

Passenger Standards Conference
Settlement and Accounting Standards Board
Airline Billing and Settlement WG

Airline Billing and Settlement WG activities

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ABS WG Introduction

Group composition

- Activities under the umbrella of the Settlement and Accounting Standards Board
- Approximately 70 members from IATA member airlines, organizations and service providers throughout the industry
- WG use Jira/Confluence Platforms which gives greater visibility and transparency
- Chair – Benaifer Bhatena (Westjet), Vice-chair – Daniel Erler (Hahnair) – re-elected in 2025
- Secretary – Altug Meydanli

Objectives

- Primary – develop billing and settlement business requirements and procedural standards for settlement between retailer and supplier based on Offer and Orders standards
- Secondary – Review and endorse proposals to amend existing IATA RAM rules and/or clarification requests for such

Interline Settlement Business Requirements

Scope of phase 1 to cover

Context,
Scope/Term
and
Definitions

Settlement
with Orders
Process

Currency

Taxes, Fees
and
Charges

Billing Time
Limits

Interline
Disputes

Interline Settlement BRD Phase-1 History

ABS WG created the first draft of Interline Settlement BRD Phase-1 in JAN25

SASB approved BRD Phase-1

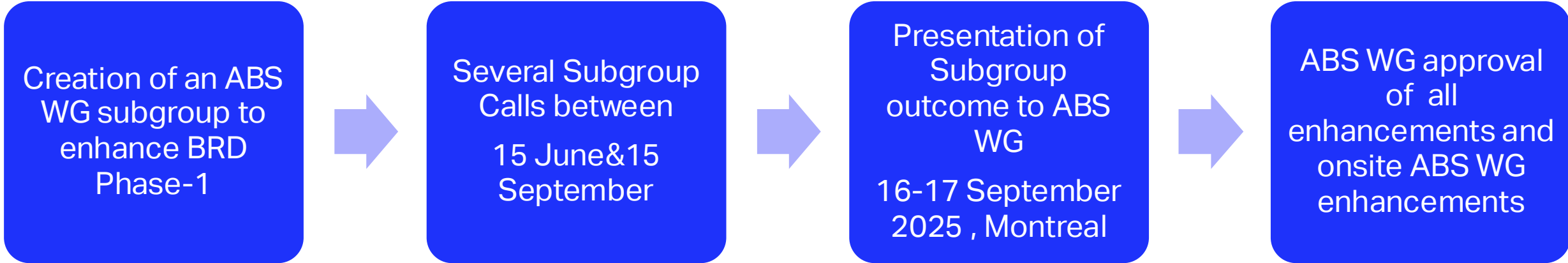
BRD Phase-1 CR assignee (Daniel/HR) presented the BRD to OOTSSWG in FEB 2025

OOTSSWG Feedback: to add use cases and data structure to the BRD and also coordinate stakeholder management session with other relevant WGs

ABS WG coordinated sessions with IWG, OOWG, OAWG and OPWG during 2025 and presented the outcomes to SASB-SASB requested ABS WG to focus on enhancing BRD Phase-1

SASB Decision (Dec25) not to start BRD Phase-2 activities considering that end-to-end Interline Offer and Orders Business Requirements and Standards have not yet been completed

Interline Settlement BRD Phase-1 Enhancement ABS WG Subgroup



Interline Settlement BRD Phase-1 Enhancements

- Enhancing terminology and aligning with SRSIA
- Addition of interline ancillary service settlement exactly same as flight settlement-No difference
- Addition of information/fields may need to be looked at during solutioning, as they don't exist in the current SwO Standard messages
- Addition of a Commitment to Settle (CtS) paragraph
- Adding additional tax data elements
- New SwO failure codes introduced
- Separation of two complementary requirements;
 - Operational efficiency through net settlement;
 - Financial clarity through optional internal breakdowns that support downstream systems and compliance

Interline Settlement BRD Phase-1 Enhancements

- An unofficial review of the BRD Phase 1 was conducted with OOTSWG Secretary
- A final decision to split the original BRD Phase 1 into 7 CRs was agreed
- Assignees and Contributors to the 7 CRs have been agreed
- Pause phase 2 topics as heavy dependency on upstream working groups
- SASB encouraged ABS WG members to participate in other WGs like:
 - Offers and Orders
 - Interline & Partnership
 - Order Accounting

The 7 CRs Agreed

1. **CR-1: Core Interline Settlement Process & SwO Clearance Flow**

[☰ ABSWG-53 - Core Interline Settlement Process & SwO Clearance Flow](#)

2. **CR-2: Commitment to Settle (CtS) Enhancements**

[☰ ABSWG-54 - Commitment to Settle \(CtS\) Enhancements \(Coordination with OPWG\)](#)

3. **CR-3: Interlineable Taxes, Fees & Charges (TFCs) Framework**

[☰ ABSWG-55- Interlineable Taxes, Fees & Charges \(TFCs\) Framework](#)

4. **CR-4: Currency & FX Locking Mechanism for Interline**

[☰ ABSWG-56- Currency & FX Locking Mechanism for Interline Settlement](#)

The 7 CRs Agreed

5. **CR-5:** Interline Settlement Time Limits & Compliance Rules

[☰ ABSWG-57 - Interline Settlement Time Limits & Compliance Rules](#)

6. **CR-6:** Interline Disputes & Rejection Elimination Framework

[☰ ABSWG-58-Interline Settlement Disputes & Rejection Elimination Framework](#)

7. **CR-7:** Re-Shopping & Voluntary Change Settlement Rules

[☰ ABSWG-59-Re-Shopping & Voluntary Change Interline Settlement Rules](#)

This structure aligns closely with the subgroup organization used earlier in the project.

