

Amadeus provided solution (proposal)

Amadeus Instalment Solution proposal

Model: Acquirer-driven Instalments

1. Purpose of the Instalment Solution

- Aims to attract budget-conscious customers, encourage purchase of higher-yield products, and adapt to local payment habits in markets like LATAM (Brazil, Mexico, Argentina, Colombia).

2. Solution Description

- **Instalment Engine:** Amadeus Instalment Engine (configurable by business rules).
- **Integration:** Delivered through XPP REST APIs (`POST /v1/payment/intents` → `POST /v2/payment/records/authorization` with instalment data).
- **Eligibility criteria:** Currency, ticket price, country of sale, country of origin, time to departure, credit card type/vendor, sales channel.
- **Output to customer:** Instalment proposals (number of payments, first payment amount, subsequent payments, total payable, interest/credit cost).
- **Interest rates:** Configurable by BA via Amadeus Business Rules (e.g. max instalments with/without interest, minimum ticket value, supplementary rate if over threshold, interest per number of instalments).

3. Technical Model

- **Only Acquirer Model is supported today:**
 - A single authorisation for the full ticket amount (plus interest, if applicable) is sent to the acquirer.
 - The acquirer then performs multiple captures, according to the instalment schedule.
 - The issuer simply processes the scheduled debits when the acquirer presents them.
- **Risk and Interest:**
 - Interest income and risk are borne by the merchant/acquirer.
 - Merchant (BA) may choose between:
 - **Cash Advance** (acquirer pays upfront NPV, keeps the interest), or

- **Staggered settlement** (merchant waits but may share/keep the interest).
- **Supported cards:** Visa, MasterCard, Amex, JCB, Diners (UATP and CUP not supported).

4. Limitations

- Stand-alone engine; does not enforce the instalment plan at the payment stage.
- Max 20 instalments supported.
- Currently no acquirer liability shift; liability is with the merchant (though BA is interested in moving to acquirer liability shift in future).
- Only monthly instalments supported.

5. Example Market Application

- Already working through local acquirers/PSPs in LATAM:
 - Adyen (Brazil), Global Collect (Argentina, Mexico, Brazil), Redeban (Colombia).
- Interest rate tables are typically configured per number of instalments (e.g. 2 instalments = 0.52%, 10 instalments = 0.11%).

Instalment Model Type

This solution clearly falls under the **Acquirer-driven Instalment Model**:

- Merchant or acquirer funds the instalment plan.
- Only one authorisation for the full ticket value.
- The acquirer controls capture and settlement in line with the instalment schedule.
- The issuer does not provide financing; it simply honours the captures.

In short: Amadeus proposes an acquirer-driven instalment solution via its Instalment Engine and XPP APIs. Airlines can configure rules to decide when and how to offer instalments, including interest, number of instalments, and eligible cards. Customers see clear proposals before purchase. Settlement flows and risk lie with the acquirer/merchant, not the issuer.