Welcome to the 5th IBS OPS General Meeting!
Report of the IBS OPS WG

Harold Schwart, DL
IBS OPS WG Chairman
Introduction

Survey

• Thank you for completing the survey
• Your comments matter to us and help us to better serve you
• The primary comment received – so much material to cover in one day
  • This year is no different but unfortunately not in our control
  • I will do my best to follow the Agenda running order and a schedule of events has been provided
• Please complete the survey again this year; we hear you and will continue trying to improve
Breakout Sessions

There are Four Breakout Sessions planned

• BS1- Involuntary Interline TFC Problem and Solution
• BS2- Chart 2 and Impact on Passenger Revenue Accounting
• BS3- Lowest Applicable Fare
• BS4- Interline Settlement Best Practices (Passenger & Cargo)
  ❖ They are informal and interaction is encouraged
WG Membership

- Membership approval of FinCom is required
- The IBS OPS WG consists of 15 members and;
  - 2 Official Observers
    - They are full members but do not vote for Chair & Vice-Chair
- Appointments are for a term of 3 years
Meetings

• Since the 5\textsuperscript{th} WFS in Madrid the IBS OPS WG met:
  • In YUL - November 2018
  • In MAD - May 2019
  • And, here yesterday in preparation for this General Meeting
• We have monthly conference calls when not meeting face to face
Composition of the WG

IBSOPSWG Members

• Harold Schwart – DL - Chair
• Sophie Creusot – AF – Vice Chair
• Priscilla Stiller – AA
• Myrna Adams – AC
• Matthew Holden – BA
• Chen-Wen – CZ
• Suresh Verkot – EK
• Sachin Jain – EY
Composition of the WG

IBSOPSWG Members

• Amisha Jhaveri – HR
• Myriam Burget – LX
• Gavin Pereira – NZ
• James Hayward - QF
• Felicity Sekoto - SA
• Ssu Hui - SQ
• Paulo Godinho - TP
Composition of the WG

Official Observers of the IBSOPSWG

• Ab Bouman – KL
• Nermin Azem Kiran - TK
Achievements in 2019

The WG and Editor Group are responsible for 11 proposals on the IBS OPS GM Agenda

4 Breakout Sessions were prepared
- TFC Settlement in Case of Involuntary Rerouting
- Chart 2 and Impact on Passenger Revenue Accounting
- Lowest Applicable Fare
- Interline Settlement Best Practices (Passenger & Cargo)
Achievements in 2019

A growing number of TFCs are becoming exempt in case of involuntary rerouting

I continue to encourage airlines to lobby tax authorities to waive ticket transportation taxes in case of involuntary rerouting

- IATA & TTBS have agreed to serve as a point of coordination and assist with this campaign
Achievements in 2019

9 new non-IATA member airlines for ICH participation in 2019 have been approved: 4N, ZP, 6E, U7, RQ, EF, KG, CG, & BF

Future efforts for the ICH will focus on improvements for interline and correspondence settlements in case of bankruptcy
Achievements in 2019

Report to FinCom on rejection reduction progress

Ongoing developments include:
- Develop and follow the workplan
- Follow developments in coupon level TFCs
- Follow developments in Dynamic Pricing
- Follow developments in Settlement with Orders
Rejection Reduction Initiative

In 2015 the IBS OPS WG was tasked to reduce rejections by 32% within 5 years (2020)

At end of June 2019 we achieved more than 26% reduction

Targets to achieve our objective are:

- 27% or more by end of 2019
- 32% or more by end of 2020

Let’s continue the good work to achieve another 6% or more
Rejection Reduction Advisory Group

WG members SA, EK, LH, NZ, EY, AA and DL have partnered with SIS to form the Rejection Reduction Advisory Group

▪ The goal: reduce rejections and correspondence

Outputs to date include:

▪ Improved reporting providing metrics for top 5 airlines you reject or reject your billings
▪ Best Practices document on the SIS Website
Rejection Reduction – How do we reach 32%

Simplify settlement processes
- Involuntary Rerouting
- Request/Respond and similar file exchange processes

Simplify SPAs settlement to the extent possible
Partner with your Revenue Management team
Remember – there is a cost associated with rejections
Simplify Invol Reroute Settlement

The lowest applicable fare rule is outdated and no longer aligned with fare distribution channels used today.

