



Reporting NDC card transactions through the BSP

WHY IS THIS IMPORTANT?

The IATA Billing and Settlement Plan (BSP) is a system designed to facilitate and simplify the selling, reporting and remitting procedures of the IATA accredited travel agents. Also, the BSP improves the financial control and cash flow for airlines.

A card transaction via the BSP means an airline or a member approved credit card, charge card, debit card, purchasing card, or any other industry card is used and accepted as a payment by an agent for the purchase of international air transportation, as per the member's or airline's merchant agreement.

In a traditional Global Distribution System (GDS) environment, Ticketing System Providers (TSPs) are reporting all types of transactions to the BSP, including the ones which are not settled through the BSP.

In an NDC environment, by reporting their card transactions, the airline and the agent can also benefit from BSP services other than settlement process.

ZOOM INTO THE TOPIC

Benefits for an airline

By reporting NDC card transactions through the BSP, the airline benefits from:

Benefits	Illustration
<i>BSP risk management conducted on card sales by IATA (*)</i>	<ul style="list-style-type: none"> IATA can detect sudden and abnormal behaviour of sales moving from cash to agent card: Agent is collecting in cash but using their own card and in turn faces an internal challenge of cash flow while this money is held in a trust. From card to cash: IATA can detect the need to increase the bank guarantee to cover non-payment risk. Optimal monitoring of the travel agent (TA) sales and a request for a full overview of travel agent's activity, all forms of payment (FOPs) considered Reporting enables the IATA to monitor agent behaviours across all BSP carriers for all distribution channels processed through BSP. This enables visibility of agent's position across all transactions.
<i>Detection of abnormal increase of sales in card sales</i>	Sudden increase of credit card (CC) usage that might be due to fraud (i.e. hitting an unwitting agent, dishonest agent employee, bust-outs.)
<i>Risk management prior to transaction issuance</i>	<p>If a card is not reported and validated upfront, at issuance time an airline does not know if:</p> <ul style="list-style-type: none"> An agent is still IATA active An agent is Payment Card Industry Data Security Standards (PCI DSS) compliant
<i>Transparency in Payment (TIP) validations conducted before transaction issuance (*)</i>	<p>If a card is not reported and validated upfront, at issuance time an airline does not know if:</p> <ul style="list-style-type: none"> An agent uses their own card Usage of a specific product had been consented (unless it is in airline's own database) Usage of agent's own card had been consented (unless it is maintained in an airline's own database)



<i>Unique BSP, standard and familiar reporting by all agents</i>	With or without the commissions, card sales are all in one unique report by all IATA agents per period and per BSP. BSP outputs are used by many airlines in their interactions with regional or local offices. Without the BSP, airlines may need to invest in a consolidation of reports received from different sources.
<i>Standard reporting worldwide</i>	Consistent service offered worldwide to an airline for all the BSPs that they participate in.
<i>Separate contract with an agent for card processing</i>	Outside the BSP an airline needs to agree on a separate contract with each individual agent for card processing.
<i>One single place for all the info on the BSP transactions</i>	Single front-end system to retrieve all the information on the IATA BSP agents.
<i>Issuance of Agent Credit Memo (ACM)/Agent Debit Memo (ADM) if an original BSP transaction is reported</i>	One unique adjustment process recognized by agents and airlines and formalised through agency resolutions.
<i>Simplified management of incentives for the BSP agents</i>	Simplified management of incentives for all the IATA agents, regardless of the form of payment used.
<i>Tax compliance</i>	Some authorities rely on IATA reports as a complete set of data.
<i>Optional reporting to acquirers</i>	All indirect credit card sales are processed and paid in the same way and distinguished from direct sales.

(*) Effective once the [NewGenISS](#) and the [Transparency in Payments \(TIP\)](#) are deployed in corresponding BSP markets.

Benefits for an agent

Airline’s business partners will also benefit from a seamless card reporting and a consolidated experience. By having NDC card transactions reported through the BSP, an agent benefits from:

Benefits	Illustration
<i>A standard, unique & familiar reporting of all sales (including CC) regardless of the distribution channel (TSPs/NDC) and the airline used</i>	Simplified and standardised mid/back office activity for the Agent for all BSP airlines.
<i>One single place for electronic access to information of all BSP transactions information</i>	Single front-end system to retrieve all information on BSP airlines.
<i>A possibility to raise an adjustment request through the BSPlink for all transactions issued through BSP</i>	Simplified procedure for corrections requests from all BSP Airlines.
<i>A possibility to track all its sales to monitor agent’s incentive or commissions</i>	Unique source of information for BSP Airlines.
<i>The monitoring of abnormal sales allows to detect agent’s exposure to risks</i>	IATA detection may mitigate fraudulent credit card scams.

▶▶▶ INDUSTRY STATE OF PLAY

IATA has been actively working to ensure that the BSP and other IATA solutions are integrated seamlessly for the benefit of the industry. As a result, we have seen a number of airlines processing their NDC sales in many BSPs already (cash and card transactions).

Link to more detailed information

[IATA Billing and Settlement Plan.](#)

[Overview of current card payment workflow](#) provides several workflows that allow to understand how card payments are handled in current environment, who are the players, etc.

The provisions governing credit card sales are set out in the [Resolution 890](#).

