



# **IATA Settlement Systems Service Provisions – Cargo**



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## INTRODUCTION

This IATA publication provides a broad description of the IATA Cargo Accounts Settlement System (CASS). IATA is the acknowledged world leader in providing distribution services to the transportation and tourism industries. The IATA CASS and its passenger counterpart Billing and Settlement Plan (BSP) provide cost-effective settlement services to the airline industry and other travel, transportation and tourism industry sectors. In this publication you will find an overview of the governance structure and the IATA division FDS (Financial and Distribution Services) that manages CASS. You will also find a complete description of the CASS Service Provisions – how CASS works, what services it provides, and the operating standards and procedures that it follows.

IATA has been providing settlement systems services to the travel industry since 1971. Today we handle over \$350 billion in transportation and tourism industry sales and we work with all of the world's major Airlines, as well as a range of other travel and tourism industry customers.

In 2008, 18 million transactions were processed through the CASS operations and \$28 billion net amount settled to participant carriers.

### VISION

Since their inception, IATA CASSs have relied on data processing and electronic transfer of information to provide core settlement system services. CASSs will continue to invest in and take advantage of new technology. This is evidenced by the launch in 2003 of IATA's state of the art *CASSLink* data processing solution.

Core features of *CASSLink*:

- No longer paper-based. The vast majority of transactions are processed electronically without handling paper Air Waybills or producing paper output reports.
- The core CASS service relies on interfacing with its customers using the Internet and other forms of secure electronic distribution.
- The system supports daily data submissions.
- A global access point for data submissions is provided.
- Transactions are processed daily within 24 hours of data submission.
- The operating standard for settlement between Agents, CASS and Airlines is by electronic funds transfer.
- Separate Export, Import & Terminal Operations and FBX operations all based on *CASSLink*.
- All CASS transactions will be consolidated into a single database, capable of driving a menu of standard features.
- The operating standard for credits due to Agents is by electronic funds transfer.
- Continuing to serve CASS Airlines and IATA Agents whilst also providing a range of services to other Cargo industry sectors.

### REFERENCE MARKS

The following symbols placed against an item indicate changes from the previous edition.

Symbol	Meaning
□	Addition of a new item
△	Change to an item

⊗ Cancellation of an item

- Secretariat Note:** *This Manual contains CASS procedures applicable worldwide. Readers are requested to note that, in countries where the European Air Cargo Programme is applicable, the term Agent means Intermediary. In relation to any CASS in the European Economic Common Aviation Area, terms and procedures as reflected in Resolution 805zz and the European Air Cargo Programme Handbook should take precedence.*





## **CHAPTER 1 – FINANCIAL AND DISTRIBUTION SERVICES (FDS)**

Financial and Distribution Services Division (FDS), a business division of IATA, was created in 1998 by the IATA Annual General Meeting and began operation in January 1999. Its business activities cover:

### **1.1 CARGO SERVICES**

FDS is responsible for the development of standards and procedures for:

- Air Cargo transportation documentation;
- Handling and carriage of Dangerous Goods;
- Handling and carriage of special cargoes;
- Air Cargo automation.

FDS makes recommendations to the Cargo Services Conference (CSC), which is the industry forum for implementing policy and procedures in the form of Resolutions and Recommended Practices.

### **1.2 PASSENGER SERVICES**

FDS is responsible for the development of standards and procedures for:

- passenger and baggage handling;
- passenger reservations;
- passenger ticketing matters;
- airport services;
- in-flight services;
- scheduling services;
- passenger data standards.

FDS makes recommendations to the Passenger Services Conference (PSC), which is the industry forum for implementing policy and procedures in the form of Resolutions and Recommended Practices.

### **1.3 AGENCY PROGRAMMES**

- IATA's Cargo and Passenger Agency Programmes offer a unique range of services to the industry. The IATA Agency Programmes provide Members and other scheduled Airlines with a cost-effective global distribution system, affording them access to their chosen markets through professional, financially sound cargo and travel agents;
- A number of global, dynamic, regulatory inter-related services collectively serve as a vital link between the Airlines and their primary sales source;
- Objective, industry-agreed financial, proficiency and security standards are applied to cargo and travel agents who make up the Airlines' global retail distribution system.

### **1.4 CARGO ACCOUNTS SETTLEMENT SYSTEMS (CASS) AND BILLING AND SETTLEMENT PLANS (BSP)**

- Provide simplified selling, reporting and settlement of sales made by IATA Agents and certain other sales intermediaries, as well as improved financial control and cash flow for Airlines;



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- Operated by FDS on behalf of the industry, the objectives are to maintain existing services and to enhance the products by increasing efficiency and economy of scale.

### **1.4.1 Benefits of CASS and BSP**

There are major benefits from the introduction and use of IATA's Settlement Systems, including:

- Significantly improved cash flows;
- Better financial controls and reduced exposure to losses from agency failures;
- Reduced distribution costs;
- Reduced airline accounting and administration costs;
- Improved access to markets and better sales potential in foreign countries;
- Better sales and marketing intelligence;
- More targeted sales efforts;
- Improved ticket and air waybill data quality and availability;
- Neutral and impartial management;
- Simplified and more integrated systems interfaces;
- Standardised systems and data files;
- Facilitates the introduction of new technologies;
- Elimination of duplication of data entry;
- Centralisation of error handling.

### **1.4.2 Business Activities**

These include Publications, Database Products, Agent Card Programme, Travel Agent Designator Service, Agency Accreditation and the IATA Settlement Systems.

### **1.4.3 Standards and Policies**

The establishment of global standards and policies for FDS in the cargo and passenger services and distribution field.

### **1.4.4 Relationships**

Maintaining an interface with the Cargo and Passenger Agency Conferences, regulatory authorities, Airlines, Agents and other customers and with system and service suppliers.

## **1.5 FINANCIAL AND DISTRIBUTION SERVICES (FDS) – VISION, MISSION, GOALS AND VALUES**

### **1.5.1 Vision**

To be the leader in establishing standards and in providing customer driven distribution services to the transportation and tourism industries.

### **1.5.2 Mission**

To provide high quality standards and cost effective distribution services.

### **1.5.3 Goals**

#### **1) Efficient and effective**

To provide quality services which meet the highest levels of efficiency and effectiveness;

**2) Customer oriented and business driven**

To be driven by the needs of our customers in a highly business oriented manner;

**3) Facilitators**

To facilitate the interaction between Airlines and Agents;

**4) Target driven**

To set challenging business oriented targets and to be held accountable for achieving them;

**5) Innovative**

To be an innovative organisation and a leader in the introduction of new technology;

**6) Standards and procedures**

To lead in the development of cost effective industry standards and procedures;

**7) Good employer**

To provide a working environment which attracts, motivates, rewards and retains high calibre employees.

**1.5.4 Values**

- We place our customers first;
- We seek improvements in the quality of our services;
- Teamwork is the key to our success;
- We encourage initiative and recognise performance;
- We enjoy and take pride in our work.

**1.6 ISS GOVERNANCE**

Since its inception, the IATA Management for the ISS systems has benefited from the strong support of IATA Member airlines. Until May 2001, the IATA Settlement Systems operation had its own Board of Directors, reporting directly to the IATA Board of Governors, to provide FDS Management with policy direction and guidance. In May, having completed its task of approving the ISS transformation strategy, the Board disbanded. FDS Management now obtains its future direction from the Board of Governors, through the Strategy and Policy Committee or Chair Committee as required.

**1.7 ISS ADVISORY COMMITTEE – TERMS OF REFERENCE**

**1.7.1 Basic function**

The IATA Settlement Systems Advisory Committee is established by the IATA Settlement Systems Board. The Advisory Committee provides advice to the Board during the transitional period on the efficient operation of the IATA Settlement Systems. The Board, on an annual basis, renews the mandate of the Advisory Committee. (Please note that the ISS Board was disbanded in May 2001, the Advisory Committee now reports to the Board of Governors through the Strategy and Policy Committee or Chair Committee as required).



### 1.7.2 Membership

The Committee consists of the Managing Director, IATA Distribution and Financial Services, plus sixteen other persons drawn from related disciplines that have been recommended to the Board by the Director General. These persons shall include nominations from:

- the Chairman of the Cargo Committee, or their designated representative;
- the Chairman of the Financial Committee or their designated representative which person may also be drawn from the Revenue Accounting Panel;
- the Chairman of the Industry Affairs Committee or their designated representative;
- the Chairman of the Information Management Committee or their designated representative;
- three persons nominated from the Passenger Agency Conference drawn from:
  - Conference Officers;
  - One or more PAC Accredited Representatives;
  - Chairman of the BSP Committee or the BSP Global Advisory Committee;
- three persons nominated from the Cargo Agency Conference drawn from:
  - Conference Officers;
  - One or more CAC Accredited Representatives;
  - Chairman of the CASS Committee or the CASS Global Advisory Committee;
- A person from the banking community to provide advice on financial issues;
- Five other persons from IATA Member airlines who have knowledge and experience of the operations of the CASSs or;BSPs
- There shall, in principle, never be more than one representative from any one Member Airline, unless specifically recommended by the Director General, and in any case never from the same discipline within that airline.

- The Director General will appoint the Chairman of the Committee from within its membership. The Chairman shall operate as a full member of the committee with voting rights;
- Members of the Committee shall represent the interests of the IATA Settlement Systems and not the interests of their airlines when serving on the Committee;
- Members of the Committee shall serve for one year terms, and may be re-appointed;
- The Director General shall appoint the Secretary of the Committee, who shall be ex officio;
- Observers may be invited to attend all or part of Committee meetings on approval of the Chairman;
- Committee members may not appoint alternates.

### 1.7.3 Meetings, Quorum and Voting Rules

The Committee will meet as required, but in any event not later than four (4) weeks prior to an IATA Settlement Systems Board Meeting. Meetings may be held by telephonic or video conference call.

As the Advisory Committee is established to provide advice to FDS Management and to the Board, voting will not be required.

The quorum at any meeting shall consist of a majority of the appointed members of the Committee.

### 1.7.4 Terms of Reference, Rules and Procedures

These Terms of Reference, including the quorum and voting rules may be amended from time to time by the Board.

The Committee shall establish its own operating rules and procedures which shall at no time conflict with these terms of reference.

## 1.8 ISS MANAGEMENT

ISS Management has responsibility for the day to day operation of the CASS, reporting to FDS Senior Management.

### **Roles and Responsibilities – relating to CASS – include, but are not limited to:**

- Process redesign and standardisation;
- Setting policy and business plan;
- Managing the operation of all CASS offices and regional support centres;
- Establishing the financial plan and managing all cost and revenue budgets;
- Providing financial approvals (e.g. for capital expenditure);
- Selecting, consolidating and contracting all (outsourced) system and service suppliers;
- Conducting business cases and periodic reviews;
- Staffing each operation;
- Pricing supplies and services provided to customers;
- Product and value-added services expansion.



**Roles and Responsibilities – in consultation with Airlines – include, but are not limited to:**

- Local standards and procedures;
- Local service needs;
- Planning for specific customer needs;
- Defining quality service;
- Monitoring customer service standards;
- Local Agent relations;
- Planned/unplanned operational issues;
- Cessation of operations by an Airline;
- Revenue protection;
- Implementation of input and output data interchange standards;
- Stock Management and security provision;
- Design and administration of Standard Administrative Forms (SAF's);
- Local Customer Manual content.

Complete details can be found in Cargo Agency Conference Resolutions 851,851f, 851x, 851z & 853.

### **1.9 REGIONAL/LOCAL MANAGEMENT STRUCTURE**

Local/regional FDS Managers report to ISS Management and are responsible for the day-to-day operation of their offices. In order to meet their objectives they respond to two key 'drivers' or critical factors, namely:

- Cost-effectiveness of the services provided to customers;
- Customer satisfaction in their markets.

These local/regional ISS Managers are responsible to FDS Management for:

- Maintaining highest quality contact, communications, service with customers and CASS business partners;
- Local/regional operating budgets;
- Local staff selection;
- Office administration, asset management and certain contracting (e.g. office supplies);
- Local costs settlement (up to authorised limit);
- Pricing for locally provided extra customers services (e.g. specific reports, statistics);
- Development of efficient business processes and identification of new business opportunities;
- Implementation of electronic billing and other cost-efficient automated systems;
- Acting as local promotion point for training programmes, data base products, IATA publications etc.;
- Organising Agency training;
- Promoting/marketing IATA Products and Services Division output;

- Co-ordination of Customer Advisory Group activities;
- Communication of local issues, as appropriate, to the CASS Policy Group.

### **1.10 PRICING FORMULA FOR CASS AND BSP OPERATIONS**

FDS Management shall be responsible for determining applicable joining and participation fees of Members, Non-IATA Airlines, General Sales Agents, Ground Handling Agents, CASS Associates and Recipients in consultation with LCAGC.

Additionally, it shall determine the prices applicable for CASS and BSP products and services offered.

FDS Management charges for the operation of CASS and BSP are based on a budget based pricing approach and allocations as established in the ISS Charging Structure. In developing this pricing formula, FDS Management will consult with Members and in particular with the CASS Policy Group. FDS Management will publish the Pricing Formula from time to time.





## CHAPTER 2 – CONFERENCE STRUCTURE

### 2.1 CARGO AGENCY CONFERENCE (CACONF)

#### 2.1.1 Function

The Cargo Agency Conference takes action on matters relating to the relationships between Airlines and accredited Cargo Agents and other Intermediaries, but excluding remuneration levels. CAConf performs its functions under the authority granted to it by the IATA Annual General Meeting.

#### 2.1.2 Activities

It is responsible for the IATA Cargo Agency Programme, namely the establishment of global cargo distribution standards. Certain functions may be delegated to task-oriented sub-groups reporting to it.

CACONF's role and responsibilities relating to Cargo Accounts Settlement System include:

- Global technical standards, including data interchange standards;
- Global standard forms and related procedures;
- Obligation on Agents to participate;
- Reporting, Billing and Remittance frequencies/dates;
- Irregularity and Default;
- Distribution of money received from Agents in default;
- Global, collective, Agent relations/consultative process;
- Inclusion in CASS of non-IATA airlines and non-IATA sales intermediaries;
- Inclusion in CASS of General Sales and Service Agents and Ground Handling Agents;
- CASS Associate and Recipient participation criteria;
- Late payment penalty fee assessment;
- Governing local Agent/Airline consultative relationship.

*CACONF has no responsibility for the operation and administration of the CASS network. The IATA Board of Governors has assumed that responsibility and it has delegated that function to FDS. The administrative and operational functions are performed by FDS, at the direction of the IATA Board of Governors.*

For the purpose of providing advice to ISS Management on customer service issues, and to FDS Management and the CAConf on IATA Settlement Systems standards, a CASS Policy Group (CPG) has been formed. Wherever a CASS is in operation, a Local Customer Advisory Group will be established.

### 2.2 CASS POLICY GROUP (CPG)

#### 2.2.1 Function

The IATA Cargo Committee has established the CASS Policy Group (CPG) as a Working Group of the Cargo Committee to provide policy direction to IATA Management on all matters relating to the functional management and operation of CASS.

#### 2.2.2 Activities

Specifically, the activities of the CPG are to:



## IATA Settlement Systems Service Provisions – Cargo

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- Provide a CASS consultative forum between IATA Management and Member airlines
- Formulate a Global CASS representation policy
- Develop the CASS cost sharing formula and CASS pricing policy
- Develop a CASS country development plan
- Approve the commencement of all new CASS Feasibility Studies and appoint local CASS Feasibility Study Groups to work with IATA Management in the preparation of Feasibility Study Reports
- Review reports received from the Local Customer Advisory Groups (LCAGs)
- Monitor local CASS Member costs
- Review the CASS budgets on a consultative basis

### 2.2.3 Membership

a) The CPG shall normally be limited to a maximum of ten members who shall be appointed by the Cargo Committee. The CPG secretary shall provide the coordination between the activity of the CPG and the Cargo Committee.

b) The Agency Administrator will approach every IATA members Head of Cargo in order to seek nominations to the CPG. An IATA member Head of Cargo may, by written notification to the Agency Administrator, nominate a person of senior management standing to serve as a representative on the CPG.

c) CPG members should be suitably qualified representatives at within their airline with expertise and knowledge of CASS operations.

d) CPG members will be confirmed by the IATA Cargo Committee and ensure a balanced representation across all three IATA Conference Areas.

e) Appointments to the CPG will take into account criteria such as: industry expertise, potential contribution to the work of the CPG, regional balance, airline alliance balance (including non-alliance airlines), size of member airline balance, a combination of continuity and rotation in the CPG membership, seniority within the airline of the candidate concerned, and views of current CPG members.

e) The Chairman will be elected from within the CPG membership by a simple majority vote. The Chairman shall operate as a full member of the CPG with voting rights. Chairman will be re-elected each two years. The CPG may also elect a Vice Chairman.

f) Members of the CPG shall serve for two-year terms, and may be re-appointed. Membership shall terminate if the member misses two consecutive meetings, or if the member leaves their position in the airline. The Agency Administrator may fill vacancies on the CPG on an interim basis.

g) Members of the CPG shall represent the interests of the wider IATA membership and not the interests of their airlines when serving on the CPG.

h) Observers may be invited to attend all or part of CPG meetings on approval of the Chairman.

i) CPG members may not appoint alternates.

### **2.2.4 Meetings, Quorum and Voting**

The CPG will meet as required, but not less than twice per annum, and in any event not later than four weeks prior to Cargo Committee meetings. Additional meetings may also be held by telephone or video conference call.

Meetings of the CPG will be established on a rolling basis for 2 years in advance.

### **2.2.5 Rules and Procedures**

a) These Terms of Reference may be amended from time to time by the Cargo Committee.

b) In good time prior to each meeting of the Cargo Committee the CPG will provide a regular report to the Cargo Committee in the form of recommendations developed by CPG member consensus.

c) The CPG shall establish its own operating rules and procedures, which shall at no time conflict with these Terms of Reference.

d) The Cargo Committee on an annual basis shall renew the mandate of the CPG.



## IATA Settlement Systems Service Provisions – Cargo

### 2.2.6 Members of CASS Policy Group (CPG)

	DELEGATE	ALTERNATE
<b>Air France Cargo</b>	Mr. Gérald Van Wyck Finance Department Director  Email: <a href="mailto:gevanwyck@airfrance.fr">gevanwyck@airfrance.fr</a> Tel: +33	
<b>Cargolux</b>	Mr. Luigi Vitulano Head of Cargo, Credit & Collection, Cargo A/P  Email: <a href="mailto:lvitulano@cargolux.com">lvitulano@cargolux.com</a> Tel: +352 4211 3765 Fax: +352 4211 3458 TTY: LUXAHCV	
<b>Cathay Pacific</b>	Mr. Stephen Ip Manager Cargo Revenue Planning and System Email: <a href="mailto:stephen_ip@cathaypacific.com">stephen_ip@cathaypacific.com</a> Tel: (852) Fax: (852)	Ms Clera Lam
<b>Emirates</b>	Mr K S Yunuss Manager Cargo Pricing  Email: <a href="mailto:ksyunnuss@emirates.com">ksyunnuss@emirates.com</a> Tel: Fax:	
<b>Etihad Cargo</b>	Mr. Mark Jones Senior Manager Finance (Cargo)  Email: <a href="mailto:markj@etihad.ae">markj@etihad.ae</a> Tel: +971 2 5112701 Fax:	
<b>Federal Express</b>	Mr. Todd Frazier Business Applications Advisor  Email: <a href="mailto:tcfrazier@fedex.com">tcfrazier@fedex.com</a> Tel: (310) 563-4326 Fax: (310) 563-4287 TTY: HDQCIFX	
<b>Lufthansa Cargo</b>	Mr. Michael Ebsen Manager – Billing & Accounting  E-mail: <a href="mailto:michael.ebsen@dlh.de">michael.ebsen@dlh.de</a> Tel: +49 (40) 50706473 Fax: +49 (40) 50707435	
<b>Nippon Cargo Airlines</b>	Mr. Toru Kiuchi Deputy General Manager – Accounting 1	



## Conference Structure

	DELEGATE	ALTERNATE
	Finance & Accounting Email: toru.kiuchi@nca.aero Tel: +81 476 33 5316 Fax: +81 476 33 5374	
<b>Saudi Arabian Airlines</b>	Mr. Zubair Khan Director-Finance Email: vpcgomktg@saudiairlines.com Tel: 02 686 4550 Fax: 02 686 1656	
<b>United Airlines</b>	Mr Peter Frankel Snr Staff Analyst Cargo Revenue Accounting E-mail: peter.frankel@united.com Tel: +1 847 700 3625 Fax: +1 847 700 7848	Mr Walter Wolleberg



### 2.3 LOCAL CUSTOMER ADVISORY GROUP CARGO (LCAGC)

#### 2.3.1 Function

Local Customer Advisory Group Cargo (LCAGC) is established by the Cargo Agency Conference wherever a CASS is in operation. Each LCAGC provides advice to ISS Management on customer service issues and in particular, on establishing and addressing local needs.

#### 2.3.2 Activities

ISS Management may consult a local group for:

- advice, as a user forum, on all local matters presented to it by ISS Management, concerning the local operation of CASS;
- advice to the local ISS Manager on the establishment of local CASS business requirements and enhancements, especially where differences from world-wide standards and policy are sought;
- guidance to the local ISS Manager, concerning marketplace activities and development opportunities and other local/area needs;
- other matters, as appropriate.

#### 2.3.3 Membership

The LCAGC will normally consist of not more than 10 persons. The Cargo Agency Conference may authorise a larger number, following a request from an area. LCAGC members and their designated alternates shall be elected for a two-year term by all Participating Airlines in that CASS, from nominations received from these Participating Airlines. Ideally, LCAGC members should be suitably qualified representatives at a senior level, providing expertise in the different fields of the CASS activity. LCAGC members attend LCAGC meetings as local industry representatives.

A Participating Airline may nominate a suitably qualified individual from a GSSA/GSA. If elected, such GSSA/GSA individual shall attend the LCAGC meetings as a local industry representative, and their LCAGC membership shall represent no greater weight than any other LCAGC member despite that the GSSA's/GSA's business may serve as an agent or representative of more than one Participating Airline.

#### 2.3.4 Meetings, Quorum and Voting

The frequency of meetings is determined by ISS Management, in consultation with the CPG or the LCAGC. A quorum shall be a simple majority (one half plus one) of the membership. Each LCAGC is a consultative body and therefore there will be no formal voting. LCAGC will act in the form of making recommendations. Each LCAGC will elect its Chairman from among its members. The local ISS Manager will act as Secretary of these meetings. Other Participating Airlines in the CASS may attend meetings as observers, subject to the prior consent of the LCAGC Secretary. Representatives of non-airline entities participating in that CASS may attend certain parts of a LCAGC meeting, at the invitation of its Chairman and FDS Management. Additionally, the local/regional ISS Manager may call a customer meeting, at least once per year.

### **2.3.5 Agenda and Reports**

The Agenda of each LCAGC shall consist of customer service issues on which ISS Management seeks the advice of the LCAGC, or proposals submitted by Participating Airlines. It shall be circulated by the LCAGC Secretary not later than 10 days before the start of the meeting. The report of LCAGC meetings shall be circulated promptly by the Secretary to LCAGC Members, and all Participating Airlines. The Secretary of the LCAGC will provide a regular update on action taken pursuant to recommendations from the LCAGC.

## **CHAPTER 3 – THE IATA CARGO ACCOUNTS SETTLEMENT SYSTEM (CASS) (Cargo Agency Conference Resolution 851)**

### **3.1 INTRODUCTION**

IATA developed the Cargo Accounts Settlement System with the objective of simplifying the settling of accounts between cargo intermediaries and Carriers, thus reducing costs while at the same time providing enhanced services to Agent and Carrier alike.

CASS-Export and CASS-Import & Terminal Charges, hereinafter referred to CASS-ITC, are two totally independent systems, which can be implemented either separately or together on a country-by-country basis. Both IATA and non-IATA air carriers are eligible to participate in the systems, as are General Sales and Service Agents and Ground Handling Agents, provided they satisfy qualifying criteria. The built-in flexibility of both systems enables them to be adapted and enhanced to suit specific local market conditions and evolving technology.

The systems are already successfully operating in many countries. To ensure complete compatibility with the market place, the systems are introduced in close co-operation with national associations of cargo agents and freight forwarders.

The first CASS developed by Members was launched in 1976 in Japan. Today CASS is a world-wide system covering over 78 countries, with further expansion plans.

### **3.2 MISSION**

#### **1) Cost-efficiency:**

To be a very efficient, cost-effective and streamlined settlement service provider of choice.

#### **2) Value added services:**

To ensure continued customer satisfaction and growth by developing leading edge, value-added services for the air cargo transportation industry based on our expertise.

