<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:30</td>
<td>Opening of Meeting and Welcome</td>
</tr>
<tr>
<td>8:33</td>
<td>Competition Law Guidelines for IATA Industry Meetings</td>
</tr>
<tr>
<td>8:35</td>
<td>Delegate Introductions</td>
</tr>
<tr>
<td>8:55</td>
<td>Financial Settlements Services Transformation Program “FSSTP” Update</td>
</tr>
<tr>
<td>9:15</td>
<td>Vendor Introduction</td>
</tr>
<tr>
<td>9:35</td>
<td>ICI Chairperson’s Report on WG Activities</td>
</tr>
<tr>
<td>9:50</td>
<td>The Year In ICH Operational Performance</td>
</tr>
<tr>
<td>10:30</td>
<td>Coffee Break</td>
</tr>
<tr>
<td>11:00</td>
<td>Highlights of the 2023 ICH Customer Satisfaction Survey</td>
</tr>
<tr>
<td>11:15</td>
<td>Improve/enhance your ICH experience/knowledge</td>
</tr>
<tr>
<td>11:30</td>
<td>Bankruptcy and Special Clearance Update</td>
</tr>
<tr>
<td>11:45</td>
<td>Deep dive on the Airline Risk Management Framework</td>
</tr>
<tr>
<td>12:15</td>
<td>SM “x” The game changer</td>
</tr>
<tr>
<td>12:30</td>
<td>Networking Lunch</td>
</tr>
<tr>
<td>12:30</td>
<td>Q&amp;A on morning sessions</td>
</tr>
<tr>
<td>14:00</td>
<td>Modern Airline Retailing Offers and Orders - Impact on Financial Processes, Accounting &amp; ICH</td>
</tr>
<tr>
<td>14:45</td>
<td>Update SM “B” to “T”</td>
</tr>
<tr>
<td>15:00</td>
<td>Update Passenger flown coupons – Speed up the cash flow</td>
</tr>
<tr>
<td>15:15</td>
<td>The impact of new technologies on the air transport industry</td>
</tr>
<tr>
<td>15:30</td>
<td>Coffee Break</td>
</tr>
<tr>
<td>16:00</td>
<td>ICI Product Management Update</td>
</tr>
<tr>
<td>16:15</td>
<td>Suppliers in ICH what benefits for Airlines</td>
</tr>
<tr>
<td>16:45</td>
<td>ICI Quiz</td>
</tr>
<tr>
<td>17:10</td>
<td>DCT Origin-Destination Survey</td>
</tr>
<tr>
<td>17:20</td>
<td>Any Other Business</td>
</tr>
<tr>
<td>17:25</td>
<td>Close of Meeting</td>
</tr>
<tr>
<td>17:30</td>
<td>End of Day</td>
</tr>
</tbody>
</table>

Join at slido.com #3311 775
- Wi-Fi: WFSWPS2023
- Password: Wordline
With many thanks to all our sponsors

Co-host Airlines

Prime Sponsors

Platinum Sponsors

Gold Sponsors

Silver Sponsors

Bronze Sponsors

Media Partners

1st ICH General Meeting 2023
A2 – Competition Law Guidelines
Competition law compliance

This meeting is being conducted in compliance with the Provisions for the Conduct of the IATA Traffic Conferences. Pursuant thereto, this meeting will not discuss or take action to develop fares or charges, other than cost recovery charges described by resolution of the Passenger Agency conference, nor will it discuss or take action on remuneration levels of any intermediaries. This meeting also has no authority to discuss or reach agreement on the allocation of markets, the division of sharing of traffic or revenues, or the number of flights or capacity to be offered in any market. Delegates are cautioned that any discussion regarding such matters, or concerning any other competitively sensitive topics outside the scope of the agenda, either on the floor or off is strictly prohibited. The foregoing applies equally to email discussions, instant messaging and social media discussions whether directed to announced participants or other parties not present in the meeting. Participants are reminded that live streaming of this meeting to parties not present in person is not permitted except as indicated by and with the express permission and knowledge of the Chairperson and IATA and only in the event that specific participation on a given item from a party not present in person is required. Unauthorized recording of the meeting is prohibited.
A3 – Delegate Introduction
IR1 – Financial Settlement Services Transformation Program “FSSTP”

Muhammad Ali Albakri
SVP Financial Settlement and Distribution Services, IATA

1st ICH General Meeting 2023
Why is this necessary?
Financial Settlement Services Transformation Program (FSSTP)

Case for Change

- Cater for new distribution channels (NDC and Direct)
- Settlement and reconciliation of AFOP
- Support for Offer & Orders standards
- Cater for bilateral agreements outside Pax Agency Program
- Technology Obsolescence

1st ICH General Meeting 2023
Program Vision

"From “Settlement of Funds” to moving “Value” in real time"

MORE GLOBAL
LEANER
SAFER
FASTER

IATA CLEARING HOUSE GENERAL MEETING

1st ICH General Meeting 2023
FSSTP – Board Direction

**The End-picture**
Any payer, Any payee, Any currency, Real time

**2. Capture bilaterals**
AL, Accredited and Non-accredited  
Extend BSP business value to airlines offering support for their distribution business choices

**3. Address Direct Sales**
AL, Corporates, B2C  
Onboard and risk monitor Corporates  
Enhance B2C payment value proposition

**4. Support Retailing**
AL, Hotels, Travel Supplier  
Onboard travel content providers (Hotels, etc.)  
Full processing of orders (end-to-end)  
Provide partners settlement

**5. Other models**
AL, Suppliers  
Creation of services marketplace  
Buy Now Pay Later (BNPL) schemes  
Commercial lending

**1. Enhance current value**
AL, accredited agents  
Rebuild core, online, real-time and open APIs  
De-risk vendor strategy  
Build Orders processing capabilities

Phase 1
# Program Phases Status Update

<table>
<thead>
<tr>
<th>Phase</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Process &amp; Requirements</td>
<td>Completed</td>
</tr>
<tr>
<td>B. Architecture and Solutioning</td>
<td>Completed</td>
</tr>
<tr>
<td>C. Market Analysis</td>
<td>Completed</td>
</tr>
<tr>
<td>D. Prioritization</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

1st ICH General Meeting 2023
A total of 26 core processes were described (18 new, 8 revamped)

Business Requirements for each process are drafted

1. Settlement Engine
2. Treasury
3. Business Rules
4. Product Management
5. Onboarding
6. Foreign Exchange
# Program Highlights

## Key Features

<table>
<thead>
<tr>
<th>Settlement Engine</th>
<th>Treasury</th>
<th>Business Rules</th>
<th>Product Management</th>
<th>Onboarding</th>
<th>FX</th>
</tr>
</thead>
<tbody>
<tr>
<td>A truly global settlement platform that supports regulated as well as bilateral transactions. The platform will lower costs, provide real time ability to access funds, flexible netting options, multiple forms of payment and also analytical capabilities for decision making.</td>
<td>The client will have full control over collection and payment preferences as well as view their real time positions across all lines of business. They will have the ability to share funds across multiple services.</td>
<td>A very generic business rules engine that maintains the agreements between customers and IATA using smart Contracts and tracks KPIs including compliance and regulatory requirements.</td>
<td>An internal Product Management Platform that allows IATA to map a customer journey from Pre-sales till its activation and support. The platform will also provide real time updates to Account Management and Customers.</td>
<td>Customer 360 portal to, subscribe and maintain IATA products and services. High degree of self-service for users and End to end document servicing with Scanning &amp; Character Recognition.</td>
<td>Users can access Forex services such as hedging, management of currencies and spread. Works in real time as well as batch mode. Enhanced dispute management system with granular auditing.</td>
</tr>
</tbody>
</table>
New and Revamped capabilities

**Internal Configurable processes**
- Products development
- Customers segmentation
- Financial institution onboarding and systems integrations
- Multiple liquidity providers
- Overnight currency position

**Customer Facing**
- Pre-sales activities
- Product awareness campaigns
- End-to-end systems integration
- Self-service onboarding for all customers including bank account management
- Optical Character Recognition for KYC
- Digital identity
- Automatic execution and control of contracts and business rules
- Realtime accounting view
- 360 treasury view
- Realtime FX processing
- Industry Ledger (wallet)
- Risk Management as a service
- Flexible reporting preferences
- Orders processing capabilities
- Netting per line of business
- Risk management – FX risks & Hedging

**Support processes**
- Products monitoring
- Smart documents management
- Users profile management
- Notifications
- Integration with customers treasury systems
- Realtime invoicing and collection

1st ICH General Meeting 2023
Spotlight on the Market Analysis
Results presented capture Quantitative and Qualitative studies:

**Quantitative Study**
- Online questionnaire
- 189 airlines contacted
  - 144 airlines responded
- Nr. Of complete answers per “section” differ.

**Qualitative Interviews (IATA)**
- In-depth interviews conducted with airlines who participated in the Quantitative study
- Interviews covering 96 airlines up to date and considered in this report.

**Qualitative Interviews (Consultants)**
- Interviews with some LCCs
- Interviews covering 17 International LCCs conducted and considered in this report.
6 areas were covered

1. Retailing and Industry Trends
2. BSP
3. Distribution Channels - NDC
4. Distribution Channels – Direct Sales
5. Forms of Payment
6. Bilateral Agreements

1st ICH General Meeting 2023
Key takeaways Trends (qual. and quant.):

- GDS still extremely important for airline sales
- NDC still small and will progressively replace GDS
- But Direct sales likely to become key distribution channel
Key takeaways BSP (quant. & qual.):

- 64% are satisfied with the BSP, while 6% are somewhat dissatisfied
- More transparency over rules, will lead to higher satisfaction
- Some airlines intent to use the BSP for NDC
Key takeaways NDC (qual. and quant.):

- NDC Adoption remains limited
- Many barriers preventing NDC adoption
- Need of NDC-ready settlement
Key takeaways Direct to customer sales (qual. and quant.):

- Direct sales key distribution channel for many airlines
- Key benefits include financial benefits and control
- Key investments are related to IT/systems website and marketing
- Reconciliation & finding low risk and cost FOPs key challenges
Key takeaways FOPs (quant. & qual.):

- Choice for FOPs mostly driven by market demands & trends
- Few payment costs are recovered
- Credit Card on its way to become biggest FOP
- Reconciliation, risks, costs and integration key FOP pain points
Key takeaways Bilaterals (qual. and quant.):

1. Bilaterals very common and used by most airlines
2. Airlines often choose to use bilaterals
3. Airlines minimize risks through domestic scope and deposits
4. Invoices, deposits and credit cards key FOPs
Next steps

Complete Setup Phase with:

- Enhance Current
- New products (short- and medium-term services)
- RFPs/Work Orders
- Identify Release and Migration Plan
- Identify Target Operating Model
A4 – Vendor Introduction
WELCOME TO
1st IATA Clearing House (ICH)
GENERAL MEETING

Philip Fernandes
SVP – Product Management (Settle Group)
The world's leading NDC enabler

#1 NDC global provider

NDC Pioneers

Market Leader for NDC transactions*

Driving the change

200+ direct connections to agents and aggregators globally

50k+ active IATA agencies

Committed to bringing NDC at scale

15bn offers created every day for airline partners

Up to 70% adoption rate by our customers

3X increase in bookings by working hand-in-hand with our airline customers

Proven, resilient, and future-ready retail capabilities powered by AWS

*As per T2RL 2022 data
How Accelya Unlocks Value

Unconstrained freedom to distribute

Cost effective, Value focused, Customer aligned

Relevant, optimized offers

Dynamic, Personalized, Profitable

asselya Passenger Platform

Assurance, Reconciliation, Accounting

Assured, integral back office
Building on our Financial portfolio

**Today – Revenue Accounting and Assurance**

Continued investments in our Revenue Accounting and Revenue Assurance Platforms

Revenue Accounting wins
- Large airline in Middle East and Latin America for full financial portfolio
- Added several European airlines to our list of revenue wins

Revenue Assurance wins
- Several new airlines for Audit and BIDT solutions.

Refund Management – End-to-End platform to manage Refunds

**Tomorrow – Order Accounting and Settlement**

- Extends Modern Retail transformation into Finance Department
- Enable Airlines to quickly launch New products & Services, Dynamically price their offers, connect with Partners
- Adopt standard process like Order to Cash (O2C) and Procure to Pay (P2C)
- Seamless integration with ERP using our standard Connect2ERP API
Accelya is here to support you in your journey to Transform into Modern Retailers.
Sutherland
World Financial & Passenger Symposium 2023
We make digital human.

Established in 1986

A team of over ~50,000 global professional with experience running global programs

Capabilities to deliver a combination of people and platforms to cover end to end lifecycle management

Over 43 million transactions per month

250+ Global Clients

Presence in 15 countries supporting 40+ Languages
Our integrated methodology helps create seamless, personalized, and efficient experiences across industries and business processes.

**DIGITAL TRANSFORMATION**

Sutherland Labs designs experiences that unlock human potential from beginning to end – using design thinking, a deep understanding of human insights, process and technology, and how AI can be continuously applied to make them better. Our Digital Engineering team then brings these experiences to life by integrating and orchestrating solutions.

**PRODUCTS X PLATFORMS X HYPERAUTOMATION**

We build proprietary technology that’s cognitive, AI-based, and truly intelligent. So much so that we can automate mission-critical, complex processes (not just the cut-and-paste ones). That’s how we can unlock innovation, maximize efficiency and supercharge your growth. And keep on innovating to fuel exceptional experiences today that continue to delight tomorrow.

**BUSINESS PROCESS**

Exceptionally well-designed processes bring great experiences to life. They are the muscle and bone that operationally bind an organization to the real-life people it serves. At Sutherland, we reimagine processes from scratch, designing them for each human. The right process run over the right technology by the right talent makes digital more human.
Our technology-led end-to-end solutions support leading travel and retail brands drive revenue, optimize costs, and enhance experiences.

We partner with online travel agencies, hotels, airlines, car-rental companies, shared economy, providers, cruise lines, logistics companies.
Process Optimization, Digital Consulting, Integration, Automation, Collaboration

Order Accounting, Contract Validation, Settlements

Sutherland altra® Suite
altraPRA, altraQAS, altraAR, altraDOC, altraAUDIT
Revenue Accounting, AR/AP/GL, Audit

Real-time Revenue and Cost Analytics, CFO Dashboard

Digital Finance Solutions
Omni-channel Customer Care, Sales/Refunds/Reissues, Loyalty Management, Disruption Management

Partner Onboarding, Partner Sales and Servicing, Disruption Management

Rate Filing, Revenue Integrity, Competitive Benchmarking

Channel Analytics, Interaction Analytics, Revenue Analytics, Route Profitability
Thank You!