Guidance / Direction for the CRs:

- CR template was reviewed with OOTSWG Secretary to avoid re-work
 - Focus to be on exchange of information required and not how systems will implement
- CR template was simplified
 - Guidance provided for language and elements to be used
- Key feedback shared by SASB Chair for CR development
 - **Product neutrality:** CRs should not include requirements tied to specific IATA products (e.g., ICH).
 - **Commitment to Settle:** The proposed concept should be reviewed against the existing "**Commitment to Pay**" concept and may require coordination with the OPWG.
 - **Operational rules:** Items such as clearance manager validation rules and clearing house operational behaviour should not be included as standards requirements.
 - **Time limits:** Settlement deadlines may be better handled through **bilateral agreements or implementation frameworks** rather than global standards.
 - **FX locking:** Settlement currency should normally follow the supplier's offer currency to avoid unnecessary complexity and conversions.
 - **Order servicing:** Existing Offer & Order servicing flows should be reviewed before defining new interline settlement mechanisms

Interline Settlement BRD Phase-2 Planning

1. Disruption and Involuntary Rerouting
2. Excess Baggage (Check-in specific)
3. UATP Handling (need to collaborate with OPWG and IPWG)
4. Interline Taxes (including re-shopping scenarios)
5. Inadmissible Passengers
6. Interline Service Charges (pending feedback from the IPWG)
7. Use Cases 5 & 6: Service Not Consumed and No-Show Settlement
8. Bundling/Unbundling of Service Items – added for monitoring
9. For loyalty interline settlement ABS WG is waiting direction from the relevant WGs.

Note: Each topic will be developed as a separate Change Request (CR) to streamline review and approval.



— Pending SASB Approval for BRD Phase-2

ABS WG BRD Phase-2 Planning is ready

Awaiting SASB Approval

The ABS WG is on hold for BRD Phase-2 discussions until SASB formally approves Phase-2 discussions.



Next Steps

- SASB approval of BRD Phase-1

<https://standards.atlassian.net/wiki/spaces/ABSWG/pages/1563721730>

- ABS WG to send the enhanced BRD Phase-1 to OOTSSWG split in 7 CRs
- Coordination between ABS WG and OOTSSWG for solutioning and Implementation Guide
- SASB Approval for ABS WG starting BRD Phase-2 activities

Work Plan 2026

- Bi-Monthly calls and two F2F meetings
- Close collaboration with Interline & Partnership WG, Offer & Order WG and Order Accounting WG
- Submit BRD Phase 1 in seven CRs as agreed with SASB
- Commence Phase 2 discussions with direction and guidance from SASB
- Participate in other WGs – OOWG, OAWG, etc
- Business critical RAM clarifications / changes (if any)
- Enhancement of SRSIA (billing and settlement part)

Following RAM proposals were requested during 2025

1 – RAM Chapter A4 Passenger Refunds (UL)

Sri Lankan proposed adding explicit RAM wording as per the UL proposal to allow the issuing carrier to refund if no reply is received within a defined number of days, even in this cross-carried reissue scenario.

Multiple WG members pointed out that RAM Chapter A4 1.2 already contains a provision allowing a carrier to proceed with refund if no response is received within the defined timeframe (currently 15 business days, revised from 30).

ABS WG did not support modifying the RAM, as the rule already exists, instead, they advised Sri Lankan to file an ABS WG Clarification Request.

2 – RAM Chapter A1.8.2.1 Billing Interline TFC – Invol & Sched Change

Under RAM rules, involuntary taxes should be recalculated based on the revised routing, *not* the original routing.

ABS WG agreed the issue is valid but highlighted that a RAM modification is premature, given the complexity and the soon-to-change data structures in Order world

Following RAM proposals were requested during 2025

3 – TFCs/ Involuntary Exemption Tag

ABS WG Secretary informed ABS WG that Tax Governance Group (TGG) previously recognized that many exemption flags were incorrect and they agreed to reset all taxes to “N” (not exempt) by default and TTBS is now conducting a tax-by-tax revalidation, requesting each filing carrier to confirm if their tax should be marked “Y.”

The exemption flag is officially determined by the filing carrier.

ABS WG agreed that for interline settlement, airlines must rely solely on the TTBS involuntary exemption indicator, *not* on interpreting the narrative tax description. This ensures consistent and automated settlement behavior .

4 – RAM A2 para 3 on Original Ticketing Requirements for Fare Validation

RAM A2 para 3 states that the original ticketing requirements shall be recognized for defining the “Applicable” fare. However, it lacks clarity on which specific fare rule categories should be validated when applying the lowest applicable fare. This ambiguity often leads to disputes between airlines during interline billing and settlement, especially when validating the eligibility of private or lowest sector fares.

ABS WG agreed that the proposal would not be pursued further, as it lacks business-critical justification.



ABS WG approved RAM Revision-EY Paper

ABS WG approved an EY proposal addressing disputes due to contradictory information in Normal Special Fare RAM definition

The proposal will be included in the next SASB ballot cycle.

<https://standards.atlassian.net/wiki/x/JgCZZg>

Next Steps in 2026

Seven CRs to be finalized by end May 2026.
Align the CRs with other WGs before
presenting to SASB & OOTSWG

A Joint Inter-Group Coordination Meeting
on Offer and Order Standards Development
held on May 6th and 7th in Geneva

Coordination Call with Interline and
Partnership WG on Apr 30th

Next F2F: Plan to have a meeting in
Singapore or Montreal in June 2026



Questions/Feedback

Thank you

