

RESOLUTION 803

Cargo Agency Rules—Canada

△ CAC1(MV C092, C101, C102, C103, C110, C114, CAC/51, CAC/52, CAC/53)803 (Canada) (amended)	Expiry: Indefinite Type: B
---	-------------------------------

Whereas the Conference wishes to enable the IATA Cargo Distribution System to respond quickly to the changing needs of the customers and evolving marketplace requirements, and to allow Members and other air carriers ready access to all sources of revenue in the framework of a coherent cargo distribution system, it is,

Resolved that, the following Air Cargo Programme rules are adopted and shall be implemented in Canada.

1. ORGANISATION

the IATA Canadian Air Cargo Programme will operate on behalf of participating air carriers, under the guidance of the body described below:

1.1 Canadian Air Cargo Programme—Joint Council ('the Joint Council')

1.1.1(a) the Joint Council shall consist of:

1.1.1(a)(i) Six (6) local representatives of CASS Canada participating carriers elected by all CASS Canada participating carriers.

1.1.1(a)(ii) Six (6) forwarder representatives appointed by CIFFA, the recognised national forwarder association.

1.1.1(a)(iii) ex-officio, non-voting Members, the IATA Head of Cargo, the Chairperson, FIATA and the Agency Distribution Manager or their designated representatives;

1.1.2 the Council shall nominate its own Chairperson. The position of Chairperson shall be non-voting. In the event that the Chairperson is elected from voting members, an alternate voting member shall be nominated to take the voting seat vacated by the Chairperson;

△ **1.1.3** the Joint Council sets its rules and procedures; provided that the quorum necessary to take action shall not be less than four members of each of the two constituencies. The Chairperson may authorize the presence of observers, where they deem it advantageous to the expeditious dispatch of business;

1.1.4 the Joint Council actions are in the form of decisions made by a majority present of each of the two constituencies;

1.1.5 the Joint Council shall normally hold meetings with members physically present, not less than twice annually; provided other meetings, including meetings conducted via telecommunications, shall be permissible;

1.1.6 IATA shall provide adequate Secretariat support for meetings of the Joint Council, and shall ensure that all agendas and reports are circulated to council representatives;

1.1.7 to facilitate its work, the Joint Council shall be empowered to set up such temporary and permanent groups, as it deems appropriate;

1.1.8 the Joint Council membership including the Chairperson shall be appointed for a two-year term and can stand for re-nomination and re-appointment for further terms of two years.

1.2 Joint Council Responsibilities

1.2.1 the Joint Council shall be responsible for developing, managing and marketing of the Canadian Air Cargo Programme;

1.2.2 the Joint Council shall determine objective criteria for the registration of intermediaries in Canada. This shall include, but not be limited to:

- Financial standing
- Standards of staff competence, experience and knowledge of air cargo products
- Suitability of premises
- Suitability of cargo handling and processing equipment
- Products and services

1.2.3 The Agency Administrator shall publish the Canadian Air Cargo Programme Handbook (the “Handbook”), which shall contain the working procedures, rules and standards for maintaining an integrated distribution system, applicable to all participants in Canada;

1.2.4 the contents of the Handbook shall incorporate relevant Resolutions applicable to Intermediaries supplemented by other material, as the Joint Council considers necessary and desirable, in light of industry developments;

1.2.5 the Council is not authorized to change or ignore Resolutions;

1.2.6 the Joint Council may consider all other aspects of the Canadian Air Cargo Programme and accordingly make proposals to the Conference;

1.2.7 The Joint Council shall ensure that it discusses in advance any changes to CAC Resolutions which could directly affect the programme and interest of Intermediaries in Canada. The resulting views shall be sent to the IFCC, which when appropriate shall send its views on the proposed changes to the CAC;

□ **1.2.8** In the event that no objective criteria for the registration of intermediaries in Canada, or other matters within the terms of reference of the Joint Council, can be achieved after consultation at a Joint Council within 24 months (including any event where the Joint Council was convened without a quorum) or 4 consecutive meetings where a quorum was met, any Joint Council member or group of members may make proposals directly to the Cargo Agency Conference;

1.2.9 the Joint Council shall determine the CACP participation fees, in consultation with the Director General. The CACP shall be self-funding and not for profit;

1.2.10 the Joint Council shall nominate a CACP Agency Commissioner in accordance with the procedure contained in the Handbook, and the Agency Commissioner shall be appointed in accordance with IATA procedures applicable for appointment of the Cargo Agency Commissioner.

1.3 Canadian Air Cargo Programme Directory

1.3.1 The Agency Administrator shall compile, publish and keep current, the Canadian Air Cargo Programme Directory ('The Directory'), listing all participant IATA Air Cargo Intermediaries and Airlines, with all relevant and useful particulars of those listed, as decided by the Joint Council;

1.3.2 the Directory shall be used as a means of actively promoting the interests of the participants listed in it and to the shipping public at large.

1.4 Agency Distribution Office

the Agency Distribution Office shall be headed by the Agency Distribution Manager appointed by the Agency Administrator to manage the registration programme in Canada including all administrative actions and reviews associated therewith. Where the circumstances so warrant, the Agency Administrator may decide that the Agency Distribution Manager shall also manage the Cargo Accounts Settlement System (CASS);

2. CRITERIA FOR REGISTRATION AND RETENTION

2.1 any person in possession, where required, of the appropriate official licenses, may become an IATA cargo Intermediary by making an application in the form prescribed to the Agency Distribution Manager in Canada where such person conducts business and by meeting the following requirement and criteria:

2.1.1 Minimum Staff Requirement

Where a competency-based training and assessment approach in respect of dangerous goods is implemented and accepted within the national regulatory framework of a country, the following provisions will apply in respect of the Intermediary and personnel who process, accept and/or handle cargo. The employer of personnel that perform functions aimed at ensuring that dangerous goods are transported in accordance with all applicable regulations, including IATA Dangerous Goods Regulations (DGR), ICAO requirements and those of national governmental agencies, must establish and maintain a dangerous goods training program. The provision of such dangerous goods training should be commensurate with the operational functions of individuals and their tasks, regardless of job titles. It must ensure all personnel have the appropriate level of competence training and proficiency to perform the functions for which they are responsible in a specific operational setting and to be in compliance with domestic and international regulatory requirements that apply to those operations. For persons to maintain an appropriate level, DGR competence training and assessment of proficiency shall be recurrent at least every 24 months.

the applicant shall employ a minimum of two full-time competent persons qualified to provide the services and handling functions described in the IATA Air Cargo Programme Handbook, so that a minimum of one person, holding the certification in respect of Dangerous Goods described in Subparagraph 2.1.1.2(a) of this Resolution, is present at all places where air cargo is made ready for carriage whenever such places are open for business; the applicant must supply evidence that:

2.1.1.1 the applicant shall employ a minimum two full-time competent persons qualified to provide the services and handling functions described in Subparagraph 2.1.2;

2.1.1.2 a minimum of one such competent person who also holds certification in respect of Dangerous Goods Acceptance described in Subparagraph 2.1.1.2(b) of this Resolution is present at all places where air cargo is made ready for carriage whenever such places are open for business, and the applicant must supply evidence that:

2.1.1.2(a) two such persons hold the IATA Introductory Course diploma or have completed an equivalent course offered by an IATA Member, a FIATA member whose course has been accredited by the FIATA, or any other course acceptable to the Joint Council offered by an airline, commercial organisation, or training institute; provided that any Agent which does not meet this requirement shall demonstrate that its staff includes at least two full-time competent persons with not less than 3 years' experience in providing the services and handling functions described in the Handbook;

2.1.1.2(b) two such persons at the time of application and at all times subsequent to registration, must hold a valid certificate, issued within the previous two years, or within such other period as may be specified by the local competent authority, attesting to the bearer's having followed a recognised training course in dangerous goods acceptance and passed a written examination based on that course;

for the purpose of this Resolution, a recognised training course means:

2.1.1.2(b)(i) an IATA Dangerous Goods Course,

2.1.1.2(b)(ii) a Member's course of formal instruction in dangerous goods acceptance,

2.1.1.2(b)(iii) a course of formal instruction in Dangerous Goods Acceptance offered by a training establishment that has been appraised and endorsed by IATA as an Accredited Training School (ATS) and/or Competency-Based Training Assessment (CBTA) Center,

△ **2.1.1.2(b)(iv)** a course of formal instruction offered by a training organization or other establishment which has been endorsed, or meets the criteria established by the regulatory authority responsible for Dangerous Goods in the specified country. In countries where the national Civil Aviation Authority does not publicly list the authorized training organizations, certificates must either specifically indicate, or be accompanied by a letter issued by the training provider that the course is approved by the national aviation authority in the specified country or that the course complies with the national aviation regulations of that country.

