Tax Services[+]

Cost effective solution in tax billing
and tax audit

Lufthansa
Revenue Services
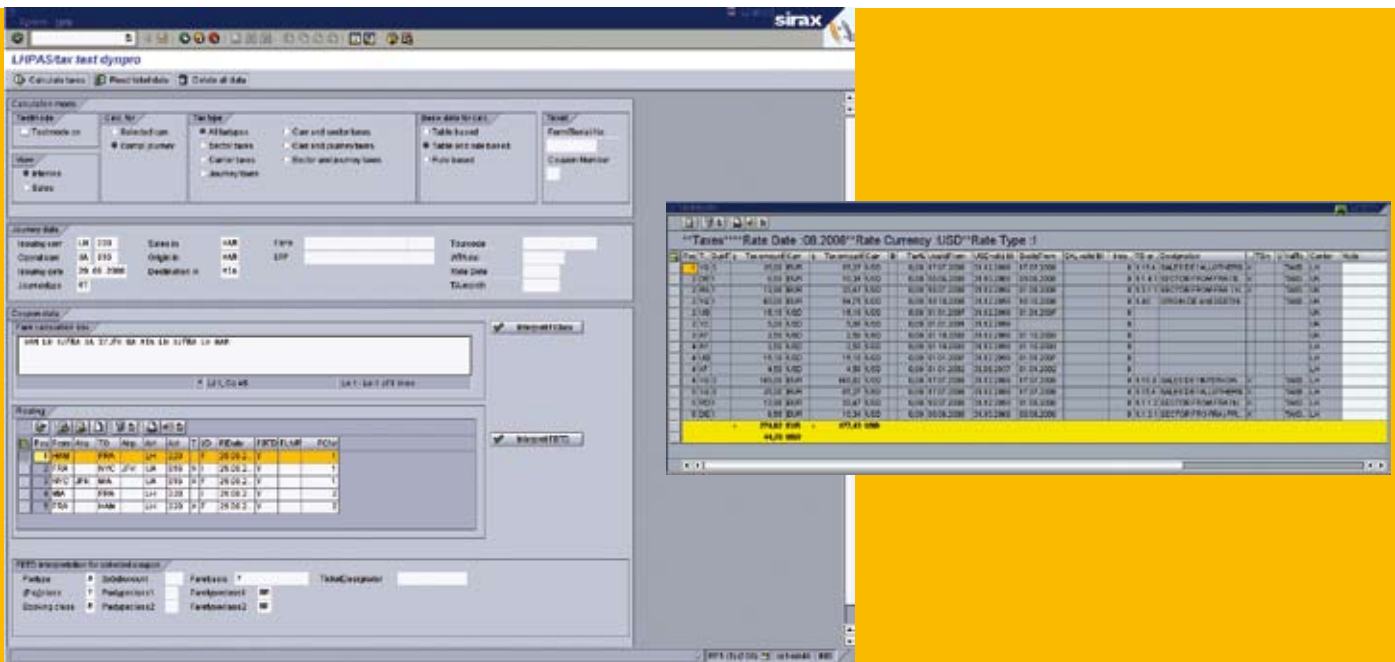
Test screen Sirax Tax Module

Sirax Tax Module

LUFTHANSA REVENUE SERVICES OFFERS A SERVICE ESPECIALLY FOR TAX EVALUATION IN THE AIRLINE BUSINESS.

Journey and sector tax as well as YQ/YR according to IATA (TTBS/RATD) and ATPCO standard are determined in a fully automated manner with the innovative Sirax tax module. This service can be used for completing the outgoing invoice with correct tax and fee amounts. The values are provided to the customer via data transfer for further processing.

Advantages for outgoing invoice process:

+ **Avoidance of losses with too low value**
+ **Reduction of rejection volume by avoiding invoicing excessive values or non-applicable taxes**

In both sales and the incoming invoice process, the reported taxes are compared with those ascertained and any differences posted at tax code level.

Advantages:

+ **Avoidance of accepting over-billing in incoming invoice process**
+ **Avoidance of insufficient charges in sales process**

KEY BENEFITS

+ **Taking advantage of the high quality level of the Sirax tax module**

+ **Auditing according to constantly updated provisions of IATA and ATPCO**

+ **No acceptance of incorrect taxes and fees**

+ **Generating additional revenues by invoicing correct taxes and fees**

+ **Short term integration of service into existing Revenue Accounting processes**

Product Characteristics

1. TAXES

There are three »types« of taxes that occur in aviation and are of interest for evaluations.

a) Sales taxes

These taxes are payable in the country of sale and are in most cases levied on the whole journey (journey based tax).

b) Sector taxes

These taxes are raised by the countries passed over by the flight route for place of departure, stopover or arrival. The taxes also include airport tax and are usually raised directly with the purchase of the ticket and then paid to the respective countries.

c) Carrier taxes

These sector based taxes are carrier specific and used for security issues and fuel surcharges (YQ, YR).