In response to a survey sent by IATA, 90% of you indicated a desire to simplify settlement in case of involuntary rerouting.

The solution should be an industry neutral source and IATA and related industry WGs should be formed to pursue a solution.
Committee on Differences

I am pleased to report there were no disputes referred to a Committee on Differences this year.
Questions?
Thank you!

Harold Schwart
Delta Airlines
Financial and Distribution Services Update

Jean Antonio Rodriguez, IATA
Director FDS Operations

23 September 2019
IATA Pay

The new payment solution for the Airline industry

Built by Airlines for Airlines
# IATA Pay

**Built by airlines for airlines**

IATA Pay aims to be **Universal, Transversal and Interoperable**

IATA Pay is based on **instant bank transactions**

IATA Pay is leveraged on **Open Banking schemes**

IATA Pay is an **industry-focused solution owned by airlines**

## Opportunities for Airlines

<table>
<thead>
<tr>
<th>Strategic</th>
<th>Customers Payments data under IATA’s neutrality</th>
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<tbody>
<tr>
<td></td>
<td><strong>Consumer trust</strong></td>
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<tr>
<td></td>
<td><strong>Versatile to fit Airline’s strategy</strong></td>
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<tr>
<td></td>
<td>not dependent on 3rd parties’</td>
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<table>
<thead>
<tr>
<th>Financial</th>
<th>Competitive fixed fee per transaction</th>
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<tbody>
<tr>
<td></td>
<td>Transparent and fitted for each market</td>
</tr>
<tr>
<td></td>
<td><strong>Settlement within 24h</strong></td>
</tr>
<tr>
<td></td>
<td>Compatible with the rest of ISS services (i.e. ICCS)</td>
</tr>
<tr>
<td></td>
<td><strong>Risk Free</strong>: Fraud &amp; charge back mitigation</td>
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<table>
<thead>
<tr>
<th>Operational</th>
<th>Universal acquirer</th>
<th>Single and easy integration</th>
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<tbody>
<tr>
<td></td>
<td><strong>Real-time refunds</strong></td>
<td></td>
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<td></td>
<td><strong>Industry-focused reconciliation</strong></td>
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</tbody>
</table>
Value proposition

Targeted benefits

- Seamless user experience
- **Consumer trust:** Bank transfer as known method + Airline industry support
- **Risk-free** solution
- **Simplified reconciliation:** Lump settlement + Industry-oriented Recon report
- **Improved working capital:** Faster settlement

- **DATA** of customer’s payments flowing through a **neutral** party
- **Real-time refunds**
- **Reduced costs:** without interchange fees
- **Universal Single integration** for airlines in all IATA Pay markets.

Funds are sent to airlines via IATA

Received in 1 day
Thank you!

Juan Antonio Rodriguez
IATA
rodriguezja@iata.org
The Year in ICH Update

Cedric Chretien, IATA
Head Settlement GDC/ ICH Manager
2018 Highlights

Volume of transactions: New ICH record with USD62,131,900,620 (+9.3% vs 2017)

- In Value terms:
  • Passenger +10% with USD34.6b
  • UATP +9.3% with USD7.4b
  • Miscellaneous +8.2% with USD19.1b
  • Cargo +7.7% with USD994m

- In Transactional terms: overall growth of 8.6% vs 2017 with 1,261,383 invoices processed with SMI “I”
2018 Highlights

- Certified “SOC2” Service Organization Control
  - Management of: user access, roles & responsibilities, data received from SIS, Clearing Bank
  - Security and Compliance trainings
  - Business Continuity Plan “BCP” & Disaster Recovery “DR” documentation complete and tested

- Successful implementation of the Global Delivery Center “GDC”
  - All ICH activities (System, Operations, Finance) exclusively conducted from Montreal
2018 Highlights

- At year end, Settlement Success Rate was at 99.9990% with USD590k resettled out of USD62.1b processed despite 12 suspensions. **Note**: USD292k has been recovered since then.
  => 2018 **Settlement Success Rate 99.9995%**

- Total active membership was **445**: (+7 vs end 2017)
  - 301 **Airlines** (226 of which were IATA Members & 75 Non-IATA), 128 **Associates** and 16 **Sponsored**
  - 16 new participants (6 IATA, 5 **Non-IATA**, 4 Associates & 1 Sponsor)
  - 12 suspensions (with 3 reinstatements by year-end)
Outlook 2019

Volume: (after completion of the Aug-19 P4 clearance)
- In value terms, volume with USD42.2b has been up by 0.7% over the same period in 2018.
- Year-end forecast for total throughput is likely to be around USD62.5b.
- In transactional terms, there was an overall decrease of 0.7% compared to same period in 2018.

