Customer vouchers

Information for airlines

v1, issued 28 March 2020

Purpose of this paper

This paper seeks to address some of the queries received from our member airlines with regards to the use of customer vouchers.

This paper also outlines the **constraints** and **impacts** airlines must consider when using vouchers, and the **options** airlines have within existing standards to facilitate voucher policies.

This paper outlines some of IATA's **advocacy efforts** vis-à-vis relevant authorities and regulators with regards to vouchers, as well as the **benefits** of vouchers for customers, travel agents and airlines.

Covid-19 is unprecedented

The travel industry is united with the global effort to stop the Covid-19 virus that is overwhelming healthcare systems and threatening many lives. This is having a major impact on customers, travel agents and airlines.

All players in the industry are desperately trying to survive in the most difficult times imaginable. In its most recent impact assessment (24 March, 2020), IATA estimated that industry passenger revenues could be $252 billion or 44% below those of 2019. Airlines and travel agents desperately need to preserve cash and liquidity to survive this crisis.

Airlines operate worldwide in a very interrelated system. A significant number of bankruptcies may lead to collapse. The sector has enormous impact on economic and social activities that could take even longer to recover from the crisis should airlines be left unassisted. The cost of recovering the airline industry from a chain of failures after the crisis will be exponentially higher than providing the necessary help to avoid the collapse of the entire system.

One significant impact on liquidity is refunding customers when travel plans change due to cancelled flights. Many of these cancellations have been caused by **government-imposed travel restrictions** or stricter border controls. Airlines have inquired about the constraints and impacts they must consider when offering customers a voucher to use in the future to obtain services. Vouchers can be an important tool – among others – for airlines and agents to manage short-term liquidity.

It is important to note that airlines should also explore all other available options to assist in improving liquidity. This includes extending scheduling periods to encourage customers to make future travel plans. Industry scheduling standards are currently being reviewed to better support this.

What is a voucher?

When a flight is cancelled, a passenger may change their plans to travel in the future or may receive a refund. Where new travel plans are not made immediately, the value of cancelled flights may be kept for future use.

This paper uses the term "voucher" to describe any mechanism to provide credit to a customer (either directly by an airline, or via a travel agent) that the customer may exchange for services in the future.

A voucher may reflect the value of a payment that was made for services that were unable to be delivered. A voucher may also reflect value offered over and above the amount of the original payment.

A voucher may take various forms, depending notably on the requirements imposed by local law, and the commercial decision of each individual airline. There are several options available to airlines to make vouchers available to customers within IATA standards and processes. These are outlined in this paper. In IATA Resolutions, however, the Electronic Miscellaneous Document (EMD) is the industry standard for providing a voucher to a customer.

Whichever option is selected, it is important that each airline provides transparency and flexibility for customers. It is also important that airlines clearly communicate their policy and consider and manage impacts on travel agents, payment providers and other stakeholders.

Vouchers benefit customers, travel agents and airlines

Vouchers provide customers with a simple and easy method of making new travel plans when they are ready. Airlines may offer different degrees of flexibility to customers. Maximum flexibility may for instance allow access to the voucher through every customer's preferred channel (including travel agents) and allow customers to make travel plans on the services of different airlines. Ensuring that vouchers are valid for a reasonable period and offering flexibility for vouchers to be used by other travellers (such as members of the same family) may also increase customer value.

Vouchers ensure that travel agents and airlines can work together to provide the best solution for customers and encourage future travel plans. Encouraging customers to make future travel plans benefits travel agents who provide many non-air travel arrangements to customers as part of their travel plans.

For airlines and travel agents, vouchers may provide an important short-term solution to the current liquidity crises, reducing the risk of bankruptcies and the immediate consequences on the larger economy.

Airlines must determine their own policy, which must be clearly communicated

Airlines must independently determine their own commercial policy with regards to refunds and the use of vouchers. IATA does not act collectively to determine this policy.

