

RESOLUTION 818g

PASSENGER SALES AGENCY RULES

△ PAC(58)818g/(Mail A607)(except USA) Expiry: Indefinite
Type: B

This Resolution is applicable in the following market and regions:

Area 1: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Bonaire, British Virgin Islands, Cayman Islands, Curacao, Dominica, French Guyana, Grenada, Guadeloupe, Guyana, Haiti, Jamaica, Montserrat, Nicaragua, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, St. Eustatius, St. Maarten (Dutch part), Saba, Suriname, Trinidad and Tobago, Turks and Caicos Islands, Venezuela.

Area 2–Africa: Central/West Africa¹ (Mauritania only), Malawi, Mauritius, Morocco, Tunisia.

Area 2–Europe: Georgia.

Area 2–Middle East: Syrian Arab Republic, Yemen.

Area 3: Macau (SAR, China), South West Pacific, (Papua New Guinea and South West Pacific Islands only).

WHEREAS the Passenger Agency Conference ('the Conference'), in consultation with the travel agency community, wishes to provide consumers with a network of reliable and professionally managed sales outlets for air transportation products in an efficient and cost effective manner responsive to evolving individual marketplace requirements, it is,

RESOLVED that, the following provisions are adopted and implemented in any market/region (area), upon a request placed before the Conference in accordance with the Provisions for the Conduct of IATA Traffic Conferences. Notification of the date of implementation of this Resolution in any market shall be given to all Members by the Agency Administrator.

¹ Central/West Africa comprises: Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo (Brazzaville), Gabon, Ivory Coast, Mali, Mauritania, Niger, Senegal, Togo.

Contents**DEFINITIONS****GENERAL PRINCIPLES OF REVIEW****SECTION 1—AGENCY PROGRAMME JOINT COUNCIL****SECTION 2—QUALIFICATIONS FOR ACCREDITATION****SECTION 3—PROCEDURES****SECTION 4—ISSUE OF STANDARD TRAFFIC DOCUMENTS****SECTION 5—INTEGRITY OF STANDARD TRAFFIC DOCUMENTS—CUSTODY, PROTECTION AND PROPER ISSUANCE****SECTION 6—REPORTING AND REMITTING****SECTION 7—(INTENTIONALLY LEFT BLANK)****SECTION 8—CONSEQUENCES OF DEFAULT****SECTION 9—CONDITIONS FOR PAYMENT OF COMMISSION AND OTHER REMUNERATION****SECTION 10—CHANGE OF OWNERSHIP, LEGAL STATUS, NAME OR LOCATION****SECTION 11—REVIEWS BY THE TRAVEL AGENCY COMMISSIONER****SECTION 12—ARBITRATION****SECTION 13—MEASURES AFFECTING AN AGENT'S STANDING****SECTION 14—AGENCY FEES****SECTION 15—INDEMNITIES AND WAIVER****ATTACHMENT 'A'—REPORTING AND REMITTING****ATTACHMENT 'B'—NOTICE OF CHANGE****ATTACHMENT 'C'—REPORTING & REMITTANCE EXCEPTIONS****ATTACHMENT 'D'—APPLICATION OF AGENCY FEES****ATTACHMENT 'E'—FINANCIAL ASSESSMENT FRAMEWORK FOR AGENTS WITH AN AMOUNT AT RISK GREATER THAN USD 5 MILLION****ATTACHMENT 'F'—VOLUNTARY MORE FREQUENT REMITTANCE REQUEST****Definitions**

The definitions of terms and expressions used in this Resolution are contained in [Resolution 866](#). The use of words and expressions in the singular shall, where the context so permits, be taken to include their use in the plural and vice versa. Paragraph headings are for ease of reference only and do not form part of these Rules.

General Principles of Review

In the event the Agency Administrator, hereinafter referred to as IATA, notifies an Agent of any kind of failure to meet or continue to meet the criteria so here described or of any other irregularity or non-compliance with these Rules, the Agent shall at all times be able to enter into discussion with IATA, to provide information to demonstrate its compliance and continued compliance with the terms of this Resolution within the prescribed deadlines. The Agent is also able to request a review by the Travel Agency Commissioner in accordance with [Resolution 820e Section 1.4](#).

Section 1—Agency Programme Joint Council

In each market or area where this resolution is implemented an Agency Programme Joint Council (APJC) shall be established and shall continue to operate after implementation:

1.1 AGENCY PROGRAMME JOINT COUNCIL ('THE COUNCIL')

every Member or BSP Airline may, by written notification to the Agency Administrator, nominate a person of senior management standing (the nominee) to serve as its representative on the Agency Programme Joint Council for that market or area:

1.1.1 Composition

the Council shall consist of:

- △ **1.1.1.1** Members and Airlines designated from time to time by the Agency Administrator, from those having designated a nominee, bearing in mind the local market conditions. Any Member and Airline representative may attend the APJC as an observer at the discretion of the Chair, whose approval shall not be unreasonably withheld. Observers are allowed to participate with the permission of the Chair and contribute in the discussions. Members/Airlines must not designate a General Sales Agent as their APJC representative. GSAs are also not permitted to attend APJC meetings as observers.

- △ **1.1.1.2** representatives, who are Accredited Agents, selected from the agent community as coordinated by the agency association(s). Agent representation shall constitute half of the Council's membership. Executive officers of agent associations without a designated representative may attend the APJC as observers at the discretion of the Chair, whose approval shall not be unreasonably withheld.

1.1.1.3 IATA as an ex officio member; provided that the number of Members, Airlines and Agents' representatives as provided in [1.1.1.1](#) and [1.1.1.2](#) above shall be determined by the Agency Administrator in proportion to their respective numbers in the market or area of the Council and shall be included in his recommendation to the Conference; provided further that the total voting membership of the Council shall not exceed 18;

1.1.2 APJC Authority and Terms of Reference

1.1.2.1 the Council may consider all aspects of the Agency Programme in the market or area and make recommendations in the form of agenda proposals to the Passenger Agency Conference which shall inform the Council of action taken, and the reason for the decision made. Conversely, the Agency Administrator shall refer to the Council for comments and recommendations all proposals submitted to the Passenger Agency Conference which fall within the Council's authority,

1.1.2.2 the Council shall make recommendations to the Passenger Agency Conference regarding accreditation criteria in respect of financial standing;

1.1.2.3 in the event that no recommendation on changes to Local Financial Criteria, Remittance Frequency, or other matters within the terms of reference of an APJC can be achieved after consultation at an APJC within 24 months (including any event where the APJC was convened without a quorum) or 4 consecutive meetings where a quorum was met, any APJC member or group of members may make proposals directly to the Passenger Agency Conference.

1.1.2.4 the Council when it deems appropriate shall create a Local Financial Criteria Advisory Group to review and make recommendations to it on the Local Financial Criteria, which body shall function as per sub-paragraph [1.1.3](#) below.

1.1.3 Local Financial Criteria Advisory Group

1.1.3.1 the Council may establish a Local Financial Criteria Advisory Group to assist in the development of Local Financial Criteria for accreditation. The Local Financial Criteria Advisory Group (LFCAG) will be under the direct control of the Council and shall:

- (i) be composed in equal numbers of qualified staff of both airline and agent members,
- (ii) consist at a minimum of two airline and two agent representatives as nominated by the APJC.

1.1.3.2 LFCAG may seek the assistance of legal expertise and/or external financial expertise to advise on local accounting standards.

1.1.3.3 the LFCAG will review any existing Local Financial Criteria against changing economic conditions in the market and make recommendations for change to the Council.

1.1.3.4 Recommendations of the LFCAG will be subject to ratification of the Council as per sub-paragraph [1.1.4](#).

1.1.4 Procedures

- △ the Council shall meet when required and shall elect its Chair from its membership. A simple majority of the Council shall constitute a quorum and recommendations shall be adopted, for consideration by the Conference, when a majority of the air carriers and a majority of the Agents of the Council vote in favour of the proposal. Except as provided herein, the Council shall establish its own procedures and submit a report of its activities to each meeting of the Conference.

- △ **1.1.4.1** the IATA Secretary shall formally call meetings of the Council and shall establish the date and venue in consultation with the Chair. The Secretary shall compile and distribute the agenda in a timely manner.

- △ **1.1.4.1.1** minutes of each meeting shall be compiled by the Secretary and presented to the Chair for approval. Thereafter such minutes shall be circulated promptly to the membership who shall be free to provide comments to those minutes for consideration at the next formal meeting of the Council where such minutes shall also be tabled for approval of the Council.

1.2 ISS Management

The Agency Administrator, as determined by [Resolutions 868](#) and [866](#), is the IATA official designated by the Director General as the holder of that office, or his authorised representative, and is responsible for the management of the Agency Programmes in accordance with the Rules and Resolutions of the Passenger Agency Conference, and has the authority to act in extraordinary circumstances.

ISS Management (IATA Settlement Systems Management) holds delegated responsibility from the 1998 IATA Annual General Meeting for the management and efficient operation of this business activity, as determined by [Resolution 850e](#). As defined in [Resolution 866](#), ISS Management means the functional areas of the Customer Financial and Digital Services division of IATA (CFDS), responsible for the management and operation of the IATA Settlement Systems, including central and regional ISS Management with overall responsibility for the operation of the BSPs.

Section 2—Qualifications for Accreditation

The requirements and qualifications listed in this [Section 2](#) (including established Local Financial Criteria published in the Travel Agent's Handbook) are designed to assess on fair and neutral terms whether the applicant has the necessary qualifications and financial standing to become and maintain status as an Accredited Agent, with the consequent credit entitlement that results.

2.1 Any person in possession of the appropriate official licence, where required, may become an Accredited Agent by making an application to IATA wherever such Person carries on business and by meeting the qualifications described below.

2.1.1 The applicant must demonstrate and/or provide evidence of compliance in respect of the following;

Registration/Licence

2.1.2 The applicant's business entity and/or its owners and managers must have the requisite official registration and/or licence to trade and offer travel agency services, as prescribed by applicable law.

Staff

2.1.3 The applicant must have in its employment competent and qualified staff able to sell international air transportation and correctly issue Standard Traffic Documents and report these to the BSP.

Finances

2.1.4 The financial stability of the applicant is assessed in relation to the Sales at Risk, taking into account net equity, net current assets compared to the net cash sales of an average prescribed reporting and remitting period. Such evaluation shall be in accordance with the Sales Agency Rules and, as the case may be, the Local Financial Criteria.

2.1.4.1 The applicant must provide accounts showing a satisfactory financial standing and ability to remain solvent and pay bills. The applicant shall submit independently produced financial statements prepared in accordance with local accounting practices.

2.1.4.2 To obtain a satisfactory evaluation, the applicant may be required to provide further information or additional financial support in the form of bank or insurance bonds or guarantees to cover the Sales at Risk. Recognising that IATA is mandated to conduct examinations of the financial standing of Agents in accordance with the provisions of this [Section 2](#), a BSP Airline may request a separate bank guarantee on the grounds that the current Local Financial Criteria in the market require strengthening, under which circumstances the following actions will apply:

- (i) The BSP Airline must notify the Agency Administrator that the current Local Financial Criteria in the market require strengthening

- (ii) The Agency Administrator will:
 - (a) authorise the BSP Airline to request a separate bank guarantee; any such bank guarantee obtained must be notified to IATA by both Airlines and Agents
 - (b) call an APJC meeting to propose strengthening the Local Financial Criteria in accordance with the requirements of Resolution 818g, [Section 1](#)
- (iii) In the event that no recommendation on changes to Local Financial Criteria can be achieved, the provisions of Resolution 818g, subparagraph [1.1.2.3](#) may be invoked
- (iv) Following the adoption by Conference of the changes to the Local Financial Criteria, and subsequent to a financial review of the Agent in accordance with these criteria, IATA will require the BSP Airline to return the Agent's separate bank guarantee to the Agent

2.1.4.3 The only other permissible separate airline bank guarantee is when it is for specific commercial interests. In such circumstances the airline must notify IATA of the precise circumstances and IATA will review such arrangements on a quarterly basis to determine whether the individual bank guarantee should continue.

Branch Locations in Other Markets/Regions

2.1.4.4 An applicant that opens Branch Locations in a market/region, that is different from where the Head Office legal entity is located, will be assessed against the Local Financial Criteria established for the market of the Branch Location. In such event the Agent will be required to submit the financial documents of the Head Office legal entity. Where the Agent is unable to meet the applicable Local Financial Criteria of the market of the Branch Location, it shall be required to furnish additional security in the form of a Financial Security to cover the Sales at Risk for that location.

Applicant owned by a Member

2.1.4.5 an applicant owned by a Member, where the Member or Member's parent company holds greater than 50% of the equity of the applicant or of the applicant's parent company, shall not be subject to the inclusion of the Member's sales by the applicant in the calculation of the Sales at Risk under the Local Financial Criteria, as adopted by the Conference and published in the Travel Agent's Handbook.

Premises

2.1.5 The applicant shall be identified as a place of business for a travel agency in accordance with applicable laws.

2.1.6 The Agency and/or place of business shall not be identified, or represent itself, as an office of an airline or group of airlines, nor have a name the same as that of a Member of IATA, or of IATA.

2.1.7 The location where business is conducted shall not be in office space jointly occupied with an airline or an airline's General Sales Agent. Where a location is jointly occupied with another Travel Agency, each Agent shall be responsible to report its sales under its separate IATA Numeric Code.

Trading History

2.1.8 No person who is a director of, or who holds a financial interest or a position of management in the Applicant, shall have been a director of, or had a financial interest, or held a position of management in an Agent which has been removed from the Agency List or is under notice of default and still has outstanding commercial debts;

2.1.9 The applicant may nevertheless be approved if IATA is satisfied that such person was not responsible for the acts or omissions that caused such removal or default and is satisfied that the applicant can be relied upon to comply with the terms of the Sales Agency Agreement, these Rules and other Resolutions of the Conference;

2.1.10 The applicant shall not trade as a General Sales Agent for any air carrier in the market where it is established.

Security

2.1.11 An applicant shall undertake to provide sufficient protection for its business, premises and systems used for the issuance of Standard Traffic Documents in accordance with the provisions detailed in [Section 5](#) of this Resolution.

2.1.12 The applicant shall have, at the place of business under application, the facility to issue on behalf of Members/Airlines participating in the BSP, Standard Traffic Documents through the use of an approved Electronic Ticketing System as defined in [Resolution 854](#).

2.1.13 An Agent is recommended to take all necessary precautions to protect its business and business applications.

Online Agent

2.1.14 Applicants for approval as an internet-only Agent must meet the criteria specified in this section with the exception of the physical requirements relating to Premises and Security. In addition any entity applying for the status of an Online Agent must have an established physical Head Office duly registered/licensed to operate as a business. The applicant will also be required to conclude a Passenger Sales Agency Agreement to cover each Online Agent location in a market.

2.1.15 The applicant will effect sales through a website and where local laws permit the applicant may have its Head Office Location/Administrative Office in one market and establish a local web address in another market. The Head Office Location/Administrative Office will be required to meet the criteria specified in this section. In such circumstances each location will be responsible for the reporting and remitting of BSP sales to the BSP of the market/region in which it is located.

Payment Card Industry Data Security Standards (PCI DSS) Compliance

2.1.16 The Agent must ensure its full compliance with the Payment Card Industry (PCI) Data Security Standards, as provided by the Card companies and made available to agents through IATA, and that all sensitive card data obtained during the process of completing a card sales transaction is handled, stored, and transmitted with due regards to the security of the data. Failure to comply with these requirements either as part of the Accreditation process or at any time per IATA's request will result in a Notice of non-compliance being issued against the Agent. This notice will include a set date of transition of the country of agents operation under [Resolution 812](#) and will specify that Credit Card form of payment will be restricted for this agent unless the evidence is provided prior to the specified date.

General Requirement

2.1.17 All material statements made in the application shall be accurate and complete.

Reviews and Consequences of Non Compliance

2.2 IATA has the right to conduct examinations of the financial standing of Agents annually and for cause at any time. IATA may request that an Agent must provide the documents deemed necessary to conduct such examination, by a date no earlier than seven days from the date of the request for the examination. Failure by the Agent to submit such documents will result in a Notice of Irregularity being issued to the Agent and to give the Agent 30 days to comply, except where IATA determines that the Agent has made all reasonable efforts to meet the specified date, in which case IATA, in its sole discretion, may extend the due date by a further seven days without penalty. Failure by the agent to comply shall be grounds for IATA to give the Agent written notice of removal from the Agency List, provided that if the Agent submits the required documents prior to the removal date the removal shall not take effect. Where the Agency Administrator gives notice of removal under this provision, the notice shall specify the date at which it will be effective, which shall not be before the date specified in clause [13.2](#) of the Passenger Sales Agency Agreement;

2.2.1.1 When IATA determines that an Agent no longer satisfies the applicable Local Financial Criteria, IATA shall immediately inform the Agent in writing of conditions as are deemed appropriate to be complied with by the Agent by a specified date including, but not limited to, the provision of a Financial Security if none had been previously required;

2.2.1.1(a) provided that such Financial Security will only be requested if the amount is equal to or higher than USD 5,000 or the equivalent in local currency for countries where the Local Financial Criteria specify that the Financial Security can be provided in local currency.

2.2.1.1(b) the provision in [2.2.1.1\(a\)](#) will only apply when there is no minimum Financial Security amount specified in the Local Financial Criteria.

2.2.1.2 Additionally, IATA has the right to review at any time the Agent's Sales at Risk and require an adjustment to any existing Financial Security provided to ensure appropriate and sufficient coverage. Such adjustment may require an increase or decrease in the Agent's Financial Security. The adjusted Financial Security provided under this Subparagraph shall be in accordance with these Sales Agency Rules, and may go beyond the established Local Financial Criteria including, in the event of action taken by the Agency Administrator for Prejudiced Collection of Funds, a requirement to provide a new Financial Security.

2.2.1.2(a) provided that an increase in the Financial Security amount will only be requested if the increase equals to or is higher than USD 5,000.

2.2.1.2(b) the provision in [2.2.1.2\(a\)](#) will only apply when there is no minimum Financial Security amount specified in the Local Financial Criteria.

