



# NDC InFocus

## BSP for NDC

### Why is this important

The IATA Billing and Settlement Plan (BSP) is designed to facilitate and simplify the sales reporting, remittance, and settlement from IATA accredited Travel Agents, as well as improve financial control and cash flow for airlines, leveraging on a strong risk management framework.

In a NDC environment, the airline is in control of the offer and order management as well as the NDC transaction issuance. The airline, with NDC, will continue benefiting from the BSP and its value proposition, namely:

- Access to an industry framework composed of a reliable and professional network of agents in some 180 countries and territories: the [IATA Travel Agency Program](#)
- A single reporting & settlement standard process available for airlines and their appointed agents
- Dedicated BSP risk management functionalities, adapted to the NDC framework
- Visibility and control of how the airline is paid

settlement services for both airlines and their partners.

Airlines need to take the following implementation considerations into account when deciding how to integrate with the BSP:

- **Integration effort:** each option requires a different integration effort, depending on the airline systems architecture. Airlines need to analyse this aspect with their providers.
- **Control:** airlines may assess also which model would help them to achieve better financial control
- **Risk Management:** Each option present various ways to support the IATA BSP risk management, but all comply with [IATA Passenger Agency Conference Resolution 850](#) requirements.

Start your BSP for NDC journey!

Get in touch with the IATA customer service team at [IATA Customer Portal](#)

### ZOOM INTO THE TOPIC

#### How does it work?

An airline needs to take care of key activities including risk management before transaction issuance, IATA agency sales monitoring supported by real time data reporting regardless of the sales channels (complying with IATA Passenger Agency Conference Resolution 850), and reporting/



## Dedicated IATA Capabilities to support Airlines integration with the BSP

Since end December 2021, Members of the BSP need to comply to the [IATA Passenger Agency Conference Resolution 850](#) requirements below for sales reported and processed in IATA BSP.

*"6.8 Members reporting transactions through the BSP that result from an Offer must ensure that their system is capable of the following functions:*

***6.8.1** the ability to prohibit the issuance of the Standard Traffic Document through real-time information as provided by IATA of an Agent's status:*

*an Approved Location is removed from the Agency List, declared in default, or has its Ticketing Authority removed in accordance with the Sales Agency Rules*

*Or,*

*the BSP Member has withdrawn its authority from the Approved Locations to Issue Standard Traffic Documents on its behalf.*

***6.8.2** the ability to activate or restrict a form of payment for any issuance of Standard Traffic Documents using real-time information as provided by IATA of an Agent's status.*

***6.8.3** the ability to provide IATA with the data required to enable real-time sales monitoring of Agent's sales of Standard Traffic Documents reported through the BSP."*

IATA is providing the following capabilities for the airlines to facilitate a safe and efficient integration and their compliance with Resolution 850:

## On-Boarding support

An IATA Service - **NDC Onboarding Web Service – API** - is available and recommended to support Airlines in this task. This API allows subscribers to validate the Travel Agency IATA Numeric Code and the Travel Agent ID Card number. IATA recommends using this API for implementing NDC with IATA accredited Agents.

### Example: A Seller is requesting access to the API of an airline

An airline NDC on-boarding team or automated system receives a subscription to its NDC portal from a Seller in a country where the airline only has a GSA representation. The airline needs to verify the information provided by the Seller.

In this case, if the airline has subscribed to the **NDC Onboarding Web Service – API**, it can validate the provided information against the IATA Sellers participation database and prevent fraudulent usage of its API service.

Depending on the level of subscription, the following information can be received:

- Validation Result Only for Agency
- Validation Result Only for ID Card
- Validation Result with Details for Agency
- Validation Result with Details for ID Card

More information about the **NDC Onboarding Web Service – API** can be found [here](#).



## Agency Profile API (API1)

Validating **Agent good standing and status** (back-end) – IATA provides the **Agency Profile API** to the Airlines and their IT Partners to share the following information about the Seller from the IATA Agency Management System platform and the IATA Airline ticketing authority system:

- BSP Active Status of the IATA Agency
- BSP cash Form Of Payment (FOP) usage allowance of the IATA Agency
- Card FOP usage allowance of the IATA Agency
- IATA EasyPay active account of the IATA Agency
- PCI DSS compliance status of the IATA Agency
- Airline ticketing authority status of the Agency

### Example: A Go Lite Seller requesting to report a BSP Cash sale

An airline receives an API request for a sale to be settled with BSP Cash from a Go Lite accredited Seller.