2.1.1.2(b)(v) the ICAO-FIATA Dangerous Goods by Air training program;

2.1.1.2(c) provided, that all the above training courses shall, where required in the country of registration of the applicant, also be approved in advance by the local competent authority responsible for regulating Dangerous Goods matters in that country;

2.1.1.2(d) failure to renew the certificate of Dangerous Goods Course of training by a date specified by the Agency Administrator, with the result that the Agent no longer fulfils the conditions of this subparagraph, shall be grounds for the Agency Administrator to remove the Agent from the Directory;

2.1.1.2(e) validation of the training described in 2.1.1.2(b)(i) shall be by an examination set and marked by IATA whose certificate shall be issued to each successful examination candidate;

2.1.1.2(f) validation of the training described in 2.1.1.2(b)(ii) shall be by; an examination set and marked by the Member, or by the Dangerous Goods Regulatory authority of the country concerned, where required. Such examination shall, as a minimum, be to the standard required by the Dangerous Goods Regulatory Authority of the country concerned; provided that the Member may elect to use the IATA examination in which case an IATA certificate will be issued to each successful candidate;

2.1.1.2(g) validation of training described in 2.1.1.2(b)(iii) shall be an examination set by the Dangerous Goods Regulatory Authority of the country concerned, where required. In other cases the examination shall be to the standard required in accordance with the approval/certification of the ATS and/or CBTA Center;

2.1.1.2(h) the following details shall be published in advance by the organizers of instructional courses in the handling of dangerous goods, where the resulting certificate is to be relied upon for purposes of qualifying under these rules:

- course objectives
- detailed description of course contents
- training method used
- testing methods and pass levels applied to validate results.

2.1.1.3(a) the certificate awarded pursuant to Subparagraph 2.1.1.2(b) of this paragraph shall include the name of the issuing authority and the date of issue, and shall confirm that:

2.1.1.3(a)(i) the trainee has taken the examination on the contents of the course, and has met the minimum standard required by the examination body;

2.1.1.3(a)(ii) the certificate is valid for two years from the date of issue, or such other period as may be specified by the competent local authority;

2.1.1.3(b) it being understood that, where the applicant's staff at such places is limited to two such persons, both shall meet the requirements set forth in Subparagraph 2.1.1 of this paragraph.

2.1.1.4 In addition to the stated Dangerous Goods Acceptance training requirements for the competent and qualified staff of the applicant described above, all other persons assigned by the applicant to process consignments and/or make them ready for carriage shall have completed a Dangerous Goods General Cargo Accepting and Processing training in accordance with national governmental agency and/or ICAO requirements. Persons responsible for handling consignments, including loading consignments onto unit load devices shall have completed a Dangerous Goods course for Personnel Responsible for Handling Cargo in a Warehouse, Loading and Unloading Unit Load Devices and Loading and Unloading Aircraft Cargo Compartments in accordance with national governmental agency and/or ICAO requirements.

△

2.1.2 Processing and Handling

In addition to offering to the public the functions prescribed by the Joint Council as the minimum necessary, the applicant must adhere to security control measures, as prescribed by the responsible authority(ies) and supplemented from time to time by the Member. The Agency Administrator may, on their own initiative or at the request of a Member, conduct an examination of Intermediary(ies), to determine that such security control measures prescribed by the authorities are applied;

2.1.3 Other Criteria

The applicant shall meet the criteria established by the Joint Council and published in the IATA Air Cargo Programme Handbook, to include financial standing, suitability of premises and cargo handling equipment, standards of staff competence and knowledge of air cargo products;

2.1.4 Financial Standing

The late submission or failure by an Intermediary to submit its financial statements as required in accordance with any of the provisions of these Rules, or applicable Local Financial Criteria, and/or following a specific request and deadline received from IATA, shall be grounds to require the Intermediary to promptly provide a financial security. In addition, the Intermediary may be subject to further measures for such late submission or continued non-compliance, as described in these provisions, including administrative charges.

△ **2.1.4.1** Applicants and IATA Cargo Intermediaries shall submit the most recent financial statements that are currently available, in accordance with the local financial criteria.

2.1.4.2 The financial position of an Intermediary shall be subject to financial review as per the local financial criteria as set forth in the Handbook.

2.1.4.3 Failure by the Intermediary to submit such documents as prescribed shall be grounds for IATA to give the Intermediary 30 days to comply. Failure by the Intermediary to comply within 30 days shall be grounds for IATA to request a financial security from the Intermediary and to give the Intermediary written notice of removal from the Agency List, provided that if the Intermediary submits the required financial security 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 the termination clause of the Cargo Intermediary Agreement;

2.1.5 Regulatory and Legal Compliance

2.1.5.1 The applicant must provide any documentation required by IATA in order to comply with applicable anti-money laundering, sanctions, or other regulatory or legal requirements.

2.1.5.2 The application may not be approved if IATA considers that it is prohibited from doing business with the applicant or that doing so would pose an undue risk to IATA under applicable regulatory or legal requirements.

2.2 A legal entity appointed by an air carrier as a GSSA for the country concerned may not apply for accreditation as an IATA Cargo Agent/Intermediary. (A General Sales and Services Agent is one to whom an airline has delegated general authority to represent it as required to provide further information or additional purposes of overseeing sales in a defined territory).

3. RULES AND PROCEDURES

the relationship between Members and their appointed IATA Cargo Intermediaries is governed by the rules and procedures adopted by the Conference and published in Attachment 'A' hereto.

RESOLUTION 803 Attachment 'A'

Section 1—Procedures

Upon request, the Agency Distribution Manager shall supply each prospective applicant with an application form and a copy of the IATA Canadian Air Cargo Programme Handbook (at a nominal charge) containing these Rules and other relevant information and guidance.

1.1 APPLICATION FOR REGISTRATION

an applicant which wishes to be included on the Canadian Air Cargo Programme Directory shall apply to the Agency Distribution Manager who is empowered to register the applicant or to reject the application:

1.1.1 such application shall request registration of the applicant in respect of its operations within one country for delivery of consignments for transportation from airports within that country or from named airports within immediately adjacent countries;

1.1.2 an Agent duly registered under these Rules may, at any time, by submitting a request accompanied by settlement of the appropriate fee(s), be authorised by the Agency Distribution Manager to deliver consignments for transportation from (a) named Airport(s) in country(ies) immediately adjacent to the country for which the Intermediary is registered. Authorisations given to Intermediary's pursuant to this Subparagraph shall be notified by the Agency Distribution Manager to the Agency Administrator who shall amend the Canadian Air Cargo Programme Directory accordingly and request the Director General to reflect such authorisation on the Intermediary's Cargo Intermediary Agreement.

1.2 FORM OF APPLICATION—PROCESSING

1.2.1 The submitted application shall be accompanied by such financial and other documents as set forth in the Handbook and fees covering the following:

1.2.1.1 application fee which is non-refundable, and

1.2.1.2 registration fee, and

1.2.1.3 the first annual intermediary fee;

1.2.2 upon receipt, the Agency Distribution Manager shall promptly consider whether such application is complete. If any of the required information or fees have not been included with the application the Agency Distribution Manager shall so inform the applicant;

△ **1.2.3** if the Agency Distribution Manager finds the application is complete, they shall publish promptly to Members in a listing that such application has been received. Such listing shall be published as required;

1.2.4 any Member may, within 30 days of publication of such listing, file evidence with the Agency Distribution Manager indicating the grounds why, in that Member's opinion, the applicant does not meet the qualifications to become an Intermediary. The Agency Distribution Manager shall inform the applicant that such a protest has been made and invite response;

△ **1.2.5** the Agency Distribution Manager may arrange an independent inspection report to assist them in determining whether the applicant meets the qualifications necessary to become an Intermediary;

△ **1.2.6** the Agency Distribution Manager shall consider each application and supporting information and any other information brought to their attention and decide within 45 days of the date of publication of the listing if the applicant meets the qualifications to become an Intermediary;

1.2.7 the applicant shall be notified promptly in writing of the Agency Distribution Manager's action and in the event of rejection shall be given clear reasons why the application failed;

1.2.8 a rejected applicant may, within 30 calendar days of the date of the Agency Distribution Manager's notice, request reconsideration of the decision by the Agency Distribution Manager or may invoke the procedures for review of the Agency Distribution Manager's action by the Agency Commissioner;

1.2.9 a Member filing evidence pursuant to Subparagraph 1.2.4 of this Paragraph may, if the applicant concerned is registered, request consideration of the decision by the Agency Distribution Manager or may request a review of the Intermediary on the grounds specified in the protest made under Subparagraph 1.2.4 of this Paragraph. In the latter instance, the Agency Distribution Manager shall request the Agency Administrator to initiate a review by the Agency Commissioner. The Agency Distribution Manager shall notify the Intermediary of the request for the review and the grounds upon which it shall be based and shall invite the Intermediary to submit rebuttal or supplementary information to the Agency Commissioner, with copy to the Agency Distribution Manager, bearing on the allegations upon which the protest was filed.

