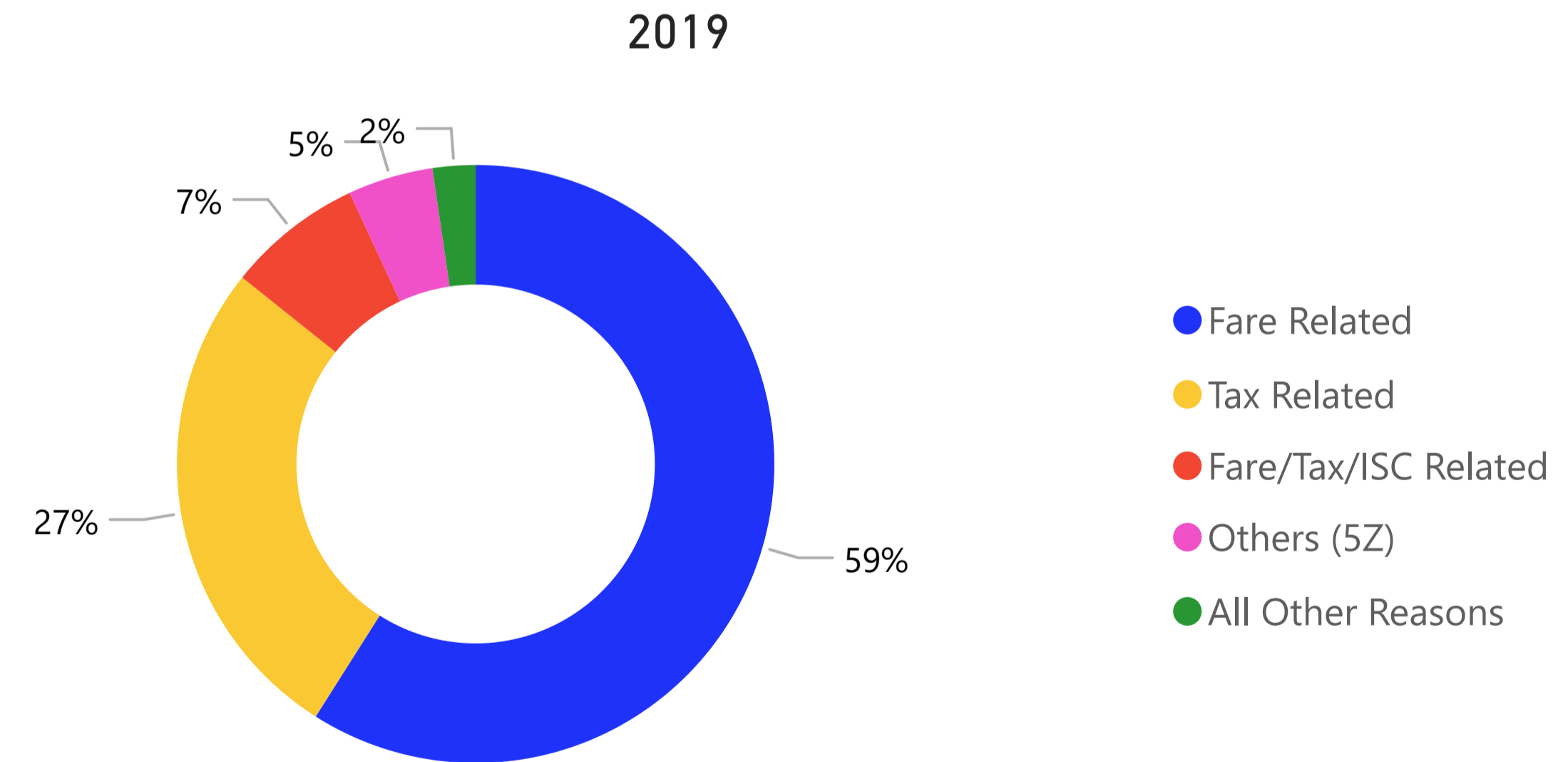
3rd Stage Reason Code Analysis

The table below shows the Top 7 Reason Codes, sorted by 2024 stage 3 rejection counts. The top 7 reason codes represent **99%** of all SMI-I/M stage 3 rejections. Fare related reasons account for the highest count of 3rd stage rejections in 2024.

