5th World Financial Symposium

17 – 20 September 2018
Madrid Marriott Auditorium Hotel & Conference Center
7th SIS General Meeting

18th September 2018
Madrid Marriott Auditorium Hotel & Conference Center
SR5 - SIS General Update (Part 2)

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Agenda

- Governance
- SIS SOC2 Audit
- 2019 Budget and Forecast
- Evolution of SIS
Governance - general

- Who can vote for SIS SG Members?
  - Any company that has signed the ISPA

- Who can vote for changes to the service or to the Participation Agreement?
  - Companies signatories of ISPA that are submitting and receiving invoices through the service

- What happens to system changes that have been passed by a vote?
  - They go to the SIS SG for prioritization, and confirmation on funding availability once IATA has determined the implementation cost
Will all voted changes be implemented?

- Not necessarily. If they are too difficult or expensive to implement, they may be de-prioritized by the SIS SG
- IBS OPS items that passed and affects SIS – mandatory to be implemented in next major release as they represent changes to the billing rules
- Also, the meeting cannot vote on items that are outside its jurisdiction, such as legal or policy matters, nor cause IATA to act contrary to Board decisions
SIS SOC2 Audit

- SIS Steering Group requested IATA to obtain a SOC2 (Service Organization Controls) certification for SIS
  - Audit conducted on Controls at a Service Organization relevant to Security, Availability, Processing Integrity, and Confidentiality (SOC 2 Type II)
- The second external audit for SOC2 certification audit took place in January & February 2018
  - Accelya Kale - Pune and Mumbai
  - IATA – YMQ
  - Period audited: January 1, 2017 to December 31, 2017
More complex than first audit:
- Covered one full year of operations 2017
- Included a DR environment switch

Audit opinion states that the description of the system of controls as designed and implemented is fairly stated, the system is fit-for-purpose, and operated effectively during the period under review.

No exceptions were noted as a result of the external audit testing.

Second SOC 2 certification, obtained in 2 consecutive years, with no exception, which is an exceptional result.

Report have been distributed to Participants based on request.
SIS SOC2 Audit

Communication sent to SIS super users of the availability of the SOC2 report
  - Request for the report to be raised to sishelp@iata.org
  - Request must come from an authorized representative of the entity
  - The entity must be customer of IATA for the SIS service and is seeking access to the SOC 2 Report for its own internal business purposes

Note: SOC2 report contains a notice of restricted use which must be accepted to view the report
  - Agree to not disclose or distribute the report in the public domain
SIS SOC2 Audit – Next steps

- Audit of the full year 2018: period of activity 1st January to 31st December 2018
- Audit will take place in January – February 2019
- Report to be published end of March 2019
2019 Budget and Forecast

- SIS service is run on a full cost-recovery basis with prices set so as to recover the budgeted costs.
- Following the SG endorsement, the surplus/deficit amounts will be shared between all ISPA participants proportionally to the total paid in the relevant year.
  - Mainly due to the changes in infrastructure, lower revenues and change in the capitalization and depreciation policy.
- As a result of 2018 it might be a situation of recharge in 2019 to the industry for cca. US $ 600,000 estimation.
  - Impact in 2018 mostly due to new policy of zero capitalization and depreciation.
2019 Budget and Forecast

- SIS SG has worked closely and actively with IATA to find solutions for deficit reduction
- Measures related to gradual price increase synchronized with cost reduction initiatives
- 3 dimensions:
  - Cost reduction initiatives - 2018 - 2019
    - Reduced scope for major releases
    - New support contract with improved conditions in place end 2017
  - First price increase to incentivize the correct usage of the platform and promote quality of data being exchanged – effective 1\(^{st}\) January 2018
  - Second price increase – effective 1\(^{st}\) January 2019
Evolution of SIS

- Accounts Payable – industry suppliers
  - Get the benefits of the SIS E-Invoicing standards and reduce effort in accounting and reconciliation
  - SIS Participants cost goes down due to increased usage
Thank you!

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