Section 8 of the IATA Passenger Sales Agency Agreement (Passenger Agency Conference Resolution 824) provides that an Agent shall make a refund only in accordance with the **airline's written instructions**. Furthermore, Resolution 824r specifies the procedures related to refunds and their authorizations, including timeframes.

In normal circumstances, airlines communicate their commercial policy around refundability through fare rules which are applied on a transaction-by-transaction basis, and which complement their general policies. In special circumstances, airlines may apply a global policy to override normal policies and fare rules. These must be clearly communicated to all travel agents.

An airline may amend its policy to restrict the ability of travel agencies to perform refunds and may also change system configurations to prevent travel agents from requesting refunds via a Global Distribution System to reflect that airline's policy.

Before taking this step however, it is important that the policy is clearly communicated. Where the policy includes the use of vouchers, this should be clearly outlined. Importantly, any such policy change is subject to that individual airline's commercial decision.

Airlines must follow all applicable regulation, but IATA urges regulators to review requirements

In many jurisdictions airlines or travel agents must follow the legally required process for a refund following a customer request.

Considering the current extraordinary circumstances and the fact that many of the flight cancellations are owing to government-imposed travel restrictions or stricter border controls, IATA urges regulators to review national rules and requirements so as to make the use of vouchers the preferred option to fulfil obligations to customers.

IATA will provide updates to all member airlines on any changes to regulation.

Possible elements to consider when defining your voucher policy

Travel agency impacts, and flexibility across channels

In normal circumstances, travel agents process customer refunds using automated tools available in Global Distribution Systems. This allows agents to have full access to information about the status of the customer and their travel plans, and also allows them to provide seamless service to the customer on behalf of the airline.

In the current circumstances, many airlines are changing their policies to prevent travel agents from automatically processing refunds on their behalf through a Global Distribution System. This is requiring all refunds to be processed or approved by airlines. As this is a significant change, it is essential that this is clearly communicated.

It is important that the travel agent has access to up to date information around the status of the customer's travel plans. If an airline has processed a refund or issued a voucher directly to a customer that had booked through a travel agent, the airline must ensure this information is provided to the travel agent. Where airlines use industry standard processes to facilitate vouchers, this flow of information is facilitated through industry standard reservation and ticketing messages between airline and travel agency systems.

In order to allow travel agencies to facilitate the customer's use of a voucher for future travel plans, it is important that airlines clearly inform travel agents about the restrictions and validity of the voucher, and that the travel agent can use the voucher within their existing workflows.

Payment card impacts

When a cardholder accepts a voucher, the related card transaction is in principal no longer at immediate risk of a chargeback for 'service not rendered'.

Consequently, the airline should advise the acquirer of all original transactions for which a voucher has been issued.

It is important to consider that the traveler and the payer may be different parties. In the case of card payment, the cardholder (and not the traveler) has the right to a claim with the issuer when the service is not rendered. The issuer, under card scheme rules, has the right to raise a charge back with the acquirer. The merchant contract typically stipulates that such a charge back must be honored by the merchant, which in this case is the airline.

IATA wishes to inform airlines of the risk that a cardholder having requested a refund may not wait long for a response before turning to his card issuer to introduce a claim for 'services not rendered'. This would typically lead to the issuance of a chargeback. This may be something that airlines may wish to consider when establishing their policies with regards to vouchers.

Chargebacks may create several issues such as a possible duplication of processing when a card refund is finally issued.

Card scheme rules stipulate that the cardholder must agree to accept a voucher as a form of compensation. Airlines are advised to retain proof of such acceptance, in case of a dispute arising later.

A voucher that can be utilized by travelers other than the traveler named in the original ticket may allow customers more flexibility.

Disputes on Transactions within the BSP

Passenger Agency Conference Resolution 818g Attachment 'A' Section 1.11 and 812 Section 6.10 outlines processes for disputes on transactions within the BSP environment.

If a customer has accepted a voucher from the Airline or Agent, the original transaction would no longer be open for disputes within the BSP.