Let's have a conversation! We are at Booth 11
IR2 – ICH WG
Initiatives

Parm Kaur
ICH Working Group Chair

1st ICH General Meeting 2023
IFAC Working Group & TF Structure
ICH Working Group

- 3 years mandate from 1st December 2022 until 31st December 2025
- Chair and Vice Chair appointed by IFAC Steering Group for the duration of the mandate

<table>
<thead>
<tr>
<th>Name</th>
<th>Carrier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parm KAUR</td>
<td>British Airways (BA) - Chair</td>
</tr>
<tr>
<td>Neville TODIWALLA</td>
<td>Emirates (EK) – Vice Chair</td>
</tr>
<tr>
<td>Said AL RASHDI</td>
<td>Oman Air (WY)</td>
</tr>
<tr>
<td>Jaclyn BAKKE</td>
<td>American Airlines (AA)</td>
</tr>
<tr>
<td>Simon BLUM</td>
<td>Latam Airlines (LA)</td>
</tr>
<tr>
<td>Juergen ENDE</td>
<td>Deutsche Lufthansa AG (LH)</td>
</tr>
<tr>
<td>Ahmed GAMALEDIN</td>
<td>Egyptair (MS)</td>
</tr>
<tr>
<td>Kartina MUHAMMAD KARIM</td>
<td>Malaysia Airlines (MH)</td>
</tr>
<tr>
<td>Weijie ‘Vicky’ PENG</td>
<td>Xiamen Airlines (MF)</td>
</tr>
<tr>
<td>Yuwan ‘Will’ ZHANG</td>
<td>China Southern Airlines (CZ)</td>
</tr>
<tr>
<td>Cedric CHRETIEN</td>
<td>IATA - Secretary</td>
</tr>
</tbody>
</table>

**Mandate**

a. The IATA Clearing House Working Group (ICHWG) shall provide technical guidance to IFAC and IATA management on matters related to the functioning of the IATA Clearing House (ICH) settlement system.

b. Areas of activities:
   - Advise IATA on proposed changes in the ICH Manual of Regulations and Procedures which prescribes the purpose and operating procedure of the Clearing House, including but not limited to the application of security deposits and other security provisions or penalties.
   - Review and approve application to the Clearing House of Non-IATA member airlines, under Clearing House Regulation 4b.
   - Serve as adjudicators in arbitration under the Clearing House Regulation 23. In Inter-clearance arbitrations, or in interline billing disputes.
   - Advise IATA regarding policies in relation to defaults and bankruptcies.
   - Advise IATA on prioritization of developments and changes to functionalities and/or reports of the Clearing House.
# Operational Excellence

**Topic:**
- **#WP1:** Operational key performance indicators

**Deliverables:**
- On-time settlement
- Unrecovered amount

**Achievements:**
- On-time settlement target 100%
- 0% unrecovered amount YTD

**Topic:**
- **#WP2:** ICH manual of regulations and procedures

**Deliverables:**
- Review of 25th Edition
- Review of T&Cs
- Review other proposals

**Achievements:**
- 26th Edition released June 2023

**Topic:**
- **#WP3/4/5:** Developments and changes to functionalities and/or reports

**Deliverables:**
- Expansion of SMI X
- SMI B to I option
- Improve cash flow - passenger flown coupons billed in P1

**Achievements:**
- ACE – Aviation Carbon Exchange
- New currencies

# Customer Centricity

**Topic:**
- **#WP6:** IATA Clearing House community growth

**Deliverables:**
- Cost saving using ICH Ambassador role; usage of ICH
- Applications of non-IATA member airlines

**Achievements:**
- New members joining
- 30 suppliers, 12 non-IATA & 5 IATA YTD
IR3 – The Year in ICH Update

Cedric Chretien
Head Settlement Operations & ICH Manager, IATA

1st ICH General Meeting 2023
2022 at a glance!

- **Volume of transactions:**
  - In value terms, 2022 volumes grew by 125% compared to 2021 with USD43.11b processed vs USD19.19b but still down 31% vs 2019 levels.

<table>
<thead>
<tr>
<th>In USD</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>5,215,445,082</td>
<td>4,231,486,408</td>
<td>3,107,083,484</td>
<td>901,944,723</td>
<td>498,573,214</td>
<td>695,504,910</td>
<td>871,276,335</td>
<td>909,257,617</td>
<td>917,796,882</td>
<td>1,016,578,469</td>
<td>939,354,186</td>
<td>1,125,080,478</td>
<td>20,391,383,768</td>
</tr>
<tr>
<td>2021</td>
<td>1,117,842,108</td>
<td>906,902,943</td>
<td>1,054,722,302</td>
<td>1,139,644,071</td>
<td>1,181,536,548</td>
<td>1,411,573,011</td>
<td>1,840,787,147</td>
<td>1,939,906,423</td>
<td>1,944,000,235</td>
<td>2,081,040,762</td>
<td>2,202,957,196</td>
<td>2,324,419,712</td>
<td>19,189,341,310</td>
</tr>
<tr>
<td>2022</td>
<td>2,113,580,463</td>
<td>2,080,180,212</td>
<td>2,734,174,602</td>
<td>3,090,911,898</td>
<td>3,441,210,384</td>
<td>4,211,534,323</td>
<td>4,663,463,635</td>
<td>4,352,015,471</td>
<td>4,308,433,085</td>
<td>4,100,923,869</td>
<td>3,824,585,566</td>
<td>4,216,370,224</td>
<td>43,107,383,224</td>
</tr>
</tbody>
</table>

-13%
2022 at a glance!

- There has been an increase in all 4 categories of transactions with the biggest in Passenger with 205.4% followed by UATP 185.1%, Miscellaneous 43.4% and Cargo 10.9% vs 2021 levels.

- Passenger (60.3%) & Miscellaneous (27.3%) transactions represented 87.6% of the total volumes processed.
2022 at a glance!

• **Settlement Success Rate / Unrecovered amount %:**
  - There has been 16 suspensions (+6 vs 2021) and 3 reinstatements. Despite 3 resettlements, finished the year with a **settlement success rate at 99.997% or 0.003% unrecovered amount** (USD1.14m resettled out of USD43.11b processed).

  - **Average Settlement Success Rate / Unrecovered amount %:**
    • Last 5 years (2018-22): 99.9966% / 0.0034% with USD6.1m resettled out of USD207.3b processed
    • Last 10 years (2013-22): 99.9983% / 0.0017% with USD6.3m resettled out of USD487.7b processed
    • 100% in 2014, 2016, 2017 & 2021
2022 at a glance!

• **Membership:**
  – 31 new joiners (1 IATA, 6 Non-IATA, 24 Associates)
  – At the end of 2022, ICH had **495** active members (304 Airlines, 176 Associates and 15 Sponsored)

• **“SOC2” Service Organization Control**
  – Certifications renewed by Deloitte with a clean audit opinion and no exceptions noted on over 115 controls tested

• **“ICH WG” IATA Clearing House Working Group**
  – December 2022, decommissioning of the IBS OPS WG replaced by the ICH WG reporting to the Industry Financial Advisory Council “IFAC”
Outlook 2023

- **Volume:** (after completion of the Sep-23 P4 clearance)
  - In value terms, volume with USD44.44b grew by 43.5% over the same period in 2022 (USD30.97b). Still down 6.1% vs 2019 levels (USD47.33b).
  - Monthly average:
    - Q1: USD4.16b
    - Q2: USD5.04b
    - Q3: USD5.61b
  - Year-end forecast for total throughput is likely to be just over USD60b, up 39.3% vs 2022 and just down 3.9% vs 2019 levels (USD62.49b).
Outlook 2023

- Volume:
  - As at end Sep-23, except for Cargo down by 7.9%, there has been an increase in all 3 other categories of transactions with the biggest in Passenger with 49.1% followed by UATP with 48.3% and Miscellaneous 34.8% vs same period last year. Passenger transactions represented 62% of the total volumes processed YTD before Miscellaneous/Non transportation billings 26%, UATP 10% and Cargo 2%.
Jan to Sep-23 Highlights

- Membership: as at 30 Sep-23
  - 47 new participants (5 IATA, 12 **Non-IATA**, 29 Associates & 1 Sponsored)
  - 530 active members (319 Airlines (*), 195 Associates & 16 Sponsored)

(*) 217 IATA & 102 Non-IATA

1st ICH General Meeting 2023
Jan to Sep-23 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 our new auditors PricewaterhouseCoopers “PwC”.

• Disaster Recovery “DR”:
  – Successfully completed between 04 and 11 Oct-23 switching the system from our primary hosting site in GVA to the secondary site in ZRH

• 26th Edition of the ICH manual
  – Released on 23rd Jun-23 & effective 1st July 2023
Risk Management

• YTD 4 Suspensions: (15 end Sep-22)
  
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(CU-136) Cubana de Aviacion</td>
<td>IATA Member</td>
</tr>
<tr>
<td>2</td>
<td>(9U-572) Air Moldova</td>
<td>IATA Member</td>
</tr>
<tr>
<td>3</td>
<td>(UT-298) Utair Aviation</td>
<td>IATA Member</td>
</tr>
<tr>
<td>4</td>
<td>(TM-088) LAM Mocambique</td>
<td>IATA Member</td>
</tr>
<tr>
<td></td>
<td>Reinstated</td>
<td></td>
</tr>
</tbody>
</table>

• Settlement Success Rate & Unrecovered amount: **100% & 0%**
  – After completion of Sep-23 P4, USD44.44b processed and settled in full

• YTD 3 Special Clearances: (7 in total in 2022)
  
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(7I-958) Insel Air International</td>
<td>Jan-23 P2</td>
</tr>
<tr>
<td>2</td>
<td>(4S-644) Solar Cargo C.A.</td>
<td>May-23 P1</td>
</tr>
<tr>
<td>3</td>
<td>(Z8-464) Amazonas S.A.</td>
<td>Jun-23 P4</td>
</tr>
</tbody>
</table>
Risk Management

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

ICH SECURITY DEPOSITS 2019 TO SEPTEMBER 2023

<table>
<thead>
<tr>
<th>Year</th>
<th>Security Deposits in USD Million</th>
<th>Security Deposits in Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>30.32</td>
<td>87</td>
</tr>
<tr>
<td>2020</td>
<td>22.07</td>
<td>90</td>
</tr>
<tr>
<td>2021</td>
<td>22.05</td>
<td>98</td>
</tr>
<tr>
<td>2022</td>
<td>23.18</td>
<td>103</td>
</tr>
<tr>
<td>Sep-23</td>
<td>26.03</td>
<td>115</td>
</tr>
</tbody>
</table>
Protests

- Governed by ICH Regulation 22
- 115 received after completion of Aug-23 P4 (182 same period in 2022)
- 82% actioned (94)
- 74% Miscellaneous / Non-Transportation billings (70) / 17% Passenger (16)
**Quiz**

1. **How big is the ICH Team?**
   - a) 5
   - b) 6
   - c) 26

2. **When did ICH begin Operations?**
   - a) 1945
   - b) 1947
   - c) 1949

   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.

   In 2022, we celebrated ICH’s 75th Birthday!

3. **How many currencies offer ICH?**
   - a) 3
   - b) 5
   - c) 7

   USD, EUR, GBP, AUD, JPY, SGD & CHF

4. **What is the 2023 expected ICH Turnover?**
   - a) USD43.18b
   - b) USD60.04b
   - c) USD62.49b

   USD60.04b / USD43.18b in 2022 and USD62.49b in 2019 record year
IR4 – ICH Manual of Regulations and Procedures

Cedric Chretien
Head Settlement Operations & ICH Manager, IATA

1st ICH General Meeting 2023
Decided during the 2\textsuperscript{nd} annual General Meeting of IATA in November 1946 and opened in London on 1\textsuperscript{st} January 1947. Transferred to Geneva in July 1968 and relocated to Montreal in January 1988.

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

A. \textbf{Regulations}: containing the principal rules of the Clearing House

B. \textbf{Calendar}: showing the scheduled events for the year

C. \textbf{Procedures}: detailing the working procedures and other supporting information
The ICH Regulations and Procedures have 3 different approval standards for modification:

1. **Procedures** specify how members are to interact with the ICH and clarify how the ICH will interpret or apply Regulations.

2. **Regulations** that are concerned with the *operation* of the ICH

3. **Regulations** that are concerned with the *scope and purpose* of the ICH (*)

1st ICH General Meeting 2023
• Manuals are available on the ICH Extranet:
26th Edition

- Effective 01st July 2023 released on 23 Jun-23:

Revision History

<table>
<thead>
<tr>
<th>Revision</th>
<th>Date</th>
<th>Changes Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>26th Edition</td>
<td>1 July 2023</td>
<td>Amendment to Part A - Regulations:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Definitions and interpretation:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1) removed Interline Billing and Settlement Operations Working Group as well as Financial Committee replaced by IATA Clearing House Working Group ICH WG and Industry Financial Advisory Council (IFAC)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2) reworded Late Payment Notification Period as well as Protest Period</td>
</tr>
<tr>
<td>26th Edition</td>
<td>1 July 2023</td>
<td>Regulation 18: adjusted the notice period from 12 to 6 months to align with Regulation 13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regulation 22 (b) (i): adjusted to 11 am EST instead of close of business in Geneva</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regulation 29 (b) and 41 (a): adjusted to align with the global IATA risk management framework</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regulation 41 (a): updated to precise collection of the deposits</td>
</tr>
<tr>
<td>26th Edition</td>
<td>1 July 2023</td>
<td>Amendment to Part B - Calendar:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Updated to include the 2023 Clearance Calendar</td>
</tr>
<tr>
<td>26th Edition</td>
<td>1 July 2023</td>
<td>Amendment to Part C - Procedures:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Procedure 11 (b): replaced Late remittance service fee by Late remittance penalty fee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Procedure 11 (d): adjusted the reference made to Regulation 49 from (ll) to (lg)</td>
</tr>
</tbody>
</table>

1st ICH General Meeting 2023
Part A: Regulations

- Currency of **Clearance** (Reg. 13 & 14) is not the same as Currency of **Settlement** (Reg. 18).
- Currency of **Clearance** defines the Zone and currency to be used at the time of invoicing. Communicated on the ICH Circular when announcing membership and/or change.

  - GBP Currency of Clearance (Zone A)
  - USD Currency of Clearance (Zone B)
  - EUR Currency of Clearance (Zone D)

- Currency of **Settlement** is/are the currency(ies) balances DUE TO ICH and/or DUE FROM ICH will paid TO and/or received FROM the ICH. Sole discretion of the member and not communicated.

<table>
<thead>
<tr>
<th>Zone of Billing Member</th>
<th>A</th>
<th>B</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>GBP</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>B</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>D</td>
<td>USD</td>
<td>USD</td>
<td>EUR</td>
</tr>
</tbody>
</table>
Part A: Regulations

- **Protests of Improper Billings (Reg. 22)**
- Protests (ICH) are not the same as Rejections (RAM)
- To be honored, a protest must qualify as an improper billing as defined in the ICH manual
- Protest/Adjustment must be raised using the online module in IS-Web
Part A: Regulations

• **Protests of Improper Billings (Reg. 22)**

• Protest/Adjustment must be raised within the authorize period during each clearance period i.e. from Advice Day until Call Day – 2-3 working days

• The protest procedures are not intended to resolve, any other billing and settlement errors which are not resolved through the rejection and rebilling procedures as set out in the Revenue Accounting Manual
Part A: Regulations

- Placement of Security Deposit (Reg. 29 (b)) & (Reg. 41 (c))
- The Member has been consistently unpunctual (*) with regard to remitting its balances DUE TO ICH (*) more than three times over twelve consecutive clearances i.e. 3 months
- The Member was previously suspended and seeks reinstatement.
- The Member becomes bankrupt and/or insolvent, files for reorganization under bankruptcy and/or insolvency laws, or is the subject of court-appointed (or otherwise) administration or goes into receivership.
- The Member, in the opinion of IATA, poses sufficient financial or legal risk including by reason of outstanding amounts owed to IATA in connection with its other settlement services or otherwise.
Part A: Regulations

- **Reg. 28 (a):** Settlement of balances DUE TO ICH

- Transfers should be pre-ordered by debtor Members by close of business on the Protests deadline for good value on Call Day.

- No direct debit nor offset with future receivables. Wire transfer(s) to the ICH designated bank account(s) with the ICH Clearing Bank Barclays.