2.2.1.3 In all cases where a Financial Security needs to be provided, it shall be provided by a specified date to be determined by IATA, which shall be 30 days (40 days in Argentina, Brazil, Canada, Colombia, Venezuela, Guatemala, El Salvador, Honduras, Hong Kong (SAR, China), Nicaragua, Costa Rica, Panama, Belize, Bolivia, Trinidad & Tobago, Tunisia, Antigua & Barbuda, Aruba, Barbados, Bonaire, Curacao, Dominica, Grenada, Guyana, Montserrat, St Kitts & Nevis, St Lucia, St Maarten, St Vincent & the Grenadines, Suriname, Bahamas, British Virgin Islands, Cayman Islands, Turks & Caicos, Dominican Republic, Haiti, Jamaica and Macau (SAR, China)) from the date of such written notification. On finding that the Agent failed to comply with a requirement to provide a Financial Security or an increase thereof, such failure shall be grounds for IATA to withdraw all Standard Traffic Documents and require the Agent to comply with the conditions within 30 days (40 days in Argentina, Brazil, Canada, Colombia, Venezuela, Guatemala, El Salvador, Honduras, Hong Kong (SAR, China), Macau (SAR, China), Nicaragua, Costa Rica, Panama, Belize, Bolivia, Trinidad & Tobago, Tunisia, Antigua & Barbuda, Aruba, Barbados, Bonaire, Curacao, Dominica, Grenada, Guyana, Montserrat, St Kitts & Nevis, St Lucia, St Maarten, St Vincent & the Grenadines, Suriname, Bahamas, British Virgin Islands, Cayman Islands, Turks & Caicos, Dominican Republic, Haiti and Jamaica). Failure by the agent to comply within the required days shall be grounds to give the Agent notice of removal from the Agency List, which removal shall take effect on a date that is not before the date specified in clause [13.2](#) of the Passenger Sales Agency Agreement, and to notify all BSP Airlines accordingly;

2.2.2 if subsequent to the action taken under [Subparagraphs 2.2.1.1](#) through [2.2.1.3](#) above, but prior to the removal date, the Agent satisfies IATA that the prescribed conditions have been met, the removal shall not take place, the Notice of Irregularity shall remain in place and IATA shall notify the Agent and all BSP Airlines accordingly;

2.2.3 in the circumstances described in [Subparagraphs 2.2](#) through [2.2.2](#) above IATA shall, if so agreed

by the Conference, using the procedures of the BSP, levy an administration charge on the Agent to cover additional workload caused by the late submission of financial documents and/or caused by delay in meeting the prescribed conditions referred to in [Subparagraph 2.2.2](#) above. The charge shall be as recommended by IATA through the APJC and agreed by the Conference;

2.2.4 where pursuant to the provisions of [Subparagraph 2.2](#) or [2.2.1.3](#) above Standard Traffic Documents are withdrawn or an Agent receives notice of removal, the Agent may within 30 days of the date of such withdrawal, notice of removal or of termination, invoke the procedures set out in [Resolution 820e](#) for review of IATA's action by the Travel Agency Commissioner including the possibility of seeking interlocutory relief. Before granting an interlocutory order under this Subparagraph, the Travel Agency Commissioner shall require the Agent to provide a bank or other financial guarantee to IATA in accordance with [Resolution 820e](#).

2.2.5 If an Agent is required to provide a Financial Security, the Agent must ensure that the Financial Security is and remains valid, and is renewed by the expiry date. IATA also has the right to review the validity of a Financial Security including in accordance with the Local Financial Criteria.

2.3 When IATA receives evidence that an Accredited Agent or Approved Location has changed status or does not continue to meet the qualifications for accreditation, IATA shall initiate a review of the Agent or Approved Location. If, following written notice by IATA of the qualification criteria that are at issue, the Agent is unable to demonstrate to IATA, by a reasonable date specified by IATA, that it meets the qualifications, by a date specified in that notice, which shall be no earlier than 15 days from the date of the notice, IATA shall give the Agent notice of removal from the Agency List. The notice of removal shall specify the earliest date at which removal shall be effective, which shall not be before the date specified in clause [13.2](#) of the Passenger Sales Agency Agreement. Removal from the Agency List here, and elsewhere in this Section, means that IATA shall withdraw all Standard Traffic Documents. Such removal shall not take effect if, prior to the date of removal, IATA determines that the Agent or Location meets the qualifications. The Agent or Approved Location may, within 30 days of the date of the notice of removal, invoke the procedures set out in [Resolution 820e](#) for review of the Agency Administrator's action by the Travel Agency Commissioner and may also apply for an interlocutory order staying the removal action pending the outcome of the review. Before granting an interlocutory order under this Subparagraph, the Travel Agency Commissioner shall require the Agent to provide a bank or other financial guarantee to IATA in accordance with [Resolution 820e](#).

2.4 if at any time IATA becomes aware that an application, which resulted in accreditation of the applicant, contained a material statement that was inaccurate or incomplete in respect of the criteria set out in [Subparagraph 2.1.8](#) and [2.1.13](#) of this Paragraph, it shall be grounds for IATA, if it considers that the circumstances so warrant, to remove the Agent, or the Location concerned, from the Agency List. IATA shall give the Agent up to

30 days advance notice in writing of removal from the Agency List; provided that such removal shall not take effect if, prior to the date of removal:

2.4.1 the Agent eliminates the grounds for such removal to the satisfaction of IATA, or

2.4.2 IATA is satisfied that the Agent can be relied upon to comply with the terms of the Sales Agency Agreement, these Rules and other Resolutions in the Travel Agent's Handbook.

2.4.3 the Agent invokes the procedures set out in [Resolution 820e](#) for review of the Agency Administrator's action by the Travel Agency Commissioner and successfully applies for interlocutory relief including provision of such bank or other guarantee as the Commissioner may deem appropriate.

2.4.4 in the event an Agent or applicant materially misrepresents its financial standing, providing that written evidence of such action is presented and can be verified, the Agency Administrator shall take action to remove the Agent from the Agency List and to remove the Agent's Ticketing Authority.

2.5 ISSUE OF STANDARD TRAFFIC DOCUMENTS

The following provisions shall apply in any market/region in which a BSP is in operation.

2.5.1 Granting and Termination of Ticketing Authority

2.5.1.1 a BSP Airline participating in the Billing and Settlement Plan may grant Ticketing Authority to a Head or Branch Office Location of the Agent;

2.5.1.2 any BSP Airline having granted Ticketing Authority to an Agent, may cancel such authority in respect of the Agent, or any Location of the Agent by so notifying the Agent in writing or by updating the relevant information online through the BSPlink system;

2.5.1.3 if the update is not performed electronically in BSPlink, the BSP Airline shall simultaneously advise the BSP of the removal of the Ticketing Authority and the BSP Manager shall instruct the Ticketing System to inhibit Ticketing issuance on behalf of that BSP Airline;

2.5.2 Issuance of Standard Traffic Documents

the Agent shall comply with the instructions issued by the BSP and the ticketing BSP Airline(s) in relation to the issuance and reporting of Standard Traffic Documents.

2.6 FAILURE TO COMPLY WITH REQUIREMENTS OR TO CONTINUE TO MEET QUALIFICATIONS

In the event an Agent fails to comply with any of the requirements or qualifications listed in the Passenger Sales Agency Rules or with any of the terms of the Passenger Sales Agency Agreement the Agency Administrator shall take action to remove the Agent's Ticketing Authority. In situations where an Agent fails to meet the requirements of the reporting and remittance rules Notice of Irregularity and/or default action will be taken as described in those rules.

2.7 FINANCIAL ASSESSMENTS FOR AGENTS WITH AN AMOUNT AT RISK GREATER THAN USD 5 MILLION

2.7.1 At any point, an Agent with an Amount at Risk greater than USD 5,000,000, will be subject to additional financial and operational reviews of the Agent's business in accordance to the financial assessment framework as established in [Attachment 'E'](#) of this Resolution. Any cost associated with such review will be borne by the Agent.

2.7.2 The assessment framework contains a set of criteria, each criterion categorised as either a key criterion, or a standard criterion. A subset of such criteria forms various sections of this framework. The determination to fail a section of this framework is considered by failing to meet at least one Key criterion, or a number of Standard criteria as indicated in [Attachment 'E'](#) of this Resolution.

2.7.3 To pass the assessment, the Agent must pass all sections of the framework in accordance to [Attachment 'E'](#) of this Resolution.

△ **2.7.4** If the Agent fails any section of the framework, in accordance to [Attachment 'E'](#) of this Resolution, the Agent will be required to provide a Financial Security to cover any Amount At Risk in excess of USD 5,000,000. The Financial Security requirements for any Amount At Risk below USD 5,000,000 shall continue to be governed by the Local Financial Criteria.

2.7.5 Notwithstanding the requirements as established in [2.7.1–2.7.4](#) of this section, the Agent will continue to undergo annual examination of its financial standing in accordance to section [2.2](#) of this Resolution.

Section 3—Procedures

Upon request, IATA shall supply each prospective applicant with an application form and a copy of the IATA Travel Agent's Handbook containing these Rules and other relevant information and guidance.

3.1 APPLICATION FOR ACCREDITATION

an applicant which wishes to be included on the Agency List and have a place of business entered as an Approved Location on the Agency List, or an Agent which wishes to have an additional place of business entered as an Approved Location on the Agency List, shall apply to IATA who is empowered to accredit the applicant or to reject such applications.

3.2 FORM OF APPLICATION—PROCESSING

3.2.1 the applicant must complete the application form prescribed. The submitted application shall be accompanied by financial statements as required under [Section 2](#) of these Rules, other documents as set forth in the Handbook and by fees covering the following:

3.2.1.1 application fee which is non-refundable, and

3.2.1.2 entry fee, and

3.2.1.3 the first annual Agency fee;

3.2.2 upon receipt, IATA shall, within one month subject to external influences, consider whether such application is complete. If any of the required information or fees have not been included with the application the Agency Services Manager shall so inform the applicant;

3.2.3 if IATA finds the application is complete, he shall publish, within one month subject to external influences, to Members and BSP Airlines in a listing that such application has been received. Such listing shall be published as required;

3.2.4 IATA may arrange an inspection to assist in determining whether the applicant meets the qualifications necessary to become an Accredited Agent or for a Branch Office Location, as applicable;

3.2.5 IATA shall consider each application and supporting information and any other information brought to his attention and decide within 15 working days of the application listing if the applicant meets the qualifications to become an Accredited Agent or Approved Location;

3.2.6 the applicant shall be notified promptly in writing of IATA's action and in the event of rejection shall be given clear reasons why the application failed;

3.2.7 a rejected applicant or an Agent whose application for an additional location has been rejected may, within 30 calendar days of the date of IATA's notice, request reconsideration of the decision by IATA or may invoke the procedures for review of IATA's action by the Travel Agency Commissioner;

3.2.8 subsequent to approval and addition to the Agency List any Member or BSP Airline may register with IATA information concerning the Accredited Agent, where it feels that approval justifies further review.

3.3 ACTION FOLLOWING ACCREDITATION OF APPLICANT

3.3.1 if IATA determines that the applicant or location has shown that it meets the qualifications, he shall request the Agency Administrator to enter the Applicant or Location on the Agency List;

3.3.2 the Director General, acting on behalf of such IATA Members as may appoint Agents, shall execute a Sales Agency Agreement with each Person accredited as an Agent in accordance with these Rules and the Agency Administrator shall, within one month subject to external influences, notify all Members of the names of parties executing Sales Agency Agreements and the dates of such Agreements;

3.3.3 the Agency Administrator shall maintain, publish and circulate, twice a year, an Agency List of all Persons with whom the Director General has entered into a Sales Agency Agreement in accordance with [Subparagraph 3.3.2](#) of this Paragraph, which will include, but not be limited to, the following information:

3.3.3.1 name and postal address,

3.3.3.2 address of place of business,

3.3.3.3 type (Head Office, Branch or Administrative Office),

3.3.3.4 date of Accreditation,

3.3.3.5 IATA Numeric Code;

3.3.4 for the purpose of these Rules, a Person's name shall be deemed to be included on the Agency List from the date when such Agreement is entered into until the date when it is terminated, and a Location shall be deemed to be included on the Agency List from the date when the Agreement applies to that place of business to the date when it ceases to apply;

3.3.5(a) an Accredited Agent wishing to identify a specific sales activity performed at an Approved Location, may request the allocation of an additional IATA Numeric Code for such purpose, on the following conditions:

3.3.5(a)(i) the Agent shall apply in writing to IATA, describing the specific sales activity referred to in [Subparagraph 3.3.5\(a\)](#) above and requesting the allocation of an additional IATA Numeric Code to identify such sales activity,

3.3.5(a)(ii) on receipt of such application, IATA shall verify that the specific sales activity for which the additional numeric code is required is conducted solely at the Location concerned and in compliance with the minimum security provisions set forth in [Section 5](#) of these Rules,

3.3.5(a)(iii) if satisfied that the foregoing conditions are met, IATA shall request the Agency Administrator to allocate the additional IATA Numeric Code accordingly,

3.3.5(a)(iv) an entry fee and an annual agency fee shall be payable as though the additional IATA Numeric Code applied to a separate Branch Office Location in accordance with [14.1](#) of [Section 14](#) of these Rules;

3.3.5(b) the additional IATA Numeric Code so allocated shall be entered on the Agency List but such entry shall not be considered as establishing a separate Branch Office Location.

3.4 APPOINTMENT OF AGENT BY INDIVIDUAL MEMBERS OR BSP AIRLINES

3.4.1 Manner of Appointment

3.4.1.1 All Accredited Agents, including all their Approved Locations, on the Agency List may be Appointed by a Member or BSP Airline:

3.4.1.1(a) by delegated authority to the Agency Administrator to Appoint all Accredited Agents on its behalf, such authority is deemed to have been granted unless the Member or BSP Airline notifies IATA that exclusions on a geographical basis for one or more markets are to be made. IATA will publish on the IATA website (www.iata.org) Members and BSP Airlines with markets where the Agency Administrator is not authorised to Appoint Agents,

3.4.1.1(b) alternatively, a Member or BSP Airline may deliver to such Agent a Certificate of Appointment in the form prescribed by the Conference in [Resolution 820](#);

3.4.1.2 an Airline may Appoint an Accredited Agent in accordance with the provisions of Resolution 850, Attachment 'E' Subparagraph [5\(b\)\(ii\)](#).

3.4.2 Effectiveness of Appointment

3.4.2.1 individual Appointments shall be effective:

3.4.2.1(a) as to those Members or BSP Airlines effecting Appointments through the Agency Administrator, immediately upon inclusion of the Agent on the Agency List, or as from the date the statement is deposited if such date is subsequent to that of the Agent's inclusion on the Agency List,

3.4.2.1(b) as to any other Member or BSP Airline, as from the date on the Certificate of Appointment.

3.5 TERMINATION OF INDIVIDUAL APPOINTMENT

3.5.1 any Member or BSP Airline having Appointed an Accredited Agent to act for it may cancel such Appointment in respect of the Agent or any Location of the Agent:

3.5.1.1 in the case of Appointment by the Agency Administrator, by so notifying the Agent in writing, with copy to the Agency Administrator;

3.5.1.2 in other cases, by delivering to the Agent a notice of termination cancelling the Certificate of Appointment.

3.6 CAPACITY AND INDEMNITY

Members or BSP Airlines appointing Agents undertake to indemnify IATA, its officers, employees and other appointees against liability (including liability for legal costs) for any action taken or omitted in good faith in the performance of their functions under these Rules (other than under [Section 1](#) of Attachment 'A' of these rules) and under other applicable Resolutions. Members and BSP Airlines participating in a Billing and Settlement Plan undertake to indemnify IATA, its officers, employees and other appointees against liability (including liability for legal costs) for any action taken or omitted in good faith in the performance of their functions with respect to such Plan under [Sections 1](#) and [2](#) of Attachment 'A' of these Rules and under [Resolution 850](#) and its Attachments.

Section 4—Issue of Standard Traffic Documents

4.1 Only Accredited Agents at Approved Locations may hold Standard Traffic Documents. IATA shall provide Agents with Standard Traffic Documents. Standard Traffic Documents furnished by IATA to the Agent are, and remain, the property of IATA until duly issued.

4.1.1 BSP Airlines Participating in the Billing and Settlement Plan

4.1.1.1 a BSP Airline may place its ticketing authority at a Head or Branch Office Location of the Agent appointed by it. Provided also that a ticketing authority supplied to an Approved Location shall also authorise the Agent, unless otherwise advised by the BSP Airline to the Agent in writing, to issue Standard Traffic Documents on any additional numeric codes assigned under the provisions of [Section 2](#) of [Subparagraph 2.2.5](#) of the Sales Agency Rules, to identify specific sales activities. Conversely, the BSP Airline is entitled to withdraw such ticketing authority;

4.1.2 Members not Participating in the Billing and Settlement Plan

4.1.2.1 a Member, not participating in the Billing and Settlement Plan, and wishing to conduct business with Accredited Agents at Approved Locations, shall do so in accordance with the provisions of the Passenger Sales Agency Agreement. This agreement and the Travel Agent Handbook govern the relationship between the Member and the Agent;

4.1.3 Removal by Agency Administrator in Special Circumstances

in the event a BSP Airline ceases all of its scheduled air service operations for reason of financial failure, the Agency Administrator shall, on instruction from the BSP Airline or from the Director General, cause that BSP Airline's BSP ticketing authorities to be removed;

4.1.4 Additional Responsibilities of Agent

4.1.4.1 an Agent is responsible for the safe custody and care of Standard Traffic Documents whilst these are in its possession;

4.1.4.2 Standard Traffic Documents shall be completed, validated and issued by the Agent only at an Approved Location.

4.1.4.3 an Agent shall not sell, validate or issue a Standard Traffic Document of or in the name of a BSP Airline for transportation solely on any other air carrier, unless the Agent has been so authorised by the BSP Airline whose ticketing authority has been used;

4.1.4.4 an Agent that does not make use of Standard Traffic Documents in its possession for a period in excess of twelve months shall have such BSP Standard Traffic Documents removed by the Agency Administrator. In the event, subsequent to the action above, an Agent has reason to request re-instatement of Standard Traffic

Documents it shall be subject to a review of its financial standing. If the inspection and the review reveal that the Agent still fulfils the accreditation criteria, the Agency Administrator shall reinstate ticketing facilities. If after a period of three months the Agent still does not make use of Standard Traffic Documents a notice of termination shall be sent to the Agent in accordance with [paragraph 13.1.3 of Resolution 824](#). Likewise, a notice of termination shall be sent to the Agent if three months after removal of the Standard Traffic Documents the Agent has not requested re-instatement of ticketing facilities.

