

IATA WORLD FINANCIAL SYMPOSIUM

Welcome to the 8th
IBS OPS
General Meeting
19 September 2022
Doha, QATAR



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Do not disclose or discuss:

- ! Any element of prices, including fares or service charges
- ! Commissions
- ! Allocations of customers or markets
- ! Marketing plans, commercial terms or any other strategic decision
- ! Your relations with agents, airlines or other third parties
- ! Any other issue aimed at influencing the independent business decisions of competitors

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DELEGATE Introductions



IBS OPS GM Quorum (RAM)

❖ **A quorum for the IBS OPS General Meeting shall consist of the delegates of 30 IATA Airlines**



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8th IBS OPS General Meeting
19 September 2022
Doha, Qatar

Priscilla Stiller, AA
IBS OPS WG Chairperson

IBS OPS WG Activity Report

2022 IBS OPS WG Members

- IBS OPS WG consists of 14 members and 3 Official Observers:

AA – Priscilla Stiller
BA – Caroline Elkington
EK – Suresh Verkot
HR – Daniel Erler (observer)
LH – Ivonne Riebel
MF – Shen (Sam) Chen
QF – James Hayward
TK – Nermin Kiran (observer)
UA – Isabel Ruiz

AF – Isabelle Sanchez
CZ – Jialin (Jacqueline) Zheng
EY – Sachin Jain
KL – Ab Bouman (observer)
LX – Myriam Burget
NZ – Gavin Periera
SQ – Ssu Hui Han
TP – Paulo Godinho

- IBS OPS WG Members' Term ends September 30, 2022
- WG led by Altug Meydanli, Sr. Manager Pay-Account Standards-IATA - Thank you!

Isabelle Sanchez

AF – IBS OPS WG Member

*We extend our
deepest condolences
to Isabelle's family,
friends, colleagues
at Air France and
throughout the
Interline industry.*

*May her soul rest
in peace.*



IBS OPS WG Activities-2022

- Prepared for a face-face 2022 GM in Doha, Qatar
 - Prepared WG Agenda items – submitted 8 papers
 - Facilitated responses to questions raised on the IATA Standard Setting Workspace (SSW) – Agenda items were uploaded to the SSW site on August 19 for online discussion
 - Reviewed and provided feedback of all carrier papers submitted
 - Voting mechanism to be used at the GM
 - Break-out sessions - due to some WG members' travel restrictions, we were unable to incorporate the planned sessions in the GM

IBS OPS WG Activities-2022

- Joint IBS OPS WG and SIS SG calls for the two open-ended correspondence papers
- Reviewed the result of the IATA Poll and discussion regarding the RATD frequency
- Evaluated the IATA Rejection Reduction Dashboard - Dashboard is updated quarterly
- Examined the ICH activity report and new member credentials for membership approval

IBS OPS WG Activities-2022

- Answered Airline Clarifications – Discussed and provided guidance and recommendations on topics such as:
 - Tax application and billing on involuntary exchanges
 - Planned schedule change – Settlement on original ticket value versus Settlement based on recalculating the applicable fare on the new itinerary
 - Additional clarification provided on Currency Conversion, RATD, and Minimum Value for Rejection

IBS OPS WG Activities-2022

- SISM - Simplified Involuntary Interline Settlement Methodology
 - FinAC approved and endorsed the restart of the IBS OPS WG activities in finding a simplified solution for Involuntary Interline Settlement
 - Taskforce resurrected with new members in July 2021
 - Data analysis conducted on multiple simulations provided by the SIS team
 - Taskforce presented the selected solution in the May IBS OPS WG meeting
 - SISM Taskforce prepared a paper to be presented at the GM 2022 for industry feedback

IBS OPS WG Activities-2022

- Discussed IBS OP WG move from IFAC-Industry Financial Advisory Council (Previously FinAC) to PSC structure reporting to PASB effective October, 2022
 - Benefits include efficiency, communication flow and better antitrust protection
 - Significant changes resulting from the move to PSC Structure include: RAM Standards, CoD (Committee on Differences), and the ICH (IATA Clearing House) will be a separate working group under IFAC
 - More information will be presented next by David McEwen/IATA and Cedric Chretien /IATA

Committee on Differences

I am pleased to report there were no disputes referred to a Committee on Differences this year

New Airline Billing & Settlement Group (ABSG)

- The new Working Group activities begin October 2022. Proposals relating to all billing and settlement standards (both new and classic RAM standards) will be developed by this new WG of experts under PASB and will be voted for adoption by all IATA Member airlines under the PSC
- Interested IATA Member Airlines can email standards@iata.org copying meydanlia@iata.org and include the information below by the 30th of September 2022

➤ Personal data of nominee:

Name and Surname:	Telephone:
Airline:	E-Mail:
Position:	Number of years in position:

- Include prior experience with IATA Governance (Conferences, Working Groups, etc.)
- Please indicate your willingness to commit your time and effort to contribute to the WG work plan

Questions/Feedback

Thank you

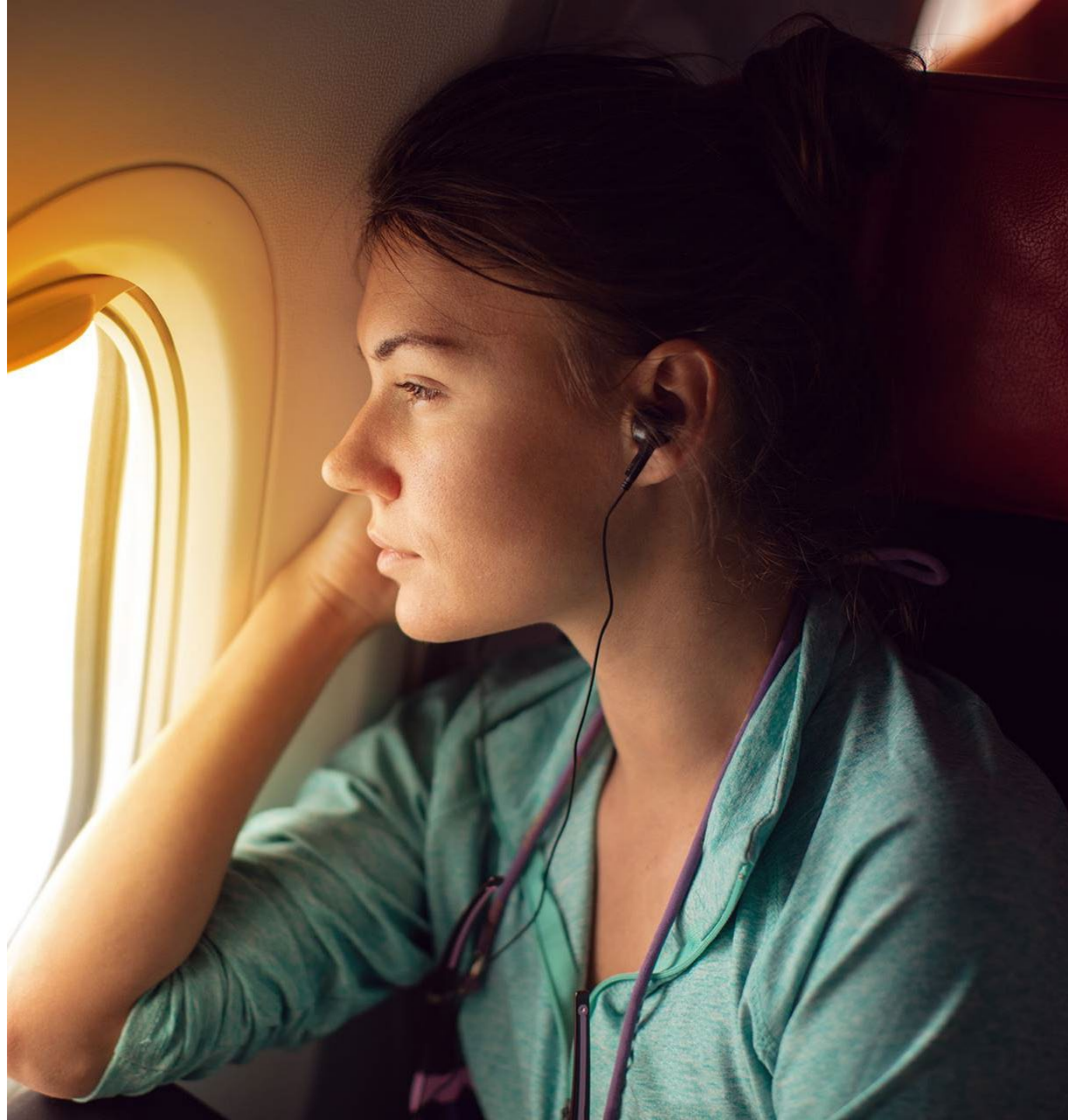
19 September 2022



Industry Change

Moving Interline Billing Standards From IFAC to the Passenger Services Conference

David McEwen
Director, Industry
Architecture/IATA



IATA & FSDS Objectives

- IATA Performance Targets under IFAC remit
 - Effective IATA operations
- FSDS Business Objectives
 - BO#1: Industry Changes
 - BO#2: IATA Changes
 - BO#3: Delivering through Change

New AC R&R

- Approved by Board June 22
- Main changes include:
 - Role of ACs: Advise the Board and work closely with IATA management on **issues referred to them by the Director General.**
 - Chair/ Vice Chair rule
 - WG Chair elected by AC

Revised Work Plans for ACs

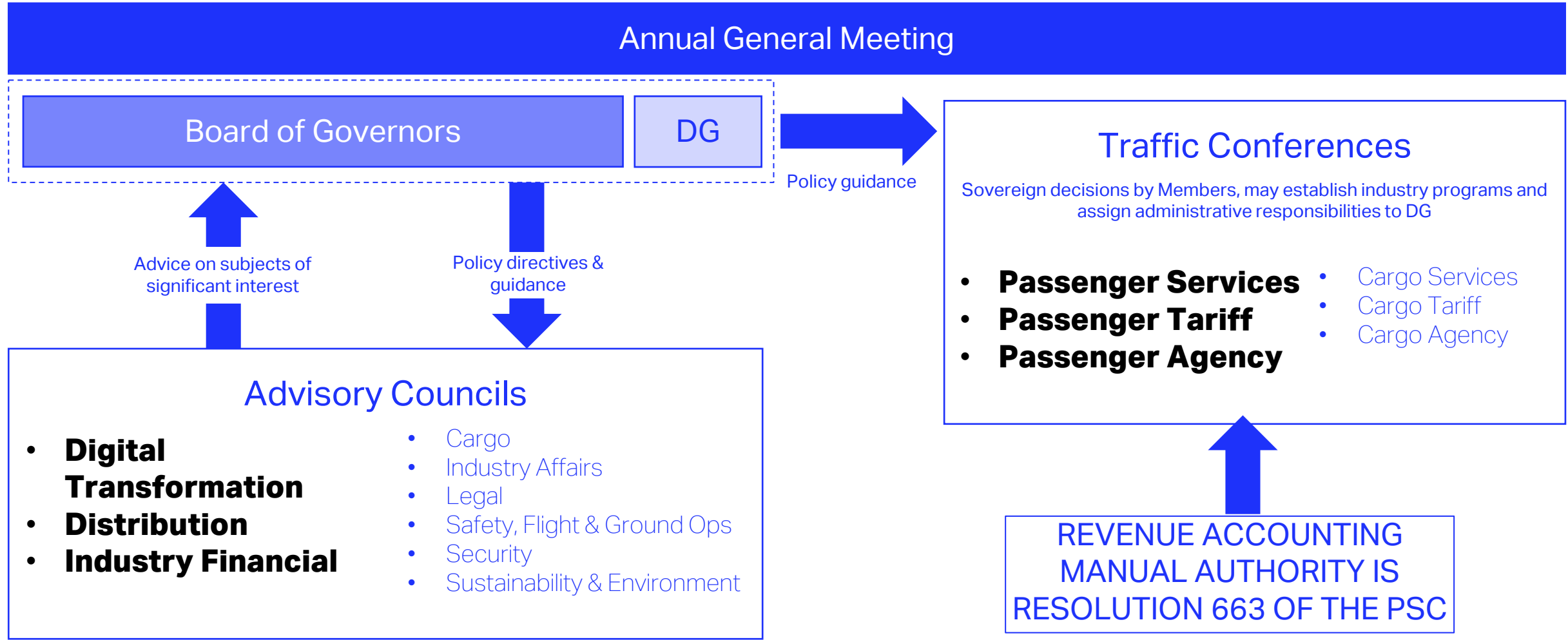
- Objectives:
 - Allow DG to advise the Board on priorities set by the Board;
 - Focus on priorities set by the Board and on the delivery of FSDS BOs;
 - Industry-wide relevance
 - No overlapping efforts across AC.

New WG and TF structure

- Objectives
 - Focus on the delivery of AC Work Plans
 - No overlap with standard setting bodies.
 - WG and TF in place to discuss and analyse technical issues and make recommendations to the ACs for their consideration.
 - WGs and TFs sit under the right Advisory Council.

The main objective of the WG and TF review is to allow **YOU** to focus your time and energy on the delivery of your objectives.