- **Reg. 33:** Defaulting debtors

- Notifications released for each of the clearance period informing members of any unpaid balances for a particular period and a specific point in time.
### Part B: Calendar

**CLEARANCE CALENDAR 2023 - STANDARD AGREEMENT**

<table>
<thead>
<tr>
<th>1st QUARTER</th>
<th>DAYS PERIODS</th>
<th>JANUARY</th>
<th>FEBRUARY</th>
<th>MARCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearance Initialization</td>
<td>15-Jan 18-Jan 24-Jan 31-Jan</td>
<td>08-Feb 15-Feb 22-Feb 01-Mar</td>
<td>08-Mar 15-Mar 22-Mar 29-Mar</td>
<td></td>
</tr>
<tr>
<td>Closure Day (Regulation 29)</td>
<td>17-Jan 23-Jan 30-Jan 06-Feb</td>
<td>14-Feb 21-Feb 28-Feb 07-Mar</td>
<td>14-Mar 21-Mar 28-Mar 07-Apr</td>
<td></td>
</tr>
<tr>
<td>Advice Day (Regulation 27)</td>
<td>19-Jan 25-Jan 01-Feb 08-Feb</td>
<td>16-Feb 23-Feb 02-Mar 09-Mar</td>
<td>16-Mar 23-Mar 30-Mar 06-Apr</td>
<td></td>
</tr>
<tr>
<td>Protest Deadline (Regulation 22)</td>
<td>24-Jan 30-Jan 06-Feb 14-Feb</td>
<td>21-Feb 28-Feb 07-Mar 14-Mar</td>
<td>21-Mar 28-Mar 04-Apr 14-Apr</td>
<td></td>
</tr>
<tr>
<td>Early Call Day (Regulation 28)</td>
<td>26-Jan 01-Feb 08-Feb 16-Feb</td>
<td>23-Feb 02-Mar 09-Mar 16-Mar</td>
<td>23-Mar 02-Mar 09-Mar 16-Mar</td>
<td></td>
</tr>
<tr>
<td>Call Day (Regulation 29)</td>
<td>25-Jan 01-Feb 08-Feb 16-Feb</td>
<td>23-Feb 02-Mar 09-Mar 16-Mar</td>
<td>23-Mar 02-Mar 09-Mar 16-Mar</td>
<td></td>
</tr>
<tr>
<td>Settlement Day (Associate Members) (Regulation 30)</td>
<td>30-Jan 06-Feb 13-Feb 20-Feb</td>
<td>27-Feb 06-Mar 13-Mar 20-Mar</td>
<td>27-Mar 04-Apr 11-Apr 18-Apr</td>
<td></td>
</tr>
<tr>
<td>Suspension Day (Regulation 31)</td>
<td>31-Jan 06-Feb 13-Feb 20-Feb</td>
<td>27-Feb 06-Mar 13-Mar 20-Mar</td>
<td>27-Mar 04-Apr 11-Apr 18-Apr</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2nd QUARTER</th>
<th>DAYS PERIODS</th>
<th>APRIL</th>
<th>MAY</th>
<th>JUNE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearance Initialization</td>
<td>08-Apr 15-Apr 22-Apr 29-Apr</td>
<td>05-May 12-May 19-May 26-May</td>
<td>02-Jun 09-Jun 16-Jun 23-Jun</td>
<td></td>
</tr>
<tr>
<td>Closure Day (Regulation 29)</td>
<td>14-Apr 21-Apr 28-Apr 05-May</td>
<td>12-May 19-May 26-May 03-Jun</td>
<td>10-Jun 17-Jun 24-Jun 01-Jul</td>
<td></td>
</tr>
<tr>
<td>Advice Day (Regulation 27)</td>
<td>18-Apr 25-Apr 02-May 09-May</td>
<td>16-May 23-May 30-May 06-Jun</td>
<td>03-Jul 10-Jul 17-Jul 24-Jul</td>
<td></td>
</tr>
<tr>
<td>Protest Deadline (Regulation 22)</td>
<td>21-Apr 28-Apr 05-May 12-May</td>
<td>19-May 26-May 03-Jun 10-Jun</td>
<td>17-Jun 24-Jun 01-Jul 08-Jul</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3rd QUARTER</th>
<th>DAYS PERIODS</th>
<th>JULY</th>
<th>AUGUST</th>
<th>SEPTEMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearance Initialization</td>
<td>09-Jul 16-Jul 23-Jul 30-Jul</td>
<td>06-Aug 13-Aug 20-Aug 27-Aug</td>
<td>04-Sep 11-Sep 18-Sep 25-Sep</td>
<td></td>
</tr>
<tr>
<td>Closure Day (Regulation 29)</td>
<td>14-Jul 21-Jul 28-Jul 04-Aug</td>
<td>11-Aug 18-Aug 25-Aug 02-Sep</td>
<td>09-Sep 16-Sep 23-Sep 30-Sep</td>
<td></td>
</tr>
<tr>
<td>Advice Day (Regulation 27)</td>
<td>18-Jul 25-Jul 01-Aug 08-Aug</td>
<td>15-Aug 22-Aug 29-Aug 06-Sep</td>
<td>13-Sep 20-Sep 27-Sep 04-Oct</td>
<td></td>
</tr>
<tr>
<td>Protest Deadline (Regulation 22)</td>
<td>21-Jul 28-Jul 04-Aug 11-Aug</td>
<td>18-Aug 25-Aug 01-Sep 08-Sep</td>
<td>15-Sep 22-Sep 29-Sep 06-Oct</td>
<td></td>
</tr>
<tr>
<td>Call Day (Regulation 29)</td>
<td>25-Aug 01-Sep 08-Sep 15-Sep</td>
<td>22-Sep 29-Sep 06-Oct 13-Oct</td>
<td>20-Oct 27-Oct 04-Nov 11-Nov</td>
<td></td>
</tr>
<tr>
<td>Settlement Day (Associate Members) (Regulation 30)</td>
<td>27-Aug 04-Sep 11-Sep 18-Sep</td>
<td>25-Sep 02-Oct 09-Oct 16-Oct</td>
<td>23-Oct 30-Oct 06-Nov 13-Nov</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4th QUARTER</th>
<th>DAYS PERIODS</th>
<th>OCTOBER</th>
<th>NOVEMBER</th>
<th>DECEMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advice Day (Regulation 27)</td>
<td>19-Oct 26-Oct 03-Nov 10-Nov</td>
<td>17-Nov 24-Nov 01-Dec 08-Dec</td>
<td>15-Dec 22-Dec 01-Jan 08-Jan</td>
<td></td>
</tr>
<tr>
<td>Early Call Day (Regulation 28)</td>
<td>26-Oct 03-Nov 10-Nov 17-Nov</td>
<td>24-Nov 01-Dec 08-Dec 15-Dec</td>
<td>22-Dec 29-Dec 06-Jan 13-Jan</td>
<td></td>
</tr>
<tr>
<td>Call Day (Regulation 29)</td>
<td>25-Oct 02-Nov 09-Nov 16-Nov</td>
<td>22-Nov 29-Nov 06-Dec 13-Dec</td>
<td>20-Dec 27-Dec 04-Jan 11-Jan</td>
<td></td>
</tr>
<tr>
<td>Settlement Day (Associate Members) (Regulation 30)</td>
<td>27-Oct 04-Nov 11-Nov 18-Nov</td>
<td>24-Nov 01-Dec 08-Dec 15-Dec</td>
<td>22-Dec 29-Dec 06-Jan 13-Jan</td>
<td></td>
</tr>
<tr>
<td>Suspension Day (Regulation 31)</td>
<td>30-Oct 07-Nov 14-Nov 21-Nov</td>
<td>28-Nov 05-Dec 12-Dec 19-Dec</td>
<td>26-Dec 03-Jan 10-Jan 17-Jan</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** (*) after taking into account bank holidays in New York and London

---

**IATA CLEARING HOUSE GENERAL MEETING**

31 October 2022

Subject: CLEARANCE CALENDAR 2023

The ICH Clearance Calendar 2023 is now available for download from the ICH website.

The Calendar follows a standard model, and exceptions due to weekends and public holidays have been highlighted for your information.

Please contact the undersigned in case of any query.

Catholic Christen
IATA Clearing House

IATA CLEARANCE HOUSE

1st ICH General Meeting 2023
Part C: 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
Networking break

Join at slido.com #3311775
IR5 – Highlights
2023 ICH Customer Satisfaction Survey

Cedric Chretien
Head Settlement Operations & ICH Manager, IATA

1st ICH General Meeting 2023
2023 Customer Satisfaction

- On-line survey conducted between 15 May and 15 June 2023 Survey sent to 1,360 Users (Primary, Financial, Circular). 235 responses received. 17.3% response rate!

- Respondents profile:

<table>
<thead>
<tr>
<th>Membership details</th>
<th>ICH Usage Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>68% &gt; 5 yrs. client</td>
<td>16% Daily</td>
</tr>
<tr>
<td>15% 2-5 years client</td>
<td>39% Several times a week</td>
</tr>
<tr>
<td>7% 1-2 years client</td>
<td>35% Several times a month</td>
</tr>
<tr>
<td>6% 6months to 1 year client</td>
<td>8% Several times a year</td>
</tr>
<tr>
<td>4% &lt;1 year client</td>
<td>2% once a year or less</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>ICH Role &amp; Company category</th>
</tr>
</thead>
<tbody>
<tr>
<td>34% Europe</td>
<td>28% ICH Primary contact</td>
</tr>
<tr>
<td>29% ASPAC</td>
<td>55% ICH Financial contact</td>
</tr>
<tr>
<td>23% AME</td>
<td>9% ICH Circular contact</td>
</tr>
<tr>
<td>12% Americas</td>
<td>8% Other (super user, accounting, SIS)</td>
</tr>
<tr>
<td>2% North Asia</td>
<td></td>
</tr>
</tbody>
</table>

77% Airline member / 18% Associate member / 5% Other
2023 Customer Satisfaction

- Key Experience Metrics:

<table>
<thead>
<tr>
<th>Metric</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Satisfaction (CSAT)</td>
<td>90.9%*</td>
<td>84.8%*</td>
<td>85.1%*</td>
</tr>
<tr>
<td>Customer Effort Score (CES)</td>
<td>88%</td>
<td>83.6%</td>
<td>82.4%</td>
</tr>
<tr>
<td>NPS</td>
<td>65</td>
<td>59</td>
<td>58</td>
</tr>
<tr>
<td>Contribution to Business Success</td>
<td>98.7%</td>
<td>98.9%</td>
<td>98.8%</td>
</tr>
</tbody>
</table>

Please indicate how easy you feel it is to do business with the IATA Clearing House?

How likely is it that you would recommend ICH to a colleague or business partner?

How much does ICH contribute to your business success?

* Based on a CSAT calculation where CSAT is sum of total answers (where extremely satisfied is 5) divided by maximum score (e.g. 223*5 in this case).

1st ICH General Meeting 2023
2023 Customer Satisfaction

- What is a good Net Promoter Score “NPS”:

\[
\% \text{ Promoters} - \% \text{ Detractors} = \text{Net Promoter Score}
\]

<table>
<thead>
<tr>
<th>Detractors</th>
<th>Passives</th>
<th>Promoters</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1 - 6</td>
<td>7 - 10</td>
</tr>
</tbody>
</table>

- LOW NPS: -100
- MEDIUM: 0
- HIGH NPS: 20 - 100

2022: Promoters 64%, Passives 31%, Detractors 5%
2023: Promoters 70%, Passives 26%, Detractors 5%

Net Promoter Score: +6%
2023 Customer Satisfaction

- Key reasons used to explain **NPS** score are about ICH doing what it should do, ease of use and speed
2023 Customer Satisfaction

- Some quotes from Promoters

“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.

“It is convenient for airlines to make settlement with other airline partners with lower risks.” – 10, using >5 yrs.

“Best source to minimize payment delay / payment default and effort in handling” – 10, 2-5 yrs.
2023 Customer Satisfaction

- Contribution to Business Success: settlement, speed, ease and therefore allowing for cash flow planning makes members believe ICH contributes to their business success.
2023 Customer Satisfaction

• Users who agreed to leave a testimonial, mostly mention again how useful, easy, reliable and efficient the service is

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.
## 2023 Customer Satisfaction

### ICH Processes:

<table>
<thead>
<tr>
<th>Process</th>
<th>Satisfaction (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency of settlement (weekly)</td>
<td>92.8%</td>
</tr>
<tr>
<td>Settlement and on-time payments of balances due from ICH</td>
<td>92.8%</td>
</tr>
<tr>
<td>Circulars and notifications</td>
<td>87.0%</td>
</tr>
<tr>
<td>Processing of claims</td>
<td>84.8%</td>
</tr>
<tr>
<td>Management of bank details</td>
<td>83.0%</td>
</tr>
<tr>
<td>Joining Process</td>
<td>79.4%</td>
</tr>
<tr>
<td>Management of protest/adjustment</td>
<td>76.7%</td>
</tr>
<tr>
<td>Special clearance and bankruptcy management</td>
<td>73.5%</td>
</tr>
</tbody>
</table>
2023 Customer Satisfaction

- ICH Reports:
  - F3 reports: 89.3%
  - F1 reports: 87.6%
  - Members list: 87.0%
  - Invoice query: 84.5%
  - Call Day Adjustment: 83.7%
  - Early warning: 82.7%
2023 Customer Satisfaction

ICH Team:

- Satisfaction ICH team overall: 97.3%
- Timely responses to queries: 90.1%
- Support team knowledge: 87.9%
- IATA Customer portal: 84.3%
- ICH Extranet: 77.6%
2023 Customer Satisfaction

- Reasons for dissatisfaction

- "Need more trainings"—Somewhat dissatisfied with joining process / management of protest/adjustment

- "Not clear/easy to find and not update."—Somewhat dissatisfied with members list

- "Querying/disputing is not quite clear Members list seems to be outdated for some of airlines/members"—Somewhat dissatisfied with invoice query and members list.

- "Not clear"—Somewhat dissatisfied with call day adjustment

- Please consider D-1 Callday we can receive a notification as early warning”—Somewhat dissatisfied with early warning.

1st ICH General Meeting 2023
2023 Customer Satisfaction

Reasons for dissatisfaction

“We don’t receive ICH updates” – Somewhat dissatisfied with Circulars and notifications.

“Not easy to change our bank details” – Somewhat dissatisfied with Management of Bank Details.

“Joining process for SIS is not simple through the customer portal …” – Somewhat dissatisfied with Joining process.

“Lack of visibility on the basis of calculation of Special Clearances” – Somewhat dissatisfied with Special Clearance and Bankruptcy Management.
2023 Customer Satisfaction

- Testimonials

“Quick, manageable, controllable, flexible and trustable, this is ICH” -

“Very satisfied with the service” -

“Good, unique system no alternative.” -

“Efficient, precise and accurate” -

“Timely settlement of dues” -

“Responsiveness, ease of use and clear rules and regulations” -

“ICH has proven to be a reliable partner in the financial handling of airlines” -

“Trustworthy, up to date, simplifying the business” -

1st ICH General Meeting 2023
IR6 – Improve and enhance your ICH experience and knowledge

Vivian Fernandes
Asst. Manager Settlement Operations, IATA

1st ICH General Meeting 2023
Agenda

❖ Introduction
   Remind our members the processes we follow the important messages, milestones per the ICH clearance calendar, Voluntary Deposit, Useful ICH Reports and ICH Operational tips.