4.1.5 Review of a BSP Airline's Individual Decision

4.1.5.1 notwithstanding the provisions of [Paragraph 4.1.1](#) of this Section and of [Paragraphs 3.4](#) and [3.5](#) of Section 3 of these Rules, an Agent which considers itself aggrieved by the decision of a BSP Airline:

4.1.5.1(a) to refuse to appoint such Agent, or

4.1.5.1(b) to withdraw its appointment of such Agent, or

4.1.5.2 with the result that such Agent's commercial interests are adversely affected to the point of placing its business in jeopardy, shall have the right to obtain such BSP Airline's criteria for appointing Agents or reasons for refusal, withdrawal or removal. If the Agent believes such justification is unreasonable then the Agent shall in the first instance seek clarification and satisfaction from the BSP Airline. If the issue is not thereby resolved, then the Agent shall have the right to have the BSP Airline's decision reviewed by the Travel Agency Commissioner pursuant to [Resolution 820e](#); provided that when the BSP Airline's decision to withdraw its appointment from an Agent was made in application of the collective provisions of these Rules, the Agent's right for review shall not be exercised against the BSP Airline individually but as set forth in such collective provisions of these Rules and pursuant to [Resolution 820e](#);

4.1.6 Review of Conference Decision

notwithstanding the provisions of [Paragraph 2.3](#) of the Passenger Sales Agency Agreement, in the event that Agent is aggrieved by the incorporation into its Agreement of amendments made by the Conference to IATA Resolutions it shall be grounds for the Agent, within 30 days receipt of the Agency Administrator's notification of such amendments, to seek a review of its grievance by the Travel Agency Commissioner pursuant to [Section 1.4.9](#) of [Resolution 820e](#).

Section 5—Integrity of Standard Traffic Documents—Custody, Protection and Proper Issuance

5.1 DUTY OF CARE

An Accredited Agent is duty bound to take all reasonable care and precautions to secure standard Traffic Documents assigned to it and to protect them from unauthorized or improper issuance or post-issuance tampering whilst in its custody.

5.2 LIABILITY

The liability of an Agent in the event of the following is a strict one: damage, expenses or loss experienced by the BSP Airline, its officers, agents or employees on account of the misapplication, theft or forgery of Standard Traffic Documents assigned to the Agent.

5.3 AGENT TO REPORT IRREGULAR OCCURRENCES

5.3.1 An Agent who has reason to suspect any of the above occurrences must immediately report the matter, in writing, in accordance with the provisions of the BSP Manual for Agents.

5.3.2 An Agent whose business premises suffer any form of unlawful entry, such as a forced entry or burglary, irrespective of whether or not material loss is detected, shall immediately report the incident to the police authorities, with copy of such report to IATA.

5.4 CONSEQUENTIAL ACTION

Upon receipt of a report that an Agent has suffered loss as a consequence of robbery, theft, burglary, fraud or any other unlawful means which might have compromised the integrity of Standard Traffic Documents assigned to the Agent, IATA shall immediately alert all BSP Airlines in the market and publish to them the serial numbers of any Standard Traffic Documents the integrity of which has been compromised.

5.5 REVENUE LOSSES ATTRIBUTABLE TO ALTERATION OR FALSIFICATION OF STANDARD TRAFFIC DOCUMENTS WHILST IN AGENTS CARE

5.5.1 A BSP Airline which has incurred revenue loss as a consequence of alteration of original entries or falsification of entries made in one or more Standard Traffic Documents issued in its name, which may reasonably be attributed to the issuing Agent, may request review of the irregularity by the Agency Administrator;

5.5.2 upon receipt of such a request, the Agency Administrator shall promptly invite the Agent's explanation of the purported irregularity and evaluate the documentary evidence thus obtained;

5.5.3 if the Agency Administrator does not receive an explanation from the Agent within ten working days of his request, or receives an explanation but concludes from it that an irregularity has indeed occurred and may reasonably be attributed to the fault of the Agent, he shall refer the matter, with all the documentary evidence in his possession, to the Travel Agency Commissioner with a request for review and action;

5.5.4 if the Agent demonstrates to the satisfaction of the Agency Administrator that the irregularity was committed by an employee who acted without the knowledge or complicity of the Agent, the Agency Administrator shall require the Agent to make good the revenue loss within a prescribed period prescribed by him. Failure by the Agent to adhere to the terms of the Agency Administrator's requirement shall cause him to refer the matter to the Travel Agency Commissioner, with a request for review and action;

5.5.5 if the Agency Administrator concludes that the detected irregularity and ensuing revenue loss stem from the Agent's own fault; intentional, negligent or otherwise, he shall immediately pass the documentary evidence gathered to the Travel Agency Commissioner, with a request for review and action.

Section 6—Reporting and Remitting

The provisions regarding sales reports, billings, remittances and collections and defaults under a Billing and Settlement Plan are contained in [Section 1](#) of Attachment 'A'.

Section 7—(Intentionally left blank)

Section 8—Consequences of Default

The provisions regarding the consequences of default are contained in [Section 2](#) of Attachment 'A'.

Section 9—Conditions for Payment of Commission and Other Remuneration

9.1 RATE OF COMMISSION OR AMOUNT OF REMUNERATION

Any commission or other remuneration paid to the Agent shall be established by the Member or BSP Airline. Such commission or other remuneration shall be established in advance and communicated in writing to the Agent. Any changes in the level of commission or other remuneration or associated condition shall be notified in advance by giving written notice to the Agent.

9.2 INTERLINE SALES

the amount of fare on which commission shall be computed may include, and the level of any other remuneration may take into account, interline passenger transportation over the services of other Members or BSP Airlines with which the Agent's principal has an interline Traffic agreement. A Member or BSP Airline may also pay commission or other remuneration to an Agent for passenger transportation sold on the services of an air carrier that is not a Member or BSP Airline when the Member or BSP Airline has been so authorised by such air carrier.

9.3 CONDITIONS FOR PAYING COMMISSION

9.3.1 where commission is payable to an Agent it shall be calculated on the amount of the fares applicable to the air passenger transportation:

9.3.2 the 'fares applicable' are the fares (including fare surcharges) for the transportation in accordance with the Member's or BSP Airline's tariffs and shall exclude any charges for excess baggage or excess valuation of baggage as well as all taxes and other charges collected by the Agent.

9.4 RECALL OF COMMISSION OR OTHER REMUNERATION

when a refund is made of all or any part of the fare or charge for any transportation, the commission or other remuneration shall be recomputed on the un-refunded fare or charge. If the commission or other remuneration has already been paid, any amount in excess of the recomputed commission or other remuneration shall be paid back. When there is an involuntary change of routing involving a substitution of surface transportation for confirmed air transportation a recall of commission or other remuneration shall not be deemed due. In case of involuntary change of routing to other air services, nothing shall prevent the Member from passing on the commission or other remuneration received from the new carrying carrier.

Section 10—Change of Ownership, Legal Status, Name or Location

10.1 NOTIFICATION OF CHANGES

All changes of ownership, shareholding legal entity, name or location of the Agent that may impact its accreditation status must be notified to IATA prior to the change to enable processing in accordance with the respective provisions of this Section. The parties to the Change of Ownership, may request IATA to be a party to a non-disclosure agreement. Information and data relating to the Agent will be treated as confidential. Following is a summary of the main provisions in this Section:

10.2 Changes within a corporation not requiring a new Sales Agency Agreement

10.3 Procedures for changes requiring a new Sales Agency Agreement

10.4 Other procedures for processing changes

10.5 Final approval by IATA

10.6 Effect of disapproval by IATA

10.7 Death of a sole owner or member of a partnership, or other unincorporated firm

10.8 Change of location or name

10.9 Sale of location to another Accredited Agent

10.10 Sale of Branch Office Location to an outside party

10.11 Change of location type

10.12 Late notifications or absence of Notification of Change

10.13 Notices to BSP Airlines

10.1.1 Definitions

10.1.1.1 Change of Ownership

(a) a sole owner, partnership or other unincorporated entity:

IATA approval is granted to specific persons. Therefore, if a sole owner sells to another person, or if a partnership or other unincorporated entity admits or withdraws a partner, this change represents a change of ownership.

(b) mergers and acquisitions in the case of a corporation or limited liability company.

10.1.1.2 Change of Shareholding

A company can change its shareholding through adding a new shareholder(s), removing or changing the existing proportion of shares between shareholders.

The change of shareholding can be major or minor and it depends on the change of control.

A change in control occurs when a) any person or legal entity acquires sufficient equity in the entity so as to hold at least a majority of the ordinary voting rights in the entity, or b) when any person or legal entity is divested of sufficient equity in the entity so as to no longer hold at least a majority of the ordinary voting rights in the entity.

10.1.1.3 Change of Legal Entity

A change of legal entity is defined as change in the legal nature of a corporation, partnership, proprietorship, or individual.

10.1.1.4 Change of Name

In this case the company changes its name, but the legal entity remains the same.

10.1.1.5 Change of Location

A change in the physical location of a business.

10.1.1.6 Inheritance

Inheritance refers to a change of ownership as a result of the death of a sole owner, or a member of a partnership or other unincorporated entity. An inter vivos transfer to a family member (or other party) will be treated as change of ownership or shareholding depending on the legal entity type involved.

10.2 CHANGES NOT REQUIRING A NEW PASSENGER SALES AGENCY AGREEMENT

10.2.1 An Agent, structured as a corporation or limited liability company must notify IATA when there is a disposal or acquisition of shares, even when such disposal or acquisition does not result in a change in control, as defined in [Section 10.1.1.2](#). This change does not require execution of a new Passenger Sales Agency Agreement, provided that the changes does not alter the Agent's legal nature with respect to its responsibilities and obligations under applicable law.

10.2.1.1 An Agent structured in a way other than as a corporation or a limited liability company must follow the provisions set out in [section 10.3](#) for changes to their ownership structure.

10.2.2 Sale of Location to Another Accredited Agent

In the event that an Agent sells a Location to another Agent the latter must give notice to IATA.

10.2.3 Processing

10.2.3.1 For each of the changes specified under sections [10.2.1](#) and [10.2.2](#), the Agent must within 7 days of the change occurring provide a Notice of Change to IATA.

The Agent will remain accredited after the Notice of Change has been provided to IATA unless, after reviewing the Notice of Change, it is determined that:

- (i) the Agent does no longer satisfy the criteria for accreditation; or
- (ii) the change specified in the Notice of Change alters the Agent's legal nature, in which case IATA will initiate a review of the Agent with the Travel Agency Commissioner in accordance with [Resolution 820e](#).

10.2.3.2 The Notice of Change, if executed by IATA, will take effect from the date when the change takes place.

10.3 CHANGES REQUIRING A NEW PASSENGER SALES AGENCY AGREEMENT

For all changes described under this section [10.3](#), the transferor accepts the liability for any outstanding Billing which either has not yet been remitted to IATA, or where the related Remittance Date has still to be reached, whichever event occurs last, until IATA has been notified of the date that the Change of Ownership takes place, through the submission of a Notice of Change, shown as [Attachment C](#) to this Resolution, and such Change of Ownership takes effect.

10.3.1 Change of Ownership

The following changes to an Agent require the execution of a new Passenger Sales Agency Agreement and require the Agent to submit a Notice of Change before the change has taken place, and an application for accreditation in accordance with the provisions of [section 2](#) as soon as practicable given the nature of the change:

- (a) in the case of a sole owner, partnership or other unincorporated entity:
 - (i) the death of the sole owner or of a member of a partnership or other unincorporated firm;
 - (ii) the transfer of an interest in the Agent that has the effect of transferring control of the Agent to a Person who did not previously have control of the Agent;
 - (iii) the admission or withdrawal of a partner; or
- (b) in the case of a corporation or limited liability company:
 - (i) the acquisition of the Agent by a Person or a Legal Entity;
 - (ii) the merger of the Agent with a Person or Legal Entity; or
 - (iii) major change of shareholding—the disposal or acquisition of shares resulting in change in control as defined in [section 10.1.1.2](#).

10.3.2 Change of Legal Entity

The following changes to the Agent's Legal Entity require the execution of a new Passenger Sales Agency Agreement and require the Agent to submit a Notice of Change before the change has taken place, and an application for accreditation in accordance with the provisions of [section 2](#) as soon as practicable given the nature of the change:

- (a) in the case of a sole owner, partnership or other unincorporated entity:
 - (i) the incorporation of the Agent
- (b) in the case of a corporation or limited liability company:
 - (i) the transformation of the Agent into a partnership or unincorporated firm
 - (ii) any change in the legal nature of the Agent

10.3.3 Processing

10.3.3.1 The Agent undergoing changes per [10.3.1](#) or [10.3.2](#) must provide:

- (a) Audited financial statements. If audited financial statements cannot be provided, the Agent must provide financial statements accompanied by a compliance certificate signed by a CEO, CFO or other equivalent executive;
- (b) Any other documentation necessary for the Global Financial Assessor (GFA) to conduct an assessment of the Agent post-change.

10.3.3.2 The GFA will assess the financial statements as per the applicable Local Financial Criteria and may conduct checks against the following test to assess the risks associated with the change:

- (a) Viability of the business, including evolution of EBITDA and EBT
- (b) Capital structure of the Agent, including levels of debt
- (c) Liquidity ratio
- (d) Credit Losses and Agent ability to collect receivables
- (e) Potential operational disruptions following restructuring
- (f) Cash levels and distribution to shareholders
- (g) Efficiency of the business model post transition
- (h) Occurrence of indemnified events
- (i) Aggressiveness of expansion
- (j) Restructuring of the organisation's governance
- (k) Irregularities and Defaults incurred

10.3.3.3 The GFA will assess the impact of the change on the financial standing of the Agent and assign a risk rating. If the risk rating is medium or high, the Agent must provide a Financial Security equivalent to its Sales at Risk, or per the Financial Security provisions for New Applicants in the Local Financial Criteria, whichever is higher. If the risk rating is low, the Agent must only provide a Financial Security if the Local Financial Criteria require it.

10.3.3.4 If the Agent is unable to provide audited financial statements or other documents required per the provisions set out in [section 10.3.3.1](#), then a Financial

Security equivalent to the Agent's Sales at Risk, or per the Financial Security provisions for New Applicants in the Local Financial Criteria, whichever is higher, must be provided.

10.3.3.5 On finding that the Agent failed to comply with the requirements per [section 10.3.3.3](#) and [10.3.3.4](#) to provide a Financial Security, such failure will be grounds for IATA to withdraw all Standard Traffic Documents (STDs) in accordance with the provisions of this Resolution.

10.3.4 Other Changes Requiring a New Passenger Sales Agency Agreement

The following changes require the execution of a new Passenger Sales Agency Agreement and require the Agent to submit a Notice of Change before the change has taken place. If applicable, the Agent must also submit an application for accreditation in accordance with the provisions of [section 2](#) as soon as practicable given the nature of the change:

- (a) a change of legal name in accordance with the provisions of [section 10.8](#);
- (b) the sale of a Branch Location by the Agent ("the transferor") to another person who is not an Agent ("the transferee"), where the Branch Location will no longer be included under the accreditation of "the transferor", both the transferor and the transferee must jointly give notice to IATA;
- (c) a change of Head Office Location to another country, in accordance with [section 10.8.4](#).

10.3.5 Processing

10.3.5.1 In accordance with the provisions of [sections 10.3.1](#) to [10.3.4](#), upon receipt of the Notice of Change, IATA will:

- (a) countersign the Notice of Change which will have the same effect as a Passenger Sales Agency Agreement until the application for accreditation or change is approved or disapproved and actions are taken in accordance with [sections 10.4](#) or [10.5](#) as applicable;
- (b) bill the Agent for applicable change application fee, as provided in Subparagraph 14.1.1.4 of these Rules; and
- (c) publish details promptly to all BSP Airlines that such Notice of Change has been received.

10.3.6 when an Agent with more than one Approved Location undergoes a change pursuant to this Subsection [10.3](#), a Notice of Change must be submitted by the Agent only in respect of the Head Office Location, which will apply to all Approved Locations if the Agent confirms on its own letterhead that, except for such new ownership or status, the information previously submitted in connection with the other Approved Locations remains unchanged.

10.3.7 when an Agent undergoes a change specified under [section 10.3.1](#) to [10.3.4](#) that also includes a change of name or location, all changes must be notified by the Agent in a single Notice of Change and IATA will process all changes as one application.

10.3.8 the Notice of Change form, if executed by IATA, will take effect from the date when the change takes place. The previous Passenger Sales Agency Agreement will then terminate or cease to apply to the Location concerned as of the date when the change takes place, without prejudice to the fulfilment of all obligations accrued prior to the date of termination.

10.4 FINAL APPROVAL BY IATA

10.4.1 if the accreditation requirements in this Resolution are satisfied, IATA will:

- (a) notify and sign a Passenger Sales Agency Agreement with the Agent. The Passenger Sales Agency Agreement will be effective from the date when the change took place in accordance with the provisions of section [10.4.1\(b\)](#); and
- (b) notify all BSP Airlines accordingly and, when required, make any necessary amendment to the Agency List.

10.5 EFFECT OF DISAPPROVAL BY IATA

10.5.1 if IATA is:

- (a) unable to approve a change in accordance with this section [10](#);
- (b) unable to execute a Passenger Sales Agency Agreement with the Agent; and/or
- (c) the Agent fails to provide a Notice of Change to IATA in accordance with the provisions of [Section 10.8](#) and subsequently fails to revert to its previous approved state or submit the required Notice of Change IATA will:
- (d) in cases of a change requiring a new Passenger Sales Agency Agreement, issue a Termination Notice to the Agent, removing the Agent from the Agency List and terminating the Passenger Sales Agency Agreement in accordance with the provisions of section [13](#) and, if applicable, issue a notice to the new owner notifying that the Notice of Change will no longer have effect as a Passenger Sales Agency Agreement;
- (e) in case of a change not requiring a new Agreement, issue a Termination Notice to the Agent withdrawing any provisional approval that has been given, removing the Agent from the Agency List and terminating the Passenger Sales Agency Agreement in accordance with the provisions of section [13](#); and
- (f) in all cases:
 - (i) give the specific reasons for IATA's action in writing via the IATA Customer Portal;
 - (ii) notify all BSP Airlines accordingly; and
 - (iii) remove the Agent's Electronic Ticketing Authority.

10.5.2 If the Agent receives a Termination Notice from IATA in accordance with section [10.5.1](#), the Agent may within 30 days of the date of the Termination Notice request that IATA reconsiders the decision or invoke the procedures set out in [Resolution 820e](#) for review of IATA's action by the Travel Agency Commissioner.

10.5.3 Upon request in accordance with [10.5.2](#) for reconsideration by IATA by the Travel Agency Commissioner in accordance with the provisions of [Resolution 820e](#), the disapproval action will be stayed and the status quo restored pending the result of the reconsideration or of the review. The Travel Agent Commissioner must require that a Financial Security be provided as a condition for the stay.