If a dispute has been raised for a pending refund on such a transaction, the airline may reject the dispute by providing confirmation regarding the customers' acceptance of the voucher offered, or reference to the Passenger Name Record (PNR) remarks where applicable. Where there is no agreement reached within the dispute, Airlines should notify IATA to reverse those amounts from the Airline and Agents' BSP billing.

Flexibility to use vouchers with interline partners

Airlines may be willing to allow vouchers to be exchanged for travel plans across multiple airlines. Depending on the voucher option pursued, this can be achieved in two ways.

1. By allowing the voucher to be exchanged for a ticket on the same airlines, for flights and services operated by other airlines (under existing interline and codeshare relationships).
2. By allowing the voucher to be exchanged for a ticket on a partner airline.

Both options are possible where IATA standard tickets or EMDs are used as vouchers, and standard interline billing can be seamlessly processed through the IATA clearing house.

Financial risk

Where an original ticket was paid for by using a payment card, there may be additional risks. Should a voucher issued against such a ticket not be honoured by the airline in the future, the cardholder may be able to register a claim with the card issuer on account of the compensation for 'service not rendered' not having been delivered. This may translate into a subsequent chargeback against the airline which sold the original ticket.

Options for airlines

Electronic Miscellaneous Documents (EMDs)

In IATA Resolutions, the Electronic Miscellaneous Document (EMD) is the industry standard for providing a voucher to a customer. The information below is based on existing EMD standards. Standards development groups are currently investigating whether specific guidance or amendments to standards are required. Any member airlines wishing to participate in this discussion should contact standards@iata.org.

What is an EMD?

The EMD is an accountable electronic miscellaneous document that can be used to collect payment for ancillary services or be used as a value document good for future travel plans . It can be issued, exchanged and refunded just as a ticket can, and is supported through settlement platforms such as the IATA Billing and Settlement Plan (BSP) and Interline Clearing House (ICH). EMDs are already widely used today in circumstances where a residual value is assessed as the result of an exchange or reissue of a ticket. An EMD is used to record a value which subsequently can be used to 'pay' or be exchanged for a new electronic ticket.

Processes for airlines using EMDs are described in IATA Resolution 725, 725f, 725g and 725h, which are available at

https://www.iata.org/contentassets/c33c192da39a42fcac34cb5ac81fd2ea/resolution-725.pdf

Further information is available in the Airline Guide to EMDs, which is available at

https://www.iata.org/contentassets/c33c192da39a42fcac34cb5ac81fd2ea/airline-guide-emd2010.pdf

EMDs can also be issued and exchanged within the Travel Agency environment. Most major airline Passenger Service Systems (PSSs) now have capability to exchange EMD messaging with most major Global Distribution Systems used by travel agents, as indicated by the green boxes in the table below.

GDS system used by Travel Agency	System of validating carrier: 1A Amadeus	1S Sabre	1E Travelsky	1H Sirena	XS SITA	1Y DXC
1A Amadeus				EMD-S only		
1S Sabre						
1B Abacus						
1G Travelport Galileo						
1P Travelport Worldspan						
1V Travelport Apollo						
1J Axess						
1F Infini						
1E Travelsky						
1H Sirena	EMD-S only					
F1 Farelogix						
C1 KIUSYS						
1T Hitit Computer Services						

How can EMDs be issued as a voucher

In IATA Resolutions, the EMD is the industry standard for providing a voucher to a customer. However, IATA recommends that airlines clearly communicate their refund and voucher policy to travel agents and allow travel agents to issue EMDs as vouchers directly to customers. Alternatively, airlines may issue EMDs to customers directly, but should ensure they communicate with the travel agent to ensure the travel agent does not subsequently request a refund.

