

ASSOCIATION OF TRAVEL & TOURIST AGENTS IN LEBANON (ATTAL)
IATA Seminar on GenISS Program
4, 5 & 6 December 2018, ATTAL offices

The seminar was organized by IATA and ATTAL to present the New Gen ISS program. The New Gen implementation in Lebanon is scheduled for the spring 2019. The seminar was animated by three IATA team members and attended by over one hundred Lebanese travel agencies representatives.

The following points have been addressed during the seminar and featured on the IATA documentation:

NewGen ISS presentation

NewGen ISS (New Generation IATA Settlement Systems) is a program designed to modernize the current BSP, delivering more choice and flexibility to travel Agents and Airlines while reducing risk and ensuring safer selling.

NewGen ISS objectives

Launched in 1971, the Billing and Settlement Plan (BSP) was built for a bricks and mortar world which no longer reflects the diverse and complex business needs of travel Agents and Airlines. The travel industry is undergoing significant transformation.

IATA developed NewGen ISS to respond to these changes and create a system which is fit for today and the future. To achieve this, IATA NewGen ISS is introducing greater choice of accreditation models, an enhanced risk management, new payment methods and financial security options.

NewGen ISS main initiatives

- Agency accreditation models: NewGen ISS moves away from a one-size-fits-it-all approach to accreditation by offering Agents the choice of three accreditation models. The new models are designed to reflect the diverse array of Agents using the BSP and to widen access to IATA Accreditation.
- IATA EasyPay: a new voluntary “pay-as-you-go” e-wallet, which enables travel Agents to easily and securely pay for tickets in the BSP.
- Remittance Holding Capacity (RHC): a monetary threshold for travel Agents’ outstanding BSP Cash sales, which will be assigned to all Agents with a Cash facility. RHC is designed to promote safer selling and mitigate Airlines’ risk exposure in the BSP.
- Global Default Insurance, a new choice of financial security available to Agents.

NewGen ISS launching dates

NewGen ISS first went live in BSP Norway in March 2018 and is progressively being implemented across all BSPs. The roll out of NewGen ISS in the different BSPs is expected to take approximately two years. In Lebanon the launching is scheduled during the spring 2019.

Resolution 812 presentation

Resolution 812 comprises the sales agency rules under NewGen ISS, and includes provisions related to the new accreditation models, IATA EasyPay and the Remittance Holding Capacity. BSPs will be migrated from Resolution 818g to Resolution 812 when NewGen ISS is implemented.

NewGen ISS changes for travel Agents

NewGen ISS offers Agents new ways to work in the BSP through the new accreditation models, payment and financial security options.

- Agents will be able to choose which of the new accreditation models best suits their business (GoLite, GoStandard or GoGlobal).
- Agents will be able to use IATA EasyPay for issuance of tickets through the BSP.
- Agents required providing IATA with a financial security as part of their accreditation requirements will be able to opt for Global Default Insurance.
- Agents will follow a new risk management framework, particularly the Remittance Holding Capacity (RHC). Under NewGen ISS, all Agents with access to a cash facility will be assigned their individualized Remittance Holding Capacity and will be subject to the new risk management provisions in Resolution 812.

NewGen ISS changes for Airlines

NewGen ISS is creating a safer selling environment for Airlines by significantly reducing their risk exposure to Agent defaults.

In addition, the new accreditation models better connect the applicable risk management to an Agents' risk profile. This will enable Airlines to transact with a wider range of travel Agents, especially in markets currently underserved by the existing system, while mitigating the level of associated risk.

Through IATA EasyPay, NewGen ISS also creates an opportunity for Airlines to review and revise their overall payments and distribution strategy.

NewGen accreditation models

Under NewGen ISS, Agents can choose from the following three accreditation models; GoStandard, which is based on the traditional accreditation model, GoLite which is a lighter and simpler accreditation, and GoGlobal for multinational Agents operating in various BSPs.

At the time of the rollout of NewGen ISS, all accredited travel Agents will fall into the GoStandard model with the ability to convert to the other models.

Accreditation models features

- GoLite accreditation offers a simpler and more flexible accreditation process for current and non-accredited Agents. Travel Agents under this accreditation model are able to transact in the BSP using customer cards or IATA EasyPay, a pay-as-you-go e-wallet solution. However, they will not have access the BSP Cash facility. As a result, travel Agents opting for this accreditation model will be subject to fewer financial requirements.
- GoStandard accreditation is for Agents accredited in one market with access to all forms of payment, including a cash facility. While this model is based on the traditional accreditation, it introduces two new components: IATA EasyPay, a pay-as-you-go solution for Agents, and a new risk management framework. This includes the implementation of a Remittance Holding Capacity (RHC), or maximum threshold for Agents' outstanding BSP Cash sales.
- The GoGlobal accreditation offers a streamlined process for large, international travel agencies, allowing them to maintain one accreditation for all BSPs they participate in, and to comply with a single global set of financial requirements. Agents will have access to all payment options and will also be subject to a Remittance Holding Capacity, applicable to all their locations worldwide.