Membership: (as at 15 Sep-19)
- 24 new participants (6 IATA, 9 Non-IATA & 9 Associates)
- 9 suspensions (7 IATA & 2 Non-IATA)
Jan to Sep-19 Highlights

- For the 1st time ever in ICH history, the number of active participants (airlines & suppliers) has passed the bar of 450 with 459 as at 15 September 2019.

- BCP: “Business Continuity Plan”
  - Detailed training has been completed with our Remittance & Settlement Madrid colleagues now capable to run ICH critical financial and operational activities.
  - Live test has been successfully executed during the Jun-19 P1 and P2 settlement cycles whereby the R&S MAD Team performed payment files generation, FX and late submission activities.
Jan to Sep-19 Highlights

ICH Support:

- Per Circular 057/18 and 006/19, since 01 Feb-19, ICH email-to-case and web form have been decommissioned. The IATA Customer Portal is the sole channel to communicate with ICH.

- Customer Service Teams in Madrid and Montreal have been trained on how to handle ICH L1 and L2 queries.
Jan to Sep-19 Highlights

SGD:
- New currency of billing and settlement
- Offered through the SMI “X” feature
- New bank account with Barclays has been opened.

ICH4 system:
- YTD 7 releases addressing 5 Enhancements and 58 Incidents
  - Automation of Interest on Security Deposit calculation
  - Automation of Special Clearance
- To come by year-end: (Nov-18 release)
  - Push F3 to the Treasury Dashboard
  - Automation of Deposit accounts
Jan to Sep-19 Highlights

Special Clearances:

- Completed:
  - (WE-307) Centurion Air Cargo: Collection & Distribution Apr P1
  - (2N-121) NextJet: Collection Jul P1 & Distribution Jul P3
  - (5Z-225) Cemair: Collection & Distribution Aug P1
  - (IY-635) Yemenia: Collection Aug P2 & Distribution Aug P4

- Upcoming:
  - (ST-246) Germania: Collection Sep P2 & Distribution Sep P4
  - (9W-589) Jet Airways: TBD
Settlement Success Rate: **99,9937%**

- USD2.6m resettled out of USD42.1b processed (after completion of Aug-19 P4 clearance)

YTD we have had 9 suspensions: (12 in total in 2018)

- **3 for ICH Default**: (8U-546) Afriqiyah Airways, (C2-304) Ceiba Intercontinental S.A, (O6-247) Oceanair t/a Avianca Brasil
- **1 following code withdrawal**: (S2-705) Jet Lite (India) Limited
Reinforced controls & monitoring of participants position and activity:

- Increase in number +13.5% (84 as at end Aug-19 vs 74 end Aug-18)
- Decrease in value -4.3% (USD28.1m as at end Aug-19 vs USD29.4m end Aug-18)
- Hold deposits (security and/or voluntary) on behalf of over 30% of airlines
ICH Regulations

ICH Manual 24th Edition: effective 01st Jan-19

– Inclusion under Improper Billing definition of a new sub-point related to third party billings which are prohibited.

– Removal of references to pricing structure for Associate members in order to implement a tailored / variable pricing taking into consideration the nature of the services provided and the value of the service for these Associates (Ground Handlers, Caterers, MROs, IT Companies, GDSs...).
Customer Satisfaction

Respondents profile:

- **Category**
  - Airline Member: 81.8%
  - Associate Member: 18.2%

- **Region**
  - Africa & Middle East: 6.1%
  - Americas: 42.4%
  - Asia Pacific: 18.2%
  - Europe: 18.2%
  - North Asia: 15.2%

- **Type of ICH Contact**
  - ICH Financial Contact: 48.5%
  - ICH Primary Contact: 3.0%
  - ICH Circular Contact: 48.5%

- **Customer Age (Usage)**
  - 1 - 2 Years: 9.1%
  - 3 - 5 years: 6.1%
  - 6 Months or less: 9.1%
  - More than 5 years: 9.1%
  - More than 6 months and less than 1 year: 6.1%
Customer Satisfaction

