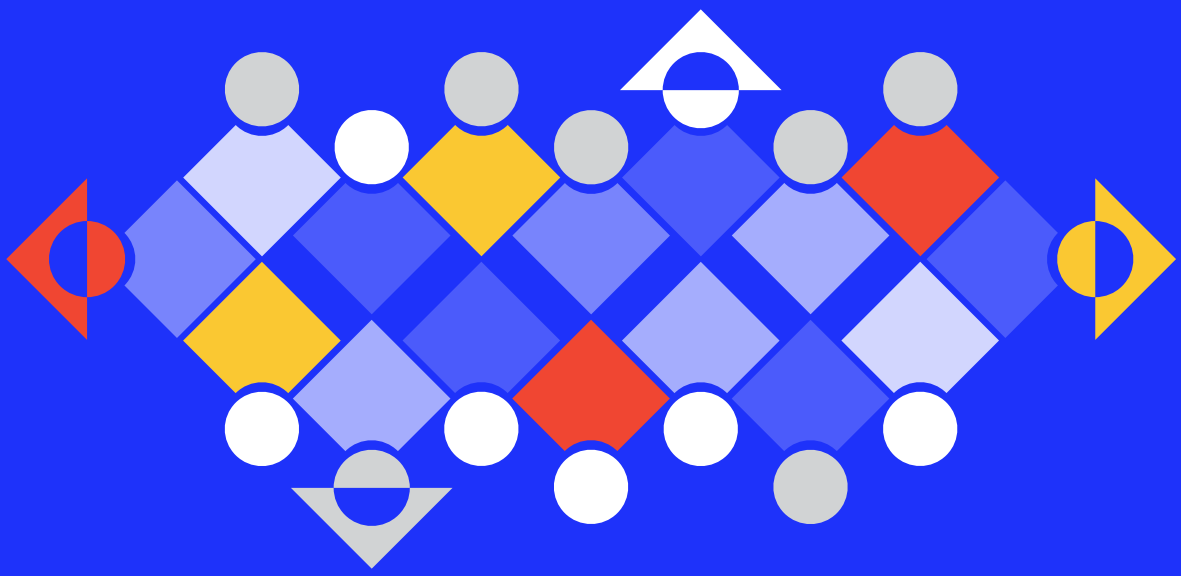
Effective 1 January 2026

Travel Agent's Handbook (TAH)

Update 1

Edition 46



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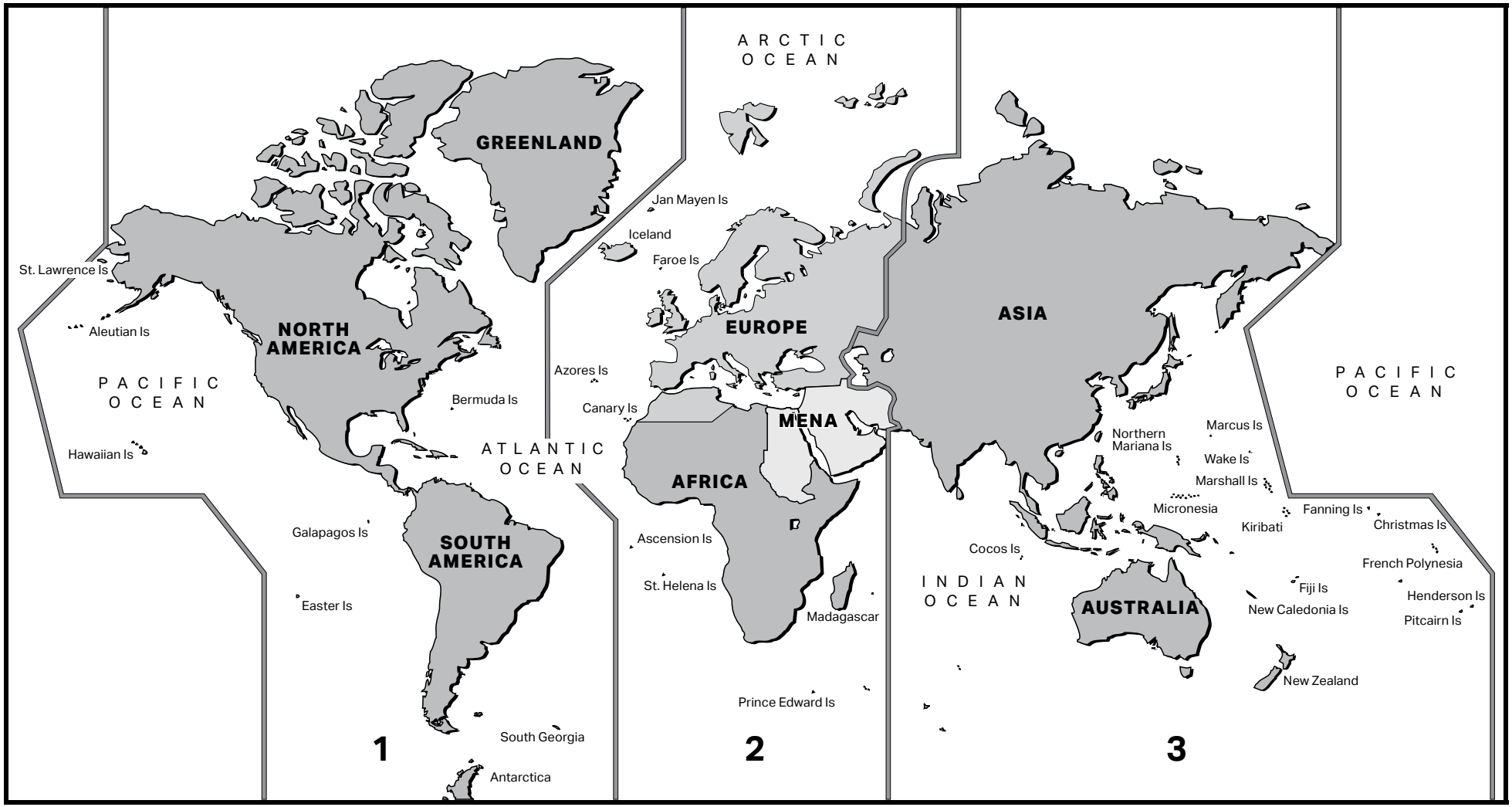

AREA 1 • NORTH, CENTRAL, SOUTH AMERICA AND ENVIRONS
AREA 2 • EUROPE, MIDDLE EAST, AFRICA
AREA 3 • FAR EAST, AUSTRALIA, NEW ZEALAND, PACIFIC ISLANDS

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Travel Agent's Handbook (TAH)

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International Air Transport Association

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PREFACE

△ This is the is the first update to the 46th Edition of the separate Passenger Agency Conference Resolutions Manual, one of the four companion volumes of Procedures Conferences Resolutions issued on behalf of the Agency and Services Conferences of IATA.

△ This edition contains all Resolutions adopted through the fourth Mail Vote of 2025.

Section 1 of this Handbook contains useful information. Further General Information can be found on the dedicated Agenthome website (see below for details).

The Passenger Agency Conference Resolutions and locally established criteria, which together form part of the Passenger Sales Agency Agreement, can be found in Sections 2 and 3 respectively of this Handbook. The rules and criteria contained in Sections 2 and 3 are mandatory and must be adhered to by agents participating in the Programme in the country/area governed by these rules.

The Manager of each Approved Location is recommended to draw this Handbook to the attention of staff involved in selling international air transportation and issuing tickets. There are items of information in the handbook which will strengthen travel agents' knowledge of their trade and make them more effective in their work, to the advantage both of their employer and themselves.

The Agency Programme is constantly under review and is the subject of on-going dialogue between airlines and agents. As a result, adjustments and improvements are progressively introduced in order to keep the programme relevant to the industry's needs in the marketplace. The changes in this handbook incorporate all the amendments made in 2023, a summary of which is provided in the 'Salient Aspects' section below.

The Agenthome website (https://www.iata.org/en/services/accreditation/travel-tourism/) provides a wealth of information for IATA Accredited Agents. In addition to the individual Passenger Agency Conference resolutions, Agents will also be able to download copies of essential publications (Travel Agent's Handbook, BSP Manual for Agents) and other reference material.

Agency Administrator

(email: pac-gov@iata.org)

△ The following Cycle 2 changes of the 46th Edition are the main points in the Resolutions and Recommended Practices that are amended and effective as of 1 January 2026, unless otherwise stated:

△

Resolution/Recommended Practice	Summary of Resolution/ Recommended Practice	Summary of Amendments
Resolution 800, Sections 10 & 13 Passenger Sales Agency Rules	Provides the framework for the Passenger Sales Agency Rules.	The wording of the resolution has been amended to reflect current practices.
Resolution 812, Section 2 Passenger Sales Agency Rules	Provides the framework for the Passenger Sales Agency Rules	The wording of the resolution has been amended to ensure clarity regarding the interpretation of trading history.
Resolution 812, Section 6 Passenger Sales Agency Rules	Provides the framework for the Passenger Sales Agency Rules.	The wording of the resolution has been amended to reflect the global alignment of the remittance period.
Resolution 812, Sections 9 & 12 Passenger Sales Agency Rules	Provides the framework for the Passenger Sales Agency Rules.	The wording of the resolution has been amended to reflect current practices.
Resolution 880 Reduced fares for Accredited Passenger Sales Agents	Provides the procedures for granting reduced fares for international air passenger transportation to Accredited Agents.	The wording of the resolution has been amended to include all options in one resolution with one aligned, simplified request procedure.
Resolution 820e, Section 4 Reviews by the Travel Agency Commissioner	Provides the procedures for the Travel Agency Commissioner reviews affecting Agents and applicants under the Agency Programme.	Section 4 of the resolution was rescinded.

Resolution/Recommended Practice	Summary of Resolution/ Recommended Practice	Summary of Amendments
Resolution 848 IATA EASY PAY	Provides the Framework for IATA EASY PAY	The resolution was rescinded.
Resolution 884 Reduced fares for delegates attending official joint industry meetings	Provides the procedures for granting reduces fares to delegates attending official joint industry meetings.	The resolution was rescinded.
Resolution 886 Members' Group Vocational Training Trips For Accredited Passenger Sales Agents	Provides the procedures for free or reduced fare transportation for group vocational training trips for Accredited Passenger Sales Agents.	The resolution was rescinded.
Local Financial Criteria **Cyprus**	Changes in Local Financial Criteria for Cyprus	Alignment of the Amount at Risk' calculation with Resolution 866 and to amend certain sections of the Local Financial Criteria for improved clarity. Additionally, a table was added to clearly illustrate the Financial Security calculation for the available remittance frequencies in the market.
Local Financial Criteria **Brazil**	Changes in Local Financial Criteria for Brazil	The Local Financial Criteria were reviewed following recommendations presented by the Global Financial Assessor (GFA).
Local Financial Criteria **Bulgaria**	Changes in Local Financial Criteria for Bulgaria	The Local Financial Criteria were modified to reflect amounts in EUR instead of BGN.
Local Financial Criteria **Nigeria**	Local Financial Criteria for Nigeria	The Local Financial Criteria were modified to correct the cash cover ratio sections and increase the minimum financial security from NGN 10,000.000.00 (NGN Ten Million) to NGN 40,000.000.00 (NGN Forty Million).
Local Financial Criteria **Somalia**	Local Financial Criteria for Somalia	The Local Financial Criteria for the newly established BSP operations in Somalia were added.

REFERENCE MARKS

The following symbols placed against an item indicate changes from the previous edition.

Symbol	Meaning
⊏	Addition of a new item
△	Change to an item
⊗	Cancellation of an item

Color Coding

To facilitate the identification of changes that accumulate from the 2nd to 4th voting cycles, background colors are applied as follows:

Voting cycle 1 (release of new edition - No color)

Voting cycle 2 - Yellow

Voting cycle 3 - Green

Voting cycle 4 - Pink

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ACCREDITATION AND APPOINTMENT PROCEDURE

The regulations concerning the approval, accreditation and retention of Agents are set forth in detail in IATA Resolutions and are reproduced in this handbook. The following brief outline thus serves merely as an introduction.

SALES AGENCY RULES

IATA Sales Agency Rules regulate the relationship between IATA Accredited Agents and Member Airlines. These rules set forth the rights and obligations of both parties as well as the basic procedures applicable to those seeking IATA accreditation for the sale of international air passenger travel.

STATUS OF IATA ACCREDITED AGENT

An IATA Accredited Agent is a passenger sales agent whose name has been entered on the Agency List in accordance with the Rules.

An Approved Location is a Head Office/Head Entity, or Branch Office/Associate Entity, Location appearing on the Agency List.

APPLICATION

Any person or organisation may become an Accredited Agent by submitting an application online, through the IATA Customer Portal: http://www.iata.org/cs.

This portal also provides a wealth of information related to the Agency Programme and the BSP, and customers may send an enquiry directly to our Customer Services team.

ACTION ON APPLICATIONS

An applicant will be granted recognition as an IATA Accredited Agent and consequently may be appointed to represent Member Airlines, by meeting the qualifications and criteria outlined in the Sales Agency Rules and executing a Passenger Sales Agency Agreement. A person whose application has been disapproved is told the reasons for such action. The disapproved applicant may request reconsideration or a review of the decision. There is no limit to the number of applications that can be made.

NUMERIC CODE

Each Approved Location of an Accredited Agent is allocated an individual IATA numeric code and is entered on the IATA Agency List. IATA Member Airlines are free to appoint Accredited Agents from that list by depositing a Statement of General Concurrence. Member Airlines participating in the Billing and Settlement Plan (BSP) may, if they wish, grant ticketing authority to individual agents to issue BSP Standard Traffic Documents (STDs).

QUALIFICATIONS AND CRITERIA

Certain minimum criteria must be met if an application is to be successful. IATA accreditation will not be given to an applicant who fails to meet these minimum criteria. The criteria must continue to be met in order to ensure retention on the IATA Agency List. The criteria fall into the following categories.

Registration/Licence

The business entity and/or its owners and managers must have the requisite official registration and/or licence to trade.

Staff

The applicant must have in its employment competent and qualified staff able to sell international air transportation and correctly issue electronic travel documents and report these to the BSP.

Finances

Only companies and firms that are financially sound will be approved.

The applicant must submit independently produced financial statements prepared in accordance with local accounting practices.

To obtain a satisfactory evaluation, the applicant may be required to provide further information or additional financial support in the form of bank or insurance bond or guarantee.

Further details of the financial and other criteria are detailed in Section 3 of this Handbook.

Premises

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

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

The location where business is conducted must not be in office space jointly occupied with an airline or an airline's General Sales Agent.

Security

An applicant must undertake to provide sufficient protection for its business, and for the supply of industry Standard Traffic Documents in its possession, in accordance with the provisions detailed in Section 5 of Resolution 818g.

Anti-Money Laundering

IATA acts as a financial intermediary between Airlines, Agents and other aviation industry parties. It facilitates, through its financial systems, the remittance and settlement activities of the air transportation industry.

Remittance and settlement services are often used in money laundering schemes since the involvement of multiple stakeholders and the complexity of the transactions reduce the traceability of funds for regulators.

For this reason, Agents must provide any documentation required by IATA comply with Anti-money laundering requirements.

Payment Card Industry Data Security Stardards (PCI DSS) Compliance

The Agent must ensure its full compliance with the Payment Card Industry (PCI) Data Security Standards, as provided by the Card companies and made available to agents through IATA, and that all sensitive card data obtained during the process of completing a card sales transaction is handled, stored, and transmitted with due regards to the security of the data.

Business Standards

The applicant, or any of its managers, principal shareholders (or persons for whom they act as nominees), directors or officers shall have no record of wilful violations of fiduciary obligations incurred in the course of business nor be undischarged bankrupts.

Trade History

No person who is a director of or who holds a financial interest or a position of management in the applicant shall have been a director of, or had a financial interest or held a position of management in, an Agent which has been removed from the Agency List or is under notice of default, and still has outstanding commercial debts, or in such an Agent whose commercial debts were met solely or in part by recourse to a financial bond or guarantee; provided that the applicant may nevertheless be approved if IATA is satisfied that such person did not participate in the acts or omissions that caused such removal or default or if he is satisfied that the applicant can be relied upon to comply with the terms of the Sales Agency Agreement and other Resolutions of the Conference.

An applicant may nevertheless be approved if IATA is satisfied that such person did not participate in the acts or omissions that caused such removal or default or if he is satisfied that the applicant can be relied upon to comply with the terms of the Sales Agency Agreement and other Resolutions of the Conference.

General Sales Agency

Applicants must not be appointed by an air carrier as a General Sales Agent for the country concerned or for any part thereof. (A General Sales Agent is one to whom an airline has delegated general authority to represent it for purposes of overseeing sales in a defined territory and who is remunerated accordingly.)

In respect of the issue of Traffic Documents after approval, an Agent shall comply with the provisions of Resolution 822 to the extent that they affect the Agent's obligations or actions.

CHANGES WITHIN AN AGENCY REQUIRING PRIOR IATA APPROVAL

Under the terms of the Passenger Sales Agency Agreement entered into by each IATA Accredited Agent, an Agent proposing to effect certain changes within its agency must so notify the Agency Administrator. The details of the procedural requirements for cases of change of ownership, legal status, name or location are shown in the Sales Agency Rules.

The following brief summary of the provisions is given to assist Agents to understand the importance of advising IATA in advance of proposed changes in their agencies.

CHANGES OF OWNERSHIP/EQUITY OR LEGAL ENTITY

New owner(s) must be advised to IATA as soon as possible and at least seven days before the change is effected.

CHANGES OF NAME

If an Accredited Agent wishes to change its name, or the name under which any of its Approved Locations is operated, it must give prior notice of and make application for approval of the change.

CHANGES OF LOCATION

If an Accredited Agent wishes to change the place of any of its Approved Locations it must give prior notice of and make application for approval of the change.

When an Approved Location changes, the Agent must inform the IATA Office in writing before the change.

Note: *Failure to give timely notice to IATA of changes may jeopardize your status as an Accredited Agent or that of the Approved Location.*

MAINTAINING QUALIFICATIONS AND CRITERIA

It is essential for an IATA Accredited Agent to maintain the standards necessary for accreditation. A review of the Agent's qualifications and criteria can take place at any time and a full review of the Accredited Agent's financial standing is carried out on an annual basis. Failure to submit, by the specified date, financial documents requested by IATA to conduct a financial review of the Agent is in itself grounds for review of the Agent's eligibility to be retained on the Agency List.

SECTION 2—PASSENGER AGENCY CONFERENCE RESOLUTIONS

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RESOLUTION 010

INTERPRETATION AND HIERARCHY OF RULES PERTAINING TO THE SALES AGENCY PROGRAMME

PAC(50)010(except USA) Expiry: Indefinite
Type: B

WHEREAS Resolution 824 provides for a form of Passenger Sales Agency Agreement to be adopted and implemented by the Agency Administrator;

WHEREAS Section 2 of Resolution 824 stipulates the Rules, Resolutions and other provisions deemed to be incorporated by reference in the said Passenger Sales Agency Agreement;

WHEREAS Resolution 824, as well as said Rules, Resolutions and other provisions may be amended from time to time by the Conference;

WHEREAS the Conference wishes to clarify the rules of interpretation and the hierarchy that applies to such Rules, Resolutions and other provisions;

WHEREBY it is hereby RESOLVED as follows:

1. DEFINITIONS

the definitions of terms and expressions used in this Resolution are contained in Resolution 866.

2. APPLICATION

this Resolution applies, unless an express contrary intention appears, to all Rules, Resolutions and other provisions of the Agency Programme, whether enacted before or after the commencement of this Resolution.

3. AUTHORITY OF CONFERENCE

3.1 the authority to enact, amend or repeal any of the Rules, Resolutions or other provisions incorporated in the Passenger Sales Agency Agreement lies exclusively with the Conference. The Agency Administrator, IATA, the Carriers, the Airlines, the Agents and the Travel Agency Commissioners are all bound by the decisions of the Conference regarding the Agency Programme.

3.2 notwithstanding the above, the Conference may, from time to time, delegate by Resolution power to IATA, to the ISS Management, or to the Agency Administrator, (as well as delegate to the Agency Programme Joint Council the power to make recommendations to the Conference) including, without limitation, that the Conference has delegated to the Agency Administrator the responsibility and power to manage the Agency Programme in accordance with the Members' rules and resolutions, as well as the autonomy to act in extraordinary circumstances. Any such delegation of power shall be deemed to include such ancillary power as is reasonably necessary to enable the relevant person or entity to act. Where a power is conferred to adopt rules or provisions or to set standards, the power shall be construed as including a power to repeal, amend or vary the rules, provisions or standards and the power to make others.

4. HIERARCHY OF SOURCES

4.1 the following hierarchy of sources of rights and obligations continues to apply in connection with the Agency Programme:

1st. any Applicable Law;
2nd. the form of Passenger Sales Agency Agreement embodied in Resolution 824;
3rd. any contractual document specifically executed by the Agent and by IATA, acting on behalf of the Carriers;
4th. all other Resolutions of the Conference contained in the Travel Agent's Handbook;
5th. any Local Financial Criteria, as approved by the Conference; and
6th. any and all applicable rules and provisions included in the BSP Manual for Agents.

4.2 in the event of any inconsistency between two sources of rights and obligations with respect to any matter specifically dealt with by both, the provisions of the higher-ranking source governs. In such a case, the inferior-ranking source remains in force but simply does not apply to the extent of the inconsistency.

4.3 in case of inconsistency between two sources of equal ranking, the most recently-enacted instrument prevails.

4.4 the Conference may exceptionally provide that a source of inferior ranking, such as a Local Financial Criteria, will prevail, but such provision by the Conference must be explicit and it can never be inferred or presumed.

5. ENTRY INTO FORCE, AMENDMENTS AND REPEALS OF RESOLUTIONS

5.1 Resolutions come into force at the time that they are declared to be effective by the Conference and provided to the Agent in accordance with Resolution 824. They remain in effect and apply to facts, circumstances and situations arising thereafter and shall not have retroactive effect.

5.2 every Resolution shall be so construed as to reserve to the Conference the power of rescinding or amending it. Where a Resolution is rescinded or amended in whole or in part, the rescission or amendment does not affect the previous operation of the Resolution so rescinded or anything duly done or suffered thereunder, or affect any right, privilege, obligation or liability acquired, accrued, accruing or incurred prior to the deemed effective date of such rescission or amendment. All rules and provisions adopted under the rescinded Resolution remain in force and are deemed to have been made under the new Resolution, in so far as they are not inconsistent with the

new Resolution or have not themselves been expressly rescinded, in which case the new Resolution shall prevail.

5.3 amendments to Resolutions can be declaratory or remedial, depending on circumstances and no inference one way or another can be drawn from the amendment, unless specified in the amendment.

6. RULES OF INTERPRETATION

6.1 subject to any governmental or other state approval as may be required, every Resolution applies globally wherever the Passenger Agency Programme is in effect, unless a contrary intention is expressed in the Resolution in which case the Resolution concerned applies only to the areas or countries mentioned as such.

6.2 a Resolution shall be considered as always applicable, and where a matter or thing is expressed in the present tense, it shall be applied to the circumstances as they arise, so that effect may be given to the enactment according to its true spirit, intent and meaning.

6.3 the preamble of a Resolution shall be read as a part of the Resolution intended to assist in explaining its purport and object.

6.4 any word contained in a Resolution in the singular number includes the plural; any word importing any gender includes the masculine, feminine and neuter genders; any word importing a person includes a corporation, a partnership and any other entity and vice-versa.

7. COMPUTATION OF TIME

7.1 where the time limit determined for the execution of a provision expires or falls on a bank holiday in the country of the Agent's Approved Location, the action may be executed on the immediate day following that is not a bank holiday.

7.2 where the time limit determined for the execution of a provision is expressed to begin after or to be from a specified day, the computation of such time period does not include that day. Where there is a reference to a number of days between two events, in calculating that number of days the day on which the first event happens is excluded and the day on which the second event happens is included.

8. LANGUAGE

where Resolutions are adopted in another language in addition to English, or where administrative translations of Resolutions are prepared, the English version shall prevail.

RESOLUTION 800

PASSENGER SALES AGENCY RULES

△ PAC(59, 60, 61)800/(Mail A607, A627, A631, A659, A660, A662, A688, A707) (except USA)

Expiry: Indefinite
Type: B

This Resolution is applicable in the following markets and regions:

△ Afghanistan, Algeria, Belarus, Bhutan, Brunei Darussalam, Burundi, Cape Verde, Christmas Island, Cocos (Keeling) Islands, Cuba, Comoros, Democratic People's Republic of Korea (DPRK), Democratic Republic of Congo, Djibouti, Equatorial Guinea, Eritrea, Falkland Islands/Malvinas, Gambia, Guinea, Guinea-Bissau, Indian Ocean Islands, Islamic Republic of Iran, Iraq, Israel, Laos (Peoples' Democratic Republic), Liberia, Libya, Madagascar, Maldives, Myanmar, Palestinian Territories, Sao Tome and Principe, Seychelles, Somalia, Sudan, Syrian Arab Republic, Tajikistan, Timor Leste, Turkmenistan, Venezuela, Uzbekistan and Yemen.

RESOLVED that, the following Rules are adopted and implemented:

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Introduction

1. PURPOSE

the purpose of this Resolution is to encourage the orderly promotion and sale of international air transportation by Members through their Accredited Agents in an efficient manner based on established business procedures, in the interests of the travelling public, Members and their Agents.

2. ONLY ACCREDITED AGENTS TO BE APPOINTED

a travel agency appointed by a Member to sell international air transportation must be an Accredited Agent operating from an Approved Location whose name and address have been entered on the Agency List.

3. DUTY TO PROMOTE AND SELL FOR APPOINTING MEMBERS

an Accredited Agent undertakes to the best of its ability to represent the interests of the Member and to promote and sell international air transportation.

4. AGENCY INVESTIGATION PANEL

The activities of the Agency Investigation Panel are contained in Section 3 of these Rules. For the purposes of these Rules, in any country where there is no Agency Investigation Panel in place, references to such group shall be replaced with the “Agency Administrator”.

Section 1—Definitions

The definitions of terms and expressions used in this Resolution are contained in Resolution 866.

The use of words and expressions in the singular shall, where the context so permits, be taken to include their use in the plural and vice versa.

Paragraph headings are for ease of reference only and do not form part of these Rules.

Section 2—Criteria for Accreditation and Retention

When, pursuant to the provisions of this Section, the Agency Investigation Panel is authorised to establish certain standards, application of such standards shall be subject to their prior endorsement by the Agency Administrator. Standards so endorsed shall be published in the Handbook.

2.1 any Person in possession of the appropriate official licences, where required, may be considered for inclusion in the Agency List and have a place of business entered as an Approved Location on the Agency List, or an Agent may have an application considered for an additional place of business entered as an Approved Location on the Agency List by meeting the following requirements which have been confirmed as met through investigation performed on behalf of the Agency Investigation Panel, and submitting an application to the Secretary of the appropriate Agency Investigation Panel in the form prescribed by the Conference;

△ **2.2** when there are reasons to believe that an Accredited Agent or Approved Location does not continue to meet such requirements, the Agency Administrator shall on their own initiative, or may, at the request of the Agency Investigation Panel or of a Member, initiate a review of the Agent or Location. If the Agent is unable to demonstrate to the Agency Administrator by a specified date that it meets the qualifications, the Agency Administrator shall give the Agent notice of termination of the Sales Agency Agreement or, in the case of a Branch Office Location, of removal of such Location from the Agency List. Such termination shall not take effect if, prior to the date of termination or removal, the Agency Administrator determines that the Agent or Location meets the qualifications;

△ **2.3** if at any time the Agency Administrator becomes aware that an application, which resulted in accreditation of the Applicant, contained a material statement that was inaccurate or incomplete in respect of the criteria set out in Subparagraphs 2.4.6 and 2.4.7 of this Paragraph, it shall be grounds for the Agency Administrator, if they consider that the circumstances so warrant, to give the Agent notice of termination of the Sales Agency Agreement or, in the case of a Branch Office Location, of removal of such Location from the Agency List; provided that such termination or removal shall not take effect if, prior to the date of termination or removal:

2.3.1 the Agent eliminates the grounds for such termination or removal to the satisfaction of the Agency Administrator or,

2.3.2 the Agency Administrator is satisfied that the Agent can be relied upon to comply with the terms of the Sales Agency Agreement, these Rules and other Resolutions of the Conference;

2.4.1(a) the applicant must provide accredited accounts showing satisfactory financial standing and ability to remain solvent and pay bills. The applicant shall submit independently produced financial statements prepared in accordance with local accounting practices as specified by the Agency Investigation Panel. Such statements shall be evaluated and found satisfactory pursuant to the standards established from time to time by the Agency Investigation Panel. The standards shall be endorsed and published in the Travel Agent's Handbook by the Agency Administrator. The following will be taken into account when assessing the applicant's financial standing:

2.4.1(a)(i) availability of adequate liquid funds to meet normal trading commitments,

2.4.1(a)(ii) capital required to be commensurate with fixed assets,

2.4.1(a)(iii) the existence of preferential claims on the assets and the existence of contingent liabilities;

△ **2.4.1(b)** to obtain a satisfactory evaluation, the applicant may be required to provide further information or additional financial support in the form of bank or insurance bonds or guarantees. Failure on the part of an Agent to renew, by the expiry date, any such bank or insurance bonds or guarantees shall constitute grounds for the Agency Administrator to give the Agent notice of termination of the Sales Agency Agreement and notify all Members and, where applicable, Airlines and ISS Management. If, prior to the date of termination, the Agency Administrator receives evidence that such bank or insurance bonds or guarantees have been renewed as required, the termination shall not take effect and they shall reinstate credit facilities and so notify the Agent, all Members and, where applicable, ISS Management;

2.4.1(c) if so directed by the Agency Administrator, the Agency Investigation Panel shall conduct annual examinations of the financial standing of Agents. Its Secretary may request and the Agent concerned shall be under obligation to furnish, by the date specified in the Secretary's letter of request, the documents deemed necessary by the Agency Investigation Panel to conduct such examination. Failure by the Agent to submit such documents as prescribed shall be grounds for the Secretary to issue a Notice of Irregularity and to give the Agent 30 days to comply. Failure by the Agent to comply within 30 days shall be grounds for the Agency Investigation Panel to request the Agency Administrator to give the Agent notice of termination of the Sales Agency Agreement and notify all Members, Airlines and ISS Management accordingly, provided that if the Agent demonstrates to the Agency Administrator prior to the termination date that it meets the Local Financial Criteria incorporated in the Travel Agent's Handbook the termination shall not take effect;

2.4.1(d) when the Agency Investigation Panel determines that an Agent no longer satisfies the Local Financial Criteria, it may, if circumstances so warrant, prescribe in writing such conditions as are deemed appropriate to be complied with by the Agent within 60 days of the date of such written prescription. The Secretary shall determine if such conditions have been met. On finding that the Agent failed to comply, the Secretary shall request the Agency Administrator to issue a Notice of Irregularity, to withdraw all Traffic Documents, and require the Agent to comply within 30 days. If the Agent fails to comply within 30 days the Secretary shall request the Agency Administrator to give the Agent notice of termination of the Sales Agency

Agreement and notify all Members, Airlines and ISS Management accordingly;

2.4.1(e) if subsequent to the action taken under Subparagraph 2.4.1(d) above, but prior to the termination date, the Agent satisfies the Secretary that the prescribed conditions have been met, the termination shall not take effect and the Agency Administrator shall reinstate credit facilities and notify the Agent, all Members, Airlines and ISS Management accordingly;

2.4.1(f) if the termination takes effect pursuant to the provisions of Subparagraph 2.4.1(c) and 2.4.1(d) above, the Agent may, within 30 days of the termination, invoke the procedures for review of the Agency Administrator's action by the Travel Agency Commissioner;

2.4.1(g) when the financial position of an Agent is subject to examination by the Agency Administrator, and the Agent is unable to meet the Local Financial Criteria, the Agency Administrator shall take normal business fluctuations into account and provide the Agent with a reasonable period of time to meet those criteria;

2.4.1(h) A cost justified financial review fee, the level to be set by IATA Management, will apply for each Agent that fails to comply with established Local Financial Criteria.

2.4.2 the Applicant must wholly own and fully manage the business for which approval is sought as a Branch Office Location;

Branch Locations in Other Markets

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

2.4.3 the Applicant must have at the location concerned, except as provided in Subparagraph 2.4.4.2(c) of this Paragraph, at least two full-time travel staff members qualified and competent to sell international air transportation and issue travel documents, in accordance with the standards laid down by the Agency Investigation Panel;

2.4.4 the place of business for which approval is sought shall be open for business on a regular basis, be clearly identified as a travel agency and freely accessible to the general public for the sale of international air transportation; provided that such place of business;

2.4.4.1 shall not be located at an airport. (The term 'airport' means the airport and supporting facilities, including all parking areas, under the direct jurisdiction of the Airport Authorities),

2.4.4.2 shall not be located on the premises of an organisation, plant or commercial firm and dedicated substantially to the travel requirements of that organisation, plant or commercial firm, unless it meets the following additional requirements:

2.4.4.2(a) it is a branch of an existing Accredited Agent, and

2.4.4.2(b) it is clearly identified as a travel office conducting its activities separately from other activities in such premises, and

2.4.4.2(c) it is staffed exclusively by the Accredited Agent, having at least one person meeting the minimum qualifications of Subparagraph 2.4.3 of this Paragraph, and

2.4.4.2(d) where possible, it shall have a separate telephone number, and

2.4.4.2(e) it meets all other criteria of these Rules, including having its own separate security facilities for safe-keeping of paper Traffic Documents supplied by a Member, except that it need not be freely accessible to the general public,

2.4.4.3 shall not be located in office space jointly occupied with another travel agency, an Accredited Agent or an air carrier;

2.4.5 the Applicant must not have a name which is the same as, or is misleadingly similar to, that of an IATA Member or IATA. The place of business must not be identified as an office of a Member or a group of Members;

2.4.6 the Applicant, its managerial staff or its principal stockholders (or persons for whom they act as nominees), directors, officers or managers shall not have been found guilty of wilful violations of fiduciary obligations incurred in the course of business, nor be undischarged bankrupts; any Member holding such information shall immediately inform the Agency Administrator accordingly;

2.4.7 no person who is a director of or who holds a financial interest or a position of management in the Applicant shall have been a director of or had a financial interest or held a position of management in an Agent which has been removed from the Agency List or is under notice of default and still has outstanding debts to Members, or in such an Agent whose debts to Members were met solely or in part by recourse to a financial bond or guarantee; provided that the Applicant may nevertheless be approved if the Agency Investigation Panel is satisfied that such person did not participate in the acts or omissions that caused such removal or default or if it is satisfied that the applicant can be relied upon to comply with the terms of the Sales Agency Agreement, these Rules and other Resolutions of the Conference;

2.4.8(a) the Applicant must not be a General Sales Agent for a Member in the country (whether or not for the whole of that country) where the location for which approval is being sought is situated; provided that this shall not preclude consideration by the Agency Investigation Panel of such an applicant if the application contains evidence, to the satisfaction of the Agency Investigation Panel, that the applicant will have ceased to be such a General Sales Agent before the date of effectiveness of the decisions

taken by the Agency Investigation Panel at the meeting where the application is acted upon;

2.4.8(b) the Applicant must not act as a General Sales Agent for one or more non-IATA air carriers. Nevertheless an applicant or an Accredited Agent may be authorised to act as a GSA for one or more non-IATA air carriers if so agreed by unanimous vote of Members present and voting at a meeting of the Agency Investigation Panel, and, the decision having been promptly circulated to all Members by the Agency Administrator, no Member files written protest with the Agency Administrator within 15 days of details of such decision being circulated;

2.4.9 the applicant must take all necessary actions, including fulfilling its duty of care as described in section 6.1 of this Resolution, for the safe custody of Standard Traffic Documents ensuring the security of its premises and protection of data and systems used for the purpose of its business, in accordance with the standards prescribed from time to time by the Agency Investigation Panel, with the concurrence of the national carrier(s) concerned;

2.4.10 in respect to the issue of Traffic Documents after accreditation an Agent shall comply with the provisions of Resolution 822 to the extent that they affect an Agent's obligations or actions;

2.4.11 in any country/area where a BSP is in operation, the applicant shall have, at the place of business under application, the facility to issue on behalf of Members/ Airlines participating in the BSP, STDs through the use of an approved Electronic Ticketing System which meets the requirements set out in Resolution 854;

2.4.12 An Agent is required to safeguard paper STDs, supplied by a Member, in its possession by storing them in a lockable steel cabinet when not in use. An Agent that does not use paper STDs is recommended to take all necessary precautions to protect its business and business applications but is not required to maintain any lockable device.

2.4.13 where officially required the applicant must be in possession of a valid licence to trade;

2.4.14 all material statements made in the application shall be accurate and complete.

2.4.15 Failure to comply with Requirements or to Continue to meet Qualifications

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

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

2.5 DISCRETION IN CERTAIN CASES

the Agency Investigation Panel may, at its discretion, approve an application by a person in an area or community where there are no persons who could meet the requirements for an Accredited Agent, although such applicant would not otherwise be approved because of the provisions of Subparagraph 2.4.3 of this Section.

2.6 TOUR OPERATOR AS ACCREDITED AGENT

notwithstanding Subparagraph 2.4.4 of this Section, an applicant which demonstrates that its business is solely concerned with the organising of Inclusive Tours and which fulfils all other criteria but does not maintain a place of business which is freely accessible to the general public, may nevertheless be accredited, provided that it performs the issuance of Traffic Documents related to such inclusive tours only.

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

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

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

2.7.3 To pass the assessment, the Agent must pass all sections of the framework in accordance to Attachment 'C' of this Resolution.

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

2.7.5 Notwithstanding the requirements as established in 2.7.1–2.7.4 of this section, the Agent will continue to undergo annual examination of its financial standing in accordance to section 2.4.1 of this Resolution.

Section 3—Agency Investigation Panel

3.1 AGENCY INVESTIGATION PANEL

3.1.1 Constitution

△ where warranted in each country where this Resolution is applicable, the Agency Administrator shall set up an Agency Investigation Panel; provided that where they deem it warranted the Agency Administrator may, with the agreement of the national carriers concerned, set up an Agency Investigation Panel for a group of countries. Where there is no Agency Investigation Panel for a country or territory the duties and authority of an Agency Investigation Panel shall be exercised by the Agency Administrator;

3.1.1.1 any Member may participate in an Agency Investigation Panel by giving written notification from its Head Office to the Secretary of the Agency Investigation Panel, with copy to the Agency Administrator, of the name of an appropriately senior management representative who is a full-time employee of that Member and who will act as that Member's delegate. Such notification may also include a designation of an alternate;

3.1.1.2 the Chair and Secretary shall normally be provided by the Member national carrier(s) unless otherwise decided by the Agency Investigation Panel.

3.1.1.3 On full implementation of BSP in a country the AIP shall have six months in which to disband and transfer accreditation activities to the IATA office. IATA will at the same time consult with the market on a move to a progressive set of Sales Agency Rules provided for under Resolution 812.

3.2 PROCEDURES

3.2.1 the Agency Investigation Panel shall meet when convened by the Secretary in consultation with the Chair, or at the request of the Agency Administrator or at the request of one-third participating Members;

3.2.2 notwithstanding the provisions of Subparagraph 3.2.1, the Agency Investigation Panel shall meet not less than four times a year to carry out the functions assigned to it;

3.2.3 a quorum is constituted by a simple majority of Members operating to the territory of the Agency Investigation Panel, which have notified the Agency Administrator pursuant to Subparagraph 3.1.1.1 of this Section;

3.2.4 any Member's delegate or alternate present at a meeting shall be entitled to cast the Member's vote. Decisions shall be taken by a vote of the Members present and there shall be neither abstentions nor secret voting nor voting by proxy. Member's names shall not be mentioned in the voting record;

3.2.5 the Secretary of the Agency investigation Panel shall be responsible for the production and distribution of minutes after each meeting. Each Member of the Agency Investigation Panel and the Agency Administrator shall receive a copy of the Minutes.

3.3 OBSERVERS

by prior arrangement with the Chair the following are permitted to attend the Agency Investigation Panel as observers:

3.3.1 legal, financial or security advisers and only for that part of the meeting in which their specialist advice is sought;

3.3.2 a representative from the Member's Head Office who is responsible for agency affairs may attend together with a member of the Agency Investigation Panel;

3.3.3 senior representatives of active Members who are all-cargo operators;

△ **3.3.4** an accredited member of the Agency Investigation Panel may be accompanied on the occasion of their final attendance at an Agency Investigation Panel meeting by the person who is to assume their responsibilities;

3.3.5 an alternate who is not participating in the meeting;

△ **3.3.6** the Agency Administrator or their representative;

3.3.7 the Billing and Settlement Plan Manager or Project Manager.

3.4 AUTHORITY

the Agency Investigation Panel is empowered to process the following matters and to make decisions thereon in accordance with the voting requirements, and the provisions of the appropriate Sections of these Rules, as specified below;

3.4.1 by a two-thirds majority vote:

3.4.1.1 applications for inclusion on the Agency List received from applicants, in accordance with Section 4, except as provided in Section 2, Subparagraph 2.4.8(b),

△ **3.4.1.2** applications for approval of changes of ownership or legal status referred by the Agency Administrator following their countersignature of the Notice of Change form or their granting of provisional approvals, as the case may be, in accordance with Section 11,

3.4.1.3 applications for approval of changes of name or location, in accordance with Section 11;

3.4.2 by unanimous vote:

3.4.2.1 applications for inclusion on the Agency List as provided in Section 2, Subparagraph 2.4.8(b),

3.4.2.2 increases in the frequency of sales reports and remittances, in accordance with Section 2 of Resolution 832.

3.5 ELECTRONIC TICKETING

The following provisions shall apply in any country/area in which a BSP is in operation.

3.5.1 Granting and Termination of Electronic Ticketing Authority

3.5.1.1 a Member or Airline participating in the Billing and Settlement Plan may issue an ET Authority to a Head or Branch Office Location of the Agent.

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

3.5.1.3 if the update is not performed electronically on BSPlink, the Member or Airline shall simultaneously advise the BSP of the removal of the Electronic Ticketing Authority and IATA shall instruct the System to inhibit Electronic Ticketing issuance on behalf of that Member or Airline.

3.5.2 Issuance of Electronic Tickets

the Agent shall comply with the instructions issued by the BSP and the Ticketing Carrier(s) in relation to the issuance and reporting of Electronic Tickets;

Section 4—Procedures for Accreditation of Agents

Upon request, the Secretary of the Agency Investigation Panel will supply each prospective applicant with an application form and a copy of the Travel Agent's Handbook (at a nominal charge) containing these Rules and other relevant information and guidance.

4.1 PROCESSING

4.1.1/4.1.1.1 upon receipt of an application, the Secretary of the Agency Investigation Panel shall promptly consider whether such application is complete. If any of the required information or fees have not been included with the application, the Secretary of the Agency Investigation Panel shall so inform the applicant;

△ **4.1.1.2** if the Secretary of the Agency Investigation Panel finds the application is complete, they shall:

4.1.1.2(a) publish promptly to Members on the Agency Investigation Panel in a periodic listing that such application has been received,

4.1.1.2(b) immediately designate from the Agency Investigation Panel membership, two investigators to ascertain whether the applicant meets the requirements of Section 2 of these Rules,

4.1.1.2(c) obtain an evaluation of the applicant's financial statements;

4.1.1.3 after receipt of the completed investigation reports and of the financial evaluation, the Secretary of the Agency Investigation Panel shall include the application on the agenda of the next meeting of the Agency Investigation Panel;

4.1.1.4 if the Agency Investigation Panel finds that the applicant meets the requirements set out in Section 2 of these Rules, it shall be empowered to approve, on a two-thirds majority vote, the application subject to the following procedures:

4.1.1.4(a) following each meeting, the Secretary of the Agency Investigation Panel shall forward to the Agency Administrator, together with the minutes of the meeting, the names and complete application files of applicant approved by the Agency Investigation Panel on a two-thirds majority basis,

4.1.1.4(b) upon finding the application and file to be in accordance with these Rules, but not later than 15 days after receipt thereof, the Agency Administrator shall thereupon enter the name and location of the person on the Agency List and shall notify the Agent and Members. Thereafter the provisions of Section 5 of these Rules shall apply,

△ **4.1.1.4(c)** if the Agency Administrator determines that the application or file is not in accordance with these Rules, they shall return the application and file to the Agency Investigation Panel for reconsideration and resubmission after remedial action,

4.1.1.5 except in respect of an application for approval of a change of ownership from a 'transferee' as defined in Section 11, Subparagraph 11.3.1 of these Rules, the Agency Investigation Panel shall be empowered to reject an application on a two-thirds majority vote;

4.1.1.6 if the Agency Investigation Panel is unable to approve by two-thirds majority vote an application for approval of a change of ownership from a 'transferee' or to arrive at a two-thirds majority decision in respect of an application for inclusion in the Agency List, it shall forward the application and complete file to the Agency Administrator for decision;

4.1.2 when an application is rejected, the Agency Administrator shall notify the applicant in writing, giving full reasons.

4.2 RECONSIDERATION/REVIEW OF REJECTED APPLICANT

a rejected applicant, or 'transferee', or an Agent whose application for an additional location has been rejected, may within 30 days of the date of notification of such rejection, request reconsideration of the decision by the Agency Investigation Panel, or may invoke the procedures for review of the decision by the Travel Agency Commissioner.

4.3 THE AGENCY LIST

4.3.1 the Agency Administrator shall maintain, publish and circulate from time to time, an Agency List of all persons with whom the Director General has entered into a Sales Agency Agreement in accordance with Section 5 of these Rules, which will contain the following information:

4.3.1.1 name and postal address,

4.3.1.2 address of place of business,

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

4.3.1.4 date of approval,

4.3.1.5 IATA Numeric Code;

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

4.3.3(a) an Approved Agent which operates under a BSP and wishes to identify a specific sales activity performed at an Approved Location, may request the allocation of an additional IATA numeric code (hereinafter referred to as "numeric code") for such purpose, on the following conditions:

4.3.3(a)(i) the Agent shall apply in writing to the Agency Administrator, describing the specific sales activity referred to in Subparagraph 4.3.3(a) above and requesting the allocation of an additional numeric code to identify such sales activity,

4.3.3(a)(ii) on receipt of such application, the Agency Administrator shall verify that the specific sales activity for which the additional numeric code is required is conducted solely at the Location concerned and in compliance with the minimum security provisions set forth in Section 6 of these rules,

4.3.3(a)(iii) if satisfied that the foregoing conditions are met, the Agency Administrator shall allocate the numeric code accordingly,

4.3.3(a)(iv) an entry fee and an annual agency fee shall be payable as though the numeric code applied to a separate Branch Office Location in accordance with Paragraph 4.4 of this Section;

4.3.3(b) the additional numeric code so allocated shall be entered on the Agency List but such entry shall not be considered as establishing a separate Branch Office Location.

4.4 AGENCY FEES

4.4.1 Framework for agency fees

4.4.1.1 This section establishes the process for the charging of Agency fees.

4.4.1.2 Structure of Section

4.4.1.2.1 This section is structured as follows:

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

4.4.2 Types of agency fees

The different types of Agency fees are set out in Resolution 800 Attachment 'B'.

4.4.3 Invoicing

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

4.4.4 Non-payment of annual, application or administrative fees

4.4.4.1 If any Agent fails to pay the annual fee by 1 December, the Agency Administrator may apply an additional late-payment fee to that Agent and shall promptly notify the Agent in writing that its Sales Agency Agreement will be terminated if such fee and such additional fee are not received by 31 December. In the event of failure to make payment by such date, the Director General shall terminate the Agent's Sales Agency Agreement and the Agency Administrator shall remove the Agent's name from the Agency List;

△ **4.4.4.2** Notwithstanding the foregoing or any other provisions of these Rules, the Agency Administrator, on receipt of the overdue annual agency fee from an Agent by 1 March following the 31 December due date shall reinstate the accreditation of such Agent provided they are satisfied that such late payment was caused by events beyond the Agent's control. Where payment is received after 1 March the Agency Administrator shall, provided they are satisfied that such late payment was caused by events beyond the Agent's control, refer the matter to the next meeting of the Agency Investigation Panel, which may at its discretion reinstate the accreditation of the Agent. In either case, the Agent's name shall be re-entered on the Agency List and a new Sales Agency Agreement executed with the Agent if necessary;

4.4.5 Use of agency fees

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

4.4.6 Application of agency fees

The application of the Agency Fees are set out in Resolution 800 Attachment 'B'.

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

4.4.6.1 Lack of compliance in reporting Major Changes

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

4.4.6.2 Change of Accreditation Type

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

4.4.6.3 Agency Fees Governance

4.4.6.3.1 Agency fees shall be determined by Conference.

Section 5—Appointments

5.1 EXECUTION OF SALES AGENCY AGREEMENT

the Director General, acting on behalf of such IATA Members as may appoint Agents as hereinafter provided, shall execute a Sales Agency Agreement with each person accredited as an Agent in accordance with these rules and shall, where applicable, execute with such person a Supplementary Agreement in the form prescribed by the applicable Resolution of the Conference. The Agency Administrator shall promptly notify all Members of the names of parties executing Sales Agency Agreements and the dates of such Agreements.

5.2 APPOINTMENT OF AGENTS BY MEMBERS OR BSP AIRLINES

5.2.1 Manner of Appointment

5.2.1.1 a Member or BSP Airline may appoint an Agent executing such Agreement as an Accredited Agent for such Member or BSP Airline in the following manner and such Appointment shall, unless otherwise provided therein, cover all Approved Locations of the Agent:

5.2.1.1(a) either under the authority of the Agency Administrator by effecting the Appointment of all Accredited Agents. Such authority is within the Agency Administrator's responsibilities for the management of the Agency Programme and will normally be effective for all locations but a Member or BSP Airline may notify IATA that exclusions on a geographical basis for one or more markets are to be made. IATA will publish on the IATA website (www.iata.org) a list of Members and BSP Airlines with markets where the Agency Administrator is not authorised to effect Appointments,

5.2.1.1(b) or by delivering to such Agent a Certificate of Appointment in the form prescribed by the Conference in Resolution 820, a copy of which shall be simultaneously transmitted by the Member to the Agency Administrator;

5.2.2 Effective Date

5.2.2.1 such appointments shall be effective as follows:

5.2.2.1(a) as to those Members or BSP Airlines effecting Appointments through the Agency Administrator, immediately upon full execution of the above Agreement as advised by the Agency Administrator,

5.2.2.1(b) as to any other Member or BSP Airlines, as of the date of the Certificate of Appointment which shall be dated by the Member or BSP Airlines not earlier than the date of transmission to the Agent; provided that in the case of a change of ownership approved under Section 11 of these Rules a Certificate of Appointment issued within 30 days of the date of the new Sales Agency Agreement shall be effective as of the date of such new Agreement;

5.2.3 Withdrawal of Appointment

△ Any Member or BSP Airlines may cancel such Appointment in respect of the Agent or any Approved Location of the Agent by so notifying the Agent in writing, with a copy simultaneously sent to the Agency Administrator, who shall amend their records accordingly.

5.3 TRAFFIC DOCUMENTS

5.3.1/5.3.1.1 Delivery By Member

the provision of Traffic Documents to an Agent shall be at the option of the Member; provided that no Member shall deliver to an Agent stocks of its Traffic Documents (and/or authorise an Agent to issue its own Transportation Orders) at Head or Branch Office Location situated in the area of a Billing and Settlement Plan unless and until the Member has appointed the Agent as above; provided also that Carrier ticketing authority supplied to an Approved Location shall also authorise the Agent, unless otherwise advised by the Member to the Agent in writing, to issue Standard Traffic Documents on any additional numeric codes assigned under the provisions of Section 4, Subparagraph 4.3.3(a) of the Sales Agency Rules to identify specific sales activities;

5.3.1.2 Removal By Member

the removal by a Member of its Traffic Documents/ ticketing authority from an Agent's custody is governed by the Passenger Sales Agency Agreement;

5.3.1.3 Removal By Agency Administrator In Special Circumstances

in the event a Member ceases all of its scheduled international air service operations for reason of financial failure, the Agency Administrator shall on instruction from the disabled Member or from the Director General cause that Member's Traffic Documents to be removed from the possession of any or all Approved Locations known to be holding them;

5.3.1.4 Standard Traffic Documents

ISS Management shall provide Agents in Billing and Settlement Plan countries/areas with ranges of Standard Traffic Document numbers for use in the issue of Standard Traffic Documents.

5.4 ADDITIONAL RESPONSIBILITIES OF AGENT

5.4.1 Standard Traffic Documents shall be issued by the Agent only at an Approved Location. When issuing Standard Traffic Documents, the Agent shall use only such ticketing authority as deposited by the Member or Airline with the issuing Location.

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

5.4.3 an Agent that does not issue Standard Traffic Documents for a period in excess of twelve months shall have its Ticketing Authority removed by the Agency Administrator. If the Agent subsequently requests that its Ticketing Authority is reinstated, the BSP Airlines may, in their individual discretion, provide the Agent with Ticketing Authority.

5.5 CAPACITY AND INDEMNITY

Members or BSP Airlines appointing Agents undertake to indemnify IATA, its officers, employees and other appointees against liability (including liability for legal costs) for any action taken or omitted in good faith in the performance of their functions under these Rules and under other applicable Resolutions (other than under Resolution 832, Section 1). Members and BSP Airlines participating in a Billing and Settlement Plan undertake to indemnify IATA, its officers, employees and other appointees against liability (including liability for legal costs) for any action taken or omitted in good faith in the performance of their functions with respect to such Plan under Section 8 of these Rules and under Resolution 850 and its Attachments.

Section 6—Application of Minimum Security Standards for Premises and Systems

6.1 DUTY OF CARE

The Agent has a duty of care to take all reasonable care and precautions to protect all Standard Traffic Documents issued by it from unauthorised or improper issuance, post-issuance tampering, or forgery. The Agent's duty of care includes:

(a) **Confidentiality:**

Compliance with all GDS and/or Members' instructions regarding system security and best practices for Identity and Access Management (password policy, maintenance, and multi-factor authentication).

Usage of functional and up to date operating systems, firewalls, anti-malware, virus detection and data loss prevention software for all web applications, secure communications, company devices, email, and databases in office and at Agent employee(s) home offices. Restrict data access to Agent systems only allowing Agent employees that have a strict business need to access such systems.

(b) **Integrity:**

Ensure completeness and accuracy of all data in storage, transit, and backups with modern encryption.

(c) **Availability:**

Ensure data is backed up and allows guaranteed reliable access by authorized Agent employees. Perform proper and timely management of updates to systems, ensure there are appropriate role-based access requirements for Agent employees to company systems, networks, physical spaces, and hardware. Ensure systems are protected from Denial of Service (DoS) attacks or other interruptions to access of information, systems, devices or network resources.

6.2 REPORT BY AGENT OF BREACHES OF SECURITY

6.2.1 in the event that the premises of an Accredited Agent suffer any form of unlawful entry irrespective of whether any material loss is incurred, the Agent shall immediately notify the local police authorities, and IATA.

6.3 VERIFICATION ACTION

Upon receipt of advice from an Agent, IATA or a BSP Airline that an Agent has suffered loss as the consequence of robbery, theft, burglary, fraud or any other unlawful means, IATA shall immediately notify all BSP Airlines in the country with copy to the Agency Administrator.

6.4 FAILURE TO FULFIL CONTRACTUAL OBLIGATIONS RELATED TO THE ISSUANCE OF STANDARD TRAFFIC DOCUMENTS

6.4.1 any BSP Airline or the Agency Administrator in order to recover and prevent continuing loss of BSP Airlines' revenue as result of:

6.4.1(a) alteration of, or falsification of entries in Standard Traffic Documents

6.4.1(b) may request to have the matter reviewed by the Travel Agency Commissioner. BSP Airlines shall direct such requests to the Agency Administrator;

6.4.2 if such review is requested the Agency Administrator shall undertake an investigation into the circumstances surrounding the request;

△ **6.4.2.1** if the conclusion of the Agency Administrator is that the Agent had fulfilled its contractual obligations related to the issuance of Standard Traffic Documents, they shall so inform the BSP Airline requesting the review and close the file,

△ **6.4.2.2** if the conclusion of the Agency Administrator is that the Agent has not fulfilled its aforementioned obligations they shall within seven days send a written report to the Agent together with a notification that they intend to place the matter before the Travel Agency Commissioner and shall so notify the requesting BSP Airline and those BSP Airlines which the investigation revealed might be affected by the alleged failure. The Agency Administrator shall invite the Agent to submit a written answer together with such evidence as it wishes within 30 days from the date of notification,

△ **6.4.2.3** upon timely receipt of the Agent's written answer and after consultation with such authorities as they deem appropriate, the Agency Administrator may either:

△ **6.4.2.3(a)** conclude that the matter warrants no further action in which case they shall notify the Agent and the party requesting the review accordingly and shall close the file and so notify concerned BSP Airlines, or

△ **6.4.2.3(b)** because the Agent does not contest its failure to fulfil its aforementioned obligations, the Agency Administrator may endeavour to settle the matter with the Agent without reference to the Travel Agency Commissioner by entering into an agreement with the Agent to appoint a sole arbitrator by mutual agreement and to stipulate a penalty to be imposed. In this event the said agreement together with all other relevant documents shall be submitted to the sole arbitrator who shall make an appropriate award. If the Agency Administrator is unable to reach such agreement with the Agent then they shall refer the matter to the Travel Agency Commissioner, or

6.4.2.3(c) when the Agent denies its failure to fulfil its contractual obligations related to issuance of Standard Traffic Documents, or where after 30 days from the date of the notification the Agent has not submitted a written answer, the Agency Administrator shall refer the matter to the Travel Agency Commissioner.

Section 7—Reporting and Remitting Directly to Members in Non-BSP Countries

The provisions regarding sales reports, billings, remittances and collections and defaults for sales directly to Members in non-BSP countries are contained in Section 2 of Resolution 832.

Section 8—Reporting and Remitting Through the Billing and Settlement Plan

The provisions regarding sales reports, billings, remittances and collections and defaults under a Billing and Settlement Plan are contained in Section 1 of Resolution 832.

Section 9—Consequences of Default

The provisions regarding the consequences of default are contained in Section 3 of Resolution 832.

Section 10—Commission and Beneficial Services

☐ Any commission and/or remuneration due to the Agent for the sale of international air passenger transportation shall be determined by the Airline, in advance of any applicable sales and communicated in writing to the Agent by the Airline.

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Section 11—Change of Ownership, Legal Status, Name or Location

11.1 NOTIFICATION OF CHANGES

notification with respect to changes of ownership, legal status, name or location of the Agent shall be given to the Agency Administrator prior to the change, and processed in accordance with the provisions of this Section; provided that:

11.1.1 when an Agent with more than one Approved Location undergoes a change of ownership and/or status the application for approval of such change shall be submitted only in respect of the Head Office Location and shall apply to all Approved Locations if the Agent confirms on its own letterhead that except for such new ownership or status the information previously submitted in connection with the other Approved Locations remains unchanged;

11.1.2 when an Agent undergoes a change of ownership or status which also includes a change of name or location, all changes shall be notified by the Agent in a single notice of change and actioned by the Agency Administrator as one application.

11.1.3 The parties to the Change of Ownership may request IATA to be a party to a non-disclosure agreement.

11.2 PROCESSING OF CHANGES

11.2.1 Changes requiring a New Passenger Sales Agency Agreement

the following changes of ownership shall require the execution of a new Sales Agency Agreement and shall be processed in accordance with Paragraph 11.3 of this Section:

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

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

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

(iii) the incorporation of the Agent;

11.2.1(b) in the case of a "Corporation"

(i) the disposal of the Agent's business and its acquisition by a Person who is not an Agent;

(ii) the transformation of the Agent into a partnership or other unincorporated firm,

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

(iv) any other change in the legal personality of the Agent such that after the change, pursuant to applicable national law the legal personality of the Agent is not that existing prior to the change of legal status;

11.2.2 Changes not Requiring a New Passenger Sales Agency Agreement

the following changes of ownership in a corporation shall not require the execution of a new Sales Agency Agreement, and shall be processed in accordance with Paragraph 10.4 of this Section:

(a) a reduction of capital,

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

(c) Unless the transfer of stock has the effect of vesting the control of the Agent 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;

(d) the disposal or acquisition by any Person of stock representing 29% or less of the total issued share capital of the Agent, a current financial review shall not be required.

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

11.2.3.1 death of sole owner or of a member of a partnership or other unincorporated firm; Paragraph 11.9;

11.2.3.2 death of stockholder; Paragraph 11.10;

11.2.3.3 change of name; Paragraph 11.11;

11.2.3.4 move of Approved Location to a new Location; Paragraph 11.12;

11.2.3.5 sale of Location to another Accredited Agent; Paragraph 11.13;

11.2.3.6 sale of Branch Office Location to an outside party; Paragraph 11.15.

11.3 PROCEDURES FOR CHANGES REQUIRING A NEW PASSENGER SALES AGENCY AGREEMENT

when an Agent proposes to effect a change of ownership and/or status as described in Subparagraph 11.2.1 of this Section:

△ **11.3.1** the Agent ('the transferor') and the proposed new owner ('the transferee') shall jointly give the Agency Administrator notice of the proposed change in the form as provided in Attachment 'A' to these Rules at least 60 days before the change is to be effected. The notice of change of ownership may be accepted and acted upon by the Agency Administrator at less than 60 days notice but not after change is effected, where they are satisfied with the transferor's and transferee's joint written statement of explanation for failure to give due notice. The transferor accepts the liability for any outstanding Billing which either has not yet been remitted to IATA, or where the related Remittance Date has still to be reached, whichever event occurs last, until IATA has been notified of the date that the Change of Ownership takes place, through the submission of a Notice of Change, shown as

Attachment A to this Resolution, and such Change of Ownership takes effect.

11.3.2 on receipt of a Notice of Change form and a duly completed application in time to enable the Agency Administrator to process the application, the Agency Administrator shall countersign the Notice of Change form unless the application reveals or the Agency Administrator has reason to believe that the application should be disapproved because it does not meet one or more of the criteria set out in Subparagraphs 2.4.1, 2.4.2, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.11 or 2.4.12. Nevertheless if prior to the processing by the Agency Investigation Panel of the application the applicant eliminates the grounds of disapproval to the satisfaction of the Agency Administrator, the Agency Administrator shall countersign the Notice of Change form with the transferee;

11.3.3 the transferee's Notice of Change form countersigned by the Agency Administrator shall take effect from the date when the change of ownership and/or legal status takes place. The transferor's Sales Agency Agreement shall terminate or cease to apply to the Location concerned as of the date when the change of ownership and/or legal status takes place, without prejudice to the fulfilment of all obligations accrued prior to the date of termination;

△ **11.3.4** a Notice of Change form will have the same effect as a Sales Agency Agreement. The Agency Administrator shall notify all Members of the execution of a Notice of Change form and on receipt of such notice Members may do business with the transferee as if they were an Accredited Agent. A Notice of Change form will remain in effect until the Agency Investigation Panel has processed the application; provided that, if at any time between the effective date of the Notice of Change form and the processing by the Agency Investigation Panel, information becomes available to the Agency Administrator which causes them to believe that the transferee fails to meet one or more of the criteria referred to in Subparagraph 11.3.2 of this Paragraph, the Agency Administrator shall notify all Members accordingly;

11.3.5 if the Agency Administrator is unable to execute a provisional Sales Agency Agreement either because the applicant does not meet the criteria for approval or because insufficient notice of the proposed change has been given to enable the Agency Administrator to process the application, the Agency Administrator shall notify all Members accordingly. If subsequent to the above action but prior to the next meeting of the Agency Investigation Panel the transferee has removed the grounds that prevented execution of a Sales Agency Agreement the Agency Administrator acting under Subparagraph 11.3.2 of this Paragraph may execute such agreement pending final processing at the next appropriate meeting of the Agency Investigation Panel.

11.3.6 the Agent will in all cases be required to provide a Financial Security in accordance with provisions of Resolution 800f which will be kept until the set of financial statements produced no earlier than 6 months following the date the change was communicated to IATA and reviewed as per applicable Local Financial Criteria and is found satisfactory. On finding that the Agent failed to comply with the requirement to provide a Financial Security, such failure will be grounds for the Agency Administrator to serve a notice of termination in accordance with Resolution 800 Subparagraph 2.4.1.

11.4 PROCEDURES FOR CHANGES NOT REQUIRING A NEW PASSENGER SALES AGENCY AGREEMENT

11.4.1 when an Agent proposes to effect a change of ownership as described in Subparagraph 11.2.2 of this Section:

△ **11.4.1.1** the Agent shall give the Agency Administrator notice of the proposed change in the form of Attachment 'A' at least 60 days before such change is to be effected. As soon as possible the Agent shall also provide a copy of current financial statements including balance sheet and profit and loss account certified by a chartered, certified public or certified general accountant. (Such certification requirement may be waived by the Agency Investigation Panel in the case of a reduction of capital.) In countries where the such chartered, certified public or certified general accountant has no legal standing, certification is not mandatory; provided a notice of change of ownership may be accepted and acted upon by the Agency Administrator at less than 60 days notice but not after the change is effected, where they are satisfied with the Agent's written statement of explanation for failure to give due notice. Upon receipt of such notice the Agency Administrator shall bill the Agent for an application fee as prescribed in Paragraph 4.5 of Section 4 of these Rules and initiate a review of the Agent by the Agency Investigation Panel in accordance with the provisions of Subparagraph 11.4.1.5(a) of this Paragraph;

11.4.1.2 on receipt of a notice of change in time to enable the Agency Administrator to process the application, the Agency Administrator shall give provisional approval of the change unless the notice reveals or the Agency Administrator has reason to believe that the Agent should not be retained because it does not meet one or more of the criteria set out in Subparagraphs 2.4.1, 2.4.6, 2.4.7, 2.4.11 or 2.4.12. Nevertheless if prior to the review by the Agency Investigation Panel the Agent eliminates the grounds of disapproval to the satisfaction of the Agency Administrator, the Agency Administrator shall give provisional approval of the change;

11.4.1.3 the provisional approval of the change shall take effect from the date when the change of ownership takes place and remain in effect until the Agency Investigation Panel conducts the review; provided that, if at any time between the effective date of the provisional approval and the review by the Agency Investigation Panel, information becomes available which causes the Agency Administrator to believe that the Agent no longer meets the criteria referred to in Subparagraph 11.4.1.2 of this Paragraph the Agency Administrator shall immediately place the Agent on a Cash Basis until either the Agent has removed the grounds therefor, or the Agency Investigation Panel has conducted the review. The Agency Administrator shall notify the Agent and all Members accordingly;

11.4.1.4 if the Agency Administrator is unable to grant a provisional approval either because the applicant does not meet the criteria for approval of the application or because insufficient notice of the proposed change has been given to enable the Agency Administrator to process the application, the Agency Administrator shall notify all Members accordingly. If subsequent to the above action but prior to the next meeting of the Agency Investigation Panel the Agent has removed the grounds that prevented granting of provisional approval, the Agency Administrator acting under Subparagraph 11.4.1.2 of this Paragraph may give such approval pending review of the Agent at the next appropriate meeting of the Agency Investigation Panel;

11.4.1.5(a) upon referral from the Agency Administrator, pursuant to Subparagraph 11.4.1.1 of this Paragraph of an application for approval of a change of ownership not requiring the execution of a new Agreement, the Agency Investigation Panel shall determine whether the Agent or Approved Location shall be retained on the Agency List:

△ **11.4.1.5(a)(i)** if the Agency Investigation Panel determines by two-thirds majority vote that the Agent or Approved Location shall be retained, its Secretary shall immediately return the file to the Agency Administrator and notify them of the Agency Investigation Panel's decision:

11.4.1.5(a)(i)(aa) if the Agency Administrator finds the file to be complete and in accordance with these Rules, the provisions of Subparagraph 11.6.1 of this Section shall apply,

△ **11.4.1.5(a)(i)(bb)** if the Agency Administrator does not find the file to be complete and in accordance with these Rules, they shall refer the file to the Agency Investigation Panel for reconsideration and remedial action,

11.4.1.5(a)(ii) if the Agency Investigation Panel is unable to determine by two-thirds majority vote that the Agent or Approved Location shall be retained, it shall return the file to the Agency Administrator for a decision,

11.4.1.5(b) when an application is disapproved, the Agency Administrator shall notify the Agent in writing, giving full reasons.

11.5 EXPEDITED PROCEDURE

notwithstanding the provisions of Paragraph 11.4 of this Section, in case of a change of ownership as described in Subparagraphs 11.2.1.2(b) and 11.2.1.2(c) of this Section, the following expedited procedure may be followed:

△ **11.5.1** on receipt of a notice of change of ownership the Agency Administrator shall, within 30 days of the date of receipt of such notice and application consult with the Secretary of the Agency Investigation Panel concerned. If the Agency Administrator determines that all of the criteria for approval set out in Subparagraphs 2.4.1, 2.4.6, 2.4.7 and 2.4.12 of Section 2 of these Rules are present, they shall approve the change;

△ **11.5.2** if the Agency Administrator approves the change of ownership they will notify the Agent and all Members accordingly;

△ **11.5.3** if a notice of change reveals or the Agency Administrator has reason to believe that the Agent should not be retained because they do not meet one or more of the criteria for approval set out in Subparagraphs 2.4.1, 2.4.6, 2.4.7 or 2.4.12 of Section 2 of these Rules, they shall notify the Agent and all Members accordingly and shall initiate a review of the Agent by the Agency Investigation Panel in accordance with the provisions of Subparagraph 11.4.1.5(a) of this Section. If prior to the Agency Investigation Panel's review the Agent has removed the grounds that prevented granting of the approval the Agency Administrator may give approval and notify the Agent and all Members accordingly;

△ **11.5.4** if the Agency Administrator is unable to approve a change of ownership they shall request the Secretary of the Agency Investigation Panel concerned to place the matter on the agenda of a meeting of the Agency Investigation Panel, which shall, as far as is practicable, be its next meeting after receipt of the notice of change. An Agent shall not be retained if it is found that any of the criteria for approval set out in Subparagraph 2.4.1 of Section 2 of these Rules are not met except as provided therein.

11.6 EFFECT OF APPROVAL

the Agency Administrator shall request the Secretary of the Agency Investigation Panel concerned to place all notification of changes (received prior to the actual date of the change of ownership and/or legal status) on the agenda of a meeting of the Agency Investigation Panel which shall, as far as practicable, be its next meeting after receipt of the notification. An application shall not be approved nor shall an Agent be retained if it is found that any of the criteria for approval set out in Subparagraph 2.4.1 of Section 2 of these Rules are not met except as provided therein:

11.6.1 in the case of a change processed under the provisions of Subparagraph 11.3.2 of this Section, if the application is approved, a Sales Agency Agreement with effect from the date of such approval will be signed by the transferee and by the Agency Administrator. The Agency Administrator shall notify the transferee and all Members accordingly and shall make any necessary amendment to the Agency List;

11.6.2 in the case of a change processed under the provisions of Subparagraph 11.4.1.2 of this Section, if the Agent is retained, the provisional approval of such change shall cease to be provisional and shall become a full approval with effect from the date of the decision to retain the Agent. The Agency Administrator shall notify the Agent and all Members accordingly.

11.7 EFFECT OF DISAPPROVAL

11.7.1(a) if the application is disapproved and the change of ownership has already taken place, the Agency Administrator shall notify the Agent (or transferor), the transferee and all Members accordingly, and shall simultaneously:

11.7.1(a)(i) in the case of changes described in Subparagraph 11.2.1 or in Paragraph 11.2.2 of this Section, by notice to the transferor confirm that its Sales Agency Agreement, or its application to the Location concerned, terminated at the date when the change of ownership took place, and by notice to the transferee the Notice of Change form will no longer have effect as a Sales Agency Agreement,

11.7.1(a)(ii) in the case of changes described in Subparagraph 11.2.1.2 of this Section, by notice to the Agent withdraw a provisional approval that has been given and terminate the Agent's Sales Agency Agreement, or its application to the Location concerned;

△ **11.7.1(b)** in all such notices the Agency Administrator shall give the reasons for their action. A disapproved transferee or Agent may within 30 days of the Agency Administrator's notice request reconsideration of the decision by the Agency Investigation Panel or invoke the procedures for review of the decision by the Travel Agency Commissioner;

11.7.2 upon request for reconsideration by the Agency Investigation Panel or for review by the Travel 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 Travel Agency Commissioner confirms the disapproval, the transferee or Agent may request review of such decision by arbitration pursuant to Section 13 of these Rules in which case the disapproval action shall continue to be stayed until notification of the arbitration award;

11.7.3 if the transferor or the Agent as the case may be notifies the Agency Administrator that the change of ownership has been revoked and the Agent restored in all respects to its previous ownership, the Agency Administrator shall reinstate the Agent's Sales Agency Agreement or its application to the Location concerned and, when applicable, reinstate credit facilities and notify the Agent and all Members accordingly;

11.7.4 if an application is disapproved and the change of ownership and/or legal status has not yet taken place, the Agent shall be removed from the Agency List if the change of ownership is proceeded with.

11.8 UNDERTAKING BY TRANSFEREE

11.8.1 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 Sales Agency Agreement as of the date when the transfer of ownership takes place; and

△ **11.8.2** in cases where the transferor is employed by or retains a financial or beneficial interest directly or indirectly in the agency 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 their Sales Agency Agreement which may have occurred within a period of two years immediately prior to the change of ownership as if such violation were a violation of the transferee's Sales Agency Agreement.

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

11.9.1 in the event of the death of the sole owner of an Accredited Agent, or of a member of a partnership or other unincorporated firm, the Agent shall promptly advise the Agency Administrator who shall place the Agent on a Cash Basis and notify the Agent and all Members. However, in order to preserve the goodwill of the Agent as far as possible, the Agency Administrator 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 Sales Agency Agreement with the requesting party, reinstate credit facilities and advise Members accordingly. The temporary Sales Agency Agreement shall be in the same form and have the same effect as a Sales Agency Agreement except that:

△ **11.9.1.1** 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 give the Agent notice of termination of the temporary Sales Agency Agreement and notify all Members accordingly,

11.9.1.2 if prior to the date of termination of the temporary Sales Agency Agreement the estate or partnership or other unincorporated firm submits evidence of a satisfactory financial situation, the termination shall not take effect and the Agency Administrator shall notify the Agent and all Members that credit facilities may be reinstated,

11.9.1.3 if the termination of the temporary Sales Agency Agreement takes effect, the Agency Administrator shall remove the Agent from the Agency List and notify the Agent and all Members accordingly. Upon receipt of such notice, Members shall take the same action as required on removal of an Agent from the Agency List;

11.9.2 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 Agent to an heir, legatee or other person, or notifies that the decedent's interest is withdrawn from the partnership or other unincorporated firm, such transfer or withdrawal shall be deemed a change of ownership for purposes of this Section. The signatory of the temporary Sales Agency Agreement and the transferee shall jointly give notice to the Agency Administrator as required under Subparagraph 11.3.1 of this Section and thereafter the provisions of

Paragraphs 11.3, 11.6, 11.7 and 11.8 of this Section shall apply;

11.9.3 subject to earlier termination under the provisions of Subparagraph 11.9.1 or 11.9.2 of this Paragraph, a temporary Sales Agency Agreement with the representative of the estate of a deceased sole owner shall terminate if such representative ceases to carry on the Agent's business at the Location covered by the Agreement.

11.10 DEATH OF STOCKHOLDER

11.10.1 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 Agent is vested), the Agent shall promptly advise the Agency Administrator who shall notify all Members accordingly and request the Agent to submit current financial statements:

11.10.1.1 if the financial situation of the Agent is found to be satisfactory, the Agent may continue to do business with Members as an Accredited Agent,

11.10.1.2 if the financial situation of the Agent is found to be unsatisfactory, the Agency Administrator shall give the Agent notice of termination of the Sales Agency Agreement, provided that if the Agent demonstrates to the Agency Administrator prior to the termination date that it meets the Local Financial Criteria the termination shall not take effect;

11.10.2 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 Agent to an heir, legatee or other person, such transfer shall be deemed a change of ownership for purposes of this Section. The Agent shall give notice to the Agency Administrator as required under Subparagraph 11.4.1.1 of this Section and the provisions of Paragraphs 11.4, 11.6 and 11.7 of this Section shall apply.

11.11 CHANGE OF NAME

11.11.1 if an Agent proposes to change its name it shall, before effecting the change, notify the Agency Administrator of the proposed new name and request approval of the change. The Agency Administrator shall promptly direct the Secretary of the Agency Investigation Panel concerned to place the request on the agenda of the next meeting of the Panel. If the Agency Investigation Panel by two-thirds majority vote recommends approval of the change of name it shall so advise the Agency Administrator who shall approve the change, record the new name on the Agency List and in the Agent's Agreement and notify the Agent and all Members;

11.11.2 if the Agency Investigation Panel does not reach a two-thirds majority vote recommendation the Agency Administrator shall disapprove the request and give the Agent notice of termination of the Sales Agency Agreement, and notify all Members accordingly. Such termination shall not take effect if, prior to the date of termination, the Agent reverts to its approved name or the Agency Administrator is able to approve the application for change of name.

11.12 MOVE OF APPROVED LOCATION TO A NEW LOCATION

11.12.1 when an Accredited Agent moves from an Approved Location to another location not so approved, in the same market, such Agent shall:

11.12.1(a) as far in advance as possible and in any case before effecting the move, notify the Agency Administrator,

11.12.1(b) submit as soon as practicable two photographs of the interior and exterior of the new location,

11.12.2 the Agency Administrator shall promptly direct the Secretary of the Agency Investigation Panel to place the matter on the agenda of the next meeting of the Panel. The authority to act as an Accredited Agent shall continue to apply to the new location provided that the move from the Approved Location to the new location is effected on, but in no event more than five working days later than, the date the Approved Location is closed, until the Agency Investigation Panel has determined by two-thirds majority vote that the new premises satisfy the criteria set out in Section 2 of these Rules. If the Agency Investigation Panel does so determine the Agency Administrator shall notify the Agent and all Members that the authority of the Agent to act as an Accredited Agent shall apply to the new location;

11.12.3 if the Agency Investigation Panel does not achieve such two-thirds majority determination, the authority of the Agent to act as an Accredited Agent shall not apply to the new location. The Agency Administrator shall give the Agent notice of termination of the Sales Agency Agreement or of removal from the Agency List and notify all Members accordingly. Such termination shall not take effect if prior to the date of termination, the Agency Administrator is able to approve the application for change of location.

11.12.4 Change of Head Office Location to another Market

In the event a Head Office Location changes from one market to another without prior notification, the Agency Administrator shall take action to remove the Agent's Electronic Ticketing Authority pending review of its changed circumstances and evidence confirming its principal place of business for the Head Office and compliance with the Local Financial Criteria applicable to the market concerned. Such removal of the Agent's Electronic Ticketing Authority may lead to removal from the Agency List and termination of the current Passenger Sales Agency Agreement until such time as a new application for accreditation, complying with all Local Financial Criteria in the other market, is reviewed and approved and a new Passenger Sales Agency Agreement has been signed with the Head Office legal and business entity in the new market.

11.13 SALE OF LOCATION TO ANOTHER ACCREDITED AGENT

in the event that an Agent sells a Location to another Agent the latter shall give notice to the Agency Administrator as required under Subparagraph 11.4.1.1 of this Section and thereafter the provisions of Paragraphs 11.4, 11.6 and 11.7 of this Section shall apply.

11.14 SALE OF BRANCH OFFICE LOCATION TO AN OUTSIDE PARTY

in the event the Agent ('the transferor') sells a Branch Office Location to another person who is not an Agent ('the transferee') the provisions of Paragraphs 11.3, 11.5, 11.7 and 11.8 of this Section shall apply.

11.15 LATE NOTIFICATION OR ABSENCE OF NOTIFICATION OF CHANGE

11.15.1 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 remove the Agent from the Agency List and notify the transferor (in the case of changes pursuant to Subparagraph 11.2.1 of this Section) or the Agent (in the case of changes pursuant to Subparagraph of 11.3 of this Section) that its Sales Agency Agreement is terminated as of the date of change. The Agency Administrator shall notify all Members accordingly and the provisions of Paragraph 14.4 of Section 14 of these Rules shall apply. The application from the transferee, if any, shall be processed in accordance with the provisions of Section 4 of these Rules;

11.15.2 failure to notify the Agency Administrator of a change of name within 30 days of it being made can result in a Notice of Irregularity being issued and a review to ensure such Agent continues to meet the Accreditation criteria. The notice of irregularity and the cost of undertaking the review, which shall be paid for by the Agent, will be confirmed in writing. If within 30 days the Agent does not revert to its Approved name or submit the required application for a change of name then the Agent shall be given notice of termination of the Sales Agency Agreement; provided that if prior to the date of termination the Agent reverts to its approved name or the Agent submits the requisite application for the change of name and the Agency Administrator is able to approve the application, the termination shall not take effect;

11.15.3 failure to notify the Agency Administrator of a change of location within 30 days of the change being made can result in a Notice of Irregularity being issued and a review to ensure such Agent continues to meet the accreditation criteria. The Notice of Irregularity and the cost of undertaking the review, which shall be paid for by the Agent, will be confirmed in writing. If the report is unfavourable the Agent shall be given notice of termination of the Sales Agency Agreement or of removal from the Agency List in the case of a Branch Office Location; provided that if prior to the date of termination or removal the Agency Administrator is able to approve the application for change of location, the termination or removal shall not take effect.

11.16 AGENTS WITH APPROVED LOCATIONS IN A BILLING AND SETTLEMENT PLAN AREA

if any change pursuant to this Section is to be effected by an Agent with an Approved Location in the area of a Billing and Settlement Plan the Agency Administrator when giving any notice to Members required under the foregoing provisions of this Section shall give a copy of such notice to ISS Management and to all Airlines.

Section 12—Reviews by the Travel Agency Commissioner

The matters under the purview of the Travel Agency Commissioner are set out in Resolution 820e as are the procedures for conducting reviews.

Section 13—Arbitration

△ 13.1 AGREEMENT TO ARBITRATE

13.1.1 Any parties to a dispute which considers itself aggrieved by a decision of the Travel Agency Commissioner ('the Commissioner') under Resolution 820e shall have the right to have the decision reviewed by arbitration under the Rules of Arbitration of the International Chamber of Commerce by one or more Arbitrators appointed in accordance with such Rules.

13.1.2 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 of language of the requesting party.

13.1.3 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. Notwithstanding the foregoing, in the event that the laws of such country are inconsistent with the effect of sub-paragraph 13.1.5, then in the case of a Decision rendered with respect to Area 1, the place of arbitration shall be, at the election of the claimant, either Montreal, Quebec or Miami, Florida; in the case of a Decision rendered with respect to Area 2, the place of arbitration shall be Geneva, Switzerland; and in the case of a Decision rendered with respect to Area 3, the place of arbitration shall be, at the election of the claimant, either Singapore or Sydney, Australia.

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

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

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

△ 13.2 COMMENCEMENT OF ARBITRATION

Arbitration proceedings pursuant to this section will be commenced no later than thirty (30) calendar days from the date of the decision of the Commissioner or the panel of all the Commissioners, whichever is later.

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Section 14—Measures Affecting an IATA Agent's Standing

14.1 EFFECT OF REMOVAL

when an Agent or an Approved Location is to be removed from the Agency List in accordance with any of the provisions of these Rules:

14.1.1 the Director General shall by notice in writing to the Agent terminate the Agent's Sales Agency Agreement or exclude the Location from the application of the Agreement;

14.1.2 the Agency Administrator shall notify all Members that the Agent, or the Location, has been removed from the Agency List;

14.1.3 a new application for approval of the Agent or the Location shall not be accepted within six months from the date of removal from the Agency List.

14.2 VOLUNTARY RELINQUISHMENT

14.2.1 an Accredited Agent may voluntarily relinquish its accreditation in respect of all or any of its Approved Locations at any time by notifying in advance the Agency Administrator or the Secretary of the Agency Investigation Panel in writing. If the latter is notified the Secretary shall advise the Agency Administrator who shall in turn notify all Members;

14.3 OTHER MEASURES AFFECTING OPERATION OF AGENT

14.3.1 when an Agent is declared bankrupt, placed in receivership or judicial administration, goes into liquidation or becomes subject to any other similar legal procedure affecting its normal operation, the Agency Administrator shall, when allowed by the provisions of applicable law at the Agent's place of business, remove the Agent from the Agency List and notify all members of the action being taken;

14.3.2 notwithstanding the provisions contained in Paragraph 4 of Resolution 824, when evidence is produced that an Agent uses its IATA accreditation to engage in, and profit from, activities which, if associated with IATA, may prove detrimental to the good standing of IATA, the Agency Administrator may remove the Agent from the Agency List and notify all members of the action being taken. The Agency Administrator shall give notice to the Agent and such removal shall be without prejudice to fulfilment by the Agent and each of the Members having the Agent under appointment of all obligations accrued up to the date of removal from the Agency List.

14.4 EFFECT OF REMOVAL IN BILLING AND SETTLEMENT PLAN AREAS

The provisions of Paragraphs 14.1 or 14.2 of this Section, as the case may be, shall apply except that ISS Management shall withdraw all Standard Traffic Documents supplied by ISS Management to the Agent or the Approved Location concerned and in cases of removal or voluntary relinquishment ISS Management shall require an immediate accounting and settlement of all monies due under the Billing and Settlement Plan by the Agent or the Approved Location concerned.

14.5 LICENCE TO TRADE

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

14.6 REINSTATEMENT AFTER TERMINATION

14.6.1 In the event the Agent is removed from the Agency List in accordance with any of the provisions of these Rules, IATA may reinstate the Agent to the Agency List within the following 60 days of its termination, provided that the below conditions are met. In such event the BSP Airlines may, at their individual discretion, provide the Agent with Ticketing Authority and IATA will advise all System Providers that the Agent may have access to Standard Traffic Documents:

(a) All Accountable Transactions for any current or future Billing Period(s) as well as any outstanding amount related to Charges, as specified in Resolution 832, section 1.7.1 are settled; and

(b) when applicable, the Financial Security held prior to the termination is re-issued and valid in accordance with Resolution 850p.

14.7 USE OF IATA LOGO

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

14.7.2 The use of the logo is permitted only in connection with activities of an IATA Accredited Agent's Approved Locations.

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

14.8 FORCE MAJEURE

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

Section 15—Indemnities and Waiver

15.1 the Agent agrees to indemnify and hold harmless the Member, its officers and employees from all damage, expense or loss on account of the loss, robbery, theft, burglary, fraudulent issue or misuse of Traffic Documents supplied to the Agent pursuant to these Rules, which Traffic Documents have not been duly issued by the Agent; provided that the Agent shall be relieved of liability in respect of any damage, expense or loss incurred or suffered by the Member resulting from such event if the Agent can demonstrate that at the material time it met minimum security standards as prescribed in Section 6 of these Rules, and that such unlawful removal was immediately reported in accordance with the requirements of these Rules, or fraudulent issue or misuse of such Traffic Documents resulted solely from the action of persons other than the Agent, its officers or employees.

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

RESOLUTION 800

Attachment 'A'

NOTICE OF CHANGE

IATA NUMERIC CODE:

☐☐☐☐☐☐☐☐

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

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

PREVIOUS STATUS				STATUS AFTER CHANGE			
1. SPECIFY TYPE OF ENTITY: (SOLE PROPRIETORSHIP, PARTNERSHIP, LIMITED PARTNERSHIP, LIMITED LIABILITY COMPANY, OTHER)							
2. NAME(S) OF OWNER/PARTNERS/SHAREHOLDERS, ADDRESS, TELEPHONE, FAX, & EMAIL, TIME DEVOTED TO THE AGENCY BUSINESS AND % FINANCIAL INTEREST IN CASE OF CORPORATION, PARTNERSHIP OR OTHER:							
NAME OF OWNER/PARTNERS/ SHAREHOLDERS	ADDRESS, TELEPHONE, FAX & EMAIL	%TIME DEVOTED TO AGENCY	%FINANCIAL INTEREST	NAME OF OWNER/PARTNERS/ SHAREHOLDERS	ADDRESS, TELEPHONE, FAX & EMAIL	%TIME DEVOTED TO AGENCY	%FINANCIAL INTEREST
3. IF CORPORATION LIST,							
(a) ISSUED SHARED CAPITAL:							
(b) PAID-UP CAPITAL:							
(c) NAMES OF ALL OFFICERS AND DIRECTORS: (PLEASE UNDERLINE NAME OF LOCATION MANAGER)							
4. IF REGISTRATION AND/OR LICENSE IS REQUIRED BY LAW IN YOUR COUNTRY GIVE THE BELOW INFORMATION AFTER THE CHANGE/UNDER NEW OWNERSHIP.							
(a) THE TRADE REGISTRATION OR LICENSE NUMBER OF THE AGENCY:							
(b) THE DATE THIS WAS GRANTED							
5. IF YOUR TRAVEL AGENCY IS OWNED BY AN ORGANIZATION OTHER THAN THE HEAD OFFICE, ANSWER THE FOLLOWING WITH RESPECT TO THE PARENT ORGANIZATION:							
(a) WHAT IS ITS LEGALLY REGISTERED NAME AND ADDRESS?							
(b) WHAT IS THE PRINCIPAL BUSINESS OF THIS ORGANIZATION?							
6. WILL THE COMPANY OPERATE AS AN ON-LINE AGENCY UNDER NEW STATUS? IF SO, PLEASE SPECIFY URL ADDRESS:							
7. IS YOUR AGENCY IATA REGISTERED CARGO AGENT? IF SO, PLEASE STATE THE IATA CODE UNDER WHICH IT IS REGISTERED:							
IF THE NEW OWNER IS A NON-IATA ACCREDITED COMPANY, PLEASE:							
(a) SUBMIT IN ACCORDANCE WITH THE ATTACHED FORMAT, A STATEMENT OF YOUR CURRENT INTERNATIONAL AIR PASSENGER TRANSPORTATION SALES.							
(b) SPECIFY ESTIMATED GROSS AMOUNT OF INTERNATIONAL AIR TRANSPORTATION SALES OF IATA CARRIERS: • IN YOUR FIRST YEAR? • IN YOUR SECOND YEAR?							

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

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

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

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

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

Authorised Signature of Agent (Transferor)	Authorised Signature of Transferee (in case of Corporation/Sole Owner)
Print/Type Name	Print/Type Name
Title/Position	Title/Position
Signature of Witness & Date	Signature of Witness & Date
In case of partnership:	
Authorised Signature of Partner	Authorised Signature of Partner
Print/Type Name	Print/Type Name
Title/Position	Title/Position
Signature of Witness & Date	Signature of Witness & Date
Authorised Signature of Partner	
Print/Type Name	
Title/Position	
Signature of Witness & Date	

RECEIVED AND ACKNOWLEGED:

.....

IATA Agency Administrator

Dated: .....

STATEMENT OF INTERNATIONAL SALES (to be filled in only in cases where a non-IATA Accredited Entity takes a full ownership of an existing IATA Accredited Agency)

Please provide details of international air passenger transportation generated at:

Name and address of agency:

.....

.....

.....

Period covered: From: ..... to: .....

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

Rate of exchange used:	**USD1=**

Signature: ..... Date: .....

RESOLUTION 800

Attachment 'B'

APPLICATION OF AGENCY FEES

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

1 All application fees are refundable, in the event accreditation is not achieved

2 Small–up to USD 200,000 gross annual sales

3 Medium–USD 200,001–USD 2,000,000 gross annual sales

4 Large–more than USD 2,000,000 gross annual sales

RESOLUTION 800

Attachment 'C'

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

Notes

All references to Cash and Cash equivalent in this criteria may consider Unused Credit Facilities based on the below document requirements:

- Copy of bank facilities letter(s)/agreement(s) which clearly indicates that the credit is not designated for a specific purpose (e.g. acquisition of property, plant & equipment), and the expiry date of the bank facilities
- Evidence of unused portion of facilities as at the period end date (e.g. from audited financial statements; letter(s) from bank(s), or relevant bank statements to confirm the current balance of the unused portion)

Unless indicated with "Key", all other ratios are categorized as "Standard" ratios.

Definitions

Interest Expense–the cost incurred by the Agent for borrowed funds.

Interest Coverage Ratio–debt and profitability ratio used to determine the Agent's ability to pay interest on its outstanding debt.

Unused Credit Facilities–refers to the unused portion of any bank facilities granted to the Agent under the assessment, which are not designated for a specific purpose (e.g. acquisition of property, plant & equipment), and shall be considered as a part of the Agent's Cash and Cash equivalent, for the purpose of this assessment, given that its expiry date is greater than 12 months from the assessment date.

Criteria #	Criteria Name	Criteria Description	Target	Result	Pass/Fail	
1	***Historical Financial Data***					
1.01	EBITDA (Last 12 months)	EBITDA (rolling Last 12 Months)	x>0			Key
1.02	EBITDA (quarterly)	EBITDA (Quarterly, 3M)	x>0			
1.03	Cash ratio	Cash ratio (Cash and Cash equivalent/Current liabilities)	x≥30%			
1.04	Quick ratio	Quick ratio (Cash and Cash equivalent + AR/Current liabilities)	x≥50%			
1.05	Free cash flow	Free cash flows as per latest publication (Last 12 months)	x>0			
1.05a	***Trends Analysis***	***Applied only if Free cash flow is not positive***				
1.05a(i)	Trend - Cash ratio 12 months (Last 12 months N, vs Last 12 months N-1)	Cash ratio (Cash and Cash equivalent/Current liabilities) (Last 12 months N, vs Last 12 months N-1)	x≥0%			
1.05a(ii)	Trend - Cash ratio 12 months (Last 12 months N-1, vs Last 12 months N-2)	Trend - Cash ratio 12 months (Last 12 months N-1, vs Last 12 months N-2)	x≥0%			
1.05a(iii)	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N, vs Last 12 months N-1)	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N, vs Last 12 months N-1)	x≥0%			
1.05a(iv)	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N-1, vs Last 12 months N-2)	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N-1, vs Last 12 months N-2)	x≥0%			
1.05a(v)	Trend - CFO 12 months (Last 12 months N, vs Last 12 months N-1)	Cash Flow from Operating activities (CFO) as per latest publication (Last 12 months N, vs Last 12 months N-1)	x≥0%			
1.05a(vi)	Trend - CFO 12 months (Last 12 months N-1, vs Last 12 months N-2)	Trend - CFO 12 months (Last 12 months N-1, vs Last 12 months N-2)	x≥0%			
			Pass/Fail (4 Fails = 1.05 Fail)			
1.06	Positive Net Equity	Net Equity	x>0			Key
1.07	Decrease in net sales	Net Sales (Last 12 months N, vs Last 12 months N-1)	x≥-20%			
1.08	Net Income 12 months	Net Income (rolling last 12 Months)	x>0			
1.09	Interest Coverage Ratio	EBIT/Interest Expense	x>2.5			

Criteria #	Criteria Name	Criteria Description	Target	Result	Pass/Fail	
1.10	Qualification and reserves from auditors	Is there any qualification/emphasis of matters reflecting ongoing concerns from the auditors on the latest audited financial statements (including half year)?	No			
			Pass/Fail: Key ratio (1 Fail = Total Fail) Standard ratio (4 Fails = Total Fail)			
2	***Forecasted Financial Process***					
2.01	Effective Business Forecast	Is there any Business Forecast process in place (providing at least 1-year visibility)?	Yes			Key
2.02	Effective CF Forecast	Is there any CF Forecast process in place (at least 1 year)?	Yes			Key
			Pass/Fail			
3	***Operational Review***					
3.01	**Effective Disaster Management**	**Is there any process in place to apply operational countermeasures in case of extraordinary disaster (with no major exception) (Certification ISO 22301)**	Yes			Key
3.02	**Effective Cybersecurity Management**					
3.02a	*Have you appointed a Chief Information Security Officer or similar in your organisation?*		Yes			Key
3.02b	*Do you have an information security strategy/roadmap, aligned with the IT and business strategies?*		Yes			
3.02c	*Have you formalised and enforced an information security policy?*		Yes			Key
3.02d	*Have you performed an information security risk assessment for your organisation (e.g. evaluation of information security risks based on identified threats)?*		Yes			Key
3.02e	*Have you implemented information security controls and measures to adequately mitigate your organisation's risks?*		Yes			Key
3.02f	*Do you train your employees on a regular basis regarding information security risks and good practices (e.g. through yearly e-learnings)?*		Yes			Key
3.02g	*Are information security incidents managed (e.g. incident management and monitoring procedures, data breach reported to impacted individuals)?*		Yes			Key
3.02h	*Do you perform regular vulnerability scans and penetration tests?*		Yes			Key
3.02i	*Do you implement security patches on your information systems on a regular basis (e.g. at least every 3 months)?*		Yes			Key
3.02j	*Do you involve information security stakeholders at the earliest stage during project implementations?*		Yes			
3.02k	*When engaging with services providers, do you perform an information security due diligence?*		Yes			
3.02l	*Have you implemented specific measures to ensure the continuity of your information systems following a cyberattack?*		Yes			Key
3.03	**Effective Applicable Data Protection Requirements Compliance Management**					
3.03a	*Have you appointed a Data Protection Officer or a similar role in your organisation?*		Yes			Key
3.03b	*Have you formalised and enforced a data protection policy?*		Yes			Key
3.03c	*Have you formalised and enforced an information classification policy?*		Yes			Key
3.03d	*Do you have a documented register of your personal data processing activities, including the identification of the lawful grounds for processing personal data?*		Yes			Key
3.03e	*Are data protection notices adequately document to notify individuals about the processing of their personal data?*		Yes			Key
3.03f	*Are Data Protection Impact Assessments conducted whenever processing activities induce a high risk for the rights and freedom of individuals to whom personal data belong?*		Yes			Key
3.03g	*Do you train your employees on a regular basis regarding data protection risks and good practices (e.g. through yearly e-learnings)?*		Yes			
3.03h	*Have you developed procedures to handle and respond to individuals' exercising their data protection rights (e.g. right to access, right to be forgotten, right to object, etc.)?*		Yes			Key
3.03i	*Are Data Protection by Design and by Defaults concepts implemented in your organisation's project methodology?*		Yes			Key
			Pass/Fail: Key ratio (1 Fail = Total Fail) Standard ratio (3 Fails = Total Fail)			
	General Result: Any fail to any of the above sections results in a failed assessment		**Result assessment**			

RESOLUTION 800a

APPLICATION FORM FOR ACCREDITATION AS AN IATA PASSENGER SALES AGENT

PAC(56)800a(except USA) Expiry: Indefinite
Type: B

RESOLVED that, the following standard form shall be used in connection with the Passenger Sales Agency Rules.

APPLICATION FORM FOR ACCREDITATION AS AN IATA PASSENGER SALES AGENT

The information requested below is required by IATA to assist in determining the eligibility of the applicant for inclusion on the IATA Agency List. Type or print clearly the answers to all questions on this form. Where additional space is required, or where you wish to supplement your answer and there is insufficient space, attach to this form additional sheets containing the data. Retain a copy of this application for your permanent records at the agency location.

Note: *A separate form is required for each agency location for which approval is sought.*

Section 1—Identification of Agency Location for which Approval Requested

1.1 Legal name:

1.2 Trade name, if different from 1.1 above:

1.3 Full address, mobile and telephone number of the office for which application for approval is made:

1.4 If registration and/or licence is required by law in your country, give:

1.4.1 the trade registration or licence number of the agency;

1.4.2 the date this was granted;

1.4.3 Attach a copy of the official certificate of registration and/or licence.

1.5 Date on which the office for which approval is sought opened as a travel agency.

Section 2—General Information

2.1 Is approval sought as:

2.1.1 a Head Office Location: Yes ☐ No ☐

2.1.2 a Branch Office Location of an IATA Accredited Agent:

Yes ☐ No ☐

If Yes:

2.1.2.1 give name, address, telephone number, e-mail address and IATA Numeric Code of IATA Approved Head Office

2.1.2.2 Is the Branch Office:

wholly owned by this Head Office: Yes ☐ No ☐

wholly managed by this Head Office: Yes ☐ No ☐

2.1.2.3 Is this application for an On-line Agency?

(issuing only Electronic Tickets) Yes ☐ No ☐

2.2 Specify legal status:

sole proprietorship ☐

partnership ☐

limited liability company ☐

other (describe) ☐

2.3 If your travel agency is owned by an organisation other than the Head Office mentioned above, answer the following with respect to the parent organisation:

2.3.1 What is its legally registered name and address?

2.3.2 What is the principal business of this organisation?

Section 3—Financial Information of Business Entity

Specify as applicable:

3.1 Registered capital:

3.2 Paid-up capital:

3.3 Minimum paid-up capital required by the law of your country:

3.4 VAT number:

3.5 Attach a copy of your current financial statements including balance sheet and profit and loss account certified by a chartered, certified public or certified general accountant.