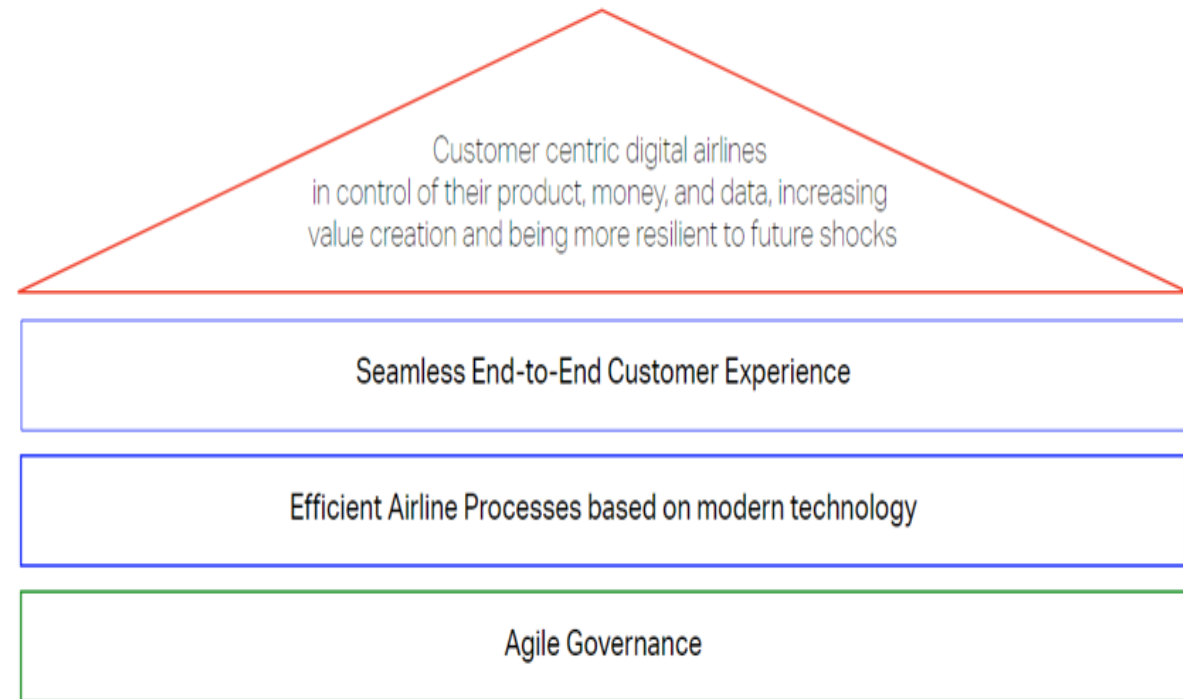
IATA Governance



Influences Driving Change

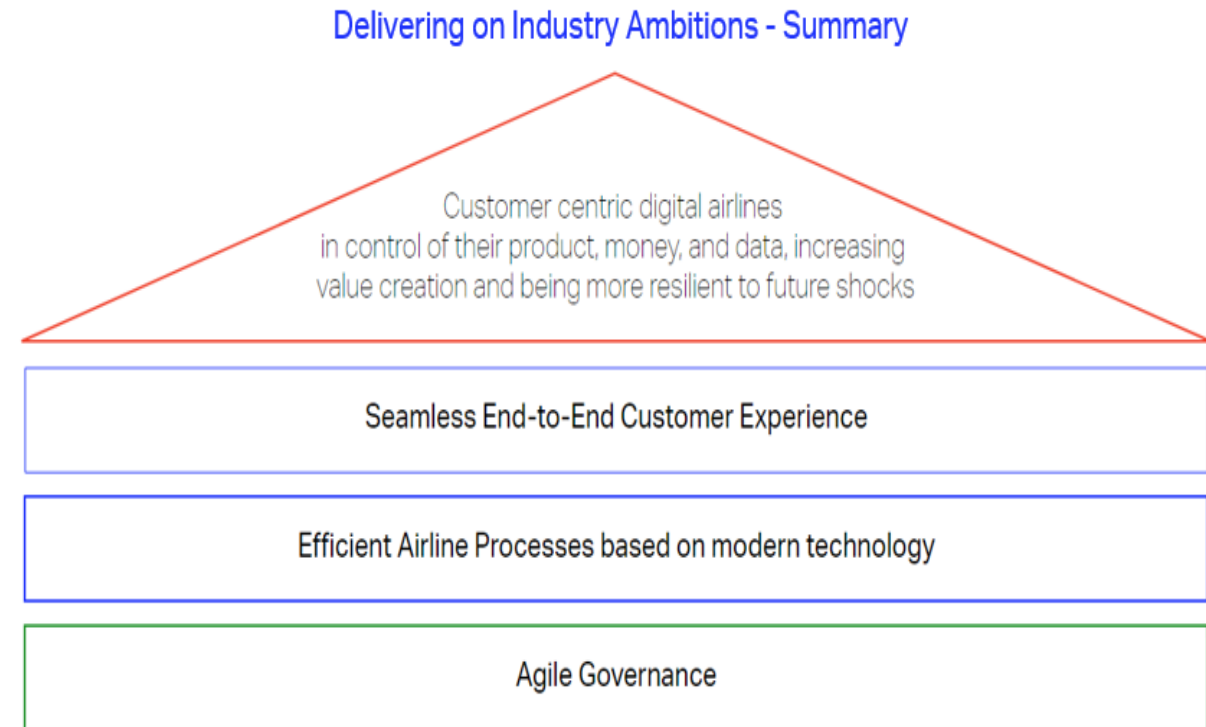
- The Board asked IATA to present plans to achieve broader NDC (New Distribution Capability) penetration by 2025.
- IATA's Board of Governors, following up on the December Board's endorsement of the industry roadmap to airline retailing endorsed a new program approach that will ensure it is delivered in a coherent way.
- A seamless end to end customer experience.
- Efficient airline processes built on modern technology.
- Identity Management (B2B and B2C)
- Supported with a stronger, and agile standards governance

Delivering on Industry Ambitions - Summary



Case for Change

- The customer experience today, is driven by airline specific processes and increasingly complex obligations to obtain and check passenger identity documentation and travel authorizations.
- Airlines' products and services are delegated to third party distribution system providers to compile which limits the opportunities for further value creation for the customer and the airline.
- Artefacts supporting these processes tickets, miscellaneous documents and reservations records can no longer be used to achieve the ambitions set by the Advisory Councils and are too constraining having been built upon technologies originating in the 1960s.



Why we need to change

Unlocking Value Creation by Putting the Customer First



Key Principles

1. From record-centric to customer-centric
2. Airlines in control of their offers and orders for all distribution channels
3. Airlines are able to sell anything to anyone through any channel
4. Open, modular and capability-based architecture built on typical online retailing principles and financial processes supported by robust standards
5. No backwards compatibility to systems and processes



Delivering on Industry Ambitions - Introduction

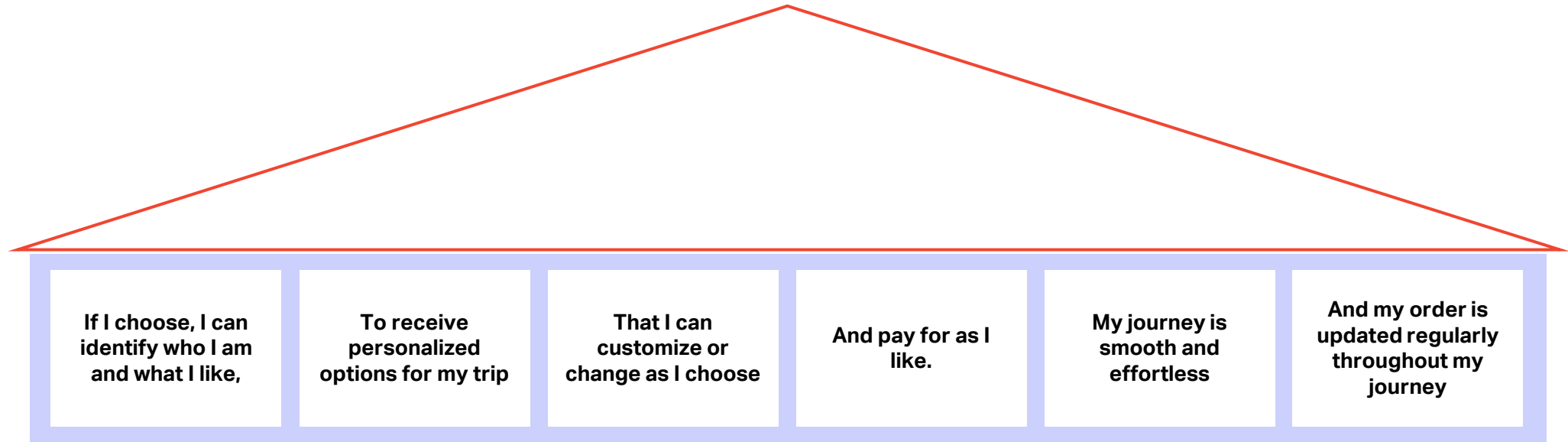
Customer centric digital airlines
in control of their product, money, and data, increasing
value creation and being more resilient to future shocks

Seamless End-to-End Customer Experience

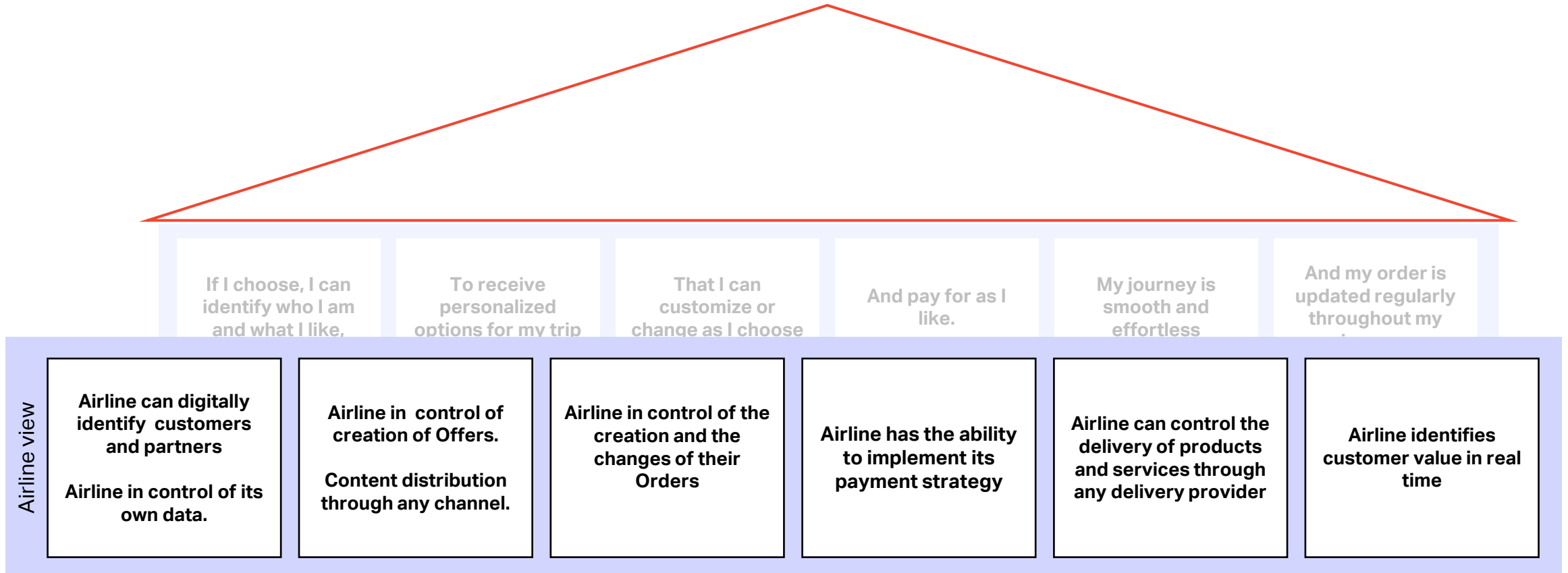
Efficient Airline Processes based on modern technology

Agile Governance

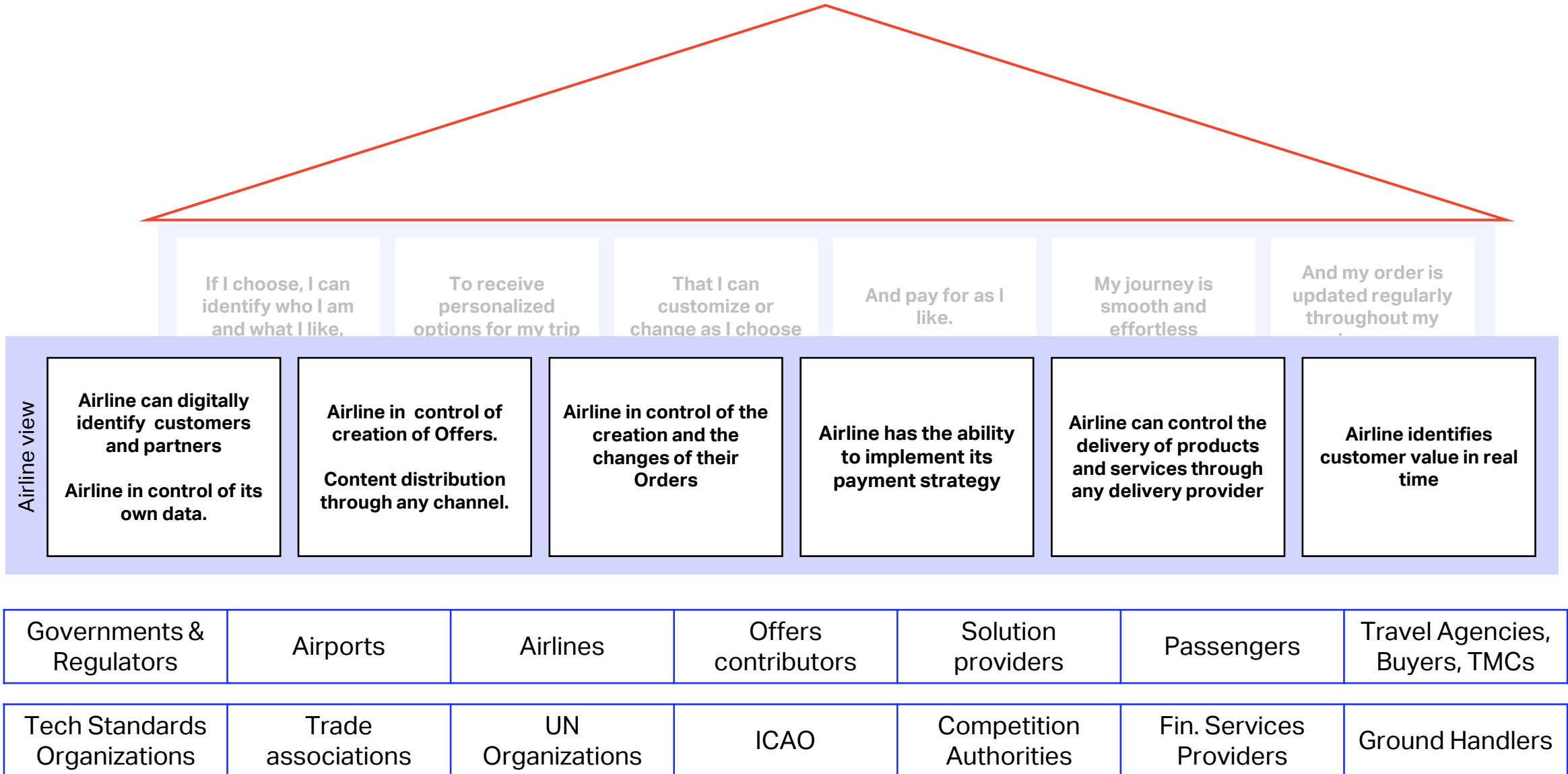
What the customer wants



What it takes for the airlines



Stakeholders involved



Airlines capabilities impacted



Strategy

Digital core to airline's strategy, organization aligned against digital priorities