Key Experience Metrics:

- **Overall Satisfaction**: 85.4%
- **Customer Effort Score (CES)**: 83.6%
- **NPS**: 64
- **Contribution to Business Success**: 94%

Voice of the Customer:
- “It is a money safeguard”
- “Simplifies our financial processes”

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?
Customer Satisfaction

Key Experience Metrics: (NPS verbatims)

**Promoters**
- Paperless Solution
- Simplified planning with approved ICH calendar
- Reliable & Efficient
- On-time settlement
- Great support
- Centralization for debt clearance

**Detractors**
- Handling of Rejections

**Neutrals**
- Need for a better search Engine for Invoices

**Voice of the Customer:**
"I recommended ICH due to: Ease of doing business, reliability and certainty of collections"
### Customer Satisfaction

#### Satisfaction ICH processes:

- **Overall Process Satisfaction:** 83.6%

<table>
<thead>
<tr>
<th>Process</th>
<th>Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special clearance and bankruptcy management</td>
<td>84.30%</td>
</tr>
<tr>
<td>Frequency of settlement (current weekly)</td>
<td>88.20%</td>
</tr>
<tr>
<td>Circulars and notifications</td>
<td>86.60%</td>
</tr>
<tr>
<td>Settlement and on-time payments of balances...</td>
<td>90.30%</td>
</tr>
<tr>
<td>Management of bank details</td>
<td>86.40%</td>
</tr>
<tr>
<td>Management of protest/adjustment</td>
<td>79%</td>
</tr>
<tr>
<td>Processing of claims</td>
<td>83.70%</td>
</tr>
<tr>
<td>Joining Process</td>
<td>83.90%</td>
</tr>
</tbody>
</table>

**Voice of the Customer:**

“Protest days is too short”
Customer Satisfaction

Satisfaction ICH Support:

Voice of the Customer:
“IATA Customer portal been a little confusing - would have loved some training in this regard”

Overall Satisfaction w/ ICH Team Support: 87.3%

- IATA Customer Portal: 80.30%
- ICH Extranet: 84.10%
- Support team knowledge: 87.10%
- Timely responses to queries: 85.90%
Thank you!

Cedric Chretien
IATA
chretienc@iata.org
Bankruptcy / Special Clearance update

Marie-Christine Brochu, IATA
Assistant General Counsel
Agenda

Main Cases – Bankruptcy and Suspension
• Not all cases addressed involve a bankruptcy or insolvency filing

Reminder on Procedure
Reminder on the Basics…

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

- 9(a): “…no liability for payment and no right of action to recover payment shall accrue between Clearing House Members.”
- 9(b): The ICH has “… the exclusive right to institute court actions, file claims in appropriate jurisdictions and to settle and compromise such claims.”
- Individual member action can interfere with the ICH’s ability to claim its rights in court, and therefore jeopardize the rights of other members.
- Any approach by legal firms, administrators, liquidators, or other representatives of the bankrupt airline should be referred to the ICH.
Also...

Unfortunately bankruptcy processes are slow

- The ICH is not the only creditor and some take much longer to provide data
- Government rules may be applied
- Many companies are trying to negotiate with the Administrator at once
- The airline may no longer have access to systems, data, or expertise
- The airline may dispute the claims of the ICH
- Court appearances need to be scheduled
- Assets need to be identified by the Administrator
Also...

Internally it also takes time

- Funds in IATA’s hands have to be identified from around the world
- Local regulations on release and remittance apply
- Members have six months to clear their accounts and submit claims
- Special Clearances take time to set up, run, and release funds

- Additional information is available via the bankruptcy/suspension extranet updates
2012 and Prior (part 1)

KW-100 Wataniya
- Won fully at trial court & first appeal. Airline has appealed again, and IATA has attached its assets to preserve collection opportunities.

NM-476 Air Madrid
- IATA successful at trial court and appeal, defeating claim for ICH claims without offset of debts; airline appealing further. Distribution unlikely on the pending claims.

LC-183 VarigLog
- Claim confirmed by the court, awaiting completion of bankruptcy process.
2012 and Prior (part 2)

B3-208 Bellview
- Marginal recovery to be made via internal offset; special clearance to follow.

C9-251 Cirrus
- Amount of ICH claim still under negotiation; small recovery ultimately likely.

JK-680 Spanair
- Amount of ICH claim still under negotiation; small recovery ultimately likely.