### **3.3 ADVANTAGES OF CASS**

The introduction of CASS significantly reduces expensive and time-consuming functions. Central reporting and invoice production through the CASS offers numerous advantages to both Carriers and Agents:

- Application of current technology justified by economies of scale;
- Standardisation of automated procedures and forms;
- Production of industry standard invoices;
- Simplification of remittance: Agents pay one amount covering payment to all Carriers: Carriers receive one amount covering payment from all Agents;
- Elimination of duplication of data entry. Agents and Carriers using their own systems may deliver or receive sales and standard invoice information in electronically readable form;
- Simplified error handling;
- Handling of remittance irregularities conducted impartially, using standard rules, without discrimination;
- Enhancement of financial control and improvement of cash flow;
- Provision of reliable and up-to-date sales statistics;



- Supervision of processing by an IATA employed ISS Manager.
- Stock Management using *CASSLink*

## 3.4 TRADITIONAL SETTLEMENT OF ACCOUNTS

Export airfreight normally reaches Airlines via Cargo Agents. The Agents collect freight charges from shippers for payment over to the Carriers. Carriers produce invoices to their Agents for these sales. Agents work with many Carriers and Carriers accept consignments from many Agents. Each Carrier receives a report from, or prepares an invoice to, each Agent individually.

This multiplicity of invoices and reports must be checked and consolidated and payments have to be made individually. The situation is an administrative burden to Carriers and Agents alike.

## 3.5 HOW CASS-EXPORT WORKS

A Carrier participating in a CASS captures its air waybill data in its own systems then it uploads that data to the CASS.

Carriers submit a copy or an electronic record of each air waybill issued during a reporting period to the CASS Office for processing. From that data, the CASS produces standard invoices. A Carrier may elect to receive a file containing electronic records of AWB transactions data captured.

During the processing of air waybill data, the CASS advises the ISS Manager of any discrepancies in reporting or remittance by Carriers or Agents.

Each Agent receives an invoice in respect of each Carrier it works with, and a statement indicating the total amount due to all Carriers. Each Carrier receives the reciprocal accounting information. Agents have the option to ask that invoices be produced and sent to each of their accounting offices separately.

Both Agents and Carriers have adequate opportunity to query an unclear entry, as the invoices are to be produced about two weeks in advance of the remittance date (exact production schedules vary by CASS). On that date, the Agent remits the total amount to the CASS's hinge account, from which one payment is made to each Carrier.

The Agency Administrator will carry out appropriate follow-up action as set out in the Cargo Agency Rules. In case of a dispute, parties may ask the ISS Manager to act as a neutral mediator between them.

## 3.6 HOW CASS-ITC WORKS

The principles of CASS-ITC are similar to those of CASS-Export. Intermediaries contracted by and acting on behalf of consignees handle most import air cargo.

Under CASS-ITC an intermediary that meets the specified criteria may execute an agreement with participating Carriers to become a Recipient. Recipients benefit from standard credit facilities in accordance with the CASS-ITC procedures.

On arrival of a consignment, the Delivering Company notifies the consignee (the importer). In most cases the importer will ask a Recipient to arrange that the cargo be delivered to his address. The Recipient, upon signature of the appropriate form, accepts the cargo and the responsibility for any import charges. An Import Billing Instruction is sent to the CASS office for processing.

Similar to CASS-Export, the CASS office prepares invoices that are sent to the Recipient in respect of each CASS Delivering Company, together with a summary indicating the total

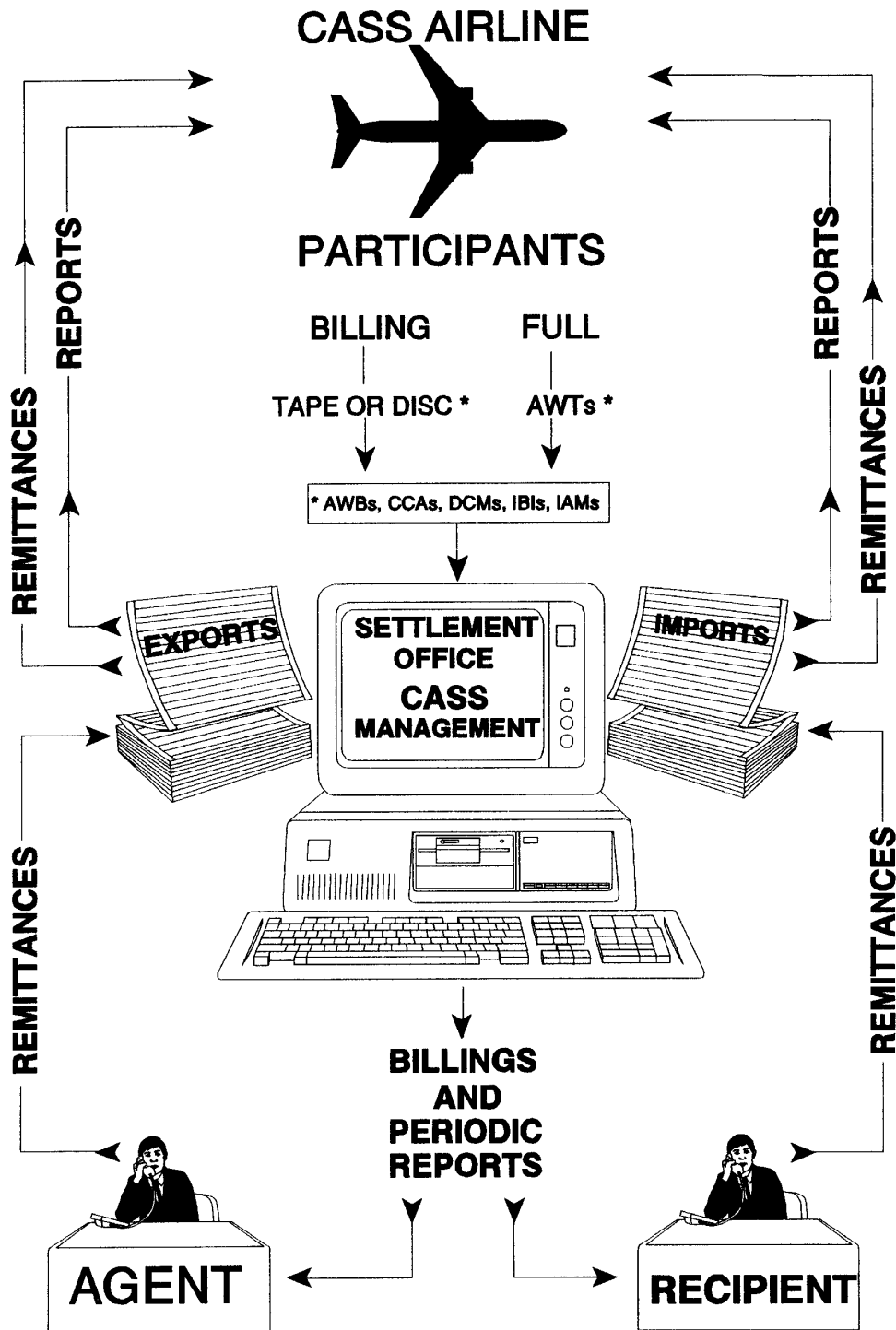


## **IATA Settlement Systems Service Provisions – Cargo**

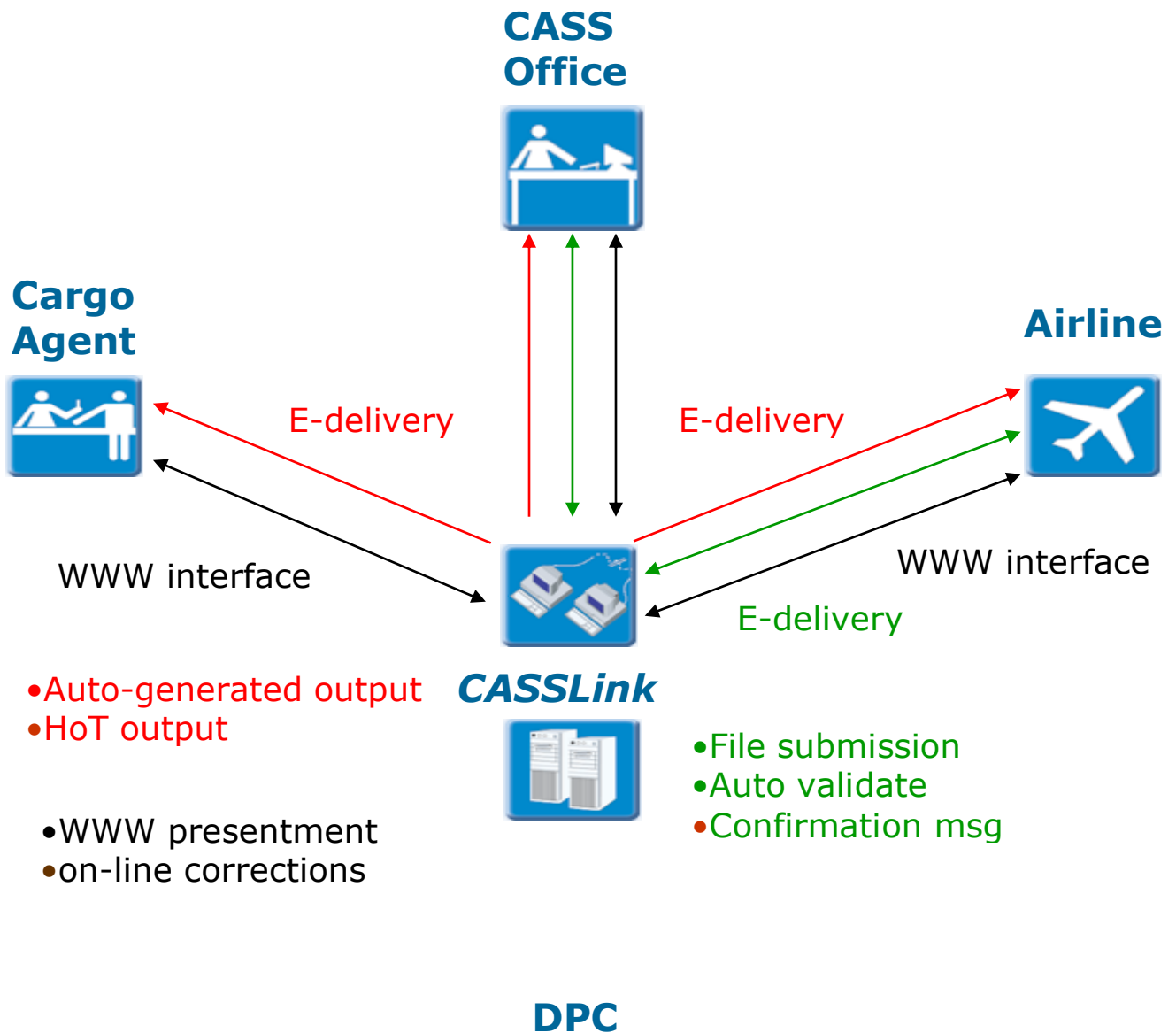
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amount due to all CASS Delivering Companies. Each Delivering Company receives the reciprocal accounting information. The Recipient remits the total amount to the CASS office's hinge account from which monies owed to CASS Delivering Companies are settled.

### SCHEMATIC OF HOW A CASS OPERATES



## SCHEMATIC OF HOW CASSLINK OPERATES



### 3.7 LAUNCH AND MANAGEMENT OF A CASS

FDS Cargo is responsible for conducting feasibility studies. ISS Management shall consult with local Members and the Cargo Agents community. The study will identify the local parameters and customer requirements that should be catered for in the operation.

If the decision is made by ISS Management to implement, then a local ISS Manager is appointed by IATA, reporting to the IATA Regional Office, to supervise that CASS. The ISS Manager works closely with the representatives of Members and other CASS Airlines that



## The IATA Cargo Accounts Settlement System (CASS)

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are active in the market. The ISS Manager guides and assists Airlines, Agents and the Clearing Bank on CASS operational and procedural matters.

### **3.8 AIRLINE PARTICIPATION IN CASS**

IATA Members may, upon payment of the applicable joining fee, participate in the CASS at its inception, or may join at a later date by notifying IATA. General Sales Agents, Ground Handling Agents and non-IATA air Carriers may also participate provided that they satisfy qualifying criteria and adhere to certain IATA standards.

### **3.9 AGENT/AIRLINES RELATIONS**

Agents' day-to-day administration is conducted with the ISS Manager. Queries regarding billing will be discussed, discrepancies, initially with the Airline submitting the data and queries concerning remittances with the Clearing Bank.

This does not mean that the relationship with CASS Airlines is lost. Agents continue to have direct access to CASS Airlines at all times. The administrative simplification offered by CASS permits CASS Airlines and Agents to devote more time to marketing activities.

In any operating CASS, an Agents Liaison Working Group (ALWG) will be established to ensure full on-going consultation with local Agents' Associations on the operation of the CASS. In particular, any enhancement or modification to the system affecting Agents' interests will be discussed with the Agents' organisation prior to implementation.

## **CHAPTER 4 – PARTICIPANTS IN A CASS**

Participation in a CASS is subject to a number of conditions agreed by the Cargo Agency Conference. For each category of participants the conditions are set out below. Complete details can be found in Cargo Agency Conference Resolutions 851,851f, 851x, 851z & 853.

### **4.1 IATA MEMBER AIRLINES**

Upon implementation of a CASS-Export, each Member may decide to participate. additionally, in a CASS-ITC. A Member may decide to participate as either a Delivering Company or as a Last Carrier.

Upon becoming a participant in a CASS, the Member must sign a single Counter Indemnity Agreement with IATA, as outlined in the applicable Resolution, regardless of the number of CASS operations in which it may participate.

### **4.2 NON-IATA AIRLINES**

A non-IATA airline can become a participant in a CASS provided it executes with IATA a Form of Application and Concurrence in which it agrees:

- To be bound by certain regulations of IATA;
- To subscribe to the costs of managing and maintaining the CASS-Export or CASS-ITC in accordance with the ISS pricing policy;
- To pay in advance an annual participation fee set from time to time by ISS Management;
- To sign a Counter Indemnity Agreement with IATA.

#### **4.2.1 Non-scheduled (Charter) Airlines**

CASS does not process charter transportation sales. Collection of a charter price and payment of commission is undertaken directly between the Airline and its Agent.

#### **4.2.2 IATA Cargo Agents**

By virtue of the applicable IATA regulations, IATA Cargo Agents (also known as Intermediaries in some markets) are under obligation to participate in any local or regional CASS-Export. ISS Management properly informs them of how such participation affects their work methods. (Conditions may defer where Resolution 805zz is applicable)

Cargo Agents are responsible for:

- The correct issue and use of AWBs and administrative forms;
- The submission of completed AWBs to the CASS Airline concerned when delivering consignments ready for carriage;
- The safe keeping of AWBs and administrative forms;
- The receipt of the CASS office's billings;
- Timely and full remittance of all amounts in the currency of the CASS office's billings.

### 4.3 GENERAL (NON-AIRLINE) SALES AND SERVICE AGENT (GSSA)

General Sales and Service Agents appointed by Air Carriers in accordance with IATA regulations and holding Carrier Air Waybills may participate in a CASS on the condition that the GSSA:

- a) provides written evidence of authorisation from its principal Airline(s);
- b) executes a Form of Application and Concurrence with IATA;
- c) signs a Counter Indemnity Agreement;
- d) settles the applicable participation fee set by ISS Management.

All accountable transactions issued by Agents on behalf of Carriers represented by the GSSA shall be processed through the CASS, and Agents shall settle the amounts due to the CASS for billings issued on behalf of the GSSA.

### 4.4 CASS ASSOCIATES

In a CASS-Export, the Cargo Agency Conference may determine criteria applicable for an organisation which is not an Agent or Air Carrier, to become a CASS Associate and participate in the CASS-Export provided that such person:

- Applies to become a CASS Associate;
- Utilises the services of CASS-Export Airlines to such an extent that the participation in the CASS is warranted;
- Is subject to financial assessment and periodic re-assessment by ISS Management, if set;
- Executes a CASS Associate Agreement with the Agency Administrator in which such person agrees to
  - be bound by billing and remittance periods as applicable for IATA Agents;
  - adhere to all applicable CASS regulations;
  - pay an annual participation fee set by ISS Management.

### 4.5 RECIPIENTS

In any country where a CASS-ITC has been implemented, a commercial intermediary, not being an Air Carrier, which handles inbound air cargo consignments, may become a Recipient under CASS-ITC subject to the following conditions:

- The Recipient must act, for reward, as agent for consignees or as agent for persons indicated on the Air Waybill as persons to be notified upon delivery or as customs consignees;
- The Recipient must act as consolidator or break bulk agent;
- Once accepted as a Recipient, the intermediary shall be required to remit monies due to CASS Delivering Companies and other Members in accordance with the local CASS-ITC requirements;
- The Recipient must execute an agreement with the Agency Administrator, which stipulates the relevant conditions and requirements.

## **CHAPTER 5 – SERVICE SUPPLIERS AND CONTRACTING PARTIES OF A CASS**

Several parties are involved in the operation of a CASS. With each of them, a contractual relationship exists that specifies the functions and responsibilities in addition to pricing, length of service and other relevant conditions.

Contracting parties are usually selected on the basis of a tendering process conducted by ISS Management in Geneva, which will also conclude all necessary contracts.

### **5.1 SETTLEMENT BANK**

The work of the Settlement Bank can be categorised into data processing and banking activities and, therefore, can be undertaken by a bank with suitable computer facilities, or by a bank in conjunction with a data processing organisation. The data processing activities of the Settlement Bank functions may also be performed by the CASS Management Office through *CASSLink*.

#### **5.1.1 Main Responsibilities**

- a) Collection and disbursement
- Receipt, control and disbursement of monies;
  - Reporting of discrepancies to the CASS Management.

#### **5.1.2 Neutral Air Waybill (AWB) Printer**

Printing companies that have been selected by ISS Management, usually after a tendering process, are responsible for printing Neutral Air Waybills fully in accordance with the specifications of the Cargo Services Conference of IATA. They are also responsible for delivery of printed AWBs at a time and to a location specified by the ISS Manager. In certain circumstances, a Printer may also undertake to handle physical distribution of AWBs to Agents.

All printing and delivery details will be laid down in a printing contract with ISS Management.



## CHAPTER 6 – OPERATING PROCEDURES

This section describes the CASS activities/products or services and operational procedures to be applied by ISS Management.

**Note:** *Unless specifically stated to the contrary, the term ‘Agent’ in this Manual refers to the IATA Cargo Agents/Intermediaries and the participating CASS Associates where applicable.*

### 6.1 FEASIBILITY STUDY PROCESS

#### 6.1.1 Requisite Conditions

The following essential conditions must prevail in the country or area under consideration to justify the implementation of a Cargo Accounts Settlement System (CASS):

- a volume of air cargo transportation sales through Agents which economically justifies the application of EDP techniques;
- a wish on the part of Members to pool resources with a view to simplifying and standardizing reporting and accounting procedures of Agents.

#### 6.1.2 Resolution Requirements

Resolution 851 is the enabling Resolution, which becomes applicable where a CASS for collection of export freight charges has been proposed. Where a CASS embodies the collection of charges payable at destination (import & terminal charges etc.), Resolution 853 is applicable. Additionally, where a CASS is implemented, the provisions of Section 2 of Resolution 801r or 801re become effective.

#### 6.1.3 Proposal Action

The proposal to introduce a CASS for a given country/area may be made by the Head Office of any Member, or group of Members, or an Agent’s Association. Proposals are to be addressed to the FDS Management, in writing, by contacting FDS Cargo in Geneva. The following contact may be useful:

**E-mail: [casslinkgva@iata.org](mailto:casslinkgva@iata.org)**

#### 6.1.4 Feasibility Study

When considering whether to undertake a feasibility study, FDS will collect and evaluate all pertinent information to establish working priorities according to activities required in the different geographical areas. Proponents should take into consideration the following background information regarding the country/area of the proposed CASS and this must be provided to the FDS Management.

#### 6.1.5 Initial Background Information

- a) Number of Agents;
- b) Approximate amount to be settled annually by these Agents;
- c) List of Members qualified to participate;
- d) List of non-IATA air carriers qualified to participate;
- e) Standard of postal services;
- f) Financial situation of Cargo Agency industry.



### 6.1.6 Feasibility Study Action

Where FDS Cargo, in consultation with the CPG, determines that a feasibility study is warranted, appropriate meetings should be called which may lead to the implementation of CASS in a determined market. FDS will apply the so-called 'Turn Key' services. This means that FDS staff will perform all necessary tasks and related activities to carry out a feasibility study, ensuring in this manner that time as well as costs are saved to the maximum for all customers.

### 6.1.7 First Meeting of FDS with Airlines/Agents

FDS Cargo will call meetings by sending notice to all Head Offices of Members seeking appointment of participants to the feasibility advisory group. FDS Cargo will call meetings by sending notice to all Head Offices of Members seeking appointment of participants to the feasibility advisory group. At its first meeting, FDS will inform local Airlines/Agents of the decision to initiate a feasibility study. Such session will be informative and customers will be made aware of the CASS procedures which are to be followed as well of other information seen to be relevant. Reports will be produced following all such meetings.

### 6.1.8 Feasibility Study Advisory Group(s)

In order to ensure proper input and knowledge from local sources when conducting the study (Business Case), FDS will invite Airlines and Agents to form a CASS Feasibility Study Advisory Group (FSAG). Given their own particular needs, one group will be comprised of Airlines (FSAG/Airlines) and another one of Agents (FSAG/Agents). All Members (including Associate Members) serving or having placed stocks of their air waybills with Agents in the country/area, may provide nominees to the FSAG/Airline Group.

When dispatching the Agenda of the first meeting of the CASS Airlines and CASS FSAGs, FDS shall invite nominations from all Members represented in such area to serve on a CASS FSAG. Final FSAG membership shall be elected during the initial Airline and Agents meetings. Appointments to these groups will be ratified by the CPG.

When necessary, these two groups may meet jointly.

### 6.1.9 Task of Feasibility Study Advisory Group

The FSAG will try to:

- a) Determine the approximate number of export air cargo consignments per year being handled by Agents;
- b) Determine the monetary value and cash flow volume of export air cargo consignments per year being handled by Agents and determine the ratio by value of prepaid consignments, charges collected and other charges paid out as disbursements;
- c) Establish a liaison with the national association(s) of Cargo Agents, where appropriate, to consult with, and obtain the reactions of Agents, with the aim to arrive at a broad consensus on CASS implementation;

- d) If no such association exists, liaison should be organised with individual Agents;
- e) After in-depth study of the local environment, recommend the reporting and remittance frequency to be applied;
- f) Determine the existence and future development of other automated cargo functions. (It must also be established whether and to what extent Airlines would be able to report electronically);
- g) In addition to the feasibility study in respect of a CASS-Export, the FSAG may be asked to offer its opinion whether a CASS for the remittance of import charges by Recipients can be implemented in conjunction with or independently of the proposed CASS.

### **6.1.9.1 Rules and Procedures – CASS Feasibility Study Advisory Groups/Airlines (FSAG)**

#### **1. Function**

The CASS Feasibility Study Advisory Groups/Airlines (FSAG) are established wherever a CASS Feasibility is conducted. Each FSAG provides advice to ISS Management on customer service issues and in particular, establishing and addressing local needs.

#### **2. Membership**

The FSAG will normally consist of not more than 5 persons. Ideally, FSAG members should be suitably qualified representatives at a senior level, providing expertise in the different fields of the CASS activity.

#### **3. Meetings, Quorum and Voting**

FDS Management, in consultation with the FSAG, determines the frequency of meetings. Each FSAG is a consultative body and therefore there will be no formal voting. FSAG will act in the form of making recommendations. Each FSAG will elect its Spokesperson from among its members. The FDS Management will act as Facilitator of these meetings. Other Airlines considering participation in the proposed CASS may attend meetings as observers, subject to the prior consent of the FSAG Facilitator.

#### **4. FDS Management may typically consult a FSAG for:**

- advice, as a user forum, on all local matters presented to it by FDS Management, concerning the possible future local operation of CASS;
- advice to the FDS Management on the establishment of local CASS business requirements and enhancements, especially where differences from world-wide policy and standards are sought;
- guidance to the FDS Management, concerning;
- marketplace activities and development opportunities, reporting and remittance criteria, associates, distribution, methods of payments, and other local/area needs;
- other matters, as appropriate.

#### **5. Agenda and Reports**

The Agenda of each FSAG shall consist of customer services issues on which FDS Management seeks the advice of the FSAG, or proposals submitted by Participating Airlines. It shall be circulated by the FSAG Secretary not later than 10 days before the start of the meeting. The report of FSAG meetings shall be circulated promptly by the Facilitator to FSAG Members, all Participating Airlines, and FDS Cargo.



### 6.1.9.2 Rules and Procedures – CASS Feasibility Study Advisory Groups/Agents (FSAG)

#### 1. Function

The CASS Feasibility Study Groups/Agents (FSAG) are established wherever a CASS Feasibility is conducted. Each FSAG provides advice to FDS Management on customer service issues and in particular, establishing and addressing local needs.