1.3 ACTION FOLLOWING REGISTRATION OF APPLICANT

△ **1.3.1** if the Agency Distribution Manager determines that the applicant has shown that it meets the qualifications, they shall request the Agency Administrator to enter it on the Canadian Air Cargo Programme Directory;

1.3.2 the Director General, acting on behalf of Members desiring to appoint an Intermediary shall execute a Cargo Intermediary Agreement with each Person registered as an Intermediary in accordance with these Rules. The Agency Administrator shall promptly notify all Airlines of the names of parties executing Cargo Intermediary Agreements and the dates of such Agreements;

1.3.3 the Agency Administrator shall maintain, publish and circulate from time to time, a Canadian Air Cargo Programme Directory of all Persons with whom the Director General has entered into a Cargo Intermediary Agreement in accordance with Subparagraph 1.3.2 of this Paragraph which will contain the following minimum information:

1.3.3.1 name of Intermediary,

1.3.3.2 legal or registered address,

address of operational premises,

mailing address,

e-mail address,

branch location address(es) where applicable,

1.3.3.3 date of registration,

1.3.3.4 IATA numeric code and location identifier(s),

1.3.3.5 named Airport(s) in adjacent country(ies), if applicable;

1.3.4 for the purpose of these Rules, a Person's name shall be deemed to be included in the Canadian Air Cargo Programme Directory from the date when such Agreement is entered into until the date when it is terminated.

1.4 APPOINTMENT OF INTERMEDIARY

1.4.1 Manner of Appointment

a Member may appoint an Intermediary which is in the Canadian Air Cargo Programme Directory in the following manner:

1.4.1.1 by depositing with the Agency Administrator a statement of general concurrence for the appointment of all Intermediaries. The Agency Administrator shall from time to time publish in the IATA Canadian Air Cargo Programme Handbook, a list of Members having deposited such a statement of general concurrence,

1.4.1.2 alternatively, a Member may inform such Intermediary, in writing with copy to the Agency Administrator, that such Member specifically concurs in its appointment as an Intermediary.

1.4.2 Effective Date

such appointment(s) shall be effective as follows:

1.4.2.1 as to those Members who have deposited a statement of general concurrence, immediately upon inclusion of the Intermediary on the Canadian Air Cargo Programme Directory, or as from the date the statement is deposited if such date is subsequent to that of the Intermediaries inclusion on the Canadian Air Cargo Programme Directory,

1.4.2.2 as to any other Member, as of the date stated as the effective date in such Member's specific concurrence which shall not be earlier than the date when the Intermediary was included on the Canadian Air Cargo Programme Directory.

1.5 TERMINATION OF INDIVIDUAL APPOINTMENT

any Member having appointed an Intermediary may cancel such appointment by so notifying the Intermediary in writing.

1.6 DELIVERY OF AIR WAYBILLS BY MEMBERS

the provision of Air Waybills shall be at the option of the Member. The Member may, also at its option, authorise the Intermediary to issue on the Member's behalf, Neutral Air Waybills in conformity with the provisions of Resolution 600a.

1.7 CAPACITY AND INDEMNITY

the Director General, the Agency Administrator, the Agency Distribution Manager and the CASS Management, in performing any action pursuant to these Rules, to Resolutions 851, 853 and their Attachments, and to any other applicable Resolutions, act not as principals but as agents for the Members concerned. Members appointing Intermediaries undertake to indemnify IATA, its officers, employees, Cargo Agency Commissioner, Ombudsman and other appointees against any 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 functions performed pursuant to Section 2 of Resolution 801r). Members participating in a Cargo Accounts Settlement System (CASS-Export) or in a CASS-Import and Terminal Charges (CASS-ITC) undertake to indemnify IATA, its officers, employees, Cargo Agency Commissioner, Ombudsman 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 system under Resolutions 851, 853 and their Attachments, and under Section 2 of Resolution 801r, as applicable.

1.8 CASS AIRLINE SEPARATE REQUIREMENTS FOR FINANCIAL SECURITY AFTER ACCREDITATION

- (i) Recognizing that IATA is mandated to conduct financial assessments of Intermediaries who hold Accreditation in accordance with Local Financial Criteria and, when applicable, may require a financial security.
- (ii) In certain jurisdictions, the Local Financial Criteria may require the imposition of an industry bank guarantee or financial security (an “Industry Financial Security”); the amount of such Industry Financial Security is calculated on an Intermediary’s CASS settlements.
- (iii) Members participating in the Cargo Agency Program shall not request a separate duplicate financial security from an Intermediary covering those same CASS Export settlements. Any Member, however, that does maintain individual and bilateral financial securities covering such CASS Export settlements shall notify IATA and will be excluded from participation in the Industry Financial Security.
- (iv) In the event that a Member considers the IATA Industry Financial Security inadequate, the Carrier shall appeal to the Canadian Air Cargo Programme-Joint Council for review of the Local Financial Criteria.

Section 2—Remuneration

Remuneration for the sale and handling of international air cargo transportation shall be agreed bilaterally between the parties.

Section 3—Measures Affecting an Intermediary's Standing

3.1 WITHDRAWAL BY INTERMEDIARY

3.1.1 an Intermediary may voluntarily relinquish its registered status at any time by giving advance notice in writing to the Agency Administrator who shall notify all Airlines. The notice will state an effective date of withdrawal, without prejudice to fulfilment by the Intermediary and each of the Members having the Intermediary under appointment, of all obligations accrued up to the date of withdrawal from the Canadian Air Cargo Programme Directory;

3.1.2 in the event an Intermediary voluntarily relinquishes any Member's appointment it shall so notify the Member in writing.

3.2 REMOVAL BY AGENCY ADMINISTRATOR

the Agency Administrator may, in accordance with the provisions of these Rules, remove for cause an Intermediary from the Canadian Air Cargo Programme Directory by giving notice in writing to the Intermediary to take effect in accordance with these Rules. Such removal shall be without prejudice to fulfilment by the Intermediary and each of the Members having the Intermediary under appointment of all obligations accrued up to the date of removal from the Canadian Air Cargo Programme Directory.

3.3 NOTICE OF SUSPENSION BY AGENCY ADMINISTRATOR

when an Intermediary is suspended for cause under the provisions of these Rules, the Agency Administrator shall give notice thereof in writing to the Intermediary. The suspension will take effect from the time specified in the written notice.

3.4 EFFECT OF REMOVAL OR SUSPENSION OR REPRIMAND

3.4.1 Removal

when notice has been served by the Agency Administrator that an Intermediary is to be removed from the Canadian Air Cargo Programme Directory:

3.4.1.1 the Agency Administrator shall by notice to the Intermediary terminate the Intermediaries Cargo Agency Agreement and so notify Airlines,

3.4.1.2 the CASS Management shall withdraw any authorisation given to the Intermediary to issue Neutral Air Waybills and require an immediate accounting and settlement of monies due,

3.4.1.3 Members not participating in the Cargo Accounts Settlement Systems shall revoke any authority for the Intermediary to execute Air Waybills on behalf of such Members and require an immediate accounting and settlement of monies due;

□ **3.4.1.4** In the event the Intermediary is removed from the Directory in accordance with any of provisions of these Rules, IATA may withdraw the termination of the Intermediary to the Directory within the following 60 days of its termination, provided that the following requirements are met:

(a) The cause for termination action is cleared and the Intermediary is compliant with Accreditation/Registration requirements;

(b) When applicable, the Financial Security held prior to the termination is re-issued and valid in accordance with Resolution 817;

(c) All Accountable Transactions due at current moment are settled;

(d) The Intermediary was not declared in Default during last 12 consecutive months.

3.4.2 Suspension

when notice has been served by the Agency Administrator that an Intermediary is to be suspended:

3.4.2.1 the Agency Administrator shall so notify Airlines,

3.4.2.2 the CASS Management shall, for the period of suspension, withdraw any authorisation given to the Intermediary to issue Neutral Air Waybills,

3.4.2.3 Members not participating in the Cargo Accounts Settlement Systems shall, for the period of suspension, revoke any authority for the Intermediary to execute Air Waybills on behalf of such Members,

3.4.2.4 in all other respects the provisions of these Rules and of other applicable Resolutions continue to apply to the Intermediary during the period of suspension;

3.4.3 Reprimand

when a reprimand is issued to an Intermediary under any of the provisions of these Rules, the Agency Administrator shall record it against the Intermediary and notify the Intermediary that this has been done.

3.5 LICENCE TO TRADE

in addition to actions affecting an Intermediary's IATA status which may be taken pursuant to these Rules, the application of the Cargo Intermediary Agreement to an Intermediary and the capacity of such Intermediary to do business with Members may be affected by termination, suspension or other condition relating to the Intermediaries licence to trade (where this is officially required) imposed by the government authorities of the place where the Intermediary is situated. In such case, the Agency Administrator shall promptly notify all Airlines, with copy to the Intermediary, of the effects of such government action.

3.6 FORCE MAJEURE

The Intermediary shall not be liable for delay or failure to comply with the terms of the Cargo Intermediary 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 shall have the right, at its option, to 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.

3.7 REGULATORY AND LEGAL COMPLIANCE

If IATA considers that it is prohibited from doing business with an Intermediary or that doing so would pose an undue risk to IATA under applicable regulatory or legal requirements, it shall suspend or remove the Intermediary from the Canadian Air Cargo Programme Directory.

Section 4—Change of Ownership, Legal Status, Name or Address

4.1 NOTIFICATION OF CHANGES

notification with respect to changes of ownership, legal status, name or address of the Intermediary shall be given to the Agency Administrator prior to the change, and processed in accordance with the provisions of this Section; provided that when an Intermediary undergoes a change of ownership or status which also includes a change of name or

address, all changes shall be notified by the Intermediary in a single notice of change and actioned by the Agency Administrator as one application.

