



22 August 2016

**M E M O R A N D U M**

TO: Members, Passenger Agency Programme Global Joint Council

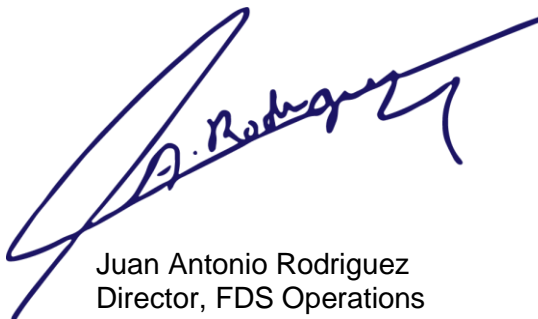
FROM: Director, FDS Operations

SUBJECT: **AGENDA - PASSENGER AGENCY PROGRAMME GLOBAL  
JOINT COUNCIL (PAPGJC/26)  
IATA Offices, Geneva, 06 September 2016**

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Attached please find the Agenda of the **TWENTY-SIXTH MEETING of the PASSENGER AGENCY PROGRAMME GLOBAL JOINT COUNCIL (PAPGJC/26)** to be held at the IATA Offices in Geneva on Tuesday, 06 September 2016, starting at 09.00 hours.

I look forward to seeing you at the meeting.



Juan Antonio Rodriguez  
Director, FDS Operations

*PAPGJC attendees are reminded of their obligation to comply with applicable competition laws during this meeting and any ancillary meetings that may occur in relation to the PAPGJC. Questions regarding applicable competition laws and the legal obligations of PAPGJC attendees under such laws may be directed to IATA counsel present at the meeting.*

**Twenty-sixth Meeting of the  
Passenger Agency Programme Global Joint Council (PAPGJC/26)**

**IATA Offices, Geneva, 06 June 2016**

**A G E N D A**

<b>Item</b>	<b>Subject</b>	<b>Pages</b>
1.	Opening of Meeting & Apologies	No paper
2.	Approval of Minutes of Last Meeting	1
3.	Summary of Action Items from Previous Meetings	5
4.	Report of SVP, FDS	1
5.	NewGen ISS – Remittance Holding Capacity	4
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7.	Review of PAConf 1 <sup>st</sup> and 2 <sup>nd</sup> Transmittals	1
8.	Update from Transparency in Payments Working Group	1
9.	TAC Budget	2
10.	Wildlife Trafficking	1
11.	Any Other Business	No paper
12.	Date and Place of Next Meeting	No paper

**Important Note 1:** This meeting is being conducted in compliance with the Provisions for the Conduct of the IATA Traffic Conferences. Pursuant thereto, this meeting will not discuss or take action to develop fares or charges, nor will it discuss or take action on remuneration levels of any intermediaries engaged in the sale of passenger air transportation. This meeting also has no authority to discuss or reach agreement on the allocation of markets, the division or sharing of traffic or revenues, or the number of flights or capacity to be offered in any market. Delegates are cautioned that any discussion regarding such matters, or concerning any other competitively sensitive topics outside the scope of the agenda, either on the floor or off, is strictly prohibited.

The foregoing applies equally to email discussions, instant messaging and social media discussions whether directed to announced participants or other parties not present in the meeting. Participants are reminded that live streaming of this meeting to parties not present in person is not permitted except as indicated by and with the express permission and knowledge of the Chairperson and IATA and only in the event that specific participation on a given item from a party not present in person is required. Unauthorized recording of the meeting is prohibited.

**Important Note 2:** The terms of Resolution 892 are applicable to this meeting. PAPGJC members are obliged to respect the confidentiality of all discussions, including but not limited to, the identity of and the positions taken by individual Members. In any event such positions and discussions must not be communicated directly or indirectly to the press or to any other Third Parties.

**APPROVAL OF MINUTES OF LAST MEETING**

Submitted by the Secretary

The minutes of PAPGJC/25 held on 22-23 June 2016 were issued on 28 July 2016.

**Proposed Action**

Members are invited to approve the minutes.

## **SUMMARY OF ACTION ITEMS FROM LAST MEETING**

Submitted by the Secretary

A summary of the action items from previous PAPGJC meetings is shown at Attachment 'A'.

### **Proposed Action**

Members to note status.

