



Common IAR Exchange Errors Webinar  
Questions and Answers  
January 17, 2018

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## General Questions

- Q: When there is an Exchange with an Add Collect, IAR returns the original form of payment even though the customer may want to use a different form of payment. Is this a bug in the system that will be resolved?
- A: For exchange transactions, IAR always returns the original form of payment when the value in IAR reflects an exchange with refund value. This is how the system was designed. A difference in FOP can occur when the new document in an exchange is issued without a penalty, when a residual value MCO was not properly linked or when some other GDS formatting issue occurs. However, as long as the exchange is an additional collection and the customer would like to use a different FOP for the Add Collect amount, you should be able to remove and add the new credit card number in the Exchange Summary screen. Be sure to include the credit card approval code for the updated FOP.
- Q: When you refer to the Exchange document, are you referring to the new or old document?
- A: When I say Exchange document, I am referring to the old document.
- Q: Can a residual value that is being lost be added to the IAR Admin/Penalty field instead of the Adjustment field?
- A: When issuing the exchange through your GDS, you can increase the penalty amount by the residual amount. This is recommended because there is no GDS entry that will link to the IAR Adjustment field. The IAR Adjustment field is an IAR only field that was specifically designed as a workaround to accommodate the residual value that is being lost.
- Q: When using the IAR Partial Exchange Workaround, will IAR populate the Hawaii taxes?
- A: Yes, when using the IAR Partial Exchange Workaround, IAR will populate the Hawaii taxes if applicable. The IAR workaround will populate all applicable tax codes and amounts for Option 1 and all applicable tax codes for Option 2.
- Q: For an exchange transaction, when the new fare is lower than the original fare, should the price be adjusted to reflect the correct penalty amount?
- A: When issuing an exchange transaction, the transaction must be issued as defined by the validating carrier. If there is an administration penalty, you must follow the rules of the airline. If not, this can lead to the issuance of a debit memo.



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Q: Will there be an EMD webinar?

A: Yes, there will be an EMD webinar this year.

Q: When can the commission be modified in IAR?

A: When a transaction is issued in the GDS, agents have until the next business day, by 11:59 PM ET to modify the commission in IAR. When a transaction is manually keyed into IAR, the commission can be modified by 11:59 PM ET, the same day that transaction was keyed into IAR.

In addition to commission, four other fields may be modified in IAR on an error-free E-ticket: Tour Code, Ticket Designator, Certificate Number and Miscellaneous Support/Waiver Code.

Q: Is there an exchange training course that includes international taxes?

A: Currently, ARC does not include international taxes in any of its training. International taxes can become very complicated as each country has their own taxes, rules and policies. Besides processing the taxes that are applied to a ticket transaction, ARC does not get involved with the applicable taxes for each country.

A good resource would be IATA. They manage the settlement plans for all countries except the United States (which is managed by ARC). They would have detailed information in the applicable taxes for their settlement plans.

Q: What is ARC's Debit Memo Working Group?

A: ARC's Debit Memo Working Group is a group started by ARC that consists of ARC, airlines, travel agents, Global Distribution Systems (GDSs) and industry partners such as IATA and ATPCO. The purpose of the group is to work together in understanding why debit memos are issued, what can be done to reduce them and what can be done to standardize the debit memo process.

The group has made a lot of progress since its conception in late 2012. As a result, there have been some airlines that have been able to significantly reduce the number of memos being issued.



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## IAR Partial Exchange Workaround Questions

Q: Can Option 1 for the IAR Partial Exchange Workaround be applied to partial exchanges without receiving debit memos?

A: The IAR Partial Exchange Workaround should only be used as the last option if you are unable to determine the actual unused values of the old document that is being exchanged.

ARC developed this workaround with the guidance from a specific airline to help provide a solution to mitigate the number of partial exchange errors they were receiving. This workaround uses the “point-of-origin” exchange repricing logic used by most GDS auto repricing tools instead of the “point-of-interruption” repricing logic that represents the actual unused values of each coupon. IAR is a reporting system, not a pricing system, so IAR is unable to determine unused values of individual coupons.

When implemented, ARC’s participating airlines were informed of this workaround and the purpose. However, it is up to each individual airline to determine how their exchange transactions should be processed.

Q: IAR does not auto populate the tax codes for exchange transactions.

A: When using the IAR Partial Exchange Workaround, you must enter the total amount of the original document that is being exchanged in the IAR Old Fare and Old Total fields and then select the ADD button. IAR will then autofill the Exchange Support screen with all of the originally reported values including the original tax codes, tax values and commission (Option 1). When the Exchange Support screen is auto-filled with the old values, you will see the message: **IAR separated the old fare/taxes for you based on your -Old Total-**

To bring back only the tax codes (Option 2), you must enter an amount that is less than the total of the original document that is being exchanged in the IAR Old Fare and Old Total field. When the Exchange Support screen is auto-filled with the old tax codes, you will see the message: **Please review taxes - Leave -Tax Amt- blank if not required for exchange**



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Q: Does the IAR Partial Exchange Workaround return the commission amount in addition to the taxes?