3.6 E-mail address(es) of the financial assessment contact(s)–up to three email addresses can be provided:

Section 4—Business Entity of Agency

4.1 If **SOLE OWNER**:

Name:

Address, Telephone Number, Fax Number and E-mail Address:

% of time devoted to the agency business:

4.2 If **PARTNERSHIP** (Note that each partner must sign this application form):

Name(s) and Title(s) of Partner(s):

Address(es), Telephone Number(s), Fax Number(s) and E-mail Address(es):

% of time devoted to the agency business:

Financial Interest %:

4.3 If **CORPORATION**:

4.3.1 When and where incorporated:

4.3.2 Names of Shareholders[1]

Addresses, Telephone Numbers, Fax Numbers and E-mail Addresses:

% of time devoted to the agency business:

Financial Interest % (i.e. shareholding):

4.3.3 Name(s) and Titles of Directors and Officers:

4.4 If **NONE OF ABOVE APPLIES**, fully describe the type of business entity, when and where organised and the names and titles of persons holding a financial or managerial interest in the business, the nature and extent of their interest, their address, telephone numbers, fax numbers and e-mail addresses and percentages of their time devoted to the agency business.

Section 5—Details of Owners and Managers of Agency

5.1 Attach a list setting forth the names of owners and managerial personnel giving details as follows:

5.1.1 Name

5.1.2 Position or title:

5.1.3 Date joined agency location for which approval is sought:

5.1.4 Name of previous employer(s) and address(es). If previous employer(s) were travel agents, indicate if IATA accredited or not:

5.1.5 Date(s) of previous employment (month/year):

5.1.6 Position(s) held during previous employment:

5.2 If any of the questions below are answered in the affirmative, give the name(s) of the agency or agencies and location(s) involved, the relationship of the individual(s) with the agency or agencies, the date of the bankruptcy or default and all pertinent details:

5.2.1 Have you, or any partner, officer, director, manager or any individual having authorization to act and sign on behalf of any such firm, partnership, association or corporation at any time been a director or had a financial interest or a position of management in an IATA Agent which has been removed from the IATA Agency List or which is under notice of default and still has outstanding commercial debts?

Yes ☐ No ☐

Section 6—Premises of Agency Location for which Approval Requested

6.1 Are the premises located at an airport:

Yes ☐ No ☐

6.2 Describe the means by which the premises are identified as a travel agency:

6.3 If an Online Agent specify URL address.

Section 7—Security of Traffic Documents

Applicants will be required to provide evidence at the time of inspection that they meet the requisites for Traffic Document security, as advised by the Agency Administrator or the Secretary of the Agency Investigation Panel.

[1] Except where your organisation is a legal entity whose shares are listed on a securities exchange or are regularly traded in an 'over-the-counter' market.

Section 8—Other Information

8.1 Is the agency a General Sales Agent for any IATA or non-IATA airline?

Yes ☐ No ☐

If yes, specify:

8.1.1 Name(s) of airline(s):

8.1.2 Scope of operation:

8.1.3 GSA territory:

8.2 Provide the names of individuals authorised to sign, on behalf of the applicant, documents which relate to the day-to-day operation of the travel agency:

8.3 Submit in accordance with the attached format, a statement of your current international air passenger transportation sales.

8.4 If approved as an IATA Agent, what do you estimate will be the gross amount of international air transportation sales of IATA carriers at the location for which approval is requested:

8.4.1 in your first year?

8.4.2 in your second year?

8.5 Is your agency an IATA Registered Cargo Agent?

Yes ☐ No ☐

If so, name under which it is registered:

IATA Numeric Code:

8.6 Attach a sample of your agency's letterhead.

8.7 Please indicate the GDS with which you have signed a contract:

In absence of contract with GDS, kindly confirm you carry only NDC transactions with Airlines, and provide IATA with one (1) letter of recommendation from an IATA Member Airline.

8.8 Please indicate the banking details (IBAN, SWIFT and Bank Account) for which approval is requested:

8.9 Full name and e-mail address of the ISS Portal Administrator:

I hereby certify that the foregoing statements (including statements made in any attachment hereto) are true and correct to the best of my knowledge and belief, and that I am authorised by the organisation identified in the answer to 1.1 above to make these statements and file this document.

It is hereby agreed that this application shall become a part of every Sales Agency Agreement signed with Members of IATA for the sale of international air passenger transportation, and as such, all information contained herein will be treated as confidential (excluding the information contained in Section 1). Notwithstanding the foregoing, the applicant authorizes IATA and represents that it has obtained meaningful consent of each individual listed in this application to use and process the information contained in Sections 2.1.2.2, 2.2, 4, 5.1.1 and 5.1.2, in order to produce and distribute databases to be used by travel industry participants.

The applicant hereby expressly waives any and all claims, causes of action or rights to recovery and agrees to indemnify and hold harmless IATA or any of its Members, their officers, employees, agents or servants, for any loss, injury or damage based upon libel, slander or defamation of character by reason of any action taken in good faith pursuant to this application, including but not limited to a notice of disapproval.

△ The Applicant understands and agrees that if the application for accreditation as an IATA Agent is disapproved, they will not claim any commission, remuneration or compensation for the sale of air transportation over the services of any IATA Member during the period the application was under consideration.

The applicant understands and agrees to pay the application, entry and annual fees, in the amounts determined by the Conference in consultation with the Director General, and as advised by the Agency Administrator, for inclusion and retention on the Agency List. If the application is rejected, the entry and initial annual agency fees shall be returned to the applicant.

The applicant understands and agrees that, upon the approval of their application and in the event of any future change requiring a new Passenger Sales Agency Agreement as set forth in the Passenger Sales Agency Rules, the applicant accepts the liability for any outstanding Billing which has either not yet been remitted to IATA, or where the related Remittance Date has still to be reached, whichever event occurs last; until IATA has been notified of the date that the Change of Ownership takes place, through the submission of a Notice of Change shown as an attachment in the applicable Sales Agency Rules, and such Change of Ownership takes effect.

.....
(Name of Applicant/Sole Owner)

.....
(Signature)

.....
(Title)

.....
(Country)

.....
(Date)

.....
(Name of Partner)

.....
(Signature)

.....
(Title)

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(Country)

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(Date)

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(Name of Partner)

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(Signature)

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(Title)

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(Country)

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(Date)

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(Name of Partner)

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(Signature)

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(Title)

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(Country)

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(Date)

GOVERNMENT RESERVATIONS

UNITED STATES

In Order 73-8-115 dated 23 August 1973, the Civil Aeronautics Board approved Resolution 810q (except USA) (now 800a) subject to the condition that such approval shall not extend to agencies located in the United States.

RESOLUTION 800f

AGENTS' FINANCIAL EVALUATION CRITERIA

PAC(58)800f/(Mail A594, A662, A688)(except USA) Expiry: Indefinite
Type: B

WHEREAS Resolution 800 provides that Agency Investigation Panels are authorised to establish certain standards, application of such standards are subject to their prior endorsement by the Agency Administrator and published in the Travel Agent's Handbook;

WHEREAS Resolution 812 provides that Agents holding Standard Accreditation with Cash Facilities shall undergo an evaluation of their financial standing to maintain status as an Accredited Agent in accordance with established Local Financial Criteria;

WHEREAS Resolution 812 provides that applicants and Agents shall undergo an evaluation of their financial standing to become and maintain status as an Accredited Agent in accordance with established Local Financial Criteria;

WHEREAS a market may have not developed its own Local Financial Criteria;

WHEREAS a review of Local Financial Criteria in a particular market may raise financial concerns;

WHEREAS a market may not have a local group such as an AIP or APJC to discuss relevant changes towards its Local Financial Criteria;

RESOLVED that the AGENTS' FINANCIAL EVALUATION CRITERIA shown at Appendix 'A' shall be taken into account as a best practice for the establishment and/or review of the Local Financial Criteria in markets where existing Local Financial Criteria raise substantiated concerns, including by AIPs and APJCs, subject to any local conditions that may apply.

GENERAL RULE

1. Each AIP and APJC must evaluate its Local Financial Criteria at least once per annum taking into consideration the best practice financial criteria contained in Appendix 'A', subject to any local conditions that may apply.

2. In the event that IATA identifies a particular market where the Financial Securities are deemed to be deficient, IATA shall conduct an analysis on the Local Financial Criteria and provide third party recommendations to AIP or APJC for the evaluation of the Local Financial Criteria within the next 90 calendar days.

2.1 In the event that the AIP or APJC are not able to meet and evaluate the Local Financial Criteria within 90 calendar days of written notice from IATA, the Passenger Agency Conference Steering Group will review the Local Financial Criteria where necessary and propose changes to strengthen the Criteria, to be considered for Passenger Agency Conference adoption. The AIP or APJC will be

given the opportunity to provide feedback, which shall be taken into consideration by the Passenger Agency Conference.

3. In the event of any conflict, contradiction or inconsistency between (a) the provisions of this resolution or the provisions of any Local Criteria as the case may be and (b) any provisions contained within the applicable Passenger Sales Agency Rules for a market, the provisions of the Passenger Sales Agency Rules shall prevail.

4. The definitions of terms and expressions used in this Resolution 800f adopt the definitions in Resolution 866. The use of words and expressions in the singular will, where the context so permits, be taken to include their use in the plural and vice versa. Paragraph headings are for ease of reference only and do not form part of this Resolution 800f.

RESOLUTION 800f

Appendix 'A'

AGENTS' FINANCIAL EVALUATION CRITERIA

1. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

1.1 All financial information used in the financial criteria will be extracted from the Agent's Audited Accounts.

1.2 The following financial tests apply to the evaluation of an Agent's Audited Accounts:

1.2.1 There must be positive Net Equity.

1.2.2 Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5.

1.2.3 EBITDA (Earnings Before Interest, Taxation, Depreciation and Amortisation) must be positive.

1.2.4 The EBITDA must exceed the Interest Expense by a factor of a minimum of two.

1.2.5 Adjusted Current Assets must exceed Current Liabilities.

1.2.6 There must be positive free cash flow.

2. ANNUAL FINANCIAL REVIEWS

New Applicants

2.1 All applicants must provide Audited Accounts not more than 12 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests in Section 1 of this Resolution 800f. If an applicant has been in business for less than 12 months at the time of application, an opening balance sheet must be provided instead.

Accredited Agents

2.2 The financial standing of the Agent will be assessed by IATA annually or for cause at any time.

2.3 All Agents must provide Audited Accounts not more than twelve months old at the time of submission to IATA, for the purposes of evaluation against the financial tests in Section 1 of this Resolution 800f Appendix 'A'.

2.4 If an Agent fails to pass any of the financial tests in section 1 of Resolution 800f Appendix 'A', the financial assessment will be considered as 'Unsatisfactory'

3. FINANCIAL SECURITY

3.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and

confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

3.2 For the purposes of calculating the amount of a Financial Security the following definitions apply:

3.2.1 "Days' Sales at Risk" defined by Resolution 866.

3.2.2 "Amount at Risk" is defined by Resolution 866. Where BSP cash turnover is not applicable, cash turnover applies;

New Applicants

3.3 All applicants must provide a Financial Security covering 100% of their monthly average cash turnover, with a minimum amount of USD 25,000, or the equivalent in local currency, whichever is higher, to be accredited.

Accredited Agents

3.4 All Agents are required to provide a Financial Security. The amount of the required Financial Security is determined by a Risk Status assigned to the Agent.

3.4.1 Risk Status A

Agents with Risk Status A are required to provide a Financial Security covering 80% of their Amount at Risk calculated as per section 3.2.2, or USD25,000 whichever is higher.

3.4.2 Risk Status B, C and Markets Where Risk Status is Not Applicable

Agents are required to provide a Financial Security covering 100% of their Amount at Risk calculated as per section 3.2.2, or USD25,000 whichever is higher.

3.5 If the existing Financial Security is insufficient to cover the proportion of Amount at Risk as required in section 3.4 of this Appendix, the amount of Financial Security required will be increased.

3.6 Where an Agent participates in the Agency Program in absence of a Billing and Settlement Plan, Agents that obtain "Satisfactory" results from the annual financial assessment will not be required to provide a Financial Security.

DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Adjusted Current Assets–are defined as Current Assets as in the Balance Sheet of the Accounts after deducting:

- Stocks and work in progress,
- Deposits given to third parties other than IATA,
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership),
- Doubtful debtors,
- Blocked funds, except for funds held in favour of IATA.

These generic descriptions may be modified to terms specifically defined under the applicable local Generally Accepted Accounting Principles (GAAP) and disclosed in the financial statements.

Audited Accounts means the Agent's financial and accounting records and procedures that have been reviewed and certified by an auditor recognized as competent by the regulatory authority in that country to perform an audit that are provided to IATA and which includes the auditor's opinion of those accounts. IATA may accept certified accounts or tax reports that are certified by an independent Certified Public Accountant in lieu of Audited Accounts in a market where Agents are not required to prepare Audited Accounts in accordance with local law. In all instances the established accounting rules in a country will apply.

Current Liabilities–are defined as Current Liabilities as in the Balance Sheet of the Accounts.

EBITDA–Earnings Before Interest, Taxation, Depreciation and Amortisation.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this Resolution 800f, or both.

Free Cash Flow means Cash Flow from Operations less Capital Expenditures.

Interest Expense means an income statement account which is used to report the amount of interest incurred on debt during a period of time.

Net Equity or Shareholders'/Owners' Funds–consists of:

- Share capital
- Share premium
- Retained earnings
- Other distributable reserves
- Shareholder's loans if subordinated less declared dividends.

Long Term Debt–All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities–all liabilities where repayment is due more than twelve months after the end of the financial period.

RESOLUTION 800z

ELECTRONIC TICKETING

PAC(46)800z(except USA) Expiry: Indefinite
Type: B

WHEREAS the Passenger Agency Conference wishes the IATA Passenger Agency Programme to respond effectively and efficiently to the rapid developments in Electronic Ticketing and to provide for such forms of ticketing to be handled within the framework of that programme, now it is

RESOLVED that, the following provisions are adopted

DEFINITIONS

The definitions of terms and expressions used in this Resolution are contained in Resolution 866.

1. Electronic Tickets as defined above and provided for in this Resolution shall carry a form code in accordance with the RP1720a. Appropriate measures must be taken to ensure clear identification of the ticket as an electronic transaction throughout all processing operations concerning such ticket.

2. Ranges of serial numbers shall be allocated to BSPs and from BSPs to Agents in accordance with established BSP procedures.

3. Electronic Tickets shall be reported and remitted in accordance with BSP standard procedures.

4. An Electronic Ticket is deemed to have been issued at the time that a serial number is assigned to the reservations record. The date of issuance must be recorded for all transactions.

5. Standard Traffic Documents, as defined in the Passenger Sales Agency Rules, shall be understood to include Electronic Tickets.

6. Where reference is made in the Passenger Sales Agency Agreement and the Passenger Sales Agency Rules to issuance of a Traffic Document, such reference shall be understood to include issuance of an Electronic Ticket.

7. At the time of issuing an Electronic Ticket Agents must provide the passenger with all applicable legal notices and a receipt must be generated and furnished to the passenger by the Agent. When an Agent provides the legal notices these must be in accordance with the guidelines furnished in the BSP Manual for Agents.

RESOLUTION 810z

EXTENSION OF AGENCY PROGRAMME IN THE PEOPLE'S REPUBLIC OF CHINA

PAC3(55)810z/(Mail A657, A662)(People's Republic of China) Expiry: Indefinite
Type: B

WHEREAS Resolutions 812, 820e, 824c and 846 govern the relationship between IATA Members and Approved Agents in the People's Republic of China, and

WHEREAS pursuant to Resolution 812, the Agency Programme for the People's Republic of China has been established by the Passenger Agency Conference with delegated authority over specified provisions of the IATA Agency Programme, and

WHEREAS in response to marketplace requirements, IATA Members operating domestic services in the People's Republic of China wish to extend the benefits and obligations of the IATA Agency Programme, to their agents engaged in selling domestic air transportation in the People's Republic of China, and

WHEREAS the said Members are particularly desirous of making available to their domestic agents the reporting and remitting facilities of the IATA Billing and Settlement Plan (BSP) in the People's Republic of China, and

WHEREAS it is desired to obtain the approval of the Passenger Agency Conference for the proposed extension of certain features of the IATA Agency Programme to domestic agents of IATA Members and of other domestic air carriers participating in BSP-People's Republic of China it is

RESOLVED that the Passenger Agency Conference, having noted the wishes expressed by certain Members, in response to the evolving market situation in the People's Republic of China as outlined above,

1. approves the extension of relevant aspects of the IATA Agency Programme, to domestic agents of IATA Members and of other domestic air carriers participating in BSP-People's Republic of China to the extent compatible with applicable national law and regulations;

2. delegates responsibility for devising appropriate rules, regulations and contractual documents to govern the relationship between domestic agents and IATA Members and such other domestic air carriers in the People's Republic of China it being understood that any such rules and regulations shall be implemented subject to any authorisation which may be required in accordance with national law;

3. subject to the foregoing, authorises ISS Management of the IATA Billing and Settlement Plan in the People's Republic of China to make available the services of BSP-People's Republic of China for the reporting and remitting of sales of domestic air transportation in the People's Republic of China on behalf of IATA Members and other domestic air carriers participating in BSP-People's Republic of China.

RESOLUTION 812

PASSENGER SALES AGENCY RULES

△ PAC(59, 60, 61)812/(Mail A562, 589, 590, 591, 592, 593, 595, 596, A607, A620, A628, A633, A634, A639, A641, A642, A644, A658, A659, A660, A662, A665, A669, A671, A680, A682, A685, A688, A689, A698, A707, A710, A711)(except USA)

Expiry: Indefinite
Type: B

This Resolution is applicable in the following market and regions:

Area 1: Argentina, Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Bermuda, Bolivia, Bonaire, Brazil, British Virgin Islands, Canada, Cayman Islands, Chile, Colombia, Costa Rica, Curacao, Dominica, Dominican Republic, Ecuador, El Salvador, French Guyana, Grenada, Guadeloupe, Guyana, Guatemala, Haiti, Honduras, Jamaica, Martinique, Mexico, Montserrat, Nicaragua, Panama, Paraguay, Peru, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, St. Eustatius, St. Maarten (Dutch part), Saba, Suriname, Trinidad and Tobago, Turks and Caicos Islands, Uruguay.

△ **Area 2: Africa:** Angola, Botswana, Central/West Africa, Egypt, Eswatini, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mauritius, Mayotte, Morocco, Mozambique, Namibia, Nigeria, Reunion Island, Rwanda, Sierra Leone, South Africa, South Sudan, Tanzania, Tunisia, Uganda, Zambia, Zimbabwe.

Area 2: Europe: Albania, Andorra, Armenia, Austria, Azerbaijan, Belgium, Bosnia & Herzegovina, Bulgaria, Channel Islands, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Georgia, Gibraltar, Greece, Greenland, Hungary, Iceland, Isle of Man, Ireland, Italy, Kazakhstan, Kosovo, Kyrgyzstan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Monaco, Netherlands, North Macedonia, Norway, Poland, Portugal, Republic of Cyprus, Romania, Russian Federation, San Marino, Serbia & Montenegro, Slovakia, Slovenia, Spain, Sweden, Switzerland, Türkiye, Ukraine, United Kingdom.

Area 2: Middle East: Gulf Area[1], Jordan, Kuwait, Lebanon, Qatar, Saudi Arabia.

Area 3: Bangladesh, Cambodia, Chinese Taipei, Hong Kong (SAR, China), India, Indonesia, Japan, Korea, Macau (SAR, China), Malaysia, Mongolia, Nepal, Pakistan, People's Republic of China, Philippines, Singapore, South West Pacific, Sri Lanka, Thailand, Vietnam.

[1] Gulf Area comprises: Bahrain, Oman, United Arab Emirates.

WHEREAS:

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

△ CHINA: Recognising that the BSP Online Payment (BOP) solution has been working efficiently in BSP China for several years, BOP will be an EASY PAY-as-you-go solution for that market. The provisions of Resolution 850 section 22.4 will also apply to the BSP Online Payment (BOP) in BSP China.

RESOLVED that:

1. This Resolution will be implemented in a market/region upon notification of the Agency Administrator in accordance with the provisions of Resolution 846. Notification of the date of implementation of this Resolution shall be given to all Members by the Agency Administrator with a minimum of 60 days' notice.

⊗

2. Where this Resolution is implemented in a market/region, Resolution 848 will no longer apply in that market(s)/region.

3. Where Resolution 812a is implemented in a market/region at a later date than this Resolution, any provisions which refer to Resolution 812a will only become effective as of such later date.

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ATTACHMENT 'A'—(INTENTIONALLY LEFT BLANK)

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Definitions

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

General Principles of Review

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

Section 1—Agency Programme Joint Council

In each market or Area where this Resolution 812 is implemented, an Agency Programme Joint Council (APJC) shall be established and shall continue to operate after implementation:

1.1 AGENCY PROGRAMME JOINT COUNCIL ('THE COUNCIL')

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

1.1.1 Composition

The Council shall consist of

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

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

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

1.1.2 APJC Authority and Terms of Reference

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

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

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

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

1.1.3 Local Financial Criteria Advisory Group

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

(a) be composed in equal numbers of qualified staff of both airline and agent members,

(b) consist at a minimum of two airline and two agent representatives as nominated by the APJC.

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

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

1.1.3.4 Recommendations of the LFCAG will be subject to ratification of the Council as per sub-paragraph 1.1.4.

1.1.4 Procedures

△ The Council shall meet when required and in a format established in its Code of Conduct. At least one meeting each year, shall be in-person, provided that conditions allow for the participation of its members. The Council shall elect its Chair from its membership. A simple majority of the Council shall constitute a quorum and recommendations shall be adopted, for consideration by the Conference, when a majority of the air carriers and a majority of the Agents of the Council vote in favour of the proposal. Except as provided herein, the Council shall establish its own procedures and submit a report of its activities to each meeting of the Conference.

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

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

Section 2—Accreditation: Requirements and Application Process

2.1 FRAMEWORK FOR OBTAINING ACCREDITATION

2.1.1 Types of Accreditation

2.1.1.1 There are four types of Accreditation:

(a) Standard Accreditation with no Cash Facility;

(b) Standard Accreditation with Cash Facility;

(c) Multi-Country Accreditation (except for Agents in People's Republic of China);

(d) Euro-Zone Accreditation.

2.1.1.2 Both types of Standard Accreditation are for Applicants who wish to participate in the Agency Programme operating in a particular market in accordance with the local accreditation requirements.

2.1.1.3 Applications for Standard Accreditation with no Cash Facility are for Applicants who wish to utilise the Customer Card Payment Method and/or IATA EASY PAY Payment Method only. If so authorised by an individual BSP Airline, Applicants may utilise Alternative Transfer Methods.

2.1.1.4 Applications for Standard Accreditation with Cash Facility are for Applicants who wish to utilise all authorised Payment Methods.

2.1.1.5 Multi-Country Accreditation is for Applicants who wish to participate in the Agency Programme by operating in more than one market in accordance with global accreditation requirements and utilise all authorised Payment Methods.

2.1.1.6 Euro-Zone Accreditation for Applicants who wish to participate in the Agency Programme operating in BSP markets in the Euro-Zone and in accordance with Euro-Zone accreditation requirements and utilize all authorised Payment Methods.

2.1.2 Description of Authorised Payment Methods in the BSP

2.1.2.1 There are four types of authorised Payment Methods:

(a) Cash Payment Method;

(b) Customer Card Payment Method; and

(c) IATA EASY PAY Payment Method; and

(d) Alternative Transfer Methods as defined in Resolution 812 Attachment 'A'.

2.1.2.2 The Customer Card Payment Method refers to customer card transactions made against a BSP Airline's card acceptance merchant agreement, as detailed in Resolution 890.

2.1.2.3 The IATA EASY PAY Payment Method is detailed in section 6 of this Resolution.

2.1.2.4 Alternative Transfer Methods are detailed in Resolution 812a.

2.1.2.5 Other Payment Methods may be authorised by the Conference for issuance of Standard Traffic Documents in the BSP.

2.1.2.6 Acceptance of any Payment Method shall be an independent commercial decision by individual BSP Airlines and nothing in the present Resolution shall be interpreted as a systemic bias or a preference in favour of a particular Payment Method.

2.1.3 Objective of Accreditation

2.1.3.1 Applications for Accreditation must be made in accordance with the processes and requirements contained in this section 2.

△ **2.1.3.2** The processes and requirements contained, or referred to, in this section 2 (including the Local Financial Criteria Multi-Country Financial Criteria and Euro-Zone Financial Criteria) are designed to assess on fair and neutral terms whether the Applicant has the necessary qualifications, financial standing, and (if required) financial guarantee to be granted depending on the type of Accreditation sought.

2.2 GENERAL REQUIREMENTS FOR ACCREDITATION

2.2.1 Application form Requirements

2.2.1.1 The Applicant for Accreditation must provide IATA with all information required under Attachment 'B' to this Resolution.

2.2.2 Registration/Licence

2.2.2.1 The Applicant must be a resident of, incorporated in or registered in the market of the proposed Head Entity, in accordance with local law requirements.

2.2.2.2 The Applicant and/or its owners and managers must hold any official registration and/or licence to trade and offer travel agency services required by local law in the market of the proposed Head Entity.

2.2.3 Personnel

2.2.3.1 The Applicant must have in its employment competent and qualified personnel able to fulfil the obligations of participation in the Agency Programme, including in respect of:

(a) selling international air transportation; and

(b) fulfilling associated remitting and reporting obligations; and

(c) at least two personnel who have successfully completed a recognised airline ticketing training course and who hold certificates confirming participation in such training course. Certificates issued in respect of the course shall be readily verified through the secure digital verification system of the institution/entity issuing the certificate.

In the absence of such digital verification, an endorsement letter from the training organization who issued the certificates is required. The endorsement letter must be issued no earlier than 6 months prior to submission by the Applicant to IATA in fulfilment of this Resolution 812 Section 2.2.3.1.

Further, in the event that an endorsement letter is unavailable for whatever reason to verify that a training course has been completed, the relevant personnel may be required to enter into a refresher training course as set out in sub-paragraphs (i), (ii) or (iii) below.

For the purposes of this Resolution, a recognized training course means:

(i) a Member's course in airline ticketing;

(ii) GDS course in airline ticketing;

(iii) IATA course in airline ticketing.

2.2.4 Head Entity & Associate Entity Operations

2.2.4.1 The proposed Head Entity and each Associate Entity must not be identified, or represent itself, as an office of an airline or group of airlines, or have a name the same as that of a Member of IATA, or IATA.

2.2.4.2 The proposed Head Entity and each Associate Entity must not trade as a General Sales Agent for any air carrier in the market where the Applicant resides, is incorporated or registered.

2.2.4.3 The proposed Head Entity and each Associate Entity must not be in office space jointly occupied or operated with an airline or an airline's General Sales Agent.

2.2.4.4 Where a proposed Head Entity or Associate Entity's location is to be jointly occupied with another Agent, each Agent shall be responsible to report its sales under its separate IATA Numeric Code.

2.2.5 Trading History

2.2.5.1 A person who is a director of the Applicant, or who holds a material financial interest or a position of management in the Applicant, must not currently or previously have been:

(a) involved in any fiduciary breach or crime;

(b) subject to bankruptcy proceedings; or

△ (c) a director of, or someone who has had a financial interest or held a position of management in:

(i) an Agent which, at the time of application, is currently subject to Prejudiced Collection of Funds or Payment Default action by IATA for non-compliance with the conditions of its Accreditation; or

(ii) an Agent which has been removed from the Agency List due to Payment Default or Prejudiced Collection of funds.

△ **2.2.5.2** The restriction in 2.2.5.1(c) may be waived if the following conditions are met:

(a) the Applicant shows proof that all accountable transactions were settled by the Agent and not by means of Financial Security encashment, and that all outstanding amounts related to administrative fees have been duly settled.

(b) the Applicant removed for any other cause not listed under section 2.2.5.1 complies with the terms of the Passenger Sales Agency Agreement and Passenger Agency Conference Resolutions.

2.2.6 Regulatory and Legal Compliance

2.2.6.1 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.

2.2.6.2 The application for Accreditation may not be approved if IATA is prohibited from doing business with the Applicant or reasonably considers that doing so would pose an undue risk to IATA under applicable regulatory or legal requirements.

2.2.7 Security

2.2.7.1 The Applicant must undertake to provide sufficient protection for its business, data, premises and systems used for the issuance of Standard Traffic Documents in accordance with the provisions detailed in section 7 of this Resolution.

2.2.7.2 The Applicant must have the facility to issue Standard Traffic Documents on behalf of BSP Airlines through the use of an approved Electronic Ticketing System, as defined in Resolution 854.

2.2.7.3 The Applicant must take all necessary precautions to protect its business and systems at the Head Entity and each proposed Associate Entity, including fulfilling its duty of care as described in section 8.2 of this Resolution, and ensuring compliance with Payment Card Industry (PCI) Data Security Standards if applicable.

2.3 STANDARD ACCREDITATION REQUIREMENTS

2.3.1 Identity of Applicant

2.3.1.1 Subject to section 2.4.1.2, any Person may apply for:

(a) Standard Accreditation with no Cash Facility; or

(b) Standard Accreditation with Cash Facility,

on behalf of itself and any proposed Associate Entity, provided that such Person:

(c) is a resident of, incorporated in or registered in the market of the proposed Head Entity, in accordance with local law requirements; and

(d) holds any official registration and/or licence to trade and offer travel agency services required by local law in the market of the proposed Head Entity.

2.3.1.2 The Applicant accepts full legal and financial responsibility to IATA and BSP Airlines for each proposed Associate Entity upon Accreditation.

2.3.2 Head Entity & Associate Entity

2.3.2.1 An application for Standard Accreditation must specify:

(a) the proposed Head Entity's physical address;

(b) each proposed Associate Entity, which must be situated in the market of the Head Entity;

(c) the Person responsible for the proposed Head Entity and each Associate Entity;

(d) each proposed Associate Entity's ownership structure and relationship to the proposed Head Entity, including evidence of the proposed Associate Entity's as sent to be included under the application as provided in Attachment 'B'.

2.3.2.2 The following exceptions apply to section 2.3.2.1 (b):

(i) An Agent in Andorra may apply to become the Associate Entity of an Agent in Spain, or vice versa;

(ii) An Agent in San Marino may apply to become the Associate Entity of an Agent in Italy, or vice versa;

(iii) An Agent in Vatican may apply to become the Associate Entity of an Agent in Italy, or vice versa;

(iv) An Agent in Luxembourg may apply to become the Associate Entity of an Agent in Belgium, or vice versa;

(v) An Agent in Liechtenstein may apply to become the Associate Entity of an Agent in Switzerland, or vice versa;

(vi) An Agent in Monaco may apply to become the Associate Entity of an Agent in France, or vice versa.

2.4 MULTI-COUNTRY OR EURO-ZONE ACCREDITATION REQUIREMENTS

2.4.1 Identity of Applicant

2.4.1.1 A Person may apply as an Applicant for Multi-Country or Euro-Zone Accreditation as a Head Entity on behalf of itself together with any Associate Entities, provided that such Applicant:

(a) is incorporated or registered at the proposed Head Entity's physical address, in accordance with local law requirements in the market where such physical address is situated (which, for Euro-Zone applicants, must be in the Euro-Zone); and

(b) holds any official registration and/or licence to trade and offer travel agency services required by local law in the market where the proposed Head Entity's physical address is situated, also as may be required by local law for each proposed Associate Entity in its market of location.

2.4.1.2 The Head Entity must include in its Multi-Country or Euro-Zone Accreditation any Accredited Agent of which it owns more than 50%. Entities which have more than 50% ownership of any Accredited Agent that is not located within the Euro-Zone are not eligible for Euro-Zone accreditation.

2.4.1.3 The Applicant accepts full legal and financial responsibility to IATA and BSP Airlines for each proposed Associate Entity upon Accreditation.

2.4.2 Head Entity & Associate Entity

2.4.2.1 An application for Multi-Country or Euro-Zone Accreditation must specify:

(a) the proposed Head Entity's physical address (which, for Euro-Zone applicants, must be in the Euro-Zone);

(b) each proposed Associate Entity in each market applicable (which, for Euro-Zone applicants, must be in the Euro-Zone), together with the full address or web site address (URL) if no physical location;

(c) the Person responsible for the proposed Head Entity and each Associate Entity;

(d) each proposed Associate Entity's ownership structure and relationship to the proposed Head Entity, including evidence of the proposed Associate Entity's assent to be included under the application as provided in Attachment 'B'.

2.5 AUTHORISATION REQUIREMENTS FOR CASH PAYMENT METHOD

2.5.1 Overview of Process for Authorisation to use Cash Payment Method

2.5.1.1 Applications for Standard Accreditation with Cash Facility, Multi-Country Accreditation and Euro-Zone Accreditation will be assessed in accordance with:

(a) this Resolution; and

(b) applicable Local Financial Criteria, Multi-Country Financial Criteria and Euro-Zone Financial Criteria respectively;

to determine the terms and conditions upon which the Cash Payment Method is approved for use.

2.5.1.2 All Agents authorized to use the Cash Payment Method will be granted a Remittance Holding Capacity.

2.5.1.3 The process for determining the terms and conditions applying to the Agent's initial use of the Cash Payment Method will require Applicants for Standard Accreditation with Cash Facility:

(a) New Applicants are not subject to the conduct of a financial assessment;

(b) the conduct of a Risk History assessment, as detailed in section 2.5.4;

(c) the assignment of an initial Risk Status as detailed in section 2.5.5; and

(d) the determination of initial Cash Conditions, including:

(i) Financial Security requirements as detailed in section 2.5.6.3; and

(ii) Remittance Frequency requirements, as detailed in section 2.5.6.5.

Applicants for Multi-Country or Euro-Zone Accreditation:

(a) the conduct of a financial assessment, as detailed in section 2.5.3;

(b) the conduct of a Risk History assessment, as detailed in section 2.5.4;

(c) the assignment of an initial Risk Status based on the financial assessment and Risk History assessment, as detailed in section 2.5.5; and

(d) the determination of initial Cash Conditions, including:

  (i) Financial Security requirements as detailed in section 2.5.6.3; and

  (ii) Remittance Frequency requirements, as detailed in section 2.5.6.5.

2.5.1.4 The determination of the initial Remittance Holding Capacity applicable to the Applicant who wishes to hold Standard Accreditation with Cash Facility or Multi-Country Accreditation or Euro-Zone Accreditation is detailed in section 2.5.7.

2.5.2 Financial Assessment for Applications for Standard Accreditation with Cash Facility

2.5.2.1 As detailed in section 2.5.1.3, Applicants for Standard Accreditation with Cash Facility are not initially subject to Financial Assessments.

2.5.2.2 The financial standing, stability, and solvency of the Agent after 24 months of its Accreditation will be assessed in accordance with section 5.4.3 and the applicable Local Financial Criteria.

2.5.3 Financial Assessment for Applications for Multi-Country Accreditation or Euro-Zone Accreditation

2.5.3.1 The Applicant must submit audited financial statements and accounts in accordance with the form, content, and other requirements specified in the Multi-Country or Euro-Zone (as applicable) Financial Criteria for approval to use the Cash Payment Method. Subject to more specific requirements contained in the Multi-Country or Euro-Zone Financial Criteria, such audited financial statements and accounts must be prepared in accordance with globally accepted accounting principles.

2.5.3.2 The financial standing, stability, and solvency of the Applicant will be assessed by reference to the financial statements and accounts provided under section 2.5.3.1, in accordance with the Multi-Country or Euro-Zone Financial Criteria.

2.5.3.3 At the conclusion of the financial assessment, IATA will determine whether the Applicant has passed or failed the financial assessment in accordance with the Multi-Country or Euro-Zone Financial Criteria.

2.5.4 Risk History

2.5.4.1 An Applicant which has been authorised to use the Cash Payment Method for less than 24 consecutive months will have a Risk Event registered. Consequently, the Applicant will fail its Risk History Assessment for the first 24 months of its Accreditation, during which time a Risk History as an Accredited Agent will be established.

2.5.4.2 The Agent holding Standard Accreditation with Cash Facility, Multi-Country Accreditation, or Euro-Zone Accreditation will be subject to Risk History assessments in accordance with the provisions of section 5.

2.5.4.3 The following changes to accreditation type as permitted under 10.6 will not be subject to Risk History assessment. However, if the Agent has a Risk Event of either type 3 (Payment Default) or 10 (Prejudiced Collection of Funds), it may not change accreditation types until such Risk Event expires.

(a) Standard Accreditation with Cash Facility to a Multi-Country Accreditation or a Euro-Zone Accreditation

(b) Standard Accreditation with no Cash Facility to a Multi-Country Accreditation or a Euro-Zone Accreditation

(c) Euro-Zone Accreditation to a Multi-Country Accreditation

(d) Multi-Country Accreditation to a Euro-Zone Accreditation

2.5.5 Risk Status

2.5.5.1 The Applicant for Standard Accreditation with Cash Facility will not be assigned a Risk Status in accordance with section 5.4.6.2.

2.5.5.2 The Applicant for Multi-Country Accreditation or Euro-Zone Accreditation will be assigned an initial Risk Status based on:

(a) the outcome of the financial assessment under sections 2.5.3.3 and

(b) the automatic failure of the initial Risk History assessment under section 2.5.4.1,

(c) as follows:

  (i) a Risk Status of “B” will apply where the Applicant has passed the financial assessment; and

  (ii) a Risk Status of “C” will apply where the Applicant has failed the financial assessment.

2.5.5.3 The cases detailed under 2.5.4.3 will be assigned an Initial Risk Status based on:

(a) the outcome of the financial assessment under sections 2.5.3.3 and

(b) as follows:

  (i) a Risk Status of “A” will apply where the Agent has passed the financial assessment;

  (ii) a Risk Status of “B” will apply where the Applicant has failed the financial assessment.

2.5.6 Cash Conditions

2.5.6.1 The initial Cash Conditions for Standard Accreditation with Cash Facility for use of the Cash Payment Method will be determined based on:

(a) the Cash Conditions relevant to Risk Status “C” in accordance with section 5.8.2; and

(b) this Resolution;

2.5.6.2 The initial Cash Conditions for Multi-Country Applicant or Euro-Zone Applicant for use of the Cash Payment Method will be determined based on:

(a) the Risk Status assigned to the Multi-Country Applicant or Euro-Zone Applicant in accordance with section 2.5.5.2; and

(b) this Resolution including, where applicable, Multi-Country or Euro-Zone Financial Criteria.

Financial Security

2.5.6.3 The Applicant must provide a Financial Security for a minimum of two years from its effective date of Accreditation, as per section 2.9.6.1. The Financial Security provided will determine the Remittance Holding Capacity granted, as per section 5.8.3.1.

2.5.6.4 If the Applicant is owned by a BSP Airline, where the BSP Airline or BSP Airline's parent company holds greater than 50% of the equity of the Applicant or the Applicant's parent company, the BSP Airline's sales will not be included in the calculation of the Sales at Risk under the Local Financial Criteria, Multi-Country Financial Criteria, or Euro-Zone Financial Criteria for the Applicant (as applicable).

Remittance Frequency

2.5.6.5 The initial Remittance Frequency applied to the Applicant upon Accreditation is as follows:

(a) Standard with Cash Facility Applicant upon Accreditation will be the Most Frequent Remittance in the applicable BSP.

(b) Multi-Country Applicant upon Accreditation is as follows:

  (i) where the Multi-Country Applicant is assigned an initial Risk Status of “B”, the standard Remittance Frequency in the applicable BSP; and

  (ii) where the Multi-Country Applicant is assigned an initial Risk Status of “C”, the Most Frequent Remittance Frequency in the applicable BSP.

(c) Euro-Zone Applicant upon Accreditation will be four times per month.

2.5.7 Remittance Holding Capacity

2.5.7.1 The initial Remittance Holding Capacity granted to the Applicant will equal the amount of the Financial Security provided by the Agent for a minimum of two years.

2.5.8 Local Requirements

2.5.8.1 Approval to use the Cash Payment Method is also subject to any applicable local requirements which do not permit, or otherwise impose additional conditions, including any that may be set out in the Local Financial Criteria.

2.6 AUTHORISATION REQUIREMENTS FOR CUSTOMER CARD PAYMENT METHOD

2.6.1 Standard Accreditation with no Cash Facility

2.6.1.1 For authorisation to use the Customer Card Payment Method, the Applicant for Standard Accreditation with no Cash Facility will be subject to the provisions of section 5.10.

2.6.2 Other types of Accreditation

2.6.2.1 The Financial Security required from the Applicant for Standard Accreditation with Cash Facility or Multi-Country Accreditation or Euro-Zone Accreditation, detailed in section 2.5.6.3, will include coverage for any cash remittances due by the Agent resulting from ADMs relating to the Customer Card Payment Method.

2.6.3 Other Requirements

2.6.3.1 Authorisation to use the Customer Card Payment Method is subject to the Agent's full compliance with the Payment Card Industry (PCI) Data Security Standards, as provided by the payment card industry.

2.6.3.2 The Agent must ensure that all sensitive card data obtained during the process of Ticketing is handled, stored, and transmitted with due regard to the security of such data.

2.6.3.3 Authorisation to use the Customer Card Payment Method is subject to the correct issuance and reporting of Electronic Tickets by the Agent, in accordance with the provisions of Resolution 890.

2.6.3.4 Authorisation to use the Customer Card Payment Method is subject to any applicable local requirements which do not permit, or otherwise impose additional conditions, or as may be set out in the BSP Manual for Agents.

2.7 AUTHORISATION REQUIREMENTS FOR IATA EASY PAY PAYMENT METHOD (IEP)

2.7.1 IEP will be made available for all types of Accreditation, subject to any applicable local requirements which do not permit, or otherwise impose additional conditions. This may include requirements specified in section 6 of this Resolution or any applicable local laws.

2.7.2 Subject to the provisions of section 5.10 of this Resolution, no Financial Security is required for use of IEP.

2.8 CONSENT REQUIREMENTS FOR ALTERNATIVE TRANSFER METHODS

2.8.1 Alternative Transfer Methods will be available for all types of Accreditation, subject to the specific consent of the individual BSP Airline and any applicable requirements specified in Resolution 812a.

2.9 APPLICATION PROCESS

2.9.1 Information to Assist Preparation of Application

2.9.1.1 The Travel Agents Handbook can be accessed through IATA's website and application form may be accessed through the IATA Customer Portal.

2.9.2 Submission of Application

2.9.2.1 An application for Accreditation (as detailed in Attachment 'B') must be made to IATA through the IATA Customer Portal and accompanied by:

(a) financial and other information required by IATA, including as stated under this Section 2 and the Travel Agent's Handbook;

(b) the supporting documentary evidence referred to in Attachment 'B', this section 2 and the Travel Agent's Handbook; and

(c) the following fees (as further detailed in section 14):

  (i) application fee;

  (ii) registration fee;

  (iii) Travel Agency Commissioner fee (if applicable), and

  (iv) the first annual Agency fee.

2.9.2.2 If an application for Accreditation is rejected, the fees referred to in section 2.9.2.1(c)(ii), (iii) and (iv) will be refunded. The application fee referred to in section 2.9.2.1(c)(i) is non-refundable.

2.9.2.3 All material statements made in or in connection with an application for Accreditation must be accurate, complete and not misleading in any respect. The Applicant must notify IATA immediately if, after making such material statement, the material statement is no longer accurate, complete or misleading in any respect.

2.9.3 Preliminary Assessment of Application for Completeness

2.9.3.1 IATA must consider within 30 days of receipt of an application for Accreditation whether the application is complete. IATA will inform the Applicant if it considers that any of the required documentation, information or fees have not been provided such that the application is incomplete.

2.9.3.2 Within 7 days of IATA being satisfied that an application for Accreditation is complete, IATA will publish details concerning the receipt of the application to BSP Airlines.

2.9.3.3 Nothing in this section 2.9.3 limits IATA's right to request any other information or documentation that IATA requires to assess an application for Accreditation.

2.9.4 Substantive Assessment of Application

2.9.4.1 Within 21 days of the publication of the application details to BSP Airlines, in accordance with section 2.9.3.2, IATA will assess the application and any other information obtained, in order to determine whether all applicable requirements for the type of Accreditation sought have been met.

2.9.4.2 IATA may:

(a) arrange an inspection of the proposed Head Entity and/or Associate Entity;

(b) request the Applicant to provide any further information or documentation;

to assist IATA to carry out the application and assessment process under section 2.9.

2.9.5 Notification of Decision on Application

2.9.5.1 Upon determining whether it is satisfied with the matters stated in section 2.9, IATA will promptly notify the Applicant in writing of the acceptance or rejection of the application.

2.9.5.2 If the application is accepted, the notification must set out:

(a) all approved entities that are to become the Head Entity and applicable Associate Entities;

(b) the approved Authorised Payment Method(s);

(c) any required Financial Security;

(d) any assigned Risk Status and amount of Remittance Holding Capacity granted;

(e) any other conditions applicable to IATA's acceptance of the application.

2.9.5.3 If the application is rejected, the notification will specify the reason(s) for the rejection.

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

2.9.6 Effective Date of Applicant Becoming an Accredited Agent

2.9.6.1 The Applicant whose application is accepted under section 2.9.5 will become an Accredited Agent once:

(a) the Passenger Sales Agency Agreement has been executed by the Applicant (acting on its own behalf and on behalf of each Associate Entity) and the Director General (acting on behalf of such BSP Airlines as may appoint Agents); and

(b) any required Financial Security specified in the notification has been provided by the Agent and accepted by IATA. Failure by the Applicant to provide the required Financial Security within 40 days of the notification will cause the application for Standard Accreditation with Cash facility to have Cash Payment Method restricted. In the event the Financial Security is not submitted within a period of 40 days, the Standard with Cash Facility accreditation will be converted to Standard Accreditation with no Cash Facility in accordance with section 10.6.

2.9.7 Entry of Applicant on Agency List and Notification Requirements

2.9.7.1 Upon the effective date of Accreditation, IATA will:

(a) enter the Applicant as an Accredited Agent on the Agency List in accordance with section 2.9.7.3; and

(b) within 7 days, notify BSP Airlines of the details of the Agent's Accreditation.

2.9.7.2 The Accredited Agent's name will be included on the Agency List from the effective date of Accreditation until the date the Passenger Sales Agency Agreement is terminated.

2.9.7.3 The Agency Administrator will publish, and update such publication at least twice a calendar year, the Agency List of all Accredited Agents, which will include, but not be limited to, the following information:

(a) name and postal address, and any website address(es);

(b) address and contact details of place of business;

(c) whether Head Entity or Associate Entity;

(d) effective date of Accreditation;

(e) IATA Numeric Codes for each entity;

(f) Accreditation type of the Applicant;

(g) Authorised Payment Methods available to the Applicant.

2.9.8 Timeframes

2.9.8.1 The timing set out in this section 2.9 is indicative only. Factors outside IATA's control may impact the specified timeframes, including the time taken by the Applicant to respond to any queries or requests for further information by IATA.

2.10 APPOINTMENT AND REMOVAL OF AGENT BY INDIVIDUAL MEMBERS OR BSP AIRLINES AFTER ACCREDITATION

2.10.1 Manner of Appointment

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

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

(b) alternatively, a BSP Airline may deliver to such Agent a Certificate of Appointment in the form prescribed by the Conference in Resolution 820.

2.10.1.2 A BSP Airline may Appoint an Accredited Agent in accordance with the provisions of Resolution 850, Attachment 'E' Subparagraph 5(b)(ii).

2.10.1.3 An Appointment made under section 2.10.1.1 or 2.10.1.2 will, unless otherwise specified, cover the Head Entity and each Associate Entity of the Agent.

2.10.2 Effective Date of Appointment

2.10.2.1 An individual appointment made in accordance with section 2.10.1 will be effective:

(a) for those BSP Airlines effecting Appointments through the Agency Administrator, on the date that is the later of:

  (i) the date the Agent is included on the Agency List; or

  (ii) the date the statement is deposited,

(b) for other BSP Airlines, on the date of the Certificate of Appointment.

2.10.3 Termination of Individual Appointment

2.10.3.1 Any BSP Airline having appointed the Accredited Agent to act for it may terminate such appointment by:

(a) in the case of appointment by the Agency Administrator, notifying the Agent in writing of the termination of the Agent, with copy to the Agency Administrator; or

(b) in other cases, delivering to the Agent a Termination Notice cancelling the Certificate of Appointment in respect of the Agent.

2.10.4 Capacity and Indemnity

2.10.4.1 BSP Airlines appointing Agents undertake to indemnify IATA, its officers, employees and other appointees against liability (including liability for legal costs) for any action taken or omitted in good faith in the performance of their functions under this Resolution (other than under section 6 of this Resolution and under other applicable Resolutions).

2.10.4.2 BSP Airlines participating in a Billing and Settlement Plan undertake to indemnify IATA, its officers, employees and other appointees against liability (including liability for legal costs) for any action taken or omitted in good faith in the performance of their functions with respect to such Billing and Settlement Plan under section 6 of this Resolution and under Resolution 850 and its Attachments.

2.11 BSP AIRLINE SEPARATE REQUIREMENTS FOR FINANCIAL SECURITY AFTER ACCREDITATION

△ **2.11.1** Recognising that IATA is mandated to conduct financial assessments of Applicants for, and Agents who hold, Standard Accreditation with Cash Facility or Multi-Country Accreditation in accordance with sections 2.5 and 5, and that a Remittance Holding Capacity will apply to all Agents authorized to use the Cash Payment Method, a BSP Airline must not request a separate, independent and mutually exclusive Financial Security arrangement from the Agent.

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Section 3—Accreditation: General Conditions and Administrative Non-Compliances

3.1 FRAMEWORK FOR MAINTAINING ACCREDITATION

3.1.1 General Conditions of Accreditation

3.1.1.1 The general conditions of Accreditation set out in section 3.2 apply to all Agents.

3.1.2 Administrative Non-Compliances

3.1.2.1 The general consequences applicable upon the occurrence of an Administrative Non-Compliance are set out in section 3.3.

3.2 GENERAL CONDITIONS OF ACCREDITATION

3.2.1 Passenger Sales Agency Agreement

3.2.1.1 Accredited Agents must comply with the terms and conditions of the Passenger Sales Agency Agreement, which incorporates the terms and conditions contained in the Travel Agent's Handbook, including the Passenger Sales Agency Rules.

3.2.1.2 The requirement for Accredited Agents to comply with the Passenger Sales Agency Rules includes an ongoing obligation to comply with all requirements which apply to Applicants for Standard Accreditation with no Cash Facility, Standard Accreditation with Cash Facility, Multi-Country Accreditation, or Euro-Zone Accreditation contained in section 2.

3.2.1.3 The Agent must continue to maintain any Financial Security provided under these Rules in accordance with the terms and conditions of the Passenger Sales Agency Agreement. This includes ensuring that:

(a) the Financial Security is and remains valid; and

(b) the Financial Security is renewed by the expiry date.

3.2.1.4 IATA has the right to review the amount and the validity of a Financial Security at any time in accordance with the requirements of this Resolution and the applicable Local Financial Criteria, Multi-Country Financial Criteria, or Euro-Zone Financial Criteria. Where applicable, IATA can require the Agent to effect the necessary changes within the timelines for the provision of a Financial Security under section 5 to ensure that the Financial Security continues to comply with those requirements.

3.2.2 Use of IATA logo

3.2.2.1 The Agent may only use the IATA logo on its letterhead and publicity materials:

(a) exactly as instructed on the IATA website; and

(b) in connection with those activities authorised under the Agent's Accreditation.

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

3.2.3 General Information Requirements

3.2.3.1 IATA may by written notice require the Agent to provide any information or documentation, within 21 days of the date of such notice, necessary to assess the Agent's continued compliance with any provision of the Passenger Sales Agency Agreement.

3.2.3.2 This section 3.2.3 does not limit any other information provision obligation imposed on the Agent elsewhere in this Resolution.

3.2.4 Annual Agency Revalidation Process

3.2.4.1 By no later than 1 December annually, the Agent pay IATA the applicable annual agency fees, including any Travel Agency Commissioner fee, in respect of the upcoming period of 1 January to 31 December, in accordance with section 14;

3.2.4.2 Annually and within 21 days of written notice from IATA the Agent must complete the annual agency revalidation process, including confirmation of:

(i) Agent details as required by IATA;

(ii) Ownership and management details of the Head Entity and each Associate Entity;

(iii) details of the Agent's IATA contact person(s);

(iv) Agent’s website(s) address details;

(v) warranty of continued compliance with all applicable section 2 requirements for Accreditation.

3.3 ADMINISTRATIVE NON-COMPLIANCES

3.3.1 Definition of Administrative Non-Compliances

3.3.1.1 Administrative Non-Compliances include, but are not limited to, a failure to:

(a) provide information required to comply with section 3.2.1.2;

(b) comply with section 3.2.3;

(c) pay the annual agency fee or complete the annual agency revalidation process in accordance with section 3.2.4;

(d) report a change with respect to the Agent which is required to be notified in accordance with section 10.2;

(e) report a change of Location in accordance with section 10.8;

(f) report a change with respect to an Associate Entity which is required to be notified in accordance with section 10;

(g) pay an administrative fee levied in accordance with this Resolution.

3.3.2 General Consequences Applicable to Administrative Non-Compliances

3.3.2.1 If IATA determines that an Administrative Non-Compliance has occurred, IATA will notify the Agent in writing and require the Agent to remedy the reason for the Administrative Non-Compliance within 30 days of the notice.

3.3.2.2 If the Agent has not demonstrated to IATA's satisfaction that the reason for the Administrative Non-Compliance has been remedied within 30 days of IATA's notice under section 3.3.2.1, IATA will:

(a) immediately remove the Ticketing Authority of the Agent; and

(b) issue a Termination Notice to remove the Agent from the Agency List and terminate the Passenger Sales Agency Agreement in accordance with the provisions of section 13 of this Resolution.

△ except where such Administrative Non-Compliance consists of a failure to comply with the requirements for authorisation to use the Customer Card Payment Method or comply with the annual agency revalidation process.

3.3.2.3 If the Administrative Non-Compliance consists of a failure to provide the information required to comply with section 3.2.1.2 or section 3.2.3, and such information is necessary for IATA to determine whether it is permitted to continue to do business with the Agent as described in section 2.2.6.2, IATA may shorten the 30 day periods contained in sections 3.3.2.1 and 3.3.2.2 as necessary to enable IATA to meet its legal or regulatory requirements. In such an event, the request for information from IATA shall clearly indicate to the Agent the reduced deadline and the reason for the reduction.

□ **3.3.2.4** If the Administrative Non-Compliance consists of a failure to comply with the requirements for annual agency revalidation and within 30 days of IATA's notice under section 3.3.2.1, the Agent has not demonstrated to IATA's satisfaction that the reason for the Administrative Non-Compliance has been remedied, IATA will immediately remove the Electronic Ticketing Authority of the Agent. If the Agent subsequently requests that its Electronic Ticketing Authority is reinstated, the BSP Airlines may, at their individual discretion, provide the Agent with Ticketing Authority.

Section 4—Risk Events

4.1 RISK EVENTS FRAMEWORK

4.1.1 Risk Events

4.1.1.1 Risk Events refer to matters which impact on the Agent's creditworthiness and/or financial standing.

4.1.1.2 **CHINA ONLY** Section 4.3.9 will apply to the Agents holding Standard Accreditation with Cash Facility or Agents holding Standard Accreditation with no Cash Facility for each Location.

4.1.2 Consequences of Risk Events

4.1.2.1 An overview of the consequences which apply upon the occurrence of each Risk Event is set out in section 4.3.

4.2 DEFINITION OF RISK EVENTS

4.2.1.1 Application:

1. Standard Accreditation with no Cash Facility
2. Standard Accreditation with Cash Facility
3. Multi-Country Accreditation
4. Euro-Zone Accreditation

RISK EVENT Payment-Related Events		DESCRIPTION	APPLICATION			
			1	2	3	4
1.	**Late or short payment**	An: • overdue remittance; or • dishonoured remittance; in breach of, or not otherwise excused under, section 6 and for which a Notice of Adjusted Risk Event is issued.	✓	✓	✓	✓
2.	**Payment in the wrong currency**	Failure by the Agent to remit the amount due in the Billing currency in breach of, or not otherwise excused under, section 6 and for which a Notice of Adjusted Risk Event is issued.	✓	✓	✓	✓
3.	**Payment Default**	Failure by the Agent to make an immediate payment to the Clearing Bank by close of business the day following the demand from IATA, including on the occurrence of a payment-related Risk Event per 1 and 2 above.	✓	✓	✓	✓
4.	**Default due to common ownership**	A Default of the Agent in accordance with the provisions of section 6.6.6.	✓	✓	✓	✓
RISK EVENT **Risk Management Related Events**		**DESCRIPTION**	**APPLICATION**			
			1	**2**	**3**	**4**
5.	**Authorisation to use Cash Payment Method for less than 24 Months**	The Agent which has had authorisation to use the Cash Payment Method for a consecutive period of less than 24 months in accordance with section 2.5.4.		✓	✓	✓
6.	**Major change of ownership or change of legal entity**	A change with respect to the Agent which is required to be notified in accordance with section 10.3.1 or 10.3.2, if applicable.	✓	✓	✓	✓
7.	**Unreported change of ownership, legal entity or legal name**	A change with respect to the Agent which is required to be notified in accordance with the provisions of section 10.3 but has not been reported by the Agent when it was required to do so.	✓	✓	✓	✓
8.	**Failure to provide financial statements**	Failure to provide acceptable financial statements, documents or any other information required for the financial assessment of the Agent in accordance with the requirements of section 5.4 and the Local Financial Criteria or Multi-Country Financial Criteria, or Euro-Zone Financial Criteria (as applicable).		✓	✓	✓
9.	**Failure to provide a Financial Security**	Failure by the Agent to provide or maintain a Financial Security in accordance with any provision of this Resolution, including sections 3, 5, 6 and 10.	✓	✓	✓	✓
10.	**Prejudiced collection of funds**	Confirmation by the Travel Agency Commissioner of IATA's invocation of prejudiced collection of funds action, in accordance with section 6.7.1.4.	✓	✓	✓	✓
11.	**Change of Head Entity's location to another market**	A change with respect to the Agent which is required to be notified in accordance with section 10.10.	✓	✓		
12.	**PCI DSS non-compliance**	Failure by Agent using Customer Cards Payment Method, to comply with sections 2.6.3.1–2.6.3.2 and Resolution 890 section 7.2.	✓	✓	✓	✓

4.3 OVERVIEW OF RISK EVENT CONSEQUENCES

4.3.1 General

4.3.1.1 Each Risk Event has defined consequences in this Resolution. For all Accreditation types, the consequences of applicable Risk Events are referenced in sections 4.3.5 to 4.3.11 below. As the consequences of Risk Events referenced under these sections are provided as an overview only, such sections cross-refer to other provisions of this Resolution.

4.3.1.2 Risk Events for the Agent holding Standard Accreditation with Cash Facility, Multi-Country Accreditation or Euro-Zone Accreditation will be included in the Agent's Risk History assessment.

Payment-related Risk Events

4.3.2 Late or Short Payment or Payment in the Wrong Currency

4.3.2.1 If either of the following Risk Events occur:

(a) Late or short payment; or

(b) Payment in the wrong currency,

the provisions and consequences set out in sections 6.6.3 and 6.6.4 respectively will apply.

4.3.3 Payment Default

4.3.3.1 If the Risk Event of a Payment Default occurs, the provisions and consequences set out in sections 6.9, 6.11, 6.12 and 6.13 will apply.

4.3.4 Default Due to Common Ownership

4.3.4.1 If the Risk Event of a Default due to a common ownership occurs, the provisions of section 6.6.6 will be applied and the Payment Default which caused the Risk Event will be recorded in the Agent's Risk History.

Risk Management Related Risk Events

4.3.5 Authorisation to use Cash Payment Method for Less than 24 Months

4.3.5.1 The occurrence of the Risk Event where the Agent has been authorised to use Cash Payment Method for less than 24 Months will only impact the Agent's Risk Status and applicable risk management conditions under section 5. There are no other consequences that apply upon the occurrence of this Risk Event.

4.3.6 Major Change of Ownership or Legal Entity

4.3.6.1 If the Risk Event of a major change of ownership or legal status occurs, the provisions and consequences set out in section 10.3 will apply.

4.3.6.2 If the major change of ownership or legal status results in a change of Risk Status, the applicable Cash Conditions as set out in sections 5.5–5.7 will be applied to the Agent.

4.3.7 Unreported Change of Ownership, Legal Entity or Name

4.3.7.1 If the Risk Event of an unreported change occurs, where such change is required to be notified in accordance with section 10.3, the provisions and consequences set out in section 10.11 will apply.

4.3.8 Failure to Provide Financial Statements

4.3.8.1 If the Risk Event of failure to provide financial statements occurs, the provisions and consequences set out in section 5.4.5 will apply.

4.3.9 Failure to Provide a Financial Security

4.3.9.1 If the Risk Event of a failure to provide a Financial Security occurs, the following will apply:

(a) in the case of the Agent who holds Standard Accreditation with Cash Facility, Multi-Country Accreditation or Euro-Zone Accreditation, the Agent will be immediately restricted by IATA from using the Cash Payment Method, Customer Card Payment Method and Alternative Transfer Methods;

(b) in the case of the Agent who holds Standard Accreditation with no Cash Facility, the Agent will be immediately restricted by IATA from using the Customer Card Payment Method and Alternative Transfer Methods;

(c) except where the Failure to Provide Financial Security occurs under section 5.5.4.1, IATA will issue a written notice to the Agent requiring the Agent to:

  (i) provide the required Financial Security; or

  (ii) in the case of an Agent who holds Standard Accreditation with Cash Facility, validly convert to Standard Accreditation with no Cash Facility in accordance with section 10.6;

  within 60 days of the notice.

4.3.9.2 During the 60 day period under section 4.3.9.1(c), the Agent is permitted to use the EASY PAY Payment Method only, except where such Financial Security is required in accordance with the provisions of section 5.10.2.

4.3.9.3 If at the instruction of IATA, an Electronic Ticketing System Provider is unable to restrict an Agent's use of the Customer Card Payment Method in accordance with the provisions of this Resolution, the System Provider will be instructed to immediately remove the Ticketing Authority of the Agent instead.

4.3.9.4 If the Agent who holds Standard Accreditation with Cash Facility, Multi-Country Accreditation or Euro-Zone Accreditation fails to comply with section 4.3.9.1(c) within the 60 day period, IATA will issue a Termination Notice removing the Agent from the Agency List and terminating the Passenger Sales Agency Agreement in accordance with the process in section 13.

4.3.9.5 If the Agent who holds Standard Accreditation with no Cash Facility fails to comply with section 4.3.9.1(c)(i), within the 60 day period, the Agent is permitted to continue operations using IEP only, until such time as the Agent provides the required Financial Security, except where such Financial Security is required in accordance with the provisions of section 5.10.2.

4.3.9.6 If the Agent who holds Standard Accreditation with no Cash Facility is required to provide a Financial Security as a consequence of the provisions set out in section 5.10.2 IATA will remove the Agent's Ticketing Authority during the 60 day period under section 4.3.9.1(c). If within the 60 day period, the Agent does not provide the required Financial Security, IATA will issue a Termination Notice removing the Agent from the Agency List and terminating the Passenger Sales Agency Agreement in accordance with the process in section 13.

4.3.10 Prejudiced Collection of Funds

4.3.10.1 If IATA invokes the Risk Event of prejudiced collection of funds, the provisions of section 6.7 will be applied.

4.3.11 Change of a Head Entity's Location to Another market

4.3.11.1 If the Risk Event of a change of a Head Entity's location to another market occurs, the provisions and consequences set out in section 10.10 will apply.

4.3.12 PCI DSS non-compliance

4.3.12.1 In the event of a PCI DSS non-compliance, a Risk Event shall be registered as defined in Section 4.2.

4.3.12.2 If the Risk Event for PCI DSS non-compliance results in a change of Risk Status, conditions of Section 5.2.1 will apply. In addition, IATA will immediately restrict the Agent’s use of the Customer Card Payment Method. If at the instruction of IATA, an Electronic Ticketing System Provider is unable to restrict an Agent’s use of the Customer Card Payment Method, IATA will inform the BSP Airlines, for any further action to be taken by them.

4.3.12.3 Such restriction will remain in place until the Agent has demonstrated to IATA’s satisfaction that the Agent is compliant with all applicable requirements for authorisation to use the Customer Card Payment Method.

4.4 RECORD OF RISK HISTORY FOR THE AGENT WHO HOLDS STANDARD ACCREDITATION WITH NO CASH FACILITY

4.4.1 Although section 5.3 does not apply to the Agent who holds Standard Accreditation with no Cash Facility, a record of the Risk History of the Agent will be maintained by IATA for the purposes of assessing a Notice of Change by the Agent for a change of accreditation type in accordance with the provisions of section 10.6.

Section 5—Risk Management and Remittance Holding Capacity

5.1 FRAMEWORK FOR RISK MANAGEMENT AND OPERATION OF REMITTANCE HOLDING CAPACITY

5.1.1 Application of Section 5

5.1.1.1 This section 5 establishes the framework for risk management and operation of the Remittance Holding Capacity.

5.1.1.2 Sections 5.2 to 5.9 and 5.11 apply to the Agent holding Standard Accreditation with Cash Facility, Multi-Country Accreditation or Euro-Zone Accreditation. Nothing in the provisions of sections 5.2 to 5.9 will restrict the Agent's ability to use IEP.

5.1.1.3 Section 5.10 applies to the Agent holding Standard Accreditation with no Cash Facility.

5.1.1.4 **CHINA ONLY** Section 5.5.4, 5.6.3 and 5.9 will apply to the Agent holding Standard Accreditation with Cash Facility for each Location.

5.1.2 Overview of Remittance Holding Capacity

5.1.2.1 A Remittance Holding Capacity will be granted to the Agent authorised to use the Cash Payment Method based on the following risk management components:

(a) the assignment of a Risk Status of “A”, “B” or “C”, as a result of:
  (i) the financial assessment; and
  (ii) the ongoing Risk History assessment of the Agent;

(b) the application of Cash Conditions for the Agent's use of the Cash Payment Method, based on the Agent's Risk Status, or the particular Risk Events that may have been incurred, in terms of:
  (i) provision of a Financial Security; and
  (ii) applicable Remittance Frequency

5.2 DETERMINATION OF RISK STATUS AND CASH CONDITIONS

5.2.1 Risk Status

5.2.1.1 The Risk Status assigned to the Agent is as follows:

(a) a Risk Status of “A” will apply where the Agent has passed both the ongoing Risk History assessment and its latest financial assessment;

(b) a Risk Status of “B” will apply where the Agent has failed either the ongoing Risk History assessment or its latest financial assessment; and

(c) a Risk Status of “C” will apply where the Agent has failed both the ongoing Risk History assessment and its latest financial assessment.

5.2.1.2 Details of ongoing Risk History assessments and the conduct of financial assessments are set out in sections 5.3 and 5.4 respectively.

5.2.1.3 IATA will notify the Agent and BSP Airlines in writing of a change to the Agent's Risk Status and any applicable Cash Conditions.

5.2.2 Cash Conditions

5.2.2.1 Subject to section 5.8, the Risk Status assigned to the Agent will determine the Cash Conditions applied to the Agent as follows:

Risk Status	Accreditation Model	Cash Conditions
A	Standard Accreditation with Cash Facility	• A Financial Security will be required only if applicable under the Local Financial Criteria. • A Remittance Holding Capacity will be granted in accordance with section 5.6.1. • The standard Remittance Frequency for each BSP will be applied.
	Multi-Country Accreditation	• No Financial Security will be required. • A Remittance Holding Capacity will be granted in accordance with section 5.6.1. • The standard Remittance Frequency for each BSP will be applied.
	Euro-Zone Accreditation	• A Financial Security equivalent to 25% of its Amount at Risk will be required, with a minimum amount of EUR 10,000. • A Remittance Holding Capacity will be granted in accordance with section 5.6.1. • The Remittance Frequency shall be four times per month.
B	Standard Accreditation with Cash Facility	• The Agent will be required to provide a Financial Security in accordance with section 5.5.2. • A Remittance Holding Capacity will be granted in accordance with section 5.6.1. • The standard Remittance Frequency for each BSP will be applied.
	Multi-Country Accreditation	• The Agent will be required to provide a Financial Security in accordance with section 5.5.2. • A Remittance Holding Capacity will be granted in accordance with section 5.6.1. • The standard Remittance Frequency for each BSP will be applied.
	Euro-Zone Accreditation	• A Financial Security equivalent to its Amount at Risk will be required, with a minimum amount of EUR 10,000. • A Remittance Holding Capacity will be granted in accordance with section 5.6.1. • The Remittance Frequency shall be four times per month.
C	Standard Accreditation with Cash Facility	• The Agent will be required to provide a Financial Security in accordance with section 5.5.2. • A Remittance Holding Capacity will be granted in accordance with section 5.6.2. • If the BSP has multiple Remittance Frequencies, the Most Frequent Remittance Frequency applicable in the market will be applied.
	Multi-Country Accreditation	• The Agent will be required to provide a Financial Security in accordance with section 5.5.2. • A Remittance Holding Capacity will be granted in accordance with section 5.6.2. • If the BSP has multiple Remittance Frequencies, the Most Frequent Remittance Frequency applicable in the market will be applied.
	Euro-Zone Accreditation	• The Agent will be required to provide a Financial Security in accordance with section 5.5.2.3. • A Remittance Holding Capacity will be granted in accordance with section 5.6.2. • The Remittance Frequency shall be four times per month.

5.2.2.2 Details of the Cash Conditions applicable to the Agent's use of the Cash Payment Method based on Risk Status are set out in sections 5.5 and 5.6.

5.3 ONGOING RISK HISTORY ASSESSMENT

5.3.1 Risk History

5.3.1.1 Risk Events incurred by the Agent will be recorded on an aggregate basis in the Agent's Risk History.

5.3.1.2 Subject to section 5.3.1.3, Risk Events will be recorded in the Agent's Risk History on the date that the Risk Event is incurred.

5.3.1.3 The Risk Event of a Payment Default will be recorded in the Agent's Risk History on the date that the Agent is reinstated in accordance with section 6.13.

5.3.2 Ongoing Risk History Assessment

5.3.2.1 The ongoing Risk History assessment of the Agent will be based on the number and type of Risk Events recorded in the Agent's Risk History.

5.3.2.2 Risk Events will be recorded and remain in the Agent's Risk History for a period of 12 months, other than the following Risk Events which will apply for a period of 24 months:

(a) Authorisation to use Cash Payment Method for less than 24 Months;
(b) Major change of ownership or legal entity;
(c) Payment Default; and
(d) Default due to common ownership.

5.3.2.3 The Agent will fail the Risk History assessment at any point based on the following Risk Events, or combination of Risk Events recorded in the Agent's Risk History:

(a) one recorded occurrence of any of the following Risk Events:
    (i) Authorisation to use Cash Payment Method for less than 24 Months;
    (ii) Major change of ownership or legal entity;
    (iii) Payment Default;
    (iv) Default due to common ownership;
    (v) PCI DSS non-compliance.
(b) two recorded occurrences of any of the following Risk Events:
    (i) Failure to provide financial statements;
    (ii) Failure to provide Financial Security;
    (iii) Unreported change of ownership, legal entity or name;
    (iv) Change of Head Entity's location to another market;
    (v) Prejudiced Collection of Funds;
(c) the number of recorded occurrences of the following Adjusted Risk Events, will be determined on the basis of applicable Remittance Frequency in accordance with section 5.3.3:
    (i) Late or short payment; and/or
    (ii) Payment in the wrong currency,
(d) the number of recorded occurrences of those combinations of Risk Events as set out in section 5.3.4.

5.3.2.4 Should the Agent fail the Risk History assessment, such failure will apply for a minimum of 12 months from the date of the Risk Event which caused the failure, regardless of a change in the Agent's remittance frequency.

5.3.3 Treatment of Adjusted Risk Events in the Risk History Assessment

5.3.3.1 The number of recorded occurrences of Adjusted Risk Events within the previous 12 months, in accordance with section 5.3.2.3(c), that will cause the Agent holding Standard Accreditation to fail the Risk History assessment is based on the Remittance Frequency of the Agent and applies as follows:

Remittance Frequency	Number of Occurrences Required to Fail Risk History Assessment
Twice per month	Two occurrences
Three or four times per month	Three occurrences
More frequent Remittance Frequency than Weekly	Six occurrences

5.3.3.2 The number of recorded occurrences of Adjusted Risk Events within the previous 12 months, in accordance with section 5.3.2.3(c), that will cause the Agent holding Multi-Country Accreditation or Euro-Zone Accreditation to fail the risk history assessment is aggregated across all BSPs in which the Agent participates. Failure of the Risk History assessment will occur when the aggregated Adjusted Risk Events equal the lower of:

(a) 0.75% of the aggregate number of remittances applicable to the Agent over the previous 12 months but no less than 3 Adjusted Risk Events; or
(b) 120 Adjusted Risk Events accumulated over the previous 12 months.

5.3.4 Treatment of Combinations of Risk Events and the Risk History Assessment

5.3.4.1 The number of combined recorded occurrences of:

(a) a Risk Event in accordance with section 5.3.2.3(b) and
(b) one or more Adjusted Risk Events,

that will cause an Agent holding Standard Accreditation to fail its Risk History assessment for the purposes of section 5.3.2.3(d) is as follows:

Remittance Frequency	Number of Occurrences Required to Fail the Risk History Assessment	
	Risk Event per section 5.3.2.3(b)	Adjusted Risk Event
Twice or less per month	One occurrence	One occurrence
Three or four times per month	One occurrence	Two occurrences
More frequent Remittance Frequency	One occurrence	Three occurrences

5.3.4.2 For an Agent holding Multi-Country Accreditation or Euro-Zone Accreditation, failure of the Risk History assessment will occur when the number of combined recorded occurrences of:

(a) a Risk Event per section 5.3.2.3(b); and

(b) one or more Adjusted Risk Events in aggregate across all BSPs, is as follows:

Total Number of Remittances Per Year Across BSPs	Number of Occurrences Required to Fail the Risk History Assessment	
	Risk Event	Adjusted Risk Event
< 500	One occurrence	Three occurrences
501-750	One occurrence	Four occurrences
751-1,000	One occurrence	Six occurrences
1,001-2,000	One occurrence	Eight occurrences
2,001-5,000	One occurrence	Fifteen occurrences
> 5,000	One occurrence	Thirty occurrences

5.3.5 Requirement for an Agent to Issue Standard Traffic Documents

5.3.5.1 An Agent that does not issue Standard Traffic Documents for a period in excess of twelve months shall have its Ticketing Authority removed by the Agency Administrator.

5.3.5.2 If the Agent subsequently requests that its Ticketing Authority is reinstated, the BSP Airlines may, in their individual discretion, provide the Agent with Ticketing Authority.

5.4 FINANCIAL ASSESSMENTS

5.4.1 Introduction

△ **5.4.1.1** Except for initial Applicants for Standard Accreditation with Cash Facility and an Agent opting-out under section 5.4.6, an Agent is required to undergo a financial assessment:

(a) in the case of the Agent holding Standard Accreditation with Cash Facility, annually or for cause at any time, in accordance with sections 5.4.2, 5.4.3, 5.11 and the applicable Local Financial Criteria; and

(b) in the case of the Agent holding Multi-Country Accreditation, quarterly or for cause at any time, in accordance with sections 5.4.2, 5.4.4 and the Multi-Country Financial Criteria;

(c) In the case of the Agent holding Euro-Zone Accreditation, annually or for cause at any time in accordance with sections 5.4.2, 5.4.3, 5.11 and the Euro-Zone Financial Criteria.

5.4.2 Provision of Information for the Conduct of Financial Assessments

5.4.2.1 Subject to section 5.4.2.2, the Agent must provide acceptable financial statements, documents or any other information necessary to conduct a financial assessment under this section. Such statements, documents or other information must be provided within 30 days of IATA's request.

5.4.2.2 If:

(a) the Agent has requested prior to the due date an extension to the date for the provision of documents for financial assessment under section 5.4.2.1; and

(b) IATA is satisfied that the Agent has made all reasonable efforts to meet the 30 day due date under section 5.4.2.1,

IATA, in its sole discretion, can agree to an extension of up to seven days by written notice to the Agent and an administrative fee as established under Attachment 'H' will be applied.

5.4.3 Financial Assessments for the Agent Holding Standard Accreditation with Cash Facility

5.4.3.1 The financial standing of the Agent holding Standard Accreditation with Cash Facility will be assessed by IATA, after 24 months from its Accreditation, annually or for cause at any time by analysis of the financial statements, documents and other information provided by the Agent in accordance with section 5.4.2, in accordance with the applicable Local Financial Criteria.

5.4.3.2 Annual Financial assessments may be waived by IATA where it is certain that the outcome of the assessment will not impact the status of the Agent as:

1. the Financial Security provided is equal to the Agent's Remittance Holding Capacity, or
2. the Agent has recently been assessed for cause and the financial statements, documentation, and other information to be assessed have not changed.

5.4.3.3 At the conclusion of each financial assessment conducted in accordance with section 5.4.3.1, IATA will determine whether the Agent has passed or failed the financial assessment in accordance with the Local Financial Criteria and notify the Agent in writing through the IATA Customer Portal.

5.4.4 Financial Assessment for the Agent Holding Multi-Country Accreditation or Euro-Zone Accreditation

5.4.4.1 The financial standing of the Agent holding Multi-Country Accreditation will be assessed by IATA quarterly or for cause at any time by analysis of the financial statements, documents and other information provided by the Agent in accordance with section 5.4.2, in accordance with the Multi-Country Financial Criteria.

5.4.4.2 The financial standing of the Agent holding Euro-Zone Accreditation will be assessed by IATA annually or for cause at any time by analysis of the financial statements, documents, and other information provided by the Agent in accordance with section 5.4.2, in accordance with the Euro-Zone Financial Criteria.

5.4.4.3 At the conclusion of each financial assessment in accordance with section 5.4.4.1, IATA will determine whether the Agent has passed or failed the financial assessment in accordance with the Multi-Country Financial Criteria or Euro-Zone Financial Criteria and notify the Agent in writing through the IATA Customer Portal.

5.4.5 Failure to Provide Financial Statements

Obligation to remedy

5.4.5.1 If the Risk Event of a failure to provide financial statements occurs, the Agent must remedy the Risk Event by providing the required information to IATA within 30 days of the original due date, in accordance with section 5.4.2.

Impact on Risk Status and applicable Cash Conditions

5.4.5.2 Failure to provide financial statements by the due date under section 5.4.5.1 will result in:

(a) the inability to conduct the financial assessment to determine whether the Agent passes or fails such financial assessment;

(b) the Agent's Risk Status continuing to be determined by reference to the outcome of the latest financial assessment that was conducted;

and:

(c) where IATA does not hold a Financial Security for the Agent, removal of the Cash Payment Method, Customer Card Payment Method and Alternative Transfer Methods unless and until such time that the Agent chooses to provide a Financial Security; or

(d) where IATA does hold a Financial Security, the Cash Conditions referred to in section 5.8.1 being applied to the Agent.

5.4.5.3 If at the instruction of IATA, an Electronic Ticketing System Provider is unable to restrict an Agent's use of the Customer Card Payment Method in accordance with the provisions of this Resolution, the System Provider will be instructed to immediately remove the Ticketing Authority of the Agent instead.

5.4.5.4 IATA will reassess the Agent's Risk Status and applicable Cash Conditions upon receipt of the documents for financial assessment under section 5.4.2.1.

Termination action

5.4.5.5 Unless the Agent is approved to opt out of financial assessments under section 5.4.6, within 12 months following the date established in accordance with section 5.4.5.2, the Agent must provide the information required for the conduct of its next financial assessment otherwise IATA will issue a Termination Notice in accordance with the provisions of section 13.

Levy of administration charge

5.4.5.6 IATA may, if agreed by the Conference, use the procedures of the BSP to levy an administration charge on relevant Agents to cover additional workload caused by the failure to provide, or late provision of, required information or documentation for the conduct of any financial assessment under this section 5.4.

5.4.6 Opting out of Annual Financial Assessments

5.4.6.1 After 24 months from its Accreditation, an Agent holding Standard Accreditation with Cash Facility or an Agent holding Euro-Zone Accreditation may apply to IATA in writing for approval to continue to not to be subject to annual financial assessments, as per section 5.4.1.

5.4.6.2 Subject to section 5.4.6.3, IATA will approve the Agent's application by written notice to the Agent, and in which case:

(a) the Agent will no longer be assigned a Risk Status;

(b) the Cash Conditions referred to in section 5.8.2 will apply to the Agent, including that the Remittance Holding Capacity will be equal to the amount of Financial Security provided; and

(c) IATA will notify the Agent and BSP Airlines in writing of the matters in sections 5.4.6.2(a) and (b) above.

5.4.6.3 IATA will not approve the Agent's application until such time as the Agent has provided a Financial Security as requested by IATA, in accordance with the applicable Local Financial Criteria.

5.4.6.4 If the Agent's application:

(a) has been approved prior to, or as at, the due date for provision of information for the conduct of the upcoming annual financial assessment under section 5.4.2, no Risk Event of a failure to provide financial statements will be recorded in the Agent's Risk History; or

(b) has not been approved at the due date for provision of information for the conduct of the upcoming annual financial assessment under section 5.4.2, the Risk Event of a failure to provide financial statements will be recorded in the Agent's Risk History.

5.4.6.5 The Agent may opt-in to annual financial assessments at any time by written notice to IATA, and in which case:

(a) subject to section 5.4.5:

(i) IATA will conduct a financial assessment for cause in respect of the Agent under section 5.4.3; and

(ii) the Agent will be assigned a Risk Status in accordance with section 5.2.1; and

(b) Cash Conditions will be applied to the Agent in accordance with section 5.2.2.

5.5 CASH CONDITION–FINANCIAL SECURITY

5.5.1 Agent with Risk Status "A"

5.5.1.1 The Agent holding Standard Accreditation with Cash Facility and having Risk Status "A", must provide a Financial Security in accordance with the applicable Local Financial Criteria, if such Local Financial Criteria requires the provision of a Financial Security.

5.5.1.2 The Agent holding Multi-Country Accreditation and having Risk Status "A" is not required to provide a Financial Security.

5.5.1.3 The Agent holding Euro-Zone Accreditation and having Risk Status "A" is required to provide a Financial Security equivalent to 25% of its Amount at Risk with a minimum amount of EUR 10,000.

5.5.2 Agent with Risk Status "B" or "C"

5.5.2.1 The Agent holding Standard Accreditation and having Risk Status "B" or "C" must provide a Financial Security in accordance with the applicable Local Financial Criteria, provided that such financial security will only be requested if the amount is equal to or higher than USD 5,000 or the equivalent in local currency. The amount of Financial Security the Agent must provide will be calculated and subject to any minimum or maximum amount established in the Local Financial Criteria.

5.5.2.2 The Agent holding Multi-Country Accreditation and having Risk Status "B" or "C" must provide a Financial Security in accordance with the Multi-Country Financial Criteria.

5.5.2.3 The Agent holding Euro-Zone Accreditation and having Risk Status "B" or "C" must provide a Financial Security in accordant with the Euro-Zone Financial Criteria with a minimum amount of EUR 10,000.

5.5.3 Timing for Provision of a Financial Security

5.5.3.1 If the Agent is required to provide or increase the amount of Financial Security in accordance with section 3 or this section 5.5, such Financial Security or increased Financial Security must be provided within 30 days (40 days in Antigua & Barbuda, Argentina, Aruba, Bahamas, Barbados, Belize, Bolivia, Bonaire, Brazil, British Virgin Islands, Canada, Cayman Islands, Costa Rica, Colombia, Curacao, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Hong Kong (SAR, China), Jamaica, Macau (SAR, China), Montserrat, Nicaragua, Panama, St Kitts & Nevis, St Lucia, St Maarten, St Vincent & the Grenadines, Suriname, Trinidad & Tobago, Tunisia, Turks & Caicos and Venezuela) of IATA's request.

5.5.4 Failure to Provide a Financial Security

Increase in Financial Security

5.5.4.1 Where the request relates to an increase in the amount of a Financial Security and IATA already holds a Financial Security for that Agent, failure to provide the increase in the amount of the Financial Security; as required in the applicable Financial Criteria; by the deadline will result in the Agent's Remittance Holding Capacity being reduced in accordance with section 5.9.4.

New Financial Security

5.5.4.2 Subject to section 5.5.4.3, where the request relates to the provision of a new Financial Security, failure to provide the Financial Security by the deadline will result in a Risk Event for failure to provide a Financial Security and IATA will remove the Cash Payment Method, Customer Card Payment Method and Alternative Transfer Methods from the Agent until the Financial Security is received by IATA.

5.5.4.3 If the Agent fails to provide the Financial Security to IATA within a further 60 days of the original due date for provision of such information under section 5.5.3.1, IATA will send a Termination Notice to the Agent in accordance with the provisions of section 13.

5.6 CASH CONDITION–REMITTANCE HOLDING CAPACITY

5.6.1 Risk Status "A" and "B"

5.6.1.1 Subject to sections 5.6.1.4, the Remittance Holding Capacity granted to the Agent will be determined by the Risk Status 'A' or 'B' of the Agent and the Amount at Risk, and will be calculated under the following formula in respect of the Agent in each applicable market:

Remittance Holding Capacity			
Tier	**Amount at Risk**	**Risk Status A**	**Risk Status B**
1	Up to USD 5,000,000	(Total Days × Total BSP Cash Turnover 3 highest Reporting Periods/Days in Reporting Period × 3) x 2	(Total Days × Total BSP Cash Turnover 3 highest Reporting Periods/Days in Reporting Period × 3) x 1.5
2	USD 5,000,001 – USD 10,000,000	(Total Days × Total BSP Cash Turnover 3 highest Reporting Periods/Days in Reporting Period × 3) x 1.75	(Total Days × Total BSP Cash Turnover 3 highest Reporting Periods/Days in Reporting Period × 3) x 1.35
3	More than USD 10,000,000	(Total Days × Total BSP Cash Turnover 3 highest Reporting Periods/Days in Reporting Period × 3) x 1.50	(Total Days × Total BSP Cash Turnover 3 highest Reporting Periods/Days in Reporting Period × 3) x 1.20

where:

"Total Days" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period(s) applicable to the Agent in the applicable market;

"Total BSP Cash Turnover 3 highest Reporting Periods" means the total cash turnover of the Agent in the applicable market over the three highest Reporting Periods of the 12 months prior to the date the Remittance Holding Capacity is calculated; and

5.6.1.2 For countries with individualised airline Reporting Periods, the Remittance Holding Capacity will be calculated by aggregating the amounts calculated under the formula in section 5.6.1.1 for each individualised frequency of Remittance, using the three highest Reporting Periods for each frequency.

5.6.1.3 Subject to the provisions of sections 5.8 and 5.9.3–5.9.5, or a change to the Agent's Risk Status, the Remittance Holding Capacity calculated under section 5.6.1.1 will apply for a period of 12 months from the date of calculation.

5.6.1.4 Where an Agent holding Standard Accreditation with Cash Facility is required to provide, in accordance with applicable Local Financial Criteria, a Financial Security for an amount that is higher than the amount calculated under the formula in section 5.6.1.1 above, the Remittance Holding Capacity granted to the Agent will be equal to the amount of the Financial Security provided.

5.6.1.5 For the Agent having Risk Status "A", the Remittance Holding Capacity granted will be not less than the equivalent of USD 10,000.

5.6.1.6 For the Agent holding Multi-Country Accreditation, the Remittance Holding Capacity determined under section 5.6.1.1 will be established, at the Agent's option, in one of the following currencies:

(a) United States Dollar (USD);
(b) Euro (EUR);
(c) Pound Sterling (GBP);
(d) Australian Dollar (AUD);
(e) Singapore Dollar (SGD),

by conversion of each amount to be aggregated under section 5.6.1.1 into the selected currency.

For the Agent holding Euro-Zone Accreditation, the Remittance Holding Capacity determined under section 5.6.1.1 will be established in Euro (EUR).

5.6.1.7 In the event that the Remittance Frequency in a market changes and/or an Agent voluntarily elects to remit on a different frequency, the Agent's Remittance Holding Capacity will be recalculated taking into consideration the revised Remittance Frequency.

5.6.2 Agent with Risk Status "C"

5.6.2.1 The Remittance Holding Capacity granted to the Agent having Risk Status "C" will be equal to the amount of the Financial Security provided by the Agent.

5.6.2.2 For the Agent holding Multi-Country Accreditation, the Remittance Holding Capacity will be established, at the Agent's option, in one of the currencies set out in section 5.6.1.6.

5.6.2.3 For the Agent holding Euro-Zone Accreditation, the Remittance Holding Capacity will be established in Euro (EUR).

5.6.3 CHINA ONLY The Remittance Holding Capacity granted to the Agent, regardless of its Risk Status, will be at all times equal to 90% of the total Financial Security amount provided by the Agent.

5.6.4 CHINA ONLY GoLite Agents are required to provide a Financial Security calculated as per provisions of the Local Financial Criteria.

5.7 CASH CONDITION–REMITTANCE FREQUENCY

5.7.1 Agent with Risk Status "A" and "B"

5.7.1.1 For the Agent having Risk Status "A" or "B" the standard Remittance Frequency of each market will be applied to the Agent, unless the Agent has requested a more frequent Remittance Frequency in accordance with the provisions of section 6.

5.7.1.2 For an Agent with Euro-Zone Accreditation the Remittance Frequency is four times per month.

5.7.2 Agent with Risk Status "C"

5.7.2.1 For the Agent having Risk Status "C", the Most Frequent Remittance Frequency applicable in the market will be applied to the Agent.

5.7.2.2 For an Agent with Euro-Zone Accreditation the Remittance Frequency is four times per month.

5.7.3 Effective Date of Changes to Remittance Frequency

5.7.3.1 Where a change to the Agent's Risk Status results in a change to the applicable Remittance Frequency in accordance with the provisions of this section 5.7, being a change from Risk Status:

(a) "B" to "C"; or

(b) "C" to "B",

the new Remittance Frequency will take effect on the date of commencement of the next Remittance Period.

5.8 CASH CONDITIONS APPLICABLE IN RELATION TO SPECIFIC RISK EVENTS OR FINANCIAL ASSESSMENTS

5.8.1 Financial Assessment Cannot be Conducted

5.8.1.1 Where a financial assessment cannot be conducted due to the Risk Event of a failure to provide financial statements which is not remedied in accordance with section 5.4.5 and IATA holds a Financial Security for that Agent, the Cash Conditions relevant to Risk Status "C" will be applied to the Agent, regardless of the Agent's current Risk Status.

5.8.2 Agent Has Opted-out from the Obligation to Undergo Financial Assessment

5.8.2.1 Where IATA has approved the Agent's application to opt out of its financial assessments in accordance with section 5.4.6, the Cash Conditions relevant to Risk Status "C" will be applied to the Agent regardless of the Agent's current Risk Status from the date of IATA's approval.

5.8.3 Authorisation to Use Cash Payment Method for Less Than 24 Months

5.8.3.1 For the period during which the Risk Event of Authorisation to use Cash Payment Method for less than 24 Months remains in the Agent's Risk History, the Remittance Holding Capacity made available to the Agent will be equal to the amount of Financial Security provided.

5.8.4 Agent Reinstatement Following a Payment Default

5.8.4.1 Where the Agent has been reinstated to the Agency List by IATA in accordance with section 6 following a Payment Default, the Cash Conditions relevant to Risk Status "C" will be applied to the Agent for 24 months, regardless of the Agent's current Risk Status, from the date on which IATA reinstates the Agent to the Agency List.

5.9 OPERATION OF REMITTANCE HOLDING CAPACITY

5.9.1 Application

5.9.1.1 To the extent of any inconsistency between the Cash Conditions established under sections 5.5 to 5.8 and this section, the provisions of this section will take precedence.

5.9.2 Remittance Holding Capacity Monitoring

5.9.2.1 IATA will continuously monitor the Agent's sales and notify the Agent through the IATA Customer Portal (ASD for China) when All Amounts Owing have reached:

(a) 50% of the Agent's Remittance Holding Capacity; and

(b) 75% of the Agent's Remittance Holding Capacity.

5.9.2.2 The notification will state the amount of the Remittance Holding Capacity already used and the amount remaining to be used, in the Billing currency.

5.9.2.3 For countries operating in a dual currency BSP, All Amounts Owing will be calculated by converting the Agent's sales to the currency in which the Remittance Holding Capacity has been granted using the daily exchange rate published in the IATA Consolidated Exchange Rates (ICER) file.

5.9.3 Reaching or Exceeding the Remittance Holding Capacity (Except Antigua and Barbuda, Aruba, Bahamas, Barbados, Bonaire, Saba, St. Eustatius, Cayman Islands, Curacao, Dominica, Fiji, French Polynesia, Georgia, Grenada, Guyana, Haiti, Jamaica, Macao (SAR, China), Malawi, Marshall Islands, Mauritania, Micronesia (Federal States of), Monserrat, New Caledonia, Nicaragua, Northern Mariana Islands, Palau, Papua New Guinea, Saint Kitts & Nevis, Saint Lucia, Saint Maarten, Saint Vincent and the Grenadines, Samoa, Surinam, Tonga, Turks and Caicos' Islands, Virgin British Islands and Wallis and Futuna)

5.9.3.1 If All Amounts Owing are, at any time, equal to or higher than the Remittance Holding Capacity, the Cash Payment Method will be removed from the Agent, (but other authorised Payment Methods, in accordance with section 2.1.2.1, will continue to be available), until the Agent has either:

(a) remitted in advance of, or on, the Remittance Date, to reduce All Amounts Owing below its Remittance Holding Capacity; or

(b) in the case of the Agent holding Standard Accreditation with Cash Facility, Multi-Country Accreditation, or Euro-Zone Accreditation with Risk Status A or B, provide an additional Financial Security amount, in accordance to the applicable Financial Criteria to increase its Remittance Holding Capacity by the same amount of any additional Financial Security provided.

5.9.3.2 During the period where the Agent is restricted from using the Cash Payment Method under section 5.9.3.1, the Agent may continue to use the Customer Card Payment Method, Alternative Transfer Methods, if so authorised by the individual BSP Airlines, and IEP.

5.9.4 Management of Remittance Holding Capacity Where All Amounts Owing Are Less Than the Remittance Holding Capacity

5.9.4.1 For Agents holding Standard Accreditation with Cash Facility, Agents holding Multi-Country Accreditation, or Euro-Zone Accreditation, if All Amounts Owing are, at any time, lower than the Remittance Holding Capacity, the Agent may reduce the amount of the Financial Security provided in accordance with sections 5.5, 5.9.3.1(b) or any other section of this Resolution:

(a) provided that such amount will not be less than the required amount for the Agent, in accordance to the applicable Financial Criteria or section 5.11 of this Resolution, the Remittance Holding Capacity will be decreased by the same amount of decrease in the Financial Security amount;

(b) if such amount will be less than the required amount for the Agent in accordance to the applicable Financial Criteria or section 5.11 of this Resolution, the Remittance Holding Capacity amount will be decreased to be equal to the Financial Security amount provided by the Agent, at all times respecting any minimum amount as required in the applicable Financial Criteria.

5.9.4.2 Notwithstanding any other provision under this section 5, the Agent may at any time increase its Remittance Holding Capacity by either:

(a) providing IATA with a Financial Security for a higher amount, or,

(b) for the Agent with Risk Status “A” in a market with no minimum Financial Security requirement, providing a new Financial Security.

The Remittance Holding Capacity will be increased by the same amount of the new or additional Financial Security amount provided.

5.9.5 Recalculation of the Remittance Holding Capacity

5.9.5.1 At a minimum of once per annum, IATA will review and recalculate the Agent's Remittance Holding Capacity.

5.9.5.2 Notwithstanding any other provision in this section 5, IATA may at any time, for cause, recalculate the Remittance Holding Capacity of the Agent.

5.9.5.3 Notwithstanding any other provision in this section 5, the Agent may request, at any time, a recalculation of its Remittance Holding Capacity.

5.9.5.4 The result of the recalculation and the new Remittance Holding Capacity amount will be communicated to the Agent through the IATA Customer Portal (ASD for China).

5.9.6 Effective Date of Changes to the Remittance Holding Capacity

5.9.6.1 Changes to the Agent's Remittance Holding Capacity will take effect immediately.

5.9.7 Exceptional Adjustments to the Remittance Holding Capacity

5.9.7.1 In consultation with the PSG and the APJC, the Agency Administrator may as a result of force majeure or other economic circumstances, temporarily adjust the Remittance Holding Capacity calculation applicable in a market. Such market adjustments will be reviewed no less than on a quarterly basis.

5.9.7.2 In response to local economic circumstances, an APJC may request to the Agency Administrator a market adjustment of the Remittance Holding Capacity. Any APJC request must be substantiated with written evidence, and will be subject to the approval of the Agency Administrator with the agreement of the PSG.

5.9.7.3 Any exceptional market adjustment will be communicated to all Agents and Airlines in the market.

5.10 RISK MANAGEMENT FOR STANDARD ACCREDITATION WITH NO CASH FACILITY

5.10.1 Authorisation to Use the Customer Card Payment Method

5.10.1.1 For authorisation to use the Customer Card Payment Method, the Agent holding Standard Accreditation with no Cash Facility must provide and maintain a Financial Security satisfactory to IATA to cover any cash remittances, resulting from ADMs or other Accountable Transactions, due by the Agent.

5.10.1.2 The minimum Financial Security amount provided by the Agent must not be less than the total BSP cash turnover, resulting from any Accountable Transactions, in the highest calendar quarter of the previous twelve consecutive months, provided that such financial security will only be requested if the amount is equal to or higher than USD 5,000 or the equivalent in local currency. In case the Agent has undergone a change of accreditation type to Standard Accreditation with no Cash Facility, in accordance with section 10.6, any Cash sales issued prior to such change will not be considered in the Financial Security calculation.

5.10.1.3 If at any time, the Agent's existing Financial Security is insufficient to cover the total BSP Cash turnover per the provisions of section 5.10.1.2, the amount of Financial Security required must be increased.

5.10.1.4 IATA may review the Financial Security amount provided by the Agent for cause at any time.

5.10.2 Authorisation to Use IEP

5.10.2.1 For authorisation to use IEP, the Agent holding Standard Accreditation with no Cash Facility with only access to this payment method, is not required to provide a Financial Security unless the Agent's total BSP Cash turnover in a calendar quarter exceeds USD 5,000 at any time. In such case, the Agent must provide a Financial Security for an amount not less than the total BSP cash turnover of the applicable quarter or USD 5,000, whichever amount is greater.

5.10.2.2 Any Financial Security provided will be maintained for a minimum of twelve months.

5.10.2.3 If at any time, the Agent's existing Financial Security is insufficient to cover the total BSP cash turnover per the provisions of section 5.10.2.1, the amount of Financial Security required must be increased.

5.10.2.4 IATA may review the Financial Security amount provided by the Agent for cause at any time.

5.10.3 Timing for Provision of a Financial Security

5.10.3.1 If the Agent is required to provide or increase the amount of Financial Security in accordance with this section 5.10, such Financial Security or increased Financial Security must be provided within 30 days (40 days in Antigua & Barbuda, Argentina, Aruba, Bahamas, Barbados, Belize, Bolivia, Bonaire, Brazil, British Virgin Islands, Canada, Cayman Islands, Costa Rica, Colombia, Curacao, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Hong Kong (SAR, China), Jamaica, Macau (SAR, China), Montserrat, Nicaragua, Panama, St Kitts & Nevis, St Lucia, St Maarten, St Vincent & the Grenadines, Suriname, Trinidad & Tobago, Tunisia, Turks & Caicos and Venezuela) of IATA's request.

5.10.4 Failure to Provide a Financial Security

5.10.4.1 Failure to provide the Financial Security by the deadline will result in a Risk Event for failure to provide a Financial Security, or to meet the requirement of an increase in the amount of a Financial Security as requested by IATA, IATA will remove the Customer Card Payment Method and Alternative Transfer Methods from the Agent until the Financial Security is received by IATA.

5.10.4.2 If the Agent fails to provide the Financial Security to IATA within a further 60 days of the original due date for provision of such information under section 5.10.1 and 5.10.2, IATA will send a Termination Notice to the Agent in accordance with the provisions of section 13.

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

5.11.1 At any point, an Agent with an Amount at Risk greater than USD 5,000,000, will be subject to additional financial and operational reviews of the Agent's business in accordance to the Multi-country Assessment Framework as established in Attachment ‘E’ of this Resolution (or, for Euro-Zone Accreditation, the Euro-Zone Financial Criteria as established in Attachment ‘E-EUR’ of this Resolution). Any cost associated with such review will be borne by the Agent.

5.11.2 To pass the assessment, the Agent must pass all sections of the framework in accordance to Attachment ‘E’ (or, for Euro-Zone Accreditation, ‘E-EUR’) of this Resolution.

5.11.3 If the Agent fails any section of the framework, in accordance to Attachment ‘E’ of this Resolution, the Agent will be required to provide a Financial Security to cover any Amount At Risk in excess of USD 5,000,000. The Financial Security requirements for any Amount At Risk below USD 5,000,000 shall continue to be governed by the Local Financial Criteria (or, for Euro-Zone Accreditation, the Euro-Zone Financial Criteria).

5.11.4 The Risk Status of the Agent will not be impacted regardless of the outcome for any financial assessments that takes place as a result of Section 5.11 of this Resolution.