All tax values can be maintained in any currency (as published by countries/airlines/airports). Currency conversion in functional processes (sales audit, interline) guarantees a correct interpretation of values.

2. USE OF THE SIRAX TAX MODULE WITHIN THE REVENUE ACCOUNTING SOFTWARE SIRAX

The Sirax tax module is used in three areas:

a) **Within the sales process, sales taxes, sector taxes and carrier taxes are evaluated for sold tickets. In a tax audit module, the taxes are checked against the collected taxes.**

b) **In the interline process, the Sirax tax module is used at different places in sampling and non-sampling. It involves in interline solely the calculation of sector and carrier taxes, not sales taxes.**

c) **Test screen: The Sirax tax module can also be accessed for simulation purposes. The input values for a tax calculation can be provided manually. In this case, tax values are displayed to the user.**

The results of the evaluation are delivered via file transfer for further processing in the client′s RA system.

3. HOW THE SIRAX TAX MODULE WORKS

The entire route must be known (sector taxes are dependent on the entire routing of the trip) so that the Sirax tax module can determine sector values. The Sirax tax module »breaks down« the fare basis ticket designator (FBTD) into all its individual components and evaluates all the information it contains. Information also comes from the fare calculation (FC) box (country of sale, tourcode, agent, etc.).

The Sirax tax module works mainly in the batch procedure. Inspection of taxes in the interline process is effected for example entirely as batch. If differences occur between the evaluated tax values of the tax module in the billed value of another airline, the invoice position is automatically suggested for rejection. The suggestion of the system can be accepted or manually processed in case of doubt.

The same applies for the sales process, for which initially the taxes are also automatically determined in the batch. However, if the Sirax tax module detects missing attributes or inconsistent data in the automatic process, the corresponding ticket is transferred to the inbox of manual workload. The audit of the ticket must then be completed in an online process.

4. MASTER DATA MAINTENANCE

Lufthansa Revenue Services receives the sector and journey taxes from IATA daily (RATD, TTBS) as well as YQ/YR from ATPCO. The system uses a rule based language, and the taxes need to be interpreted and entered into the Sirax tax module (total approx. 4 FTE).

5. ADVANTAGES OF THE HIGHLY INNOVATIVE SIRAX TAX MODULE

✛ All taxes can be represented worldwide.

✛ Almost all rules that exist globally are covered by the Sirax tax module.

✛ The Sirax tax module not only analyses the taxes and provides these as result but also shows the user what taxes would have had to be applied. As there are usually a large number of different taxes, this information is very important for the user, for example to explain the result in the interline process of OAL.

✛ Master data can be maintained in a very sophisticated manner.

✛ Transfer inspection: At places where passengers merely change planes, no taxes are raised or in special cases there are lower taxes.

✛ Dependency of taxes on the currency of the place of sale (if place of departure and place of sale are in different countries)

✛ Apart from countries, "artificial areas" can be generated, e.g. French overseas territories, EU or similar. These artificial areas combine several countries in which to some extent identical tax conditions apply. (Master data maintenance: taxes can thus be entered in a simplified manner.)

✛ Integration of VAT for purely domestic flights (e.g. VAT is payable once again on taxes in Germany).

✛ All other special cases can also be represented.

✛ Web-based access is provided to Sirax tax module test mask for evaluating single cases.

✛ PFC and YQ/YR (security, insurance and fuel surcharges) are fully included.

6. TAX SERVICES[+] OFFERED BY LUFTHANSA REVENUE SERVICES

6.1 TAX SERVICES FOR OUTGOING INVOICE

This service can be used for completing the outgoing invoice with correct tax and fee amounts.

ADVANTAGES FOR OUTGOING INVOICE PROCESS

✛ Avoidance of losses with too low value

✛ Reduction of rejection volume by avoiding the invoicing of excessive values or non-applicable taxes

INPUT: File with uplifted OAL data from customer

FORMAT: Excel or flat file (containing required ticket information flown from, flown to, flown class, airline, etc.)