**ACTION ITEMS FROM PAPGJC/25**

<b>Ref.</b>	<b>Subject</b>	<b>Action</b>	<b>Responsible</b>	<b>Status</b>
M/33	Report of SVP, FDS	Provide evidence of the programme's capacity to prevent past losses (French case)	NGISS Team	Please see item 5.
M/46	NewGen ISS Program Update	Provide analysis on the impact on sales RHC will have	NGISS Team	Please see item 5.
M/69	NewGen ISS Program Update	Raise question of Insurance scheme for Airlines with the FINCOM	Mr. Popovich	
M/94	NewGen ISS Program Update	Detail whether "Pilot" or "Trial" going forward	Mr. Lugo	Ongoing.
M/120	NewGen ISS Program Update	Examine and provide details as to how many agents would use GIS	NewGen ISS Team	
M/120	NewGen ISS Program Update	Review text of existing resolutions, change references of "credit limit management" to "risk management tool"	NewGen ISS Team	
M/138	NewGen ISS Program Update	Call meeting of working groups for 28 July 2016 in Madrid	NGI Team/Secretary	Done.
2.1.2.1	NewGen ISS Program Update	Add a further line (d) stating other payment methods may be approved from time to time	Ms. Simoes	Done.

2.6.1	NewGen ISS Program Update	Share the rationale of a bond for ADMs	NewGen ISS Team	
2.10	NewGen ISS Program Update	Submit paper re bilateral financial securities for 1st Transmittal	Agent Representative	
S.4	NewGen ISS Program Update	Provide clarification re Risk Events 5, 6, 7, 8	Mr. Rodriguez/Ms. Simoes	Done
6.2.2.1	NewGen ISS Program Update	Note comments and refer back to task force	Ms. Simoes	
6.7.1/6.7.2	NewGen ISS Program Update	Review wording (Believes vs substantiated evidence vs determine)	Mr. Rodriguez/Ms Simoes	
S.9	NewGen ISS Program Update	Provide UFTAA representative with a marked-up copy of the changes in r8xx and current wording in r800 on section 9	Mr. Lugo	
10.3	NewGen ISS Program Update	Examine whether new PSAA might devalue assets	Ms. Simoes	
M/158	Amendment to Section 1.4 of Resolution 890	To be dealt with by the Technical Advisory Group and UFTAA rep to explain this to APJC India	UFTAA Representative	
M/160	TAC Budget	Ensure that contributions from airlines are included	Secretary	Please see item 9.
M/161	TAC Budget	Agency contributions for 2017 to be decided in	Secretary	Please see item 9.

		PAPGJC in September		
M/165	AMS Online Application	Information re the AMS online application to be submitted to ECTAA members	Agent Representative	
M/169	NDC Integration	Arrange a strategic spotlight session on NDC	Secretary	For future PAPGJC meeting
M/183	Web Sales by Travel Agents	Ensure that the TAG is aware that cooperation with GDSs does not infer any use of agent data through the GDSs	Secretary/Chairman	
M/186	Web Sales by Travel Agents	Work further on the draft, and send the letter once Mr. Westbury confirms it is ok to proceed	Mr. Popovich / Mr. Westbury	Done.
M/199	Kenya	Examine suggestion to standardise terminology re bi-monthly/fortnightly/weekly etc. across the board	Secretary	Ongoing.
M/203	Travel Agencies PCI DSS Compliance assessment	Communicate and educate travel agents before the proposal becomes effective	Mr. Hattingh/Agent Associations	
M/209	Agency Collection for suspended Airlines	Seek internal legal advice and come back to Mr. Alvarenga / the secretary within a week	Mr. de Blust	

**ACTION ITEMS FROM PAPGJC/24**

<b>Ref.</b>	<b>Subject</b>	<b>Action</b>	<b>Responsible</b>	<b>Status</b>
M/5	Approval of minutes from last meeting	PAPGJC agenda to have a balance between strategical and technical topics.	Mr. Popovich	Ongoing.
PSG	NewGen ISS	Develop the EasyPay Agent Readiness guide and share it with the PAPGJC before publishing.	NGISS	

**ACTION ITEMS FROM PAPGJC/23**

<b>Ref.</b>	<b>Subject</b>	<b>Action</b>	<b>Responsible</b>	<b>Status</b>
M/87	24h Rule/Online Booking	Refer the issue to GGG and try to get some feedback for next meeting	Ms. Fong	
M/100	Airline Suspensions	Develop some KPIs for measuring success	Mr. Alvarenga	In progress.