Here is a list of elements that an airline may want to include or address in its voucher policy:

- the date range of originally booked travel where the unused portion of travel may be exchanged for a voucher;
- guidelines with regards to partially used tickets, and how values will be calculated;
- issues surrounding the validity of the voucher, and flexibility to use on other carriers or for other passengers;

- the question of the applicability of fees when new travel plans are made (or the waiver of standard fees);
- whether a voucher for residual value will be issued if the voucher is used for travel of a lower value than the value of the voucher, at the time it is exchanged;
- whether the voucher can be refunded later;
- any instructions for travel agents on the issuance of the EMD (for example specific text to enter in the endorsements / restrictions field), and use of reason for issuance codes and sub-codes. Under IATA Resolution, the reason for issuance sub-code code to be used for a voucher is 98B. This sub-code requires the usage of the Reason For Issuance Code (RFIC) of "D"';
- any instructions for travel agents on the issuance of new tickets (for example specific text to enter in the endorsements / restrictions field);
- whether existing EMDs issued for ancillary services should be processed as part of the voucher issuance process, or whether these should simply be left open to be re-associated to new tickets when future travel plans are finalized;
- position with regard to government- and/or airport- related taxes, fees and charges, or any other categories of fees;
- any other relevant requirements or restrictions from a customer perspective;

The policy should also clearly describe the processes for Travel Agents to follow, including actions to be taken within the reservation, actions to be taken on accountable documents, and communications to the customer.

IATA standards require the cancellation of all confirmed reservations that can no longer be delivered. Airlines may wish to require the use of an SSR OTHS element within the Passenger Name Record (PNR) with specific information describing that a voucher has been issued.

Airlines may wish to use the Passenger Name Record (PNR) elements to automate delays to standard PNR purging processes, to keep PNRs active even if they do not contain active reservations.

In normal exchange transactions, systems may be configured to limit capability based on the fare rules and filing characteristics that apply to the original document. Where airlines are using an exchange process to issue a voucher however, these constraints should not apply. Airlines should discuss this with system providers and review system constraints.

For original EMDs issued for ancillary products, the airline may wish to keep these EMDs open, and simply require that they are re-associated with new tickets when new travel plans are made.

While the new EMD will be issued in the name of one passenger, the airline may choose to allow a name change to be made later. This should be clearly defined within the policy.

Resolution 725 paragraph 1.4.2 limits the value of EMDs issued for non-specified transport to USD $750 or its equivalent. However, in order to limit the number of EMDs to be processed airlines may unilaterally decide not to follow this standard with regards to their own document and may bilaterally agree with interline partners where appropriate to waive this.

Resolution 725 paragraph 1.6 also limits the validity period of an EMD to one year. Airlines may unilaterally decide not to follow this standard with regards to their own document and may bilaterally agree with interline partners where appropriate to waive this. Airlines should discuss with their system provider how this limitation can be relaxed.

Applicable restrictions should be entered into the endorsements / restrictions field, as instructed within the airlines policy.

The Reason For Issuance Sub-code (RFISC) for "Transportation Credit Voucher" is already defined in Resolution 722f, Attachment A. This code is 98B

and should be used by all airlines issuing EMDs for vouchers. This sub-code requires the usage of the Reason For Issuance Code (RFIC) of" D".

Airlines should ensure that these codes are correctly being used when issuing EMDs for vouchers.

Advising payment card acquirers

It is important that airlines advise acquirers of any tickets which have been subject to the issuance of a voucher. Airlines are encouraged to discuss with their acquirers under which conditions they could consider removing those transactions from their risk pool. This information could be automatically retracted from an EMD server database using the reason for issuance information. Airlines should discuss this with system providers.

Communication with travel agents

It is important that travel agents have access to up to date information relating to the customer, and their travel plans. Where an airline issues a voucher to a customer directly, this must be communicated to the travel agent directly, or through PNR remarks, and must be supported by a clear policy communicated to all travel agents. Where a travel agent requests an indirect refund on a ticket for which an airline has already issued a voucher, the airline should reject the Refund Application received through BSPlink, or inform the Agent directly if the Refund Application was received outside of the BSP. This should always be accompanied with any confirmation that the Airline has regarding the customers' acceptance of the voucher offered, or a reference to the PNR remarks (where applicable).