4.2 PROCESSING OF CHANGES

4.2.1/4.2.1.1 the following changes of ownership shall require the execution of a new Cargo Intermediary Agreement, and shall be processed in accordance with Paragraph 4.3 of this Section:

4.2.1.1(a) in the case of a sole owner, partnership or other unincorporated firm:

4.2.1.1(a)(i) the transfer of an interest in the Intermediary which has the effect of transferring control of the Intermediary to a Person in whom it was not previously vested,

4.2.1.1(a)(ii) the admission or withdrawal of a partner,

4.2.1.1(b) in the case of a corporation, the disposal of the Intermediary's business and its acquisition by a Person who is not an Intermediary;

4.2.1.2 the following changes of ownership in a corporation shall not require the execution of a new Cargo Intermediary Agreement, and shall be processed in accordance with Paragraph 4.4 of this Section:

4.2.1.2(a) a reduction of capital,

4.2.1.2(b) the disposal or acquisition by any Person of stock representing 30% or more of the total issued share capital of the Intermediary,

4.2.1.2(c) any other transfer of stock that has the effect of vesting the control of the Intermediary in a Person in whom it was not previously vested, whether by means of a single transaction or as the result of a series of transactions, over a period of not more than three years.

4.2.2 the following changes of ownership and status shall require the execution of a new Cargo Intermediary Agreement, and shall be processed in accordance with Paragraph 4.3 of this Section:

4.2.2.1 in the case of a sole ownership, partnership or other unincorporated firm, the incorporation of the Intermediary;

4.2.2.2 in the case of a corporate body:

4.2.2.2(a) the transformation of the Intermediary into a partnership or other unincorporated firm,

4.2.2.2(b) any change which reduces the liability of any Person who was previously liable, directly or indirectly, for the debts of the corporation.

4.2.3 the following other changes shall be processed in accordance with the appropriate Paragraph of this Section as indicated:

4.2.3.1 death of sole owner or of a member of a partnership or other unincorporated firm—Paragraph 4.9;

4.2.3.2 death of stockholder—Paragraph 4.10;

4.2.3.3 change of name—Paragraph 4.11;

4.2.3.4 change of address—Paragraph 4.12.

4.3 CHANGES REQUIRING NEW AGREEMENT

when an Intermediary proposes to effect a change of ownership and/or status as described in Subparagraph 4.2.1.1 or Paragraph 4.2.2 of this Section:

4.3.1 the Intermediary ('the transferor') and the proposed new owner ('the transferee') shall jointly give the Agency Administrator notice of the proposed change in the form as prescribed by Appendix 1 to these Rules at least 30 days before the change is to be effected. At the same time the transferee shall submit an application for approval and inclusion in the Canadian Air Cargo Programme Directory in accordance with **Section 1** of these Rules and the application shall be considered and dealt with in accordance with the provisions of that Section.

The Intermediary shall also provide a current financial statement as required under **Sub paragraph 2.1.4 (Financial Standing)** of these rules. In the event where Intermediary is unable to provide documents deemed necessary to conduct a Financial Review, the change may still be processed, if the Intermediary provides a Financial Security as per the local financial criteria.

4.3.2 on receipt of a notice of change and a duly completed application in time to enable the Agency Administrator to process the application, the Agency Administrator shall execute a provisional Cargo Intermediary Agreement with the transferee unless the application reveals or the Agency Administrator has reason to believe that the application should be disapproved because the transferee does not meet one or more the requirements of Paragraph 4.2 of this Resolution. Nevertheless if prior to the final decision on the application the transferee eliminates the grounds for disapproval to the satisfaction of the Agency Administrator, the Agency Administrator shall execute a provisional Cargo Intermediary Agreement with the transferee;

4.3.3 the transferee's provisional Cargo Intermediary Agreement shall take effect from the date when the change of ownership and/or status takes place. The transferor's Cargo Intermediary Agreement shall terminate as of the date when the change of ownership and/or status takes place, without prejudice to the fulfilment of all obligations accrued prior to the date of termination;

△ **4.3.4** a provisional Cargo Intermediary Agreement shall be in the same form and have the same effect as a Cargo Intermediary Agreement. The Agency Administrator shall notify all Airlines of the execution of the provisional agreement and on receipt of such notice Members may do business with the transferee as if they were an Intermediary.

4.4 CHANGES NOT REQUIRING A NEW AGREEMENT

when an Intermediary proposes to effect a change of ownership as described in Subparagraph 4.2.1.2 of this Section:

4.4.1(a) the Intermediary shall give the Agency Administrator notice of the proposed change in the form of Appendix 1 to these Rules at least 30 days before the change is to be effected. On receipt of the notice, the Agency Administrator shall:

4.4.1(a)(i) bill the Intermediary for a change of ownership fee as provided in Subparagraph 10.1.1(a)(iv) of Section 10 of these Rules, and

4.4.1(a)(ii) publish promptly to Members in a monthly listing that such a notice has been received;

4.4.1(b) any Member may within 30 days of publication of such information, file evidence with the Agency Administrator indicating the grounds why, in that Member's opinion, the

Intermediary does not meet the qualifications to remain an Intermediary. The Agency Administrator shall inform the Intermediary that such protest has been made and invite response;

4.4.2 on receipt of a notice of change in time to enable the Agency Administrator to process the change, the Agency Administrator shall give provisional approval of the change unless the notice reveals or the Agency Administrator has reason to believe that the Intermediary should not be retained because it does not meet one or more of the requirements of Paragraph 4.2 of this Resolution. Nevertheless if prior to final decision on the change the Intermediary eliminates the grounds for disapproval to the satisfaction of the Agency Administrator, the Agency Administrator shall give provisional approval of the change;

4.4.3 the provisional approval of the change shall take effect from the date when the change takes place and the Agency Administrator shall notify all Airlines accordingly.

4.5 LACK OF PROVISIONAL AGREEMENT OR APPROVAL

when pursuant to Subparagraph 4.3.2 or 4.4.2 of this Section the Agency Administrator is unable to execute a provisional Cargo Intermediary Agreement or to give provisional approval as at the date of the change, the Agency Administrator shall notify all Airlines and the CASS Management accordingly, and may suspend from CASS where applicable.

4.6 FINAL APPROVAL BY AGENCY ADMINISTRATOR

△ **4.6.1** in addition to any action taken by the Agency Administrator under Paragraphs 4.3 and 4.4 of this Section they shall obtain from such source and in such manner as they may deem appropriate a report on the transferee or Intermediary, as the case may be, indicating whether the requirements set out in Paragraph 4.2 of this Resolution are satisfied;

4.6.2 if, the report shows that the said requirements are satisfied, and no protest has been received from a Member within 30 days following notice from the Agency Administrator of the proposed change, the Agency Administrator shall:

4.6.2.1 in cases of a change as described in Subparagraph 4.2.1.1 or in Paragraph 4.2.2 of this Section, notify the transferee that the provisional Cargo Intermediary Agreement shall cease to be provisional and shall become a Cargo Intermediary Agreement,

4.6.2.2 in cases of a change as described in Subparagraph 4.2.1.2 of this Section, notify the Intermediary that the provisional approval of the change shall cease to be provisional and shall become a full approval; The Agency Administrator shall notify all Airlines accordingly and, when required, make any necessary amendment to the Canadian Air Cargo Programme Directory.

4.7 EFFECT OF DISAPPROVAL

△ **4.7.1(a)** if the Agency Administrator is unable to execute a Cargo Agency Agreement with a transferee or to give final approval of a change to an Intermediary, as the case may be, they shall promptly notify the transferee or Intermediary and shall, simultaneously:

4.7.1(a)(i) in cases of a change as described in Subparagraph 4.2.1.1 or in Paragraph 4.2.2 of this Section, by notice to the transferor confirm that its Cargo Intermediary Agreement terminated on the date when the change of ownership took place, and by notice to the transferee, terminate the provisional Cargo Intermediary Agreement, if executed,

4.7.1(a)(ii) in cases of a change as described in Subparagraph 4.2.1.2 of this Section, by notice to the Intermediary withdraw a provisional approval that has been given and terminate the Intermediary's Cargo Intermediary Agreement;

△ **4.7.1(b)** in all such notices the Agency Administrator shall give the reasons for their action and notify all Airlines accordingly. A disapproved transferee or Intermediary may within 30 days of the Agency Administrator's notice request reconsideration of the decision by the Agency Administrator or invoke the procedures for review of the Agency Administrator's action by the Agency Commissioner;

4.7.2 upon request for reconsideration by the Agency Administrator or for review by the Agency Commissioner, the disapproval action shall be stayed and the status quo ante restored pending the result of the reconsideration or of the review. If the Agency Commissioner confirms the disapproval, the transferee or Intermediary may request review of such decision by arbitration pursuant to Section 9 of these Rules in which case the disapproval action shall continue to be stayed until notification of the arbitration award;

4.7.3 if the transferor or the Intermediary as the case may be notifies the Agency Administrator that the change of ownership has been revoked and the Intermediary restored in all respects to its previous ownership, the Agency Administrator shall reinstate the Intermediaries Cargo Intermediary Agreement and, when applicable, reinstate credit facilities and notify the Intermediary and all Airlines accordingly.