#### 2. Membership

The FSAG/Agent will normally consist of not more than 5 persons. Ideally, FSAG members should be suitably qualified representatives at a senior level, providing expertise in the different fields of the CASS activity.

#### 3. Meetings, Quorum and Voting

FDS Management, in consultation with the FSAG, determines the frequency of meetings. Each FSAG is a consultative body and therefore there will be no formal voting. The FSAG will act in the form of making recommendations. Each FSAG will elect its Spokesperson from among its members. The FDS Management will act as Facilitator of these meetings. Other Agents considering participation in the proposed CASS may attend meetings as observers, subject to the prior consent of the FSAG Facilitator. Non-IATA Agents will not participate in meetings.

#### 4. Activities

FDS Management may typically consult a FSAG for:

- advice, as a user forum, on all local matters presented to it by FDS Management, concerning the possible future local operation of CASS;
- advice to the local FDS Management on the establishment of local CASS business requirements and enhancements, especially where differences from world-wide policy and standards are sought.
- guidance to the local Project Manager, concerning:
- marketplace activities and development opportunities, reporting and remittance criteria, Associates, Distribution, methods of payments, and other local/area needs;
- other matters, as appropriate.

#### 5. Agenda and Reports

The Agenda of each FSAG shall consist of customer service issues on which FDS Management seeks the advice of the FSAG, or proposals submitted by Participating Agents. It shall be circulated by the FSAG Secretary not later than 10 days before the start of the meeting. The report of FSAG meetings shall be circulated promptly by the Facilitator to FSAG Members and FDS Cargo.

### 6.1.10 Feasibility Study Report

#### 6.1.10.1 Reporting and Remittance Mail Vote

The parameters suggested in the Feasibility Study Report in reference to reporting and remittance periods and Associate and Recipient participation criteria will be presented by Mail Vote to Accredited Members of the Settlement and Remittance Committee and the Cargo Agency Conference, as appropriate, for proper endorsement.

## 6.1.10.2 Submission to FDS Senior Management

Once completed, the Feasibility Study Report shall be submitted to FDS Senior Management, which shall decide one of the following courses of action, subject to prior consultation with the CPG:

- a) Endorsement of the feasibility study;
- b) Endorsement of the feasibility study subject to amplification of certain details contained therein;
- c) Referral back for additional study to complete the report;
- d) Rejection of the feasibility study.

## 6.1.11 Implementation Action

If FDS Senior Management and the CPG approve the report, then all steps as described in the implementation plan and schedule will be followed for implementation in the country/area concerned. Members will be presented with a business case, which shall include pricing as well as the CASS Implementation plan. Proper notification of implementation action will be distributed to all Head Offices of Accredited Representatives.

## 6.2 PRE-IMPLEMENTATION PHASE

Prior to a full launch of the CASS, a pre-implementation phase is entered into. During this phase the following actions are taken:

- a) Appointment/designation of local ISS Manager responsible for CASS;
- b) Industry-wide CASS Operational Presentations;
- c) Allocations of Agent CASS address codes;
- d) Production of Local Customer Manual – CASS;
- e) Printing of local administrative forms;
- f) Training for Agents/Airlines;
- g) Tests conducted for prospective Billing Participants;
- h) Pilot scheme project;
- i) Final preparations for live launch.

## 6.3 LOCAL CUSTOMER MANUAL OUTLINE

In a country/area where a CASS has been adopted, the ISS Manager shall ensure that a CASS Manual for customers is developed for local application in accordance with the instructions set out in this Section. The language of the Manuals shall be left to the discretion of the ISS Manager, in consultation with the Local Customer Advisory Group, and where appropriate, with the Agents Liaison Working Group.

### 6.3.1 Publication

The contents of the proposed CASS Customer Manual (Export and ITC) shall conform to Appendices H and G of Resolutions 851 and 853, respectively.

The ISS Manager shall ensure that the Manuals are published and distributed to the customers.



### 6.3.2 Revision

Subsequent revisions as a consequence of an amendment to the list of Carriers, or to include annually established reporting and remittance schedules, shall be the responsibility of the ISS Management. Revisions may also include new or revised procedures.

### 6.3.3 Distribution

Initial mailing to customers shall be with a covering letter, and the Manual shall be in the possession of customers well in advance of the implementation of the CASS in order to allow sufficient time for familiarisation with procedures.

### 6.3.4 Mailing List

The mailing list shall include:

- a) Agents in the CASS area;
- b) Full Participants;
- c) Non-participating IATA Members serving or having placed stocks of their AWBs with Agents in the CASS concerned;
- d) CASS office;
- e) Manager, FDS;
- f) Associates;
- g) Any other parties the Local Customer Advisory Group may suggest to add to the mailing list.

### 6.3.5 Legal Status of Manual

The local CASS Manuals for customers shall contain all information relevant to the administration and procedures governing the participation of parties in the operation of the CASS country/area concerned. The contents of such Manuals shall be consistent with:

- Governing Resolutions;
- Section 2 of IATA Resolution 801r or 801re, whichever is applicable;
- Any other decision taken by the Cargo Agency Conference, or ISS Management, as appropriate, for the administration of the CASS in a specific country/area.

The provisions of the local CASS Customer Manual are binding and shall be indicated in the accompanying covering letter.

After actual implementation of a CASS, an Agent who appears not to be acting in accordance with the local CASS Manual for Customers may be considered in breach of his IATA Cargo Agency Agreement as stipulated in the applicable Resolution and, in addition, of relevant paragraphs of other applicable Resolutions.

### 6.3.6 Mandatory Format and Contents

The contents of the Manual/s shall cover the following items in the sequence indicated below:

- a) Table of Contents;
- b) List of Billing Participants;
- c) Glossary;
- d) Outline of the CASS;
- e) Administrative Forms and Procedures;

- f) AWB Completion Procedures (CASS-Export);
- g) IBI Completion Procedures (CASS-ITC);
- h) Billing and remittance schedule;
- i) Output Documentation;
- j) Settlement Procedures;
- k) Notification of Changes;
- l) Annual Sales Figures;
- m) CASS Management Contacts;
- n) Examples of Transactions.

### **6.3.6.1 Billing Participants**

A list of Billing Participants indicating two-character designator, Airline prefix and Airline name.

### **6.3.6.2 Glossary**

The glossary of CASS terms supplemented by local terms where required.

### **6.3.6.3 Outline of the CASS**

The description shall be based on Section 3 of this Manual and be tailored to the specific options that have been selected for the CASS area concerned.

### **6.3.6.4 Administrative Forms and Procedures (as applicable)**

- CCA;
- DCM;
- IBI;
- IAM.





### 6.3.6.5 AWB Completion Procedures (CASS Export)

This Section describes how an Agent is to use current AWB stock.

**6.3.6.5.1** As the level of performance of any CASS operation depends a great deal on the quality of the source documents, full emphasis shall be placed on the necessity of issuing AWBs in accordance with the provisions of Resolution 600a and the following:

- AWBs for each Airline are to be issued in the consecutive order of the serial numbers; all current stock is to be used before issuing from new stock;
- supporting documents and forms shall be attached behind the AWB concerned;
- where applicable, all documentation shall show the Agent code including the location identifier for CASS.

### 6.3.6.5.2 Document Handling

Procedures to cover the handling of the following types of documents:

- revenue AWB;
- service AWB;
- void AWB;
- lost AWB copy;
- CCA;
- DCM;
- IBI;
- IAM.

### 6.3.6.5.3 Automated Agent

Procedures covering an application to become an 'automated Agent' and the use of CASS Neutral Air Waybill forms.

### 6.3.6.6 Billing and Remittance Schedules

A schedule stipulating billing and remittance dates shall be published. This schedule shall cover one calendar year and will be distributed as a revision of the Manual, i.e. before 1 November of the preceding year.

### 6.3.6.7 Output Documents

This Section describes the reports (with specimens) which the customers will receive and explains how to interpret them.

### 6.3.6.8 Settlement Procedures

The billing and settlement frequencies shall be fully described. An explanation of the settlement process must include:

- a) How the billing is completed and how the frequency is established;
- b) Currency of remittance (in the currency of the billing);
- c) How the remittance is to be made e.g. Cheque draft on agent's bank account;
- d) When remittances are due;



- e) Procedure for handling 'insufficient funds';
- f) Billing discrepancies;
- g) Automatic payment by the Agent to the Settlement Bank, or as otherwise directed by the ISS Manager, of the amount it considers it owes for the billing period in the event that the CASS Office is unable to produce a full billing by the remittance date;
- h) How amounts due to the Agent are settled.

### **6.3.6.9 Notification of Changes**

Indicates the procedure to follow in cases of:

- change of address;
- new AWB issuing offices;
- change of bank (see "Beneficiary bank account" – Guidelines in Appendix A)

### **6.3.6.10 ISS Management Contacts**

This Section shall include the full address of the ISS Management.

## **6.4 Data Processing Procedures**

### **6.4.1 Introduction**

This Section describes the responsibilities of the CASS and the procedures to be used.

### **6.4.2 General**

#### **6.4.2.1 Billing Participants**

The CASS office is responsible for checking whether the data received from Billing Participants is timely according to the agreed schedule and is in the format as described in the CASS Technical Specifications Handbook. It must merge the Billing Participants' records with the records created as a result of data entry from Full Participants' documents. The resulting file serves as the database from which the output must be produced.

#### **6.4.2.2 EDI Participants**

The responsibilities and duties of the CASS office in respect of CASS-EDI will be developed upon completion of the CASS-EDI Pilot Schemes. For a general description of requirements under CASS-EDI, see Section 6.15.

### **6.4.3 Input**

The inputs received from Billing Participants are described respectively in Section 6.7.

These forms or records relate to:

- Air Waybills (AWB);
- Charges Correction Advices (CCA);
- Debit/Credit Memorandum (DCM);

### **6.4.4 Output**

From the information input, the CASS office shall produce:

- Cargo Sales Invoice/Adjustments;



- Export Billing Statements – Airline;
- Export Billing Statements – Agent;
- Monthly Sales Statistics file;
- Air Waybill Stock Surveys;
- (available as an option to each CASS Airline);
- Statement of Accounts – Airline;
- Irregularity Reports – ISS Management and, at the option of the CASS:
  - Export Sales Statistics – Airline;
  - Export Sales Statistics – Agent;
  - CASS – Hand Off Files.

### 6.4.4.1 Cargo Sales Invoice/Adjustment

The Cargo Sales Invoice/Adjustment form provides, in AWB number sequence, the details of Air Waybills issued during the relevant reporting period. Adjustment entries contain an annotation of the CCA number or 'S O Error' in the Agent's Information column. A Cargo Sales Invoice/Adjustment is produced for each Agent's office for each air cargo transportation sale made during a billing period on behalf of a CASS Airline. An Airline receives a copy of each Invoice/Adjustment sent to Agents (see Sample Page 36).

### 6.4.4.2 Export Billing Statement – Airline

The Export Billing Statement – Airline summarises for each Airline the recapitulation area of the Cargo Sales Invoice/Adjustments relating to all sales made on behalf of the Airline and is sent to the Airline each billing period. The net amount shown on the Billing Statement – Airline is the amount to be processed through the hinge account in respect of the subject Airline (see Sample Page 37).

### 6.4.4.3 Export Billing Statement – Agent

The Export Billing Statement – Agent summarises for each Agent the recapitulation area of the Cargo Sales Invoice/Adjustments of each issuing Carrier. The Billing Statement indicates the total payable or receivable for each Airline, and the total for all Airlines. One Billing Statement – Agent is sent to the Agent each billing period. The net amount shown on the Billing Statement – Agent is the amount to be processed through the hinge account in respect to the subject Agent. An Agent may request to receive separate billings at each of its respective AWB issuing offices, or one consolidated billing at the one office so designated by the Agent.

### 6.4.4.4 Monthly Sales Statistics

Each calendar month, the CASS shall produce an output file as specified in Attachment A to Resolution 851 (CASS Technical Specifications Handbook), including all accountable transactions shown in the Cargo Sales Invoice produced in respect of the Billing Period(s) covered by the previous month. The file so produced must be transferred to the appointed recipient by the 25th of the calendar month and will be used for the production of the Monthly Sales Statistics.

### 6.4.4.5 Notification of Volume of Unit Transactions Processed (UTPs)

After the close of each month, the CASS notifies each CASS Airline in writing of the number of unit transactions processed on that Airline's behalf during that month. The CASS indicates in the notification the numbers of that Airline's unit transactions processed in



relation to the total number of unit transactions processed on behalf of all CASS Airlines for that month. The number of unit transactions processed shall be the sum of such transactions listed in the Cargo Sales Invoice/Adjustment sent by the CASS to each Airline in respect of each Agent.



# IATA Settlement Systems Service Provisions – Cargo

## SAMPLE CARGO SALES INVOICE/ADJUSTMENT

IATA CARGO ACCOUNTS SETTLEMENT SYSTEM - UNITED KINGDOM CARGO SALES INVOICE/ADJUSTMENT INVOICE NR6403.02.001111  
 AGENT: A B C SHIPPING LTD AIRLINE: X Y Z AIRLINE TAX POINT DATE: 07 APR 041  
 CENTRAL HOUSE THAT ROAD AIRLINE HOUSE, AIRLINE WAY  
 SOME FALCK COUNTY SOME COUNTY  
 CURRENCY : GBP  
 VAT REGISTRATION NR: 11111111 VAT REGISTRATION NR: 22222222  
 IATA NUMERIC CODE: 99-9 5037/000 4 CURRENCY: GBP BILLING PERIOD: 01-MAR-04 31-MAR-04 PAGE: 1

AWB SERIAL NUMBER	SP IN	ORDES	WEIGHT	PREPAID CHARGES	COLLECT CHARGES	COMMIS	INCENTIVE	TAX	EXEC	AGENTS
				WEIGHT VALUATION CHARGES	OTHER CHARGES DUE AIRL	WEIGHT VALUATION CHARGES DUE AGENT	OTHER CHARGES DUE AGENT	AMOUNT BEFORE TAX	DATE AWB	INFORMATION
		LHRAGP	552.0	1159.20	112.40	0.00	0.00	609.20	040324	XXXXXXX
			552.0	1159.20	112.40	0.00	0.00	609.20		
		LGWYUL	56.0	102.00	25.40	0.00	0.00	81.40	040309	AGTRFP123
		LGWYUL	10.	50.	10.50	0.00	0.00	53.50	040316	AGTRFP 333
		SUB TOTAL								
		TOTAL CARGO	66	23266	43.9	0.00	0.00	134.9		
		GRAND TOTAL	618.0	1391.86	156.30	0.00	0.00	744.10		



SAMPLE EXPORT BILLING STATEMENT – AIRLINE

DATE: 07 APR 04  
PAGE: 1

IATA CARGO ACCOUNTS SETTLEMENT SYSTEM - UNITED KINGDOM EXPORT BILLING STATEMENT AIRLINE  
AIRLINE: X Y Z AIRLINE  
AIRLINE HOUSE, AIRLINE WAY  
SOME COUNTY  
CURRENCY : GBP

-AGENT NUMBER-	NAME	---PREPAID CHARGES-- WEIGHT CHARGE	AIRLINE	DUE	-----CHARGES COLLECT-- WEIGHT CHARGE	AGENT	DUE	COMMISSION INCENTIVE	SALES	TAX AMOUNT	RECEIVABLE	INVOICE NUMBER	
99-9	5057/0004 A B C	60.00	17.74	0.00	0.00	0.00	0.00	0.00	1.00	0.00	76.74	GB0403.02.001245	
91-4	5471/0014 SIMPLE	290.40	37.32	0.00	0.00	0.00	0.00	0.00	12.10	0.00	315.62	GB0403.020004721	
GRAND TOTAL		350.40	55.06	0.00	0.00	0.00	0.00	0.00	13.10	0.00	392.36		
NET DUE AIRLINE												392.36	

IATA CASE-DE LAMPTON ROAD, HOUNSLOW. THIS IS YOUR 2<sup>ND</sup> PERIOD INVOICE FOR MAR 04.  
AMOUNTS DUE BY CHQ ON THE 30<sup>TH</sup> APRIL 2004. DDR AMOUNTS WILL BE DEBITED ON 05 MAY 04



### **6.4.5 Output Procedures**

#### **6.4.5.1 Formats**

The Local CASS Customer Manual will show the format, an explanation of the entries and an example of each output document. All CASS output documents are produced in pre-printed or tabulated format, and where the text is not in the English language, an English translation is provided. Specific legal requirements in the area of the CASS may have to be accommodated. The ISS Management will provide the precise formats to the selected CASS .

#### **6.4.5.2 Dispatch**

Output documents sent to CASS Airlines are accompanied by the input documents processed, in batches corresponding to the order in which they are recorded on the Cargo Sales Invoice/Adjustments.

#### **6.4.5.3 Production Date**

Output documents are produced every billing period and form the basis on which the remittances to and payments from the hinge account are made. The ISS Management sets the specific dates on which output documents are to be dispatched by the CASS .

#### **6.4.5.4 Late Production**

At the occasion of a failure to dispatch the output documentation on the required date, the CASS shall so notify the ISS Management in writing, giving the reasons for the delay.

### **6.4.6 Calculation of Commission**

Commission payable to an Agent is determined by an airline and if CASS is so directed it will be calculated on the Weight and Valuation Charge ('Gross Sales Amount') of a consignment. The commission shall not be calculated on any other charges or taxes.

If Commission is calculated by the CASS or an amount is advised by the airline it is shown in the recapitulation area of the Cargo Sales Invoice/Adjustment. The commission may vary according to issuing Carrier or issuing Carrier/Agent combination, therefore the CASS system maintains a table of applicable commission rates. Commission calculation may not be required in respect of:

- pre-cut Air Waybills;
- Air Waybills on which commission is to be paid to the Agent at destination of the consignment;
- Air Waybills with an Airport of Departure situated in an adjacent country for which the Agent is not registered.

An appropriate annotation on the CASS copy of the Air Waybill will provide the necessary indication to the CASS that it should not calculate any commission. Billing Participants direct Commission Calculation through the contents of certain data elements included in the records on their files.

Cargo Sales Invoice/Adjustment entries concerning such Air Waybills contain in the 'Agent's Information' column the annotation 'NC' (not commissionable). The Sales amounts concerned should not be included in the rubric: Commissionable sales of the Recapitulation area.

## 6.4.7 Net/Net Settlement Amount

### Definition:

	Weight and Valuation Charges (PP only) (‘Gross Sales’)
Minus	Discount (see Note 1)
Minus	Commission (see Note 1)
Plus	Other PP Charges due Carrier (see Note 1)
Minus	Other CC Charges due Agent (see Note 1)
=	<b>Net/Net Settlement Amount</b> (see Note 2 + 3)

### Notes:

- 1) Any of these amounts may be zero.
- 2) If the calculation of Net/Net Settlement results in a positive amount, it constitutes an amount due by the Agent to the Airline.
- 3) If the calculation results in a negative amount, it constitutes an amount due by the Airline to the Agent.
- 4) In certain countries, this amount will be influenced by Taxation procedures.

## 6.4.8 Currency

Air Waybills may be issued in another currency than that of the CASS Country. The currency of settlement and thus the Invoice for settlement are normally in the currency of the CASS country. If this is the case, the date of Air Waybill execution shall be used for determining the exchange rate unless specific local circumstances dictate otherwise.

## 6.4.9 Value Added Tax (VAT) (EU Member States Only)

Transportation of consignments wholly within the area of the EU Member States is subject to Value Added Tax (VAT)

The CASS in an EU Member State shall calculate VAT for all documents or records submitted, based on the Origin/Destination of the freight and on the VAT registration status of both the Airline and the agent in the CASS. Items related to EU cargo and other cargo shall be separately shown on the Cargo Sales Invoice/Adjustment. Further details are found in Section 6.6.2.

## 6.4.10 E-Signature of CASS Invoice (EU Member States Only)

In accordance with EU Directive 115 and individual local requirements, CASS Invoices may be electronically signed. CASS Invoices in these countries are not available until the e-signing process is completed for the Billing Period. ISS Managers can provide additional information about e-signing processes in their CASS.

## 6.4.11 Airline Mandate of CASS Invoicing Services (EU Member States Only)

In accordance with EU Directive 115, CASS participating Airlines will be required to complete a Mandate authorising IATA to be their CASS Invoice provider in EU Member States.



### 6.5 CASS OPTIONAL SERVICES

The CASS may provide additional services at the option of each individual CASS Airline.

There are two additional processing options in CASS, which are:

- Export Sales Statistics; (see section 6.17)
- Hand-Off Files;

#### 6.5.1 Hand-Off Files

The CASS may be required to provide Airlines and Agents with billing and other consignment data in electronically readable form. These data shall be produced in the standard formats as specified in Attachment 'A' to Resolutions 851 and 853 (CASS Technical Specifications Handbook).

#### 6.5.2 AWB Stock Management

Airlines may elect to use the *CASSLink* Stock Management system to distribute AWB Serial numbers to their selected Agents. This *CASSLink* feature allows an Airline to establish allocation rules by customer and provides a 24/7 replenishment option. Various usage and audit reports can be produced on demand.

For more information, contact your Customer Service Centre ([www.iata.org/customer](http://www.iata.org/customer)) or email to: [casslinkgva@iata.org](mailto:casslinkgva@iata.org)

### 6.6 SYSTEM VAT CALCULATIONS

#### 6.6.1 General Provisions

-

This section describes how the CASS may assist participants with the issuance of compliant tax invoices. IATA endeavours to issue invoices in compliance with tax regulations applicable in each CASS country.

However, CASS participants are responsible for the determination of their tax liabilities in terms of collection and/or remittance in the countries where they are established or where they operate.

The participants shall ensure that the CASS invoices are issued with the correct content and the correct tax treatment, according to their specific tax status and with the nature of the services.

The participants should inform their CASS contact about any changes with regard to their tax status or to their national legislation, that may affect their liabilities related to the CASS invoices. IATA takes no responsibility in case these changes are not reported on time.

#### 6.6.2 Value Added Tax – European Union

Effective January 1, 2010 the intra-community transport of goods in a B2B situation are taxable in the country where the customer is located. Whenever the Agent is a company registered for VAT, the VAT in the Agent's country will apply, and the Agent is liable to self-assess and to remit the tax.



### 6.6.2.1 Implications:

Agents and airlines will be able to participate in any EU-based CASS using only the VAT registration number and address in the country/countries where they are “established” for VAT purposes.

Upon request, IATA will update the participant’s address and VAT registration number in CASS, for each CASS operation country.

Airlines will charge VAT only when the agent and the airline have VAT registration in the same country.

CASS invoices will accommodate the requirement to differentiate between EU Cargo, International Cargo and Domestic operations.

### 6.6.2.2 Required actions by the CASS participants:

Agents and airlines must determine the countries where they are “established” for VAT purposes and ensure that they comply with the VAT registration obligations in those countries.

Agents must inform IATA what VAT registration number and address to use for every CASS they participate in.

### 6.6.2.3 CASSLink enhancements as of January 2010

CASSLink was enabled to apply the correct VAT treatment according to the new rules. Changes to CASSLink include:

- Ability to flag Agents as "Foreign based" in Agent Master Files - Local Setup
- Ability to flag Airlines as "Foreign based" in Airline Master Files - Local Setup
- Reference to the legal provision of the 6th VAT Directive to be automatically printed on the Invoice for agents that must self-assess the VAT in the country where they are registered.
- Blocking VAT collection to Foreign based Airlines and from Foreign based agents

The new rules also create the obligation for the suppliers providing services with the reverse charge mechanism to file recapitulative statements (EC Sales Lists). The obligation to file such statements stays fully with the participants (i.e. with the Airlines for the Intra-community transport and with the Agents for the Commissions). The production of such reports is currently not in the scope of CASSLink.

## 6.6.3 Definitions of EU VAT Terms

### 6.6.3.1 Supplier

The ‘Supplier’ is the person providing services or goods to a customer. The supplier is obliged to produce, or to arrange for the production of, fiscal invoices to his/her customers.

### 6.6.3.2 Customer

The ‘Customer’ is the paying party as identified on a supplier’s invoice. Therefore, as Airlines are invoicing their Agents for the transportation charges, these Agents are to be regarded as the Airlines’ customers for tax purposes.

*In respect of the air cargo transportation, the Airline is the ‘supplier’, the Agent is the ‘customer’. In respect of ‘preparing goods ready for carriage’, the Agent is the supplier, the Airline is the ‘customer’.*



### 6.6.3.3 Intra-community transport of goods

Intra-Community transport of goods” shall mean any transport of goods in respect of which the place of departure and the place of arrival are situated within the territories of two different EU Member States.

The “Origin” and “Destination” as per the Air Waybill of a consignment, confirmed by the AWB issuing CASS Airline, provide the evidence as to whether the consignment is to be regarded as Intra-EU Cargo. The actual routing of the consignment is irrelevant.