5.11.5 Notwithstanding the requirements as established in 5.11.1-5.11.3 of this section, the Agent will continue to undergo annual examination of its financial standing in accordance to section 5.4.1 of this Resolution.

5.11.6 An Agent with an Amount at Risk greater than USD 5,000,000 may reduce its Amount At Risk by considering any of the following alternatives:

5.11.6.1 voluntarily remit at a more frequent Remittance Frequency available in the market;

5.11.6.2 conduct BSP sales through payment methods other than Cash Payment Method (such as customer card, IATA EASY PAY or Alternative Transfer methods).

Section 6—Framework for Reporting and Remitting

6.1 Application

6.1.1 This section 6 is applicable to sales made by the Agent on behalf of BSP Airlines. All Amounts Owing must be remitted to IATA in accordance with this section.

6.1.2 The following parts of this section 6 apply to the Agent when it is using:

(a) the Cash Payment Method–sections 6.2 to 6.14;

(b) the Customer Card Payment Method or any Alternative Transfer Method where ADMs have been issued in accordance with Resolution 850m–sections 6.2 to 6.14; and

(c) the IATA EASY PAY Payment Method (IEP)–sections 6.15 to 6.18.

6.2 MONIES DUE ON ISSUE OF STANDARD TRAFFIC DOCUMENTS

6.2.1 Preferred Method of Remittance

6.2.1.1 The preferred methods of remittance for Accountable Transactions are:

(a) electronic funds transfer; or

(b) business-to-business direct debit.

6.2.1.2 For the purpose of section 6.2.1.1(b), business-to-business direct debit means a direct debit system and jurisdiction which imposes strict conditions and time limits not exceeding 2 banking days for revocation of the transfer by the payer or the payer's bank.

6.2.1.3 Where the Agent uses business-to-business direct debit as the method of remittance, the Agent must provide IATA with:

(a) an authorisation form permitting the Clearing Bank to debit the Agent's trust account or other bank account in favour of IATA, for payment of All Amounts Owing in accordance with this section 6; and

(b) any other relevant information that IATA requires in order to effect the business-to-business direct debit.

6.2.1.4 When the Agent intends to change its bank account(s), the Agent must give IATA 30 days' advance notice by certified/registered mail, or certified letter with return receipt, as appropriate.

6.2.1.5 When either of the methods of remittance referred to in section 6.2.1.1 are available in a market and unless required by applicable local law, other methods of remittance are discouraged.

6.2.2 Reviewing Methods of Remittance

6.2.2.1 Each APJC must evaluate the methods of remittance available in their market at least once per annum taking into account the preferred methods of remittance in section 6.2.1 and any local conditions that may apply. This provision will not apply to markets where any of the preferred methods of remittance have been adopted.

6.2.3 When Monies Fall due for the Cash Payment Method

6.2.3.1 The Agent will issue Standard Traffic Documents in accordance with this Resolution at the same time it collects payment for transportation in respect of which reservations have been made for the services of a BSP Airline.

6.2.3.2 The amount payable by the Agent to a BSP Airline for the issue of Standard Traffic Documents are deemed due by the Agent to the BSP Airline when the Standard Traffic Document is issued, and must be remitted in accordance with the provisions of section 6.5.

6.2.3.3 The amount payable by the Agent to a BSP Airline for Traffic Documents issued by the BSP Airline on behalf of the Agent and reported through the BSP will be due by the Agent to the BSP Airline when the Traffic Documents are issued. The amount payable for such Traffic Documents must be remitted in accordance with the provisions of section 6.5 in the same way as if the Agent had issued Standard Traffic Documents.

6.2.3.4 In the event that the Agent is declared insolvent, bankrupt, is placed in receivership or judicial administration, goes into liquidation or becomes subject to any other similar legal process affecting its normal operation, then notwithstanding any other provision of this section 6 All Amounts Owing are immediately due and payable by the Agent.

6.2.3.5 In circumstances where a BSP Airline is suspended from the BSP, the amounts due to the BSP Airline under this section 6 must be treated in accordance with the provisions of Resolution 850.

6.2.4 Remittance Currency

6.2.4.1 The Agent must remit in the currency reported on the Standard Traffic Document and billed to the Agent in accordance with section 6.4.

6.3 REPORTING

6.3.1 Length of Reporting Period

6.3.1.1 For each market, the Conference will establish the length of the Reporting Period most suitable for the efficient operation of that market, taking into account the recommendation of the APJC.

6.4 BILLINGS

6.4.1 The Data Processing Centre will compute and prepare a Billing in respect of each Agent in accordance with the requirements of the Conference. Such Billings will incorporate all Accountable Transactions with respect to the Agent.

6.4.2 The Conference will establish the frequency at which Billings will be provided to the Agent.

6.4.3 Where a BSP allows for Standard Traffic Documents to be issued in more than one currency, a Billing will be produced for each currency used.

6.5 REMITTANCE

6.5.1 The provisions of this section 6.5 govern the general remittance procedures and frequencies for the remittance of Billings by the Agent.

6.5.2 General Remittance Procedures

6.5.2.1 The Agent must remit all amounts due in respect of Accountable Transactions and any applicable local charges directly to the Clearing Bank.

6.5.2.2 Where the Agent receives Billings in more than one currency the Agent must remit in the currency of each relevant Billing.

6.5.2.3 Any transactions not processed in previous Reporting Periods will be included in the next Billing.

6.5.2.4 The Agent shall ensure that the amount specified on the Billing for the Remittance Period under settlement reaches the Clearing Bank account by the Remittance Date. If, exceptionally, the Agent has not received such Billing by the Remittance Date the Agent shall:

(a) on the Remittance Date, remit the amount its records indicate is owing in respect of such Remittance Period or, in a direct debit situation, the amount determined by ISS Management, and

(b) immediately upon receipt of the delayed Billing, remit any shortage between the remittance made pursuant to Subparagraph 6.5.2.4(a) above and the amount of the Billing.

(c) if the Agent fails to remit any such shortage immediately it shall be deemed to be an overdue remittance and Irregularity and Default procedures shall apply in accordance with Subparagraph 6.6.3.

6.5.3 Frequency of Remittance

6.5.3.1 The Conference will establish the standard Remittance Frequency and, if considered appropriate, any additional more frequent Remittance Frequencies for Agent remittances in each market. The relevant Remittance Date will be communicated to all Agents participating in each BSP.

6.5.3.2 The Remittance Frequencies and any exceptions as adopted by the Conference in accordance to 6.5.3.1 applicable to each market are reflected in Attachment 'I' of this Resolution.

6.5.3.3 The standard Remittance Frequency will not be less than twice each calendar month, and may be at such greater frequency as the Conference determines. Where applicable, the more frequent Remittance Frequency will not be the same or less than the standard Remittance Frequency of the relevant market, as determined by the Conference.

6.5.3.4 The Agent may remit at such greater frequency than the standard or more frequent Remittance Frequency which would otherwise be applicable to the Agent by providing IATA with a Notice of Change and the execution of a Voluntary More Frequent Remittance Request in the form set out in Attachment 'D'. IATA will notify all BSP Airlines when such greater Remittance Frequency takes effect.

□ **6.5.3.5** When an Agent chooses to remit at a frequency greater than the Remittance Frequency approved by the Conference for a market, and the Local Financial Criteria do not specify the provisions for calculating the Financial Security amount for the new frequency, the Agent will be required to provide Financial Security equal to the new number of Days' Sales at Risk. Additionally, the minimum Financial Security amount will be adjusted proportionally to the number of Day's Sales at Risk of the new frequency.

△ **6.5.3.6** If the Remittance Frequency is Twice per month, remittances must be made by the Agent so as to be credited to the IATA Clearing Bank account no later than its close of business on the date which is:

(a) the last day of the calendar month, in respect of Billings covering the first 15 days of the month; and

(b) the 15th day of the following calendar month, in respect of Billings covering the period from the 16th to the last day of the calendar month.

△ **6.5.3.7** If the Remittance Frequency is Four times per month or Weekly, remittances must be made by the Agent so as to be credited to the IATA Clearing Bank account no later than its close of business on the date which is the fifth working day or seventh calendar day following the Reporting Date.

□ **6.5.3.8** If the Remittance Frequency is Daily, remittances must be made by the Agent so as to be credited to the IATA Clearing Bank account no later than its close of business on the date which is the third working day following the Reporting Date.

6.5.3.9 The Conference acknowledges that a BSP Airline may establish an individualised Remittance Frequency in accordance with:

(a) a bilateral agreement between the BSP Airline and the Agent; or

(b) applicable law;

which will:

(c) override the Remittance Frequency approved for a market; and

(d) be subject to all terms and conditions contained in this Resolution including sections 6.6 and 6.9. In the event of an overdue or dishonoured remittance under an individualised frequency, the Agent will be subject to a Notice of Adjusted Risk Event and, where applicable, Payment Default action.

6.5.3.10 The Agent must, in all cases, use a method of remittance which ensures that Cleared Funds are received in the Clearing Bank account no later than the Remittance Date established under the provisions of this section 6.5.3.

6.5.3.11 If the Clearing Bank is closed for all business (including business transacted through its online platform or Direct Debit) on the Remittance Date established under the provisions of this section 6.5.3, the remittance must be made by the Agent so that Cleared Funds are in the Clearing Bank account no later than the first subsequent day that the Clearing Bank is open for any method of business.

6.5.3.12 Each APJC must evaluate the period between the Reporting Date and the Remittance Date in their market at least once per annum taking into account the best practice for financial transactions in that market and any local conditions that may apply and using as a best practice guideline the periods set out in section 6.5.3 for the applicable Remittance Frequency. This provision will not apply to markets where a best practice has been adopted.

6.6 RISK EVENTS AND PAYMENT DEFAULTS

6.6.1 General Procedures

6.6.1.1 This section sets out the provisions governing Adjusted Risk Events and Payment Defaults. The Agent will also be liable for any charges arising from Adjusted Risk Events and Payment Defaults.

6.6.1.2 The Conference may provide for variations from BSP to BSP in respect of charges applicable upon the occurrence of Adjusted Risk Events and Payment Defaults as set out in section 5.

6.6.1.3 For the purposes of this section 6, where IATA issues a demand for payment, including in the form of a Notice of Adjusted Risk Event, the Agent must remit monies due so that they are received in the Clearing Bank account as Cleared Funds by the end of the next day on which it is open for business. A demand for payment arising from a Notice of Payment Default is due immediately.

6.6.1.4 A Notice of Adjusted Risk Event or Notice of Payment Default will be sent to the Agent in writing via the IATA Customer Portal and will set out the specific circumstances causing the Adjusted Risk Event or Payment Default.

6.6.2 Charges

6.6.2.1 The Conference will establish any cost recovery charges to be levied on the Agent, including:

(a) Administrative charges as set out in Attachment 'H' of this Resolution for:

(i) an excessive number of voided Standard Traffic Documents, as determined from time to time by IATA in consultation with airlines participating in the local BSP and the respective Agency Programme Joint Council; and/or

(ii) any other failures to comply with BSP procedures and instructions, which generate additional cost to IATA or airlines participating in the local BSP,

where the amount of these charges will be determined by the Conference and then notified by IATA to all Agents in the BSP; and

(b) Clearing Bank charges for the amount debited to IATA by the Clearing Bank as a result of the Agent's failure to remit in accordance with this Resolution and the BSP Manual for Agents.

6.6.2.2 All charges levied on the Agent in accordance with this section 6.6.2 must:

(a) except as otherwise specified, be included by IATA in its first subsequent Billing to the Agent and will be due by the Agent by the Remittance Date; and

(b) for the purpose of section 6.9.2.1(c), be deemed to be part of All Amounts Owing by the Agent.

△ **6.6.2.3** IATA will publish the above charges in the Local Procedures of the BSP Manual for Agents the above charges and notify the Agent of any charges being included in its Billing.

6.6.3 Risk Event–Late or Short Payment

6.6.3.1 If:

(a) the Clearing Bank does not receive the remittance due by the Remittance Date;

(b) there is a shortage in respect of the remittance received by the Clearing Bank; or

(c) the remittance received by the Clearing Bank is dishonoured on or after the Remittance Date,

IATA will demand immediate payment from the Agent, including any Clearing Bank charges incurred, by sending the Agent a Notice of Adjusted Risk Event in accordance with section 6.8.

6.6.3.2 If correct payment is not received by the Clearing Bank by the deadline referred to in section 6.6.1.3, IATA will immediately issue a Notice of Payment Default with respect to the Agent in accordance with section 6.9.

6.6.3.3 In addition to any action prescribed in this section 6.6.3, IATA will debit the Agent for costs incurred as a consequence of the late or dishonoured remittance.

6.6.3.4 If it is established that such non-payment was due to a bona fide bank error, as provided for in section 6.6.5, and remittance of All Amounts Owing is received by the Clearing Bank by the deadline referred to in section 6.6.1.3, the Risk Event of late or short payment will be withdrawn.

6.6.3.5 If it is established that such non-payment was due to a bona fide bank error, as provided for in section 6.6.5, and remittance of All Amounts Owing is received by the Clearing Bank after the issue of a Notice of Payment Default, the Risk Events of late or short payment and of Payment Default will be withdrawn.

6.6.4 Risk Event of Payment in the Wrong Currency

6.6.4.1 If the Clearing Bank does not receive the remittance, in the same currency as the Billing to the Agent in the correct amount by the Remittance Date, IATA will demand immediate payment from the Agent for the correct amount in the Billing currency, including any Clearing Bank charges incurred, by sending to the Agent a Notice of Adjusted Risk Event in accordance with section 6.8.

6.6.4.2 If the Clearing Bank does not receive the remittance for the correct amount in the Billing currency by the deadline referred to in section 6.6.1.3, IATA will immediately issue a Notice of Payment Default to the Agent in accordance with section 6.9.

6.6.4.3 In addition to any action prescribed in this section 6.6.4, IATA will debit the Agent for costs incurred as a consequence of the payment in the wrong currency.

6.6.4.4 If it is established that such payment in the wrong currency was due to a bona fide bank error, as provided for in section 6.6.5 and remittance of All Amounts Owing is received by the deadline referred to in section 6.6.1.3, the Risk Event of payment in the wrong currency will be withdrawn.

6.6.4.5 If it is established that such payment in the wrong currency was due to a bona fide bank error, as provided for in section 6.6.5, and remittance of All Amounts Owing is received by the Clearing Bank, but after the issue of a Notice of Payment Default, the Risk Events of payment in the wrong currency and of Payment Default will be withdrawn:

6.6.5 Bona Fide Bank Error

For a maximum of four times in a period of 12 consecutive months, the following bona fide bank error provisions may be invoked. This limit excludes instances where the Agent's bank has suffered from a disruption of service due to circumstances outside of its control and resulting in its inability to provide the required services to an Agent.

6.6.5.1 A bona fide bank error is when the Agent's bank fails to honour the availability of funds for remittance through a valid line of credit or other written arrangement, dated and executed between the bank and the Agent prior to the Remittance Date, or otherwise, fails to honour the availability of sufficient funds for immediate withdrawal in the Agent's account on the Remittance Date.

6.6.5.2 The bona fide bank error must be substantiated by evidence acceptable to IATA for the purposes of

section 6.6.5.1 in the form of a bank letter provided to IATA from the Agent's bank meeting the following criteria:

(a) the bank letter must be sent to IATA within 10 working days of the dishonoured Remittance by registered post, courier, fax, or as a scanned copy via email stating the nature of the error and reason for the delay in remittance;

(b) the bank letter must be signed by a manager at the bank, including specification of name and job title or designation; and

(c) the bank letter must confirm that the Agent had sufficient available funds on the Remittance Date in the stipulated bank account(s), stating the account name and the account number(s).

6.6.5.3 If IATA is satisfied that the non-receipt by the Clearing Bank of a remittance by the Remittance Date is due to bona fide bank error, then IATA will not invoke the provisions of this section 6.6.

6.6.6 Default due to Common Ownership

6.6.6.1 The Risk Event of a Default due to common ownership will occur when:

(a) the Agent or any of its Associate Entities has an owner, director or person in a position of management in common with another Agent that has incurred a Payment Default in accordance with the provisions of this section 6.6; or

(b) the Agent is also accredited as an IATA Cargo Agent and has been declared in Default.

6.6.6.1.2 If the Risk Event of a default due to common ownership occurs, IATA will apply the provisions of section 6.9.

6.6.7 Disputed Agency Debit Memo

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

6.6.7.1 an Agent may for reason dispute an ADM, except for an ADM issued as a means to collect credit card chargebacks in accordance to Resolution 890 section 4.7,

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

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

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

(a) in the event an Agent disputes an ADM and, after agreement between the Airline and the Agent, it is determined that the purpose of that ADM was correct, the Airline will advise the Agent and the BSP accordingly and the ADM as originally submitted will be processed. All subsequent disputes of such ADM must be dealt with according to the process as described in this Resolution 812, Section 6.10,

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

(c) all disputes are to be settled by the Airline within 60 days of receipt. Once the status of the ADM dispute has been set, notwithstanding if the 60 days have been reached or not, all subsequent disputes of such ADM must be dealt with according to the process as described in this Resolution 812, Section 6.10,

6.6.7.5 an ADM that has been included in the BSP Billing will be processed for payment. All subsequent disputes of such ADM, must be dealt with according to the process as described in this Resolution 812, Section 6.10,

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

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

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

6.7 PREJUDICED COLLECTION OF FUNDS

6.7.1 Where the Agency Administrator Believes that the Agent's Ability to Pay is Prejudiced

6.7.1.1 This section 6.7.1 governs the procedures for the protection of All Amounts Owing to all BSP Airlines by the Agent in situations where the Agency Administrator believes that the ability or intent of the Agent to remit All Amounts Owing to BSP Airlines is in doubt.

6.7.1.2 In the event that the Agency Administrator receives written information, which is substantiated to the satisfaction of the Agency Administrator, leading to the belief that the ability of any BSP Airline to collect All Amounts Owing from the Agent may be prejudiced, and/or an Agent's funds at risk are not covered by a Financial Security, or that any Financial Security provided does not sufficiently cover those funds taking into account reasonable variations in sales levels, the Agency Administrator may review the circumstances of the Agent and may take any of the following actions:

(a) demand an immediate accounting and settlement of monies due by the Agent and/or require the Agent to restrict the issuance of Standard Traffic Documents to the Customer Card Payment Method and/or IEP only;

(b) conduct, in cooperation of with the Agent, financial and operational reviews of the Agent's business. Any

costs associated with such review may be borne by the Agent;

(c) request for additional Financial Securities in accordance with the provisions in 3.2.1.4;

(d) place the Agent on the Most Frequent Remittance Frequency in the applicable BSP;

(e) remove all Ticketing Authority;

(f) set the Remittance Holding Capacity of the Agent at the same amount as the Financial Security amount provided.

6.7.1.3 Following the issue of a notice under section 6.7.1.2(e), the Agency Administrator will request an immediate review by the Travel Agency Commissioner.

6.7.1.4 If requested to undertake a review in accordance with section 6.7.1.3, the Travel Agency Commissioner will commence a review under the terms of review by Travel Agency Commissioner of the applicable Passenger Sales Agency Rules within three working days from receipt of such a request. Pending the results of this review, the Agent may within 30 days of the date on which Ticketing Authority was removed or the date when the review was commenced, whichever is the later, apply for interlocutory relief to stay the removal of Ticketing Authority in accordance with Resolution 820e. Before granting an interlocutory order under this section 6.7.1.4, the Travel Agency Commissioner will require the Agent to provide a Financial Security in accordance with Resolution 820e.

6.7.1.5 If the review of the Travel Agency Commissioner confirms the basis of the prejudiced collection of funds, a Risk Event will be registered against the Agent in its Risk History for 12 months following the date of IATA's invocation of the prejudiced collection of funds action.

6.7.1.6 If payment under section 6.7.1.2 is not received on demand by the deadline referred to in section 6.6.1.3, the Agency Administrator will immediately notify the Agent and issue a Notice of Payment Default with respect to the Agent in accordance with the provisions of section 6.9.

6.7.1.7 IATA has the right to conduct a review or other investigation of the Agent's Customer Card Payment Method and Alternative Transfer Method transactions in the BSP to verify the Agent's compliance with the applicable Resolutions and consent(s) given by individual BSP Airline(s) for specific Alternative Transfer Methods. If a situation of potential non-compliance is detected by IATA, the Agency Administrator may notify individually the BSP Airline(s) concerned and make this information available to the Agent. This notice shall be unsubstantiated and no further details will be provided by IATA.

6.7.1.8 In the event a review or other investigation reveals a persistent failure by the Agent to comply with Resolution 812a and/or Resolution 890, the Agency Administrator may restrict on an ad interim basis authorisation to use the Customer Card Payment Method and Alternative Transfer Methods and request in writing an immediate review by the Travel Agency Commissioner.

6.7.1.9 The Travel Agency Commissioner will commence a review under the terms of Reviews by the Travel Agency Commissioner. Pending the results of the review, the Agent may within 30 days of the date when the review was initiated apply pursuant to Resolution 820e for interlocutory relief staying the restriction of the Agent's use of Customer Card Payment or Alternative Transfer Method. Upon reinstatement, use of Alternative Transfer Methods will be subject to the individual consent of the BSP Airline(s) affected.

6.7.1.10 Upon completion of the review, the Travel Agency Commissioner will either (i) order the reinstatement of the Agent's authorisation to use the Customer Card Payment Method and/or Alternative Transfer Method(s), or (ii) maintain the restriction of the Customer Card Payment Method and/or Alternative Transfer Method(s) until the Agent has demonstrated to IATA's satisfaction that the non-compliance has been remedied.

6.7.2 Where an Individual BSP Airline Believes that the Agent's Ability to Pay is Prejudiced

6.7.2.1 This section 6.7.2 governs the procedures for the protection of amounts owed to an individual BSP Airline by the Agent in situations where the BSP Airline believes that the ability or intent of the Agent to pay All Amounts Owing to that BSP Airline is in doubt.

6.7.2.2 In circumstances where a BSP Airline, acting independently, determines that its ability to collect All Amounts Owing from the Agent to the BSP Airline may be prejudiced (such as where a Head or an Associate Entity is declared insolvent, bankrupt, is placed in receivership or judicial administration, goes into liquidation or becomes subject to any other similar legal process affecting its normal operation), the BSP Airline may, by written notice to the Agent, notify the Agent that it has concluded that its ability to collect is prejudiced and demand immediate payment of all such amounts provided that the BSP Airline first advises IATA in writing of its intention to issue such a notice.

6.7.2.3 Upon the issue of a notice in accordance with section 6.7.2, all amounts specified in the demand notice are immediately due and payable by the Agent to the BSP Airline.

6.7.2.4 In the event that the Agent fails to remit to IATA for the same Billing, the BSP Airline is required to pay the amount collected from the Agent to IATA immediately, failing which IATA will deduct such amount from the next settlement due to the BSP Airline.

6.8 PROCEDURES FOR ISSUE OF NOTICE OF ADJUSTED RISK EVENT

6.8.1.1 This section 6.8 establishes the procedures when IATA issues a Notice of Adjusted Risk Event to the Agent following the Risk Event of a late or short payment or a payment in the wrong currency, in accordance with the provisions of section 6.6.3 or 6.6.4.

6.8.1.2 IATA will immediately send a Notice of Adjusted Risk Event to the Agent in accordance with section 16 of Resolution 824. In addition, a copy of the Notice of Adjusted Risk Event will be sent to the Agent via the IATA Customer Portal.

6.8.1.3 The Agent may within 30 days of the date of the Notice of Adjusted Risk Event invoke the procedures set out in Resolution 820e for review of IATA's action by the Travel Agency Commissioner. The Agent may also invoke such review procedures in any case where a charge is applied to the Agent under section 6.6.2. Where a review under this section 6.8.1.3 is pending and the Risk Event of a Payment Default occurs, the Agent may apply to the Travel Agency Commissioner for interlocutory relief pursuant to section 6.9.2.2 and subject to the conditions contained in that section.

6.9 PAYMENT DEFAULT PROCEDURES

6.9.1 Overview

6.9.1.1 This section 6.9 establishes the procedures following the Risk Event of a Payment Default, in accordance with any of the provisions of sections 6.6 or 6.7.

6.9.2 General Procedures

6.9.2.1 Upon the occurrence of the Risk Event of a Payment Default, IATA will immediately take the following action:

(a) advise all BSP Airlines that the Agent has incurred a Payment Default;

(b) send a Notice of Payment Default, which will include Termination Notice of the Agent's Passenger Sales Agency Agreement, via the IATA Customer Portal to the Agent, advising that the Agent has incurred a Payment Default;

(c) demand an immediate accounting and remittance of All Amounts Owing by the Agent for the Head Entity and all its Associate Entities in all countries in which the Agent is Accredited, as applicable. Should the Agent fail to remit the amounts due by the deadline referred to in the Notice of Payment Default, the provisions of section 6.11.3 will apply;

(d) establish an up-to-date statement of indebtedness for the Agent and bill the Agent for charges incurred in accordance with section 14 as a result of the Agent's failure to make complete remittance by the Remittance Date;

(e) notify the local representatives of BSP Airlines participating in the BSP concerned, and the Agent's System Provider(s), of the Payment Default;

(f) provide the BSP Airlines with a maximum period of 30 days to submit any ADMs/ACMs to be included in the final accounting of amounts owing by the Agent declared in Payment Default;

(g) check any accounting and remittance obtained from the Agent and identify any discrepancies; and

(h) distribute any monies obtained from the Agent among the BSP Airlines concerned, subject to sections 6.9.3 to 6.9.4.

6.9.2.2 The Agent may within 30 days of the date of the Notice of Payment Default invoke Resolution 820e for review of the Agency Administrator's action by the Travel Agency Commissioner and may also apply for an interlocutory order staying the Notice of Payment Default and preserving the status quo pending the outcome of the review. Before granting an interlocutory order under this section 6.9.2.2, the Travel Agency Commissioner will require the Agent to provide a Financial Security in accordance with Resolution 820e and ensure that All Amounts Owing as determined under section 6.9.2.1(c) are settled at the time the interlocutory order takes effect.

6.9.3 Encashment of Financial Security (except India, Indonesia and Pakistan)

6.9.3.1 If the Agent holding Standard Accreditation has provided a Financial Security and the Financial Security amount does not cover All Amounts Owing, each BSP Airline listed in the Billing will receive a prorated amount of the Financial Security in proportion to its percentage share of the related Billing.

6.9.3.2 If the Agent holding Multi-Country Accreditation or Euro-Zone Accreditation has provided a Financial Security and the Financial Security does not cover All Amounts Owing:

(a) the Financial Security will be prorated between each BSP where there is a Billing which is the subject of the Default; and

(b) the amount allocated to each BSP in accordance with section 6.9.3.2(a) will in turn be prorated between each BSP Airline listed in the related Billing for that BSP so that each BSP Airline will receive its percentage share of the related Billing.

6.9.3.3 In accordance with section 2.11, if IATA becomes aware that the Agent has provided a separate bank guarantee, insurance bond or other form of guarantee in favour of a specific BSP Airline, that BSP Airline will not be entitled to any payment under the Agent's Financial Security.

6.9.3.4 If the Agent is owned by a BSP Airline, where the BSP Airline or BSP Airline's parent company holds greater than 50% of the equity of the Agent or the Agent's parent company, is declared in Default, that BSP Airline will not be entitled to any payment under the Agent's Financial Security.

6.9.4 Encashment of Bank Guarantee, Insurance Bond or Other Form of Guarantee (India, Indonesia and Pakistan only)

6.9.4.1 In the event that the Agent's BSP bank guarantee, insurance bond or any other form of guarantee, if applicable is insufficient to provide a full settlement to each of the BSP participating Airlines concerned listed in the Billing which has been subject to the Agent's default, each such BSP Airline shall be provided with a prorated amount of the bank guarantee, insurance bond or other form of guarantee in proportion to its percentage share in Billing up to the date when the full amount of the bank guarantee, insurance bond or other form of guarantee was exceeded. In the event that the Agent has provided a separate bank guarantee, insurance bond or any other form of guarantee in favour of a specific BSP Airline for Accountable Transactions, such BSP Airline shall not be entitled to any payment under the Agent's BSP bank guarantee, insurance bond or other form of guarantee until all outstanding indebtedness of the Agent to other

BSP Airlines shall be discharged. In the event that the Agent owned by a BSP Airline, where the BSP Airline or BSP Airline's parent company holds greater than 50% of the equity of the Agent or the Agent's parent company, is declared in Default, such BSP Airline shall not be entitled to any payment under the Agent's BSP bank guarantee, insurance bond or other form of guarantee.

6.10 DISPUTES

6.10.1 DISPUTES (Except Russian Federation)

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

(a) be registered with IATA via BSPlink (ASD in China);

(b) relate to a specified amount as part of a Billing;

(c) state a substantive reason for the dispute supported by written evidence of that dispute;

(d) be raised by the Agent within 12 months of the date of the Accountable Transaction;

(e) be added to the daily dispute file;

(f) be unrelated to a chargeback issued by means of an ADM pursuant to Resolution 890 subsection 4.7;

(g) be unrelated to a refund transaction.

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

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

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

6.10.1.5 All disputes must be resolved in BSPlink (ASD in China) between the Airline and the Agent within 30 days with a maximum of two responses per party, otherwise the dispute will be for bilateral resolution between the Airline and the Agent outside of the BSP and IATA will pay the disputed amount held to the Agent or the Airline as applicable in accordance with section 6.10.1.7. If the Agent or Airline responds to a dispute on any day from day 24 onwards, the Airline or Agent will have an additional 7 days to respond.

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

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

(a) Where the Airline agrees with the dispute raised by the Agent, to the Agent.

(b) Where the Airline disagrees with the dispute and the Agent ultimately agrees with the Airline's position, the disputed amount will be paid to the Airline.

(c) Where no response is received from the Airline within the deadlines prescribed in Section 6.10.1.5, the dispute is deemed settled in favour of the Agent and the disputed amount will be paid to the Agent.

(d) Where no response is received from the Agent within the deadlines prescribed in Section 6.10.1.5, the dispute is deemed settled in favour of the Airline and the disputed amount will be paid to the Airline.

(e) Otherwise, where no agreement can be reached between the Airline and the Agent, the disputed amount will be remitted to the Agent, without prejudice to the right of the Airline to claim the disputed amount from the Agent outside of the BSP.

6.10.2 DISPUTES (Russian Federation only)

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

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

6.11 CONSEQUENCES OF PAYMENT DEFAULT

6.11.1 This section 6.11 governs the procedures applicable when the Agent is in Payment Default.

6.11.2 When Remittance has been Made

6.11.2.1 If the Agent which has incurred the Risk Event of a Payment Default under any of the provisions of this Resolution, has remitted to IATA All Amounts Owing by the deadline referred to in section 6.9.2.1(c), the provisions of sections 6.12 and 6.13 will apply.

6.11.3 When Remittance has not been Made

6.11.3.1 If the Agent which has incurred the Risk Event of a Payment Default under any of the provisions of this Resolution fails to remit to IATA All Amounts Owing by the deadline referred to in section 6.9.2.1(c), IATA will terminate the Agent's Passenger Sales Agency Agreement in accordance with section 13.

6.11.3.2 If after receiving the Notice of Payment Default in accordance with the provisions of section 6.9.2.1(b) and before the effective date of termination specified in that notice, the Agent remits All Amounts Owing or agrees to a repayment schedule in accordance with section 6.12, the termination specified in the Notice of Payment Default will not take place.

6.11.3.3 If the Agent does not honour the repayment schedule agreed in accordance with section 6.12, the termination date specified in the Notice of Payment Default will be valid. If the specified termination date has already passed, then the termination will take immediate effect.

6.12 REMITTANCE OF AMOUNTS DUE

6.12.1 This section 6.12 governs the remittance to IATA of All Amounts Owing by the Agent who is in Payment Default.

6.12.2 If the Agent who is in Payment Default is able to demonstrate to the satisfaction of IATA prior to the effective date of termination specified in the Notice of Payment Default issued in accordance with section 6.9.2.1(b) that:

(a) All Amounts Owing, if any, have been remitted to IATA, or

(b) when IATA holds a Financial Security from the Agent, at least 30% of All Amounts Owing have been remitted and a firm schedule for repayment by instalments of the balance plus interest at the official (prime) bank rate plus two percent has been agreed between IATA and the Agent, within six months or up until the expiry of the Financial Security held by IATA, whichever is earlier.

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

(c) when IATA does not hold a Financial Security for the Agent, at least 30% of All Amounts Owing have been remitted and a firm schedule for repayment by instalments within twelve months of the balance plus interest at the official (prime) bank rate plus two percent has been agreed between IATA and the Agent; or

(d) an alternative repayment schedule and conditions, initiated by the Agent, have been agreed between the Agent and IATA on the basis that:

(i) the Agent has remitted not less than 30% of All Amounts Owing and can demonstrate to IATA's satisfaction that it has taken all steps possible to remit at least 50% of All Amounts Owing; and

(ii) a firm schedule for repayment by instalments over an agreed period of no more than twelve months if IATA does not hold a Financial Security from the Agent, or 6 months if IATA holds a Financial Security from the Agent; and

(iii) the repayments will cover the balance plus interest at the official (prime) bank rate plus two percent or, in any event, will provide for payment of interest at a rate similar to that set out in Subparagraph 6.12.2(b) or 6.12.2(c), whichever is applicable.

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

IATA will notify the BSP Airlines accordingly and section 6.11.3.2 will apply in respect of that Notice of Payment Default.

6.13 REINSTATEMENT OF AGENT FOLLOWING PAYMENT DEFAULT

6.13.1.1 Provided that the below conditions are met prior to the effective date of termination referred to in sections 6.11.3.2 and 6.12, IATA will reinstate the Agent to the Agency List. The BSP Airlines may, in their individual discretion, provide the Agent with Ticketing Authority and IATA will advise all System Providers that the Agent may have access to Standard Traffic Documents. The conditions for reinstatement are:

(a) the Agent has remitted All Amounts Owing; and

(b) the Agent has provided a Financial Security acceptable to IATA in accordance with the provisions of section 5.5 of this Resolution, as applicable.

(c) if the Agent holds a Standard Accreditation with no cash facility, the Agent has provided a Financial Security acceptable to IATA in accordance with the provisions of section 5.10 of this Resolution, or a minimum of USD5,000, as applicable.

6.13.1.2 Following reinstatement under section 6.13.1.1 IATA will conduct a financial assessment of the Agent for cause in accordance with section 5.4. Such financial assessment will only be conducted on the basis of the financial position and accounts of the Agent dated at least 6 months following the date of reinstatement under section 6.13.1.1. If such date occurs after the next annual financial assessment due to be undertaken in respect of the Agent under section 5.4, the for cause financial assessment referred to in this section 6.13.1.2 will not be carried out unless requested by the Agent.

6.14 REVIEW BY THE TRAVEL AGENCY COMMISSIONER

If the Agent has received a Notice of Payment Default in accordance with section 6.11.3.2 and the Agent's Passenger Sales Agency Agreement is to be terminated in accordance with section 6.11.3, the Agent may, within 30 days of the date of the Notice of Payment Default, invoke Resolution 820e for review of IATA's action by the Travel Agency Commissioner. The Agent may also apply for an interlocutory order to stay the termination and preserve the status quo pending the outcome of the review. Before granting an interlocutory order under this section 6.14, the Travel Agency Commissioner must ensure that All Amounts Owing as determined under section 6.9.2.1(c) are remitted at the time the interlocutory order takes effect, and may require the Agent to provide a Financial Security in accordance with Resolution 820e.

6.15 FRAMEWORK FOR IEP PAYMENT METHOD

6.15.1 Application

6.15.1.1 The IEP Payment Method is available to all Agents regardless of their type of Accreditation.

6.15.1.2 The provisions of sections 6.16 to 6.18 apply to all Agents who use IEP.

6.16 IEP ACCOUNT

6.16.1 IEP Account Required

6.16.1.1 In order to use IEP, the Agent must open an IEP Account using the IEP System.

6.16.1.2 The Agent may have more than one IEP Account.

6.16.2 Funding an IEP Account

6.16.2.1 Before the Agent can issue Standard Traffic Documents using IEP, the Agent must first ensure funds have been made available in the IEP Account.

6.16.2.2 Once the Agent has opened an IEP Account and made funds available, the IEP System will generate an IATA EASY PAY Number.

6.16.2.3 There is no maximum or minimum amount of funds required to be held in an IEP Account.

6.16.2.4 The Agent may transfer funds to its IEP Account at any time.

6.16.3 Withdrawing Funds from an IEP Account

6.16.3.1 The Agent may withdraw any available funds in its IEP Account at any time, subject to the terms and conditions applicable to the IEP Account.

6.16.4 Closing an IEP Account

6.16.4.1 The Agent may close its IEP Account at any time using the IEP System, subject to the terms and conditions applicable to the IEP Account, provided that:

(a) there are no amounts in the IEP Account which have been blocked in accordance with section 6.17.1.1(a); and

(b) the Agent has first withdrawn all available funds in the IEP Account.

6.17 TRANSACTIONS USING IEP

6.17.1 Issue of Standard Traffic Documents

☐ **6.17.1.1** All IEP transactions must be authorized prior to issuance of Standard Traffic Documents. Such authorisation code must be obtained automatically without manual intervention from the Agent, unless otherwise specified in the BSP Manual for Agents.

☐ **6.17.1.1.1** If the Agent issued an IEP transaction without automated authorisation, and there were insufficient available funds in the Agent's IEP Account, IATA may invoke prejudiced collection of funds according to the Resolution 812, Section 6.7.

6.17.1.2 If there are sufficient available funds in the Agent's IEP Account for the issuance of a Standard Traffic Document, then:

(a) that amount will be blocked in the IEP Account pending remittance and will no longer be part of the available funds in the IEP Account;

(b) the IEP System will generate an authorisation to proceed with the transaction; and

(c) the GDS will issue the Standard Traffic Document upon receipt of the authorisation to proceed with the transaction from the IEP System;

(d) in the case of Standard Traffic Documents issued according to the provisions of PSC Resolution 787 'Enhanced Airline Distribution', the BSP Airline may issue the Standard Traffic Document upon receipt of the authorisation to proceed with the transaction from the IEP System;

(e) in the case of Orders requested according to the provisions of PSC Resolution 797 'One Order', the BSP Airline may confirm the Order upon receipt of the authorisation to proceed with the transaction from the IEP System.

6.17.1.3 If there are insufficient available funds in the Agent's IEP Account, the IEP System will reject the transaction.

6.18 BILLINGS AND REMITTANCE OF MONIES BY AGENTS USING IEP

6.18.1 The Agent using IEP will receive Billings incorporating Accountable Transactions, for which the remittance procedures and other provisions in sections 6.2 to 6.14 will apply.

6.19 WAIVER AND INDEMNITY

6.19.1 The Agent waives any and all claims or causes of action against any BSP Airline or IATA and any of their officers, employees and other appointees for any loss, liability or damage of any kind (including liability for legal cost) arising out of the Agent's use of IEP, including, without limitation, any loss or deficit in the IATA EASY PAY Account opened by the Agent.

Section 7—Issue of Standard Traffic Documents

7.1 FRAMEWORK FOR ISSUE OF STANDARD TRAFFIC DOCUMENTS

7.1.1 This section 7 establishes the processes for issuance of Standard Traffic Documents. Only Accredited Agents may issue Standard Traffic Documents by using the Ticketing Authority provided by a BSP Airline.

7.1.2 This section 7 is structured as follows:

(a) 7.2 Ticket Authority granted by BSP Airlines;
(b) 7.3 Members not participating in the BSP;
(c) 7.4 Withdrawal of Ticketing Authority by IATA;
(d) 7.5 Additional responsibilities of the Agent regarding Standard Traffic Documents;
(e) 7.6 Review of a BSP Airline's individual decision;
(f) 7.7 Review of Conference decision.

7.2 TICKETING AUTHORITY GRANTED BY BSP AIRLINES

7.2.1 A BSP Airline may provide its Ticketing Authority to its appointed Agent.

7.2.2 Unless otherwise advised by the BSP Airline to the Agent in writing, the Ticketing Authority provided to the Agent will also authorise the Agent to issue Standard Traffic Documents on any additional IATA Numeric Codes assigned to the Agent.

7.2.3 Any BSP Airline having issued a Ticketing Authority to an Agent, may cancel such authority in respect of the agent, or any Location of the Agent by so notifying the Agent in writing or by updating the relevant information online through the BSPlink system.

7.3 MEMBERS NOT PARTICIPATING IN THE BSP

7.3.1 A Member which does not participate in the BSP and wishes to conduct business with Accredited Agents, will do so in accordance with the provisions of the Passenger Sales Agency Agreement, in which case that agreement and the Travel Agent's Handbook will govern the relationship between the Member and the Agent.

7.4 WITHDRAWAL OF TICKETING AUTHORITY BY IATA

7.4.1 In the event that a BSP Airline ceases all of its scheduled air service operations for reason of financial failure, IATA will, on instruction from the BSP Airline or the Agency Administrator, withdraw that BSP Airline's Ticketing Authorities.

7.5 ADDITIONAL RESPONSIBILITIES OF THE AGENT REGARDING STANDARD TRAFFIC DOCUMENTS

7.5.1 In accordance with Resolution 852, the Agent must not sell, validate or issue a Standard Traffic Document of, or in the name of, a BSP Airline for transportation solely on an air carrier other than that BSP Airline whose Ticketing Authority is being used, unless the Agent has been authorised to do so by that BSP Airline.

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

7.6 REVIEW OF A BSP AIRLINE'S INDIVIDUAL DECISION

7.6.1 Notwithstanding the provisions of section 2.9 or section 7.2, and subject to section 7.6.2, the Agent which considers itself aggrieved by the decision of a BSP Airline:

(a) to refuse to appoint the Agent; or
(b) to withdraw its Ticketing Authority provided to the Agent,

with the result of the decision being that the Agent's commercial interests are adversely affected to the point of placing its business in jeopardy, may request copies of the BSP Airline's criteria for appointing Agents and the BSP Airline's reasons for refusal or withdrawal (**"Reasons"**). If the Agent believes that the Reasons are unreasonable then the Agent may notify the BSP Airline in writing that the Agent requires further clarification and seek to resolve the issue with the BSP Airline. If the issue is not resolved within 30 days of such a notice being issued, the Agent may invoke Resolution 820e for a review of the BSP Airline's decision by the Travel Agency Commissioner.

7.6.2 If a BSP Airline's decision to withdraw its Ticketing Authority provided to the Agent was made in application of the collective provisions of this Resolution, the Agent's right to invoke a review by the Travel Agency Commissioner will not be exercised against the BSP Airline individually but as set forth in such collective provisions of this Resolution and pursuant to Resolution 820e.

7.7 REVIEW OF CONFERENCE DECISION

7.7.1 Notwithstanding the provisions of Paragraph 2.3 of the Passenger Sales Agency Agreement, the Agent which considers itself aggrieved by the incorporation into its Agreement of amendments made to IATA Resolutions by the Conference, may, with in 30 days' receipt of IATA's notification of such amendments, invoke Resolution 820e for a review of the Agent's grievance by the Travel Agency Commissioner pursuant to section 1.4.9 of Resolution 820e.

Section 8—Protection and Proper Issuance of Standard Traffic Documents

8.1 FRAMEWORK FOR THE PROTECTION OF STANDARD TRAFFIC DOCUMENTS

8.1.1 The objective of this section 8 is to ensure the integrity of all Standard Traffic Documents.

8.1.2 This section 8 is structured as follows:

(a) 8.2 Duty of care;

(b) 8.3 Liability;

(c) 8.4 Agent to report irregular occurrences;

(d) 8.5 Revenue losses attributable to alteration or falsification of Standard Traffic Documents.

8.2 DUTY OF CARE

8.2.1 The Agent has a duty of care to take all reasonable care and precautions to protect all Standard Traffic Documents issued by it from unauthorised or improper issuance, post-issuance tampering, or forgery. The Agent's duty of care includes compliance with all GDS instructions regarding system security and best practice for password maintenance.

(a) **Confidentiality:**

Compliance with all GDS instructions regarding system security and best practices for Identity and Access Management (including but not limited to password policy, maintenance, and multi-factor authentication).

Usage of functional and up to date operating systems, firewalls, anti-malware, virus detection and data loss prevention software for all web applications, secure communications, company devices, email, and databases in office and at home offices. Restrict data access to employees that do not have a need.

(b) **Integrity:**

Ensure completeness and accuracy of all data in storage, transit, and backups with modern encryption.

(c) **Availability:**

Ensure data is backed up and has guaranteed reliable access to information by authorized individuals. Perform proper and timely management of updates to systems, ensure there are appropriate role-based access for employees to company systems, networks, physical spaces, and hardware. Ensure protection from Denial of Service (DoS) attacks or other interruptions to access of information, systems, devices or network resources.

8.3 LIABILITY

8.3.1 The Agent has full liability for all damages, expenses or losses incurred or suffered by a BSP Airline, its officers, agents or employees arising from the unauthorised or improper issuance, post-issuance tampering or forgery of Standard Traffic Documents issued under the Agent's IATA Numeric Code(s).

8.4 AGENT TO REPORT IRREGULAR OCCURRENCES

8.4.1 The Agent having reason to suspect any of the following must immediately report the matter, in writing via the IATA Customer Portal:

(a) unauthorized or improper issuance of Standard Traffic Documents;

(b) post-issuance tampering of Standard Traffic Documents; or

(c) forgery of Standard Traffic Documents.

8.4.2 Should any form of unlawful entry to the Agent's business premises occur, such as a forced entry or burglary, or unlawful usage of the Agent's network, hardware and/or software (such as cyber attack), the Agent must:

(a) immediately report the incident to the police authorities; and

(b) notify and/or report the incident to any other government or regulatory agency as required under applicable law; and

(c) provide a copy of the report via the IATA Customer Portal, irrespective of whether or not a material loss has been detected.

8.4.3 If upon receipt of a report in accordance with section 8.4.2, IATA determines that Standard Traffic Documents may have been compromised, IATA must immediately alert all BSP Airlines whose Ticketing Authority is held by the Agent and provide them with the serial numbers of any such Standard Traffic Documents.

8.5 REVENUE LOSSES ATTRIBUTABLE TO ALTERATION OR FALSIFICATION OF STANDARD TRAFFIC DOCUMENTS

8.5.1 A BSP Airline which has incurred a loss due to unauthorised or improper issuance, alteration of original entries or falsification of entries made in Standard Traffic Documents issued in its name, where the issuance, alteration or falsification of entries may reasonably be attributed to the Agent, may request IATA to investigate the circumstances.

8.5.2 When such a request is received under section 8.5.1, IATA will immediately contact the Agent to investigate the circumstances.

8.5.3 If IATA, having carried out an investigation of the circumstances, including taking into account the Agent's explanation, concludes that the circumstances may reasonably be attributed to the fault of the Agent, whether intentional, or negligent, or through the unauthorised act

of an employee, or otherwise, the Agent will be accountable to the BSP Airline for the amount of the attributable loss.

8.5.4 If the Agent demonstrates to the satisfaction of IATA that the circumstances were attributable to an employee who acted without the knowledge or complicity of the Agent, IATA will require the Agent to make good the loss of revenue to the BSP Airline within a period prescribed by IATA. If the Agent fails to make good the loss of revenue to the BSP Airline within the prescribed period, IATA will refer the matter to the Travel Agency Commissioner with a request for review and action.

Section 9—Commission and Other Remuneration

☐ Any commission and/or remuneration due to the Agent for the sale of international air passenger transportation shall be determined by the Airline, in advance of any applicable sales and communicated in writing to the Agent by the Airline.

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Section 10—Change to Scope or Nature of Accreditation

10.1 FRAMEWORK FOR NOTIFICATION OF CHANGES

10.1.1 This section 10 is applicable to all Agents.

10.1.2 This section 10 sets out the requirements for reporting and, if applicable, seeking approval for:

(a) changes to the Agent's accreditation type; and/or

(b) any minor or major changes to the Agent's ownership, shareholding, legal entity, name, location and Inheritance, as defined in section 10.1.4.6.

10.1.3 The parties to the Change of Ownership, may request IATA to be a party to a non-disclosure agreement.

10.1.4 Definitions

10.1.4.1 Change of Ownership

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

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

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

10.1.4.2 Change of Shareholding

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

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

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

10.1.4.3 Change of Legal Entity

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

10.1.4.4 Change of Name

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

10.1.4.5 Change of Location

A change in the physical location of a business.

10.1.4.6 Inheritance

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

10.2 CHANGES NOT REQUIRING A NEW PASSENGER SALES AGENCY AGREEMENT

10.2.1 Minor Change of Shareholding for Corporations and Limited Liability Companies

10.2.1.1 An Agent structured as a corporation or limited liability company must notify IATA when there is a disposal or acquisition of shares, even when such disposal or acquisition does not result in a change in control, as defined in section 10.1.4.2. This change does not require execution of a new Passenger Sales Agency Agreement, provided that the change does not alter the Agent's legal nature with respect to its responsibilities and obligations under applicable law.

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

10.2.2 Sale of Associate Entity to Another Accredited Agent

10.2.2.1 If the Agent sells its Associate Entity to another Agent the latter is responsible for notifying IATA.

10.2.3 Processing

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

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

(i) the Agent does no longer satisfy the criteria for accreditation; or

(ii) the change specified in the Notice of Change alters the Agent's legal nature, in which case IATA will initiate a review of the Agent with the Travel Agency Commissioner in accordance with Resolution 820e.

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

10.3 CHANGES REQUIRING A NEW PASSENGER SALES AGENCY AGREEMENT

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

10.3.1 Change of Ownership

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

(a) in the case of a sole owner, partnership or other unincorporated entity:
  (i) the death of the sole owner or of a member of a partnership or other unincorporated firm;
  (ii) the transfer of an interest in the Agent that has the effect of transferring control of the Agent to a Person who did not previously have control of the Agent;
  (iii) the admission or withdrawal of a partner;

(b) in the case of a corporation or limited liability company:
  (i) the acquisition of the Agent by a Person or a Legal Entity;
  (ii) the merger of the Agent with a person or Legal Entity; or
  (iii) major change of shareholding–the disposal or acquisition of shares resulting in change in control as defined in section 10.1.4.2.

10.3.2 Change of Legal Entity

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

(a) in the case of a sole owner, partnership or other unincorporated entity:
  (i) the incorporation of the Agent;

(b) in the case of a corporation or limited liability company:
  (i) the transformation of the Agent into a partnership or unincorporated firm;
  (ii) any change in the legal nature of the Agent;

10.3.3 Processing

10.3.3.1 At the time of submitting the notice of change, the Agent must provide the full ownership and governance structure of the company, indicating any changes to its ultimate beneficiary;

10.3.3.2 For changes involving a change in ownership due to acquisition/merger or a change of shareholding representing a change in control, excluding cases where the Agent is acquired by/merged with an existing IATA Accredited Agent, or the control is transferred to an existing IATA Accredited Agent, the Agent must provide:

(a) Audited financial statements, no later than 90 days after the change of ownership. The Financial Statements must cover, at minimum, one month of operations following the date of change.
(b) Any other documentation necessary for the Global Financial Assessor (GFA) to conduct an assessment of the Agent post-change.
(c) A Financial Security that is at minimum equal to the Agent's Amount At Risk, with a validity of minimum six months from the date of receipt.

10.3.3.3 The GFA will assess the financial statements as Resolution 800f Appendix A, Section 1, and may conduct checks against the following tests to assess the risks associated with the change:

(a) Potential operational disruptions following restructuring
(b) Cash levels and distributions to shareholders
(c) Efficiency of the Business Model post transition
(d) Occurrence of indemnified events
(e) Aggressiveness of expansion
(f) Restructuring of the organisation's governance

10.3.3.4 If the GFA determines that the change is rated as medium or high risk, a Risk Event will be recorded, and the provisions of section 5.3 will apply.

10.3.3.5 If the Agent is unable to provide audited financial statements or other documents required per the provisions set out in section 10.3.3.2, then the Cash Conditions referred to in section 5.8.2 will apply.

10.3.3.6 At all times an Agent may also voluntarily opt-out of the financial assessment set out in section 10.3.3.2, in which case the Cash Conditions referred to in section 5.8.2 will apply. If the Agent chooses to opt-in at a later date, the assessment criteria outlined in section 10.3.3 will be applicable.

10.3.4 Other Changes Requiring a New Passenger Sales Agency Agreement

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

(a) a change of accreditation type permitted in accordance with the provisions of section 10.6;

(b) a change of legal name in accordance with the provisions of section 10.8.4;

(c) a change of location type where the Head and Associate Entity are different legal entities, in accordance with the provisions of section 10.9;

(d) the sale of an Associate Entity by the Agent ("the transferor") to another person who is not an Agent ("the transferee"), where the Associate Entity will no longer be included under the accreditation of "the transferor", both the transferor and the transferee must jointly give notice to IATA;

(e) a change of Head Entity location to another market for the Agent holding Standard Accreditation, in accordance with section 10.10.3.

10.3.5 Processing

10.3.5.1 In accordance with the provisions of sections 10.3.1 to 10.3.4, upon receipt of the Notice of Change, IATA will:

(a) countersign the Notice of Change which will have the same effect as a Passenger Sales Agency Agreement until the application for accreditation or change is approved or disapproved and actions are taken in accordance with section 10.4 or 10.5 as applicable;

(b) publish details promptly to all BSP Airlines that such a Notice of Change has been received.

10.3.6 When the Agent undergoes a change specified under sections 10.3.1 to 10.3.4, the Agent is only required to provide a Notice of Change in respect of the Head Entity and each Associate Entity impacted. The information previously submitted in connection to the Associate Entities not impacted by the change will be considered unchanged.

10.3.7 When the Agent undergoes a change specified under sections 10.3.1 to 10.3.4 that also includes a change of name or location, all changes must be notified by the Agent in a single Notice of Change and IATA will process all changes as one application.

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

10.4 FINAL APPROVAL BY IATA

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

(a) notify and sign a Passenger Sales Agency Agreement with the Agent. The Passenger Sales Agency Agreement will be effective from the date when the change took place in accordance with the provisions of section 10.4.1(b); and

(b) notify all BSP Airlines accordingly and, when required, make any necessary amendment to the Agency List.

10.5 EFFECT OF DISAPPROVAL BY IATA

10.5.1 If IATA is:

(a) unable to approve a change in accordance with this section 10;

(b) unable to execute a Passenger Sales Agency Agreement with the Agent; and/or

(c) the Agent fails to provide a Notice of Change to IATA in accordance with the provisions of section 10.11 and subsequently fails to revert to its previous approved state or submit the required Notice of Change.

IATA will:

(d) in case of a change requiring a new Passenger Sales Agency Agreement, issue a Termination Notice to the Agent removing the Agent from the Agency List and terminating the Passenger Sales Agency Agreement in accordance with the provisions of section 13 and, if applicable, issue a notice to the new owner notifying that the Notice of Change will no longer have effect as a Passenger Sales Agency Agreement;

(e) in cases of a change not requiring a new Passenger Sales Agency Agreement, issue a Termination Notice to the Agent withdrawing any provisional approval that has been given, removing the Agent from the Agency List and terminating the Passenger Sales Agency Agreement in accordance with the provisions of section 13; and

(f) in all cases:

  (i) give the specific reasons for IATA's action in writing via the IATA Customer Portal;

  (ii) notify all BSP Airlines accordingly; and

  (iii) remove Ticketing Authority.

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

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

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

10.6 CHANGE OF ACCREDITATION TYPE

10.6.1 The following changes to accreditation type are permitted in accordance with the provisions of this section 10.6:

(a) Standard Accreditation with Cash Facility to Standard Accreditation with no Cash Facility;

(b) Standard Accreditation with no Cash Facility to Standard Accreditation with Cash Facility;

(c) Multi-Country Accreditation or Euro-Zone Accreditation to a Standard Accreditation with no Cash Facility;

(d) Multi-Country Accreditation or Euro-Zone Accreditation to a Standard Accreditation with Cash Facility;

(e) Multi-Country Accreditation to a Euro-Zone Accreditation;

(f) Euro-Zone Accreditation to a Multi-Country Accreditation; and

(g) Standard Accreditation with or with no Cash Facility to a Multi-Country Accreditation or Euro-Zone Accreditation.

10.6.2 In the event that the Agent wishes to change its accreditation type and the change is permitted under section 10.6.1, the Agent must provide IATA with a Notice of Change.

10.6.3 IATA will determine whether the change of accreditation type can be approved in accordance with the provisions of section 2 of this Resolution. The requirements for changes of accreditation are detailed as follows:

Change of accreditation type		The Agent must:
From:	To:	
Standard Accreditation with Cash Facility	Standard Accreditation with No Cash Facility	• Comply with the requirements for authorisation to use the Customer Card Payment Method in accordance with the provisions of section 2.6, if access to this Payment Method is requested.
Standard Accreditation with No Cash Facility	Standard Accreditation with Cash Facility	• Comply with the requirements for authorisation to use the Cash Payment Method in accordance with the provisions of section 2.5.
Multi-Country Accreditation or Euro-Zone Accreditation	Standard Accreditation with no Cash Facility	• Execute a new Passenger Sales Agency Agreement for each Head Entity by market, and the provisions of section 10.3 will apply; • Comply with the requirements for Standard Accreditation in accordance with the provisions of section 2.3 • Comply with the requirements for authorisation to use the Customer Card Payment Method in accordance with the provisions of section 2.6, if access to this Payment Method is requested.
Multi-Country Accreditation or Euro-Zone Accreditation	Standard Accreditation with Cash Facility	• Execute a new Passenger Sales Agency Agreement for each Head Entity by market, and the provisions of section 10.3 will apply; • Comply with the requirements for Standard Accreditation and authorisation to use the Cash Payment Method, in accordance with the provisions of section 2.3 and 2.5

Standard Accreditation with Cash Facility or Standard Accreditation with no Cash Facility	Multi-Country Accreditation or Euro-Zone Accreditation	• Not have incurred any Risk Event under section 4.2, type 3. Payment Default and/or type 10. Prejudiced collection of funds • Execute a new Passenger Sales Agency Agreement for the Head Entity covering all the Agent's entities worldwide or in the Euro-Zone, as applicable. • Comply with the requirements for a Multi-Country Accreditation or Euro-Zone Accreditation and authorisation to use the Cash Payment Method in accordance with the provisions of sections 2.4 and 2.5.

10.6.4 A change of accreditation type permitted under section 10.6.1(a) or section 10.6.1(b) does not by itself require execution of a new Passenger Sales Agency Agreement.

10.6.5 On request from IATA, the Agent must pay the applicable fee for the change of accreditation type requested, in accordance with the provisions of section 14.

10.6.6 If IATA approves the change of accreditation type, IATA will:

(a) notify all BSP Airlines accordingly;

(b) record the change of accreditation type on the Agency List; and

(c) for a change in accreditation type permitted under section 10.6.1(a) and (c), if applicable, return any Financial Securities held by IATA to the Agent on a date which is the later of:

(i) the date on which All Amounts Owing have been remitted; and

(ii) 30 days after the date on which IATA approved the change of accreditation type

or at the request of the Agent, IATA may continue to hold the Financial Security to comply with the requirements for authorisation to use the Customer Card Payment Method.

10.6.7 If the Agent wishes to change its accreditation type to Standard Accreditation with no Cash Facility in accordance with sections 10.6.1(a) and 10.6.1(c), any Financial Security requirement applicable under section 5.10, will not consider the Agent's BSP Cash sales issued prior to such change.

10.6.8 If the change of accreditation type cannot be approved, IATA will disapprove the application and the Agent will continue to be accredited under its current accreditation type.

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

10.7.1 In the event of the death of the sole owner of the Agent, or of a member of a partnership or other unincorporated firm which is the Agent, the person entitled to represent the decedent's estate (in the case of a sole ownership) or the remaining member(s) of the partnership or other unincorporated firm (in the case of a partnership or other unincorporated firm) (**Surviving Party**), must promptly advise IATA using a Notice of Change at which time IATA will either:

(a) remove the Agent's Ticketing Authority; or

(b) execute a temporary Passenger Sales Agency Agreement in accordance with the provisions of section 10.7.2.

10.7.2 If the event involves the death of the sole owner of the Agent, or of a member of a partnership or other unincorporated firm which is the Agent, then in order to preserve the goodwill of the Agent as far as possible, IATA may, at the request of the Surviving Party, enter into a temporary Passenger Sales Agency Agreement with the Surviving Party, reinstate access to Ticketing Authority if already removed, and advise the BSP Airlines accordingly. The temporary Passenger Sales Agency Agreement will be in the same form and have the same effect as a Passenger Sales Agency Agreement except that:

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

(b) if prior to the date of termination of the temporary Passenger Sales Agency Agreement the decedent's estate or the partnership or other unincorporated firm submits evidence of a satisfactory financial situation in accordance with the applicable Local Financial Criteria or Multi-Country Financial Criteria, as applicable, the termination will not take effect and IATA will notify the Agent and all BSP Airlines that Ticketing Authority has been reinstated;

(c) if the termination of the Passenger temporary Sales Agency Agreement takes effect, IATA will remove the Agent from the Agency List and notify the Surviving Party and all BSP Airlines accordingly. Upon receipt of such a notice, BSP Airlines will take the same action as required on removal of an Agent from the Agency List;

(d) if the person entitled to represent the decedent's estate proposes to transfer or to confirm the transfer of the decedent's interest in the Agent to an heir, legatee or other person, or notifies that the decedent's interest is withdrawn from the partnership or other unincorporated firm, such a transfer or withdrawal will be deemed to be a change of ownership for the purposes of this section 10 and the signatory of the temporary Passenger Sales Agency Agreement and the transferee must jointly give notice to IATA in accordance with section 10.3 and thereafter the provisions of section 10.3 will apply; and

(e) subject to earlier termination under the preceding provisions of this section 10.7.2, a temporary Passenger Sales Agency Agreement with the representative of the estate of a deceased sole owner will terminate if such a representative ceases to carry on the Agent's business at the Location covered by the temporary Sales Agency Agreement.

10.8 CHANGE OF LOCATION OR LEGAL NAME

10.8.1 If the Head Entity or an Associate Entity of the Agent moves to another location, the Agent must as far in advance as possible but in any case before effecting the move, provide IATA with a Notice of Change notifying the new address.

10.8.2 IATA may arrange for an inspection of the new location and will notify all BSP Airlines of the proposed new location. If the inspection report is favourable, the new location will be an approved location. If the investigation report is unfavourable, the new location will not be approved and IATA will give the Agent written Termination Notice of the Passenger Sales Agency Agreement or of removal from the Agency List in the case of an Associate Entity, specifying the date on which termination will be effective. This date will not be before the date specified in clause 13.2 of the Passenger Sales Agency Agreement, and IATA will notify all BSP Airlines accordingly. Such termination or removal will not take effect if, prior to the date of termination or removal, IATA is able to approve the application for change of location;

10.8.3 A change of location does not by itself require the execution of a new Passenger Sales Agency Agreement.

10.8.4 If the Agent changes its legal name, the Agent must as far in advance as possible but in any case before effecting the change (if it can legally do so), provide IATA with a Notice of Change.

10.8.5 IATA will determine whether the new legal name can be approved in accordance with the provisions of section 2.2.4.1. If the new name can be approved, IATA will process the change of name in accordance with the provisions of section 10.4.1. If the new name cannot be approved, IATA will disapprove the application, remove the Agent's Ticketing Authority and issue a Termination Notice in accordance with the provisions of section 10.5.1(b).

10.8.6 The Termination Notice will not take effect if, prior to the date of termination, the Agent reverts to its approved legal name or IATA is able to proceed with the application for change of legal name in accordance with the provisions of section 10.3.1.

10.8.7 A change of legal name requires the execution of a new Passenger Sales Agency Agreement.

10.8.8 If the Agent's application is disapproved, the Agent may, within 30 days of IATA's notice, invoke the procedures set out in Resolution 820e for review of IATA's action by the Travel Agency Commissioner. The Agent may also apply for interlocutory order staying termination or removal pending the outcome of the review; in such case IATA will remove Agent's Ticketing Authority pending the outcome of the review, and notify the Agent and all BSP Airlines accordingly.

10.9 CHANGE OF ENTITY TYPE

10.9.1 In the event that the Agent wishes to change from Head Entity to Associate Entity, or vice versa, on the Agency List, the Agent must:

(a) provide IATA with a Notice of Change, giving full details of the proposed change, and

(b) on request from IATA, pay the appropriate fee, as provided for in accordance with the provisions of section 14.

10.9.2 IATA will determine if the change requested is of an administrative nature or one where the Head and Associate Entity are different legal entities;

10.9.3 If the former, IATA will record the change of location type in the Agency List and notify the Agent and all BSP Airlines accordingly;

10.9.4 If the latter, IATA will notify the Agent and proceed to process the change in accordance with the provisions in section 10.3.

10.10 CHANGE OF HEAD ENTITY LOCATION TO ANOTHER MARKET

10.10.1 When the Head Entity of an Agent moves to another market, the Agent must as far in advance as possible but in any case prior to effecting the move, submit a Notice of Change notifying IATA of the new address and other details including, but not limited to, new business number, new VAT or tax identification number, new telephone number, new email address.

10.10.2 For an Agent having Standard Accreditation with Cash Facility, IATA will undertake a financial review of the Agent to ensure that the Agent meets the requirements of the Local Financial Criteria applicable in the market of the Head Entity's new location prior to approving the change.

10.10.3 IATA will determine whether the change of Head Entity location can be approved in accordance with the provisions of section 2, and if approved, IATA will:

(a) assign the Head Entity a new numeric code appropriate to the new market of location in accordance with Resolution 822;

(b) notify all BSP airlines accordingly;

(c) except for changes of Head Entity location within the European Union, for an Agent holding Standard Accreditation, a Risk Event will be recorded in the Agent's Risk History in accordance with the provisions of section 4.2;

(d) execute a new Passenger Sales Agency Agreement with the Head Entity in the new market.

10.10.4 If the change of Head Entity location cannot be approved, IATA will remove the Agent's Ticketing Authority and issue a Termination Notice in accordance with the provisions of section 10.5.1. The Agent may, within 30 days of IATA's notice, invoke the procedures set out in Resolution 820e for review of IATA's action by the Travel Agency Commissioner. The Agent may also apply for an interlocutory order staying termination or removal pending the outcome of the review. Before any interlocutory order is granted, the Commissioner will require the Agent to provide a Financial Security in accordance with Resolution 820e.

10.10.5 In the event that an Agent holding Standard Accreditation changes the location of its Head Entity from one market to another without prior notification to IATA, IATA will issue a Termination Notice and remove the Agent's Ticketing Authority pending are view by IATA of the Agent's changed circumstances. IATA will determine if the Agent is in compliance with the Local Financial Criteria and any local legal requirements. The Agent will be required to submit a new application for accreditation and execute a new Passenger Sales Agency Agreement for its new market/region.

10.11 LATE NOTIFICATION OR ABSENCE OF NOTIFICATION OF CHANGE

10.11.1 If an Agent fails to provide a Notice of Change to IATA as required in accordance with the provisions of section 10.3, IATA will remove the Agent's Ticketing Authority and notify the Agent that the required Notice of Change must be provided to IATA within 5 days.

10.11.2 If within 5 days the Agent provides the required Notice of Change, the removal of Ticketing Authority will no longer apply.

10.11.3 If within 5 days the Agent does not submit the required Notice of Change or, if applicable, revert to its previous ownership, then IATA will issue a Termination Notice to the Agent in accordance with the provisions of section 10.5.1. Any future application from the Agent shall be processed in accordance with the provisions of section 2.

10.11.4 The Agent may within 30 days of the notice of removal of Ticketing invoke the procedures set out in Resolution 820e for review of IATA's action by the Travel Agency Commissioner, and may also apply for an interlocutory order staying termination or removal pending the outcome of the review. Before any interlocutory order is granted, the Commissioner will require the Agent to provide a Financial Security in accordance with Resolution 820e.

10.11.5 In the event of an Agent's late or absence of notification of a change of ownership, shareholding, legal name, legal entity or location, including change of Head Entity location to another market, IATA will charge the Agent a late notification fee.

Section 11—Reviews by the Travel Agency Commissioner

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

Section 12—Arbitration

△ 12.1 AGREEMENT TO ARBITRATE

12.1.1 Any parties to a dispute which considers itself aggrieved by a decision of the Travel Agency Commissioner ('the Commissioner') under Resolution 820e shall have the right to have the decision reviewed by arbitration under the Rules of Arbitration of the International Chamber of Commerce by one or more Arbitrators appointed in accordance with such Rules.

12.1.2 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 of language of the requesting party.

12.1.3 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. Notwithstanding the foregoing, in the event that the laws of such country are inconsistent with the effect of sub-paragraph 13.1.5, then in the case of a Decision rendered with respect to Area 1, the place of arbitration shall be, at the election of the claimant, either Montreal, Quebec or Miami, Florida; in the case of a Decision rendered with respect to Area 2, the place of arbitration shall be Geneva, Switzerland; and in the case of a Decision rendered with respect to Area 3, the place of arbitration shall be, at the election of the claimant, either Singapore or Sydney, Australia.

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

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

12.1.6 Where the Travel Agency Commissioner has granted interlocutory relief, such relief and any Financial Security must remain in effect pending the award of the arbitrator(s). The arbitrator(s), however, will have the power to vary the terms of the Financial Security as they deem appropriate including requesting an increased amount of Financial Security from the party requesting a review by arbitration ("Appellant").

△ 12.2 COMMENCEMENT OF ARBITRATION

Arbitration proceedings pursuant to this section will be commenced no later than thirty (30) calendar days from the date of the decision of the Commissioner or the panel of all the Commissioners, whichever is later.

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Section 13—Removal of Accreditation

13.1 FRAMEWORK FOR REMOVAL OF ACCREDITATION

13.1.1 Grounds for Removal of Accreditation by IATA

13.1.1.1 IATA may remove the Agent's Accreditation and terminate the Passenger Sales Agency Agreement in the following circumstances:

(a) where the Agent has incurred a Risk Event(s) or Administrative Non-Compliance in circumstances where this Resolution requires IATA to terminate the Passenger Sales Agency Agreement;

(b) in the case of a continued Force Majeure, as described in section 13.2.3 below;

(c) in the event of the Agent's bankruptcy, insolvency or similar situation, as described in section 13.2.4 below;

(d) where the Agent uses its Accreditation in a manner detrimental to the good standing of IATA, as described in section 13.2.5 below;

(e) in the event of a material misstatement by the Agent as described in section 13.2.6 below; or

(f) in the case of a change with respect to the Agent where section 10.5.1 applies.

13.1.2 Process for Removal of Accreditation

13.1.2.1 The general process for removal of Accreditation is set out in section 13.4 below. The general process is subject to any specific provisions for the removal of Accreditation.

13.1.3 Voluntary Relinquishment of Accreditation by Agent

13.1.3.1 The Agent may request voluntary relinquishment of its Accreditation, as described in section 13.6.

13.2 GROUNDS FOR REMOVAL OF ACCREDITATION BY IATA

13.2.1 Risk Events and Administrative Non-Compliances

13.2.1.1 Where the Agent has incurred a Risk Event or an Administrative Non-Compliance in circumstances where this Resolution requires IATA to terminate the Passenger Sales Agency Agreement, IATA will issue a Termination Notice to the Agent.

13.2.2 Non-payment of Agency Fees

13.2.2.1 Where the Agent fails to pay the annual agency fee by the due date in accordance with the provisions of section 14 IATA will issue a Termination Notice to the Agent.

13.2.3 Force Majeure

13.2.3.1 The Agent will not be liable for delay or failure to comply with the terms of its Passenger Sales Agency Agreement to the extent that such delay or failure:

(i) is caused by any act of God, war, natural disaster, strike, lockout, labor dispute, work stoppage, fire, third-party criminal act, quarantine restriction, act of government, or any other cause, whether similar or dissimilar, beyond the reasonable control of the Agent; and

(ii) is not the result of the Agent's lack of reasonable diligence, (an “excusable delay”). In the event an excusable delay continues for seven days or longer, the Agency Administrator may terminate this Agreement by giving the Agent whose performance has failed or been delayed by the excusable delay at least thirty days' prior written notice of such election to terminate.

13.2.4 Bankruptcy, Insolvency and Similar Situations

13.2.4.1 When the Agent is declared bankrupt, insolvent, placed in receivership or judicial administration, goes into liquidation or becomes subject to any other similar legal procedure affecting its normal operation, IATA will, subject to any local law requirements in the market of the Head Entity and/or any Associate Entity, issue a Termination Notice to the Agent.

13.2.4.2 When an Associate Entity is declared bankrupt, insolvent, placed in receivership or judicial administration, goes into liquidation or becomes subject to any other similar legal procedure affecting its normal operation, IATA may, subject to any local law requirements in the market of that Associate Entity, issue a Termination Notice to the Agent.

13.2.5 Conduct Detrimental to the Good Standing of IATA

13.2.5.1 Despite section 4 of Resolution 824, when IATA considers, on the basis of evidence received or obtained, that the Agent has or continues to use its Accreditation to engage in, and profit from activities which, if associated with IATA, may prove detrimental to the good standing of IATA, IATA will issue a Termination Notice to the Agent.

13.2.6 Material Misstatement by the Agent

13.2.6.1 If at any time:

(a) IATA becomes aware that the Agent's application for Accreditation contained a material statement that was inaccurate, incomplete or misleading in respect of any requirements for Accreditation referred to in sections 2 and 3; or

(b) IATA becomes aware that the Agent has materially misrepresented its financial standing and has written evidence of the misrepresentation which can be verified,

IATA will issue a Termination Notice to the Agent.

13.2.7 Changes with Respect to the Agent in Circumstances where Section 10.5.1 Applies

13.2.7.1 Where a change with respect to the Agent has occurred and either section 10.5.1 or 10.11 applies, IATA will issue a Termination Notice to the Agent.

13.2.8 Regulatory and Legal Compliance

13.2.8.1 If IATA is prohibited from doing business with the Agent or reasonably considers that doing so would pose an undue risk to IATA under applicable regulatory or legal requirements, it will issue a Termination Notice to the Agent.

13.3 IMMEDIATE REMOVAL OF TICKETING AUTHORITY

13.3.1 Where IATA issues a Termination Notice to the Agent, IATA will immediately remove the Agent's Ticketing Authority, unless otherwise specified under the provisions of this Resolution.

13.3.2 IATA will notify all BSP Airlines if IATA removes the Agent's Ticketing Authority or approval to use an Authorised Payment Method.

13.4 PROCESS UPON ISSUE OF A TERMINATION NOTICE

13.4.1 Process of Removal by IATA

13.4.1.1 Unless expressly specified otherwise in this Resolution, once a Termination Notice has been issued by IATA to the Agent and subject to the grant of an interlocutory order referred to under section 13.4.3, the following process applies:

(a) IATA will immediately notify all BSP Airlines of the issue and details of the Termination Notice;

(b) IATA will remove the Agent's Ticketing Authority; and

(c) IATA will remove the Agent (including any Associate Entities) from the Agency List on the effective date of the Termination Notice as set out in section 13.4.2.

(d) IATA will notify the relevant credit reporting agencies and the Airlines Reporting Corporation of any outstanding amounts owed on the effective date of the Termination Notice as set out in section 13.4.2.

13.4.2 Effective Date of Termination Notice

13.4.2.1 The effective date of a Termination Notice is the later of:

(a) the date on which the Agent is to be removed from the Agency List in accordance with any applicable notice period under section 13.2; and

(b) the last day of the month following the month in which the Termination Notice is given.

13.4.3 Right of Review

13.4.3.1 Unless expressly specified otherwise in this Resolution, the Agent may invoke the procedures set out in Resolution 820e to apply for a review of IATA's decision to issue a Termination Notice by the Travel Agency Commissioner within 30 days of the date of the Termination Notice.

13.4.3.2 Unless expressly specified otherwise in this Resolution, such application for review may also include an application for an interlocutory order staying the Termination Notice, provided that such application can be, and is, made prior to the effective date of the Termination Notice.

13.4.3.3 The Travel Agency Commissioner may require that a Financial Security in accordance with the provisions of Resolution 820e be provided to IATA as a condition for the stay related to any Termination Notice issued by IATA. Upon receipt of the Financial Security from the Agent, IATA will temporarily reinstate the Agent's Ticketing Authority and otherwise preserve the status quo pending the outcome of the travel Agency Commissioner's review.

13.5 REMEDIATION OF GROUNDS FOR ISSUE OF TERMINATION NOTICE

13.5.1.1 Unless expressly specified otherwise in this Resolution, if prior to the effective date of a Termination Notice:

(a) the Agent remedies the grounds for such removal to the satisfaction of IATA; and

(b) IATA is otherwise satisfied that the Agent can be relied upon to comply with the terms of the Passenger Sales Agency Agreement and this Resolution.

then:

(c) the removal of the Agent from the Agency List and termination of the Passenger Sales Agency Agreement will not take effect; and

(d) the Agent's Ticketing Authority will be reinstated.

13.6 REINSTATEMENT AFTER TERMINATION

13.6.1 In the event the Agent is removed from the Agency List in accordance with any of the provisions of these Rules, IATA may reinstate the Agent to the Agency List within the following 60 days of its termination, provided that the below conditions are met. In such event the BSP Airlines may, at their individual discretion, provide the Agent with Ticketing Authority and IATA will advise all System Providers that the Agent may have access to Standard Traffic Documents:

(a) All Accountable Transactions for any current or future Billing Period(s) as well as any outstanding amount related to Charges, as specified in Resolution 812, section 6.6.2 are settled;

(b) when applicable, the Financial Security held prior to the termination is re-issued and valid in accordance with Resolution 850p; and

(c) the Agent does not have any active Risk Event under section 4.2, type 3. Payment Default and/or type 10. Prejudiced collection of funds.

13.7 RELINQUISHMENT OF ACCREDITATION OR BSP AIRLINE APPOINTMENT BY THE AGENT

13.7.1 Relinquishment of Accreditation

13.7.1.1 The Agent may voluntarily relinquish its accreditation at any time by giving written notice to IATA.

13.7.1.2 For the purposes of clause 13.2 of the Passenger Sales Agency Agreement, the relinquishment notice has the effect of a Termination Notice. The effective date of the relinquishment notice must be a date that is not before the date specified in clause 13.2 of the Passenger Sales Agency Agreement.

13.7.1.3 Once a relinquishment notice has been received by IATA from the Agent, the following process applies:

(a) IATA will immediately remove the Agent's Ticketing Authority;

(b) IATA will immediately notify all BSP Airlines of the relinquishment including details of the relinquishment notice and removal of the Agent's Ticketing Authority;

(c) IATA will remove the Agent (including any Associate Entities) from the Agency List on the effective date of the relinquishment notice.

13.7.2 Relinquishment of BSP Airline Appointment

13.7.2.1 If the Agent voluntarily relinquishes a BSP Airline's appointment, it must so notify the respective BSP Airline in writing.

13.8 ACCRUED RIGHTS AND OBLIGATIONS CONTINUE

13.8.1 Removal of the Agent from the Agency List and termination of its Passenger Sales Agency Agreement will be without prejudice to fulfilment by the Agent and each of the BSP Airlines having the Agent under appointment, of all obligations accrued up to and including the effective date of a Termination Notice or relinquishment notice.

Section 14—AGENCY FEES

14.1 FRAMEWORK FOR AGENCY FEES

14.1.1 This section 14 establishes the process for the charging of Agency fees.

14.2 APPLICATION OF AGENCY FEES

The application of the Agency Fees are set out in Resolution 812 Attachment “H”.

14.2.1 Annual Agency Fees

14.2.1.1 For the purpose of determining the annual fee amount applicable to the Agent, IATA will compute all gross sales processed through the BSP in the 12 month period ending in June of the year prior to the annual fee period being billed. Sales will be calculated by adding all reporting periods included in the applicable months.

14.2.1.2 In accordance with the provisions of section 2.9.2, an application for Accreditation includes a first annual agency fee covering the year of application for the amount of CHF 200 for both Standard Accreditation with and with no Cash Facility types for or CHF 48,000 for Multi-Country Accreditation or CHF 200 for Euro-Zone Accreditation.

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

(a) Small–up to USD 200,000 gross annual sales

(b) Medium–USD 200,001–USD 2,000,000 gross annual sales

(c) Large–more than USD 2,000,000 gross annual sales

14.2.2 Lack of Compliance in Reporting Major Changes

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

14.2.3 Change of Accreditation Type

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

14.2.4 Agency Fees Governance

14.2.4.1 Agency fees shall be determined by Conference.

14.3 INVOICING

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

14.4 NON-PAYMENT OF ANNUAL, APPLICATION OR ADMINISTRATIVE FEES

14.4.1 Failure by the Agent to pay the annual agency fee or any administrative fee levied in accordance with this Resolution by the due date constitutes an Administrative Non-Compliance, and the provisions set out in section 3.3 will apply.

14.5 USE OF AGENCY FEES

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

14.6 CHARGES

14.6.1 Any other cost recovery charges to be levied on the Agent are detailed in Resolution 812 section 6.6.2.

Section 15—Indemnities and Waiver

15.1 Subject to 15.2, the Agent agrees to indemnify and hold harmless the BSP Airline, its officers and employees from all damages, expenses or losses incurred or suffered by any of them arising from the loss, robbery, theft, burglary, fraudulent issue or misuse of Standard Traffic Documents assigned to the Agent pursuant to this Resolution 812.

15.2 The Agent will be relieved of liability under section 15.1 in respect of any damage, expense or loss incurred or suffered by the BSP Airline, its officers or employees resulting if the Agent can demonstrate that at the material time it met the minimum security standards prescribed in section 8, the loss, robbery, theft, burglary, fraudulent issue or misuse of Standard Traffic Documents was immediately reported in accordance with the requirements of section 8 and the fraudulent issue or misuse of such Standard Traffic Documents resulted solely from the action of persons other than the Agent, its officers or employees.

15.3 The Agent recognises that BSP Airlines (whether acting individually or collectively) and IATA are required to issue notices, give directions and take other action pursuant to this and other applicable Resolutions, including Notices of Adjusted Risk Events, Notices of Payment Default, notices of alleged violations and termination, and notices removing an Agent from the Agency List. The Agent waives any and all claims and causes of action against any BSP Airline, IATA and any of their officers and employees (including the Director General and the Agency Administrator) for any loss, injury or damage (including damages for libel, slander or defamation of character) arising from any notice issued, direction given or any other act done or omitted to be done in good faith in connection with the performance of any of their duties or functions under these and other applicable Resolutions and indemnifies each of them against such claims by the Agent, its officers, its employees and any other person acting on the Agent's behalf.

RESOLUTION 812

Attachment ‘A’

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RESOLUTION 812

Attachment ‘B’

APPLICATION FORM FOR ACCREDITATION AS AN IATA PASSENGER SALES AGENT

RESOLVED that, the following standard form shall be used in connection with the Passenger Sales Agency Rules.

The information requested below is required by IATA to assist in determining the eligibility of the Applicant for inclusion on the IATA Agency List. Type or print clearly the answers to all questions on this form. Where additional space is required, or where you wish to supplement your answer and there is insufficient space, attach to this form additional sheets containing the data. Retain a copy of this application for your permanent records at the agency location.

Note: *A separate form is required for each agency entity for which approval is sought.*

Section 1—Identification of Agency for which Approval Requested

1.1 Legal name:

1.2 Trade name, if different from 1.1 above:

1.3 Full address and telephone number of the office for which application for approval is made:

1.3.1 Web site address (URL) (if any):

1.4 If registration and/or licence is required by law in your market, give:

1.4.1 the trade registration or licence number of the agency;

1.4.2 the date this was granted;

1.4.3 please attach a copy of the official certificate of registration and/or licence.

1.4.4 Date on which the office for which approval is sought opened as a travel agency.

1.5 VAT or Tax Identification Number:

1.6 Business email address:

Section 2—General Information

2.1 Is approval sought for:

2.1.1 a Head Entity with Standard Accreditation with no Cash Facility: Yes ☐ No ☐

2.1.2 a Head Entity with Standard Accreditation with Cash Facility: Yes ☐ No ☐

2.1.3 an Associate Entity: Yes ☐ No ☐

2.1.4 Multi-Country Accreditation: Yes ☐ No ☐

If Yes:

2.1.4.1 give name, address, telephone number, e-mail address and IATA Numeric Code of IATA Approved Head Entity (if any)

2.1.5 Euro-Zone Accreditation: Yes ☐ No ☐

If Yes:

2.1.5.1 give name, address, telephone number, e-mail address and IATA Numeric Code of IATA Approved Head Entity (if any), located within the Euro-Zone

2.1.6 an Associate Entity: Yes ☐ No ☐

If Yes:

2.1.7 give name, address, telephone number, e-mail address and IATA Numeric Code of IATA Approved Head Entity (if any);

2.1.8 attach completed certificate as specified in Appendix 'C' for each proposed Associate Entity

2.1.9 Is authorisation sought for the Customer Card Payment Method: Yes ☐ No ☐

2.2 Specify legal entity:

sole proprietorship ☐ partnership ☐

limited liability company ☐ other (describe) ☐

2.3 If your travel agency is owned by an organisation other than the Head Entity mentioned above, answer the following with respect to the parent organisation:

2.3.1 What is its legally registered name and address?

2.3.2 What is the principal business of this organisation?

Section 3—Financial Information of Applicant

For Applicants seeking Standard Accreditation with Cash Facility, or Multi-Country Accreditation, or Euro-Zone Accreditation as applicable:

3.1 Attach a copy of your current financial statements, e.g. balance sheet and profit and loss account, and other documentation as required by Local Financial Criteria or Multi-Country Financial Criteria.

For Applicants seeking Standard Accreditation with no Cash Facility:

3.2 Attach a copy of your latest financial or tax statements.

Section 4—Business Entity of Agency

4.1 If **SOLE OWNER:**

Name:

Address, Telephone Number, Fax Number and E-mail Address:

% of time devoted to the agency business:

4.2 If **PARTNERSHIP:**

Name(s) and Title(s) of Partner(s):

Address(es), Telephone Number(s), Fax Number(s) and E-mail Address(es):

% of time devoted to the agency business:

Financial Interest %:

4.3 If **CORPORATION:**

4.3.1 When and where incorporated:

4.3.2 Disclosure of full corporate structure.

Section 5—Details of Owners and Managers of Agency

5.1 Attach a list setting forth the names of owners and managerial personnel giving details as follows:

5.1.1 Name

5.1.2 Position or title:

5.1.3 Date joined agency location for which approval is sought:

5.2 If any of the questions below are answered in the affirmative, give the name(s) of the agency or agencies and location(s) involved, the relationship of the individual(s) with the agency or agencies, the date of the bankruptcy or default and all pertinent details:

5.2.1 Have you, or any person who is a director of, or who holds a material financial interest or a position of management in the Applicant currently or previously been involved in any fiduciary breach or crime, or subject to bankruptcy proceedings, or been a director of or had a financial interest or held a position of management in an Agent which has been removed from the Agency List or is currently subject to review or default action by IATA for non-compliance with the conditions of its Accreditation?

Yes ☐ No ☐

Section 6—Security of Standard Traffic Documents

In the event of an inspection, the Applicant will be required to provide evidence that it meets the security requirements for issuance of Standard Traffic Documents, in accordance with the provisions of section 8 of Resolution 812.

Additionally, for authorisation to use the Customer Card Payment Method, the Applicant will be required to demonstrate its compliance with the Payment Card Industry (PCI) Data Security Standards as referenced in section 7 of Resolution 890.

The applicant understands and agrees that, upon the approval of their application and in the event of any future change requiring a new Passenger Sales Agency Agreement as set forth in the Passenger Sales Agency Rules, the applicant accepts the liability for any outstanding Billing which has either not yet been remitted to IATA, or where the related Remittance Date has still to be reached, whichever event occurs last; until IATA has been notified of the date that the Change of Ownership takes place, through the submission of a Notice of Change shown as an attachment in the applicable Sales Agency Rules, and such Change of Ownership takes effect.

Section 7—Other Information

7.1 Is the agency a General Sales Agent for any IATA or non-IATA airline?

Yes ☐ No ☐ If yes, specify:

7.1.1 Name(s) of airline(s):

7.1.2 Scope of operation:

7.1.3 GSA territory:

7.2 Provide the names of individuals authorised to sign, on behalf of the applicant, documents which relate to the day-to-day operation of the travel agency:

7.3 Is your agency an IATA Registered Cargo Agent?
Yes ☐ No ☐

If so, name under which it is registered:

IATA Numeric Code:

7.4 Is your agency an IATAN (International Airlines Travel Agent Network) Accredited Agent?

Yes ☐ No ☐

If so, name under which it is Accredited:

IATA Numeric Code:

7.5 Please indicate the GDS(s) with which you have signed a contract:

In absence of contract with GDS, kindly confirm you carry only NDC transactions with Airlines, and provide IATA with one (1) letter of recommendation from an IATA Member Airline.

I hereby certify that the foregoing statements (including statements made in any attachment hereto) are true and correct to the best of my knowledge and belief, and that I am authorised by the organisation identified in the answer to 1.1 above to make these statements and file this document.

It is hereby agreed that this application shall become a part of every Passenger Sales Agency Agreement signed with Members of IATA for the sale of international air passenger transportation, and as such, all information contained herein will be treated as confidential (excluding the information contained in section 1). Notwithstanding the foregoing, the applicant authorises IATA, and represents that it has obtained meaningful consent of each Person listed in this application, to use and process the information contained in sections 1, 2.1, 2.2, 2.3, 4, 5.1.1 and 5.1.2, in order to produce and distribute databases to be used by travel industry participants.

The Applicant hereby expressly waives any and all claims, causes of action or rights to recovery and agrees to indemnify and hold harmless IATA or any of its Members, their officers, employees, agents or servants, for any loss, injury or damage based upon libel, slander or defamation of character by reason of any action taken in good faith pursuant to this application, including but not limited to a notice of disapproval.

The Applicant understands and agrees to maintaining all General Requirements for Accreditation at all times, as described in Resolution 812 section 2.2. In particular, upholding the security requirements as described in section 2.2.7.

△ The Applicant understands and agrees that if the application for Accreditation as an IATA Agent is disapproved, they will not claim any commission, remuneration or compensation for the sale of air transportation over the services of any IATA Member during the period the application was under consideration.

The Applicant understands and agrees to pay the application, entry and annual fees, in the amounts determined by the Conference in consultation with the Director General, and as advised by the Agency Administrator, for inclusion and retention on the Agency List. If the application is rejected, the entry and initial annual agency fees shall be returned to the applicant.

.....
(Signature)

.....
(Name of Applicant/Sole Owner)

.....
(Title)

.....
(Country)

.....
(Date)

.....
(Signature)

.....
(Name of Partner)

.....
(Title)

.....
(Country)

.....
(Date)

.....
(Signature)

.....
(Name of Partner)

.....
(Title)

.....
(Country)

.....
(Date)

GOVERNMENT RESERVATIONS

UNITED STATES

In Order 73-8-115 dated 23 August 1973, the Civil Aeronautics Board approved Resolution 810q (except USA) (now 812 Attachment A) subject to the condition that such approval shall not extend to agencies located in the United States.

RESOLUTION 812

Attachment 'C'

NOTICE OF CHANGE

IATA NUMERIC CODE:

☐☐☐☐☐☐☐☐

LEGAL NAME:
TRADE NAME:
AGENCY FULL ADDRESS:
TELEPHONE NO.:
FAX NO.:
EMAIL:
WEBSITES:
ACCREDITATION TYPE: Standard Accreditation with/with no Cash Facility/Multi-Country Accreditation

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

1.	FOR CHANGES OF ACCREDITATION TYPE, PLEASE INDICATE THE APPLICABLE CHANGE BELOW						
(a)	Standard Accreditation with Cash Facility TO Standard Accreditation with no Cash Facility						
(b)	Standard Accreditation with no Cash Facility TO Standard Accreditation with Cash Facility						
(c)	Multi-Country Accreditation or Euro-Zone Accreditation TO Standard Accreditation with no Cash Facility						
(d)	Multi-Country Accreditation or Euro-Zone Accreditation TO Standard Accreditation with Cash Facility						
(e)	Standard Accreditation with or with no Cash Facility TO a Multi-Country Accreditation or Euro-Zone Accreditation						
For changes to Standard Accreditation with no Cash Facility, please indicate if authorisation to use the Customer Card Payment Method is requested: Yes ☐ No ☐							
2.	SPECIFY TYPE OF ENTITY: (SOLE PROPRIETORSHIP, PARTNERSHIP, LIMITED PARTNERSHIP, LIMITED LIABILITY COMPANY, OTHER)						
PREVIOUS STATUS				STATUS AFTER CHANGE			
3.	NAME(S) OF OWNER/PARTNERS/SHAREHOLDERS, ADDRESS, TELEPHONE, FAX, & EMAIL, TIME DEVOTED TO THE AGENCY BUSINESS AND % FINANCIAL INTEREST IN CASE OF CORPORATION, PARTNERSHIP OR OTHER:						
NAME OF OWNER/ PARTNERS/ SHAREHOLDERS	ADDRESS, TELEPHONE, FAX & EMAIL	%TIME DEVOTED TO AGENCY	%FINANCIAL INTEREST	NAME OF OWNER/ PARTNERS/ SHAREHOLDERS	ADDRESS, TELEPHONE, FAX & EMAIL	%TIME DEVOTED TO AGENCY	%FINANCIAL INTEREST
4.	IF CORPORATION LIST:						
(a)	ISSUED SHARED CAPITAL:						
(b)	PAID-UP CAPITAL:						
(c)	NAMES OF ALL OFFICERS AND DIRECTORS: (PLEASE INDICATE EACH LOCATION MANAGER)						
5.	IF REGISTRATION AND/OR LICENSE IS REQUIRED BY LAW IN YOUR COUNTRY GIVE THE BELOW INFORMATION AFTER THE CHANGE/UNDER NEW OWNERSHIP.						
(a)	THE TRADE REGISTRATION OR LICENSE NUMBER OF THE AGENCY:						
(b)	THE DATE THIS WAS GRANTED						
6.	IF YOUR TRAVEL AGENCY IS OWNED BY AN ORGANISATION OTHER THAN THE HEAD ENTITY, ANSWER THE FOLLOWING WITH RESPECT TO THE PARENT ORGANISATION. PLEASE INCLUDE IN AN ATTACHMENT THE FULL CORPORATE STRUCTURE:						
(a)	WHAT IS ITS LEGALLY REGISTERED NAME AND ADDRESS?						
(b)	WHAT IS THE PRINCIPAL BUSINESS OF THIS ORGANIZATION?						

7.	WILL THE COMPANY OPERATE AS AN ONLINE AGENT UNDER NEW STATUS? IF SO, PLEASE SPECIFY URL ADDRESS(ES) OF ALL WEBSITE(S) PROVIDING SALES STANDARD TRAFFIC DOCUMENTS.
8.	IS YOUR AGENCY IATA REGISTERED CARGO AGENT? IF SO, PLEASE STATE THE IATA CODE UNDER WHICH IT IS REGISTERED:
9.	WILL THIS CHANGE AFFECT THE HEAD ENTITY AND/OR ASSOCIATE ENTITY(IES)? PLEASE PROVIDE DETAILED EXPLANATION.
10.	WILL THIS CHANGE AFFECT THE MANAGERS AND STAFF AT THE APPROVED LOCATIONS UNDER THIS CHANGE? IF SO, GIVE DETAILS.
11.	HAVE ANY OF THE NEW OWNERS, OFFICERS (DIRECTORS), MANAGERS OR ANY INDIVIDUAL HAVING AUTHORISATION TO ACT OR SIGN BEHALF OF SUCH FIRM BEEN INVOLVED IN BANKRUPTCY OR DEFAULT PROCEEDINGS? IF SO, GIVE DETAILS.
12.	WILL THE CHANGE OF OWNERSHIP CAUSE DIRECT OR INDIRECT RELATIONSHIP WITH AN ORGANISATION HOLDING GSA APPOINTMENT FROM A MEMBER? IF SO, PLEASE PROVIDE FURTHER DETAILS.
13.	PLEASE PROVIDE US WITH A BRIEF DESCRIPTION ON THE COMPANY'S BUSINESS STRATEGY, CHANGE IN CLIENTELE (IF ANY) AND TRANSITION PLAN UNDER THE NEW OWNERSHIP.
14.	LEGAL NAME, TRADING NAME AND FULL ADDRESS OF THE AGENT AFTER THE CHANGE/UNDER NEW OWNERSHIP.

LEGAL NAME: TRADING NAME: ADDRESS:	TEL: E-MAIL:

15.	PLEASE INDICATE IF THE ANSWER TO (13) ABOVE REPRESENTS A CHANGE OF NAME OR LOCATION OR BOTH.
16.	WILL SUCH CHANGE AFFECT ALL APPROVED LOCATIONS? IF NOT, PLEASE PROVIDE DETAILED EXPLANATION.
17.	EFFECTIVE DATE OF CHANGE.
18.	PLEASE ADVISE WHICH GDS(s) USED.

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

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

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

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

Authorised Signature of Agent (Transferor)	Authorised Signature of Transferee (In case of corporation or sole owner)
Print/Type Name	Print/Type Name
Title/Position	Title/Position
Signature of Witness & Date	Signature of Witness & Date
In case of partnership:	
Authorised signature of Partner	Authorised signature of Partner
Print/Type Name	Print/Type Name
Title/Position	Title/Position
Signature of Witness & Date	Signature of Witness & Date

RECEIVED AND ACKNOWLEGED:

.....

IATA Agency Administrator

Dated: .....

RESOLUTION 812

Attachment 'D'

VOLUNTARY MORE FREQUENT REMITTANCE REQUEST

IATA Numeric Code:

Legal Name:

Country:

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

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

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

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

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

Sincerely,

Authorized Person

(Name & Signature)

RESOLUTION 812

Attachment 'E'

'E-EUR' EURO-ZONE FINANCIAL CRITERIA

1. GENERAL RULES

1.1 To be eligible for Euro-Zone-Accreditation, the Agent must apply for and maintain accredited locations in multiple Euro-Zone countries.

1.2 The Agent may not participate in Euro-Zone Accreditation unless the proposed Head Entity and all proposed Associate Entities are located within the Euro-Zone and participate in only Euro-Zone BSPs.

1.3 The Agent holding Euro-Zone Accreditation must comply with the provisions of Resolution 812. In addition, the Agent must comply with all applicable local accreditation and legal requirements in those countries where it maintains accredited locations.

2. FINANCIAL EVALUATION

Annual Assessment

2.1 The Agent must undergo at least one complete assessment annually under the Assessment Framework (Appendix A).

2.2 To conduct this annual assessment, the Agent must, within six months of the Agent's financial year-end, provide to IATA, or the appointed by IATA:

(a) Consolidated financial statements and a set of managerial accounts for the Head Entity, covering the period between the last date of the last audited financial statements, up until the time of request. The managerial accounts must be duly certified by the CEO or CFO of the Agent. The financial statements must be audited, and prepared in accordance with globally accepted accounting standards such as International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) – or otherwise be in a format acceptable to IATA's Global Financial Assessor (GFA);

(b) Any internal documentation required to assess the criteria defined in the Assessment Framework, including the operational review section of the framework.

2.3 The GFA will assess the financial standing of the Agent in accordance with the criteria established under each of the different sections in Appendix A.

2.4 If the Agent is unable to provide the necessary documentation or evidence to enable the process for the GFA to sufficiently assess a criterion, the provisions and consequences set out in section 5.4.5 will apply.

2.5 Where the Agent is a publicly traded company or is otherwise unable to disclose specific information to the GFA, the GFA may propose an alternative measurement. In any case, the Agent may request IATA and/or GFA to be a party to a non-disclosure agreement.

2.6 With the agreement of the Agent, the GFA may arrange an on-site visit to gather any additional information or assess the documentation provided. Any costs incurred for the GFA to conduct such visit will be assumed by the Agent.

2.7 The Agent's Financial Assessment is based on a "pass" or "fail" result. Some ratios are considered "key" (for the list of key ratios refer to Appendix A) and failing any single key ratio results in a "fail" for the corresponding section. Other ratios are "standard" and failing 3 or more standard ratios within a single section, results in a "fail" for the corresponding section. To pass the annual Financial Assessment, the Agent must pass all sections.

2.8 When the GFA determines that an Agent failed the Financial Assessment, IATA shall inform immediately the Agent in writing of conditions as are deemed appropriate to be complied by the Agent by a specified date including the provision of a Financial Security per section 3 below.

3. FINANCIAL SECURITY

3.1 The Agent will not be accredited or will not continue to be accredited until a Financial Security required to be provided to IATA has been:

(a) received by IATA; and

(b) confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party.

3.2 The Agent accredited for less than two consecutive years with a Cash Facility must provide a Financial Security.

3.3 If the Agent fails its financial assessment or its Risk History assessment, the Agent must provide a Financial Security. The Financial Security will be held by IATA until the Agent passes both Assessments.

3.4 The Agent must provide a Financial Security that covers the Sales at Risk of the Head Entity and all Associate Entities.

3.5 The Financial Security will be calculated as follows:

20 X BSP Cash Turnover in Applicable 3 Month Period ÷ 90

3.6 The Financial Security calculation will take into account the BSP cash turnover of the Agent's three months highest net cash sales in the previous twelve months.