**REPORT OF SVP, FDS**

Submitted by Secretary

This report will be presented on site.

## **NEWGEN ISS – REMITTANCE HOLDING CAPACITY**

Submitted by NGISS

### **1. Background**

PSG nominated an airline task force in February 2015 which developed recommendations regarding the Remittance Holding Capacity. These recommendations were submitted to PSG for meetings held in 2015 and 2016.

Resolution drafting was initiated after PAConf approval of the NewGen ISS framework in October 2015; also a joint Travel Agent Associations-Airlines Working Group was created in early December 2015 to review the Resolution draft.

The draft Resolution text was submitted to PSG and PAPGJC in June 2016. The specifics regarding Remittance Holding Capacity are contained under Section 5 of Resolution 8xx, with the following content:

- Determination of Risk Status and cash conditions
- Ongoing Risk History assessment
- Financial assessments
- Cash conditions - Financial Security
- Risk conditions - Remittance Holding Capacity
- Cash conditions – Remittance Frequency
- Cash conditions applicable in relation to specific Risk Events or financial assessments
- Operation of Remittance Holding Capacity
- Risk management for Standard Accreditation with no Cash facility

PAPGJC agreed in June 2016 to establish an Agent - Airline Working Group to review and provide feedback on Safer Selling and the proposed calculation and operation of the Remittance Holding Capacity.

If an agreement is reached within the Working Group by end-March 2017, the Working Group is to prepare a proposal for the PSG's and PAPJGC's review and submission to the PAConf which will take place in mid-2017.

If the Working Group does not achieve an agreed proposal by end-March 2017, the current wording for Section 5 will be submitted as is to PAConf, with an effectiveness date of 1 January 2018.

PAPGJC also agreed with the PSG request for IATA to proceed with a desktop exercise on the current Remittance Holding Capacity formula with the aim to see the level of sales being impacted. The results of the analysis will be reviewed by the Working Group.

## **2. Remittance Holding Capacity Working Group update**

The Working Group held its first meeting in Madrid on 28 July to establish its objectives, scope, be updated on the status of the desktop exercise and initiate discussions on specific items in Section 5 of Resolution 8xx.

### **2.1. Working Group objectives**

The objectives of the Working Group have been formulated as follows:

- To review the results of the desktop exercise of the current Remittance Holding Capacity formula.
- Review and provide feedback on Safer Selling and the proposed calculation and operation of the Remittance Holding Capacity.
- If an agreement is reached within the Working Group, to prepare a proposal for PSG's and PAPJGC's review and submission to the PAConf which will take place in mid-2017.

### **2.2. Scope**

As stated above, provisions related to the introduction of the Remittance Holding Capacity are contained in Section 5 of Resolution 8xx. The Working Group has defined the scope of its review and feedback in the following terms:

- In scope of the Working Group review are:
  - Sub-Section 5.6 Risk Conditions - Remittance Holding Capacity, which contains the calculation to set the amount of the Remittance Holding Capacity, timeframe of application and specifics for Multi-Country agents and Risk Status C agents.
  - Sub-Section 5.9 Operation of Remittance Holding Capacity, which establishes provisions on the monitoring of sales and notifications to agent, removal of Cash payment method upon reaching the Remittance Holding Capacity amount, actions available to agent to manage the position related to the RHC, recalculation of the Remittance Holding Capacity and exceptional adjustments.
- All other Sub-Sections of Section 5 are out of scope of the Working Group's purview.

### **2.3. Terms of reference**

Also, the Working Group has defined its terms of reference as stated below:

- The working group will consist of an equal number of Agent and Airline representatives, which must not exceed 12 in total.
- The Agent representatives will be nominated in equal numbers by ECTAA, UFTAA and WTAAA.
- The working group will review and provide feedback on Safer Selling and the proposed calculation and operation of the Remittance Holding Capacity.
- The working group may, by no later than March 30th, 2017, develop a proposal regarding Safer Selling and the Remittance Holding Capacity for submission to PAConf for approval and inclusion in Section 5 of Resolution 8xx.
- Prior to submission to PAConf, any proposal of the working group must be approved by a 2/3 majority of the Agent representatives and a 2/3 majority of the airline representatives.
- IATA will provide Secretarial support for the meetings of the Working Group.