4.8 UNDERTAKING BY TRANSFEREE

except in case of change described in Subparagraph 4.2.1.2 of this Section:

4.8.1 every application for approval shall be accompanied by an undertaking by the transferee to accept joint and several liability with the transferor for any outstanding obligations of the transferor under its Cargo Intermediary Agreement as of the date when the transfer of ownership takes place; and

4.8.2 in cases where the transferor is employed by or retains a financial or beneficial interest directly or indirectly in the Intermediary after the change of ownership, the application shall be accompanied by an undertaking by the transferee to accept responsibility for any violation by the transferor of its Cargo Intermediary 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 Cargo Intermediary Agreement.

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

4.9.1 in the event of the death of the sole owner of an Intermediary, or of a member of a partnership or other unincorporated firm, the Intermediary shall promptly advise the Agency Administrator who, in order to preserve the goodwill of the Intermediary as far as possible, may, at the request of the person entitled to represent the decedent's estate (in the case of a sole ownership) or of the remaining member of the partnership or other unincorporated firm enter into a temporary Cargo Intermediary Agreement with the requesting party, reinstate credit facilities and advise Members accordingly. The temporary Cargo Intermediary Agreement shall be in the same form and have the same effect as a Cargo Intermediary Agreement except that:

△ **4.9.1.1** if the Agency Administrator at any time has reason to believe that the financial situation of the estate, partnership or other unincorporated firm is unsatisfactory, they shall

place the Intermediary under review by the Agency Commissioner and notify the Intermediary and all Airlines accordingly,

△ **4.9.1.2** if prior to the date of the review the estate or partnership or other unincorporated firm submits evidence of a satisfactory financial situation, the Agency Administrator shall withdraw their request for review and shall notify the Intermediary and all Airlines that credit may be reinstated,

△ **4.9.1.3** if the matter proceeds to review and the Agency Commissioner finds that the financial situation of the estate, partnership or other unincorporated firm so warrants, they shall direct that the temporary Cargo Intermediary Agreement be terminated. The Agency Administrator shall remove the Intermediary from the Canadian Air Cargo Programme Directory and notify the Intermediary and all Members accordingly. Upon receipt of such notice, Members shall take the same action as required on removal of an Intermediary from the Canadian Air Cargo Programme Directory;

4.9.2 if the person entitled to represent the estate of the decedent proposes to transfer or to confirm the transfer of the decedent's interest in the Intermediary 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 shall be deemed a change of ownership for purposes of this Section. The signatory of the temporary Cargo Intermediary Agreement and the transferee shall jointly give notice to the Agency Administrator as required under Subparagraph 4.3.1 of this Section and thereafter the provisions of Paragraphs 4.3, 4.5, 4.6, 4.7 and 4.8 of this Section shall apply;

4.9.3 subject to earlier termination under the provisions of Subparagraph 4.9.1 or 4.9.2 of this Paragraph, a temporary Cargo Intermediary Agreement with the representative of the estate of a deceased sole owner shall terminate if such representative ceases to carry on the Intermediaries business at the address covered by the Agreement.

4.10 DEATH OF STOCKHOLDER

4.10.1 in the event of the death of a stockholder holding 30% or more of the total issued stock of a corporate body (or in whom control of the Intermediary is vested), the Intermediary shall promptly advise the Agency Administrator who shall notify all Airlines accordingly and request the Intermediary to submit current financial statements:

4.10.1.1 if the financial situation of the Intermediary is found to be satisfactory, the Intermediary may continue to do business with Airlines as a registered Intermediary,

4.10.1.2 if the financial situation of the Intermediary is found to be unsatisfactory, the Agency Administrator shall request a review of the Intermediary by the Agency Commissioner and notify the Intermediary and all Airlines accordingly;

4.10.2 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 Intermediary to an heir, legatee or other person, such transfer shall be deemed a change of ownership for purposes of this Section. The Intermediary shall give notice to the Agency Administrator as required under Subparagraph 4.4.1(a) of this Section and the provisions of Paragraphs 4.4, 4.5, 4.6 and 4.7 of this Section shall apply.

4.11 CHANGE OF NAME

△ when an Intermediary changes its name, such Intermediary shall notify promptly the Agency Administrator of the new name. The Agency Administrator shall ascertain whether the new name can be approved pursuant to the provisions of the Handbook. If the name

change is approved the Agency Administrator shall notify all Airlines of the new name and record the new name on the Canadian Air Cargo Programme Directory and in the Cargo Intermediary Agreement. If the Agency Administrator disapproves the application they shall initiate a review by the Agency Commissioner.

4.12 CHANGE OF ADDRESS

4.12.1 where an Intermediary changes its address from that shown on the Canadian Air Cargo Programme Directory, such Intermediary shall notify promptly the Agency Administrator who shall so advise all Airlines. Authority to act as an Intermediary shall continue to apply to the new address;

4.12.2 where an Intermediary moves from or ceases to operate at the sales office and/or handling facilities that were inspected in the course of processing its application for registration such Intermediary shall as far in advance as possible but in any case before effecting the move, notify the Agency Administrator of the new address. The Agency Administrator may obtain an inspection report of the new premises and shall notify all Members of the proposed new address. If no protest is received from any Member within 30 days of such notice and if the inspection report is favourable, the new premises shall be deemed to be approved. If the change is protested by any Member within such period or if the investigation report is unfavourable, the new premises shall not be approved by the Agency Administrator and the matter shall be referred to the Agency Commissioner;

△ **4.12.3** where an Intermediary opens, closes, or changes the address of a branch office, they shall advise the Agency Administrator so that they may amend the Canadian Air Cargo Programme Directory.

4.13 LATE NOTIFICATION OR ABSENCE OF NOTIFICATION OF CHANGE

4.13.1 if the notification and, when required, the completed application in respect of a change of ownership or status is not received by the Agency Administrator or is received after the change has taken place, the Agency Administrator shall place the Intermediary under review by the Agency Commissioner. The application from the transferee, if any, shall be processed in accordance with the provisions of Section 1 of these Rules;

4.13.2 failure to notify the Agency Administrator of a change of name or address shall be grounds to place the Intermediary under review by the Agency Commissioner.

Section 5—Review of Intermediaries

The matters under the purview of the Agency Commissioner are set out in Resolution 811e, as are the procedures for conducting reviews.

Section 6—Collection of Funds; Reporting and Remitting Directly to Members

The procedures regarding reporting and remitting directly to Members are set forth in Resolution 801r.

Section 7—Air Waybill Transmittals, Billings, Remittances and Collections, Defaults (under Cargo Accounts Settlement System—CASS-Export)

The procedures regarding reporting and remittance under the CASS-Export are set forth in Resolution 801r.

Section 8—Consequences of Default

The procedures regarding the consequences of default are set forth in Resolution 801r.

Section 9—Review by Arbitration at Intermediaries Request

△

9.1 AGREEMENT TO ARBITRATE

9.1.1 Any applicant or Agent which considers itself aggrieved by a decision of the Agency Commissioner (“the Commissioner”) under Resolution 811e shall have the right to have the decision reviewed by arbitration under the rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more Arbitrators appointed in accordance with such Rules.

9.1.2 Unless otherwise agreed by the parties, the language of the arbitration will be in English, but at the request of a party, documents and testimony will be translated in the native language of the requesting party.

9.1.3 The place of the arbitration will be in the jurisdiction where the applicant or Agent is located or the location specified in the application submitting the decision to review by arbitration, as the case may be, unless otherwise agreed by the parties.

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

9.1.5 The award will be final and conclusively binding on the parties and will be complied with in accordance with its terms.

9.2 COMMENCEMENT OF ARBITRATION

Arbitration pursuant to this section will be commenced no later than thirty (30) calendar days from the date of the Commissioner’s decision.

Section 10—Intermediary Fees

10.1 FEES

Intermediary fees, in the amounts determined by the Canadian Air Cargo Programme Joint Council in consultation with the Director General, shall be published by the Agency Administrator and payable by Intermediaries:

The types of fees and conditions under which they are payable are described within the Handbook.

In the event an Intermediary fails to remit the correct level of any administration or change fee when due, then IATA shall promptly notify the Intermediary in writing that its Agreement shall be terminated. The notice shall specify the date at which termination will be effective pursuant to the termination clause specified in the Agreement.

Termination for failure to pay an Intermediary fee shall not be subject to arbitration by the Intermediary.

10.1.2 Invoicing

Annual Intermediary fees for each calendar year shall be paid not later than 1 December of the preceding year in accordance with the procedures agreed by the Joint Council and the instructions of the Agency Administrator. Invoices for such fees shall be sent out by the Agency Administrator not later than 1 November of each year.

10.1.3 Use of Intermediary Fees

Intermediary fees collected by the Agency Administrator on behalf of IATA will be expended by the Director General in accordance with directives given by the Executive Committee of IATA to administer the Canadian Air Cargo Programme.

Notwithstanding the above, an annual amount of USD15 per each IATA Accredited cargo agent shall be provided to FIATA/AFI for the purpose of supporting the global IATA/FIATA dialogue process.