10.5.4 In the case of a change of ownership, if the Agent notifies IATA that the change has been revoked, providing sufficient evidence correctly dated, and the Agent is restored in all respects to its previous ownership, IATA will reinstate the Agent's Passenger Sales Agency Agreement and, when applicable, reinstate the Agent's Ticketing Authority and notify the Agent and all BSP Airlines accordingly.

10.6 DEATH OF A SOLE OWNER OR OF MEMBER OF A PARTNERSHIP OR OTHER UNINCORPORATED FIRM

10.6.1 in the event of the death of the sole owner of an Agent, or of a member of a partnership or other unincorporated firm, the person entitled to represent the decedent's estate (in the case of a sole ownership) or the remaining member(s) of the partnership or other unincorporated firm, must promptly advise IATA who will either withdraw all Ticketing Authorities or execute a temporary Passenger Sales Agency Agreement, as provided below. In order to preserve the goodwill of the Agent as far as possible, IATA may, at the request of the person entitled to represent the decedent's estate (in the case of a sole ownership) or the remaining member(s) of the partnership or other unincorporated firm, enter into a temporary Passenger Sales Agency Agreement with the requesting party, reinstate Ticketing Authority if already withdrawn, and advise BSP Airlines accordingly. The temporary Passenger Sales Agency Agreement will be in the same form and have the same effect as a Passenger Sales Agency Agreement except that:

10.6.1.1 if IATA at any time has reason to believe that the financial situation of the decedent's estate, the partnership or other unincorporated firm is unsatisfactory, IATA will withdraw Ticketing Authorities and give the person entitled to represent the decedent's estate (in the case of a sole ownership) or the remaining member(s) of the partnership or other unincorporated firm, notice of termination of the temporary Passenger Sales Agency Agreement and notify all BSP Airlines accordingly. The termination will take effect on a date that is not before the date specified in clause [13.2](#) of the Passenger Sales Agency Agreement. The estate, partnership or other unincorporated firm may within 30 days of the date of IATA's notice invoke the procedures set out in [Resolution 820e](#) for review of IATA's action by the Travel Agency Commissioner and may also apply for an interlocutory order staying the termination and restoring the status quo pending the outcome of the review. Before granting an interlocutory order under this Subparagraph, the Travel Agency Commissioner must require the estate, partnership or other unincorporated firm to provide a Financial Security in accordance with [Resolution 820e](#),

10.6.1.2 if prior to the date of termination of the temporary Passenger Sales Agency Agreement the decedent's estate or the partnership or other unincorporated firm submits evidence of a satisfactory financial situation, the termination will not take effect and IATA will notify the Agent and all BSP Airlines that Ticketing Authorities have been reinstated,

10.6.1.3 if the termination of the temporary Passenger Sales Agency Agreement takes effect, IATA will remove the Agent from the Agency List and notify the person entitled to represent the decedent's estate or the partnership or other unincorporated firm and all BSP Airlines accordingly. Upon receipt of such notice, BSP Airlines will take the same action as required on removal of an Agent from the Agency List;

10.6.2 if the person entitled to represent the decedent's estate proposes to transfer or to confirm the transfer of the decedent's interest in the Agent to an heir, legatee or other person, or notifies that the decedent's interest is withdrawn from the partnership or other unincorporated firm, such transfer or withdrawal will be deemed a change of ownership for the purposes of this Section. The signatory of the temporary Passenger Sales Agency Agreement and the transferee will jointly give notice to IATA as required under [Paragraph 10.3](#) of this Section and thereafter the provisions of that Paragraph will apply;

10.6.3 subject to earlier termination under the provisions of Subparagraph [10.7.1](#) or [10.7.2](#) of this Paragraph, a temporary Passenger Sales Agency Agreement with the representative of the estate of a deceased sole owner will terminate if such representative ceases to carry on the Agent's business at the Location covered by the Agreement.

10.7 CHANGE OF LOCATION OR NAME

10.7.1(a) when an Agent moves from an Approved Location to another location not so approved, such Agent must:

10.7.1(a)(i) as far in advance as possible but in any case before effecting the change, providing it can legally do so, notify IATA of the new address and remit the appropriate application fee,

10.7.1(a)(ii) if requested submit as soon as practicable two photographs of the interior and exterior of the new location;

10.7.1(b) IATA may arrange for an inspection of the new location and will notify all BSP Airlines of the proposed new location. If the inspection report is favourable, the new location will be deemed an Approved Location. If the investigation report is unfavourable the new location will not be approved and IATA will give the Agent written notice of termination of the Passenger Sales Agency Agreement or of removal from the Agency List in the case of a Branch Office Location, specifying the date on which termination will be effective, which will not be before the date specified in clause 1.3.2 of the Passenger Sales Agency Agreement, and notify all BSP Airlines accordingly. Such termination or removal will not take effect if,

prior to the date of termination or removal, IATA is able to approve the application for change of location;

10.7.1(c) the authority to act as an Approved Location will continue to apply to the new location, pending the action taken under Subparagraph [10.7.1\(b\)](#) of this Paragraph, provided that the move from the Approved Location to the new location is effected on, but in no event more than five working days later than, the date the Approved Location is closed;

10.7.2(a) when an Agent changes its name, such Agent must:

10.7.2(a)(i) as far in advance as possible but in any case before effecting the change, providing it can legally do so, notify promptly IATA of the new name, and

10.7.2(a)(ii) remit the appropriate application fee;

10.7.2(b) IATA will determine whether the new name can be approved pursuant to the provisions of Subparagraph [2.1.6](#), Section 2 of these Rules. If affirmative, he will approve the new name, notify all BSP Airlines accordingly and record the new name on the Agency List and in the Agent's Agreement. If negative, IATA will disapprove the application and give the Agent written notice of termination of the Passenger Sales Agency Agreement, specifying the date on which termination will be effective which will not be before the date specified in clause [13.2](#) of the Passenger Sales Agency Agreement, and notify all BSP Airlines accordingly. Such termination will not take effect if, prior to the date of termination, the Agent reverts to its approved name or IATA is able to approve the application for change of name;

10.7.3 when an Agent's application for change of location or name is disapproved, or its Passenger Sales Agency Agreement is terminated or its Approved Location is removed from the Agency List, the Agent may, within 30 days of IATA's notice, invoke the procedures set out in [Resolution 820e](#) for review of IATA's action by the Travel Agency Commissioner and may also apply for interlocutory order staying termination or removal pending the outcome of the review. Before granting an interlocutory order under this Subparagraph, the Travel Agency Commissioner will require the Agent to provide a Financial Security to IATA in accordance with [Resolution 820e](#); in such case IATA will withdraw all Ticketing Authorities pending the outcome of the review, and notify the Agent and all BSP Airlines accordingly, provided that the Agent has failed to apply for an interlocutory order, or the order has been denied or the Agent has not provided a Financial Security required by the Commissioner as a condition for interlocutory relief.

10.7.4 Change of Head Office Location to Another Country

In the event a Head Office Location changes from one country to another without prior notification, IATA will take action to remove the Agent's Ticketing Authority pending review of its changed circumstances and evidence confirming its principal place of business for the Head Office and compliance with the Local Financial Criteria applicable to the country concerned. Such removal of the Agent's Ticketing Authority may lead to removal from the

Agency List and termination of the current Passenger Sales Agency Agreement until such time as a new application for accreditation, complying with all Local Financial Criteria in the other country, is reviewed and approved and a new Passenger Sales Agency Agreement has been signed with the Head Office legal and business entity in the new country.

10.8 CHANGE OF LOCATION TYPE

10.8.1 in the event that an Agent wishes to change the Location type under which it is shown in the Agency List to another Location type by which Locations are identified in the Agency List, such as Head Office to Branch Location, the Agent must:

10.8.1.1 apply to IATA, giving full details of the proposed change, and

10.8.1.2 on request from IATA, remit the appropriate administration fee or such other fee, appropriate to the change, as provided for in these Rules;

10.8.2 IATA will determine if the change of Location type requested by the Agent is of an administrative nature or one requiring further investigation and processing under another provision of these Rules;

10.8.3 if the former, IATA will record the change of Location type in the Agency List and notify the Agent and all BSP Airlines accordingly;

10.8.4 if the latter, IATA will so notify the Agent and proceed to process the change as provided for elsewhere under these Rules;

10.9 LATE NOTIFICATION OR ABSENCE OF NOTIFICATION OF CHANGE

10.9.1 in respect of absence of notification of change of ownership, shareholding, name or legal entity if the Notice of Change form is not received by IATA before the change has taken place, IATA will remove the Ticketing Authorities and the Agent will be informed by IATA to provide the required Notice of Change form within 5 days. If within 5 days the Agent provides the required Notice of Change form, the removal of Ticketing Authorities will no longer apply but IATA will apply a late notification of change fee. If within 5 days the Agent does not revert to its previous ownership or submit the required Notice of Change form then the Agent will be given notice of termination of the Passenger Sales Agency Agreement. IATA will notify all BSP Airlines accordingly and the provisions of Subparagraph 13.4.1 of Section 13 of these Rules will apply. The transferor or Agent may within 30 days of the notice of removal of Ticketing Authorities invoke the procedures set out in [Resolution 820e](#) for review of IATA's action by the Travel Agency Commissioner and may also apply an interlocutory order staying termination or removal pending the outcome of the review. Before granting an interlocutory order under this Subparagraph, the Commissioner must require the Agent to provide a Financial Security in accordance with [Resolution 820e](#). Any future application from the

transferee must be processed in accordance with the provisions of [Section 3](#) of these Rules;

10.9.2 in respect of late notification of change of ownership, shareholding, name or legal entity if the Notice of Change form is received after the change has taken place, IATA will apply a late notification of change fee.

10.9.3 in respect of late/absence of notification of a change of location, IATA will apply a late notification of change fee.

10.10 NOTICE TO BSP AIRLINES

IATA, when giving any notice to BSP Airlines required under the foregoing provisions of [Section 10](#) will give a copy of such notice to all IATA Member Airlines.

Section 11—Reviews by the Travel Agency Commissioner

The jurisdiction of the Travel Agency Commissioner is set out in [Resolution 820e](#) as are the procedures for conducting reviews.

Section 12—Arbitration

12.1 RIGHT TO ARBITRATION

12.1.1 Any party to a dispute settled in accordance with [Resolution 820e](#) shall have the right to submit the Travel Agency Commissioner's decision to *de novo* review by arbitration in accordance with this Section.

12.1.2 Where the Travel Agency Commissioner has granted interlocutory relief, such relief and any bank or other guarantee shall remain in effect pending the outcome of the arbitration. The arbitrators, however, will have the power to vary the terms of the bank or other guarantee as they deem appropriate including requesting additional guarantees from the Appellant.

12.2 AGREEMENT TO ARBITRATE

12.2.1 All disputes arising out of or in connection with a decision rendered by a Travel Agency Commissioner (a "Decision") shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with said Rules and judgment upon the award may be entered in any Court having jurisdiction thereof.

12.2.2 Unless otherwise agreed by the parties, the language of the arbitration shall be English, but at the request of a party, documents and testimony shall be translated into such party's native language.

12.2.3 The place of arbitration shall be in the country of the Approved Location concerned or the location under application, as the case may be, unless otherwise agreed by the parties. Notwithstanding the foregoing, in the event that the laws of such country are inconsistent with the effect of subparagraph [12.2.5](#) herein, then in the case of a Decision rendered with respect to Area 1, the place of arbitration shall be, at the election of the claimant, either Montreal, Quebec or Miami, Florida; in the case of a Decision rendered with respect to Area 2, the place of arbitration shall be Geneva, Switzerland; and in the case of a Decision rendered with respect to Area 3, the place of arbitration shall be, at the election of the claimant, either Singapore or Sydney, Australia.

12.2.4 The award of the arbitrator(s) shall be accompanied by a statement of the reasons upon which the award is based.

12.2.5 The arbitration award shall be final and conclusively binding on the parties and shall be complied with in accordance with its terms.

12.3 COMMENCEMENT OF THE PROCEEDING

12.3.1 Arbitration proceedings pursuant to this [Section 12](#) shall be commenced no later than thirty (30) calendar days from the date of the Travel Agency Commissioner's award.

Section 13—Measures Affecting an Agent's Standing

13.1 RELINQUISHMENT BY AGENT

13.1.1 an Accredited Agent may voluntarily relinquish its Accreditation in respect of all or any of its Approved Locations at any time by giving notice in writing to the Agency Administrator who shall notify all Members and BSP Airlines. The withdrawal shall take effect on a date that is not before the date specified in clause [13.2](#) of the Sales Agency Agreement, unless these Rules specify a different date. Such withdrawal shall be without prejudice to fulfilment by the Agent and each of the BSP Airlines having the Agent under appointment, of all obligations accrued up to the date of withdrawal from the Agency List;

13.1.2 in the event an Agent voluntarily relinquishes any BSP Airline's appointment it shall so notify the BSP Airline in writing;

13.2 REMOVAL BY AGENCY ADMINISTRATOR

13.2.1 the Agency Administrator may, in accordance with the provisions of these Rules, remove for cause an Agent or a Location of an Agent from the Agency List by giving notice in writing to the Agent to take effect in accordance with these Rules. Such removal shall be without prejudice to fulfilment by the Agent and each of the BSP Airlines having the Agent under appointment of all obligations accrued up to the date of removal from the Agency List;

13.2.2 notwithstanding the provisions contained in [Paragraph 4 of Resolution 824](#), when evidence is produced that an Agent uses its IATA accreditation to engage in, and profit from, activities which, if associated with IATA, may prove detrimental to the good standing of IATA, the Agency Administrator may remove the Agent from the Agency List and notify all members of the action being taken. The Agency Administrator shall give notice to the Agent of such removal and its effective date, which shall be no earlier than 15 days after the date of the notice, and such removal shall be without prejudice to fulfilment by the Agent and each of the BSP Airlines having the Agent under appointment of all obligations accrued up to the date of removal from the Agency List. The Agent may within 15 days of the date of the removal notice invoke the procedures set out in [Resolution 820e](#) for review of the Agency Administrator's action by the Travel Agency Commissioner and may also apply for an interlocutory order staying the removal and preserving the status quo pending the outcome of the review. Before granting an interlocutory order under this Subparagraph, the Travel Agency Commissioner shall require the Agent to provide a bank or other financial guarantee to IATA in accordance with [Resolution 820e](#).

13.3 EFFECT OF REMOVAL

13.3.1 Removal

13.3.1.1 when notice has been served by the Agency Administrator that an Agent or Location is to be removed from the Agency List:

13.3.1.1(a) the Agency Administrator shall by notice to the Agent terminate the Agent's Sales Agency Agreement or exclude the Location from the application of the Agreement and so notify BSP Airlines. The termination or exclusion shall take effect on a date that is not before the date specified in clause [13.2](#) of the Sales Agency Agreement, unless these Rules specify another date,

13.3.1.1(b) IATA shall withdraw all Ticketing Authorities with the Agent or with the Location and require an immediate accounting and settlement of monies due,

13.3.1.1(c) the Agent may within 30 days of the date of the termination or removal notice invoke the procedures set out in [Resolution 820e](#) for review of the Agency Administrator's action by the Travel Agency Commissioner and may also apply for an interlocutory order staying the termination and preserving the status quo pending the outcome of the review;

13.4 OTHER MEASURES AFFECTING OPERATION OF AGENT

when an Agent is declared bankrupt, placed in receivership or judicial administration, goes into liquidation or becomes subject to any other similar legal procedure affecting its normal operation, the Agency Administrator shall, when allowed by the provisions of applicable law at the Agent's place of business, withdraw all Ticketing Authorities and remove the agent and all its locations from the Agency List.

13.5 APPOINTMENT AND DUTIES OF COORDINATOR

13.5.1 IATA Management shall appoint the Coordinator upon the request of the Agency Administrator when an Agent or a Location which operates under the Billing and Settlement Plan procedures:

13.5.1.1 is removed from the Agency List under these Rules; or

13.5.1.2 is declared in default under these Rules; or

13.5.1.3 has an application for change of ownership disapproved under these Rules;

13.5.2 the Agency Administrator shall immediately remove all Ticketing Authorities from the Agent or the Location concerned and shall, when so prescribed, require an immediate accounting and settlement of all monies due unless the Commissioner has made an interlocutory order staying such action and preserving the status quo.

13.6 CHANGES TO AGENT'S OFFICIAL LICENCE

if the government authorities of the place where an Agent's Location is situated terminate, suspend or otherwise condition the official licence granted to such Location, the Agency Administrator shall promptly notify all BSP Airlines and the Agent of the effects of such action.

13.7 USE OF IATA LOGO

13.7.1 an IATA Accredited Agent may use the logo on its letterhead and publicity materials exactly as illustrated in the Travel Agents Handbooks. No other forms of IATA logo are authorised for Agent use;

13.7.2 the use of the logo is permitted only in connection with activities of an IATA Accredited Agent's Approved Locations;

13.7.3 the IATA logo may not be used in any way to misrepresent an existing industry service such as the IATA Travel Agent Identity (ID) Card.

13.8 FORCE MAJEURE

△ The Agent shall not be liable for delay or failure to comply with the terms of the Passenger Sales Agency Agreement to the extent that such delay or failure (i) is caused by any act of God, war, natural disaster, strike, lockout, labor dispute, work stoppage, fire, third-party criminal act, quarantine restriction, act of government, or any other cause, whether similar or dissimilar, beyond the reasonable control of the Agent, and (ii) is not the result of the Agent's lack of reasonable diligence (an "excusable delay"). In the event an excusable delay continues for seven days or longer, the Agency Administrator may terminate this Agreement by giving the Agent whose performance has failed or been delayed by the excusable delay at least thirty days' prior written notice of such election to terminate.

Section 14—Agency Fees

14.1 FRAMEWORK FOR AGENCY FEES

14.1.1 This [section 14](#) establishes the process for the charging of Agency fees.

14.1.2 Structure of Section 14

14.1.2.1 This [section 14](#) is structured as follows:

- (a) Types of Agency Fees
- (b) Invoicing
- (c) Non-Payment of annual agency or administrative fees
- (d) Use of Agency Fees
- (e) Application of Agency Fees
- (f) Charges

14.2 TYPES OF AGENCY FEES

The different types of Agency fees are set out in [Resolution 818g Attachment 'D'](#).

