



# Factsheet: Passenger Sales Agency Agreement (PSAA)

IATA is the trade association for the global airline industry. Our 290 member airlines account for 83% of global air traffic. IATA is the administrator, on behalf of the airlines, of the Passenger Agency Program, and its associated governance groups – principally, the Passenger Agency Conference (PACConf), overseeing participation of all IATA member airlines and more than 60,000 IATA-accredited travel agents around the world. It brings neutrality to the air transportation marketplace by applying consultatively developed global rules for all agents and airlines participating in 153 Billing and Settlement Plans (BSP) serving 181 countries and territories around the world.

The PSAA is an integral component of the PACConf, serving as the standard global contract governing the participation of travel agents in the BSPs.

By applying the same rules in every market, the PSAA helps makes possible our inter-connected world in which a passenger can purchase a ticket from an IATA accredited agent in a local currency in one country, for travel on an airline in a foreign country, with confidence that the ticket will be recognized and honored by that airline.

**IATA has no role or authority in the bilateral commercial relationships between agents and airlines.**

Specifically, the PSAA does not oblige agents to sell tickets for any airline, nor does it oblige airlines to appoint any agents they do not want to appoint. Each agent may sell, or not sell, any particular airline's tickets. This is a commercial decision for airlines and agents to determine individually. Similarly, the PSAA does not set the level of commission to be earned by the travel agent, which is separately established in the context of each airline-agent relationship.

**IATA cannot unilaterally change the PSAA.** The authority to make changes is vested in member airlines globally through the PACConf. The PACConf can only consider changes after extensive consultation, including with travel agency international representative organisations through the Agency Programme Joint Councils, the Passenger Agency Programme Global Joint Council and the PACConf Steering Group.

IATA considers that the PSAA has been carefully developed to meet the needs of airlines and agents and deliver benefits for all parties. We will of course discuss the KFTC's recommendation with the relevant governance bodies to determine whether any clarifications should be made to address these concerns.

Without prejudging these discussions, IATA notes that it is generally opposed to any market-specific exceptions in the PSAA. This risks undermining the benefits of a single global standard, create misalignment in the equitable application of the Program globally, and run the risk of placing the Korean travel industry in a disadvantageous position in relation to other major markets globally.