Attachment 'A' Appendix 1

TO:	
Agency Administrator	Intermediary's name, address and numeric code
International Air Transport Association	

NOTICE OF CHANGE

Pursuant to the provisions of Section 4 of the IATA Cargo Agency Rules we hereby give notice of the following change(s) in the legal status or ownership of the above named IATA Cargo Intermediary (Transferor) as a consequence of contractual arrangements or negotiations:				
			1. PRESENT STATUS	2. FUTURE STATUS

1.	Sole Proprietorship/Partnership/Corporation/other (specify)			
2.	Name(s) of owner/partners/stockholders in case of unincorporated firm			
3.	If corporation list:			
	(a)	issued share capital		
			name/amount of shares/%	name/amount of shares/%
	(b)	names of owners stock/shares and amount of stock owned by each		
	(c)	names of all officers and directors		
4.	Effective date of future status as shown above.			
5.	Legal name, trading name and full address under new ownership.			
6.	If the answer to 5 above represents a change of name or address or both, please give details.			
7.	Will such change affect the management and staffing at such premises?			
8.	Have any of the new owners, officers (directors), managers or any individual having authorization to act or sign on behalf of such firm been involved in bankruptcy or default proceedings? If so, give details.			
The Transferor has informed the Transferee of the need to comply with the Cargo Agency Rules if the Transferee wishes to be entered on the IATA Intermediary List as a Registered Intermediary.				
In accordance with one of the requirements of the Cargo Agency Rules, the Transferee hereby undertakes to accept joint and several liability with the Transferor for any outstanding obligations of the Transferor under its Cargo Intermediary Agreement as at the date of the transfer of ownership takes place.				
△ The undersigned Transferee knows and hereby agrees to accept responsibility for any violation by the Transferor of their Cargo Intermediary 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 Cargo Intermediary Agreement where the Transferor is employed by, or retains a financial or beneficial interest, directly or indirectly, in the Intermediary following the change of ownership.				
Authorised signature of Intermediary (Transferor)				Witness

Authorised signature of Transferee _____	Witness _____
--	---------------

Attachment 'A' Appendix 2

Agent _____ Address _____ IATA Numeric Code _____	CARGO SALES INVOICE/ADJUSTMENT*** WORLD AIRLINES 999 CURRENCY _____ Address _____ BILLING PERIOD _____	Invoice No/D _____ Page _____									
Air Waybill Serial Number Origin Code	PREPAID CHARGES		CHARGES COLLECT		OTHER PREPAID CHARGES DUE AIRLINE**						
	Weight* Charge	Other Charges Due Airline	Weight* Charge	Other Charges Due Agent	A	B	C				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(Optional)	← Mandatory Columns →				← Optional Columns →						
TOTALS											
<p style="text-align: center;">RECAPITULATION</p> Total prepaid charges due Airline (Cols. 2 + 3) _____ Total remunerable sales (Cols. 2 + 4) CCY _____ at % _____ CCY _____ Remuneration due Agent CCY _____ Other charges due Agent CCY _____ MCO amounts CCY _____ <p style="text-align: right;">NET DUE AIRLINE/AGENT CCY _____</p>											

* Including valuation charges

** Columns A and B to specify predetermined charges, e.g. those occurring most frequently, column C to show other charges - listed vertically if more than one and identified by AWB codes set out in Resolution 600a.

*** Adjustment to be used when listing sheet previously invoiced items which reversed and adjusted. One of the options to be headed 'Adjustment Reference'.

Attachment 'B'

CARGO INTERMEDIARY AGREEMENT

RESOLVED that, the following form of Cargo Intermediary Agreement is adopted for use by participants in the Canadian Air Cargo Programme, with an implementation date to be announced by the Agency Administrator:

CANADIAN AIR CARGO PROGRAMME—FORM OF INTERMEDIARY AGREEMENT

AN AGREEMENT made this day of 20

BETWEEN each IATA Member airline ('the Carrier'), represented by the Director General of IATA ('the Director General') acting for and on behalf of the Carrier,

AND ('the Agent' in part I, 'the Forwarder' in part II, and 'the Intermediary' in part III of this Agreement), having its principal office at with respect to the promotion of global logistic services, the sale of international air cargo transportation ('airfreight') within Canada and the handling and delivery to the Carrier of cargo consignments in Canada and at the following airport(s) situated immediately adjacent to Canada:

WHEREAS:

The commercial environment in which both cargo agents and freight forwarders operate in Canada is one that requires an agreement form reflecting an increased role for freight forwarders;

The parties recognise the need for an agreement that reflects the characteristics of the Canadian air cargo market;

The Carrier and the Intermediary (sometimes jointly called 'the Parties') undertake to give a high priority to applying electronic commerce in accordance with IATA standards and procedures. Such electronic commerce will facilitate the identification of consignments, and the tracking, tracing and settlement requirements of the parties and accelerate the introduction of necessary procedures with other competent entities to the benefit of the mutual customers;

The Director General has provided the Parties with a copy of the CACP Handbook (herein after called 'the Handbook'). It contains the rules, regulations, IATA Conference Resolutions, instructions and procedures applicable to the Parties' actions under the present Agreement. Amendments to the Handbook shall be provided to the Parties. The date of effect of such amendments shall be determined by the Cargo Agency Conference or the Joint Council, as applicable, but not earlier than 30 days after their dispatch from IATA. The amendments shall be deemed to be incorporated herein. The provisions of the Resolutions contained in the Handbook are binding upon the Parties and each current release of the Handbook shall be incorporated by reference into this Agreement and forms an integral part of this Agreement;

The Parties acknowledge that they have received a copy of the current edition of the Handbook and have acquainted themselves with the contents thereof;

This Agreement does not prevent either of the Parties from using other distribution channels or methods, either with carriers or intermediaries or with shippers directly and does not purport to impose exclusivity of dealings on the Parties.

WHEREBY IT IS AGREED AS FOLLOWS:

Definitions of Terms used in this Agreement

Air Waybill: the document of carriage as defined in Resolution 823. For the purposes of this agreement, references to Air Waybill shall also include electronic shipment record.

Canadian Air Cargo Programme ('CACP'): the Canadian air cargo distribution system managed by IATA in support of the present agreement.

Canadian Air Cargo Programme Directory ('the Directory'): is the official list of all Intermediary's participating in the CACP.

Canadian Air Cargo Programme Joint Council ('Joint Council'): is the body composed of airline and airfreight forwarder nominees, charged with the overall responsibility for running the CACP, pursuant to IATA CAC Resolution 803.

Canadian Air Cargo Programme Operations Handbook ('the Handbook'): the manual published under the auspices of the CACP by the Joint Council. It contains the rules, regulations, IATA Conference Resolutions, instructions and procedures applicable to the parties' actions under the present agreement and is revised and reissued as required.

Agent: in the context of this agreement, an Intermediary who acts on behalf of a carrier and is a registered IATA cargo agent whose name is entered in the directory.

Forwarder: in the context of this agreement, an Intermediary which issues air waybills on a principal to principal basis, in accordance with Part 2 of this agreement and which reflects its CACP registered company name in both the Shipper and Agent boxes on the air waybill. Such designation within the CACP does not imply compliance with national government licensing requirements.

Intermediary: in the context of this Agreement, a generic term for both Agent and/or Forwarder.

PART I. AGENCY RELATIONSHIP

Purpose of this Part I of the Agreement

The purpose of this Part I of the Agreement is to set out the contractual terms, which are specific to the Carrier/Agent relationship. The provisions of this Agreement shall apply to all Air Waybills completed by the Intermediary in its capacity as agent for the Carrier ('Agent').

1. EXECUTION

1.1 The terms of this Agreement, including any amendments hereto, shall have the same force and effect on the relationship between the Carrier and the Agent, once created, as though both were named herein and both had subscribed their names as Parties hereto;

1.2 this Agreement shall become effective between the Agent and a Carrier upon appointment of the Agent by such Carrier in accordance with the provisions of the Handbook. A Carrier may appoint the Agent by means of individual appointment or by general concurrence.

2. AGENT'S AUTHORITY

2.1 The authority of the Agent to represent the Carrier and its products and services under this Agreement shall be specifically limited to that expressly granted herein;

2.2 subject to the provisions of this Agreement, the Agent shall represent the Carrier in the sale of airfreight, other than mail, over the services of the Carrier and when authorised by the Carrier, over the services of other air carriers with which the Carrier has an interline agreement;

2.3 with respect to the Carrier's aircraft or route by which any consignment is to be transported and as to any service to be furnished by the Carrier, the Agent shall make only such representations as are authorised in this Agreement or as may thereafter be authorised by the Carrier in writing;

2.4 the Agent may represent itself on letterheads, advertising, telephone listings and classifications, office signs, and otherwise as an 'Agent', 'Cargo Agent', or 'IATA Cargo Agent', representing the Carrier, but shall not use any other designation which would indicate or imply in any way that its office is an office of the Carrier.

2.5 In the event that an Agent seeks to purchase air cargo transportation service from the Carrier on behalf of a third party and tender a shipment to the Carrier as the shipper's agent for such third party appearing as "Shipper" on the air waybill or electronic shipment record, Carrier and Agent shall agree bilaterally on the terms and indemnities applicable to such shipments. Absent such agreement, Agent hereby accepts all terms and conditions previously agreed with Carrier when Agent is shipping in its own name as Shipper for such shipments including all obligations of Shipper under Carrier's Conditions of Carriage and applicable liability conventions.