3.7 The amount will be calculated for each of the Agent's BSP operations and aggregated to determine the total Financial Security to cover all locations.

3.8 If the Agent is required to provide a Financial Security, such Financial Security must be provided in Euro currency (EUR).

3.9 The Agent must provide a Financial Security issued by Financial Security Provider that complies with the criteria in Resolution 812, Attachment 'F'.

4. CHANGES OF OWNERSHIP

4.1 In the event of a major change of ownership or legal entity, requiring a new Passenger Agency Sales Agreement, the Agent must provide:

- Audited Financial Statements, no later than 90 days after the change of ownership. The Financial Statements must cover, at minimum, one month of operations following the date of change.
- If Audited Statements cannot be provided, the Agent must provide Financial Statements accompanied by a Compliance Certificate signed by a CEO, CFO or other equivalent executive.
- A Transition Plan, including updates for two years following the change.
- Any other documentation necessary for the GFA to conduct an assessment of the Agent post-change.

4.2 The GFA will assess the Financial Statements and conduct monitoring activities to assess the risks associated following:

- Viability of the business, including evolution of EBITDA and EBT
- Capital structure of the Agent, including levels of debt
- Agent Liquidity
- Credit Losses and Agent ability to collect receivables
- Potential operational disruptions following restructuring
- Cash levels and distributions to shareholders
- Efficiency of the Business Model post transition
- Occurrence of indemnified events
- Aggressiveness of expansion
- Restructuring of the organisation's governance
- Risk Events with IATA

4.3 Based on the above, the GFA will assess the impact of the change on the financial standing of the Agent and assign a Risk Rating. If the GFA assesses a medium or high risk rating, the change will be recorded as a Risk Event in the Agent's Risk History assessment and the Agent required to provide a Financial Security, subject to section 3.

Euro-Zone Assessment Framework

Appendix 'A' to the Euro-Zone Financial Criteria

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

Criteria #	Criteria Name	Criteria Description	Target	Result	Pass/Fail	
1	***Historical Financial Data***					
1.01	EBITDA (Last 12 months)	EBITDA (rolling Last 12 Months)	x>0			Key
1.02	EBITDA (quarterly)	EBITDA (Quarterly, 3M)	x>0			
1.03	Cash ratio	Cash ratio (Cash and Cash equivalent/Current liabilities)	x≥30%			
1.04	Quick ratio	Quick ratio (Cash and Cash equivalent + AR/Current liabilities)	x≥50%			
1.05	Free cash flow	Free cash flows as per latest publication (Last 12 months)	x>0			
1.05a	***Trends Analysis***	***Applied only if Free cash flow is not positive***				
1.05a(i)	Trend - Cash ratio 12 months (Last 12 months N, vs Last 12 months N-1)	Cash ratio (Cash and Cash equivalent/Current liabilities) (Last 12 months N, vs Last 12 months N-1)	x≥0%			
1.05a(ii)	Trend - Cash ratio 12 months (Last 12 months N-1, vs Last 12 months N-2)	Trend - Cash ratio 12 months (Last 12 months N-1, vs Last 12 months N-2)	x≥0%			
1.05a(iii)	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N, vs Last 12 months N-1)	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N, vs Last 12 months N-1)	x≥0%			
1.05a(iv)	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N-1, vs Last 12 months N-2)	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N-1, vs Last 12 months N-2)	x≥0%			
1.05a(v)	Trend - CFO 12 months (Last 12 months N, vs Last 12 months N-1)	Cash Flow from Operating activities (CFO) as per latest publication (Last 12 months N, vs Last 12 months N-1)	x≥0%			
1.05a(vi)	Trend - CFO 12 months (Last 12 months N-1, vs Last 12 months N-2)	Trend - CFO 12 months (Last 12 months N-1, vs Last 12 months N-2)	x≥0%			
			Pass/Fail 1.05a(i)- (vi) (4 Fails = Criteria 1.05 Free Cash Flow Fail)			
1.06	Positive Net Equity	Net Equity	x>0			Key
1.07	Decrease in net sales	Net Sales (Last 12 months N, vs Last 12 months N-1)	x≥-20%			
1.08	Net Income 12 months	Net Income (rolling last 12 Months)	x>0			
1.09	Interest Coverage Ratio	EBIT/Interest Expense	x>2.5			
1.10	Qualification and reserves from auditors	Is there any qualification/emphasis of matters reflecting ongoing concerns from the auditors on the latest audited financial statements (including half year)?	No			
			Pass/Fail: Key ratio (1 Fail = Total Fail) Standard ratio (3 Fails = Total Fail)			
2	***Forecasted Financial Process***					
2.01	Effective Business Forecast	Is there any Business Forecast process in place (providing at least 1-year visibility)?	Yes			Key
2.02	Effective CF Forecast	Is there any CF Forecast process in place (at least 1 year)?	Yes			Key
			Pass/Fail			

Criteria #	Criteria Name	Criteria Description	Target	Result	Pass/Fail	
3	*Operational Review*					
3.01	**Effective Disaster Management**	**Is there any process in place to apply operational countermeasures in case of extraordinary disaster (with no major exception) (Certification ISO 22301)**	Yes			Key
3.02	**Effective Cybersecurity Management**					
3.02a	*Have you appointed a Chief Information Security Officer or similar in your organisation?*		*Yes*			Key
3.02b	*Do you have an information security strategy/roadmap, aligned with the IT and business strategies?*		*Yes*			
3.02c	*Have you formalised and enforced an information security policy?*		*Yes*			Key
3.02d	*Have you performed an information security risk assessment for your organisation (e.g. evaluation of information security risks based on identified threats)?*		*Yes*			Key
3.02e	*Have you implemented information security controls and measures to adequately mitigate your organisation's risks?*		*Yes*			Key
3.02f	*Do you train your employees on a regular basis regarding information security risks and good practices (e.g. through yearly e-learnings)?*		*Yes*			Key
3.02g	*Are information security incidents managed (e.g. incident management and monitoring procedures, data breach reported to impacted individuals)?*		*Yes*			Key
3.02h	*Do you perform regular vulnerability scans and penetration tests?*		*Yes*			Key
3.02i	*Do you implement security patches on your information systems on a regular basis (e.g. at least every 3 months)?*		*Yes*			Key
3.02j	*Do you involve information security stakeholders at the earliest stage during project implementations?*		*Yes*			
3.02k	*When engaging with services providers, do you perform an information security due diligence?*		*Yes*			
3.02l	*Have you implemented specific measures to ensure the continuity of your information systems following a cyberattack?*		*Yes*			Key
3.03	**Effective Applicable Data Protection Requirements Compliance Management**					
3.03a	*Have you appointed a Data Protection Officer or a similar role in your organisation?*		*Yes*			Key
3.03b	*Have you formalised and enforced a data protection policy?*		*Yes*			Key
3.03c	*Have you formalised and enforced an information classification policy?*		*Yes*			Key
3.03d	*Do you have a documented register of your personal data processing activities, including the identification of the lawful grounds for processing personal data?*		*Yes*			Key
3.03e	*Are data protection notices adequately document to notify individuals about the processing of their personal data?*		*Yes*			Key
3.03f	*Are Data Protection Impact Assessments conducted whenever processing activities induce a high risk for the rights and freedom of individuals to whom personal data belong?*		*Yes*			Key
3.03g	*Do you train your employees on a regular basis regarding data protection risks and good practices (e.g. through yearly e-learnings)?*		*Yes*			
3.03h	*Have you developed procedures to handle and respond to individuals' exercising their data protection rights (e.g. right to access, right to be forgotten, right to object, etc.)?*		*Yes*			Key
3.03i	*Are Data Protection by Design and by Defaults concepts implemented in your organisation's project methodology?*		*Yes*			Key
			Pass/Fail: **Key ratio (1 Fail = Total Fail)** **Standard ratio (3 Fails = Total Fail)**			
	General Result: Any fail to any of the above sections results in a failed assessment		**Result assessment**			

☐ Attachment 'E'

MULTI-COUNTRY FINANCIAL CRITERIA

1. GENERAL RULES

1.1 To be eligible for Multi-Country Accreditation, the Agent must apply for and maintain accredited locations in multiple countries governed by Resolution 812 except for China.

1.2 The Agent may not include under its Multi-Country Accreditation locations in countries governed by Resolution 800 or locations in the People's Republic of China.

1.3 The Agent holding Multi-Country Accreditation must comply with the provisions of Resolution 812. In addition, the Agent must comply with all applicable local accreditation and legal requirements in those countries where it maintains accredited locations.

2. FINANCIAL EVALUATION

Annual Assessment

2.1 The Agent must undergo at least one complete assessment annually under the Assessment Framework (Appendix A).

2.2 To conduct this annual assessment, the Agent must, within six months of the Agent's financial year-end, provide to IATA, or the appointed by IATA:

(a) Consolidated financial statements that represent the overall financial activity of all the legal entities and locations that will be included under the Multi-Country Accreditations. The financial statements must be audited, and prepared in accordance with globally accepted accounting standards such as International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS);

(b) Any internal documentation required to assess the criteria defined in the Assessment Framework, including the operational review section of the framework.

2.3 The Global Financial Assessor (GFA) will assess the financial standing of the Agent in accordance with the criteria established under each of the different sections in Appendix A.

2.4 If the Agent is unable to provide the necessary documentation or evidence to enable the process for the GFA to sufficiently assess a criterion, the provisions and consequences set out in section 5.4.5 will apply.

2.5 Where the Agent is a publicly traded company or is otherwise unable to disclose specific information to the GFA, the GFA may propose an alternative measurement. In any case, the Agent may request IATA and/or GFA to be a party to a non-disclosure agreement.

2.6 With the agreement of the Agent, the GFA may arrange an on-site visit to gather any additional information or assess the documentation provided. Any costs incurred for the GFA to conduct such visit will be assumed by the Agent.

2.7 The ratios for the Financial Assessment are provided within Appendix A. The ratios are split into sections, each of which must be passed by the Agent in order to have a satisfactory overall Financial Assessment. A failure of a single "key" ratio results in failure of the relevant section. Each section also provides a threshold for the number of failures of "standard" ratios, which if reached results in failure of the relevant section.

2.8 When the GFA determines that an Agent failed the Financial Assessment, IATA shall inform immediately the Agent in writing of conditions as are deemed appropriate to be complied by the Agent by a specified date including the provision of a Financial Security per section 3 below.

Quarterly Assessment

2.9 For all four quarters of the year, the Agent will be re-assessed by the GFA.

2.10 To undergo the quarterly assessment, the Agent must submit quarterly financial statements and any other documentation required to conduct the assessment. The quarterly financial statements provided must be managerial accounts or copies of financial statements submitted to the government or regulators and be duly certified by the CEO or CFO of the Agent. These financial statements must be compliant with globally accepted accounting standards, or in an otherwise acceptable format to the GFA.

2.11 The GFA will assess the finance statements under the Assessment Framework and determine whether the Agent passes or fails the assessment.

2.12 The Agent must validate the assessment result by:

(a) Verifying that the data on the Assessment Result is accurate and complete.

(b) Providing written confirmation signed by Senior Management that there has been no change to the Agent's internal processes so as to materially impact any criteria under the Assessment Framework.

2.13 If the Result is inaccurate or there has been a change to the Agent's internal processes, the Agent must provide the necessary information and/or documentation for the GFA to review any criteria affected and re-assess the Agent's grade.

2.14 To pass the quarterly assessment, the Agent must pass the assessment as per Attachment 'E' Appendix A, section 2.7 of this Resolution.

2.15 An Agent failing the Financial Assessment, will be required to provide a Financial Security per section 3 below.

Assessment of New Applicants and Changes of Accreditation Type from Standard to Multi-Country Accreditation

2.16 The Applicant for Multi-Country Accreditation must provide the necessary financial documentation, including

audited financial statements, to complete an annual assessment under the Assessment Framework (Appendix A) as defined in section 2 prior to approval under the Multi-Country Accreditation.

2.17 The audited financial statements must cover a period ending not more than six months prior to the date of submission of the statements by the Applicant.

2.18 In the event that the last day covered under the audited financial statements is older than three months at the time of submission, the Agent must also provide IATA with a set of managerial accounts duly certified by the CEO or CFO of the Agent covering the subsequent period. These managerial accounts must be compliant with globally accepted accounting standards such as International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS).

2.19 The Applicant for Multi-Country Accreditation must pass the assessment for both the audited financial statements and managerial accounts.

3. FINANCIAL SECURITY

3.1 The Agent will not be accredited or will not continue to be accredited until a Financial Security required to be provided to IATA has been:

(a) received by IATA; and

(b) confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party.

3.2 The Agent accredited for less than two consecutive years with a Cash Facility must provide a Financial Security.

3.3 If the Agent fails its financial assessment or its Risk History assessment, the Agent must provide a Financial Security. The Financial Security will be held by IATA until the Agent passes both Assessments.

3.4 The Agent must provide a Financial Security that covers the Sales at Risk of the Head Entity and all Associate Entities.

3.5 The Financial Security will be calculated as follows:

"Days' Sales At Risk" × BSP Cash Turnover in Applicable 3 Month Period ÷ 90

3.6 The Financial Security calculation will take into account the BSP cash turnover of the Agent's three months highest net cash sales in the previous twelve months.

3.7 The amount will be calculated for each BSP operation of the Agent using the applicable "Days' Sales at Risk" of the BSP, and aggregated to determine the total Financial Security to cover all locations.

3.8 If the Agent is required to provide a financial security, such financial security may be provided in up to two denominations of the following acceptable currencies:

- US Dollar (USD);
- Euro (EUR);
- Pound Sterling (GBP);
- Australian Dollar (AUD);
- Singapore Dollar (SGD).

3.9 The Agent must provide a Financial Security issued by Financial Security Provider that complies with the criteria in Resolution 812, Attachment 'F'.

4. CHANGES OF OWNERSHIP

4.1 In the event of a major change of ownership or legal entity, requiring a new Passenger Agency Sales Agreement, the Agent must provide:

- Audited Financial Statements, no later than 90 days after the change of ownership. The Financial Statements must cover, at minimum, one month of operations following the date of change.
- If Audited Statements cannot be provided, the Agent must provide Financial Statements accompanied by a Compliance Certificate signed by a CEO, CFO or other equivalent executive.
- A Transition Plan, including updates for two years following the change.
- Any other documentation necessary for the GFA to conduct an assessment of the Agent post-change.

4.2 The GFA will assess the Financial Statements and conduct monitoring activities to assess the risks associated following:

- Viability of the business, including evolution of EBITDA and EBT
- Capital structure of the Agent, including levels of debt
- Agent Liquidity
- Credit Losses and Agent ability to collect receivables
- Potential operational disruptions following restructuring
- Cash levels and distributions to shareholders
- Efficiency of the Business Model post transition
- Occurrence of indemnified events
- Aggressiveness of expansion
- Restructuring of the organisation's governance
- Risk Events with IATA

4.3 Based on the above, the GFA will assess the impact of the change on the financial standing of the Agent and assign a Risk Rating. If the GFA assesses a medium or high risk rating, the change will be recorded as a Risk Event in the Agent's Risk History assessment and the Agent required to provide a Financial Security, subject to section 3.

Multi-Country Assessment Framework

Appendix 'A' to the Multi-Country Financial Criteria

Notes

All references to Cash and Cash equivalent in this criteria may consider Unused Credit Facilities based on the below document requirements:

- Copy of bank facilities letter(s)/agreement(s) which clearly indicates that the credit is not designated for a specific purpose (e.g. acquisition of property, plant & equipment), and the expiry date of the bank facilities.
- Evidence of unused portion of facilities as at the period end date (e.g. from audited financial statements; letter(s) from bank(s), or relevant bank statements to confirm the current balance of the unused portion).

Unless indicated with "Key", all other ratios are categorized as "Standard" ratios.

Definitions

Interest Expense–the cost incurred by the Agent for borrowed funds.

Interest Coverage Ratio–debt and profitability ratio used to determine the Agent's ability to pay interest on its outstanding debt.

Unused Credit Facilities–refers to the unused portion of any bank facilities granted to the Agent under the assessment, which are not designated for a specific purpose (e.g. acquisition of property, plant & equipment), and shall be considered as a part of the Agent's Cash and Cash equivalent, for the purpose of this assessment, given that its expiry date is greater than 12 months from the assessment date.

Criteria #	Criteria Name	Criteria Description	Target	Result	Pass/Fail	
1	***Historical Financial Data***					
1.01	EBITDA (Last 12 months)	EBITDA (rolling Last 12 Months)	x>0			Key
1.02	EBITDA (quarterly)	EBITDA (Quarterly, 3M)	x>0			
1.03	Cash ratio	Cash ratio (Cash and Cash equivalent/Current liabilities)	x≥30%			
1.04	Quick ratio	Quick ratio (Cash and Cash equivalent + AR/Current liabilities)	x≥50%			
1.05	Free cash flow	Free cash flows as per latest publication (Last 12 months)	x>0			
1.05a	***Trends Analysis***	***Applied only if Free cash flow is not positive***				
1.05a(i)	Trend - Cash ratio 12 months (Last 12 months N, vs Last 12 months N-1)	Cash ratio (Cash and Cash equivalent/Current liabilities) (Last 12 months N, vs Last 12 months N-1)	x≥0%			
1.05a(ii)	Trend - Cash ratio 12 months (Last 12 months N-1, vs Last 12 months N-2)	Trend - Cash ratio 12 months (Last 12 months N-1, vs Last 12 months N-2)	x≥0%			
1.05a(iii)	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N, vs Last 12 months N-1)	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N, vs Last 12 months N-1)	x≥0%			
1.05a(iv)	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N-1, vs Last 12 months N-2)	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N-1, vs Last 12 months N-2)	x≥0%			
1.05a(v)	Trend - CFO 12 months (Last 12 months N, vs Last 12 months N-1)	Cash Flow from Operating activities (CFO) as per latest publication (Last 12 months N, vs Last 12 months N-1)	x≥0%			
1.05a(vi)	Trend - CFO 12 months (Last 12 months N-1, vs Last 12 months N-2)	Trend - CFO 12 months (Last 12 months N-1, vs Last 12 months N-2)	x≥0%			
			Pass/Fail (4 Fails = 1.05 Fail)			
1.06	Positive Net Equity	Net Equity	x>0			Key
1.07	Decrease in net sales	Net Sales (Last 12 months N, vs Last 12 months N-1)	x≥-20%			
1.08	Net Income 12 months	Net Income (rolling last 12 Months)	x>0			
1.09	Interest Coverage Ratio	EBIT/Interest Expense	x>2.5			
1.10	Qualification and reserves from auditors	Is there any qualification/emphasis of matters reflecting ongoing concerns from the auditors on the latest audited financial statements (including half year)?	No			
			Pass/Fail: Key ratio (1 Fail = Total Fail) Standard ratio (4 Fails = Total Fail)			

Criteria #	Criteria Name	Criteria Description	Target	Result	Pass/Fail	
2	*Forecasted Financial Process*					
2.01	Effective Business Forecast	Is there any Business Forecast process in place (providing at least 1-year visibility)?	Yes			Key
2.02	Effective CF Forecast	Is there any CF Forecast process in place (at least 1 year)?	Yes			Key
			Pass/Fail			
3	*Operational Review*					
3.01	**Effective Disaster Management**	**Is there any process in place to apply operational countermeasures in case of extraordinary disaster (with no major exception) (Certification ISO 22301)**	Yes			Key
3.02	**Effective Cybersecurity Management**					
3.02a	*Have you appointed a Chief Information Security Officer or similar in your organisation?*		*Yes*			Key
3.02b	*Do you have an information security strategy/roadmap, aligned with the IT and business strategies?*		*Yes*			
3.02c	*Have you formalised and enforced an information security policy?*		*Yes*			Key
3.02d	*Have you performed an information security risk assessment for your organisation (e.g. evaluation of information security risks based on identified threats)?*		*Yes*			Key
3.02e	*Have you implemented information security controls and measures to adequately mitigate your organisation's risks?*		*Yes*			Key
3.02f	*Do you train your employees on a regular basis regarding information security risks and good practices (e.g. through yearly e-learnings)?*		*Yes*			Key
3.02g	*Are information security incidents managed (e.g. incident management and monitoring procedures, data breach reported to impacted individuals)?*		*Yes*			Key
3.02h	*Do you perform regular vulnerability scans and penetration tests?*		*Yes*			Key
3.02i	*Do you implement security patches on your information systems on a regular basis (e.g. at least every 3 months)?*		*Yes*			Key
3.02j	*Do you involve information security stakeholders at the earliest stage during project implementations?*		*Yes*			
3.02k	*When engaging with services providers, do you perform an information security due diligence?*		*Yes*			
3.02l	*Have you implemented specific measures to ensure the continuity of your information systems following a cyberattack?*		*Yes*			Key
3.03	**Effective Applicable Data Protection Requirements Compliance Management**					
3.03a	*Have you appointed a Data Protection Officer or a similar role in your organisation?*		*Yes*			Key
3.03b	*Have you formalised and enforced a data protection policy?*		*Yes*			Key
3.03c	*Have you formalised and enforced an information classification policy?*		*Yes*			Key
3.03d	*Do you have a documented register of your personal data processing activities, including the identification of the lawful grounds for processing personal data?*		*Yes*			Key
3.03e	*Are data protection notices adequately document to notify individuals about the processing of their personal data?*		*Yes*			Key
3.03f	*Are Data Protection Impact Assessments conducted whenever processing activities induce a high risk for the rights and freedom of individuals to whom personal data belong?*		*Yes*			Key
3.03g	*Do you train your employees on a regular basis regarding data protection risks and good practices (e.g. through yearly e-learnings)?*		*Yes*			
3.03h	*Have you developed procedures to handle and respond to individuals' exercising their data protection rights (e.g. right to access, right to be forgotten, right to object, etc.)?*		*Yes*			Key
3.03i	*Are Data Protection by Design and by Defaults concepts implemented in your organisation's project methodology?*		*Yes*			Key
			Pass/Fail: **Key ratio (1 Fail = Total Fail)** **Standard ratio (3 Fails = Total Fail)**			
	General Result: Any fail to any of the above sections results in a failed assessment		**Result assessment**			

RESOLUTION 812

Attachment ‘F’

MULTI-COUNTRY FINANCIAL SECURITY PROVIDER CRITERIA

1. In the event that the Agent holding Multi-Country Accreditation is required to provide a Financial Security, the Agent must obtain such Financial Security from a Financial Security Provider compliant with the following criteria:

- The Provider is rated by an international credit rating agency such as Fitch, Moody's, or S&P;
- The Provider's credit rating with the international rating agency is one rating above investment grade;
- The Financial Security issued by the Provider is compliant with the Uniform Customs and Practice for Documentary Credits (UCP) or equivalent international standard;
- The Provider is not located in a market with capital controls or a history of capital controls in the past 10 years limiting the expatriation of funds;
- The Provider is not based in a country under international economic sanctions.

2. The Financial Security Provider must remain compliant at all times with the above criteria for the Agent's Financial Security to be considered valid by IATA.

3. At minimum once per annum, IATA will review any previously approved Provider to ensure continued compliance with the established criteria.

RESOLUTION 812

Attachment ‘G’

BSP MANUAL FOR AGENTS

Contents of the BSP Manual for Agents

This manual is published separately to this Resolution.

Whereas the Passenger Agency Conference wishes to provide Agents with operating rules and procedures relating to the BSP, and

Whereas the Passenger Agency Conference wishes to provide updates to these in the most efficient manner, apart from Resolution text, the Agency Administrator may, under the delegated authority of the Conference, update the contents of the BSP Manual for Agents with those changes adopted by the Passenger Agency Conference.

The contents of this Manual are deemed to be incorporated in the Passenger Sales Agency Agreement in accordance with Resolution 824 subparagraph 2.1(b).

RESOLUTION 812

Attachment 'H'

APPLICATION OF AGENCY FEES

Accreditation Type

1. **Standard with NO Cash Facility (effective 1 March 2018)**
2. **Standard with Cash Facility (effective 1 January 2019)**
3. **Multi-Country (effective 1 January 2019)**
4. **Euro-Zone (effective 1 February 2025)**

Fee (in Swiss Francs, CHF)

Event/Case	Description	1	2	3
New Applicant	Registration Fee, Head Entity	100	500	1,000
New Applicant	Application Fee, Head Entity	150	1,000	1,500
New Applicant	Registration Fee, Associate Entity	100	250	250
New Applicant	Application Fee, Associate Entity	150	250	250
Change	Change of Address/Location, all types of entity	0	0	0
Change	Change of Name, all types of entity	0	0	0
Change	Change of Name and Address/Location, all types of entity	0	0	0
Change	Change of Ownership, all types of entity	0	0	0
Change	Change of Shareholders, all types of entity	0	0	0
Change	Change of Accreditation Type to Standard with **NO** Cash Facility	Not applicable	0	0
Change	Change of Accreditation Type to Standard with Cash Facility	1,250	Not applicable	2,500
Change	Change of Accreditation Type to Multi-Country	Not applicable	29,500	Not applicable
Annual Fees	Annual Fee, Head Entity[1]	200 (small)[2] 350 (medium)[3] 500 (large)[4]	200 (small)[2] 350 (medium)[3] 500 (large)[4]	48,000
Annual Fees	Annual Fee, Associate Entity[1] (First 10 locations/codes)	100	100	100
Annual Fees	Annual Fee, Associate Entity[1] (11-25 locations/codes)	50	50	50
Annual Fees	Annual Fee, Associate Entity[1] (additional locations/codes beyond 25)	25	25	25
Administrative Fees	Reinstatement Fee	150	150	150
Administrative Fees	Late Payment Fee	150	150	150
Administrative Fees	Interest charges on amount short paid when a payment plan is established	Not Applicable	2% over national bank rate times days outstanding	2% over national bank rate times days outstanding
Administrative Fees	7 days extension for submission of financial statements	Not applicable	150	150
Administrative Fees	Lack of compliance to report any of the changes within 30 days of occurrence	1,500	1,500	1,500
Administrative Fees	Late or failure to validate the agency details stored by IATA by the required date	250	250	250

1 If an Application for Accreditation is rejected or withdrawn, the fees related to Registration, annual and Travel Agency Commissioner fee will be refunded

2 Small–up to USD 200,000 gross annual sales through the BSP

3 Medium–USD 200,001–USD 2,000,000 gross annual sales through the BSP

4 Large–more than USD 2,000,000 gross annual sales through the BSP

RESOLUTION 812

Attachment 'I'

Operation	Frequency	Number of Days in a Sales Period	End of Sales Period to Remittance Date	Note:
Albania	Four times per Month	Refer to BSP Calendar	15	
Angola	Four times per Month	Refer to BSP Calendar	7	
Armenia	Four times per Month	Refer to BSP Calendar	5 working days	
△ **Antigua**	Four times per Month	Refer to BSP Calendar	5 working days	
△ **Argentina**	Four times per Month	7	5 working days	
△ **Aruba**	Four times per Month	Refer to BSP Calendar	5 working days	
Australia	Weekly	7	8	Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 8th day from the Reporting Date.
Austria	Twice per month	15	10	
Austria	Daily	1	3	Voluntary Remittance Frequency
Austria	Four times per Month	Refer to BSP Calendar	5 working days	
Azerbaijan	Four times per Month	Refer to BSP Calendar	10	
△ **Bahamas**	Four times per Month	Refer to BSP Calendar	5 working days	
Bahrain	Four times per Month	Refer to BSP Calendar	7	Remittances must be made so that the method of payment used assures that the funds are in the Clearing Bank for good value on the day of remittance.
Bangladesh	Twice per month	Refer to BSP Calendar	Refer to BSP Calendar	
△ **Barbados**	Four times per Month	Refer to BSP Calendar	5 working days	
Belgium & Luxembourg	Four times per Month	Refer to BSP Calendar	7	
Belgium & Luxembourg	Daily	1	3	Voluntary Remittance Frequency
Belize	Four times per Month	Refer to BSP Calendar	5	
Benin	Twice per month	15	15	
Bermuda	Weekly	7	5	
Bolivia (BOB/USD)	Four times per Month	Refer to BSP Calendar	5	
△ **Bonaire**	Four times per Month	Refer to BSP Calendar	5 working days	
Bosnia and Herzegovina	Four times per Month	Refer to BSP Calendar	15	
Botswana	Twice per month	15	15	
Botswana	Four times per Month	Refer to BSP Calendar	7	
△ **Brazil**	Four times per Month	Refer to BSP Calendar	5 working days	
Bulgaria	Four times per Month	Refer to BSP Calendar	8	
Burkina Faso	Twice per month	15	15	
△ **British Virgin Islands**	Four times per Month	Refer to BSP Calendar	5 working days	
Cambodia	Twice per month	Refer to BSP Calendar	Refer to BSP Calendar	Remittances must be made so that the method of payment used assures that the funds are in the Clearing Bank for good value on the day of remittance.

Operation	Frequency	Number of Days in a Sales Period	End of Sales Period to Remittance Date	Note:
Cameroon	Twice per month	15	15	
Canada	Weekly	7	5	
△ **Cayman Islands**	Four times per Month	Refer to BSP Calendar	5 working days	
Chad	Twice per month	15	15	
Chile (CLP/USD)	Weekly	7	5	
China	Twice per week	Refer to BSP Calendar	Refer to BSP Calendar	The remittance date and settlement date can be adjusted forward or backward based on the need of the market due to the updated public holidays.
Chinese Taipei	Four times per Month	Refer to BSP Calendar	8	
Colombia	Four times per Month	Refer to BSP Calendar	5	
Congo	Twice per month	15	15	
Costa Rica	Four times per Month	Refer to BSP Calendar	5	
Croatia	Four times per Month	Refer to BSP Calendar	15	
△ **Curacao**	Four times per Month	Refer to BSP Calendar	5 working days	
Cyprus	Twice per month	15	15	
Cyprus	Four times per Month	Refer to BSP Calendar	5 working days	
Czech Republic	Four times per Month	Refer to BSP Calendar	10	
Denmark	Four times per Month	Refer to BSP Calendar	5 working days	
△ **Dominica**	Four times per Month	Refer to BSP Calendar	5 working days	
△ **Dominican Republic**	Four times per Month	Refer to BSP Calendar	5 working days	
△ **Ecuador**	Four times per Month	Refer to BSP Calendar	5 working days	
Egypt	Twice per month	15	15	
Egypt	Four times per Month	Refer to BSP Calendar	7	
El Salvador	Four times per Month	Refer to BSP Calendar	5	
Estonia	Four times per Month	Refer to BSP Calendar	5 working days	
Estonia	Daily	1	3	Voluntary Remittance Frequency
Ethiopia	Twice per month	15	15	
Ethiopia	Four times per Month	Refer to BSP Calendar	7	
Fiji	Weekly	7	15	If the remittance frequency so established is four times monthly, Remittances must be made so as to reach the Clearing Bank not later than its close of business on the 15th day from the Reporting Date.
△ **Finland**	Four times per Month	Refer to BSP Calendar	5 working days	
Finland	Daily	1	3	Voluntary Remittance Frequency
France	Twice per month	15	7	
France	Four times per Month	Refer to BSP Calendar	5 working days	
France	Daily	1	3	Voluntary Remittance Frequency
French Polynesia	Weekly	7	15	If the remittance frequency so established is four times monthly, Remittances must be made so as to reach the Clearing Bank not later than its close of business on the 15th day from the Reporting Date.
Gabon	Twice per month	15	15	
Georgia	Four times per Month	Refer to BSP Calendar	8	
Germany	Twice per month	15	15	
Germany	Four times per Month	Refer to BSP Calendar	5 working days	

Operation	Frequency	Number of Days in a Sales Period	End of Sales Period to Remittance Date	Note:
Germany	Daily	1	3	Voluntary Remittance Frequency
Ghana	Twice per month	15	15	
Ghana	Four times per Month	Refer to BSP Calendar	7	
Greece	Twice per month	15	15	
△ **Greece**	Four times per Month	Refer to BSP Calendar	5 working days	
Greece	Daily	1	3	Voluntary Remittance Frequency
△ **Grenada**	Four times per Month	Refer to BSP Calendar	5 working days	
Guatemala	Four times per Month	Refer to BSP Calendar	5	
△ **Guyana (USD/GYD)**	Four times per Month	Refer to BSP Calendar	5 working days	
△ **Haiti (USD/HTG)**	Four times per Month	Refer to BSP Calendar	5 working days	
Honduras	Four times per Month	Refer to BSP Calendar	5	
△ **Hong Kong (SAR, China)**	Four times per Month	Refer to BSP Calendar	5 working days	
Hungary	Four times per Month	Refer to BSP Calendar	7	
Iceland	Four times per Month	Refer to BSP Calendar	5 working days	
India	Four times per Month	Refer to BSP Calendar	9	Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 9th calendar day from the Reporting Date and the method of payment used assures that the funds are in the Clearing Bank for good value on the day of remittance. If the Clearing Bank is closed for business on the required "Remittance Date" then the Agent shall make the Remittance so as to reach the Clearing bank on the first subsequent day when the Clearing bank is open for business. Four holidays during the year will not be scheduled as Remittance dates in the BSP Remittance Calendar irrespective of whether or not they are national holidays when the electronic payment grid of the Reserve Bank of India is closed. Those holidays are as follows: 1. Diwali. (Date varies each year) 2. Dussehra. (Date varies each year) 3. Holi. (Date varies each year) 4. Christmas. (December 25)
Indonesia DOMESTIC	Four times per Month	Refer to BSP Calendar	7	Remittances must be made so that the method of payment used assures that the funds are in the Clearing Bank for good value on the day of remittance.
Indonesia INTERNATIONAL	Four times per Month	Refer to BSP Calendar	7	Remittances must be made so that the method of payment used assures that the funds are in the Clearing Bank for good value on the day of remittance.
Ireland	Twice per month	15	15	

Operation	Frequency	Number of Days in a Sales Period	End of Sales Period to Remittance Date	Note:
Ireland	Four times per Month	Refer to BSP Calendar	8	
Ireland	Daily	1	3	Voluntary Remittance Frequency
Italy	Twice per month	15	15	
Italy	Four times per Month	Refer to BSP Calendar	7	
Italy	Daily	1	3	Voluntary Remittance Frequency
Ivory Coast	Twice per month	15	15	
△ **Jamaica**	Four times per Month	Refer to BSP Calendar	5 working days	
Japan	Four times per Month	Refer to BSP Calendar	6	Recurring dates 29 December through 3 January, considered as business holidays, must not have remittance scheduled during this window. If the remittance frequency so established is four times monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 6th calendar day from the Reporting Date.
Jordan	Twice per month	15	15	If the Remittance Frequency so established is twice monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the last day of the month in respect of Billings covering the first 15 days of the month and the 15th day of the following month, in respect of Billings covering the period from the 16th to the last day of the month; provided that the method of payment used assures that the funds are in the Clearing Bank for good value on the day of remittance in time for the settlement to be made into the BSP Airlines' account on the date so established locally.
Jordan	Four times per Month	Refer to BSP Calendar	7	
Kazakhstan	Four times per Month	Refer to BSP Calendar	6	
Kenya (USD/KES)	Twice per month	15	15	
Kenya (USD/KES)	Four times per Month	Refer to BSP Calendar	7	
Korea	6 Times a Month	5	5	
Kosovo	Four times per Month	Refer to BSP Calendar	15	
Kuwait	Four times per Month	Refer to BSP Calendar	7	
Latvia	Four times per Month	Refer to BSP Calendar	5 working days	If the remittance frequency so established is four times monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 5th calendar day from the Reporting Date.
Latvia	Daily	1	3	Voluntary Remittance Frequency
Lebanon	Four times per Month	Refer to BSP Calendar	7	

Operation	Frequency	Number of Days in a Sales Period	End of Sales Period to Remittance Date	Note:
Lithuania	Four times per Month	Refer to BSP Calendar	5 working days	If the remittance frequency so established is four times monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 5th calendar day from the Reporting Date.
Lithuania	Daily	1	3	Voluntary Remittance Frequency
△ **Macau (SAR, China)**	Four times per Month	Refer to BSP Calendar	5 working days	
Macedonia	Four times per Month	Refer to BSP Calendar	15	
Malawi (MWK/USD)	Twice per month	15	15	
Malawi (MWK/USD)	Four times per Month	Refer to BSP Calendar	7	
Malaysia	Weekly	7	10	If the Remittance Frequency so established is four times monthly, Remittances must be made so as to reach the Clearing Bank not later than its close of business on the 10th day from the Reporting Date.
Mali	Twice per month	15	15	
Malta	Twice per month	15	15	
Mauritania	Twice per month	15	15	
Mauritius	Four times per Month	Refer to BSP calendar	7	
△ **Mexico**	Four times per Month	Refer to BSP Calendar	5 working days	
Micronesia	Weekly	7	15	
△ **Mongolia**	Weekly	7	5 working days	
Montenegro	Four times per Month	Refer to BSP Calendar	15	
△ **Montserrat**	Four times per Month	Refer to BSP Calendar	5 working days	
Morocco	Twice per month	15	16	
Morocco	Four times per Month	Refer to BSP Calendar	7	
Mozambique	Twice per month	15	15	
Mozambique	Four times per Month	Refer to BSP Calendar	7	
Myanmar	Four times per Month	Refer to BSP Calendar	7	
Nepal (USD/NPR)	Four times per Month	Refer to BSP Calendar	14	Remittances shall be made so as to reach the Clearing Bank no later than its close of business on the 14th day from the Reporting Date. Exception: A BSP Remittance Date occurring during Dashain festival holidays, each year, based on the BSP Nepal Remittance Frequency, shall be deferred to a date three working days after the last date of Dashain Festival as declared by the Government of Nepal.
Netherlands	Four times per Month	Refer to BSP Calendar	10	
Netherlands	Daily	1	3	Voluntary Remittance Frequency
New Caledonia	Weekly	7	8	Remittances must be made so as to reach the Clearing Bank not later than its close of business on the 8th day from the Reporting Date.

Operation	Frequency	Number of Days in a Sales Period	End of Sales Period to Remittance Date	Note:
New Zealand	Weekly	7	6	If the remittance frequency so established is four times monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on 6th day from the Billing Distribution date.
Nicaragua	Four times per Month	Refer to BSP Calendar	5	
Niger	Twice per month	15	15	
Nigeria (USD/NGN)	Twice per month	15	15	
Nigeria (USD/NGN)	Four times per Month	Refer to BSP Calendar	7	
Nigeria (USD/NGN)	Daily	Refer to BSP Calendar	3	
Norway	Four times per Month	Refer to BSP Calendar	5 working days	
Oman	Four times per Month	Refer to BSP Calendar	7	Remittances must be made so that the method of payment used assures that the funds are in the Clearing Bank for good value on the day of remittance.
Pakistan	1 Aug 2023 to 31 Aug 2024: Three times per month. 01 Sep 2024 onwards: Four times per Month.	Refer to BSP Calendar	Refer to BSP Calendar	If the remittance frequency so established is four times monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 7th day from the Reporting Date.
Panama	Four times per Month	Refer to BSP Calendar	5	
Papua New Guinea	Weekly	7	15	If the remittance frequency so established is four times monthly, Remittances must be made so as to reach the Clearing Bank not later than its close of business on the 15th day from the Reporting Date.
△ **Paraguay (USD/PYG)**	Four times per Month	Refer to BSP Calendar	5 working days	
Peru	Four times per Month	Refer to BSP Calendar	7	
Philippines (USD/PHP)	Four times per Month	Refer to BSP Calendar	7	If the remittance frequency so established is four times monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 7th day from the Reporting Date.
Poland	Four times per Month	Refer to BSP Calendar	12	
△ **Portugal**	Four times per Month	Refer to BSP Calendar	7	
Portugal	Daily	1	3	Voluntary Remittance Frequency
Qatar	Four times per Month	Refer to BSP Calendar	7	Remittances must be made so that the method of payment used assures that the funds are in the Clearing Bank for good value on the day of remittance.
△ **Romania & Moldova (EUR/RON)**	Four times per Month	Refer to BSP Calendar	12	

Operation	Frequency	Number of Days in a Sales Period	End of Sales Period to Remittance Date	Note:
Russian Federation	Four times per Month	Refer to BSP Calendar	7	
Rwanda (USD/RWF)	Twice per month	15	15	
Rwanda (USD/RWF)	Four times per Month	Refer to BSP Calendar	7	
△ **Saint Kitts**	Four times per Month	Refer to BSP Calendar	5 working days	
△ **Saint Lucia**	Four times per Month	Refer to BSP Calendar	5 working days	
△ **Saint Marteen (USD/ANG)**	Four times per Month	Refer to BSP Calendar	5 working days	
△ **Saint Vincent**	Four times per Month	Refer to BSP Calendar	5 working days	
Samoa	Weekly	7	15	If the remittance frequency so established is four times monthly, Remittances must be made so as to reach the Clearing Bank not later than its close of business on the 15th day from the Reporting Date.
Saudi Arabia	Four times per Month	Refer to BSP Calendar	7	When Remittance date falls on the working day after Eid and Hajj holidays, it shall be postponed to the second working day after such holidays.
Senegal	Twice per month	15	15	
Serbia	Four times per Month	Refer to BSP Calendar	15	
Sierra Leone	Four times per Month	Refer to BSP Calendar	7	
Sierra Leone	Twice per month	15	15	
Singapore	Four times per Month	Refer to BSP Calendar	7	If the remittance frequency so established is four times monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 7th day from the Reporting Date.
Slovakia	Four times per Month	Refer to BSP Calendar	10	
Slovakia	Daily	1	3	Voluntary Remittance Frequency
Slovenia	Four times per Month	Refer to BSP Calendar	15	
Slovenia	Daily	1	3	Voluntary Remittance Frequency
South Africa	Twice per month	15	15	
South Africa	Four times per Month	Refer to BSP Calendar	7	
South Sudan	Four times per Month	Refer to BSP Calendar	7	
Spain & Andorra	Four Times per Month	Refer to BSP Calendar	10	
Spain & Andorra	Daily	1	3	Voluntary Remittance Frequency
Sri Lanka	Four times per Month	Refer to BSP Calendar	7	If the remittance frequency so established is four times monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 7th day from the Reporting Date.
Sudan	Four times per Month	Refer to BSP Calendar	7	
△ **Suriname (USD/EUR)**	Four times per Month	Refer to BSP Calendar	5 working days	
Sweden	Four times per Month	Refer to BSP Calendar	5 working days	

Operation	Frequency	Number of Days in a Sales Period	End of Sales Period to Remittance Date	Note:
Switzerland & Liechtenstein	Twice per month	Refer to BSP Calendar	15	
△ **Switzerland & Liechtenstein**	Four times per Month	Refer to BSP Calendar	5 working days	
Switzerland & Liechtenstein	Daily	1	3	Voluntary Remittance Frequency
Tanzania (USD/TZS)	Twice per month	15	18	
Tanzania (USD/TZS)	Four times per Month	Refer to BSP Calendar	10	
Thailand	Four times per Month	Refer to BSP Calendar	7	If the remittance frequency so established is four times monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 7th day from the Reporting Date. Remittances must be made so that the method of payment used assures that the funds are in the Clearing Bank for good value on the day of remittance.
Togo	Twice per month	15	15	
Tonga	Weekly	7	15	If the remittance frequency so established is four times monthly, Remittances must be made so as to reach the Clearing Bank not later than its close of business on the 15th day from the Reporting Date.
△ **Trinidad & Tobago**	Four times per Month	Refer to BSP Calendar	5 working days	
Tunisia	Twice per month	15	15	
Tunisia	Four times per Month	Refer to BSP Calendar	7	
△ **Türkiye**	Twice per month	15	16	If an administrative public sector holiday is announced during the year, the remittance date will be moved to the first working day following the holiday.
△ **Türkiye**	Four times per Month	Refer to BSP Calendar	5 working days	If an administrative public sector holiday is announced during the year, the remittance date will be moved to the first working day following the holiday.
△ **Turks-Caicos**	Four times per Month	Refer to BSP Calendar	5 working days	
Uganda	Twice per month	15	15	
Uganda	Four times per Month	Refer to BSP Calendar	7	
Ukraine	Four times per Month	Refer to BSP Calendar	7	
Ukraine	Every 3 days	3	7	
United Arab Emirates	Four times per Month	Refer to BSP Calendar	7	Remittances must be made so that the method of payment used assures that the funds are in the Clearing Bank for good value on the day of remittance.
United Kingdom	Twice per month	15	15	
△ **United Kingdom**	Four times per Month	Refer to BSP Calendar	7	
United Kingdom	Daily	1	3	Voluntary Remittance Frequency

Operation	Frequency	Number of Days in a Sales Period	End of Sales Period to Remittance Date	Note:
△ **Uruguay**	Four times per Month	Refer to BSP Calendar	5 working days	
△ **Venezuela**	Four times per Month	Refer to BSP Calendar	5 working days	
Vietnam	Four times per Month	Refer to BSP Calendar	7	If the remittance frequency so established is four times monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 7th day from the Reporting Date.
Zambia (USD/ZMW)	Twice per month	15	15	Remittances must be made so that the method of payment used assures that the funds are in the Clearing Bank for good value on the day of remittance.
Zambia (USD)	Four times per Month	Refer to BSP Calendar	7	Remittances must be made so that the method of payment used assures that the funds are in the Clearing Bank for good value on the day of remittance.
Zimbabwe	Four times per Month	Refer to BSP Calendar	7	

RESOLUTION 812a

ALTERNATIVE TRANSFER METHOD PROVIDERS & ALTERNATIVE TRANSFER METHODS' RULES

PAC(56, 60)812a/(Mail A630, A662)(except USA) Expiry: Indefinite
Type: B

WHEREAS pursuant to the parameters in Resolution 846 being met, countries under Resolution 800 will be transitioned to Resolution 812 and Resolution 812a;

WHEREAS the Passenger Agency Conference wishes to make a wider variety of Payment Methods available to Agents;

It is RESOLVED that the following conditions will apply when Resolution 812 is implemented in a BSP, for the use of Alternative Transfer Methods and enrolment of products by Alternative Transfer Method Providers with IATA,

1. ALTERNATIVE TRANSFER METHODS RULES

The purpose of this Resolution is to provide the authority for Agents to make use of Alternative Transfer Methods for the sale of Standard Traffic Documents on behalf of BSP Airlines, and to provide the requirements for Alternative Transfer Method Providers to enrol their products with IATA.

2. ENROLMENT

2.1 Alternative Transfer Method Providers must enlist with IATA prior to enrolling their products as Alternative Transfer Methods for use in a BSP.

2.2 Once enlisted with IATA, the Alternative Transfer Method Provider may enrol their products as Alternative Transfer Methods for use in a BSP in accordance with the criteria detailed in Attachment 'A' to this Resolution. If a product is not enrolled with IATA as an Alternative Transfer Method, the Agent must not use the product for the issuance of Standard Traffic Documents through the BSP.

2.3 IATA will notify BSP Airlines and Agents of Alternative Transfer Methods that are enrolled in accordance with this Resolution.

2.4 In the case of the Agent wishing to use its own card, or a card issued in the name of a Person acting on behalf of the Agent, or in the name of the Agent's officer, partner or employee, the Agent must enrol the card with IATA as an Alternative Transfer Method prior to its use for the issuance of Standard Traffic Documents in accordance with Resolution 896 Attachment 'A', section 5, except in BSP countries where such functionality has not been made available by IATA. In such cases the Agent is not required to enrol the card as an Alternative Transfer Method.

2.4.1 Prior to the use of an Agent's own card, or a card issued in the name of a Person acting on behalf of the Agent, or in the name of the Agent's officer, partner or employee, the Agent must obtain individual consent of the BSP Airline whose Standard Traffic Document is being issued.

3. USE OF ALTERNATIVE TRANSFER METHODS BY AGENTS WITH INDIVIDUAL AIRLINE CONSENT

3.1 An Alternative Transfer Method may be used by the Agent to effect payment of monies due by the Agent to a BSP Airline for the sale of Standard Traffic Document, subject to the individual consent of the BSP Airline whose Standard Traffic Document is being issued. Such consent must be obtained by the Agent prior to usage of the Alternative Transfer Method. A failure to comply with the present paragraph 3.1 will be undertaken under the sole responsibility and liability of the Agent toward the BSP Airline concerned.

4. AIRLINE CONSENT TO USE AN ALTERNATIVE TRANSFER METHOD

4.1 A BSP Airline will notify IATA of its default consent policy by BSP market. If the Airline does not provide its default consent policy, IATA will set the BSP Airline's default consent policy to automatically not accept any new Alternative Transfer Method enrolled in that BSP market.

4.2 A BSP Airline may give its consent to the Agent for the usage of an Alternative Transfer Method in a BSP by notifying the Agent in writing or, where possible, by updating the relevant information through BSPlink (ASD in China).

4.3 A BSP Airline may remove its consent for the usage of an Alternative Transfer Method from an Agent by notifying the Agent in writing or, where possible, by updating the relevant information through BSPlink (ASD in China).

4.4 Nothing in the present Resolution shall be interpreted as systemic bias or a preference to the detriment of any Alternative Transfer Method, including in favour of any other Payment Method.

5. ISSUANCE AND REFUNDING OF STANDARD TRAFFIC DOCUMENTS USING ALTERNATIVE TRANSFER METHODS

5.1 When issuing a Standard Traffic Document using an Alternative Transfer Method, the Agent must issue and report the transaction in accordance with the instructions provided by IATA.

5.2 When applicable, the Agent must ensure to obtain the authorisation approval code from the relevant card company and include such code at the time of Standard Traffic Documents issuance; such card authorization approval code must be obtained automatically without manual intervention from the Agent, unless otherwise specified in the BSP Manual for Agents or, in non-BSP Markets, as specified by the individual Member.

5.2.1 When effecting refunds of sales issued with an Alternative Transfer Method, the Agent must refund amounts of totally unused and partly used Standard Traffic Documents to the same Alternative Transfer Method number as originally used for payment.

RESOLUTION 812a

Attachment 'A'

PROCESS FOR THE ENROLMENT OF ALTERNATIVE TRANSFER METHODS

Subject to individual BSP Airline consent, the Agent may only use an Alternative Transfer Method for the issuance of Standard Traffic Documents which has been enrolled with IATA in accordance with the process below.

1. DETAILS REQUIRED FOR THE ENLISTMENT OF ALTERNATIVE TRANSFER METHOD PROVIDERS

1.1 To enlist as an Alternative Transfer Method Provider, the following information must be provided to IATA:

(a) company name;

(b) country of origin;

(c) name, title, email address & telephone number of primary contact;

(d) location of headquarters;

(e) any further documentation required in order to comply with due diligence requirements including anti-money laundering requirements.

2. ENROLMENT PROCESS FOR ALTERNATIVE TRANSFER METHOD(S)

2.1 The Alternative Transfer Method Provider must enrol its products as Alternative Transfer Method(s) with IATA. For each product, the Alternative Transfer Method Provider must submit the following information:

(a) Product name;

(b) If different from 1.1, the legal entity contracting with Agents for the provision of the Alternative Transfer Method;

(c) Payment network that guarantees merchant settlement, and copy of membership status with payment network;

(d) Product type (open-loop or closed-loop);

(e) Country(ies) of issuance;

(f) Specific Alternative Transfer Method identifier (such as BIN);

(g) License (e.g. banking license, e-money issuing license) granted by a national authority from the issuing market(s);

(h) Interchange fee and any network fee applicable/ passed on to BSP Airlines;

(i) Pay-in model (e.g. prepaid, debit, credit);

(j) GDS integration of Alternative Transfer Method for Standard Traffic Document issuance;

(k) Any other commercial features.

2.2 Upon receipt of an enrolment request from an Alternative Transfer Method Provider, IATA will:

(a) acknowledge receipt of the enrolment;

(b) review the enrolment to validate that it contains all required information and to clarify any issues.

2.3 In case a provider wishes to enrol a product issued on a Closed-Loop Network, and/or issued on a payment network that does not guarantee merchant settlement, IATA will request further information from the provider to ensure such product offers sufficient guarantees for the settlement of Airlines' funds.

3. OPTIONAL ALTERNATIVE TRANSFER METHOD AND ALTERNATIVE TRANSFER METHOD PROVIDER INFORMATION

3.1 IATA may request additional information from the Alternative Transfer Method Provider as needed to review the enlistment of the Alternative Transfer Method Provider or enrolment of its products.

3.2 Additional information may be provided to IATA by the Alternative Transfer Method Provider as the Alternative Transfer Method Provider sees fit.

4. REVALIDATION OF ALTERNATIVE TRANSFER METHOD PROVIDERS AND PRODUCTS

4.1 On an on-going basis, the Alternative Transfer Method Provider must notify IATA of any changes to the information provided in sections 1.1 and 2.1.

4.2 On an annual basis, IATA may request that the Alternative Transfer Method Provider revalidate of any of the information provided in sections 1.1 and 2.1.

5. ENROLMENT OF AGENT-OWN CARDS AS ALTERNATIVE TRANSFER METHODS

To enrol an Agent's own card, or a card issued in the name of a Person acting on behalf of the Agent, or in the name of the Agent's officer, partner or employee, the Agent must provide IATA with the following information:

(a) Cardholder name (in case of Corporate Card, also indicate the name of the Company, as stated on the card);

(b) Card number;

(c) Expiry Date;

(d) Issuer Name;

(e) Payment Network;

(f) Pay-in Model (e.g. prepaid, debit, credit);

(g) Card Type (e.g. Consumer, Corporate);

(h) Any other information, as necessary.

RESOLUTION 814i

AGENCY PROGRAMME JOINT COUNCIL—ISRAEL

PAC2(58)814i(except USA) Expiry: Indefinite
Type: B

WHEREAS the Passenger Agency Conference ("the Conference"), in consultation with the travel agency community, wishes to establish a Council which will consider matters and make recommendations as set forth in paragraph 1.1.2 below, it is

RESOLVED that, the following provisions are adopted for Israel for implementation at the first opportunity.

1. ORGANISATION

The following body shall be established and shall continue to operate after implementation:

1.1 Agency Programme Joint Council ("the Council")

each Member, operating schedule services to/from Israel, whether or not participating in the Billing and Settlement Plan of Israel and each Airline operating scheduled services to/from Israel which participates in such Plan may, by written notification to the Agency Administrator, nominate a person of senior management standing (the nominee) to serve as its representative on the Agency Programme Joint Council for Israel;

1.1.1 Composition

The Council shall consist of:

1.1.1.1 nominees of the members as outlined in 1.1 above, who shall constitute half of the Council's membership,

1.1.1.2 representatives, who are Accredited Agents, designated by an association recognized as a national agents' association or, by a combination of such recognized associations, and who shall constitute half of the Council's membership,

1.1.1.3 the local IATA representative of the Agency Administrator shall be an ex officio member (without voting rights) and shall act as secretary to the Council,

1.1.1.4 there shall be a maximum of 18 members of the Council with equal representation between Airlines and Agents. The Airline representation shall consist of the largest local operating carrier, presiding as Chair, and up to 8 other Airline representatives;

1.1.2 APJC Authority and Terms of Reference

1.1.2.1 the Council may consider all aspects of the Agency Programme in Israel and make recommendations thereon in the form of agenda proposals to the Passenger Agency Conference which shall inform the Council of action taken, with reasons therefore. Conversely, the Agency Administrator shall refer to the Council for comments and recommendations all proposals submitted to the Passenger Agency Conference which fall within the Council's area of interest;

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

1.1.3 Local Financial Criteria Advisory Group

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

(i) be composed in equal numbers of qualified staff of both airline and agent members,

(ii) consist at a minimum of two airline and two agent representatives as nominated by the APJC.

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

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

1.1.3.4 Recommendations of the LFCAG will be subject to ratification of the Council as per sub-paragraph 1.1.4.

1.1.4 Procedures

a simple majority of the Council shall constitute a quorum and recommendations or decisions shall be adopted when a majority of the air carriers and a majority of the Agents present vote in favour of the proposal. Except as provided herein, the Council shall establish its own procedures and submit a report of its activities to each meeting of the Conference.

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

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

2. RULES AND PROCEDURES

The relationship between Members and their Accredited Agents shall be governed by the applicable Passenger Sales Agency Agreements and rules and procedures adopted by the applicable Passenger Agency Conference Resolutions including resolution 800.

RESOLUTION 820d

OFFICE OF TRAVEL AGENCY COMMISSIONER

PAC(58, 60)820d(except USA) Expiry: Indefinite
Type: B

RESOLVED that,

1. the Office of Travel Agency Commissioner, ('the Commissioner') is hereby established and shall be funded as provided below.

2. Commissioner(s) shall be appointed to conduct reviews in accordance to the provisions in Resolution 820e.

3. any person may submit names of candidates for vacant Commissioner positions to the Director General of IATA. Industry representatives, including the Chair/CEO of UFTAA and the Chair of WTAAA, will evaluate each candidate and make appropriate recommendations to the Director General. The Commissioner will thereafter be appointed on the joint authority of the Director General and the Chair/CEO of UFTAA and/or the Chair of WTAAA, such appointment to be for a period of not less than two years, renewable by mutual agreement. A serving Commissioner shall not leave office before a successor has been appointed.

4. Deputy and Substitute Travel Agency Commissioners may be appointed, to meet the demands of the office, in which event the appointment process shall be as for the Commissioner described above. In this Resolution, the term 'Commissioner' shall be deemed to include the Travel Agency Commissioner, Substitute Travel Agency Commissioner and the Deputy Commissioner.

5. in the discharge of their duties the Commissioners shall be impartial and shall not be subject to the direction or supervision of IATA, any Member, Accredited Agent or association of travel agents, or any of their employees or officers.

6. the term of office of a Commissioner may be curtailed by the Director General the Chair/CEO of UFTAA and the Chair of WTAAA acting jointly, upon the recommendation, for cause, of the appropriate body of industry representatives.

7. the costs of the Office of the Travel Agency Commissioner shall be borne in equal proportions by Members and by Accredited Agents.

△ **7.1** each IATA Accredited Agent shall be called upon to contribute towards the Commissioner fund in an amount determined by the Conference, such amount being not less than USD 5.00 nor more than USD 10.00, or acceptable equivalent per Approved Location, per year as a regular contribution. The total amount of contributions paid by Members collectively in a given year shall be equal to the total amount of contributions paid by IATA Accredited Agents collectively in the same year. All such contributions shall be paid into the Travel Agency Commissioner Programme Fund, held by the Agency Administrator and expended in accordance with the

present Resolution. Such regular contribution shall not be deemed to include any payment of fee or monetary penalty decided by the Commissioner in the execution of their mandate. The purpose of the Fund is to cover the cost of running the Travel Agency Commissioners' office, however the Fund may be used to reimburse the travel expenses incurred by PAPGJC Travel Agency representatives attending PAPGJC meetings as determined in Resolution 860a.

7.2 Any travel required in the pursuit of Commissioner duties is pre-authorised by the Agency Administrator, the Chair of the WTAAA, the Secretary General of ECTAA and the Secretary General of UFTAA. Every effort shall be made by the Commissioner to use telecommunications to conduct review proceedings.

7.3 The Commissioner may be requested to perform an exceptional review of a matter outside of the parameters of jurisdiction set forth in Resolution 820e Sections 1.4 and 1.6. Such an exceptional review shall be on the agreement of the parties involved and the consent of the Commissioner. In accordance with Resolution 820e Section 3.4.2, expenses that arise from such review must be borne by the parties involved in the dispute by each contributing USD 500 to the Travel Agency Commissioner Programme fund.

7.4 The Conference, the PAPGJC, the UFTAA Chair and the Chair of WTAAA shall each receive the annual written statement of accounts.

8. each Commissioner shall conduct reviews in accordance with Resolution 820e which provides for the Conduct of Review by Travel Agency Commissioner.

9. a Commissioner may be assigned in writing by the joint appointing authorities such further duties and functions as may be agreed between them, with a view to ensuring continuing openness, information flow and clarity in the ongoing relationship between IATA and the global community of IATA Accredited Agents. Reasonable expenses incurred in pursuing these goals may be defrayed from the Travel Agency Commissioner Programme Fund, subject to prior approval in writing of the Director General the Chair/CEO of UFTAA and the Chair of WTAAA.

10. the Commissioner(s) shall be called upon to provide consolidated written reports of all Commissioner activities to the Passenger Agency Conference and to the Passenger Agency Programme Global Joint Council.

11. The Commissioner(s) shall maintain an information website, funding for which will be provided from the established budget.

12. applicants for the role of Commissioner shall be assessed based on the job description and profile requirements listed in Attachment 'A' to this resolution.

13. each Commissioner shall be furnished in a timely manner with all the publications provided by the Agency Administrator to Accredited Agents situated in the area of the Commissioner's jurisdiction.

14. In order to preserve the integrity of the Commissioners and to safeguard the independence of each one of them in exercising their office IATA, the Members and the Accredited Agents recognize that each Commissioner shall have no liability whatsoever, whether for any action taken or omitted, in good faith in the performance of their functions under the IATA Agency Programme. The Commissioners shall be indemnified against liability (including liability for legal costs) and shall be held harmless from any and all claims which should arise in connection therewith for any action taken or omitted in good faith in the performance of their functions under the IATA Agency Programme, exclusive of acts or omissions manifestly outside of the required procedures and scope of authority of the Commissioners in 820e and related Resolutions, or manifestly in contravention of the contract terms in Resolution 824. Indemnification shall be funded from the Travel Agency Commissioners' Fund.

15. In order to discuss issues of mutual concern, the Commissioners shall have the ability to meet annually in locations where IATA maintains regional offices. Costs for any such annual meeting shall be pre-authorised by the Agency Administrator, the Chair of the WTAAA, the Secretary General of ECTAA and the Secretary General of UFTAA.

RESOLUTION 820d

Attachment 'A'

Travel Agency Commissioner Profile

1. The Travel Agency Commissioner is an independent arbiter appointed jointly by the International Air Transport Association (IATA), the United Federation of Travel Agency Associations (UFTAA) and the World Travel Agency Associations Alliance (WTAAA) to conduct reviews and act with respect to decisions and/or actions affecting Agents and applicants under the IATA Agency Programme.

1.1 The office of the Travel Agency Commissioner is established under the terms expressed in Resolution 820d.

1.2 The procedures under which the Travel Agency Commissioner operates are contained in IATA Resolution 820e.

2. IATA, UFTAA and WTAAA will assess applicants for the office of the Travel Agency Commissioner against the following profile:

The ideal candidate will meet the following criteria:

1. experience in the travel industry ideally gained from previous employment with an airline or travel agency;
2. at the time of application the applicant must not be employed or have any involvement with an airline, travel agent, agency association or IATA;
3. good knowledge of the IATA Passenger Agency Programme and the associated rules and regulations or a demonstrated ability to acquire knowledge of the Programme;
4. experience in dispute resolution and/or legal background;
5. independent contractor not associated with an airline, IATA or travel agency;
6. fluent in written and oral English with the same skills in at least one other major language;
7. ability to travel at short notice.

Travel Agency Commissioner Job Description

1. A Commissioner shall act only as described to make reviews requested under the terms of Resolution 820e.

△ 2. In the performance of their duties the Commissioner is not authorised to attend and/or address industry Conferences of agency associations or of IATA except as required by the terms of the relevant Passenger Sales Agency Rules.

△ 3. In the performance of their duties the Commissioner is not authorised to counsel, train, coach or in any similar capacity offer guidance to individual agents, travel agencies, travel agency associations, airlines or IATA except as specifically provided under the terms of Resolution 820d. However, the Commissioner may answer punctually requests for information from individual agents, travel agencies, travel agency associations, airlines or IATA, if this request is not linked to any case of review or other dispute.

4. In the pursuit of their activities the Travel Agency Commissioner(s) shall be independent and not subject to supervision by any one party, however, the Travel Agency Commissioner(s) shall provide regular reports of activity to the Passenger Agency Programme Global Joint Council, "the Council". The Council is entitled to review the activities of the Commissioner, and is responsible for approval of the budget and monitoring of expenditure.
5. Any travel conducted by the Travel Agency Commissioner(s) is authorized under the terms of Resolution 820d.

△ 6. The office of the Travel Agency Commissioner(s) shall maintain records of all commissioner proceedings for a minimum of two years or as required under local law. The Travel Agency Commissioner shall ensure knowledge transfer and continuity with their successor. Copies of Commissioner records shall be provided by the Commissioners to the IATA Agency Administrator and to the Secretariat of WTAAA and UFTAA.

7. The Travel Agency Commissioner(s) shall maintain an information website, funding for which will be provided from the established budget.
8. Commissioners shall be entitled to obtain administrative support which support shall be funded from the established budget.
9. in order to discuss issues of mutual concern, the Commissioners shall have the ability to meet annually.

RESOLUTION 820e

REVIEWS BY THE TRAVEL AGENCY COMMISSIONER

△ PAC(59)820e/(Mail A662, A706)(except USA) Expiry: Indefinite Type: B

RESOLVED that, as established under Resolution 820d, the Travel Agency Commissioner ('the Commissioner') shall conduct reviews and act with respect to decisions and/or actions affecting Agents and applicants under the Agency Programme (it being understood that the definitions in Resolution 866 apply to this Resolution and that for further clarity, titles of sections or paragraphs herein shall be for guidance purposes and not interpretative purposes), within the Commissioner's jurisdiction, in accordance with this Resolution 820e:

Section 1—Jurisdiction of the Commissioner

1.1 Disputes arising out of or in connection with matters enumerated in the present Section shall be finally settled, subject to review by arbitration pursuant to Section 4 herein, by the Commissioner, in accordance with this Resolution.

1.2 In making each decision, the Commissioner shall be bound by the provisions of the applicable Resolutions, and may only make findings of fact and conclusions in accordance with those Resolutions.

1.3 Should the Commissioner receive a request for review that is outside of their jurisdiction as enumerated in the present Section, the Commissioner shall, in the case of a request initiated by an Agent or applicant, promptly refer the request to the Agency Administrator for review and resolution as may be appropriate; and in the case of a request for review initiated by the Agency Administrator, the Commissioner shall promptly return the request to the Agency Administrator. In each case, the Commissioner shall advise the Agent, applicant, or Agency Administrator, as the case may be, of the lack of jurisdiction under this Resolution.

1.4 REVIEW INITIATED BY AGENT OR APPLICANT

Subject to paragraph 1.8, the Commissioner shall review and rule on cases initiated by:

1.4.1 an applicant whose application to become an Accredited Agent has been disapproved by the Agency Administrator, or has been disapproved upon reconsideration;

1.4.2 an Agent whose application for approval of an additional location has been rejected by the Agency Administrator, either on first consideration, or upon reconsideration;

1.4.3 an applicant who has acquired ownership or is seeking to acquire ownership of an Agent or Location and whose application for change of ownership has been disapproved by the Agency Administrator, either on first consideration, or upon reconsideration;

△ **1.4.4** an Agent, or applicant seeking review of the finding that a person who is a director, or who holds a financial interest or a position of management in the Agent or applicant, is disqualified under the applicable Passenger Sales Agency Rules because of that person's connection with an Accredited Agent who was removed from the Agency List for failure to fulfil its fiduciary obligations. Any individual who believe they are, or may be, a person whose conduct would cause application of the exclusion provisions referred to above shall also be entitled to seek review by the Commissioner, to determine whether any disqualification whether actual or proposed should stand or be disregarded, in light of the individual circumstances;

1.4.5 an Agent who has received formal notice from the Agency Administrator of impending removal of the Agent or a Location of the Agent from the Agency List, or of any action or impending action by the Agency Administrator with regard to the Agent, that unreasonably diminishes the Agent's ability to conduct business in a normal manner;

1.4.6 an Agent whose application for change of location and/or name has been disapproved by the Agency Administrator;

1.4.7 an Agent from whom stocks of Standard Traffic Documents have been withdrawn by IATA pursuant to the applicable Passengers Sales Agency Rules; provided that any review initiated under this subparagraph shall be to decide on any interim relief pending a redetermination of the eligibility of the Agent or the Location to be retained on the Agency List under Paragraph 1.6 of this Resolution;

1.4.8 an Agent who considers that its commercial survival is threatened by a Member's individual decision preventing it from acting as Agent for, or from issuing Standard Traffic Documents on behalf of, such Member;

1.4.9 an Agent who is aggrieved by an impending amendment to its Passenger Sales Agency Agreement;

1.4.10 an Agent who considers that the Agency Administrator has not followed correct procedure as delegated by the Passenger Agency Conference, to that Agent's direct and serious detriment in order to determine whether the decision under review was made in accordance with applicable Resolutions and based on credible fact;

1.4.11 an Agent who invokes a request for review by the Commissioner as expressly permitted by the applicable Passenger Sales Agency Rules.

1.5 PROCESSING REVIEW REQUESTS FROM AN AGENT OR APPLICANT

The Commissioner shall apply the following rules to a request for review from an Agent/applicant:

1.5.1 for a review initiated under any of the sub provisions of Paragraph 1.4 of this Section, the person

authorized to make the request shall do so, in writing addressed to the Commissioner, with copy to the Agency Administrator;

1.5.1.1 for review of a decision or action of the Agency Administrator, except when initiated pursuant to the provisions of Subparagraph 1.4.7 of this Section, the request must be submitted within 30 calendar days of the date of the Agency Administrator's notice of the decision in question;

1.5.1.2 for review pursuant to the provisions of Subparagraph 1.4.7 of this Section, the request must be submitted within 10 calendar days of the withdrawal of the Standard Traffic Documents;

△ **1.5.1.3** for review made pursuant to the provisions of Subparagraphs 1.4.8 and 1.4.9 of this Section, the request must be submitted within 30 calendar days of the date the Agent first became aware of the decision/action of which they are aggrieved;

1.5.1.4 where a request for review is accompanied by an application for interlocutory relief to stay action by the Agency Administrator, the Commissioner may grant the interlocutory relief, if:

(a) acceptance of the request for review is within the Commissioner's jurisdiction; and

(b) the Agent/applicant makes an appropriate showing in support of its application for appropriate interlocutory relief; and

(c) the Commissioner decides, after affording the Agency Administrator, Member or other respondent the opportunity to respond, that interlocutory relief is appropriate and can be granted without materially affecting any airline funds at risk;

(d) if airline funds are considered to be at risk, the Commissioner shall require, as a condition for granting any such request by an Agent/applicant for interlocutory relief, that the Agent/applicant provide a bank or any other form of financial guarantee. The bank or other guarantee shall cover the amount in dispute or any higher amount deemed appropriate by the Commissioner in light, in particular, of the financial risk associated with the dispute.

The Commissioner may also require if appropriate an immediate accounting and settlement of all monies due at the time the interlocutory order takes effect. If there is no financial risk associated with the dispute, the interlocutory relief may be granted upon the Commissioner's decision without requiring any form of financial guarantee. If interlocutory relief is granted, as soon as the Agent/applicant has complied with all conditions to which interlocutory relief is subject, the Commissioner or Agency Administrator shall notify all BSP Airlines accordingly that any previously notified action has been stayed and the status quo restored pending the final determination of the Commissioner's review.

△ **1.5.2** the Commissioner shall initially decide whether (i) they are has jurisdiction to determine the matter and (ii) if so whether a credible case for review has been made. If the request for review is accepted, then the Commissioner shall seek to ascertain to their own satisfaction all the facts relevant to the matter in dispute, affording the parties the opportunity to present their side of the case pursuant to Section 2 hereof;

1.5.3 acting on the basis of all probative evidence presented during the proceeding, the Commissioner shall decide whether the Agent/applicant has demonstrated, by a preponderance of the evidence, that it is entitled to relief hereunder and if so, whether an award of relief, in accordance with Section 3 of this Resolution, is to be made;

1.5.4 as promptly as reasonably possible after a case has been initiated by an Agent or applicant, the Commissioner must provide to the Agency Administrator a copy of the request for review, together with all related material and evidence provided in support of the request.

1.6 REVIEW INITIATED BY AGENCY ADMINISTRATOR

The Agency Administrator, on their own initiative or at the request of any Member, or group of Members, shall initiate a review to determine whether the Agent or Location has breached its Passenger Sales Agency Agreement, including IATA Resolutions incorporated into it, when the Agency Administrator has determined that a credible case has been made, in particular, in respect of any of the following:

1.6.1 the Agent or Location no longer fulfils the qualifying requirements for accreditation under the Passenger Sales Agency Rules;

1.6.2 the Agent has not complied with the applicable Resolutions and consents given by BSP Airlines as to payment methods;

1.6.3 the Agent has failed to comply, to the satisfaction of the Agency Administrator, with financial requirements or any other measure or condition prescribed by the Commissioner as a prerequisite for the retention of the Agent on the Agency List following a review;

1.6.4 the Agent has issued Standard Traffic Documents or caused Standard Traffic Documents to be issued at other than a Location or other authorized place of issue of that Agent;

1.6.5 the Agent has failed to notify IATA and the Member concerned immediately of the removal of Standard Traffic Documents, in the event of robbery, theft, burglary, fraud or other unlawful means, or of Standard Traffic Documents having been destroyed;

1.6.6 the Agent refuses to permit a Member or IATA to audit or secure an audit of Standard Traffic Documents in the Agent custody;

1.6.7 an audit or other investigation has revealed irregularities in the Agent's accounting standards or practices;

1.6.8 the Agent has allegedly failed to fulfil its contractual obligations on the custody and/or issuance of Standard Traffic Documents or has allegedly falsified or altered Standard Traffic Documents;

1.6.9 the Agent has persistently failed to settle amounts owing against Agency Debit Memos (ADMs) whether or not such ADMs have been subject to dispute;

1.6.10 pursuant to the provisions of Resolution 812, paragraph 6.7, and of Resolution 832, paragraph 1.8, the Agency Administrator receives written information which leads them to the belief that Members' or Airlines' ability to collect monies from the Agent for Standard Traffic Documents may be prejudiced;

1.6.11 the Agent has allegedly made material misrepresentations in an application for reduced fare transportation.

1.7 PROCESSING REVIEW REQUEST FROM AGENCY ADMINISTRATOR

△ Each request for review made by the Agency Administrator to the Commissioner shall be in writing with copy simultaneously sent to the Agent. The Commissioner shall conduct each such review in an adversarial proceeding and decide, on the basis of all probative evidence presented during the proceeding, whether or not the Agent has failed to comply with or is in breach of the Agency Programme provisions alleged by the Agency Administrator. If the decision is affirmative, the Commissioner shall also decide a penalty, in accordance with the provisions of this Resolution, as they deem appropriate under the circumstances

1.8 MATTERS OUTSIDE THE PURVIEW OF THE TRAVEL AGENCY COMMISSIONER

The Commissioner shall decline to act on any of the following:

1.8.1 claims arising under restraint of trade law/regulations of the state or international authority having jurisdiction;

1.8.2 any matter in relation to which the Commissioner does not have jurisdiction under this Resolution.

1.8.3 any decision on matters outside the jurisdiction of the Commissioner pursuant to Sections 1.4 and 1.6 shall be null and void.

Section 2—Rules of Practice and Procedure

The Travel Agency Commissioner's Office shall publish rules of practice and procedure designed to ensure prompt and impartial review of all matters properly submitted to them.

2.1 In a review conducted pursuant to this Resolution, the parties shall be the Agency Administrator or the Member concerned, the applicant or Agent concerned or the aggrieved Member, as the case may be.

2.1.1 The Commissioner's rules shall grant all parties ('the Parties') the following minimum rights:

2.1.1.1 right to submit in writing any relevant information which it deems appropriate and the right to respond to the other side's submissions;

2.1.1.2 right to move for dismissal, whether based on lack of jurisdiction or for any other reason;

2.1.1.3 right to move for summary judgement or other appropriate relief;

2.1.1.4 right to appear in person and/or be represented by counsel and present evidence and arguments in support of its position;

2.1.1.5 right to call witnesses;

2.1.1.6 right to hear the evidence and arguments of the other party and its witnesses;

2.1.1.7 right to cross examine the other party and its witnesses;

2.2 in proceedings before the Commissioner the Parties shall not be required to adhere to strict rules of evidence;

△ **2.3** the Commissioner shall be empowered, upon the agreement of both parties, to waive oral hearing and base their decision on written submissions of the Parties. They may also render a decision on written stipulations between the Parties. Where in the judgment of the Travel Agency Commissioner, such an oral hearing is not necessary, they may base the decision on the written information submitted having advised the Parties of their intention to do so.

2.4 the party who has initiated a request for review may withdraw all or part of it, in writing, at any time prior to the issuance of the Commissioner's decision, provided that if it is withdrawn by the party after the hearing, the Commissioner may make an appropriate award to cover reasonable costs incurred by the Respondent and the Commissioner;

2.5 except as the Commissioner may otherwise direct in writing, any person who is not a party, or a witness, who desires to make relevant information available to the Commissioner in connection with a pending review shall do so only through one of the Parties. The party concerned shall promptly forward such information in writing to the Commissioner, with a copy to the other party. Such person shall be subject to cross examination;

2.6 shortly after having received a request for review, the Commissioner shall offer the parties the opportunity to hold a scheduling conference by telephone call or other means, with a view to reach an agreement, or alternatively to issue an order, regarding the proper procedures to be followed for the hearing of the matter, and to set a timetable. Except for good cause stated in writing, the Commissioner shall schedule each review proceeding not later than 45 days after receipt of the request for review. The Commissioner shall normally render their decision within 30 days after the close of the record in the proceeding.

2.7 the decision shall be in writing and shall include all such findings and conclusions and with respect to reviews conducted under Section 1 of this Resolution any

conditions imposed by the Commissioner. With respect to review proceedings instituted pursuant to Paragraph 1.6 of this Resolution, the decision shall be in writing and shall include all such findings and conclusions and any penalty imposed pursuant to Section 3 of this Resolution.

2.8 a signed copy of the decision shall be served on each party. Subject to action taken under Paragraph 2.9 or 2.10 or Section 4 of this Resolution, in which case the decision shall be automatically stayed, the Commissioner's decision shall be final and binding on the Parties, including Members of IATA.

△ **2.9** within 15 days after the receipt of the decision, a party, with notice to the other parties, may request that the Commissioner gives an interpretation of the decision or correct in the decision any error in computation, any clerical or typographical error, or any error or omission of a similar nature. If the Commissioner considers that the request is justified, they shall make the interpretation or correction in writing within 15 days of receipt of the request. The interpretation or correction shall form part of the decision.

2.10 within 30 days after the receipt of the decision or an interpreted or clarified decision pursuant to paragraph 2.8 hereinabove, a party, with notice to the other parties may request that the decision be reviewed by a majority decision of a panel of all of the Commissioners. This proceeding shall be de novo, with either party able to submit new evidence or arguments to the panel. The panel shall conduct a new analysis accordingly and shall not be bound by or provide deference to the original decision.

Section 3—Powers of the Commissioner

The Commissioner's power to award relief shall be as set forth in this Resolution 820e as applied to the facts of each particular case. The following is an indicative summary of such possible courses.

3.1 DECISIONS ON REVIEWS INITIATED BY AGENT OR APPLICANT

Consequent on a review initiated by an Agent or an applicant, the Commissioner may decide:

3.1.1 a disapproved applicant/Agent be approved;

3.1.2 a removed Agent/Location be reinstated on the Agency List;

3.1.3 an Agent from whom Standard Traffic Documents, and ticketing authorities have been withdrawn may have them reinstated;

3.1.4 an Agent who has appealed against the actions of an individual Member that threaten the Agent's commercial survival be granted relief by order of the Commissioner;

3.1.5 an Agent aggrieved by impending amendment to its Passenger Sales Agency Agreement be granted such relief as may be appropriate having regard to the need to maintain appropriate airline prudential requirements;

3.1.6 on finding against the applicant/Agent, the Commissioner shall uphold the Agency Administrator's/ Member's decision which shall thereupon be implemented;

3.1.7 Any of the decisions outlined in Paragraph 3.1 above, or otherwise rendered by the Commissioner hereunder, shall in any case be consistent with and capable of reasonable application under the Passenger Sales Agency Agreement the applicable Passenger Sales Agency Rules and this Resolution 820e.

3.2 DECISIONS ON REVIEWS INITIATED BY THE AGENCY ADMINISTRATOR

Consequent on a review initiated by the Agency Administrator, the Commissioner may decide that one or more of the following actions be taken:

3.2.1 the Agent or Location be removed for a stated period of time from the Agency List;

3.2.2 an Agent or Location be required to meet specified requirements as a condition for retention on the Agency List;

3.2.3 order that Standard Traffic Documents, and ticketing authorities be removed from the Agent;

3.2.4 the Agent's access to reduced fare air passenger transportation be suspended for a specified period;

3.2.5 the Agent, at its own expense, be required to undergo an audit by an independent certified public accountant;

3.3 ICC MEDIATION AND OTHER DISPUTES

3.3.1 The parties may at any time, without prejudice to any other proceedings, refer any matters as described in Sections 1.4 and 1.6 of this Resolution to the International Chamber of Commerce (“ICC”) in accordance with the International Chamber of Commerce Mediation Rules (“ICC Mediation Rules”). At any time during the course of the Commissioner's review, the Commissioner may recommend to the parties that they pursue mediation as a form of dispute resolution in accordance with the ICC Mediation Rules. Expenses related to these cases shall not be expended from the Commissioner Fund, but shall be funded by the parties involved in the dispute, in accordance with the ICC Mediation Rules.

3.3.2 the parties may at any time, request the Commissioner to perform an exceptional review of a matter outside of the parameters of jurisdiction set forth in Sections 1.4 and 1.6 of this Resolution; by way of example, such a review may include disputed ADMs. Such an exceptional review shall only be on the agreement of the parties involved and the consent of the Commissioner. Expenses that arise from such an exceptional review must be borne by the parties involved in the

dispute by each contributing USD 500 to the Travel Agency Commissioner Programme fund.

Section 4—Review by Arbitration

4.1 an Agent or applicant which considers itself aggrieved by a decision of the Commissioner taken under the provisions of this Resolution, shall have the right to have such decision reviewed by arbitration, in accordance with the procedures set out in the Passenger Sales Agency Rules;

4.2 a Member whose individual decision has been the object of an Agent's action before the Commissioner pursuant to the relevant provisions of the Passenger Sales Agency Rules may, if the Member contests the Commissioner's ruling, seek to have it reviewed by arbitration, in accordance with the procedures set out in the Passenger Sales Agency Rules.

4.3 where a decision of or an action by the Agency Administrator or IATA has been the object of an Agent's action before the Commissioner taken under the provisions of this Resolution and the Agency Administrator, or IATA, contest the Commissioner's decision, the Agency Administrator or IATA shall have the right to have such decision reviewed by arbitration, in accordance with the procedures set out in the Passenger Sales Agency Rules. ⊗

RESOLUTION 822

IATA NUMERIC CODE

PAC(58)822

Expiry: Indefinite
Type: A

AS the Passenger Agency Conference ('Conference') wishes to provide a code to identify places where Traffic Documents, as defined in the Sales Agency Rules, are issued, and

AS the Conference also wishes to provide a designator to non-IATA entities subscribing to recognised IATA industry schemes it is

RESOLVED that a recognised coding scheme, as provided for below, shall be used to allocate IATA Numeric Codes or designators.

Section 1—COMPONENTS OF CODE

1.1(a) the IATA Numeric Code shall consist of:

1.1(a)(i) a two-digit geographical designator;

1.1(a)(ii) a one-digit Area designator separated from 1.1(a)(i) above by a dash;

1.1(a)(iii) a four-digit location designator separated from 1.1(a)(ii) above by a space; and

1.1(a)(iv) a check digit separated from 1.1(a)(iii) above by a space. The check digit shall be calculated on an unweighted modulus seven system based on the two-digit geographical designator, the one-digit Area designator, and the four-digit location designator.

1.1(b) when the IATA Numeric Code is imprinted on automated Traffic Documents, the dash and spaces may be omitted.

Section 2—INTEGRITY OF IATA NUMERIC CODE

Numeric Codes assigned to all users in accordance with this Resolution are, and shall at all times remain the property of IATA. Such codes shall not be lent, subcontracted or hired to a third party by the assignee. Neither shall such codes be used either as a form of identification or other purpose on a proprietary product of any third party without express authorization to do so by IATA.

Section 3—ALLOCATION OF CODE

3.1 the Agency Administrator shall be responsible for the administration and allocation of the IATA Numeric Code as follows:

3.1.1 IATA Numeric Codes shall be allocated to each Approved Location of IATA Agents, of non-IATA sales intermediaries and domestic-only agents reporting their sales through a BSP;

3.1.2 all other categories subscribing to a recognised IATA industry scheme shall be allocated a designator based on the Numeric Code structure;

3.1.3 blocks of IATA Numeric Codes shall be set aside for allocation in the United States to entities that qualify for such codes under the terms of this Resolution;

3.1.4 upon request of a Member or of a non-IATA airline, the Agency Administrator shall allocate IATA Numeric Codes to such Member's or airline's own sales offices, to Traffic Documents-issuing offices of such Member's or airline's Passenger General Sales Agents, or airport handling agents which are not themselves IATA Members; provided that in the case of a request from a non-IATA airline, the cost of allocation and publication of the IATA Numeric Code shall be for the account of the requesting airline.

3.1.5 IATA Numeric Codes and designators shall be allocated according to the type of Location or user.

3.1.6 A change of Location or category may require the withdrawal from use of the IATA Numeric Code or designator, and the allocation of a different one.

Section 4—VALIDATOR DIES OR PLATES—OUTSIDE BILLING AND SETTLEMENT PLAN VALIDATION OF STANDARD TRAFFIC DOCUMENTS

4.1 validation of Standard Traffic Documents at places to which an IATA Numeric Code has been allocated shall be effected by the Ticketing System Provider in accordance with the provisions of Resolution 854.

Section 5—PUBLICATION

the IATA Numeric Codes allocated pursuant to Subparagraphs 3.1.1, and 3.1.3 of this Resolution shall be published by the Agency Administrator as directed by the Passenger Agency Conference; ARC and IATAN shall be responsible for the publication of IATA Numeric Codes made available to them pursuant to Subparagraph 3.1.2 of this Resolution.

Section 6—REVIEW OF AGENT

failure by an IATA Agent without good cause to comply with any of the requirements provided herein shall constitute adequate grounds for the Agency Administrator to initiate review under the provisions of the Sales Agency Rules.

RESOLUTION 824

PASSENGER SALES AGENCY AGREEMENT (VERSION II)

PAC(22)824(except USA) Expiry: Indefinite
Type: B

RESOLVED that, the following form of Passenger Sales Agency Agreement is adopted and shall be implemented upon notification by the Agency Administrator.

PASSENGER SALES AGENCY AGREEMENT

An Agreement made this .....day of .....20.....

BETWEEN

having its principal office at (hereinafter called “the Agent”)

AND

each IATA Member (hereinafter called “Carrier”) which appoints the Agent, represented by the Director General of IATA acting for and on behalf of such IATA Member.

WHEREBY IT IS AGREED AS FOLLOWS:

1. EFFECTIVENESS

this Agreement shall become effective between the Agent and the Carrier upon appointment of the Agent by such Carrier in accordance with the Sales Agency Rules in effect in the country(ies) of the Agent's Location(s). Upon coming into effect this Agreement, including any amendments thereto, shall have the same force and effect between the Carrier and the Agent as though they were both named herein and had both subscribed their names as parties hereto.

2. RULES, RESOLUTIONS AND PROVISIONS INCORPORATED IN AGREEMENT

2.1(a) the terms and conditions governing the relationship between the Carrier and the Agent are set forth in the Resolutions (and other provisions derived therefrom) contained in the Travel Agent's Handbook (“the Handbook”) as published from time to time under the authority of the Agency Administrator and attached to this Agreement. The Handbook incorporates:

2.1(a)(i) the Sales Agency Rules,

2.1(a)(ii) the Billing and Settlement Plan rules, where applicable, as set forth in the BSP Manual for Agents,

2.1(a)(iii) such local standards as may be provided for under the Sales Agency Rules,

2.1(a)(iv) other applicable IATA Resolutions;

2.1(b) such Rules, Resolutions and other provisions as amended from time to time are deemed to be incorporated in this Agreement and made part hereof and the Carrier and the Agent agree to comply with them;

2.2 the Agent acknowledges that it has received a copy of the current edition of the Handbook and has acquainted itself with the contents thereof. The Agent specifically acknowledges that it has read and understands the contents of the Handbook, including but not limited to those dealing with: indemnities and waiver; custody, issuance and security of Traffic Documents; the reporting and remitting procedures; and the arbitration procedures;

2.3 the Agency Administrator shall provide the Agent with subsequent editions of the Handbook and all amendments thereto. The Agent shall be notified by the Agency Administrator of any amendments to the contents of the Handbook and such amendments shall be deemed to be incorporated herein unless within 30 days of receipt of such notification the Agent terminates this Agreement by notice in writing to the Agency Administrator;

2.4 the terms and expressions used in this Agreement shall, unless the context otherwise requires, have the meanings respectively provided for in the Sales Agency Rules. In the event of any conflict, contradiction or inconsistency between any provisions with which the Agent is required to comply under Subparagraph 2.1 of this Paragraph, and any of the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. SELLING CARRIER'S SERVICES

3.1 the Agent is authorised to sell air passenger transportation on the services of the Carrier and on the services of other air carriers as authorised by the Carrier. The sale of air passenger transportation means all activities necessary to provide a passenger with a valid contract of carriage including but not limited to the issuance of a valid Traffic Document and the collection of monies therefor. The Agent is also authorised to sell such ancillary and other services as the Carrier may authorise;

3.2 all services sold pursuant to this Agreement shall be sold on behalf of the Carrier and in compliance with Carrier's tariffs, conditions of carriage and the written instructions of the Carrier as provided to the Agent. The Agent shall not in any way vary or modify the terms and conditions set forth in any Traffic Document used for services provided by the Carrier, and the Agent shall complete these documents in the manner prescribed by the Carrier;

3.3 the Agent shall make only such representations as are authorised in this Agreement and by the Carrier.

3.4 with regard to any transportation the Agent, its officers or employees may procure on the services of another air carrier which does not have the Agent under appointment, the Agent undertakes that it will not directly or indirectly procure the sale of such transportation otherwise than strictly in accordance with the fares, rules and conditions applicable to the sale of such transportation as published in that other carrier's tariff;

3.5 with respect to previously issued Traffic Documents the Agent, its officers or employees shall issue, accept, reissue, validate or revalidate (including by means of reservation alteration stickers) all such Traffic Documents in accordance with the Carrier's tariffs, conditions of carriage and written instructions;

3.6 the Agent shall transmit to the Carrier such specific requests or particulars in connection with each customer as may be necessary to enable the Carrier to service each customer efficiently.

4. OBSERVANCE OF LAWS AND REGULATIONS

the Agent shall observe all government laws and regulations applicable to the sale of air transportation, or any other acts performed by the Agent under this Agreement, in the territory or territories where the Approved Locations of the Agent are situated and in all territories to or through which the Agent may sell air passenger transportation.

5. AGENCY DESIGNATION

the Agent shall not represent itself as a ‘General Agent’ or use any other designation, such as ‘Air Lines Ticket Office’, which would indicate or imply in any way that its office is an office of the Carrier or any Member.

6. CUSTODY AND ISSUE OF TRAFFIC DOCUMENTS AND CUSTODY OF CARRIER IDENTIFICATION PLATES

6.1 Traffic Documents deposited by the Carrier or by ISS Management on behalf of the Carrier as the case may be, are and remain the sole property of the Carrier or ISS Management until duly issued and delivered pursuant to a transaction under this Agreement; similarly Identification Plates deposited with the Agent are the sole property of the Carrier at all times. The Agent acknowledges and agrees that it has no proprietary rights to such Traffic Documents and Plates. The Carrier or ISS Management acting on its behalf may, at any time, require that the Agent return such Traffic Documents and Identification Plates, and the Agent agrees to return them immediately;

6.2 the Carrier or ISS Management acting on its behalf shall be entitled at any time to audit or procure an audit of Traffic Documents and Identification Plates, or to ascertain that security standards are met;

6.3 where the Carrier participates in an automated ticketing system for the issuance of Standard Traffic Documents or other neutral Traffic Documents and the Agent issues such Traffic Documents through the system on behalf of the Carrier, the Carrier may at any time withdraw from the Agent the authority to issue neutral Traffic Documents on its behalf. In the event that the Agent is declared in default or is suspended in accordance with the Sales Agency Rules the Agent shall immediately cease issuing neutral Traffic Documents through the system on behalf of the Carrier as of the date such default or suspension is effective;

6.4 in the event any part of an automated ticketing system is provided to the Agent by a third party, other than an airline participating in such system, the Agent undertakes to obtain written confirmation from the Carrier or the Coordinator that the relevant specifications, function and mode of operation of such system and any changes thereto, conform with standards that are acceptable. The Agent shall not issue Traffic Documents on behalf of the Carrier through the system until such written confirmation has been obtained.

7. EXCEPT AUSTRALIA AND GERMANY—MONIES DUE BY AGENT TO CARRIERS—REMITTANCE

7.1 a Traffic Document shall be issued immediately money is received by the Agent for specified passenger air transportation or Ancillary Services sold under this Agreement and the Agent shall be responsible for remittance to the Carrier of the amount payable in respect of such Traffic Document;

7.2 all monies collected by the Agent for transportation and Ancillary Services sold under this Agreement, including applicable remuneration which the Agent is entitled to claim thereunder, are the property of the Carrier and must be held by the Agent in trust for the Carrier or on behalf of the Carrier until satisfactorily accounted for to the Carrier and settlement made;

7.3 the Agent shall not pledge, cede, promise or otherwise transfer to a third party any claims to monies due to the Agent or to the Carrier, but not yet collected, for transportation and Ancillary Services sold under this Agreement, including applicable remuneration, which the Agent is entitled to claim hereunder;

7.4 in the event that the Agent becomes the subject of bankruptcy proceedings, is placed in receivership or judicial administration, goes into liquidation or becomes subject to a similar legal process affecting the normal operation of the Agent, then notwithstanding the normal remittance procedures under this Agreement, all monies due to the Carrier or held on behalf of the Carrier in connection with this Agreement shall become immediately due and payable;

or

7. AUSTRALIA AND GERMANY ONLY—MONIES DUE BY AGENT TO CARRIERS—REMITTANCE

7.1 on the issue by the Agent of a Traffic Document on behalf of the Carrier, or on the issue by the Agent of its own Transportation Order drawn on the Carrier, the Agent, irrespective of whether it collects a corresponding amount, shall be responsible for payment to the Carrier of the amount payable for the transportation or other service to which the Traffic Document or Transportation Order relates. This shall not, however, apply where the Traffic Document or Transportation Order is issued under the Universal Air Travel Plan or similar credit plan recognised or made available to the public by the Carrier (except with respect to the initial amount payable under such plan) and the Agent has procured and forwarded to the Carrier the duly executed documents required under such plan, or where the Traffic Document or Transportation Order is issued by the Agent in response to a prepaid ticket advice. In such cases the Carrier accepts responsibility for collection;

7.2 except as otherwise provided in Subparagraph 7.1 of this Paragraph, the Agent shall collect the amount payable for the transportation or other service sold by it on behalf of the Carrier. All monies collected by the Agent for transportation and Ancillary Services sold under this Agreement, including applicable commissions which the Agent is entitled to claim thereunder, shall be the property of the Carrier and shall be held by the Agent in trust for the Carrier or on behalf of the Carrier until satisfactorily accounted for to the Carrier and settlement made. The Carrier may, subject to applicable currency regulations, designate the currencies in which remittances are to be made. Unless otherwise instructed by the Carrier the Agent shall be entitled to deduct from remittances the applicable commission to which it is entitled hereunder;

7.3 the Agent shall remit to the Carrier such monies at such times and under such conditions as the Carrier may designate from time to time in accordance with the provisions of the Sales Agency Rules;

7.4 a Traffic Document shall be issued immediately money is received by the Agent for specified passenger air transportation or Ancillary Services sold under this Agreement and the Agent shall be responsible for remittance to the Carrier of the amount payable in respect of such Traffic Document;

7.5 in the event that the Agent becomes the subject of bankruptcy proceedings, is placed in receivership or judicial administration, goes into liquidation or becomes subject to a similar legal process affecting the normal operation of the Agent, then notwithstanding the normal remittance procedures under this Agreement, all monies due to the Carrier or held on behalf of the Carrier in connection with this Agreement shall become immediately due and payable.

8. REFUNDS

the Agent shall make refund only in accordance with the Carrier's tariffs, conditions of carriage and written instructions, and against receipt. The Agent shall only refund Traffic Documents issued by such Agent.

9. REMUNERATION

for the sale of air transportation and Ancillary Services by the Agent under this Agreement the Carrier shall remunerate the Agent in a manner and amount as may be stated from time to time and communicated to the Agent by the Carrier. Such remuneration shall constitute full compensation for the services rendered to the Carrier.

10. RECORDS AND INSPECTION

the Agent shall maintain adequate records and accounts, together with supporting documents, recording the details of all transactions effected under this Agreement. Such records, accounts and documents shall be preserved by the Agent for at least two years from the date of the transactions to which they relate and shall be available for inspection or for copying by the Carrier whose Traffic Documents have been issued.

11. CONFIDENTIALITY

11.1 the Carrier agrees that the Carrier and its officers, employees and agents, including ISS Management where applicable, will treat information and data relating to the Agent coming into its possession as confidential except to the extent required by law;

11.2 notwithstanding Subparagraph 11.1 of this Paragraph, the Agent agrees that the Carrier, its officers, employees and agents, including ISS Management where applicable, may collect, process and disclose to other parties participating in the BSP, except to other Agents, such information and data for purposes of financial assessment of the Agent or of the orderly operation of agency administration or of the Billing and Settlement Plan;

11.3 the Agent agrees that the Agent and its officers, employees and any other person acting on the Agent's behalf will treat information and data relating to the Carrier coming into its possession as confidential except to the extent required by law.

12. TRANSFER, ASSIGNMENT, CHANGE OF LEGAL STATUS, OWNERSHIP, NAME OR LOCATION

12.1 this Agreement shall not be assigned or otherwise transferred in whole or in part by the Agent to any other person or persons;

12.2 in the event that the Agent proposes to effect any change(s) in the legal status, ownership, name(s) and/or address(es) (within the meaning of these expressions as used in the Sales Agency Rules under which the activities of any of its Approved Locations are conducted) the Agent undertakes to give prior notice in accordance with the detailed procedures set forth in those Rules.

13. TERMINATION

13.1 this Agreement or its application to a specific Location(s) of the Agent shall be terminated if, in accordance with the Sales Agency Rules:

13.1.1 the Carrier withdraws its appointment of the Agent,

13.1.2 the Agent withdraws from its appointment by the Carrier,

13.1.3 the Agent is removed from the Agency List,

13.1.4 the Agent relinquishes its IATA Approval/ Accreditation;

13.2 notice of termination of the Agreement as above may be given at any time by notice in writing. Unless otherwise specified in the Sales Agency Rules, such notice shall take effect no sooner than the last day of the month following the month in which the notice of termination is given, and such notice shall include the effective date of termination, without prejudice to fulfilment by each party of all obligations accrued prior to the date of termination.

14. ARBITRATION

if any matter is reviewed by arbitration pursuant to the Sales Agency Rules, the Agent hereby submits to arbitration in accordance with such Rules and agrees to observe the procedures therein provided and to abide by any arbitration award made thereunder.

15. INDEMNITIES AND WAIVER

15.1 the Carrier agrees to indemnify and hold harmless the Agent, its officers and employees from and against liability for any loss, injury, or damage, whether direct, indirect or consequential, arising in the course of transportation or other Ancillary Services provided by the Carrier pursuant to a sale made by the Agent hereunder or arising from the failure of the Carrier to provide such transportation or services, except to the extent that such loss, injury or damage is caused or contributed to by the Agent, its officers, employees or any other person acting on the Agent's behalf;

15.2 the Agent agrees to indemnify and hold harmless the Carrier, its officers and employees from and against liability for any loss, injury, or damage, whether direct, indirect or consequential, arising from any negligent act or omission of the Agent, its officers, employees or any other person acting on the Agent's behalf, or from any breach by the Agent of this Agreement, except to the extent that such loss, injury or damage is caused or contributed to by the Carrier, its officers or employees;

15.3 where the Carrier participates in an automated ticketing system for the issuance of neutral Traffic Documents and the Agent issues such Traffic Documents through the system on behalf of the Carrier, the Agent further agrees to indemnify and hold harmless the Carrier, its officers and employees for all loss, injury or damage, whether direct, indirect or consequential, resulting from the negligent or unauthorised use of the system or any part thereof by the Agent, its officers, employees or contractors (including independent contractors) or any other person acting on the Agent's behalf.

16. NOTICES

all notices to be sent under this Agreement from the Carrier or from the Agency Administrator to the Agent, or from the Agent to the Carrier or to the Agency Administrator shall be sufficient if sent by any means that provides proof of despatch or receipt addressed, as appropriate to:

— the principal office of the Agent,

— the principal office of the Carrier, or

the Agency Administrator at the address shown in this Agreement, which address may be changed by notice given in writing from time to time by the Agency Administrator to the Agent.

17. APPLICABLE LAW

this Agreement shall be interpreted and governed in all respects by the law of the principal place of business of the Agent, except that, in regard to any matter of dispute arising solely in connection with the activities of a branch office location situated in a place other than that of the Agent's principal place of business, the law of the place where the branch office is situated shall apply.