### **3. Update on the desktop exercise**

The development of the initial desktop exercise requested by the PSG and PAPGJC is ongoing and it is aimed, using historical data, at quantifying:

- The number and percentage of agents that reach their Remittance Holding Capacity.
- The aggregate volume and percentage of sales above the agents' Remittance Holding Capacity.

These indicators are calculated at a global, regional and country-by-country basis.

The main sources for data and information are IATA R&S systems, BSP Remittance Calendars and DPCs, and IATA's one-year exchange rates.

Two years of data have been input into the exercise including reporting periods and daily sales data for the agent population. An approximate 10 million records are being treated in order to quantify the indicators mentioned above.

Preliminary results under review for six countries were shared with the Working Group during its first meeting. The Working Group requested additional indicators,

- Aggregated volume and percentage of sales above the agents' Remittance Holding Capacity by reporting period.

- A breakdown of the number of agents by buckets of percentage of sales above the agents' Remittance Holding Capacity.

The NewGen ISS team noted these requests and is working to incorporate these additional indicators to the exercise.

The development of the initial desktop exercise is work in progress and indicators have been produced for additional countries following the Working Group meeting.

The status of the exercise and results available will be presented to PAPGJC on site.

#### **4. Proposed Action**

PAPGJC to note the update on the Remittance Holding Capacity Working Group and to provide feedback on the initial desktop exercise.

## **NEWGEN ISS – IATA EASYPAY**

Submitted by NGISS

### **1. Background**

Following the PAPGJC meeting in June, this is to provide PAPGJC with an update on areas of work.

### **2. Project Status**

IATA EasyPay will generate several benefits for the airlines (cash flow acceleration, safer collection of funds, wider distribution network) and for the travel agents (reduction or removal of financial securities, additional payment option and access to new accreditation models). To launch EasyPay, a number of stakeholders need to be ready:

#### **a. Airline Readiness**

Airline readiness is a critical area as IATA EasyPay will be a new form of payment accepted by default by any airline participating in a BSP (with an option to opt out). To assist the airlines in this process, the EasyPay team has kicked-off an Airline EasyPay Early Adopters team with the following objectives:

- Identify and support all airline departments impacted by the launch of IATA EasyPay (Revenue Accounting / Reconciliation, Finance / Treasury / Accountancy, Distribution, Electronic Payments, Ticketing)
- Create an “IATA EasyPay Airline Readiness Guide” with operational and technical details. This Readiness Guide will be provided to any airline preparing to implement and operate EasyPay.

A total of 15 major Airlines representing all regions have confirmed their participation in the EasyPay Airline Early Adopters Team.

The Team has been set-up and all of the kick-off calls have been conducted. In most of the cases, IATA and the Team members have set clarification calls and for some Early Adopters it is clear what needs to be done, in terms of internal developments and/or internal process changes. Some of the members have triggered actions in order to be ready for testing by the end of 2016.

#### **b. Providers’ Readiness**

##### **i. Revenue Accounting System providers**

On 12<sup>th</sup> May 2016, DISH Revisions 22 & 22.1 standards which have been reflected in expedited Bulletins have been released as complete publications made effective as of 1 June 2016 (<http://www.iata.org/publications/Pages/bspdish.aspx>).

Since then, IATA has proactively contacted the main Revenue Accounting System providers in order to support them along the implementation of the changes.

The following companies have been identified and most of them contacted: ACCA, Accelya Kale, Amadeus, Aviation Services Limited, ATPCO, Indra, ISO Software Systems, Hitit Computer Services, Lufthansa Systems, Mercator, Navitaire, NIIT, Sutherland Global Services and WNS Global Services Ltd. Most of the kick-off/clarification calls have been conducted.

## ii. **GDS Readiness**

GDSs readiness is another key dimension to the implementation of NewGen ISS and EasyPay. The project team has been engaging with the GDS via the Global GDS Group (GGG) since April 2015. The two main developments required from the GDSs are the capacity to restrict/reinstate specific forms of payment based on instructions sent via the Form of Payment Files, and readiness for the new EasyPay form of payment

Based on discussions held in 2015 and 2016, the IATA EasyPay Transactional Handbook was delivered to external stakeholders, including GDSs, which in combination with the previously mentioned DISH Bulletin, provides the necessary inputs to GDSs to trigger the needed configuration and/or developments and/or changes in processes.