Core business & integrating with the travel ecosystem

Commercial

Building Offers | Distribution Channels | Digital Payment



Cross-Functional Planning & Execution

Anticipate demand | Scheduling | Disruption



Flight Operations

Flight Planning & Ops. | eAircraft & Maintenance

Ground Operations

e.g. Baggage Flow | Aircraft turnaround



End-to-end Customer Journey

Customer Identity | Engage & Experience | Cargo flow



Enablers

Organization

Digital Talent | Agility



Data & Technology

Digital Identity | Open Ecosystem | Data, AI, Advanced Analytics | Cybersecurity



Back office

Order to Cash | Procure to Pay



Travel ecosystem

IT partners | Distributors | Banks / Payment Providers | Aircraft OEMs/MROs | Airports | Ground service providers | Gov't agencies



Need for a program approach

Customer centric digital airlines
in control of their product, money, and data, increasing
value creation and being more resilient to future shocks

Efficient airline retailing based on modern technology

Ability to digitally identify partners and customers

Customer in control of their data

Seamless end-to-end customer experience including contactless travel

Unlocking Value
Creation by **Putting
the Customer First**

Securing an efficient Governance, fit for purpose

BEFORE

- Not agile enough
- Bureaucratic
- Cumbersome
- Time and resource consuming
- Slow process to deliver Resolutions to meet Airlines' commercial ambitions

AFTER

- Awareness at C level
- Internal airline alignment
- SME / Seniority level
- Skill set
- Airline drive

Securing an efficient Governance, fit for purpose

- Restructuring of the Conference Boards and groups reporting to them. All Standards Boards **aligned to the future state.**
 - All elected officers and accredited voting representatives are champions of the change
 - The right people on the right groups (airline business analysts to develop BRDs)
- **Prioritization of activities** to meet future ambitions and business transformation, as articulated by IATA Board.
- **All standards activities in one place ensuring all business domains are heard.**
 - Increase Airline participation
 - Ensure Business continuity
 - Define Transformation steps
 - Enable Balanced development in all business pillars leading to implementation

PSCSG monitors and prioritizes activities and guarantees alignment

FREQUENTLY ASKED QUESTIONS



**A Heartfelt Thank You to
Everyone in IBSOPSGM.**

We continue to serve you.

Your voices will be heard.

**We have an exciting journey
ahead.**

WE VALUE YOUR EXPERTISE



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Bankruptcy and Suspension Update

Marie-Christine Brochu

Assistant Director, Legal Services/IATA



2014 and Prior (part 1)

KW-100 Wataniya

- Won fully at trial court & first appeal. Airline has appealed again, and IATA has attached its assets to preserve collection opportunities.

B3-208 Bellview

- Marginal recovery to be made via internal offset, special clearance to follow.

C9-251 Cirrus

- Disputes regarding our claim have now been resolved. A special clearance will follow to permit a small recovery, and is expected in 2022.

2014 and Prior (part 2)

JK-680 Spanair

- Disputes blocking distribution have now been resolved. A special clearance will follow to permit a partial recovery, and is expected in 2022.

U8-669 Armavia

- Claim filed in bankruptcy; special clearance to follow for partial distribution.

DN-440 Senegal Airlines

- Airline has settled many claims bilaterally; possibility of small distribution via offset of internally held funds upon special clearance.

2015 Cases

UN-670 Transaero

- Claim filed in bankruptcy, partially successful at trial court. Despite our earlier hope of a material distribution, however, it now appears that any distribution is questionable.

OV-960 Estonian

- The ICH has reached a settlement with the estate, resolving the challenge to our claim. A partial distribution is expected following a special clearance.

2016 and 2017 Cases

LC-753 Equatorial Congo Airlines

- The ICH has determined that collection efforts will not be effective in this case. A small distribution will be made following a special clearance.

GE-170 TransAsia Airways Corporation

- Claim submitted in bankruptcy and accepted by estate. Recovery questionable.

7I-958 Insel Air International

- Submitted claim in court case; material distribution eventually likely.

LV-400 Mega Maldives

- The ICH will not pursue collection actions, but a small distribution will likely be possible through internal offset, following a special clearance.

2018 Cases

F7-033 Darwin Airline

- Claim submitted in bankruptcy and accepted by estate. Partial distribution possible depending on outcome of case.

UG-150 Tunisair Express

- The ICH has determined that collection actions will not be taken in this case. A special clearance is being considered for a partial distribution.

CO-354 Cobalt Air

- Claim filed in bankruptcy and accepted by estate. Recovery depends on outcome of bankruptcy process.

2019 Cases

O6-247 Avianca (Brasil)

- All pre-suspension claims were ultimately paid in full via deposit held by IATA. After review of the post-suspension submissions, the ICH has determined that collection actions will not be cost-effective in this case. A small additional distribution may be possible via internal offset, but funds transfer restrictions make this very difficult.

ZI-439 Aigle Azur

- The ICH has submitted its claims against the bankruptcy estate and has successfully resolved a potential objection to those claims.

JP-165 Adria Airways

- The ICH has submitted its claims against the bankruptcy estate and is awaiting further developments in that process.

2020 Cases

OB*-475 Blue Air

- All amounts as of suspension were covered in full. Disputes regarding the ICH's ownership of the claims remain unresolved, and we are now considering the possibility of an internal offset to satisfy the post-suspension balances.

MN-161 Comair

- Have submitted a claim with the estate. Unfortunately the airline has moved into liquidation, and no distributions are expected. We are reviewing whether any internal offset is possible.

IG-191 Air Italy

- Claims paid in full following special clearance; case closed.

2021 Cases

BV-004 Blue Panorama

- This airline has entered into restructuring proceedings, and we were able to make a substantial distribution following special clearance. Upon a review of the likely recovery we have determined that further collection efforts would not be cost effective. This case will therefore be closed.

2022 Cases

None so far

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

Questions?

Additional information is available via the bankruptcy/suspension extranet updates

Airline legal advisors may contact IATA Legal Services as needed

- John Middleton – Assistant Director, Legal Services
- middletonj@iata.org

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NETWORKING COFFEE BREAK



See you in 30 minutes!



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8th IBS OPS General Meeting
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Doha, Qatar

Natasha Cherry / IATA
Team Coordinator

Introduction to Electronic Voting Devices

Introduction to Electronic Voting Devices

- Only IATA Members Airlines are allowed to vote in the IBS OPS GM
- One (1) voting device was assigned to each eligible voting member
- The device should be registered and labelled with your member codes (XX-000)
- Each voting device will accept three (3) responses as follows: **Yes** | **No** | **Abstain**
- Results will be live on projected screen for all attendees
- Votes by each eligible voting member delegate can be changed at any time during the voting period for each Agenda Item.
- Voting selections will be displayed by eligible voting members immediately after closure of each Agenda Item

Introduction to Electronic Voting Devices

- The total count / tally of votes (Yes, No and Abstain) will be displayed along with each response's ratio / percentage.
- Status "Pass" or "Fail" will be automatically calculated and displayed along with voting results.
- **IBS OPS GM:** The proposal will be approved by majority vote of IATA airline representatives voting on the proposed changes provided that the paper is not opposed by 15% or more of those airlines voting on the proposed change.
- **Abstentions are not considered for calculation.**

How to Vote

During voting press **1, 2 or 3** (YES, NO or ABSTAIN) to select your choice

Check on the device if the voting has been received

If you want to change your vote you can press 1, 2 or 3 when the voting is still open

After the voting closes you cannot change your vote



Example of Results Screen



Simulation

Please have your voting device ready to vote!

Example Agenda Item:

Did you see the giant 20-tonne teddy bear at Hamad International Airport?

- YES
- NO
- ABSTAIN



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The Year in ICH Update

Cedric Chretien

Head Settlement Operations / ICH Manager

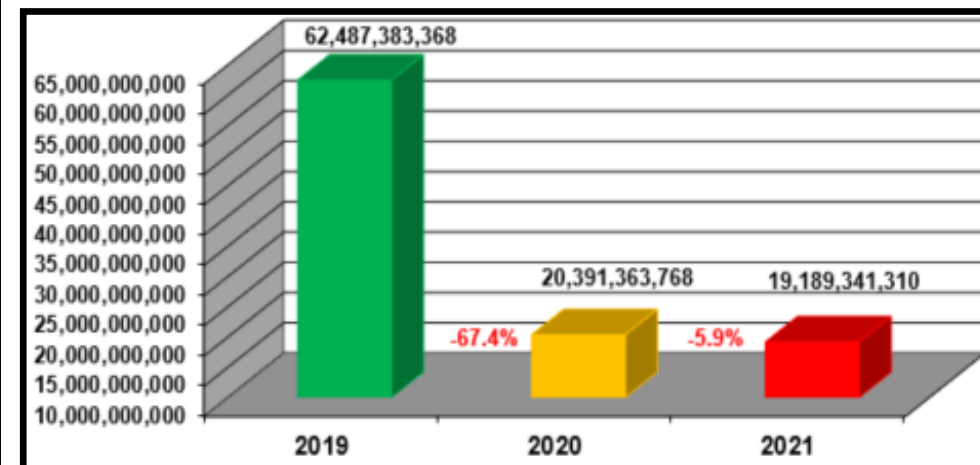
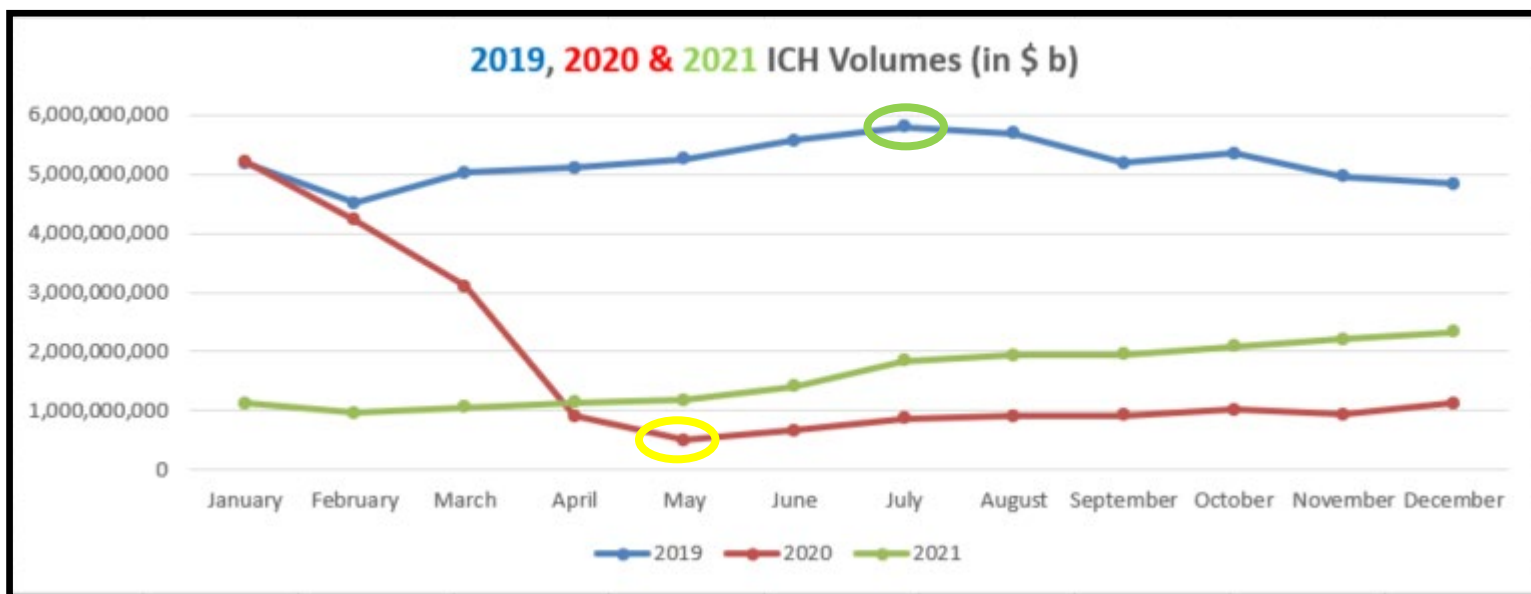
chretienc@iata.org

2019, 2020 & 2021 Highlights



• Volume of transactions:

in USD	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
2019	5,187,512,659	4,516,349,377	5,025,948,580	5,103,971,830	5,256,756,418	5,566,287,521	5,801,743,234	5,689,370,417	5,185,091,177	5,355,241,599	4,958,145,009	4,840,965,547	62,487,383,368
2020	5,215,445,082	4,231,488,408	3,107,063,464	901,944,723	496,573,214	665,504,910	871,276,335	909,257,617	917,796,882	1,010,578,469	939,354,186	1,125,080,478	20,391,363,768
2021	1,117,842,108	956,902,943	1,054,722,302	1,133,644,971	1,181,535,546	1,411,573,911	1,840,787,147	1,939,906,423	1,944,008,295	2,081,040,762	2,202,957,190	2,324,419,712	19,189,341,310