TAX EVALUATION PROCESS

✛ Update of tax master data with carrier specific tax information (e.g. if taxes are interlineable or not, locations, IATA fare type/passenger type, fare basis ticket designator (FBTD) master data)

✛ Import of file with uplifted OAL data delivered by customer

✛ Automatic tax/fee evaluation per coupon

✛ Generating of a file with all applicable taxes and/or fees (tax code and value) per coupon for debiting on outgoing invoice

OUTPUT: File with all relevant tax and/or fee codes and values for outgoing invoice

FORMAT: Output as flat file formatted for import into any standard table calculation program

DURATION: Approx. 2 working days

6.2 TAX SERVICES FOR INCOMING INVOICE

In the incoming invoice process, the taxes reported are compared with those determined and any differences displayed at tax code level.

ADVANTAGES FOR INCOMING INVOICE PROCESS

✛ Avoidance of accepting over-billing in incoming invoice process and therefore loss of money

INPUT: File with all information per coupon from incoming invoice

FORMAT: Output as flat file formatted for import into any standard table calculation program
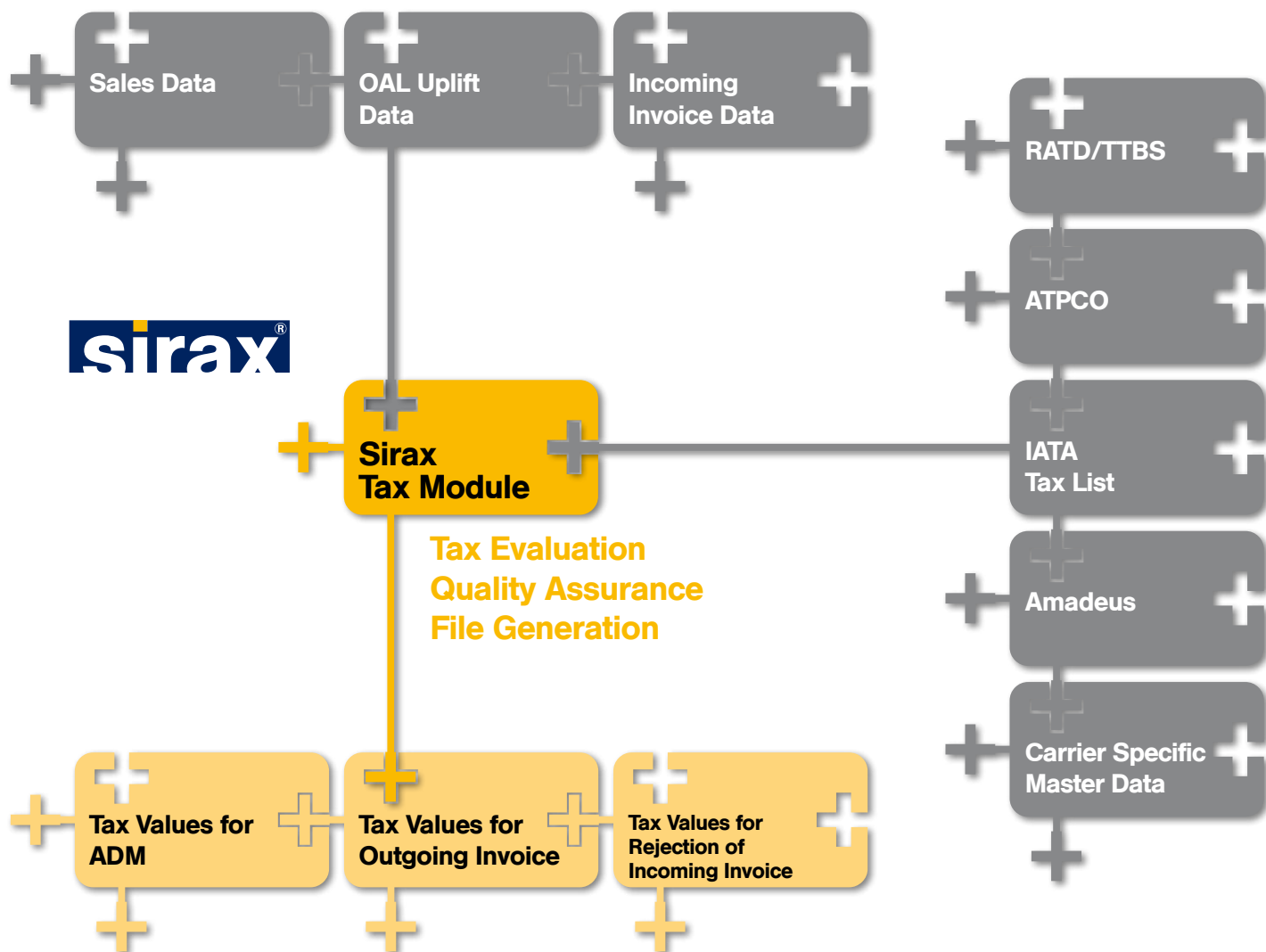
TAX EVALUATION PROCESS