14.3 INVOICING

14.3.1 Except in respect of the first annual fee payment which must be settled upon application, annual agency fees for each calendar year will be due no later than December 1 of the preceding year in accordance with the instructions provided by IATA. Invoices for such fees will be issued by IATA for collection through the BSP, except where this is not operationally feasible payment will be due within 30 days of the date of issue. All fees will be listed and established in Swiss Francs (CHF) and will be invoiced in the currency of collection.

14.4 NON-PAYMENT OF ANNUAL, APPLICATION OR ADMINISTRATIVE FEES

14.4.1 if any Agent fails to pay the annual agency fee by the due date, IATA will issue a Notice of Irregularity, including notice of suspension, and will give the Agent 30 days to comply. Failure by the Agent to comply within 30 days will cause IATA immediately to remove the Agent's Ticketing Authority and to give the Agent written notice of removal from the Agency List, provided that if the Agent submits payment prior to the removal date the removal shall not take effect. Where the Agency Administrator gives notice of removal under this provision, the notice shall specify the date at which it will be effective, which shall not be before the date specified in clause [13.2](#) of the Sales Agency Agreement. Payment of annual fees by the Agent after the due date may be subject to a 10% late payment charge to cover costs incurred.

14.4.2 in the event an Agent refuses to remit the correct level of application fee, or administration fee, then the Agency Administrator shall promptly notify the Agent in writing that its Sales Agency Agreement shall be terminated within 30 days for failure to pay fees due;

14.4.3 if an Agent whose Agreement has been terminated under Subparagraph [14.4.2](#) of this Paragraph subsequently remits the correct fees within 30 days, following such termination, the Agency Administrator may reinstate the accreditation of an Agent. Such Agent's name shall then be re-entered on the Agency List and a Sales Agency Agreement shall be executed or re-instated;

14.4.4 an Agent may within 30 days of the date of the notice in Subparagraphs [14.4.1](#) or [14.4.3](#) invoke the procedures set out in [Resolution 820e](#) for review of the Agency Administrator's action by the Travel Agency Commissioner and may also apply for an interlocutory order preserving the status quo pending the outcome of the review. Before granting an interlocutory order under this Subparagraph, the Commissioner shall require the Agent to provide a bank or other financial guarantee in accordance with [Resolution 820e](#).

14.5 USE OF AGENCY FEES

14.5.1 Agency fees collected by IATA will be expended by the Director General in accordance with directives given by the Board of Governors of IATA to administer the Agency Programme.

14.6 APPLICATION OF AGENCY FEES

The application of the Agency Fees are set out in [Resolution 818g Attachment 'D'](#).

If an application for Accreditation is rejected or withdrawn, the fees related to Registration, Annual and Travel Agency Commissioner fee will be refunded.

14.6.1 Annual Agency Fees

14.6.1.1 For the purpose of determining the amount of the annual fee applicable to the Agent, IATA will compute the Agent's gross sales processed through the BSP during the 12 month period ending June of the previous year, before the annual fee period is billed. Sales will be calculated by adding all reporting periods included in the applicable months.

14.6.1.2 An application for Accreditation includes a first annual agency fee covering the year of application for the amount of CHF 200, for either Cash and Non Cash Accreditation types; or CHF 48,000 for Multi-Country Accreditation types.

To determine the amount to be paid for subsequent years, the Agent's BSP gross sales will be considered as follows:

- Small—up to USD 200,000 gross annual sales
- Medium—USD 200,001—USD 2,000,000 gross annual sales
- Large—more than USD 2,000,000 gross annual sales

14.6.2 Lack of Compliance in Reporting Major Changes

14.6.2.1 For the purpose of assessing non-compliance to report a major change within the mandatory period, major changes consist of those relating to the ownership/structure of the Agent (change of ownership, legal entity, legal name and shareholding).

14.6.3 Change of Accreditation Type

14.6.3.1 In the event that the Agent changes ownership, which results in a change of accreditation type, the difference in application fees will be charged to the new owner.

14.6.4 Agency Fees Governance

14.6.4.1 Agency fees shall be determined by Conference.

14.7 CHARGES

14.7.1 Any other cost recovery charges to be levied on the Agent are detailed in [Resolution 818g Attachment 'A'](#) section [1.7.1](#).

Section 15—Indemnities and Waiver

15.1 the Agent agrees to indemnify and hold harmless the BSP Airline, its officers and employees from all damage, expense or loss on account of the fraudulent issue or misuse of Standard Traffic Documents supplied to the Agent pursuant to these Rules, which Standard Traffic Documents have not been duly issued by the Agent; provided that the Agent shall be relieved of liability in respect of any damage, expense or loss incurred or suffered by the BSP Airline resulting from such event if the Agent can demonstrate that at the material time it met the minimum security standards prescribed in [Section 5, Paragraph 5.1](#) of these Rules, and that such fraudulent and, unlawful misuse was immediately reported in accordance with the requirements of these Rules, or fraudulent issue or misuse of such Standard Traffic Documents resulted solely from the action of persons other than the Agent, its officers or employees;

15.2 the Agent recognises that BSP Airlines (whether acting individually or collectively), the Director General, and the Agency Administrator are required to issue notices, give directions, and take other action pursuant to these and other applicable Resolutions, including in the circumstances therein provided giving notices of irregularity and default, notices of alleged violations and notices of grounds for removing an Agent or any of its Locations from the Agency List. The Agent waives any and all claims and causes of action against any BSP Airline and IATA and any of their officers and employees for any loss, injury or damage (including damages for libel, slander or defamation of character) arising from any act done or omitted in good faith in connection with the performance of any of their duties or functions under these and other applicable Resolutions and indemnifies them against such claims by the Agent's officers, employees or any other person acting on the Agent's behalf.

RESOLUTION 818g**Attachment ‘A’****SECTION 1. REPORTING AND REMITTING****1.1 Monies Due on Issue of Standard Traffic Documents****1.2 Length of Reporting Period: Reporting Date****1.3 Agency Sales Transmittals****1.4 Frequency for Submission of Agency Sales Data****1.5 Billings****1.6 Settlement—the Remittance Date****1.6.2 Frequency of Remittance****1.7 Notice of Irregularity and Default****1.7.1 Charges****1.7.2 Overdue or Dishonoured Remittance****1.7.3 Failure to Remit in Billing Currency****1.7.4 Bona Fide Bank Error****1.7.5 Accumulated Irregularities****1.7.6 Agent in Default as an IATA Passenger and/or Cargo Agent****1.7.7 Other Defaults****1.7.8 Accounting Irregularity Safeguards****1.7.9 Disputed Agency Debit Memo****1.8 Prejudiced Collection of Funds****1.9 Notification of Irregularity****1.10 Default Action****1.11 Disputes****1.12 Remittance and Settlement Delayed by Official Government Action****1.13 Responsibility for Settlement of Credit and Charge Card (‘Card’) Transactions made against a BSP Airline’s Merchant Agreement****SECTION 2. CONSEQUENCES OF DEFAULT TO BSPs AND TO BSP AIRLINES****2.1.1 When settlement has been made****2.1.2 When settlement has not been made****2.2 Settlement of Amounts Due****2.3 Review by the Agency Administrator****2.4 Effects of Retention after Default****2.5 Review by Travel Agency Commissioner**

Section 1—Reporting and Remitting

This Section is applicable to all Approved Locations of an Agent, with respect to sales on behalf of Airlines participating in the BSP. The BSP Manual for Agents contains the administrative and procedural rules to be followed by Agents and constitutes part of this Resolution.

1.1 MONIES DUE ON ISSUE OF STANDARD TRAFFIC DOCUMENTS

The provisions of this Paragraph govern monies due to BSP Airlines arising from Accountable Transactions.

In all instances the preferred method of remittance shall be by Electronic Funds Transfer, or by Business-to-Business Direct Debit. In this context Business-to-Business Direct Debit is defined as a Direct Debit system and jurisdiction which imposes strict conditions and time limits not exceeding 2 banking days for revocation of the transfer by the payer or the payer's bank. When either of these systems are available in a market and unless required by applicable local law other methods of remittance are discouraged.

1.1.1(a) monies for sale against which an Agent issues Standard Traffic Documents shall be deemed due by the Agent to the BSP Airline whose ticketing authority is used when they are issued and shall be settled in accordance with the provisions of this section;

1.1.1(a)(i) monies for sales made by an Agent, where the ticket is issued by the BSP Airline on behalf of the Agent and reported using the facility of the BSP, shall be deemed due by the Agent to the BSP Airline and shall be settled in accordance with the provisions of this section in the same way as if the Agent had issued a Standard Traffic Document.

1.1.1(b) in the event that the Agent is declared insolvent, bankrupt, is placed in receivership or judicial administration, goes into liquidation or becomes subject to any other similar legal process affecting its normal operation, then notwithstanding the normal remittance procedures set out in this Section all such monies shall become immediately due and payable;

1.1.1(c) in circumstances where a BSP Airline determines that its ability to collect monies for Standard Traffic Documents may be prejudiced by the Agent's financial position such BSP Airline may demand immediate settlement of all such monies and advise IATA prior to such action being taken. In the event the Agent fails to settle its total BSP dues to IATA for the same reporting period, the BSP Airline would be required to pay the monies collected from the Agent to IATA immediately, failing which IATA would deduct the amount from the next settlement due to each BSP Airline;

1.1.2 in circumstances where a BSP Airline is suspended from the BSP the monies due to the BSP Airline are handled according to the provisions contained within [Resolution 850](#). While IATA's instruction to Agents under Resolution 850 Attachment F paragraph [1\(c\)\(ii\)\(b\)](#) to settle directly with the suspended BSP airline does not relieve Agents of any payment obligations to the sus-

pended BSP Airline, the Notice of Irregularity and default action provisions of paragraph [1.7](#) of this Attachment do not apply while such instruction is in place.

1.1.3 in circumstances where an Agent collects full or part payment for transportation in respect of which reservations have been made on the services of a BSP Airline, the Agent shall issue an appropriate Standard Traffic Document. Thereupon monies for such sale shall be deemed due and settlement shall be made in accordance with the provisions of [Subparagraph 1.1.1\(a\)](#);

1.1.4 Agents shall be required to remit in the currency reported on the ticket and billed to the Agent.

1.1.5 (China only) Each Agent will have a cash risk limit for its Ticketing Authority equal to 90% of the Financial Security amount that the Agent has provided to IATA at any time. The Agency Administrator will take action to withdraw an Agent's Ticketing Authority sales should the Agent's total unremitted monies reach the cash risk limit for that Agent, at which time IATA will:

1.1.5(a) notify the Agent in writing of the withdrawal of Ticketing Authority;

1.1.5(b) notify the BSP Airlines participating in BSP China of the withdrawal of the Agent's Ticketing Authority.

1.1.6 Ticketing Authority will be reinstated upon either:

1.1.6(a) settlement by the Agent of all or part of the monies due where the effect of such settlement reduces the total unremitted monies to an amount that is below the cash risk limit of that Agent; or

1.1.6(b) receipt by IATA from the Agent of an additional Financial Security amount that has the effect of sufficiently increasing the Agent's cash risk limit sales, in light of the total unremitted monies then outstanding.

1.1.7 Agents may at all times continue to make sales through the BSP using the BSP China Online Payment Solution, Credit Cards or through the direct bilateral arrangements as may be agreed between an Agent and any BSP Airline(s).

1.1.8 The monitoring method will be conducted during weekends and public holidays.

1.1.9 The effectiveness of Sections [1.1.5](#) through [1.1.8](#) of this Resolution will be reviewed by Conference at its meeting in 2018.

1.2 LENGTH OF REPORTING PERIOD: REPORTING DATE

The provisions of this Paragraph govern the reporting of transactions within the Reporting Periods and Reporting Dates as determined for each BSP.

1.2.1 for each BSP, reporting shall be as frequent as possible and the Conference shall establish the length of the Reporting Period most suitable to the efficient operation of such Plan;

1.3 AGENCY SALES TRANSMITTALS

Agency sales are provided to the BSP Data Processing Centre in an automated report by the Ticketing System Providers.

1.4 FREQUENCY FOR SUBMISSION OF AGENCY SALES DATA

The frequency by which Agency Sales Data is transmitted to the Data Processing Centre is established by [Resolution 854](#) which requires the System Providers to report daily.

1.5 BILLINGS

1.5.1 the Data Processing Centre shall compute and prepare a Billing in respect of each Approved Location in accordance with the requirements of the Conference. Such Billings shall incorporate all Accountable Transactions reported by the System Provider with respect to each Approved Location of an Agent;

1.5.2 the frequency at which Billings shall be rendered to Agents shall be established by the Conference;

1.5.3 Where a BSP allows ticket issuance in more than one currency a billing will be produced for each currency used.

1.6 SETTLEMENT—THE REMITTANCE DATE

The provisions of this Paragraph govern the dates, and their frequencies, by which Billings will be settled by Agents.

1.6.1(a) Agents shall settle all amounts due in respect of Accountable Transactions and any applicable local charges directly with the Clearing Bank;

1.6.1(a)(i) Where an Agent receives a billing in more than one currency the Agent is obliged to remit in the currency of the billing.

1.6.1 (a)(ii) Any transactions not processed in previous Reporting Periods will be included in the next Billing.

1.6.1 (a)(iii) The Agent shall remit, by the Remittance Date the amount specified on the Billing for the Remittance Period under settlement. If, exceptionally, the Agent has not received such Billing by the Remittance Date the Agent shall:

- on the Remittance Date, remit the amount its records indicate is owing in respect of such Remittance Period or, in a direct debit situation, the amount determined by ISS Management, and
- immediately upon receipt of the delayed Billing, remit any shortage between the remittance made and the amount of the Billing.

- if the Agent fails to remit any such shortage immediately it shall be deemed to be an overdue remittance and Irregularity and Default procedures shall apply in accordance with Subparagraph [1.7.2](#).

1.6.1(b) IATA, following consultation, (which includes receiving comments from the local Agency Programme Joint Council), may require the Agent to provide them with:

- the necessary information and
- an authorisation form as may be prescribed by them, permitting the Clearing Bank to draw cheques on, or debit the Agent's trust account or other bank account, in favour of IATA, or the institution designated by IATA, in payment of all amounts due to BSP Airlines;

1.6.1(c) When the Agent intends to change its bank(s), or bank accounts(s), the Agent shall give IATA 30 days' advance notice by certified/registered mail, or certified letter with return receipt, as appropriate;

1.6.2 Frequency of Remittance

The Conference will establish the standard frequency of Agents' Remittances under such BSP. The Remittance Date will be communicated to all Agents participating in each BSP.

1.6.2.1 the frequency so established by Conference must not be less than twice each calendar month, or at such greater frequency as the Conference determines, provided that individual Agents may elect to remit at such greater frequency than the standard or more frequent Remittance Frequency which would otherwise be applicable to the Agent by providing IATA with a Notice of Change and the execution of a Voluntary More Frequent Remittance Request in the form set out in [Attachment 'F'](#). IATA will notify all BSP Airlines when such greater Remittance Frequency takes effect and

1.6.2.1(a) where an Agent elects to remit at a greater frequency than the Remittance Frequency approved by PAConf for a market/region and the Local Financial Criteria does not set out the provisions for calculating the Financial Security amount for the new Remittance Frequency elected by the Agent, the Agent will be required to provide a Financial Security for an amount equal to the new number of Days' Sales at Risk of that Agent,

1.6.2.1(b) if the Remittance Frequency so established is twice monthly, Remittances must be made so that Cleared Funds are in the Clearing Bank account not later than its close of business on the last day of the month in respect of Billings covering the first 15 days of the month and the 15th day of the following month, in respect of Billings covering the period from the 16th to the last day of the month. The Conference may adjust the period within which Remittances are required to reach the Clearing Bank account by not more than five calendar days to meet the special requirements which shall be demonstrated of a particular BSP or BSP Airline; provided that the method of payment used ensures that the funds are Cleared Funds in the Clearing Bank account in time for the Remittance to be made into the BSP Airlines' account on the date so established;

1.6.2.1(c) if the Remittance Frequency so established or so elected pursuant to [Subparagraph 1.6.2.1](#) is greater than twice monthly, Remittances must be made by the Agent so that Cleared Funds are in the Clearing Bank account not later than its close of business on the fifth day following the Reporting Dates so determined or by such date where agreed by the Conference for application in a specific market; any transactions not processed in previous Reporting Periods, will be included in the final billing; provided that the method of payment used ensures that the funds are Cleared Funds in the Clearing Bank account in time for the Remittance to be made into the BSP Airlines' account on the date so established;

1.6.2.1(d) Each APJC must evaluate the period between the Reporting Date and the Remittance Date in their market at least once per annum taking into account the financial transactions in that market and any local conditions that may apply and using as a guideline the periods set out in Resolution 818g–Attachment 'A'–Section [1.6.2](#) for the applicable Remittance Frequency. This provision will not apply to markets where a best practice has been adopted;

1.6.2.1(e) if the Clearing Bank is closed for business on the day on which the Remittance is required to reach the Clearing Bank under the provisions of [Subparagraph 1.6.2](#) if applicable, the Remittance shall be made by the Agent so that Cleared Funds are in the Clearing Bank account before its close of business on the first subsequent day when the Clearing Bank is open for business;

1.6.2.1(f) an Agent having more than one Approved Location subject to the same BSP may apply to IATA for authorisation to remit monies due on behalf of all such Approved Locations through one designated office of the Agent to the Clearing Bank;

1.6.2.1(g) The Conference acknowledges that a BSP Airline may establish an individualized frequency of Remittance subject to (i) bilateral agreement with an Agent, or (ii) applicable law, which shall be distinct from the Remittance Frequency set by the Conference. An individual frequency of Remittance shall be subject to all terms and conditions contained in this Resolution including, for the avoidance of doubt, [Section 1.7](#) and [Section 1.10](#). In the event of an overdue or dishonored Remittance under an individualized frequency, the Agent shall be subject to a Notice of Irregularity and, where appropriate, Default Action.