- The Airline validates the Seller credentials and identification
- The Airline calls the **IATA Agency Profile API** and receives the following information about the Seller from IATA:
  - Agent is active
  - Agent is not allowed to use BSP cash
  - Agent can use IATA EasyPay
  - Agent can use Credit Card in IATA BSP
  - Agent is PCI DSS compliant
- Agent has ticketing Authority
  - The Airline decides to reject the payment, as this Agent is not permitted to use the BSP cash remittance method

Explanation: If the Airline does not use the API to verify the capability of the Seller, the transaction would be accepted by the Airline. Then the airline would ask IATA to collect this payment but there is a risk that the Seller does not remit the amount with BSP Cash, and IATA holds no financial guarantee that could cover unpaid sales.



For any information about the **IATA Agency Profile API**, please contact [ndcriskapi@iata.org](mailto:ndcriskapi@iata.org)

#### [Policy check – TIP service](#)

TIP (Transparency in Payments) is a set of rules and tools that allow Airlines to manage their individual Payment Policy regarding the use of Alternative Transfer Methods (ATMs) by Agents (i.e., Agent own card). As part of the TIP framework, all card transactions reported into the BSP benefit from post-transaction screening and reporting. In addition, an optional IATA service (TIP Upfront Validation API) is available to the airlines who want to verify that the cards that are used are following their policy before submitting them into authorization.

For any information about the **IATA TIP API**, please contact IATA [Customer Service](#).

#### [Agency Sales Transactions API \(API2\)](#)

**Reporting sales to IATA for risk management –** IATA provides the **Agency Sales Transactions API** to the Airlines and their IT Partners to report in real-time the sales agreed using the Enhanced and Simplified Distribution (EASD) standard.

This API is enabling IATA Real time sales monitoring and the pro-active monitoring of the risk. It reduces the possibility of defaults, short payments and bust outs. IATA requires only a limited number of sales related data (11 elements based on existing sales reporting standards) to be sent in real time for each transaction. 100% of all Agency sales fulfilled directly by the Airline, and processed by the BSP, including all forms of payment, are required to ensure the integrity of the risk monitoring engine. 'Real time means' as close as possible to the completion of ticketing and on a transaction-by-transaction basis. The process is identical to the one currently in place with each GDS for the legacy distribution model.

This enables IATA to detect abnormal sales increase or patterns and supports Remittance Holding Capacity (RHC) on NDC sales. If an Airline who is report its sales in the IATA BSP for processing does not comply with the mandate to use the API, it puts at risk the collection of the

monies due by the Sellers for its sales and for the other Airlines who are participating into the BSP.

For any information about the **Agency Sales Transactions API**, please contact [ndcriskapi@iata.org](mailto:ndcriskapi@iata.org).

Airlines can achieve these activities using one of the 3 models below:

### Three models of integration with the BSP for NDC

#### Direct integration with IATA - API integration with real time reporting

Airlines can choose between two options to directly integrate their NDC risk management and sales reporting for remittance and settlement with IATA BSP.

This integration option allows an interactive and real-time implementation of the requirements for risk management and sales reporting. Airlines benefit from a 100% secured and traceable Risk Management, together with the BSP remittance and settlement functions.

For every transaction, the Airline uses the IATA API and Orchestration platform in two steps:

**Request for Authorization:** this request for authorization will allow the airline to issue the transaction or deny the request real-time. This request will validate:

- If the Agent is active or inactive within a BSP
- If the Agent is allowed to use a specific BSP form of payment (e.g., Cash, Card)

- If the Agent has opened an IATA EasyPay account, which then allows to permit enable that form of payment to be used

This is equivalent to the usage of API 1 with a process to allow or disallow document issuance, and with a full traceability between the authorization and the rest of the process.

**Real-time reporting:** this will enable:

- Real-time reporting of a limited data set by the Orchestration platform, allowing IATA to perform pro-active risk monitoring and reduce the possibility of defaults and short payments (API 2)
- Full sales reporting, for the purpose of settlement through the BSP

This model of integration enables airline compliance with Resolution 850, with traceability from a given permission to the reporting for Risk Management purpose and for sales accounting.