### 6.6.3.4 Place of Supply

Place of supply means the country entitled to levy the tax, i.e. the country where the VAT is due. Until the end of 2009, the place of supply for intra-community transport of goods was the place of origin of a consignment as evidenced by the Airport of Departure indicated on the Air Waybill of the consignment. Starting to January 2010, the determination of the place of supply depends on the nature of the service (B2B or B2C).

For B2B services, intra-community transport of goods provided to taxable persons is located for VAT purposes where the customer is “established”. The same rule applies to the commissions paid to Agents, as referred to at paragraph 6.6.4.2.2 below. More specifically, the VAT is due in the country where the customer has established:

- either his “place of business” – meaning the country from where the management decisions are made, where administrative and accounting documents are kept, where the company's financial and particularly banking transactions primarily take place, etc.
- or a “fixed establishment” to which services are provided. To qualify as such, an office must have a minimum size and has both human and technical resources permanently present.

For B2C services, the place of supply for intra-community transport of goods continues to be the country of origin of the transport.

#### Legal references:

*Article 44 of the EU Directive 2008/8/EC dated 12 February 2008*

*VAT Committee - Working paper No 619, Brussels, 11 May 2009, Article 5.2,*

*Proposal for a Council Regulation laying down implementing measures for Directive 2006/112/EC on the common system of value added tax (Recast), Chapter V – Place of taxable transactions.*

### 6.6.3.5 Liability to remit the VAT

The liability depends on whether the sale domestic or cross-border:

- Domestic Sales: when both parties are established in the same country for VAT purposes. The Airlines remain liable to collect and remit the tax.
- Cross-border Sales: when an Agent receives services from an Airline established in a different country for VAT purposes.

In this case the Agent is liable to self-assess the VAT under the reverse charge mechanism (RCM), provided that he is a taxable person (B2B). The VAT registration number on the invoice is the evidence that the customer is entitled to self-assess and to remit the VAT. In this case the RCM is mandatory.

If the Agent is not registered for VAT (B2C), then the tax treatment is the same as for the domestic sales. The Airline will have to ensure that it is registered for VAT in the country of the Agent, in order to be able to collect and remit the VAT.

*Legal reference: Article 196 of the EU Directive 2006/112/EC,*

### **6.6.3.6 Fiscal Invoices – issuance and content**

The liability to issue tax invoices in respect to credit sales stays with the Airlines. IATA responsibility is limited to the supply of invoice-processing services to the CASS participants. IATA acts as a third party and by no mean can this service be regarded as a subrogation in the obligations of the participants towards the tax authorities of their country.

CASS was enabled to ensure that the content of the invoices is in line with the provisions of Article 226 of the EU Directive 2006/112/EC.

### **6.6.3.7 Rate of VAT**

Each EU Member State determines the rate of VAT applicable in its territory. Given the practical situations in air cargo as explained above, the applicable rate for a transaction is the standard VAT rate in the country where the VAT remittance obligation arises in effect on the AWB execution date (tax point).

In case the VAT percentage is amended from a certain date, the CASS shall use the AWB Date of Execution for the determination of the VAT percentage to be used for the individual transaction. However, in certain countries, local fiscal regulations may stipulate that the date of the Invoice must be used for that purpose.

### **6.6.3.8 VAT Registration Number**

Starting in January 2010 in all EU CASS operations, CASS participants – Airlines, IATA Cargo Agents and CASS Associates - must use the VAT registration number of the country where they meet the new definition of “place of establishment”, as explained at paragraph 6.6.3.4 above.

Starting to January 2010, the participants have the right to operate in all the EU CASS operations using only the VAT number of the EU country where their head office or a fixed establishment are located.

Under the new rules the non-EU Airlines are no longer required to maintain a VAT registration number in the EU, provided that all their services qualify to the reverse charge mechanism.

To ensure compliance with the new VAT rules, Airlines and Agents/Associates must provide confirmation of their EU VAT registration number to their Cargo Manager for each CASS Operation in which they participate.

As of January 2010, each CASS will:

- Identify and flag all Foreign based Agents and Associates,
- Identify and flag all Foreign based Airlines that do not have a VAT number in the CASS country,
- Ensure the EU VAT number is recorded in Airline Master Files – only for those participants that are liable to register in the EU.



### 6.6.4 CASS Action for EU

#### 6.6.4.1 Input Data

Accountable transactions (AWB, CCA and DCM) for Intra-EU cargo can be identified by the location codes of origin and destination indicated.

- In order to provide the CASS with the applicable VAT treatment, the billing participant simply completes the relevant data fields in the records in its file sent to the CASS. When the reverse charge mechanism applies, the VAT rate should appear as 0%.

Where the participant has provided appropriate details of their VAT Registration, CASS will perform the tax treatment determination on the participant's behalf, according to their VAT registration status and the AWB VAT indicator.

In the absence of express communication, CASS will continue using the participant's VAT registration numbers already maintained in the system as of year-end 2009, on the assumption that the participant is a "resident" for VAT purposes in the CASS country. This will impact the tax treatment, as the VAT will continue being charged (domestic sales scenario). This will potentially prevent the participants from taking advantage of the reverse charge mechanism under the new rules.

#### 6.6.4.2 CASS Data Processing

The CASS will compare the Origin Destination city pair situation with the stamp or indicator. The AWB, CCA and DCM documents will be processed in accordance with the Airline's instruction unless this is contrary to the new VAT principles.

##### 6.6.4.2.1 Calculation of VAT

When the CASS is to calculate the VAT, it applies the following rules:

Determine the taxable amount (Note 2) as follows:

- 'Prepaid Weight/Valuation Charge';
- 'Prepaid Charges due Carrier';
- 'Charges Collect Due Agent' (Note 3);
- 'Discount' (if any).

Determine the VAT rate to be applied using the ISO Country Code (Header record) and the AWB Execution Date as keys (Note 1).

Multiply the Taxable amount by the VAT Rate to obtain the absolute value of the VAT.

If taxable amount is lower than zero, then the VAT must be regarded as a negative amount (Note: In that case the VAT amount is shown as a negative amount on the AWB entry line in the Invoice).

##### 6.6.4.2.2 Commission paid to Agents

From a fiscal point of view, commission paid to Agents is to be regarded as a payment for a service provided. Where the agent and the Airline are established in different countries for VAT purposes, the agent shall self-assess the VAT due in the country where they are Registered.

#### 6.6.4.3 CASS Output

##### Subsets

The invoice needs to be divided into two sub-sets:

- For E.U. Cargo: "VAT 0%, directive 2006/112/EC, article 44, reverse charge mechanism" or: "VAT [Standard Rate]%" for Domestic Sales
- For International Cargo: "VAT 0%, directive 2006/112/EC, article 146(1)(e) and article 144"

Each sub-set is closed off with subtotals.



### **Collectable VAT**

One column of the invoice will show the collectable VAT for each Intra-EU Cargo consignment as provided by the CASS Airline or as calculated on that CASS Airline's instruction..

### **Notes on local VAT exceptions**

In the **United Kingdom**, the tax point date is the date of invoicing.

**CASS France** only: VAT on Credits or collected PP Weight/Valuation Charges plus PP Other Charges due Airline minus PP Incentive times VAT Rate.

VAT on Debits or deductible CC Other Charges due Agent plus Commission plus CC Incentive times VAT Rate.

In the **United Kingdom**, the Charges Collect due Agent are not to be considered in the calculation of the taxable amount.

In **Germany**, Billing Participants must identify negative VAT amounts by completing a special indicator in the record.

## **6.7 STANDARD ADMINISTRATIVE FORMS – COMPLETION AND DATA CAPTURE PROCEDURES (CASS-EXPORT)**

### **6.7.1 Type of Administrative Forms**

The administrative forms used in the CASS are as follows:

- Charges Correction Advice (CCA);
- Debit/Credit Memo (DCM);
- Administrative Form Requisition (AFR);

### **6.7.2 Language**

Administrative forms originated by the Agent shall be printed in English, but the language(s) of the country/area of the CASS may also be used where deemed appropriate and recommended by the Local Customer Advisory Group concerned.

### **6.7.3 Requisition**

When a CASS is implemented, where applicable an initial supply of administrative forms is placed with each Billing Participant and Air Waybill issuing office of each Agent. Thereafter, the local ISS Manager, on request, supplies replacement stocks, by use of an Administrative Form Requisition (AFR).

## 6.7.4 Air Waybill (AWB)

The Air Waybill is the contract of carriage of an air cargo consignment. An AWB set contains eight parts, one of which will be designated the CASS copy. Most of the data used for the production of billings is captured from the AWB.

The AWB number (777-12345675 in the example) consists of a three digit code (Airline Prefix) identifying the Airline whose AWB has been issued, a seven digit serial number, and a check digit based on the un-weighted modulus 7 method. The AWB number is the unique consignment reference.

### 6.7.4.1 Mandatory Data Capture on CASS AWB Copy

AWB Box	Name:	Max. # Digits
1A	Airline Code	3
1	Origin	3
1B	Serial Number	8
32A	Date of Execution	7
7	Agent Code	14
12	Currency Code	3
10	Accounting Information ( <i>see Notes</i> )	14
18	Destination	3
22C	Weight Indicator (K or L)	1
22B 22K	Weight – Gross ( <i>see Notes</i> )	7
<b>Prepaid or Collect: (A) or (B)</b>		
24	Weight Charge ( <i>see Notes</i> )	12
25	Valuation Charge ( <i>see Notes</i> )	12
26	TAX on Air Waybill ( <i>see Notes</i> )	12
27	Total Other Charges due Agent ( <i>see Notes</i> )	12
28	Total Other Charges due Carrier ( <i>see Notes</i> )	12
30	Total	12

#### Notes:

Box 10, Accounting Information

Following data, if available and applicable, must be captured:

- Agent's Reference Information;
- VAT (Inter EU cargo only) ;
- Box will be stamped 'Subject to VAT' in case the consignment is for transportation wholly within the area of the European Union (EU). The indicator (one key stroke) will need to be captured;



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- Indication NC (No Commission);
- Net/Net Sales.

### Box 22B/K, Weight-Gross

In the case that Box 22 (Rating) contains one rating line, the weight in Box 22B should be entered. Where there are more than one rating line, the weight should be taken from box 22K.

### Box 24/25/26 A/B, Weight/Valuation Charges and Taxes

Weight, Valuation Charges and Taxes are either wholly Prepaid or wholly Charges Collect.

### Box 26 A/B, Tax

Processing (and thus data capture) of taxes is at the option of each CASS Area.

### Box 27/28 A/B, Total Other Charges due Agent/Carrier

Other Charges due Agent or due Carrier are either wholly Prepaid or wholly Charges Collect.

#### 6.7.4.1.1 Net/Net Sales

##### Definition:

	<b>Weight and Valuation Charges: PP or CC ‘Gross Sales’</b>
<i>minus</i>	Discount (may be zero)
<i>minus</i>	Commission (may be zero)
<b>=</b>	<b>Net/Net Sales amount</b>

- There are two ways to indicate Net/Net Sales:
  - Manual adjustment of Weight charges (Box 24 A/B) and ‘Total’ boxes (Box 30 A/B) of the CASS AWB Copy;
  - Net/Net Sales in Accounting Box (10) of the CASS AWB Copy;
  - The single method as introduced within each CASS must be used by all CASS Airlines in that particular CASS.

#### 6.7.4.2 Optional Data Capture

An Airline may require the CASS to capture more data from the Air Waybill than that necessary for the production of the CASS billing. There are three levels of optional data capture, specified below. The potential Providers will be expected to quote Unit Transaction Processed (UTP) prices for each level of data capture: mandatory, first, second and third options.



## 6.7.4.2.1 First Option

### Other Charges Details

From the AWB (Box 25/Other Charges) the following data making up the total other charges due Carrier and Agent, prepaid and collect, is to be captured:

AWB Box	Name:	Max. # Digits
23	Other Charges Code	3
23	Other Charges Amount	12

## 6.7.4.2.2 Second Option

### Consignment Details and Rating Information

From the AWB (Box 22/Consignment Details and Rating) the following data is to be captured from each rating line:

AWB Box	Name:	Max. # Digits
22A	No. of Pieces	4
22A	RCP (Rate Combination Point)	3
22B	Weight – Gross	7
22C	Kilo/Pound Indicator	1
22D	Rate Class	1
22E	Commodity Item No.	7
22F	Weight – Chargeable	7
22G	Rate/Charge	12
22H	Subtotal	12

## 6.7.4.2.3 Third Option

### Handling Information

From the AWB the following data is to be captured:

AWB Box	Name:	Max. # Digits
11A/F	Routing Information	15
4	Consignee's Name and Address	121
2	Shipper's Name and Address	121
16	Declared Value for Carriage	12
22I	Nature of Goods (first line only)	15



### 6.7.4.2.4 Pre-Cut Air Waybills

When a consolidated consignment is to be deconsolidated at destination and the component parts re-forwarded by air as new consignments, an issuing carrier may permit its Air Waybills covering such re-forwarding to be issued in the country of origin of the consolidated consignment; these are termed 'pre-cut Air Waybills'.

The CASS copies of pre-cut Air Waybills will accompany the Air Waybill covering the consolidated consignment and will be sent by the Agent to the issuing Carrier for forwarding to the CASS.

Pre-cut Air Waybills are non-commissionable and will be identified as such on the cargo sales invoice/adjustment.

### 6.7.4.2.5 Sea/Air Transportation

When an Air Waybill has been issued in connection with combined sea/air transportation, the Agent forwards the Air Waybill CASS copy to the issuing Carrier for forwarding to the CASS.

### 6.7.5 Cargo Charges Correction Advice (CCA)

The CCA is a form used to correct charges and/or the method of payment on an Air Waybill, and is effective for correction of an Air Waybill when issued within the time limits specified in Resolution 612a. Pre-numbered CCAs are distributed as CASS forms to Airlines and Agents in limited markets.

When the issuing of a CCA necessitates:

- An adjustment to the charge for the preparation of Air Waybill from being 'due Agent' to 'due carrier';
- A charge to be assessed against the Agent for the provision of Full Participant facilities.

Such charges shall be inserted in the 'revised/corrected charges' column of the CCA. The reason for such necessity shall be shown in the 'remarks and reason for issuing advice' column of the CCA.

#### 6.7.5.1 Issuing a CCA

A CCA is issued by the party discovering the error(s). The party may be the Agent, the issuing Carrier, or another Carrier participating in the carriage/handling of the consignment.

#### 6.7.5.2 Mandatory Data Capture

CCA Box	Name:	Max. # Digits
1	CCA Number	10
2A	AWB Number	
	AirlineCode	3
	Serial Number	8
2B	Origin	3
2C	Destination	3
2D	Date of Execution (AWB) (see Note 1)	7
3B	Agent Code	14
5A	Weight Indicator (K or L)	1

CCA Box	Name:	Max. # Digits
5B	Revised/Corrected Gross Weight	7
5C	Original/Incorrect Gross Weight	7
6A	Currency	3
6Ba	Revised Weight Charge	12
6Ba	Revised PP/CC Indicator <i>(see Note 2)</i>	1
6Ca	Original Weight Charge	12
6Ba	Original PP/CC Indicator <i>(see Note 2)</i>	1
6Bb	Revised Valuation Charge	12
6Cb	Original Valuation Charge	12
6Bc	Revised TAX <i>(see Notes 2 and 3)</i>	12
6Cc	Original TAX <i>(see Notes 2 and 3)</i>	12
6Bd	Revised TTL Other Chrgs due Agent	12
6Bd	Revised PP/CC Indicator <i>(see Note 2)</i>	1
6Cd	Original TTL Other Chrgs due Agent	12
6Cd	Original PP/CC Indicator <i>(see Note 2)</i>	1
6Be	Revised TTL Other Chrgs due Carrier	12
6Be	Revised PP/CC Indicator <i>(see Note 2)</i>	1
6Ce	Original TTL Other Chrgs due Carrier	12
6Ce	Original PP/CC Indicator <i>(see Note 2)</i>	1
6Bf	Revised Total Charges – PREPAID	12
6Bf	Revised Total Charges – COLLECT	12
6Cf	Original Total Charges – PREPAID	12
6Cf	Original Total Charges – COLLECT	12

**Notes:**

- 1) In certain countries, the tax point (date for applying taxes in the case of a change in the tax) is **the date of the invoice** instead of the execution date of the AWB. In these countries, the invoice date of the relevant Air Waybill will have been inserted.
- 2) Prepaid/Collect Indicator (P or C) applicable to the Charge or Tax depending on the column completed.
- 3) Normally not used except where specifically agreed in the CASS Area concerned.

**6.7.6 Additional Data Capture (EU Member States Only)**

CCA box 6B (Revised Charges) and 6C (Original Charges) will be stamped ‘Subject to VAT’ in case the consignment is for transportation wholly within the area of the EU. The indicator (one key stroke) will need to be captured.

**6.7.7 Error Discovered by Agent**

In CASS Operations where CCA forms are used, the Agent completes a CCA form except for the ‘address and signature of Airline’ boxes, keeps copy 7 and passes the remainder to the issuing Carrier. On receipt of the CCA by the issuing Carrier, the form is checked and, if



acceptable, is executed by completion of the address and signature of Airline boxes. Airlines may process the CCA through CASS via a billing input file or Online in *CASSLink*.

The Agent may also enter a Correction Request by entering an Online Correction in *CASSLink*. This is prerequisite on the Airline accepting Online Corrections. The Airline will review any Online Correction entered by an Agent and take the following action:

Accept – The Airline has reviewed the Correction Request and has approved the change

Reject – The Airline disagrees with the requested correction request

Amend – The Airline agrees that a correction is warranted but not the value requested

Airline Handled – The Airline agrees that the correction is approved but will process a CCA or DCM into *CASSLink* via a billing input file, not online.

### 6.7.7.1 Automatic Approval of Online Corrections

From 01 October 2009, changes in Resolution 801r and 801re require that all Online Corrections that have been entered by an Agent before the Query Cut-Off date that are Pending at the time of the Correction Period processing will be automatically approved and processed.

Airlines must take the appropriate action as described in 6.7.7 above to avoid automatic approval of correction requests.

### 6.7.7.2 Error Discovered by Issuing Carrier

The Airline may enter a Correction in *CASSLink* using the Online Correction module. Online Corrections entered by an authorised Airline user are automatically approved and processed in the next processing period.

### 6.7.7.3 Error Discovered by another Carrier

In these instances a copy of the CCA prepared by another Carrier is sent to the issuing Carrier; if the issuing Carrier agrees with the correction, it sends an electronic copy of the CCA to the CASS for adjustment action and a copy to the Agent for information. Such CCAs must contain at the top of the form an annotation of Agent's name/city, IATA code and CASS address code or the CASS Associate code.

### 6.7.8 Processing of CCA

On receipt of its copy of a CCA, the CASS takes the following action:

- if the CCA concerns an Air Waybill shown on a previous billing, the adjustment entry will be made on a cargo sales invoice/adjustment page separate to those concerning normal Air Waybill entries;
- if the CCA concerns an Air Waybill not already shown on a previous billing, the adjustment entry will be shown immediately following the Air Waybill entry which the CCA corrects on the cargo sales invoice/adjustment.

Adjustment entries will contain the CCA number in the 'Agent's information' column of the cargo sales invoice/adjustment. Agent and Airline are able to check the adjustment action against their copy of the CCA. If the Agent disagrees with the contents of a CCA, the matter is taken up directly with the issuing Carrier.

### 6.7.9 Agent/Associate Code

In order to facilitate CASS issuing of billings in respect of each Air Waybill issuing office of each Agent, the ISS Manager may require a code for the identification of such Agents' offices. If so, a CASS address code will be used, the first three digits of which will uniquely identify the Agent's issuing office address. The fourth digit will be an un-weighted modulus 7-check digit covering the entire code. The CASS address code will be inserted on the Air Waybill following the Agent code, separated by a slant.



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### 6.7.9.1 IATA Cargo Agent Code

The code used in CASS to identify an Agent shall be a numeric code assigned by the Agency Administrator

**Format:** ff\*-f ffff/ffff

**Example Agent:**

**81-4 7158/0072**

81           Switzerland  
 -           Hyphen  
 4           Area 2  
             Space  
 7158       Agent Code  
 /           Slant  
 007        Address Code  
 2           Check Digit (1)

- 1) The check digit is derived by dividing by 7 the first 10 digits of the combined Agent code and CASS address code, the remainder being the check digit.
- 2) The local ISS Manager shall administer the CASS address code procedures, according to the recommendations of the Customer Advisory Group.
- 3) Code list for country, area and Agent designations are found in the IATA Cargo Agency lists.

### 6.7.9.2 CASS Associate Code

Each CASS Associate will be allocated a unique code by FDS, and one address code per AWB issuing office by the local ISS Manager according to the following system.

All codes issued sequentially by country						
		Country Code	Area Des.	Loc. Ident.	CASS Code	Check Digit
Area 1	From	XX	1	9000	XXX	X
	To	XX	1	9999	XXX	X
	<b>Examples</b>					
	Brazil	57	1	9001	100	1
	Canada	60	1	9010	111	2

Before implementation of this system, codes for Associates were allocated and shown in the following manner:

**Format:** 99-9 ffff/fff f

**Example CASS Associate:**

**99-9 7158/0074**

99           Associates in all CASS  
 -           Hyphen  
 9           Operations  
 7158       Associate Code

/            Slant  
 007        Address Code  
 4           Check Digit (1)

- 1) Dividing by 7 the first 10 digits, and the remainder being the check digit, derives the check digit.
- 2) The local ISS Manager shall administer the CASS address code procedures.
- 3) A list of Associate designations shall be maintained and distributed by the local ISS Manager.

## 6.7.10 CASS Debit/Credit Memo (DCM)

Debit/Credit Memos are used by CASS Airlines and the CASS for the correction of errors when billing items are found to be incorrect. When an error has indeed been made the Agent immediately informs the CASS Airline in question of the fact. If the Airline agrees with the correction it shall submit a DCM via billing input file or online to the CASS for inclusion in the next billing.

### 6.7.10.1 Mandatory Data Capture

From the Debit or Credit Memo the following data is to be captured:

DCM Box	Name:	Max. # Digits
1	DCM Number	6
2A	AWB Number	
	- Airline Code	3
	- Serial Number	8
2B	Origin	3
2C	Destination	3
2D	Date of Execution (AWB) (see Note 1)	7
3B	Agent Code	14
5A	Weight Indicator (K or L)	1
5B	Revised/Corrected Gross Weight	7
5C	Original/Incorrect Gross Weight	7
6A	Currency	3
6Ba	Revised Weight Charge	12
6Ba	Revised PP/CC Indicator (see Note 2)	1
6Ca	Original Weight Charge	12
6Ba	Original PP/CC Indicator (see Note 2)	1
6Bb	Revised Valuation Charge	12
6Cb	Original Valuation Charge	12
6Bc	Revised TAX (see Notes 2 and 3)	12
6Cc	Original TAX (see Notes 2 and 3)	12
6Bd	Revised TTL Other Chrgs due Agent	12
6Bd	Revised PP/CC Indicator (see Note 2)	1
6Cd	Original TTL Other Chrgs due Agent	12



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DCM Box	Name:	Max. # Digits
6Cd	Original PP/CC Indicator (see Note 2)	1
6Be	Revised TTL Other Chrgs due Carrier	12
6Be	Revised PP/CC Indicator (see Note 2)	1
6Ce	Original TTL Other Chrgs due Carrier	12
6Ce	Original PP/CC Indicator (see Note 2)	1
6Bf	Revised Total Charges – PREPAID	12
6Bf	Revised Total Charges – COLLECT	12
6Cf	Original Total Charges – PREPAID	12
6Cf	Original Total Charges – COLLECT	12
6Bg	Revised Discount	12
6Cg	Original Discount	12
6Bh	Revised Net/Net Sales	12
6Ch	Original Net/Net Sales	12
7	DCM Issuing Airline Code (See Note 4)	3

### Notes:

- 1) In certain countries, the tax point (date for applying taxes in the case of a change in the tax) is **the date of the invoice** instead of the Execution date of the AWB. In these countries, the invoice date of the relevant Air Waybill will have been inserted.
- 2) Prepaid/Collect Indicator (P or C) applicable to the Charge or Tax depending on the column completed.
- 3) Normally not used except specifically agreed in the CASS Area concerned.
- 4) The Airline Code has been completed only when the form is used in CASS-Import.

### 6.7.10.2 Additional Data Capture (EU Member States Only)

DCM box 'Reason for Memo' will be stamped 'Subject to VAT' in case the consignment is for transportation wholly within the area of the EU. The indicator (one key stroke) will need to be captured.



### 6.8 DATA SUBMISSIONS/VALIDATION PROCEDURES – CASS-EXPORT

#### CASS Input – Preparation

#### 6.8.1 Full Participants

No Longer applicable as all participants in CASS are Billing Participants.