2019, 2020 & 2021 Highlights



- **Settlement Success Rate / Unrecovered amount %:**

	2019	2020	2021
Number of suspension	15	17	10
Number of resettlement	2	8	0
Volume of transactions processed	\$62,487,383,368	\$20,391,363,768	\$19,189,341,310
Unrecovered	\$2,654,896	\$2,009,266	\$0
Default Ratio	0.00425	0.00985	0.00000
Settlement Success Rate	99.99575	99.99015	100.00000

- 2021: 4th time in ICH history we achieved 100% after 2014, 2016 & 2017 !
- Average Settlement Success Rate / Unrecovered amount %:
 - Last 5 years (2017-21): 99.9971% / 0.0029% out of USD221.1b processed
 - Last 10 years (2012-21): 99.9984% / 0.0016% out of USD496.5b processed

2019, 2020 & 2021 Highlights



- **Membership:**

- 2019: 31 new joiners (6 IATA, 14 Non-IATA & 11 Associates) / 463 active members
- 2020: 16 new joiners (4 IATA, 3 Non-IATA & 9 Associates) / 460
- 2021: 33 new joiners (7 IATA, 8 Non-IATA, 17 Associates & 1 Sponsored) / 483



- **“SOC2” Service Organization Control**

- Certifications renewed by Deloitte with a clean audit opinion and no exceptions noted on over 115 controls tested

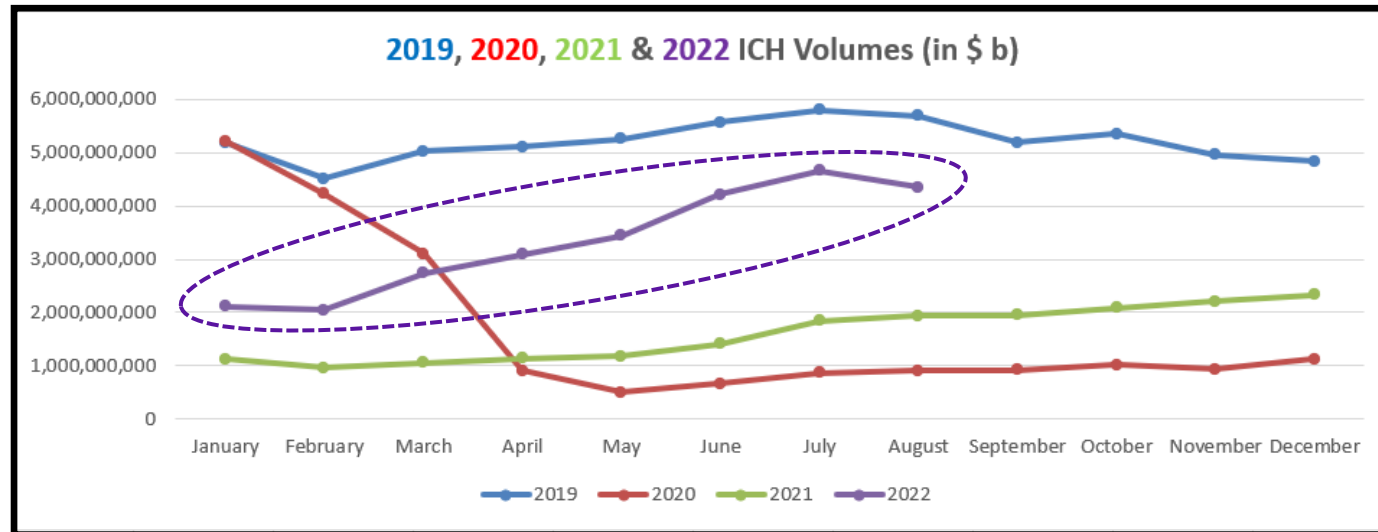


- **“ACE” Aviation Carbon Exchange**

- Live on 09 Nov-21 with 1st trade done by Qatar Airways successfully processed/settled in SIS & ICH using the SMI “X” feature

Outlook 2022

- • Volume: (after completion of the Aug-22 P4 clearance)
 - In value terms, volume with USD26.66b more than doubled since up by 150.6% over the same period in 2021. Up 63% vs 20 but down 37% vs 19.



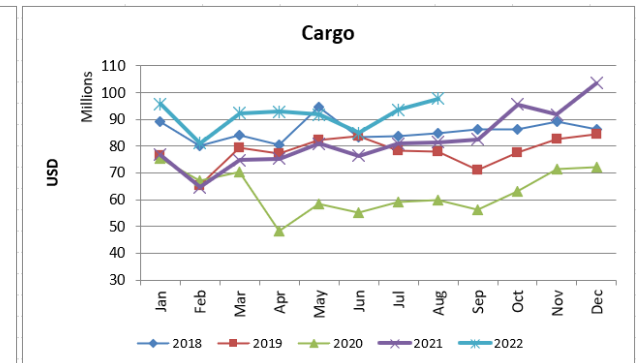
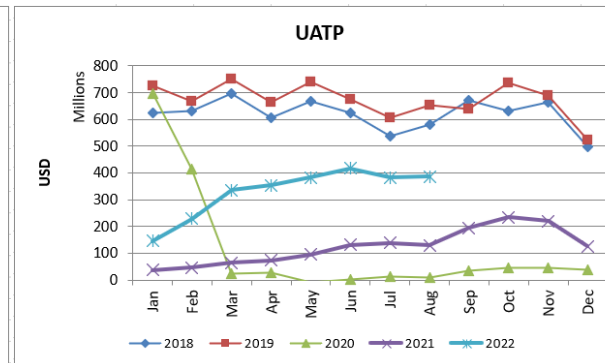
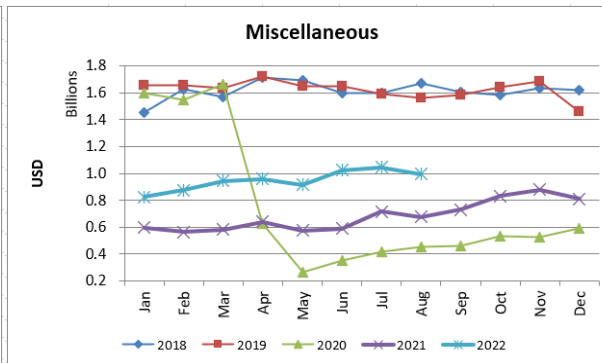
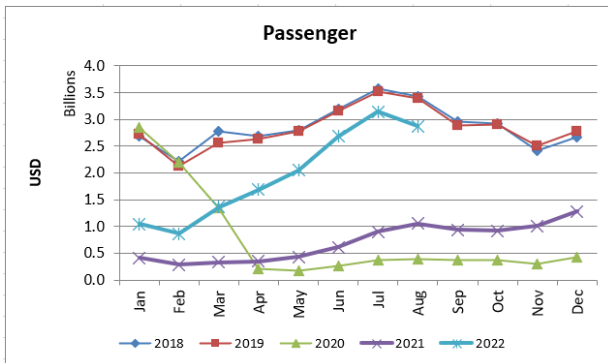
- Year-end forecast for total throughput is likely to be over **USD43b**, up 122% vs 2021, 109% vs 2020 but still down 32% vs 2019.

Outlook 2022



• Volume:

- As at end Aug-22, there has been an increase in all 4 categories of transactions with the biggest in UATP with 268% followed by Passenger 260%, Miscellaneous 53% and Cargo 20% vs same period last year. **P**assenger transactions represented 59% of the total volumes processed YTD before **M**iscellaneous/**N**on transportation billings 28.4%, **U**ATP 9.9% and **C**argo 2.7%.



Jan to Sep-22 Highlights

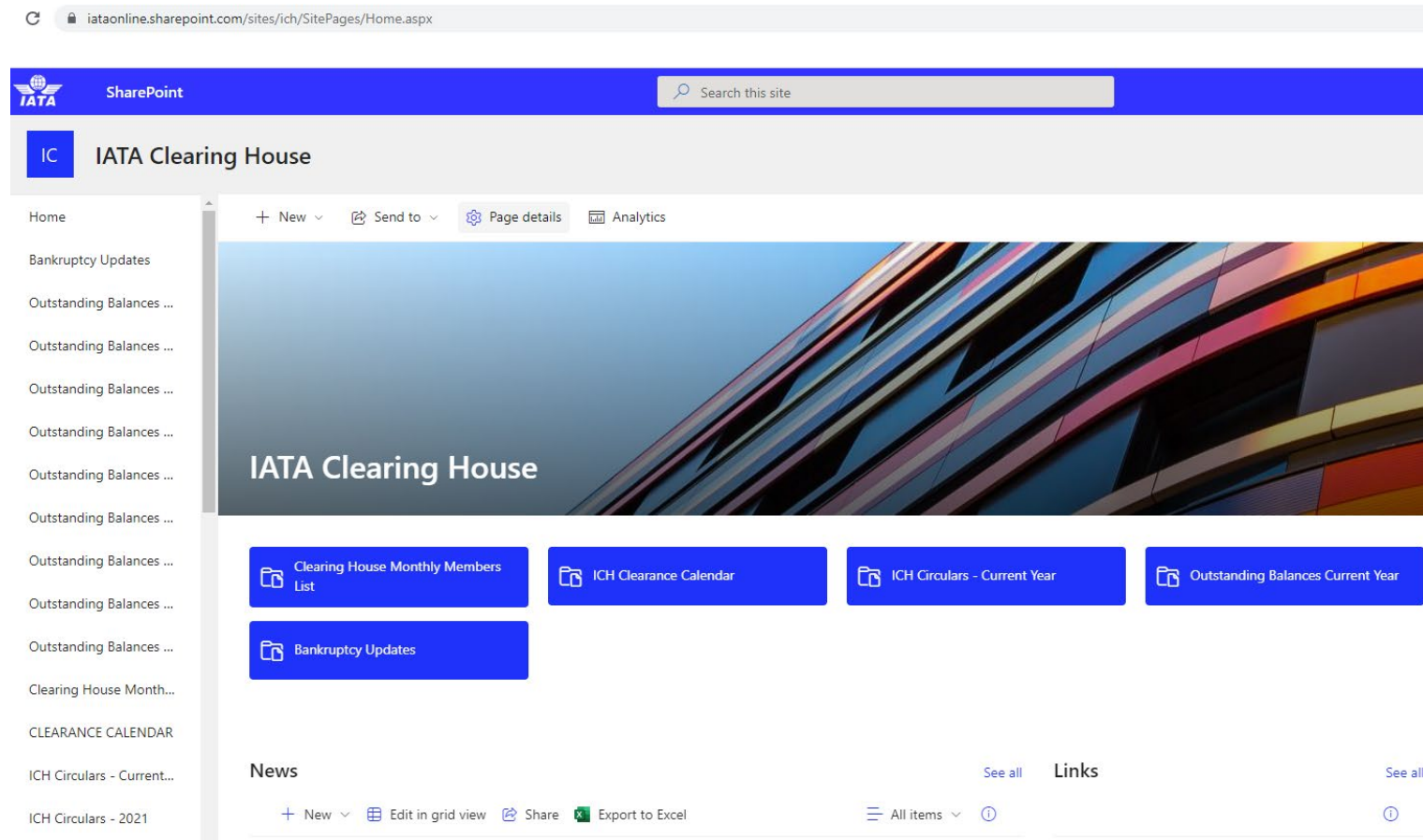
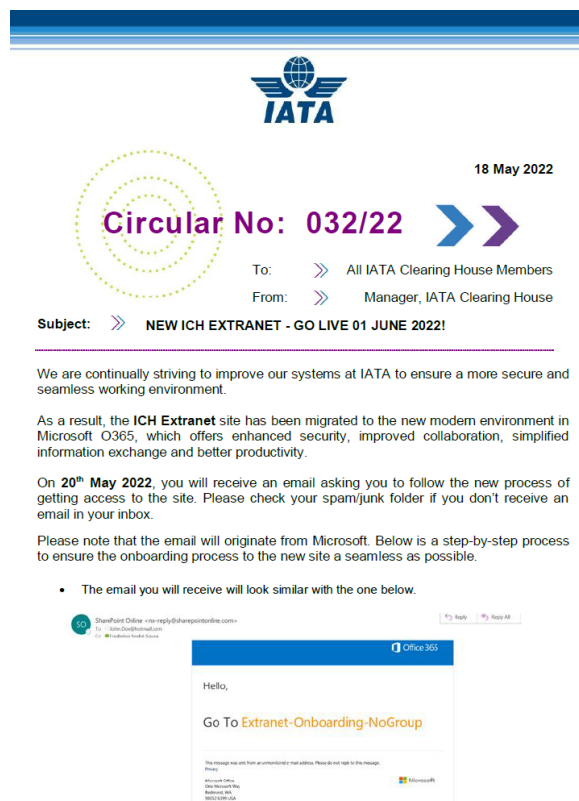
- • In April we celebrated IATA's 77th & **ICH's 75th Birthday!**
 - Founded in 1947 (2 years after IATA's creation and 24 years before 1st BSP i.e. BSP Japan launched in 1971) by 11 airlines: Aer Lingus, Aeromexico, Air Canada, Air France, American Airlines, British Airways, KLM, Philippine Airlines, Qantas, SAS & South African Airways.
- • Membership: as at 15 Sep-22
 - 27 new participants (1 IATA, 5 **Non-IATA** & 21 Associates)
 - 488 active members (303 Airlines, 170 Associates & 15 Sponsored)

Jan to Sep-22 Highlights

- • **“SOC2”** Service Organization Control
 - Certification renewed with a clean report and no exceptions noted on 150+ controls as a result of the external audit testing performed by Deloitte
- • Disaster Recovery “DR”:
 - Successfully completed between 18 and 25 Aug-22 switching the system from our primary hosting site in GVA to the secondary site in ZRH