18. SEVERABILITY

if any provision of this Agreement is held to be invalid, this shall not have the effect of invalidating the other provisions which shall nevertheless remain binding and effective between the parties.

19. OTHER AGREEMENTS SUPERSEDED

this Agreement shall supersede any and all prior Passenger Sales Agency Agreements between the parties hereto with respect to Approved Locations of the Agent other than in the USA, without prejudice to such rights and liability as may exist at the date hereof.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written

Director General of the International Air Transport Association acting as agent for the Carriers referred to in the preamble hereto.

by

.....

(Authorised Representative)

IATA Address

.....

AGENT .....

by

.....

Name

.....

Title

Signature .....

Full address

.....

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.*

WITNESS: .....

RESOLUTION 824c

BREACH OF CONTRACT LIABILITY APPLICABLE TO IATA ACCREDITED AGENTS IN THE PEOPLE'S REPUBLIC OF CHINA

PAC3(26)824c(People's Republic of China)

Expiry: Indefinite
Type: B

WHEREAS the laws of the People's Republic of China require all legal contracts between entities having their registered head offices in the People's Republic of China to include a breach of liability and penalty clause, and without such clause such contracts are null and void, it is hereby

RESOLVED that, the following clause shall be added to the Passenger Sales Agency Agreement executed by IATA Accredited Agents in the People's Republic of China:

'If the contract is signed between a Carrier having its registered head office in the People's Republic of China and an IATA Accredited Agent in the People's Republic of China, then a clause with regard to breach of contract, regulated by the law of the People's Republic of China shall be included in such contract, failing which the contract shall be null and void'.

RESOLUTION 824r

REFUNDS

PAC(57)824r(except USA)

Expiry: Indefinite
Type: B

WHEREAS the relationship between BSP Airlines and their appointed Accredited Agents is based on mutual cooperation and understanding of each other's business practices and on adherence to agreed rules and procedures and

WHEREAS the Passenger Sales Agency Agreement and Sales Agency Rules, which largely govern that relationship, require Accredited Agents to make timely remittance to BSP Airlines of monies payable to BSP Airlines for sales made on their services under the Passenger Sales Agency Agreement and

WHEREAS, the Passenger Sales Agency Agreement and the Sales Agency Rules and the procedures related thereto, do not stipulate the conditions for refund taking into consideration the original form of payment of the Traffic Document and

WHEREAS, the Passenger Sales Agency Agreement and the Sales Agency Rules and the procedures related, thereto, provide for refunds to be made or authorised by BSP Airlines to their Agents without stipulating a time-limit for effecting such refunds, now it is

RESOLVED that

Section 1—CONDITIONS

1.1 Agents shall only refund Traffic Documents issued by such Agent within the same BSP country and must observe the original issuance of a Traffic Document to establish the conditions for refund. In principle Traffic Documents will be refunded using the ticketing authority of the same BSP Airline, in the same currency and in the same form of payment it has been originally issued. When a ticket originally issued by an Agent has been exchanged/reissued by a BSP Airline on which the Traffic Document was originally issued on, it may subsequently be refunded by the Agent.

1.2 if the amount of refund does not differ from the Traffic Document being refunded, such refunds should be returned to the same form of payment with which the original Traffic Document was paid. For payments made by multiple forms of payment, it shall be processed in the same amounts to each respective form of payment.

1.3 if the amount of refund differs from the Traffic Document being refunded, such refunds must be returned to the same forms of payment with which the Traffic Document being refunded was paid, subject to the BSP Airline's instructions.

1.4 Refunds authorized and paid by a BSP Airline to an Agent shall be held in trust by the Agent for or on behalf of the related passenger or purchaser of the Traffic Document and shall be the responsibility of the Agent to credit the passenger or the purchaser of the Traffic Document.

Section 2—REFUND AUTHORISATION

2.1 BSP Airlines are recommended to authorise the use of GDS refunding applications for totally unused traffic documents. In all cases BSP Airlines shall expedite refunds on unused or partly used Traffic Documents in accordance with the following practices:

2.1.1 Unused Traffic Documents

ensure that valid refunds on totally unused Traffic Documents are made or authorised not later than the following remittance schedule after the refund application is received from the Agent by the BSP Airlines.

2.1.2 Partly Used Traffic Documents

will ensure that refunds on partly used Traffic Documents are made or authorised by not later than two months after the refund application is received from the Agent by the BSP Airlines.

2.1.3 Inability to Process

notwithstanding the provisions of 2.1.2 above if a BSP Airlines is unable to process a refund on partly used Traffic Documents within the prescribed time-frame, the reasons will be communicated to the Agent by the BSP Airlines.

RESOLUTION 830a

CONSEQUENCES OF VIOLATION OF TICKETING AND RESERVATION PROCEDURES

PAC(56)830a(except USA) Expiry: Indefinite
Type: B

WHEREAS IATA Members are granting IATA Accredited Agents access to Traffic Documents; and

WHEREAS custody, completion, issue, reissue, validation and revalidation of such Traffic Documents are governed by Members' tariffs and the ticketing procedures furnished to Agents through ticketing systems, and as described in the Travel Agent's Handbook, copies of which are furnished to Agents by the Agency Administrator and compliance with which is mandatory upon each Agent under the terms of the Passenger Sales Agency Agreement; it is

RESOLVED that,

1. all Agents be reminded that practices such as those listed herein, in other applicable Resolutions, or in Carriers' written instructions, but not limited thereto, violate the governing conditions referred to above. They harm Members' legitimate interests and can accordingly result in action being taken under the provisions of the Sales Agency Rules and Passenger Sales Agency Agreement. e.g. charging the Agent with the difference between the fare applied and the fare applicable to the service in accordance with Members' tariffs.

1.1 entering incomplete or incorrect reservation entries, such as reservation booking designators that do not correspond to the fare paid, or reservation requests on a Traffic Document, thereby allowing travel at less than the applicable fare,

1.2 inaccurately completing or omitting to complete the 'not valid before' and/or 'not valid after' boxes on a Traffic Document contrary to the conditions governing the fare applied, thereby allowing travel at less than the applicable fare,

1.3 issuing a Traffic Document for more than one passenger, except as authorised for certain Traffic Documents,

1.4 changing or omitting the name of the passenger,

1.5 changing the "Form of Payment" or failing to carry this forward to the new Traffic Document,

1.6 changing the currency of payment or failing to carry this forward to the new Traffic Document,

1.7 failing to carry forward all restrictions to the new Traffic Document,

1.8 failing to obtain endorsement(s) from carriers when required,

1.9 failing to complete correctly the "Issued in Exchange For" entries and/or the "Original Issue" entries, and/or failing to carry these forward to the new Traffic Document,

1.10 failing to ensure that when conjunction Traffic Documents are issued, the conjunction numbers are shown on all conjunction Traffic Documents,

1.11 changing the point of origin,

1.12 issuing/selling a ticket with a fictitious point of origin or destination in order to undercut the applicable fare (cross border selling),

1.13 failing to observe the applicable rules for Designation and Selection of Ticketing Airline (Resolution 852) and/or designating transportation on such parties' services where a valid interline agreement between the ticketing airline and the transporting party does not exist,

1.14 cancelling or amending a customer booking and/or Electronic Ticket without the express permission of that customer,

1.15 deliberately making duplicate reservations for the same customer,

1.16 when reservations for a group are not confirmed, attempting to secure the required service by requesting this in smaller numbers in individual transactions,

1.17 making reservation transactions without the specific request of a customer and/or,

1.18 making an amendment to a booking that has previously been issued as a Traffic Documents without either revalidating or reissuing, as applicable, the original ticket to reflect the new itinerary and/or,

1.19 voiding Traffic Documents without cancelling corresponding reservations and/or,

1.20 failing to split PNRs in cases where not all passengers included in the PNR are ticketed and/or,

1.21 failing to observe the prescribed minimum connecting times.

2. In this Resolution the use of the singular may also be taken to include the use of the plural, where the text so permits and vice versa.

RESOLUTION 830d

RESERVATIONS PROCEDURES FOR ACCREDITED AGENTS

PAC(55)830d(except USA) Expiry: Indefinite
Type: B

RESOLVED that,

1. when an Accredited Agent (hereinafter 'Agent') is effecting a booking through an automated reservations system, the Agent is acting on behalf of the Member(s) or BSP Airline(s) in using that system and, therefore, shall adhere to the appropriate reservations procedures contained in IATA Resolutions. These procedures shall be provided by the Member(s) or BSP Airline(s) to the Agent.

△ **2.** the Agent shall request or sell airline space and/or associated services of a passenger handling nature only when the Agent has a request to do so from a customer. The Agent shall make such transaction in accordance with their system provider agreement.

3. the Agent shall ensure that the reservations booking designator used in booking space corresponds to the applicable fare quoted to the customer.

4. To be able to advise passengers of irregular flight operations and disruptions Members and BSP Airlines need to have sufficient contact details available to proactively contact the passengers. Consequently, at or before the time of ticketing, the Agent must actively ask each passenger whether they wish to have their contact details (mobile number and/or email) provided to airlines participating in the itinerary for the purposes of contact in an operational disruption. The Agent must ensure that the Passenger's consent is obtained in compliance with any data protection directives or regulations. Where the passenger wishes to have their contact details provided to airlines participating in the itinerary, the Agent must enter it in the Passenger Name Record (PNR), while maintaining compliance with all applicable data protection directives and regulations. Contact details must be entered in the PNR in compliance with the Resolutions governing reservations procedures. Members and BSP Airlines shall use these contact details exclusively for the purpose of operational notifications, e.g. flight cancellation, schedule change, etc. and shall not use the contact details for sales & marketing purposes.

△ In the event the passenger exercises their right not to provide contact details it is incumbent on the Agent to indicate that the passenger has declined to provide such details, and to enter the refusal in the PNR to limit any statutory liability. In such a case, the Agent must actively advise the passenger that they may not receive information from the airline relating to flight cancellation or schedule changes (including delay in departure).

5. the Agent shall notify the customer of the reservations status of all segments and associated services and of any changes thereto.

6. all reservations for a specific itinerary and changes thereto shall, whenever possible, be processed through

one Member. When this is not possible, the Agent shall inform each Member involved that the reservation is in connection with an itinerary.

7. the Agent shall ensure that the ticket will be issued in accordance with the reservations status of each segment and in accordance with the applicable ticketing time limit.

8. except for Section 4, the Agent shall be solely liable for the consequences of its failure to comply with any Resolution governing reservations.

RESOLUTION 832

REPORTING AND REMITTING PROCEDURES

△ PAC(58, 61)832/(Mail A595, A633, A662)(except USA), (except 812 countries)

Expiry: Indefinite
Type: B

The purpose of this resolution is to govern the procedures for all aspects of Reporting and Remittance under the procedures of Billing and Settlement Plans (BSPs), and reporting directly to Members in a single resolution, notwithstanding variations in the Passenger Sales Agency Rules,

It is RESOLVED that the following reporting and remittance procedures are adopted for application in a consistent manner in conjunction with the applicable Passenger Sales Agency Rules and that the Agency Administrator is empowered to supervise and take corrective actions as determined by the Conference.

All references to Paragraphs and Sub-Paragraphs are to those contained within this Resolution unless stated otherwise.

Contents

This resolution is contained within three main sections:

1. Reporting and Remitting through the Billing and Settlement Plan (BSP)

2. Reporting and Remitting Directly to Members in Non-BSP Countries

3. Consequences of Default to BSPs and to Members

SECTION 1 REPORTING AND REMITTING THROUGH THE BILLING AND SETTLEMENT PLAN (BSP)

1.1 Monies Due on Issue of Standard Traffic Documents

1.2 Length of Reporting Period: Reporting Date

1.3 Agency Sales Transmittals

1.4 Frequency for Submission of Agency Sales Data

1.5 Billing

1.6 Settlement—The Remittance Date

1.6.2 Frequency of Remittance

1.7 Notice of Irregularity and Default

1.7.1 Charges

1.7.2 Overdue or Dishonoured Remittance

1.7.3 Failure to Remit in Billing Currency

1.7.4 Bona Fide Bank Error

1.7.5 Accumulated Irregularities

1.7.6 Agent in Default as an IATA Cargo Agent

1.7.7 Other Defaults

1.7.8 Accounting Irregularity Safeguards

1.7.9 Disputed Agency Debit Memo

1.8 Prejudiced Collection of Funds

1.9 Notification of Irregularity

1.10 Default Action

1.10.4 Encashment of Bank Guarantee, Insurance Bond or Other Form of Guarantee

1.10.5 Disputes and Withdrawal of Defaults

1.11 Remittance and Settlement Delayed by Official Government Action

1.12 Responsibility for Settlement of Credit and Charge Card ('Card') Transactions Made Against a Carrier's Merchant Agreement

SECTION 2 REPORTING AND REMITTING DIRECTLY TO MEMBERS IN NON-BSP COUNTRIES

2.1 Monies Due on Issue of Traffic Documents

2.2 Sales Reports and Remittances

2.3 Agents on Billing Basis

2.4 The Remittance Date

2.5 Irregularities and Default

2.5.1 Overdue Sales Report/Remittance

2.5.2 Dishonoured Cheque or other Method of Payment

2.5.3 Accumulated Irregularities

2.5.4 Agent in Default as an IATA Cargo Agent

2.5.5 Failure to Include Sales—Subsequent Detection/ Discovery

2.5.6 Notice of Default

2.6 Default Action

2.7 Indemnity

2.8 Remittance and Settlement Delayed by Official Government Action

SECTION 3 CONSEQUENCES OF DEFAULT TO BSPs AND TO MEMBERS

3.1 Determination of Agent's Indebtedness to Members/ Airlines

3.1.1 When Settlement has been made

3.1.2 When Settlement has not been made

3.2 Settlement of Amounts Due

3.3 Review by the Agency Administrator

3.4 Effects of Retention after Default

3.5 Review by Travel Agency Commissioner

ATTACHMENT 'A'—FREQUENCY OF AGENT REMITTANCES

Section 1—Reporting and Remitting through the Billing and Settlement Plan (BSP)

This Section is applicable to all Approved Locations of an Agent, except those covered by Resolution 812, with respect to all sales on behalf of Airlines and Members participating in the BSP. The BSP Manual for Agents contains the administrative and procedural rules to be followed by Agents and constitutes part of this Resolution.

1.1 MONIES DUE ON ISSUE OF STANDARD TRAFFIC DOCUMENTS

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

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

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

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

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

1.1.1(c) in circumstances where a BSP Airline determines that its ability to collect monies for Standard Traffic Documents may be prejudiced by the Agent's financial position such BSP Airline may demand immediate settlement of all such monies;

1.1.2 in circumstances where an Airline is suspended from the BSP ('BSP Airline') the monies due to the BSP Airline are handled according to the applicable procedures within Resolution 850, Attachment 'F'. While IATA's instruction to Agents under Resolution 850 Attachment F paragraph 1(c)(ii)(b) to settle directly with the suspended BSP Airline does not relieve Agents of any payment obligations to the suspended BSP Airline, the Notice of irregularity and default action provisions of paragraph 1.7 of this Attachment do not apply while such instruction is in place.

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

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

1.2 LENGTH OF REPORTING PERIOD: REPORTING DATE

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

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

1.3 AGENCY SALES TRANSMITTALS

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

1.4 FREQUENCY FOR SUBMISSION OF AGENCY SALES DATA

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

1.5 BILLING

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

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

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

1.6 SETTLEMENT—THE REMITTANCE DATE

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

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

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

1.6.1(b) ISS Management, following consultation, (which includes receiving comments from the local Joint Agency Liaison Working Group), may require the Agent to provide them with

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

1.6.1(c) When the Agent intends to change its bank(s), or bank accounts(s), the Agent shall give ISS Management 30 days' advance notice by certified/registered mail, or certified letter with return receipt, or in countries where registered/certified mail is not available by use of regular postage and e-mail as appropriate;

1.6.2 Frequency of Remittance

The Conference shall establish the standard frequency of Agents' Remittances under such BSP, and these are as shown at ***Attachment A*** . The Remittance Date will be communicated to all agents participating in each BSP.

1.6.2.1 the Agent shall remit, by the Remittance Date the amount specified on the Billing for the Remittance Period under settlement. If, exceptionally, the Agent has not received such Billing by the Remittance Date the Agent shall:

1.6.2.1(a) on the Remittance Date, remit the amount its records indicate is owing in respect of such Remittance Period or, in a direct debit situation, the amount determined by ISS Management, and

1.6.2.1(b) immediately upon receipt of the delayed Billing, remit any shortage between the remittance made pursuant to Subparagraph 1.6.2.1(a) above and the amount of the Billing.

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

1.6.2.1(d) if the extent of the shortage is such as to lead ISS Management to believe that the Agent attempted deliberately to circumvent the settlement requirements of this Section, ISS Management shall instruct the Clearing Bank to debit the Agent for Clearing Bank charges incurred as a result of the shortage. Such charges shall be included in the Clearing Bank's next Billing to the Agent and shall be due and payable by the Agent on the Remittance Date applicable to such Billing;

1.6.2.2 if the Clearing Bank is closed for all business (including business transacted through its online platform or Direct Debit) on the day on which the remittance is required to reach the Clearing Bank under the provisions of Subparagraph 1.6.2, the remittance shall be made by the Agent so as to reach the Clearing Bank before its close of business on the first subsequent day when the Clearing Bank is open for any method of business;

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

1.7 NOTICE OF IRREGULARITY AND DEFAULT

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

- Overdue Remittance or Cheque
- Dishonoured Remittance or Cheque
- Failure to Remit in Billing Currency
- Accumulation of the above Irregularities

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

1.7(b) Conference, or the Assembly where so delegated, may provide for variations from BSP to BSP in respect of the sanctions applicable to such failures, and any such variations shall be notified to all Agents in the relevant BSPs, and incorporated in the relevant provisions of the applicable BSP Manual for Agents.

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

- a demand for payment or
- immediate payment, or
- a demand for immediate reporting

and/or

- accounting and settlement,

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

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

1.7.1 Charges

The Conference may, subject to the provisions set forth in this Resolution and following local consultation, (which

includes receiving comments from the local Joint Agency Liaison Working Group), implement a programme of cost-recovery charges to be levied on Agents under the following circumstances:

1.7.1(a) Administrative Charges

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

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

1.7.1(a)(i) the levels of such charges shall be determined by the Conference or, where applicable, the Assembly from time to time and, then notified by ISS Management to all Agents subject to the Plan and published in the BSP Manual for Agents;

1.7.1(b) Clearing Bank Charges

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

1.7.1(c) Billing and Settlement of Charges

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

1.7.1(d) Notification of Charges

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

1.7.2 Overdue or Dishonoured Remittance

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

1.7.2.1(a) send to the Agent a Notice of Irregularity in respect of the Location concerned (or, where the Agent has been authorised to remit through one designated office under the provisions of Subparagraph 1.6.2.1(e) or 1.6.2.4 in respect of all Approved Locations covered by such authorisation).

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

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

1.7.2.1(d) if it is established that such non-payment or dishonouring is due to a bona fide bank error, as provided for in Paragraph 1.7.5, and settlement of all amounts due is received on demand, the Notice of Irregularity shall be rescinded;

1.7.2.1(e) if it is subsequently established that such non-payment or dishonouring is due to a bona fide bank error, as provided for in Paragraph 1.7.5, and settlement of all amounts due is received, but after Default Action has been taken, the Agency Administrator shall immediately withdraw such Default and the Notice of Irregularity, if recorded in accordance with Subparagraph 1.7.3.1;

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

1.7.3 Failure to Remit in Billing Currency

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

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

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

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

1.7.3.1(d) if it is established that such non-payment or dishonouring is due to a bona fide bank error, as provided for in Paragraph 1.7.7 and settlement of all amounts due

is received on demand, the Notice of Irregularity shall be rescinded,

1.7.3.1(e) if it is subsequently established that such nonpayment or dishonouring is due to a bona fide bank error, as provided for in Paragraph 1.7.7, and settlement of all amounts due is received, but after Default Action has been taken, the Agency Administrator shall immediately withdraw such Default and the Notice of Irregularity, if recorded,

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

1.7.4 Bona Fide Bank Error

a bona fide bank error taking place under the following circumstance, which is substantiated by evidence acceptable to the Agency Administrator as provided for in Paragraph 1.7.6.3; may be accepted by IATA for a maximum of four instances in a period of 12 consecutive months. This limit excludes instances where the Agent's bank has suffered from a disruption of service due to circumstances outside of its control and resulting in it's inability to provide the required services to an Agent.

1.7.4.1 Credit Arrangement or Automatic Transfer of Funds

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

1.7.4.2 Sufficient Funds

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

Note: *'uncollected funds' shall not be considered funds available for immediate withdrawal;*

1.7.4.3 Evidence Acceptable to the Agency Administrator

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

(i) The original bank letter must be sent to IATA within 10 working days by registered post or courier, stating the nature of the error and reason for the delay in remittance

(ii) A copy of the bank letter may be sent to IATA via fax or as a scanned copy via email

(iii) The bank letter must be signed by a Manager including name, job title or designation

(iv) The bank letter must stipulate that the Agent had sufficient available funds on Remittance Date in the stipulated bank account(s), stating the account name and the account number(s).

1.7.5 Accumulated Irregularities

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

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

△ **1.7.5.2** if four (4) instances of Irregularity are recorded on such lists in respect of a Location during any 12 consecutive months, the Agency Administrator shall immediately advise ISS Management and they shall take Default Action with respect to all Locations in accordance with Paragraph 1.10;

1.7.6 Agent in Default as an IATA Cargo Agent

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

1.7.7 Other Defaults

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

1.7.8 Accounting Irregularity Safeguards

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

(i) failure to submit all Standard Traffic Documents issued during the Reporting Period,

(ii) falsely reporting Standard Traffic Documents as having been sold against UATP or other Cards,

(iii) post-validating Standard Traffic Documents,

(iv) permitting alteration, omission or other falsification of Card data or other required information of the original Standard Traffic Documents or on any reissues thereof,

(v) issuing or reissuing single or multiple Standard Traffic Documents reflected as Card sales having an aggregate face value exceeding the established 'floor limit' without full disclosure to and the authority of the

pertinent Card company; or complicity in the issuing or reissuing of Standard Traffic Documents reflected as Card sales to circumvent credit or reporting procedures,

(vi) falsification of reports or documents,

(vii) violation of Standard Traffic Document exchange or refund procedures as specified in the applicable IATA Resolutions and their Attachments, or as published in carriers' tariffs, instructions or elsewhere, and provided to the Agent, or

(viii) failure to prevent the unauthorised or fraudulent use of computer-generated document numbers for issuance of Standard Traffic Documents,

(ix) falsification and/or manipulation of issued Standard Traffic Documents, such that data reported differs from data provided to the carrier whose Standard Traffic Documents has been issued,

(x) failure to comply with Card sales instructions provided by BSP Airlines, as prescribed in the Travel Agent's Handbook, the BSP Manual for Agents and Resolution 890,

(xi) persistent failure to comply with the format and the instructions of ISS Management in the calculation of the sales settlement authorisation amounts, resulting in the frequent and regular issuance of Shortage Notices,

(xii) persistent failure to settle amounts properly owing against Agency Debit Memos (ADMs).

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

1.7.8.3 the Agency Administrator, shall

(i) instruct the Ticketing System Provider to prevent further use of Standard Traffic Documents removing of ticketing authority from the Agent,

(ii) demand an immediate accounting and settlement of all amounts owing by the Agent, whether or not the Remittance Date for payment thereof has arrived,

(iii) account for any monies received and

(iv) notify all airlines participating in the local BSP of the action taken.

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

1.7.8.5 thereupon, the Agency Administrator shall request the Travel Agency Commissioner, except in cases described under paragraph 1.7.10.4, to review and re-determine the approval of the Agent or Approved Location. Pending this review, the Agent may request an interlocutory review of the Agency Administrator's action by the Travel Agency Commissioner. Before granting an interlocutory order under this Subparagraph, the Travel Agency Commissioner shall require the Agent to provide a bank or other financial guarantee to IATA in accordance with Resolution 820e.

1.7.9 Disputed Agency Debit Memo

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

1.7.9.1 An Agent may for reason dispute an ADM.

△ **1.7.9.2** An Agent shall have a minimum of 15 days in which to review and dispute an ADM prior to its submission to BSP for inclusion in the billing,

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

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

(i) in the event an Agent disputes an ADM and after agreement between the Airline and the Agent, it is determined that the purpose of that ADM was correct, the Airline will advise the Agent and the BSP accordingly and the ADM as originally submitted will be processed;

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

1.7.9.5 An ADM that has been included in the BSP Billing will be processed for payment.

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

1.7.9.7 Such ADM dispute is now for bilateral resolution between the airline and the agent.

1.8 PREJUDICED COLLECTION OF FUNDS

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

1.8.1 in the event that the Agency Administrator receives written information, which can be substantiated, leading to the belief that Members' and Airlines' ability to collect monies for Standard Traffic Documents may be prejudiced, the Agency Administrator may remove all Ticketing Authorities from the Agent's possession,

1.8.2 the Agency Administrator shall so advise ISS Management and, thereupon, the Agency Administrator shall

request an immediate review by the Travel Agency Commissioner;

1.8.3 the Travel Agency Commissioner shall review such written information and other factors and shall commence a review under the terms of Review by Travel Agency Commissioner of the applicable Passenger Sales Agency Rules within three working days from receipt of such a request.

1.9 NOTIFICATION OF IRREGULARITY

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

△ **1.9.1** they shall immediately send the Agent a registered letter, or certified letter with return receipt, or in countries where registered/certified mail is not available by use of regular postage and e-mail as appropriate in the form prescribed from time to time.

1.9.2 the Notice of Irregularity shall be in respect of the Approved Location concerned, except that a Notice of Irregularity resulting from overdue Remittance by an Agent authorised to remit through one designated office shall be in respect of all Approved Locations covered by the authorisation.

1.9.3 the Agency Administrator shall at the same time send a copy of the letter to the Approved Location concerned, to ISS Management.

1.9.4 such Notice of Irregularity shall be recorded against the Location concerned by the Agency Administrator on the list maintained pursuant to Subparagraph 1.7.6 of this Section.

1.10 DEFAULT ACTION

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

1.10.1 the Agency Administrator shall immediately advise all BSP Airlines and ISS Management that the Agent is in Default at all Locations or at the Location concerned. Airlines and Members which have appointed the Agent shall be notified by e-mail or similar fast method of communication;

1.10.2 the Agency Administrator on declaring an Agent in Default or receiving Notice from a Member that an Agent is in Default shall immediately take the following action:

(i) advise the Agent in writing, with a copy to ISS Management, that Default Action has been invoked and withdraw from the Approved Location(s) concerned all of its Ticketing Authorities,

(ii) demand an immediate accounting and remittance of all amounts owing by the Agent in respect of the Location(s) concerned whether or not the Remittance Date for payment thereof has arrived,

(iii) notify the local representatives of BSP Airlines participating in the BSP concerned, and the local representative of any Member having the Agent under appointment but not participating in such Plan, of the Default Action,

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

(i) establish an up-to-date statement of indebtedness for each of the Approved Locations concerned and bill the Agent for charges incurred as a result of the Agent's failure to make complete settlement by the Remittance Date,

(ii) establish from its records the ticket serial numbers held at each of the Approved Locations concerned,

(iii) check any accounting and remittance obtained from the Agent and identify any discrepancies,

(iv) distribute any monies obtained from the Agent among the BSP Airlines concerned, subject to subsection 1.10.4,

(v) notify the relevant credit reporting agencies and the Airlines Reporting Corporation of any outstanding amounts owed due to the default.

1.10.4 Encashment of Bank Guarantee, Insurance Bond or Other Form of Guarantee

△ In the event that an Agent's BSP bank guarantee, insurance bond or other form of guarantee, if applicable, is insufficient to provide a full settlement to each of the BSP Airlines concerned listed in the Billing which has been subject to the Agent's default, each such BSP Airline shall be provided with a prorated amount of the bank guarantee, insurance bond or other form of guarantee in proportion to its percentage share in Billing subject to the default; such calculation shall be without regard to specific Accountable Transactions.

1.10.5 Disputes and Withdrawal of Defaults

1.10.5(a) an Agent may register the existence of a dispute with the Agency Administrator over a billing of a specified amount as part of its billing. Provided written evidence of such dispute is provided by the Agent to the Agency Administrator the Agency Administrator will ensure that no irregularity or default action will be applied, except where notification is received that the Agent has failed to comply with the provisions of Resolution 890 and action as proscribed under Paragraph 1.7.9 of these rules is being taken by the Agency Administrator;

△ **1.10.5(b)** if the Agency Administrator becomes aware, through any source, that there exists between a BSP Airline and the Agent any dispute arising solely from amounts due or claimed to be due to such Airline from the Agent, or vice versa, in respect of the Reporting/Billing Periods for which the Agent was declared in Default, they shall withdraw the declaration of Default. In the event that the BSP Airline does not admit the existence of such a dispute, the Agency Administrator shall require the Agent either, to submit documented evidence demonstrating the existence of the dispute or, to pay the amount of the short payment to the BSP.

Provided that either of such conditions is met, the Agency Administrator shall withdraw the declaration of Default;

1.10.5(c) pending resolution of the dispute between the BSP Airline and Agent, and where the Agent has remitted the disputed amount to the BSP, the Agency Administrator shall hold such amount for 60 days. If after 60 days the dispute has not been resolved the Agency Administrator shall return the disputed amount to the Agent;

1.10.5(d) thereafter the dispute shall be for bilateral resolution between the Airline and Agent outside the BSP.

1.10.5.1 if the Default is withdrawn, the Agency Administrator shall, also

(i) reinstate the Agent and notify the Agent, all BSP Airlines accordingly. Any prior debits to the Agent for Clearing Bank charges incurred as a result of the overdue remittance shall be cancelled (and, in Philippines, the instance of late remittance shall be deleted from the record maintained pursuant to the provisions of 1.7.2), and BSP Airlines shall pay any commission withheld from the Agent.

(ii) remove the Notice of Irregularity, if any, giving rise to the withdrawn declaration of Default from the list maintained pursuant to the provisions of Subparagraph 1.7.6;

1.10.5.2 thereafter, if the Default is not withdrawn pursuant to Subparagraph 1.10.5 the provisions of Section 3 of this Resolution shall apply.

1.11 REMITTANCE AND SETTLEMENT DELAYED BY OFFICIAL GOVERNMENT ACTION

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

1.12 RESPONSIBILITY FOR SETTLEMENT OF CREDIT AND CHARGE CARD ('CARD') TRANSACTIONS MADE AGAINST A CARRIER'S MERCHANT AGREEMENT

The provisions for Credit Card and Charge Card transactions are provided for by Resolution 890.

Section 2—Reporting and Remitting Directly to Members in Non-BSP Countries

This Section is applicable to all Approved Locations reporting sales transactions directly to Members in non-BSP countries only.

2.1 MONIES DUE ON ISSUE OF TRAFFIC DOCUMENTS

The provisions of this Paragraph govern the issue of Members' Traffic Documents by Agents, and the monies due to Members.

2.1.1(a) monies for any sales against which an Agent issues its own Transportation Order or a Member's Traffic Document shall be deemed due by the Agent to the Member when it is issued and shall be settled in accordance with the provisions of this Section.

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

2.1.1(c) in circumstances where a Member determines that its ability to collect monies for Traffic Documents may be prejudiced by the Agent's financial position such Member may demand immediate settlement of all such monies;

2.1.2 in circumstances where an Agent collects full or part payment for transportation in respect of which reservations have been made on the services of a Member, such Agent shall issue an appropriate Traffic Document. Monies for such sale shall then be deemed due and settlement shall be made in accordance with the provisions of Subparagraph 2.1.1;

2.1.3 the Member may, subject to applicable currency regulations, designate the currencies in which remittances may be made;

2.1.4 where an Agent requests a Member to issue a Traffic Document on its behalf, monies for such sale shall be due and settled by the Agent when the document is issued.

2.1.5 when a Member incurs a loss of revenue attributable to an Agent's failure to apply the correct fare, rules and conditions applicable to the sale of transportation, for which the Agent issued the Member's Traffic Document, the Member shall invoice the Agent for the amount of the undercollection.

2.1.6 settlement of the invoice shall be due and payable by the Agent by the Remittance Date applicable to the Reporting Period in which the invoice was issued and shall be subject to the Irregularity and Default provisions set out in Paragraph 2.5 for Irregularities and Defaults.

2.1.7 should the Agent be able to demonstrate that the fare, for which the Traffic Document was issued and accounted for, was the subject of either a fare quotation obtained from an applicable airline tariff or reservation system, it will be deemed correct within the context of these Rules.

2.2 SALES REPORTS AND REMITTANCES

The provisions of this Paragraph govern the procedures in which Traffic Documents are reported by Agents, and the monies for them remitted to Members.

2.2.1(a) Agents appointed by the Member may be supplied with such Member's Traffic Documents and such Agents shall provide Sales Reports as well as the remittance due, and all supporting documents. Remittances shall be made at a frequency and date as prescribed by the Member and Sales Reports shall be submitted with the same frequency and by the same date as Remittances.

2.2.1(b) the provisions governing Irregularities and Defaults are as set out under Section 2.5 of this Resolution. If there were no transactions during the Reporting Period, the Agent shall submit a written 'no sales' report in lieu of a Sales Report;

2.2.2 Sales Reports shall cover the Reporting Period so prescribed or permitted, and Sales Reports and Remittances shall be furnished, so as to reach the Member by the respective times set forth in the applicable provisions of Subparagraph 2.2.1.

2.3 AGENTS ON BILLING BASIS

The provisions of this Paragraph govern the procedures for Members to bill Agents for the Transportation Orders issued by them in Members' names.

2.3.1 Agents that have been authorised by the appointing Member to issue their own Transportation Orders drawn on the Member shall be billed by the Member for them at the end of the Remittance Period, as prescribed by the Member, in which the Orders were accepted by the Member.

2.3.2 the Billings shall be issued so as reasonably to permit settlement by Agents by the Remittance Date prescribed by the Member for the relevant Remittance Period. Any Agent which is billed on this basis shall have been required by the Member to draw all such Orders only on the appointing Member's office nearest to the Agent's Approved Location where they are issued. The Member shall require the Agent to forward them to that office without delay.

OR

2.3.3 Remittances shall be made by the Agent to reach the Member not later than:

2.3.3(a) when a frequency greater than once a month is prescribed the Remittance shall be made by the Agent to reach the Member not later than the fifteenth day after each such Billing Period;

OR

2.3.3(b) notwithstanding anything above, with respect to its own Billings and/or Remittances a Member may establish a greater frequency than that prescribed herein in which case such Member may elect to use the shorter reporting and Remittance Period which results as a basis for determining the Agent's irregularities pursuant to Paragraph 2.5.

2.4 THE REMITTANCE DATE

The provisions of this Paragraph govern and define as the dates by which Remittances shall reach Members. As used in this Section, the term 'Remittance Date' shall designate either:

2.4.1 the day by which Sales Reports (or 'no sales' reports) and Remittances shall reach the Member as specified in Paragraph 2.2 or 2.3; or

2.4.2(a) when such day falls on a Saturday, Sunday or public holiday, the first working day thereafter,

OR

2.4.2(b) in countries where the recognised weekly holiday is not a Saturday and/or Sunday, the Remittance Date shall be the first working day after the recognised weekly holiday.

2.5 IRREGULARITIES AND DEFAULT

The provisions of this Paragraph govern failures by Agents to adhere to the Reporting, Remitting and settlement payment procedures. These can include:

- Overdue Sales Report
- Overdue Remittance
- Dishonoured cheque or payment
- Failure to include sales
- Accumulation of the above Irregularities.

For the purpose of this Paragraph, submission and payment on demand means submission and payment received by the Member before the close of business of its office on the first day such office is open for business following the day of the demand;

2.5.1 Overdue Sales Report/Remittance

2.5.1.1 if a Sales Report and full remittance, or where applicable a 'no sales' report, has not been received by a Member by the Reporting Date or Remittance Date as applicable, the Member shall immediately send to the Agent a Notice of Irregularity in respect of that Location with a copy to the Agency Administrator, as a registered letter, or certified letter with return receipt, or in countries where registered/certified mail is not available by use of regular postage, fax and e-mail as appropriate, in the form prescribed from time to time.

2.5.1.2 the Member shall simultaneously demand immediate submission of the overdue Sales Report and payment of the amounts due, if any. If submission and payment are not made by the Agent on demand, the Member shall immediately declare the Agent in Default by e-mail or similar fast method of communication (and confirming in a full report by registered mail or in countries where registered/certified mail is not available by use of regular postage and e-mail as appropriate) to the Agency Administrator, and Default Action shall be taken with respect to all Locations of the Agent in accordance with Paragraph 2.6.

2.5.1.3 at the end of each Reporting Period, the Agency Administrator shall compile a list of all Approved Locations in respect of which such notices were sent during the previous Reporting Period, and shall send a copy of such list to all Members.

2.5.1.4 if 2 (two) Notices of Irregularity (including Irregularities reported under these Rules) are recorded on such lists in respect of a Location during any 12 consecutive months, Default Action shall be taken with respect to such Location of the Agent in accordance with Paragraph 2.6;

2.5.2 Dishonoured Cheque or Other Method of Payment

2.5.2(a) if a cheque or other method of payment in settlement of amounts due by an Agent hereunder is dishonoured after the Remittance Date by a non-payment by the drawee bank, the Member shall without delay send to the Agent a Notice of Irregularity in the form prescribed and demand immediate payment from the Agent. Such Notice shall count as two listed instances of Irregularity for the purposes of the lists provided for in Subparagraph 2.5.3.

2.5.2(b) if payment is not received on demand or is so received, but more than ten calendar days after the Remittance Date, the Member shall immediately declare the Agent in Default by e-mail or similar fast method of communication to the Agency Administrator, and by sending a registered letter, or in countries where registered/certified mail is not available by use of regular postage, fax and e-mail as appropriate, to the Agent (with copy to the Agency Administrator) in the form prescribed from time to time and Default Action shall be taken with respect to all Locations of the Agent in accordance with Paragraph 2.6.

2.5.2(c) for the purpose of this Paragraph submission and payment on demand means submission and payment received by the Member before the close of business of its office on the first day such office is open for business following the day of the demand;

2.5.2.1 provided that the Member's actions described herein in respect of the non-receipt of Settlements or Remittances by the due dates shall not apply when the Member or the Agency Administrator determines from factual evidence that the Agent or location had arranged for the payment or remittance of monies, in due time to reasonably ensure receipt by the Member by the submission date or by the Remittance Date as the case may be, and that such non-receipt had been caused by extraneous factors or bona fide bank error;

2.5.2.1(a) if it is established that non-payment by the drawee bank of such cheque or other debit is due to a bona fide bank error or was caused by extraneous factors, and settlement of all amounts due is received on demand, the Notice of Irregularities so recorded above shall be rescinded by the Agency Administrator;

2.5.2.1(b) if it is subsequently established that non-payment by the drawee bank of such cheque or other debit is due to a bona fide bank error or was caused by extraneous factors and settlement of all amounts due is received, but after Default Action has been taken, the Agency Administrator shall immediately withdraw the Default and Notice of Irregularities so recorded above and shall notify all Members;

2.5.2.2 Bona Fide Error

a bona fide bank error is one of the following circumstances substantiated by evidence acceptable to the Agency Administrator:

(i) **Credit Arrangements or Automatic Transfer of Funds**
When on the date that the cheque or other debit was presented to the bank for payment, sufficient funds should have been available in the account on which the cheque or other debit was drawn by virtue of a valid written line of credit or other written arrangement, dated and executed between the bank and the Agent prior to the Reporting Period involved, and the bank erroneously fails to honour such line of credit or other arrangement, or

(ii) **Sufficient Funds**
when sufficient collected funds were in the Agent's account on which the cheque or other debit was drawn and available for immediate withdrawal at the time the cheque or other debit was presented to the bank for payment, and the bank erroneously fails to honour the cheque or other debit,

Note: *'uncollected funds' shall not be considered funds available for immediate withdrawal.*

2.5.3 Accumulated Irregularities

2.5.3.1 at the end of each Reporting or Billing Period, the Agency Administrator shall compile a list of all Approved Locations in respect of which such Notices were sent during the previous Reporting/Billing Period, and shall send a copy of such list to all Members.

2.5.3.2 if 2 (two) Notices of Irregularity are recorded on such lists in respect of an Approved Location during any twelve consecutive months, Default Action shall be taken with respect to such Location of the Agent in accordance with Paragraph 2.6.

2.5.4 Agent in Default as an IATA Cargo Agent

if an Agent which is also registered as an IATA Cargo Agent under the IATA Cargo Agency Rules is declared in Default under those Rules in connection with its cargo activities (other than by reason of accumulated

irregularities), such Agent shall also be deemed in Default at all Locations under these Rules and Default Action shall be taken with respect to all Locations of the Agent in accordance with Paragraph 2.6 of this Section;

2.5.5 Failure to Include Sales—Subsequent Detection/Discovery

2.5.5.1 if an Agent fails to include on its Sales Report any of the Traffic Documents issued by the period covered by it, and to remit monies due and such failure is detected after the Remittance Date applicable to the Reporting Period, the following provisions shall apply:

(i) on learning of such failure, the Member shall immediately send to the Agent by registered mail, or in countries where registered/certified mail is not available by use of regular postage, fax and e-mail as appropriate, a Notice of Irregularity in the form prescribed from time to time, with a copy to the Agency Administrator, for the Reporting Period in which such failure was detected/discovered.

(ii) the Notice shall demand immediate payment (if not yet made) in respect of the document not reported,

(iii) such Irregularity shall be recorded by the Agency Administrator against the Location concerned on the list maintained pursuant to Subparagraph 2.5.3,

2.5.5.2(a) if payment is not received from the Agent on demand, the Member shall immediately declare the Agent in Default and Default Action shall be taken with respect to all Locations of the Agent in accordance with Paragraph 2.6 or

2.5.5.2(b) if payment is not received from the Agent within 10 days of the Notice of Irregularity, the Member shall immediately declare the Agent in Default and Default Action shall be taken with respect to all Locations of the Agent in accordance with Paragraph 2.6;

2.5.6 Notice of Default

the Agency Administrator's notice to Members advising of an Agent's Default shall be sent by appropriate communication medium, immediately upon discovery of the Default.

2.6 DEFAULT ACTION

The provisions of this Paragraph govern the procedures that shall be taken if Default Action to be taken in accordance with any of the provisions of Paragraph 2.5. The procedures prescribed in this Paragraph shall be followed:

2.6.1 the Agency Administrator shall immediately:

(i) advise all Members that the Agent is in Default at all Locations or at the Location concerned, and

(ii) notify the Agent in writing by registered mail, or in countries where registered/certified mail is not available by use of regular postage and e-mail as appropriate, of the declaration of Default and of the consequences thereof;

2.6.2 upon receipt of such Notice from the Agency Administrator that an Agent is in Default Members shall in respect of all Locations of the Agent or of the particular Location specified in the notice:

(i) withdraw all Traffic Documents supplied and remove all Ticketing Authorities,

(ii) demand an immediate accounting and settlement of all amounts owing by the Agent in respect of the Location(s) concerned whether or not the Remittance Date therefor has arrived,

(iii) notify the Agency Administrator of all amounts owing to them by the Agent and thereafter advise the Agency Administrator whether proper accounting and settlement have been made,

(iv) notify the relevant credit reporting agencies and the Airlines Reporting Corporation of any outstanding amounts owed due to the default;

△ **2.6.3** if at any time, the Agency Administrator becomes aware that there exists between the declaring Member and the Agent any dispute arising solely from amounts due or claimed to be due to the Member from the Agent or vice versa in respect of the Reporting/Billing Period for which the Notice of Irregularity was sent, and/or in respect of previous Reporting/Billing Periods, they shall

(i) withdraw the declaration of Default,

(ii) notify the Agent and all Members accordingly.

2.6.4 upon receipt of such notification Members shall pay any commission withheld from the Agent.

2.6.5 The Notice of Irregularity giving rise to the improper declaration of Default shall be removed by the Agency Administrator from the list maintained pursuant to the provisions of Subparagraph 2.5.3.

2.7 INDEMNITY

if a Member sends a Notice of Irregularity to an Agent or declares an Agent in Default and such action is found subsequently to have been wrongly taken, the Member taking such action shall indemnify IATA, its officers and employees and other Members against all claims (including legal costs) arising from acts performed in reliance on such action; provided that in case of an out of court settlement such indemnifying Member shall have approved the terms of the settlement.

2.8 REMITTANCE AND SETTLEMENT DELAYED BY OFFICIAL GOVERNMENT ACTION

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

Section 3—Consequences of Default to BSPs and to Members

3.1 DETERMINATION OF AGENT'S INDEBTEDNESS TO MEMBERS/AIRLINES

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

3.1.1 When Settlement has been made

when the Agency Administrator has determined that an Agent declared in Default under any of the provisions of these Rules has effected settlement of amounts due, if any, as provided for in Default Actions (Subparagraphs 1.10.2(ii) and/or 2.6.2(ii)), the provisions of Paragraphs 3.3 through 3.5 inclusive shall apply;

3.1.2 When Settlement has not been made

△ **3.1.2(a)** when the Agency Administrator has determined that an Agent declared in Default under any of the provisions of these Rules has failed to settle amounts due as provided for in Default Actions (Subparagraphs 1.10.2(ii) and/or 2.6.2(ii)), they shall give the Agent notice of termination of the Sales Agency Agreement; Paragraph 3.2 below provides for the settlement of monies due, including minimum repayment amounts and a schedule for the balance. Provided that the Agent effects settlement agreed under Paragraph 3.2, the termination will not take place.

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

3.2 SETTLEMENT OF AMOUNTS DUE

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

△ **3.2.1** when an Agent declared in Default is able to demonstrate to the Agency Administrator prior to the termination date specified in their notice of termination that:

(i) either all outstanding amounts, if any, have been settled, or

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

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

(iii) when IATA does not hold a Financial Security from the Agent, at least 30% of All Amounts Owing have been remitted and a firm schedule for repayment by instalments within twelve months of the balance plus interest at the official (prime) bank rate plus two percent has been agreed between IATA and the Agent; or

(iv) an alternative repayment schedule and conditions have been agreed between the Agent IATA, not less than 30% of such amount has been settled and a firm schedule for repayment by instalments over an agreed period of the balance plus interest at the official (prime) bank rate plus two percent has been agreed between the Agency Administrator and the Agent; such alternative repayment schedule shall extend over no more than 12 months if IATA does not hold a Financial Security from the Agent, or 6 months if IATA holds a Financial Security from the Agent;

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

3.2.2 the Agency Administrator shall notify Members, Airlines and ISS Management accordingly.

3.3 REVIEW BY THE AGENCY ADMINISTRATOR

3.3(a)–3.3.2 Agents able to demonstrate financial qualification

△ **3.3(a)** when the Agency Administrator is satisfied that the Agent has effected settlement of all outstanding amounts, they shall require the Agent to furnish a bank guarantee or an approved insurance guarantee or bond equivalent to sales at risk;

3.3.1(a) (Canada & Bermuda only) if the Agent has previously supplied to the Agency Administrator a temporary financial security under any provisions of these Rules, the Agent shall be required to demonstrate to the Agency Administrator that its financial and credit standing meet the requirements specifed within the applicable Passenger Sales Agency Rules by the submission of satisfactory financial statements. When the Agent satisfies those requirements the Agency Administrator shall so notify BSP Airlines;

3.3.1(b) provided the Agent satisfies the qualifications set forth in 3.3(a) and furnishes a bank or insurance guarantee and, in the case of Default resulting from accumulation of Notices of Irregularity demonstrates it has taken adequate measures to prevent recurrence of such irregularities, the Agency Administrator shall so notify BSP Airlines;

△ **3.3.1(c)** following reinstatement the Agency Administrator shall conduct a financial review of the Agent to determine if the Agent is still required to furnish a guarantee. Such review will only be conducted based on the financial position and audited accounts of the Agent dated

following the reinstatement and full settlement of all previous outstanding amounts. They may, by letter to the Agent, request that documents be provided by a specific date which date shall be no earlier than seven days from the date of the request.

3.3.1(d) if the results of the financial review detailed in 3.3.1(c) above determine that the Agent's financial situation is sufficiently secure the Agency Administrator may remove the requirement for the Agent to continue furnishing a guarantee.

3.3.1(e) after reinstatement Agents may be required to continue to provide a guarantee subject to the results of any financial review.

AND **(All Countries)**

3.3.2 Agents not able to demonstrate financial qualification

if the Agent having settled all outstanding amounts, if any, is unable to demonstrate to the Agency Administrator by a specified date that its financial and credit standing satisfies the qualifications set forth in the applicable Travel Agent's Handbook or Passenger Sales Agency Rules and, in the case of Default resulting from accumulation of Notices of Irregularity, that it has taken adequate measures to prevent recurrence of such irregularities, the Agency Administrator shall give the Agent notice of termination of the Sales Agency Agreement or of removal from the Agency List as the case may be. If, prior to the date of termination or removal, the Agent eliminates the grounds for such termination or removal to the satisfaction of the Agency Administrator, the termination or removal shall not take effect.

3.4 EFFECTS OF RETENTION AFTER DEFAULT

a Defaulting Agent whose Agreement has not been terminated shall be cleared of all irregularities recorded against all its Locations prior to the Default. For the purposes of Subparagraphs 1.7.6, the commencement of the 12-month period (or 6-month period for the Philippines) shall be the date of the Agency Administrator's notification pursuant to Subparagraph 3.3.1.

3.5 REVIEW BY TRAVEL AGENCY COMMISSIONER

when an Agent's Sales Agency Agreement is terminated or its Approved Location is removed from the Agency List pursuant to the provisions of Subparagraph 3.1.2 or Paragraph 3.3, the Agent may, within 30 days of the termination or removal, invoke the procedures for review of the Agency Administrator's action by the Travel Agency Commissioner.

RESOLUTION 832

Attachment 'A'

FREQUENCY OF AGENT REMITTANCES

BSP	Permitted remittance frequencies	Monthly remittance	Twice Monthly remittance	Greater than Twice Monthly remittance
Resolution 800	Twice Monthly or Greater than Twice Monthly remittance (1)		Remittances shall be made by the Agent to reach the Clearing Bank by not later than its close of business on the last day of the month in respect of billings covering the first 15 days of the month and the 15th day of the following month in respect of billings covering the period from the 16th to the last day of the month.	Remittances shall be made by the Agent to reach the Clearing Bank by not later than its close of business on the fifth day following the reporting dates so determined.
Israel	Monthly (1)	Remittances shall be made by the Agent to reach the Clearing Bank by not later than its close of business on the date established by the Conference which date shall not be earlier than the tenth nor later than the fifteenth day of the month covered by the billing.		

Note (1): or such greater frequency as the Conference shall determine, provided that individual Agents may elect to remit at such greater frequency and for such length of time as the Conference shall deem approrpriate.

RESOLUTION 838

CHANGE OF TRAFFIC DOCUMENTS BY AGENTS

PAC(57)838(except USA) Expiry: Indefinite
Type: B

RESOLVED that the following provisions shall govern changes by Agents to Traffic Documents; provided that nothing in this Resolution shall preclude Members from establishing additional restrictive conditions on a unilateral or multilateral basis.

1. GENERAL

1.1 at a passenger's request, an Agent may effect a change of reservation or effect a rerouting under the conditions specified in the following paragraphs. In such case, the Agent shall ensure that all space originally reserved in respect of the segment affected by the change is promptly cancelled.

2. CHANGE OF RESERVATION FOR ELECTRONIC TICKETS ONLY

alterations to Electronic Tickets/flight coupons shall be made in accordance with Members specific instructions and as provided for by the automated ticketing systems.

3. VOLUNTARY REROUTING
(change made at passenger's request)

3.1 an Agent shall not reissue a Traffic Document

3.1.1 when the Traffic Document presented for reissue was issued or originally issued in currencies or countries with exchange control restrictions,

3.1.2 when the Traffic Document presented for reissue is not valid or is restricted for reissue by the fare rule, the discount applied or the form of payment or shows any other remarks restricting issue,

3.1.3 when the effect of reissue would be to change the type of fare (e.g. normal fare into excursion fare) or grant a reduction (e.g. normal fare into youth fare) for an itinerary involving a sector already flown;

3.2 in all other cases, an Agent may reissue a Traffic Document, provided authorisation to do so has been requested from and given by the issuing airline shown on the Traffic Document presented for reissuance, or by the airline shown in the 'Original Issue' box. Such authorisation is not required if a Traffic Document is reissued, without changing the routing, only to change the carrier named for transportation to become the carrier shown in the 'Original Issue' box of the ticket;

3.3 the reissued Traffic Document shall be issued only in the name of the carrier which issued the Traffic Document presented for reissue, or the carrier shown in the 'Original Issue' box;

3.4 any restrictive remark shown on the Traffic Document, presented for reissue, must be carried forward on the new Traffic Document;

3.5 an Agent shall not issue a miscellaneous document against an unused or partly used document;

3.6 when authorisation to reissue is required, written evidence of such authorisation shall be obtained and made available on request by the respective carrier, except where Electronic Ticketing processes are used.

4. INVOLUNTARY REROUTING

(change due to special airline operational circumstances)

4.1 in the case of involuntary rerouting, reissuance of Traffic Documents and change of reservations data on the Traffic Document are restricted to air carriers;

4.2 reissuance of involuntarily rerouted Traffic Documents and change of reservations data on such tickets are also restricted to air carriers.

Editorial Note: *Amendments to Resolution 838 are subject to unanimous concurrence by the Passenger Standards Conference.*

RESOLUTION 846

IMPLEMENTATION OF BSP

PAC(59)846(except USA) Expiry: Indefinite
Type: B

WHEREAS IATA has obtained the necessary approvals to operate a Billing & Settlement Plan in a market in which IATA Accredited Agents are governed under Resolution 800;

WHEREAS Resolution 812 will be applicable in those countries currently under the 800 set of Sales Agency Rules, and will replace Resolution 800;

WHEREAS the Passenger Agency Conference recognises that specific parameters must be met before Resolution 812 becomes effective in a market; it is

RESOLVED that,

1. The Agency Administrator will establish the date upon which a market/region is migrated to Resolution 812 with consideration of the following parameters:

(a) Readiness of the carriers participating in the market;

(b) Readiness of the Ticketing System Providers (TSPs);

(c) IATA's internal operational readiness;

(d) Readiness of the existing IATA Accredited Agents in the market;

(e) Compliance with any local laws or other regulatory requirements.

2. Notwithstanding, where the above conditions cannot be met, the Agency Administrator may, in consultation with and with the approval of the PSG, establish the date upon which a market/region will be migrated to Resolution 812.

3. Notwithstanding, the Agency Administrator may, in consultation with and with the approval of the PSG, establish an earlier date for the implementation of Alternative Transfer Method rules in a market in accordance with the provisions of Resolution 896. Notification will be given to all BSP Airlines and to all Accredited Agents of the implementation date in the respective market no later than 60 days before such date.

4. Notwithstanding the above, upon implementation of Resolution 812 in a market, the Agency Administrator may, in consultation with and with the approval of PSG, delay the implementation of Resolution 812a. In such cases, the consent for use of Alternative Transfer Methods will be managed bilaterally between individual BSP Airlines and Agents. Notification will be given to all BSP Airlines and to all Accredited Agents of the implementation of Resolution 812a in the respective market no later than 60 days before such date.

5. Prior to implementation of Resolution 812 in a market:

5.1 Notification will be given to all BSP Airlines and to all Accredited Agents of the implementation date in the respective market no later than 90 days before such date

5.2 No later than 60 days before such date, IATA will:

(i) Conduct a revalidation process for all existing IATA Accredited Agents in accordance with the provisions under Resolution 812 section 3.2.4.1 (b). IATA Accredited Agents with any unreported changes identified during this process will not incur any Risk Events per Resolution 812 section 4.2, nor will any actions as described under section 10.11 apply if the changes are declared during this process. If IATA becomes aware of such changes after this exercise is concluded, all provisions under Resolution 812 shall apply.

(ii) Determine the minimum Financial Security required for each existing IATA Accredited Agent using the Local Financial Criteria or Resolution 800f where such criteria are absent and inform all Agents on the necessary requirements in accordance with Resolution 812 section 2.5.6 and 2.5.7.

(iii) Revalidate any Financial Security it has on hand to assure that they are in an acceptable format and compliant with Resolution 850p.

5.3 IATA will make available the BSP Manual for Agents via the IATA Customer Portal no later than 30 days before the implementation date.

5.4 IATA will assess the Risk Status of all Agents and assign a Remittance Holding Capacity, in accordance with the provisions of Resolution 812 section 5. The assignation of the Risk Status will include a Risk History Assessment, and will consider any events incurred by the Agent which constitute Risk Events per Resolution 812 section 4.2 and which have not expired on the day Resolution 812 becomes effective in that market.

5.5 IATA will distribute to all Agents in the market any relevant information in relation to their operation in the BSP under Resolution 812, including but not limited to applicable Financial Security requirements, Risk Status and Remittance Holding Capacity.

6. Upon implementation of Resolution 812, Resolution 800 will no longer apply in that particular market.

7. In the event that the Local Financial Criteria of a market/region conflicts with the provisions of Resolution 812 once implemented in a market, Resolution 010 will be referenced and the Hierarchy of Sources applied.

8. Each APJC must, where Resolution 812 has been implemented, preferably in advance but at minimum within twelve months following implementation of Resolution 812 in the applicable BSP(s), review its Local Financial Criteria.

RESOLUTION 850

BILLING AND SETTLEMENT PLANS

△ PAC(59, 61)850/(Mail A662)(except USA) Expiry: Indefinite Type: B

WHEREAS IATA Settlement Systems Management is a functional area of IATA Customer, Financial and Digital Services responsible to the IATA Board of Governors for the management and efficient operation of the IATA Settlement Systems (hereafter referred to as "ISS"), and

WHEREAS the Passenger Agency Conference exercises authority and responsibility over the IATA Passenger Agency Programme, including the relationship between BSP Airlines and Agents, and

WHEREAS Members have introduced Billing and Settlement Plans (BSP).

It is hereby RESOLVED that,

1. DEFINITIONS

The definitions of terms and expressions used in this Resolution are contained in Resolution 866.

2. IATA RESPONSIBILITIES

IATA is responsible for all ISS administration and operational functions, such as:

— budgets (cost and revenues)
— staffing
— contracts (service agreements) to include signature authority
— office management and administration, and

IATA shall operate in accordance with the Resolutions of the Conference, which describe the provision of services in the operating BSPs.

3. CONFERENCE RESPONSIBILITIES

3.1 The Conference is responsible for setting operational standards, and for the rules and procedures for IATA Accredited Agents, as provided in the Sales Agency Rules and other Resolutions of the Conference.

3.2 The Conference is responsible for establishing the standard forms necessary for the operation of the BSP.

4. CONSULTATION WITH BSP AIRLINES

4.1 Where necessary under the Resolutions, or at any time in its discretion, IATA shall accomplish consultation with airlines participating in a given BSP through either (i) in an emergency, through immediate communication with the airline representatives of the relevant APJC, or (ii) otherwise through the creation of an ad-hoc task force reporting to the PSG and comprised of representatives of the APJC airlines and the other airlines participating in that BSP. The creation of and terms of reference for such task force is hereby delegated to the PSG. Airlines not participating in such task force shall remain eligible to provide any relevant feedback to IATA directly.

5. BUSINESS CASE— IMPLEMENTATION OR EXTENSION OF A BSP

5.1 The Head Office of any Member or group of Members that has an interest in a specific market, may request IATA to initiate a study by identifying the circumstances that should warrant the implementation or extension of a BSP.

5.2 In the absence of a request for a study from a Member or group of Members, if IATA considers that there are business opportunities in implementing a BSP in a market, it shall consult Members operating in that market prior to commencing a business case.

5.3 IATA shall be responsible for conducting a business case to finality, including consultation with Members operating in that market, to determine whether to implement a BSP or to extend an existing BSP to include another market(s)/region(s).

6. PARTICIPATION BY MEMBERS

Participation by Members in any BSP is voluntary. Members may join at the inception of a BSP, or may join at a later date, by notifying IATA and paying the joining fee and its continued participation in a given BSP will be dependent on the following requirements. The Member must:

6.1 operate scheduled passenger services.

6.2 have and maintain a valid designator and accounting code assigned by IATA.

6.3 sign a Counterindemnity Agreement with IATA as prescribed in Attachment "C" to this Resolution.

6.4 In order to enable the BSP to settle funds, the Members:

(i) must have and maintain an open valid bank account in the BSP in the allowed currency(s) established by the BSP, or
(ii) have signed an ICCS agreement with IATA.

6.5 The Member must settle any amount due, in a BSP settlement, to the BSP by the Remittance Date. This may include amounts due for BSP fees and charges applicable for its participation in the BSP. Payment of amounts outstanding shall be due on the Remittance Date of the period in which they were included in the billing. IATA shall have the right to deduct such fees and charges at any time prior to making a settlement to a Member.

6.6 The Member must not have any outstanding balances with IATA.

6.7 At least ninety percent (by number) of worldwide ticketed transactions using the Member's validation must involve air transportation.

6.8 IATA must not be prohibited from doing business with the Member or reasonably consider that doing so would pose an undue risk to IATA under applicable legal or regulatory requirements.

6.9 Members reporting transactions through the BSP that result from an Offer must ensure that their system is capable of the following functions:

6.9.1 the ability to provide IATA with the data required to comply with applicable legal and regulatory requirements (in a reasonably available data format as agreed with IATA and including the documentation demonstrating the identity of the Standard Traffic Documents) represented by an individual transaction, including the counterparties to that transaction. The Member shall not be required to provide any information to IATA pursuant to this clause which it is prohibited from providing under applicable law, or to provide information at an unreasonable frequency or scope considering IATA's legal and regulatory obligations.

6.9.2 the ability to prevent any transactions which are not for the issuance of Standard Traffic Documents, or which are not issued by the relevant Member airline, from being submitted to the BSP.

7. PARTICIPATION BY AGENTS

7.1 Where a BSP is implemented, the IATA shall so advise all Agents in the area and shall inform the Agents of how their participation in the BSP affects their work methods.

7.2 Only IATA Accredited Agents normally participate in a BSP. However, IATA may allow domestic-only non-IATA Agents to use the accounting and other technical facilities of a BSP as discussed in subparagraph 12.1 of this Resolution, provided a business case has been conducted, as provided in Paragraph 5 above, and such business case supports such use.

7.3 Domestic-only non-IATA Agents will not be allowed to participate in a BSP (or, if active, their participation will be terminated) if IATA is prohibited from doing business with that domestic-only non-IATA Agent or reasonably considers that doing so would pose an undue risk to IATA under applicable legal or regulatory requirements.

8. PARTICIPATION BY NON-MEMBER AIRLINES

A non-Member airline ("an Applicant") may submit an application to IATA in the form prescribed in Attachment "D" to this Resolution, to participate in a given BSP. Approval of the application shall be subject to the condition that the Applicant shall execute a Form of Concurrence as prescribed in Attachment "E" to this Resolution and its continued participation in a BSP will be dependent on the following requirements. The non-Member airline must:

8.1 operate scheduled passenger services.

8.2 have and maintain a valid designator and accounting code assigned by IATA.

8.3 sign a Counterindemnity Agreement with IATA as prescribed in Attachment "C" to this Resolution.

8.4 In order to enable the BSP to settle funds, the non-Member airline:

(i) must have and maintain an open valid bank account in the BSP in the allowed currency(s) established by the BSP, or

(ii) have signed an ICCS agreement with IATA.

8.5 must settle any amount due, in a BSP settlement, to the BSP by the Remittance Date. This may include amounts due for BSP fees and charges applicable for its participation in the BSP. Such amounts due may be submitted for clearance through the IATA Clearing House, at IATA's discretion, if the non-Member airline is active therein. Payment of amounts outstanding shall be due on the Remittance Date of the period in which they were included in the billing. IATA shall have the right to deduct such fees and charges at any time prior to making a settlement to a non-Member airline.

8.6 The non-Member airline must not have any outstanding balances with IATA.

8.7 At least ninety percent (by number) of worldwide ticketed transaction using the non-Member airline's validation must involve air transportation.

8.8 IATA must not be prohibited from doing business with the Member or reasonably consider that doing so would pose an undue risk to IATA under applicable legal or regulatory requirements.

8.9 non-Member airlines reporting transactions through the BSP that result from an Offer must ensure that their system is capable of the following functions:

8.9.1 The ability to provide IATA with the data required to comply with applicable legal and regulatory requirements (in a reasonably available data format as agreed with IATA and including the documentation demonstrating the identity of the Standard Traffic Documents) represented by an individual transaction, including the counterparties to that transaction. The Member shall not be required to provide any information to IATA pursuant to this clause which it is prohibited from providing under applicable law, or to provide information at an unreasonable frequency or scope considering IATA's legal and regulatory obligations.

8.9.2 The ability to prevent any transactions which are not for the issuance of Standard Traffic Documents, or which are not issued by the relevant Member airline, from being submitted to the BSP.

9. PARTICIPATION BY GENERAL SALES AGENTS (GSAs)

Each BSP Airline participating in a BSP shall have the facility to have its non-airline GSAs report its sales through the BSP and to remit either through the BSP or

directly to the Principal, subject to the conclusion of an agreement for the provision of BSP services to the BSP airline's GSA, between IATA and the BSP Airline, containing the conditions for such participation. The GSA shall not be allowed to participate (or if active, its participation shall be immediately suspended) if IATA is prohibited from doing business with the GSA or reasonably considers that doing so would pose an undue risk to IATA under applicable legal or regulatory requirements or if the GSA fails to comply with any request from IATA for documentation required to confirm the same.

10. PARTICIPATION BY AIRPORT HANDLING AGENTS

10.1 IATA may approve applications by airport handling agents to be supplied with and issue Standard Traffic Documents if the applicant:

10.1(a)(i) is not an air carrier or,

10.1(a)(ii) is a division of an air carrier operating independently of that air carrier, and is not in possession of, or authorised, to issue that carrier's own Traffic Documents, and

10.1(b) acts as a passenger handling agent for one or more air carriers at an airport,

10.1(c) has secured sponsorship from an IATA Member participating in the BSP concerned,

10.1(d) undertakes to provide satisfactory security arrangements for premises and systems used for the issuance of Standard Traffic Documents,

10.1(e) If IATA is not prohibited from doing business with the airport handling agent and does not reasonably consider that doing so would pose an undue risk to IATA under applicable legal or regulatory requirements;

10.1(f) agrees to submit Agency Sales Data and effect remittances in respect of Standard Traffic Documents issued in accordance with IATA instructions, and

10.1(g) executes an agreement with IATA governing the terms of its authorization to be supplied with and issue Standard Traffic Documents;

10.2 upon approval, such airport handling agents may be supplied with and issue Standard Traffic Documents.

10.3 The airport handling agent's participation shall be immediately terminated and its ability to be supplied with and issue Standard Traffic Documents immediately removed if IATA is prohibited from doing business with the airport handling agent or reasonably considers that doing so would pose an undue risk to IATA under applicable legal or regulatory requirements or if the airport handling agent fails to comply with any request from IATA for documentation required to confirm the same.

11. CLOSURE OF A BSP

11.1 Should it be necessary, for whatever reason, to consider closure of an operating BSP, IATA will consult with the BSP Airlines. In the event of closure, IATA will normally give notice of at least 12 months to all participants, including agents, GSAs, airport handling agents, and BSP Airlines, except in situations where it is no longer feasible to continue operating the BSP effectively, the BSP operation will be suspended immediately.

11.2 In the event that IATA is unable to operate the BSP, the operation will be suspended until the market conditions are back to normal and IATA can continue operating the BSP normally.

11.3 In the event a BSP is closed or suspended all accredited Agents in that market will continue with its accreditation under Resolution 800.

All costs relating to the closure incurred during the period of the notice and/or arising after closure, will be apportioned between the BSP Airlines in accordance with the ISS pricing formula.

12. EXTENSION OF BSP SERVICES

12.1 To the extent compatible with the primary purpose of the BSP which is to provide and issue Standard Traffic Documents and to serve as an accounting and settlement system between Agents and participating BSP Airlines, IATA may consider any proposal to make available to third parties the accounting and other technical facilities of a BSP.

12.2 Such proposal shall be such as to render the BSP's operation more cost-effective and shall not be in conflict with IATA Resolutions.

12.3 Where a BSP Airline issues Electronic Tickets on behalf of Agents through their web site, such sales may be reported to BSP for processing. In such case, the BSP Airline shall report such sales to the BSP on a daily basis.

13. RISK COVERAGE FOR SELF-HANDLING OF PROCESSING FUNCTIONS

Where a DPC is operating under the management and supervision of IATA (self-handled processing centre) for a BSP, BSP Airlines participating in that BSP undertake to indemnify IATA, its officers, employees and other appointees against liability (including liability for legal costs) for any action taken or omitted in good faith in the performance of their functions with respect to such operation. Where a separate legal entity has been established to carry a given BSP, such entity shall be deemed to be an “other appointee” in the sense of the preceding sentence, and shall be indemnified accordingly.

14. VOLUNTARY TERMINATION

14.1 A BSP Airline may withdraw from a given BSP by serving written notice of not less than three months, and shall be liable for their share of all costs through to the end of the notice period.

15. SUSPENSION OF BSP AIRLINE

Notwithstanding Paragraph 14 of this Resolution, IATA may immediately suspend (without a notification or other waiting period) a BSP Airline's participation in some or all BSPs under any of the following circumstances:

15.1(a) the BSP Airline fails to pay any amount due in relation to a BSP settlement, as provided for in subparagraphs 6.5 or 8.5 above;

15.1(b) the BSP Airline ceases all scheduled passenger operations, either temporarily (including where such operations are planned for future dates but are not currently being flown) or permanently, due to financial or other reasons, or otherwise no longer meets the requirements for participation in the BSP as described in Paragraphs 6 and 8 of this Resolution; or

15.1(c) the BSP Airline becomes subject to formal bankruptcy, moratorium of debt, reorganization, liquidation, or similar proceedings;

15.1(d) the BSP Airline defaults on a material obligation to the BSP under the Resolutions or other agreements governing its participation in the BSP, or

15.1(e) if the BSP Airline does not have a valid designator/prefix and accounting code assigned by IATA; or

15.1(f) if the BSP Airline is suspended from any of the other settlement systems provided by IATA, including the IATA Clearing House and the Cargo Accounts Settlement System; or

15.1(g) if the BSP Airline fails to comply, within a reasonable deadline given the scope and format of the request as notified by IATA (but not less than 14 days unless specifically required by applicable law as demonstrated by IATA), with any reasonable request from IATA for documentation required pursuant to 6.9.1 or 8.9.1; or

15.1(h) if the BSP Airline fails to comply with its obligations in Paragraphs 6 or 8 of this Resolution; or

15.1(i) if IATA otherwise determines that there are sufficient financial or legal grounds–including outstanding amounts owed to IATA in connection with its other settlement services or otherwise–to suspend the BSP Airline, in light of the financial or legal risk to the BSP.

15.2 At the discretion of IATA, IATA may elect to refrain from suspending a BSP Airline from some or all BSPs under this paragraph if there are alternatives available to protect the financial integrity of the BSP from the circumstances of the BSP Airline–including from the risk that refunds may exceed sales–and to obtain the immediate payment of outstanding debts of the BSP Airline to IATA. Such alternatives may include, at the discretion of IATA, the provision by the BSP Airline of a centrally held security deposit, or alternative security acceptable to IATA to be held centrally, and calculated so as to cover funds at risk for a minimum of one month.

15.3 IATA shall follow the procedures outlined in Attachment 'F' to this Resolution upon the suspension of a BSP Airline pursuant to this paragraph.

15.4 If IATA determines that the financial integrity of the BSP is at risk as a result of the circumstances of a BSP Airline, IATA may withhold funds due from the BSP to such BSP Airline in order to secure the potential risk, in advance of any potential suspension of such BSP Airline.

16. SET-OFF RIGHTS

16.1 Set-off applies, and may be invoked by IATA at any time, with respect to any debt or claim owing by a BSP Airline to the BSP in relation to a BSP settlement–including any amount owed by the BSP Airline to IATA for the provision of BSP processing and management fees–against any monies held or owed by IATA or any of its divisions or affiliated entities and which is payable to that BSP Airline.

16.2 In addition, set-off also applies, and may be invoked by IATA at any time, with respect to any debt or claim owing by a BSP Airline to IATA or any of its divisions or affiliated entities against any monies held or owed by IATA or any of its divisions or affiliated entities and which is payable to that BSP Airline.

17. CHANGE OF OWNERSHIP

Where a BSP Airline undergoes a change of ownership which has the effect of transferring ownership to another entity, and wishes to continue participation in one or more BSPs, the BSP Airline shall

17.1 Provide sufficient information to IATA to allow for a review of the legal effect of the proposed change.

17.2 IATA shall review the information provided by the BSP Airline and determine whether the proposed change poses a financial or legal risk to the BSP–including the risk that refunds may exceed sales. If such a risk is identified, IATA shall determine whether there are alternatives available to protect the financial integrity of the BSP from such risk. Such alternatives may include, at the discretion of IATA, the provision by the BSP Airline of a centrally held security deposit, or alternative security acceptable to IATA to be held centrally, and calculated to as to cover funds at risk for a minimum of one month.

17.3 If the BSP Airline does not comply with the obligations under subparagraph 17.1 above, or if any risk to the BSP is identified by IATA and cannot be resolved pursuant to subparagraph 17.2 above, the existing BSP Airline will be terminated from all BSPs and the new carrier shall be processed as a new applicant.

17.4 Where a BSP Airlines ceases or will cease operations and remains indebted financially to IATA, and where the owners of such BSP airline have or will have

an interest in a new applicant airline, IATA may reject such application.

18. FINANCIAL LOSSES INCURRED IN HONOURING STANDARD TRAFFIC DOCUMENTS

In the case of financial losses arising from honouring Standard Traffic Documents where the issuing Agent may go into irredeemable default or where the Standard Traffic Documents have been issued fraudulently, IATA shall take the action outlined in Attachment "G" to this Resolution.

19. TICKETING AIRLINE SELECTION RULES

BSP Airlines shall follow the ticketing airline selection rules specified in Resolution 852.

20. ELECTRONIC TICKETING AUTHORITY

Where a BSP Airline deposits its Electronic Ticketing Authority with an Agent, it shall simultaneously inform IATA.

21. BSP SETTLEMENT MODELS

21.1 Reported Sales Model

When used in connection with this model, the term "BSP settlement" for a Member or BSP Airline will be the amount of the sales reported for any one period notwithstanding whether all amounts have been received by IATA from the Agent.

21.2 Funds Received Model

When used in connection with this model, the term "BSP settlement" for a Member or BSP Airline will be the amount actually received by IATA from the Agent for any one period.

22. IATA EASY PAY (IEP)

22.1 In each market or area where Resolution 812 has been declared effective, all BSP Airlines will accept IEP by default, unless a BSP Airline notifies IATA that it does not wish to accept IEP in a given BSP.

22.2 If a BSP Airline wishes to opt-out of accepting IEP, the Airline must notify IATA through written notice a minimum of 30 days prior to the opt-out taking effect. The Airline will be liable for its share of IATA EASY PAY transaction costs through to the end of the notice period.

22.3 Any Airline joining a BSP will accept IATA EASY PAY by default unless the Airline has notified IATA of its opt-out in the respective market(s) prior to joining.

22.4 BSP Airlines accepting IEP in a given market undertake jointly and severally to indemnify IATA, its officers, employees and other appointees against any loss, liability, damage or claim of any kind arising out of or in connection with the operation of the IEP system in such market, including without limitation, any amount claimed by or owing to a provider operating the IEP System, as well as any liability for legal cost. The provisions of the Counterindemnity Agreement found in Resolution 850 Attachment 'C' apply mutatis mutandis to the present indemnity.

23. Accelerated Settlement

23.1 In some circumstances, Agent Remittances may be paid into the BSP prior to the Agent's ordinary Remittance Date and thereafter settled to the BSP Airline(s) prior to the ordinary Settlement Date. For the avoidance of doubt, the provisions of the Counterindemnity Agreement found in Resolution 850 Attachment 'C' apply to indemnify IATA, its officers, employees and other appointees against any loss, liability, damage or claim of any kind arising out of or in connection with such advance settlements to BSP Airline(s), as more fully described in the Counterindemnity Agreement.

24. System Requirements–Offers

BSP Airlines reporting transactions through the BSP that result from an Offer should ensure that their system is capable of the following functions. Failure to do so shall impact the BSP Airline's recovery from the Agent's Financial Security as set forth in the relevant Passenger Agency Sale Rules provisions.

24.1 The ability to prohibit the issuance of the Standard Traffic Document through real-time information as provided by IATA of an Agent's status:

(i) an Approved Location is removed from the Agency List, declared in default, or has its Ticketing Authority removed in accordance with the Sales Agency Rules or,

(ii) the BSP Member has withdrawn its authority from the Approved Locations to issue Standard Traffic Documents on its behalf.

24.2 the ability to activate or restrict a form of payment for any issuance of Standard Traffic Documents using real-time information as provided by IATA of an Agent's status.

24.3 the ability to provide IATA with the data required to enable real-time sales monitoring of Agent's sales of Standard Traffic Documents reported through the BSP.

RESOLUTION 850

Attachment 'F'

PROCEDURES FOR SUSPENSION OF A BSP AIRLINE

1. IMMEDIATE ACTION BY IATA IN THE EVENT OF SUSPENSION

If IATA determines that the BSP Airline should be suspended from BSP operations, IATA shall immediately:

(a) Inform the BSP Airline concerned and all other BSP Airlines.

(b) Instruct the Global Distribution Systems, Ticketing System Providers, and Data Processing Centres to suspend immediately the use of the BSP Airline's name and numeric code as ticketing airline, to suspend immediately the use of any automated systems for the processing of refunds or other credit/debit transactions on behalf of the BSP Airline, and to continue to report as usual any outstanding sales, refunds, or other credit/debit transactions made by Agents on behalf of the BSP Airline up to the date of the suspension.

(c) Instruct all Agents:

  (i) To suspend immediately all ticketing activities on behalf of the BSP Airline concerned.

  (ii) To settle all Outstanding Billings and pending sales attributable to that BSP Airline either:

    (a) with IATA, or

    (b) with the BSP Airline concerned, in which case Agents must exclude the total amount due to or from the suspended BSP Airline (such as ticket sales or any refunds actually or potentially owing by that airline) from any Outstanding Billing. This exclusion should be made before remittance of the Outstanding Billing to IATA. However, if remittance has already occurred or if applicable law or billing procedure do not permit the necessary changes to remittance, then this exclusion may be made after remittance of the Outstanding Billing to IATA–thereby requiring a supplemental payment by or to the Agent of the amount excluded.

    (c) The suspended BSP Airline should respond to any refund requests from Agents in a timely manner.

  (iii) Instruct the BSP Airline to download reporting copies of the billing analysis for the current period and any other periods affected by the suspension from BSPlink.

  (iv) Additionally, IATA may take any other actions reasonably necessary to implement the actions in this paragraph, including any actions necessary to comply with local law or local practice in a given BSP region.

2. SUBSEQUENT ACTION BY IATA

Thereafter, IATA shall monitor the situation and shall take any other action, where appropriate, after having sought legal advice, in order to respond to any individual circumstances. This may, where appropriate, include the following:

(a) The opening of a special account, for the collection and management of monies due to the BSP Airline.

(b) The immediate withholding of all amounts due to the suspended a BSP Airline. Subject to applicable laws, the BSP Airline or its administrator, receiver, liquidator, monitor, trustee, or similar representative or successor shall have no claim to such funds while retained in accordance with this paragraph.

(c) The satisfaction of all outstanding debts, after a sufficient time has passed to ensure that all claims from all IATA settlements systems and otherwise have been finalized. The funds withheld from the suspended a BSP Airline's BSP participation, including any funds derived from BSP participation but held at the time of suspension within the IATA Currency Clearance Service, shall generally be used in the following priority:

  (i) Firstly, for any refunds or other debts owed to the BSP in which such funds originate. Unless Agents were instructed to settle Outstanding Billings directly with IATA pursuant to subparagraph 1(iv)(a) above, or unless an agreement providing for the post-suspension submission of refunds has been agreed between IATA and the BSP Airline, such refunds shall not include any refunds submitted as part of any Outstanding Billings.

  (ii) Secondly, for any remaining refunds or other debts owed to any other BSPs in which the BSP Airline participates. Again, unless Agents were instructed to settle Outstanding Billings directly with IATA pursuant to subparagraph 1(iv)(a) above, or unless an agreement providing for the post-suspension submission of refunds has been agreed between IATA and the BSP Airline, such refunds shall not include any refunds submitted as part of any Outstanding Billings.

  (iii) Thirdly, for any other amounts that are due from the BSP Airline to IATA, including without limitations any amounts owing pursuant to the set-off rights as more fully described in Resolution 850 Paragraph 15.

  (iv) Finally, any remaining amounts shall be returned to the BSP Airline or its administrator, receiver, liquidator, monitor, trustee, or similar representative or successor, as more fully governed by applicable law.

  (v) In all instances any sales incentives established by the BSP Airline shall be settled directly between the BSP Airline and each Agent.

3. LIFTING OF SUSPENSION

If the BSP Airline resolves the circumstances giving rise to suspension (such as by resuming scheduled operations, curing its defaults, or otherwise), or if the BSP Airline protests the suspension in writing, IATA shall evaluate whether and how the BSP Airline will be reinstated in BSP operations and under what conditions. The BSP Airline shall be given the opportunity to be heard.

Such conditions may in particular require that the BSP Airline compensate the BSPs for any losses incurred as a result of the BSP Airline's default, that the BSP Airline satisfy all outstanding debt to IATA arising under any of its settlement systems or otherwise, and that the BSP Airline place a centrally held security deposit, or alternative security acceptable to IATA to be held centrally, and calculated so as to cover funds at risk for a minimum of one month.

4. SUSPENDED BSP AIRLINE OWING MONEY TO THE BSP

Where a suspended BSP Airline owes money to the BSP on any grounds and for any period, and the debt is considered irrecoverable, the remaining BSP Airlines must bear the loss, excluding any remuneration, if any, owed pursuant to Resolution 824 Section 9, in proportion to their share of the total amount in that Remittance Period. Such remuneration shall be settled directly between the suspended BSP Airline and the Agents.

5. TERMINATION

If, at the discretion of IATA, it does not appear likely that a suspended BSP Airline will be able to meet the requirements for the lifting of its suspension, or as may otherwise be necessary in light of the potential financial or legal risk to the BSP, IATA may terminate the participation of a suspended BSP Airline. Such termination shall not affect the obligation of the BSP Airline to satisfy its obligations to IATA hereunder or under the Resolutions or other agreements governing its previous participation in the BSP.

RESOLUTION 850e

INDUSTRY SETTLEMENT SYSTEMS

PAC(58)850e/(Mail A595)(except USA) — Expiry: Indefinite — Type: B

WHEREAS the 1998 IATA Annual General Meeting agreed to restructure the IATA Industry Settlement Systems and has delegated responsibility to IATA Settlement Systems Management (hereinafter “ISS Management”) for the management and efficient operation of this business activity and, to that end, has authorized changes in the management and operation of the IATA Industry Settlement Systems (hereinafter “ISS”), and

WHEREAS, it is therefore necessary to recognize the responsibility of ISS Management for all ISS administration and operational functions, such as:

— ISS budgets (cost and revenues)
— ISS staffing
— ISS contracts (service agreements) to include signature authority
— ISS office management and administration

and further to recognize that ISS matters will be supervised by the IATA Board of Governors, now it is

RESOLVED that upon this Resolution becoming effective:

1. All authority and responsibilities previously delegated by the PAConf to the BSPC and through the BSPC to the BSP Panels and their Steering Panels are subject to the condition that no such authority or responsibility shall be exercised with respect to the administrative and operational functions to be performed by ISS Management on ISS matters at the direction of the IATA Board of Governors, who shall act on the advice of the IATA Financial Committee.

2. This condition is without prejudice to, and shall not limit, all other authority and responsibilities currently exercised by the PAConf including the relationship between airlines and agents, provided, however, that PAConf shall take action to identify and amend the Passenger Sales Agency Rules and other PAConf Resolutions as required to implement the condition imposed in Paragraph 1.

RESOLUTION 850m

ISSUE AND PROCESSING OF AGENCY DEBIT MEMOS (ADMS)

PAC(56)850m/(Mail A662)(except USA) Expiry: Indefinite
Type: B

WHEREAS the Passenger Agency Conference ("the Conference") wishes to promote a consistent and standard set of rules for BSP practices,

It is RESOLVED that the following principles will be followed,

1. INTRODUCTION

1.1 The ADM serves to notify an Agent that unless there is some justification to the contrary, the Agent owes the issuing BSP Airline the amount shown on the ADM for the reasons indicated.

1.2 ADMs are a legitimate accounting tool for use by all BSP Airlines to collect amounts or make adjustments to Agent transactions in respect of the issuance and use of Standard Traffic Documents issued by the Agent. Alternative uses of ADMs may exist provided that consultation has taken place either individually with the Agent or a local representation of Agents, or through the applicable local joint consultative forum.

1.3 ADMs are to be specific in their detail as to why a charge is being made.

1.4 BSPlink (ASD in China) is mandated as the exclusive medium through which ADMs must be billed and disputed.

2. AIRLINE POLICY

2.1 Airlines are required to publish, and maintain their ADM policies to Agents through BSPlink (ASD in China), which will send a system alert of any changes to ADM policies to the Agents in advance of implementation.

2.2 Where possible the model shown in the Attachment to this Resolution should be applied.

3. BSP PROCESSING OF ADMs

3.1 ADMs shall only be processed through the BSP if issued within nine months of the final travel date. ADMs referring to refunds made by the Agent shall be processed through the BSP if issued within nine months after such refund has been made by the Agent. Any debit action initiated beyond this period shall be handled directly between the BSP Airline and the Agent.

3.2 ADMs/ACMs may be processed through the BSP, for a maximum period of 30 days following default action taken against an Agent in accordance with Resolution 812 Section 6.9.

4. ISSUANCE PRINCIPLES

4.1 Airlines should consider establishing policies for a minimum value for the issuance of a single ADM. Where such minimum is established it may be published to Agents.

4.2 In principle ADMs should not be raised for the collection of administration fees.

4.3 If there is an administrative cost associated with the raising of an ADM it should be incorporated in the same ADM document raised for the adjustment. The inclusion of the administration fee must be communicated to the agent.

4.4 Airlines shall provide Agents with the phone or fax number and email address of a person or department that has knowledge of the concerned ADM.

4.4.1 Whenever applicable, a BSP Airline will provide the Related Document Number (RTDN) to which the ADM relates in order for BSPLink (ASD in China) to display the values of Fare Calculation Mode Indicator (FCMI) or Data Input Status Indicator (DISI) for Refund transactions.

4.5 An Agent shall have a maximum of 15 days in which to review and dispute an ADM prior to its submission to BSP for processing.

4.6 all disputes are to be settled by the Airline within 60 days of receipt.

4.7 If it is established that an ADM is not valid it must be cancelled.

4.8 Where erroneously issued ADMs are withdrawn by BSP Airlines or refunded to the Agent, any administration fee that may have been levied will be withdrawn, or refunded to the Agent. In the event the ADM is withdrawn or the amount is reduced due to any reason other than it was issued by mistake, the application of an administration fee shall be agreed between the Agent and the BSP Airline concerned.

4.9 Following consultation and if both parties agree a disputed ADM may be referred to the Travel Agency Commissioner to be resolved pursuant to Resolution 820e Section 3.3.

4.10 An ADM that has been included in the BSP billing will be processed for payment. Any subsequent dispute of such ADM, must be dealt according to the applicable Passenger Sales Agency Rules.

RESOLUTION 850m

Attachment 'A'

MODEL ADM INDUSTRY PROCEDURES

1. DESCRIPTION

1.1 ADMs are a legitimate accounting tool for use by all BSP Airlines and should only be used to collect amounts or make adjustments to agent transactions in respect of the issuance and use of Standard Traffic Documents issued by or at the request of the Agent.

1.2 Alternative uses of ADMs may exist provided that consultation has taken place either individually with the Agent or through the applicable local joint consultative forum.

1.3 ADMs are to be specific in their detail as to why a charge is being made.

1.4 Any ADM relates to a specific transaction only, and may not be used to group unrelated transactions together, however, more than one charge can be included on one ADM if the reason for the charge is the same, and a detailed supporting list is provided with the ADM.

1.5 In the event an airline decides to apply a charge for under-collection or incorrect ticketing on a sale or for the adjustment of a refund issued incorrectly or incorrectly calculated, such charges must be clearly explained in the carriers published ADM policy or must be agreed with Agents bilaterally in writing.

1.6 No more than one ADM should be raised in relation to the same original ticket issuance. When more than one ADM is raised in relation to the same ticket it shall be specified for a different adjustment to previous issues.

1.7 All rejected or disputed ADMs must be handled by BSP Airlines in a timely manner.

1.8 Except where otherwise agreed in a market ADMs should not be used to collect third party costs not directly associated with the initial ticket issuance of a passenger journey.

1.9 When ADMs are raised for administration fees the level of such fees should be commensurate with the cost of the work incurred.

1.10 When the Agent has used an automated pricing system to generate the total ticket price including fare, tax, fees and charges specific to the purchase, and subsequent issuance, of a ticket for a journey, and there has been absolutely no manipulation by the Agent, on such price the ticketing systems shall send a Fare Calculation Mode Indicator (FCMI) to the airline, in accordance with the provisions of IATA PSC Resolutions 722f and 722g, to identify automated pricing has been used. The airline shall ensure the FCMI indicator is passed to an Agent in the event an ADM is issued.

RESOLUTION 850p

FINANCIAL SECURITIES

PAC(58, 60)850p/(Mail A595, A662)(except USA) — Expiry: Indefinite — Type: B

"WHEREAS certain Sales Agency Rules provide that an Agent may meet the Local Financial Criteria by the provision of a Financial Security;

WHEREAS the Passenger Agency Conference (hereafter referred to as "the Conference") wishes to make a wide range of Financial Securities available to Agents; and

WHEREAS non-payment of a claim against a provider of such Financial Security will result in financial loss to Members and Airlines;

It is hereby RESOLVED that,

1. DEFINITIONS

1.1 The definitions of terms and expressions used in this Resolution are contained in Resolution 866.

1.2 "BANK" means a financial institution, with a minimum credit rating of B recognised by credit Agencies such as Moody's Investor Service, Standard & Poor's (S&P) or Fitch Rating or their equivalent, and which is authorised to provide banking services in the jurisdiction in which that bank will guarantee the payment to Members or Airlines through any acceptable Financial Security set out in section 2.1 in the event of default by an Agent.

1.3 "FINANCIAL SECURITY PROVIDER" (hereafter referred to as "Provider") means an independent third party entity other than a bank that guarantees payment to Members or Airlines through any acceptable Financial Security set out in section 2.2 in the event of default by an Agent.

2. ACCEPTABLE FINANCIAL SECURITY TYPES

2.1 The following individual financial security types provided by a Bank:

2.1.1 Bank Guarantee

2.1.2 Standby Letter of Credit

2.1.3 Letter of Credit

2.2 The following individual financial security types provided by a Provider:

2.2.1 Insurance bond

2.2.2 Surety bond

2.3 Default Insurance Programme

2.4 Global Default Insurance

2.5 Cash Deposit

2.6 Any Provider of the acceptable financial security types in 2.2–2.3 is required to meet the criteria as referred to in section 3 of Resolution 850p.

2.7 Any Provider of the acceptable financial security type under 2.4 is required to meet the criteria referred to in section 4 of Resolution 850p.

3. EVALUATION OF PROVIDERS AND THEIR PRODUCTS

3.1 IATA will establish criteria for the consistent evaluation and approval of Providers and Provider products, and will make such criteria available to all interested parties. The criteria will be subject to review and amendment by IATA annually, or more frequently as may be necessary due to changes in the Financial Security and/or insurance markets;

3.1.1 No Provider or Provider product will be accepted for the purposes of an Agent meeting the Local Financial Criteria by the provision of additional Financial Security where permitted by the applicable Sales Agency Rules unless such Provider or Provider product has been approved by IATA in accordance with this Resolution.

3.2 IATA will conduct, at a minimum, an annual review of all Providers and Provider products previously approved by IATA. After such review(s), IATA will determine whether such Provider or Provider product meets criteria in effect at that time;

3.3 The result of the initial evaluation shall be reported to the APJC as appropriate. Their views shall be relayed to IATA, who will decide whether to accept Financial Security instruments from the Provider;

3.4 The result of the evaluation will be advised to the Provider and APJC as applicable.

4. EVALUATION OF THE GLOBAL DEFAULT INSURANCE AND PROVIDERS

4.1 IATA will establish criteria for the evaluation of the Global Default Insurance and Providers. The criteria will be subject to review and amendment by IATA annually or more frequently as may be necessary due to changes in the insurance market or the Providers.

4.2 IATA will assess the performance of the Global Default Insurance and Providers considering the annual renewal process.

4.3 The results of the annual evaluation will be reported to the Passenger Agency Conference Steering Group and subsequently to the Passenger Agency Programme Global Joint Council.

5. EVALUATION OF FINANCIAL SECURITIES PROVIDED BY A BANK

5.1 Financial Security types under 2.1:

(a) are subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days;

(b) must be valid for at least one year;

(c) must be drawn as per IATA published specimen.

5.2 If a bank has refused to honor an encashment request without a valid legal reason, or in the opinion of IATA has unreasonably refused or delayed encashment and thereby placed into doubt the ability to timely encash future Bank Guarantees, IATA may refuse to accept any Bank Guarantees issued by this bank. Agents that have provided IATA with a Financial Security issued by this bank will be requested to provide IATA with an alternative form of Financial Security in accordance to the timeframes as established under Resolution 812 5.5.3.

5.3 The Agency Administrator will from time to time, determine in a specific market if inter-banking channels such as SWIFT are available which would allow Banks to provide IATA with a confirmation that a Financial Security has been issued. The Agency Administrator may thereafter take the following actions:

(a) No longer accept paper Bank Guarantees from Banks in such market;

(b) Request Agents to replace all paper Bank Guarantee provided to IATA, with Financial Securities notified via such secure digital means in accordance to the timeframes as established under Resolution 812 5.5.3. For markets under Resolution 800, Agents need to replace their paper Bank Guarantee within 30 days of the IATA notification pursuant to this subsection.

6. EXCEPTIONS

6.1 NEW ZEALAND ONLY—TRAVEL AGENCY ASSOCIATION OF NEW ZEALAND (TAANZ)—AGENT BONDING AGREEMENT. Whereas IATA has entered into an agreement with TAANZ to provide a Financial Security, it is hereby RESOLVED that the aforesaid agreement is excepted from the provisions of this Resolution 850p insofar as TAANZ is accepted as a Provider and the bonding scheme provided by TAANZ is accepted as a Financial Security notwithstanding the provisions of Section 2 above.

6.2 INDIA ONLY: Travel Agents' Association of India (TAAI) and Travel Agents' Federation of India (TAFI) and/or any National Association of Accredited Agents' in India (Association)–JOINT BANK GUARANTEE AGREEMENT. Whereas IATA may enter into an Agreement with the Associations to provide a Financial Security subject to all participating Airlines' agreement on terms and conditions of the Scheme. It is hereby RESOLVED that the aforesaid Agreement is excepted from the provisions of this Resolution 850p insofar as the Association/s is/are accepted as a Provider/s and the Joint Bank Guarantee Scheme/s provided by the Association/s is/are accepted as Financial Security notwithstanding the provisions of Section 2 above.

RESOLUTION 852

DESIGNATION AND SELECTION OF TICKETING AIRLINE

PAC(56)852(except USA) Expiry: Indefinite
Type: B

The following covers all types of Standard Traffic Documents issued under Billing and Settlement Plan conditions:

1. METHOD OF DESIGNATING A TICKETING AIRLINE

1.1 For issue of Standard Traffic Documents designation of the ticketing airline shall be accomplished by specifying to the ticketing system, either prior to or at the time of requesting generation of the Standard Traffic Document(s), the identity of the airline selected.

2. ORDER OF PRIORITY IN SELECTION OF THE TICKETING AIRLINE

The selection of the ticketing airline shall be governed by the following strict order of priority, which must be observed at all times:

2.1 the ticketing airline shall be any BSP Airline participating in the transportation, or a BSP Airline acting as the General Sales Agent for any airline participating in any sector of the transportation in the country of ticket issuance, provided that the selection of Validating Carrier conforms to the requirements of the fare rules where applicable and subject to the existence of a valid interline agreement between the ticketing airline and each transporting airline,

2.2 if none of the situations described in Subparagraph 2.1 apply, the ticketing airline may be any other BSP Airline providing the Agent has received written authorisation from that BSP Airline to issue Standard Traffic Documents for such transportation.

2.3 When an Electronic Miscellaneous Document (EMD) is issued, the ticketing airline shall be any BSP Airline, or a BSP Airline acting as the General Sales Agent for the Airline, delivering a service on the EMD. In the event that none of these situations apply, the provisions documented in paragraph 2.2 shall apply.

Note: *Where a BSP Airline has given written authority to use its ticketing authority under the alternative in Subparagraph 2.2 of this Attachment, Standard Traffic Documents may be used for all airline passenger transportation and associated services.*

RESOLUTION 858

BLOCKED FUNDS

PAC(54)858(except USA) Expiry: Indefinite
Type: B

WHEREAS the prompt conversion and repatriation of Agent Remittances is essential to the financial well-being of BSP Airlines and Agents alike;

WHEREAS for any number of reasons governments may experience hard currency shortfalls or other economic impediments that delay or prevent the conversion and repatriation of Agent Remittances;

RESOLVED that in the event of economic impediments that delay or prevent the conversion of Agent Remittances, the Agency Administrator shall implement the procedures set forth in this Resolution, subject to applicable law in the BSP country or area, to facilitate the repatriation of Agent Remittances to BSP Airlines.

1.1 notwithstanding any provision to the contrary in the Passenger Sales Agency Rules, the Billing Currency for Agent Remittances may be modified in response to economic impediments that delay or prevent the conversion and repatriation of Agent Remittances to BSP Airlines under the following conditions:

1.2 the Agency Administrator shall instruct the Agency Programme Joint Council to monitor the evolution of the economic situation in the BSP country or area and establish a set of economic indicators and the degrees of variations thereof which should prompt a reappraisal of the Billing Currency for Agent Remittances;

1.3 in determining those indicators and degrees of variations, the Agency Programme Joint Council shall take into consideration the recommendations placed before it by the Passenger Agency Conference Steering Group;

1.4 a meeting of the Agency Programme Joint Council may be called at any time on a 72-hour notice at the request of the Agency Administrator to conduct a reappraisal at the documented request of any one of the Council's members, or of any BSP Airline issuing tickets in the country(-ies) concerned, subject to applicable law in the BSP country or area;

1.5 if, in its opinion, the economic situation so warrants, the Agency Programme Joint Council may decide by unanimous vote at such meeting to change with subsequent effect the Billing Currency for Agent Remittances, subject to applicable law in the BSP country or area; such decision shall be reviewed by the Passenger Agency Conference Steering Group and ratified by Mail Vote of the Passenger Agency Conference;

1.6 if subsequent to the ratification by the Passenger Agency Conference of the Agency Programme Joint Council's decision, the economic indicators no longer warrant the retention of the changed Billing Currency for Agent Remittances, the Agency Programme Joint Council shall, at its next meeting, review its decision under paragraph 1.5, and recommend to the Passenger Agency Conference that the Billing Currency revert to the original; such recommendation shall be reviewed by the Passenger Agency Conference Steering Group and ratified by Mail Vote of the Passenger Agency Conference.

RESOLUTION 860a

PASSENGER AGENCY PROGRAMME GLOBAL JOINT COUNCIL (PAPGJC)

PAC(58)860a/Mail A666(except USA) Expiry: Indefinite
Type: B

Resolved that the Passenger Agency Programme Global Joint Council be established to manage the agent/airline relationship, provide a consultation forum for Conference decisions and jointly promote the IATA Passenger Agency Programme to airlines and agents.

1. THE JOINT COUNCIL

The Joint Council, hereinafter referred to as the "Council", is responsible for providing oversight on those aspects of the Passenger Agency Programme relevant to the Agent/ Airline relationships.

2. COMPOSITION

2.1 The Council shall be composed of a maximum of 24 members and shall include equal representation of Member Airlines and Travel Agency representatives:

2.1(a) the Airline delegates shall be selected from Members serving on the Steering Group of the Passenger Agency Conference and to the extent possible shall represent the three IATA Conference areas,

2.1(b) Travel Agency representation shall be as designated by recognised agency associations, and to the extent possible shall represent the three IATA Conference areas. The Chair/Chief Executive of WTAAA, ECTAA and UFTAA shall be non-voting ex-officio Members.