#### 6.8.1.4 Billing Participants

A Billing Participant submits, once or more per Billing Period, a file direct to *CASSLink*, containing records specified in Attachment A to Resolution 851 (CASS Technical Specifications Handbook). The submission must be made by the 'Billing Participant Submission Date'. Such file must include records of all transactions made during the Billing Period by Agents on behalf of the Billing Participant. *CASSLink* will verify whether the records received are functionally correct and shall include them in the database from which the output, as described in Section 6.4.4, is produced. Any record that does not pass the verification shall be rejected and included in an error tabulation to be returned to the Billing Participant via *CASSLink*.

### 6.9 COLLECTION AND REMITTANCE

This Section specifies the collection and payment procedures to be used by the CASS in respect of the net amounts payable, shown on the Billing Statements Airline and Agent, and subsequent adjustments.

#### 6.9.1 Receipt of Remittances

Agent and Airline remittances are to be in the possession of the CASS by the close of its business on the remittance date\* set out in the General Agreement. Where the normally prescribed remittance date is not applicable because it falls on a day when the CASS is not open for business, it will be deferred to the next day the CASS is open for business. The CASS is to receive and verify remittances for conformity with the relevant billings.

#### 6.9.2 Overdue Agent Remittance

When, at the close of business hours on the remittance date, an Agent has not remitted to the CASS, the full amount due as set out in the billing statement(s) dispatched (subject to the remittance reduction provisions described in Section 6.9.7), the CASS Settlement Bank shall immediately notify the ISS Management and shall retain in the hinge account any monies due to the Agent. Where an Agent who has failed to effect remittance to the CASS by the close of business hours on the remittance date further fails to settle the amounts set out in the billing statement(s) by the close of business hours at the end of the grace period determined by the Settlement & Remittance Committee, the Agency Administrator shall take appropriate action as stated in applicable Resolutions.

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\* Where the output as described in Section 3 has been dispatched late, ISS Management, in consultation with the LCAGC, may decide to postpone the remittance date.



### 6.9.3 Under Remittance by Agent

Under remittance occurs when an amount less than that shown on the Billing Statement – Agent as being ‘net due Airline’ is received by the CASS on the remittance date, and the ISS Management has not authorised a remittance reduction. (See Section 6.9.7)

#### 6.9.3.1 Informal Action

On receiving an under remittance prior to midday on the remittance date, the CASS has up to midday of the remittance date to contact informally the Agent involved to point out that an under remittance has been made. If the Agent rectifies the remittance before the close of banking hours on the remittance date, no further action is taken.

#### 6.9.3.2 Formal Action

When at close of banking hours on the remittance date an Agent has made an under-remittance, the CASS:

- immediately notifies the Agency Administrator, with a copy to the ISS Manager, of this fact;
- records the outstanding balance as a deficit;
- includes in the payment to Airlines the sum of the under-remittance, unless the shortfall is highlighted as a dispute in accordance with Section 6.11;
- at the end of the grace period, inform the creditor Airlines concerned of the reduction in the total amount due to them and the name of the Agent under remitting.

#### 6.9.3.3 Remittance Prior to End of Grace Period

Upon receipt of the outstanding balance from the Agent, the CASS promptly pays out to the creditor Airlines the balance due to each and amends its records accordingly.

#### 6.9.3.4 Action at End of Grace Period

When by close of banking hours on the last day of the grace period the CASS has not received the outstanding balance from the Agent, the CASS shall so inform the Agency Administrator, with a copy to ISS Management.

### 6.9.4 Over Remittance by Agent

Where an Agent remits in excess of the amount billed, the Agent has the options to request the refund of amounts paid in excess or to use the excess amounts to net their payable amounts for the next billing period. In the case the Agent prefers the refund, the Agent shall request it to IATA through the customer portal [www.iata.org/cs](http://www.iata.org/cs). If there is no request for refund, IATA will automatically use the excess amounts to net the Agent’s invoice in the next billing period. If the excess funds remain in the hinge account of IATA without offsetting against sales for a period of 6 months, they are refunded to the Agent.

### 6.9.5 Dishonoured Cheques

Where the drawee bank dishonours an Agent’s cheque in settlement of a billing, the CASS shall without delay demand immediate settlement from the Agent and so inform the Agency Administrator with a copy to ISS Management. If settlement is not made, the CASS shall so notify the Agency Administrator with a copy to ISS Management of the default and the drawee bank’s reason for dishonouring the cheque.

### 6.9.6 Airline Remittance

Where a total amount due to a CASS Airline is less than the amount owed by the Airline, the Airline shall remit the amount due to the CASS by the remittance date. This provision shall not preclude a CASS Airline from making a private agreement with the CASS by which the Airline may pay the balance due after the remittance date. When, at the close of business hours on the remittance date, an Airline has not remitted to the CASS the full amount due as set out in the Export Billing Statement – Airline the CASS shall immediately notify the ISS Management.

### 6.9.7 Billing Discrepancies Caused by CASS Error

An Agent or Airline can dispute a billing item on grounds that one of the parties has committed an error. The procedure in such a case is as follows:

#### 6.9.7.1 Minor Amounts

a) Error discovered by Agent:

When the amount of the error is small, the Agent informs the issuing Carrier of the error. If an error has indeed been made, the Carrier instructs the CASS to make a correcting adjustment.

b) Error discovered by Airline:

The Airline enters a correction in *CASSLink* to make a correcting adjustment. The CASS includes the adjustment in the subsequent Cargo Sales Invoice/Adjustment. The entry is annotated 'SO Error'. The Agent and Airline can check the validity of the error adjustment by comparing the Invoice/Adjustment entries with the source document (AWB, CCA or DCM).

#### 6.9.7.2 Major Amounts

Where the settlement of the amount is considered to be substantial enough to cause financial hardship to the Agent, then in addition to the steps in Section 6.9.7.1a being taken, the Agent shall contact the ISS Management who may authorise the Agent to reduce its remittance to the correct level, and shall so inform the CASS and Airline. In this case, the undisputed balance of the billing must be settled by the remittance date. Where remittance reduction is not authorised by the ISS Management, the Agent shall settle the entire amount due with the CASS by the remittance date.

### 6.9.8 Operation of Hinge Account

Hinge accounts to be opened by the CASS in respect of each settlement period will be used to receive Agent's remittances on the one hand and to pay out monies due to Airlines on the other hand.

### 6.9.9 Payments to Airlines

Remittances paid by Agents to the CASS in settlement of billings are to be made so as to reach the Airlines concerned not later than the second consecutive business day following the remittance date, or if such date is a public holiday or other non working day, the next working day. However, this shall not preclude the extension of the period by specific agreement between the CASS and a given Airline, in which case the specific agreement shall apply. If the CASS discovers that it has erroneously credited monies to an Airline to which the monies were not due, it shall inform the ISS Management of the error.



### 6.9.10 Payments to Agents

Where the total amount of credits due to an Agent exceeds the total amount of debits due from the Agent, the CASS will pay the amount due to the Agent within two days of the remittance date applicable to the billing.

### 6.9.11 Agent Default – CASS Action

The CASS, on being notified of a default by the Agency Administrator, takes the following action: (For Countries where Resolution 805zz is applicable, check Resolution 801re)

- immediately establishes from the documents entered into *CASSLink* an up-to-date statement of indebtedness for the Agent concerned;
- checks any accounting and settlement obtained from the Agent by the ISS Management and reports any discrepancies to the Agency Administrator, with a copy to ISS Management;
- distributes among the CASS Airlines the sum of any monies obtained by the Agency Administrator from the Agent and the amounts retained in the hinge account as being due Agent, in proportion to the Airlines, share of the total amount due from that Agent;
- ceases to process further transactions concerning the Agent which have a date of execution later than the date the Agent is declared in default.

The CASS shall inform the Agency Administrator with a copy to ISS Management of subsequent transactions received concerning the Agent.

### 6.9.12 CASS Records

The CASS must keep suitable accounts, including journal entries and control accounts, covering amounts paid, received and adjusted under the CASS. Such accounts must be made available for audit. The minimum time which the CASS shall retain CASS documents accessible is 12 months, or longer if so required by national regulations.

#### 6.9.12.1 Inspection by CASS Management

The CASS shall make available to the ISS Management, or to such person (who shall not be an Airline employee) designated in writing for that purpose by the ISS Management, its records relating to the operation of the CASS.

## 6.10 IRREGULARITIES AND DEFAULTS/SUSPENSIONS

IATA Resolutions 801r and 801re, as adopted by the Cargo Agency Conference and amended by that body from time to time, detail the rules and procedures to be applied by the Agency Administrator in respect of action taken in the case of late or non-remittance of amounts due. The Agency Administrator shall ensure that ISS Management is aware of all actions taken.

## 6.11 SHORT PAYMENT/DISPUTED BILLINGS

The procedure outlined in IATA Resolutions 801r, paragraph 13 or 801re paragraph 2.13 titled “Billing Queries” as applicable, shall be strictly adhered to while processing billing adjustment requests through *CASSLink* online correction services.

Where at the close of banking hours on the remittance date an Agent or CASS Associate or Recipient has settled only part of the amount billed, which may also have resulted from using other than the billing currency for payment purposes, and the balance due has not been placed in suspense on the authorisation of the local ISS Management, in addition to taking the action prescribed in Section 6.10, the CASS shall record the outstanding balance as a deficit and shall immediately advise the local FDS Manager who shall contact the

Agent to determine the reason for the short payment. Should the Agent advise that the short payment\* was due to a dispute, as defined in Resolutions 801r or 801re and as applicable, between the Agent and a Carrier, the local ISS Management shall instruct the CASS to pay over to the other creditor Carriers the amounts due to them in accordance with the CASS's billings. The local ISS Management shall contact the identified Carrier. If the Carrier admits the existence of the dispute, no further action shall be taken by the local ISS Management. The Carrier and the Agent shall jointly settle the dispute. In the event that the carrier does not admit the existence of the dispute, the local FDS Management shall require the Agent either, to supply the local ISS Management with documented evidence demonstrating the existence of the dispute, or, to pay the amount of the short payment into an 'escrow account' where it shall be kept until such time that the dispute between the Agent and the Carrier has been recognised or settled.

If, as a consequence of no action or recommended solution being received from the Carrier, a dispute is not resolved before the deadline date set for finalisation, then the monies held in 'escrow account' will be credited back to the Agent including any accrued interest.

The deadline date for finalisation of a dispute, where monies have been taken into 'escrow account', shall be sixty (60) days from and including the date the ISS Manager is first notified that the dispute exists.

In the event that neither sufficient evidence for the existence of the dispute, nor payment 'in escrow' has been received by the tenth day following the remittance date, the Agency Administrator shall invoke default action in accordance with the applicable Cargo Agency administration rules.

If by the end of the grace period the Agent has not advised that the short payment is due to a dispute with a specific Carrier, the local ISS Management shall instruct the CASS to deduct from each of the creditor Carriers an amount in proportion of their share of the total amount due from that Agent.

Upon receipt of the outstanding balance from the Agent, the CASS shall promptly pay out to the creditor Carriers the balance due to each and shall amend its accounting records accordingly. The creditor Carriers shall bear the loss on any unsettled outstanding balance subject to the usual debt collection recourse.

\* the short payment cannot be in excess of the amount invoiced for the consignment(s) subject to the dispute in the applicable billing period. If the short payment is in excess of such amount, the irregularity and default provisions of the applicable Cargo Agency administration rules will apply.

## 6.12 STOCK MANAGEMENT PROCEDURES

In addition to the duties arising from the production of billings and the operation of the hinge account the CASS may be required, at the option of each individual CASS Airline, to undertake Air Waybill stock management. The source data for the stock management function is provided by:

- AWB Stock Ranges entered by the Airline into CASSLink Stock Management.

### 6.12.1 Serial Number Allocation

Allocation of serial numbers of Carriers to Automated Agents is initiated by completion of an allocation request by approved Agents in CASSLink.



### 6.12.2 CASS Action

The CASS shall activate the Air Waybill Stock Management system for any carrier and enable features as required by Carriers to facilitate the allocation of serial numbers to approved agents.

### 6.12.3 Serial Number Stock Usage Lists – Airline

Where used, *CASSLink* enables online/on-demand reporting of stock allocations and usage is available to the Carrier via the *CASSLink Stock Management module*.

### 6.12.4 Serial Number Stock Usage Lists – Agent

Where used, *CASSLink* enables online/on-demand reporting of stock allocations and usage is available to the Agent via the *CASSLink Stock Management module*.

### 6.12.5 Air Waybill Stock List

Where used, *CASSLink* enables online/on-demand reporting of stock allocations and used/unused reports are available via the *CASSLink Stock Management module*.

## 6.13 ASSOCIATE AND RECIPIENT PARTICIPATION

### 6.13.1 Participation

The CASS Airlines may make an agreement to allow charges due on consignments tendered by persons other than Agents or Carriers to be collected in accordance with the local criteria recommended by the CASS Airlines represented at the Local Customer Advisory Group and endorsed by the Cargo Agency Conference. Such agreement shall provide for billing and remittance periods not less frequent than those applicable to Agents participating in the CASS concerned. If such an agreement is effective, then a person not being an Agent or air Carrier may participate in the CASS.

### 6.13.2 Application

Where the CASS Airlines have agreed to admit CASS Associates or Recipients, a person applying to become a CASS Associate or Recipient must sign an agreement in the form specified in Resolution 851 or 853 respectively. The signed agreement is sent to the Agency Administrator for action.

### 6.13.3 Agreement

The agreement is executed by the Agency Administrator on behalf of the CASS Airlines. Subsequently, the names of the CASS Airlines will be entered on the list in the First Schedule of the agreement.

### 6.13.4 Recipient Code (CASS Import)

Each CASS Recipient will be allocated a unique code and one address code per AWB issuing office by the local ISS Manager according to the following system.

**EXAMPLE:GB-nnnnn/nnn n**

GB Country designator  
- Hyphen



nnnnn Recipient designator  
CASS Address Code  
/ Slant  
nnn Address code  
n Check digit \*\*

\*\* using unweighted modulus 7 check digit system

- 1) The check digit is derived by dividing by 7 the calculated digits of the number (a numeric value is assigned to the Country designator, A=10, B=11 etc), the remainder being the check digit;
- 2) The local ISS Manager shall administer the CASS address code procedures;
- 3) A list of Associate designations shall be maintained and distributed by the local ISS Manager;
- 4) This system remains valid for codes allocated prior to March, 2003. Old codes will be changed gradually to the new system in order to avoid, as much as possible, any inconvenience to users.
- 5) The unweighted modulus 7 check digit system may be turned off in some Import Operations to allow Recipient codes to mirror those allocated to existing Export agents. The ISS Manager will administer this process as required.

### **6.13.5 Changes to Associate or Recipient Status**

The CASS Associate or Recipient shall give prior notice to the Agency Administrator, through the local ISS Manager, of a cessation or transfer of the CASS Associate's or Recipient's business. On receipt of such notice the local ISS Manager shall take the action specified below.

#### **6.13.5.1 Cessation of Operations**

On receiving notice of the cessation of a CASS Associate's or Recipient's operation, the Agency Administrator shall take steps to have terminated the agreement with the CASS Associate or Recipient.

#### **6.13.5.2 Transfer of Operations**

On receiving notice of the transfer of a CASS Associate's or Recipient's operations, the Agency Administrator shall take steps to have terminated the agreement with the CASS Associate or Recipient. The Agency Administrator shall investigate whether the transferee of the CASS Associate's or Recipient's business would qualify as a CASS Associate or Recipient. The Agency Administrator shall then offer to execute a new agreement with the transferee.

#### **6.13.5.3 Changes in Ownership or Control**

On the Agency Administrator receiving notice of a change in ownership or control of a CASS Associate's or Recipient's corporation, or if a change in partners occurs in a CASS Associate or Recipient partnership, the Agency Administrator shall investigate whether such change requires a termination of the agreement with the CASS Associate or Recipient.

### **6.13.6 Incorrect Remittance**

An incorrect remittance occurs when a CASS Associate or Recipient fails to remit in full on the remittance date the amount due in respect of a CASS billing or when a cheque in



settlement of a CASS billing is dishonoured by non-payment by the drawee bank. The procedures applicable as a result of incorrect remittance are specified below:

### **6.13.6.1 Dishonoured Cheques and Failure to Effect Timely Remittance**

The provisions of Resolutions 801r, 801re or 853 are applicable as appropriate. In addition, when default action is required to be taken, the CASS shall immediately cease processing any transactions originating from such CASS Associate or Recipient. The Agency Administrator shall review the financial standing of the CASS Associate or Recipient. If he finds the financial standing satisfactory, he shall instruct the CASS to resume processing transactions originated by the CASS Associate or Recipient. If he finds the financial standing unsatisfactory, he shall terminate such CASS Associate or Recipient agreement pursuant to Paragraph titled “Termination” of Appendix ‘D’ to Resolution 851 or 853, as applicable.

### **6.13.6.2 Continued Incorrect Remittance**

Three occurrences of incorrect remittances by a CASS Associate or Recipient during any twelve month period will cause the Agency Administrator to advise immediately all Carriers that the CASS Associate or Recipient is suspended from CASS until such time as the Agency Administrator is satisfied that there will be no recurrence of such failure, whichever is the longer. Should the Agency Administrator not be satisfied that there will be no recurrence of such failures, the agreement with the CASS Associate or Recipient shall be terminated.

### **6.13.7 Participation Fee**

A fee for participation in the CASS by a CASS Associate or Recipient may be recommended by the Local Customer Advisory Group or the Agent Liaison Working Group, but shall be determined by the ISS Management.

## **6.14 LAST CARRIER BILLING PROCEDURES – CASS-IMPORT**

A feature of the CASS-ITC is the provision of a mechanism which enables Carriers, who operate services into a country although they have appointed Ground Handling Agents (GHA), to invoice charges collect AWBs direct to Recipients or to their appointed GHA.

Carriers may also elect to join the CASS-ITC system directly as a CASS-ITC Delivering Company.

### **6.14.1 Billing Procedure**

The Last Carrier Billing procedure is dependent upon the GHA membership of the CASS-Import. The GHA, in his capacity as a CASS ITC Delivering Company, submits Import Billing Instructions (IBI) and IBI Adjustment Memorandums (IAM). These transactions are then invoiced to the appropriate Recipients in accordance with the CASS-ITC operating procedures.

Additionally, the transactions submitted by the Delivering Company, generate another set of billings from the Last Carrier to the Delivering Company for the collect charges stated on the AWB.

This procedure removes the necessity for duplicate data submissions.

### **6.14.2 Last Carrier Billing Costs**

The costs of participating in this aspect of the CASS-ITC are established by the local ISS Management and incorporate management and transactional based fees.



### 6.14.3 Last Carrier Billing Activation

To activate the Last Carrier Billing process joint consent, the names of the Delivering Company and Last Carrier must be provided to the ISS Management.

### 6.15 CASS EDI (to be implemented)

Electronic Data Interchange (EDI) will be used in CASS (CASS-EDI) to obtain three major advantages:

- CASS-EDI shifts most discussions between the business partners on the pricing agreements from after the invoice production to prior to it with the result that most items on the CASS invoices will be undisputed;
- CASS-EDI further reduces costly data capture activity;
- CASS-EDI avoids, in countries where EDI invoices are legally acceptable, the expensive paper invoice production and their despatch to the business partners.

To create a distinction between the parties using the CASS-EDI procedures and those not using it, the terms EDI Agent and EDI Airline are being introduced and used in the remainder of this Section.

#### 6.15.1 CASS Engine

In a CASS EDI environment, EDI Agents and EDI Airlines on the one hand and the CASS on the other communicate through systems such as X.400 or equivalent procedures. For that purpose, the CASS operates a CASS Engine as an interface between the media used by EDI Agents and EDI Airlines and the CASS Core function. EDI Agents and EDI Airlines transmit information using industry agreed standard messages. They provide CASS with invoice data through their selected mailbox from their appropriately audited systems. (Billing Participants have the additional option to transmit their files directly to CASS).

The CASS Engine is designed to provide a smooth data interface between these transmission processes and the core CASS functionality. The CASS Engine is structured so that it will simply be another input stream into CASS, parallel to the existing data entry facility for Full Participants and the disc/tape input module for Billing Participants.

In respect of the processing of incoming messages, it includes:

- An incoming message storage function;
- An incoming flat file storage function;
- A layout conversion function (Message to Billing Participants' file record layout);
- A check on completeness of record types;
- A check on timeliness of messages.

In respect of outgoing messages:

- It formats the files produced by the CASS Core functions to be transmitted to the electronic addresses of the receiver of these files. (Hand-Off tapes as they are called in the conventional CASS) and;
- It returns rejected messages and confirms cancellations to the sender of these messages.

Four functional modules are foreseen:

1. Receipt of Airline flat files;
2. Collection of data from mailbox(es) and storage;
3. Functional checks and determination of input to CASS Core function;



4. Provision for flat file submission and transmission of rejected messages as well as confirmation of cancellations.

### 6.15.2 CASS-EDI Schematic

Under development.

### 6.15.3 Airline Participation Options

An EDI Airline has three options for submitting AWB data and incentives to the CASS.

1. Direct with optional correction;
2. Indirect with optional correction;
3. Direct with pre-determined incentives.

#### 6.15.3.1 Direct with Optional Correction

##### Flow of events:

- a. An EDI Agent transmits (directly or through a community system) Air Waybill (AWB) data for each transaction by means of the standard IATA FWB message to the EDI Airline (the issuing Carrier). (See Resolution 833 for FWB transmission deadlines).
- b. The EDI Airline extracts the billing data from the FWB and, where required, determines net/net data for settlement. The EDI Airline transmits that data using the Freight Transaction Message (FFT) which may include multiple transactions. Such transmission is to take place at least weekly but in any event not later than 7 calendar days after the AWB issuing date.
- c. The FFT messages are placed in the mailbox destined for the CASS. They may include transactions made by several Agents. The CASS Engine must therefore sort these transactions by Agent.
- d. The EDI Agent may take delivery of the FFT messages for analysis in its own system. If the Agent disagrees with the detailed consignment data as provided by the EDI Airline, it has until 9 calendar days after the AWB issuing date to transmit an Adjustment Request Message (FAR). This message shall be placed in the mailboxes destined for the EDI Airline and the CASS. Only one request for adjustment may be transmitted in relation to each transaction.
- e. If the EDI Airline does not accept in full or in part the Adjustment Request, it has until 11 calendar days after the Air Waybill issuing date to transmit an Airline Confirmation Message (FAC). If the EDI Airline accepts the Adjustment Request, it can simply forego transmitting these additional messages. (At any time after the transmission of an FFT message, the Carrier is in a position to transmit an FCV message, which has the effect of voiding or cancelling the transaction entirely).
- f. In case of unavailability of the service provider(s), Section 6.15.9 will apply.

#### 6.15.3.2 Indirect with Optional Correction

##### Flow of events:

1. An EDI Agent transmits through a community system the Air Waybill (AWB) data by means of the standard IATA FWB message to the EDI Airline (the issuing carrier). (See Resolution 833 for FWB transmission deadlines). At the instruction of the Carrier, the cargo community system also places that message in the mailbox destined for the CASS.

2. The CASS Engine extracts the billing data from the FWB and produces an FFT message for subsequent processing. The EDI Airline, where necessary, adjusts or confirms the incentive data by the transmission of an FAC message. These messages are sent at least weekly, but in any event not later than 7 calendar days after the AWB issuing date.
3. The EDI Agent may take delivery of the FAC message for analysis in its own system. If the Agent disagrees with the EDI Airline's assessment of the incentive or any other amount that may have been adjusted by the Airline's FAC message, it has until 9 calendar days after the AWB issuing date to transmit an Adjustment Request Message (FAR). Only one request for adjustment may be transmitted in relation to each transaction.
4. If the EDI Airline does not accept, in full or in part, the Adjustment Request, it has until 11 calendar days after the Air Waybill issuing date to transmit an Airline Confirmation Message (FAC). If the EDI Airline accepts the Adjustment Request, it can simply forego transmitting these additional messages. (At any time after the transmission of an FFT message, the Carrier is in a position to transmit an FCV message which has the effect of voiding or cancelling the transaction entirely).
5. In case of unavailability of the service provider(s), Section 6.15.9 will apply.

### 6.15.3.3 Direct with Re-determined Incentives

#### Flow of events:

1. An EDI Agent transmits (directly or through a community system) Air Waybill (AWB) data by means of the standard IATA FWB message to the EDI Airline (issuing Carrier).
2. The EDI Airline analyses the billing data included in the FWB message and, where applicable, confirms or indicates the applicable incentive to the Agent. The EDI Agent is in a position to dialogue with the EDI Airline about the applied incentive and finally the EDI Airline will transmit an FFT message. The FFT is available to the EDI Agent and the CASS at least weekly but in any event not later than 11 calendar days after the AWB issuing date. (At any time after the transmission of an FFT message, the Carrier is in a position to transmit an FCV message, which has the effect of voiding or cancelling the transaction entirely).
3. In case of unavailability of the service provider(s), Section 6.15.9 will apply.

NB: This option does not provide for the transmission of FAR messages by Agents to the CASS Engine.