Jan to Sep-22 Highlights

○ • New ICH Extranet: – Circular 032/22

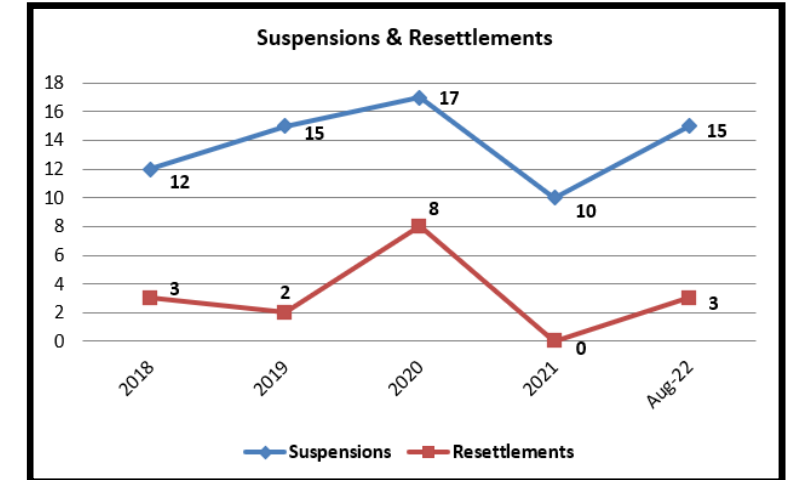


Risk Management



- YTD 15 Suspensions: (10 in total in 2021)

1	(XB-Q80)	Airmalta Aviation Services Ltd	Associate	9	(SU-555)	PJSC Aeroflot	IATA Member
2	(XB-A04)	Lilongwe Handling Company	Associate	10	(U6-262)	Ural Airlines	IATA Member
3	(LN-148)	Libyan Airlines	Non-IATA Member	11	(FV-195)	Rossiya Airlines JSC	IATA Member
4	(XB-B93)	Powerjet SA	Associate	12	(VI-412)	Volga-Dnepr	Non-IATA Member
5	(5N-316)	JSC Smartavia Airlines	IATA Member	13	(RU-580)	AirBridgeCargo Airlines	IATA Member
6	(N4-216)	LLC Nordwind	IATA Member	14	(4U-051)	Germanwings GmbH	Non-IATA Member
7	(CU-136)	Cubana de Aviacion	IATA Member	15	(Z8-464)	Amazonas	Non-IATA Member
8	(XB-B20)	IBS Software Europe	Associate				
		Reinstated					



- Settlement Success Rate: **99.996%**
 - USD1.14m resettled out of USD26.66b processed (after completion of Aug-22 P4)



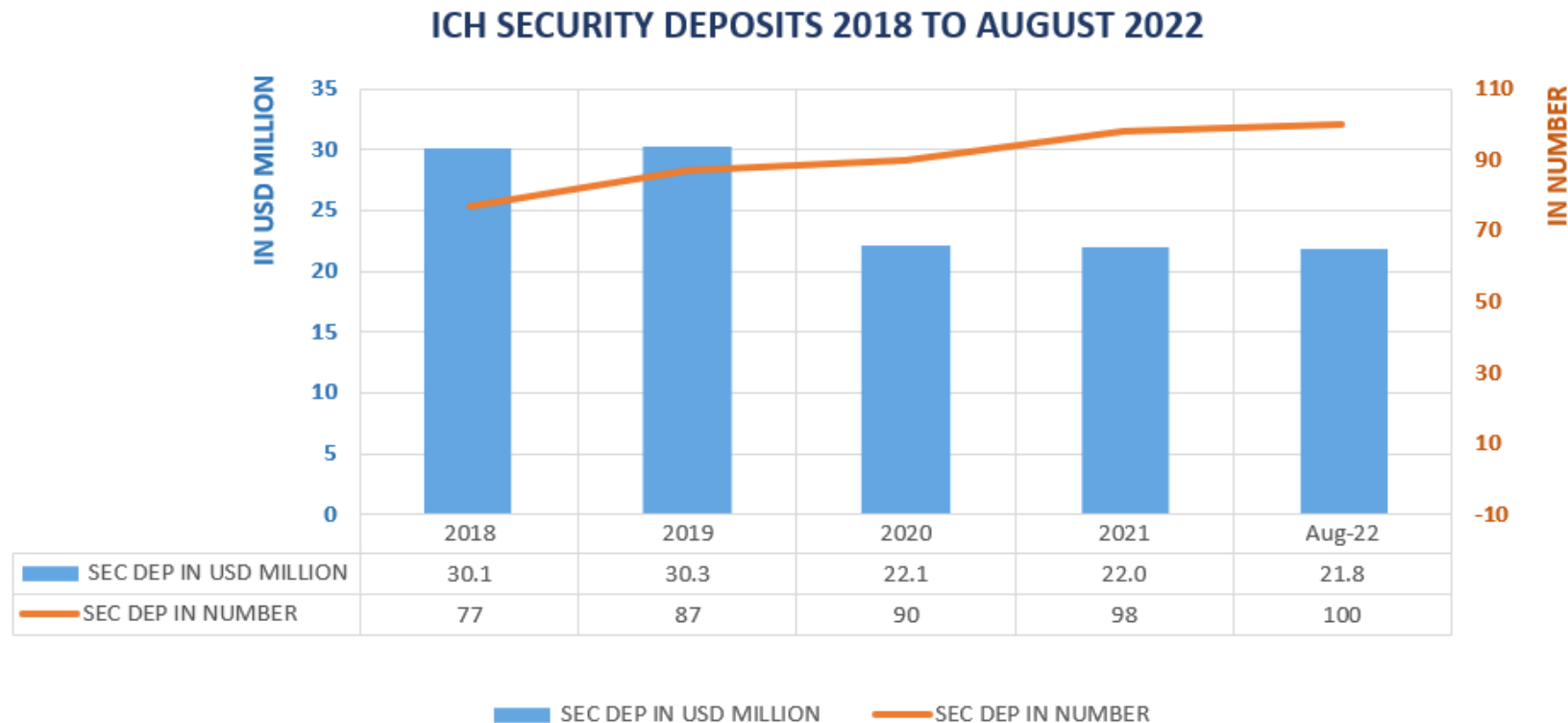
- YTD 6 Special Clearances: **Procedure 18** (8 in total in 2021)

1	(OV-960)	Estonian Air	Feb-22 P1 & P3	4	(4M-469)	LAN Argentina	May-22 P4
2	(DV-655)	SCAT	Feb-22 P1 & P3	5	(S2-705)	Jet Lite India	Jun-22 P2 & P4
3	(MI-629)	Silkair	May-22 P2 & P4	6	(BV-004)	Blue Panorama	Jul-22 P2

Risk Management



- Reinforced controls & monitoring of participants position and activity:
 - Holding deposits (security and/or voluntary) on behalf of over 30% of airlines



ICH Regulations & Procedures



- ICH Manual 25th Edition: effective 01st Jan-22 (Circ. 070/21)
 - Procedure 15: **Settlement Method Indicator SMI “X”**



- What is **SMI “X”**?
 - New **Settlement Method Indicator** complementing and not replacing any of the already existing SMIs, such as SMI “I” which is used for regular ICH transactions.
 - With the SMI “X” agreement(s), participating members will be able to benefit from various features such as, but not limited to: additional settlement currencies, flexible clearance calendars, creation of members’ clearance sub-groups.
 - A Clearing House Member who chooses to benefit from new SMI “X” features may do so by subscribing to one or multiple SMI “X” agreement(s).

ICH Regulations & Procedures



- More about SMI “X”

- SMI “X” agreement(s) will be separate instance(s) of the existing standard agreement in which SMI “I” transactions are being settled.
- Each SMI “X” agreement will have its own set-up, clearance calendar, group of participants, set of reports, notifications and settlement.
- Used already for Blockchain PoC and ACE



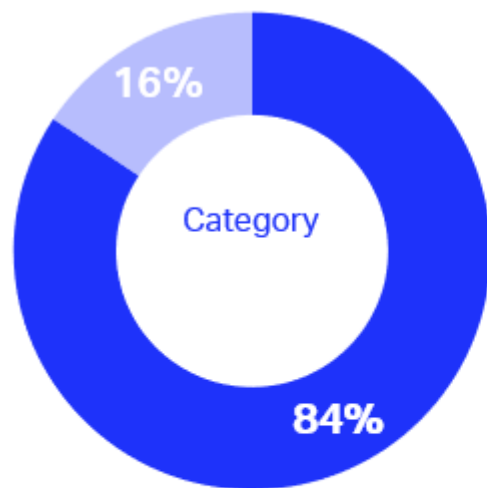
- How to benefit from SMI “X” ?

- Be an active Clearing House Member in good standing;
- Sign-up to one or multiple SMI “X” agreements by completing, signing and returning the applicable SMI “X” participation form(s);
- Provide to the Clearing House new banking details, as applicable.
- New data fields on the IS XML and the IS IDEC will be used to differentiate transactions settled through the SMI “X” agreements, with a unique agreement code (5 alpha numeric).

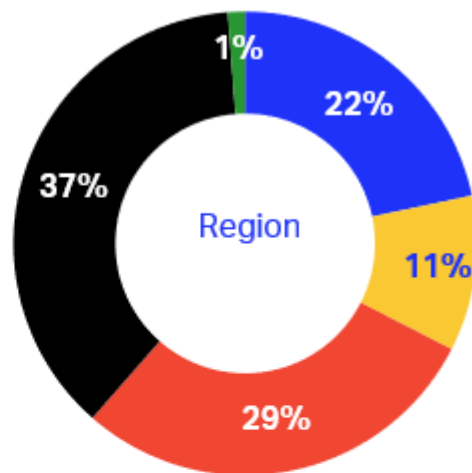
2022 Customer Satisfaction



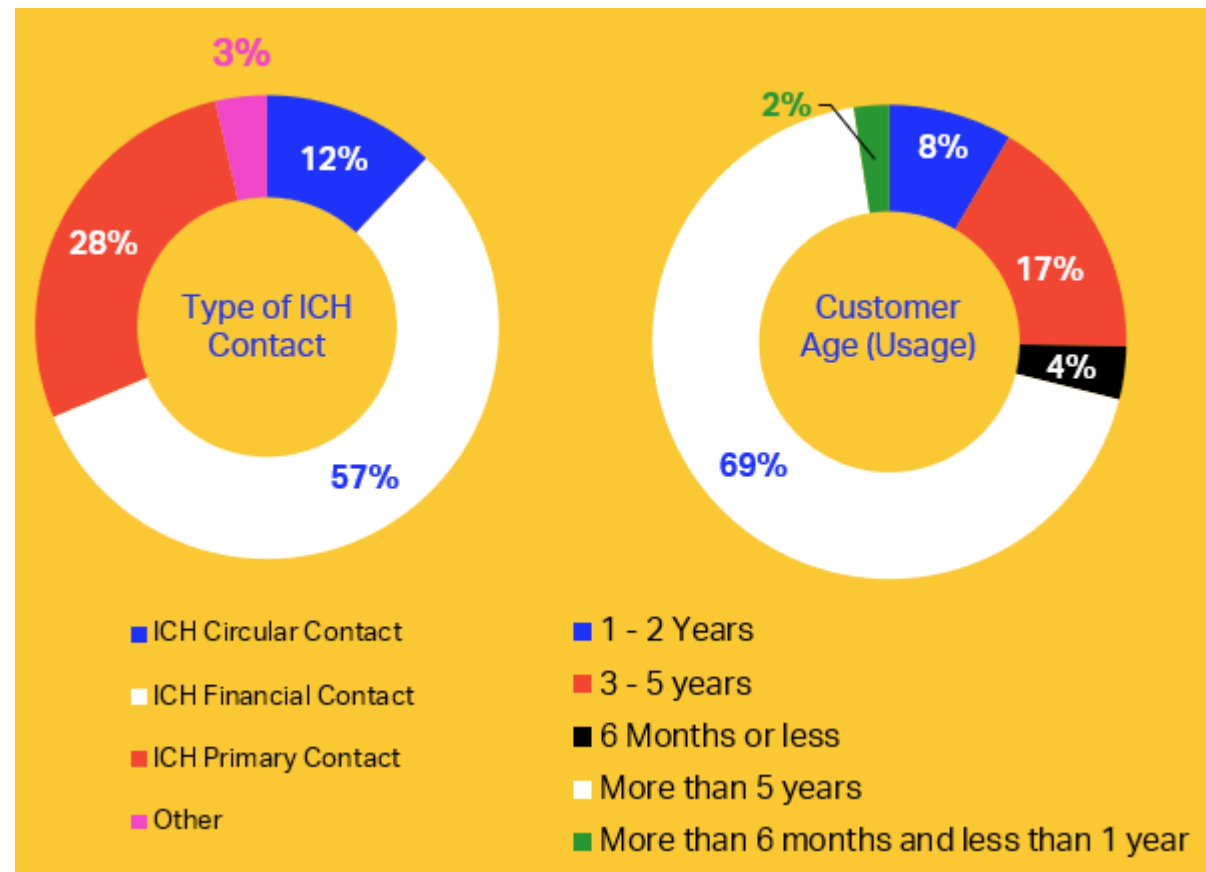
• Respondents profile:



■ Airline Member
■ Associate Member



■ Africa & Middle East ■ Americas
■ Asia Pacific ■ Europe
■ North Asia



Customer Satisfaction

Voice of the Customer:

"It is the best way to get the money."

"It is the product of choice."



• Key Experience Metrics:

	2022	2021		
Overall Satisfaction (CSAT)	84.8%	85.1%	↓	
Customer Effort Score (CES)	83.6%	82.4%	↑	Please indicate how easy you feel it is to do business with the IATA Clearing House?
NPS	59	58	↑	How likely is it that you would recommend ICH to a colleague or business partner?
Contribution to Business Success	98.9%	98.8%	↑	How much does ICH contribute to your business success?