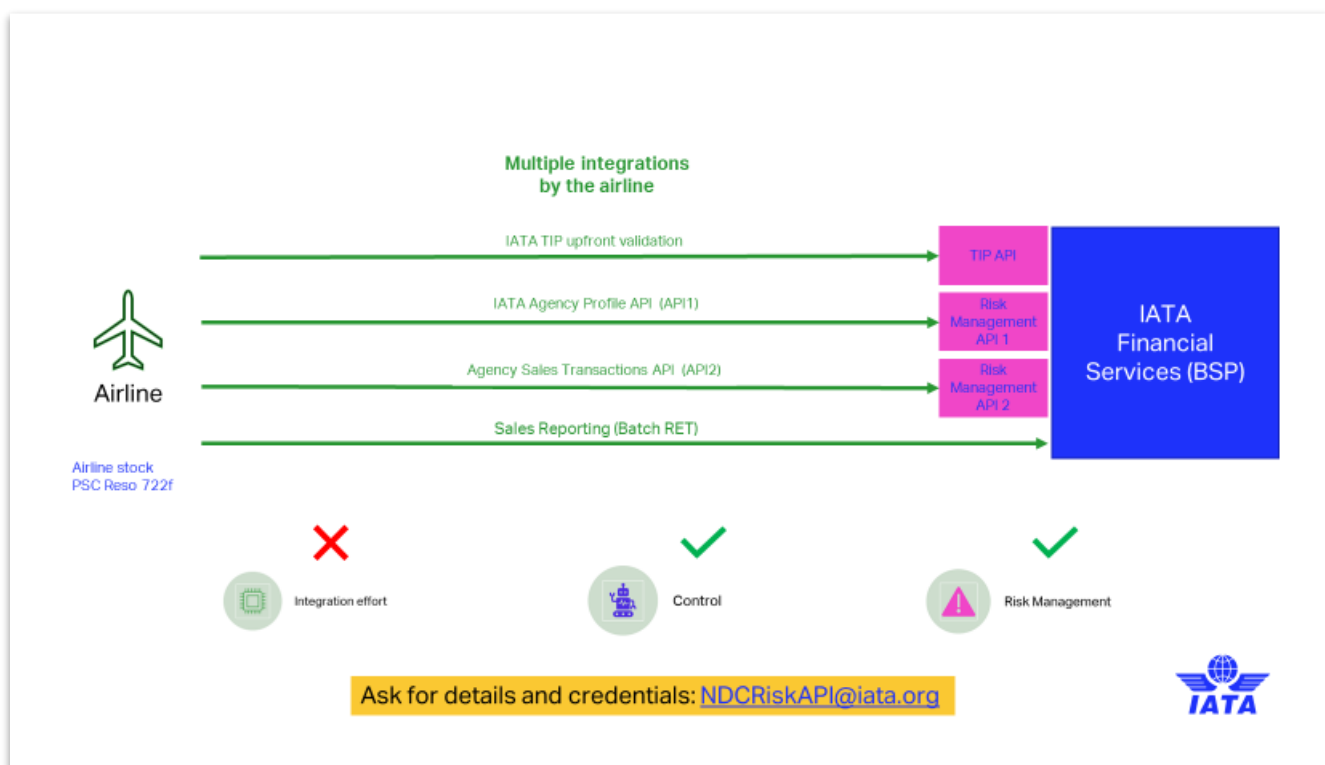
## Direct integration with IATA - Batch integration

With this integration model, the airline needs to implement all necessary touchpoints by themselves or with its providers. They get the same capabilities, from Risk Management (compliant with Resolution 850, but traceability is not facilitated by IATA in this option) to reporting and Remittance and Settlement.

For every transaction, the Airline uses the IATA APIs for the purpose of Risk Management for

- Upfront validation, as described with API1
- Realtime sales reporting as described with API2

Then, the airline needs to report its NDC sales using a Batch file reporting process (as per the IATA RET DISH 23 standard).



## Ticket Service Provider integration

As per Passenger Services Conference Resolution 722g, "the Offer Responsible Airline may authorize a Ticket Service Provider (TSP) to issue a neutral ticket. A bilateral agreement between the Offer Responsible Airline and each carrier participating on the ticket(s) or on any associated document(s) is required". In this model, the Airline relies on its Ticket Service Provider (TSP) for the integration with IATA BSP and especially for its compliance with PConf Resolution 850.

For every transaction, the TSP enables the ticketing requested by the Seller, and uses the IATA APIs for the purpose of Risk Management:

- Upfront validation, as described above with API1
- Realtime sales reporting as described with API2

NDC sales reporting – Batch file reporting process:

The TSP includes the NDC sales transactions as part of its BSP industry standard reporting, using the DISH 23-RET format. They will subsequently receive the NDC sales transactions as part of its usual BSP report (HOT file), along with their legacy, GDS- intermediated, sales.

To implement this model, Airlines need to contact their Ticket Service Provider, and need also to contact IATA to get credentials for the APIs for risk management at [ndcriskapi@iata.org](mailto:ndcriskapi@iata.org).