### 6.15.4 CASS Processing

#### 6.15.4.1 EDP Centre EDI Procedures

The CASS takes delivery of all messages via its CASS Engine 12 calendar days after the date of Air Waybill issuing date. It rejects FAR and FAC Messages received after the respective deadlines and returns them to the transmitting party. The CASS will create, in respect of transactions made on behalf of each EDI Airline, a file of which the structure corresponds to that of a Billing Participant's file. The individual records are to be constructed as follows:

- Use the FFT message to construct the Air Waybill (AWM) record;
- Use the FAR message, if present, to amend the indicated amount data fields;
- Use the FAC message, if present, to amend the indicated amount data fields;



- Reject FAR and FAC Messages without a corresponding FFT message and return them to the originating party.

Thereafter the CASS must:

- Apply all relevant checks and balances according to the requirements specified for the CASS;
- Merge the files so constructed with the data received from Full and Billing Participants;
- Process all data and produce all outputs as normally requested, but suppress printing of invoices and billing statements in respect of EDI-Agents and EDI-Airlines in countries where such printing is not a legal or fiscal requirement;
- Transmit CASS Invoice Messages (FCI) with detailed invoice Data and CASS Remittance Messages (FCR) with total amounts due to EDI Agents and EDI Airlines. Produce also normal paper invoices where legally or fiscally required;
- Transmit Hinge Account Planning Messages (FCH) to the Settlement Bank indicating the amount to be paid by (or drafted from the account of) each Agent and the amount to be settled with each CASS Airline.

### 6.15.4.2 Settlement Bank EDI Procedures

The CASS Settlement Bank either controls the Agent's remittances or drafts the Agent's bank account for the invoiced amount indicated in the Hinge Account Planning Message (FCH). The CASS Settlement Bank transfers monies to the CASS Airline. Where Agents under-remit, the CASS notifies the FDS Manager, applies the recalculation procedure as prescribed elsewhere in the ISS Service Provisions Manual (and transmits a Message to the Carriers informing each affected Carrier of the under-remittance).

### 6.15.4.3 CASS-EDI Messages

CASS-EDI comprises the following messages:

- a. Freight Transaction Message (FFT)
- b. Adjustment Request Message (FAR)
- c. Airline Confirmation Message (FAC)
- d. CASS Invoice Message (FCI)
- e. CASS Remittance Message (FCR)
- f. CASS Hinge Account Planning Message (FCH)
- g. Advice of Under-remittance (\*)
- h. Void/Cancel Message (FCV)

\* The need for this message is still under study.

## 6.15.5 Criteria for Participation in CASS-EDI

### 6.15.5.1 Introduction

The final purpose of introducing EDI is to eliminate the need for issuing written contracts, of which an original is to be signed and kept by both parties, and invoices. The audit as prescribed in Section 6.15.5.3 will apply in a fully paper-less environment (i.e. without the issuance of Air Waybills on paper) and in the countries where electronic records may be considered as proof of a transaction. Parties need nevertheless to guarantee that the data elements transmitted in electronic messages have the same contents as those printed on the Air Waybill.

The three following principles have been identified as the proof of the existence of a transaction (an act):

- **written on paper** so that it cannot be altered;
- **signed by both parties** to prove the agreement by both of them;
- **original to be kept by both parties** to secure the legal effects of the act.

These principles apply to all presently written documents e.g. Air Waybill, Invoice, etc. Failure to meet one of these requirements nullifies the act(s) and therefore cancels all legal effects thereof. This renders all transactions that were processed through CASS-EDI procedures legally non-existent, thus disqualifying the entire set-up.

It is an absolute requirement that in an EDI environment these three principles are also adhered to and thus are fulfilled by legally accepted equivalents. Reliability of the environment depends on systems of the parties exchanging information.

### 6.15.5.2 Pre-conditions for Participation in CASS-EDI

Participants can only be admitted to the CASS-EDI scheme if they prove to the other participants that their systems are certified, by an independent and authorised auditor, to be in order. An audit of the participant's system must be conducted to ensure that the functional equivalents of the contractual requirements (written on paper, signed, original kept by both parties) are provided. Failure to either be audited or to provide necessary guarantees as required by the audit, will mean that the Agent or the Airline will not be allowed to use EDI for CASS transactions.

### 6.15.5.3 CASS-EDI Audit Programme

The Audit Programme will have to ensure that the systems used will guarantee the following:

#### **'Written on Paper' = 'Protection against alteration'**

Therefore the EDI participant must prove that its EDP system:

1. Uses for the creation of its records the data and information which are of a type that is regularly supplied to the computer and used during the day-to-day activity and that entries have been made during the regular course of the company's business;
2. Uses programmes to produce records and processes the information accurately;
3. Can provide a history of reliability (this may also be provided by the vendor of the software newly implemented);
4. Uses security features to guarantee the effectiveness of such features (access by authorised persons only, process of verification of data and statements in records, back-up system for verification purposes etc.);
5. Is supervised by a responsible person in charge of alteration in the record keeping system who can assure that records have been kept unaltered from the time of the input of data in the system, until the time of its production.

#### **'Signed by both Parties' = 'Industry Standards'**

Therefore the EDI participant must prove that its EDP system:

1. Provides clearly the source of the data (identification);
2. Applies the procedures set out in this Section;
3. Is capable of producing, transmitting, receiving and processing, as applicable, the agreed messages.



### **‘Original to be kept by both parties’ = ‘Archiving and Visualisation of Records’**

Therefore the EDI participant must prove that its EDP system:

1. Offers reliable storing, searching, retrieving, viewing and reproduction facilities;
2. Sends records to archiving contemporaneously or within a reasonable time after the events recorded;
3. Safely archives in chronological order the records of all EDI supported transactions;
4. Secures confidentiality of information;
5. Keeps archived records safely as long as required by the applicable national laws or practices;
6. Is able to recreate the original to be as reliable as retaining the original and to print it, or otherwise visualise it on intelligible support. The locally accepted method for support, verification, retrieval and reproduction must be used;
7. Bases the reliability of recreating the document on the reliability of the whole record keeping system (provide description of the whole record keeping process and circumstances of creating the record).

### **Contractual adherence**

EDI authorised participants, as described above, exchanging contractual information using EDI, accept this medium as proof of transactions and must continue to adhere to those standards. A model standard agreement will be provided.

#### **6.15.5.4 EDI Agent**

An EDI Agent is an Agent that has passed successfully the Audit, and has contractually accepted the EDI Medium as proof of transactions with the EDI Airline. An EDI Agent agrees, furthermore, to continue to adhere to the standards as described in the Audit programme, and to maintain in good working order its hardware and software necessary for access to the service.

#### **6.15.5.5 EDI Airline**

An EDI Airline is an Airline that has passed successfully the Audit, and has contractually accepted the EDI Medium as proof of transactions with the EDI Agent. An EDI Airline agrees, furthermore, to continue to adhere to the standards as described in the Audit programme, and to maintain in good working order its hardware and software necessary for access to the service.

#### **6.15.6 Protocols**

The (selection of) communication protocols to be used by EDI Agents, EDI Airlines and the CASS are as agreed with the vendor of the communication services.

#### **6.15.7 Data Security**

Each CASS operation should by (date) be able to receive Billing Participants’ files and to transmit Hand-Off Files to Agents and CASS Airlines by ‘dial-up’ either directly or through the public telecommunication network. The data should be secured so that each Agent and each CASS Airline only receives records pertaining to all of its transactions and nothing but its own transactions.

Optionally, a CASS operation may make available an on-line system offering CASS Airlines and Agents a record retrieval capability or custom-made reports. The access by Carriers



and Agents should be password protected. Passwords will need to be changed each month and only be known to the user and the systems controller.

### **6.15.8 Minimum CASS – Connect Facility**

The number of connections to the telecommunication network(s) to be obtained by the CASS should be set so that the risk of a CASS Airline being confronted with the situation that all CASS communication lines are occupied is below 1%.

### **6.15.9 Unavailability of Services**

#### **a. Foreseen Unavailability**

Where a message was transmitted by an EDI Agent, an EDI Airline or the CASS during foreseen unavailability of one of the contracted service providers (outside agreed offices hours) the messages shall be deemed to be received by the CASS and the other participant on the first day and hour that the service becomes available.

#### **b. Non-Foreseen Unavailability**

Where a message was transmitted by an EDI Agent, an EDI Airline or the CASS during non-foreseen unavailability of one of the contracted service providers (system failure), the messages shall be deemed to be received by the CASS and the other participant on the last day that the service was still available.

### **6.15.10 Role of ISS Management**

Where ISS has decided to introduce EDI in its CASS operation, a business case has to be undertaken. The local ISS Management provides project management for which consultancy services may have to be obtained. The business case report includes:

1. Detailed procedure in line with the previous sections;
2. An implementation time table;
3. The total investment;
4. The usage cost per message for each participant.

The business case report, after its acceptance by Senior FDS Management must be subject to appropriate Industry consultation. Such consultation shall commence during the business case in order to avoid surprises. Agreement of the agency community will be sought prior to commencing on an implementation plan.

Upon implementation, the ISS Management will verify whether the participants' EDI capability is in accordance with agreed procedures (see Section 6.15.6.3 above) and will advise them how to overcome possible difficulties. The ISS Management shall promote the maximum use of EDI in CASS procedures.

### **6.15.11 Role of a Cargo Community System (CCS)**

Although the presence of a Cargo Community System (CCS) is of assistance, that presence is not an essential condition for the introduction of EDI in CASS. Where a CCS exists, its services may be used for the provision of communication services as described earlier in this Section. However, nothing prevents a CASS Panel from contracting another vendor for the provision of these services.



### 6.15.12 Role of Service Providers

ISS Management must ensure that each service provider acts in accordance with the instructions of the GCAGC as laid down in this Section. A model standard agreement is still to be developed, adaptable to meet local legal requirements.

### 6.15.13 Costs

The costs for EDI are as follows:

#### a. Software for each participant

These are the costs to be carried by each participant for the adaptation of its own system so that it can transmit and receive/process data.

#### b. Connection charges

These are the costs charged by the telecommunication network for the connection and thus the possibility to transmit to or receive data from other participants. These costs will be charged to each participant.

#### c. Usage charges

These are the costs for transmission of messages. The 'sender pays' principle shall be applied. The carrier must therefore be charged for the costs of transmitting FFT, FAC and FCV messages to and from the CASS Engine, the Agent should be charged with the cost for transmitting FAR messages and the CASS should include in its charge per UTP the costs for transmitting FCI, FCR and FCH messages.

N.B. the transmission of a message to a mailbox leads to one or two further transmissions at the charge of the original data initiator.

#### d. CASS costs

The CASS also will incur increased costs. It has to adapt its system, must have a connection to the network and will transmit messages. The costs shall be borne by the Carriers in accordance with the number of UTPs. (N.B. also Full and Billing Participants will be affected as the CASS will transmit their data to the EDI Agents).

#### e. CASS Management costs

These are the increased costs for ISS Management in relation to its control duties. They are recovered via application of the ISS Pricing policy.

## 6.16 NEUTRAL AIR WAYBILL ASSESSMENT

### 6.16.1 Introduction

Wherever ISS Management provides supervision of Neutral Air Waybill forms issued by Agents, an Agent using an EDP system to issue Air Waybills may request authorisation by the ISS Management to use Neutral Air Waybill forms; provided that the system used for this purpose is in accordance with the certification criteria. In order to avoid repetition of the activity, the ISS Management may verify these systems with the vendors thereof. Any Agent whose EDP system does not meet the required standards shall continue to use the Airlines' own Air Waybills for transactions made on each Airline's behalf.

#### Minimum system requirements:

The software used:

1. shall calculate the check digit in accordance with Resolution 600a to obtain the 8 digit Air Waybill Serial Number;



2. shall accommodate the maximum length and character format of Air Waybill data elements as specified in Recommended Practice 1600r;
3. shall include an automatic Air Waybill numbering feature ensuring that Carriers, serial numbers are used only once;
4. shall accommodate the completion of Air Waybills in accordance with Resolution 600a.
5. shall not have the possibility to change/amend the Air Waybill data once the Air Waybill has been printed.

### **6.16.2 Automated Agent**

An Agent of which the EDP system to issue Neutral Air Waybills has been approved by CASS Management (Automated Agent) may:

- a) Be provided through ISS Management with CASS Neutral Air Waybill forms. In the first instance the Agent shall pay (with the order) the cost of the ordered forms. The cost of forms which are used for transactions on behalf of CASS Airlines shall be optionally compensated as determined by the appointing CASS Airline; the costs of forms used by Automated Agents for other transactions shall not be compensated; or
- b) With the consent of the appointing carrier concerned, use its own Neutral Air Waybill forms provided that ISS Management is satisfied that such forms are in accordance with the specifications laid down in Resolution 600a.

### **6.16.3 General Features**

CASS Neutral Air Waybill forms shall be produced in accordance with Resolution 600a. These Neutral Air Waybills are identifiable as such by the IATA insignia, which shall appear in the lower left corner of the Air Waybill. Examples of the Air Waybill are contained within Resolution 600a or in the AWB Handbook.

### **6.16.4 Allocation of Serial Numbers**

CASS Airlines may allocate to each CASS, blocks of serial numbers, consisting of seven digits, which will be distributed by ISS Management to automated Agents in accordance with the instructions of the CASS Airline appointing such Agents. An Agent may request additional blocks of serial numbers by issuing an ADR. ISS Management shall be responsible for maintaining a supply of blocks of serial numbers from the CASS Airlines thereby ensuring that the requirement of the Agents is satisfied. ISS Management shall not reissue to Agents previously provided serial numbers without specific authorisation from the CASS Airlines.

### **6.16.5 Withdrawal of Appointment**

Where a CASS Airline has withdrawn its appointment of an automated Agent, the ISS Management shall notify such Agent that it shall issue an ADR and eliminate from its system the withdrawing Carrier's serial numbers not used at the time of the receipt of the ISS Management's notice.

### **6.16.6 Initial Provision**

The ISS Management is to arrange for production and delivery of CASS Neutral Air Waybill forms, provided that they are printed in accordance with Resolution 600a. Before the CASS Neutral Air Waybill procedure is implemented, the ISS Management assesses, in the light of each Agent's past performance, that Agent's requirement of CASS Neutral Air Waybills. The Airlines may maintain stocks of their own Air Waybills with automated Agents to be used by



the Agent in emergency situations (e.g. to accommodate instances of a breakdown of the Agent's EDP system.)

### **6.16.7 Replenishment of Stock**

The ISS Management shall be responsible for replenishing the Agent's stock of CASS Neutral Air Waybill forms in accordance with locally laid down procedures. The Agent may request replenishment by issuing and submitting an AFR to ISS Management.

### **6.16.8 Void Air Waybills**

Void CASS Neutral Air Waybills, issued on behalf of CASS Airlines, are to be sent to the CASS Airline concerned. The Air Waybill serial number used for the void CASS Neutral Air Waybill shall not be used for another transaction.

### **6.16.9 Automated Agent in Default**

Where an automated Agent has been declared in default in accordance with the Cargo Agency administration rules, the ISS Management shall immediately notify the Agent that it is no longer authorized to issue Neutral Air Waybills with unused Air Waybill serial numbers previously allocated.

## **6.17 CASS STATISTICS**

### **6.17.1 Introduction**

A system to provide Monthly Sales Statistics (MSS) to CASS Airlines' local and head office management has been implemented since 1996.

In addition to local production, the Top Reports of the Monthly Sales Statistics will be centrally available for use by Members' Head Offices. Top Reports will be produced in respect of all CASS areas thereby providing each Carrier's central management with indications on their own local sales performance vis-à-vis the total market in the country concerned.

This section describes the product in detail.

### **6.17.2 Conditions for Production**

The procedure will be as follows:

In respect of a market, the Monthly Sales Statistics (MSS) will be produced if they can be based on data received in respect of at least five CASS Airlines in that market.

Individual CASS operations shall provide the basic information to the central provider in the form of hand-off files.

Statistics will be created and disseminated in accordance with applicable competition law. IATA shall ensure that its data aging complies with such law and shall seek confirmation to this effect from its legal advisors, as required.

The monthly sales statistics will be provided locally to CASS Airlines in addition to the head offices of Carriers participating in a CASS, through central production.

### **6.17.3 Code of Conduct/Subscription**

Each subscriber for the statistics must agree to adhere to a code of conduct by signing a special contract.

The Code of Conduct, reproduced in Section 6.17.8, will, inter alia, include the following elements:

- The ‘Subscriber’ shall use the statistics for in-house purposes only;
- The ‘Subscriber’ shall not discuss the content of the statistics with competitors or other third parties. The information cannot be used for an activity which may be perceived as restraining trade by fixing prices or sales terms, allocating markets, regulating production or capacity or excluding other competitors from a market;
- The ‘Subscriber’ will indemnify IATA for any liability resulting from misuse or disclosure of the information to third parties;

Subscribers may elect to receive the MSS on paper or via electronic means. For production and distribution costs see section 6.17.7.

The subscription form is shown in Section 6.17.9.

### 6.17.4 Reports

The ‘Top Report’ that will be produced for each Airline participating in a CASS operation will contain the following information for each IATA Traffic region:

The report will provide the requesting CASS Airline’s results versus the total local market sales, as reported through the specific CASS operation.

1.	CASS Total ‘Net Revenue’	Revenue on all sales as reported to CASS.
2.	Airline Total Gross Revenue*	The Total Weight and Valuation Charges as stated on the Air Waybills as reported to CASS.
3.	Airline Total Net	Total Revenue for the Airline (Weight/Valuation Charges minus discounts/incentives).
4.	Airline % Discount	The difference between Airline Total Gross and Airline Total Net expressed in a percentage.
5.	Market Share Net	The Airline Total Net expressed in a percentage of CASS Total Net Revenue.
6.	CASS Total Weight **	The Total Gross Weight of all sales reported to CASS.
7.	Airline Total Weight	The Total Gross Weight of the Airline’s sales.
8.	Market Share Chargeable Weight	The Airline Total Weight expressed as a percentage of the CASS Total Weight.
9.	CASS Average Yield	The yield expressed as the result of the division of CASS Total Net by CASS Total Weight.
10.	Airline Average Yield	The yield expressed as the result of the division of Airline Total Net Revenue by Airline Total Weight.
11.	Yield Difference	The difference between CASS Average Yield and Airline Average Yield.

**Notes:**

- \* Airline Total Gross Revenue – The Total Weight and Valuation Charges are the ‘Prepaid’ and ‘Charges Collect’ amounts as shown on the Cargo Sales Invoice of the CASS Airline.



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\*\* CASS Total Weight – The CASS Total Chargeable Weight will be the total weight of all sales reported to CASS.

Information is provided in respect of the calendar month of sales, and cumulative for the period from the beginning of the year until the current month of sales. The cumulative figures are compared with the same period of the previous year and results are provided in the form of an index whereby last year = 100.

### 6.17.4.1 Additional Reports – Airlines

Individual Airlines may request further breakdowns of these figures, e.g. reports showing information:

- per destination country;
- per destination city;
- per agent.

or in any other legally acceptable combination. In each report, comparisons will be made between the figures of the 'whole market' and those of the individual Airline. The costs for these more detailed reports are dependent upon the level of detail of actual requests.

A subscriber requesting such reports may contact the local ISS Manager directly.

Model report is reproduced in Sections 6.17.10

### 6.17.4.2 Additional Reports – Forwarders

Individual Forwarders may request certain reports showing restricted information:

- per destination country;
- per destination city;
- per airline.

They will not however be provided with revenue market share breakdowns by carrier by route city pair.

A subscriber requesting such reports may contact the Cargo IS team directly.

### 6.17.5 Region of Destination

The Region of Destination of the Monthly Sales Statistics has to be the same world-wide. Definitions of these Areas are reproduced in Section 6.17.11 of this manual.

### 6.17.6 General Observations

All Statistics are to be prepared in Local Currency only.

The Date of Execution of the Air Waybill will determine in which month the sales will be recorded. Late sales within the billing month shall be recorded automatically in the corresponding month, i.e. these sales shall not be included in the standard report for the month but will be taken into consideration in the corresponding figures to the cumulative report.

The weight as referred to in the statistical context must always be the AWB Chargeable Weight as per Resolution 600a.

Other charges due Carrier or Agent are not to be considered.

### 6.17.7 Production/Distribution Costs

To cover the production and distribution costs, an annual fee will be levied to the subscriber and will be billed through the IATA Clearing House.

The costs for local production are established by each CASS operation.

The costs of additional reports, of a more detailed nature, will be established by IATA/FDS Management. Initial inquiries should be addressed to the local ISS Manager.

If any user would like to obtain a more comprehensive and tailored made statistical product, you are encouraged to contact our Cargo Intelligence Service at:

[Cargo-IS@iata.org](mailto:Cargo-IS@iata.org)



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### 6.17.8 Code of Conduct

#### TERMS OF USE

Company: \_\_\_\_\_

Representing CASS Office:

hereinafter referred to as the “Subscriber”, represented by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_ Company Stamp: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_ Telephone #: \_\_\_\_\_

being authorised to act on its behalf, and being a participant in the Cargo Accounts Settlement System (CASS), wishes to subscribe to the **Cargo Intelligence Service**.

IATA has placed limitations on the distribution and use of the Statistical Reports (the “Statistics”). The Statistics are licensed to the Subscriber and are not sold. The Statistics are supplied under the following conditions to which the Subscriber agrees to adhere:

The “Subscriber” shall use any statistics for in-house purposes only.

The Subscriber shall not, copy for the benefit of, retransmit or provide the Statistics to, any third party.

The “Subscriber” will indemnify IATA for any liability resulting from a breach of these Terms of Use.

The Subscriber acknowledges and agrees that monetary damages shall be an inadequate remedy in the event of a breach by Subscriber of these Terms of Use and will entitle IATA to obtain injunctive relief and other remedies otherwise available at law, in equity or by Statute in the event of such a breach or intended or threatened breach.

Place, Date: \_\_\_\_\_

Signed: \_\_\_\_\_ Company Stamp: \_\_\_\_\_

**Note:** *To be completed in duplicate copies; one (copy) to be retained by the subscriber and one (original) to be returned to IATA.*

**Please Return original signed “Terms of Use” to the following address:**

**International Air Transport Association**

Cargo IS — MACS

800 Place Victoria, P.O. Box 113, 15th Floor

Montreal, Quebec, Canada H4Z 1M1



6.17.9 Subscription Form

To: IATA International Air Transport Association
Attention ISS Management
CASS Country XX
123 Av RueCityCountry

Name of Subscriber: \_\_\_\_\_ (Airline)

Wishes to order the Top Reports to be produced in:

Table with 2 columns and 2 rows: Paper Form, Diskette Format

The Top Reports are to be addressed as follows:

Table with 2 columns and 8 rows: Airline, c/o, Address 1, Address 2, Address 3, City, Postal Code, Country

If electronic data transfer would become available, we would be/would not be interested in receiving the Top Reports using that type of data transfer.

We accept that the annual charge for the central production and distribution of the Top Reports is debited to us by IATA through the Clearing House in four quarterly instalments, February, May, August, November.