❖ ICH Finance
   • Current process and practices
   • Ways of communicating together

❖ ICH Operations
   • Reports available to Members
   • Reporting tools
   • Operational tips
Communications

ICH Notifications

- Advice Day
- Outstanding Balances Message
- Payment Reminders
- Special Clearances
ICH Finance

Advice Day Message

ADVICE MESSAGE Period 01 JANUARY 2023

To: IATA Clearing House Operations <ichoperations@iata.org>

Company: X8 A51 IATA CLEARING HOUSE
Attention to:

Clearance Period: 01 JANUARY 2023 of Standard
Advice Day: 19 Jan 2023

DUE FROM ICH: USD

Call Day: 26 Jan 2023

Final Form 3 is now available for download from the ICH.
Protest Deadline: 24 Jan 2023
SIS Billing output generation: 19 Jan 2023, 23:00 EST.

Should you have any queries or require assistance with claims submission please do not hesitate to contact Help Desk.

• **Sender:** ICH Finance
• **Recipient:** Members
• **Frequency:** Every clearance period
• **Action required:** Members to settle DUE TO ICH, DUE FROM ICH no payment expected from members
• **Deadline:** Call day

1st ICH General Meeting 2023
ICH Finance

Outstanding Balance Message

Outstanding Balances - P02 September 2023 Standard

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 03 Oct-23**

<table>
<thead>
<tr>
<th>Member Designator</th>
<th>Member Code</th>
<th>Member</th>
<th>Curr</th>
<th>Amount outstanding</th>
<th>Security Deposit held by ICH in USD</th>
</tr>
</thead>
</table>

**Sending Details:**
- **Sender:** ICH Finance
- **Recipient:** Members
- **Frequency:** Every clearance period
- **Action required:**
  - Members with outstanding balance: Settle DUE TO ICH
  - Member with no outstanding balance: Informative only
- **Deadline:**
  - Members with outstanding balance: Before suspension day
  - Member with no outstanding balance: N/A
ICH Finance

Reminders

URGENT REMINDER UNPAID BALANCE DUE TO ICH Standard/

ICH Finance <ichfinance@iata.org>

To

Cc

This message was sent with high importance.

Dear Colleagues at

The Clearing House Bank has notified us that your P02 September 2023 (STD) clearance balance DUE TO ICH USD which was due on Call Day, 02-10-2023, has not been received.

Be reminded that the Last Day for Payment of the P02 September 2023 Clearance is 04-10-2023 and Suspension Day is on 05-10-2023. Therefore your TOP URGENT ACTION as to the remittance of the current outstanding balance is requested to avoid an immediate suspension from ICH Membership.

Should you have already transferred the balance, please investigate TOP URGENTLY with your bankers as to the whereabouts of your payment and forward immediately a copy of the SWIFT (MT-103).

Best regards,

- **Sender:** ICH Finance
- **Recipient:** Members with outstanding **DUE TO ICH** Balance
- **Frequency:** Every clearance period
- **Action required:** Settlement of outstanding balances **DUE TO ICH**
- **Deadline:** On or before suspension day

*ICH General Meeting 2023*
Dear Members,

Trust our message finds you well. Following attached ICH Circular XXX/XX announcing XX’s suspension from ICH effective with the ____ clearance, ICH will be conducting a Special Clearance based on recorded claims during the 6 months post suspension in accordance with Procedure 18.

Collection from debtors will be done through the ______ clearance and distribution to creditors through ______.

Please check in SIS recorded claims by/against XX and notify us not later than _____ should there be any exceptional adjustments required.

Kind regards.

ICH Team
ICH Finance Communications

- IATA Portal
- ICH Extranet

1st ICH General Meeting 2023
ICH Finance

Clearances

- Transfers to the ICH to be made per the Advice Day Message

**ADVICE MESSAGE Period 02 SEPTEMBER 2023**

Company: XB A51 IATA CLEARING HOUSE.
Attention to: ICH FINANCE
CC: ICH FINANCE

Clearance Period: 02 SEPTEMBER 2023 of Standard

Advice Day: 25 Sep 2023

**DUE TO ICH**

USD XXXXX

Call Day: 02 Oct 2023

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

Protest Deadline: 28 Sep 2023

SIS Billing output generation: 25 Sep 2023, 23:00 EST

Should you have any queries or require assistance with claims submission please do not hesitate to contact Help Desk

1st ICH General Meeting 2023
ICH Finance

Clearances

➢ Per Form 3: Summary of Claims by and against

[Image of IATA Clearing House Form 3 Legacy - Final]

AGREEMENT: Standard
CLEARANCE PERIOD: 01 September 2023

BALANCE DUE TO CLEARING HOUSE (USD): 1,581,973
BALANCE DUE TO CLEARING HOUSE (EUR): 3,671,582
ICH Finance

Clearances

➢ Form 1: (XB-XXX) invoices against other ICH members

<table>
<thead>
<tr>
<th>Zone Code</th>
<th>Debtor 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>Convered Amount</th>
<th>Invoice Origin</th>
<th>Invoice Source</th>
<th>Suspended Invoice</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>XX-XXX - AIRLINE SERVICES LTD.</td>
<td>USD</td>
<td>MISC</td>
<td>JN000001</td>
<td>2023-02-28</td>
<td>USD</td>
<td>1,500.00</td>
<td>1.00000</td>
<td>1,500.00</td>
<td>SIS</td>
<td>IS-WEB</td>
<td>N</td>
</tr>
<tr>
<td>B</td>
<td>XX-XXX - AIRLINE SERVICES LTD.</td>
<td>USD</td>
<td>MISC</td>
<td>JN000002</td>
<td>2023-05-03</td>
<td>USD</td>
<td>2,000.00</td>
<td>1.00000</td>
<td>2,000.00</td>
<td>SIS</td>
<td>IS-WEB</td>
<td>N</td>
</tr>
<tr>
<td>B</td>
<td>XX-XXX - AIRLINE SERVICES LTD.</td>
<td>USD</td>
<td>MISC</td>
<td>JN000003</td>
<td>2023-05-04</td>
<td>USD</td>
<td>3,000.00</td>
<td>1.00000</td>
<td>3,000.00</td>
<td>SIS</td>
<td>IS-WEB</td>
<td>N</td>
</tr>
</tbody>
</table>

➢ Form 1 from Debtors: Other ICH members invoices against (XB-XXX)

<table>
<thead>
<tr>
<th>Zone Code</th>
<th>Creditor 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>A</td>
<td>XB-123 - AIRLINE SAMPLE LIMITED</td>
<td>USD</td>
<td>PAX</td>
<td>230600004B</td>
<td>2023-05-13</td>
<td>GBP</td>
<td>598,551,26</td>
<td>0.80473</td>
<td>741,442.79</td>
<td>SIS</td>
<td>IS-DEC</td>
<td>N</td>
</tr>
</tbody>
</table>
ICH Finance

Clearances

➢ Invoices – F1 downloadable via IS portal
ICH Finance

Clearances

➢ ICH clearance balances
  DUE TO ICH balances to be settled by Call Day
  DUE FROM ICH balances settled by ICH on Call Day / Settlement Day

➢ Future receivable balances
  DUE TO ICH balances need to be settled by Call Day
  Future DUE FROM ICH balances cannot be used to settle current outstanding

➢ Cut off times & ICH Bank Accounts
  As defined in the ICH Manual under Procedure 4 “Designated Banks”
ICH Finance

Clearances

Voluntary Deposit
- Free of Charge
- Assist members in meeting obligations
- 54 Members

Account Details Changes
- Keep previous account active
- Notify IATA via the Portal

https://www.iata.org/en/contact-support/

Contact & Support
Contact us for support on any question, products, services, or training through our Customer Portal, the easiest way t...

www.iata.org
ICH Operations

ICH Reports – Useful Reminders

➢ Reports can be accessed via IS-WEB:

Reports ➔ Financial Controller ➔ Access ICH Reports

➢ SIS Super User assigns access rights

➢ Report data is real-time & therefore provisional until Advice Day

➢ Reports available in multiple formats

XML  X  CSV  ASCII  PDF
ICH Operations

Accessing ICH Reports on IS-WEB

1st ICH General Meeting 2023
ICH Operations

REMINDERS – Useful ICH Reports

Reporting tools that are available to Members to proactively review material claims in advance of Closure Day so that erroneous claims can be addressed via Credit Memo in the same period and avoid protest / rejection billings include not only F3 & F1 From Debtors report but also:

- Invoice Query Report
- Early Warning Report

1st ICH General Meeting 2023
ICH Operations

The **Invoice query Report** provides a useful interface to filter claims data by a number of pertinent criteria.

Report Filters include:

- **Period range**
- **Creditor or Debtor**
- **Billing category – PAX, UATP, Cargo, Misc. or All**
- **Currency – GBP, EUR, USD**

![Invoice Query Report](image)
The Early Warning Report provides a useful interface to isolate claims data by a number of pertinent criteria.

Report Filters include:

- By Debtor/ Against Debtor
- Period
- Report data by Month or by Period same Period Each Month or by Period Sequential
- Maximum Variation Accepted (%)
- Maximum Amount Accepted ($)
- Billing Category – PAX, UATP, Cargo, Misc. or All
ICH Operations

Sample 1 - Early Warning Report

2023-10-15 16:25 EST - Early Warning Report

Parameters:
- Report Type: By Debtor
- Agreement: Standard
- Period: 20231001
- Report Data: By Period Same Period Each Month
- Period Range: 4
- Maximum Variation Accepted (%): 50
- Maximum Amount Accepted ($): 100000
- Billing Category: All

Report Format: Excel

<table>
<thead>
<tr>
<th>Type</th>
<th>Member Description</th>
<th>Code</th>
<th>Amount</th>
<th>PAI Amount</th>
<th>IAATP Amount</th>
<th>Cargo Amount</th>
<th>Misc Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGAINST</td>
<td>ALL WORLD AIRWAYS LTD</td>
<td>USD Current Amount</td>
<td>25,746.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>AGAINST</td>
<td>ALL WORLD AIRWAYS LTD</td>
<td>USD Average amount</td>
<td>161,291.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>AGAINST</td>
<td>ALL WORLD AIRWAYS LTD</td>
<td>USD Variation amount</td>
<td>-135,545.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>AGAINST</td>
<td>ALL WORLD AIRWAYS LTD</td>
<td>USD Variation %</td>
<td>-94.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>AGAINST</td>
<td>ALL WORLD AIRWAYS LTD</td>
<td>D01 June 2023</td>
<td>131,818.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>AGAINST</td>
<td>ALL WORLD AIRWAYS LTD</td>
<td>D01 July 2023</td>
<td>176,637.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>AGAINST</td>
<td>ALL WORLD AIRWAYS LTD</td>
<td>D01 August 2023</td>
<td>209,846.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>AGAINST</td>
<td>ALL WORLD AIRWAYS LTD</td>
<td>D01 September 2023</td>
<td>125,989.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

1st ICH General Meeting 2023
ICH Operations

Sample 2 - Early Warning Report

<table>
<thead>
<tr>
<th>REPORT TYPE</th>
<th>MEMBER CODE</th>
<th>CURRENCY CODE</th>
<th>AMOUNT DESCRIPTION</th>
<th>PAX AMOUNT</th>
<th>UATP AMOUNT</th>
<th>CARGO AMOUNT</th>
<th>MISC AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGAINST</td>
<td>ZZ-999 - ALL WORLD AIRLINES</td>
<td>USD</td>
<td>Current amount</td>
<td>208,671.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>AGAINST</td>
<td>ZZ-999 - ALL WORLD AIRLINES</td>
<td>USD</td>
<td>Average amount</td>
<td>60,916.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>AGAINST</td>
<td>ZZ-999 - ALL WORLD AIRLINES</td>
<td>USD</td>
<td>Variation %</td>
<td>147,735.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>AGAINST</td>
<td>ZZ-999 - ALL WORLD AIRLINES</td>
<td>USD</td>
<td>JANUARY 2023</td>
<td>242.50</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>AGAINST</td>
<td>ZZ-999 - ALL WORLD AIRLINES</td>
<td>USD</td>
<td>FEBRUARY 2023</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>AGAINST</td>
<td>ZZ-999 - ALL WORLD AIRLINES</td>
<td>USD</td>
<td>MARCH 2023</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>AGAINST</td>
<td>ZZ-999 - ALL WORLD AIRLINES</td>
<td>USD</td>
<td>APRIL 2023</td>
<td>112,071.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>AGAINST</td>
<td>ZZ-999 - ALL WORLD AIRLINES</td>
<td>USD</td>
<td>MAY 2023</td>
<td>127,095.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>AGAINST</td>
<td>ZZ-999 - ALL WORLD AIRLINES</td>
<td>USD</td>
<td>JUNE 2023</td>
<td>125,748.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>
The Call Day Adjustment Report provides information to support the billing of Call Day Adjustments submitted by the ICH on behalf of Members.

Reminder to Members that support documents for Monthly Call Day Adjustment billings is available for download from the ICH Reports menu in the SIS Portal (Call Day Adjustment Summary & Detail Reports). The Summary Report is available in Per 02 of each clearance month and encompasses the CDA billings for the prior clearance month.

Provides visibility to CDA calculations on a period-to-period basis.

Provides a consolidated value of billable CDA based on input from the 4 clearance periods itemized in the Call Day Adjustment Detail Reports.
ICH Operations

SAMPLE 1 – CDA DETAILED REPORT

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>CURRENCY OF CLEARANCE</th>
<th>BY OR AGAINST MEMBER</th>
<th>MEMBER</th>
<th>INVOICE CURRENCY</th>
<th>INVOICE AMOUNT</th>
<th>INPUT RATE</th>
<th>INVOICE AMOUNT</th>
<th>CALL DAY ADJUSTMENT</th>
<th>EXCHANGE RATE USED</th>
<th>ADJUSTED AMOUNT</th>
<th>% VARIANCE</th>
<th>BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>P01 July 2023</td>
<td>USD</td>
<td>BY</td>
<td>CC-001</td>
<td>EUR</td>
<td>235.15</td>
<td>0.91405</td>
<td>257.26</td>
<td>0.90506</td>
<td>259.82</td>
<td>0.99</td>
<td>2.56</td>
<td></td>
</tr>
<tr>
<td>P02 July 2023</td>
<td>USD</td>
<td>BY</td>
<td>ZW-002</td>
<td>EUR</td>
<td>85,000.00</td>
<td>0.91405</td>
<td>92,992.73</td>
<td>0.91006</td>
<td>93,338.90</td>
<td>0.37</td>
<td>346.17</td>
<td></td>
</tr>
<tr>
<td>P03 July 2023</td>
<td>USD</td>
<td>BY</td>
<td>CD-004</td>
<td>EUR</td>
<td>3,541.77</td>
<td>0.91405</td>
<td>3,874.81</td>
<td>0.91189</td>
<td>3,883.99</td>
<td>0.24</td>
<td>9.18</td>
<td></td>
</tr>
<tr>
<td>P04 July 2023</td>
<td>USD</td>
<td>BY</td>
<td>CE-005</td>
<td>EUR</td>
<td>10,000.00</td>
<td>0.91405</td>
<td>10,940.32</td>
<td>0.91723</td>
<td>10,902.39</td>
<td>-0.35</td>
<td>-37.93</td>
<td></td>
</tr>
</tbody>
</table>
# ICH Operations

## SAMPLE 2 – CDA SUMMARY REPORT

### Call Day Adjustment Report

**Parameters:**
- Claims Report Type: Summary
- Agreement: Standard
- Period From: 20230701
- Period To: 20230704
- Consolidated Options: Standard
- Consolidated Sub-Options