IATA EasyPay presentation

IATA EasyPay is a new voluntary "pay-as-you-go" payment method for Agents, which enables travel Agents to easily and securely pay for tickets via the BSP. An alternative to BSP Cash and BSP Card, this payment option will be available to all Agents.

IATA EasyPay enables the introduction of the GoLite Accreditation and provides a way for Agents to continue selling if they reach their Remittance Holding Capacity. Because funds due for a ticket are secured at the time of ticket issuance, IATA EasyPay also can be used by Agents to reduce their financial security amounts with IATA.

IATA EasyPay functioning model

IATA EasyPay is an industry payment method exclusively for use by travel Agents in the BSP. It is based on an electronic wallet. To use IATA EasyPay, Agents must first set up and fund their dedicated IATA EasyPay wallet. At the time of ticket issuance, the amount corresponding to the ticket is blocked in the Agent's e-wallet. If there are insufficient funds, then the ticket cannot be issued using IATA EasyPay. For tickets issued using IATA EasyPay, the amounts will then be settled to the Airlines via the BSP within 48-96 hours.

IATA EasyPay availability

IATA EasyPay is being rolled out globally with NewGen ISS and will be available to all Agents and Airlines. As it is optional, it is up to each Agent to decide whether they want to use this payment option.

While available to all BSP Participating Airlines by default, each Airline can define its individual acceptance policy and opt out of accepting IATA EasyPay.

Remittance Holding Capacity presentation

The Remittance Holding Capacity (RHC) is a monetary threshold for the agent's outstanding BSP Cash sales. Each Agent with access to the BSP Cash form of payment will be assigned their individual RHC. The RHC is part of the enhanced risk management framework introduced by NewGen ISS and is intended to create a safer selling environment in the BSP by mitigating the risk of Agent defaults.

Remittance Holding Capacity calculation

How the RHC is calculated is determined by an Agent's risk status. For most of the Agents, the RHC will be calculated by assessing the Agent's average daily cash turnover from the three highest reporting periods of the past 12 months plus a 100% growth threshold, as shown here.

Risk Status	Remittance Holding Capacity Calculation
A	Total Days X Daily Average BSP Cash Turnover (3 Highest Reporting periods) + 100%
B	
C	Remittance Holding Capacity = Financial Security Amount Provided

Source: IATA 2018

- Total Days = Number of days in Reporting period plus number of days in Remittance period.
- Daily Average BSP Cash Turnover (3 Highest Reporting periods) = Agent's Average daily BSP cash turnover for the 3 highest Reporting periods of the previous 12 months.
- 100% represents the year-over-year growth threshold.

This calculation takes into consideration seasonality, while also allowing Agents to grow year over year, so that most Agents will not reach their RHC on an annual basis. If an agent reaches their RHC he can continue ticketing using other forms of payment such as IATA EasyPay or Customer Card. However, Agent will not be able to issue tickets using BSP Cash as a form of payment until a remittance is received, either on or ahead of the Remittance Date, and the Agent's outstanding amounts to the BSP fall below their RHC

Remittance Holding Capacity management measures

Agents will be notified by email when they reach certain percentages of their RHC (50%, 75% and 100%), to be able to take applicable actions. Agents can also monitor their RHC usage directly via the IATA Customer Portal.

If an Agent is close to their maximum capacity (RHC) or is expecting to reach their RHC, the Agent can use an alternative form of payment. In addition, an Agent can remit monies to the BSP in advance of the remittance date, to re-open the related Capacity.

At any time, Agents can provide additional Financial Security to increase their assigned RHC by the same amount.

Global Default Insurance presentation

Global Default Insurance (GDI) is an alternative to other acceptable Financial Security types under Resolution 850p. GDI consists of a Global Default Insurance policy. Individual Agents may, on a voluntary basis, apply to be insured under GDI for the amount of Financial Security required by IATA. GDI is provided by Euler Hermes, a subsidiary of the Allianz group, and is brokered globally by Aon and Marsh.

Global Default Insurance benefits

For Agents, GDI is a collateral-free and cost-effective alternative to bank guarantees and other security types. For Airlines, GDI provides strong certainty of claims in the event of an Agent default.

Points to be followed up

More details on the change of ownership conditions for the agents

More details on the IATA ID card benefits for the agents

More details on the difference between the basic and the enhanced status for the agents

A commercial offer for statistical reports from IATA to ATTAL

A brainstorming for training collaboration between IATA and ATTAL

A Faster internet connection for ATTAL offices

To conclude, the seminar was highly productive and useful. The next seminar on NewGen ISS will be held during February 2019.