1.7 NOTICE OF IRREGULARITY AND DEFAULT

The provisions of this Paragraph govern failures by Agents to adhere to the reporting and remitting procedures set out in [Paragraphs 1.2](#) to [1.6](#) inclusive, for which an Agency can be served with Notices of Irregularity, or be declared in Default, as appropriate. Agents may also be liable for charges arising from them. The circumstances for this may include:

- Overdue remittance or cheque
- Dishonoured remittance or cheque

- Failure to remit in billing currency
- Accumulation of the above

1.7(a) the Agency Administrator's actions described in this Paragraph, in respect of the non-receipt by the Clearing Bank of Remittances by the due date, shall not apply when the Agency Administrator can determine that the Agent had adequately undertaken all of the required remittance procedures, and that such non receipt had been caused by extraneous factors;

1.7(b) the Conference may provide for variations from BSP to BSP in respect of charges applicable to the irregularities listed in this paragraph, and any such variations shall be notified to all Agents in the relevant BSPs, and incorporated in the relevant provisions of the applicable BSP Manual for Agents;

1.7(c) for the purposes of this Paragraph, where the Agency Administrator issues:

- a demand for payment or
- immediate payment, or
- a demand for immediate reporting and/or
- accounting and settlement,

the deadline for the Clearing Bank's receipt for such from the Agent is the close of business on the first day it is open for business following the day of the Agency Administrator's demand;

1.7(d) A Notice of Irregularity or declaration of default shall be in writing and set out the specific circumstances giving rise to the Notice of Irregularity or default.

1.7.1 Charges

The Conference may, subject to the provisions set forth in this Resolution, implement a programme of cost recovery charges to be levied on Agents under the following circumstances:

1.7.1(a) Administrative Charges

△ **(i)** for excessive voiding of Standard Traffic Documents, as established from time to time by IATA, in consultation with the airlines participating in the local BSP and the respective Agency Programme Joint Council; and published in the BSP Manual for Agents,

(ii) for any other failures to comply with BSP procedures and instructions, which generate additional cost to IATA or BSP Airlines;

1.7.1(aa) the levels of such charges shall be determined by the Conference then notified by IATA to all Agents subject to the Plan and published in the BSP Manual for Agents;

1.7.1(b) Clearing Bank Charges

Clearing Bank Charges, which shall be in the amount debited to IATA by the Clearing Bank as a result of the Agent's failure to remit as prescribed. These will be increased, if applicable, by an amount to compensate for any extra efforts incurred by IATA in relation to such failure; and

1.7.1(c) Billing and Settlement of Charges

such Charges debited to Agents shall, except as otherwise specified, be included by the ISS Management in its first subsequent Billing to the Agent/Location concerned and shall be due and payable by the Agent by the Remittance Date applicable to such Billing. Such Charges shall, for the purpose of [Subparagraph 1.10.2\(ii\)](#), be deemed to be part of all amounts owing by the Agent;

1.7.1(d) Notification of Charges

when ISS Management is required under any of the provisions of this Section to debit an Agent for Charges, it shall simultaneously notify the Agent and Location concerned.

1.7.2 Overdue or Dishonoured Remittance

1.7.2.1 if the Clearing Bank does not receive a remittance due by the Remittance Date, or immediately on receipt by the Agent of a delayed Billing a remittance in respect of a shortage as provided for in [Subparagraph 1.6.2](#), or if an instrument of payment received by the Clearing Bank to effect such remittance is dishonoured on or after the Remittance Date, the Agency Administrator shall thereupon demand immediate payment from the Agent including any Clearing Bank charges incurred and shall then:

1.7.2.1(a) send to the Agent a Notice of Irregularity in respect of the Location concerned (or, where the Agent has been authorised to remit through one designated office under the provisions of [Subparagraph 1.6.2.1\(f\)](#) in respect of all Approved Locations covered by such authorisation).

1.7.2.1(b) if payment is not received on demand, the Agency Administrator shall immediately notify the Agent, and shall take Default Action with respect to all Locations of the Agent in accordance with [Paragraph 1.10](#),

1.7.2.1(c) in addition to any action prescribed in this Subparagraph, the Agency Administrator shall debit the Agent for costs incurred as a consequence of the late or dishonoured payment,

1.7.2.1(d) if it is established that such non-payment or dishonouring is due to a bona fide bank error, as provided for in [Paragraph 1.7.4](#), and settlement of all amounts due is received on demand, the Notice of Irregularity shall be rescinded,

1.7.2.1(e) if it is subsequently established that such nonpayment or dishonouring is due to a bona fide bank error, as provided for in [Paragraph 1.7.4](#), and settlement of all amounts due is received, but after Default Action has been taken, the Agency Administrator shall immediately withdraw such Default and the Notice of Irregularity, if recorded,

1.7.2.1(f) if, subsequent to an Agent's relinquishment of its accreditation, that Agent fails to remit any monies due, it shall be held to be in default, and the provisions of [Paragraph 1.10](#) shall apply. The Agency Administrator shall thereby cause the termination to be amended to one of default;

1.7.3 Failure to Remit in Billing Currency

if the Clearing Bank does not receive a remittance in the same currency as billed to the Agent in the correct amount, the Clearing Bank shall immediately so advise the Agency Administrator who shall thereupon demand immediate payment from the Agent to the correct value of the ticketed currency, including any Clearing Bank charges incurred and shall then;

1.7.3.1(a) send to the Agent a Notice of Irregularity in respect of the Location concerned (or, where the Agent has been authorised to remit through one designated office under the provisions of [Subparagraph 1.6.2.1\(f\)](#) in respect of all Approved Locations covered by such authorisation).

1.7.3.1(b) if payment is not received on demand in the billed currency, the Agency Administrator shall immediately notify the Agent, and shall take Default Action with respect to all Locations of the Agent in accordance with [Paragraph 1.10](#),

1.7.3.1(c) in addition to any action prescribed in this Subparagraph, the Agency Administrator shall debit the Agent for costs incurred as a consequence of the late or dishonoured payment,

1.7.3.1(d) if it is established that such non-payment or dishonouring is due to a bona fide bank error, as provided for in [Paragraph 1.7.4](#) and settlement of all amounts due is received on demand, the Notice of Irregularity shall be rescinded,

1.7.3.1(e) if it is subsequently established that such nonpayment or dishonouring is due to a bona fide bank error, as provided for in [Paragraph 1.7.4](#), and settlement of all amounts due is received, but after Default Action has been taken, the Agency Administrator shall immediately withdraw such Default and the Notice of Irregularity, if recorded,

1.7.3.1(f) if, subsequent to an Agent's relinquishment of its accreditation, that Agent fails to remit any monies due, it shall be held to be in default, and the provisions of [Paragraph 1.10](#) shall apply. The Agency Administrator shall thereby cause the termination to be amended to one of default;

1.7.4 Bona Fide Bank Error

a bona fide bank error taking place under the following circumstance, which is substantiated by evidence acceptable to the Agency Administrator as provided for in [Paragraph 1.7.4.3](#); may be accepted by IATA for a maximum of four instances in a period of 12 consecutive months. This limit excludes instances where the Agent's bank has suffered from a disruption of service due to circumstances outside of its control and resulting in its inability to provide the required services to an Agent.

1.7.4.1 Credit Arrangement or Automatic Transfer of Funds

when on the date the cheque or other method of payment was presented to the bank for payment, sufficient funds should have been available in the account on which the cheque or other method of payment was drawn by virtue of a valid written line of credit or other written arrangement, dated and executed between the bank and the Agent prior to the Reporting Period involved, and the bank erroneously fails to honour such line of credit or other arrangement, or

1.7.4.2 Sufficient Funds

if the bank erroneously fails to honour a valid cheque or other method of payment when sufficient collected funds are in the Agent's account on which the cheque or other method of payment was drawn and available for immediate withdrawal at the time the cheque or other method of payment was presented to the bank for payment;

1.7.4.3 Evidence Acceptable to the Agency Administrator

In all cases a bank letter must be provided to IATA:

- (i) The original bank letter must be sent to IATA within 10 working days by registered post or courier, fax or as a scanned copy via email stating the nature of the error and reason for the delay in remittance;
- (ii) The bank letter must be signed by a Manager including name, job title or designation;
- (iii) The bank letter must stipulate that the Agent had sufficient available funds on Remittance Date in the stipulated bank account(s), stating the account name and the account number(s).

1.7.5 Accumulated Irregularities

The provisions of this Paragraph govern the procedures that shall apply when an Agent accumulates Notices of Irregularities. Accumulated Irregularities may, ultimately, lead to an Agent being placed in Default.

1.7.5.1 after each Remittance Date or Settlement Date, the Agency Administrator shall compile and publish to BSP Airlines a list containing the names of all the Agents (and the addresses of the Approved Locations concerned) that have been sent Notice of Irregularity under any of the provisions of these Rules since the preceding Remittance Date,

1.7.5.2 immediately upon a fourth instance of Irregularity being recorded, six instances in the case of Switzerland & Liechtenstein, Hungary, Pakistan, Poland, Nepal and India and countries on weekly remittance in Area 1 except Argentina, Paraguay and Uruguay where eight instances apply, on such list in respect of a Location during any 12 consecutive months the Agency Administrator shall take Default Action with respect to all Locations in accordance with [Paragraph 1.10](#);

1.7.6 Agent in Default as an IATA Passenger and/or Cargo Agent

1.7.6.1 Common Ownership with another IATA Passenger Agent

If a director or person with a position of management owned more than half of the shares or majority of the outstanding shares or had a financial interest in an Agent which has been previously removed from the Agency List or is under Notice of Default is a director or person with a position of management who owns more than half of the shares or majority of the outstanding shares or has a financial interest or is employed or abetted by another Agent, that Agent shall also be deemed in Default under this Section. Default Action with respect to all locations of the Agent shall be taken in accordance with the provision of [Paragraph 1.10](#) of this section;

1.7.6.2 Common Ownership with an IATA Cargo Agent

if an Agent which is also registered as an IATA Cargo Agent under the IATA Cargo Agency Rules is declared in Default under those Rules in connection with its cargo activities such Agent shall also be deemed in Default under this Section, and Default Action with respect to all Locations of the Agent shall be taken in accordance with the provisions of [Paragraph 1.10](#) of this Section;

1.7.7 Other Defaults

if an Agent is in Default under another Section either of these or of other IATA Passenger Sales Agency Rules, Default Action shall be taken in accordance with the provisions of [Paragraph 1.10](#) with respect to all Locations of the Agent;

1.7.8 Accounting Irregularity Safeguards

1.7.8.1 in the event an audit or other investigation reveals such irregularities on the part of an Agent as:

- (i) failure to submit any manual accountable documents issued during the Reporting Period,
- (ii) falsely reporting Standard Traffic Documents as having been sold against Credit Cards,
- (iii) post-validating Standard Traffic Documents
- (iv) permitting alteration, omission or other falsification of Card data or other required information in the 'form of payment' box on the Standard Traffic Documents or on any reissues thereof,
- (v) issuing or reissuing single or multiple Standard Traffic Documents reflected as Card sales having an aggregate face value exceeding the established 'floor limit' without full disclosure to and the authority of the pertinent Card company; or complicity in the issuing or reissuing of Standard Traffic Documents reflected as Card sales to circumvent credit or reporting procedures,
- (vi) falsification of reports or documents,
- (vii) violation of Standard Traffic Document exchange or refund procedures as specified in the applicable IATA Resolutions and their Attachments, or as published in

BSP Airlines' tariffs, instructions or elsewhere, and provided to the Agent, or

- (viii) failure to prevent the unauthorised or fraudulent use of computer-generated document numbers for issuance of Standard Traffic Documents,
- △ (ix) falsification and/or manipulation of issued Standard Traffic Documents, such that ticketing data reported differs from ticket data provided to the BSP Airline whose Standard Traffic Documents has been issued,
- (x) failure to comply with Card sales instructions provided by BSP Airlines, as prescribed in the Travel Agent's Handbook, the BSP Manual for Agents and [Resolution 890](#),
- (xi) persistent failure to comply with the format and the instructions of IATA in the calculation of the sales settlement authorisation amounts, resulting in the frequent and regular issuance of Shortage Notices,
- (xii) persistent failure to settle amounts properly owing against Agency Debit Memos (ADMs).

1.7.8.2 under circumstances which lead the Agency Administrator to believe that the Agent is attempting to circumvent the reporting and settlement requirements of this Section, with the result that BSP Airlines' ability to collect for Standard Traffic Documents sold is seriously prejudiced;

- △ **1.7.8.3** the Agency Administrator, shall
 - (i) notify the Agent of the irregularity and demand an immediate accounting and settlement of all amounts owing by the Agent, whether or not the Remittance Date for payment thereof has arrived,
 - (ii) instruct the Ticketing System to prevent further use of Standard Traffic Documents and the removal of ticketing authority from the Agent,
 - (iii) account for any monies received and
 - △ (iv) notify all BSP Airlines of the action taken.

1.7.8.4 and in circumstances where the Agency Administrator is notified by a BSP Airline of irregular activity by the Agent, which causes chargeback under [Resolution 890](#), to immediately invoke default action as described under paragraph [1.10](#) of these rules.

1.7.8.5 and in circumstances where the Agency Administrator is notified by a BSP Airline in writing of irregular activity by an Agent, which shall be substantiated, including but not limited to a violation of the provisions of [Resolution 830a](#) (Consequences of Violation of Ticketing and Reservation Procedures), leading to the belief that BSP Airlines' ability to collect monies for Standard Traffic Documents may be prejudiced, the Agency Administrator shall notify the Agent of the irregular activity and may withdraw Standard Traffic Documents the Agent's Ticketing Authorities;

1.7.8.6 thereupon, the Agency Administrator shall request the Travel Agency Commissioner, except in cases described under paragraph [1.7.8.4](#), to review and re-determine the approval of the Agent or Approved Location. Pending this review, the Agent may request an interlocutory review of the Agency Administrator's action by the Travel Agency Commissioner and may also apply for interlocutory relief staying the withdrawal of the

Agent's Ticketing Authority. Before granting an interlocutory order under this Subparagraph staying withdrawal of Ticketing Authority, the Travel Agency Commissioner shall require the Agent to provide a bank or other financial guarantee in accordance with [Resolution 820e](#) and ensure that all amounts due as determined under [Subparagraph 1.7.8.3\(i\)](#) are settled at the time the interlocutory order takes effect.

1.7.9 Disputed Agency Debit Memo

The provisions of this paragraph should be read in conjunction with the provisions concerning ADMs as provided in [Resolution 850m](#).

1.7.9.1 an Agent may for reason dispute an ADM,

1.7.9.2 an Agent shall have a maximum of 15 days in which to review and dispute an ADM prior to its submission to BSP for inclusion in the Billing,

1.7.9.3 when an ADM is disputed prior to it being submitted to the BSP for processing, it will be recorded as disputed, and will not be included in the Billing,

1.7.9.4 if an Agent disputes an ADM within the minimum dispute period it shall be suspended from the BSP process and settlement of the dispute will be for resolution between the Agent and Airline concerned:

1.7.9.4(i) in the event an Agent disputes an ADM and, after agreement between the Airline and the Agent, it is determined that the purpose of that ADM was correct, the Airline will advise the Agent and the BSP accordingly and the ADM as originally submitted will be processed. All subsequent disputes of such ADM must be dealt with according to the process as described in this [Resolution 818g, Attachment 'A', Section 1.11](#).

1.7.9.4(ii) if as a result of an Agent dispute it is determined after agreement between the Airline and the Agent that the ADM needs adjustment, the Airline will submit to the Agent and the BSP the adjusted ADM, in the form of a new ADM, in which case only the new ADM shall be processed,

1.7.9.4(iii) all disputes are to be settled by the Airline within 60 days of receipt. Once the status of the ADM dispute has been set, notwithstanding if the 60 days have been reached or not, all subsequent disputes of such ADM must be dealt with according to the process as described in this [Resolution 818g, Attachment 'A', Section 1.11](#).

1.7.9.5 an ADM that has been included in the BSP Billing will be processed for payment. All subsequent disputes of such ADM must be dealt with according to the process as described in this [Resolution 818g, Attachment 'A', Section 1.11](#),

1.7.9.6 If after 60 days of receipt of a disputed ADM by an Airline the dispute has not been settled, such ADM will no longer be suspended and will be withdrawn from the BSP process,

1.7.9.7 Such ADM dispute is now for bilateral resolution between the Airline and the Agent.

1.7.9.8 No more than one ADM must be raised in relation to one original ticket issuance. When more than one ADM is raised in relation to the same ticket it must be specified that it is for a different adjustment than previous.

1.8 PREJUDICED COLLECTION OF FUNDS

The provisions of this Paragraph govern the procedures for the protection of BSP Airlines' monies in situations where the ability or intent of an Agent to pay them are in doubt.

1.8.1 in the event that the Agency Administrator receives written information, which shall be substantiated, leading to the belief that BSP Airlines' ability to collect monies for Standard Traffic Documents may be prejudiced and/or that that an Agent's funds at risk are not covered by a Financial Security, or that any Financial Security provided does not sufficiently cover those funds taking into account reasonable variations in sales levels the Agency Administrator has the right to review the circumstances of the Agent and IATA has the right to take any of the following actions:

- (a) demand an immediate accounting and settlement of monies due by the Agent and/or require the Agent to restrict its sales of Standard Traffic Documents to credit card sales only made against the BSP Airline's merchant agreement and in accordance with [Resolution 890](#);
- (b) conduct, in cooperation of with the Agent, financial and operational reviews of the Agent's business. Any costs that IATA incurs associated with such review should be borne by the Agent;
- (c) request for additional Financial Securities in accordance with the provisions in [2.2.1.2](#) of Resolution 818g;
- (d) place the Agent on the Most Frequent Remittance Frequency in the applicable BSP;
- (e) remove the Agent's Ticketing Authorities.

1.8.2 the Agency Administrator shall request an immediate review by the Travel Agency Commissioner;

1.8.3 the Travel Agency Commissioner shall review such written information and other factors and shall commence a review under the terms of Review by Travel Agency Commissioner of the applicable Passenger Sales Agency Rules within three working days from receipt of such a request. Pending the results of this review, the Agent may within 30 days of the date on which the Ticketing Authorities were removed or of the date when the review was initiated, apply pursuant to [Resolution 820e](#) for interlocutory relief staying the withdrawal of Ticketing Authorities. Before granting an interlocutory order under this Subparagraph, the Travel Agency Commissioner shall require that the Agent provide a bank or other financial guarantee.

1.8.4 if payment is not received on demand, the Agency Administrator will immediately notify the Agent and take default action with respect to all locations of the Agent in accordance with the provisions of [Resolution 818g, Section 'A', paragraph 10](#).

1.9 NOTIFICATION OF IRREGULARITY

The provisions of this Paragraph govern the procedures when the Agency Administrator is required under any of the provisions of [Paragraph 1.7](#) to send to an Agent a Notice of Irregularity.