3. OBLIGATIONS OF AGENT TOWARDS THE CARRIER

The Agent shall make known and shall promote the services of the Carrier in every way reasonably practicable, including the use of display, promotional or publicity material that the Carrier may supply.

4. OBLIGATIONS OF CARRIER TOWARDS THE AGENT

The Carrier shall furnish the necessary information and documentation to enable the Agent to fulfil its undertaking, that the completion of Carrier's Air Waybills and handling of consignments performed under this Agreement by the Agent, or by its officers or employees, shall be in strict compliance with the rates, rules and conditions applicable to such cargo transportation, as published in the Carrier's Conditions of Carriage or in its tariffs, timetables, notices, instructions or elsewhere unless otherwise agreed in writing between the Parties.

PART II. AIRFREIGHT FORWARDER RELATIONSHIP

Purpose of this Part II of the Agreement and Effectiveness

The purpose of this Part II of the Agreement is to set out the mutually-agreed framework of working relations between the Carrier and the Forwarder, so they may provide the shipper with a complete and integrated service. A contractual relationship between the Forwarder and the Carrier is hereby created.

Furthermore, the provisions of this Agreement shall apply to the Intermediary acting as Forwarder. Upon coming into effect, this Agreement, including any amendments thereto, shall have the same force and effect between the Carrier and the Intermediary acting as Forwarder as though they were both named herein and had both subscribed their names as parties hereto.

1. SCOPE OF MUTUAL REPRESENTATION

This Part II covers those airfreight transactions where the Parties contract with each other as between principals. In such transactions, the Forwarder's name appears in both the Shipper box and the Agent box of the Air Waybill and the Forwarder does not act as agent for the Carrier.

2. FORWARDER'S AUTHORITY

2.1 Subject to the provisions of this Agreement, the Airfreight Forwarder shall be entitled to tender goods to any Carrier from whom it has received air waybills or air waybill serial numbers, provided the freight is documented and Ready for Carriage, in accordance with the Handbook or the Carrier's specific instructions;

2.2 the Forwarder may represent itself as a Forwarder, Cargo Forwarder, or IATA Cargo Forwarder authorised to use the services of the Carrier, but shall not indicate or imply in any way that its office is an office of the Carrier;

2.3 the Forwarder may consolidate consignments on behalf of a number of different shippers and tender them to the carrier as one single consignment.

2.4 In the event that a Forwarder seeks to tender cargo to the Carrier as an agent on behalf of another entity appearing as "Shipper" on the air waybill or electronic shipment record, Carrier and Forwarder shall agree bilaterally on the terms and indemnities applicable to such shipments. Absent such agreement, Forwarder hereby accepts all terms and conditions previously agreed with Carrier when Forwarder is shipping in its own name as Shipper for such shipments including all obligations of Shipper under Carrier's Conditions of Carriage and applicable liability conventions.

PART III. GENERAL PROVISIONS

Purpose of this Part III of the Agreement

The purpose of this Part III of the Agreement is to set out the general provisions applicable to both Agent and Forwarder as intermediaries (generally called "Intermediary") as specified in Parts I and II of this Agreement.

1. RULES, RESOLUTIONS AND PROVISIONS INCORPORATED IN THIS AGREEMENT

1.1 The terms and conditions governing the relationship between the Parties, as set out herein, are to be understood in the context of the contents of the CACP Handbook, which are incorporated by reference into this Agreement and made part hereof;

1.2 if not defined herein, the terms and expressions used in this Agreement shall, unless the context otherwise requires, have the meanings respectively provided in the Handbook. In the event of any conflict, contradiction or inconsistency between specific provisions of this Agreement and any provisions incorporated by reference, the specific provisions of this Agreement shall prevail;

1.3 the Parties shall observe all laws and regulations applicable to acts performed by them under this Agreement.

2. SECURITY MEASURES

The Parties shall adhere to security control measures as prescribed by the responsible authority(ies), and shall adhere to any other measures that may be required under the applicable IATA Resolutions.

3. DANGEROUS GOODS

△ The Intermediary shall not accept for delivery to a Carrier, or tender to the Carrier a shipment consisting of or containing a commodity classified as a Dangerous Goods (as defined in the current IATA Dangerous Goods Regulations), unless the commodity is properly described by name and is packed, marked and labelled and is in proper condition for carriage by air according to those Regulations, and is accompanied by a Certificate in the IATA agreed form stating that the commodity is properly described by name and is packed, marked and labelled and is in proper condition for carriage by air. The Certificate shall be signed by the person responsible for packing, marking and labelling. The Intermediary or the staff employed by the Intermediary may sign such declaration if they have been authorised by the shipper to act on their behalf to undertake shipper's responsibilities in the preparation, packing, marking and labeling of the consignment and has been trained as required in subsection 1.5 of the applicable IATA Dangerous Goods Regulations.

4. THE AIR WAYBILL

4.1 The Carrier may supply Air Waybills or Air Waybill serial numbers for neutral issuing systems to the Intermediary;

4.2 where the Carrier authorises the Intermediary to execute Air Waybills supplied by it in connection with the sale of airfreight offered by any other air carrier, the Carrier shall provide such authorisation to the Intermediary in writing;

4.3 when issuing the Carrier's Air Waybills, electronic shipment records and related documents, the Intermediary undertakes that the information entered by the Intermediary is correct;

4.4 the Intermediary shall be responsible for the safe custody and care of Air Waybills and Air Waybill serial numbers supplied to the Intermediary for use in an electronic environment, which the Intermediary may use for the sale of airfreight under this Agreement while they are in the Intermediary's possession, and shall be responsible to the Carrier for any damage, loss or expenses suffered by the Carrier as a result of the use or misuse of such Air Waybills or Air Waybill serial numbers by the Intermediary;

4.5 the Intermediary acknowledges that Carrier's Air Waybills and Air Waybill serial numbers supplied to the Intermediary for use in an electronic environment are and remain the sole property of the Carrier during the period that they are in the custody of the Intermediary, and the Intermediary acknowledges and agrees that it has no proprietary right to such documents or Air Waybill serial numbers. The Carrier may at any time at its sole discretion require that the Intermediary return such Air Waybills and Air Waybill serial numbers and the Intermediary agrees to surrender them forthwith to the Carrier, furthermore, the Carrier may, at any time at its sole discretion, require the Intermediary to cease and desist from issuing Neutral Air Waybills in the Carrier's name;

4.6 the Intermediary shall not execute an Air Waybill until having received the complete consignment to be transported under such Air Waybill;

4.7 the Intermediary shall not execute an Air Waybill supplied by the Carrier in connection with the sale of airfreight offered by any other air carrier unless the Carrier has so authorised the Intermediary in writing;

4.8 after acceptance of the consignment, the Carrier shall not in any manner vary or modify the terms and conditions of the underlying Conditions of Contract in respect of the consignment.

5. OPERATIONAL PROCESSES

5.1 the Carrier shall advise the Intermediary of the locations designated by it for general acceptance or airfreight;

5.2 the Intermediary undertakes that the completion of the Carrier's Air Waybills and handling of consignments performed under this Agreement by the Intermediary or by its officers or employees, shall be in strict compliance with the rates, rules and conditions applicable to such transportation, as published in the Carrier's Conditions of Carriage or in its tariffs, timetables, notices, instructions or elsewhere, unless otherwise agreed in writing between the Parties;

5.3 the Intermediary shall not in any manner, vary or modify the terms and conditions set forth in any documents or instructions of the Carrier;

5.4 if the Intermediary, when acting as a Cargo Agent, accepts goods for carriage by air without the carrier(s) being specified, the Intermediary shall be liable for loss of or damage to such goods until they have been delivered to the Carrier;

5.5 the Carrier shall, upon presentation of its Air Waybills, properly executed by the Intermediary, and upon surrender of the Carrier's copies of such Air Waybills, accept the consignments therein described for transportation by the Carrier. The Carrier undertakes to provide or arrange for transportation of such consignments to the destination, as indicated on the Air Waybill, in the most effective manner;

6. READY FOR CARRIAGE

6.1 The Intermediary shall ensure that consignments are delivered to the Carrier at any location designated by the Carrier for general acceptance of all consignments, properly packed, marked, documented, addressed and labelled, in accordance with the Carrier's specific instructions and the applicable IATA Traffic Conference Resolutions, so as to be Ready for Carriage;

6.2 the Intermediary shall transmit to the Carrier such specific requests or in connection with each consignment, as may be proper to enable the Carrier to render efficient service to its customers; provided that any such requests or particulars transmitted by electronic means shall be in conformity with industry standards and procedures as determined and published by IATA;

6.3 all shipments tendered by the Intermediary to the Carrier, unless otherwise agreed, shall be tendered subject to the Conditions of Carriage of the Carrier or Carriers concerned applicable to such transportation and to the tariffs, rules, regulations and instructions governing the sale and use of such transportation in force at the time of tender and presentment for carriage as published in the Carrier's tariffs, timetables, notices and elsewhere, or as otherwise agreed;

6.4 the Intermediary shall request reservation of cargo space only as required by the applicable tariffs and other instructions provided from time to time by the Carrier. If so instructed by the Carrier, the Intermediary shall secure confirmation from the Carrier that a

definite reservation has been made before preparing an Air Waybill for carriage over the routes of the Carrier or of other air carriers;

6.5 the Intermediary shall conduct its activities in all of its offices only under the name as set forth in this Agreement, as registered with IATA and as it appears in the Directory. The Intermediary shall abide by the terms, representations and conditions in any application or undertaking made by it to IATA for the purpose of causing IATA to list or publicly endorse it. The Intermediary shall notify, in a timely manner, IATA on behalf of the Carrier of any change in material information supplied in the application or undertaking;

6.6 the Intermediary undertakes to maintain at all places where it makes airfreight Ready for Carriage the premises, staff and equipment required, as specified in the Handbook.