Redeeming the EMD for future travel plans

Airlines may allow travel agents to issue new tickets using the EMD, or may require customers to use EMDs directly with the airline when booking new travel plans.

Once new travel plans are confirmed, reservations may be confirmed within the original PNR or a new PNR. Pricing on the new itinerary can be completed under existing processes using current valid fares at the time the new document is to be issued.

New tickets can then be issued in exchange for the EMD, with the collection of an additional payment from the customer if required, or the issuance of a new EMD for any residual balance. Depending on the airline policy, the EMD may also be refunded to the customer.

Depending on the airline policy, the airline may wish to allow a change of name on the EMD so that any traveller is able to use the voucher or may wish to limit this to members of the same organisation or family.

Information on issuing a ticket in exchange for another document is also available in the IATA Ticketing Handbook.

Redeeming the EMD for travel plans on a different airline.

Airlines may decide to collaborate with interline partners to allow EMDs to be used for travel on different airlines. This can be achieved by

1. Allowing the EMD to be exchanged for a ticket on the same airlines, for flights and services operated by other airlines (under existing interline and codeshare relationships). In this case, interline billing between airlines will occur based on the ticket using standard processes, and no change to interline agreements will be required.

2. Allowing the EMD to be exchanged by a new validating carrier, or by a travel agent issuing a neutral ticket on a new validating carrier. In this case, interline billing between airlines will occur at the time of the exchange. A clear agreement between airlines will be required, as this process may sit outside of existing interline processes. Carriers will also need to ensure they have bilaterally agreed to waive the restriction of Resolution 725 paragraph 1.4.2 which limits the value of an EMD issued for non-specified transport.

Where carriers already have a bilateral interline EMD agreement in place they should consider allowing their interline partners to accept their EMD in exchange for a ticket. Where carriers

do not have a bilateral interline EMD in place, the carrier issuing the EMD should exchange the EMD for a new ticket for travel on their interline partners.

What about Offer and Order management processes described by NDC?

The enhanced distribution standards that are described by the IATA New Distribution Capability (NDC) program support a Voucher Form of Payment, from schema release 17.2 onwards.

If an airline cancels a passenger's flight, an OrderChangeNotif message may be sent to advise the seller of actions that have been taken on the order in relation to the cancelled flight. This could include advice that the original order remains open even if confirmed reservations have been cancelled and may also include information that a voucher has been issued, with the capability to send EMD details.

Voucher information can be sent from a Seller to an Airline to purchase or modify an Order. There is no change to the normal creation of modification of an Order, expect for the form of payment chosen.

Where airlines wish to use this data element to allow a Seller to send an EMD number (or other form of voucher), they should clearly communicate this in their policy to travel agents.

Creating an Order using a Voucher Form of Payment will follow the normal shopping flow for new Orders (AirShopping, OfferPrice, OrderCreate). More information is available in the Enhanced Distribution Implementation Guide available at:

https://guides.developer.iata.org/docs/business-functions-shopping-and-ordering-with-instant-payment.

If an EMD is being used as a voucher, information on the EMD can be retrieved using the OrderRetrieve or AirDocDisplay processes available in standard release 17.2 onwards.

Standards development groups are currently investigating whether specific guidance or amendments to any of the enhanced distribution standards may be required. Any member airlines wishing to participate in this discussion should contact standards@iata.org.

Using original tickets as non-standard proprietary vouchers

In IATA Resolutions, the Electronic Miscellaneous Document (EMD) is the industry standard for providing a voucher to a customer. However, some airlines may choose to use the original ticket as a voucher.

IATA cautions against this approach, as there is a risk of confusion in that the original ticket forms a contract with a traveller, and contains inherent conditions around an original routing, fare rules and validity. If the original ticket is used to hold credit for later use, the challenges around communication with the traveller and travel agent may be significant. This approach may also create confusion between value that is being held for unspecified travel later, and tickets which have been subject to a voluntary change where a confirmed reservation is held.

How can a ticket be used as a voucher?