✛ Update of tax master data with carrier specific tax information (e.g. if taxes are interlineable or not, locations, IATA fare type/passenger type, fare basis ticket designator (FBTD) master data)

✛ Import of file with information per coupon from incoming invoice delivered by customer

✛ Automatic tax/fee evaluation per coupon

✛ Generating of a file with all applicable taxes and/or fees (tax code and value) per coupon for rejection on outgoing invoice

OUTPUT: File with all relevant tax and/or fee codes and values for rejection on outgoing invoice

FORMAT: Output as flat file formatted for import into any standard table calculation program

DURATION: Approx. 2 working days

6.3 TAX SERVICES FOR SALES PROCESS

Tax Services[+] for sales process is similar to the service for incoming invoices. All reported taxes (BSP/ARC, own sales) are compared with those ascertained and any differences displayed at tax code level for further processing.

ADVANTAGES FOR SALES PROCESS

+ **Avoidance of insufficient charges in sales process**
INPUT: File with all relevant sales information
FORMAT: BSP, ARC, TCN, sales data file similar to BSP HOT

TAX EVALUATION PROCESS

+ **Update of tax master data with carrier specific tax information (e.g. locations, IATA fare type/passenger type, fare basis ticket designator (FBTD) master data, carrier specific fee)**

+ **Import of file with all relevant sales information delivered by customer**

+ **Automatic tax/fee evaluation per journey**

+ **Generating of a file with all applicable taxes and/or fees (tax code and value) per ticket to issue an agent debit memo (ADM)**
OUTPUT: File with all relevant tax and/or fee codes and values to issue an agent debit memo. For BSP agents, an upload of ADM via BSP link is possible.
FORMAT: Output as flat file formatted for import into any standard table calculation program
DURATION: Approx. 2 working days

References

PROFIT COUNTS

TO ENSURE HIGH QUALITY SERVICE STANDARDS TO OUR CUSTOMER AIRLINES, LRS

✚ Employs highly qualified staff

✚ Consistently invests in state-of-the-art hardware and innovative software solutions

DEUTSCHE LUFTHANSA AG
Application Service Providing
Revenue Accounting System Sirax
Full Revenue Accounting Service
Business Intelligence – Services and Solutions

FINNAIR OYI
PMP Service
Tax Master Data Service
FIM Service

BRUSSELS AIRLINES
Full Revenue Accounting Service

EGYPT AIR
PMP Service

ROYAL JORDANIAN
Tax Master Data Service

CONDOR FLUGDIENST GMBH
Application Service Providing
Revenue Accounting System Sirax
Full Revenue Accounting Service

ASIANA AIRLINES
Tax Master Data Service

Lufthansa Revenue Services
Company Profile

Lufthansa Revenue Services as a member of the Lufthansa Passage provides high quality Revenue Accounting services for the airline industry. The company is located in Hamburg/Norderstedt and Berlin, Germany. Based on 45 years of experience in Revenue Accounting for Lufthansa AG, LRS has built up extensive expertise in Revenue Accounting. All services include perpetual quality assurance in order to discover the possible source of errors and thus optimise the Revenue Accounting processes to generate a maximum possible added value.

An important base for our Revenue Accounting Services[+] is the expertise of our employees developed over decades in Revenue Accounting while executing the transition from a manual flown based to a state-of-the-art and highly automated sales based Revenue Accounting system. Regular training sessions designed to the needs of our clients guarantee constant know-how transfer across all functions and processes.

Modern technology and effective processes are the basis for our ability to provide competitive Revenue Accounting services.

Clearly defined roles, responsibilities and performance measures are an essential part of our definition of a long-term partnership with our customers. That also means that we regularly review our services with our customers to adapt to their changing needs and requirements and to continuously improve our performance.

Philosophy of Lufthansa Revenue Services
Revenue Accounting

Lufthansa Revenue Services is responsible as service company within Lufthansa Group for preparing and reporting all revenue and performance data from passenger business. We prepare the relevant flight revenue accounting information incoming from all over the world and make it available to bookkeeping and Business Intelligence systems on schedule. With its IT solutions, Lufthansa Revenue Services processes complex mass data on a highly automated basis taking into consideration all statutory and contractual requirements.

accounting solutions**⁺**
profit counts

YOUR CONTACT

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