**Report Format:** Excel

**IATA CLEARING HOUSE**

**CALL DAY ADJUSTMENT SUMMARY REPORT**

<table>
<thead>
<tr>
<th>CLEARANCE MONTH</th>
<th>CURRENCY OF CLEARANCE</th>
<th>BY OR AGAINST MEMBER</th>
<th>MEMBER</th>
<th>INVOICE CURRENCY</th>
<th>INVOICE AMOUNT</th>
<th>INVOICE CONVERTED AMT</th>
<th>ADJUSTED AMOUNT</th>
<th>BALANCE</th>
<th>AUTOMATED CDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>202307</td>
<td>USD</td>
<td>BY</td>
<td>ZW-002</td>
<td>EUR</td>
<td>85,000.00</td>
<td>92,992.73</td>
<td>93,338.90</td>
<td>346.17</td>
<td>CR</td>
</tr>
</tbody>
</table>

1st ICH General Meeting 2023
ICH Operations

Important E-Mail Reminders

❖ Reminder for Members to **proactively monitor** ICH Communications relative to following standard e-mails automatically dispatched from our system:

- **Claims not received message** (sent on Closure day-1 @ midnight EST)
- **Provisional Claims Confirmation message** (sent on Closure Day @ 18:40 hrs EST)

❖ With the **expansion of Special Agreements** there will be a corresponding increase in the volume of ICH related communications automatically dispatched by our ICH system. Members will therefore need to adjust their internal processes to ensure all e-mails will be efficiently & effectively reviewed given the relative time sensitivity of each Agreement’s settlement cycle.
ICH Operations

Sample – Claims Not Received Message

SUBJECT: XB-XXX - ICH Claims not received for Period P01 September 2023 - Standard

Please note that we have not yet received your claims of billing category **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 14 Sep 2023 at 17:00 EST.
Should you have any questions please contact ICH support using this link: [Contact IS Help Desk](mailto:Contact IS Help Desk).
ICH Operations

Sample – Provisional Claims Confirmation message

SUBJECT: P02 September 2023 - PROVISIONAL CONFIRMATION OF CLAIMS RECEIVED BY THE ICH FOR XB-XXX SAMPLE AIRLINE

WE CONFIRM THAT INVOICES FOR THE SUBJECT CLEARANCE WITHIN THE ICH STANDARD AGREEMENT HAVE BEEN RECEIVED AND ENTERED INTO P02 SEPTEMBER 2023 CLEARANCE ON BEHALF OF XB-A51 IATA CLEARING HOUSE

THE TOTAL OF INVOICES CLAIMED BY CURRENCY OF CLEARANCE IS:

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>PAX</th>
<th>CARGO</th>
<th>MISC</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>75,532</td>
<td>-</td>
<td>-</td>
<td>75,532</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 ANY DISCREPANCY, PLEASE NOTIFY IS HELPDESK URGENTLY.

THANK YOU.

ICH TEAM

1st ICH General Meeting 2023
ICH Operations

OPERATIONAL TIPS

➢ Reminder for Members to contact the ICH as soon as possible in the Clearance cycle for any issues related to late claims or SIS processing errors including blocks.

➢ SIS Ops team will as a question of practice notify Members of any claims that have been entered in SIS but not submitted on Closure Day +1.

➢ The ICH generally closes the late submission window at 10:00 A.M local time in YMQ however this may be extended on a discretionary basis if required however key is timely communication of issues or problems with claims processing.

➢ It is the responsibility of the Member’s SIS Super User to proactively monitor user access to ICH Reports.

➢ SIS Super Users should add / modify / delete SIS user accounts & set ICH communication flags as required (Clearance Initialization Message / Claim Confirmation & Advice Day Message). We see many instances of e-mail delivery errors given the departure of staff.
IR7 – Bankruptcy & Special Clearance Update

Kees Burns
Senior Manager Legal Services, IATA

1st ICH General Meeting 2023
IR8 – Airline Risk Management Framework

Overview - Methodology and Process

Janaurieu (Jan) D’SA
Director Settlement Risk Management, IATA

1st ICH General Meeting 2023
Legacy Approach

Reactive to events or occurrences

- Operational Airline Disruptions
- Airline Filing for reorganization
- Compliance and legal requirements
- Event-based (COVID / Conflict or Crisis)

Financial Security Coverage

- Coverage of potential exposure (Pending Refunds and Unflown Tickets)
- Difficult engagement: The airline is already in financial distress (unable to furnish security obligations/coverage expectations)
Systemized/Enhanced Approach

What does the framework aim at?

▪ All airlines participating in IATA Settlement Systems (BSP/ICCS/ICH) are in the scope of this framework.

▪ As part of the airline risk management framework, IATA will continue to mitigate three main levels of risk exposure:
  ❑ Unpaid airline balances due to BSP/CASS/ICCS: Ensuring that other airline participants do not suffer losses under the counter indemnity obligations
  ❑ Future unfliwn ticket liability: Protecting travel agents and passengers as to future refund claims, as well as minimizing potential future claims against other airline participants under the counter indemnity
  ❑ ICH Exposure: Protecting the other ICH members from the risk of unpaid ICH balance

NOTE:

✓ IATA is bound by legal obligations (governing country regulations)
✓ Airline Failures – Bankruptcy Laws – Complex
✓ Estate prioritization impact (employees/government debt / Estate manages the remaining debt)
Process & Engagements

1st ICH General Meeting 2023

- Negative Billing & ICH Payment Performance.
- Regional contact/updates.
- Request for Financial Statements.

Initial Categorization of ISS Airlines

- Based on Risk Management Framework parameters
- Financial Assessment Coordination with BDO / IATA.
- Airline Categorized
- Notification to Airline & Request for a Meeting if needed.
- Gathering of Qualitative information to support the finalization of the assessment.

Airline flagged

- IATA Senior Team Committee validation and approval of Risk Category and Financial Security Obligation Approval
- Participation Obligations (assessment results) Communicated.

Calibration Phase

- Mitigation Package to avoid suspension
- Notification of Financial Security Obligation (30 days' notice for compliance)
- Coordination with the Airline on the Financial Security and Framework Agreement Formalization.

Mitigation Actions

IATA CLEARING HOUSE GENERAL MEETING
Framework Principles

- Periodic risk assessment reviews (obligation for participation in the IATA Financial Settlement Systems) moving forward.

- The framework (Guidelines) consideration includes a **Quantitative Assessment** (three (3) risk Parameters) and a **Qualitative Assessment** (inputs from Airline/IATA Network/Market Intelligence):
  
  **Risk Parameters (Quantitative Assessment):**
  ✓ External Financial Indicator (Financial Review)
  ✓ Financial Obligation (Payment Performance)
  ✓ Compliance with Resolutions (Processing of Refund Applications)

- **Risk Categorization**
  ✓ Each risk parameter contributes to a matrix that, in combination of all parameters, will give each airline a Low, Medium or High-risk categorization (Quantitative Analysis)
Framework Principles

- Quantitative analysis complemented by qualitative analysis (engagement with the airline/Intelligence) = final airline risk category and level of Financial Security obligation if applicable.
  - Airlines Categorized as **Medium Risk or High Risk** need to submit **Financial Security for continued participation**.
  - Level of Financial Security calibrated subject to assessment and qualitative factors

- Airlines are provided with a timeline for the provision of the financial security obligations (30 days’ notice after the approved level of financial security is communicated)
  - Financial Security Options (Cash Deposit / Withholding / Bank Guarantee and Government Guarantee (as per IATA Approved Templates)
  - Withholding is a last resort to ensure compliance vs. recommendation for suspension.

1st ICH General Meeting 2023
Framework Principles

- External Financial Assessment
  - DRSK or Financial Statements Review
  - All airline participants are being assessed (Separate Legal Entity) – even if part of a group

- Documentation Signed with Airlines
  - **Framework Agreement** signed with **ALL** airlines
  - Aimed at ensuring IATA can manage the security held for the required period
  - Airline commits, in advance, to performing a refund approval process in the event of suspension
  - Framework agreement remains in place even upon return of the deposit to avoid the need to negotiate and sign a new document in the future
Framework Principles

- Confidentiality Policy and Data Protection
  - ✓ Non-Disclosure Agreements signed the Airline(s) subject to need
  - ✓ IATA Policy A dedicated Team within IATA handles the Airline Risk Management Engagements
  - ✓ IATA processes and systems ensure required data/information management
Financial Security Consideration

- Assessment Results (Matrix in combination provide a categorization)
  - Financial Indicator: % Score
  - Payment Performance: Pass/Fail
  - Compliance with Resolution: Pass/Fail

- Qualitative Calibration Factors include:
  - Ownership Structure
  - Financial Standing/Support
  - Reorganization / Chapter 11 factors (Prioritizing IATA Payments)
  - Operational considerations
  - Average Days to Flight (Sale)

- Financial Security Obligations (potential exposure)
  - Unflown Tickets considerations
  - Pending Cash Refund Applications
  - ICH Participation Obligations

- High: 100% of assessed risk exposure subject to calibration factors
- Medium: % of assessed risk exposure subject to calibration factors
- The Airline Provided demand instructions with a 30 days timeline for compliance.
  - Withholding of Funds Triggered (avoid suspension from ISS)
  - Airline Engaged in formalizing Framework Agreement(s)
Other Aspects

Framework Review:
- Undertaken on an annual basis (fit for purpose)
- Expanding the application of the Framework

ICH Enhancements:
- ICH Regulations update (2023)
  - Alignment with Framework Principles (ICH Reg. 29 (b) and 41 (c))
- ICH Only Airlines (2024)
  - On-boarding of Non-IATA airline(s) onto the Framework
  - Planning underway on the needed changes to ensure alignment with the ICH Regulations
  - Consideration for alignment of the Financial Risk Assessment Principles
IR9 – SMI “X”
The game changer

Cedric Chretien
Head Settlement Operations & ICH Manager, IATA
What is SMI “X”? 

- Not something new. Presented in 2014 during the ICH User Group meeting as part of the new features following the ICH Rewrite completed in 2015.

- New **Settlement Method Indicator** complementing and not replacing any of the already existing SMIs, such as SMI “I” and/or “M” which is used for regular ICH/ACH transactions.

- Introduced under Procedure 15 in the 25\textsuperscript{th} edition of the ICH manual effective 01\textsuperscript{st} January 2022.

- SMI “X” agreement(s) will be separate instance(s) of the existing standard agreement in which SMI “I” and/or “M” transactions are being settled.
What is SMI “X”?

- Each SMI “X” agreement will have its own set-up, clearance calendar, group of participants, set of reports, notifications and settlement.

- 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.

- 1st used in 2018 for the Blockchain PoC.
How to benefit?

• 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)

• 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)

• Provide to the Clearing House new banking details, as applicable:

1st ICH General Meeting 2023
SMI “X” is already Live!

- **“ACE” Aviation Carbon Exchange:**
  - Objective: achieve net zero emissions by 2050 “Fly Net Zero” with “SAF” Sustainable Aviation Fuel and other alternatives including Carbon Offset
  - The Start! “CORSIA” Carbon Offsetting and Reduction Scheme for International Aviation developed by ICAO and adopted by Governments in 2016
SMI “X” is already Live!

- The “ACE” Aviation Carbon Exchange process:
- Leveraging on IATA’s e-invoicing platform SIS "Simplified Invoicing & Settlement” and settlement system ICH “IATA Clearing House”
- In close partnership with CBL Markets Pty Ltd active SIS & ICH participant (XB-P00)
- Real-time reporting & monitoring of deposits
- Same day value or T+1 Settlement
- Live since November 2021!
SMI “X” is already Live!

Step 1: Initial deposit giving access to ACE trades

- Pre-requisite is to be an active ICH/SIS member in good standing
SMI “X” is already Live!

Step 2: Invoicing & Settlement of daily ACE related trades

- ACE Participants can trade conditional to their ICH deposit being sufficiently funded and replenish it anytime via direct Wire Transfer to the ICH bank account
SMI “X” is already Live!

1st ICH General Meeting 2023
SMI “X” is already Live!

- Additional Currencies:

<table>
<thead>
<tr>
<th>Zone of Billing/Billed member</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
<th>K</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>JPY</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>F</td>
<td>USD</td>
<td>AUD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>G</td>
<td>USD</td>
<td>USD</td>
<td>SGD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>H</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>CHF</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>I</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>EUR</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>J</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>GBP</td>
<td>USD</td>
</tr>
<tr>
<td>K</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
</tbody>
</table>
SMI “X” in a nutshell!

- Optional and free
- Opening the door to unlimited opportunities
- No changes required to use the existing “Standard Agreement” and the processing from SIS as well as settlement via ICH of SMI “I” and/or “M” transactions
- ICH / ACH legacy clearance reports will remain unchanged
- No Five Day Rate “FDR”
- Available and operationally ready, let's use it!
Networking lunch

Join at slido.com #3311775
IR10 – Q&A
IR11 – Modern Airline Retailing Offers and Orders impact on Financial Processes

Andrei Grintchenko, Head of Industry Architecture, IATA

Myriam Burget, Head of Revenue Accounting, Swiss

1st ICH General Meeting 2023
Modern Airline Retailing

Case for Change

1. The World has changed
2. Customers expect digital seamless experiences
3. Airlines want to exceed their customers’ expectations
4. Airline retailing using modern technology is the solution
5. All airlines’ capabilities are impacted by the change
One key element of **true customer centricity** is the **transformation to Offers & Orders**
Selling with Offers

- **Product and Partnership Management**
  - Do business with partners beyond interline

- **Offer and Channel Management**
  - Makes airlines products available in the same way regardless of the sales channel (agents or airline.com)
  - Ability to construct offers
  - Dynamic pricing
  - No more delegation of offer creation
  - Offsets all or part of your distribution costs
  - NDC standards allows for offer creation. New standards need to be developed to manage the offer in the back-office.