1.9.1 the Agency Administrator will immediately send the Notice of Irregularity to the Agent in accordance with paragraph [16](#) of Resolution 824. In addition, a copy of the Notice of Irregularity will be posted on the ISS Portal and sent via electronic mail, provided that the Agent has a valid email address on file;

1.9.2 the Notice of Irregularity shall be in respect of the Agent's Head Office Location;

1.9.3 the Agency Administrator shall at the same time send a copy of the letter to the Approved Location concerned;

1.9.4 such Notice of Irregularity shall be recorded against the Location concerned by the Agency Administrator on the list maintained pursuant to [Subparagraph 1.7.5](#) of this Section;

1.9.5 an Agent may within 30 days of the date of the Notice of Irregularity invoke the procedures set out in [Resolution 820e](#) for review of the Agency Administrator's action by the Travel Agency Commissioner. An Agent may also invoke such review procedures in any case where a charge is applied in lieu of or in addition to a Notice of Irregularity. Where a review under this Subparagraph is pending and Default Action pursuant to [Paragraph 1.10](#) of this Attachment is imminent or threatened, the Agent may apply to the Travel Agency Commissioner for interlocutory relief pursuant to Subparagraph 1.10.5 and subject to the conditions contained in that Subparagraph.

1.10 DEFAULT ACTION

The provisions of this Paragraph govern the procedures if Default Action is required to be taken in accordance with any of the provisions of [Paragraph 1.7](#), when the procedures prescribed below shall be followed:

1.10.1 the Agency Administrator shall immediately advise all BSP Airlines that the Agent is in Default at all Locations or at the Location concerned (BSP Airlines which have appointed the Agent shall be notified by email or similar fast method of communication);

1.10.2 the Agency Administrator on declaring an Agent in Default will immediately take the following action:

- (i) send a notice in writing to the Agent in accordance with paragraph [16](#) of Resolution 824, that Default Action has been invoked and withdraw Ticketing Authorities from the Approved Location(s) concerned.

In addition, a copy of the notice shall be posted on the ISS Portal and sent via electronic mail, provided that the Agent has a valid email address on file;

- (ii) demand an immediate accounting and remittance of all amounts owing by the Agent in respect of the Location(s) concerned whether or not the Remittance Date for payment thereof has arrived should the Agent fail to settle the amounts due, the provisions of Subparagraph 2.1.2 of this Attachment shall apply,
- (iii) notify the local representatives of BSP Airlines participating in the BSP concerned, and the ticketing system suppliers, of the Default Action;
- (iv) BSP Airlines will have a maximum period of 30 days to submit any ADMs/ACMs to be included in the final accounting with the Agent declared in default.

1.10.3 on establishing that an Agent is in default the Agency Administrator, shall immediately take the following action:

- (i) establish an up-to-date statement of indebtedness for each of the Approved Locations concerned and bill the Agent for charges incurred as a result of the Agent's failure to make complete settlement by the Remittance Date,
- (ii) establish from its records the ticket serial numbers held at each of the Approved Locations concerned,
- (iii) check any accounting and remittance obtained from the Agent and identify any discrepancies,
- (iv) distribute any monies obtained from the Agent among the BSP Airlines concerned, subject to subsection 1.10.4;
- (v) notify the relevant credit reporting agencies and the Airlines Reporting Corporation of any outstanding amounts owed due to the default.

1.10.4(a) Encashment of Bank Guarantee, Insurance Bond or Other Form of Guarantee (except India)

In the event that an Agent's BSP bank guarantee, insurance bond or other form of guarantee, if applicable, is insufficient to provide a full settlement to each of the BSP Airlines concerned listed in the Billing which has been subject to the Agent's default, each such BSP Airline shall be provided with a prorated amount of the bank guarantee, insurance bond or other form of guarantee in proportion to its percentage share in Billing subject to the default; such calculation shall be without regard to specific Accountable Transactions. In the event that an Agent has provided a separate bank guarantee, insurance bond or other form of guarantee in favour of a specific BSP Airline for Accountable Transactions, such BSP Airline shall not be entitled to any payment under the Agent's BSP bank guarantee, insurance bond or other form of guarantee until all outstanding indebtedness of the Agent to other BSP Airlines shall be discharged. In the event that an Agent owned by a Member, where the Member or Member's parent company holds greater than 50% of the equity of the Agent or the Agent's parent company, is declared in Default, such Member shall not be entitled to any payment under the Agent's BSP bank guarantee, insurance bond or other form of guarantee.

1.10.4(b) Encashment of Bank Guarantee, Insurance Bond or Other Form of Guarantee (India only)

In the event that an Agent's BSP bank guarantee, insurance bond or any other form of guarantee, if applicable is insufficient to provide a full settlement to each of the BSP participating Airlines concerned listed in the Billing which has been subject to the Agent's default, each such BSP Airline shall be provided with a prorated amount of the bank guarantee, insurance bond or other form of guarantee in proportion to its percentage share in Billing up to the date when the full amount of the bank guarantee, insurance bond or other form of guarantee was exceeded. In the event that an Agent owned by a Member, where the Member or Member's parent company holds greater than 50% of the equity of the Agent or the Agent's parent company, is declared in Default, such member shall not be entitled to any payment under the Agent's BSP bank guarantee, insurance bond or other form of guarantee.

1.10.5 an Agent may within 30 days of the date of the Notice of Default Action invoke [Resolution 820e](#) for review of the Agency Administrator's action by the Travel Agency Commissioner and may also apply for an interlocutory order staying the Default Action and preserving the status quo pending the outcome of the review. Before granting an interlocutory order under this Subparagraph, the Travel Agency Commissioner shall require the Agent to provide a bank or other financial guarantee in accordance with [Resolution 820e](#) and ensure that all amounts due as determined under Subparagraph 1.10.2(ii) are settled at the time the interlocutory order takes effect.

1.11 DISPUTES

1.11.1 Disputes (Except Argentina and Russian Federation)

1.11.1.1 In order to be dealt with through the BSP, disputes raised by the Agent must:

- (a) be registered with IATA via BSPlink (ASD in China);
- (b) relate to a specified amount as part of a Billing;
- (c) state a substantive reason for the dispute supported by written evidence of that dispute;
- (d) be raised by the Agent within 12 months of the date of the Accountable Transaction;
- (e) be added to the daily dispute file;
- (f) be unrelated to a chargeback issued by means of an ADM pursuant to [Resolution 890 Subsection 4.7](#);
- (g) be unrelated to a refund transaction.

1.11.1.2 All validly disputed amounts will continue to form part of the Billing and the Agent must remit the disputed amount to the BSP on the Remittance Date notwithstanding the existence of the dispute.

1.11.1.3 All disputed amounts paid by the Agent will be held by IATA for a period of 30 days or until the dispute is resolved, whichever is earlier.

1.11.1.4 For Reported Sales markets, any disputed amount received from the Agent and paid to a BSP Airline will be deducted from the BSP settlement of that BSP Airline in the following Reporting Period and held for a period of 30 days or until the dispute is resolved, whichever is earlier.

1.11.1.5 All disputes must be resolved in BSPlink (ASD in China) between the Airline and the Agent within 30 days with a maximum of two responses per party, otherwise the dispute will be for bilateral resolution between the Airline and the Agent outside of the BSP and IATA will pay the disputed amount held to the Agent or the Airline as applicable in accordance with [section 1.11.1.7](#). If the Agent or Airline responds to a dispute on any day from day 24 onwards, the Airline or Agent will have an additional 7 days to respond.

1.11.1.6 Each agreement or disagreement with the dispute must be registered by the Airline or the Agent, as applicable, in BSPlink (ASD in China), and each disagreement must be accompanied by a substantive reason for the disagreement supported by written evidence.

1.11.1.7 Disputed amounts held by IATA will be paid as follows:

- (a) Where the Airline agrees with the dispute raised by the Agent, to the Agent.
- (b) Where the Airline disagrees with the dispute, the Airline must state a substantive reason for the disagreement supported by written evidence. If the Agent agrees with this position, the disputed amount will be paid to the Airline. Otherwise, the disputed amount will be remitted to the Agent, without prejudice to the right of the Airline to claim the disputed amount from the Agent outside of the BSP.
- (c) Where no response is received from the Airline within 30 days, the dispute is deemed settled in favour of the Agent and the disputed amount will be paid to the Agent.

1.11.2 Disputes–Argentina Only

1.11.2.1 an Agent may register the existence of a dispute with the Agency Administrator over a billing of a specified amount as part of its Billing. Provided written evidence of such dispute is provided by the Agent to the Agency Administrator, the Agency Administrator will ensure that no irregularity or default action will be applied, except where notification is received that the Agent has failed to comply with the provisions of [Resolution 890](#) and action as prescribed under paragraph [1.7.7](#) of these rules is being taken by the Agency Administrator;

1.11.2.2 if the Agency Administrator is provided with evidence that there exists between a BSP Airline and the Agent any dispute arising solely from amounts due or claimed to be due to such Airline from the Agent, or vice versa, in respect of the Reporting/Billing Periods for which the Agent was declared in Default the Agency Administrator will withdraw the declaration of Default. In the event that the BSP Airline does not admit the existence of such a dispute, the Agency Administrator will require the Agent either, to submit documented evidence demonstrating the

existence of the dispute or, to pay the amount of the short payment to the BSP. Provided that either of such condition is met, the Agency Administrator will withdraw the declaration of Default;

1.11.2.3 where the Agent has remitted the disputed amount to the BSP, the dispute must be submitted directly to the Airline for bilateral resolution.

1.11.3 Disputes–Russian Federation Only

1.11.3.1 Any dispute of an amount that has been included in the Agent's Billing must be resolved bilaterally between the Airline and the Agent outside the BSP. All disputed amounts will continue to form part of the Billing and the Agent must remit the disputed amount to the BSP on the Remittance Date notwithstanding the existence of the dispute.

1.11.3.2 If the dispute has been rejected by the Airline without sufficient grounds for such rejection, the Agent may submit an official request in writing to the Agency Administrator, who will assess the request and issue a credit memorandum for the amount of the dispute on behalf of the Airline if deemed appropriate.

1.12 REMITTANCE AND SETTLEMENT DELAYED BY OFFICIAL GOVERNMENT ACTION

notwithstanding any other provision contained in this Resolution an Agent shall not be sent a Notice of Irregularity, debited for administrative or Clearing Bank charges, nor declared in Default with respect to all or any part of a Remittance to the extent that the Agent is unable to make full settlement because of official Government action which directly prevents such settlement; provided that the Agent demonstrates that the amount has been made available for Remittance at a recognised bank but cannot be remitted owing to such official Government action.

1.13 RESPONSIBILITY FOR SETTLEMENT OF CREDIT AND CHARGE CARD ('CARD') TRANSACTIONS MADE AGAINST A BSP AIRLINE'S MERCHANT AGREEMENT

The provisions for Credit Card and Charge Card transactions are provided for by [Resolution 890](#).

Section 2—Consequences of Default to BSPs and to BSP Airlines

The provisions of this Paragraph govern the procedures that shall be implemented when an Agent declared in Default owes monies to BSP Airlines.

2.1.1 When settlement has been made

when the Agency Administrator has determined that an Agent declared in Default under any of the provisions of these Rules, has effected settlement of amounts due, if any, as provided for in Default Actions ([Subparagraph 1.10.2\(ii\)](#)), the provisions of [Paragraphs 2.3](#) through [2.5](#) inclusive shall apply.

2.1.2 When settlement has not been made

2.1.2(a) when the Agency Administrator has determined that an Agent declared in Default under any of the provisions of these Rules has failed to settle amounts due as provided for in Default Action ([Subparagraph 1.10.2\(ii\)](#)), he/she shall give the Agent notice of termination of the Sales Agency Agreement with the termination date being a date that is not before the date specified in clause [13.2](#) of the Sales Agency Agreement [Paragraph 2.2](#) below provides for the settlement of monies due, including minimum repayment amounts and a schedule for the balance. Provided that the Agent effects settlement agreed under [Paragraph 2.2](#), the termination will not take place.

2.1.2(b) if an Agent dishonours a repayment schedule, the original termination notice will be deemed valid even though the termination may occur at a date other than that specified originally, and the provisions for this in the applicable Passenger Sales Agency Rules shall apply.

2.2 SETTLEMENT OF AMOUNTS DUE

The provisions of this Paragraph govern the settlement of monies due by an Agent declared in Default.

2.2.1 when an Agent declared in Default is able to demonstrate to the Agency Administrator prior to the termination date specified in his notice of termination that:

- (i) either all outstanding amounts, if any, have been settled, or
- (ii) when IATA holds a Financial Security from the Agent, at least 30% of the outstanding amount has been settled and a firm schedule for repayment by instalments of the balance plus interest at the official (prime) bank rate plus two percent has been agreed between IATA and the Agent, within six months or up until the expiry of the Financial Security held by IATA, whichever is earlier;

During the period as established within the agreement, IATA shall not encash any Financial Securities held from the Agent, until the Agent fails to honour its instalments; or

- (iii) when IATA does not hold a Financial Security from the Agent, at least 30% of All Amounts Owing have been remitted and a firm schedule for repayment by instalments within twelve months of the balance plus interest at the official (prime) bank rate plus two percent has been agreed between IATA and the Agent; or
- (iv) an alternative repayment schedule and conditions have been agreed between the Agent and IATA on the basis that;
 - (a) the Agent has remitted not less than 30% of All Amounts Owing and can demonstrate to IATA's satisfaction that it has taken all steps possible to remit at least 50% of All Amounts Owing; and
 - (b) a firm schedule for repayment by instalments has been agreed between IATA and the Agent over an agreed period of no more than 12 months if IATA does not hold a Financial Security from the Agent, or 6 months if IATA holds a Financial Security from the Agent; and
 - (c) the repayments will cover the balance plus interest at the official (prime) bank rate plus two percent, or in any event will provide for payment of interest at a rate similar to that set out in the provisions of [Resolution 818g](#);
 - (d) During the period as established within the agreement, if the Agent already has a Financial Security held by IATA, IATA shall not encash any Financial Securities held for the Agent, until the Agent fails to honour its instalments, or up until the expiry of the Financial Security, whichever is earlier.

2.2.2 an alternative repayment schedule and conditions have been agreed between the Agent and IATA, upon unanimous agreement of the BSP Airlines to whom the outstanding amount is due, a fraction of such amount has been settled and a firm schedule for repayment by instalments over an agreed period of the balance plus interest at the official (prime) bank rate plus two percent has been agreed between the Agency Administrator and the Agent; such alternative repayment schedule shall extend over no more than 12 months if IATA does not hold a Financial Security for the Agent, or 6 months if IATA holds a Financial Security from the Agent; and, in any event, shall provide for payment of interest at a rate similar to that set out in [Subparagraph 2.2.1\(ii\)](#)

During the period as established within the agreement, if the Agent already has a Financial Security held by IATA, IATA shall not encash any Financial Securities held for the Agent, until the Agent fails to honour its instalments, or up until the expiry of the Financial Security, whichever is earlier;

2.2.3 the Agency Administrator shall notify Members and Airlines accordingly;

2.2.4 the Agency Services Manager shall immediately advise the Agency Administrator of any failure of the Agent to honour the repayment schedule; he/she shall also immediately advise the Agency Administrator when total settlement of the balance due (including interest) has been completed.

2.3 REVIEW BY THE AGENCY ADMINISTRATOR

2.3(a) Agent Able to Demonstrate Financial Qualification

when the Agency Administrator is satisfied that the Agent has effected settlement of all outstanding amounts, he/she will require the Agent to furnish a Financial Security equivalent to its Sales at Risk, or per the Financial Security provisions for New Applicants in the Local Financial Criteria, whichever is higher;

2.3.1(a) provided the Agent satisfies the qualifications set forth in [2.3\(a\)](#) above and in the case of default resulting from accumulation of Notices of Irregularity, demonstrates that it has taken adequate measure to prevent recurrence of such irregularities, the Agency Administrator shall so notify the BSP Airlines,

AND

2.3.1(b) IATA shall reinstate the Agent and the BSP Airlines may, at their individual discretion, supply to the Agent their ticketing authority. In addition IATA will notify all System Providers that the Agent has been reinstated.

2.3.1(c) following reinstatement the Agency Administrator shall conduct a financial review of the Agent to determine if the Agent meets the Local Financial Criteria. Such review will only be conducted based on the financial position and audited accounts of the Agent dated no earlier than 6 months following the date of reinstatement and full settlement of all previous outstanding amounts, and not later than the next annual financial review after this date. The Agency Administrator may, by letter to the Agent, request that documents be provided by a specific date which date shall be no earlier than seven days from the date of the request.

2.3.1(d) if the results of the financial review detailed in [2.3.1\(c\)](#) above determine that the Agent's financial situation is sufficiently secure the Agency Administrator may remove the requirement for the Agent to continue furnishing a guarantee.

2.3.2 after reinstatement Agents may be required to continue to provide a guarantee subject to the results of any financial review.

2.3.3 if the Agent having settled all outstanding amounts, if any, is unable to demonstrate to the Agency Administrator by a specified date which shall be no earlier than 15 days from the initiation of the financial review that its financial and credit standing satisfies the qualifications set forth in the applicable Travel Agent's Handbook or Passenger Sales Agency Rules and, in the case of Default resulting from accumulation of Notices of Irregularity that it has taken adequate measures to prevent recurrence of such irregularities, the Agency Administrator shall give the Agent notice of termination of the Sales Agency Agreement or of removal from the Agency List as the case may be. The termination or removal shall take effect on a date that is not before the date specified in clause [13.2](#) of the Sales Agency Agreement. If, prior to the date of termination or removal, the Agent eliminates

the grounds for such termination or removal to the satisfaction of the Agency Administrator, the termination or removal shall not take effect.

2.4 EFFECTS OF RETENTION AFTER DEFAULT

A defaulting Agent whose Agreement has not been terminated shall be cleared of all Notices of Irregularity recorded against all its Locations prior to the Default.

2.5 REVIEW BY TRAVEL AGENCY COMMISSIONER

when notice that an Agent's Sales Agency Agreement is to be terminated or its Approved Location is removed from the Agency List pursuant to the provisions of [Subparagraph 2.1.2](#) or [Paragraph 2.3](#), the Agent may, within 30 days of the date of either the notice of termination/removal or of termination/removal, invoke [Resolution 820e](#) for review of the Agency Administrator's action by the Travel Agency Commissioner and may also apply for an interlocutory order staying the termination and preserving the status quo pending the outcome of the review. Before granting an interlocutory order under this Subparagraph, the Travel Agency Commissioner shall require the Agent to provide a bank or other financial guarantee and ensure that all amounts due as determined under [Subparagraph 1.10.2\(ii\)](#) or any subsequent accounting are settled at the time the interlocutory order takes effect.