A proposal for the Ticketing Authority File changes was also submitted to the GGG representatives and was reviewed at the GGG meeting in April 2016.

From a total of 9 GDSs, 1 will be ready by end 2016, 2 are working on finalizing timelines and 2 more are open for collaboration. The rest are work in progress.

A series of converging facts and one-to-one meetings with IATA senior management and the GDSs are leading to the assessment that GDSs are at risk for a timely implementation. The risk of potential program delays has been escalated to FinCom and was brought to the attention and call for action at the Board at the AGM in June. A dialogue with GDSs on both technical and senior management level continues.

## iii. **eWallet Supplier Readiness**

Following an RFI in 2015, an RFP has been launched in January 2016 to select eWallet suppliers for EasyPay and is now in its final stage. More than 30 companies were identified and 3 final companies were selected.

## c. **IATA Readiness**

IATA has initiated an IATA Internal Readiness work stream with objective of reviewing and adapting the processes, data and systems to implement NGISS.

### **3. Proposed actions**

PAPGJC to note the update.



**REVIEW OF PACONF 1<sup>ST</sup> AND 2<sup>ND</sup> TRANSMITTALS**

Submitted by Secretary

PAPGJC is invited to review and comment on the 1<sup>st</sup> and 2<sup>nd</sup> Transmittals for PAConf/39.

## **UPDATE FROM TRANSPARENCY IN PAYMENTS WORKING GROUP**

Submitted by Secretary

The first meeting of the Transparency in Payments (TIP) Working Group was held in Madrid on 28 July 2016. A summary of that meeting was sent to PAPGJC members by email on 16 August.

### **Proposed Action**

PAPGJC is invited to discuss the outcomes of that meeting.

## **TAC BUDGET**

Submitted by Secretary

Please see Attachment 'A'.

### **Proposed Action**

Review and comment on TAC Budget

To agree the amount to be charged for 2017

Attachment 'A'

**TRAVEL AGENCY COMMISSIONER FUND**

	2016 Budget Full year	2016 Actuals, 30 June	Variance	Variance Explanations 2016 budget vs. 2016 Actuals	2017 Budget Proposal Full year	Variance Explanations 2016 budget vs. 2017 Budget
	USD				USD	
Agency Sales - Other	600,000	493,990	106,010	Please note the final figure will depend on the number of new Agents.	600,000	It is proposed to keep the USD10 charge for 2017.
ISS contribution	600,000	0	600,000	Contribution will be done at the end of the year and will equal the agency sales figure.	600,000	Matching contribution based on the agency sales figure.
Interest Income	0	1,415	-1,415	Not budgeted previous years	3,000	
<b>Total Revenues</b>	<b>1,200,000</b>	<b>495,405</b>	<b>704,595</b>		<b>1,203,000</b>	
Airfares & Hotels	100,000	31,415	68,585	Please note that this amount includes only invoices received and book as at June, 30th.	120,000	Please note we increased the budget slightly to incorporate the travel of three additional PAPGJC Agency Representatives
Office Expense, Charges and Infrastructure	13,500	3,602	9,898		13,500	
Telecommunication	2,000	685	1,315		2,000	
Postage&Freight	500	60	440		500	
Office Supplies	0	46	-46		0	
Consulting Charges	480,000	141,320	338,680	Please note that this amount includes only invoices received and booked as at June, 30th.	480,000	
Financial charges and taxes	6,000	1,804	4,196		6,000	
FX Losses	0	2,928	-2,928	Not budgeted previous years	6,000	
<b>Total Expenses</b>	<b>602,000</b>	<b>181,860</b>	<b>420,140</b>		<b>628,000</b>	
<b>Operating Result</b>	<b>598,000</b>	<b>313,545</b>	<b>284,455</b>		<b>575,000</b>	

2015 Cash and Cash equivalents, including term deposits: 1,366,915 (includes a Term Deposit set up in 2015. A Term Deposit is a financial instrument used to earn interest on cash that is not expected to be used in the short term. The TAC fund has a rolling 30 day Term Deposit in the amount of USD500k)

**WILDLIFE TRAFFICKING**

Submitted by Aviation Environment

This topic will be presented on site.