



RA42 Handout - Simplified Interline Settlement

The Simplified Interline Settlement (SIS) project aims to simplify interline billing, and remove paper from the entire process, delivering tangible financial benefits to the industry. “Integrated Settlement” is based on the principles of **completely paperless billing, invoicing, and settlement.**

The Integrated Settlement solution will encompass Passenger, Cargo, and Miscellaneous interline billings and ICH settlements. In many ways, interline settlement with SIS will be analogous to today – a carrier will still prepare billings (Original, Rejections, Billing & Credit Memos, correspondence, etc will all continue to exist) which are then sent to IATA and from there to the billed carrier for settlement as part of a single integrated electronic process. However, within this framework, changes will need to be made to support the paperless processes (including choosing and implementing one or more file formats, uploading supporting documents, ceasing shipments to the billed carrier, and ensuring that legal considerations are addressed).

As you attend the RA42 breakout sessions and return to your office, we ask that you consider potential answers to the following questions, which will be fundamental to the success of your carrier’s implementation of Integrated Settlement (and the entire project in general). Your answers will likely require input from stakeholders within your carrier (e.g. IT and Legal). You will be contacted in approximately one month with a questionnaire.

1. In many cases, there is more than one interface format available for a given record type. Each format has its own requirements and advantages, and the merits of each will vary from one airline to another. As explained in the plenary session, some formats are considered non-core and will only be included in the final implementation based on demand from carriers.
 - a. Referring to the following tables, which file formats do you expect to use for each process?

Passenger

Process	IS-IDEC	IS-XML	IS-WEB
Prime Coupon Billing	Core	Non-core	Non-core
Rejection Memos	Core	Non-core	Core
Billing & Credit Memos	Core	Non-core	Core
Correspondence			Core
Value Determination & Auto-Billing	Other: Usage / Value Request File (non-core)		
Sampling			
• Provisional Invoice	Core	Non-core	Non-core
• Universe Adjustment	Non-core		
• Finalization (Submit)	Non-core		
• Finalization (Receive)	Non-core	Non-core	Non-core
• Rejection Memos	Core	Non-core	Core
• Correspondence			Core

Cargo – Non-core processes subject to be added

Process	IS-IDEC	IS-XML	IS-WEB
Original Billings	Core	Core	Core
Rejection Memos	Core	Core	Core
Billing & Credit Memos	Core	Core	Core



Miscellaneous

Process	IS-DEC	IS-XML	IS-WEB
All Miscellaneous Documents		Core	Core

2. Similarly, there are a number of optional services which your carrier can opt to take advantage of which were discussed in the breakout sessions.
 - a. From the following list, which services would your carrier be likely to use?
 - Value Determination
Submitting a value request file in order to retrieve stored prorates from IS.
 - Auto-Billing
Submitting an uplifted coupon file in order to cause IS to create the billing, invoice, and settlement files on your carriers' behalf.
 - Storage & Forwarding of Sales Carriers' Own Prorate
Sending your carrier's prorates directly to IS for forwarding to, or later retrieval by, the uplifting carrier.
 - NFP non-final
Using the NFP engine on a non-final basis.
 - Neutral Fare Prorate Correction Service
The automatic and neutral correction of sales data, reducing your carrier's TCN error records (Record 99s).
 - Additional Archiving of Supporting Documents (for how much longer would you want to store them?)
Supporting documents will, by default, be stored approximately two months longer than they are needed for operational purposes.
 - Advanced Sampling functionality within Integrated Settlement
Offers, among other things, monthly provisional invoice consolidation and automatic Digit Selection.
 - Electronic legal archiving for e-invoices
Legal electronic archives are mandatory in some countries and can be done by your carrier or by Integrated Settlement.

For more information on the above services, please review the breakout presentations.

3. All supporting documents will need to be uploaded to Integrated Settlement. Some documents to be uploaded will be stored as data by your carrier but some will need to be scanned first.
 - a. How might your carrier go about scanning and uploading documents?
 - b. Would the documents be uploaded manually via IS-WEB, or would a file naming convention be used to upload them in a batch process via, e.g., FTP?
 - c. Are (or could) the scanners be connected to the RA system? If not, how will the files be matched to the appropriate records?

4. Upon implementation of IS, interline settlement will be completely paperless. The E-Invoicing presentation on Thursday morning and its handout detail some of the legal requirements for e-invoicing.
 - a. Are there any issues in your country with issuing or accepting e-invoices though Integrated Settlement as it's currently envisaged?
 - b. What will your carrier need to do in order to legally issue and accept electronic invoices? This includes such things as digital signatures (or "stamps") and legal archiving.