U8-669 Armavia
- Claim filed in bankruptcy; special clearance to follow for partial distribution.
2014 Cases

V3-021 Carpatair
• Claim filed in bankruptcy; amount agreed. Suspension upheld by court. Distribution appears unlikely.

DN-440 Senegal Airlines
• Considering collection options following cessation of operations; possibility of small distribution via offset of internally held funds.
2015 Cases

IY-635 Yemenia
• A partial distribution was made in this case following a special clearance. This case will therefore be closed.

UN-670 Transaero
• Claim filed in bankruptcy, partially successful at trial court – matter may be appealed. Distribution depends on potential appeal process.

OV-960 Estonian
• Claim filed in bankruptcy, but denied without explanation – ICH proceeding with appeal. Distribution uncertain, and depends on appeal process.
2016 Cases

4Q-741 SAFI Airways
• A material distribution is expected in this case following a special clearance.

LC-753 Equatorial Congo Airlines
• The ICH has determined that collection efforts will not be effective in this case. A small distribution will be made following a special clearance.

GE-170 TransAsia Airways Corporation
• Claim submitted in bankruptcy and accepted by estate. Recovery questionable.
2017 Cases

71-958 Insel Air International
• Submitted claim in court case; material distribution eventually likely.

LV-400 Mega Maldives
• The ICH will not pursue collection actions, but a small distribution will likely be possible through internal offset, following a special clearance.

AZ-055 Alitalia
• Airline has placed a security deposit and continues to settle all amounts due in the ordinary course.
2018 Cases (part 1)

F7-033 Darwin Airline

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

8U-546 Afriqiyah Airways

• Airline reinstated and then suspended in 2019. The ICH has determined that collection actions will not be taken, but it is expected that the airline will seek reinstatement, in which case all claims must be paid. This case will therefore be closed.
2018 Cases (part 2)

UG-150 Tunisair Express
• The ICH has determined that collection actions will not be taken in this case. A special clearance is being considered for a partial distribution.

2N-121 NextJet AB
• A special clearance has been performed, resulting in payment in full of all claims. This case will therefore be closed.

CO-354 Cobalt Air
• Claim filed in bankruptcy. Recovery depends on outcome of bankruptcy process.
BM-480 British Midland Regional Limited
• It was possible to pay all claims in full in this case, which will be closed.

9W-589 Jet Airways
• Claim filed in bankruptcy, with possible amendment following 6-month period. Small distribution may be possible depending on outcome of case. All claims in periods before suspension were paid under a deposit agreement with the airline.
2019 Cases (part 2)

S2-705 Jet Lite India, Ltd.
- The ICH is collecting post-suspension claims in this case and will consider possible collection actions upon the completion of this process.

O6-247 Avianca (Brasil)
- The ICH is collecting post-suspension claims in this case and will consider possible collection actions upon the completion of this process. All claims in periods before suspension were paid under a deposit agreement with the airline.
ZI-439 Aigle Azur

- The ICH is collecting post-suspension claims in this case and will consider possible collection actions upon the completion of this process. Unfortunately not all claims as of suspension were able to be satisfied.
Reminder on Procedure

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

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

- ALWAYS check claims submitted during 6-months post-suspension
  - The suspended airline should also submit its own claims, which may need to be rejected
  - Untimely rejections will not be allowed, as per RAM guidelines

- NEVER bilaterally settle claims already submitted in ICH
  - Bilateral settlement often results in a worse outcome for your own claims, and is in any case grounds for suspension
Thank you!

Marie-Christine Brochu
IATA
brochum@iata.org

John Middleton
IATA
middletonj@iata.org
Airline Distribution Standards Update

Henry Coles, IATA
Head, Airline Distribution Standards
New governance structure for passenger standards
Plan Standards

- New Minimum Connecting Time (MCT) standards take effect October 2019
- Future of Interline explorations
Future of Interline

1. Published Schedule
2. Published Fares
3. Telephone Reservations
4. Paper Ticket
5. Boarding with flight coupon
6. Interline billing with flight coupon

- Offer Management
- Order Management
Future of Interline

• New **Standard Retailer and Supplier Interline Agreement** under development

• Initial set of **Offer and Order Interline standards** under development for release 2020

• Work with technical groups will continue in 2020 as the use cases continue to be developed, **including interline billing and taxes**
Shop – Order Standards