Customer Satisfaction



• Satisfaction ICH Processes:



Voice of the Customer:

"Need for more information with regards to the suspension process"

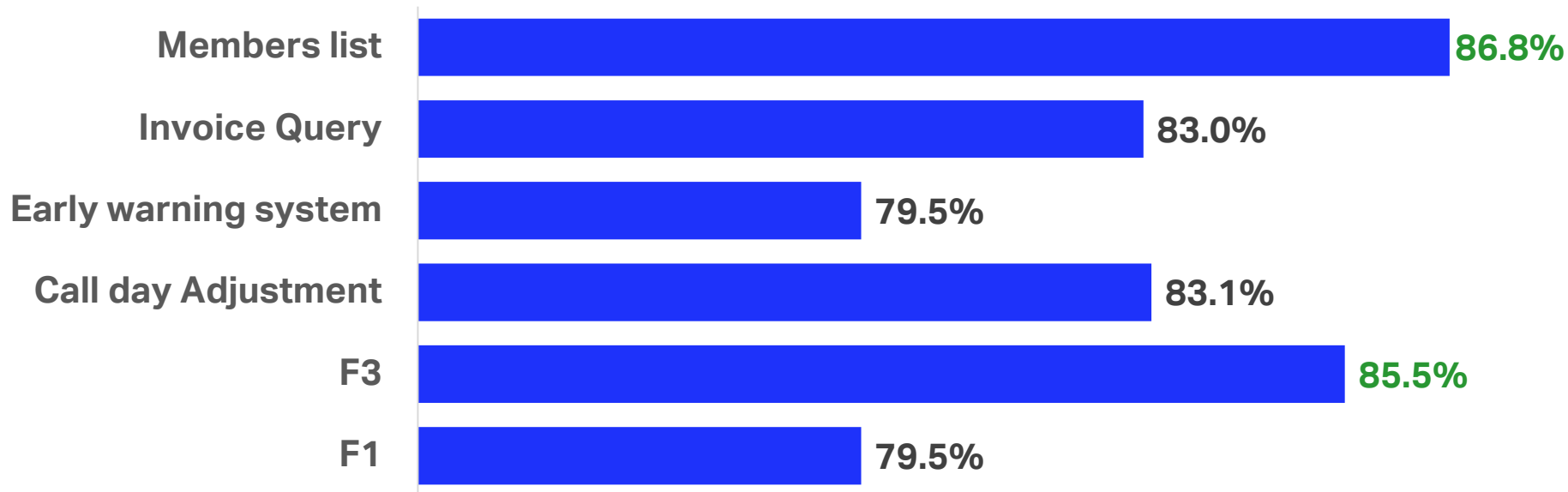
"Implementation of a "Direct-Debit" like scheme"

"Reduction of monthly and periodical fees"

Customer Satisfaction



• Satisfaction ICH Reports:



Voice of the Customer:

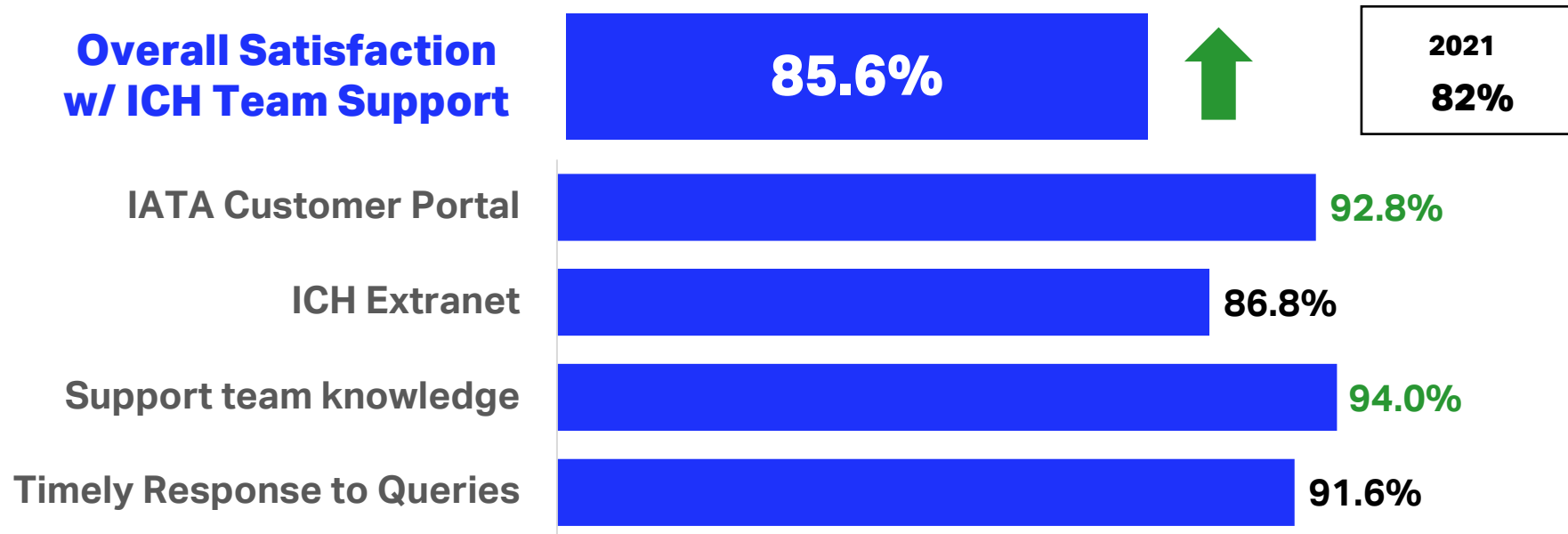
"Sharing the member's list on a weekly basis"

"Simplify access to invoices"

Customer Satisfaction



- Satisfaction ICH Support:



Voice of the Customer:

"24 hours support"

"IATA Customer Portal is not easy to manage and understand for users"

Customer Satisfaction



- Customer Testimonies:

Time of response is **impressive**.

Reduces debts and Collections activities.

Reliability, Convenience and **Transparent** platform...

Best way to get the money.

Weekly settlements implemented by the ICH make our setting off process with our partners more **easier** and **quicker** due to **one time payment**.

It is the **product of choice**.

.... **Cost-effective** billing and settlement services in multiple currencies for the air transport industry,

ICH is **fast, secure** and very **convenient**.

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

ICH Governance:



- **New Working Group:** effective 01 Jan-23
 - Reporting to the Industry Finance Advisory Council “WP3b”
 - 10 representatives



- **Areas of activities:**
 - Advising IATA on proposed **changes in the ICH Manual of Regulations and Procedures** which prescribes the purpose and operating procedure of the Clearing House including the application of deposits and/or penalties
 - Reviewing and approving application to the Clearing House of **Non-IATA member airlines**, under Clearing House Regulation 4b.
 - Serving as adjudicators in arbitration under the Clearing House Regulation 23, in Inter-clearance arbitrations, or in **interline billing disputes**.
 - Advising IATA regarding policies in relation to **defaults and bankruptcies**.
 - Advising IATA on prioritization of **developments and changes** to functionalities and/or reports of the Clearing House.

Your ICH Team:



Shehryar Sadiq



Jesse Reeves



Cedric Chretien



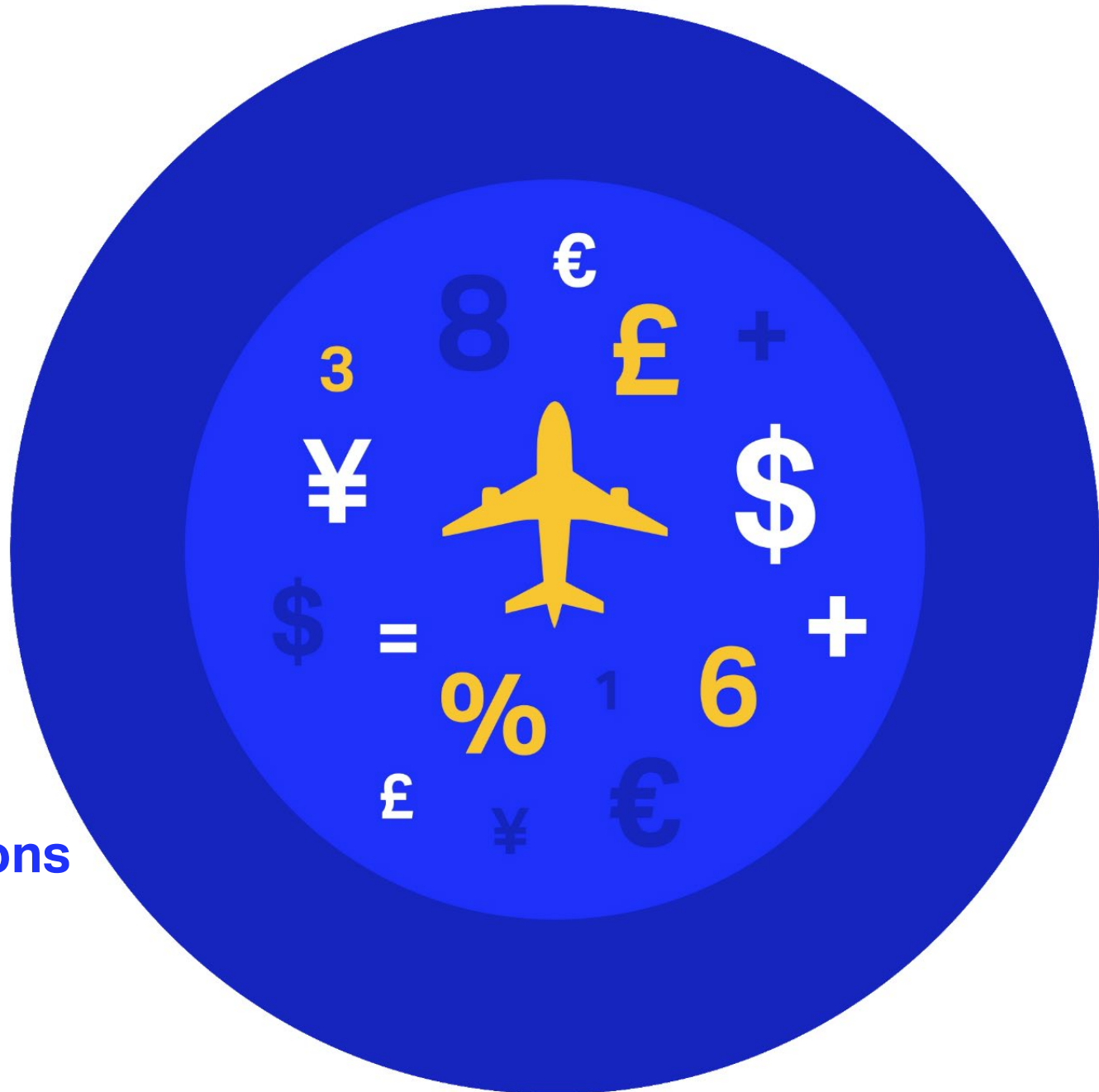
Yu Song



Vivian Fernandes

IATA WORLD FINANCIAL SYMPOSIUM

Cedric Chretien
Head Settlement Operations
ICH Manager
chretienc@iata.org



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Networking Lunch



See you in 75 minutes!



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8th IBS OPS General Meeting
19 September 2022
Doha, Qatar

Future of Interline Billing and Settlement Standards with Offers & Orders

Myriam Burget/LX (Chair, PASB Chair)

Konda Reddy/QF (Chair, OAG)



Agenda

1. Airline Retailing and Customer Centricity – Reminder
2. Introduction to NDC & One Order
 - a. What is the difference?
 - b. What are Offers and Orders
 - c. What is changing?
3. Settlement in the world of Offers and Orders
4. Future of Interline
5. Next Steps





Airline Retailing

The industry roadmap for Value Creation
and Customer Centricity

Key Principles

1. From record-centric to customer-centric
2. Airlines in control of their offers and orders for all distribution channels
3. Airlines are able to sell anything to anyone through any channel
4. Open, modular and capability-based architecture built on typical online retailing principles and financial processes supported by robust standards
5. No backwards compatibility to systems and processes





Introduction to NDC and One Order

Enhanced & Simplified Distribution

Enhanced Distribution

- Commonly known as “New Distribution Capability (NDC)”
- Work started in 2012 with the passing of Resolution 787
- First “official” schemas & guidance published 2015
- Relatively mature standard with adoption growing rapidly

Simplified Distribution

- Commonly known as “One Order”
- Work started in 2015 with the passing of Resolution 797
- First “official” schemas & guidance published 2018
- Still quite a “young” standard with more interest than adoption just now

Offers & Orders only – so what is changing?