A: Yes, when using Option 1 of the workaround, IAR will return all the originally reported values, including the original commission amount, for the document that is being exchanged.

Q: When using the IAR Partial Exchange Workaround, can more than one coupon number be entered into the exchange coupon field on the IAR Exchange Support screen?

A: Yes, in the Coupon field, enter the coupon numbers. For example, when exchanging Coupons 1, 2 and 3, enter just those coupon numbers in the 123 Coupons field:

Q: When performing a partial exchange transaction, how do I get the unused taxes for the old document to populate in IAR?

A: When issuing a partial exchange, it is recommended that you use your GDS's exchange repricing tool so that your GDS format will send the correct data to IAR. Your GDS representative can provide you with more information on their automated exchange repricing functionality.

As a last option, you can use the IAR Partial Exchange Workaround. This option however, will return the full original values of the old document that is being exchanged.

Q: When using Option 1 of the IAR Partial Exchange Workaround, I thought you can just add the original total amount of the old document to the Old Total field (not the Old Fare field as well), click the Next button and all of the original taxes would be added.

A: Actually, the workaround will bring back the original tax codes and amounts when you enter just the full original total amount in the Old Total, but you will need to press Enter on your keyboard instead of selecting the ADD button. If you select the ADD button (instead of pressing Enter) and have only completed the Old Total field, you will get an error message indicating, **Old Fare plus Old Taxes must equal Old Total**. When the Exchange Support screen is auto-filled with the originally reported values using either method, you will see the message: **IAR separated the old fare/taxes for you based on your -Old Total-**



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Q: Will the IAR Partial Exchange Workaround work for both domestic and international taxes?

A: Yes, the IAR Partial Exchange Workaround is applicable to all taxes, including International taxes that were applied to a ticket transaction.

### Companion MCO for Residual Value Questions

Q: What is an example of a MCO not being allowed for residual value?

A: Each individual airline defines whether a residual value can be applied (I.e. refunded, issued to a residual value MCO, lost/forfeited). An airline may prohibit a MCO being used for residual value based on class of service. Typically, lower fare options have the most restrictions. Many airlines have a policy that any residual value is forfeited (lost).

Q: If we do not want to create a MCO for residual value, can the residual amount be removed from the exchange transaction?

A: Yes, if the residual value is considered a forfeited “Lose-it-Amount”, you can use the IAR Adjustment field to accommodate the residual amount. Remember, you must handle the residual value as defined by the validating carrier. Any deviation can lead to the issuance of a debit memo.

Q: Are MCO’s still being used or have they been replaced by EMDs?

A: MCOs are still used and will be the last remaining paper document as of the end of June 2018.

EMDs will eventually replace MCOs, however we are not there yet. The use of EMDs are currently defined by the functionality of each individual airline. Some carriers do support agents’ ability to issue EMD, including EMDs for residual value. At this time IAR cannot automatically link a residual value EMD to its exchange transaction.



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Q: When trying to link a companion MCO to an exchange transaction, I enter Future Air Transportation in the MCO's Type of Service field. The MCO does not link in IAR.

A: IAR can only perform the automated linking of a residual value MCO to its exchange transaction when the information is sent from the GDS to IAR. IAR can only automatically link a residual value MCO to its exchange when:

1. The new MCO includes the new exchange document number in the 'ISSUED IN CONNECTION WITH' field and the word 'RESIDUAL' or 'FUTURE' in the 'TYPE OF SERVICE' field
2. The new exchange ticket and the MCO are issued on the same day

Any deviation such as misspelling of the words Residual or Future or issuing the MCO on a different date than the new exchange will interrupt the linking process and IAR cannot perform the auto-link.

Remember, you cannot manually perform the link by typing the word "Future" or "Residual" on the MCO Information screen. Instead, you must enter the 10-character MCO document number under the "Exchanges: New Documents" field on the Financial Details screen of the new exchange document.

Q: When issuing a companion MCO for residual value, must I enter Future or Residual Value in the MCO's Type of Service field? I normally enter Credit and manually link the MCO to the exchange in IAR.

A: The residual value MCO auto-linking feature was added to IAR to help improve and streamline the exchange reporting process for agents. When issuing a MCO for residual value in your GDS, in order for the MCO to automatically link to the exchange transaction in IAR, you will have to enter either Future or Residual Value in the MCO's Type of Service field. It is ok if you choose to enter something else, but keep in mind doing so will cause the MCO to not automatically link to the exchange. You will then have to manually link the MCO in IAR.