2.1(c) the Council shall nominate its own Chair and deputy Chair. The position of Chair shall be non- voting. In the event the Chair is elected from voting members, an alternate voting member shall be nominated to take the voting seat vacated by the Chair. The initial renewable term of the Chair shall be two years;

2.2 The Chair of the Passenger Agency Conference shall be invited to attend Council meetings in an observer capacity;

△ **2.3** the Council shall set its rules and procedures, provided that the quorum necessary to take action shall be not less than two-thirds of the members of each of its two constituencies. The Chair may authorise the presence of observers, where they deem it advantageous to address the issues before the Council;

2.4 the Council shall act by submitting recommendations that must first be approved by a simple majority present of each of the two constituencies;

2.5 the Council shall meet not less than twice annually, and at least one meeting shall be arranged to coincide with the publication of the Passenger Agency Conference Agenda;

2.6 IATA shall provide adequate Secretariat support for meetings of the Council. Reports and recommendations of the Council shall be placed on the agenda of the Passenger Agency Conference.

2.7 European Issues

If a significant issue or number of issues relating purely to Europe or the European Union/European Economic Area arise, the Council composition will be adjusted to allow for additional delegates representing countries in Europe to attend. Thereafter and where appropriate, such issues will be addressed as a separate meeting. The Agency Administrator and the Chief Executive of ECTAA shall be ex officio members.

3. RESPONSIBILITIES

3.1 The Council shall be responsible for making recommendations to Conference on the development, management and marketing of the Passenger Agency Programme which shall include the consideration and development of an Ombudsman. The Council may make recommendations to Conference for improvements to all aspects of the Agency Programme.

3.2 The Council shall review the Conference agenda immediately after publication and in any event no later than 30 days from publication.

3.2.1 The Council shall be authorised to review all agenda items, and recommend changes to proposed resolution amendments having a direct impact on the Agent/Airline relationship. The procedure for taking forward Council recommendations shall be as per the following provisions:

3.2.1(a) any recommendations shall be included with the next Conference agenda submittal by the Secretary;

3.2.1(b) the Conference will review both the original proposal and the amended proposal submitted by the Council. If Conference takes action to adopt the original proposal the matter will be referred back to the Council, and the resolution amendments shall be held suspended pending review by the Council;

3.2.1(c) provided there are issues to be addressed, the Council shall convene to review the decisions of PAConf immediately following such Conference, and in any event no later than 30 days following that Conference;

3.2.1(d) following the review any changes to the proposal, including any recommendation for deferral of implementation, shall be presented to the Conference for consideration by mail vote, or as a recommendation for an agenda submission to the next PAConf;

3.2.1(e) thereafter the Secretary will declare the result, whether in favour of the Council recommendation or that agreed at Conference, and the new or amended resolution change will be adopted;

3.2.1(f) the Council shall also review any on-site items considered by the Conference and recommend any changes as per the procedure listed above;

3.2.1(g) the Council is not authorised to change or ignore Resolutions.

3.3 Strategic Issues

3.3.1 The Council may establish a Strategic Forum comprised of representatives from the Council and IATA.

3.3.2 Such Forum shall comprise of an equal number of airline and Agent representatives which shall not exceed six from each side and may invite relevant interested organisations to participate in discussions on agenda items. The Forum is charged with exchanging information and developing strategic issues relating to passenger distribution standards and the industry infrastructure. It will also address any issues referred to it by the Council.

3.3.3 The Forum shall meet as required and such meetings will normally be held immediately prior to the Council meeting. The Forum has no decision making authority, reports to the Council and any recommendations will require the approval of the Council before being submitted to any other decision making body.

3.3.4 Subject to the unanimous agreement of both Agents and airlines the Council may issue Press Releases and public statements on topics that are part of their responsibilities.

4. AGENCY FEES

The Council may recommend to Conference changes to agency fees.

5. TECHNICAL ADVISORY GROUP

5.1 the Council may establish a Technical Advisory Group (TAG) to consider any technical, operational aspect of the Passenger Agency Programme concerning Accredited Agents, BSP Airlines and GDSs. The TAG will be under the direct control of the Council and the Council Chair will chair its meetings.

5.2 IATA will provide adequate Secretariat support for the TAG, including legal services.

5.3 The TAG will:

(i) be composed in equal numbers of qualified staff of both airline and agent members of the Council

(ii) consist at a minimum of two airline and two agent representatives as nominated by the Council

(iii) determine best practice solutions and make recommendations to the Council in the form of technical proposals describing industry process improvements

(iv) provide feedback, as required, on technical or operational resolutions or recommended practices of the Passenger Standards Conference relating to matters that impact the Passenger Agency Programme

5.4 the TAG may additionally include experts from GDSs and tariff filing agencies to advise on industry technical processes, and to assist in the examination of the same in order to provide recommendations for process improvements in the interests of industry efficiency, through the elimination of errors and the achievement of cost reductions.

5.5 Recommendations of the TAG will be subject to approval by the Council.

6. TRAVEL AGENCY COMMISSIONER PROGRAMME

6.1 The Travel Agency Commissioner Programme (hereinafter TAC Programme) is under the purview of the Council.

6.2 The Council shall receive and approve the budget of the TAC Programme in compliance with the following principles:

- the costs of the TAC Programme shall be borne in equal proportions by Members and Accredited Agents
- funding for the Programme shall be furnished through IATA, which shall provide 50% from monies contributed by all IATA Members, and 50% from monies contributed by all IATA Accredited Agents
- each IATA Accredited Agent may be called upon to contribute not less than USD 5.00 nor more than USD 10.00 per year or acceptable equivalent per location

6.3 The Council shall control the budget and associated expenditures. It will in particular monitor that expenditures are in line with the terms and objectives of the TAC office.

6.4 Part of the expenditures should be associated to the establishment and update of a public database of TAC decisions.

6.5 The Council shall receive regular reports provided by IATA on TAC's activities in a format and at a frequency determined by the Council.

7. TRAVEL EXPENDITURES

7.1 Each IATA Accredited Agent will be called upon to contribute to an additional fee of not more than USD 2.50 per year or acceptable equivalent per location to cover expenditures associated to the reimbursement of travel expenses incurred by PAPGJC Travel Agency representatives attending PAPGJC meetings. This special fund will be managed by IATA and will at the end of each year be required to provide a financial report to the PAPGJC to review the management of these funds.

7.2 Duly recognized Travel Agency representatives, as established under Section 2.1(b) of this Resolution will report their travel expenses in accordance with the policy agreed by the PAPGJC. These expenses will be presented to IATA through each travel agency association recognized by the PAPGJC and will be refunded from the previously mentioned special fund within 2 weeks.

RESOLUTION 866

DEFINITIONS OF TERMS USED IN PASSENGER AGENCY PROGRAMME RESOLUTIONS

△ PAC(59, 60, 61)866/(Mail A595, A620, A662)(except USA) Expiry: Indefinite Type: B

WHEREAS the Passenger Agency Conference in application of the procedures established with global and regional joint bodies, has defined terms and expressions commonly used in Resolutions of the Conference, and

WHEREAS it is in the interest of transparency and convenience that all such definitions be published in a single global Resolution of the Conference,

AND noting that they are published below to be read with specific reference to the Resolution(s) in which they are used, it is

RESOLVED that the following definitions shall apply to terms and expressions used in, and with reference to, the Resolutions of the Conference, where certain definitions pertain exclusively to Resolution 812 can be found in Section 2 of this Resolution, and which defined terms and expressions shall be made readily identifiable by the use of upper case initial letters:

SECTION 1—DEFINITIONS OF TERMS USED IN ALL RESOLUTIONS

ACCOUNTABLE TRANSACTION means any transaction in respect of which a Standard Traffic Document is issued, and/or Agency Credit/Debit Memorandum received, by the Agent during the period covered by an Agency Reporting Period.

ACCREDITED AGENT (sometimes referred to as 'Agent') means a Passenger Sales Agent whose name is entered on the Agency List.

ADMINISTRATIVE OFFICE means the principal office of an Accredited Agent which is not an Approved Location, but which is entered on the Agency List.

AGENCY ADMINISTRATOR means the IATA official designated by the Director General as the holder of that office, or authorised representative, responsible for the management of the IATA Agency Programmes in accordance with the Members' rules and resolutions and with autonomy to act in extraordinary circumstances.

AGENCY INVESTIGATION PANEL (sometimes referred to as 'AIP') means a panel consisting of representatives of Members in a territory which is established from time to time by the Agency Administrator and performs duties set forth in Section 3 of Resolution 800.

AGENCY LIST means the list maintained by the Agency Administrator giving the names and addresses of Accredited Agents and their Approved Locations and, when applicable, the addresses of their Administrative Offices.

AGENCY PROGRAMME (sometimes referred to as 'IATA Agency Distribution System', 'IATA Agency Programme', 'IATA Industry Distribution System', or 'IATA Passenger Agency Programme') means the various IATA Resolutions and rules and procedures adopted by the Conference to maintain overall standards and industry practices for the sale of international air transportation by Accredited Agents. This includes accreditation, BSP matters, and training.

AGENCY PROGRAMME JOINT COUNCIL (sometimes known as 'APJC') means a Council consisting of an equal number of representatives of air carriers and Agents, with IATA as Secretary, established to assist the Conference in the performance of its functions by making recommendations on any aspect of the Agency Programme in the market or area concerned.

AGENCY SALES DATA means that data which is collated from Standard Traffic Document issuance by Agents and submitted by the Ticketing System Providers to the BSP on a daily basis.

AGENCY SALES TRANSMITTAL (sometimes referred to as 'Sales Transmittal') means the Agent's list for a Reporting Period of all Traffic Documents and Standard Administrative Forms used, and accompanied by the required administrative forms and supporting documentation.

AGENCY SERVICES MANAGER means the IATA official designated by the Agency Administrator to manage the accreditation programme locally in the market/region. When so decided by the Agency Administrator, this person may also act as the local representative of ISS Management.

AGENT See 'Accredited Agent'

AGREEMENT—see Sales Agency Agreement

AIRLINE means an air carrier, operating scheduled passenger services, which is not a Member of IATA, but which has been admitted to participate in the Billing and Settlement Plan.

ALL AMOUNTS OWING means cash sales from Reporting Periods not yet included on a Billing plus all Outstanding Billings.

ALTERNATIVE TRANSFER METHOD means a Payment Method, other than the Cash Payment Method and IATA EASY PAY Payment method, used by the Agent to transfer monies collected from the customer for passenger air transportation or Ancillary Services to the BSP Airline, in accordance with the provisions of Resolution 812a. This may include a physical or virtual card or account number that is issued in the name of the Agent, any Person permitted to act on behalf of the Agent, or one of the Agent's contracted suppliers.

ALTERNATIVE TRANSFER METHOD PROVIDER means a supplier of an Alternative Transfer Method.

AMOUNT AT RISK is calculated by multiplying the Days' Sales at Risk by the total BSP Cash Turnover of the 3 highest Reporting Periods in the previous 12 months divided by the days in reporting period and multiplied by 3 (Total Days × Total BSP Cash Turnover 3 highest Reporting Periods / Days in Reporting Period × 3)

ANCILLARY SERVICES means services sold on behalf of an airline, specifically related to the sale of air transportation, the price of which is included in the overall amount paid to the carrier but which may involve the issuance of a separate Standard Traffic Document. They typically include excess baggage, surface transportation and car hire.

APPOINTED means the Agent is authorised to represent the BSP Airline in promoting and selling air passenger transportation in accordance with, and subject to, all the terms and conditions of the Passenger Sales Agency Agreement. This appointment does not include the authorisation for an Agent to issue Traffic Documents on behalf of the BSP Airline; where a separate approval is required from the BSP Airline in the form of a ticketing authority or delivery of BSP Airline's own Traffic Documents.

APPROVED LOCATION (sometimes referred to as 'Location') includes Head Office and Branch Office Locations appearing on the Agency List.

ARC means the Airlines Reporting Corporation.

AREA means one of the three geographical areas described in Section 1, Paragraph 3 of the Provisions for the Conduct of the IATA Traffic Conferences.

AREA OF BILLING AND SETTLEMENT PLAN means the market(s)/regions(s) in which a Billing and Settlement Plan operates.

AUTHORISED PAYMENT METHODS means the Cash Payment Method, the Customer Card Payment Method, the IATA EASY PAY Payment Method and Alternative Transfer Methods.

BANK GUARANTEE means a guarantee issued by a bank ensuring that the liabilities of the agent will be met in case of a default; limit sum (BG amount) defined.

BILLING means a billing to Agents, according to data reported by the Ticketing System Provider or an Order Management System, incorporating all Accountable Transactions for the Billing Period.

BILLING AND SETTLEMENT PLAN (sometimes referred to as BSP) means the method of providing and issuing Standard Traffic Documents and other accountable forms and of accounting for the issuance of these documents between BSP Airlines on the one hand and Accredited Agents on the other, as described in the Passenger Sales Agency Rules and in Resolution 850—Billing and Settlement Plans, and its Attachments.

BILLING DATE means the date on which the Data Processing Centre must produce billings to Agents, according to data submitted by the Electronic Ticketing System Provider.

BILLING PERIOD means the time span, comprising one or more Reporting Periods, for which a billing is rendered. Its duration is established by the PAConf.

BRANCH OFFICE LOCATION means an Accredited Agent's place of business entered on the Agency List as a Branch Office location which is the same entity as its Head Office Location, with the Head Office having full legal and financial responsibility of the administration, staff, liability maintenance and operational expense of the Branch Office.

BSP see Billing and Settlement Plan.

BSP AIRLINE means a Carrier or Airline whose Airline Designator is recorded as the transporting carrier on the flight coupon(s) of a ticket and which participates in the BSP.

BSP MANUAL FOR AGENTS (usually called the 'BSP Manual') means the publication that contains the rules and procedures applicable to Agents operating under BSP conditions and is issued on the authority of the Passenger Agency Conference with global, regional and local procedure oversight.

CARD means an Airline/Member approved credit card, charge card, debit card, purchasing card, or any other air industry card used and accepted as payment by an Agent for the purchase of international air transportation, against the Member's or Airline's merchant agreement.

CARD HOLDER means the person to whom a payment card is issued and/or who is responsible for settling the transactions with the entity that has issued the card, in the form of a physical card or in the form of a one-time use or fixed account number, used as payment against a Member's or Airline's card acceptance merchant agreement for the purchase of Traffic Documents.

CARD SALES See 'Customer Card Payment Method'.

CARRIER means an IATA Member as specifically used within the provisions of Resolution 824—Passenger Sales Agency Agreement, or any resolution of that name that supersedes it.

CASH DEPOSIT means, where permitted by Applicable Law, monies deposited into a designated bank account held by IATA, for the purpose of recovering unpaid monies owed by the Agent to BSP Airlines.

CERTIFICATE OF APPOINTMENT means the form used by a member appointing an Agent as provided for in Resolution 820.

CHARGES means either Administrative Charges, or Clearing Bank Charges, as shown in the relevant Section of Resolution 832 or Resolution 812, as authorised by the Conference.

CLEARED FUNDS are the cash balances in an account that are able to be immediately withdrawn or used in financial transactions.

CLEARING BANK means the bank or other organisation appointed under the applicable Billing and Settlement Plan to receive remittances from Agents and settle funds to BSP Airlines; and to perform such other functions as are prescribed within these Rules, and in Resolution 850 and its Attachments.

CLOSED-LOOP NETWORK means a payment network whose cards (or other instruments) allow the agent to transfer funds to a limited network of entities each under a direct commercial agreement with the issuer of the instrument.

COMMISSION whenever used in the Passenger Agency Conference Resolutions is meant to include any form of remuneration.

COMPUTER RESERVATIONS SYSTEM (sometimes referred to as 'CRS') means a computerised system containing information about schedules, availability, fares and related services, and through which reservations can be made, or tickets issued, and which makes some, or all, of these facilities available to subscribers.

CONFERENCE means the Passenger Agency Conference.

COORDINATOR means a person appointed by ISS Management from time to time to act in accordance with these Rules on behalf of Members/Airlines participating in the Billing and Settlement Plan.

CUSTOMER CARD means a physical payment card or a one-time use or fixed account number that is issued in the name of the Customer purchasing passenger air transportation or Ancillary Services and/or who is responsible for settling the transactions with the entity that has issued the card, excluding the Agent, any Person acting on behalf of the Agent, and any of the Agent's contracted suppliers.

CUSTOMER CARD PAYMENT METHOD (sometimes referred to as 'Card Sales') means a Payment Method where a Customer Card is used against a BSP Airline's card acceptance merchant agreement as detailed in Resolution 890.

DATA PROCESSING CENTRE (DPC) means the entity contracted by ISS Management under a BSP to manage and process reported Agency sales; to provide reports to the BSP and the Clearing Bank of the amounts due.

DAYS means calendar days unless otherwise specified as working days or business days.

DAYS' SALES AT RISK means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

DEFAULT means that an Agent, or one if its Locations, has breached the provisions of the Sales Agency Rules to the extent that remedial action is required, and for which failure to take such action may ultimately result in the termination of that Agent's Sales Agency Agreement.

DEFAULT INSURANCE PROGRAMME means one insurance policy to cover multiple declared agents with a maximum coverage for all agents as defined in the policy.

DIRECTOR GENERAL means the Director General of IATA or authorised representative.

DOMESTIC AGENT means a passenger sales agent whose name is entered on the IATA Agency List to

participate exclusively in the sale of domestic Standard Traffic Documents.

FACE-TO-FACE TRANSACTION means an Agent making a sale paid by a Customer Card against a Member's or Airline's card acceptance merchant agreement when the Customer Card and the Card Holder are simultaneously present at the time of the transaction (see also 'Non-Face-to-Face Transaction').

FINANCIAL AND DISTRIBUTION SERVICES (sometimes referred to as 'FDS') means the department of IATA that has the administrative and operational functions of the IATA Settlement Systems included in its responsibilities.

FINANCIAL SECURITY means any financial security accepted by IATA from time to time for the purposes of recovering unpaid monies owed by the Agent to Members or Airlines.

FORM OF CONCURRENCE means that form to be completed by non-IATA air carriers wishing to participate in IATA Billing and Settlement Plans as provided for by Resolution 850 Attachment 'E'.

GENERAL SALES AGENT (sometimes referred to as 'GSA') means, for the purposes of the Sales Agency Rules, any Person to whom a Member or a non-IATA carrier has delegated general authority to represent it for purposes of sales of passenger and/or cargo air transportation in a defined territory. This may include a non-Airline GSA appointed under the provisions of Resolution 876.

GLOBAL DEFAULT INSURANCE means an insurance policy issued in the name of IATA to cover the liabilities of the listed Agents as defined in the policy. For each Agent a maximum coverage amount will be specified.

GLOBAL DISTRIBUTION SYSTEM (sometimes referred to as 'GDS') means a computerised system containing information about schedules, availability, fares and related services, and through which reservations can be made, or tickets issued, and which makes some, or all, of these facilities available to subscribers.

HEAD OFFICE LOCATION means an Accredited Agent's principal place of business which is an Approved Location.

HINGE ACCOUNT means the bank account into which agents' remittances are paid and from which monies are distributed to participating Airlines.

IATA means the International Air Transport Association and is represented by the Agency Administrator.

IATA AGENCY PROGRAMME see Agency Programme.

IATA CUSTOMER PORTAL means the customer portal made available by IATA at www.iata.org/cs.

IATA EASY PAY ACCOUNT (IEP ACCOUNT) means an account opened by the Agent in accordance with the BSP Manual for Agents.

IATA EASY PAY NUMBER (IEP NUMBER) means a number generated by the IEP System for use by the Agent for the issuance and processing of Standard Traffic Documents.

IATA EASY PAY PAYMENT METHOD (sometimes referred to as "IEP" or "BOP" in China) means a pay-as-you-go payment system provided by IATA enabling Accredited Agents to issue Standard Traffic Documents on behalf of BSP Airlines. This definition and any binding provisions will be inclusive of all localized pay-as-you-go payment systems that serve the same purpose, regardless of the product branding. In BSP China, this payment system is referred to as BSP Online Payment (BOP).

IATA EASY PAY SYSTEM (IEP System) means the system operated by a provider on behalf of IATA for the processing of Agents' remittances and refunds using the IEP Payment Method.

IATA INDUSTRY DISTRIBUTION SYSTEM see Agency Programme.

IATA NUMERIC CODE (sometimes called the 'Numeric Code') means the numeric code allocated and attributed to each Approved Location of an Agent, in accordance with Resolution 822.

IATA PASSENGER AGENCY PROGRAMME see Agency Programme.

IATA SETTLEMENT SYSTEMS MANAGEMENT (usually called 'ISS Management') means the functional areas of Customer, Financial and Digital Services (CFDS) that are responsible for the management and operation of the IATA Settlement Systems. This definition includes the central and regional ISS Management as well as the local ISS representatives who have overall responsibility for the BSP.

IATAN means the International Airlines Travel Agent Network which is the trading name of the Passenger Network Services Corporation, a wholly owned subsidiary of the International Air Transport Association.

IEP—see IATA EASY PAY PAYMENT METHOD.

IEP ACCOUNT—see IATA EASY PAY ACCOUNT.

IEP NUMBER—see IATA EASY PAY NUMBER.

IEP SYSTEM—see IATA EASY PAY SYSTEM.

INSURANCE BOND means a bond offered by an insurance company ensuring that the liability of the agent will be met in case of a default - payment of claims to be made by the insurance company. Limit sum (Bond amount) defined.

ISS MANAGER means the IATA official designated by ISS Management as the person that manages a BSP.

LETTER OF CREDIT means a letter from a bank guaranteeing that the Agent's payment to IATA will be received on time and for the correct amount. In the event that the Agent is unable to make payment the bank will be required to cover the full or remaining amount of the purchase.

LOCAL FINANCIAL CRITERIA sometimes referred to as 'Local Criteria' or 'Financial Criteria' means: (a) in relation a market or region governed by Resolution 812, the local criteria recommended by the Agency Programme Joint Council and adopted by the Conference in relation to said market or region, or (b) in relation to a market or region governed by Resolution 800, the standards established by the Agency Investigation Panel and endorsed by the Agency Administrator in relation to said market or region.

MEMBER means an airline that is a Member of IATA.

MOST FREQUENT REMITTANCE FREQUENCY means the Remittance Frequency with the shortest time elapsed between Remittance Dates established for a market, excluding daily remittances which any Agent may voluntarily agree to.

NON-AIRLINE PASSENGER GENERAL SALES AGENT (hereinafter referred to as 'GSA') means a Person (including any individual, partnership, firm, association, company or corporation) who has been delegated general authority for the promotion and sale of passenger air transportation for the appointing Member, either directly or through subcontraction, as expressly provided for under the provisions of Resolution 876.

NON-FACE-TO-FACE TRANSACTION means a Signature-On-File transaction, and/or any other form of sale paid by a Customer Card against a Member's or Airline's card acceptance merchant agreement in which the Card and Card Holder are not simultaneously present at the time of the transaction (see also 'Face-to-Face Transaction').

△ **NOTICE OF IRREGULARITY** means a warning letter sent to an Agent to inform them that a failure to comply with IATA Passenger Agency Conference Resolutions has been detected on their part. Issuance of such letter will always result in the recording of two (2) instances of Irregularity.

NOTICE OF PAYMENT DEFAULT means a notification sent to the Agent, which includes a Termination Notice of the Agent's Passenger Sales Agency Agreement, to advise that a Payment Default has occurred.

OFFER means a proposal to sell a specific set of products or Services under specific conditions, for a certain price. Can be the response to a shopping request.

ONLINE AGENT means an Agent which effects sales of Members' and Airlines' services through a website, and which has been accredited in accordance with the provisions of Resolution 800 and 812.

OPEN-LOOP NETWORK means a payment network whose cards (or other instruments) allow the payer/cardholder to transfer funds or acquire goods or services from a wide range of acceptance points.

ORDER means a uniquely identified record of the agreement of one party with another to receive products and services under specified terms and conditions.

ORDER MANAGEMENT SYSTEM (OMS) An Airline database and/or application that creates and manages an Airline's Orders, tracks delivery of all services found within an Order and communicates to all appropriate internal and external suppliers, applications and accounting systems of the Airline.

OUTSTANDING BILLING includes any Billing which either (i) has not yet been remitted to IATA, or (ii) where the related Remittance Date has not yet passed, whichever event occurs last.

PASSENGER AGENCY CONFERENCE (PACONF) (usually called the 'Conference') means the body of IATA Members established by virtue of the Provisions for the Conduct of the IATA Traffic Conferences. It has responsibility for matters concerning the relationships between airlines and recognised passenger sales agents and other intermediaries, under the IATA Agency Programme.

PASSENGER AGENCY CONFERENCE STEERING GROUP (usually referred to as PSG or 'the Steering Group') means that group established by the Passenger Agency Conference to advise and act on behalf of Conference between meetings, and which functions under the provisions of Resolution 868.

PASSENGER AGENCY PROGRAMME GLOBAL JOINT COUNCIL (sometimes referred to as PAPGJC or 'the Council') means that council established by the Passenger Agency Conference to manage the agent/airline relationship, provide a consultation forum for Conference decisions and jointly promote the IATA Passenger Agency Programme to airlines and agents, and which functions under the provisions of Resolution 860a.

PASSENGER SALES AGENCY RULES (sometimes referred to as 'Sales Agency Rules' or 'the Rules') means the contents of the relevant Passenger Agency Conference Resolution of the same name.

PAYMENT DEFAULT means a failure by the Agent to make an immediate payment to the Clearing Bank by close of business the day following the demand from IATA.

PAYMENT METHOD is a means to pay monies due for passenger air transportation or Ancillary Services to BSP Airlines, as established by the Passenger Agency Conference. Payment Method refers to both customer payment methods, whereby a BSP Airline receives payment of the monies due from the customer, as well as Agent payment methods, whereby a BSP Airline receives payment of monies due from the Agent via the BSP or an alternative mechanism. Any monies which are collected by the Agent from the customer must be held in trust pending payment to a BSP Airline, in accordance with the provisions of Resolution 824.

PERSON means an individual, partnership, firm association, company or corporation.

PRINCIPAL for the purposes of Resolution 876, means an appointing Member or, in the case of subcontraction, the original appointing Member.

REMITTANCE is the payment of monies due by an Agent, for sales issued with Standard Traffic Documents to the BSP Airline, including sales made by an Agent where the ticket is issued by the BSP Airline on behalf of

the Agent and reported using the facility of the BSP. The Agent's Remittance must be Cleared Funds in the Clearing Bank account on the date established by the Conference.

REMITTANCE DATE means the Clearing Bank's close of business on the latest date by which the Agent's remittance must reach the Clearing Bank account as Cleared Funds or, in cases where authorised by the Passenger Sales Agency Rules, the value date on which the Clearing bank draws cheques on or debits the Agent's bank account.

REMITTANCE FREQUENCY means the time elapsed between Remittance Dates established by the Conference.

REMITTANCE PERIOD means the time span in respect of which a remittance is made to the Clearing Bank. It shall not be shorter than one Billing Period, but may cover more than one Billing Period.

REPORTING DATE means the last day of the Reporting Period.

REPORTING PERIOD means the time span established by the Conference for reporting of Agent sales.

SALES AGENCY AGREEMENT (sometimes referred to as 'Agreement', 'Passenger Sales Agency Agreement' or 'PSAA') means an Agreement in the form prescribed in Resolution 824, as may be amended from time to time, and includes where the context so permits, a Supplementary Agreement to the Passenger Agency Agreement in the form prescribed in a Resolution of the Conference.

SALES AT RISK is calculated by dividing the Days' Sales at Risk by 90 days, and applying that percentage to the BSP cash turnover, or cash turnover as applicable, amount the Agent made in the highest 3 months in the previous 12 months.

SALES TRANSMITTAL see Agency Sales Transmittal.

SCANDINAVIA is the area comprised of Denmark, Norway and Sweden.

SETTLEMENT DATE means the date on which BSP Airlines are credited with monies due.

SIGNATURE-ON-FILE means a transaction where the Cardholder empowers the Agent to issue Traffic Documents against a Card, and where a clear written arrangement between Cardholder, Card company and the Agent exists (see also 'Non-Face-to-Face Transaction').

SIGNATURE-ON-FILE TRANSACTION means a transaction where the Card Holder empowers the Agent to issue Standard Traffic Documents against a Customer Card, and where a clear written agreement between Card Holder, card company and the Agent exists (see also 'Non-Face-to-Face Transaction').

SOUTH WEST PACIFIC that is the area composed of Australia, New Zealand, Papua New Guinea, South West Pacific Islands.

SOUTH WEST PACIFIC ISLANDS that is the area composed of Cook Islands, Fiji, French Polynesia, Kiribati (Canton and Enderbury Islands), Marshall Islands, Federated State of Micronesia, Nauru, New Caledonia (including Loyalty Islands), Niue, Palau, Samoa (Independent State of), Solomon Islands, Tonga, Tuvalu, Vanuatu, Wallis and Futuna Islands.

STANDARD ADMINISTRATIVE FORMS (sometimes referred to as 'SAFs') mean accountable forms originated by Members/Airlines or Agents for adjusting sales transactions (e.g. Agency Credit/Debit Memos, Refund Notices) and other forms used to substantiate sales (e.g. UCCCF, Group Sales Summary).

STANDARD CHARGING UNIT (usually called SCU) equates to one transaction passing through the Data Processing Centre (DPC) and included on the BSP Agent and Airline Billing Reports.

STANDARD TRAFFIC DOCUMENTS means the following BSP documents:

- Electronic Miscellaneous Documents (EMD)
- Electronic tickets

They are supplied by ISS Management, and do not bear any carrier identification until after issuance by the Agent. BSP Airlines' own Traffic Documents, including Orders will also be considered Standard Traffic Documents (STD) as long as these are billed through the BSP.

STANDBY LETTER OF CREDIT means a letter from a bank where the bank acts as an insurer and pays IATA in case the Agent defaults (payment of last resort) should the Agent fail to fulfill a contractual commitment with IATA.

STOCK and STOCKHOLDER in relation to a company or other corporate body include 'share' and 'shareholder' respectively.

SUBCONTRACTION, as quoted in Resolution 876, means the delegation of general authority for the promotion and sale of international passenger air transportation for the appointing Member by a General Sales Agent to another party by virtue of an agreement which shall be subject to the conditions of this Resolution and the prior written authority of the original appointing Member.

SURETY BOND means a bond issued by an entity on behalf of the Agent, guaranteeing that the Agent will fulfill its obligation to IATA. In the event that the obligations are not met, IATA will recover its losses via the bond–payment of claims to be made by the Agent.

SYSTEM see TICKETING SYSTEM.

SYSTEM DESCRIPTION means a written specification of the functions and mode of operation of the System.

SYSTEM PROVIDER means the person, company corporation or other legal entity which supplies the system, approved by the Participating Airlines as may be applicable, and which is party to this Agreement.

TERMINATION NOTICE means a notice of termination of the Agent's Passenger Sales Agency Agreement for the purposes of clause 13.2 of the Passenger Sales Agency Agreement.

TICKETING means a method to document the sale of passenger transportation (electronic ticket) and related services (electronic miscellaneous documents), including Orders billed through the BSP.

TICKETING AUTHORITY means a written authority provided to an Agent by a Member or Airline participating in a BSP, which authorises one or more Locations of the Agent to issue Standard Traffic Documents, refunds or any other electronic form of transaction and to request Offers and to confirm Orders for billing through the BSP. A copy or parallel advice must be sent to IATA.

TICKETING SYSTEM (sometimes referred to as SYSTEM) means an automated method, including programmes and procedures, which has access to airline PNR data, stored in a CRS or airline reservation system for the issuance of Standard Traffic Documents.

TICKETING SYSTEM PROVIDER see SYSTEM PROVIDER.

TRAFFIC DOCUMENTS means the following forms issued for air passenger transportation over the lines of the Member or Airline and for related services, whether or not they bear a pre-printed individual Member's identification:

(a) Carriers' own Traffic Documents—Passenger Ticket and Baggage Check forms, Automated Ticket/Boarding Passes, Miscellaneous Charges Orders, Multiple Purpose Documents, Agents Refund Vouchers and OnLine Tickets supplied by Members to Accredited Agents for issue to their customers, and

(b) Standard Traffic Documents—as defined.

TRANSPORTATION ORDER means an Agent's own order form authorised by a Member for use by the Agent, against which the Member issues its ticket, and containing at least the following information: the name of the passenger, the routing itinerary, the class of travel and the fare.

△ **TRAVEL AGENCY COMMISSIONER** means the person designated under a procedure involving the Director General of IATA and the Chair/CEO of UFTAA or the President of WTAAA, as the holder of that office, or their authorised representative, as provided for in Resolution 820d, and who exercises jurisdiction over matters described in the Resolution 820e (reviews by the Travel Agency Commissioner).

TRAVEL AGENT'S HANDBOOK (usually called the 'Handbook') means the publication issued under the authority of the Passenger Agency Conference, containing the established Local Financial Criteria, and the IATA Resolutions concerning the Agency Programme. A copy of the Handbook is provided to each Approved Location, and to each applicant seeking IATA Accreditation, and forms part of the IATA Agency Agreement.

UNIVERSAL CREDIT CARD CHARGE FORM (sometimes referred to as 'UCCCF') means the approved form, specified within the BSP Manual for Agents, for Card sales.

WTAAA means the World Travel Agents Associations Alliance.

SECTION 2—DEFINITIONS OF TERMS USED IN RESOLUTION 812

ACCREDITATION means the processes and requirements contained, or referred to, in Section 2 of Resolution 812 (including the Local Financial Criteria and Multi-Country Financial Criteria) to assess whether an Applicant or Agent has the necessary qualifications and financial standing to participate in the Agency Programme according to the type of Accreditation sought.

ADJUSTED RISK EVENT means either the Risk Event of a late or short payment or a payment in the wrong currency.

ADMINISTRATIVE NON-COMPLIANCE means any non-compliance with the Rules that is not recorded in an Agent's Risk History.

APPLICANT means the Person applying for Accreditation and each Person included as an Associate Entity under such application.

ASSOCIATE ENTITY means a Person entered on the Agency List which is included under a Head Entity's Accreditation; such Head Entity may own or manage the business operated by each Associate Entity, with the Head Entity having full legal and financial responsibility for each Associate Entity's obligations under the Sales Agency Rules. Each Associate Entity is subject to the Sales Agency Rules in effect in the country where its Head Entity is situated, and will be assigned an IATA Numeric Code.

CASH CONDITION means the conditions applicable to the use of the Cash Payment Method, including Financial Security requirements, Remittance Holding Capacity granted and Remittance Frequency applicable.

CASH PAYMENT METHOD means a cash facility where monies collected by the Agent for passenger air transportation or Ancillary Services are remitted to BSP Airlines through the BSP, in accordance with the provisions of section 6 of Resolution 812

EURO-ZONE means the following countries which use the Euro currency officially and within the BSP: Austria, Belgium, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, and Spain.

EURO-ZONE ACCREDITATION (sometimes referred to as 'GoEurope') means the processes and requirements contained, or referred to, in section 2 of Resolution 812 (including the Euro-Zone Financial Crieria) to assess whether an Applicant or Agent has the necessary qualifications and financial standing to participate in the Agency Programme by operating in more than one Euro-Zone country in accordance with Euro-Zone accreditation requirements and to utilise all Authorised Payment Methods.

GOEUROPE—see EURO-ZONE ACCREDITATION.

GOGLOBAL—see MULTI-COUNTRY ACCREDITATION.

GOLITE—see STANDARD ACCREDITATION WITH NO CASH FACILITY.

GOSTANDARD—see STANDARD ACCREDITATION WITH CASH FACILITY.

HEAD ENTITY means an Accredited Agent's principal business entity which signs the PSAA.

LOCATION for the purposes of Resolution 812 includes Head Entity and Associate Entity.

MULTI-COUNTRY ACCREDITATION (sometimes referred to as 'GoGlobal') means the processes and requirements contained, or referred to, in section 2 of Resolution 812 (including Multi-Country Financial Criteria) to assess whether an Applicant or Agent has the necessary qualifications and financial standing to participate in the Agency Programme by operating in more than one country in accordance with global accreditation requirements and to utilise all Authorised Payment Methods.

MULTI-COUNTRY FINANCIAL CRITERIA means the global financial criteria applicable to Multi-Country Accredited Agents adopted by the Passenger Agency Conference in relation to all countries or territories governed by Resolution 812 and as set out in Attachment E of Resolution 812.

NOTICE OF ADJUSTED RISK EVENT means a notification sent to the Agent to advise that some failure has been detected on the Agent's part with regard to the provisions of section 6 of Resolution 812.

REMITTANCE HOLDING CAPACITY means the maximum permitted amount of cash sales comprising All Amounts Owing to IATA, granted to the Agent for monies held in trust, determined in accordance with this Resolution applicable to an Agent's use of the Cash Payment Method.

RISK EVENT means any Risk Event as defined under the Rules.

RISK HISTORY means the history of the Agent's behaviour as reflected by any Risk Event(s) incurred by the Agent under Resolution 812.

RISK STATUS means a status assigned to the Agent based on the outcome of the Agent's financial and Risk History assessments.

STANDARD ACCREDITATION means the processes and requirements contained, or referred to, in section 2 of Resolution 812 to assess whether an Applicant or Agent has the necessary qualifications and financial standing to participate in the Agency Programme operating in a particular country in accordance with local accreditation requirements.

STANDARD ACCREDITATION WITH CASH FACILITY (sometimes referred to as 'GoStandard') means the Accreditation type whereby an Applicant or Agent meets the necessary qualifications and financial standing to participate in the Agency Programme operating in a particular country in accordance with local accreditation requirements with access to a cash facility.

STANDARD ACCREDITATION WITH NO CASH FACILITY (sometimes referred to as 'GoLite') means the Accreditation type whereby an Applicant or Agent meets the necessary qualifications and financial standing to participate in the Agency Programme operating in a particular country in accordance with local accreditation requirements without access to a cash facility.

RESOLUTION 868

PASSENGER AGENCY CONFERENCE STEERING GROUP AND THE AGENCY ADMINISTRATOR

PAC(58)868/(Mail A661)(except USA) Expiry: Indefinite
Type: B

WHEREAS the Passenger Agency Conference Steering Group (PSG) analyses and makes recommendations to the Passenger Agency Conference on policy, budgetary and other issues under the jurisdiction of the Conference;

WHEREBY it is hereby RESOLVED as follows:

△ WHEREAS the Agency Administrator is the IATA official designated by the Director General as the holder of that office, or their authorized representative, and is responsible for the management of the Agency Programmes in accordance with the Rules and Resolutions of the Passenger Agency Conference, and has the authority to act in extraordinary circumstances;

1. TERMS OF REFERENCE OF THE PSG

1.1 to recommend action to the Passenger Agency Conference in the light of changing regulatory and market conditions;

1.2 to consider and recommend enhancements to business practices aimed at improving the industry distribution system;

1.3 to review technological advances of benefit to the Agency Programme and in particular support the development of tools and techniques serving automation;

1.4 to provide guidance to IATA including the Agency Administrator on managing the resources allocated to Passenger Agency Programme activities and for determining relative priorities;

1.5 to provide guidance to the Secretariat with respect to industry distribution matters in between meetings of the Conference;

1.6 to liaise with other IATA Conferences and Committees on behalf of the Conference on matters dealing with Passenger Agency Programme Activities;

1.7 to report regularly to Conference, and make policy and organizational recommendations to improve the effectiveness of Passenger Agency Conference activities;

1.8 to act on behalf of the Conference on urgent proposals affecting the programme provided always that any decision of the PSG will be subject to ratification by the Conference at either a regular meeting or where appropriate by electronic means;

1.9 to review and endorse proposed mail votes prior to their issuance, to provide confirmation of the need for urgent resolution together with any recommendations to improve on the construction of the proposals;

1.10 to create ad-hoc working groups and to address urgent issues which arise between conferences;

1.11 designated representatives from the PSG will be nominated to the Passenger Agency Programme Global Joint Council (PAPGJC).

2. COMPOSITION AND MEETINGS OF THE PSG

2.1 The PSG is comprised of:

- the Chair and Vice Chair of the Conference;
- five (5) members from each Conference Area wherever possible;
- plus four additional Members at large.

2.2 Members from each of the Conference Areas shall be elected for a term of three years. Additional Members may be elected by the Passenger Agency Conference to serve for a specific term.

2.3 The PSG Chair shall be the Chair of the Conference.

△ **2.4** Secretariat support shall be provided by the designated IATA official plus other IATA staff they deem appropriate for the topics under discussion.

2.5 Attendance at meetings shall be restricted to the designated representatives.

2.6 Observers may be permitted to attend by invitation of the Chair.

2.7 The PSG shall meet at least once a year, or in any event with sufficient frequency to ensure that it can fulfil its responsibilities.

2.8 Emergency meetings may be called by the Chair as may be required to address extraordinary circumstances which affect the good order of the Agency Programme; such meetings may be held telephonically upon reasonable notice to the designated representatives.

2.9 Failure of a delegate to attend two successive meetings will result in the loss of their seat, except where a valid reason is provided.

2.10 All PSG Delegates must participate as a PAPGJC delegate, on a rotational basis, for terms of at least one year.

3. QUORUM AND VOTING

3.1 Meetings shall be arranged so that at least a simple majority of the designated representatives–being the quorum–are able to be present.

3.2 To the extent that formal voting is necessary, Steering Group decisions shall be taken by simple majority vote of members present.

4. AGENDAS AND MINUTES

4.1 The call of meeting for a regularly scheduled meeting and the meeting agenda shall be circulated to Members of the Steering Group at least 14 days in advance of the meeting. The call of meeting for an emergency meeting and the meeting agenda shall be circulated to Members of the Steering Group at least 24 hours in advance of the emergency meeting. The designated IATA official for Passenger shall act as secretary to the meeting and shall publish minutes promptly following approval by the Chairman.

5. AGENCY ADMINISTRATOR

△ **5.1** The Agency Administrator is the IATA official designated by the Director General of IATA as the holder of that office, or their authorized representative, responsible for the management of the Agency Programme in accordance with the Rules and Resolutions as established by the Conference.

5.2 The Agency Administrator has the autonomy to act in extraordinary circumstances to protect the interests of the Agency Programme. Any action taken in extraordinary circumstances shall be reported immediately to the PSG Chair and shall be reviewed by the PSG at the next meeting or at an emergency meeting if deemed appropriate by the PSG Chair.

△ # RESOLUTION 880

REDUCED FARES FOR ACCREDITED PASSENGER SALES AGENTS, MEMBERS, GENERAL SALES AGENCIES

PAC(56)880/(Mail A706)(except USA) Expiry: Indefinite
Type: B

RESOLVED that, for the purpose of facilitating the conduct of business operations relative to international air transportation for Accredited Agents situated elsewhere than in the USA, Members may, at their option and subject to the conditions contained in this Resolution, grant to Accredited Agents international air passenger transportation at a discount.

RESOLVED that, for the purpose of a Member requested to attend a properly convened joint industry meeting between IATA and international, national or regional Travel Agent Associations,

RESOLVED that, Accredited Agents, for the purpose of attending vocational training trips,

RESOLVED that employees of an IATA Passenger General Sales Agency,

RESOLVED that, for the purpose of an officially requested member to attend a hearing called by the Agency Commissioner,

Members may, at their option, subject to the conditions contained in this Resolution, and subject to the issuing Member's policy, procedures and priorities with regard to reduced fare transportation, grant such stakeholders international air passenger transportation at a full or specific discount.

APPLICATION PROCEDURE

(a) Member Airlines may on a bilaterial basis, grant reduced fare transportation to such stakeholders in accordance with their Booking and Ticketing Policy.

(b) When applying for reduced fare transportation as provided for in this Resolution the responsible official of the stakeholder shall fully complete and sign the Application Form prescribed in Attachment 'A' to this Resolution or a form and format otherwise approved by the airline and submit it, in advance of the commencement of travel, to each air carrier Member participating in the itinerary.

(c) The stakeholder shall be solely responsible for the accuracy of every Application.

(d) The Member receiving the Application shall not grant the reduced fare transportation if it knows that the eligibility requirement or other requirements, as specified in their Booking and Ticketing Policy, have not been met or if the Application is incomplete.

△ RESOLUTION 880

Attachment 'A'

XYZ

STAKEHOLDER (use stakeholder's letterhead) .....

APPLICATION FORM-REDUCED FARE TRANSPORTATION RESOLUTION 880

Member to which Application is made

Address of Stakeholder where person travelling (passenger) is employed (or to which he reports)

.....

Office Tel. No.: .....

Family name of passenger as per passport: ....

First name and initial of passenger as per passport: .....

Position/title of passenger: .....

Given name of accompanying spouse, (if applicable): .....

Type of Discounted Travel

75% normal allotment 50% normal fare

75% additional allotment Class of service desired:

Details of Itinerary Request (reservations to be made by the Agent):

From	To	Airline	Flight No.	Date
.....				
.....				
.....				

The undersigned being duly authorised to sign on behalf of the stakeholder has read and understood the terms and conditions of Resolution 880 and declares that this Application is made in accordance with those terms and conditions.

We undertake to pay the amount of fare due to the Member as a consequence of this Application.

We further undertake to pay the full applicable fare for each sector for which the transporting carriers' concurrence has been refused and to remit such amount in accordance with Member's Booking and Ticketing Policy.

It is understood that we must inform you of any change in eligibility and we will thereupon return any tickets issued in response to this Application.

We certify that the information submitted in this Application is complete and accurate in all respects.

Name:.....

Position:.....

Signature:.....

Official Stamp of the Agent/Airline .....

Date of this Application: .....

CERTIFICATION TO MEMBER FOR SPOUSE TRAVEL

I hereby certify that the person named above and accompanying me on the travel applied for is my spouse. I have not received from you a reduced fare spouse's ticket during this calendar year.

Mr/Mrs: .....

.....

(Signature of passenger named in Application)

RESOLUTION 880a

IATA TRAVEL AGENT IDENTITY (ID) CARD

PAC(56)880a(except USA) Expiry: Indefinite
Type: B

WHEREAS Members, from time to time and subject to certain conditions, grant concessional travel to staff of their appointed Agents and

WHEREAS other travel industry principals similarly grant concessions to travel agency staff and

WHEREAS IATA Members and other travel industry principals wish to ensure that applicants seeking such concessional privileges are bona fide travel agency staff and meet the applicable conditions related to such concessions and

WHEREAS IATA has developed an IATA Travel Agent ID Card which serves to identify such travel agency staff and to enable their bona fides to be easily verified, now it is

RESOLVED that, notwithstanding any other Passenger Agency Conference Resolution governing reduced fare transportation for Passenger Sales Agents, Members may, additionally, indicate their acceptance of the IATA Travel Agent ID Card as evidence of the status of an applicant for concessional travel and/or require an applicant to hold a valid IATA Travel Agent ID Card and to support application for reduced fare tickets by written details of any IATA Travel Agent ID Card held by the applicant.

1. PARTICIPATING MEMBERS

1.1 the IATA Travel Agent ID Card is in circulation globally and Members who, in one or more countries, recognise the IATA Travel Agent ID Card as evidence of the status of an applicant for concessional travel and/or require applications for reduced fare transportation over their services in accordance with Resolution 880, to be supported by details of an IATA Travel Agent ID Card must notify IATA;

1.2 IATA will maintain and publish on its website, from time to time, a list of Members who have indicated their recognition of the Card as a travel agency employee credential, together with an indication of the extent to which and the circumstances under which, for those Members, an IATA Travel Agent ID Card is a requisite to support an application for reduced fare transportation.

1.3 the Agency Administrator shall, on request from the Member(s) concerned, make revisions to the lists shown and information provided in Attachments ‘A’ and ‘B’.

2. ISSUANCE, RECORDS, REPORTING AND REMITTANCE OF REDUCED FARE TICKETS

2.1 pursuant to the provisions of Paragraph 9 of Resolution 880, it will also be required that;

2.1.1 where the Agent is instructed to issue the ticket, in accordance with Paragraph 9.2 or 9.3 of Resolution 880:

2.1.1.1 it will be issued in accordance with the Member's rules and procedures for reduced fare transportation as soon as space has been reserved for any sector covered by the ticket,

2.1.2 the Agent will be responsible for observing any restriction applicable to such sales, including their availability, and for subsequent deduction from the annual allotment provided for under Paragraph 8 of Resolution 880 and the payment requirements of Paragraph 10 of Resolution 880.

3. FARE REDUCTION FOR SPOUSE

3.1 when the spouse of a person travelling under the provisions of this Resolution and Resolution 880 is also granted reduced fare transportation:

3.1.1 the spouse must, when travelling separately, carry and make available upon demand by a representative of a Member providing the transportation a photocopy of the IATA Travel Agent ID Card used to support the application.

RESOLUTION 890

CUSTOMER CARD SALES RULES

PAC(57)890/(Mail A469, A662)(except USA) | Expiry: Indefinite | Type: B

WHEREAS Members/Airlines wish to grant authority to Agents to conduct Customer Card sales against their card acceptance merchant agreements, and

WHEREAS Members/Airlines and Agents seek to establish a defined series of procedures in order to ensure compliance with card industry rules and to eliminate or substantially reduce their exposure to fraud,

IT IS RESOLVED that the following conditions will apply, and the following provisions will be complied with for the sale of passenger air transportation and Ancillary Services for which payment is made by a Customer Card that is accepted by the Agent on behalf of a Member/Airline in the market/region concerned.

1. DEFINITIONS

The definitions of terms and expressions used in this Resolution are contained in Resolution 866.

2. CUSTOMER CARD SALES RULES

The purpose of this Resolution is to provide the authority and related compliance requirements with card industry rules for Agents to make use of the card acceptance merchant agreements of Members and Airlines, collectively referred to in this Resolution as Member(s)/Airline(s), when accepting payment for the sale of passenger air transportation and Ancillary Services.

3. CUSTOMER CARD ACCEPTANCE

3.1 The Agent may accept Customer Cards as payment for the sale of passenger air transportation and Ancillary Services on behalf of the Member/Airline whose Traffic Document is being issued, subject to the provisions of this Resolution and the BSP Manual for Agents, as applicable.

3.2 The Agent will ensure that the type of Customer Card being processed during the sale is accepted for payment by the Member/Airline whose Traffic Document is being issued. The acceptance of any type of Customer Card is set individually by each Member/Airline and nothing in this Resolution will be interpreted as interfering with such independent business decision. If necessary, the Agent may seek clarification by contacting the concerned Member/Airline directly.

3.3 In the event of the Agent accepting a type of Customer Card which is not accepted by the Member/Airline whose Traffic Document is being issued, the Member/Airline will charge the non-payment from the card company to the Agent by means of an Agency Debit Memo (ADM), or, in non-BSP countries, a subsequent adjustment will be made by the Member whose Traffic Document was issued.

3.4 This Resolution gives authority to accept only a Customer Card when using the card acceptance merchant agreement of the Member/Airline to collect payment for the sale of passenger air transportation and Ancillary Services. The Agent may not accept any other card or payment method that uses the Member/Airline' card acceptance merchant agreement, including any card issued in the name of the Agent or any Person permitted to act on behalf of the Agent, unless specifically authorised by such Member/Airline. A failure to comply with the present paragraph 3.4 will be undertaken under the sole responsibility and liability of the Agent toward the Member/Airline concerned.

3.5 When issuing and reporting Traffic Documents, the Agent must ensure to use the dedicated form of payment code and/or sub-code applicable to the payment method being accepted, as instructed by IATA.

4. SALES MADE WITH CUSTOMER CARDS

4.1 Authority

The Agent is authorised to accept sales using Customer Cards only:

4.1.1(a) when the Customer Card and the Card Holder are simultaneously present at the time of the transaction ("Face-to-Face Transaction"), or

4.1.1(b) for a Signature-on-File Transaction, and any other form of Customer Card sales in which a Customer Card and Card Holder are not simultaneously present, (a "Non-Face-to-Face Transaction"), which will be made under the sole responsibility and liability of the Agent.

4.1.2 No authority for sales for which payment is made by a Customer Card over the internet is included in this Resolution. The Agent must therefore contact Members/Airlines for specific instructions.

4.1.3 Charges against a Member/Airline's card acceptance merchant agreement are not permitted in respect of the Agent's own fees or charges.

4.1.4 A Member/Airline, in its sole discretion, has the right to cancel its authority to use its card acceptance merchant agreement, by notifying the Agent in writing.

4.2 Procedures

In BSP countries, Customer Card sales are subject to the rules and procedures in the BSP Manual for Agents as well as those in this Resolution, provided, that in case of any conflict or inconsistency between the BSP Manual for Agents and this Resolution, then this Resolution will prevail.

4.3 Approved Credit Card Charge Form

When issuing a Traffic Document using a Customer Card, the Agent will raise an approved Universal Credit Card Charge Form (UCCCF), or other signed authority, as

specified in the BSP Manual for Agents or, in non-BSP countries, as specified by the individual Member.

4.4 Customer Card Authorisation

4.4.1 The Agent must obtain an authorisation approval code from the card company for each transaction, and subsequently record it in the assigned space on the UCCCF or any other authority as referenced in Paragraph 4.3.

4.4.2 Such an authorisation approval code must be generated through the GDS system and without any manual interference by the Travel Agent, unless otherwise specified in the BSP Manual for Agents or, in non-BSP markets, as specified by the individual Member.

4.4.3 The Agent recognises that receipt of an approval code from the card company does not guarantee the transaction, and that any such approval code or other authorisation does not (and will not be deemed to) guarantee that the charge will not be disputed. In the case of a rejected transaction, an ADM will be issued by the Member/Airline, or, in non-BSP markets, a subsequent adjustment will be made by the Member whose Traffic Document was issued

4.5 Reporting

The Agent must comply with the local reporting procedures, as contained in the BSP Manual for Agents or, in non-BSP countries, as specified by the individual Member.

4.6 Records

4.6.1 The Agent, in order to demonstrate its compliance with the procedures contained in this Resolution regarding a rejected transaction, must retain all supporting documentation relating to any Customer Card transaction for a minimum period of thirteen (13) months.

4.6.2 As the principal to the card acceptance merchant agreement, the Member/Airline remains the rightful owner of all such supporting documentation.

4.6.3 In the event of material changes to the status of the Agent including, without limitation, the ceasing of operation, there is a continuing obligation on the part of the Agent to ensure that supporting documentation is retained, and can subsequently be made available to Members/Airlines as required.

4.7 Disputed Customer Card Transactions

4.7.1 If the ticketing Member/Airline receives a notice of a dispute relating to a transaction submitted to the card company, the Member/Airline will notify the Agent within 7 days and request appropriate supporting documentation and information, and the Agent will promptly comply with any such request within 7 days.

4.7.2 In the event of a disputed transaction and its subsequent rejection by the card company, the relevant Member/Airline will pass the loss to the Agent which issued the Traffic Document by means of an ADM or adjustment (as provided in Paragraph 3.3 above).

4.7.3 Failure by the Agent to settle any ADM or, in non-BSP countries, any individual Member's adjustment, resulting from any transaction will be dealt with in accordance with Resolution 832 sections 1.7.2 and 1.7.8, or Resolution 812 section 6.9.

4.7.4 The Member/Airline must make all reasonable efforts to ensure that only valid chargebacks are transacted, and must provide all reasonable supporting documentation requested by the Agent. Any error made by the Member/Airline or arising from BSP processes must not be passed back to the Agent.

5. FACE-TO-FACE TRANSACTIONS

5.1 The Agent must verify the expiry date, and, where appropriate, the effective date, of the Customer Card.

5.2 The Agent must capture the Customer Card details (Customer Card number, Card Holder, expiry date and, where applicable, effective date) by use of a card imprinter, or electronic "Point of Sale chip terminal" as defined by the card industry. If demanded by the terminal, a PIN may be entered into the terminal by the Card Holder. In addition, in BSP-countries, Customer Card details may, in addition, be entered into the GDS system by the Agent for the purpose of card authorisation, and for submission to the BSP.

5.3 The Agent must obtain an authorisation approval code generated through the GDS system from the card company for each transaction as specified in section 4.4 and without any manual interference by the Travel Agent, unless otherwise specified in the BSP Manual for Agents or, in non-BSP markets, as specified by the individual Member.

5.4 When Customer Card details of first time or unknown customers are entered into the GDS system for the purpose of card authorisation, the Agent (in order to reduce its own exposure to fraud), will obtain from the customer the "Card Verification Value" (which is the 3-digit code printed on the back of the Customer Card, or the 4-digit code printed on the front of American Express cards) and include it in the card authorisation request. The Agent will verify, upon receipt of the authorisation approval code, the result of the "Card Verification Value" check. In case of a MISMATCH notice, the Agent must consider the transaction as rejected and request a different form of payment.

5.5 Storage of the "Card Verification Value" for any reason whatsoever is strictly prohibited at all times.

5.6 The signature of the Card Holder on the validated UCCCF must be witnessed by the Agent and matched against the signature on the reverse of the Customer Card.

5.7 The Agent will not be held liable for payment to the Member/Airline for a Face-to-Face Transaction, provided that the provisions of sections 4 and 5, and, in BSP-countries, any other rules and procedures contained in the BSP Manual for Agents, have been complied with by the Agent.

6. NON-FACE-TO-FACE TRANSACTIONS

6.1 The Agent may, subject to the provisions of this section 6, choose to accept Non-Face-to-Face Transactions including, but not limited to, Signature-on-File Transactions and other card-not-present transactions.

6.2 Signature-on-File Transaction

6.2.1 For a Signature-on-File transaction, where the Card Holder empowers the Agent to issue a Traffic Document with a Customer Card, whereby the charge form bears the remark Signature-on-File in the place of the signature, a clear written arrangement between the Card Holder, the card company and the Agent must exist. Disputes between the Card Holder and the Agent do not release the Card Holder from its liability towards the card company.

6.2.2 A Signature-on-File agreement enables the Agent to sign the UCCCF on behalf of the Card Holder. The agreement must include the following information:

6.2.2(i) definition of the duration of the agreement;

6.2.2(ii) provision for termination by both parties;

6.2.2(iii) requirement for changes to be made in writing;

6.2.2(iv) the number and expiry date of the Customer Card(s);

6.2.2(v) name(s) and sample signature(s) of all parties authorised to make purchases under the agreement

6.3 The Agent must obtain an authorisation approval code generated through the GDS system from the card company for each transaction as specified for in section 4.4 and without any manual interference by the Travel Agent, unless otherwise specified in the BSP Manual for Agents or, in non-BSP markets, as specified by the individual Member.

6.4 When Customer Card details of first time or unknown customers are entered into the GDS system for the purpose of card authorisation, the Agent (in order to reduce its own exposure to fraud), will obtain from the customer the “Card Verification Value” (which is the 3-digit code printed on the back of the Customer Card, or the 4-digit code printed on the front of American Express cards) and include it the card authorisation request. The Agent will verify, upon receipt of the authorisation approval code, the result of the “Card Verification Value” check. In case of a MISMATCH notice, the Agent must consider the transaction as rejected and request a different form of payment.

6.5 Storage of the “Card Verification Value” for any reason whatsoever is strictly prohibited at all times.

6.6 When available and relevant, the Agent will conduct the transaction using any secure protocol as may be mandated by applicable law or as may be applied by the payment card industry.

6.7 Although Card details may have previously been verified by the Agent, the payment of passenger air transportation and Ancillary Services for a Non-Face-to-Face Transaction will be undertaken under the sole responsibility and liability of the Agent.

7. COMPLIANCE WITH PAYMENT CARD INDUSTRY DATA SECURITY STANDARDS (PCI DSS)

7.1 Compliance

To protect the customer’s data, the Agent must ensure its full compliance with the Payment Card Industry Data Security Standards (PCI DSS) with respect to the issuance of Traffic Documents for which payment is made by a Customer Card that is accepted by the Agent on behalf of a Member/Airline. Should the PCI DSS be amended or modified, the Agent will, at the Agent’s sole expense, promptly adjust its processes and policies to remain in full compliance. The Agent assumes full and sole responsibility for the security of any Card Holder data obtained by or provided to the Agent, including, but not limited to, secure handling, storage, transmission, and destruction of any such Card Holder data.

7.2 Requirement for PCI DSS compliance as an Accredited Agent

7.2.1 The Agent must comply with the requirements of the Passenger Sales Agency Rules with respect to PCI DSS.

7.2.2 Unauthorised access, loss, or disclosure of customer data

7.2.2.1 Notification of unauthorised access, loss, or disclosure of customer data

Within 24 hours of discovery, the Agent must notify the Member/Airline of any of the following:

(i) its non-compliance with any part of the PCI DSS or any claims related to its non-compliance;

(ii) any unauthorised access to, or unauthorised acquisition, misuse, disclosure or loss of, identifiable customer information obtained by or provided to the Agent, or any related claims;

(iii) claims related to PCI DSS non-compliance, as described in section 7.3, no later than 24 hours after such access, acquisition, misuse, disclosure or loss, or the Agent’s notice of such claim.

7.2.2.2 Assisting in the investigation of unauthorised access, loss, or disclosure of customer data

The Agent will, upon request by a Member/Airline, make all relevant documentation and the individuals responsible for implementing, maintaining, and monitoring the Agent’s PCI DSS compliance available to Quality Security Assessors (QSAs), forensic investigators, consultants, or attorneys retained by a Member/Airline to facilitate the audit and review of a Member/Airline’s PCI DSS compliance, as well as to a Member/Airline’s staff responsible for information technology (IT) audits.

7.3 Indemnification

The Agent, to the extent not addressed in sections 7.1 and 7.2 and to the fullest extent permitted by applicable law, assumes full and sole responsibility and liability for, and agrees to indemnify, defend and hold harmless a Member/Airline, its directors, officers, employees and agents for, any and all claims, loss, injury, damage and related costs (including, but not limited to, reasonable attorneys' fees, expert fees and court costs), whether direct, indirect, consequential or punitive, resulting or arising from, or relating to, non-compliance with the PCI DSS, or the unauthorised access to, or unauthorised acquisition, misuse, disclosure or loss of, identifiable customer information obtained by or provided to the Agent, including, but not limited to, Card Holder data in physical or electronic form, except to the extent that such claims, loss, injury or damage are caused or contributed to by the gross negligence or wilful misconduct of the Member/Airline, its directors, officers, employees or agents.

8. RESPONSIBILITY FOR SUBMISSION OF CUSTOMER CARD TRANSACTIONS

8.1 The Agent is not responsible for the settlement from the card company to Members/Airlines of amounts payable under sales made by Customer Cards approved for such sales by the Members/Airlines whose Traffic Document is issued, provided the Agent complies with all applicable rules and procedures for handling Customer Card sales, including, but not limited to, the reporting actions specified within the BSP Manual for Agents, or in non-BSP countries, the instructions of the specific Member.

8.2 Notwithstanding Paragraph 8.1 above, the Agent must provide reasonable assistance to a Member/Airline that may have difficulty in receiving the settlement due to it.

8.3 When a sale is made by the Agent operating in a BSP market, the Agent must, without delay, ensure that the Customer Card transactions are submitted to the Data Processing Centre or submit the UCCCF described in Paragraph 4.3 of this Resolution, in accordance with the local rules and procedures specified in the BSP Manual for Agents as applicable. If, as a result of any failure by the Agent to comply with all applicable rules and procedures, the Member/Airline is unable to collect the transaction amount due, the Member/Airline will charge the loss to the Agent that issued the Traffic Document by means of an ADM.

9. REFUNDS

9.1 When effecting refunds for sales it has made with a Customer Card, in addition to the obligations described under its Passenger Sales Agency Agreement, the Agent must comply with the rules as detailed in the BSP Manual for Agents, or, in non-BSP countries, by the specific Member.

9.2 Refund amounts of totally unused and partly used Traffic Documents must only be applied to the Customer Card number originally used for payment if the Traffic Document being refunded was solely paid by a Customer Card. In the event that the Traffic Document being refunded was paid by more than one form of payment, the refund will be executed in accordance to Resolution 824r Section 1.

RESOLUTION 890x

PAYMENT FRAUD LIABILITY IN TRANSACTIONS RESULTING FROM AN OFFER

PAC(Mail A336)890x(except USA) Expiry: Indefinite
Type: B

WHEREAS Members/Airlines seek to establish a defined series of procedures to ensure compliance with payment industry rules and to eliminate or reduce their exposure to fraud under the framework of transactions that result from an Offer;

WHEREAS those payments shall be conducted using a payment instrument owned by the customer and are not remitted as cash transactions by the Agent through any BSP;

IT IS RESOLVED that the following conditions will apply, and the following provisions will be complied with, for the sale of passenger air transportation and Ancillary Services for which the payment transaction is entirely conducted by the Member/Airline.

1. AGENT DIRECTS CUSTOMER TO PROVIDE PAYMENT INFORMATION DIRECTLY TO THE AIRLINE

△ **1.1** When the Agent is not party to the processing of the payment transaction related to an Order, the customer shall conduct their payment directly on the Member/Airline's own payment page.

In such instance, the Member/Airline is entirely responsible for the outcome of the payment transaction.

1.2 The Agent will not be held liable for any fraud or disputed transaction occurring on a payment conducted by the customer directly on the Member/Airline's own payment page.

2. AGENT ACCEPTS CUSTOMER PAYMENT INFORMATION ON BEHALF OF THE AIRLINE

This section is applicable when the Member/Airline initiates and conducts the collection of funds through customer payment information provided by the Agent.

2.1 Customer Card as a Form of Payment

2.1.1 The Agent collects from the customer and forwards to the Member/Airline all relevant card and cardholder details, so that the Member/Airline can initiate and conduct the card transaction in its own payment acceptance system.

2.1.2 When requested by the Member/Airline, the Agent initiates customer authentication as specified in secure protocols defined by the card payment industry and forwards the results of the authentication attempt to the Member/Airline.

2.1.3 The Agent is liable for the fraud chargeback risk the Member/Airline is exposed to in building a card transaction out of the customer card payment data provided by the Agent.

2.1.4 When the transaction is subject to card fraud chargeback, as per the applicable rules of the relevant card scheme, the Member/Airline will pass the loss to the Agent in accordance to Resolution 890, Section 4.7.

2.1.5 When the transaction is not subject to card fraud chargeback, as per the applicable rules of the relevant card scheme, the Agent will not be held liable for any fraud or disputed transactions occurring on a payment; by way of example, using any secure protocol as defined by the payment card industry removes the risk of card fraud chargeback.

2.1.6 When the transaction is subject to a commercial chargeback invoking any aspect of the sales process, as per the applicable rules of the relevant card schemes, the Member/Airline and Agent will attempt jointly to resolve the issue in accordance to Resolution 890, Section 4.7.

2.1.7 The Agent is never liable for any dispute regarding the delivery of the product or service purchased by the customer.

2.1.8 To protect the customer's data, the Agent must ensure its full compliance with the payment card Industry Data Security Standards (PCI DSS) in accordance with the provisions published in Resolution 890, Section 7.

3. AGENT REMITTING TO THE AIRLINE WITH CARD AS AN ALTERNATIVE TRANSFER METHOD

3.1 When the Agent wishes to make use of the Agent card as an Alternative Transfer Method to pay for an Order, it must seek the Member/Airline prior consent in accordance with the provisions published in Resolution 812a.

3.2 The ensuing card transaction must follow the rules defined in Section 2 above.

RESOLUTION 892

DISCLOSURE OF POSITIONS TAKEN AT AN IATA MEETING

PAC(37)892 Expiry: Indefinite
Type: B

RESOLVED that, no Member, Airline or Agent shall disclose the position taken by a specific Member or Agent or Airline at an IATA Meeting concerning passenger agency matters.

GOVERNMENT RESERVATIONS

UNITED STATES

Order 80-5-143 issued 21 May 1980 approved Resolution 816 (now 892) subject to the following conditions:

(a) That each IATA Member may, at its discretion divulge its own vote or position taken at any IATA meeting; and

(b) That a vote tally be included in minutes of IATA meetings filed with the Board and made available to the public.

RESOLUTION 896

ALTERNATIVE TRANSFER METHOD PROVIDERS & ALTERNATIVE TRANSFER METHODS [TRANSPARENCY IN PAYMENTS TRANSITION]

△ PAC(59, 61)896/(Mail A662)(except USA) Expiry: Indefinite
Type: B

WHEREAS pursuant to Resolution 846, markets and regions under Resolution 800 will be transitioned to Resolution 812 and its affiliated Resolutions upon specific parameters being met;

WHEREAS the Passenger Agency Conference wishes to make a wider variety of Payment Methods available to Agents as soon as operationally feasible, it is,

RESOLVED that:

1. The below conditions will apply for the enrolment of products with IATA by Alternative Transfer Method Providers;
2. This Resolution will be implemented in a market(s)/region(s) upon notification by the Agency Administrator in accordance with the provisions of Resolution 846. Notification of implementation of this Resolution will be given to all Members by the Agency Administrator;
3. When Resolution 812 and 812a are fully implemented in a market, this resolution will no longer apply. Notification will be given by the Agency Administrator with a minimum of 30 days' notice when this is to be applied.

1. ALTERNATIVE TRANSFER METHODS RULES

1.1 The purpose of this Resolution is to provide the authority for Agents to make use of Alternative Transfer Methods for the sale of Standard Traffic Documents on behalf of BSP Airlines, and to provide the requirements for Alternative Transfer Method Providers to enrol their products with IATA.

2. DEFINITIONS

2.1 ALTERNATIVE TRANSFER METHOD means a Payment Method, other than the Cash Payment Method and IATA EASY PAY Payment Method, used by the Agent to transfer monies collected from the customer for passenger air transportation or Ancillary Services to the BSP Airline, in accordance with the provisions of this Resolution. This may include a physical or virtual card or account number that is issued in the name of the Agent, any Person permitted to act on behalf of the Agent, or one of the Agent's contracted suppliers.

2.2 ALTERNATIVE TRANSFER METHOD PROVIDER means a supplier of an Alternative Transfer Method.

2.3 STANDARD TRAFFIC DOCUMENTS for the purposes of this Resolution, includes Electronic Miscellaneous Documents (EMDs) and BSP Airlines' own Traffic Documents.

2.4 CUSTOMER CARD PAYMENT METHOD (sometimes referred to as 'Card Sales') means a Payment Method where a Customer Card is used against a BSP Airline's card acceptance merchant agreement as detailed in Resolution 890.

2.5 PAYMENT METHOD is a means to pay monies due for passenger air transportation or Ancillary Services to BSP Airlines, as established by the Passenger Agency Conference. Payment Method refers to both customer payment methods, whereby a BSP Airline receives payment of the monies due from the customer, as well as Agent payment methods, whereby a BSP Airline receives payment of monies due from the Agent via the BSP or an alternative mechanism. Any monies which are collected by the Agent from the customer must be held in trust pending payment to a BSP Airline, in accordance with the provisions of Resolution 824.

3. ENROLMENT OF ALTERNATIVE TRANSFER METHODS BY ALTERNATIVE TRANSFER METHOD PROVIDERS

3.1 Alternative Transfer Method Providers must enlist with IATA prior to enrolling their products as Alternative Transfer Methods for use in a BSP.

3.2 Once enlisted with IATA, the Alternative Transfer Method Provider may enrol their products as Alternative Transfer Methods for use in a BSP in accordance with the criteria detailed in Attachment 'A' to this Resolution. If a product is not enrolled with IATA as an Alternative Transfer Method, the Agent must not use the product for the issuance of Standard Traffic Documents through the BSP.

3.3 IATA will notify BSP Airlines and Agents of Alternative Transfer Methods that are enrolled in accordance with this Resolution.

3.4 In the case of the Agent wishing to use its own card, or a card issued in the name of a Person acting on behalf of the Agent, or in the name of the Agent's officer, partner or employee, the Agent must enrol the card with IATA as an Alternative Transfer Method prior to its use for the issuance of Standard Traffic Documents in accordance with Resolution 896 Attachment 'A', section 5, except in BSP countries where such functionality has not been made available by IATA. In such cases the Agent is not required to enrol the card as an Alternative Transfer Method.

4. USE OF ALTERNATIVE TRANSFER METHODS BY AGENTS WITH INDIVIDUAL AIRLINE CONSENT

4.1 An Alternative Transfer Method may be used by the Agent to effect payment of monies due by the Agent to a BSP Airline for the sale of Standard Traffic Documents, subject to the individual consent of the BSP Airline whose Standard Traffic Documents is being issued. Such consent must be obtained by the Agent prior to usage of the Alternative Transfer Method.

4.2 Prior to the use of an Agent's own card, or a card issued in the name of a Person acting on behalf of the Agent, or in the name of the Agent's officer, partner or employee, the Agent must obtain individual consent of the BSP Airline whose Standard Traffic Documents is being issued.

4.3 A failure to comply with sections 4.1–4.2 will be undertaken under the sole responsibility and liability of the Agent toward the BSP Airline concerned.

5. AIRLINE CONSENT TO USE AN ALTERNATIVE TRANSFER METHOD

5.1 A BSP Airline will notify IATA of its default consent policy by BSP market. If the Airline does not provide its default consent policy, IATA will set the BSP Airline's default consent policy to automatically not accept any new Alternative Transfer Method enrolled in that BSP market.

5.2 A BSP Airline may give its consent to the Agent for the usage of an Alternative Transfer Method in a BSP by notifying the Agent in writing or, where possible, by updating the relevant information through BSPlink (ASD in China).

5.3 A BSP Airline may remove its consent for the usage of an Alternative Transfer Method from an Agent by notifying the Agent in writing or, where possible, by updating the relevant information through BSPlink (ASD in China).

5.4 Nothing in the present Resolution shall be interpreted as a systemic bias or a preference to the detriment of any Alternative Transfer Method, including in favour of any other Payment Method.

6. ISSUANCE AND REFUNDING OF ELECTRONIC TICKETS USING ALTERNATIVE TRANSFER METHODS

6.1 When issuing a Standard Traffic Document using an Alternative Transfer Method, the Agent must issue and report the transaction in accordance with the instructions provided by IATA.

6.2 When applicable, the Agent must ensure to obtain the authorisation approval code from the relevant card company and include such code at the time of Standard Traffic Document issuance.

6.3 When effecting refunds of sales issued with an Alternative Transfer Method, the Agent must refund amounts of totally unused and partly used Standard Traffic Documents to the same Alternative Transfer Method number as originally used for payment.

7. MONITORING OF AGENTS' USAGE OF ALTERNATIVE TRANSFER METHODS BY IATA

7.1 IATA has the right to conduct a review or other investigation of the Agent's Customer Card Payment Method and Alternative Transfer Method transactions in the BSP to verify the Agent's compliance with the applicable Resolutions and consent(s) given by individual BSP Airline(s) for specific Alternative Transfer Methods. If a situation of potential non-compliance is detected by IATA, the Agency Administrator may notify individually the BSP Airline(s) concerned and make this information available to the Agent. This notice shall be unsubstantiated and no further details will be provided by IATA.

7.2 In the event a review or other investigation reveals a persistent failure by the Agent to comply with this Resolution, the Agency Administrator may request in writing an immediate review by the Travel Agency Commissioner in accordance with Resolution 832 section 3.5.

RESOLUTION 896

Attachment 'A'

PROCESS FOR THE ENROLMENT OF ALTERNATIVE TRANSFER METHODS

Subject to individual BSP Airline consent, the Agent may only use an Alternative Transfer Method for the issuance of Standard Traffic Documents which has been enrolled with IATA in accordance with the process below.

1. DETAILS REQUIRED FOR THE ENLISTMENT OF ALTERNATIVE TRANSFER METHOD PROVIDERS

1.1 To enlist as an Alternative Transfer Method Provider, the following information must be provided to IATA:

(a) company name;
(b) country of origin;
(c) name, title, email address & telephone number of primary contact;
(d) location of headquarters;
(e) any further documentation required in order to comply with due diligence requirements including anti-money laundering requirements.

2. ENROLMENT PROCESS FOR ALTERNATIVE TRANSFER METHOD(S)

2.1 The Alternative Transfer Method Provider must enrol its products as Alternative Transfer Method(s) with IATA. For each product, the Alternative Transfer Method Provider must submit the following information:

(a) Product name;
(b) If different from 1.1, the legal entity contracting with Agents for the provision of the Alternative Transfer Method;
(c) Payment network (if any) that guarantees merchant settlement, and copy of membership status with the payment network;
(d) Product type (Open-Loop or Closed-Loop);
(e) Country(ies) of issuance;
(f) Specific Alternative Transfer Method identifier (such as BIN);
(g) License (e.g. banking license, e-money issuing license) granted by a national authority from the issuing market(s);
(h) Interchange fee and any network fee applicable/ passed on to BSP Airlines;
(i) Pay-in model (e.g. prepaid, debit, credit);
(j) GDS integration of Alternative Transfer Method for Standard Traffic Document issuance;
(k) Any other commercial features.

2.2 Upon receipt of an enrolment request from an Alternative Transfer Method Provider, IATA will:

(a) acknowledge receipt of the enrolment;

(b) review the enrolment to validate that it contains all required information and to clarify any issues.

2.3 In case a provider wishes to enrol a product issued on a Closed-loop Network, and/or issued on a payment network that does not guarantee merchant settlement, IATA will request further information from the provider to ensure such product offers sufficient guarantees for the settlement of Airlines' funds.

3. OPTIONAL ALTERNATIVE TRANSFER METHOD AND ALTERNATIVE TRANSFER METHOD PROVIDER INFORMATION

3.1 IATA may request additional information from the Alternative Transfer Method Provider as needed to review the enlistment of the Alternative Transfer Method Provider or enrolment of its products.

3.2 Additional information may be provided to IATA by the Alternative Transfer Method Provider as the Provider sees fit.

4. REVALIDATION OF ALTERNATIVE TRANSFER METHOD PROVIDERS AND PRODUCTS

4.1 On an on-going basis, the Alternative Transfer Method Provider must notify IATA of any changes to the information provided in sections 1.1 and 2.1.

4.2 On an annual basis, IATA may request to the Alternative Transfer Method Provider a revalidation of any of the information provided in sections 1.1 and 2.1.

5. ENROLMENT OF AGENT-OWN CARDS AS ALTERNATIVE TRANSFER METHODS

5.1 To enrol an Agent's own card, or a card issued in the name of a Person acting on behalf of the Agent, or in the name of the Agent's officer, partner or employee, the Agent must provide IATA with the following information:

(a) Cardholder name (in case of Corporate Card, also indicate the name of the Company, as stated on the card);

(b) Card number;

(c) Expiry Date;

(d) Issuer Name;

(e) Payment Network;

(f) Pay-in Model (e.g. prepaid, debit, credit);

(g) Card Type (e.g. Consumer, Corporate);

(h) Any other information, as necessary.

SECTION 3—LOCAL FINANCIAL CRITERIA

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ANGOLA

(Effective 1 September 2022 – MV/569)

1. GENERAL RULE

Certified Accounts means accounts prepared in accordance with the Angolan Accounting Law and the Angolan General Accounting Plan (PGCA) and submitted to TAX authorities of Angola.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the Financial Review will be extracted from the Agent's Certified Accounts.

The company's financial statement must include:

- balance sheet
- income statement
- cash flow statement
- notes to the financial statement
- TAX declaration certificate (Imposto Industrial Declaração Modelo)

2.2 The following financial tests apply to the evaluation of an Agent's Audited accounts:

2.2.1 The Certified Accounts must not have a qualified audit opinion or local regulatory equivalent

2.2.2 There must be a positive Net Equity

2.2.3 Net Equity divided by long-term debt and other long-term Liabilities must be greater than 0.5

2.2.4 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortisation and extraordinary items) must be positive.

2.2.5 The EBITDA must exceed the Interest Expense by a factor of a minimum of two.

2.2.6 Total Current Assets must equal or exceed total Current Liabilities.

2.3 An Agent will pass the financial review when all provisions in section 2.2 of these criteria have been met.

3. ANNUAL FINANCIAL REVIEWS

3.1 Agents might voluntarily provide Certified Accounts no later than 6 months after each Financial Year End.

The accounts will be assessed against the financial tests in the Section 2 of these Criteria.

3.2 All agents must provide a Financial Security in accordance with section 4 of these criteria.

4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA. The communication to IATA needs to be received in writing directly from the third party supporting the Financial Security confirming that the Financial Security was issued by that third party and is valid.

4.2 Financial Securities must be strictly drafted as per specimen provided by IATA and will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be valid for a minimum of one year.

4.3 The Financial Security Amount will be decided by the agency and will determine its Remittance Holding Capacity. For the purposes of adequate coverage and the suggested calculation of the Financial Security amount, the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

Remittance Frequency	Days' Sales at Risk	Days in reporting period
Four times per month	21	7

4.3.2 "Financial Security Amount" calculation for adequate coverage taken into account sales variation is suggested as following:

$$\text{Financial Security Amount} = \frac{\text{Days' Sales at Risk} \times \text{BSP cash turnover in applicable 3 highest reporting periods}}{\text{Days in reporting period} \times 3}$$

4.3.3 All financial security amounts are calculated to the nearest multiple of 1000 USD.

Agents with Risk Status A, B and C

4.4 For Agents with Risk Status A, B and C the amount of the Financial Security must be not lower than the equivalent to 20,000 USD.

4.5 All Agents Financial Security will be equal to the Remittance Holding Capacity at all times.

5. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Total Current Assets – are defined as Current Assets as in the statement of financial position (balance sheet).

Total Current Liabilities – are defined as current liabilities in the statement of financial position (balance sheet) of the accounts.

EBITDA – Earnings before Interest, Taxation, Depreciation and Amortisation.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this local Financial Criteria.

Net Equity or Shareholders'/owners' Funds-Consists of:
- Share capital
- Share Premium
- Retained earnings
- Other distributive reserves
- Shareholder's loans if subordinated less declared dividends

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

Review means any assessment or evaluation of an agent's continuing compliance with the Passenger Sales Agency Rules.

ARGENTINA

(Effective 1 January 2025 – MV/A652)

1. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

1.1 The financial assessment will be based on the calculation of the financial ratios and the achievement of the score described below:

	Financial Ratios	Maximum possible score	Description
a)	Liquidity	14	Short-term solvency
b)	Debt	14	Level of assets financed by debt
c)	Collection Average	7	Collection days to cover sales
d)	Cash Flow	5	Coverage of long-term debt through earnings
e)	Capital solvency	19	Property Ownership

Formula and score applicable to financial ratios:

a) Liquidity = Current Assets/Current Liabilities

Above 1.99	14 points
1.50 – 1.99	12 points
1.25 – 1.49	10 points
1.00 – 1.24	8 points
0.96 – 0.99	6 points
0.91 – 0.95	4 points
0.86 – 0.90	2 points
Below 0.86	0 points

b) Debt = Total Liabilities/Total Assets

Below 0.4	14 points
0.4 – 0.59	12 points
0.6 – 0.89	10 points
0.9 – 0.99	8 points
1.0 – 1.19	6 points
1.2 – 1.34	4 points
1.35 – 1.49	2 points
Above 1.49	0 points

c) Collection Term Average = (Receivables/Sales) * 365

Below 15 days	7 points
15 - 16 days	6 points
17 – 18 days	5 points
19 – 20 days	4 points
21 – 23 days	3 points
24 – 26 days	2 points
27 – 29 days	1 point
Above 29 days	0 points

d) Cash Flow = After-tax earnings/Long-term Debt

0.20 and above	5 points
0.18 – 0.19	4 points
0.15 – 0.17	3 points
0.13 – 0.14	2 points
0.10 – 0.12	1 point
0.09 and below	0 points

e) Capital solvency = Value of property owned by the Agent must cover Agent's own Amount of Sales at Risk* as per Table A (documentation and criteria for this ratio is described under paragraph 4). Score:

*equal or above	19 points
*below	0 points

Table A – Capital solvency requirements for Agents with no Risk Events.

Amount of Sales at Risk =	**Total net cash sales (USD) over the last 12 months × 17 days** / **365 days**	**Minimum Capital Solvency**
From	**To**	**Property value (USD)**
0	19.999	10.000
20.000	39.999	20.000
40.000	59.999	40.000
60.000	79.999	60.000
80.000	99.999	80.000
100.000	119.999	100.000
120.000	139.999	120.000
140.000	159.999	140.000
160.000	179.999	160.000
180.000	199.999	180.000
200.000	219.999	200.000
220.000	239.999	220.000
240.000	259.999	240.000
260.000	279.999	260.000
280.000	299.999	280.000
300.000	319.999	300.000
320.000	339.999	320.000
340.000	359.999	340.000
360.000	379.999	360.000
380.000	399.999	380.000
400.000	419.999	400.000
420.000	439.999	420.000
440.000	459.999	440.000
460.000	479.999	460.000
480.000	499.999	480.000
500.000	519.999	500.000
520.000	539.999	520.000
540.000	559.999	540.000
560.000	579.999	560.000
580.000	599.999	580.000
600.000	619.999	600.000
620.000	639.999	620.000
640.000	659.999	640.000
660.000	679.999	660.000
680.000	699.999	680.000
700.000	719.999	700.000
720.000	739.999	720.000
740.000	759.999	740.000
760.000	779.999	760.000

Amount of Sales at Risk =	Total net cash sales (USD) over the last 12 months × 17 days / 365 days		Minimum Capital Solvency
	From	To	Property value (USD)
	780.000	799.999	780.000
	800.000	849.999	800.000
	850.000	899.999	850.000
	900.000	949.999	900.000
	950.000	999.999	950.000
	1.000.000	1.049.999	1.000.000
	1.050.000	1.099.999	1.050.000
	1.100.000	1.149.999	1.100.000
	1.150.000	1.199.999	1.150.000
	1.200.000	and above	1.200.000

2. ANNUAL FINANCIAL ASSESSMENTS

Conditions for the analysis of Financial Statements presented by the Agent

2.1 In order to become an IATA Accredited Agent and each year, for the annual financial review, the Agent must submit the latest audited Financial Statements (Balance Sheet, Profit & Loss Statement, Notes and Annexes).

2.2 The accountant's signature must be certified by the College or Council in which he/she is registered. Submission must be done not later than 8 months following the Agent's financial year end.

2.3 After the first two years of accreditation, agents with Risk Status 'A', who own property for a value equivalent or superior to their Amount of Sales at Risk as determined under Paragraph 1.1 section e) above, can submit documentation as described under Financial Definitions.

Satisfactory result in the financial assessment

2.4 In order to achieve a satisfactory evaluation, the agent must obtain a minimum acceptable score of **22 points** resulting of the application of the sum of the 4 financial ratios a), b), c) and d).

2.5 The maximum score that can be obtained as a result of the application of the 5 financial ratios (a, b, c, d and e) is 59 points.

Unsatisfactory result in the financial assessment

2.6 The result of the financial assessment will be considered as unsatisfactory when points obtained after calculation of the 4 financial ratios a), b), c) and d) in the financial statement is **lower than 22 points.**

3. FINANCIAL SECURITY

3.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA.

3.2 Financial Securities will be expected to be valid for a minimum of at least one year.

3.3 Upon accreditation and during the first two years, every Agent must present a Financial Security for an amount equivalent to **USD 30.000** or calculated as the Agent's amount at risk as defined in Paragraph 3.4, whichever is higher.

3.4 The following formula will be applied to calculate Agent's amount of sales at risk:

$$\frac{\text{Total net cash sales over the last 12 months} \times 17 \text{ days}}{365 \text{ days}}$$

Agents with Risk Status 'A'

3.5.1 Agents with Risk Status 'A' who obtained a satisfactory financial assessment ratio result above 40 points, and who do not have risk events, are not required to present a financial security.

3.5.2 Agents with Risk Status 'A' who obtained a satisfactory financial assessment ratio result between 22 and 40 points, who do not have risk events but failed to comply with ratio e) are required to present a financial security for an amount equivalent to the Agent's own Amount of Sales at Risk as per **Table B** below.

Amount of Sales at Risk = Total net cash sales (USD) over the last 12 months × 17 days / 365 days		Financial Security (USD)
From	To	
0	19.999	10.000
20.000	39.999	20.000
40.000	59.999	40.000
60.000	79.999	60.000
80.000	99.999	80.000
100.000	119.999	100.000
120.000	139.999	120.000
140.000	159.999	140.000
160.000	179.999	160.000
180.000	199.999	180.000
200.000	219.999	200.000
220.000	239.999	220.000
240.000	259.999	240.000
260.000	279.999	260.000
280.000	299.999	280.000
300.000	319.999	300.000
320.000	339.999	320.000
340.000	359.999	340.000
360.000	379.999	360.000
380.000	399.999	380.000
400.000	419.999	400.000
420.000	439.999	420.000
440.000	459.999	440.000
460.000	479.999	460.000
480.000	499.999	480.000
500.000	519.999	500.000
520.000	539.999	520.000
540.000	559.999	540.000
560.000	579.999	560.000
580.000	599.999	580.000
600.000	619.999	600.000
620.000	639.999	620.000
640.000	659.999	640.000
660.000	679.999	660.000
680.000	699.999	680.000
700.000	719.999	700.000
720.000	739.999	720.000
740.000	759.999	740.000
760.000	779.999	760.000
780.000	799.999	780.000
800.000	849.999	800.000
850.000	899.999	850.000
900.000	949.999	900.000
950.000	999.999	950.000
1.000.000	1.049.999	1.000.000
1.050.000	1.099.999	1.050.000
1.100.000	1.149.999	1.100.000
1.150.000	1.199.999	1.150.000
1.200.000	and above	1.200.000

Agents with Risk Status 'B'

3.6 For Agents with Risk Status 'B', the amount of the Financial Security required must cover at a minimum the amount calculated as per Paragraph 3.4, or a minimum of USD10,000 (or the equivalent in local currency), whichever is higher.

Agents with Risk Status 'C'

3.7 For Agents with Risk Status 'C' the amount of the Financial Security required must cover at a minimum the amount calculated as per Paragraph 3.4, or a minimum of USD10,000 (or the equivalent in local currency), whichever is higher.

4. FINANCIAL DEFINITIONS

Current Assets: Receivables from related companies, shareholders, employees, directors, partners as well as cash and fix-term deposits in escrow must be excluded.

Current Liabilities: It must include the current portion of long-term debt.

Total Sales: The amount must appear specifically in the Financial Statements and correspond to gross sales obtained in the period including (but not limited to) ticket sales, packages, hotels, car rental, insurances, miscellaneous, etc.

Long-term Liabilities: It comprises all third parties' long-term debt. Loans to shareholders or proprietors must be excluded.

Receivables: It must be shown as a breakdown of commercial receivables, fees, commissions, related companies' receivables and advances granted to suppliers. Bad debt must be excluded.

Earnings after taxes: Extraordinary earnings must be excluded.

Total Assets: Intangible assets must be included.

Total Liabilities: It includes current liabilities and third parties' loans. Loans granted to shareholders or owners must be excluded. It must include related companies' liabilities less the corresponding subordinated tranche (receivable).

Capital Solvency: The Value of Property owned by the Agent, which must be included In the Agent's financial accounts and must be free and clear. The following documents will be required to prove capital solvency (these criteria apply only to Agents described in paragraph 2.4):

1. Certificate of ownership for each property owned by the Agent. The validity of the certificate must not be older than 30 days. Each property provided must be free of restrictions (garnishment, mortgage, usufruct, etc.) and fully available to the Agent.
2. Certificate of non-encumbrance of the entity. The validity of the certificate must not be older than 30 days.

Two property appraisals certified by local realtors or public auctioneers, indicating the market value of the property presented. The validity of the appraisals must not be older than 30 days.

ARMENIA

(Effective 1 January 2025 – MV/A683)

1. GENERAL RULES

New Applicants

1.1 For the purposes of evaluation against the financial tests in Section 2 of these criteria, New Applicants must provide with the Audited or Certified Accounts, covering 12 months of trading: Balance Sheet, Profit & Loss Statement.

1.2 Newly formed companies that have traded for less than 12 months at the time of application must submit an Audited or Certified opening balance sheet.

Accredited Agents

1.3 All Agents must provide Audited or Certified Accounts no later than 30th of April, which is 4 months after each financial year end, for the purpose of evaluation against the Criteria in Section 2 of these criteria.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

The below criteria apply both to New applicants and Accredited Agents. All financial information used in the financial criteria will be extracted from the Agent's Audited or Certified Accounts:

(a) There must be positive Net Equity i.e. Total Assets must exceed Total Liabilities.

(b) Profitability: The accounts must show that the Agent has made a profit before tax at the end of an accounting period. For New Applicants, submitting opening balance sheet, Profit will be considered as 0.

(c) Liquidity: The accounts must show a positive liquidity ratio i.e. current assets must exceed current liabilities at the end of an accounting period.

3. ANNUAL FINANCIAL REVIEWS

All Agents must provide Audited or Certified Accounts prepared according to the local accounting practice. The report must consist of:

– Profit and Loss Statement,
– Balance Sheet.

4. FINANCIAL SECURITY

4.1 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.1.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Perids, plus a margin of five days.

Remittance Frequency	Days' Sales at Risk	Days in reporting period	End of Sales Period to Remittance Date
Four times per month	19	8	5 Working days

Note: *End of Sales Period to Remittance Date means the time span in respect of which a remittance is made to the Clearing Bank.*

4.1.2

$$\text{"Amount as Risk"} = \frac{\text{"Days' Sales at Risk"} \times \text{BSP cash turnover in applicable 3 highest reporting periods}}{\text{Days in reporting period} \times 3}$$

4.2 Level of Financial Security

4.2.1 For Agents with Risk Status A, B and C the amount of the Financial Security required must not be lower than USD 30,000.

4.2.2 Agents with Risk Status A and B must at all times provide a Financial Security which will equal their assigned Remittance Holding Capacity.

4.2.3 An Applicant/Agent may at any time request to reduce or increase the Financial Security amount provided in accordance with Resolution 812 Section 5.9.4.

4.2.4 The value of the Financial Security will be rounded to the next + 1,000 USD.

4.3 Financial Security requirements

4.3.1 Financial Security must be strictly drafted as per specimen provided by IATA.

4.3.2 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.3.3 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3.4 If the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

4.3.5 When the renew/reissue of Agent's Financial Securities is required, the Agent must submit the original confirmation of renewed/reissued Financial Security to IATA at the latest 30 days before expiry date of the currently valid Financial Security.

AUSTRALIA

(Effective 1 March 2018 – PAC/40)

Financial Evaluation

The Agent or Applicant must provide audited financial statements prepared in accordance with Australian Accounting Standards. Such statements will be evaluated in accordance with these Local Financial Criteria.

1. DOCUMENTS REQUIRED FOR NEW APPLICATIONS AND FINANCIAL REVIEWS

In order to ensure that a true and correct financial assessment is conducted the following documentation is required for the financial assessment submission.

1.1 Most recent Audited Financial Statements in accordance with applicable Australian Financial Reporting Standards which must include:

1.1.1 Detailed Profit & Loss Statement

1.1.2 Balance Sheet

1.1.3 Notes to the Accounts if applicable

1.2 Declaration of Client Travel or Trust Account properly maintained according to the IATA criteria specified in 2.3, signed by the Director(s) and certified by the auditor.

1.3 Signed Auditor Independent Report (must include auditor's Registration Number).

1.4 Company Composition (copy of ASIC Company Statement being evidence showing: company details including shareholders names, contact details and percentage share) if applicable.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

In order to pass the Financial Review, the Agent must meet all the criteria stipulated herein under:

2.1 All financial information used in the financial criteria will be extracted from the Agent's Audited Accounts.

2.2 The following financial tests apply to the evaluation of an Agent's Audited Accounts:

2.2.1 There must be positive Net Equity.

2.2.2 Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5.

2.2.3 EBITDA (Earnings Before Interest, Taxation, Depreciation, Amortisation and extraordinary items) must be positive.

2.2.4 The EBITDA must exceed the Interest Payable by a factor of a minimum two.

2.2.5 Adjusted Current Assets must exceed Current Liabilities.

2.3 Client Travel Account

For IATA purposes, a Client Travel Account is a bank account that an agent must maintain separate to the general account which must include all client BSP funds and the subsequent disbursement of those funds to airline principals. The Agent or new Applicant must comply with all of the following and provide a letter from an auditor confirming compliance:

2.3.1 All BSP monies received from clients, in advance of the issue of airline tickets, must be banked within 2 business days of receipt into an account in the name of the applicant – suitably titled "Client" or "Trust" Travel Account.

2.3.2 Interest bearing or term deposits may be opened with any recognized Australian financial institution.

2.3.3 Any such account as mentioned in 2.3.1 and 2.3.2 must be used exclusively for client's funds, meaning any funds received from clients of the agent for travel.

2.3.4 Any BSP monies in such an account must not be subject to any encumbrance, including any floating charge.

2.3.5 All BSP deposits to the Client Travel Account must remain in the account until:

2.3.5.1 they are paid to the principals on whose behalf they have been received; or

2.3.5.2 they are refunded to the client who paid the same.

2.3.6 Commission earned is not to be withdrawn from the Client Travel Account until the tickets have been issued on behalf of the airlines.

2.3.7 Disbursements from the Client Travel Account on behalf of a customer who has not lodged funds (e.g. sale on credit) are not permitted. These must be made from the "General" or "Working" account of the applicant.

2.3.8 The Client Travel Account and liability for client funds held must be clearly identified on the Balance Sheet or Notes to the Accounts.

2.3.9 Annual declaration of compliance in all material respects by the agent's auditor must be provided.

3. ANNUAL FINANCIAL REVIEWS

Agents accredited for two years or less

3.1 All Agents must provide Audited Accounts not more than six (6) months old at the time of submission.

3.2 All Agents must provide Audited Accounts not more than 6 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests in section 2. If an Agent has been in business for less than 6 months at the time of application, an opening balance sheet must be provided instead.

All Agents must provide Audited Accounts no later than 4 months after each financial year-end, or as required by legislation, during the first two years of accreditation for the purposes of evaluation against the financial tests in section 2.

3.3 All Agents must provide a Financial Security during the first two years as an Agent in accordance with section 4.

3.4 Group

An Agent/Applicant who is a subsidiary of another company or more than one company, will be required to submit a copy of the most recent annual Group Consolidated accounts in addition to the accounts of that entity.

A Financial Security as per section 4, must be furnished, unless [both the conditions below are satisfied]:

(a) Agent/Applicant passes all the conditions stipulated in Section 2.

(b) The Consolidated Group accounts (defined under Definitions Section 5) pass all the conditions stipulated in Paragraphs 2.2.1 to 2.2.5.

4. FINANCIAL SECURITY

Failure of any evaluation against the financial tests in section 2 or 3.3 or 3.4 will result in a Financial Security being required as specified in Resolution 850p as per the Amount at Risk, which must not be less than AUD 10,000 and must not exceed the applicable amounts per the table in 4.1.

4.1 Financial Security Table:

Annual BSP Cash Sales**	**Maximum Financial Security Required**
Less than 6 million	$400,000
6 million to less than 20 million	$1,000,000
20 million to less than 50 million	$2,000,000
More than 50 million	$10,000,000

5. DEFINITIONS OF TERMS USED IN THESE CRITERIA

Adjusted Current Assets – are defined as Current Assets as in the Balance Sheet of the Accounts after deducting:

- Stocks and work in progress.
- Deposits given to third parties other than IATA,
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership) Excludes any Associate Companies trading balance which transactions must be properly documented and identifiable in the notes to the accounts.
- Doubtful debtors,
- Blocked funds, except for funds held in favour of IATA.

These generic descriptions may be modified to terms specifically defined under the applicable local Generally Accepted Accounting Principles (GAAP) and disclosed in the financial statements.

Current Liabilities – are defined as Current Liabilities as in the Balance Sheet of the Accounts.

EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortisation.

Financial Irregularity means an irregularity applied as a result of any failure to adhere to the report and remittance procedures described in Resolution 818g Attachment "A" including but not limited to those irregularities described in Resolution 818g Attachment "A".

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with these criteria.

Irregularity means any irregularity applied under the Passenger Sales Agency Rules for non-compliance with those Rules including but not limited to Financial Irregularities.

Net Equity or Shareholders'/Owners' Funds – consists of:
- Share capital
- Share premium
- Retained earnings
- Other distributable reserves
- Shareholder's loans if subordinated less declared dividends:

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

Review means any assessment or evaluation of an Agent's continuing compliance with the Passenger Sales Agency Rules.

Amount at Risk: Is the average cash sales (Net payable) reported by the Agent for the latest 12 month period calculated for the Days' Sales at Risk.

Consolidated Group Accounts – To consolidate is to combine assets, liabilities and other financial items of two or more entities into one. In the context of financial accounting, the term consolidate often refers to the consolidation of financial statements, where all subsidiaries report under the umbrella of a parent company.

Parent/Ultimate Parent – A parent company is a larger corporation that has significant ownership over a subsidiary or group of subsidiaries. These partially or wholly-owned smaller companies are controlled by the parent, to varying degrees; however, all parent companies, for the most part, own more than 50% of a subsidiary's voting stock.

Terms not defined in these Criteria will be construed in accordance with the definitions in Resolution 866 of the Passenger Agency conference Resolutions. Where there is conflict between terms defined in these Criteria and Governing Resolutions of the Passenger Agency Conference, the latter will prevail.

AUSTRIA

△ *(Effective 1 September 2025, MV/A699)*

1. GENERAL RULE

1.1 New Applicants

In addition to a complete application the applicant must, for a minimum of two years from its effective date of accreditation, provide a Financial Security according to chapter 4.

1.2 Accredited Agents An Accredited Agent holding Standard Accreditation with Cash Facility is required to undergo a financial assessment annually or for cause at any time. For the conduct of financial assessments, the agent must provide the annual accounts as stated in chapter 2.

2. ANNUAL FINANCIAL REVIEW

New Applicants and Accredited Agents are required to submit their Annual Report upon request of IATA to perform the financial assessment.