(Signature) \_\_\_\_\_

(Name) \_\_\_\_\_

(Title) \_\_\_\_\_

\_\_\_\_\_ (Date)



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## 6.17.10 Top Report (Sample)

Destination	Spotlight Report										CASS									
	Summary by IATA Regions					Reporting Period					Airline					Market				
	Production Date					Origin					Destination					Yield in EUR / kg				
	IATA Code					03-A00-Rxx-0					Single Period: Sept 2002					Weight in kg				
Net Revenue in EUR		Mkt. Share in %		Change to Prev. Year in %		Mkt. Share in %		Change to Prev. Year in %		Mkt. Share in %		Change to Prev. Year in %		Yield in EUR / kg		Change to Prev. Year in %				
Market	Airline	Market	Airline	Market	Airline	Market	Airline	Market	Airline	Market	Airline	Market	Airline	Market	Airline	Market	Airline			
North America	30,526,942	11,491,072	37.64	2.77	-2.63	21,593,441	7,321,857	33.91	3.10	-6.17	1.41	1.57	0.16	-0.32	3.77					
Central America	3,525,358	284,114	7.49	-25.56	-55.50	1,607,897	75,583	4.70	-25.73	-68.17	2.19	3.49	1.30	0.23	39.83					
South America	7,259,220	1,502,855	20.70	-20.41	-27.60	3,240,011	677,138	20.90	-11.66	-21.10	2.24	2.22	-0.02	-9.90	-8.23					
Europe	7,199,446	2,741,731	38.08	-15.04	-23.74	4,700,244	1,655,843	35.23	-20.04	-33.11	1.53	1.66	0.12	6.26	14.02					
Middle East	6,776,104	988,247	14.58	-5.36	-26.22	5,326,198	686,842	12.90	-5.77	-30.56	1.27	1.44	0.17	0.43	6.24					
Africa	5,559,594	1,764,424	31.74	-13.07	13.71	2,779,544	836,241	30.09	-9.96	25.49	2.00	2.11	0.11	-3.46	-9.38					
South East Asia	15,713,951	4,343,629	27.64	-5.14	3.37	12,740,832	3,107,385	24.34	-1.41	4.45	1.23	1.40	0.17	-3.78	-1.03					
South Asian Subcontinent	2,837,600	1,238,683	43.65	10.95	44.06	2,693,196	1,107,540	41.12	3.50	48.91	1.05	1.12	0.06	7.20	-3.26					
Japan & Korea	13,467,891	4,138,460	30.73	-2.28	8.28	7,217,786	1,969,976	27.29	2.95	10.54	1.87	2.10	0.23	-5.08	-2.05					
South West Pacific	4,547,348	22,412	0.49	-11.46	-89.20	1,853,458	5,151	0.28	-13.01	-94.35	2.45	4.35	1.90	1.78	91.02					
Other	-42,073	56	-0.13			2,045	2	0.10	42.39		-20.58	28.20	48.78							
<b>Total</b>	<b>97,370,982</b>	<b>28,495,682</b>	<b>29.27</b>	<b>-6.03</b>	<b>-5.17</b>	<b>63,754,651</b>	<b>17,437,555</b>	<b>27.35</b>	<b>-3.49</b>	<b>-6.33</b>	<b>1.53</b>	<b>1.63</b>	<b>0.11</b>	<b>-2.63</b>	<b>1.24</b>					

Destination	Cumulative Period: Jan 2002 - Sept 2002														
	Net Revenue in EUR					Weight in kg									
	Mkt. Share in %		Change to Prev. Year in %		Mkt. Share in %		Change to Prev. Year in %		Yield in EUR / kg						
	Market	Airline	Market	Airline	Market	Airline	Market	Airline	Market	Airline					
North America	200,101,545	75,243,538	37.60	-2.56	-7.76	140,726,387	47,860,011	34.01	-3.76	-11.16	1.42	1.57	0.15	1.25	3.83
Central America	27,822,253	2,530,899	9.10	-16.68	-54.84	13,079,509	878,132	6.71	-15.62	-62.42	2.13	2.88	0.75	-1.26	20.18
South America	49,262,922	10,728,576	21.78	-21.26	-20.44	21,344,034	4,573,147	21.43	-12.45	-13.90	2.31	2.35	0.04	-10.07	-7.59
Europe	51,086,795	20,837,216	40.79	-8.43	-12.09	33,378,405	13,042,741	39.08	-13.48	-20.21	1.53	1.60	0.07	5.84	10.18
Middle East	47,626,738	8,127,861	17.07	3.04	-1.61	38,271,944	5,552,610	14.51	1.81	-5.81	1.24	1.46	0.22	1.20	4.45
Africa	37,979,863	11,127,432	29.30	-9.00	-0.65	19,481,657	5,346,267	27.44	-3.16	11.08	1.95	2.08	0.13	-6.03	-10.57
South East Asia	102,677,727	29,420,819	28.65	-10.65	2.08	81,030,242	20,699,926	25.55	-9.82	1.04	1.27	1.42	0.15	-0.91	1.02
South Asian Subcontinent	19,757,991	7,960,788	40.39	10.61	29.35	19,103,624	7,250,212	37.95	8.15	36.52	1.03	1.10	0.07	2.27	-5.26
Japan & Korea	92,918,654	26,452,704	28.47	-7.67	-0.75	49,075,173	12,220,365	24.90	-4.52	-4.54	1.89	2.16	0.37	-3.30	3.97
South West Pacific	28,939,833	366,033	1.27	-8.65	-74.82	11,999,598	130,566	1.09	-7.17	-78.62	2.41	2.80	0.39	-1.59	17.77
Other	-132,584	169	-0.13	-345.38		8,717	17	0.19	5.65		-15.21	10.25	25.46	-332.25	
<b>Total</b>	<b>658,041,738</b>	<b>192,816,115</b>	<b>29.30</b>	<b>-7.34</b>	<b>-6.82</b>	<b>427,499,289</b>	<b>117,553,990</b>	<b>27.50</b>	<b>-5.89</b>	<b>-8.00</b>	<b>1.54</b>	<b>1.64</b>	<b>0.10</b>	<b>-1.55</b>	<b>1.29</b>



## 6.17.11 Region of Destination

Based on IATA areas and tailored for statistical purposes.

Country	Country Name	Region Code	Region Name	Area
DZ	Algeria	AF	Africa	2
AO	Angola	AF	Africa	2
BJ	Benin	AF	Africa	2
BW	Botswana	AF	Africa	2
BV	Bouvet Island	AF	Africa	2
BF	Burkina Faso	AF	Africa	2
BI	Burundi	AF	Africa	2
CM	Cameroon	AF	Africa	2
CV	Cape Verde	AF	Africa	2
CF	Central African Republic	AF	Africa	2
TD	Chad	AF	Africa	2
KM	Comoros	AF	Africa	2
CG	Congo	AF	Africa	2
CD	Congo, Democratic of The	AF	Africa	2
CI	Cote d'Ivoire	AF	Africa	2
DJ	Djibouti	AF	Africa	2
GQ	Equatorial Guinea	AF	Africa	2
ER	Eritrea	AF	Africa	2
ET	Ethiopia	AF	Africa	2
GA	Gabon	AF	Africa	2
GM	Gambia	AF	Africa	2
GH	Ghana	AF	Africa	2
GN	Guinea	AF	Africa	2
GW	Guinea-Bissau	AF	Africa	2
KE	Kenya	AF	Africa	2
LS	Lesotho	AF	Africa	2
LR	Liberia	AF	Africa	2
LY	Libyan Arab Jamahiriya	AF	Africa	2
MG	Madagascar	AF	Africa	2
MW	Malawi	AF	Africa	2
ML	Mali	AF	Africa	2
MA	Morocco	AF	Africa	2



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Country	Country Name	Region Code	Region Name	Area
MR	Mauritania	AF	Africa	2
MU	Mauritius	AF	Africa	2
YT	Mayotte (FR)	AF	Africa	2
MZ	Mozambique	AF	Africa	2
NA	Namibia	AF	Africa	2
NE	Niger	AF	Africa	2
NG	Nigeria	AF	Africa	2
RE	Reunion (FR)	AF	Africa	2
RW	Rwanda	AF	Africa	2
ST	Sao Tome and Principe	AF	Africa	2
SN	Senegal	AF	Africa	2
SC	Seychelles	AF	Africa	2
SL	Sierra Leone	AF	Africa	2
SO	Somalia	AF	Africa	2
ZA	South Africa	AF	Africa	2
SZ	Swaziland	AF	Africa	2
TZ	Tanzania, United Republic of	AF	Africa	2
TG	Togo	AF	Africa	2
TN	Tunisia	AF	Africa	2
UG	Uganda	AF	Africa	2
ZM	Zambia	AF	Africa	2
ZW	Zimbabwe	AF	Africa	2
SH	St. Helena	AF	Africa	2
EH	Western Sahara	AF	Africa	2
AF	Afghanistan	AS	South Asian Subcontinent	3
BD	Bangladesh	AS	South Asian Subcontinent	3
BT	Bhutan	AS	South Asian Subcontinent	3
IO	British Indian Ocean Territory	EA	South Asian Subcontinent	3
IN	India (incl Andaman Islands)	AS	South Asian Subcontinent	3
TF	French Southern Territories	EA	South Asian Subcontinent	3
MV	Maldives	AS	South Asian Subcontinent	3
NP	Nepal	AS	South Asian Subcontinent	3
PK	Pakistan	AS	South Asian Subcontinent	3
LK	Sri Lanka	AS	South Asian Subcontinent	3
AI	Anguilla	CB	Caribbean	1
AG	Antigua and Barbuda	CB	Caribbean	1

Country	Country Name	Region Code	Region Name	Area
AW	Aruba	CB	Caribbean	1
BB	Barbados	CB	Caribbean	1
BZ	Belize	CA	Central America	1
KY	Cayman Islands	CB	Caribbean	1
CR	Costa Rica	CA	Central America	1
CU	Cuba	CB	Caribbean	1
DM	Dominica	CB	Caribbean	1
DO	Dominican Republic	CB	Caribbean	1
SV	El Salvador	CA	Central America	1
GD	Grenada	CB	Caribbean	1
GP	Guadeloupe Incl. St. Bathelémy and Northern St. Martin	CB	Caribbean	1
GT	Guatemala	CA	Central America	1
HT	Haiti	CB	Caribbean	1
HN	Honduras	CA	Central America	1
JM	Jamaica	CB	Caribbean	1
MQ	Martinique	CB	Caribbean	1
MS	Montserrat	CB	Caribbean	1
AN	Netherlands Antilles Incl. Bonaire, Curacao and Southern St. Martin	CB	Caribbean	1
NI	Nicaragua	CA	Central America	1
PA	Panama	CA	Central America	1
LC	Saint Lucia	CB	Caribbean	1
VC	Saint Vincent and the Grenadines	CB	Caribbean	1
KN	St. Kitts-Nevis	CB	Caribbean	1
TT	Trinidad and Tobago	CB	Caribbean	1
TC	Turks and Caicos Islands	CB	Caribbean	1
VG	British Virgin Islands (GB)	CB	Caribbean	1
MX	Mexico	CA	Central America	1
TP	East Timor	EA	South East Asia	3
BN	Brunei Darussalam	EA	South East Asia	3
KH	Cambodia	EA	South East Asia	3
TW	Chinese Taipei	EA	South East Asia	3
GU	Guam	EA	South East Asia	3



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Country	Country Name	Region Code	Region Name	Area
HK	Hong Kong (SAR), China	EA	South East Asia	3
ID	Indonesia	EA	South East Asia	3
KZ	Kazakhstan	EA	South East Asia	3
KG	Kyrgyzstan	EA	South East Asia	3
LA	Lao People's Democratic Republic	EA	South East Asia	3
MO	Macau (SAR), China	EA	South East Asia	3
MY	Malaysia	EA	South East Asia	3
MH	Marshall Islands	EA	South East Asia	3
FM	Micronesia	EA	South East Asia	3
MN	Mongolia	EA	South East Asia	3
MM	Myanmar	EA	South East Asia	3
MP	Northern Mariana Islands	EA	South East Asia	3
CN	People's Republic of China	EA	South East Asia	3
PH	Philippines	EA	South East Asia	3
XU	Russian Federation (East of the Urals)	EA	South East Asia	3
SG	Singapore	EA	South East Asia	3
TJ	Tajikistan	EA	South East Asia	3
TH	Thailand	EA	South East Asia	3
TM	Turkmenistan	EA	South East Asia	3
UZ	Uzbekistan	EA	South East Asia	3
VN	Viet Nam	EA	South East Asia	3
AL	Albania	EU	Europe	2
AD	Andorra	EU	Europe	2
AM	Armenia	EU	Europe	2
AT	Austria	EU	Europe	2
AZ	Azerbaijan	EU	Europe	2
BY	Belarus	EU	Europe	2
BE	Belgium	EU	Europe	2
BA	Bosnia and Herzegovina	EU	Europe	2
BG	Bulgaria	EU	Europe	2
HR	Croatia	EU	Europe	2
CY	Cyprus	EU	Europe	2
CZ	Czech Republic	EU	Europe	2
DK	Denmark	EU	Europe	2

Country	Country Name	Region Code	Region Name	Area
EE	Estonia	EU	Europe	2
FO	Faroe Islands	EU	Europe	2
FI	Finland	EU	Europe	2
FR	France	EU	Europe	2
GE	Georgia	EU	Europe	2
DE	Germany	EU	Europe	2
GI	Gibraltar	EU	Europe	2
GR	Greece	EU	Europe	2
HU	Hungary	EU	Europe	2
IS	Iceland	EU	Europe	2
IE	Ireland	EU	Europe	2
IT	Italy	EU	Europe	2
LV	Latvia	EU	Europe	2
LI	Liechtenstein	EU	Europe	2
LT	Lithuania	EU	Europe	2
LU	Luxembourg	EU	Europe	2
MK	Macedonia (FYROM)	EU	Europe	2
MT	Malta	EU	Europe	2
MD	Moldova, Republic of	EU	Europe	2
MC	Monaco	EU	Europe	2
NL	Netherlands	EU	Europe	2
NO	Norway	EU	Europe	2
PL	Poland	EU	Europe	2
PT	Portugal Incl. Azores and Madeira	EU	Europe	2
RO	Romania	EU	Europe	2
RU	Russian Federation	EU	Europe	2
SM	San Marino	EU	Europe	2
SK	Slovakia	EU	Europe	2
SI	Slovenia	EU	Europe	2
ES	Spain and Canary Islands	EU	Europe	2
SE	Sweden	EU	Europe	2
CH	Switzerland	EU	Europe	2
TR	Turkey	EU	Europe	2
UA	Ukraine	EU	Europe	2
GB	United Kingdom	EU	Europe	2



## IATA Settlement Systems Service Provisions – Cargo

Country	Country Name	Region Code	Region Name	Area
YU	Serbia and Montenegro	EU	Europe	2
SJ	Svalbard and Jan Mayen Island	EU	Europe	2
VA	Vatican City State	EU	Europe	2
JP	Japan	JK	Japan and Korea	3
KP	Korea, Democratic People's Republic of	JK	Japan and Korea	3
KR	Korea, Republic of	JK	Japan and Korea	3
BH	Bahrain	ME	Middle East	2
EG	Egypt	ME	Middle East	2
IR	Iran	ME	Middle East	2
IQ	Iraq	ME	Middle East	2
IL	Israel	ME	Middle East	2
JO	Jordan	ME	Middle East	2
KW	Kuwait	ME	Middle East	2
LB	Lebanon	ME	Middle East	2
PS	Occupied Palestinian Territory	ME	Middle East	2
OM	Oman	ME	Middle East	2
QA	Qatar	ME	Middle East	2
SA	Saudi Arabia	ME	Middle East	2
SD	Sudan	ME	Middle East	2
SY	Syrian Arab Republic	ME	Middle East	2
AE	United Arab Emirates Incl. Abu Dhabi, Ajman, Dubai, Fujairah, Ras-al-Khaimah, Sharjah and Umm al Qaiwain	ME	Middle East	2
YE	Yemen, Republic of	ME	Middle East	2
BS	Bahamas	CB	Caribbean	1
BM	Bermuda	NA	North America	1
CA	Canada	NA	North America	1
US	USA	NA	North America	1
GL	Greenland	NA	North America	1
PR	Puerto Rico (US)	CB	Caribbean	1
PM	St. Pierre and Miquelon	NA	North America	1
UM	US Minor Outlying Islands Incl. Midway, Johnston and Wake Islands	NA	North America	1
VI	Virgin Islands, U.S.	CB	Caribbean	1

Country	Country Name	Region Code	Region Name	Area
PE	Peru	SA	South America	1
FK	Falkland Islands (GB)	SA	South America	1
GS	South Georgia and the South Sandwich Islands	SA	South America	1
AR	Argentina	SA	South America	1
BO	Bolivia	SA	South America	1
BR	Brazil	SA	South America	1
CL	Chile	SA	South America	1
CO	Colombia	SA	South America	1
EC	Ecuador	SA	South America	1
GF	French Guiana	SA	South America	1
GY	Guyana	SA	South America	1
PY	Paraguay	SA	South America	1
PE	Peru	SA	South America	1
SR	Suriname	SA	South America	1
UY	Uruguay	SA	South America	1
VE	Venezuela	SA	South America	1
AQ	Antarctica	SW	South West Pacific	3
CX	Christmas Island	SW	South West Pacific	3
CC	Cocos (Keeling) Islands	SW	South West Pacific	3
NF	Norfolk Island (AU)	SW	South West Pacific	3
AS	American Samoa (US)	SW	South West Pacific	3
AU	Australia	SW	South West Pacific	3
CK	Cook Islands	SW	South West Pacific	3
FJ	Fiji	SW	South West Pacific	3
PF	French Polynesia	SW	South West Pacific	3
KI	Kiribati Incl. Canton Islands	SW	South West Pacific	3
HM	Heard and McDonald Islands	SW	South West Pacific	3
NR	Nauru	SW	South West Pacific	3
NC	New Caledonia Incl. Loyalty Islands	SW	South West Pacific	3
NZ	New Zealand	SW	South West Pacific	3
NU	Niue (NZ)	SW	South West Pacific	3
PG	Papua New Guinea	SW	South West Pacific	3
PW	Palau	EA	South East Asia	3
WS	Samoa	SW	South West Pacific	3



## IATA Settlement Systems Service Provisions – Cargo

<b>Country</b>	<b>Country Name</b>	<b>Region Code</b>	<b>Region Name</b>	<b>Area</b>
PN	Pitcairn Island	SW	South West Pacific	3
SB	Solomon Islands	SW	South West Pacific	3
TK	Tokelau	SW	South West Pacific	3
TO	Tonga	SW	South West Pacific	3
TV	Tuvalu	SW	South West Pacific	3
VU	Vanuatu	SW	South West Pacific	3
WF	Wallis and Futuna Islands (FR)	SW	South West Pacific	3

<b>Regions</b>	
AF	Africa
AS	South Asian Subcontinent
CA	Central America
CB	Caribbean
EA	South East Asia
EU	Europe
JK	Japan and Korea
ME	Middle East
NA	North America
SA	South America
SW	South West Pacific



## CHAPTER 7 – AGREED POLICIES

The CASS Policy Group (CPG) is responsible for providing policy direction to FDS on CASS matters. This section reflects a series of agreed policies derived from this process, and is subject to on-going review. If clarifications are required, these should be addressed to: [casslinkgva@iata.org](mailto:casslinkgva@iata.org).

### 7.1 AWB SUBMISSIONS – AGING RULES

The CPG agreed a policy whereby Agents have to be notified prior to submission of AWB's and corrections aged between 6 and 24 calendar months older than the current month.

AWBs aged more than 24 calendar months older than the current calendar month may only be submitted for billing through CASS with the Agent's prior consent.

#### 7.1.1 Submission of Correction Requests

Where an Agent finds an AWB more than 6 months old that requires a Correction/variation, the Agent must notify the Carrier before they have entered a Correction Request in *CASSLink*.

### 7.2 BANK GUARANTEES IN CASS

All new CASS country operations will be set up in accordance with Resolution 801r or 801re as applicable (unless otherwise agreed by the Settlement and Remittance Committee).

There is no automatic linkage between CASS settlement and any bank guarantees, insurances and bonds that may exist in a given market under the IATA Agency Programme accreditation criteria. It is acknowledged that a successful CASS programme will provide a significantly increased monitoring of risk exposure.

### 7.3 BILLING FILE SUBMISSIONS – HASH TOTAL

The CPG has reconfirmed its support for the Field 9 of the Billing Participant trailer record to be optional by carrier, although Field 8 record counts should continue to be mandatory.

### 7.4 BUDGETS

At the beginning of every August, each LCAGC should be convened by the local Customer Service Centre ([www.iata.org/customer](http://www.iata.org/customer)) to jointly review the budget for the coming year. The budget should include all revenues and costs arising locally, regionally and centrally. It should be prepared on an IATA standard single spreadsheet format with prescribed headings and, it would be subject to quarterly checks at CPG and by the LCAGC's Chairperson and Customer Service Centre ([www.iata.org/customer](http://www.iata.org/customer)). CASS Central management would be in charge of providing proper details regarding central/regional costs in a timely manner. From Jan 2010 CASS Central Management charges will be charged to Airline and GSA Head Offices including any Local Management Fees (LMF) and data processing costs.

After the August review, budgets would then be sent to the CPG not later than December for final review and endorsement.

Airlines will get back surplus through on-going operational costs on monthly adjustments.

### 7.5 CASS FIELD REPORTING, MONITORING AND ACCOUNTABILITY

#### Objective



## IATA Settlement Systems Service Provisions – Cargo

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To develop a practical and workable process which provides clear guidelines, policies and review mechanisms to field operations enabling the effective monitoring of CASS financial and operational performance.

### **Financial Reporting**

On a monthly basis, all IATA cost centres are required to report to the central finance department. This monthly reporting encompasses actual vs. budgeted performance, variance analysis and financial projections through to year-end.

The IATA Cargo regional team has been granted access to this data on a summary basis to enable the following monitoring activity:

- Actual vs. Budget cost performance;
- Actual vs. Budget revenue performance;
- LMC adjustments to achieve budgeted results;
- Financial issues.

### **Operational Reporting**

Additionally, CASS field offices will be requested to provide the IATA Cargo regional offices with the following Operational data and Key Performance Indicators (KPIs):

- Staff movements (leavers/joiners);
- Customer issues (Forwarder and Carrier);
- LCAGC Meeting reports;
- Settlement Stats;
- Payment on time by value percentage;
- Non payments by end of grace period and by value percentage;
- Irregularities issued;
- Defaults issued;
- Hinge reconciled;
- CPG follow up issues;
- Developments/Projects status;
- Carrier joiners/leavers.

### **CPG Reporting**

In order to provide sufficient key information to the CPG to enable effective monitoring the following is proposed:

#### ***Annual***

- Field office Budget summaries;
- Central/Regional budget summaries;
- End of year financial summary report.

#### ***Quarterly***

- Budget vs. Actual performance;
- Variance reports;
- LMC adjustment advice;
- Processing/volume reports;
- Settlement statistics;
- Key financial variances by CASS;
- Operational issues by CASS;
- Customer issues by CASS;
- Staff movements;
- Carrier participation changes.

At each CPG Meeting:

- Feasibility study status reports;
- Project milestones;
- Project deliverables;
- CASS Budget;
- Issues;
- Operational Issues by each Area;
- GDPC update.

Regional Cargo Directors would be responsible and accountable for implementing the financial reporting policy.

### **7.6 CASS MANUALS**

The ISS Service Provisions Manual Cargo and the CASS Technical Specifications Handbook should be made available by electronic means to all Customer Service Centre ([www.iata.org/customer](http://www.iata.org/customer))s, CPG members and LCAGCs.

### **7.7 CASS VOLUNTARY TERMINATION**

Airlines joining or re-joining CASS within a one-year timeframe would be expected to pay joining fees unless otherwise agreed by ISS Management.

### **7.8 CHARGEABLE WEIGHT**

CPG has endorsed its application for data capturing/submission beginning January 2004.

Effective from that date, the weight information required by CASS from Billing Participants will be the chargeable weight, as reflected on the AWB.

### **7.9 CHARGING FORMULA**

From January 2010 a revised CASS Charging Formula has been agreed and implemented. The new formula consolidates all previous CASS participation fees (LMF, Central and Regional and SCU processing fees) into a single per-SCU processing fee.

The SCU processing fee will be determined each year by IATA based on CASS operating budgets and known/expected volumes. A mid-year review of the processing fee will be conducted and either increased or decreased based on volumes.



## IATA Settlement Systems Service Provisions – Cargo

The End of year review and recuts will be conducted as per current provisions to ensure that the overall charges levied and collected maintain a cost recovery solution for CASS operations.

### 7.10 CONSOLIDATION OF CASS AND BSP RESOURCES

Consolidation of certain CASS and BSP functions may result in cost/operating efficiencies. Any proposals to undertake consolidation should be reviewed by LCAGC and endorsed by CPG prior to implementation.

### 7.11 CORE PROCESSING SERVICE PRICING POLICY

1. The core processing service comprises the electronic receipt and processing of itemized accounting transactions and the inclusion of such transactions in consolidated CASS billing outputs to CASS Airlines and Agents/Associates/Other Non-Airline Recipients:

#### a) All Parties

CASS billing outputs shall either be by electronic output (via e-mail, or web download).

2. A CASS Unit Transaction Processed (UTP) is defined as:

The electronic record(s) of traffic documents including at present (see table):

**Note:** UTP also refers to SCU (Standard Charging Unit).

Traffic document	No. of Electronic Records	Record ID	Contents
Air Waybill (AWB)	1	AWM/AW1	Billing data
Charges Correction Advice (CCA)	2	CCO	Original Amounts
		CCR	Revised Amounts
Debit/Credit Memorandum (DCM)	2	DCO	Original Amounts
		DCR	Revised Amounts
Other Charges Reporting	1	CC3	Corrections
Other Charges Reporting	1	DC3	Corrections
Import Billing Instruction	1	IBI	Billing data
Import Billing correction	2	IBO	Original Amounts
		IBR	Revised Amounts
Import Billing Unit	1	IBU	Unit-level billing data
Courier Baggage Voucher	1	CBV	Billing data
Courier Baggage Correction (CBC)	2	CBO	Original Amounts
		CBR	Revised Amounts

Any additional services required by Members or offered by CASS will be subject to a charge. For details please contact your local Customer Service Centre ([www.iata.org/customer](http://www.iata.org/customer)).

### **(UTP) Price**

The core service will be priced as an amount per each Unit Transaction Processed. Any volume based discounts achieved through the implementation of *CASSLink*, the global processing solution, will be factored into lowered unit processing costs.

## **7.12 FEASIBILITY PROCESS**

Copies of studies will be sent to CPG Members in advance of meetings, as well as to head offices of members when endorsed, to solicit commitments to participate.