Q: Is there a maximum number of MCOs that can be used for an exchange transaction?

A: The maximum number of new documents that can be added to an exchange transaction is 20. For companion MCOs issued for residual value, unless instructed by the airline, only one MCO should be issued for the full amount of the residual value. Any deviation and result in a debit memo.



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- Q: How does an EMD issued for residual value link to an exchange transaction?
- A: Currently, the linking process for EMDs issued for residual value is not yet available. If a carrier supports issuance of an EMD to transfer residual value, you must manually link that EMD to its exchange transaction in IAR. Full EMD functionality, including an EMD Information screen and auto-linking of residual value EMDs is planned as a future phase of IAR.

## GDS Questions

- Q: IAR does not auto populate the tax codes for exchange transactions.
- A: When issuing a partial exchange transaction through your GDS, IAR will only populate the unused taxes/tax codes under the following situations:
- GDS Repricing tool – IAR will populate the unused tax codes and tax values when you use the correct GDS exchange auto-repricing format.
  - IAR Partial Exchange Workaround (Option 1) - IAR will populate the original taxes (tax codes and associated amounts) if you manually enter the original total of the document that is being exchanged in the IAR Old Fare and Old Total field on the IAR Exchange Support screen.
  - IAR Partial Exchange Workaround (Option 2) – IAR will populate the original tax codes (not tax amounts) of the document being exchanged when you enter an amount that was less than the original total in both the IAR Old Fare and Old Total fields on the IAR Exchange Support screen.
- Q: We have had an issue with exchange transactions being voided in the GDS. The void status appears in the GDS and on the airline side, however the void does not show in IAR. When this happens, we have to refund the transactions.
- A: If you voided a ticket transaction through your GDS, however it does not appear in IAR, there may have been a transmission issue with the GDS. When this occurs, you need to notify ARC's Customer Care Center immediately. They will be able to escalate the issue.

A best practice is to check your IAR sales reports daily to identify any discrepancies. When you check your sales report daily, you will be able to identify any missing void transactions. This will allow you to void the transaction in IAR since the transaction will



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still be within the IAR void window. This can occur when a document is issued then exchanged later that same day for a new document and then both the old document and the new document are voided. When the void for the old document is received before the void for the new document, IAR rejects that void because IAR shows that document still used in the exchange for the new document.

Refunding a ticket that can no longer voided can result in a debit memo if the ticket is non-refundable.

Q: Which GDS has the most exchange errors?

A: Exchange errors come across all GDSs. All of the GDSs offer a repricing tool that can be send the unused values of an old document being exchanged to IAR. However, all agents do not use the repricing tools and the GDS repricing tool cannot always be used for every exchange.

To provide some background information. Each night, GDSs send ARC a transaction file called the System Provider Reporting File (SPRF) that contains all of their daily transactions. Each transaction has a specific file layout that contains different records based on the transaction type.

In the late 90's when ARC developed a record layout to be able to receive the unused values for an exchange transaction, the GDSs were not able to support it based on programming. As time went by, each GDS developed repricing tool products which would be an alternative that could support their customers when issuing partial exchanges.

Q: What are numeric codes that are used to identify each GDS?

A: The GDS codes are:

- Amadeus - 7906
- Apollo - 5880
- Farelogix - 9413
- Galileo - 7733
- Sabre - 0011
- Worldspan - 5235

Q: How do I access the GDS's repricing tool?

A: To access your GDS's repricing tool, you will need to contact your GDS representative.





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Q: Where do we find the exchange policies in the GDS besides in the GDS tariff display?

A: Your GDS representative can direct you to where ticketing policies can be found in your GDS system.

On ARC's corporate website, included in our list of participating airlines, most airlines have also provided a link to their individual policies. Depending on the airline, you may be required to log into a secure web portal. Providing this link was in an initiative that came from ARC's Debit Memo Working Group in order for airlines to be more transparent on their policies.

[ARC's Participating Airlines](#)

Q: Does Sabre no longer guarantee an Automated Exchange?

A: Each GDS has their own policies regarding their repricing tool. You will need to check with your GDS representative about any guarantee option.

## Airline Questions

Q: What is the time frame for the issuance of debit memos by airlines?

A: The time frame in which debit memos are issued vary by airline. ARC's Debit Memo Working Group is working to define and put into practice a standardized time frame for the issuance of debit memos. This is challenging because each airline has different processes in place which defines when a debit memo is issued.

For example, when a ticketing violation is identified, an airline may issue a debit memo as soon as the transaction was processed and settled while another airline may wait until after the passenger has used the ticket.