



## Risk Status & Remittance Holding Capacity FAQ

### What is the Risk Status?

Under NewGen ISS, all Agents with access to a Cash facility are assigned one of three risk statuses (A, B or C). This risk status is determined by the Agents' ongoing risk history (historical behaviour in the BSP) and the outcome of their financial reviews.

Each risk status carries different conditions related to Financial Security requirements, applicable remittance frequency and the calculation of an agent's Remittance Holding Capacity.

### How is the Risk Status determined?

For Agents with access to Cash facility, the Risk Status is assigned based on:

1. The outcome of the Agent's Financial Review
2. The Agent's Risk History assessment

One of three statuses will be assigned per the following table:

Financial Review Result	Risk History Assessment	Risk Status Assigned
Pass	Pass	A
Pass	Fail	B
Fail	Pass	
Fail	Fail	C

### What is the Risk History and how is it assessed?

The Risk History Assessment result depends on the number and type of **Risk Events** and Agent has incurred in the BSP. Some events are considered for a period of 12 months and others for 24 months, as shown in the table below.



## Risk History Assessment

	Risk Event	Agent Fails at
24 Months	Authorization to use Cash Payment method for less than 24 months	One Occurrence
	Major Change of ownership or legal status	
	Payment Default	
	Default due to common ownership	
12 Months	Failure to Provide Financial Statement	Two Occurrences
	Failure to provide Financial Security	
	Unreported change of ownership, legal status or name	
	Change of Head Entity's Location to another Country	
	Prejudice Collection of Funds	Adjusted for Remittance Frequency
	Late or Short Payment	
	Payment in Wrong Currency	

## Adjusted Risk Events

Remittance Frequency	Remittances per year	Agent Fails at
Monthly	12	One Occurrence
2x per month	24	Two Occurrences
3x per month	36	Three Occurrences
4x per month	48	
Weekly	52	
6x per month	72	Six Occurrences
2x per month or any more frequent calendar	≥ 104	

## What are the conditions assigned to each Risk Status?

Risk Status	Applicable Cash Conditions
Risk Status A	<ol style="list-style-type: none"> <li>1. RHC Per Calculation</li> <li>2. Financial Security required only if mandatory per Local Financial Criteria</li> <li>3. Standard Remittance frequency of the BSP</li> </ol>
Risk Status B	<ol style="list-style-type: none"> <li>1. RHC Per Calculation</li> <li>2. Financial Security required</li> <li>3. Standard Remittance frequency of the BSP</li> </ol>
Risk Status C	<ol style="list-style-type: none"> <li>1. RHC = Financial Security provided</li> <li>2. Financial security required</li> <li>3. Agent must remit per the most frequent remittance frequency in the BSP (applicable in BSPs with multiple remittance frequencies)</li> </ol>



## How is the Remittance Holding Capacity calculated?

For Agents with a **Risk Status A or B**, the Remittance Holding Capacity is calculated as follows:

$$\text{Total Days} \times \text{Daily Average BSP Cash Turnover (3 Highest Reporting periods)} \times 2$$

**Total Days** = Number of days in Reporting Period plus number of days in Remittance Period.

**Daily Average BSP Cash Turnover (3 Highest Reporting periods)** = Agent's Average daily BSP Cash turnover for the 3 highest Reporting Periods over the previous 12 months.

For Agents with a **Risk Status C**, the Remittance Holding Capacity equals the amount of Financial Security provided.

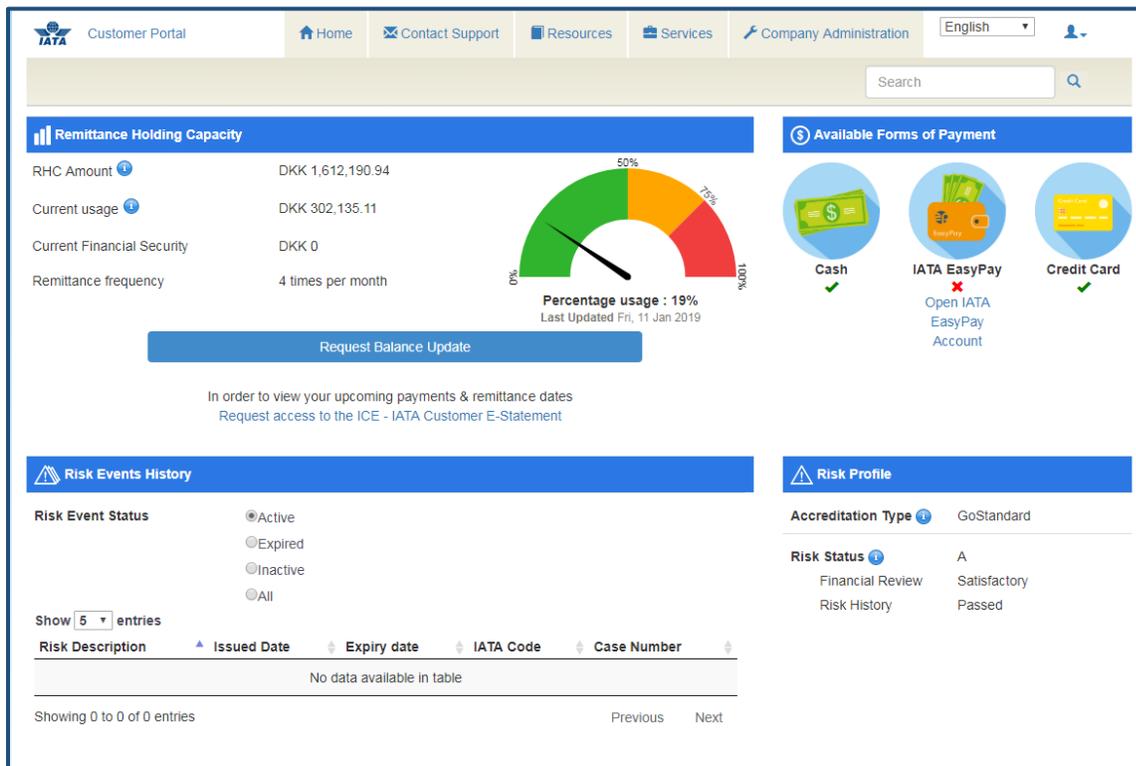
## What will happen if my Agency reaches the RHC?