Reason Codes	Reason Code Description	3rd Stage 2024	3rd Stage 2023	3rd Stage 2022	3rd Stage 2021	3rd Stage 2020	3rd Stage 2019	% Variation 2024 vs 2019
1B, 1S, 1Z, 2S	Fare Related	4,233	3,751	3,652	3,560	9,878	17,695	-76%
1G, 1I, 1T, 1Y	Tax Related	2,162	9,822	3,286	6,969	3,265	8,016	-73%
1A, 1R	Fare/Tax/ISC Related	825	2,375	1,974	1,460	1,672	2,204	-63%
5Z	Others	365	908	1,080	548	2,757	1,384	-74%
2C	Endorsement Required	204	4	133	15			0%
1D	Other Commission Reclaim	59	2	2			4	1375%
1C	ISC Reclaim	40	129	4	5	113	422	-91%



- Fare Related
- Tax Related
- Fare/Tax/ISC Related
- Others (5Z)
- All Other Reasons



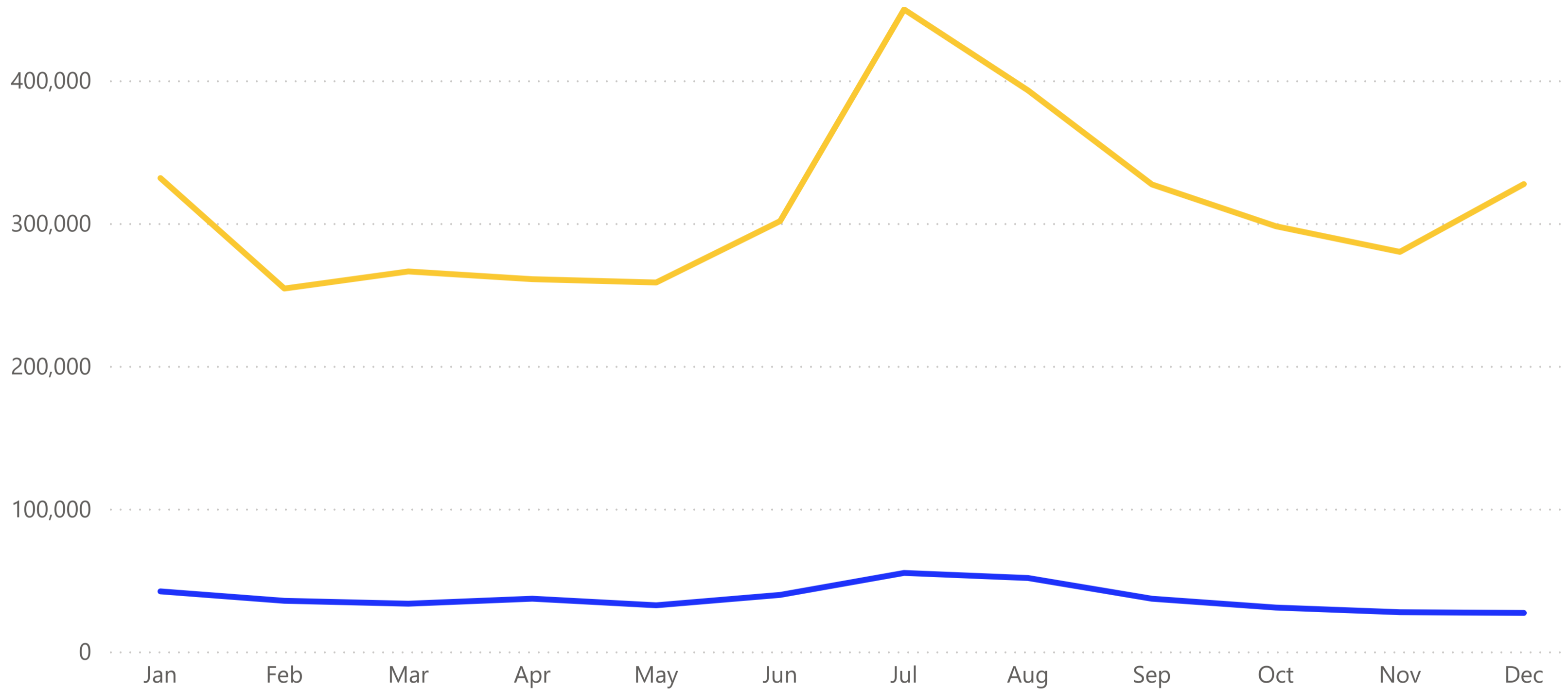
- Fare Related
- Tax Related
- Fare/Tax/ISC Related
- Others (5Z)
- All Other Reasons