- **Payment Management**
  - Payment strategy embedded in distribution strategy
  - Control of payment and freedom to adopt any payment method
Fulfilling with Orders

• **Order Management**
  • Increased customer satisfaction through single identifier (as opposed to current e-ticket, PNR, EMD numbers)

• **Order Accounting and Financial Management**
  • Value identification in real-time
  • Simplified, more efficient, and up-front financial processes
  • Seamless settlement - Removes the need for financial reconciliation

• **Delivery using Orders**
  • Facilitates management of travel disruption and itinerary changes

1st ICH General Meeting 2023
Supported by Digital Identity
Digital Identity

**Digital Identity in Retailing**
- Accurately identify customers and provide customized offers

**Digital Identity in Service Delivery**
- Accurately identify customers
- Provide seamless & off airport service
- Enhanced travel safety & security

**Digital Identity of Value Chain Partners**
- Automatically onboard & verify business partners in your operations

**Exploration phase**

**Key Initiative: Contactless Travel (One ID)**

**Key Initiative: Digital Identity in Distribution**

**Leveraging common technical standards**
- Key Initiative: End to End Digital Identity PoC

1st ICH General Meeting 2023
Vision and how to get there
Modern Airline Retailing

Airlines in control of their products, money & data

**Digital Identity**
- Customer Identity in Retailing
- Customer Identity in Service Delivery
- Digital Identity of Value Chain Partners

**Selling with Offers**
- Product and Partnership Management
- Offer and Channel Management
- Payment Management

**Fulfilling with Orders**
- Order Management
- Order Accounting & Financial Management
- Delivery using Orders

**Industry Activities**
- Standards Development
- Industry Products & Utility
- Transition / Acceleration
- Communication & Advocacy
What do Offers and Order mean?
End state legacy-free systems using Orders

New Standards

Seller (Travel Agent etc.)
Direct connect or via an Aggregator

Airline own channel & touchpoint
IBE or ATO/CTO

Order Management

Offer Management

NDC Messages

Other Messages

Airline RETAILER

New Workflow

1) Offers created and controlled by the airline
   - No pricing delegation to 3rd parties
   - No external pricing manipulation

2) Orders stored with accounting, delivery and partner’s information
   - Internal accounting value of each service including partners settlement value
   - Delivery & Fulfilment status

3) Responsibility for provision of Financial Risk management data shifts to the airline

Interline Messages

ONE Order messages

ONE Order messages

Airline Partner SUPPLIER
Entitlement and delivery status

Accounting Systems
Order sales information and status

Delivery Providers
Entitlement and delivery status

1st ICH General Meeting 2023
<table>
<thead>
<tr>
<th>Orders</th>
<th>Control</th>
<th>Pricing</th>
<th>Settlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders will be owned by airlines</td>
<td>Strong data validation will occur in the offer and order creation process</td>
<td>Pricing data will be key to ensuring offers are accurate and orders are complete</td>
<td>Settlement will be based on values and data contained in Orders &amp; Order Structures</td>
</tr>
<tr>
<td>Orders will always be accurate and up to date</td>
<td>Accuracy of offers and orders will be the responsibility of upstream offer &amp; order systems.</td>
<td>Relevant pricing information will be passed to the order for use downstream, including finance</td>
<td>Any changes – voluntary or involuntary – will require agreement and acceptance between parties to the Order</td>
</tr>
<tr>
<td>Orders will be the single source of truth for accounting, settlement and reporting (and more)</td>
<td>Correction processes will not happen outside of orders</td>
<td>Pricing will be split into component values for accounting, reporting and settlement</td>
<td></td>
</tr>
</tbody>
</table>
Offer & Order Structure

- All Orders are structured the same way.
- Orders have multiple “facets” depending on each message domain.
- Offer structure is consistent with Order structure

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

- **Actors / Roles**
  - Blue Boxes

- **Business Functions / Systems**
  - White Boxes

- **Message / Data Interactions**
  - NDC (Blue)
  - One Order (Yellow)
  - Other (Red)

1st ICH General Meeting 2023
NDC / One Order Messages & Domains

1st ICH General Meeting 2023
Reference Architecture

**Customer Order Accounting**
Allows for comprehensive customer Order accounting through the Order lifecycle and Accounts Receivable management.

**Partners Order Accounting**
Allows for partners and suppliers Orders accounting through the Order lifecycle, and Accounts Receivables and Payables management and netting.

**General Accounting and Revenue Recognition**
Performs revenue recognition, cost accruals and general accounting positing for regular and irregular operations.

**Corporate Finance, Treasury & Risks**
Allows for cashflow forecasting, funds availability and currency management, including hedging and FX.

**Enterprise Performance Management**
Allows for route and product profitability and performance management, as well as financial KPIs management.

**Tax Management**
End to end taxes and charges management at order and corporate levels.
## Reference Architecture

### Customer Order Accounting
Allows for comprehensive customer Order accounting through the Order lifecycle and Accounts Receivable management

<table>
<thead>
<tr>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Channel Evaluation</td>
</tr>
<tr>
<td>Channel Set up</td>
</tr>
<tr>
<td>Customer Creation and Management</td>
</tr>
<tr>
<td>Customer Financial Risk Management</td>
</tr>
<tr>
<td>Seller/ Channel Financial Risk Mgmt.</td>
</tr>
<tr>
<td>Order Booking into Accounts Receivable</td>
</tr>
<tr>
<td>Collection</td>
</tr>
<tr>
<td>Disputes, Chargebacks and Dunning</td>
</tr>
<tr>
<td>Interrupt, suspend or stop delivery</td>
</tr>
<tr>
<td>Customer Proforma Invoices</td>
</tr>
<tr>
<td>Bad Debt Management</td>
</tr>
</tbody>
</table>

---

1st ICH General Meeting 2023
## Reference Architecture

<table>
<thead>
<tr>
<th>Partner/ Supplier Order Accounting</th>
<th>Partner Creation and Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allows for partners and suppliers Orders accounting through the Order lifecycle, and Accounts Receivables and Payables management and netting</td>
<td>Supplier/ Retailer Financial Risk Management</td>
</tr>
<tr>
<td></td>
<td>Booking into Accounts Receivable/ Accounts Payable</td>
</tr>
<tr>
<td></td>
<td>Invoice Receipt and Validation</td>
</tr>
<tr>
<td></td>
<td>Self-Billing</td>
</tr>
<tr>
<td></td>
<td>Predictive Posting</td>
</tr>
<tr>
<td></td>
<td>Invoice Matching and GR</td>
</tr>
<tr>
<td></td>
<td>Payment</td>
</tr>
<tr>
<td></td>
<td>Dispute Management</td>
</tr>
</tbody>
</table>

1st ICH General Meeting 2023
# Reference Architecture

## General Accounting & Revenue Recognition
Performs revenue recognition, cost accruals and general accounting posting for regular and irregular operations.

## Corporate Finance, Treasury and Risks
Allows for cashflow forecasting, funds availability and currency management, including hedging and FX.

<table>
<thead>
<tr>
<th>Stock Accounting (Physical goods stock)</th>
<th>Short-term cashflow forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Recognition</td>
<td>Availability of funds for payments</td>
</tr>
<tr>
<td>Cost Accrual</td>
<td>Funds repatriation</td>
</tr>
<tr>
<td></td>
<td>Hedging and Foreign Exchange</td>
</tr>
<tr>
<td></td>
<td>Banking charges</td>
</tr>
<tr>
<td></td>
<td>Card holdbacks management</td>
</tr>
<tr>
<td></td>
<td>Risk Management</td>
</tr>
<tr>
<td></td>
<td>Treasury KPIs</td>
</tr>
<tr>
<td></td>
<td>Fraud management and recovery</td>
</tr>
</tbody>
</table>
### Enterprise Performance Management
Allows for route and product profitability and performance management, as well as financial KPIs management

<table>
<thead>
<tr>
<th>Route profitability management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product profitability and performance management</td>
</tr>
<tr>
<td>Products specific KPIs</td>
</tr>
<tr>
<td>Financial KPIs</td>
</tr>
<tr>
<td>Predictive analytics</td>
</tr>
</tbody>
</table>

### Tax Management
End to end taxes and charges management at order and corporate levels

| Industry specific taxes and charges |
| Orders related taxes |
| Corporate taxes |
What is the impact?
Ticket Processing

- **Sale**
  - Receive new ticket or EMD record via DISH file at ticket level, prorate and post

- **Change**
  - Receive reissue ticket or EMD record via DISH file with link to original and/or previous ticket, match and proceed to post

- **Refund**
  - Receive Refund Record linked to previous ticket or EMD via DISH file, match and proceed to post

- **Consumption / Use**
  - Receive coupon data in lift file, proceed to matching and post

- **Expiry**
  - Run closing procedure on open but expired coupons

Status Changes

- **Sale**
  - Receive OSIN or OSIADN message with new services, statuses and values at service level and post

- **Change**
  - Receive OSIN or OSIADN message with old & new services with new/changed statuses and value differences and post

- **Refund**
  - Receive OSIN or OSIADN with services with remove status and amount to be refunded and post

- **Consumption / Use**
  - Receive SSCN with final status change to trigger revenue recognition posting

- **Expiry**
  - Receive OCN and close posting
OSIN: The Order Sales Information Notification message is used to inform an Accounting System of posting information for Services within an Order.

OSIADN: This message is the same as the Order Sales Information Notification message, but is also capable of transporting Ticket/EMD information.

SSCN: The Service Status Change Notification request message is used by the OMS to inform an Accounting System of the final delivery status of a Service (NB: message shared with delivery domain).

OCN: Order Closing Notification is used to inform an Accounting System that no further updates are to be expected for an entire Order.
## Forward Sale & Tax Liability Posting

<table>
<thead>
<tr>
<th>Business State</th>
<th>Description</th>
</tr>
</thead>
</table>
| READY TO PROCEED        | ▪ Order Management System is in a position to allow a Delivery Provider to prepare a Service.  
                          ▪ Customer is entitled to receive a Service. This is typically a trigger for ORA to begin accounting process. |
| READY TO DELIVER        | ▪ A Delivery Provider is in a position to start delivery of a Service.                                                                      |
Revenue Recognition and Expiry Posting

<table>
<thead>
<tr>
<th>Business State</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DELIVERED</td>
<td>▪ A service has been successfully delivered.</td>
</tr>
<tr>
<td>REMOVED</td>
<td>▪ A Service has been deleted.</td>
</tr>
<tr>
<td>NOT CLAIMED</td>
<td>▪ A Service has not been claimed by the Passenger for reasons as a result of Passenger action or inaction. e.g. Passenger no-show, etc.</td>
</tr>
<tr>
<td>FAILED TO DELIVER</td>
<td>▪ Service could not be delivered due to Airline’s or provider limitations.</td>
</tr>
<tr>
<td>UNABLE TO DELIVER</td>
<td>▪ It is not possible for the Delivery Provider to deliver a Service. This could be for reasons of availability, legal or regulatory constraint.</td>
</tr>
<tr>
<td>EXPIRED</td>
<td>▪ A service is no longer available for delivery.</td>
</tr>
<tr>
<td></td>
<td>▪ A service purchased with an associated time limit for consumption and Service was never claimed.</td>
</tr>
<tr>
<td></td>
<td>▪ A service having been at least Confirmed is no longer available as the Customer did not claim the Service within a specific time period, as dictated by the Airline.</td>
</tr>
</tbody>
</table>
## Non-Posting Statuses

<table>
<thead>
<tr>
<th>Business State</th>
<th>Description</th>
</tr>
</thead>
</table>
| **IN PROGRESS**| ▪ The Delivery Provider is in the process of delivering the Service.  
 ▪ There is a universal concept that the “In Progress” status may block any further financial transactions; e.g., refund. |
| **SUSPENDED**  | ▪ Delivery of the Service is suspended as a result of an Airline decision;  
 ▪ Can only revert to the previous status.  
 ▪ Exception is that Suspended may go to “Removed”.  
 ▪ This status may be used in case of fraud detection. |
And what about interline?
Retailer and Supplier using Offers and Orders

Plan → Shop → Order → Deliver → Settle

SRSIA Business rules between the Retailer and the Supplier to present the Supplier’s Products to Customer in Retailer’s Catalogue, Offer, Order and its delivery

Trigger: Customer request

Customer consuming services; status visible on Customer’s Order

Order placed by Customer (incl. commitment to pay)

Customer consumption services; status visible on Customer’s Order

N/A for interline discussion

Order placed by Retailer with Supplier

Confirmation of delivery status in Order

Settlement between Supplier and Retailer

Business requirements studied by Interline and Intermodal groups

1st ICH General Meeting 2023
Retailer Supplier relationships

Airline acting as a Supplier

- Airline will publish a product catalogue accessible to Retailer
- Airline will respond to Interline Offer and Order requests. Retailer will transform Supplier’s Offers and Orders into a component of Retailer-owned Offers and Orders for the Customer.
- When managing service delivery, ONE Order BRD assumes that Retailer will use standard Order Delivery Messages to interact with Supplier’s Order Management capability referencing data in Customer Order.

Airline Acting as a Retailer

- Airline will access Supplier’s catalog and transform its content to form part of its own catalogue
- Airline will request Interline Offers and Orders from Supplier and transform their content to form part of Customer-facing Offer and Order.
- When managing service delivery, ONE Order BRD assumes that Retailer will use standard Order Delivery Messages to interact with Supplier’s Order Management capability referencing data in Customer Order.
Retailer Offer and Supplier Offer

1st ICH General Meeting 2023

IATA CLEARING HOUSE GENERAL MEETING
Retailer-Supplier standard framework

- **Retailer-Supplier standard framework**
  - **Standards available**
  - **Standards under development**
  - **Real time messages**
    - **Supplier Catalogues**
      - **Commercial Products**
    - **Supplier Itineraries**
    - **Commercial Framework**
      - **SRSIA**
      - **Standard Retailer Supplier Interline Agreement**

- **Offers and Orders request – response**
  - Contextual and real-time
  - Upfront agreed “Settlement value”
  - Alignment of own and partner product offering

- **Supplier Catalogues**
  - All details of commercial products (incl. bundles)
  - Alignment of own and partner product offering

- **Supplier itinerary information**
  - Required for itinerary built that includes partner connections and to determine what partners to send requests to

- **Commercial agreements**
  - Bilateral Agreements based on SRSIA

**Partnership specific: a flexible framework between Retailer and Supplier**
**Implemented as Recommended Practice 1780s**

1st ICH General Meeting 2023
IR12 - Bilateral invoice
optional settlement via ICH

Kirk Pereira
Head, Standardization Invoicing, IATA
How are invoices settled via the ICH?

1) Sends an invoice with SMI – I / X

2) SIS sends the invoice to the ICH

3) Invoice is sent to billed member on output day as per ICH calendar

Post closure of the billing period, ICH does the netting and accordingly each participant is advised of their receivable or payable balance as per the calendar.
What is a bilaterally settled invoice?

It's an invoice that is not settled via the clearing houses (ICH/ACH)

1) Sends an invoice as SMI – B

2) Invoice is sent to billed member depending on profile settings. Can be daily (for MISC only) or weekly

3) Reviews the invoice and if okay, pays it via bank transfer/cheque / credit card, other forms of payment outside the clearing houses
What is the percentage of the bilaterally settled invoice value in SIS?

2022 – split of invoice value in SIS as per settlement method
Could we offer the clearing house as an optional form of payment for these invoices?

- Not a new idea – has been proposed by various airlines
- Some discussions in IATA during previous years but no progress.
- With the creation of the ICH WG in 2023, the time felt right to explore this item again
How did we progress?

• Discussion with ACH on this initiative

• Item raised to both ICH WG and SIS SG and put on both the groups work plans for 2023

• A joint taskforce of members from both working groups was created for defining the requirements.

• Will be only applicable for billing category Miscellaneous invoices in the first phase

• BRD has been defined by the taskforce and presented to both the ICH WG and SIS SG

• Approval received to develop this functionality in 2024
Joint initiative between SIS and ICH/ACH

- Joint taskforce members

<table>
<thead>
<tr>
<th>WG</th>
<th>Participant</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICH WG</td>
<td>AA – Jaclyn Bakke</td>
</tr>
<tr>
<td></td>
<td>LA – Simon Blum</td>
</tr>
<tr>
<td></td>
<td>LH – Juergen Ende</td>
</tr>
<tr>
<td></td>
<td>MS – Ahmed Gamaleldin</td>
</tr>
<tr>
<td>SIS SG</td>
<td>AA – Brenda Fullmer</td>
</tr>
<tr>
<td></td>
<td>LH – Monika Kolos-Lembas</td>
</tr>
<tr>
<td></td>
<td>TP – Joao Feliciano</td>
</tr>
<tr>
<td></td>
<td>DL – Lewis Moore (ex SIS SG / nominated)</td>
</tr>
<tr>
<td>ACH</td>
<td>Lori Tully (also part of SIS SG)</td>
</tr>
<tr>
<td>IATA</td>
<td>Adina Minculescu, Cedric Chretien, Bruno Roussel, Vivekh Pundit, Kirk Pereira</td>
</tr>
</tbody>
</table>
Benefits identified by the taskforce

- Pay via the clearing house once the billed party validates the invoice not on receipt of invoices. This will allow the airline to validate their invoices and facilitate more supplier payments via the clearing house.

- Optional payment option: It is not a mandatory solution and billed parties can always choose an alternative.