7. MONIES DUE BY THE INTERMEDIARY TO THE CARRIER—REMITTANCE AND FINANCIAL CRITERIA

7.1 The Intermediary shall be obliged to pay to the Carrier monies due to the Carrier, whether or not the Intermediary has been paid such monies;

7.2 the Carrier may, subject to applicable currency regulations, designate the currencies in which remittances are to be made;

7.3 the Intermediary shall remit to the Carrier such monies, in accordance with the provisions in the Handbook. Unless otherwise instructed in writing by the Carrier, the Intermediary shall be entitled to deduct from remittances the applicable commission/remuneration to which it is entitled hereunder;

7.4 where the Carrier and Intermediary have elected to participate in a CASS, both Parties shall adhere to the applicable CASS settlement conditions and procedures;

7.5 the Parties shall refrain from providing CASS data that is proprietary information of the other Party to any Person not participating in that CASS, without prior authorisation from the Director General. Where it is authorised that data may be made available to third parties, but only in such a manner that data specific to the Intermediary and/or the Carrier cannot be identified, unless the Parties agree to such identification.

8. COMMISSION/REMUNERATION

Commission and/or Remuneration for business conducted under Part I and Part II of this Agreement, is a matter arranged bilaterally between the Parties.

9. INSURANCE

9.1 The Carrier shall maintain adequate insurance arrangements, where available, to cover its legal liabilities under this Agreement;

9.2 the Intermediary shall maintain adequate insurance, where available, to cover its legal liability under this Agreement.

10. DISPUTES AND ARBITRATION

Any dispute arising between the Intermediary and the Carrier involving the interpretation of this Agreement or mutual performance thereunder by the Parties may be referred to binding arbitration for resolution, in accordance with the arbitration procedures referred to in the

Handbook. If any matter is to be reviewed by arbitration pursuant to the provisions in the Handbook, the Parties hereby submit to arbitration in accordance with such rules and agree to observe the procedures therein provided and to abide by any arbitration award made thereunder.

11. CLAIMS

11.1 The Carrier shall expeditiously process claims raised by the Intermediary, in accordance with the Carriers Conditions of Carriage, National Law and the Warsaw Convention;

11.2 in order to protect any right of the Carrier to defend against any claim for damage, loss or delay of cargo:

11.2(a) since a claim received by the Intermediary, when acting as Agent, is deemed to be received by the Carrier when received by the Agent, the Intermediary must immediately notify the Carrier in writing of such claim, or as soon as reasonably practicable, in accordance with the timeframes as may be published in the Carrier's Conditions of Carriage or its Tariffs;

11.2(b) the Intermediary, when acting as Forwarder, shall immediately notify the Carrier in writing of such claim. For claims received by the Intermediary when acting as Forwarder, within the timeframes detailed below:

11.2(b)(i) for visible damage or other damage to goods, fourteen (14) days from receipt of the goods by the person entitled to receipt;

11.2(b)(ii) for delay of goods, within twenty-one (21) days from the date of goods are placed at the disposal of the person entitled to receipt;

11.2(b)(iii) for non-delivery of goods, within one hundred and twenty (120) days from the date of the issue of the air waybill;

the Carrier will accept notice from the Forwarder within seventy-two (72) hours following these timeframes, and will be deemed to have received such claim within the above-mentioned timeframes;

11.3 where the Carrier has appointed a subcontractor to perform one or more of the Carrier's obligations hereunder, it shall be fully liable for all actions taken by such subcontractor on behalf of the Carrier and the Carrier hereby agrees that the subcontractor's place of business is the place of jurisdiction in respect of any claims by the Intermediary against the Carrier.

12. GENERAL INDEMNITIES AND WAIVER

12.1 The Intermediary recognises that the Carrier, and IATA, are required under the Canadian Air Cargo Programme to issue notices, give directions, and take other action under the Programme, including in the circumstances therein provided, giving notices of irregularity and default, notices of alleged violations, and notices of grounds for removing an Intermediary from the Directory or for reprimanding an Intermediary. The Intermediary hereby waives any and all claims and causes of action against the Carrier and IATA, and against 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 the Canadian Air Cargo Programme and indemnifies them against any such claims by the Intermediary's officers or employees;

12.2 the Carrier agrees to indemnify and hold harmless the Intermediary, when acting as Agent, its officers and employees from liability for any injury, loss or damage arising in the course of transportation or other ancillary services provided by the Carrier pursuant to a sale made by the Intermediary hereunder or arising from the failure of the Carrier to provide such transportation or services, except to the extent that such injury, loss or damage is caused or contributed to by the Intermediary, its officers or employees;

12.3 the Intermediary when acting as Agent, agrees to indemnify and hold harmless the Carrier, its officers and employees from liability for any loss, injury, or damage arising from any negligent act or omission, or wilful misconduct of the Intermediary, its officers or employees, in performing or in breach of this Agreement, except to the extent that such injury, loss or damage is caused or contributed to by the Carrier, its officers or employees.

13. PROGRAMME FEES

The Parties shall pay to IATA, programme fees in the amount and within the time prescribed by the Joint Council, in accordance with the Canadian Air Cargo Programme.

14. TRANSFER, ASSIGNMENT, CHANGE OF LEGAL STATUS, OWNERSHIP, NAME OR ADDRESS

14.1 This Agreement, and the right to any remuneration payable hereunder shall not be assigned or otherwise transferred, in whole or in part, by the Intermediary to any other Person;

14.2 in the event that the Intermediary proposes to effect any change(s) in its legal status, ownership, name and/or address (within the meaning of these expressions as used in the Handbook), the Intermediary undertakes to comply with the procedures as set forth in the Handbook.

15. NOTICES

15.1 All notices to be sent under this Agreement from the Carrier or from the Director General to the Intermediary or from the Intermediary to the Carrier, or to the Director General, shall be sufficient if sent by any means that provides proof of despatch or receipt, addressed, as appropriate to;

15.1.1 the Chief Executive Officer at the principal office of the Intermediary;

15.1.2 the Accredited Representative at the head office of the Carrier;

15.1.3 the Director General at the address shown in this Agreement, which address may be changed by notice given in writing to the Intermediary by the Director General.

16. APPLICABLE LAW

This Agreement shall be interpreted and governed in all respects by the law of the province in which the Intermediary is incorporated, or in the case of partnerships and sole proprietorships, the law of the province in which the Intermediary has its principal place of business.

17. TERMINATION

17.1 This Agreement may be terminated without prejudice to fulfilment by the Parties of all obligations accrued prior to the date of termination;

17.1.1 at any time by not less than 15 days notice in writing by either of the Parties to the other;

17.1.2 immediately, in the event the Intermediary is removed from the Directory in accordance with the provisions in the Handbook;

18. ACTION TO BE TAKEN CONSEQUENT TERMINATION

Upon termination of the Agreement, the Intermediary shall immediately return all unused Air Waybills held and cease using all Air Waybill serial numbers assigned, and effect immediate settlement of all monies due and payable under the terms of this Agreement, substantiated by complete and satisfactory accounting therefor. The Intermediary shall be liable for any loss or damage suffered by the Carrier arising out of the loss or misuse by the Intermediary of such Air Waybills, or the misuse by the Intermediary of any Air Waybill serial numbers supplied to the Intermediary for use in an electronic environment, which were in the possession of the Intermediary at the termination of the Agreement and were not duly surrendered.

19. SEVERABILITY

If any provision of this Agreement is held to be illegal or invalid, this shall not have the effect of invalidating the other provisions, which shall accordingly remain binding and effective between the Parties.

20. OTHER AGREEMENTS SUPERSEDED

This Agreement shall supersede any and all prior similar agreements between the Parties, without prejudice to such rights and liability as may exist at the date hereof.

21. DURATION

This Agreement shall be of indefinite duration and may be terminated in accordance with the relevant provisions set out herein.

SIGNED BY
Director General of the International Air Transport Association, acting as agent for the Carriers referred to in the preamble hereto.
<i>By</i>
<i>(Authorised Representative)</i>

<i>(Signature)</i>
<i>(Name, typed or printed)</i>
SIGNED BY
The Authorised Person on behalf of the Intermediary Name & Address
<i>By</i>
<i>(Authorised Representative)</i>
<i>(Signature)</i>
<i>(Name, typed or printed)</i>
<i>(Capacity)</i>
WITNESS
<i>(Signature)</i>
<i>(Name, typed or printed)</i>

Note:
Where in accordance with local law, execution of the Agreement requires the signatures of the parties to be witnessed, or notarised, such formalities must be accomplished. The space below may be used for that purpose.