3 Game Changers!



Offer
CONTROL

**Agility in Pricing and
Revenue Management**



Offer
& Order
INTEGRITY

**Simplifications in
Revenue Accounting**



ONE Order
FULFILMENT

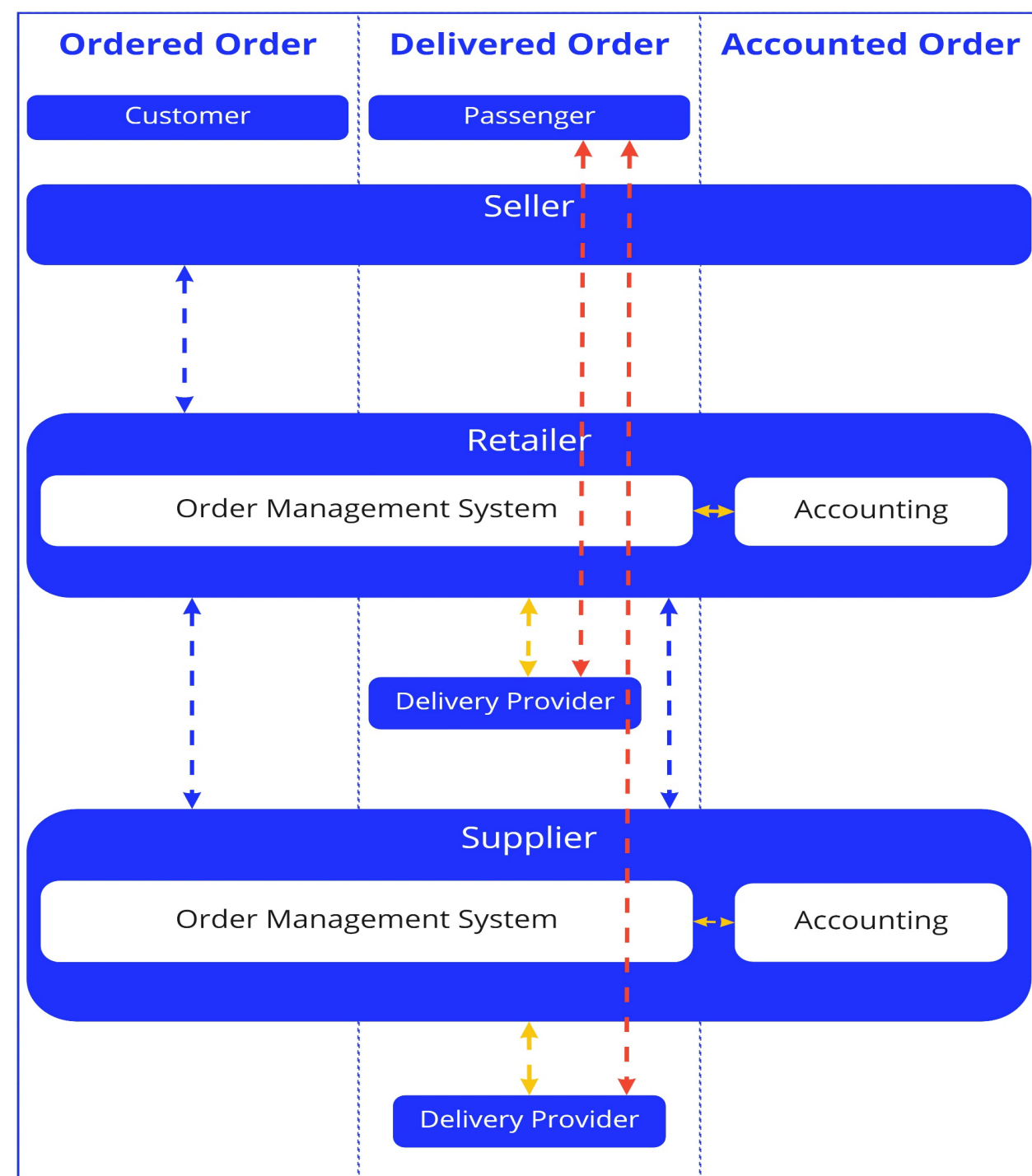
**PSS Transformation
into Airline Retailing
Platform**

So, what changes with Offers & Orders only?

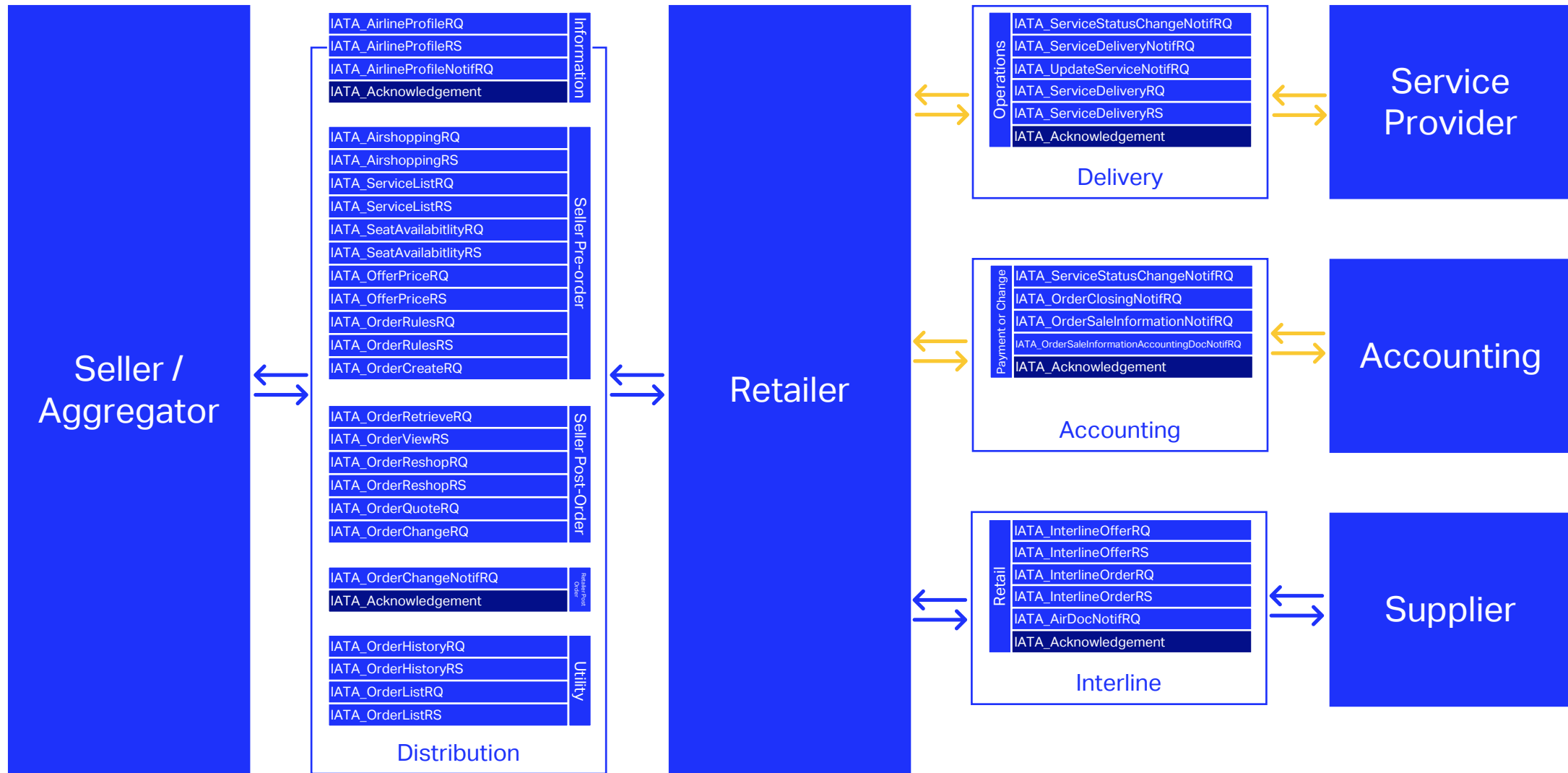
1. End of pricing delegation to 3rd parties
2. Offers fully controlled by the airline
3. The pricing record of the offer cannot be manipulated by 3rd parties
4. Internal pricing value of each service stored upfront within the Order
5. No reconciliation required between pricing, PNR, E-TKT, EMDs
6. The Order becomes the single source of truth
7. The airline is responsible for data interchange related to Risk Management (Agency validation, Real Time data submission) and reporting to the BSP for settlement processing (legacy transactional reporting or/ and Settlement with Orders)

Order Contexts & Domains

- **Actors / Roles**
 - Blue Boxes
- **Business Functions / Systems**
 - White Boxes
- **Message / Data Interactions**
 - NDC (Blue)
 - One Order (Yellow)
 - Other (Red)

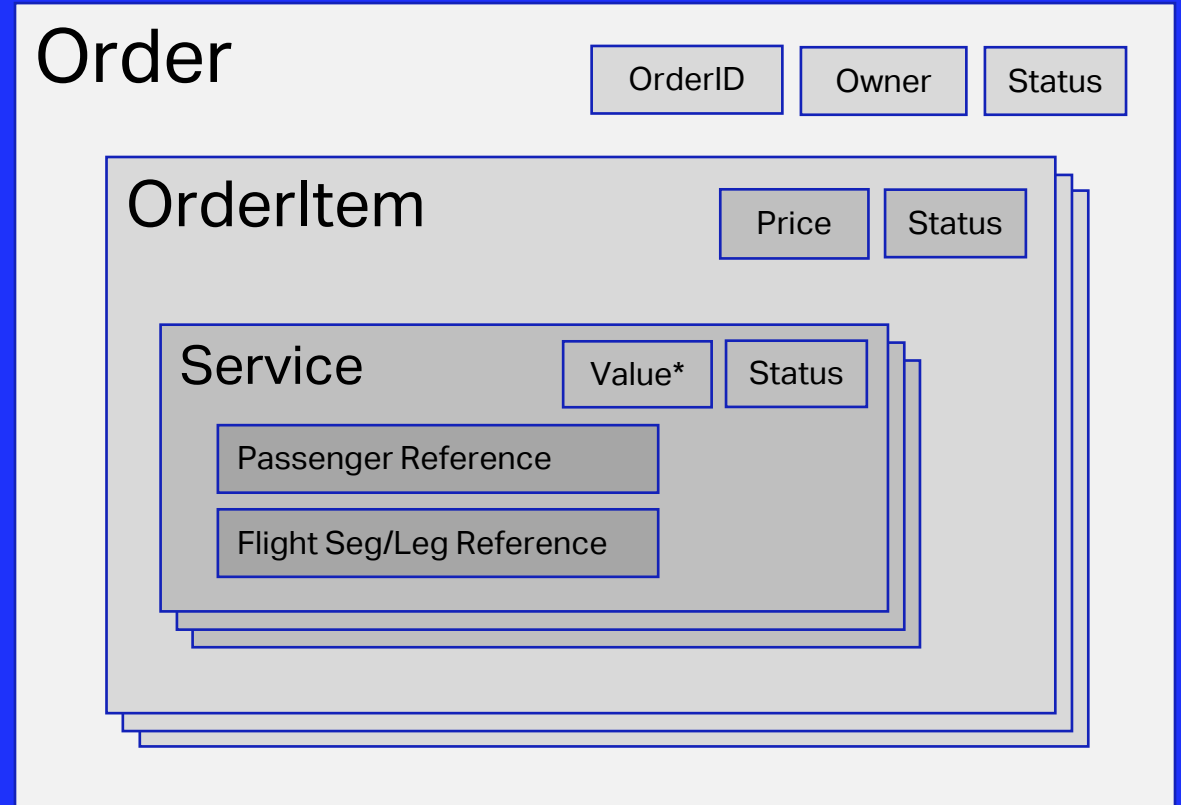


NDC / One Order Messages & Domains



Order Structure

- All Orders are structured the same way.
- Orders have multiple “facets” depending on each message domain.
- The **Ordered Order**; i.e., Data shared between airline and seller, is “Parent” to:
 - The **Accounted Order**
 - The **Delivered Order**



* “Value” at service level is only available within messages in the “Accounted Order” domain

EASD Implementation Guide

IATA Home Home Documentation Community Support

ATSB 22.1 ATSB 21.4 **ATSB 21.3** ATSB 21.2 ATSB 21.1 ATSB 20.2 ATSB 20.1 ATSB 19.2 ATSB 19.1 Archive

Filter

- > AIDM
- > Enhanced and Simplified Distribution
 - > **Introduction**
 - Messages
 - Standard Flows
 - Backwards Compatibility
 - Release Numbering
- > Concepts
- > Capabilities
- > Worked Examples
- > Release Notes
- > Retailer Supplier Interlining with Offers and Orders
- > Settlement with Orders
- > BSP NDC Risk Management

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Introduction

Updated on 15 Nov 2021 • 1 Minute to read • Contributors

Print Share Dark PDF

Welcome to the Enhanced and Simplified Distribution Guide

This website holds information and best practices to aid with implementations of Enhanced and Simplified Distribution. This site is managed by the Offer and Order Standard Setting Groups.

Disclaimer

The information contained in this publication is subject to constant review in the light of changing government requirements and regulations. No reader should act on the basis of any such information without referring to applicable laws and regulations and/or without taking appropriate professional advice. Although every effort has been made to ensure accuracy, the International Air Transport Association shall not be held responsible for any loss or damage caused by errors, omissions, misprints or misinterpretation of the contents hereof. Furthermore, the International Air Transport Association expressly disclaims any liability to any person or entity in respect of anything done or omitted, by any such person or entity in reliance on the contents of this publication.