- Continued development of Offer and Order Management standards
- New Recommended Practice with industry taxonomy for products and services
- Identification of non-IATA accredited agents
- Maintenance of reservation and ticketing standards
Changes to pricing and ticketing standards to keep an eye out for

- Ticketing standards to support exempt taxes
- Changes to mileage standards
  - Missing TPMs
  - Separation of metropolitan area and multi-airport city processes
- Updates to definitions of ticket, sub-journey
- Updates to global indicator, fare selection standards
- New Recommended Practice on stopovers and transfers for pricing
Currency updates

- USD fare establishment in Sri Lanka and Pakistan
- Significant variation in VEF and ARS
- FDR and MMR .csv and .xml formats, new base currencies
- ICER API. Free now for 3 months!
- Currency mapping exercise ongoing with impacted groups
- Single currency Resolution, 2020
Travel Standards

- Maintenance of baggage, bar-coded boarding passes, self-service and facilitation standards.
- One Identity project.
Pay – Account Standards

- Maintenance of DISH specifications supporting sales reporting
- Customer Payment in Offer and Order Management
- Transparency in Payment for airlines
- Risk management for airlines
Architecture and Technology

- Improvements to data exchange standards release methodology
- Airline Industry Data Model (AIDM)
- API Ecosystem project
Take me home!

iata.org/PSC
Thank you!

Henry Coles
IATA
colesh@iata.org
RATD and TTBS Update

Carlos Alanis, IATA
Manager, Smart Tax Data Solutions
UPDATE

IR 4 RATD and TTBS Update | IBS OPS GM

23 September 2019
Enhanced RATD update - Usage

- Granted access to **1,287 users** since deployment.
- From **127 organizations** (105 airlines and 22 system providers)
- 34 organizations set up for **FTP transmission**
- 2 more in progress

What’s new

- **Enhancements** Master visible for all users – **nothing outstanding**
- **CSA Bulletins list** – visible to all users via ATPCO Customer Portal
- **Involuntary rerouting** – Identification at RATD Viewer and RATD file
- Contribution with all **IR exemptions** present in TTBS
TTBS update – Complex Taxes

- **Cases in the pipeline by end 2019:**
  - **DISH 23 cases (36):** Standards need to be populated by system providers.
  - **Nationality:** Implemented solution solving 10 additional cases (June ‘19)
    - Belize (2), Colombia (2), Mexico (1), Nepal (1), Turkmenistan (1), Maldives (2) and Honduras (1)
  - **Ongoing:** India K3/K7, Pakistan N9, Malaysia G1, Morocco MA (stamp tax)

- **Creation of a public Sharepoint site**
  - Closed cases and proposed solutions to open ones visible to all users

- **Awareness webinar**
  - Conducted by FINDEV in February 2019
  - Promotion of actions worldwide
Enhanced TTBS update

- **Adoption including 500+ users**
  - Daily and Monthly data.
  - Customized options.
  - Intelligent search and data export - preferred functionalities.
  - Increased self service tools and tutorials

- **What’s new**
  - Data export added to segment/flight search
  - Full tax information at country level exportable to editable formats
  - ICER rates of exchange incorporated for same currency comparisons

- **Demos**
  - Here at WFS!
Thank you!

Carlos Alanis
IATA
alanisc@iata.org
Introduction of voting devices

Margarita Liaifer, IATA
A6 – Introduction of voting devices

An airline representative have picked up voting device at the registration. Take your voting pad and when the voting is open press:

1A for YES
2B for NO
3C for ABSTENTION
A6 – Introduction of voting devices

Voting Item A6

Is Revenue Account fun?
Revenue Accounting Manual – Voting Procedure

• A quorum for the IBS OPS GM consists of the delegates of 30 airlines

• Changes to the Revenue Accounting Manual can be approved by a majority vote of IATA airline representatives voting on the proposed change in the GM, provided that the change is not opposed by 15% or more of those airline representatives voting on the proposed change

• One vote per IATA Member is permitted

• Abstentions will not be considered/ counted
Breakout Sessions Information

- There will be four (4) separate breakout sessions
- Kindly stay in the same Break Session room – Presenters will change rooms
- Follow the R1/R2/R3/R4 signage that will lead you to the room
- The room number is written on your badge
- All sessions start after lunch
- Each session lasts thirty (30) minutes
- After each session, the presenters will take five (5) minutes to transition between rooms
- Participants will have the opportunity to attend all breakout sessions
- After all sessions, there will be coffee break followed by continuation of plenary session
Breakout Sessions Information