All Agents must provide their financial accounts no later than 9 months after each financial year end for the purpose of evaluation against the financial tests in section 3 of these criteria.

Accredited Agents that meet all criteria stipulated in section 3 are considered to have passed the Financial Review.

If an Agent failed to pass the criteria under section 3, the Agent must provide a Financial Security in accordance with section 4 in these criteria.

3. CRITERIA FOR THE EVALUATION OF AGENT'S ACCOUNTS

The established criteria for financial evaluation of new and existing Agents are as follows:

3.1 equity capital ≥ 8%

(Equity Capital + reserves before tax provision / Total Capital minus down payment on stockpile) * 100

3.2 guarantee of long-term assets ≥ 100%

(Equity Capital + Long Term Accruals1) / Fixed Assets * 100

3.3 Liquidity ≥ 103%

(Current Assets / Current Liabilities) * 100

An Agent will pass the Financial Review if all criteria above are met. An Agent will fail the Financial Review if one or more of the above criteria are not met.

△ **3.4** The remittance period, i.e., the number of days between the end of the billing period and the remittance date, for twice per month remittance is 10 days. The remittance period for four times per month remittance is 5 working days.

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4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but at least for a minimum of two years with expiring on December 31st of the respective year.

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

Remittance Frequency:	**Days' Sales at Risk**
Twice per month	30
Four times per month	17
Daily	5

4.3.2 "Amount at Risk" is calculated using BSP cash turnover amount equal to the net cash sales in the previous 12 months as follows:

$$\textbf{"Amount at Risk"} = \frac{\textbf{"Days' Sales at Risk"} \times \textbf{BSP cash turnover in the most recent 12 months}}{360}$$

4.3.3 The value of the Financial Security will be rounded to the next +1,000 EUR.

4.4 Agents accredited for less than two years must provide a Financial Security with a minimum amount as per 4.5 during the first two (2) years as IATA accredited Agent.

4.5 The minimum fixed amount of Financial Security based on the remittance frequency of the Agent:

twice per month remittance:	EUR 20,000
four times per month remittance:	EUR 15,000
daily remittance:	EUR 5,000

4.6 Agents accredited for more than two years.

4.6.1 Agents with Risk Status A

Agents with Risk Status A will not be required to submit a Financial Security.

4.6.2 Agents with Risk Status B

For Agents with Risk Status B the amount of the Financial Security required must cover at a minimum the Amount at Risk calculated as per Section 4.3 using the BSP cash turnover amount equal to the net cash sales in the previous 12 months, with a minimum amount as per Section 4.5, whichever is higher.

4.6.3 Agents with Risk Status C

For Agents with Risk Status C the amount of the Financial Security required must cover at a minimum the Amount at Risk calculated as per Section 4.3, using the BSP cash turnover amount equal to the net cash sales in the previous 12 months, with a minimum amount as per 4.5, whichever is higher. The most frequent standard remittance frequency, i.e., weekly remittance, will be applied.

AZERBAIJAN

(Effective 1 June 2023–MV/A613))

1. GENERAL RULE – (Accounts/Documents to be provided)

1.1 New applicants

New applicants must have been in operation for 12 months as an Air Travel Agent before applying to be an IATA Accredited Agent.

Documents required

The complete file to be sent to IATA, consisting of the following:
– certified copies of the certificate of state registration, tax payer certificate and statistical card,
– certified by an independent auditor: Balance Sheet, Profit & Loss account, Credit and Debt Statement and Cash Flow Account for the last financial year,
– statement of international sales volumes. The applicant must provide proof of sales through other accredited Agents or Airlines. There is no minimum level that an applicant must reach before submitting the application.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 New Applicants

The financial assessment of a new applicant is considered "Satisfactory" given that the following requirements are satisfied:
1. Net profit (profit less all expenses and less 10% withholding tax) in the accounting period is 0 or higher
2. Short term liquidity coefficient:

$$\frac{\text{Current assets - Long term business claims}}{\text{(cash, accounts receivable, inventory, marketable securities, prepaid expenses and other liquid assets that can be readily converted to cash)}}$$

$$\frac{\text{(all losses occurring during the year, whether reported or not, related handling costs and any adjustments to claims outstanding from previous years)}}{\text{Short term financial and business liabilities \{financial liabilities "at FVTPL" (FVTPL - fair value through profit and loss) or other financial liabilities"\}}} \geq 1$$

2.2 Accredited Agents

The assessment of an existing Agent is considered "Satisfactory" if the following requirements are satisfied:
– Net profit (profit less all expenses and less 10% withholding tax) in the accounting period is 0 or higher
– Short term liquidity coefficient:

$$\frac{\text{Current assets - Long term business claims}}{\text{(cash, accounts receivable, inventory, marketable securities, prepaid expenses and other liquid assets that can be readily converted to cash)}}$$

$$\frac{\text{(all losses occurring during the year, whether reported or not, related handling costs and any adjustments to claims outstanding from previous years)}}{\text{Short term financial and business liabilities \{financial liabilities "at FVTPL" (FVTPL - fair value through profit and loss) or other financial liabilities"\}}} \geq 1$$

3. ANNUAL FINANCIAL REVIEWS

All Agents are required to submit the following documentation for the last financial year according, prepared in accordance with the international accounting standards and certified by an independent auditor:
– Certified Balance Sheet,
– Profit & Loss account,
– Credit and Debt Statement and
– Cash Flow Account

4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 New applicants and those agents accredited for less than two years will be required to submit a Financial Security for an amount corresponding to the average 22 days' net cash sales at risk, calculated over the last 12 months, but cannot be less than 50,000 USD. For new Applicants, the estimation of the initial level of Financial Security will be calculated based on a statement of International Sales. For Agents accredited for less than two years, Financial Security will be calculated based on BSP Cash Sales.

4.4 For the purposes of calculating the amount of a Financial Security for those agents which have been accredited for two years or more as an Agent, the following definitions will apply:

4.4.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

4.4.2 "Amount at Risk" is calculated by dividing the Days' Sales at Risk by number of days in 3 reporting periods, and applying that percentage to the BSP cash turnover amount the Agent made in the three reporting period referred to in Section 4.5, 4.6 or 4.7 of these criteria, as applicable:

$$\text{"Amount as Risk"} = \frac{\text{"Days' Sales at Risk"} \times \text{BSP Cash Turnover of the 3 highest reporting periods of last 12 months}}{\text{Number of days in reporting period} \times 3}$$

Agents with Risk Status A

4.5 Agents with Risk Status A will need to provide a financial security.

4.5.1 For Agents with Risk Status A the amount of the Financial Security required:

$$\frac{\text{"Days' Sales at Risk"} \times \text{BSP Cash Turnover of the 3 highest reporting periods of last 12 months}}{\text{Number of days in reporting period} \times 3}$$

4.5.2 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

Agents with Risk Status B

4.6 For Agents with Risk Status B the amount of the Financial Security required:

$$\frac{\text{"Days' Sales at Risk"} \times \text{BSP Cash Turnover of the 3 highest reporting periods of last 12 months}}{\text{Number of days in reporting period} \times 3}$$

4.6.1 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

Agents with Risk Status C

4.7 For Agents with Risk Status C the amount of the Financial Security required:

$$\frac{\text{"Days' Sales at Risk"} \times \text{BSP Cash Turnover of the 3 highest reporting periods of last 12 months}}{\text{Number of days in reporting period} \times 3}$$

4.7.1 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

4.8 Financial Security requirements

(a) The Financial Security must comply with the following conditions:

(i) The Financial Security must be issued by a bank, being a financial institution authorized by Central Bank of Azerbaijan to issue Financial Securities for Agents in Azerbaijan and which is duly registered and licensed to operate without limitations in the Republic of Azerbaijan.

(ii) The Financial Security must be issued strictly according to IATA template.

(b) In the event that the financial institution that has provided the Financial Security on behalf of the Agent has a change in status resulting in their license to issue Financial Securities being suspended by the Central Bank of Azerbaijan, the Agent must provide IATA with a new Financial Security from a financial institution who does have a valid license to issue Financial Securities.

(c) In the event that a financial institution breaches the terms and conditions of the Financial Security issued on behalf of an Accredited Agent, IATA may suspend the acceptance of Financial Securities from that financial institution and require the affected Accredited Agents to submit a Financial Security from another financial institution in Azerbaijan within 30 days of prior written notice from IATA.

BANGLADESH

(Effective 1 December 2019 – PAC/42)

1. GENERAL RULE

1.1 Audited Accounts means accounts reviewed by an auditor recognized as competent by the regulatory authority to perform an audit that are provided to IATA.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the financial criteria will be extracted from the Agent's Audited Accounts.

2.2 The following financial tests apply to the evaluation of an Agent's Audited Accounts:

2.2.1 There must be positive Net Equity

2.2.2 Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5.

2.2.3 EBITDA (Earnings Before Interest, Taxation, Depreciation, Amortisation and extraordinary items) must be positive save in exceptional circumstances

2.2.4 The EBITDA must exceed the Interest Payable by a factor of a minimum of two

2.2.5 Adjusted Current Assets must exceed Current Liabilities.

3. ANNUAL FINANCIAL REVIEWS

3.1 All Agents must provide Audited Accounts no later than 12 months after each financial year end, of that Agent for the purposes of evaluation against the financial tests in section 2.

4. INTERIM FINANCIAL REVIEWS

4.1 For any Financial Review conducted for cause at a time other than in respect of an Agent's financial year end, IATA may conduct a Financial Review in accordance with section 3 as applicable to that Agent by reviewing the internal monthly management accounts of the Agent showing the results for each month since the last accounting date, the cumulative results to date and the latest balance sheet.

5. FINANCIAL SECURITY

5.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

5.2 Financial Securities will be subject to a minimum notice period of ninety (90) days and be valid for a minimum of at least one year.

5.3 Notwithstanding the Risk Status, all Agents/applicants must furnish a minimum Financial Security of BDT 3,000,000, or equivalent to Days of Sales at Risk/365 days of average BSP cash sales over the past 12 months, whichever is higher.

5.4 "Days Sales at Risk" means the number of days from the beginning of the Agent's reporting period to the remittance date in respect of that reporting period or periods, plus a margin of five days.

5.5 At any point in time, if the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

5.6 Amount at Risk is calculated by dividing the Day's Sales at Risk by 365 and applying that percentage to the BSP cash turnover, or cash turnover as applicable:

"Amount at Risk" = (Days Sales at Risk/365) × BSP cash turnover last 12 month period

5.7 All Agents/applicants, notwithstanding individual Risk Status, must at all times provide a Financial Security which will equal their assigned Remittance Holding Capacity. An Agent/applicant may at any time request to reduce or increase the Financial Security amount provided in accordance with Resolution 812 Section 5.9.4

6. SIGNIFICANT CHANGE IN GROSS BSP SALES

6.1 A significant change means any change in the business of the Agent which results in a change in gross BSP sales of more than 10% as compared to the previous 12 months. A change can be an increase or a decrease in gross BSP sales.

6.2 An interim Financial Review may also be initiated by IATA where IATA becomes aware of a significant change in gross BSP sales in accordance with Section 4.

7. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

7.1 Adjusted Current Assets – are defined as Current Assets as in the Balance Sheet of the Accounts after deducting:

1. Stocks and work in progress.
2. Deposits given to third parties other than IATA,
3. Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
4. Doubtful debtors,
5. Blocked funds, except for funds held in favour of IATA.

7.2 Current Liabilities – are defined as Current Liabilities as in the Balance Sheet of the Accounts

7.3 EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortisation

7.4 Financial Irregularity means an irregularity applied as a result of any failure to adhere to the reporting and remittance procedures described in Resolution 818g Attachment "A" including but not limited to those irregularities described in Resolution 818g Attachment "A".

7.5 Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this Resolution 800f, or both.

7.6 Irregularity means any irregularity applied under the Passenger Sales Agency Rules for non-compliance with those Rules including but not limited to Financial Irregularities.

7.7 Net Equity or Shareholders'/Owners' Funds – consists of:

(a) Share capital
(b) Share premium
(c) Retained earnings
(d) Other distributable reserves
(e) Shareholder's loans if subordinated less declared dividends

7.8 Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

7.9 Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

7.10 Review means any assessment or evaluation of an Agent's continuing compliance with the Passenger Sales Agency Rules.

BELGIUM/LUXEMBOURG

(Effective 1 January 2024-MV/A645)

1. CRITERIA FOR THE EVALUATION OF AGENTS' FINANCIAL STATEMENTS

The financial tests defined below will be used for the financial review of the Agent's annual accounts.

1.1 The equity ratio is minimum 12%:

Equity ratio	=	Equity/Total Accounts
Equity	=	capital
	+	reserves
	+	carried over profit/loss
	-	revalued premiums

1.2 The working capital is positive:

Working capital	=	equity
	+	long-term liabilities
	-	fixed assets

1.3 The current ratio or liquidity is minimum 1:

Current ratio	=	current assets/current liabilities

1.4 The EBITDA is positive at least for two of the three last financial years.

1.5 An Agent will obtain a satisfactory result on the financial review when all provisions in 1.1-1.4 have been met.

2. ANNUAL FINANCIAL REVIEWS

2.1 ***New applicants:***

2.1.1 New applicants with more than one year's trading record must submit with the application:

1. a full set of financial statements, including balance sheet, profit and loss account duly certified by an outside public accountant, for their company for the most recent financial year.
2. a certificate of insurance against insolvency in conformity with local law

2.1.2 Companies with less than one year's trading record must submit:

1. a copy of a financial plan (including the opening balance sheet)
2. a certificate of insurance against insolvency in conformity with local law

The most frequent remittance frequency is applied to all new Agents in BSP Belgium & Luxembourg during their first 2 years of accreditation.

2.2 Agents Accredited for more than 2 years:

2.2.1 Accredited Agents have to submit annually, within seven months of the most recent financial year end, the following documents:

– a full set of financial statements, including balance sheet, profit and loss account duly certified by an outside public accountant.
– a certificate of insurance against insolvency in conformity with local law

2.2.2 If the Agent is a subsidiary of a larger parent organization, the consolidated accounts must be provided.

3. FINANCIAL SECURITY

3.1 All Financial Securities must have an unlimited validity.

3.2 For new applicants the minimum required financial security will be EUR 10,000 during the first 2 years.

3.3 The amount of the Financial Security for the Agents that have been IATA accredited for more than two (2) years will be calculated as follows:

Agents with Risk Status A

3.4 For Agents with Risk Status "A" no Financial Security is required.

Agents with Risk Status B

3.5 For Agents with Risk Status "B" the amount of the Financial Security required must be calculated as per the formula below, with a minimum of EUR 10,000.00.

Remittance four times per month:

$$\frac{\text{Yearly net cash sales} \times 20}{360}$$

Agents with Risk Status

3.6 Agents with Risk Status "C" must provide a Financial Security in accordance with the provisions of Resolution 812, with a minimum amount of EUR 10,000.00. The most frequent remittance frequency per month will be applied.

4. DEFINITIONS OF TERMS USED IN THE CRITERIA

Equity Ratio	Capital	Code 10*, Capital/Kapitaal/Capital/Kapital
	Reserves	Code 13* Reserves/Reserves/Réserves/Rücklagen
	Carried over profit/loss	Code 14*, Accumulated profits (losses)/ Overgedragen winst (verlies)/Bénéfice (Perte) reporté(e)/Gewinnvortrag (Verlustvortrag) auf neue Rechnung
	Revalued premiums	Code 12*, Revaluation surpluses/ Herwaarderingsmeerwaarden/Plus-values de réévaluation/Neubewertungsrücklagen
	Total Accounts	Code 10/49*, Total Accounts/Totaal van de Passiva/Total du Passif/Total Accounts
Working Capital	Net equity	Code 10/15*, Equity/Eigen Vermogen/Capitaux propres/Eigenkapital
	Long term liabilities	Code 17*, Amounts payable after more than 1 year/Schulden op meer dan één jaar/Dettes á plus d'un an/Verbindlichkeiten mit einer Restlaufzeit von mehr als einem Jahr
	Fixed assets	Code *21/28* * – *28* *, Fixed Assets/Vaste Activa/Actifs immobilisés/Anlagevermögen
Current ratio	Current Assets	Code 29/58*, Current Assets/Vlottende Activa/Actifs Circulants/Umlaufsvermögen
	Current Liabilities	Code 42/48*, Amounts payable within 1 year/Schulden op ten hoogste één jaar/Dettes á plus d'un an/Verbindlichkeiten mit einer Restlaufzeit bis zu 1 Jahr
Profitability	Profit after tax for the accounting period X	Code 9904* from column Boekjaar/Exercice/ Geschäftsjahr (Dutch/French/German)
	Profit after tax for the accounting period X-1	Code 9904* from column Vorig boekjaar/Exercice precedent/Vorhergehendes Geschäftsjahr (Dutch/French/German)
	Profit after tax for the accounting period X-2	Code 14P* from column Vorig boekjaar/Exercice precedent/Vorhergehendes Geschäftsjahr (Dutch/French/German)
EBITDA		Codes 9901 and 630

* Codes corresponding to BNB format

BELIZE

(Effective 1 November 2019 – PAC/40)

1. GENERAL RULE – (Accounts/Documents to be provided)

1.1 Financial Statements:

- Balance Sheet, Profit and Loss Statements and any other financial documents deemed appropriate by IATA to conduct the financial review
- must not be older than six months at the time of submission,
- must be audited or certified by an external public accountant

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 Financial statements must reflect minimum Working Capital equivalent to USD20,000.

2.2 Financial Statements will be evaluated against ratio tests. The financial ratio analysis is measured by the application of four ratio tests against which points are allocated. A maximum of 40 points may be attained. For the financial results to be considered as a satisfactory result, a minimum of 22 points must be scored.

2.2.1 Ratio Tests used and maximum number of points obtainable per ratio test:

Ratio	Points	
Liquidity ratio	14	A measure of the short-term solvency of the entity
Debt ratio	14	Amount of assets provided by creditors for each dollar of total assets
Turnover ratio	7	The average number of days to collect a receivable
Cash flow ratio	5	Level of debt versus profits

2.2.2 Scale of Points per Ratio Test:

$$\textbf{Liquidity Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Over 1.99	14 points
1.50 – 1.99	12 points
1.25 – 1.49	10 points
1.00 – 1.24	8 points
0.96 – 0.99	6 points
0.91 – 0.95	4 points
0.86 – 0.90	2 points
under 0.86	0 points

$$\textbf{Turnover Ratio} = \frac{\text{Net Receivables}}{\text{Total Sales}} \times 365$$

15 – 16 days	6 points
17 – 18 days	5 points
19 – 20 days	4 points
21 – 23 days	3 points
24 – 26 days	2 points
27 – 29 days	1 point
Over 29 days	0 points

Debt Ratio = $\frac{\text{Total Liabilities}}{\text{Total Assets}}$

Under 0.4	14 points
0.4 – 0.59	12 points
0.6 – 0.89	10 points
0.9 – 0.99	8 points
1.0 – 1.19	6 points
1.2 – 1.34	4 points
1.35 – 1.49	2 points
over 1.49	0 points

Cash Flow Ratio = $\frac{\text{Profit After Tax}}{\text{Long-term Liabilities}}$

0.20	5 points
0.18	4 points
0.15	3 points
0.13	2 points
0.10	1 point
under 0.10	0 points

3. ANNUAL FINANCIAL REVIEWS

3.1 All Agents are subject to annual financial reviews. Details are described in Resolution 812, Section 5.4.

4. FINANCIAL SECURITY

4.1 Financial Securities will be requested based on the Risk Status of the Agent as described in Resolution 812, Section 5.5:

4.1.1 Agents with Risk Status A – are not required to present a financial security

4.1.2 Agents with Risk Status B – will be required to present a financial security

4.1.3 Agents with Risk Status C – will be required to present a financial security

4.2 New Applicants will be required to provide a minimum Financial Security of USD 20,000 (or the equivalent in local currency).

4.3 When Accredited Agents are required to provide a Financial Security, the Financial Security will be calculated based on the Agents' own Day's Sales at Risk. Days Sales at Risk is calculated based on the number of days in the reporting period plus the number of days to remittance date plus a margin of 5 days, the result is then multiplied by the daily average BSP net cash sales of the Agent's previous 12 months' sales or a minimum Financial Security equivalent to USD20,000, whichever is higher.

4.4 Duration of guarantee:

- Two-years minimum for a New Applicant
- One-year minimum for Accredited Agents

5. FINANCIAL INFORMATION DEFINITIONS

Current Assets

This amount excludes notes or receivables from related parties, including shareholders, employees, officers, associates as well as Cash and Term Deposits pledged for security.

Current Liabilities

This amount must include the current portion of long-term debt.

Gross or Total Sales

In the event this figure is not specifically identified in the financial statements, please provide the gross sales figures for the period including ticket sales, package tours, hotels, car rental, insurance, miscellaneous income, etc., net of tax.

Long-term Liabilities

All long-term loans from third parties. It does not include non-current loans provided by shareholders or proprietors.

Net Receivables

This amount should be net of bad debt and should be broken down to reflect separately,

- Trade receivables net of provision for bad debt
- Commissions receivable
- Receivables from related parties. Refer to definition of current assets
- Supplier deposits

Profit After Tax

Profit after taxes but before extraordinary items.

Total Assets

Total assets including intangible assets such as goodwill, franchise fees, client lists, etc.

Total Liabilities

Include current liabilities and all loans from third parties. It does not include non-current loans provided by shareholders or proprietors. Loans from associate parties are included, unless subordinated to other parties.

BOLIVIA

(Effective 1 March 2025 – PAC MV/A692)
(Applicable to 2024 financial accounts)

1. GENERAL RULE – (Accounts/Documents to be provided)

The Agents presents the Financial Statements with an Audit report only when required by law. A copy of the Financial Statement in electronic form submitted to the Tax Authority shall be included.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the financial criteria will be extracted from the Agent's Audited Accounts (only when Audited Accounts are required by law).

2.2 The following financial tests apply to the evaluation of an Agent's Financial Accounts:

2.2.1 There must be positive Net Equity.

2.2.2 Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5.

2.2.3 EBITDA (Earnings Before Interest, Taxation, Depreciation, Amortisation and extraordinary items) mist be positive save in exceptional circumstances.

2.2.4 EBITDA must exceed the Interest Expense by a factor of a minimum of two.

2.2.5 Adjusted Current Assets must exceed Current Liabilities, as follows:

2.2.5.1 Minimum capital requirement: Registered capital paid in full by shareholders and duly registered at government registration entity.

2.2.5.2 Minimum capital expressed in local currency equivalent to:

(a) USD 25,000 for La Paz, Cochabamba and Santa Cruz

(b) Rest of cities in Bolivia: USD 20,000

2.2.5.3 Minimum registered capital is expressed in accounting books in Bolivian currency and accreditation requirements for the amounts are fixed in US dollars. If devaluation affects Bolivia, the Agent will adjust the registered capital at year-end when presenting annual balance sheet to government and to IATA for the Annual Financial Review.

New applicants and Accredited Agents

The Financial Statements are required with an Audit report (only when required by law) and performed by external audit firm.

Any variances over 10% in local currency, due to devaluation of BOB/USD will be adjusted annually when presenting financial documentation for financial reviews.

3. ANNUAL FINANCIAL REVIEWS

The presentation of Financial Statements for the annual financial review will be 30 days after the legal presentation date with a maximum of 8 months after the closing date.

4. FINANCIAL SECURITY

4.1 Financial Securities will be requested based on the Risk Status of the Agent as described in Resolution 812, Section 5:

Agents with Risk Status A – are not required to present a financial security

Agents with Risk Status B – will be required to present a financial security

Agents with Risk Status C – will be required to present a financial security

4.2 New Applicants and Accredited Agents will be required to provide a minimum financial security equivalent to USD 20,000.

4.3 When Accredited Agents are required to provide a Financial Security, the Financial Security will be calculated based on the Agents' own Day's Sales at Risk. Days Sales at Risk are calculated based on the number of days in the reporting period plus the number of days to remittance date plus a margin of 5 days, the result is then multiplied by the daily average BSP net cash sales of the Agent's previous 12 months' sales.

5. FINANCIAL INFORMATION DEFINITIONS

Current Assets

This amount excludes notes or receivables from related parties, including shareholders, employees, officers, associates as well as Cash and Term Deposits pledged for security.

Current Liabilities

This amount must include the current portion of long-term debt.

Gross or Total Sales

In the event this figure is not specifically identified in the financial statements, please provide the gross sales figures for the period including ticket sales, package tours, hotels, car rental, insurance, miscellaneous income, etc., net of tax.

Long-term Liabilities

All long-term loans from third parties. It does not include non-current loans provided by shareholders or proprietors.

Net Receivables

This amount should be net of bad debt and should be broken down to reflect separately,

- Trade receivables net of provision for bad debt
- Commissions receivable
- Receivables from related parties. Refer to definition of current assets
- Supplier deposits

Profit After Tax

Profit after taxes but before extraordinary items.

Total Assets

Total assets including intangible assets such as goodwill, franchise fees, client lists, etc.

Total Liabilities

Include current liabilities and all loans from third parties. It does not include non-current loans provided by shareholders or proprietors. Loans from associate parties are included, unless subordinated to other parties.

BRAZIL

△ *(Effective 1 March 2026 – PAC MV/A705)*
(Applicable to 2025 Agent financial accounts)

1. FINANCIAL STATEMENTS

△ Agent must submit independently produced financial statements, prepared in accordance with general accounting practices. Financial statements must comply with the following minimum criteria:

1. must not be older than six months;
2. must be certified by an independent certified public accountant;
3. must comply with the minimum financial criteria. These statements must reflect minimum social capital of BRL 40,000
4. must be evaluated against Ratio Tests

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□ **2. CRITERIA FOR THE EVALUATION OF AGENTS' FINANCIAL ACCOUNTS**

Ratio	Score	PASS / FAIL
Current Assets / Current Liabilities	1.00 or more Under 1.00	PASS FAIL
Positive Net Equity	Positive Negative	PASS FAIL
Current Liabilities + Long Term Liabilities / Net Equity	Under 3 3 or more	PASS FAIL
EBITDA	Positive Negative	PASS FAIL

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□ All 4 ratios must obtain a PASS result in order to secure an overall Satisfactory Financial Review.

□ **3. ANNUAL FINANCIAL REVIEWS**

3.1 All Agents are subject to annual financial reviews. Details are described in Resolution 812, Section 5.

△ **4. FINANCIAL SECURITIES**

4.1 Financial Securities will be requested based on the Risk Status of the Agent as described in Resolution 812, Section 5:

4.1.1 Agents with Risk Status A–are not required to present a financial security, or as indicated in the rules.

4.1.2 Agents with Risk Status B–will be required to present a financial security.

4.1.3 Agents with Risk Status C–will be required to present a financial security.

4.2 Duration of financial security:

4.2.1 Two-year minimum for applicants subject to satisfactory results of financial review prior to expiry of guarantee.

4.2.2 One-year minimum for Approved Agents subject to satisfactory results of financial review prior to expiry of guarantee.

4.3 Financial Security Calculation:

$$\text{“Sales as Risk”} = \frac{\text{“Number of Days’ Sales at Risk”} \times \text{Cash sales amount from 3 highest months in the previous 12 months}}{\text{90 (Number of days)}}$$

4.4 Minimum Financial Security Amount: equivalent to USD 35,000

5. FINANCIAL INFORMATION DEFINITIONS

Current Assets
Excludes notes or receivables from related parties, including shareholders, employees, officers, associates as well as Cash and Term Deposits pledged for security.

Current Liabilities
Must include the current portion of long-term debt.

Long Term Assets
Excludes investments, fixed assets and intangible assets.

Net Profit
Net Revenues (deducted from taxes and contributions) minus Total Expenses plus Net Financial Result.

BULGARIA

△ *(Effective 1 January 2026, MV/A703)*

1. GENERAL RULE

1.1 Documents required for New Applicants

New Applications will only be accepted from entities that:

- Have one year trading history

The following documents are required:

1. Balance sheet, Cash Flow and Profit & Loss account duly certified by an outside certified accountant covering the 12 months period prior to application submission.
2. Statements of sales, verified by airlines or IATA agencies.
3. Tax Office Certificate (Удостоверение за липса на задължения и данъци) showing that at the time of the application the agent has no outstanding payments to the State.

1.2 Documents required for existing Agents

Financial evaluation of existing Agents against the criteria in Section 2 is performed by IATA on an annual basis. The following documents, submitted electronically no later than 6 months after each financial year end, are required:

1. Balance Sheet for the past financial year prepared according to the National Tax and Accounting standards and duly certified by a certified accountant.
2. Tax Office Certificate (Удостоверение за липса на задължения и данъци) issued after the end of the financial year in review.

Such action can be requested only by IATA office and conclusions of such review will be treated in a strictly confidential way.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

The established criteria for financial evaluation of new and existing Agents are:

1. Rate of Liquidity = Current Assets/Current Liabilities, must be greater than 1.2.
2. Rate of Solvency = Total Capital (Общо Собствен Капитал)/Total Liabilities (Общо задължения), must be greater than 0.5.
3. Net equity = Total assets – Total Liabilities, must be greater than 0
4. Agent has had no outstanding payments to the State for the past financial year

An Applicant/Agent will pass the Financial Review if all the above financial tests are met.

3. FINANCIAL SECURITY

3.1 General Principles

An Agent will not be accredited or will not continue to be accredited until a any Financial Security required is to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

3.2 Sales at Risk

For each Agent IATA individually determines the "Sales at Risk" using the following formula:

3.2.1 For Agents within their 6 months of operation as IATA Accredited Agent:

$$\text{"Sales at Risk"} = \frac{\text{"Days' Sales at Risk"} \times \text{Estimation of annual sales as per the Statement of Sales}}{360}$$

3.2.2 For Agents between their 6 and 12 months of operation as IATA Accredited Agent:

$$\text{"Sales at Risk"} = \frac{\text{"Days' Sales at Risk"} \times \text{BSP Cash Turnover in the latest 6 months period}}{180}$$

3.2.3 For Agents after their 12 months of operation as IATA Accredited Agent:

$$\text{“Sales at Risk”} = \frac{\text{“Days’ Sales at Risk”} \times \text{BSP Cash Turnover in the latest 12 months period}}{360}$$

Days’ Sales at Risk, applicable to the formula above, are 20.

Days’ Sales at Risk: 7 days billing period + 8 days from the end of billing period to remittance day + 5 days until Default declaration = 20 days.

3.3 Level of Financial Security

△ **3.3.1** All Agents, during the first two (2) years as an IATA Accredited Agent, must provide a Financial Security covering the amount at risk as defined in 3.2 above, but not less than the minimum amount specified in Section 3.4.

3.3.2 Existing Agents

3.3.2.1 Agents with Risk Status A

△ Agents with Risk Status A, are required to provide a Financial Security covering 30% of their Amount at Risk calculated as per Section 3.2.3, or the minimum amount specified in Section 3.4, whichever is higher.

3.3.2.2 Agents with Risk Status B

△ Agents with Risk Status B are required to provide a Financial Security covering 100% of their Amount at Risk calculated as per Section 3.2.3, or the minimum amount specified in Section 3.4, whichever is higher.

3.3.2.3 Agents with Risk Status C

△ Agents with Risk Status C are required to provide a Financial Security covering 100% of their Amount at Risk calculated as per Section 3.2.3, or the minimum amount specified in Section 3.4, whichever is higher.

3.3.3 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

□ **3.4 Minimum Financial Security**

The minimum financial security amount for any form of security established before 1 January 2026 is 15'338.76 EUR (converted from the applicable BGN amount). For any security established or renewed on or after 1 January 2026, the minimum amount is EUR 15,000.

CAMBODIA

(Effective 1 June 2020 – MV/328)

1. GENERAL RULE

The Applicant must have conducted travel agent business for at least twelve (12) months having a Tourism License issued by Ministry of Tourism in Cambodia.

2. CRITERIA FOR THE EVALUATION OF AGENTS ACCOUNTS

2.1 All financial information used in the financial criteria will be extracted from the Applicant or Agent's Audited Accounts prepared by a Certified Public Accountant or Auditor.

2.2 The following financial tests short term [ST] and long term [LT] apply to the evaluation of an Applicant or Agent's Audited Accounts. Failure in 3 or more indicators will be considered as an unsatisfactory result in the Financial Assessment:

2.2.1 There must be positive Net Equity [ST]

2.2.2 Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5 [LT]

2.2.3 Adjusted Current Assets must exceed Current Liabilities [ST]

2.2.4 Operating result (i.e. Net result (profit/loss) before income tax, before exceptional result (profit/loss) and before financial charges (profit/loss)) must be positive [ST]

2.2.5 Net results must be positive [ST]

2.2.6 Decrease in net income [if any] (i.e. Current FY income/Previous FY income) must not be smaller than 0.85 for the short-term ratio [ST]

2.2.7 Decrease in net income [if any] (i.e. Current FY income/FY 2 years prior income) must not be smaller than 0.85 for the long-term ratio [LT]

2.2.8 Cash Generated by operations (i.e. Profit before tax adjusted for non-cash charges/provisions and working capital changes) must be positive [LT]

2.3 An Applicant or Agents must have a minimum registered capital of USD 40,000 for Head Entity.

3. ANNUAL FINANCIAL REVIEWS

3.1 All Agents must provide Certified or Audited Accounts no later than six months (6) months after each financial year end, of that agent for the purposes of evaluation against the financial tests in Section 2.

4. FINANCIAL SECURITY

4.1 All Agents or Applicants notwithstanding the Risk Status, must furnish a minimum Financial Security of USD 10,000 or equivalent to an average of one month's turnover in the last 12 months, whichever is higher.

4.2 All Agents or Applicants notwithstanding the Risk Status must at all times provide a Financial Security which will equal their assigned Remittance Holding Capacity. However, an Agent or Applicant may at any time request to reduce or increase the Financial Security amount provided in accordance with Resolution 812 Section 5.9.4.

5. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

5.1 Adjusted Current Assets – are defined as Current Assets as in the Balance Sheet of the Accounts after deducting:

- **Stocks and work in progress.**
- **Deposits given to third parties other than IATA,**
- **Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)**
- **Doubtful debtors,**
- **Blocked funds, except for funds held in favour of IATA.**

These generic descriptions may be modified to terms specifically defined under the applicable local Generally Accepted Accounting Principles (GAAP) and disclosed in the financial statements.

5.2 Current Liabilities – are defined as Current Liabilities as in the Balance Sheet of the Accounts

5.3 Net Equity or Shareholders'/Owners' Funds – consists of:

- **Share capital**
- **Share premium**
- **Retained earnings**
- **Other distributable reserves**
- **Shareholder's loans if subordinated less declared dividends**

5.4 Long-term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

5.5 Long-term Liabilities – All liabilities where repayment is due more than twelve months after the end of the financial period.

CANADA/BERMUDA

(Effective 1 January 2024 - PAC MV/A651)

1. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

1.1 Ratio Tests

The following ratio tests are performed on all financial statements and points are attributed accordingly, as indicated.

The maximum number of points obtainable is 30 made up as follows:

Current Ratio:	8 points
Quick Ratio:	4 points
Efficiency Ratio:	5 points
Debt Ratio:	9 points
Profitability Ratio:	4 points

1.1.1 CURRENT RATIO: Current Assets/Current Liabilities

This ratio provides a measure of the short-term solvency of the entity.

Over 1.99	8 points
1.50 - 1.99	7 points
1.25 - 1.49	6 points
1.00 - 1.24	5 points
0.95 - 0.99	4 points
0.90 - 0.94	3 points
0.85 - 0.89	2 points
0.80 - 0.84	1 point
under 0.80	0 points

1.1.2 QUICK RATIO: Cash & Accounts Receivable/Current Liabilities

This ratio measures the ability of the entity to pay short-term debts "instantly".

Over 1.59	4 points
1.40 - 1.59	3 points
1.20 - 1.39	2 points
1.00 - 1.19	1 point
under 1.00	0 points

1.1.3 EFFICIENCY RATIO: (Accounts Receivable/Gross Sales) × 360

This ratio is a measure of the average number of days taken to collect an account receivable.

Under 10 days	5 points
10 - 11.99 days	4 points
12 - 14.99 days	3 points
15 - 17.99 days	2 points
18 - 19.99 days	1 point
Over 19.99 days	0 points

1.1.4 DEBT RATIO: Total Debt/Net Tangible Assets

This ratio measures the amount of assets provided by creditors for each dollar of Tangible Assets.

Under 0.4	9 points
0.4 - 0.49	8 points
0.5 - 0.59	7 points
0.6 - 0.69	6 points
0.7 - 0.79	5 points
0.8 - 0.89	4 points

0.9 - 0.99	3 points
1.0 - 1.19	2 points
1.2 - 1.29	1 point
Over 1.29	0 points

1.1.5 PROFITABILITY RATIO: (Net Profit after tax/Tangible Net Worth) × 100

This ratio is a measure of how well the owner's investment has been employed by management.

Over 19.99	4 points
15 - 19.99	3 points
10 - 14.99	2 points
0 - 9.99	1 point
Under 0	0 points

1.1.6 If an Accredited Agent submits financial statements that indicates a zero or negative Cash position, combined with the Efficiency Ratio for the collection of receivables greater than 10 days, the result of the financial review will be considered as failed.

1.2 Applicants and Accredited Agents

1.2.1 Working Capital

Working Capital	**Gross Sales**
CAD 15,000 (or the equivalent in Bermudian dollars for Accredited Agents based in Bermuda)	< CAD 2,000,000 (or the equivalent in Bermudian dollars for Accredited Agents based in Bermuda)
CAD 25,000 (or the equivalent in Bermudian dollars for Accredited Agents based in Bermuda)	Between CAD 2,000,000 and CAD 5,000,000 (or the equivalent in Bermudian dollars for Accredited Agents based in Bermuda)
CAD 35,000 (or the equivalent in Bermudian dollars for Accredited Agents based in Bermuda)	>CAD 5,000,000 (or the equivalent in Bermudian dollars for Accredited Agents based in Bermuda)

1.2.2 Tangible Net Worth

Tangible Net Worth	**Gross Sales**
CAD 25,000 (or the equivalent in Bermudian dollars for Accredited Agents based in Bermuda)	<CAD 2,000,000 (or the equivalent in Bermudian dollars for Accredited Agents based in Bermuda)
CAD 35,000 (or the equivalent in Bermudian dollars for Accredited Agents based in Bermuda)	Between CAD 2,000,000 and CAD 5,000,000 (or the equivalent in Bermudian dollars for Accredited Agents based in Bermuda)
CAD 45,000 (or the equivalent in Bermudian dollars for Accredited Agents based in Bermuda)	>CAD 5,000,000 (or the equivalent in Bermudian dollars for Accredited Agents based in Bermuda)

1.2.3 Ratio Points

Ratio Points	**Gross Sales**
20	< CAD 2,000,000 (or the equivalent in Bermudian dollars for Accredited Agents based in Bermuda)
15	Between CAD 2,000,000 and CAD 5,000,000 (or the equivalent in Bermudian dollars for Accredited Agents based in Bermuda)
15	>CAD 5,000,000 (or the equivalent in Bermudian dollars for Accredited Agents based in Bermuda)

1.2.4 If either the Working Capital, or Tangible Net Worth, or the Ratio Points of the Accredited Agent or Applicant falls below the threshold in the table above, the Accredited Agent/Applicant will be considered as having failed the Financial Review.

1.2.5 (Applicable to Applicants only) Short Accounting Period: Where the financial statements reflect a short accounting period i.e. less than 12 months, the Profitability Ratio will not be appropriate. As a result, the total point score would be reduced to 26 and the acceptable minimum to 13.

2. ANNUAL FINANCIAL REVIEWS

2.1 Documents required

2.1.1 An Applicant and an Accredited Agent must provide financial statements, including but not limited to income statement, balance sheet, statement of cash flow and notes to the financial statements. The financial statements must be prepared in accordance with generally accepted accounting principles and prepared by a regulated Licensed Public Accountant or firm as it applies in Canada and Bermuda. Any interest by the accountant in the ownership of the agency must be divulged. If the financial statements are not audited, they must be accompanied by the accountant's Review Engagement Report (in accordance with the Canadian Standards for Review Engagement (CSRE) Section 2400).

2.1.2 A Notice to Reader or a Compilation Report is not acceptable.

2.1.3 All Accredited Agents must submit a scanned copy of their financial statements to IATA upon request.

2.1.4 Year-end financial statements must be received within 90 days of the Accredited Agent's financial year-end. All other financial statements submitted must reflect a financial position not older than 90 days.

2.1.5 All Accredited Agents must notify IATA of any change or alteration to their fiscal year end and of any legal or governmental procedure that may affect their fiscal year end. This notice must be in writing and be accompanied by a legal or government issued document which confirms the change or alteration to the Accredited Agent's fiscal year end.

3. FINANCIAL SECURITY

3.1 Applicants

3.1.1 Applicants must provide a Financial Security equivalent to the Applicant's average net cash sales of the last 12 months based on assumed net cash sales turnover, with a minimum of CAD 35,000 or the equivalent in Bermudian dollars for Applicants based in Bermuda.

3.1.2 Once accredited, the amount of the Financial Security required must cover the agent's average net cash sales of the last 12 months times the number of Days' Sales At Risk' (17 days) based on the Accredited Agent's actual net cash sales turnover with a minimum of CAD 35,000, or equivalent in Bermudian dollars for Accredited Agents based in Bermuda.

3.2 Accredited Agents

Agents with Risk Status A:

For Accredited Agents with Risk Status A, no Financial Security will be required, except as indicated in Resolution 812, Section 5.11.

Agents with Risk Status B:

For Accredited Agents with Risk Status B the Financial Security will be calculated based on the Agent's average net cash sales of the last 12 months times the number of 'Days; Sales At Risk' (17 days) with a minimum amount of CAD 35,000 or the equivalent in Bermudian dollars for Agents based in Bermuda.

Agents with Risk Status C:

For Accredited Agents with Risk Status C, the Financial Security will be calculated based on the Agent's average net cash sales of the last 12 months times the number of 'Days' Sales At Risk' (17 days), with a minimum amount of CAD 35,000 or the equivalent in Bermudian dollars for Accredited Agents based in Bermuda.

Note: *Please refer to Resolution 812 – Operation of Remittance Holding Capacity for details.*

3.3 If an existing Financial Security is insufficient to cover the amounts calculated under 3.1 and 3.2, the amount of the Financial Security required will be increased to cover the Amount at Risk.

3.4 IATA will return the Financial Security to the Accredited Agent with Risk Status A upon the expiry date of the Financial Security commitment.

4. DEFINITIONS

4.1 Additional Financial Information and Definitions

4.1.1 Accounts Payable - this amount should be broken down to reflect separately:
– amounts due to airlines through BSP;
– amounts due to all suppliers payables;
– customer deposits (if not listed separately);
– other payables.

4.1.2 Accounts Receivable - this amount should be broken down to reflect separately:
– Trade receivables net of provision for bad debts;
– Commissions receivable;
– Receivables from related parties (see definition of current assets);
– Supplier deposits;

4.1.3 Bank Loans or Bonds

Interest rate, repayment terms and security, if any, pledged as collateral must be indicated.

4.1.4 Capital Stock

If shares are issued for other than cash, full details of the consideration must be given.

4.1.5 Cash

Includes cash and bank balances plus cash equivalents such as certificates of deposit, government bonds, etc. excluding Cash and Term Deposits pledged for security.

4.1.6 Commingling Assets

Assets not related to the operation of the agency (i.e. owners or partners property, land, automobile, securities, etc.) will not be considered in the evaluation and will be deducted in the computation of the Working Capital and Tangible Net Worth.

4.1.7 Current Assets

This amount excludes notes or receivables from related parties, including shareholders, employees, officers, associates as well as Cash and Term Deposits pledged for security.

4.1.8 Current Liabilities

This amount must include the current portion of long-term debt.

4.1.9 Financial Security

All acceptable Financial Security types are available in IATA Resolution 850p.

4.1.10 Gross Sales

In the event this figure is not specifically identified in the financial statements, please provide the gross sales figures for the period including ticket sales, package tours, hotels, car rental, insurance, miscellaneous income, etc., NET OF TAX.

4.1.11 Investments

If there are any investments in associated companies or other companies, the names of such companies must be given together with the nature of their business and the basis used in accounting for this investment, i.e. cost or equity method. Investments in related companies must be excluded in the computation of working capital and tangible net worth.

4.1.12 Net Cash Sales

Net cash sales is equal to the total of Accredited Agent's BSP net remittance.

4.1.13 Net Income or Loss After Tax

Net income or loss after taxes but before extraordinary items.

4.1.14 Net Tangible Assets

Total assets, less intangible assets such as goodwill, franchise fees, covenants not to compete, client lists, etc.

4.1.15 Tangible Net Worth

This is calculated by summing common and/or preferred stock, paid-in/contributed capital, subordinated shareholders' loan plus retained earnings (minus deficit), less intangible assets such as goodwill, franchise fees, mailing/client lists and covenants not to compete; receivables from related parties, including shareholders, officers and employees are excluded when calculating the tangible net worth.

4.1.16 Total Debt

Includes current liabilities and all loans from third parties. It does not include noncurrent loans provided by shareholders or proprietors. Loans from related parties are included, unless subordinated to other parties.

4.1.17 Working Capital

Working capital is the difference between Current Assets and Current Liabilities.

4.1.18 Days' Sales At Risk

Means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period, plus a margin of five days (17 days).

ALL CARIBBEAN COUNTRIES, GUYANA and SURINAME except Dominican Republic

(Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Bonaire, British Virgin Islands, Cayman Islands, Curacao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Sint Maarten, Suriname, Trinidad and Tobago and Turks and Caicos Islands – Effective 1 October 2023, applicable as of Agents' financial year-end 2023)

1. GENERAL RULE – (Accounts / Documents to be provided)

1.1 Financial Statements:

1.1.1 Balance Sheet, Profit and Loss statement, reflecting the financial position of the agency,

1.1.2 Must not be older than six months at the time of submission,

1.1.3 Must be certified, notarized, and signed by an external or internal Certified Public Accountant.

1.2 Bank and/or Credit Report covering 3 months preceding the date of the Balance Sheet.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 Financial statements must reflect the equivalent of USD 15,000 in working capital (the difference between total current assets over total current liabilities) to the financial accounts of 2023. Working capital will increase to USD 25,000 starting with the 2024 financial year-end.

2.2 Financial Statements will be evaluated against ratio tests. The financial ratio analysis is measured by the application of five ratio tests against which points are allocated. A maximum of 44 points may be attained. For the financial results to be considered satisfactory, a minimum of 22 points must be scored.

2.2.1 Ratio Tests used and the maximum number of points obtainable per ratio test:

Ratio	Points	Description
Liquidity ratio	14	A measure of the short-term solvency of the entity
Debt ratio	14	Amount of assets provided by creditors for each dollar of total assets
Turnover ratio	7	The average number of days to collect a receivable
Cash flow ratio	5	Level of debt versus profits
Risk History	4	Amount of Risk Events in the agency's history

2.2.2 Scale of Points per Ratio Test:

$$\textbf{Liquidity Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Over 1.99	14 points
1.50 – 1.99	12 points
1.25 – 1.49	10 points
1.00 – 1.24	8 points
0.96 – 0.99	6 points
0.91 – 0.95	4 points
0.86 – 0.90	2 points
under 0.86	0 points

$$\textbf{Turnover Ratio} = \frac{\text{Net Receivables}}{\text{Total Sales}} \times 365$$

Under 15 days	7 points
15 – 16 days	6 points
17 – 18 days	5 points
19 – 20 days	4 points
21 – 23 days	3 points
24 – 26 days	2 points
27 – 29 days	1 point
Over 29 days	0 points

$$\textbf{Debt Ratio} = \frac{\text{Total Liabilities}}{\text{Total Assets}}$$

Under 0.4	14 points
0.4 – 0.59	12 points
0.6 – 0.89	10 points
0.9 – 0.99	8 points
1.0 – 1.19	6 points
1.2 – 1.34	4 points
1.35 – 1.49	2 points
over 1.49	0 points

$$\textbf{Cash Flow Ratio} = \frac{\text{Profit After Tax}}{\text{Long-term Liabilities}}$$

0.20	5 points
0.18	4 points
0.15	3 points
0.13	2 points
0.10	1 point
under 0.10	0 points

Risk History = number of risk events in the financial year

0 Events	4 points
1 Maximum Event Per Financial Year	2 points
2 or More Events per Financial Year	0 points

3. ANNUAL FINANCIAL REVIEWS

3.1 All Agents are subject to annual financial reviews. Details are described in Resolution 812, Section 5.

4. FINANCIAL SECURITY

4.1 Financial Securities will be requested based on the Risk Status of the Agent as described in Resolution 812, Section 5:

4.1.1 Agents with Risk Status A – are not required to present a financial security

4.1.2 Agents with Risk Status B – will be required to present a financial security

4.1.3 Agents with Risk Status C – will be required to present a financial security

4.2 New Applicants will be required to provide a minimum Financial Security as indicated below:

Anguilla	USD 25,000
Antigua and Barbuda	USD 25,000
Aruba	USD 25,000
Bahamas	USD 65,000
Barbados	USD 25,000
Bonaire	USD 25,000
British Virgin Islands	USD 25,000
Cayman Islands	USD 25,000
Curacao	USD 25,000
Dominica	USD 25,000
Grenada	USD 25,000
Guyana	USD 25,000
Haiti	USD 25,000
Jamaica	USD 25,000
Montserrat	USD 25,000
Saint Kitts and Nevis	USD 25,000

Saint Lucias	USD 25,000
Saint Vincent and the Grenadines	USD 25,000
Sint Maarten	USD 25,000
Suriname	USD 25,000
Trinidad and Tobago	USD 25,000
Turks and Caicos	USD 25,000

4.3 When Accredited Agents are required to provide a Financial Security, the Financial Security will be calculated based on the Agents' own Day's Sales at Risk. Days Sales at Risk is calculated based on the number of days in the reporting period plus the number of days to remittance date plus a margin of 5 days, the result is then multiplied by the daily average BSP net cash sales of the Agent's previous 12 months' sales or a minimum Financial Security equivalent to USD5,000, whichever is higher.

4. Duration of Financial Security:

- Two-years minimum for a New Applicant
- One-year minimum for Accredited Agents

FINANCIAL INFORMATION DEFINITIONS

Current Assets

The amount excludes notes or receivables from related parties, including shareholders, employees, officers, associates, and Cash and Term Deposits pledged for security.

Current Liabilities

This amount must include the current portion of long-term debt.

Gross or Total Sales

In the event this figure is not specifically identified in the financial statements, please provide the gross sales figures for the period, including ticket sales, package tours, hotels, car rental, insurance, miscellaneous income, etc., net of tax.

Long-term Liabilities

All long-term loans from third parties. It does not include non-current loans provided by shareholders or proprietors.

Net Receivables

This amount should be net of bad debt and should be broken down to reflect separately,

- Trade receivables net of provision for bad debt
- Commissions receivable
- Receivables from related parties. Refer to definition of current assets
- Supplier deposits

Profit After Tax

Profit after taxes but before extraordinary items.

Total Assets

Total assets, including intangible assets such as goodwill, franchise fees, client lists, etc.

Total Liabilities

Include current liabilities and all loans from third parties. It does not include non-current loans provided by shareholders or proprietors. Loans from associate parties are included unless subordinated to other parties.

Certified Financial Statements

Prepared and signed by an internal or external Certified Public Accountant in accordance with local accounting practices.

CENTRAL AND WEST AFRICA

(French speaking countries of Central and West Africa – Benin, Burkina Faso, Cote d'Ivoire, Mali, Niger, Senegal and Togo - Effective 1 March 2019 – PAC/41; Cameroon, Chad, Congo, Gabon & Mauritania: Effective upon NewGen ISS Implementation)

1. GENERAL RULE

1.1 An Agent must provide Audited Accounts to IATA. Audited Accounts means accounts reviewed by an auditor recognized as competent by a regulatory authority in the country to perform an audit.

2. CRITERIA FOR THE EVALUATION OF AGENTS ACCOUNTS

2.1 All financial information used in the financial review will be extracted from the Agent's Audited Accounts.

2.2 The following financial tests apply to the evaluation of an Agent Audited accounts:

2.2.1 There must be a positive Net Equity

2.2.2 Net Equity divided by long-term debt and other long-term Liabilities must be greater than 0.5

2.2.3 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortization and extraordinary items) must be positive

2.2.4 The EBITDA must exceed the Interest Payable by a factor of a minimum of two.

2.2.5 Adjusted Current Assets must exceed Current Liabilities.

2.2.6 The liquidity ratio must be greater than 1.1

2.3 An Agent will obtain a satisfactory result on the financial review when all provisions in section 2.2 of these criteria have been met.

3. ANNUAL FINANCIAL REVIEWS

3.1.1 All applicants must provide Audited Accounts not more than 12 months old at the time of accreditation application to become an Agent to be assessed in accordance with section 2 of these criteria.

3.1.2 If an Agent has been in business for less than 12 months at the time of accreditation application, an audited opening balance sheet must be provided.

3.1.3 For any subsequent Financial Review, all Agents must provide Audited Accounts no later than 8 months after each financial year end or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 2 of this criteria.

4. FINANCIAL SECURITY

4.1 An agent will not be accredited or will not continue to be accredited until IATA receives the financial security issued by the organization, a validation by written confirmation of the authenticity of the said financial security issued.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

Remittance Frequency	Days' Sales at Risk	Days in reporting period
Two times per month	35	15

4.3.2 "Amount at Risk" is calculated as following:

"Amount at Risk" = ("Days' Sales at Risk" × BSP cash turnover in the most recent 12 months)/360

4.4 A minimum Financial Security amount will be XOF/XAF 65,000,000.00 or MRU 4,000,000.00 for Mauritania is mandatory to all travel agencies within the two years of their accreditation.

4.5 All Financial Securities must be provided per the format provided by IATA.

4.6 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

4.7 Accredited Agents:

4.7.1 Agents with Risk Status A:

Agents are required to provide a Financial Security covering 50% of their Amount at Risk calculated as per Section 4.3.2

4.7.2 Agents with Risk Status B:

Agents are required to provide a Financial Security covering 85% of their Amount at Risk as per section 4.3.2

4.7.3 Agents with Risk Status C:

Agents are required to provide a Financial Security covering 100% of their Amount at Risk as per section 4.3.2, or minimum Financial Security as per section 4.4, which is higher.

4.8 New Applicants

4.8.1 New Applicants are required to provide a Financial Security equal to:

A financial Security covering 100% of their Amount at Risk as per section 4.3.2, or minimum Financial Security as per section 4.4, which is higher.

5. DEFINITIONS OF TERMS USED IN THESE CRITERIA

Adjusted Current Assets - are defined as Current Assets as in the balance sheet of the accountants after deducting:
- Stocks and work in progress
- Deposits given to third parties other than IATA
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
- Doubtful debtors
- Blocked funds except for funds held in favour of IATA.

These generic descriptions may be modified to terms specifically defined under the applicable local Generally Accepted Accounting Principles (GAAP) and disclosed in the financial statements.

Current Liabilities – are defined as current liabilities in the balance sheet of the accounts

EBITDA - Earnings before Interest, Taxation, Depreciation and Amortisation.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this local Financial Criteria.

Net Equity or Shareholders'/owners' Funds-Consists of:
- Share capital
- Share Premium
- Retained earnings
- Other distributive reserves
- Shareholder's loans if subordinated less declared dividends

Long Term Debt - All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities - all liabilities where repayment is due more than twelve months after the end of the financial period.

Review means any assessment or evaluation of an agent's continuing compliance with the Passenger Sales Agency Rules.

CHILE

(Effective 1 January 2024 – PAC MV/A649)

1. GENERAL RULE – (Accounts/Documents to be provided)

Financial Statements

- Must be prepared in accordance with generally accepted accounting principles and will be reviewed against the rules and methodology indicated herewith.
- The financial statements must consist of a Balance Sheet, Profit and Loss Statement and Statement of Cash Flow
- Must not be older than 6 months
- Must be certified by an external public accountant
- Must comply with minimum financial criteria herewith
- Must be evaluated against financial ratios

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

Financial Statements will be evaluated against ratio tests. Ratio Tests Definition and Parameters follow.

Ratio	Points	
Liquidity ratio	14	A measure of the short-term solvency of the entity
Debt ratio	14	Amount of assets provided by creditors for each dollar of total assets
Turnover ratio	7	The average number of days to collect a receivable
Cashflow ratio	5	Level of debt versus profits

An acceptable financial ratio analysis measured by the application of four ratio tests against which points are allocated. A maximum of 40 points may be attained. For the financial results to be considered as a Satisfactory result, a minimum of 22 points must be scored.

Scale of Points per Ratio Test:

$$\textbf{Liquidity Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Over 1.99	14 points
1.50 – 1.99	12 points
1.25 – 1.49	10 points
1.00 – 1.24	8 points
0.96 – 0.99	6 points
0.91 – 0.95	4 points
0.86 – 0.90	2 points
Less than 0.86	0 points

$$\textbf{Turnover Ratio} = \frac{\text{Net Receivables}}{\text{Total Sales}} \times 365$$

Under 15 days	7 points
15 – 16 days	6 points
17 – 18 days	5 points
19 – 20 days	4 points
21 – 23 days	3 points
24 – 26 days	2 points
27 – 29 days	1 point
More than 29 days	0 points

$$\textbf{Debt Ratio} = \frac{\text{Total Liabilities}}{\text{Total Assets}}$$

Under 0.4	14 points
0.4 – 0.59	12 points
0.6 – 0.89	10 points
0.9 – 0.99	8 points
1.0 – 1.19	6 points
1.2 – 1.34	4 points
1.35 – 1.49	2 points
over 1.49	0 points

$$\textbf{Cash Flow Ratio} = \frac{\text{Profit After Tax}}{\text{Long-term Liabilities}}$$

0.20	5 points
0.18	4 points
0.15	3 points
0.13	2 points
0.10	1 point
under 0.10	0 points

3. FINANCIAL REVIEWS

3.1 Applicants shall present financial statements.

3.2 Every IATA Accredited Agent shall submit their annual financial statements to ensure continued financial compliance.

3.3 The presentation of Financial Statements for the annual financial review will be 30 days after the submission date to local fiscal authorities.

4. FINANCIAL SECURITY

4.1 Financial guarantees will be requested based on the Risk Status of the Agent, as per Resolution 812, Section 5.

4.1.1 Agents with Risk Status A – are not required to present a financial security, except as indicated in Section 5.

4.1.2 Agents with Risk Status B – will be required to present a financial security.

4.1.3 Agents with Risk Status C – will be required to present a financial security.

4.2 New Applicants will be required to provide a minimum Financial Security equivalent to USD10,000

4.3 When Accredited Agents are required to provide a Financial Security, the Financial Security will be calculated based on the Agents' own Day's Sales at Risk. Days Sales at Risk is calculated based on the number of days in the reporting period plus the number of days to remittance date plus a margin of 5 days, the result is then multiplied by the daily average BSP net cash sales of the Agent's previous 12 months' sales or a minimum Financial Security equivalent to USD10,000 will be required, whichever is higher.

4.4 Duration of guarantee:

- Two-years minimum for New Applicants
- One-year minimum for Accredited Agents

5. FINANCIAL INFORMATION DEFINITIONS

Current Assets

This amount excludes notes or receivables from related parties, including shareholders, employees, officers, associates as well as Cash and Term Deposits pledged for security.

Current Liabilities

This amount must include the current portion of long-term debt.

Gross or Total Sales

In the event this figure is not specifically identified in the financial statements, please provide the gross sales figures for the period including ticket sales, package tours, hotels, car rental, insurance, miscellaneous income, etc., net of tax.

Long-term Liabilities

All long term loans from third parties. It does not include non-current loans provided by shareholders or proprietors.

Net Receivables

This amount should be net of bad debt and should be broken down to reflect separately,

- Trade receivables net of provision for bad debt
- Commissions receivable
- Receivables from related parties. Refer to definition of current assets
- Supplier deposits

Profit After Tax

Profit after taxes but before extraordinary items.

Total Assets

Total assets including intangible assets such as goodwill, franchise fees, client lists, etc.

Total Liabilities

Include current liabilities and all loans from third parties. It does not include non-current loans provided by shareholders or proprietors. Loans from associate parties are included, unless subordinated to other parties.

CHINA, PEOPLE'S REPUBLIC OF

(Effective 1 November 2020 – MV/353)

1. GENERAL QUALIFICATIONS

1.1 Finances

1.1.1 An International Agent must submit Audited Financial Statements prepared in accordance with Chinese accounting standards. Such statements shall include Balance Sheet and Profit & Loss Account and shall be duly audited and certified by an Authorized Public Auditor according to the Chinese Law.

1.1.1.1 The Audited Financial Statements should not be older than nine months at the time of submission.

1.1.1.2 If the applicant has been operating for less than six months, Capital Verification Report, instead of Audited Financial Statements may be provided.

1.1.2 Registered Capital requirements:

1.1.2.1 In order to obtain or to maintain accreditation, agents must at all times meet the following:

1.1.2.1.1 BSP China International Agents must at all times have a minimum of CNY 1,500,000 in registered capital.

1.1.2.1.2 BSP China Domestic Agents, using cash facility must at all times, have a minimum of CNY 500,000 in registered capital.

1.1.2.1.3 BSP China Domestic Go-Lite Agents must at all times have a minimum of CNY 62,500 in registered capital.

1.1.2.1.4 BSP China International Go-Lite Agents must at all times have a minimum of CNY 150,000 in registered capital

The registered capital figure for agents will be extracted from the business license and/or certificate provided by local authority if applicable.

1.1.2.2 Licenses:

All agents should have and provide to IATA at minimum on annual basis a valid business license and certificate provided by local authority for every approved location if applicable.

1.2 Legal Representative requirement:

The Legal Representative registered in IATA should be the same as it is on the company business license at any time. Any modification of the Legal Representative should be reviewed and approved by IATA.

2. CRITERIA FOR THE EVALUATION OF AGENTS' FINANCIAL STATEMENTS

2.1 Agents participating in BSP China as International Agents:

2.1.1 Financial Review:

Agents' financial statements will be evaluated, and Agent's Financial Review Result will be considered as satisfactory if the following criteria are met:

2.1.1.1 Current Ratio > 130%, Current Assets divided by Current Liabilities.

2.1.1.2 Liquid Ratio > 100%, (Current Assets – Inventory – Prepayment) divided by Current Liabilities.

2.1.1.3 Cash Ratio > 30%, Cash and Cash Equivalents divided by Current Liabilities.

2.1.1.4 Debt Ratio < 65%, Total Liabilities divided by Total Assets.

2.1.1.5 Owners' Equity is not less than 65% of Paid-up Capital.

3. FINANCIAL SECURITY

Each approved location of the agent must provide a financial security.

For BSP China International agents, it should be equivalent to 37% of the average monthly cash sales on behalf of airlines BSP-CN participating airlines during the previous 12 months period, with a minimum amount of CNY 1,500,000.

For BSP China Domestic agents using cash facility, it should be equivalent to 37% of the average monthly cash sales on behalf of BSP-CN participating airlines during the previous 12 months period, with a minimum amount of CNY 500,000.

For BSP China Domestic Go-Lite agents, the Financial Security must be equivalent to the sum of highest 3 months of ADMs/ACMs during the previous 12 months period, with a minimum amount of CNY 62,500.

For BSP China International Go-Lite agents, the Financial Security must be equivalent to the sum of highest 3 months of ADMs/ACMs during the previous 12 months period, with a minimum amount of CNY 150,000.

4. ADMINISTRATIVE CHARGE

4.1 For excessive voiding of STDs exceeding 5% of the total tickets sold in the billing period, an administrative charge shall be levied to the agent on the basis of CNY 5.00 per excessive voided ticket.

5. BSP CASH SALES MONITORING

Effective upon migration of BSP China to Resolution 812, all agents with access to cash facility, will have a Remittance Holding Capacity assigned to them, which will be equal to 90% of the financial security level that is held by IATA at any time. The Agency Administrator will restrict Cash Payment Method should the agent at any time reach its Remittance Holding Capacity.

5.1 Cash as a Form of Payment will be reinstated upon either:

5.1.1 Settlement by the Agent of all or part of the cash sales due where the effect of such settlement reduces the total unremitted cash sales to an amount that is below the Agent's Remittance Holding Capacity; or

5.1.2 Receipt by IATA from the Agent of an additional Financial Security. The Agents Remittance Holding Capacity will be recalculated to equal 90% of the total Financial Security Provided.

5.2 Agents may at all times continue utilizing the BSP China Online Payment Solution and Credit Card as forms of payment

5.3 The BSP Cash Sales Monitoring will be conducted daily including weekends and public holidays.

CHINESE TAIPEI

(Effective 1 September 2024–MV/679)

1. GENERAL RULE

Agents must:

1.1 have as a minimum paid up capital of TWD 6,000,000, and

1.2 submit a banker's report showing that all items have a good record,

1.3 be in possession of a valid license from the Tourism Administration, Ministry of Transportation and Communications.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

When assessing whether the accredited accounts of New or Existing Agents holding Standard Accreditation with Cash Facility are satisfactory, the Agent must pass all of the following:

2.1 Owner's Equity Ratio (Total Owner's Equity/Total Assets) must be equal to or higher than 50%

2.2 Liability Ratio (Total Liability/Total Assets) must be lower than 50%.

2.3 Working Capital Ratio (Current Assets/Current Liability) must be equal to or higher than 1.00.

2.4 Acid Test Ratio (Quick Assets/Current Liability) must be equal to or higher than 1.00

3. FINANCIAL REVIEWS

Applicants and Agents holding Standard Accreditation with Cash Facility must provide independently produced financial statements comprising of a balance sheet and profit and loss statement as accepted by the local tax authorities. Financial Statements should not be older than twelve months at the time of submission.

4. FINANCIAL SECURITY

4.1 Notwithstanding the Agent with Risk Status of A, B, or C after ongoing Risk History and its latest financial assessment, the new or existing Agents holding Standard Accreditation with Cash Facility must provide a Financial Security of a minimum of TWD 500,000.

4.2 The Remittance Holding Capacity of Agents holding Standard Accreditation with Cash Facility will always be equal to the amount of the Financial Security provided by the Agent.

4.3 The applicable Financial Security requirement for Agents holding Standard Accreditation with No Cash Facility is defined in IATA Resolution 812.

COLOMBIA

(Effective 1 June 2023 – MV/A614)

1. GENERAL RULE – (Accounts/Documents to be provided)

1.1 Financial Statements shall be prepared by a certified public accountant who shall sign the statements.

1.2 Financial Statements must not be older than 6 months at the time of submission to IATA.

2. CRITERIA FOR THE EVALUATION OF AGENTS' FINANCIAL ACCOUNTS

2.1 Minimum Registered Capital is established in US dollars but reflected value in Colombian pesos at the official exchange rate whenever presenting financial statements:

- Bogota USD 25,000
- Medellin y Cali USD 20,000
- Other Cities USD 10,000

2.1.1 Minimum Registered Capital* is to be maintained at all times. Failure to maintain the required minimum Registered Capital will fail the financial review even when Agent is able to pass the Ratio Tests indicated below.

2.1.2 Registered Capital definition is shown under section 5 of this template.

2.2 Financial Statements will be evaluated against ratio tests. The financial ratio analysis is measured by the application of four ratio tests against which points are allocated. A maximum of 40 points may be attained. For the financial results to be considered as a satisfactory result, a minimum of 20 points must be scored.

2.2.1 Ratio Tests used and maximum number of points obtainable per ratio test:

Ratio	Points	
Liquidity ratio	14	A measure of the short-term solvency of the entity
Debt ratio	14	Amount of assets provided by creditors for each dollar of total assets
Turnover ratio	7	The average number of days to collect a receivable
Cash flow ratio	5	Level of debt versus profits

2.2.2 Scale of Points per Ratio Test:

$$\textbf{Liquidity Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Over 1.99	14 points
1.50 – 1.99	14 points
1.25 – 1.49	12 points
1.00 – 1.24	10 points
0.96 – 0.99	8 points
0.91 – 0.95	4 points
0.86 – 0.90	2 points
under 0.86	0 points

$$\textbf{Turnover Ratio} = \frac{\text{Net Receivables}}{\text{Total Sales}} \times 365$$

Under 15 days	7 points
15 – 16 days	6 points
17 – 18 days	5 points
19 – 20 days	4 points
21 – 23 days	3 points
24 – 26 days	2 points
27 – 29 days	1 point
Over 29 days	0 points

$$\textbf{Debt Ratio} = \frac{\text{Total Liabilities}}{\text{Total Assets}}$$

Under 0.4	14 points
0.4 – 0.59	14 points
0.6 – 0.89	12 points
0.9 – 0.99	10 points
1.0 – 1.19	8 points
1.2 – 1.34	4 points
1.35 – 1.49	2 points
over 1.49	0 points

$$\textbf{Cash Flow Ratio} = \frac{\text{Profit After Tax}}{\text{Long-term Liabilities}}$$

0.19 – 0.20	5 points
0.16 – 0.18	4 points
0.14 – 0.15	3 points
0.12 – 0.13	2 points
0.10 – 0.11	1 point
under 0.10	0 point

3. ANNUAL FINANCIAL REVIEWS

3.1 All Agents are subject to annual financial reviews. Details are described in Resolution 812, Section 5.

4. FINANCIAL GUARANTEE REQUIREMENTS

4.1 Financial Securities will be requested based on the Risk Status of the Agent as described in Resolution 812, Section 5:

4.1.1 Agents with Risk Status A – are not required to present a financial security.

4.1.2 Agents with Risk Status B – will be required to present a financial security.

4.1.3 Agents with Risk Status C – will be required to present a financial security.

4.2 New Applicants will be required to provide a minimum Financial Security based on their head office location in Colombia as indicated below:

- Bogota USD 35,000
- Medellin and Cali USD 25,000
- Other Cities USD 15,000

4.3 When Accredited Agents are required to provide a Financial Security, the Financial Security will be calculated based on the Agents' own Day's Sales at Risk. Days Sales at Risk is calculated based on the number of days in the reporting period plus the number of days to remittance date plus a margin of 5 days, the result is then multiplied by the daily average BSP net cash sales of the Agent's previous 12 months' sales or a minimum Financial Security will be required, whichever is higher. Such minimum financial security amounts will be based on the location of the Agent's head office:

- Bogota USD 35,000
- Medellin and Cali USD 25,000
- Other Cities USD 15,000

4.4 Duration of guarantee:

- Two-years minimum for New Applicants
- One-year minimum for Accredited Agents

5. FINANCIAL INFORMATION DEFINITIONS

Current Assets

This amount excludes notes or receivables from related parties, including shareholders, employees, officers, associates as well as Cash and Term Deposits pledged for security.

Current Liabilities

This amount must include the current portion of long-term debt.

Gross or Total Sales

In the event this figure is not specifically identified in the financial statements, please provide the gross sales figures for the period including ticket sales, package tours, hotels, car rental, insurance, miscellaneous income, etc., net of tax.

Long-term Liabilities

All long term loans from third parties. It does not include non-current loans provided by shareholders or proprietors.

Net Receivables

This amount should be net of bad debt and should be broken down to reflect separately,

- Trade receivables net of provision for bad debt
- Commissions receivable
- Receivables from related parties. Refer to definition of current assets
- Supplier deposits

Profit After Tax

Profit after taxes but before extraordinary items.

Registered Capital

This is the capital that the partners commit to pay and maintain into the business. Registered Capital is comprised of Subscribed Capital and Paid-In Capital.

- Subscribed Capital – The payment of the Subscribed Capital can be in cash or by installments within a period not exceeding one year.
- Paid in Capital is the part of the subscribed capital that actually must be paid at the time of incorporation. It is the capital that the company can count at the time of its constitution.

Total Assets

Total assets including intangible assets such as goodwill, franchise fees, client lists, etc.

Total Liabilities

Include current liabilities and all loans from third parties. It does not include non-current loans provided by shareholders or proprietors. Loans from associate parties are included, unless subordinated to other parties.

COSTA RICA

(Effective 1 September 2019 – PAC/41)

1. GENERAL RULE – (Accounts/Documents to be provided)

1.1 Financial Statements:

- Balance Sheet, Profit and Loss Statements and any other financial documents deemed appropriate by IATA to conduct the financial review
- must not be older than six months at the time of submission,
- must be audited or certified by an external public accountant

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 Financial statements must reflect minimum Working Capital equivalent to USD 20,000.

2.2 Financial Statements will be evaluated against ratio tests. The financial ratio analysis is measured by the application of four ratio tests against which points are allocated. A maximum of 40 points may be attained. For the financial results to be considered as a satisfactory result, a minimum of 22 points must be scored.

2.2.1 Ratio Tests used and maximum number of points obtainable per ratio test:

Ratio	Points	
Liquidity ratio	14	A measure of the short-term solvency of the entity
Debt ratio	14	Amount of assets provided by creditors for each dollar of total assets
Turnover ratio	7	The average number of days to collect a receivable
Cash flow ratio	5	Level of debt versus profits

2.2.2 Scale of Points per Ratio Test:

$$\textbf{Liquidity Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Over 1.99	14 points
1.50 – 1.99	12 points
1.25 – 1.49	10 points
1.00 – 1.24	8 points
0.96 – 0.99	6 points
0.91 – 0.95	4 points
0.86 – 0.90	2 points
under 0.86	0 points

$$\textbf{Turnover Ratio} = \frac{\text{Net Receivables}}{\text{Total Sales}} \times 365$$

15 – 16 days	6 points
17 – 18 days	5 points
19 – 20 days	4 points
21 – 23 days	3 points
24 – 26 days	2 points
27 – 29 days	1 point
Over 29 days	0 points

$$\textbf{Debt Ratio} = \frac{\text{Total Liabilities}}{\text{Total Assets}}$$

Under 0.4	14 points
0.4 – 0.59	12 points
0.6 – 0.89	10 points
0.9 – 0.99	8 points
1.0 – 1.19	6 points
1.2 – 1.34	4 points
1.35 – 1.49	2 points
over 1.49	0 points

$$\textbf{Cash Flow Ratio} = \frac{\text{Profit After Tax}}{\text{Long-term Liabilities}}$$

0.20	5 points
0.18	4 points
0.15	3 points
0.13	2 points
0.10	1 point
under 0.10	0 points

3. ANNUAL FINANCIAL REVIEW

3.1 All Agents are subject to annual financial reviews. Details are described in Resolution 812, Section 5.4.

4. FINANCIAL SECURITY

4.1 Financial Securities will be requested based on the Risk Status of the Agent as described in Resolution 812, Section 5.5:

4.1.1 Agents with Risk Status A – are not required to present a financial security.

4.1.2 Agents with Risk Status B – will be required to present a financial security.

4.1.3 Agents with Risk Status C – will be required to present a financial security.

4.2 New Applicants will be required to provide a minimum Financial Security of USD 20,000 (or the equivalent in local currency).

4.3 When Accredited Agents are required to provide a Financial Security, the Financial Security will be calculated based on the Agents' own Day's Sales at Risk. Days Sales at Risk is calculated based on the number of days in the reporting period plus the number of days to remittance date plus a margin of 5 days, the result is then multiplied by the daily average BSP net cash sales of the Agent's previous 12 months' sales or a minimum Financial Security equivalent to USD 20,000, whichever is higher.

4.4 Duration of guarantee:

- Two-years minimum for a New Applicant
- One-year minimum for Accredited Agents

5. FINANCIAL INFORMATION DEFINITIONS

Current Assets

This amount excludes notes or receivables from related parties, including shareholders, employees, officers, associates as well as Cash and Term Deposits pledged for security.

Current Liabilities

This amount must include the current portion of long-term debt.

Gross or Total Sales

In the event this figure is not specifically identified in the financial statements, please provide the gross sales figures for the period including ticket sales, package tours, hotels, car rental, insurance, miscellaneous income, etc., net of tax.

Long-term Liabilities

All long term loans from third parties. It does not include non-current loans provided by shareholders or proprietors.

Net Receivables

This amount should be net of bad debt and should be broken down to reflect separately,

- Trade receivables net of provision for bad debt
- Commissions receivable
- Receivables from related parties. Refer to definition of current assets
- Supplier deposits

Profit After Tax

Profit after taxes but before extraordinary items.

Total Assets

Total assets including intangible assets such as goodwill, franchise fees, client lists, etc.

Total Liabilities

Include current liabilities and all loans from third parties. It does not include non-current loans provided by shareholders or proprietors. Loans from associate parties are included, unless subordinated to other parties.

CROATIA

(Effective 1 January 2023 – MV/598)

1. FINANCIAL EVALUATION CRITERIA

1.1 New Applicants

New Applicants will be required to provide a minimum financial security of 25.000 EUR for each of the first 2 years.

1.2 Existing IATA Accredited Agents

Financial evaluation for existing Agents in Croatia will be performed yearly. All IATA Accredited Agents must submit the documents listed below. The result of the financial assessment will then be considered as PASS or FAIL.

An existing Agent must comply with the following tests:

1. Net profit in the accounting period
2. No blocked periods for the current accounts in the last 12 months
3. Short term liquidity coefficient:

$$\frac{\text{Current assets-long term business claims}}{\text{Short term financial and business liabilities}} \quad ^{3} \quad 1$$

If the Agent fully complies with the criteria set under points 1 and 2, a short-term liquidity coefficient between 0,75 and 1 is acceptable.

2. ANNUAL FINANCIAL REVIEWS

2.1 An Agent who applies for IATA accreditation should provide the following documentation:

1. Excerpt from the registry of the Commercial Court
2. Opening balance sheet for the agents who have just started their business in the current calendar year
3. Current balance sheet – not older than 6 months, original or copy with signature and stamp of an independent third party Certified Public Accountant (stamp of the Financial Agency FINA is acceptable)
4. BON-2

2.2 An existing Agent who is subject to a financial assessment:

1. Current balance sheet – not older than 6 months, original or copy with signature and stamp of an independent third party Certified Public Accountant (stamp of the Financial Agency FINA is acceptable)
2. Profit and loss account – as submitted and accepted by relevant financial or tax authority

2.3 BON-2

3. FINANCIAL SECURITY

3.1 Agents will be required to provide a financial security based on 23 days' average of BSP net cash sales, during the previous (12 consecutive months).

3.2 New applicants will be required to provide a minimum financial security of 25.,000 EUR for each the first 2 years.

3.3 Agents Accredited for more than two years.

3.3.1 Agents with Risk Status A

Agents will be required to provide as of 01st of January 2023, a financial security that covers 40% of their 23 days of average BSP net cash sales within the previous 12 consecutive months, with the minimum amount of 25.000 EUR whichever is higher, after the expiry date of current financial security.

3.3.2 Agents with Risk Status B

Agents will be required to provide as of 01st of January 2023, a financial security that covers 80% of their 23 days of average BSP net cash sales within the previous 12 consecutive months, with the minimum amount of 25.000 EUR whichever is higher, after the expiry date of current financial security.

3.3.3 Agents with Risk Status C

Agents with Risk Status C must provide a Financial Security with a minimum amount of EUR 25.000.

CYPRUS

△ *(Effective 1 January 2026 – MV/A702)*

1. GENERAL RULE

1.1 Accounts:

New Applicants and Accredited Agents must submit the following documents for the most recent financial year:

- full set of audited financial statements including Balance Sheet and Profit & Loss Account (duly certified by an outside public accountant)

New Applicants

Only licensed Travel Agents being in operation for more than 12 months can apply for IATA accreditation.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

New Applicants and Existing Agents:

All financial information used in the financial criteria will be extracted from the Agent's Audited Accounts.

The financial statements should show:

(a) minimum issued and fully paid share capital/capital account of EUR 17,000.

(b) liquidity ratio (Current Assets/Current Liabilities) of at least 1.0. When calculating the liquidity ratio, debtors over one year old will be deducted and Related Companies, Directors', Shareholders' or Partners' Accounts are also to be excluded. In the event that the liquidity ratio is less than 1.0 but more than 0.9, then the level and quality of an Agent's fixed assets may be taken into consideration.

(c) a balance sheet that is not insolvent. When deducting Total Liabilities (Current Liabilities + Long-term Liabilities) from Total Assets (Fixed Assets + Current Assets) the value must be positive.

The Agent's Financial Assessment will be considered as PASSED when all the above criteria are met.

3. ANNUAL FINANCIAL REVIEWS

Accredited Agents must provide the documents listed under Accounts in Section 1.1 within twelve months following their financial year-end plus 15 calendar days.

4. FINANCIAL SECURITY

4.1 For the purpose of calculating the amount of a Financial Security, the following will apply:

4.1.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

Remittance Twice per month: 35 days sales at risk

Voluntary Remittance Four times per month: 19 days sales at risk

△ **4.1.2** "Amount at Risk" is calculated by multiplying the Days' Sales at Risk by the total BSP Cash Turnover of the 3 highest Reporting Periods in the previous 12 months divided by the days in reporting period and multiplied by 3:

$$\text{"Amount as Risk"} = \frac{\text{"Days' Sales at Risk"} \times \text{BSP Cash Turnover in the 3 highest reporting periods}}{\text{Days in reporting period} \times 3}$$

□

Remittance Frequency	Calculation
Twice per month Remittance	(35 × Highest 3 reporting periods cash turnover) / (3 × 15 days) Rounded to 1,000 EUR
Voluntary Four times per month Remittance	(19 × Highest 3 reporting periods cash turnover) / (3 × 7 days) Rounded to 1,000 EUR

4.1.3 The required minimum level of the Financial Security:

Remittance Twice per month: EUR 17,000

Voluntary Remittance Four times per month: EUR 10,000

4.2 Accredited Agents

4.2.1 Agents with Risk Status A:

For Agents with Risk Status A no Financial Security will be required.

△ **4.2.2** Agents with Risk Status B

△ For Agents with Risk Status B the amount of the Financial security required will equal the “Amount at Risk” as calculated in Section 4.1.2, or the applicable minimum as per Section 4.1.3.

□ **4.2.3** Agents with Risk Status C

□ Agents with Risk Status C must at all times provide a Financial Security which will equal their assigned Remittance Holding Capacity.

5. OTHER

License

A valid Cyprus Tourism Organization license is required.

CZECH REPUBLIC & SLOVAK REPUBLIC

(Effective 1 March 2023 – MV/A611)

1. GENERAL RULES

The terms and conditions specified in the present document shall represent the Local Financial Criteria for the Czech Republic and Slovak Republic as referred to in the relevant provisions of Resolution 812.

2. CRITERIA FOR EVALUTION OF AGENTS' ACCOUNTS

Financial reviews for new applicants and accredited agents are conducted in accordance with the Criteria for Evaluation of Agent's Financial Performance, as set out below:

2.1(a) Adjusted Current Assets must exceed Current Liabilities by at least 25% (Adjusted Current Assets * 100/Current Liabilities = 125)

2.1(b) There must be positive Net Equity

2.1(c) EBITDA must not be negative for two consecutive years

2.1(d) The equity ratio is minimum 12%. Equity ratio = Equity/Total Assets

2.2(a) Adjusted Current Assets must exceed Current Liabilities

2.2(b) There must be positive Net Equity

2.2(c) EBITDA must be positive

2.2(d) Net equity must be greater than long term debt

In order to obtain a satisfactory result of the financial assessment, an Agent must pass either all tests in 2.1(a) – 2.1(d) of these criteria or all tests in 2.2 (a) – 2.2 (d) of these criteria.

For the financial evaluations to be conducted in 2023, EBITDA of (i) 2019 instead of 2021 and (ii) 2022 shall be applied to prove compliance with criteria 2.1 (c) above.

3. ANNUAL FINANCIAL REVIEWS

3.1 New Applicants

In order to be accredited, new applicants in the Czech Republic and Slovakia must submit for the financial review the following documentation:

3.1.1 Audited Statutory Accounts (Legal Entity: Balance Sheet and Profit & Loss Account or Physical Person: Statement of Accounts) covering a period of trading of twelve months, prepared according to Czech/Slovak Accounting Act or IFRS, as applicable, certified by an outside independent auditor. These documents must not be older than 4 months.

3.1.2 A current extract from the Commercial Register (legal entity) or a current extract from the Trade Register (physical person) or both (legal entity whose scope of business is not included in the Commercial Register), indicating they are authorized to provide travel services/products and have been trading for at least one year.

3.2 Accredited Agents

Accredited Agents in the Czech Republic and Slovakia must submit for the financial review the following documentation:

Certified Statutory Accounts (Legal Entity: Balance Sheet and Profit & Loss Account or Physical Person: Statement of Accounts) covering a period of trading of twelve months, no later than 6 months after each financial year end, prepared according to Czech/Slovak Accounting Act or IFRS, as applicable, and duly certified by the external registered accountant for the most recent accounting year-end.

4. FINANCIAL SECURITY

For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, which are 22.

4.2 The minimum fixed amount of Financial Security at all times is as follows:
– Czech Republic: CZK 375 000
– Slovakia: EUR 15 000

4.3 Amount at Risk:

4.3.1 For Applicants the initial Financial Security will always be equal to their "Amount at Risk" which will be calculated by dividing the Days' Sales at Risk by 360 days, and applying that percentage to the annual estimated cash turnover:

$$\textbf{"Amount at Risk"} = \frac{\textbf{"Days' Sales at Risk" × estimated annual cash turnover provided by the Applicant}}{360}$$

4.3.2 For Accredited Agents the "Amount at Risk" is calculated by dividing the Days' Sales at Risk by 91 days, and applying that percentage to the 3 highest months BSP net cash sales in the previous 12 months:

$$\text{"Amount at Risk"} = \frac{\text{"Days' Sales at Risk" × highest 3 months BSP net cash sales in the previous 12 months}}{91}$$

4.4 Agents with Risk Status A

4.4.1 For Agents with Risk Status A and with accounts not audited the amount of the Financial Security required must cover higher of the Amount at Risk calculated as per Section 4.3, and the minimum amount required as per 4.2.

4.4.2 For Agents with Risk Status A and with the audited accounts and passing criteria 2.1 (a) – 2.1 (d), Financial Security required must cover higher of the 35% of the Amount at Risk calculated as per Section 4.3 and the minimum amount required as per 4.2.

4.4.3 For Agents with Risk Status A and with the audited accounts and passing criteria 2.2 (a) – 2.2 (d) Financial Security required must cover higher of the 50% of the Amount at Risk calculated as per Section 4.3 and the minimum amount required as per Section 4.2.

4.5 Agents with Risk Status B

For Agents with Risk Status B the amount of the Financial Security required must cover higher of the Amount at Risk calculated as per Section 4.3, and the minimum amount required as per 4.2.

4.6 Agents with Risk Status C

For Agents with Risk Status C the amount of the Financial Security required must cover higher of the Amount at Risk calculated as per Section 4.3, and the minimum amount required amount as per 4.2.

DOMINICAN REPUBLIC

(Effective 1 October 2023 – MV/A624)
(Applicable to the financial review of Agents' financial accounts with Year-End 2023)

1. GENERAL RULE – (Accounts/Documents to be provided)

1.1 Financial Statements:

1.1.1 Balance Sheet, Profit and Loss statement, reflecting the financial position of the agency,

1.1.2 Must not be older than six months at the time of submission,

1.1.3 Must be certified, notarized, and signed by an external or internal Certified Public Accountant.

1.2 Bank and/or Credit Report covering 3 months preceding the date of the Balance Sheet.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 Financial statements must reflect the equivalent of USD 15,000 in working capital (the difference between total current assets over total current liabilities) to the financial accounts of 2023. Working capital will increase to USD 25,000 starting with the 2024 financial year-end.

2.2 Financial Statements will be evaluated against ratio tests. The financial ratio analysis is measured by the application of five ratio tests against which points are allocated. A maximum of 44 points may be attained. For the financial results to be considered as a satisfactory result, a minimum of 22 points must be scored.

2.2.1 Ratio Tests used and maximum number of points obtainable per ratio test:

Ratio	Points	
Liquidity ratio	14	A measure of the short-term solvency of the entity
Debt ratio	14	Amount of assets provided by creditors for each dollar of total assets
Turnover ratio	7	The average number of days to collect a receivable
Cash flow ratio	5	Level of debt versus profits
Risk History	4	Amount of Risk Events in the agency's history

2.2.2 Scale of Points per Ratio Test:

$$\textbf{Liquidity Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Over 1.99	14 points
1.50 – 1.99	12 points
1.25 – 1.49	10 points
1.00 – 1.24	8 points
0.96 – 0.99	6 points
0.91 – 0.95	4 points
0.86 – 0.90	2 points
under 0.86	0 points

$$\textbf{Turnover Ratio} = \frac{\text{Net Receivables}}{\text{Total Sales}}$$

Under 15 days	7 points
15 – 16 days	6 points
17 – 18 days	5 points
19 – 20 days	4 points
21 – 23 days	3 points
24 – 26 days	2 points
27 – 29 days	1 point
Over 29 days	0 points

Debt Ratio = $\frac{\text{Total Liabilities}}{\text{Total Assets}}$

Under 0.4	14 points
0.4 – 0.59	12 points
0.6 – 0.89	10 points
0.9 – 0.99	8 points
1.0 – 1.19	6 points
1.2 – 1.34	4 points
1.35 – 1.49	2 points
over 1.49	0 points

Cash Flow Ratio = $\frac{\text{Profit After Tax}}{\text{Long-term Liabilities}}$

0.20	5 points
0.18	4 points
0.15	3 points
0.13	2 points
0.10	1 point
under 0.10	0 points

Risk History = Number of risk event in the financial year

0 Events	4 points
1 Maximum Event Per Financial Year	2 points
2 or More Events per Financial Year	0 points

3. ANNUAL FINANCIAL REVIEWS

3.1 All Agents are subject to annual financial reviews. Details are described in Resolution 812, Section 5.

4. FINANCIAL SECURITY

4.1 Financial Securities will be requested based on the Risk Status of the Agent as described in Resolution 812, Section 5:

4.1.1 Agents with Risk Status A – are not required to present a financial security.

4.1.2 Agents with Risk Status B – will be required to present a financial security.

4.1.3 Agents with Risk Status C – will be required to present a financial security.

4.2 New Applicants will be required to provide a minimum Financial Security of USD 35,000 (or the equivalent in local currency).

4.3 When Accredited Agents are required to provide a Financial Security, the Financial Security will be calculated based on the Agents' own Day's Sales at Risk. Days Sales at Risk is calculated based on the number of days in the reporting period plus the number of days to remittance date plus a margin of 5 days, the result is then multiplied by the daily average BSP net cash sales of the Agent's previous 12 months' sales or a minimum Financial Security equivalent to USD 5,000, whichever is higher.

4.4 Duration of Financial Security:

- Two-years minimum for a New Applicant
- One-year minimum for Accredited Agents

5. FINANCIAL INFORMATION DEFINITIONS

Current Assets

This amount excludes notes or receivables from related parties, including shareholders, employees, officers, associates as well as Cash and Term Deposits pledged for security.

Current Liabilities

This amount must include the current portion of long-term debt.

Gross or Total Sales

In the event this figure is not specifically identified in the financial statements, please provide the gross sales figures for the period including ticket sales, package tours, hotels, car rental, insurance, miscellaneous income, etc., net of tax.

Long-term Liabilities

All long-term loans from third parties. It does not include non-current loans provided by shareholders or proprietors.

Net Receivables

This amount should be net of bad debt and should be broken down to reflect separately:

- Trade receivables net of provision for bad debt
- Commissions receivable
- Receivables from related parties. Refer to definition of current assets
- Supplier deposits

Profit After Tax

Profit after taxes but before extraordinary items.

Total Assets

Total assets including intangible assets such as goodwill, franchise fees, client lists, etc.

Total Liabilities

Include current liabilities and all loans from third parties. It does not include non-current loans provided by shareholders or proprietors. Loans from associate parties are included, unless subordinated to other parties.

Certified Financial Statements

Prepared and signed by an internal or external Certified Public Accountant in accordance with local accounting practices.

EASTERN AFRICA

(Kenya, Effective update NewGen ISS Implementation; Tanzania & Uganda; Effective 1 October 2019 – MV/308)

1. GENERAL RULES

1.1 An Applicant must have been in operation for 12 months as a travel agent before applying for IATA Accreditation.

1.2 All Applicants must provide Audited Accounts not more than 12 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests in Section 2 of this Local Financial criteria.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the financial criteria will be extracted from the Agent/s Audited accounts.

2.2 The following financial tests apply to the evaluation of an Agent's Audited accounts:

2.2.1 There must be a positive Net Equity.

2.2.2 Net Equity divided by long-term debt and other long-term Liabilities must be greater than 0.5.

2.2.3 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortisation and extraordinary items) must be positive.

2.2.4 The EBITDA must exceed the Interest Payable by a factor of a minimum of two 2.2.5. Adjusted Current Assets must exceed Current Liabilities.

2.3 An Agent will obtain a satisfactory result on the financial review when all provisions in section 2 of these criteria have been met.

3. ANNUAL FINANCIAL REVIEWS

3.1 Agents accredited for more than two years:

All Agents must provide Financial Accounts certified by a certified accountant/auditor no later than 6 months after each financial year end or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 2 of these criteria.

3.2 Agents Accredited for two years or less:

3.2.1 All applicants must provide Audited Accounts not more than 12 months old at the time of submission to become an Agent for the purpose of evaluation against the financial tests in Section 2 of these criteria.

3.2.2 All Agents must provide Audited Accounts not later than 6 months after each financial year end, during the first two years of accreditation for the purpose of evaluation against the financial tests in Section 2 of the criteria.

4. FINANCIAL SECURITY

An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.1 Financial Securities in a form of a Bank Guarantee will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period or to be valid for a minimum of at least one year.

4.2 Financial security formula:

Formula for the Financial Security

"Amount at Risk" = "Days Sales at Risk" × (highest 3 months net cash sales/90)

Subject to a minimum of USD 50,000.00 (Fifty Thousand US Dollars), (or the equivalent in local currency).

4.2.1 "Days Sales at Risk" means the number of days from the beginning of the agent's reporting period to the remittance date in respect of that reporting period or periods, plus a margin of 3 days.

- Bi-Monthly – 35 days
- Weekly – 20 days

5. RISK STATUS BASED ON FINANCIAL SECURITY

The assignment of an agent risk status (A, B or C) is based on the financial and the risk history assessments.

Agents with Risk Status A

5.1 For Agents with Risk Status A – the amount of the financial security must cover 50% of the Amount at Risk calculated as per section 4.2, or the minimum amount indicated in 4.2, whichever is higher.

5.2 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

Agents with Risk Status B

5.3 For Agents with Risk Status B, the amount of the Financial Security required must cover the Amount at Risk calculated as per Section 4.2, or the minimum amount indicated in 4.2, whichever is higher.

5.4 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

Agents with Risk Status C

For Agents with Risk Status C, the amount of the Financial Security required must cover the Amount at Risk calculated as per Section 4.2 or the minimum amount indicated in 4.2, whichever is higher.

5.5 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

6. NEW APPLICATIONS

New Applications are required to provide a Financial Security equal to:

Days Sales at Risk" × (Estimated Annual Sales/365)

Subject to a minimum of USD 50,000.00 (Fifty Thousand US Dollars), (or the equivalent in local currency).

7. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Audited Accounts – means the Agent's financial and accounting records and procedures that have been reviewed and certified by an auditor recognized as competent by the regulatory authority in that country to perform an audit that are provided to IATA.

Adjusted Current Assets – are defined as Current Assets as in the balance sheet of the accountants after deducting:

- Stocks and work in progress
- Deposits given to third parties other than IATA
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
- Doubtful debtors as revealed in the Accounts.
- Blocked funds except for funds held in favor of IATA

Current Liabilities – are defined as current liabilities in the balance sheet of the accounts.

EBITDA – Earnings before Interest, Taxation, Depreciation and Amortization.

Net Equity or Shareholders'/owners' Funds – Consists of:

- Share capital
- Share Premium
- Retained earnings
- Other distributive reserves
- Shareholder's loans if subordinated less declared dividends

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

ECUADOR

(Effective 1 March 2019 – PAC/41)

1. GENERAL RULE – (Accounts/Documents to be provided)

1.1 Financial Statements should be prepared and signed by a certified accountant.

1.2 Acceptable financial statements for Ecuador travel agencies to present during annual financial review by IATA should be the same ones presented to SRI on a yearly basis.

1.3 Financial Statements must not be older than 6 months at the time of submission to IATA.

2. CRITERIA FOR THE EVALUATION OF AGENTS' FINANCIAL ACCOUNTS

2.1 The Social Capital subscribed and paid, of Accredited Agents should not be less than USD 6,000. Agents shall present financial statements annually, 30 days after the closing of their fiscal year, or before May 31 of each year.

2.2 Financial Statements will be evaluated against ratio tests. Financial ratio analysis measured by the application of four ratio tests against which points are allocated. A maximum of 40 points may be attained. For the financial results to be considered as a satisfactory result, a minimum of 22 points must be scored.

Ratio Tests used and maximum number of points obtainable per ratio test:

Ratio	Points	
Liquidity ratio	14	A measure of the short-term solvency of the entity
Debt ratio	14	Amount of assets provided by creditors for each dollar of total assets
Turnover ratio	7	The average number of days to collect a receivable
Cash flow ratio	5	Level of debt versus profits

Scale of Points per Ratio Test:

$$\textbf{Liquidity Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Over 1.99	14 points
1.50 – 1.99	12 points
1.25 – 1.49	10 points
1.00 – 1.24	8 points
0.96 – 0.99	6 points
0.91 – 0.95	4 points
0.86 – 0.90	2 points
under 0.86	0 points

$$\textbf{Turnover Ratio} = \frac{\text{Net Receivables}}{\text{Total Sales}} \times 365$$

For BSP countries with sales remittance cycles up to 10 days

Under 15 days	7 points
15 – 16 days	6 points
17 – 18 days	5 points
19 – 20 days	4 points
21 – 23 days	3 points
24 – 26 days	2 points
27 – 29 days	1 point
Over 29 days	0 points

$$\textbf{Debt Ratio} = \frac{\text{Total Liabilities}}{\text{Total Assets}}$$

Under 0.4	14 points
0.4 – 0.59	12 points
0.6 – 0.89	10 points
0.9 – 0.99	8 points
1.0 – 1.19	6 points
1.2 – 1.34	4 points
1.35 – 1.49	2 points
over 1.49	0 points

$$\textbf{Cash Flow Ratio} = \frac{\text{Profit After Tax}}{\text{Long-term Liabilities}}$$

0.19 – 0.20	5 points
0.16 – 0.18	4 points
0.14 – 0.15	3 points
0.12 – 0.13	2 points
0.10 – 0.11	1 point
under 0.10	0 points

3. ANNUAL FINANCIAL REVIEWS

3.1 All Agents are subject to annual financial reviews. Details are described in Resolution 812, Section 5.4.

4. FINANCIAL GUARANTEE REQUIREMENTS

4.1 Financial Securities will be requested based on the Risk Status of the Agent as described in Resolution 812, Section 5.5:

4.1.1 Agents with Risk Status A – are not required to present a financial security.

4.1.2 Agents with Risk Status B – will be required to present a financial security.

4.1.3 Agents with Risk Status C – will be required to present a financial security.

4.2 New Applicants will be required to provide a minimum guarantee as follows based on the location of the head office location:

- Quito & Guayaquil USD 30,000
- Other Cities USD 20,000

4.3 When Accredited Agents are required to provide a Financial Security, the Financial Security will be calculated based on the Agents' own Day's Sales at Risk. Days Sales at Risk is calculated based on the number of days in the reporting period plus the number of days to remittance date plus a margin of 5 days, the result is then multiplied by the daily average BSP net cash sales of the Agent's previous 12 months' sales or a minimum Financial Security will be required, whichever is higher. Such minimum financial security amounts will be based on the location of the Agent's head office:

- Quito & Guayaquil USD 30,000
- Other Cities USD 20,000

4.4 Duration of guarantee:

- Two-years minimum for New Applicants
- One-year minimum for Accredited Agents.

5. FINANCIAL INFORMATION DEFINITIONS

Current Assets

This amount excludes notes or receivables from related parties, including shareholders, employees, officers, associates as well as Cash and Term Deposits pledged for security.

Current Liabilities

This amount must include the current portion of long-term debt.

Gross or Total Sales

In the event this figure is not specifically identified in the financial statements, please provide the gross sales figures for the period including ticket sales, package tours, hotels, car rental, insurance, miscellaneous income, etc., net of tax.

Long-term Liabilities

All long term loans from third parties. It does not include non-current loans provided by shareholders or proprietors.

Net Receivables

This amount should be net of bad debt and should be broken down to reflect separately,

- Trade receivables net of provision for bad debt
- Commissions receivable
- Receivables from related parties. Refer to definition of current assets
- Supplier deposits

Profit After Tax

Profit after taxes but before extraordinary items.

Registered Capital

This is the capital that the partners commit to pay and maintain into the business. Registered Capital is comprised of Subscribed Capital and Paid-In Capital.

- Subscribed Capital – The payment of the Subscribed Capital can be in cash or by installments within a period not exceeding one year.
- Paid in Capital is the part of the subscribed capital that actually must be paid at the time of incorporation. It is the capital that the company can count at the time of its constitution.

Total Assets

Total assets including intangible assets such as goodwill, franchise fees, client lists, etc.

Total Liabilities

Include current liabilities and all loans from third parties. It does not include non-current loans provided by shareholders or proprietors. Loans from associate parties are included, unless subordinated to other parties.