- Easy payment tracking / no missing payments: with the existing payment status option in SIS combined with the clearing house reports and settlement, all payments via this option can easily be tracked. Accounts receivables teams don’t need to spend additional time for searching/reconciling payments.

- Reducing bank charges/fees: This payment option allows airlines to include these invoices in the current/next settlement cycle and they get netted against the funds available. This reduces costs of airlines from making individual bank transfer payments and bank charges. No need to make individual money transfers.

- Will also benefit the supplier onboarding initiative as airlines can receive the invoices via SIS but also have the option to settle them via their clearing house funds, after invoice validation.
More details on this tomorrow at the SIS GM!
IR13 – Speed up the cash flow

Kirk Pereira
Head, Standardization Invoicing, IATA

1st ICH General Meeting 2023
Background

• P1 billing period generally opens on 8\textsuperscript{th} of the month and closes on the 14\textsuperscript{th} of a month

• RAM CH A9 specifies that a flight coupon cannot be billed earlier than the IATA clearance period within which transaction was performed.

• Why is this a big deal?

• Around 50\% of flown coupons in the P1 clearance are for flight dates 1\textsuperscript{st} to 5\textsuperscript{th} amounting to $432 million on average of the months analyzed.

• How can we speed up the cash flow?
Example using the March and April 2023 ICH calendar

March P4
- Closes on 7th April
- Include Passenger flown coupons till 31st March

April P1
- Opens 8th April, closes on 14th April
- Include Passenger flown coupons till 14th April

April P2
- Opens 15th April, closes on 21st April
- Include Passenger flown coupons till 21st April

Flown coupons of 1st to 5th April can only be included in Period 1 April which closes on 14th April and the settlement only happens approx. 2 weeks later.
Sub-group created to find a solution

- This subject had been brought to the attention of the IBS OPS WG in the past
- It was agreed by the different groups to address this topic
- It was included in the 2023 work plans for the ABS WG, ICH WG and the SIS SG
- A joint sub-group was setup to find a solution
**Sub-Group**

- Made up of members of ABS WG, ICH WG, SIS SG.

<table>
<thead>
<tr>
<th>WG</th>
<th>PARTICIPANT</th>
</tr>
</thead>
</table>
| ABS WG     | WS - Benaifer Bhathena  
HR - Daniel Erler  
TK – Nermin Azem Kiran |
| ICH WG     | EK - Neville Todiwalla  
LH - Juergen Ende |
| SIS SG     | HA - Jerry Fonacier  
DL – Lori Lien (ex SIS SG airline / nominated) |
| Other Participants | LX – Christian Oberle |
| ACH        | Lori Tully / Mayra Olson |
| IATA       | Adina Minculescu, Cedric Chretien, Altug Meydanli, Bruno Roussel, Vivekh Pundit, Kirk Pereira |
Solutions discussed

1. Introduce a new billing period (P5) in the calendar which shortens the time frame

2. Allow billings in P4 for the next month coupons ignoring the exchange rate differences

3. Allow billing in P4 for the next month coupons but have separate invoices for coupons with the new month (as different exchange rates are being used)

4. Keep the same billing calendar but re-arrange the opening/closure days of the billing periods

5. No change
Solution #4 Keep the same billing calendar but re-arrange the opening/closure days of the billing periods

- Moving the closure days to 12th (P1), 19th (P2), 26th (P3) and 5th (P4) closing advanced by 2 days from the current 14th, 21st, 28th and 7th.
Solution #4 Keep the same billing calendar but re-arrange the opening/closure days of the billing periods

- Will affect all billing categories (Miscellaneous, Cargo, UATP) and not only Passenger.

- This is not a drastic improvement from the original goal as it improves the cash flow by only 2 days for P1 coupons. However, since the re-arrangement is for all billing periods, this improves the cash flow by 2 days for each of the 4 billing periods.

- While no major changes in clearing house systems, SIS and airline systems, there are process changes that the airlines would need to make due to the re-arrangement of dates (especially in P4)
Number of days per period will remain the same

### Current Calendar dates:

<table>
<thead>
<tr>
<th>Billing Period</th>
<th>Open</th>
<th>close</th>
<th>No of days for processing</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>8th</td>
<td>14th</td>
<td>7</td>
</tr>
<tr>
<td>P2</td>
<td>15th</td>
<td>21st</td>
<td>7</td>
</tr>
<tr>
<td>P3</td>
<td>22nd</td>
<td>28th</td>
<td>7</td>
</tr>
<tr>
<td>P4*</td>
<td>29th</td>
<td>7th</td>
<td>10</td>
</tr>
</tbody>
</table>

### Proposed Calendar dates:

<table>
<thead>
<tr>
<th>Billing Period</th>
<th>Open</th>
<th>close</th>
<th>No of days for processing</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>6th</td>
<td>12th</td>
<td>7</td>
</tr>
<tr>
<td>P2</td>
<td>13th</td>
<td>19th</td>
<td>7</td>
</tr>
<tr>
<td>P3</td>
<td>20th</td>
<td>26th</td>
<td>7</td>
</tr>
<tr>
<td>P4*</td>
<td>27th</td>
<td>5th</td>
<td>10</td>
</tr>
</tbody>
</table>
2023 Calendar example* by ICH/ACH on how it would have looked with the new dates

<table>
<thead>
<tr>
<th>1st QUARTER DAYS / PERIODS</th>
<th>JANUARY</th>
<th>FEBRUARY</th>
<th>MARCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearance Initialization</td>
<td>17-Jan</td>
<td>14-Feb</td>
<td>7-Mar</td>
</tr>
<tr>
<td>Closure Day (Regulation 25)</td>
<td>12-Jan</td>
<td>21-Feb</td>
<td>6-Mar</td>
</tr>
<tr>
<td>Closure Day (Regulation 25)</td>
<td>12-Jan</td>
<td>21-Feb</td>
<td>6-Mar</td>
</tr>
<tr>
<td>Advice Day (Regulation 27)</td>
<td>16-Jan</td>
<td>15-Feb</td>
<td>15-Mar</td>
</tr>
<tr>
<td>Protest Deadline (Regulation 22 (b) (i))</td>
<td>19-Jan</td>
<td>20-Feb</td>
<td></td>
</tr>
<tr>
<td>Early Call Day (Regulation 28 (b))</td>
<td>21-Feb</td>
<td>28-Feb</td>
<td></td>
</tr>
<tr>
<td>Call Day (Regulation 28(a))</td>
<td>23-Jan</td>
<td>22-Feb</td>
<td>22-Mar</td>
</tr>
<tr>
<td>ACH Call Day + 1</td>
<td>24-Jan</td>
<td>23-Feb</td>
<td>23-Mar</td>
</tr>
<tr>
<td>Settlement Day (Associate Members) (Regulation 30)</td>
<td>25-Jan</td>
<td>24-Feb</td>
<td></td>
</tr>
<tr>
<td>Suspension Day (Regulation 33)</td>
<td>26-Jan</td>
<td>27-Feb</td>
<td></td>
</tr>
</tbody>
</table>

* for display purposes

Current closure

ACCELERATED (2) by 2 days

Proposed closure

1st ICH General Meeting 2023
## 2023 Calendar example* by ICH/ACH on how it would have looked with the new dates

<table>
<thead>
<tr>
<th>2nd QUARTER DAYS / PERIODS</th>
<th>APRIL 2023</th>
<th>APRIL 2030</th>
<th>APRIL 2031</th>
<th>APRIL 2032</th>
<th>APRIL 2033</th>
<th>APRIL 2034</th>
<th>MAY 2023</th>
<th>MAY 2030</th>
<th>MAY 2031</th>
<th>MAY 2032</th>
<th>MAY 2033</th>
<th>MAY 2034</th>
<th>JUNE 2023</th>
<th>JUNE 2030</th>
<th>JUNE 2031</th>
<th>JUNE 2032</th>
<th>JUNE 2033</th>
<th>JUNE 2034</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protest Deadline (Regulation 22 (b) (i))</td>
<td>19-Apr</td>
<td>26-Apr</td>
<td>3-May</td>
<td>12-May</td>
<td>19-May</td>
<td>26-May</td>
<td>2-Jun</td>
<td>12-Jun</td>
<td>19-Jun</td>
<td>20-Jun</td>
<td>27-Jun</td>
<td>13-Jul</td>
<td>12-Jul</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Call Day (Regulation 28 (b))</td>
<td>21-Apr</td>
<td>28-Apr</td>
<td>5-May</td>
<td>16-May</td>
<td>23-May</td>
<td>30-May</td>
<td>6-Jun</td>
<td>14-Jun</td>
<td>21-Jun</td>
<td>29-Jun</td>
<td>5-Jul</td>
<td>14-Jul</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Call Day (Regulation 28(a))</td>
<td>24-Apr</td>
<td>2-May</td>
<td>8-May</td>
<td>17-May</td>
<td>24-May</td>
<td>31-May</td>
<td>7-Jun</td>
<td>15-Jun</td>
<td>22-Jun</td>
<td>30-Jun</td>
<td>8-Jul</td>
<td>17-Jul</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**Current closure**

**Proposed closure**

* for display purposes

---

1st ICH General Meeting 2023
History of changes to the ICH calendar

- Last major change in the Clearance calendar was in May 2007 when weekly settlement was introduced.

- Settlement moved from once a month to 4 times a month (Closure days falling on 14th, 21st, 28th and 7th of the following month).

- Over the last 16 years, there have been multiple changes in the airline financial processes: i.e. moving from paper to e-ticketing, Electronic data interchange and e-Invoicing via SIS, SIRS etc.

- With automation, data processing has sped up, but the clearing house calendar has remained the same.
History of changes to the ICH calendar cont.

• This proposal enables speeding up the settlement process by 2 days for all the 4 billing periods.

• While the change is only a reduction in 2 days, it is a step in the right direction for the industry as a whole to speed up the cash flow.
The proposal was shared with the following groups

- ABS WG – for input
- SIS SG – for input
- ACH Board of Directors – for approval
- ICH WG – for approval
- IFAC - for information.
Key takeaways

• Change will be applicable from P1 July 2024

• Please inform your teams of this upcoming change as there might be changes in systems or processes required

• Additional webinars will also be run in early 2024.

• 2024 calendar will be released in November (next month)
  • Will be a hybrid
  • January 2024 to June 2024 P4 with existing closure days
  • July 2024 P1 to December 2024 P4 with new closure days
IR14 – New Technologies

Parm Kaur
ICH Working Group Chair

1st ICH General Meeting 2023
How new technologies are transforming aviation

Blockchain, AI & machine learning

• More efficient and often safer
• Analyze large datasets
• Streamline finance processes and audit functions
• Increased scalability and adaptability
• Complexity and challenging
How new technologies are transforming aviation

AI in accounting

• Rules and algorithms for pattern-matching and decision-making processes
• Robotics to reconcile ICH/ACH Payables and Receivables
• Bank statement automation
• Automate generation of reports
• The future of offers and orders
How new technologies are transforming aviation

AI in accounting

• Technology integration challenges
• Cyber safety and security
• Cost implications
• Standards and regulatory requirements
• Training
Networking break

Join at slido.com #3311775

1st ICH General Meeting 2023
IR15 – ICH Product Management Update

Bruno Roussel
ICH Product Manager, IATA

1st ICH General Meeting 2023
ICH Product Management Update

Index
• History and context
• Current dynamic
• ICH value proposition
• Product evolution
• Airline action
History and context

The oldest financial platform of IATA

Design for interline only with settlement limited to hard currencies

Historically growing by 15 members every year

Not many LCC, charter airlines
Current dynamic

Last year we reached 500 participants for the first time

This year we aim at getting 10% participation growth

Adding few LCC and charter airlines, virtual interlining, Train...

Increasing supplier membership (Airline push..)
Current dynamic

Still third-party billing happening

Airline see ICH payment as benefit to supplier

We don’t accelerate payment just enforce contract terms
ICH Value proposition

100 % on time payment (this year and many others…)

Settlement Success rate 99.9983% (average last 10 years 2013-2022)

Credit risk management

Easy payment reconciliation

Accounting with SIS matching settlement with ICH

Cost reduction in bank fee and payment process

Offsetting mainly for interline aspect

Bankruptcy process

Compliance

1st ICH General Meeting 2023
Product evolution

Customer centric:

- Implement a process that match contract, ie new currencies
- Facilitate invoice approval before payment instruction B to Clearing Houses (ICH & ACH)

If you see value in other currencies let us know!

2FA security implementation

We are working on ICH web page to attract and do more marketing about our capabilities
Airline action

First help us to clean all third-party billings, your subsidiaries, contract not align with settlement

Push interline partners to adhere to ICH process if they aren’t PAX and CGO, multimodal…

Look at the new opportunities new features bring for your company

Welcome payment to supplier when you see value in it

1st ICH General Meeting 2023
IR16 – Suppliers in ICH what benefits for Airlines

Mark West
Global Finance Transformation Lead – S2c, Swissport International AG
OUR GLOBAL PRESENCE

SWISSPORT OPERATING ON SIX CONTINENTS

- Swissport operates at 294 airports in 44 countries across six continents
- The company has a broader global presence than any of its competitors
- Our customers benefit from the industry’s widest single-source service portfolio
- Swissport serves their passengers and handles their air cargo with consistent service quality, the highest levels of safety and globally standardized procedures
## WHY IS SWISSPORT MOVING TO SIS & ICH SETTLEMENT?

**IT’S A MAJOR STEP FORWARD IN DRIVING OPERATIONAL EXCELLENCE**

<table>
<thead>
<tr>
<th>Customer Benefits</th>
<th>Swissport Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Significant productivity benefits in payment processing with zero reduction in contractual payment terms</td>
<td>• Significant productivity improvements in collections/credit control teams</td>
</tr>
<tr>
<td>• ICH settlement is already a fully-integrated process for invoice settlement with all interline partners</td>
<td>• Improved working capital management through predictive cashflow and guaranteed payments</td>
</tr>
<tr>
<td>• ICH settlement with suppliers drives greater process standardisation</td>
<td>• Reduced risk exposure and bad-debt provisions</td>
</tr>
</tbody>
</table>

---

### Diagram

- **Swissport Billing System**
  - IATA SIS Platform
    - IS-XML
    - Swissport invoicing (transmitted electronically)
- **Swissport Bank**
  - Customer payment
- **IATA Clearing House**
  - Automated payment instruction
  - Customer ERP
    - Auto-posting
    - Auto-validation
    - Auto-reconciliation of invoice data
  - Customer
FINANCE TEAM EFFICIENCY OPPORTUNITY

WORKED EXAMPLE

Average number of PDF invoices/credit notes issued by email in 2022 per strategic customer:

2,100

Notes:
1. Assumes 20 min average invoice handling time for posting & validation + 5 min for payment processing
2. Assumes 1 min average invoice handling time for processing & payment
POTENTIAL CONCERNS

WHAT HAPPENS IN THE CASE OF DISPUTES?