5. Source Code 31 (Involuntary Reroute) Analysis

Rejection Counts per Month

SC 31 Prime Billings Issued and Rejected (Up to March 2025) by Prime Billing Month

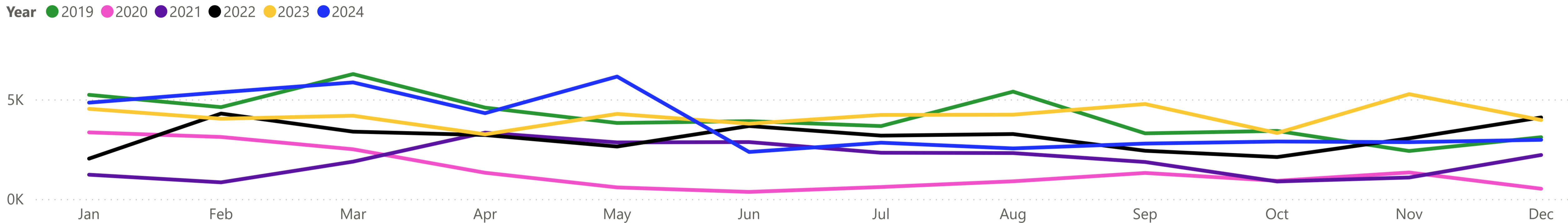
● SC 31 Primes ● RMs Count



Prime Billing Months	SC 31 Primes	RMs Count	% RMs / Primes
January, 2024	331,522	42,032	13%
February, 2024	254,159	35,438	14%
March, 2024	266,122	33,413	13%
April, 2024	260,715	36,908	14%
May, 2024	258,397	32,298	12%
June, 2024	301,403	39,566	13%
July, 2024	449,645	54,949	12%
August, 2024	392,934	51,403	13%
September, 2024	327,042	36,887	11%
October, 2024	297,786	30,696	10%
November, 2024	279,840	27,452	10%
December, 2024	327,310	26,951	8%
Total	3,746,875	447,993	12%

6. FIMS

Prime Billings Counts by Month - 2019 - 2024



Prime Billings Counts & FIM Rejections Memos by Source Code - 2019 - 2024

In comparison to 2019, the total FIM prime billings with SMI I & M have increased by **8%** and the total FIM rejection billings have decreased by **62%**.

SMI - I/M

Year	FIM Prime Billings	% Var. vs 2019	SC 44	% Var. vs 2019	SC 45	% Var. vs 2019	SC 46	% Var. vs 2019	Total RM Count	% Var. vs 2019
2019	41,680		23,331		8,453		3,234		35,018	
2024	44,922	8%	6,692	-71%	5,910	-30%	695	-79%	13,297	-62%

In comparison to 2019, the total FIM prime billings with SMI B have decreased by **92%** and the total FIM rejection billings have decreased by **96%**.

SMI - B

Year	FIM Prime Billings	% Var. vs 2019	SC 44	% Var. vs 2019	SC 45	% Var. vs 2019	SC 46	% Var. vs 2019	Total RM Count	% Var. vs 2019
2019	7,695		1,171		430		196		1,797	
2024	580	-92%	59	-95%	14	-97%	2	-99%	75	-96%

7. IATA Passenger Interline Rejection Reduction Dashboard

The Interline Billing and Settlement Operations ("IBS OPS") Working Group (now the Airline Billing and Settlement "ABS" Working Group) and the IATA SIS Rejection Reduction Team continue to publish the **Passenger Interline Rejection Billings Quarterly Dashboard**. This dashboard is a quarterly publication from the IATA Passenger Rejection Memo Reduction Initiative, which is endorsed by the IATA Financial Advisory Committee to reduce the number of unnecessary passenger rejection billings in the industry. The purpose of this new quarterly dashboard is to maintain industry awareness of passenger interline rejection billings and encourage airlines to track the trend of their own passenger interline rejection billings by generating the **report in SIS** titled, "**Non Sampling RM Analysis Comparison to the Industry**".

Below is the dashboard for the 1st Quarter of 2025 (Q1-2025). See all the previous and latest dashboard on the [PAX Rejection Memo Reduction Website](#)