IATA recommends that if airlines wish to retain value on an original ticket (with no confirmed travel plans) for later use, that they clearly communicate their policy to travel agents. Airlines may allow travel agents to take all actions on the ticket. Alternatively, airlines may process tickets and contact customers directly, but must communicate with travel agents to ensure the travel agent does not subsequently request a refund.

Here is a list of elements that an airline may want to include or address in its voucher policy:

- the date range of originally booked travel where the unused portion of travel may be exchanged for a voucher;
- issues surrounding the validity of the voucher, flexibility to use on other carriers or for other passengers;
- Flexibility to use for new routings, new fare types or new passenger types;

- Impacts if a child becomes and adult after the date of original travel;
- The question of the applicability of fees when new travel plans are made (or the waiver of standard fees);
- whether a voucher for residual value be issued if the ticket is used for travel of a lower value than the value of the voucher;
- whether the ticket can be refunded later;
- any other relevant requirements or restrictions from a customer perspective;
- any instructions for travel agents on the issuance of new tickets (for example specific test to enter in the endorsements / restrictions field) in exchange of the original ticket;
- processes for existing EMDs issued for ancillary services;

The policy should also clearly state processes for Travel Agents to follow, including actions to be taken within the reservation, actions to be taken on accountable documents, and communications to the customer.

IATA standards require the cancellation of all confirmed reservations that can no longer be delivered. Airlines may wish to require the use of an SSR OTHS element within the Passenger Name Record (PNR) with specific information describing that a voucher has been issued.

Airlines may wish to use the Passenger Name Record (PNR) elements to automate delays to standard PNR purging processes, to keep PNRs active even if they do not contain active reservations.

No change to the ticket would then be made. The airline may internally need to change system parameters to prevent the purging of ticket records, and ensure the record remains valid.

For neutral tickets, this requirement should also be discussed with GDS providers.

IATA can process and accept transactions through the BSP in case Airlines decide to extend their ticket validity period.

Clear communication should then be made to the customer outlining the validity and conditions relating to the credit that remains on the ticket.

Advising payment card acquirers

It is important that airlines advise acquirers of any tickets which are no longer associated with specific travel plans, and are being used as a voucher. Airlines are encouraged to discuss with their acquirers under which conditions they could consider removing those transactions from their risk pool. This information could be automatically produced from a ticket server database using records obtained from a reservation database (identifying defined PNR elements), or by using other filters. Airlines should discuss this with system providers.

Communication with travel agents

It is important that travel agents have access to up to date information relating to the customer, and their travel plans. Where an airline uses an original ticket as a voucher, this must be communicated to the travel agent directly, or through PNR remarks, and must be supported by a clear policy communicated to all travel agents.

Where a travel agent requests an indirect refund on a ticket for which an airline has already communicated to a customer that the original ticket will act as a voucher, the airline should reject the Refund Application received through BSPlink. The airline should inform the Agent directly if the Refund Application was received outside of the BSP. This should always be accompanied with any confirmation that the airline has regarding the customers' acceptance of the voucher offered, or a reference to the PNR remarks (where applicable).

Using the value of the original ticket for future travel plans

Airlines may decide to allow travel agents to issue new tickets, or to require customers to directly contact the airline.

Once new travel plans are confirmed, reservations may be confirmed within the original PNR or a new PNR. Pricing on the new itinerary can be completed under existing processes using valid fares.

New tickets can then be issued in exchange for the original ticket, with all original restrictions of the new ticket waived based on the airline's policy. The collection of an additional payment from the customer may be required if the value of the new ticket is higher than the value of the original ticket. Alternatively, the issuance of an EMD for any residual balance may be required. Depending on the airline policy, the ticket may also be refunded to the customer.

It is important to note that in these circumstances, as the value of the original ticket is acting as a voucher for unspecified transportation, the usage of that value should be considered as an "exchange". IATA recommends that airlines clearly outline this within their policies, and advise that current fares, taxes, fees and charges should be used, and that the new travel plans should be re-priced. IATA further recommends that airlines should clearly outline that current exchange rates should be used wherever these are required, and that historic fares and exchange rates should be ignored.