Generic ICH Cost/Benefit Assumptions:

- Average invoice handling time (posting, validation & payment)
  - PDF = 25 mins
  - IS-XML = 1 min
- Invoices per customer/year = 2,100
- Average AP agent salary/year = 30,000 USD
- Disputed invoices/year = 5% (105)
- Average value of invoice dispute = 2,000 USD
- Average time to generate a credit note = 20 days
- Cost of capital = 10%

<table>
<thead>
<tr>
<th>Working Days</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of processing PDF invoices per year</td>
<td>117</td>
</tr>
<tr>
<td>Cost of processing IS-XML invoices per year</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dispute Value Paid by ICH</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of capital impact of ICH payment of disputed amounts</td>
<td>210,000 USD</td>
</tr>
</tbody>
</table>

Net Cost Saving of E-Invoicing/ICH Settlement

- Net Cost Saving = 11,772 USD
- % Saving, ICH vs. PDF Invoicing = 87%
# FREQUENTLY ASKED QUESTIONS

## OTHER POTENTIAL CONCERNS

<table>
<thead>
<tr>
<th>Questions</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>What’s the benefit of changing from bilateral to ICH settlement?</td>
<td>The main benefits are twofold: ICH settlement means customers receive the additional productivity improvement over &amp; above that offered by e-invoicing alone; and ICH settlement is the same methodology currently used for settling interline accounts, so this allows further standardisation of the AP processes</td>
</tr>
<tr>
<td>Does it make sense to move to ICH settlement if there are any errors in the e-invoices requiring credits?</td>
<td>With the rollout of e-invoicing we’re standardising many of our processes and making significant improvements to billing accuracy to reduce any errors. However, the processing benefits that come from ICH settlement far outweigh any WCAP issues associated with occasional credits (see worked example)</td>
</tr>
<tr>
<td>How will disputes be handled if we move to ICH settlement?</td>
<td>Should a dispute occur once we move to ICH settlement, it would be handled in exactly the same way as today. If a credit is required this would be processed via the ICH similar to an invoice within an IATA defined time period</td>
</tr>
<tr>
<td>Isn’t this just a way for you to shorten our payment terms?</td>
<td>Not at all. Swissport’s implementation of ICH settlement ensures settlements are made in line with contractual payment terms. This means Swissport receives customer payments on the settlement date immediately after the invoice net due date, never before this date</td>
</tr>
<tr>
<td>What’s the additional cost to me?</td>
<td>There is no additional cost to the customer, all set-up and transactional costs are borne by Swissport</td>
</tr>
</tbody>
</table>
WHERE IS ICH SETTLEMENT AVAILABLE?

IN 26 SWISSPORT BUSINESSES BY END 2023

<table>
<thead>
<tr>
<th>Country</th>
<th>Swissport Legal Entity/Affiliate</th>
<th>IATA Code</th>
<th>Status</th>
<th>Business Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>Swissport Cargo Services Austria GmbH</td>
<td>XB-P24</td>
<td>Active</td>
<td>Cargo</td>
</tr>
<tr>
<td>Belgium</td>
<td>Swissport Cargo Services Belgium</td>
<td>XB-9JC</td>
<td>Active</td>
<td>Cargo</td>
</tr>
<tr>
<td>Brazil</td>
<td>Swissport Brazil LTDA</td>
<td>XB-9JH</td>
<td>Active</td>
<td>GH</td>
</tr>
<tr>
<td>Germany</td>
<td>Swissport Berlin</td>
<td>XB-Q95</td>
<td>Active</td>
<td>GH</td>
</tr>
<tr>
<td>Germany</td>
<td>Swissport Cargo Services Deutschland GmbH</td>
<td>XB-9TK</td>
<td>Active</td>
<td>Cargo</td>
</tr>
<tr>
<td>Germany</td>
<td>Swissport Koeln GmbH</td>
<td>XB-P19</td>
<td>Active</td>
<td>GH</td>
</tr>
<tr>
<td>Ireland</td>
<td>Swissport Ireland Ltd</td>
<td>XB-P20</td>
<td>Active</td>
<td>GH &amp; Cargo</td>
</tr>
<tr>
<td>Italy</td>
<td>Swissport Italia SPA</td>
<td>XB-P17</td>
<td>Active</td>
<td>GH</td>
</tr>
<tr>
<td>Mexico</td>
<td>AGN Mexico SA</td>
<td>Q4</td>
<td></td>
<td>GH</td>
</tr>
<tr>
<td>Morocco</td>
<td>Swissport Maroc SA</td>
<td>XB-P42</td>
<td>Active</td>
<td>GH</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Swissport Amsterdam</td>
<td>XB-P34</td>
<td>Active</td>
<td>GH</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Swissport Cargo Services The Netherlands</td>
<td>XB-P35</td>
<td>Active</td>
<td>Cargo</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>Swissport Saudi Arabia Ltd</td>
<td>XB-P25</td>
<td>Active</td>
<td>GH</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Checkport Schweiz AG</td>
<td>Approved</td>
<td></td>
<td>GH</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Swissport Basel</td>
<td>XB-P47</td>
<td>Active</td>
<td>GH</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Swissport Geneva</td>
<td>XB-P50</td>
<td>Active</td>
<td>GH</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Swissport International AG</td>
<td>XB-9J8</td>
<td>Active</td>
<td>N/A</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Swissport Zürich</td>
<td>XB-P52</td>
<td>Active</td>
<td>GH</td>
</tr>
<tr>
<td>UK</td>
<td>Swissport Fuelling Services UK Ltd</td>
<td>Approved</td>
<td></td>
<td>Fuel</td>
</tr>
<tr>
<td>UK</td>
<td>Swissport GB Ltd</td>
<td>XB-P18</td>
<td>Active</td>
<td>GH &amp; Cargo</td>
</tr>
<tr>
<td>US</td>
<td>Swissport Cargo Services LP</td>
<td>XB-Q25</td>
<td>Active</td>
<td>Cargo</td>
</tr>
<tr>
<td>US</td>
<td>Swissport Fueling Inc.</td>
<td>Q4</td>
<td></td>
<td>Fuel</td>
</tr>
<tr>
<td>US</td>
<td>Swissport SA Fuel Service LLC</td>
<td>Q4</td>
<td></td>
<td>Fuel</td>
</tr>
<tr>
<td>US</td>
<td>Swissport SA LLC</td>
<td>Approved</td>
<td></td>
<td>GH</td>
</tr>
<tr>
<td>US</td>
<td>Swissport SA USA LLC</td>
<td>XB-Q20</td>
<td>Active</td>
<td>GH</td>
</tr>
<tr>
<td>US</td>
<td>Swissport USA Inc.</td>
<td>XB-Q24</td>
<td>Active</td>
<td>GH</td>
</tr>
</tbody>
</table>

- Swissport is aligning with the recently launched SMI “X” process to allow clearance & settlement in local currencies
  - Avoids the additional complexity of Five Day Rates (FDR) and Call Day Adjustments (CDA)
CONCLUSION

A MAJOR WIN-WIN FOR OUR CUSTOMERS & SWISSPORT

- Greater standardization of S2C processes
- Increased customer satisfaction
- Reduced costs
- Reduced risk
- Part of Swissport’s digital transformation journey towards operational excellence

“Swissport is committed to operational excellence across our business, and digital transformation is a key enabler. The rollout of e-invoicing via IATA’s SIS platform along with electronic invoice settlement through IATA’s Clearing House will enhance our service delivery and improve the experience for our customers.”

Jourik Hooghe, CFO Swissport International
IR16 – Suppliers in ICH what benefits for Airlines

Frederic Berthoud
Credit Manager EMEAA, Worldwide Flight Services
Who is WFS?

Worldwide Flight Services (WFS), a member of SATS Group, is a global air cargo logistics leader and best-in-class ground handling partner. Operating globally, we enable our customers to move air cargo and passengers around the world.

We work alongside our customers to deliver efficiency, values and sustainability through our expertise and technology. And above all safety and security stays at the heart of everything we do.
Process with IATA Clearing House

Automating the settlement process between WFS and the Airline with the SIS Portal and the IATA Clearing House

Operations | Invoicing | Accounts Receivables
---|---|---

Purchasing and Accounting | Cost Control | Accounts Payables

Airline

1st ICH General Meeting 2023
Benefits to enter into ICH

Credit Risk mitigation (reduction of bad debts and accruals)

Optimization of Credit Insurance

Working Capital Improvement

Streamlining and Standardization

Enhanced Cash Previsions and Monitoring

Productivity for payment reconciliation and allocation

Audit Trail and Traceability

Efficiency and Improvement in the Cash Collection process

Strict application of Payment Terms

Efficiency in payment process

Collaboration and partnership throughout invoice lifecycle (status tracking, reduced email communication, visibility on payment)

1st ICH General Meeting 2023
Target => Receive payment for WFS Invoices of Europe Countries from a maximum of Customer Airlines using the IATA ICH

Use of the IATA SIS portal is a mandatory 1st step before using the IATA ICH

- Decembre 2023: Go-Live with 1 Airline in France
- 2023-2024: Extension to other Airlines in France & Spain
- 2023-2024: Extension to other Airlines in other Countries

1st ICH General Meeting 2023
IATA Clearing House

Settlement with the IATA ICH will change the game in the coming years

• On-Boarding into the ICH Clearing House is a joint initiative between WFS and the Airlines with benefits for both parties

• On-boarding into the ICH Clearing House requires a mandatory initial phase to transfer the invoicing process to the IATA SIS portal

What do we expect from the Airlines

• Strong sponsorship from Airlines Finance and IT to implement the use of the ICH

• Project and Operational Contact Names that can take the decision to transfer to ICH, work with us for the implementation and coordinate with Airlines Local teams

1st ICH General Meeting 2023
IR18 – DOT Origin-Destination Survey

Mayra Olson
Director, Airlines Clearing House
What is O&D Survey?

• Mandatory reporting of itinerary and price data for a sample of flown tickets by origin and destination
• U.S. Department of Transportation (DOT) collects the data
• Survey data made available to the public on the Bureau of Transportation Statistics (BTS) website
• Data used by economists, airlines, analysts, and others to assist with analyzing and reporting on passenger airline industry matters
O&D Survey Changes

• On 31 January 2023, the DOT published their Final Rule to modernize and amend the O&D Survey requirements.
  
  • Final Rule published in the Federal Register
  
  • U.S. government regulations covering the new Final Rule are found online
    https://www.ecfr.gov/current/title-14/chapter-ll/subchapter-A/part-241#19-8

• Effective for all travel that occurs on/after 01 July 2025, with first monthly O&D Survey submission due by 15 September 2025.
# O&D Survey Changes

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting Carrier</td>
<td>Large certificated U.S. air carriers with scheduled passenger service and certain foreign air carriers</td>
<td>All U.S. certificated and commuter air carriers plus foreign air carriers granted anti-trust immunity</td>
</tr>
<tr>
<td>ReportSubmitter</td>
<td>First operating airline in the itinerary</td>
<td>Ticket issuing airline if they are a Reporting Carrier, else Reporting Carrier that is first operating airline in the itinerary</td>
</tr>
<tr>
<td>Reporting Event</td>
<td>First lift by Reporting Carrier (operating airline)</td>
<td>First lift by an operating airline</td>
</tr>
<tr>
<td>Sample Size</td>
<td>10% (tickets ending in 0)</td>
<td>40% (tickets ending in 0, 2, 7, 9)</td>
</tr>
<tr>
<td>Reporting Period</td>
<td>Quarterly</td>
<td>Monthly</td>
</tr>
<tr>
<td>Detail Level</td>
<td>Aggregated by itinerary</td>
<td>Individual ticket</td>
</tr>
<tr>
<td>Total Amount</td>
<td>Fare + taxes</td>
<td>Fare + government taxes + mandatory fees</td>
</tr>
<tr>
<td>Tax Amount</td>
<td>N/A</td>
<td>Sum of government taxes contained in Total Amount</td>
</tr>
<tr>
<td>Via Points</td>
<td>N/A</td>
<td>All points in line of flight including unticketed through flights</td>
</tr>
<tr>
<td>Dwell Time</td>
<td>N/A</td>
<td>Elapsed time between flights at each airport</td>
</tr>
<tr>
<td>Fare Basis Code</td>
<td>Mapped to defined fare codes</td>
<td>Eliminated</td>
</tr>
<tr>
<td>Purchase Window</td>
<td>N/A</td>
<td>Three advance purchase groups</td>
</tr>
<tr>
<td>Departure Date</td>
<td>N/A</td>
<td>Scheduled departure year-month of each coupon</td>
</tr>
</tbody>
</table>
Impact to Revenue Accounting

• Non-U.S. airlines with anti-trust immunity granted by U.S. government will be required to submit O&D Survey data
  • Approximately 30 airlines

• Applicable journeys
  • Domestic journeys wholly within U.S.
  • International journeys with travel to/from U.S.

• Reporting triggered by first flown coupon
• Survey reporting done by the ticket issuing airline that is a Reporting Carrier

1st ICH General Meeting 2023
Considerations

• Revenue vs. non-revenue passenger definitions
• Frequent flyer redemption tickets included
• Mandatory vs. optional service fees on the ticket
  • Check airline-imposed fees
• Total taxes reported
  • TFCs imposed by any government authority
  • YQ/YR and optional service fees are not taxes
• Partial reissues are excluded
• Reporting Carrier needs OAL sales data for survey elements
Get Ready

• Development will be required for all Reporting Carriers to comply
  • Industry solution is being developed by ATPCO in collaboration with ACH, leveraging sales data exchange processes
  • Revenue accounting system providers
  • Internal airline IT departments or other vendors

• Send email to USDOTSurvey@atpco.net to be added to industry solution Design Team meetings and project status

• 01 July 2025 and 15 September 2025 dates are mandatory
IR18 – Quiz

Neville Todiwalla
ICH Working Group Vice-chair

1st ICH General Meeting 2023
Quiz
Let's Unwind With A Short Quiz!

Steps to follow:
1. Ensure you are connected to the internet on your cell phone.
2. Scan the QR Code on the screen.
   OR
3. Go to joinmyquiz.com, in a browser.
4. Click on ‘Enter Code’ on the top right corner.
5. Input the 6-digit number displayed on the screen.
6. Input a creative name for yourself.
7. Wait until all participants have joined to start the quiz.

1st ICH General Meeting 2023
Quiz

1. When did the Clearing House begin operations?
   a) 1945
   b) 1947
   c) 1949

Note: created in 1947 by 11 airlines (Aer Lingus, Aeromexico, Air Canada, Air France, American Airlines, British Airways, KLM, Philippine Airlines, Qantas, SAS & South African Airways). Oldest settlement system (1st BSP i.e. BSP Japan launched in 1971).
Quiz

2. What is the average last 10 years (2013-2022) ICH Settlement Success rate?

a) 99.9978%

b) **99.9983%**

c) 99.9966%

Note: with USD6.3m unrecovered yet out of the USD488b processed
Quiz

3. How many active participants ICH had end of Q3 2023:

a) 502
b) 515
c) 530

Note: 502 end of Feb-23 with 1st time ever over the 500 mark
Quiz

4. Which Edition of the ICH Manual of Regulations and Procedures is in use today?

a) 25th
b) 26th
c) 27th
5. For the SMI “B” to “I” initiative currently in development, what billing category will the change be applicable to?

a) Passenger only
b) Miscellaneous only
c) Both
Quiz

6. Chicago is the headquarter of which airline:
   a) United Airlines
   b) Frontier Airlines
   c) American Airlines
Quiz

7. Chicago is known for its delicious and iconic:

a) Apple pie
b) Deep-dish pizza
c) Hamburger
Quiz

8. Which building has been the tallest in the world from 1974 until 1998:

a) Burj Khalifa
b) Empire State Building
c) Trump International Tower
d) Willis Tower

Note: formerly known as the Sears Tower with 442m 3rd tallest in the US after One World Trade Center & Central Park Tower
Quiz

9. Chicago is on the edge of which of the 5 Great Lakes of North America:
   a) Erie
   b) Huron
   c) **Michigan**
   d) Superior
   e) Ontario
Quiz

10. What is Chicago’s most widely recognized nicknames?

a) The Sin City
b) The City that never sleeps
c) The Windy City

Note: Las Vegas & New-York also know as Big Apple
Quiz

1st ICH General Meeting 2023
Thank You!