## **7.13 GLOBAL DPC**

### **7.13.1 IMPORT**

The global data processing centre utilising *CASSLink*, a fully web based customer interactive tool will be used for all CASS ITC operations.

### **7.13.2 EXPORT**

The global data processing centre utilising *CASSLink*, a fully web based customer interactive tool will be used for all CASS operations.

## **7.14 HINGE INTEREST**

Hinge interest will be adjusted forward against management fees on a monthly basis.

Each CASS Hinge Account shall be reconciled to zero at the end of each month's grace period (or bi-monthly grace period where applicable).

Airlines shall receive full settlement on the settlement date, unless Settlement is based on the funds received methodology.

Any hinge account interest (Debit or Credit) shall be adjusted forward against management fees on a monthly basis and shared in accordance with the standard cost sharing formula.

Airline settlement bank accounts shall have reciprocal efficient facilities, thus allowing adjustment/claw back at the end of each grace period, subject to local banking laws and practices.

## **7.15 ISS SERVICE PROVISIONS MANUAL – CARGO**

Policies agreed by the CASS Policy Group will be reflected in the ISS Service Provisions Manual.



### 7.16 LOCAL CASS MANAGEMENT

CASS Operations should be managed by individuals with appropriate Cargo industry knowledge/expertise. The appropriate level of experience required could be determined by the market size of the CASS (refer to CPG/1 Report). Unless otherwise agreed by the CPG, in the case of limited market size, the individual employed to perform this role will be based in the country of the specific CASS operation and will have the following experience/knowledge profile:

- 10 years Cargo experience;
- familiar with Cargo Agency and Airline operating procedures;
- experience with AWB completion procedures;
- knowledge of Cargo accounting and Cargo sales processes, and able to present and promote CASS/Cargo to industry forums.

### 7.17 REGIONAL EXTENSION

A Regional Extension of an existing CASS may be established subject to prior consent of the CPG. This may apply to those areas; given their low UTP/settlement value which may not warrant the establishment of a full CASS (less than 15 million USD settlement value/less than 80 thousand UTP's).

FDS Cargo, Geneva, will manage regional extension projects in co-ordination with the regional cargo team.

The following guidelines should be followed:

- a data capture module would be provided, free of charge, encouraging cost savings and paperless environment;
- invoices would be delivered to participants via electronic means, unless otherwise agreed by CPG;
- Management Services to be provided by the Regional CASS Centre. Local Assistance services (Co-coordinator level) to be offered if endorsed by CPG and requested by locals, thereby producing cost efficiencies;
- Credit terms should be standard 28/30 remittance to facilitate support from FIATA/Regional Associations. Deviations would be subject to Settlement and Remittance Committee procedures;
- Associates should be welcomed based on criteria as endorsed by the CAConf. This would help reduce management charges;
- Any extension proposal would be presented in feasibility format to CPG for endorsement prior to implementation;
- Joining fees will be set on a case-by-case basis.

### 7.18 REMITTANCE AND SETTLEMENT

Wherever possible, all CASS operations will consider remittance date as settlement date.

#### 7.18.1 Airline Reports & Billing Statements

IATA provides settlements to CASS Airlines/GSSAs for Air Waybill sales on the dates described and notified in the appropriate CASS calendar. CASS Airlines/GSSAs are required to verify and reconcile their reports of sales and the amounts settled by IATA. Any CASS Airline/GSSA which notices a discrepancy between its report of sales and the amount actually settled by IATA must report such discrepancy to IATA as soon as possible. A CASS Airline/GSSA that fails to report such discrepancy to IATA **within** 90 days of the date of applicable settlement will be deemed to have agreed to the reconciliation of the reported sales and the amount actually settled.

Information posted to CASSLink for download by CASS Airlines/GSSAs will be stored for a time period sufficient to comply with local legislation, thereafter it will be removed from the system. CASS Airlines/GSSAs must ensure that they download such information and maintain it in their own records as it will not be available directly from IATA after the period referred to above. Any CASS Airline/GSSA that requests such information from IATA after this period referred to above will be liable for any charges that the DPC may levy."

Furthermore, any discrepancies identified by a CASS Airline/GSSA in its invoices relating to charges for CASS services, must be reported to IATA within 30 days of the issue of such invoices. After 30 days CASS Airlines/GSSAs will be deemed to have agreed to the contents, accuracy of the information supplied and the amounts claimed by IATA.

### **7.19 STATISTICS**

Top reports will be made available to all CASS participants in their markets free of charge.

### **7.20 FISCAL COMPLIANCE**

IATA will comply with all applicable legislation including taxation and other fiscal requirements, in respect of each CASS operation.

## GLOSSARY OF TERMS

**‘AGENCY ADMINISTRATOR’** means the IATA official designated by the Director General from time to time as the holder of that office, or his authorised representative.

**‘AGENCY COMMISSIONER’** (sometimes called ‘the Commissioner’) means the person designated by the Director General as the holder of that office, or his authorised representative, who exercises jurisdiction over matters prescribed by the Cargo Agency Conference.

**‘AGENCY DISTRIBUTION MANAGER’** means the IATA official designated by the Agency Administrator to head the Agency Distribution Office and to manage the Cargo Agency registration programme for countries in which Resolution 803 is applicable.

**‘AGENT’** (sometimes referred to as ‘IATA Cargo Agent’) means a legal person which is a registered IATA Cargo Agent whose name is entered on the Cargo Agency List, having executed an IATA Cargo Agency Agreement having been adjudged to have met the registration and retention criteria as specified in the Cargo Agency Rules. This term also includes IATA European Air Cargo programme Intermediaries who conduct transactions in accordance with Part 1 of the European Air Cargo programme form of Cargo Intermediary Agreement.

**‘AIRLINE’** means a Member participating, or eligible to participate, or a non-IATA carrier participating in the Cargo Accounts Settlement System of a country/area.

**‘AIRPORT’** shall include any location designated by an Airline for general acceptance of all consignments ready for carriage.

**‘AIR WAYBILL’** means the document made out by or on behalf of the shipper, which evidences the contract between the shipper and the Carrier for carriage of goods. (Note: upon ratification of Montreal Protocol No.4 to the Warsaw Convention, the term Air Waybill shall, where the context so requires, also mean the shipment record referred to in certain Cargo Services Conference Resolutions).

**‘AIR WAYBILL NEUTRAL’** means the standard automated air waybill without identification of the issuing carrier (described in Resolution 600a), for use by IATA Cargo Agents.

**‘AIR WAYBILL TRANSMITTAL’** (sometimes referred to as ‘AWT’) means the form used by a CASS participant to submit to the CASS records of accountable transactions.

**‘ARBITRATION BOARD’** means the body set up under the provision of the relevant Cargo Agency Rules to arbitrate on a dispute arising under these Rules.

**‘BILLING PARTICIPANT’** means a CASS-Export or CASS-Import participant that submits to the CASS Air Waybill or other accounting transaction data in an electronically readable form.

**‘CARGO ACCOUNTS SETTLEMENT SYSTEM (CASS-Export)’** means the method of accounting and settling accounts between CASS-Export Airlines on the one hand, and their Agents on the other hand, described in Resolution 851 and its Attachments and provided for in Resolution 801r.

**‘CARGO AGENCY AGREEMENT’** (sometimes referred to as ‘the Agreement’) means an Agreement in the form prescribed in Resolution 801a as amended from time to time.

**‘CARGO AGENCY CONFERENCE’** (sometimes referred to as ‘Conference’) means the permanent Conference of Member established by IATA, to take action on matters pertaining to relationships between airlines and intermediaries engaged in the sale and/or processing of international air cargo, but excluding remuneration levels.

**‘CARGO AGENCY LIST’** means the list published by the Agency Administrator, containing the names and addresses of all IATA Cargo Agents.

**‘CARGO AGENCY PROGRAMME’** means:

- a) the various IATA Resolutions, rules and procedures adopted by the Conference, and



b) the provisions established where applicable by the Cargo Agency Programme Joint Council or Cargo General Assembly, pursuant to the authority delegated by the Cargo Agency Conference under the provisions of the respective Cargo Agency Rules.

**‘CARGO AGENCY RULES’** (sometimes called ‘these Rules’) means the Cargo Agency Conference Resolutions and Attachment(s), which apply in the Specified Country of the IATA Cargo Agent.

**‘CARGO AGENT’S HANDBOOK’** (sometimes called ‘the Handbook’) means the publication, issued on the authority of the Director General, containing the IATA Resolutions, associated regulations derived therefrom and other information applicable in the Specified Countries listed in the Handbook.

**‘CARGO EXECUTIVE COUNCIL’** means a council consisting of representatives of Airlines of the country or group of countries as appropriate and representatives of the recognized national association of agents convened to assist the Cargo General Assembly in the performance of its functions.

**‘CARGO GENERAL ASSEMBLY’** means an assembly of Airlines to which the Cargo Agency Conference has delegated authority over certain provisions of the Cargo Agency Programme.

**‘CARGO GENERAL SALES AND SERVICE AGENT’** (sometimes referred to as GSSA) means a Person who has been delegated general authority in respect of cargo sales for the appointing Member, either directly or through Sub-contraction.

**‘CARGO INTERMEDIARY AGREEMENT’** means the European Air Cargo Programme Agreement in the form prescribed in Resolution 805zz, Attachment ‘A’, as amended from time to time.

**‘CARGO PROCEDURES CONFERENCES’** is the collective denomination of the Cargo Agency Conference and the Cargo Services Conference.

**‘CARGO SERVICES CONFERENCE’** means the permanent Conference of Members established by IATA, to take action on matters which facilitate and improve the processing of air cargo through standardization of procedures, data exchanges and systems while maximizing benefits to customers, participating Carriers, industry and associated parties.

**‘CARRIER’** (as used in Reso. 801a) is the IATA Member that has entered into an agreement with an IATA Cargo Agent, in the form of a Cargo Agency Agreement adopted by the Cargo Agency Conference.

**‘CASS-EXPORT AIRLINE’** means a Full Participant, or a Billing Participant in a Cargo Accounts Settlement System.

**‘CASS-EXPORT MANUAL FOR AGENTS’** means the Manual published in a particular country or group of countries for where there is a CASS, in accordance with the instructions contained in Attachment ‘A’ to Resolution 851 as amended from time to time.

**‘CASS-IMPORT & TERMINAL CHARGES’** means the Cargo Accounts Settlement System of billing and collection at destination, applicable in respect of recipients of inbound air cargo consignments, described in Resolution 853 and the Attachments thereto.

**‘CASS-IMPORT & TERMINAL CHARGES AIRLINE’** (sometimes referred to as Airline where the context permits) means both an IATA Member participating in the CASS-Import & TERMINAL CHARGES and a non-IATA air carrier which is a Participant in the CASS-Import & TERMINAL CHARGES.

**‘CASS POLICY GROUP’** (referred to as CPG) is established by the Cargo Committee to provide policy direction to FDS on CASS matters and be responsible for providing advice to FDS Management on all matters relating to the functional management and operation of CASS.

**‘CONDITIONS OF CARRIAGE’** means the rules additional to the Conditions of Contract, governing the relationship between the customer and the Carrier, such as acceptability of goods, packing and



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marking, rates and charges, documentation, compliance with government requirements and customs formalities, etc.

**'CONDITIONS OF CONTRACT'** means the contents of the Carrier's notices advising passengers and shippers, among other things, that liability may be limited by the Warsaw Convention and related Protocols.

**'CONFERENCE'** means the Cargo Agency Conference of IATA.

**'DELIVERY COMPANY'** means any Member, Airline or Ground Handling Company that participates in a particular CASS-Import.

**'DIRECTOR GENERAL'** means the Director General of IATA or his authorised representative.

**'EUROPEAN AIR CARGO PROGRAMME'** (sometimes referred to as "EACP") means the European air cargo distribution system managed by IATA in support of the Cargo Intermediary Agreement.

**'EUROPEAN AIR CARGO PROGRAMME OPERATIONS HANDBOOK'** (sometimes referred to as the "Handbook") means the manual published under the auspices of the EACP by the Joint Council. It contains the rules, regulations, IATA Conference Resolutions, instructions and procedures applicable to the party's actions under the Cargo Intermediary Agreement and is revised and reissued as required.

**'EUROPEAN AIR CARGO PROGRAMME RULES'** (sometimes referred to as the "EACP Rules") means the various IATA Resolutions, rules and procedures adopted by the Cargo Agency Conference, as well as provisions established by the European Joint Council pursuant to the authority delegated to it by the Cargo Agency Conference, published in the EACP Handbook, which applies in the specified country of the IATA Cargo Intermediary.

**'FULL PARTICIPANT'** means a CASS-Export or CASS-Import participant that submits to the CASS Air Waybill or other accounting transaction data in paper form.

**'GROUND HANDLING AGENT (GHA)'** means any person, appointed by one or more air carriers to carry out cargo handling, storage and preparation of freight for collection by the consignee and other activities for inbound freight in the area covered by the CASS-Import.

**'HANDBOOK FOR CARGO AGENTS'** (see 'CARGO AGENT'S HANDBOOK').

**'IATA CARGO AGENT'** (see 'AGENT').

**'IATA CARGO INTERMEDIARY'** means a freight forwarder or cargo Agent, which has executed an IATA Cargo Intermediary Agreement having been adjudged to have met the registration and retention criteria of the European Air Cargo Programme rules.

**'IATA RESOLUTION'** means a formally adopted decision of an IATA Traffic Conference, promulgated as such.

**'IMPORT CHARGES'** means charges entered on an Air Waybill at origin or in transit to be collected at destination and any charges incurred at destination and accruing to the Airline.

**'INTERMEDIARY'** (See Definition for 'IATA Cargo Intermediary').

**'ISS MANAGEMENT'** means the appropriate department of IATA responsible for the administrative and operational functions of the IATA Settlement Systems, such as ISS budgets (cost and revenues), ISS staffing, ISS contracts (service agreements) to include signature authority and ISS office management and administration. This includes the local designated ISS representative for Cargo, who shall have overall responsibility for the CASS-Export or the CASS-Import.

**'LATIN AMERICA AND THE CARIBBEAN'** is the area composed of Anguilla, Antigua and Barbuda, Argentina, Aruba, Bahamas, Barbados, Belize, Bermuda, Bolivia, Brazil, Cayman Islands, Chile, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Falkland Islands/Malvinas, French Guiana, Grenada, Guadeloupe, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Montserrat, Netherlands Antilles, Nicaragua, Panama, Paraguay, Peru, St Kitts-

Nevis, St Lucia, St. Vincent and the Grenadines, Surinam, Trinidad and Tobago, Turks and Caicos Islands, Uruguay, Venezuela, Virgin Islands (British).

**'LOCAL CUSTOMER ADVISORY GROUP-CARGO'** (also referred to as LCAGC) is established by the Cargo Agency Conference, and provides advice to ISS Management on customer service issues and, in particular, establishing and addressing local needs.

**'LOCAL CUSTOMER SERVICES MANUAL — CASS (IMPORT/EXPORT)'** means the Manual published in a particular country or group of countries for which there is a CASS in accordance with Appendix 'H' to Resolution 851 and Appendix 'G' to Resolution 853, as amended from time to time.

**'MEMBER'** means a Member of IATA.

**'PARTICIPATING AIRLINES'** means a Member participating, or a non-IATA carrier participating in the Cargo Accounts Settlement System of a country/area.

**'PERSON'** means an individual, partnership, firm, association, company or corporation.

**'PRINCIPAL'** as used in Resolution 871 means an appointing Member, or in the case of sub-contracting, the original appointing Member.

**'READY FOR CARRIAGE'** refers to consignments which meet the requirements as set forth in Resolution 833 entitled 'Ready for Carriage Consignments'.

**'RECIPIENT'** means any person who is party to a CASS-Import & Terminal Charges Recipient agreement in accordance with the terms of Resolution 853.

**'RESOLUTION, IATA'** means a formally adopted decision of an IATA Traffic Conference, promulgated as such.

**'CASS OFFICE'** means the institution which, where there is an IATA Settlement system, is responsible for issuing billings, receiving remittances and distributing the monies to the parties entitled thereto.

**'SOUTH WEST PACIFIC'** is the area composed of Australia, Cook Islands, Fiji, French Polynesia, Kiribati (Canton and Enderbury Islands), Nauru, New Caledonia (including Loyalty Islands), New Zealand, Niue, Papua New Guinea, Samoa/Independent State of, Solomon Islands, Tonga, Tuvalu, Vanuatu, Wallis and Futuna Islands.

**'SPECIFIED COUNTRY'** means the country for which an IATA Cargo Agent has been listed by the Agency Administrator, where such agent may conduct business as an IATA Cargo Agent.

**'SUBCONTRACTING'** means the delegation of general authority in respect of Cargo sales for appointing Member(s) by a Cargo General Sales Agent to another party by virtue of an agreement which shall be subject to the conditions of Resolution 871 and the prior written authority of the original appointing Member.

**'TERMINAL CHARGES'** means any charges, where agreed, resulting at destination associated with the importation of Cargo, including, but not limited to, handling of storage fees. Additionally, any charges, where agreed, that may be levied for export consignments, but not reflected on the Air Waybill.

**'TRAFFIC CONFERENCE'** means a Conference of Members established by IATA under the Provisions for the Conduct of IATA Traffic Conferences, whether it be a Cargo Tariff Coordinating Conference or a Cargo Procedures Conference.

**'TRIP AUTHORISATION'** means a written document issued by the Agency Administrator to an Agent to be presented to the Member when applying for reduced fare transportation under the provisions of Subparagraph 5.1 of Resolution 881.

**'USA'** means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico and possessions of the United States of America in Area 1 and Area 3.

**Settlement Systems Service Provisions – Cargo**

Destination	Net Revenue in EUR					Weight in kg					Yield in EUR / kg				
	Market	Airline	Mkt. Share in %	Change to Prev. Year in %		Market	Airline	Mkt. Share in %	Change to Prev. Year in %		Market	Airline	Diff. abs.	Change to Prev. Year in %	
				Market	Airline				Market	Airline				Market	Airline
North America	30,526,942	11,491,072	37.64	2.77	-2.63	21,593,441	7,321,857	33.91	3.10	-6.17	1.41	1.57	0.16	-0.32	3.77
Central America	2,325,358	264,114	7.49	-25.56	-55.50	1,607,897	75,583	4.70	-25.73	-68.17	2.19	3.49	1.30	0.23	39.83
South America	7,259,220	1,502,855	20.70	-20.41	-27.60	3,240,011	677,138	20.90	-11.66	-21.10	2.24	2.22	-0.02	-9.90	-8.23
Europe	7,199,446	2,741,731	38.08	-15.04	-23.74	4,700,244	1,655,843	35.23	-20.04	-33.11	1.53	1.66	0.12	6.26	14.02
Middle East	6,776,104	988,247	14.58	-5.36	-26.22	5,326,198	686,842	12.90	-5.77	-30.56	1.27	1.44	0.17	0.43	6.24
Africa	5,559,594	1,764,424	31.74	-13.07	13.71	2,779,544	836,241	30.09	-9.96	25.49	2.00	2.11	0.11	-3.46	-9.38
South East Asia	15,713,551	4,343,629	27.64	-5.14	3.37	12,740,832	3,101,385	24.34	-1.41	4.45	1.23	1.40	0.17	-3.78	-1.03
South Asian Subcontinent	1,149,000	1,149,000	100.00	0.00	0.00	1,149,000	1,149,000	100.00	0.00	0.00	0.95	1.12	0.06	7.20	-3.26
Japan & Korea	13,467,891	4,138,460	30.73	-2.28	8.28	7,217,786	1,969,976	27.29	2.95	10.54	1.87	2.10	0.23	-5.08	-2.05
South West Pacific	4,547,348	22,412	0.49	-11.46	-89.20	1,853,458	5,151	0.28	-13.01	-94.35	2.45	4.35	1.90	1.78	91.02
Other	42,879	56	0.00	0.00	0.00	42,879	56	0.00	0.00	0.00	29.56	29.20	0.36	49.78	0.00
<b>Total</b>	<b>97,870,982</b>	<b>28,495,682</b>	<b>29.22</b>	<b>-6.03</b>	<b>-5.17</b>	<b>63,754,551</b>	<b>17,437,555</b>	<b>27.35</b>	<b>-6.33</b>	<b>-6.33</b>	<b>1.53</b>	<b>1.63</b>	<b>0.11</b>	<b>-2.63</b>	<b>1.24</b>

**PROCEDURES ON ACCEPTANCE AND CHANGES TO BENEFICIARY ACCOUNTS**  
The following procedures describe the IATA Managers' responsibilities in accepting new or modifications to the Participant's bank account. For the purpose of this instruction, the bank

Destination	Net Revenue in EUR					Weight in kg					Yield in EUR / kg				
	Market	Airline	Mkt. Share in %	Change to Prev. Year in %		Market	Airline	Mkt. Share in %	Change to Prev. Year in %		Market	Airline	Diff. abs.	Change to Prev. Year in %	
				Market	Airline				Market	Airline				Market	Airline
North America	140,726,387	47,860,011	34.01	-3.76	-11.16	140,726,387	47,860,011	34.01	-3.76	-11.16	1.42	1.57	0.15	1.25	3.83
Central America	13,079,509	878,132	6.71	-15.62	-62.42	13,079,509	878,132	6.71	-15.62	-62.42	2.13	2.88	0.75	-1.26	20.18
South America	21,344,034	4,573,147	21.43	-12.45	-13.90	21,344,034	4,573,147	21.43	-12.45	-13.90	2.31	2.35	0.04	-10.07	-7.59
Europe	33,923,120	12,044,411	35.50	-12.93	-10.08	33,923,120	12,044,411	35.50	-12.93	-10.08	2.31	2.35	0.04	-10.07	-7.59
Middle East	19,876,114	5,156,641	25.94	-3.00	-15.51	19,876,114	5,156,641	25.94	-3.00	-15.51	1.21	1.49	0.28	1.20	4.45
Africa	19,481,657	5,346,267	27.44	-3.16	11.08	19,481,657	5,346,267	27.44	-3.16	11.08	1.95	2.08	0.13	-6.03	-10.57
South East Asia	8,103,242	2,099,926	25.93	-9.62	1.04	8,103,242	2,099,926	25.93	-9.62	1.04	1.27	1.42	0.15	-0.91	1.02
South Asian Subcontinent	19,103,624	7,250,212	37.95	8.15	36.52	19,103,624	7,250,212	37.95	8.15	36.52	1.03	1.10	0.07	2.27	-5.26
Japan & Korea	11,999,598	130,566	1.09	-7.17	-78.62	11,999,598	130,566	1.09	-7.17	-78.62	2.41	2.80	0.39	-1.59	17.77
South West Pacific	8,717	17	0.19	5.65	-8.00	8,717	17	0.19	5.65	-8.00	-15.21	10.25	25.46	-332.25	
Other	12,189,289	27.50	0.00	-5.89	-8.00	12,189,289	27.50	0.00	-5.89	-8.00	1.54	1.64	0.10	-1.55	1.29
<b>Total</b>	<b>658,041,738</b>	<b>190,611,939</b>	<b>29.12</b>	<b>-6.62</b>	<b>-12.19</b>	<b>658,041,738</b>	<b>190,611,939</b>	<b>29.12</b>	<b>-6.62</b>	<b>-12.19</b>	<b>1.54</b>	<b>1.64</b>	<b>0.10</b>	<b>-1.55</b>	<b>1.29</b>

that are due to them from the ISS operation concerned.  
In order to the following procedures must be followed.  
All requests a) Must be provided in writing by the Participant to the ISS Manager, with a copy to the Participant's local manager on the Participant's letterhead at least 15 days in advance and receipt acknowledged in writing by the ISS Manager to the signatories of the instruction.  
b) Must be signed by two (2) senior officers at the Participant's head office, at least one (1) of which must be the Chief Financial Officer or the Head of Treasury or Cash Management Department

- c) Must designate a beneficiary bank account either in the name of the Participant, or its GSA or another IATA bank account (e.g. an ICCS bank account). If a GSA bank account is designated by the Participant, a copy of the GSA Contract should be provided.
- d) As long as all the requirements described in paragraphs (a), (b) & (c) are met, the ISS Manager is entitled to assume that these instructions are legitimate and accept them for implementation.
- e) the IATA Manager must maintain a written copy of all such instructions he/she has received together with the date it was received, a record of the name of the ISS person implementing the instructions and of the date that the ISS person implemented them, and if the instructions were not implemented, why not.

If there is any doubt as to the authenticity of the instructions received from the Participants, the ISS Manager should forward a copy of the instructions to the Assistant Director, Banking Services or the Head Remittance & Settlement and await confirmation before finalising the request.

Note: in all cases where an ICCS bank account has been designated as the beneficiary (per Section (c) above), the appropriate template contained in the ICCS Operations Manual will apply and such request must be received through ICCS. Similarly, all cases when payments to an ICCS bank account are cancelled must be received through ICCS.