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Senior Vice President, Marketing and Commercial Services
International Air Transport Association

Table of contents

- [Welcome to the Enhanced and Simplified Distribution Guide](#)

<https://guides.developer.iata.org/v213/docs>

Implementation Guidance Structure

- New content organization as of 21.3 for EASD
- More intuitive and closely matches ARM Index capabilities
- Future guides across other "newer" standards will leverage a similar structure

Concepts

General

Offers

Legacy

Orders

Payment

Capabilities

Shop

Order

Pay

Settle

Accounting

Worked Examples

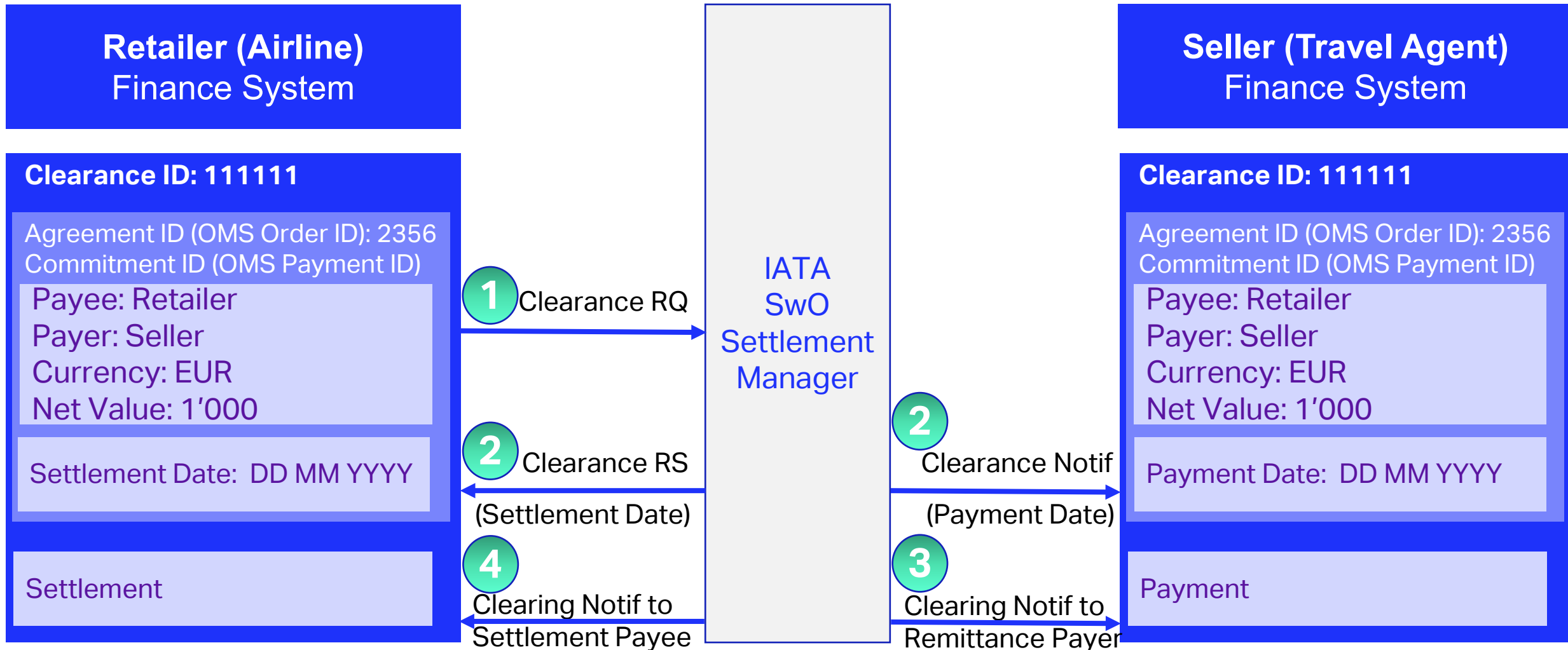
Detailed Use Cases

XMLs

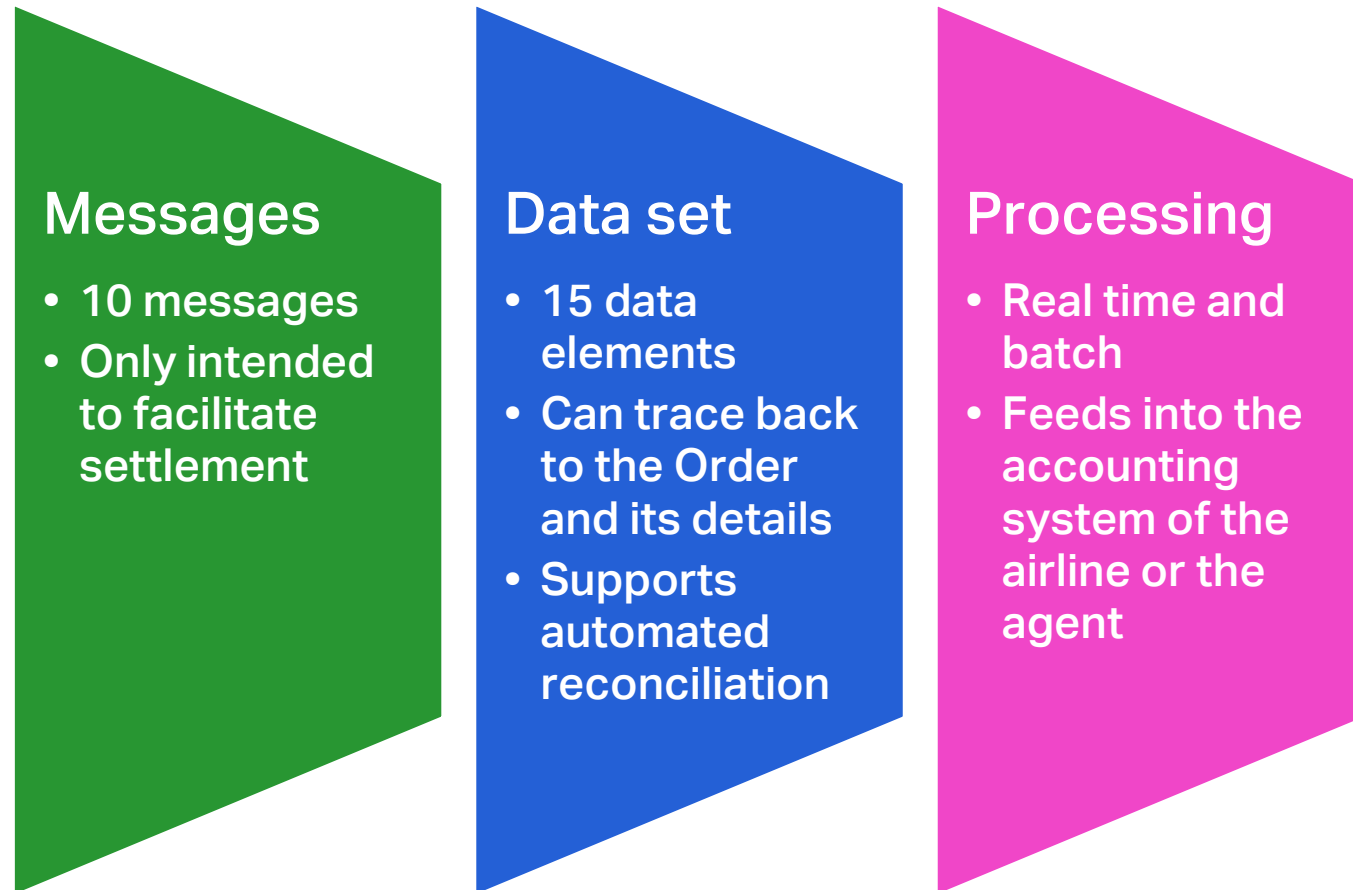


Settlement in world of Offers and Orders

Settlement with Orders process at a glance



Settlement with Orders standard



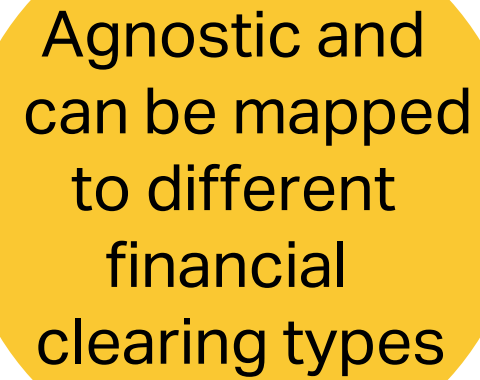
Main benefits of the Settlement with Orders standard



Based
on Orders



Enable
cash collection
in NDC
and ONE Order



Agnostic and
can be mapped
to different
financial
clearing types

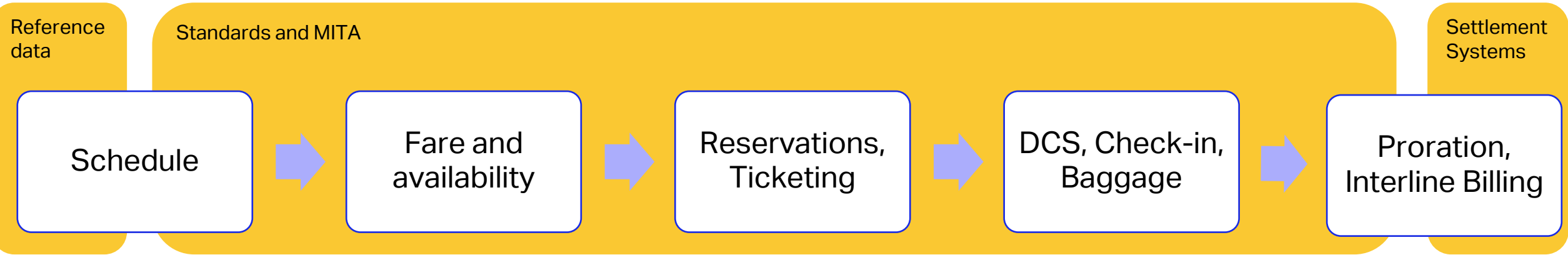


Cash
management
& automated
Reconciliation
on transaction
level



Future of Interline

Interline framework today



customer complexity



limited control and data



limited ancillaries



limited partner types



only one framework



The future of interline vision



Reference data

Standards and MITA

Settlement Systems

Product catalogue standards

Offer and Order Management Standards

Settlement with Orders



seamless customer experience



full control, real-time data



integrated ancillaries



new partners



new flexible framework agreement



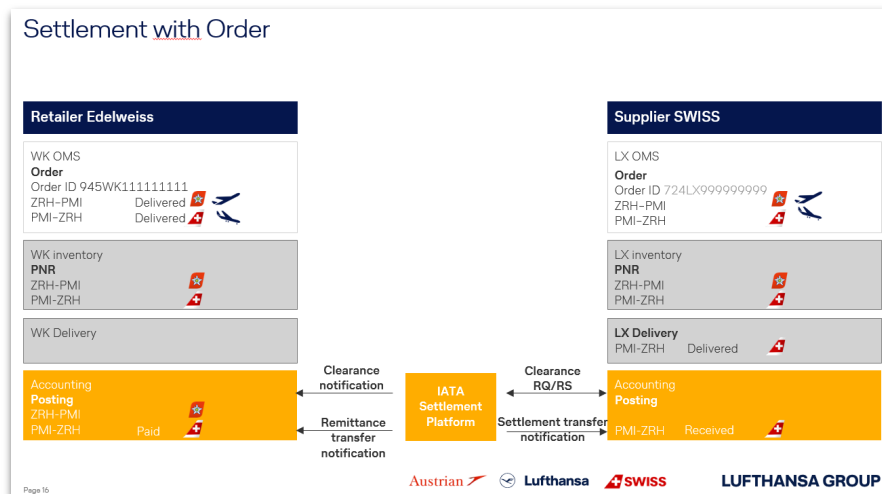
Next steps

- Airline Billing and Settlement Group (ABSG) under PSC (new ToRs, Roadmap, involvement in cross-functional standard work)
- How current standards and capabilities can be used for interline billing and settlement ?
- Complete the EASD Implementation Guide with Interline standard flow, concepts, capabilities and Worked Examples
- Update current RAM B Chapter on NDC and moving it to a mandatory RAM A Chapter
- Some work has already started ...

➤ Identify relevant RAM Rules

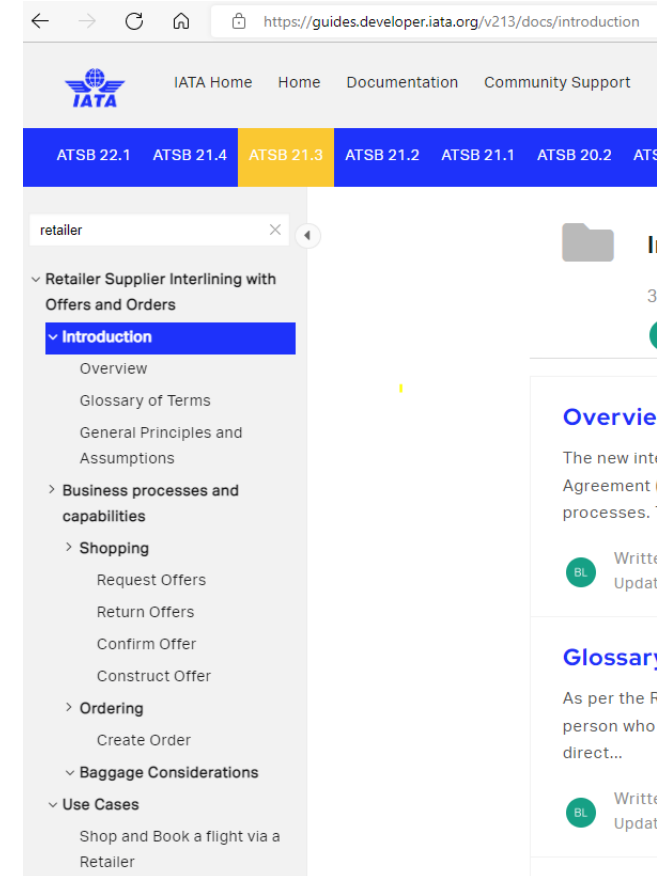
MAIN TOPICS/chapters	Comments	Not relevant for Orders / Order Items	Relevant for Orders/order Items
Blue = out of scope Yellow = Main Topics			
Basic Billing Rules	ref to tikts only		
Coupons			
ExBAGs/incomplete data			
Fraudulent Tikts			
MCO			
EMD			
Cpns with no refund value			
Ex Bag			
TFCS			
Reservation change fee			
Q surcharge			
Billing Memo			
Supplem Charges			
Rerouting billing rules			
Voluntary changes			
Involuntary changes			
SKCHG			

➤ Proof of concept SwO for Interline Settlement (presented in BKK in 2019)



➤ Interline WG

- SIRSIA (replace MITA in Offer-Order & Retailing)
- Retailer Supplier Interlining with Offers and Orders in 21.3 Implementation Guide



- ✓ For further discussions and address of your questions join us tomorrow to SIS GM **Breakout session: "Airlines Retailing with Offers and Orders - Impact on Financial Processes – Preview"**
- ✓ SIS GM Breakout sessions:
 - ✓ Tuesday, 20 September 2022, during SIS GM
 - ✓ 3 breakout sessions will take place from 13:05 to 14:50
 - ✓ Each breakout session 30 minutes
- ✓ The Breakout sessions rooms and protocol will be presented tomorrow morning at SIS General Meeting

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Thank you!



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IBS OPS GM VOTING PAPERS



A7: Date and Place of Next General Meeting

Altug Meydanli

Senior Manager Pay-Account Standards / IATA

A8: Any Other Business

Priscilla Stiller / AA

Chairperson, 8th IBS OPS General Meeting

Closing Remarks

Priscilla Stiller/AA

IBS OPS WG Chairperson

19 September 2022



End of IBS OPS GM/2022

Thank you



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**Please return your electronic handheld voting
devices prior to leaving the room!**

Thank you!
IBS OPS General Meeting