Depending on the airline's policy, the airline may wish to allow a change of name on the ticket so that any traveller is able to use the voucher or may wish to limit this to members of the same organisation or family.

Redeeming an original ticket for travel plans on a different airline

IATA encourages airlines to collaborate with interline partners to allow tickets to be used for travel on different airlines. This can be achieved by

1. Allowing the ticket to be exchanged for a ticket on the same airlines, for flights and services operated by other airlines (under existing interline and codeshare relationships). In this case, interline billing between airlines will occur based on the ticket using standard processes, and no change to interline agreements will be required.

2. Allowing the ticket to be exchanged by a new validating carrier airline, or by a travel agent issuing a neutral ticket on a new validating carrier, for a new ticket issued by this new validating carrier. In this case, interline billing between airlines will occur at the time of the exchange. A clear agreement between airlines will be required, as this process may sit outside of existing interline processes.

Where carriers already have a bilateral interline EMD agreement in place they should consider allowing their interline partners to accept their EMD in exchange for a ticket. Where carriers do not have a bilateral interline EMD in place, the carrier issuing the EMD should exchange the EMD for a new ticket for travel on their interline partners.

What about offer and order management processes described by NDC?

The enhanced distribution standards that are described by the New Distribution Capability (NDC) program support order changes which may be used in circumstances where an existing ticket is left open, and where the ticket will be reissued.

If an airline cancels a passenger's flight, an OrderChangeNotif message may be sent to advise the seller of actions that have been taken on the order in relation to the cancelled flight. This could include advice that the original order remains open even if confirmed reservations have been cancelled.

If the airline has cancelled the order, then a new shopping interaction can be initiated, using the original document number as a form of payment.

Airlines will need to ensure that business logic within offer and order management systems will support these changes and correctly process or initiate the reissue of documents.

Information existing tickets can be retrieved using the OrderRetrieve messages.

Standards development groups are currently investigating whether specific guidance or amendments to any of the enhanced distribution standards may be required. Any member airlines wishing to participate in this discussion should contact standards@iata.org.

Payment Cards as vouchers

An airline may issue virtual card numbers with a specific value to passengers. Airlines who are already approved issuers under an industry payment card scheme (such as UATP) may have this ability immediately at hand. A virtual card number presents the interest of flexibility as it can be used for purchasing a ticket of any class and in the name of any passenger, and usage can be restricted to one airline or a limited number of airlines by way of controls at the authorization process.

Proprietary solutions

Airlines may develop their own solutions or combine different options. It is important to note solutions that are developed outside of industry standards may present challenges around the provision of information to travel agents and payment providers or development of distribution or accounting systems.

Next steps and industry activity

IATA is urgently proceeding with advocacy activity and is in active dialogue with regulators.

IATA is advised on this issue by member airlines in the Distribution Advisory Council and Financial Advisory Council.

Activity touching the relationship between member airlines and accredited travel agents occurs within the governance of the Passenger Agency Conference.

Amendments to IATA standards to better facilitate industry processes around vouchers occur within the Passenger Standards Conference. Enhancements to Ticketing, EMD, sales reporting and Interline agreement standards to better support these processes are currently in progress. This may include the publication of additional best practices to assist airlines in using existing standards. Member airlines interested in becoming involved should contact standards@iata.org.

Actions for airlines

Airlines are encouraged to

1. Ensure they comply with all local regulations.
2. Ensure voucher policies and refund policies are clearly communicated to travel agents.
3. Promptly meet refund and voucher requests to reduce the risk of cardholders raising a claim with their issuer
4. Carefully consider the impacts vouchers and refund policies may have, particularly around financial risk and payment provider issues.
5. Become involved in industry discussions to further develop IATA's position and discuss required changes to IATA's standards or platforms.

Further updates to this document will be made and distributed as information changes.

For any further questions on this document, please contact standards@iata.org.