The RHC is the maximum threshold for outstanding BSP Cash sales. If your Agency reaches the RHC, you will no longer be able to issue tickets using BSP Cash as a form of payment until a remittance is received and your Agency's outstanding amounts to the BSP fall below the RHC. However, you will be able to issue tickets using other forms of payment like IATA EasyPay or Customer Cards.

Additionally, your Agency may make an advanced remittance to the BSP, ahead of the Remittance Date, to reinstate access to BSP Cash as a form of payment. This can be a full or partial remittance.

## How can my Agency monitor its RHC usage?

Once NewGen ISS is live, your Agency is able to monitor its RHC usage through a dedicated screen in the Customer Portal called "Risk Profile and RHC". On this screen, you will be able to view your Agency's Risk Status, assigned RHC amount, and ongoing RHC usage.



The screenshot displays the IATA Customer Portal interface. At the top, there is a navigation bar with links for Home, Contact Support, Resources, Services, and Company Administration, along with a language dropdown set to English and a user profile icon. A search bar is located below the navigation bar.

The main content area is divided into four sections:

- Remittance Holding Capacity:** This section shows a table with the following data:
 

RHC Amount	DKK 1,612,190.94
Current usage	DKK 302,135.11
Current Financial Security	DKK 0
Remittance frequency	4 times per month

 A gauge chart indicates the percentage usage is 19%, with markers at 0%, 50%, 75%, and 100%. Below the gauge is a "Request Balance Update" button. A note states: "In order to view your upcoming payments & remittance dates Request access to the ICE - IATA Customer E-Statement".
- Available Forms of Payment:** This section shows three payment methods:
  - Cash: Indicated with a green checkmark.
  - IATA EasyPay: Indicated with a red 'X' and the text "Open IATA EasyPay Account".
  - Credit Card: Indicated with a green checkmark.
- Risk Events History:** This section includes a "Risk Event Status" filter with radio buttons for Active, Expired, Inactive, and All. Below the filter is a "Show 5 entries" dropdown. A table header lists "Risk Description", "Issued Date", "Expiry date", "IATA Code", and "Case Number". The table content is empty, with the text "No data available in table". At the bottom, it says "Showing 0 to 0 of 0 entries" and includes "Previous" and "Next" navigation links.
- Risk Profile:** This section shows the "Accreditation Type" as "GoStandard" and the "Risk Status" as "A". Below this, there are two columns of status indicators:
 

Financial Review	Satisfactory
Risk History	Passed

Access to this screen is granted to your Agency's Customer Portal Administrator, who can also assign access to other users. All Agencies should ensure that their Portal Administrator contacts are accurate and up-to-date, and that the applicable users have been granted the required access.

In addition, email notifications will be sent to the Customer Portal Administrator and the defined users whenever your Agency's RHC usage reaches 50%, 75% or 100% of the assigned amount.

### Can I increase my Agency's RHC?

Yes, your Agency can provide additional Financial Security to increase the RHC amount assigned. The RHC will be increased by the same amount as the additional security provided.

## What are the Risk Events included in the Risk History Assessment?

RISK EVENT		DESCRIPTION
Payment-Related Events		
1.	Late or short payment	Failure by the Agent to remit the complete amount due by the Remittance date or a dishonoured remittance.
2.	Payment in the wrong currency	Failure by the Agent to remit the amount due in the applicable Billing currency.
3.	Payment Default	Failure by the Agent to make an immediate payment to the Clearing Bank by close of business the day following the demand from IATA, including on the occurrence of a payment-related Risk Event per 1 and 2 above.
4.	Default due to common ownership	If the Agent or any of its Associate Entities has an owner, director or person in a position of management in common with another Agent that has incurred a Payment Default.
RISK EVENT		DESCRIPTION
Risk Management Related Events		
5.	Authorisation to use Cash Payment Method for less than 24 Months	The Agent which has had authorisation to use the Cash Payment Method for a consecutive period of less than 24 Months.
6.	Major change of ownership or change of legal status	A major change of ownership or shareholding (greater than 30%), or a change of legal status.
7.	Unreported change of ownership, legal status or legal name	A change of ownership, shareholding, legal status or legal name with respect to the Agent which has not been reported by the Agent when it was required to do so.
8.	Failure to provide financial statements	Failure to provide acceptable financial statements, documents or any other information required for the financial assessment of the Agent in accordance with the requirements of the Local Financial Criteria or Multi-Country Financial Criteria (as applicable).
9.	Failure to provide a Financial Security	Failure by the Agent to provide or maintain a Financial Security in accordance with any provision of Resolution 812.
10.	Prejudiced collection of funds	Confirmation by the Travel Agency Commissioner of IATA's invocation of prejudiced collection of funds action.
11.	Change of Head Entity's location to another country	A change of a GoStandard Agent's Head Entity location from one country to another.