Breakout Session **Room R1** – “Majestic” – this room
Breakout Session **Room R2 & R3** – “Royal 3” & “Royal 4” – First Floor on your left
Breakout Session **Room R4** – “Palmetto 1” – Second Floor

**IBS OPS Timing**

Lunch 12:00 – 13:00
Breakout Sessions 13:00 – 15:10
Coffee Break 15:10 - 15:30
Plenary Meeting 15:30
SwO – Settlement with Orders

Thibaut Ruy
IATA – Head of SwO Program
Goals and Expressions

Goal of this presentation:
Interline Experts understand the potential future changes in finance – based on NDC and ONE Order

- OMS: Order Management System
- ORA: Order Responsible Airline (aka Retailer) (VC and billed entity)
- POA: Participating Order Airline (aka Supplier) (Interline partner and billing entity)
- SwO: Settlement with Orders
Main benefits of the SwO standard

- Based on Orders
- Enable cash collection in NDC and ONE Order
- Agnostic and can be mapped to different types of settlement
- Cash management & automated Reconciliation (on transaction level)
NDC & ONE Order → Finance

NDC
- OMS – same information
- Shop – Offer - Order
- Payment Commitments
- eTickets and EMDs issued

Order
- No more eTickets and EMDs

NDC
- OMS has Orders and additionally eTickets and EMDs issued in the background
- The “shopping” is directly between the two carriers. Includes agreed value for fare, taxes, YQ, ISC

Order
- Same as NDC
- No eTickets and EMDs issued anymore

OMS = Order Management System

Order World Today
NDC & ONE Order → Finance

**NDC**
- Settlement via SIS billing process possible but efficient?
- SwO settlement

**Order**
- SIS would not work without major changes
- SwO settlement

**Challenges**
- IS-IDEC is the way and SwO could be another way to interact with the settlement platforms
- SIS and the future SwO Settlement Manager are transfer platforms enabling the settlement
- ICH is the real settlement platform and can receive the information either from SIS or SwO Settlement Manager
- SwO is not replacing SIS, it is an additional option that fits with the world of orders
- Settlement in ICH: is not impacted by the choice IS-IDEC vs SwO
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Simplified settlement framework

Settlement with Orders
SwO standard

- Settlement in ICH is not impacted by the choice IS-IDEC vs SwO
- The benefits of ICH netting (for P, C, M) and the money transfer are not in question
- ICH can have two sources: SIS and SwO Settlement Manager
Comparison IS-IDEC vs. SwO

OMS
Order Management System

SIS
Simplified Invoicing and Settlement

SwO
Settlement Manager

ICH
IATA Clearing House
Netting & Settlement

IS-IDEC

SwO

bilateral

ICH
SwO process at a glance

“Net” in favour of POA

Airline (POA)
Interline Carrier
Finance System

Clearance ID: 111111
Agreement ID (OMS Order ID): 2356
Commitment ID (OMS Payment Info)
Payee: POA
Payer: ORA
Currency: EUR
Net Value: 1’000
Settlement Date: DD MM YYYY

Settlement

Airline (ORA)
(Validating Carrier)
Finance System

Clearance ID: 111111
Agreement ID (OMS Order ID): 2356
Commitment ID (OMS Payment Info)
Payee: POA
Payer: ORA
Currency: EUR
Net Value: 1’000
Payment Terms: DD MM YYYY

Payment

1. Clearance RQ
2. Clearance RS
3. Remittance Transfer Notif
4. Settlement Transfer Notif

IATA
SwO Settlement Manager
SwO Adoption Group

Working together with various providers to allow adoption

Accelya
Indra
Maureva
NIIT Technologies
SAP
Sutherland

Accounting Centre of China Aviation
WNS

... more to come
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2018
- SwO Draft Standard
- Proof of Concept Dec 2018

2019
- SwO Standard 19.2
- Test Pilot Nov – Dec 2019

2020
- SwO Standard 20.1 / 20.2
- Go-Live

2021
- SwO Standard 21.1 / 21.2
- Industry Adoption
Thank you!

Thibaut Ruy
IATA
ruyt@iata.org