RESOLUTION 818g

Attachment ‘B’

NOTICE OF CHANGE

IATA NUMERIC CODE:

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LEGAL NAME:
TRADE NAME:
AGENCY FULL ADDRESS:
TELEPHONE NO.:
TELEFAX NO.:
EMAIL:

Pursuant to the provisions of the Passenger Sales Agency Rules we hereby give notice of the following change(s) in the legal entity or ownership or name or location of the above-named IATA Agent as a consequence of contractual arrangements or negotiations:

PREVIOUS STATUS				STATUS AFTER CHANGE			
1. SPECIFY TYPE OF ENTITY: (SOLE PROPRIETORSHIP, PARTNERSHIP, LIMITED PARTNERSHIP, LIMITED LIABILITY COMPANY, OTHER)							
2. NAME(S) OF OWNER/PARTNERS/SHAREHOLDERS, ADDRESS, TELEPHONE, FAX, & EMAIL, TIME DEVOTED TO THE AGENCY BUSINESS AND % FINANCIAL INTEREST IN CASE OF CORPORATION, PARTNERSHIP OR OTHER:							
NAME OF OWNER/PARTNERS/SHAREHOLDERS	ADDRESS, TELEPHONE, FAX & EMAIL	%TIME DEVOTED TO AGENCY	%FINANCIAL INTEREST	NAME OF OWNER/PARTNERS/SHAREHOLDERS	ADDRESS, TELEPHONE, FAX & EMAIL	%TIME DEVOTED TO AGENCY	%FINANCIAL INTEREST
3. IF CORPORATION LIST,							
(a) ISSUED SHARED CAPITAL:							
(b) PAID-UP CAPITAL:							
(c) NAMES OF ALL OFFICERS AND DIRECTORS: (PLEASE UNDERLINE NAME OF LOCATION MANAGER)							
4. IF REGISTRATION AND/OR LICENSE IS REQUIRED BY LAW IN YOUR COUNTRY GIVE THE BELOW INFORMATION AFTER THE CHANGE/UNDER NEW OWNERSHIP.							
(a) THE TRADE REGISTRATION OR LICENSE NUMBER OF THE AGENCY:							
(b) THE DATE THIS WAS GRANTED							
5. IF YOUR TRAVEL AGENCY IS OWNED BY AN ORGANIZATION OTHER THAN THE HEAD OFFICE, ANSWER THE FOLLOWING WITH RESPECT TO THE PARENT ORGANIZATION:							
(a) WHAT IS ITS LEGALLY REGISTERED NAME AND ADDRESS?							
(b) WHAT IS THE PRINCIPAL BUSINESS OF THIS ORGANIZATION?							
6. WILL THE COMPANY OPERATE AS AN ON-LINE AGENCY UNDER NEW STATUS? IF SO, PLEASE SPECIFY URL ADDRESS:							
7. IS YOUR AGENCY IATA REGISTERED CARGO AGENT? IF SO, PLEASE STATE THE IATA CODE UNDER WHICH IT IS REGISTERED:							
IF THE NEW OWNER IS A NON-IATA ACCREDITED COMPANY, PLEASE:							
(a) SUBMIT IN ACCORDANCE WITH THE ATTACHED FORMAT, A STATEMENT OF YOUR CURRENT INTERNATIONAL AIR PASSENGER TRANSPORTATION SALES.							
(b) SPECIFY ESTIMATED GROSS AMOUNT OF INTERNATIONAL AIR TRANSPORTATION SALES OF IATA CARRIERS:							
<ul style="list-style-type: none"> IN YOUR FIRST YEAR? IN YOUR SECOND YEAR? 							

8.	WILL THIS CHANGE AFFECT ALL APPROVED LOCATIONS? IF NOT, PLEASE PROVIDE DETAILED EXPLANATION.	
9.	WILL THIS CHANGE AFFECT THE MANAGERS AND STAFF AT THE APPROVED LOCATIONS UNDER THIS CHANGE? IF SO, GIVE DETAILS.	
10.	HAVE ANY OF THE NEW OWNERS, OFFICERS (DIRECTORS), MANAGERS OR ANY INDIVIDUAL HAVING AUTHORISATION TO ACT OR SIGN BEHALF OF SUCH FIRM BEEN INVOLVED IN BANKRUPTCY OR FOUND GUILTY OF WILLFUL VIOLATIONS OF FIDUCIARY OBLIGATIONS IN THE COURSE OF BUSINESS OR DEFAULT PROCEEDINGS? IF SO, GIVE DETAILS.	
11.	WILL THE CHANGE OF OWNERSHIP CAUSE DIRECT OR INDIRECT RELATIONSHIP WITH AN ORGANISATION HOLDING GSA APPOINTMENT FROM A MEMBER? IF SO, PLEASE PROVIDE FURTHER DETAILS.	
12.	LEGAL NAME, TRADING NAME AND FULL ADDRESS OF THE AGENT AFTER THE CHANGE/UNDER NEW OWNERSHIP.	
	LEGAL NAME: TRADING NAME: ADDRESS: MAILING ADDRESS IF DIFFERENT	TEL: E-MAIL: VAT/TAX NUMBER: WEBSITE:
13.	PLEASE INDICATE IF THE ANSWER TO (13) ABOVE REPRESENTS A CHANGE OF NAME OR LOCATION OR BOTH.	
14.	WILL SUCH CHANGE AFFECT ALL APPROVED LOCATIONS? IF NOT, PLEASE PROVIDE DETAILED EXPLANATION.	
15.	EFFECTIVE DATE OF CHANGE	

The Transferor has informed the Transferee of the need to comply with the provision of the Passenger Sales Agency Rules if the Transferee wishes to be entered on the IATA Agency List as an Accredited Agent. Approval may be granted only if the Transferee complies in all respects with the requirements of the Passenger Sales Agency Rules.

In accordance with one of the requirements of the Passenger Sales Agency Rules, the Transferee hereby undertakes that it accepts joint and several liability with the Transferor for any outstanding obligation of the Transferor under its Sales Agency Agreement as at the date the transfer of ownership takes place.

Where the Transferor is employed by, or retains a financial or beneficial interest, directly or indirectly, in the agency following the change of ownership, the undersigned Transferee knows and hereby agrees to accept responsibility for any violation by the Transferor of his Sales Agency Agreement which may have occurred within a period of two years immediately prior to the change of ownership as if such violation were a violation of the Transferee's Sales Agency Agreement.

It is hereby agreed that this Notice of Change shall become a part of every Sales Agency Agreement signed with Members of IATA for the sale of international air passenger transportation, and as such, all information contained herein will be treated as confidential (excluding the information contained in the preamble to this Notice of Change). Notwithstanding the foregoing, the applicant authorises IATA, and represents that it has obtained meaningful consent of each individual listed in this application to use and process the information to be used by travel industry participants.

Authorised Signature of Agent (Transferor)

Authorised Signature of Transferee
(in case of Corporation/Sole Owner)

Print/Type Name

Print/Type Name

Title/Position

Title/Position

Signature of Witness & Date

Signature of Witness & Date

In case of partnership:

Authorised Signature of Partner

Authorised Signature of Partner

Print/Type Name

Print/Type Name

Title/Position

Title/Position

Signature of Witness & Date

Signature of Witness & Date

Authorised Signature of Partner

Print/Type Name

Title/Position

Signature of Witness & Date

RECEIVED AND ACKNOWLEDGED:

.....
IATA Agency Administrator

Dated:



Please provide details of international air passenger transportation generated at:

.....

.....

.....

Period covered: From: to:

Name of ticket issuing carrier	Amount of sales for IATA Member Airlines (in local currency)				
	Scheduled traffic	Charters	Air Portion of Its		TOTAL
			Own	Others	
TOTAL IATA In local currency					
In US dollars:					

Rate of exchange used:	USD1=
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Signature: Date:

RESOLUTION 818g**Attachment 'C'****REPORTING & REMITTANCE
EXCEPTIONS****SECTION 1.1 SETTLEMENT—THE
REMITTANCE DATE**

ZAMBIA ONLY remittances must be made so that the method of payment used assures that the funds are in the Clearing Bank for good value on the day of remittance.

SOUTH WEST PACIFIC (EXCLUDING AUSTRALIA & NEW ZEALAND) ONLY If the remittance frequency so established is four times monthly, Remittances must be made so as to reach the Clearing Bank not later than its close of business on the 15th day from the Reporting Date.

RESOLUTION 818g

Attachment 'D'

APPLICATION OF AGENCY FEES

Fee (in Swiss Francs, CHF)

Event/Case	Description	
New Applicant	Registration Fee, Head Office Location	500
New Applicant	Application Fee, Head Office Location ¹	1,000
New Applicant	Registration Fee, Branch Office Location	250
New Applicant	Application Fee, Branch Office Location ¹	250
Change	Change of Address/Location, all types of entity	0
Change	Change of Name, all types of entity	0
Change	Change of Name and Address/Location, all types of entity	0
Change	Change of Ownership, all types of entity	0
Change	Change of Shareholders, all types of entity	0
Annual Fees	Annual Fee, Head Office Location	200 (small) ² 350 (medium) ³ 500 (large) ⁴
Annual Fees	Annual Fee, Branch Office Location (First 10 locations/codes)	100
Annual Fees	Annual Fee, Branch Office Location (11-25 locations/codes)	50
Annual Fees	Annual Fee, Branch Office Location (additional locations/codes beyond 25)	25
Administrative Fees	Reinstatement Fee	150
Administrative Fees	Late Payment Fee	150
Administrative Fees	Interest charges on amount short paid when a payment plan is established	2% over national bank rate times days outstanding
Administrative Fees	Minor Error Policy	150
Administrative Fees	Lack of compliance to report any of the changes within 30 days of occurrence	1,500

- 1 If an Application for Accreditation is rejected the fees related to Registration, Annual and Travel Agency Commissioner fee will be refunded
- 2 Small–up to USD 200,000 gross annual sales through the BSP
- 3 Medium–USD 200,001–USD 2,000,000 gross annual sales through the BSP
- 4 Large–more than USD 2,000,000 gross annual sales through the BSP

RESOLUTION 818g

Attachment ‘E’

FINANCIAL ASSESSMENT FRAMEWORK FOR AGENTS WITH AN AMOUNT AT RISK GREATER THAN USD 5 MILLION

* Note that unless indicated with “Key”, all other ratios are categorized as “Standard” ratios.

Criteria #	Criteria Name	Criteria Description	Target	Result	Pass/Fail	
1	IATA Specific Controls					
1.1	Irregularities, Defaults and Prejudiced Collection of Funds	Agent incurred an irregularity, default or prejudice collection of funds during the year?	No	-		Key
					Pass/Fail	
2	Historical Financial Data					
2.01	EBITDA (Last 12 months)	EBITDA (rolling Last 12 Months)	x>0			Key
2.02	EBITDA (quarterly)	EBITDA (Quarterly, 3M)	x>0			
2.03	Cash ratio	Cash ratio (Cash and Cash equivalent/Current liabilities)	x≥30%			
2.04	Quick ratio	Quick ratio (Cash and Cash equivalent + AR/Current liabilities)	x≥50%			
2.05	Free cash flow	Free cash flow as per latest publication (Last 12 months)	x>0			
2.06	Free cash flow/Net Debt	Free cash flow/Total net Debt	x≥20%			
2.07	Net Equity>0	Net Equity	x>0			Key
2.08	Decrease in net sales≥0	Net Sales (Last 12 months N, vs Last 12 months N-1)	x≥-20%			
2.09	Net Cash Position>0	Net Cash Position	x>0			
2.10	Net Income 12 months	Net Income (rolling last 12 Months)	x>0			Key
2.11	Net Income 3 months	Net Income (Quarterly, 3M)	x<>0			
2.12	Qualification and reserves from auditors	Is there any qualification/emphasis of matters reflecting ongoing concerns from the auditors on the latest audited financial statements (including half year)?	No			
					Pass/Fail: Key ratio (1 Fail = Total Fail) Standard ratio (4 Fails = Total Fail)	
3	Forecasted Financial Process					
3.01	Effective Business Forecast	Is there any Business Forecast process in place (providing at least 1-year visibility)?	Yes			Key
3.02	Effective CF Forecast	Is there any CF Forecast process in place (at least 1 year)?	Yes			Key
					Pass/Fail	
4	Operational Review					
4.01	Effective Disaster Management	Is there any process in place to apply operational countermeasures in case of extraordinary disaster (with no major exception) (Certification ISO 22301)	Yes			Key
4.02	Effective Cybersecurity Management					
4.02a	Have you appointed a Chief Information Security Officer or similar in your organisation?		Yes			Key
4.02b	Do you have an information security strategy/roadmap, aligned with the IT and business strategies?		Yes			
4.02c	Have you formalised and enforced an information security policy?		Yes			Key
4.02d	Have you performed an information security risk assessment for your organisation (e.g. evaluation of information security risks based on identified threats)?		Yes			Key
4.02e	Have you implemented information security controls and measures to adequately mitigate your organisation's risks?		Yes			Key
4.02f	Do you train your employees on a regular basis regarding information security risks and good practices (e.g. through yearly e-learning)?		Yes			Key
4.02g	Are information security incidents managed (e.g. incident management and monitoring procedures, data breach reported to impacted individuals)?		Yes			Key
4.02h	Do you perform regular vulnerability scans and penetration tests?		Yes			Key
4.02i	Do you implement security patches on your information systems on a regular basis (e.g. at least every 3 months)?		Yes			Key
4.02j	Do you involve information security stakeholders at the earliest stage during project implementations?		Yes			
4.02k	When engaging with services providers, do you perform an information security due diligence?		Yes			
4.02l	Have you implemented specific measures to ensure the continuity of your information systems following a cyberattack?		Yes			Key

Criteria #	Criteria Name	Criteria Description	Target	Result	Pass/Fail
4.03	Effective Applicable Data Protection Requirements Compliance Management				
4.03a	Have you appointed a Data Protection Officer or a similar role in your organisation?		Yes		Key
4.03b	Have you formalised and enforced a data protection policy?		Yes		Key
4.03c	Have you formalised and enforced an information classification policy?		Yes		Key
4.03d	Do you have a documented register of your personal data processing activities, including the identification of the lawful grounds for processing personal data?		Yes		Key
4.03e	Are data protection notices adequately document to notify individuals about the processing of their personal data?		Yes		Key
4.03f	Are Data Protection Impact Assessments conducted whenever processing activities induce a high risk for the rights and freedom of individuals to whom personal data belong?		Yes		Key
4.03g	Do you train your employees on a regular basis regarding data protection risks and good practices (e.g. through yearly e-learning)?		Yes		
4.03h	Have you developed procedures to handle and respond to individuals' exercising their data protection rights (e.g. right to access, right to be forgotten, right to object, etc.)?		Yes		Key
4.03i	Are Data Protection by Design and by Defaults concepts implemented in your organisation's project methodology?		Yes		Key
			Pass/Fail: Key ratio (1 Fail = Total Fail) Standard ratio (3 Fails = Total Fail)		
5	Global Risks Controls	(5.01–5.02 assessed only if applicable)			
5.01a	Stock Market Price decrease (Last 12 Months N)	Stock Market Price decrease (Last 12 Months N)	x≥-20%		
5.01b	Stock Market Price decrease (Last 12 Months N)	Variation of the stock compared to the Index is higher than 30%	x≥-30%		
5.01c	Stock Market Price decrease (12 Months N-1)	Stock Market Price decrease (12 Months N-1)	x≥-20%		
5.01	Stock market development 12 month (2 periods negative trends = Fail)				
5.02a	Stock Market Price decrease (Quarterly, 3M)	Stock Market Price decrease (Quarterly, 3M)	x≥-20%		
5.02b	Stock Market Price decrease (Quarterly Q-1, 3M)	Stock Market Price decrease (Quarterly N-1, 3M)	x≥-20%		
5.02	Stock market development 3 months (2 periods negative trends = Fail)				
5.03	Analyst consensus 12 months forward EBITDA	Analyst consensus 12 months forward EBITDA	EBITDA > 0		
			Pass/Fail Standard ratio (3 Fails = Total Fail)		
6	Trends Analysis	(Not applicable if CFO is positive)			
6.01	Trend - Cash ratio 12 months (Last 12 months N, vs Last 12 months N-1)	Cash ratio (Cash and Cash equivalent/Current liabilities) (Last 12 months N, vs Last 12 months N-1)	x≥0%		
6.02	Trend - Cash ratio 12 months (Last 12 months N-1, vs Last 12 months N-2)	Trend - Cash ratio 12 months (Last 12 months N-1, vs Last 12 months N-2)	x≥0%		
6.03	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N, vs Last 12 months N-1)	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N, vs Last 12 months N-1)	x≥0%		
6.04	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N-1, vs Last 12 months N-2)	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N-1, vs Last 12 months N-2)	x≥0%		
6.05	Trend - CFO 12 months (Last 12 months N, vs Last 12 months N-1)	Cash Flow from Operating activities (CFO) as per latest publication (Last 12 months N, vs Last 12 months N-1)	x≥0%		
6.06	Trend - CFO 12 months (Last 12 months N-1, vs Last 12 months N-2)	Trend - CFO 12 months (Last 12 months N-1, vs Last 12 months N-2)	x≥0%		
			Pass/Fail Standard ratio (3 Fails = Total Fail)		
General Result:			Result assessment		
Any fail to any of the above sections results in a failed assessment					

RESOLUTION 818g**Attachment ‘F’****VOLUNTARY MORE FREQUENT REMITTANCE REQUEST**

IATA Numeric Code:

Legal Name:

Country:

Reference is made to the Passenger Sales Agency Agreement (PSAA) signed by the above-mentioned travel agent (the Agent) and, through IATA, each IATA Member and Airline participating in the Billing and Settlement Plan (BSP) which has appointed the Agent pursuant to the ‘Sales Agency Rules’ incorporated by reference in the PSAA.

In my capacity as an Authorized Signatory of the Travel Agent, this is to declare that the Agent has agreed to report all Accountable Transactions and to settle all amounts due in respect of such transactions at a greater frequency than the standard Remittance Frequency in the BSP, in accordance with the procedures laid down in IATA Resolutions Reporting and Remitting Rules and the Sales Agency Rules.

The Agent shall report all Accountable Transactions as per the Reporting Schedule and shall settle all amounts due *<Choose an item.>*.

The Adjusted Risk Event and Default provisions of the applicable Resolution shall be applicable in the event the Agent fails to comply with the aforementioned settlement schedule.

In virtue of the above, I am authorizing IATA to proceed with the voluntary more frequent remittance change.

Sincerely,

Authorized Person

(Name & Signature)