EGYPT

(Effective 1 May 2020 – MV/330)

1. GENERAL RULE

1.1 IATA Accredited Agents must provide Audited Accounts for the last 12 months of activity, for the most recent financial year within six months following the financial year-end, in conformity to Egyptian Accounting Standard (EAS).

1.2 Audited Accounts means accounts reviewed by an auditor recognized as competent by a regulatory authority in Egypt to perform an audit.

2. CRITERIA FOR THE EVALUATION OF AGENTS ACCOUNTS

The Agent will be assessed against the following financial tests:

2.1 Liquidity Ratio

Current Assets/Current Liabilities to be 1.1:1

Definition: Measures the extent to which current liabilities are covered by current assets, generating current assets and satisfying current liabilities are an ongoing process; so the current ratio is a measure of the “margin of safety” at a point in time.

2.1.1 Current Assets Components:

(i) Inventory
(ii) Trade receivable, debtors and notes receivable. Due from affiliates.
(iii) Advance payments
(iv) Current Investments
(v) Cash and cash equivalent

2.1.2 Current Liabilities Components:

(i) Provisions
(ii) Banks overdraft
(iii) Trade payables and other credit balances. Due to affiliates
(iv) Short term loans
(v) Current portion of long-term loans

2.2 Profitability Ratio

Return on Equity (Net income/Stockholders’ Equity) must be positive.

2.3 Debt Ratio

Total debt/Total equity to be 1.5:1

Definition: It compares the resources provided by the creditors (such as loans, commercial paper, notes, bonds and bank facilities) with the resources provided by the owners. The total debt to equity ratio determines long term debt payment ability and the conservative approach is to include all liabilities and near liabilities in the numerator.

2.3.1 Equity Components:

(i) Paid up capital
(ii) Reserves
(iii) Retained earnings (or losses)
(iv) Net profit (or losses) for the year

2.3.2 Debt Components:

In accordance with the EAS, Debt involves Current Liabilities (Overdraft, Short term loans, current portion of long-term loans) and Long Term Liabilities (Loans from Banks and other loans).

2.4 An Agent will obtain a satisfactory result on the financial review when all provisions in section 2.1–2.3 of these criteria have been met.

3. ANNUAL FINANCIAL REVIEWS

3.1 Existing Agents

3.1.1 All Agents must provide Audited Accounts in accordance to section 1, required by legislation of, that Agent for the purpose of evaluation against the financial tests in section 2 of these criteria.

3.2 New Agents

3.2.1 All Applicants must provide Audited Accounts, not more than 12 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests in section 2 of these criteria.

3.2.2 If an Applicant has been in business for less than 12 months at the time of application, an Audited opening balance sheet must be provided instead.

3.3 Agents which have been Accredited for more than two years are considered “Existing Agents”, otherwise they are “New Agents”.

4. FINANCIAL SECURITY

4.1 For the purpose of calculating the Financial Security:

4.1.1 Days’ Sales at Risk” means the number of days from the beginning of the Agent’s Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

For Agents that remit twice per month, the “Days’ Sales at Risk” is 35 days.

For Agents that have voluntarily opted for remitting four times per month, the “Days’ Sales at Risk” is 20 days.

4.1.2 “Amount at Risk” is calculated by dividing the product of the BSP cash turnover from the last 12 months and the Days’ Sales at Risk, by the applicable number of days,

“Amount at Risk” = (12 months BSP cash turnover × Days’ Sales at Risk)/365

4.2 Agents with Risk Status A, B and C

4.2.1 For all Agents the amount of the Financial Security provided must be not lower than EGP200,000.00.

4.2.2 Agents with Risk Status A and B must at all times provide a Financial Security which will be equal to their assigned Remittance Holding Capacity.

4.2.3 An Applicant/Agent may at any time request to reduce or increase the Financial Security amount which will be reflected as his assigned Remittance Holding Capacity.

4.2.4 The value of the Financial Security requested by IATA will be rounded up to the next +10,000 EGP.

5. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

These generic descriptions may be modified to terms specifically defined under the applicable local Generally Accepted Accounting Principles (GAAP) and disclosed in the financial statements.

Adjusted Current Assets – are defined as Current Assets as in the balance sheet of the accountants after deducting:

- Stocks and work in progress
- Deposits given to third parties other than IATA
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
- Doubtful debtors
- Blocked funds except for funds held in favour of IATA.

Current Liabilities – are defined as current liabilities in the balance sheet of the accounts.

EBITDA – Earnings before Interest, Taxation, Depreciation and Amortisation.

Financial Review means a review of an Agent’s financial position or the calculation of the amount of Financial Security required in accordance with this local Financial Criteria.

Net Equity or Shareholders'/owners' Funds – Consists of:
– Share capital
– Share Premium
– Retained earnings
– Other distributive reserves
– Shareholder's loans if subordinated less declared dividends

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

Review means any assessment or evaluation of an agent's continuing compliance with the Passenger Sales Agency Rules.

Financial Security:
– Bank Guarantee in accordance to the IATA approved template.
– Default insurance program in accordance to the approved provider or providers
– Global Default Insurance

EL SALVADOR

(Effective 1 March 2019 – PAC/41)

1. GENERAL RULE – (Accounts/Documents to be provided)

1.1 Financial Statements:

- Balance Sheet, Profit and Loss Statements and any other financial documents deemed appropriate by IATA to conduct the financial review
- must not be older than six months at the time of submission,
- must be audited or certified by an external public accountant

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 Financial statements must reflect minimum Working Capital equivalent to USD 20,000.

2.2 Financial Statements will be evaluated against ratio tests. The financial ratio analysis is measured by the application of four ratio tests against which points are allocated. A maximum of 40 points may be attained. For the financial results to be considered as a satisfactory result, a minimum of 22 points must be scored.

2.2.1 Ratio Tests used and maximum number of points obtainable per ratio test:

Ratio	Points	
Liquidity ratio	14	A measure of the short-term solvency of the entity
Debt ratio	14	Amount of assets provided by creditors for each dollar of total assets
Turnover ratio	7	The average number of days to collect a receivable
Cash flow ratio	5	Level of debt versus profits

2.2.2 Scale of Points per Ratio Test:

$$\textbf{Liquidity Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Over 1.99	14 points
1.50 – 1.99	12 points
1.25 – 1.49	10 points
1.00 – 1.24	8 points
0.96 – 0.99	6 points
0.91 – 0.95	4 points
0.86 – 0.90	2 points
under 0.86	0 points

$$\textbf{Turnover Ratio} = \frac{\text{Net Receivables}}{\text{Total Sales}} \times 365$$

15 – 16 days	6 points
17 – 18 days	5 points
19 – 20 days	4 points
21 – 23 days	3 points
24 – 26 days	2 points
27 – 29 days	1 point
Over 29 days	0 points

$$\textbf{Debt Ratio} = \frac{\text{Total Liabilities}}{\text{Total Assets}}$$

Under 0.4	14 points
0.4 – 0.59	12 points
0.6 – 0.89	10 points
0.9 – 0.99	8 points
1.0 – 1.19	6 points
1.2 – 1.34	4 points
1.35 – 1.49	2 points
over 1.49	0 points

$$\textbf{Cash Flow Ratio} = \frac{\text{Profit After Tax}}{\text{Long-term Liabilities}}$$

0.20	5 points
0.18	4 points
0.15	3 points
0.13	2 points
0.10	1 point
under 0.10	0 points

3. ANNUAL FINANCIAL REVIEWS

3.1 All Agents are subject to annual financial reviews. Details are described in Resolution 812, Section 5.4.

4. FINANCIAL SECURITY

4.1 Financial Securities will be requested based on the Risk Status of the Agent as described in Resolution 812, Section 5.5:

4.1.1 Agents with Risk Status A – are not required to present a financial security.

4.1.2 Agents with Risk Status B – will be required to present a financial security.

4.1.3 Agents with Risk Status C – will be required to present a financial security.

4.2 New Applicants will be required to provide a minimum Financial Security of USD 20,000 (or the equivalent in local currency).

4.3 When Accredited Agents are required to provide a Financial Security, the Financial Security will be calculated based on the Agents' own Day's Sales at Risk. Days Sales at Risk is calculated based on the number of days in the reporting period plus the number of days to remittance date plus a margin of 5 days, the result is then multiplied by the daily average BSP net cash sales of the Agent's previous 12 months' sales or a minimum Financial Security equivalent to USD 20,000, whichever is higher.

4.4 Duration of guarantee:

- Two-years minimum for a New Applicant
- One-year minimum for Accredited Agents

5. FINANCIAL INFORMATION DEFINITIONS

Current Assets

This amount excludes notes or receivables from related parties, including shareholders, employees, officers, associates as well as Cash and Term Deposits pledged for security.

Current Liabilities

This amount must include the current portion of long-term debt.

Gross or Total Sales

In the event this figure is not specifically identified in the financial statements, please provide the gross sales figures for the period including ticket sales, package tours, hotels, car rental, insurance, miscellaneous income, etc., net of tax.

Long-term Liabilities

All long term loans from third parties. It does not include non-current loans provided by shareholders or proprietors.

Net Receivables

This amount should be net of bad debt and should be broken down to reflect separately,

- Trade receivables net of provision for bad debt
- Commissions receivable
- Receivables from related parties. Refer to definition of current assets
- Supplier deposits

Profit After Tax

Profit after taxes but before extraordinary items.

Total Assets

Total assets including intangible assets such as goodwill, franchise fees, client lists, etc.

Total Liabilities

Include current liabilities and all loans from third parties. It does not include non-current loans provided by shareholders or proprietors. Loans from associate parties are included, unless subordinated to other parties.

ESTONIA

(Effective from 1 January 2026, MV/A694)

1. GENERAL RULES

All IATA Accredited Agents must remit four (4) times per month.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

Applicants

Financial statements must show a positive balance of current assets over current liabilities.

Existing Agents

2.1 Profitability

An Agent is required to show profit before tax at the end of the financial year.

2.2 Equity Capital

Equity capital = Total Equity/Total Assets = min 6%

2.3 Solvency

$$\text{Rate of liquidity} = \frac{\text{Current Assets}}{\text{Current liabilities}} = \text{min } 1.0$$

2.4 The financial review result will be considered as PASS/SATISFACTORY when the financial tests in sections 2.1-2.3 are met.

3. FINANCIAL REVIEWS

Applicants

3.1 Applicants which have been established as a company more than one year must submit independently audited balance sheet and profit and loss accounts. The financial statements must be produced by a nationally approved Public Auditor in accordance with International Accounting Standards.

3.2 Applicants which have been established as a company for less than one year must submit a copy of the most recent accounts or opening balance sheet, certified by an accountant.

3.3 The financial statements must not be older than 6 months at the time of submission to IATA.

Existing Agents

3.4 Accredited Agents must provide IATA with a copy of their audited balance sheet and profit and loss Accounts in accordance with the time frame for filling reports required by the local authorities (currently 6 months after financial year-end).

3.5 The financial statements must be produced by a nationally approved Public Auditor in accordance with International Accounting Standards.

4. FINANCIAL SECURITY

Any Financial Security must be drafted in the English language, using a standard text provided by IATA.

4.1 Amount of Financial Security required

All Agents must provide Financial Security for the minimum amount of EUR 28,760 during the first two (2) years as IATA accredited Agent.

4.1.1 Other than Applicants

The amount of the Financial Security for Agents that have been IATA accredited for more than two (2) years will be calculated using the provisions in sections 4.1.1.1–4.1.1.3:

4.1.1.1 Agents with Risk Status A

For Agents with Risk Status A no Financial Security is required.

4.1.1.2 Agents with Risk Status B

For Agents with Risk Status B the amount of the Financial Security required must cover at a minimum four point seven per cent (4.7%) of the calculated annual average cash sales or EUR 28,760, whichever is the higher.

4.1.1.3 Agents with Risk Status C

Agents with Risk Status C must provide a Financial Security in accordance with the provisions of Resolution 812, with a minimum amount of EUR 28,760.

ETHIOPIA

(Effective 1 September 2023 – PAC/45)

1. GENERAL RULE

1.1 An Agent must provide Audited Accounts to IATA. Audited Accounts means accounts reviewed by an auditor recognized as competent by a regulatory authority in the country to perform an audit.

1.2 Audited annual financial statements prepared by a statutory auditor must be supplied to IATA within 6 months of each Agent's financial year end.

1.3 For New Applications, If an Agent has been in business for less than 12 months at the time of application, an audited opening balance sheet must be provided.

2. CRITERIA FOR THE EVALUATION OF AGENTS ACCOUNTS

2.1 All financial information used in the financial review will be extracted from the Agent's Audited financial statements.

2.2 The following financial tests apply to the evaluation of an Agent's Audited financial statements:

(a) The financial statements should show net profit.

(b) The Agent must have a minimum liquidity ratio of 1.2:1.

(c) A minimum paid up capital of an equivalent of USD 25,000 in local currency.

2.3 An Agent will obtain a satisfactory result on the financial review when all provisions in section 2.2 of these criteria have been met.

3. ANNUAL FINANCIAL REVIEWS

3.1 All Agents must provide Audited Accounts for each financial year end for the purposes of evaluation against the financial criteria tests mentioned in the Section 2:

1. Balance sheet
2. Income statement
3. Cash flow statement
4. Profit & loss
5. Audit report
6. Notes to accounts (if the submitted accounts make reference to the notes).

4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 Financial Security

For the purposes of calculating the amount of a Financial Security the following definitions apply:

"Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days as illustrated in the table below.

"Amount at Risk" is calculated by dividing the Days' Sales at Risk by 90 days and applying that percentage to the BSP cash turnover amount the Agent made in the three highest months in the past 12 months.

Remittance Frequency	Days' Sales at Risk	Days in reporting period
Two times per month	35	16
Four times per month	20	7

4.3.1 Formula for the Financial Security:

$$\text{“Amount at Risk”} = \frac{\text{“Days’ Sales at Risk”} \times \text{highest 3 months BSP cash sales in the past 12 months}}{\text{90 days}}$$

4.4 Agents with Risk Status A, B and C

4.4.1 Agents with Risk Status A

Agents with Risk Status A are required to provide a Financial Security covering 50% of their Amount at Risk calculated as per Section 4.3.1, or USD 50,000, whichever is higher.

If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

4.4.2 Agents with Risk Status B

Agents with Risk Status B are required to provide a Financial Security covering 100% of their Amount at Risk calculated as per Section 4.3.1 or USD 50,000, whichever is higher.

If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

4.4.3 Agents with Risk Status C

All Agents Financial Security will be equal to the Remittance Holding Capacity at all times. Agents must always provide a Financial Security with a minimum amount of USD 50,000.

5. DEFINITIONS

Net Equity or Shareholders’/Owners’ Funds

In computing the Net Equity, adjustments must be made to write down to zero the following:
(a) The balance of all intangible assets, including goodwill,
(b) All unamortized research and development costs,
(c) The value of all unquoted investments,
(d) All encumbered Assets,
(e) All trading losses for the current financial period.

Liquid Current Assets – are defined as Current Assets as in the Balance Sheet of the Accounts after deducting:
(a) Stocks and work in progress,
(b) Deposits or guarantees given to third parties other than IATA,
(c) Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
(d) all intercompany balances,
(e) Payments in advance,
(f) Deferred Expenses,
(g) Doubtful debtors,
(h) Blocked funds.

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period

FEDERATED STATES OF MICRONESIA, REPUBLIC OF THE MARSHALL ISLANDS AND REPUBLIC OF PALAU

Financial Criteria for Agent Participation in ISP-Micronesia

IATA accredited travel agencies participating in ISP Micronesia must either lodge a financial guarantee or meet certain financial criteria sufficient to indemnify participating airlines in the event of an agent default. The criteria must continue to be met on an annual basis in order to ensure participation is ongoing.

Financial Evaluation

An agency may:

— lodge with IATA a financial guarantee equivalent to an average of one month's ISP gross cash sales per location. Financial guarantees may take the form of:

- Letter of Credit from a bank
- Bank Guarantee
- Bond

and must be provided by a corporation which meets with the approval of the IATA Agency Administrator, OR

— the applicant shall provide audited financial statements prepared in accordance with generally accepted accounting principles. Such statements shall be evaluated pursuant to the financial standards and financial ratio analysis established from time to time by the Conference and as set forth herein. To obtain a satisfactory evaluation, the applicant may be required to provide additional financial support in the form of recapitalization or a financial guarantee of an approved type.

Late extension requests or incomplete submission of such financial statements may attract a penalty as determined by the Conference from time to time.

1. NOTES OF FINANCIAL EVALUATION

1.1 Definition of Share Capital and Reserves

The Share Capital and Reserves shall be determined as follows according to the type of the applicant's entity:

1.1.1 Company having a share capital — the sum of:

Paid-up Share Capital

Minimum of $10,000 paid-up ordinary share capital (forming part of the minimum share capital and reserves) regardless of existence of other reserves (e.g. issued share capital of $5,000 and capital profits reserve of $5,000 would not be acceptable). If less than $10,000 a financial guarantee for the shortfall will be required.

Realized Capital Profits Reserve

Asset Revaluation Reserve (only if supported by a written valuation from an independent licensed valuer; i.e. Director's valuation will not be accepted),

Share Premium Reserve

Accumulated Profits

Less:

1. Accumulated Losses,
2. Provision for future losses,
3. Intangibles including Goodwill, Future Tax Benefits, etc.

1.1.2 Sole Trader/Partnership

Proprietorship (including reserves) less intangibles, adjusted by those items detailed in Subparagraph 1.1.1 above.

Statement(s) of assets and liabilities of the principal(s), verified by their solicitor, auditor or bank manager from their own personal knowledge of their clients' affairs or from documentary evidence supplied must be submitted for consideration.

1.1.3 Trust

Corporate Trustee

Either the settled sum of the Trust or the paid-up capital of the Corporate Trustee adjusted by those items detailed in Subparagraph 1.1.1 above.

Note: *The total of settled sum or units and paid-up capital of the corporate trustee must be a minimum of $10,000 forming part of the minimum share capital and reserves regardless of existence of other reserves. If less than $10,000 a financial guarantee for the shortfall will be required.*

Unincorporated Trustee

The settled sum of the Trust adjusted by those items detailed in Subparagraph 1.1.1 above. Where the required minimum is not met the statement of personal assets and liabilities of the Trustee(s) as detailed in Subparagraph 1.1.2 above will be reviewed to determine the net worth.

1.1.4 Company Limited by Guarantee

Accumulated Funds and Reserves (as detailed in Subparagraph 1.1.1 above). Total guarantees available in the event of a winding up, i.e. the liability of each member multiplied by the number of members at balance date.

1.1.5 Incorporated Association, Cooperative, etc.

Accumulated Funds and Reserves (as detailed in Subparagraph 1.1.1 above).

1.2 Definition of a Related Party

A Related Party is an individual or company and includes shareholders, directors, trustees, partners, proprietors or their immediate family.

Loans from a Related Party. If the Agent provides satisfactory documentary evidence that the loan is in the form of a long-term commitment to the agency, such loan may be deducted from the liabilities of the Agent. If such evidence is not available loans from a Related Party will be considered a liability of the agency.

Loans to and investments in a Related Party will not be considered as assets of the agency for the purposes of the financial evaluation.

However, if the Agent is able to provide satisfactory documentary evidence that:

- the Loan or Investment is readily able to be converted to cash, and
- will be repaid should the working capital position of the Agent decline, such assets may be considered.

1.3 Encumbrances

Should any Balance Sheet assets of an applicant be used as security for loans which do not appear on the Balance Sheet 1 (e.g. third-party loan to directors) those loans will be deducted from assets, up to the maximum amount of the liability secured by the applicant's assets. Details of such encumbrances will require disclosure in the "Annual Financial Review".

All charges over an applicant's assets, both fixed and floating, require immediate disclosure to the Board at the time of their creation. Failure to notify the creation of a charge will be regarded as a serious departure from these financial requirements. Creation of and retirement of all charges during the year should also be notified to the Board.

2. FINANCIAL STANDARDS

The financial assessment is based on four Tests and the allocation of applicable points to each Test. Maximum points are 20 and a total of 10 points or more is considered satisfactory provided the applicant maintains the minimum level of share capital and reserves (refer Test 1).

2.1 Test 1 — Minimum Net Capital & Reserves (2 points)

All applicants must maintain a minimum level of share capital and reserves (as defined in Paragraph 1.1 hereof) dependent on the scale of operations of each enterprise as measured by the annual turnover (both travel and non travel).

	Minimum Share Capital	
Turnover	**2 Points**	**1 :Point**
Less than $750,000	$20,000	$15,000
$750,000 to less than $1.5 million	$30,000	$25,000
$1.5 million to less than $4 million	$50,000	$40,000
$4 million to less than $10 million	$80,000	$60,000
$10 million to less than $50 million	$100,000	$80,000
$50 million or greater	$150,000	$120,000

A minimum of 1 point must be obtained from this test regardless of the overall point score achieved from other Tests. A Bank Guarantee or capital injection for any Shortfall will be required. Minimum capital may be expected to increase from time to time.

2.2 Test 2 — Client Travel Account (2 points)

A Client Travel Account is a bank account maintained by the applicant to separately receipt all client funds and the subsequent disbursement of those funds to travel principals.

2.2.1 Two points will be allocated for a properly maintained Client Travel Account. To be eligible for these points the applicant must comply with all of the following:

2.2.1.1 All money received from clients, in advance of the issue of tickets, must be banked within two days of receipt into a separate account in the name of the applicant – suitably titled “Client” or “Trust” Travel Account.

2.2.1.2 Interest bearing or term deposits may be opened with any recognized financial institution.

2.2.1.3 Any such account as mentioned in 2.2.1.1 and 2.2.1.2 must be used exclusively for clients’ funds.

2.2.1.4 Any such account must not be subject to a right of set off or any encumbrance, including any floating charge.

2.2.1.5 All deposits to the Client Travel Account must remain in the account until:

- they are paid to the principals on whose behalf they have been received; or
- they are refunded to the client who paid.

2.2.1.6 Commission earned is not to be withdrawn until the balance has been paid to principals on whose behalf it has been received.

2.2.1.7 Disbursements from the Clients Travel Account on behalf of a customer who has not lodged funds (e.g. sale on credit) is not permitted. These should be made from the “General” or “Working” account of the Agent.

2.2.1.8 Use of clients funds to finance loans or advances to Related Parties or others, does not comply with the conditions of maintaining a Client Travel Account.

2.2.1.9 The Client Travel Account and liability for client deposits should be clearly identified on the Balance Sheet or Notes to the Accounts.

2.3 Test 3 — Working Capital Available to Meet Overheads (8 points)

This test is the ratio of working capital in dollars to average monthly overheads. An applicant should have sufficient working capital in dollar terms to meet overhead expenditure. This requirement is necessary to ensure the applicant has adequate working capital commensurate with the size of their operations and sufficient to meet seasonal fluctuations.

Should the Agent have experienced trading losses in the most recent financial year, provision for continued losses will be calculated unless the Agent provides satisfactory documentary statements that action has been taken to bring the agency to a satisfactory trading position.

Months Coverage	**Points**
Greater than 2 months	8
1 to 2 months	5
Less than 1 month	2
Deficiency in working capital	- 3

2.4 Test 4 — Net Tangible Assets to Turnover Ratio (8 points)

This ratio equates the net tangible assets of the applicant with its turnover and recognizes that the greater the turnover of an organization the greater should be its tangible net worth. Whereas a tangible net worth of $30,000 may be adequate for an applicant with a turnover of $1 million, it may be totally inadequate for a $10 million or even $5 million applicant. This test recognizes that a ratio of 1.5% is adequate and allocates the majority of the available points (5 out of 8) for this ratio. However, in recognition of the greater margin of safety afforded by a higher ratio, maximum points are allocated for a ratio of 3%.

All tangible assets of the applicant together with long term and current liabilities are considered in assessing net worth. Accordingly, assets such as goodwill, formation costs, etc. which may only be realized on sale of the applicant's business, and which may be open to subjective valuations are excluded from the tests.

Should the Agent have experienced trading losses in the most recent financial year, provision for continued losses will be calculated unless the Agent provides satisfactory documentary statements that action has been taken to bring the agency to a satisfactory trading position.

Ratio (as a %)	Points
Greater than 3%	8
1.5% to 3%	5
0 to 1.5%	2
Deficiency in Net Tangible Assets	- 3

2.5 Points Summary

Test 1 Minimum Share Capital & Reserves	2
Test 2 Client Travel Account	2
Test 3 Working Capital to Meet Overheads	8
Test 4 Net Tangible Assets to Turnover Ratio	8
TOTAL:	20

3. FINANCIAL DISCRETION

It is recognized that different interpretations of financial accounts are possible and do occur. Accordingly, the General Assembly shall have absolute discretion as to the most appropriate accounting classification for all items included in Financial Statements or Annual Financial Reviews.

4. FINANCIAL GUARANTEE

Where a financial guarantee is required to meet the above criteria, the General Assembly will require an amount equivalent to the percentage share of airline sales to total turnover (e.g. if the criteria requires pro-vision of a bond or $100,000 and 60% of the applicant's turnover is for air travel, then the Board will require a bond for $60,000). Such bond amount however, shall be not less than the amount required by the applicant to meet the minimum level of Share Capital and Reserves in Paragraph 2.1 of Section 2 hereof.

FINLAND

△ *(Effective 1 January 2026 – PAC/47)*

1. GENERAL RULES

These Local Financial Criteria only works as a supplement to the Passenger Agency Conference Resolutions (812, 824, 850p, 890 amongst others), and only contain the details of the financial requirements locally recommended. For any provisions on how to become an IATA Accredited Agent or how to maintain the IATA Accreditation, kindly refer to the Resolution text which will have complete information.

The business entity and/or the owners and managers of all IATA Accredited Agencies and Agents applying for IATA accreditation must meet all applicable requirements as prescribed by the law in Finland.

1.2 Remittance and Payment Frequency

All Agents must remit BSP sales four times a month.

2. CRITERIA FOR EVALUATION OF AGENT'S AUDITED FINANCIAL STATEMENTS

2.1 Official Evaluations performed by Credit Rating Company

An official impartial body (currently Bisnode Finland Oy) is chosen to perform the financial evaluations, rate the financial status and to follow and report on financial developments and/or difficulties of IATA Accredited Agents.

2.2 Latest Financial Documents as Basis for the Evaluation

The basis for the evaluation is the latest Financial Documents (duly audited and certified by an Authorized Public Auditor according to the law in Finland) and a report by the auditors for the most recent financial year indicating the Agent's financial standing. The evaluation is performed according to local laws and practices.

2.3 Official Rating used

Following Bisnode Finland Oy rating is used to define Agent's financial status:

AAA	: = Financial review result = PASS
AA	: = Financial review result = PASS
A	: = Financial review result = PASS
B	: = Financial review result = FAIL
C	: = Financial review result = FAIL
No rating	: = Financial review result = FAIL
AN	: = Financial review result = FAIL

Agents with Credit rating C or AN will automatically be assigned **Risk Status C.**

Agents with No rating will have 30 days to have its rating available in Bisnode, else they will be assigned **Risk Status C.** Status C will be maintained until such credit rating will become available.

Whenever a change in Credit rating is registered, IATA will proceed to re-assess the Agent's financial status and either request a Financial Security or agree to its release if applicable as per Resolution 812.

3. ANNUAL FINANCIAL REVIEWS

All Agents must send annually, according to national legislation (currently within eight (8) months covering limited-liability companies, and 6 months covering other type of companies from the end date of the Agent's financial year), the Agent's audited financial documents to the Trade Register (Kaupparekisteri).

The financial documents to be sent are as defined in the laws of Finland.

3.1 Applicant/New Owner with less than one year's trading

Applicants with less than one year's trading record must submit a copy of an opening Balance Sheet signed by Authorized Public Accountant to IATA.

4. FINANCIAL SECURITY

4.1 Financial Security Requirements

Agents are required to provide sufficient Financial Security as detailed in these criteria.

4.2 Amount of Required Financial Security

The Risk Status of the Agent will be determined by the Agent's Bisnode Finland Oy's rating and the Agent's Risk History Assessment, per section 5 of Resolution 812.

4.2.1 New Agents

All Agents must provide a Financial Security with a minimum amount of EUR 10,000 during the first two (2) years as IATA accredited Agent.

4.2.2 Other than New Agents

The amount of the Financial Security for the Agents that have been IATA accredited for more than two (2) years, the following calculation will apply:

4.2.2.1 Agents with Risk Status A

For Agents with Risk Status A no Financial Security is required

4.2.2.2 Agents with Risk Status B

△ For Agents with Risk Status B the amount of the Financial Security required must cover at a minimum four point seven per cent (4,7 %) of the calculated annual average cash sales (which equals 17 "Days of Sales at Risk") or EUR 10,000, whichever is higher

4.2.2.3 Agents with Risk Status C

△ For Agents with Risk Status C the amount of the Financial Security required must cover at a minimum four point seven per cent (4,7%) of the calculated annual average cash sales (which equals 17 "Days of Sales at Risk") or EUR 10,000, whichever is higher.

4.2.3 Minimum Financial Security Requirement

4.2.3.1 Agents with Risk Status A: as per 4.2.2.1.

4.2.3.2 Agents with Risk Status B or C: a minimum Financial Security amount of ten thousand EUR (EUR 10,000) must be provided.

FRANCE

(including French Guyana, Guadeloupe, Martinique, Mayotte, Monaco, Reunion Island, St. Barthelemy, St. Martin
Effective 1 January 2025, MV/681)

1. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

1.1 All financial information used in the financial criteria will be extracted from the Agent's Audited Accounts.

1.2 The following financial tests apply to the evaluation of an Agent's Audited Accounts, starting with the 2023 annual accounts:

1.2.1 There must be positive Net Equity.

1.2.2 Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5.

1.2.3 Adjusted Current Assets must exceed Current Liabilities or Adjusted Current Assets less pre-payments must exceed Current Liabilities less revenues received in advance.

1.2.4 The Audited Accounts must not have a qualified audit opinion or local regulatory equivalent.

1.2.5 EBITDA must be positive at least for two of the three last financial years. The analysis of this criteria will start with the annual accounts of 2023. The 2022 financial statements will not be considered.

1.3 In order to obtain a satisfactory result of the financial assessment, an Agent must pass all tests in 1.2.1–1.2.5 of these criteria.

2. ANNUAL FINANCIAL REVIEWS

New Applicant

2.1 New Applicants with more than one year's trading record must provide with the application Audited Accounts not more than 12 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests in Section 1 of these criteria.

2.2 Companies with less than one year 's trading record at the time of application must submit a copy of a certified opening balance sheet.

Accredited Agent

2.3 All Agents must provide most recent Audited Accounts no later than 6 months after each financial year end, or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 1 of these criteria.

3. FINANCIAL SECURITY

3.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

3.2 Financial Securities will be subject to a minimum notice period of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

3.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

3.3.1 "Days' Sales at Risk" will be calculated as follows:

Remittance frequency	Number of days covered
Twice per month	**24**
Four times per months	**17**

3.3.2 "Amount at Risk" is calculated by dividing the Days' Sales at Risk by 90 days, and applying that percentage to the BSP cash turnover, or cash turnover as applicable, amount the Agent made in the three months period, as applicable:

$$\text{"Amount as Risk"} = \frac{\text{"Days' Sales at Risk"} \times \text{BSP Cash Turnover in 3 highest months}}{90}$$

Agents with Risk Status A

3.4 For Agents with Risk Status A no Financial Security will be required.

Agents with Risk Status B

3.5 For Agents with Risk Status B the amount of the Financial Security required must cover at a minimum the Amount at Risk calculated as per Section 3.3 using the BSP cash turnover amount equal to the average of the 3 months' highest net cash sales in the previous 12 months, or the minimum see section 3.7, whichever is higher.

3.5.1 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

Agents with Risk Status C

3.6 For Agents with Risk Status C the amount of the Financial Security required must cover at a minimum the Amount at Risk calculated as per Section 3.3 using the BSP cash turnover amount equal to the average of the 3 months' highest net cash sales in the previous 12 months, or the minimum see section 3.7, whichever is higher.

3.6.1 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

3.7 A minimum fixed amount based on the remittance frequency of the Agent:

(i) Agents on twice per month remittance: EUR 20,000

(ii) Agents on four times per month remittance: EUR 15,000.

4. CHANGES IN FINANCIAL YEAR END

4.1 All Agents must notify IATA immediately of a change in its financial year-end.

4.2 The Agent must provide both:

4.2.1 The confirmation from the Trade Registry (K-Bis) mentioning the new financial year end, as soon as this is available after the change is published.

4.2.2 Audited Accounts for the financial year end no later than 6 months after the new financial year end.

5. DEFINITIONS OF TERMS USED IN THESE CRITERIA

Adjusted Current Assets – are defined as

A balance sheet item which equals the sum of cash and cash equivalents, accounts receivable, inventory, marketable securities, prepaid expenses, and other assets that could be converted to cash in less than one year.

Audited Accounts – accounts prepared by an auditor recognized as competent by the regulatory authority in that country to perform an audit that are provided to IATA. For limited companies Audited account is required including and Audit report. For other agencies accounts certified by a chartered accountant or the yearly tax return format (liasse fiscale) is accepted.

Net Equity or Shareholders'/Owners' Funds – consists of:
– Share capital
– Share premium
– Retained earnings
– Other distributable reserves
– Shareholder's loans if subordinated less declared dividends.

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

EBITDA (Earnings before Interest, Taxation, Depreciation and Amortisation) is calculated exclusively computed from the French annual fiscal accounts filed (CERFA N°15948 for simplified accounts and N° 15949 for complete accounts)

For complete annual accounts (CERFA N° 15949):

EBITDA = GG (RÉSULTAT D'EXPLOITATION (I – II)) + GA (dotations aux amortissements) + GB (dotations aux provisions)

For Simplified annual accounts (CERFA N°15948):

EBITDA = 270 (RÉSULTAT D'EXPLOITATION (I – II)) +254 (dotations aux amortissements)

FRENCH OVERSEAS TERRITORIES IN AREA 3

FINANCIAL EVALUATION

The applicant shall submit a well-structured Balance Sheet so as to guarantee the timely remittance of payments to the airlines for sales made on their behalf. In order to comply with this requirement, the level of certain items in the Balance Sheet and their relationship to each other are defined by financial standards as set out hereunder.

Financial statements enabling verification of these standards shall be in the form of a Balance Sheet and Profit and Loss Account with attachments and cover the latest fiscal period. For applicants operating as limited companies, such financial statements shall be certified by an auditor. For all other organizations, such documents shall be certified by a chartered accountant. To obtain a satisfactory evaluation, the applicant may be required to provide additional financial support in the form of recapitalization or a bank guarantee.

FINANCIAL STANDARDS

Definitions

1. Turnover

Calculation of the turnover to be taken into account shall be determined as follows:

Total of: – turnover excluding sales of BSP airlines;
– commission on sales of BSP airlines.

The total amount for sales made on behalf of BSP airlines is hence not integrated; while only the commissions on such sales are included.

2. Overhead Expenses

Overhead expenses to be taken into account shall be calculated exclusive of BSP invoices.

3. Capital

Capital resources shall include:
– the share capital increased by reserves;
– the balance brought forward; and
– the result of the fiscal year.

However, and this during an adaptation period of three (3) years, current accounts of associates having been the object of a fund blocking agreement according to the terms of Law 83-1179 dated 29th December 1993, shall be integrated for the calculation of capital resources.

4. Financial Costs

The financial costs to be taken into account shall be the short-term financial costs assessment.

5. Summary

Financial evaluation is based on a series of five tests with points awarded against a total of 20. A minimum of 10 points is considered satisfactory, provided the amount of capital resources (exclusive of intangible fixed assets) complies with the minimum level taken into account for the first test.

1st Test — Minimum Capital Resources (4 points):

	Minimum Capital Resources	
CA	**4 Points**	**2 Points**
Total CA<20 MCFP	2 MCFP	1 MCFP
20 MCFP<CA<40 MCFP	4 MCFP	2 MCFP
40 MCFP or >	8 MCFP	4 MCFP

(Above are the French abbreviations)

When a loss equal to half of the share capital appears in the Balance Sheet, the minutes of the Extraordinary General Assembly showing the decision to continue the applicant's activities must be produced.

For this test, a minimum of 2 points will need to be achieved, regardless of the total number of points obtained under the other tests. Failing this, a bank guarantee may be requested. An increase in the minimum capital resources may also be requested.

2nd Test — Specific Bank Account Reserved for Airlines' Monies (4 points):

A specific bank account reserved for airlines' monies to be maintained separately from the Agent's General business bank account; this account is to show all movement of funds in relation to transactions pertaining to the applicant's sales activities (payments from customers, reimbursements, settlement with BSP).

A maximum of 4 points will be awarded to the applicant for adherence to the operational rules of this account as follows:

1. All funds received as a deposit from customers before issuance of tickets must, within two days following the date of collection, be paid into this specific account to be opened in the applicant's name.
2. These funds may be remunerated by the banks within the framework of their investment activities.
3. This account is to function exclusively with the funds received from customers.
4. In no case can this account be used for compensation purposes or blocked.
5. All deposits paid into this account must remain therein pending:
   (a) their remittance to the beneficiaries to whom the monies are due; or
   (b) their reimbursement to the customers who made the corresponding remittance.
6. The amount of commissions received may be withdrawn from the account only after the remittance has been made to the beneficiaries to whom the monies are due.
7. Settlement of accounts relating to sales on credit cannot be made by means of this account but must be made through the applicant's general business bank account.
8. The use of deposits received from customers to finance any loan or advance, whatever the reason or purpose, is contrary to the operational rules governing this account.
9. The existence of this specific account and the deposits from customers are to be clearly identified in the applicant's books of account.

3rd Test — Covering of Overhead Expenses by means of Current Assets (4 points):

This test relates to the ratio of the average monthly amount of overhead expenses vis-à-vis current assets translated into number of months.

Current assets equal the long-term capital minus the fixed assets.

Long-term capital represents the capital resources increased by available funds on a long-term basis (loans over more than one year and current accounts of associates having been the object of a fund blocking agreement according to the terms of Law 83/1179 dated 19th December 1993).

The applicant must dispose of current assets sufficient to meet its overhead expenses. This verification is necessary to make certain that the applicant disposes of sufficient current assets and adapted to the volume of transactions so as to meet seasonal fluctuations.

Number of months for Cover	Points
>2 months	4
1 to 2 months	2
0 to 1 month	0
0	0
negative CA	-2

4th Test — Capital/Turnover (4 points):

The ratio of Capital/Turnover means that the higher the turnover, the greater the amount of capital must be.

If capital in the amount of 1 MCFP is adequate for a turnover of 30<MCFP, it may appear totally inadequate for a turnover of 150 MCFP or even 100 MCFP.

A ratio of 1.5% would appear satisfactory and is awarded quite an important amount of points (2.5 out of a total of 4). However, a maximum number of points is awarded for a ratio of 3% taking into account the existence of a large margin of security.

Ratio	Points
>3%	4
1.5% to 3%	2.5
0% to 1.5%	1

5th Test (4 points): Short Term Financial Costs/Turnover

This ratio indicates an applicant's possible difficulties:

Ratio	Points
<2%	4
2% to 4%	2.5
4% to 6%	1
>6%	0

Implementation of Financial Standards

An applicant should establish a financial situation covering one (1) year's trading and complying with the above financial standards. However, to the extent its financial situation does not meet these requirements, the applicant may be considered provided it supplies a bank guarantee in an amount equal to one twelfth of the cash sales made during the previous year on behalf of BSP Participating Airlines.

Where the applicant has provided a Bank Guarantee to A.T.A.F. to cover liability for sales made through the BSP on French national carriers, this may be taken into account in determining the amount of bank guarantee required to cover the total amount of cash sales for all BSP Participating Airlines.

An applicant whose application has been rejected due to imbalance of the structure of its Balance Sheet is eligible, once the necessary steps to restore its financial situation have been taken, to file a new application for accreditation, together with an updated Balance Sheet.

An applicant with less than one (1) year's trading must provide:

- an opening Balance Sheet which must comply with the above financial standards;
- an estimate of its Profit and Loss Account;
- a bank guarantee for an amount equal to the expected sales over 30 days on behalf of IATA Member Airlines.

The bank guarantee shall remain valid until establishment of a Balance Sheet reflecting the applicant's situation after the end of the first fiscal year and meeting the criteria defined above. The amount of guarantee may be required to be adjusted at any time in relation to the monthly turnover achieved on the airlines mentioned above.

GEORGIA

(Effective 1 January 2020 or upon implementation of NewGen ISS – PAC/42)

1. GENERAL RULES

New Applicants

1.1 For the purposes of evaluation against the financial tests in Section 2 of these criteria, New Applicants must provide with the Certified Accounts, covering 12 months of trading: Balance Sheet, Profit & Loss Statement

1.2 Newly formed companies that have traded for less than 12 months at the time of application must submit a Certified opening balance sheet.

Accredited Agents

1.3 All Agents must provide Certified Accounts no later than 30th of April, which is 4 months after each financial year end, for the purpose of evaluation against the Criteria in Section 2 of these criteria.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

The below criteria apply both to New applicants and Accredited Agents. All financial information used in the financial criteria will be extracted from the Agent's Certified Accounts:

(a) There must be positive **Net Equity** i.e. Total Assets must Exceed Total Liabilities.

(b) **Profitability**: The accounts must show that the Agent has made a profit before tax at the end of an accounting period. For New Applicants, submitting opening balance sheet, Profit will be considered as 0.

(c) **Liquidity**: The accounts must show a positive liquidity ratio i.e. current assets must exceed current liabilities at the end of an accounting period.

3. ANNUAL FINANCIAL REVIEWS

All Agents must provide Audited or Certified Accounts prepared according to the local accounting practice. The report must consist of:

– Profit and Loss Statement,
– Balance Sheet.

4. FINANCIAL SECURITY

4.1 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.1.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

Remittance Frequency	Days' Sales at Risk	Days in reporting period
Four times per month	19	8

4.1.2

$$\text{"Amount as Risk"} = \frac{\text{"Days' Sales at Risk"} \times \text{BSP Cash Turnover in applicable 3 highest reporting periods}}{\text{Days in reporting period} \times 3}$$

4.2 Level of Financial Security

4.2.1 For Agents with Risk Status A, B and C the amount of the Financial Security required must not be lower than USD 30,000.

4.2.2 Agents with Risk Status A and B must at all times provide a Financial Security which will equal their assigned Remittance Holding Capacity.

4.2.3 An Applicant/Agent may at any time request to reduce or increase the Financial Security amount provided in accordance with Resolution 812 Section 5.9.4.

4.2.4 The value of the Financial Security will be rounded to the next + 1,000 USD.

4.3 Financial Security requirements

4.3.1 Financial Security must be strictly drafted as per specimen provided by IATA.

4.3.2 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.3.3 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3.4 If the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

GERMANY

△ *(Effective 1 September 2025 – PAC/47)*

1. GENERAL RULE — (Accounts/Documents to be provided)

1.1 New Applicants

In addition to a complete application the applicant must, for a minimum of two years from its effective date of accreditation, provide a Financial Security according to chapter 4. The Financial Security provided will determine the Remittance Holding Capacity granted, as per Resolution 812, section 5. In the first 24 months following accreditation the most frequent standard remittance will be applied, i.e. four times per month remittance.

1.2 Accredited Agents

An Accredited Agents holding Standard Accreditation with Cash Facility is required to undergo a financial assessment annually or for cause at any time. An Agent holding a Multi-Country Accreditation is required to undergo a financial assessment quarterly or for cause at any time. For the conduct of financial assessments the Agent must provide the financial statements/documents as stated in chapter 2.

2. ANNUAL FINANCIAL REVIEW

Accredited Agents holding the Standard Accreditation with Cash Facility are required to undergo an Annual Financial Review. The Accredited Agent is obliged to provide either the “Data Collection Sheet for establishing liquidity” or to adjust the Financial Security (“Guarantee Model”) according to the Financial Security Overview within 30 days of IATA’s request.

2.1 Guarantee Model

With the Annual Financial Review request IATA provides a Financial Security Overview, which informs the IATA Accredited Agent:

– which Financial Securities are currently deposited with IATA,
– which Remittance Frequency is currently applied,
– what Financial Security amount is actually required with regard to twice-monthly, four times per month or daily remittance on basis of the most actual cash sales.

If the Financial Security deposited with IATA is sufficiently covering the most actual cash sales, no action needs to be taken by the Agent.

Accredited Agents providing 100% financial security voluntarily are considered to have PASSED the Financial Review. However, the Agent must cover at all times 100% of the amount at risk calculated according to the formula stipulated in chapter 4.3.2, otherwise the financial review is considered to be unsatisfactory.

2.2 Data Collection Sheet

Agents that are accredited for at least 24 months can optionally provide the Data Collection Sheet instead of providing 100% financial security.

The Data Collection Sheet for establishing the liquidity quota contains a list of short-term assets and short-term liabilities. Accredited Agents that achieve a liquidity rate of more than 110% are considered to have PASSED the Financial Review. For liquidity quotas equal or less than 110% (bonus class 5) the Financial Review has been FAILED.

2.2.1 Bonus Class

Agents with a liquidity quota of more than 110% are entitled to a bonus, i.e. the Agent can expect a reduction of the otherwise required Financial Security amount. Please refer to table ‘Financial Security Discount’ in chapter 4.7.

2.3 Agents holding a Multi Country Accreditation are required to undergo a quarterly financial assessment in accordance with the Multi Country Financial Criteria.

3. CRITERIA FOR THE EVALUATION OF AGENT'S ACCOUNT

3.1 The financial criteria for the evaluation of the Agent's Data Collection sheet is the liquidity quota.

3.2 Formula for calculating the liquidity quota:

△

$$\frac{\text{Assets realizable in short-term} \times 100}{\text{Short-term liabilities}}$$

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3.3 Remittance Period

The remittance period, i.e., the number of days between the end of the billing period and the remittance date, for four times per month remittance is 10 days.

Effective 1 January 2025 the number of days between the end of the billing period to remittance date will be 5 working days for all agents remitting four times per month.

4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.2.1 The following types of Financial Securities are accepted

(i) Bank Guarantee payable on first demand according to IATA sample
(ii) Guarantee by an insurance company payable on first demand according to IATA sample
(iii) Assignment of fixed deposit or saving account according to IATA sample
(iv) Global Default Insurance

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

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Remittance Frequency:	Days' Sales at Risk
Twice per month (optional)	35
Four times per month (standard)	17
* Daily (voluntary)	5

4.3.2 "Amount at Risk" is calculated using BSP cash turnover amount equal to the net cash sales in the previous 12 months, as follows:

$$\text{"Amount at Risk"} = \frac{\text{"Days' Sales at Risk"} \times \text{BSP cash turnover in the most recent 12 months}}{360}$$

4.3.3 The value of the Financial Security will be rounded to the next + 1,000 EUR.

4.4 All Agents must provide a Financial Security with a minimum amount as per 4.5 during the first two (2) years as IATA accredited Agent.

4.5 The minimum fixed amount of financial security based on the remittance frequency of the Agent:

- twice per month remittance: EUR 20 000
- four times per month remittance: EUR 15 000
- daily remittance: EUR 5 000

4.6 Accredited Agents

4.6.1 Agents with Risk Status A

Agents with Risk Status A, Bonus Class 1 and Amount at Risk below 400.000 EUR will not be required to submit a Financial Security. Agents with Risk Status A, bonus class 1 – 4 incl. are required to provide a Financial Security applying the corresponding discount and their Amount at Risk is calculated using BSP cash turnover amount equal to their net cash sales in the previous 12 months, with a minimum amount as per 4.5, whichever is higher.

4.6.2 Agents with Risk Status B

For Agents with Risk Status B the amount of the Financial Security required must cover at a minimum the Amount at Risk calculated as per Section 4.3 and 4.7 using the BSP cash turnover amount equal to the net cash sales in the previous 12 months, with a minimum amount as per 4.5, whichever is higher. IATA Agents that have failed the Risk History Assessment will be downgraded by one bonus class during the Annual Review.

4.6.3 Agents with Risk Status C

For Agents with Risk Status C the amount of the Financial Security required must cover at a minimum the Amount at Risk calculated as per Section 4.3 and 4.7 using the BSP cash turnover amount equal to the net cash sales in the previous 12 months, with a minimum amount as per 4.5, whichever is higher.

4.6.4 Agents with a required Financial Security above EUR 400.000

IATA Agents in the bonus categories 1 to 4 with an amount of the Financial Security required equal or above EUR 400,000 and a BSP cash turnover share as defined in table 4.7 must provide additional surety by paying 100% of the BSP cash turnover on a daily basis. The cash sales will be remitted from the gent's account 8 days after ticket issuance. On the Remittance Date as defined in the BSP calendar for payments, the total amount according to the Billing must be available for direct debiting.

As an alternative to the daily remittance the IATA Agent is entitled to provide a Financial Security in the amount of the required Financial Security multiplied by the relevant bonus quota.

IATA Agents in the bonus category 5 with an amount of the Financial Security required above EUR 400.000 must provide additional surety by paying 100% of the BSP cash turnover on a daily basis. The cash sales will be remitted from the Agent's account 3 days after ticket issuance. As an alternative to the daily remittance the IATA Agent can provide IATA with a Financial Security that covers 100% of the amount at risk.

4.7 Financial Security Discount:

Target Guarantee/Required Financial Security in EUR	**BSP cash turnover share**	**Financial Security required (Target Guarantee multiplied by bonus quota)**				
Bonus classes		1	2	3	4	5
Liquidity rates in %		> 140%	> 130% ≤ 140%	> 120% ≤ 130%	> 110% ≤ 120%	≤ 110%
< 400,000.00		0%	25%	50%	75%	100%
≥ 400,000.00 < 600,000.00	≥ 40%	50%	60%	75%	80%	100%
≥ 600,000.00 < 800,000.00	≥ 40%	60%	70%	75%	80%	100%
≥ 800,000.00 < 1,000,000.00	≥ 30%	50%	60%	75%	80%	100%
≥ 1,000,000.00	≥ 18% < 20%	50%	60%	70%	80%	100%
≥ 1,000,000.00	≥ 20% < 30%	60%	70%	80%	90%	100%
≥ 1,000,000.00	≥ 30% < 40%	70%	75%	80%	100%	100%
≥ 1,000,000.00	≥40%	72%	80%	90%	100%	100%

If the BSP cash turnover share is below the minimum quotas stated in the table under 4.7. The IATA Agent is not required to provide a Financial Security.

GHANA

(Effective 1 September 2023 – PAC/45)

1. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

1.1 All financial information used in the financial criteria will be extracted from the Agent/s Audited accounts

1.2 The following financial tests apply to the evaluation of an Agent's Audited accounts:

1.2.1 There must be a positive Net Equity

1.2.2 Net Equity divided by long-term debt and other long-term Liabilities must be greater than 0.5.

1.2.3 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortisation and extraordinary items) must be positive.

1.2.4 The EBITDA must exceed the Interest Payable by a factor of a minimum of Three.

1.2.5 Adjusted Current Assets must exceed Current Liabilities.

1.3 In order to obtain a satisfactory result of the Financial Review all tests in 1.2.1-1.2.5 must be passed.

2. ANNUAL FINANCIAL REVIEW

2.1 Agents Accredited for two years or less:

2.1.1 New Applicants must have been in operations for one year before becoming an IATA accredited Agent. This applies also to the re-accreditation of agents that were terminated for financial default.

2.1.2 All Agents must provide accounts certified by a certified accountant/auditor not more than 12 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests as per section 2 of these criteria.

2.2 Agents accredited for more than two years

2.2.1 All Agents must provide accounts certified by a certified accountant/auditor no later than 6 months after each financial year end or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 2 of these criteria.

3. FINANCIAL SECURITY

3.1 Notwithstanding the result of the Financial Review, all New Applicants and existing Agents must provide a Financial Security. The financial security will be calculated per 3.3-3.5.

3.2 Any Financial Security will be subject to a minimum notice period of ninety (90) days and will be valid for a minimum of at least one year.

3.3 The amount of the Financial Security required must cover the Amount at Risk calculated as below using the BSP cash turnover, amount equal to the average of the 3 months highest net cash sales in the previous 12 months. If the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

("Days Sales at Risk" × highest 3 months net cash sales)/90
Subject to a minimum of USD 50,000.00/-

3.4 "Days at Risk" means the number of days from the beginning of the Agent's reporting period to the remittance date, plus a margin of 5 days:
- Bi-Monthly: 35 days
- Weekly: 21 days
- Daily: 5 days

3.5 New Applications are required to provide a Financial Security equal to:

("Days Sales at Risk" × Estimated Annual Sales)/365
Subject to a minimum of USD 50,000.00/-

3.6 Agents with Risk Status A, B, C

For Agents with Risk Status A, B, C the amount of the Financial Security required must cover the Amount at Risk calculated as per Section 3.3 or USD 50, 000 (Whichever is higher). If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

4. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Adjusted Current Assets – are defined as Current Assets as in the balance sheet of the accountants after deducting:
- Stocks and work in progress
- Deposits given to third parties other than IATA
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
- Doubtful debtors
- Blocked funds except for funds held in favour of IATA.

These generic descriptions may be modified to terms specifically defined under the applicable local Generally Accepted Accounting Principles (GAAP) and disclosed in the financial statements.

Current Liabilities – are defined as current liabilities in the balance sheet of the accounts.

EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortisation.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this local financial criteria.

Net Equity or Shareholders'/owners' Funds-Consists of:
- Share capital
- Share Premium
- Retained earnings
- Other distributive reserves
- Shareholder's loans if subordinated less declared dividends

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

GREECE

△ *(Effective 1 January 2026 – MV/A700)*

1. GENERAL RULE

1.1 Agent must provide Audited Accounts or Certified Accounts to IATA according to the Greek laws and fiscal requirements. Audited Accounts means accounts reviewed by an auditor recognized as competent by the regulatory authority in Greece to perform an audit.

□ **1.2** Agents' Remittance Dates:

- For Agents settling their liabilities twice per month, the remittance dates are: the last day of the calendar month, for BSP sales covering the first 15 days of the month and the 15th of the following calendar month, for BSP sales covering the period from the 16th to the last day of the calendar month.
- For Agents settling their BSP liabilities four times per month, the remittance dates are 5 working days after each reporting period. The reporting periods are: 1-7th, 8-15th, 16-23rd and 24th to the end of the calendar month.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the financial criteria will be extracted from the Agent's Audited Accounts or Certified Accounts.

2.2 The following financial tests apply to the evaluation of an Agent's Audited or Certified accounts:

2.2.1 There must be positive Net Equity

2.2.2 Adjusted Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5. *The adjusted net equity is calculated by adding the 75% of the fixed assets net book value to the Net Equity as shown in the balance sheet.*

2.2.3 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortisation and extraordinary items) must be positive.

2.2.4 The EBITDA must exceed the Interest Charges by a factor of two.

2.2.5 Adjusted Current Assets must exceed Current Liabilities.

△ **2.2.6** The Profit Before Taxes must be positive in at least one of the last two accounting years.

2.3 An Agent will obtain a satisfactory result on the financial assessment when all provisions in section 2.2 of these criteria have been met.

3. ANNUAL FINANCIAL REVIEWS

A - Agents keeping C' category books

Agents Accredited for two years or less:

3.1 All Applicants must provide Audited or Certified Accounts not more than 12 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests in section 2.

3.2 All Agents must provide Audited or Certified Accounts no later than 9 months after each financial year-end, or as required by legislation, during the first two years of accreditation for the purposes of evaluation against the financial tests in section 2.

Agents accredited for more than two years:

3.3 All Agents must provide Audited or Certified Accounts no later than 9 months after each financial year-end, or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in section 2.

B - Agents keeping B' (income-expenses) category books

3.4 Agents with legal status Sole proprietorship, EE and OE keeping B' (income-expenses) category books, that cannot provide Audited or Certified Accounts, must provide the official submitted to the Greek Tax Authorities E3 financial statement report, no later than the date required by Greek legislation. Agents with B' category books will be considered as Failed at their financial assessment.

4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.2 Financial Securities will be subject to a minimum notice period of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's reporting period to the remittance date in respect of that reporting period or periods, plus a margin of five days.

△ **4.3.2** "Amount at Risk" is calculated by multiplying the Days' Sales at Risk by the total BSP Cash Turnover of the 3 highest Reporting Periods in the previous 12 months divided by the days in reporting period and multiplied by 3:

△ "Amount at Risk" = ("Days' Sales at Risk" × BSP cash turnover in the 3 highest Reporting Periods / (days in Reporting Period × 3)

4.4 Calculation of Financial Security

4.4.1 For the purpose of calculating the amount of a Financial Security the following will apply:

Remittance Frequency	Calculation	Minimum Financial Security
△ Twice per month Remittance	(35 × 3 highest Reporting Periods' cash turnover) / (3 × 15 days) Rounded to 1,000 EUR	EUR 18,000
△ Voluntary Four times per month Remittance	(19 × 3 highest Reporting Periods' cash turnover) / (3 × 7 days) Rounded to 1,000 EUR	EUR 10,000

4.4.2 Agents with Risk Status A

For Agents with Risk Status A no Financial Security will be required.

△ **4.4.3 Agents with Risk Status B**

△ **4.4.3.1** For Agents with Risk Status B the amount of the Financial Security required will equal the "Amount at Risk" as calculated in Section 4.3.2, or the applicable minimum as per Section 4.4.1.

4.4.3.2 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

□ **4.4.4 Agents with Risk Status C**

□ **4.4.4.1** Agents with Risk Status C must at all times provide a Financial Security which will equal their assigned Remittance Holding Capacity.

5. OTHER

5.1 CHANGES IN OWNERSHIP

5.1.1 This section applies to all changes in ownership or control or any other Review resulting from a change of ownership or control of the Agent in accordance with the Passenger Sales Agency Rules.

5.1.2 The Agent must provide Audited or Certified Accounts, no later than 90 days after the change of ownership or control is affected. The Accounts must cover a period of 12 months including, at a minimum, the first month after the change of ownership or control takes effect and IATA will use these Accounts to conduct the Financial Review applicable to the Agent.

5.1.3 In case of major change of ownership and when the new owner(s) is a Travel Agent, the parent/major company(s)/shareholders should also provide their Audited Accounts and will be reviewed annually for the first 2 years, subject to the criteria as defined in section 2.

In case of major change of ownership, when the new owner(s) is not a Travel Agent and further to airlines' request, IATA would have the right to request financial information from the parent/major company(s) for evaluating their financial status and credibility.

5.2 CHANGES IN FINANCIAL YEAR END

5.2.1 All Agents must notify IATA immediately of a change in its financial year-end.

5.2.2 The Agent must provide both:

5.2.2.1 Audited or Certified Accounts within 60 days after the change is made and IATA will conduct the Financial Review applicable to the Agent under these criteria.

5.2.2.2 Audited or Certified Accounts for the financial year end that would have applied to the Agent before the Agent changed its financial year end. These must be provided to IATA within 60 days of the former financial year-end.

5.2.3 Agent must obtain a satisfactory result on both sets of Accounts provided as per section 5.2.2 in order to pass the Financial Review.

6. DEFINITIONS OF TERMS USED

Adjusted Current Assets – are defined as Current Assets (including accrued income if invoiced till the submission date of the financial statements) as in the Balance Sheet of the Accounts after:

(a) deducting loans to Directors, Associate Companies (including any subsidiary, associate or company under common ownership),
(b) deducting doubtful debtors,
(c) deducting blocked funds related to guarantees, except those given to IATA and those blocked funds related to equal liabilities as indicated in the auditor's report.

Current Liabilities – are defined as Current Liabilities as in the Balance Sheet of the Accounts.

EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortisation.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required, or both.

Net Equity or Shareholders'/Owners' Funds – consists of:

– Share capital
– Share premium
– Retained earnings
– Other distributable reserves
– Shareholder's loans if subordinated less declared dividends

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

Review means any assessment or evaluation of an Agent's continuing compliance with the Passenger Sales Agency Rules.

GUATEMALA

(Effective 1 March 2019 – PAC/41)

1. GENERAL RULE – (Accounts/Documents to be provided)

1.1 Financial Statements:

– Balance Sheet, Profit and Loss Statements and any other financial documents deemed appropriate by IATA to conduct the financial review
– must not be older than six months at the time of submission,
– must be audited or certified by an external public accountant

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 Financial statements must reflect minimum Working Capital equivalent to USD20,000.

2.2 Financial Statements will be evaluated against ratio tests. The financial ratio analysis is measured by the application of four ratio tests against which points are allocated. A maximum of 40 points may be attained. For the financial results to be considered as a satisfactory result, a minimum of 22 points must be scored.

2.2.1 Ratio Tests used and maximum number of points obtainable per ratio test:

Ratio	Points	
Liquidity ratio	14	A measure of the short-term solvency of the entity
Debt ratio	14	Amount of assets provided by creditors for each dollar of total assets
Turnover ratio	7	The average number of days to collect a receivable
Cash flow ratio	5	Level of debt versus profits

2.2.2 Scale of Points per Ratio Test:

$$\textbf{Liquidity Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Over 1.99	14 points
1.50. – 1.99	12 points
1.25. – 1.49	10 points
1.00. – 1.24	8 points
0.96. – 0.99	6 points
0.91. – 0.95	4 points
0.86. – 0.90	2 points
under 0.86	0 points

$$\textbf{Turnover Ratio} = \frac{\text{Net Receivables}}{\text{Total Sales}} \times 365$$

15 – 16 days	6 points
17 – 18 days	5 points
19 – 20 days	4 points
21 – 23 days	3 points
24 – 26 days	2 points
27 – 29 days	1 point
Over 29 days	0 points

Debt Ratio = $\frac{\text{Total Liabilities}}{\text{Total Assets}}$

Under 0.4	14 points
0.4. – 0.59	12 points
0.6. – 0.89	10 points
0.9. – 0.99	8 points
1.0. – 1.19	6 points
1.2. – 1.34	4 points
1.35. – 1.49	2 points
over 1.49	0 points

Cash Flow Ratio = $\frac{\text{Profit After Tax}}{\text{Long-term Liabilities}}$

0.20	5 points
0.18	4 points
0.15	3 points
0.13	2 points
0.10	1 point
under 0.10	0 points

3. ANNUAL FINANCIAL REVIEWS

3.1 All Agents are subject to annual financial reviews. Details are described in Resolution 812, Section 5.4.

4. FINANCIAL SECURITY

4.1 Financial Securities will be requested based on the Risk Status of the Agent as described in Resolution 812, Section 5.5:

4.1.1 Agents with Risk Status A – are not required to present a financial security.

4.1.2 Agents with Risk Status B – will be required to present a financial security.

4.1.3 Agents with Risk Status C – will be required to present a financial security.

4.2 New Applicants will be required to provide a minimum Financial Security of USD 20,000 (or the equivalent in local currency).

4.3 When Accredited Agents are required to provide a Financial Security, the Financial Security will be calculated based on the Agents' own Day's Sales at Risk. Days Sales at Risk is calculated based on the number of days in the reporting period plus the number of days to remittance date plus a margin of 5 days, the result is then multiplied by the daily average BSP net cash sales of the Agent's previous 12 months' sales or a minimum Financial Security equivalent to USD20,000, whichever is higher.

4.4 Duration of guarantee:

- Two-years minimum for a New Applicant
- One-year minimum for Accredited Agents

5. FINANCIAL INFORMATION DEFINITIONS

Current Assets

This amount excludes notes or receivables from related parties, including shareholders, employees, officers, associates as well as Cash and Term Deposits pledged for security.

Current Liabilities

This amount must include the current portion of long-term debt.

Gross or Total Sales

In the event this figure is not specifically identified in the financial statements, please provide the gross sales figures for the period including ticket sales, package tours, hotels, car rental, insurance, miscellaneous income, etc., net of tax.

Long-term Liabilities

All long term loans from third parties. It does not include non-current loans provided by shareholders or proprietors.

Net Receivables

This amount should be net of bad debt and should be broken down to reflect separately,
– Trade receivables net of provision for bad debt
– Commissions receivable
– Receivables from related parties. Refer to definition of current assets
– Supplier deposits

Profit After Tax

Profit after taxes but before extraordinary items.

Total Assets

Total assets including intangible assets such as goodwill, franchise fees, client lists, etc.

Total Liabilities

Include current liabilities and all loans from third parties. It does not include non-current loans provided by shareholders or proprietors. Loans from associate parties are included, unless subordinated to other parties.

GULF AREA

(UAE: Effective 1 May 2019; Bahrain & Oman: Effective 1 November 2019 – MV/298)

1. GENERAL RULE

1.1 Agent must provide Audited Accounts to IATA. Audited Accounts means accounts reviewed by an auditor recognized as competent by a regulatory authority in the country to perform an audit.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the financial criteria will be extracted from the Agent/s Audited accounts.

2.2 The following financial tests apply to the evaluation of an Agent's Audited accounts:

2.2.1 There must be a positive Net Equity.

2.2.2 Net Equity divided by long-term debt and other long-term Liabilities must be greater than 0.5.

2.2.3 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortization and extraordinary items) must be positive.

2.2.4 The EBITDA must exceed the Interest Payable by a factor of a minimum of two.

2.2.5 Adjusted Current Assets must exceed Current Liabilities.

2.3 An Agent will obtain a satisfactory result on the financial review when all provisions in section 2.2 of these criteria have been met.

3. ANNUAL FINANCIAL REVIEWS

3.1 Agents Accredited for two years or less:

3.1.1 All Agents must provide Audited Accounts not more than 12 months old at the time of application to become an Agent for the purposes of evaluation against the financial tests as per section 2 of these criteria.

3.1.2 If an Agent has been in business for less than 12 months at the time of application, an Audited opening balance sheet must be provided instead.

3.1.3 For any subsequent annual financial review, all Agents must provide Audited Accounts no later than 6 months after each financial year end or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 2 of these criteria.

3.2 Agents accredited for more than two years:

3.2.1 All Agents must provide Audited Accounts certified by a certified accountant/auditor no later than 6 months after each financial year end or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 2 of these criteria.

4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

- Weekly: 21 Days
- Bi-Monthly: 35 Days

4.3.2 "Amount at Risk" is calculated by dividing the Days' Sales at Risk by 90 days, and applying that percentage to the BSP cash turnover amount the Agent made in the three month period referred to in Section 4.4 or 4.7 of these criteria, as applicable:

"Amount at Risk" = ("Days' Sales at Risk" × BSP cash turnover in applicable 3 month period)/90

Agents with Risk Status A, B and C

4.4 Regardless of the Risk Status, all Agents with Risk Status A, B and C must provide a Financial Security. The amount of the Financial Security required must cover at a minimum the Amount at Risk calculated as per Section 4.3 using the BSP cash turnover amount equal to the average of the 3 months' highest net cash sales in the previous 12 months, or USD 100,000.00/- (or the equivalent in local currency), whichever is higher.

4.5 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

New Applicants

4.6 New Applicants are required to provide a Financial Security equal to:

("Days Sales at Risk" × Estimated Annual Sales)/365

Subject to a minimum amount of USD 100,000.00/ - (or the equivalent in local currency)

4.7 After the first three months of accreditation, the amount of the Financial Security required must cover at a minimum the higher of:

4.7.1 the Amount at Risk calculated as per Section 4.3 using the BSP cash turnover amount equal to the average of the 3 months' highest net cash sales in the previous 12 months (during the period as IATA Accredited Agent); or

4.7.2 USD 100,000. (or the equivalent in local currency).

4.8 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

5. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Adjusted Current Assets – are defined as Current Assets as in the balance sheet of the accountants after deducting:
- Stocks and work in progress
- Deposits given to third parties other than IATA
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
- Doubtful debtors
- Blocked funds except for funds held in favor of IATA.

These generic descriptions may be modified to terms specifically defined under the applicable local Generally Accepted Accounting Principles (GAAP) and disclosed in the financial statements.

Current Liabilities – are defined as current liabilities in the balance sheet of the accounts.

EBITDA – Earnings before Interest, Taxation, Depreciation and Amortization.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this local financial criteria.

Net Equity or Shareholders'/owners' Funds – Consists of:
- Share capital
- Share Premium
- Retained earnings
- Other distributive reserves
- Shareholder's loans if subordinated less declared dividends

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

Review means any assessment or evaluation of an agent's continuing compliance with the Passenger Sale.

HONDURAS

(Effective 1 March 2019 – PAC/41)

1. GENERAL RULE – (Accounts/Documents to be provided)

1.1 Financial Statements:

– Balance Sheet, Profit and Loss Statements and any other financial documents deemed appropriate by IATA to conduct the financial review
– must not be older than six months at the time of submission,
– must be audited or certified by an external public accountant

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 Financial statements must reflect minimum Working Capital equivalent to USD20,000.

2.2 Financial Statements will be evaluated against ratio tests. The financial ratio analysis is measured by the application of four ratio tests against which points are allocated. A maximum of 40 points may be attained. For the financial results to be considered as a satisfactory result, a minimum of 22 points must be scored.

2.2.1 Ratio Tests used and maximum number of points obtainable per ratio test:

Ratio	Points	
Liquidity ratio	14	A measure of the short-term solvency of the entity
Debt ratio	14	Amount of assets provided by creditors for each dollar of total assets
Turnover ratio	7	The average number of days to collect a receivable
Cash flow ratio	5	Level of debt versus profits

2.2.2 Scale of Points per Ratio Test:

$$\textbf{Liquidity Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Over 1.99	14 points
1.50 – 1.99	12 points
1.25 – 1.49	10 points
1.00 – 1.24	8 points
0.96 – 0.99	6 points
0.91 – 0.95	4 points
0.86 – 0.90	2 points
under 0.86	0 points

$$\textbf{Turnover Ratio} = \frac{\text{Net Receivables}}{\text{Total Sales}} \times 365$$

15 – 16 days	6 points
17 – 18 days	5 points
19 – 20 days	4 points
21 – 23 days	3 points
24 – 26 days	2 points
27 – 29 days	1 point
Over 29 days	0 points

Debt Ratio = $\frac{\text{Total Liabilities}}{\text{Total Assets}}$

Under 0.4	14 points
0.4 – 0.59	12 points
0.6 – 0.89	10 points
0.9 – 0.99	8 points
1.0 – 1.19	6 points
1.2 – 1.34	4 points
1.35 – 1.49	2 points
over 1.49	0 points

Cash Flow Ratio = $\frac{\text{Profit After Tax}}{\text{Long-term Liabilities}}$

0.20	5 points
0.18	4 points
0.15	3 points
0.13	2 points
0.10	1 point
under 0.10	0 points

3. ANNUAL FINANCIAL REVIEWS

3.1 All Agents are subject to annual financial reviews. Details are described in Resolution 812, Section 5.4.

4. FINANCIAL SECURITY

4.1 Financial Securities will be requested based on the Risk Status of the Agent as described in Resolution 812, Section 5.5:

4.1.1 Agents with Risk Status A – are not required to present a financial security.

4.1.2 Agents with Risk Status B – will be required to present a financial security.

4.1.3 Agents with Risk Status C – will be required to present a financial security.

4.2 New Applicants will be required to provide a minimum Financial Security of USD 20,000 (or the equivalent in local currency).

4.3 When Accredited Agents are required to provide a Financial Security, the Financial Security will be calculated based on the Agents' own Day's Sales at Risk. Days Sales at Risk is calculated based on the number of days in the reporting period plus the number of days to remittance date plus a margin of 5 days, the result is then multiplied by the daily average BSP net cash sales of the Agent's previous 12 months' sales or a minimum Financial Security equivalent to USD20,000, whichever is higher.

4.4 Duration of guarantee:

- Two-years minimum for a New Applicant
- One-year minimum for Accredited Agents

5. FINANCIAL INFORMATION DEFINITIONS

Current Assets

This amount excludes notes or receivables from related parties, including shareholders, employees, officers, associates as well as Cash and Term Deposits pledged for security.

Current Liabilities

This amount must include the current portion of long-term debt.

Gross or Total Sales

In the event this figure is not specifically identified in the financial statements, please provide the gross sales figures for the period including ticket sales, package tours, hotels, car rental, insurance, miscellaneous income, etc., net of tax.

Long-term Liabilities

All long term loans from third parties. It does not include non-current loans provided by shareholders or proprietors.

Net Receivables

This amount should be net of bad debt and should be broken down to reflect separately,

- Trade receivables net of provision for bad debt
- Commissions receivable
- Receivables from related parties. Refer to definition of current assets
- Supplier deposits

Profit After Tax

Profit after taxes but before extraordinary items.

Total Assets

Total assets including intangible assets such as goodwill, franchise fees, client lists, etc.

Total Liabilities

Include current liabilities and all loans from third parties. It does not include non-current loans provided by shareholders or proprietors. Loans from associate parties are included, unless subordinated to other parties.

HONG KONG (SAR, CHINA)

(Effective 1 April 2023, MV/597)

1. GENERAL RULE

1.1 General Financial Requirements

New Applicants/Accredited Agents

Applicants/Accredited Agents must:

(a) be established and in business as a travel agent for not less than 18 months from the date of licensing prior to the date of application, and

(b) submit to IATA a complete set of audited financial statements which must not be older than 9 months at the time of submission and in the auditor's opinion, the financial statements give an unqualified true and fair view of the state of the company's affairs.

(c) In order to become IATA Accredited or to maintain IATA Accreditation, an Applicant/Agent must have a paid up capital of minimum HK$ 500,000.

1.2 An Applicant/Agent failing to meet 1(b) or 1(c) will not be eligible in obtaining more than 84 points in the financial assessment.

2. FINANCIAL ASSESSMENT

To obtain a satisfactory result of the financial assessment, the Agent will be assessed against Tests 1 to 7 and must have a score of 210.

Test 1 – Tangible Net Worth

A minimum requirement of HK$ 1,000,000 or 150% of the amount of net loss after tax for the immediately preceding financial year, whichever is higher. The loss must be increased by the amount of expenses which in normal circumstances should have been charged, for example, the fair market price of rent for office premises provided rent-free.

Tangible Net Worth	Score
HK$ 1,000,000 or 150% of the amount of net loss after tax, whichever is higher	80
< HK$ 1,000,000	0

Test 2 – Working Capital Ratio

$$\text{Working Capital Ratio} = \frac{\text{Total current assets less encumbrances and loans to related parties}}{\text{Total current liabilities}}$$

Working Capital Ratio	Score
=>10 and Total current assets less encumbrances and loans to related parties LESS total current liabilities > HK$100 million	20
1-9.99	10
0.9 – 0.99	5
< 0.9	0

Test 3 – Liquidity ratio

$$\text{Liquidity Ratio} = \frac{\text{Total current assets less encumbrances, deposits (except payments in advance to trade suppliers), prepayment, stock in trade, and loans to related parties}}{\text{Total current liabilities less bank overdraft, loans from related parties, incomplete tours and/or customer deposit}}$$

Liquidity Ratio	Score
=> 0.8	10
0.7 – 0.79	5
< 0.7	0

Test 4 – Net equity is higher than the average BSP payable in previous 12 months and minimum Tangible Net Worth is HK$ 1,000,000 or 150% of the amount of net loss after tax, whichever is higher

Net Equity against BSP payable	Score
=> 0.5	60
< 0.5	0

Test 5 – Net equity divided by long term debt and other long term liabilities (exclude lease liabilities)

Net Equity against long term debts	Score
=> 0.5	20
< 0.5	0

Test 6 – Interest bearing ratio

$$\text{Interest bearing ratio} = \frac{\text{EBITDA less Depreciation of right-of-use assets}}{\text{Interest expenses less interest income (interest income is deductible up to interest expenses)}}$$

Interest Expense is zero, agent score 10.

Interest bearing ratio	Score
=> 3	10
< 3	0

Test 7 – EBITDA

EBITDA less Depreciation of right-of-use assets	Score
Positive	10
Negative but Net Equity divided by EBITDA is above 2	10
Negative but Net Equity divided by EBITDA is below 2	0

3. FINANCIAL SECURITY

3.1 Agents with Risk Status A

3.1.1 An Agent with Risk Status A must at all times provide a Financial Security of 75% of the Amount At Risk, and never less than HK$50,000.

3.2 Agents with Risk Status B

3.2.1 Risk Status B1: An Agent with Risk Status B obtaining below 85 points must at all times provide a Financial Security equal the Remittance Holding Capacity, and never be less than HK$50,000.

3.2.2 Risk Status B2: An Agent with Risk Status B obtaining 85-174 points must at all times provide a Financial Security equivalent to 120% of the Amount At Risk, and never less than HK$50,000.

3.2.3 Risk Status B3: An Agent with Risk Status B obtaining more than 174 points must at all times provide a Financial Security equivalent to 75% of its Amount At Risk, and never less than HK$50,000.

3.3 Applicants/Agents with Risk Status C

3.3.1 An Applicant/Agent with Risk Status C must at all times provide a Financial Security equal the Remittance Holding Capacity, and never be less than HK$50,000.

4. DEFINITIONS

Encumbrance

Encumbrance means any asset of the applicant or Agent which has been pledged to any person for the security of any arrangement granted by any person for the benefit of any person other than the applicant or Agent.

Related party

A related party means any shareholder or director and their immediate families, trustees or partners, associated and subsidiary companies, holding companies and their associated and subsidiary companies, or related company.

Intangible

Intangible includes goodwill, trademarks, royalty, deferred expenses, deferred cost of advertising.

Contingent liability

Contingent liability does not include bank guarantee provided for trade creditors of the applicant or Agent.

Tangible net worth

Tangible net worth is the aggregate amount of:
– paid-up share capital;
– reserves;
– professional property revaluation reserves; and
– retained profits;

minus
– retained losses;
– intangibles;
– encumbrances;
– deferred tax assets;
– contingent liabilities; and
– net amount of loans to related parties.

Tangible net worth deficiency

Tangible net worth deficiency occurs when the requirement in Test 1 in section 2 has not been met, and the amount of deficiency is the difference between the Tangible Net Worth of the Agent and the requirement in Test 1.

EBITDA

Earnings before interest, taxation, depreciation, amortization and extraordinary items.

HUNGARY

(Effective 1 June 2022 – MV/553)

1. GENERAL RULE – (Accounts/Documents to be provided)

1.1 The definitions of terms and expressions used in this document adopt the definitions in Resolution 866. The use of words and expressions in the singular will, where the context so permits, be taken to include their use in the plural and vice-versa. Paragraph headings are for ease of reference only an do not form part of this document.

1.2 Audited Accounts means accounts reviewed by an auditor recognized as competent by the regulatory authority in Hungary to perform an audit that are provided to IATA.

1.3 Remittance frequency – four times per month is mandatory for all accredited agents.

2. CRITERIA FOR THE EVALUTION OF AGENTS' ACCOUNTS

2.1 All financial information used in the financial criteria will be extracted from the Agent's Audited Accounts. Certified accounts will be applicable only in case the Hungarian law, i.e. the Accounting Law (2000/No 100) requires so. In all instances the established accounting rules will apply.

2.2 All agents accounts submitted to IATA must be used in calculating the financial tests set in sections 2.3.1 – 2.3.5 below.

2.3 The following financial tests apply to the evaluation of an Agent's Accounts:

2.3.1 There must be positive Net Equity.

2.3.2 Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5.

2.3.3 EBITDA must be positive save in all circumstances.

2.3.4 The EBITDA must exceed the Interest Payable.

2.3.5 Liquid index II: Money (bank and cash) + short-term debits + securities/short-term liabilities must exceed 0.5.

3. ANNUAL FINANCIAL REVIEWS

Accredited Agents

3.1 All Agents must provide Audited Accounts no later than 6 months after each financial year end, or as required by legislation of that Agent for the purposes of evaluation against the financial tests in section 2 of this document.

3.2 An Agent will pass the Financial Review if all the financial tests set out in sections 2.3.1 – 2.3.5 are met.

4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA.

4.2 Financial Securities will be subject to a minimum notice period of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 The Financial Security will be calculated as follows:

Financial Security = (BSP Cash sales in 3 highest months within last 12 months/90) × 20

Days in reporting period is currently 7

The number of days till remittance is 7.

Applicants

4.4 All Agents must provide a Financial Security with a minimum amount of HUF 10,000,000 during the first two (2) years as IATA accredited agents.

4.4.1 After the first three months of accreditation and after the first 12 months of accreditation, the amount of the Financial Security required must cover at a minimum the higher of:

4.4.1.1 The Amount at Risk calculated as per section 4.3 using **the 3 highest months' sales in the last 12 months' period.**

4.4.1.2 HUF 10,000,000.

If the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

4.5 Accredited agents

4.5.1 Agents with Risk Status A

For Agents with Risk status A no financial Security is required.

4.5.2 Agents with Risk Status B

For Agents with Risk status B the amount of the Financial Security required must cover at a minimum of the Amount at Risk calculated as per section 4.3 or HUF 10,000,000 whichever is higher, using the BSP cash turnover as applicable. If the existing Financial Security is insufficient to cover the Amount at risk, the amount of the financial security required will be increased to cover the amount at Risk.

4.5.3 Agents with Risk Status C

For Agents with Risk status C the amount of the Financial Security required must cover at a minimum of the Amount at Risk calculated as per section 4.3 or HUF 10,000,000 whichever is higher, using the BSP cash turnover as applicable. If the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the financial security required will be increased to cover the Amount at Risk.

5. CHANGES IN FINANCIAL YEAR END

5.1 All Agents must notify IATA immediately of a change in its financial year-end.

5.2 The Agent must provide both:

5.2.1 Accounts within 60 days after the change is made and IATA will conduct the Financial Review applicable to the Agent under this document.

5.2.2 Accounts for the financial year end that would have applied to the Agent before the Agent changed its financial year end. These must be provided to IATA within 60 days of the former financial year end.

6. SIGNIFICANT CHANGE IN GROSS BSP SALES

6.1 A significant change means any change in the business of the Agent which results in a change in net BSP sales of more than 20% as compared to the previous 12 months. A change can be an increase or a decrease in net BSP sales.

6.2 An Agent must notify IATA of any significant change as soon as the Agent becomes aware of it.

DEFINITIONS OF TERMS USED IN THESE GUIDELINES

EBITDA – Earnings before Interest, Taxation, Depreciation and Amortization, Extraordinary items.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this document, or both.

Net Equity or Shareholders'/Owners' Funds – consists of:
- Share capital
- Share premium
- Retained earnings
- Other distributable reserves
- Shareholder's loans if subordinated less declared dividends:

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

Liquid index II: Money {cash and bank} **PLUS short term debits** {in accordance with the Hungarian Accounting Law, trade debtors, short-term receivables from affiliated and independent partners and any other short-term receivables} **PLUS securities/short term liabilities** {correspondently with Hungarian Accounting Law, bank and other short-term loans, advances from customers, accounts payables, short-term liabilities to affiliated and independent partners and other short-term liabilities}).

Money: cash and bank.

Short-term debits: in accordance with the Hungarian Accounting Law, trade debtors, short-term receivables from affiliated and independent partners and any other short-term receivables.

Short-term liabilities in accordance with Hungarian Accounting Law, bank and other short-term loans, advances from customers, accounts payables, short-term liabilities to affiliated and independent partners and other short-term liabilities.

Review means any assessment or evaluation of an Agent's continuing compliance with the Passenger Sales Agency Rules.

INDIA

(Effective 1 March 2019 – PAC/41)

1. GENERAL RULE

1.1 Audited Accounts means accounts reviewed by an auditor recognized as competent by the regulatory authority to perform an audit that are provided to IATA.

1.2 Certified Accounts means financial statements prepared and signed by a Chartered Accountant.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the financial criteria will be extracted from the Agent's Audited Accounts or, in the case of a Sole Proprietorship, Partnership or other unincorporated entity, from the Agent's Certified Accounts, provided that such unincorporated entities, having a turnover below the threshold defined under Indian law, are not required by the law to have their accounts audited.

2.2 The following financial tests apply to the evaluation of an Agent's Audited Accounts:

2.2.1 There must be positive Net Equity.

2.2.2 Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5.

2.2.3 EBITDA (Earnings Before Interest, Taxation, Depreciation, Amortization and extraordinary items) must be positive save in exceptional circumstances.

2.2.4 The EBITDA must exceed the Interest Payable by a factor of a minimum of two.

2.2.5 Adjusted Current Assets must exceed Current Liabilities.

3. ANNUAL FINANCIAL REVIEWS

3.1 All Agents must provide Audited Accounts or, in the case of an unincorporated entity as defined in paragraph 2.1 above, Certified Accounts, no later than 12 months after each financial year end, of that Agent for the purposes of evaluation against the financial tests in section 2.

4. INTERIM FINANCIAL REVIEWS

4.1 For any Financial Review conducted for cause at a time other than in respect of an Agent's financial year end, IATA may conduct a Financial Review in accordance with section 3 as applicable to that Agent by reviewing the internal monthly management accounts of the Agent showing the results for each month since the last accounting date, the cumulative results to date and the latest balance sheet.

5. FINANCIAL SECURITY

5.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

5.2 Financial Securities will be subject to a minimum notice period of ninety (90) days and be valid for a minimum of at least one year.

5.3 All Agents must provide a Financial Security with an amount of USD10000/ - to be accredited or to remain accredited or furnish a Financial Security for an amount calculated on the basis of the BSP average cash sales over last 12 months, for the number of Days Sales at Risk, whichever is higher.

5.4 "Days Sales at Risk" means the number of days from the beginning of the Agent's reporting period to the remittance date in respect of that reporting period or periods, plus a margin of up to five days.

5.5 At any point in time, if the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

5.6 Amount at Risk is calculated by dividing the Day's Sales at Risk by 360 and applying that percentage to the BSP cash turnover, or cash turnover as applicable:

$$\text{"Amount as Risk"} = \frac{\text{"Days' Sales at Risk"} \times \text{BSP Cash Turnover last 12-month period}}{360}$$

6. SIGNIFICANT CHANGE IN GROSS BSP SALES

6.1 A significant change means any change in the business of the Agent which results in a change in gross BSP sales of more than 25% as compared to the previous 12 months. A change can be an increase or a decrease in gross BSP sales.

6.2 An interim Financial Review may also be initiated by IATA where IATA becomes aware of a significant change in gross BSP sales in accordance with Section 4.

7. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

7.1 Adjusted Current Assets – are defined as Current Assets as in the Balance Sheet of the Accounts after deducting:
- Stocks and work in progress,
- Deposits given to third parties other than IATA,
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership),
- Doubtful debtors,
- Blocked funds, except for funds held in favour of IATA.

7.2 Current Liabilities – are defined as Current Liabilities as in the Balance Sheet of the Accounts.

7.3 EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortization.

7.4 Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this Resolution 800f, or both.

7.5 Net Equity or Shareholders'/Owners' Funds – consists of:
- Share capital
- Share premium
- Retained earnings
- Other distributable reserves
- Shareholder's loans if subordinated less declared dividends

7.6 Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

7.7 Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

7.8 Review means any assessment or evaluation of an Agent's continuing compliance with the Passenger Sales Agency Rules.

7.9 Financial Security means a Bank Guarantee (issued by a Scheduled Bank) or an Insurance Policy issued by an approved Insurer

INDIA

(Effective 1 May 2022 – PAC/42)

1. GENERAL RULE

1.1 Audited Accounts means accounts reviewed by an auditor recognized as competent by the regulatory authority to perform an audit that are provided to IATA.

1.2 Certified Accounts means financial statements prepared and signed by a Chartered Accountant.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the financial criteria will be extracted from the Agent's Audited Accounts or, in the case of a Sole Proprietorship, Partnership or other unincorporated entity, from the Agent's Certified Accounts, provided that such unincorporated entities, have a turnover below the threshold defined under Indian law, whereby they are exempted from having their accounts audited.

2.2 The following financial tests apply to the evaluation of an Agent's Audited Accounts:

2.2.1 There must be positive Net Equity

2.2.2 Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5.

2.2.3 Adjusted Current Assets must exceed Current Liabilities.

3. ANNUAL FINANCIAL REVIEWS

3.1 All GoStandard Agents must provide Audited Accounts or, in the case of an unincorporated entity as defined in paragraph 2.1 above, Certified Accounts, no later than 12 months after each financial year end, of that Agent for the purposes of evaluation against the financial tests in section 2.

4. INTERIM FINANCIAL REVIEWS

4.1 For any Financial Review conducted for cause at a time other than in respect of an Agent's financial year end, IATA may conduct a Financial Review in accordance with section 3 as applicable to that Agent by reviewing the internal monthly management accounts of the Agent showing the results for each month since the last accounting date, the cumulative results to date and the latest balance sheet.

5. FINANCIAL SECURITY

5.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

5.2 Financial Securities will be subject to a minimum notice period of ninety (90) days and be valid for a minimum of at least one year.

5.3 All Agents must provide a Financial Security with an amount of USD10000/ - to be accredited or to remain accredited or

Furnish a Financial Security for value of their Remittance Holding Capacity as defined in Resolution 812, Section 5.6.

Exception: Go Lite Agents need not provide a Financial Security at the time of Accreditation or at any time thereafter unless their Amount at Risk as computed in accordance with sub-Paragraph 5.5 below exceeds USD 5000 (in equivalent Indian Rupees):

(a) At any point in time, if the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

(b) Amount at Risk is the Agent's Remittance Holding Capacity (RHC), as defined in Section 5.6 of Resolution 812.

The RHC may be reduced at the Agent's option to be equal to the value of Financial Security provided.

6. SIGNIFICANT CHANGE IN GROSS BSP SALES

6.1 A significant change means any change in the business of the Agent which results in a change in gross BSP sales of more than 25% as compared to the previous 12 months. A change can be an increase or a decrease in gross BSP sales.

6.2 An interim Financial Review may also be initiated by IATA where IATA becomes aware of a significant change in gross BSP sales in accordance with Section 4.

7. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

7.1 Adjusted Current Assets – are defined as Current Assets as in the Balance Sheet of the Accounts after deducting:

- Stocks and work in progress,
- Deposits given to third parties other than IATA,
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership),
- Doubtful debtors,
- Blocked funds, except for funds held in favour of IATA.

7.2 Current Liabilities – are defined as Current Liabilities as in the Balance Sheet of the Accounts.

7.3 EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortization.

7.4 Risk Event means an event recorded as a result of any failure to adhere to the reporting and remittance procedures described in Resolution 812.

7.5 Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with these Local Financial Criteria.

7.6 Net Equity or Shareholders'/Owners' Funds – consists of:

- Share capital
- Share premium
- Retained earnings
- Other distributable reserves
- Shareholder's loans if subordinated less declared dividends

7.7 Long Term Debt –All debt liabilities where repayment is due more than twelve months after the end of the financial period.

7.8 Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

7.9 Review means any assessment or evaluation of an Agent's continuing compliance with the Passenger Sales Agency Rules.

7.10 Financial Security means a Bank Guarantee (issued by a Scheduled Bank or an Insurance Policy issued by an approved Insurer.

7.11 Remittance Holding Capacity (RHC) – Is the amount computed as defined in Section 5.6 of Resolution 812.

INDONESIA

(Effective January 2017, PAC/39)

1. GENERAL RULE

Finances

1.1 the applicant must provide a certified or properly audited balance sheet and Profit and Loss account statement not older than six months at time of submission. This statement has to be audited by a Registered Public Accountant who is a member of the Association of Indonesian Public Accountants.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

2.1 applicants must:

2.2(a) have as a minimum paid up capital of IDR 500,000,000 or as required by the Directorate General of Tourism regulations;

2.2(b) submit a satisfactory banker's report;

2.2(c) submit a minimum financial guarantee of not less than the average of the respective BSP credit term period's turnover or USD 15,000, whichever is higher, in the form of bank guarantee or insurance as established from time to time;

2.2(d) be in airline trading business as a travel agent not less than six months prior to the date of application.

2.3(a) when assessing whether the applicant meets the financial standing described in Subparagraph 1.1 of this Paragraph the following shall be taken into account:

2.3(a)(i) Working Capital

Current year>Previous year	10
Current year=Previous year	7.5
Current year<Previous year	5

2.3(a)(ii) Current Ratio

Greater than 2	15
1.5. to 2	11.25
1 to less than 1.5	7.5
Lesser than 1	3.75

2.3(a)(iii) Quick Ratio

Greater than or equals 1	35
Lesser than 1	17.5

2.3(a)(iv) Account Receivable Turnover

Greater than or equals 18 times	15
9 times to 17 times 1	1.25
Lesser than 9 times	7.5

2.3(a)(v) Average Age of Receivables

Lesser than or equals 14 days	15
15 days to 30 days	11.25
31 days to 90 days	7.5
Greater than 90 days	3.75

2.3(a)(vi) Debts to Total Assets Ratio

Lesser than 35%	10
35 % to 50%	7.5
Greater than 50%	5

2.3(a)(vii) Based on the above 6 tests and the allocation of applicable points to each test, a total of 60 points or more is considered satisfactory providing that the Applicant maintain the minimum level of paid up capital.

2.3(a)(viii) It is recognized that different interpretations of financial accounts are possible and do occur. Accordingly, the Financial Assessor shall have discretion as to the most appropriate classification in accordance with standard accounting practices for all items included in the statements. It is in the applicant's best interest to supply any additional information that has a bearing on the review.

3. ANNUAL FINANCIAL REVIEWS

3.1 To be conducted in accordance with financial criteria assessment detailed in Section 2 above.

4. FINANCIAL SECURITY

4.1 A financial guarantee equivalent to the sales at risk amount is required for any existing accredited IATA agents who fail the criteria as set forth in 2.3(a)(i)-(vii). The number of "Days' Sales at Risk" is to be counted from the beginning of the reporting period to the remittance date in respect of that reporting period or periods, plus a margin of five days. The result is to be divided by 360 days and then applied to the annual cash turnover estimation to calculate the estimated Amount at Risk and the amount of guarantee required.

5. OTHER

5.1 Premises

If located on the premises of an organization, plant or commercial firm and dedicated substantially to the travel requirements of that organization, plant or commercial firm, be a Branch of an existing Accredited Agent and meet all the qualifications of this Section, except that it need not be freely accessible to the general public.

5.2 Licence

The applicant must be in possession of a valid license from the Directorate General of Tourism and the respective local government authority including fiscal certificate issued by Local Tax Service Office, whenever required.

IRAN

With the exception of the following locally established exceptions, the minimum criteria prescribed in Resolution 800, Section 2 shall be applied.

Staff

In addition to the prescribed minimum IATA staff criteria, a minimum of two staff members shall each:

- hold an Intermediate Fares and Ticketing Course certificate, and
- have two years work experience with a Member Airline or an Agent (IATA Accredited or awaiting Accreditation)

Staff Qualifications

On a temporary basis, the Fares and Ticketing Course certificates issued by private institutes who are licensed by C.A.O. shall be accepted.

IRELAND

△ *(Effective 1 January 2026, MV/A701)*

1. GENERAL RULE

1.1 The financial standing of IATA New Applicants and of IATA Accredited Agents is evaluated periodically by IATA. It is important that only Agents that demonstrate their ability to settle their liabilities will be accepted and the financial criteria have been set with the objective of ensuring that only financially sound applicants are accredited.

1.2 The Settlement dates in Ireland are:

Agents settling their liabilities twice per month the remittance dates are: the last days of the calendar month, for BSP sales covering the first 15 days of the month and the 15th of the following calendar month, for BSP sales covering the period from the 16th to the last day of the calendar month, 8 days after each reporting period for Agents settling their BSP liabilities four times per calendar month. The reporting periods are: 1st-7th, 8-15th, 16-23rd and 24th to the end of the calendar month.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 The financial standing of an Agent holding a Standard Accreditation with Cash Facility is assessed by IATA annually or for cause at any time, by analysis of its financial statements. The assessment is based on the examination of the full set of most recent audited accounts and is based on the following key financial criteria:

2.1.1 Equity (for limited companies) or Capital account (for partnerships & sole traders)

The Agents' accounts must show positive Net Equity (Capital Accounts for Partnership & Sole Traders). This is based on the annual BSP turnover of cash reported sales (net to be paid) calculated using the BSP sales figures for the most recent 12 months period available (being 12 full calendar months) at the time of the assessment.

Equity for this purpose is capital paid up, reserves, and profit and/or loss carried forward.

There are two levels set – the normal minimum for companies that have traded for less than 2 years as an Accredited Agent, and the traded minimum for companies that have submitted 2 consecutive years' accounts.

	Less than 2 years trading	2 years' Accounts
BSP Cash Reported Sales	Normal Minimum (EUR)	Traded Minimum (EUR)
1 million	40,000	40,000
2 million	50,000	40,000
3 million	60,000	40,000
4 million	80,000	40,000
5 million	100,000	50,000
6 million	120,000	60,000
7 million	140,000	70,000
8 million	160,000	80,000
9 million	180,000	90,000
10 million and over	200,000	100,000

2.1.2 Liquidity

The Agents' accounts must show a positive liquidity ratio i.e. Current assets must exceed Current liabilities at the end of an accounting period.

2.1.3 Profitability

The Agents' accounts must show a profit before tax in at least one of the last two accounting periods.

If an Agent accounts do not show a profit in at least one of the last two accounting periods, the Agent is required to meet one of the following:

2.1.3.1 If the Agent's Net Current Assets meet or exceed 8% of cash sales of their annual BSP turnover (net to be paid), the Agent can remit on the standard remittance frequency.

2.1.3.2 If Agent's Accounts do not meet 2.1.3.1 above and their Net Current Assets meet or exceed 4% of cash sales of their Annual BSP turnover (net to be paid), the Agent must remit four times monthly, unless it provides a Financial Security to continue to remit twice monthly.

2.1.3.3 If Agent's Net Current Assets are under 4 % of their cash sales of their Annual BSP turnover (net to be paid), the Agent must provide a Financial Security and must remit four times monthly.

The Agent's Financial Review will be considered as **PASSED** if the criteria in Sections 2.1.1 – 2.1.3 are met.

For the purpose of the liquidity tests above, the Current Assets will be adjusted to include the value of freehold properties provided that the accounts submitted for the annual review are audited and:

– The value of the total charges and indebtedness secured on the property is disclosed by the Agent in the audited accounts.
– The value of the property must be stated in the audited accounts and must be certified by a qualified, registered and independent valuer, i.e. a professional auctioneer or real estate agent.

The valuation of the property must not be older than three years with the date of the valuation stated in the audited accounts. For newly accredited Agents or when an Agent presents audited accounts for the first time, the valuation must not be older than 3 months.

3. ANNUAL FINANCIAL REVIEWS

3.1 New Applicants

△ **3.1.1** New Applicants must submit with their application a full set of their companies audited accounts for the most recent financial year and a copy of their Irish Government issued license or a copy of their approval from The Irish Aviation Authority. New Applicants will also be required to put in place a Financial Security, with a minimum value of €40,000 and settle their BSP liabilities four times monthly for a minimum period of 2 years.

3.1.2 Newly formed companies that have traded for less than 12 months at the time of application may submit an opening balance sheet, prepared by a statutory auditor.

3.2 Accredited Agents

3.2.1 Agents holding a Standard Accreditation with Cash Facility must submit a full set of audited accounts within 4 months of the end of their financial year.

3.2.2 Exemption from Audit

Notwithstanding the provisions above, sole traders, partnerships and Irish registered limited companies, that meet the conditions for exemption from audit as a small company as defined by the Irish Company Law, may submit certified accounts for financial review, provided that

(i) the certification is issued by an independent Reporting Accountant and
(ii) the Agent settles its BSP liabilities four times monthly, according to the published BSP Reporting Calendar.

Reporting Accountant is defined in Note 1 below.

3.2.3 Agents holding Multi-Country Accreditation will be assessed quarterly according to provisions set out in Resolution 812.

3.3 Agents holding Standard and Multi-Country accreditation (enabling them to report and settle cash sales) will be assigned a Risk Status based on their most recent Financial Review and ongoing Risk History as follows:

3.3.1 Risk Status A, when the Agent has passed both the ongoing Risk History and its latest Financial Review.

3.3.2 Risk Status B, when the Agent has failed either the ongoing Risk History or its latest Financial Review.

3.3.3 Risk Status C, when Agents has failed both the ongoing Risk History or its latest Financial Review.

3.4 Risk history is defined in detail in Sections 2.5.4 and 4.2 of Resolution 812.

4. FINANCIAL SECURITY

4.1 For the purpose of calculating the amount of a Financial Security the following definitions apply:

4.1.1 "Days' Sale at Risk" means the number of days from the beginning of the Agent's reporting cycle to the remittance date in respect of that reporting period or periods plus a margin of five days.

△ **4.1.2** "Amount at Risk" is calculated by multiplying the Days' Sales at Risk by the total BSP Cash Turnover of the 3 highest Reporting Periods in the previous 12 months divided by the days in Reporting Period and multiplied by 3 (Total Days × Total BSP Cash Turnover 3 highest Reporting Periods / Days in Reporting Period × 3)

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Remittance Frequency	Calculation
Twice per month Remittance	(35 × 3 highest Reporting Periods) / 3 × 15 days in Reporting Period Rounded to 1,000 EUR
Four times per month Remittance	(19 × 3 highest Reporting Periods) / 3 × 7 days in Reporting Period Rounded to 1,000 EUR
Daily Remittance (Voluntary)	(5 × 3 highest Reporting Periods) / 3 × 1 days in Reporting Period Rounded to 1,000 EUR

4.2 New Applicants

4.2.1 All new Agents must provide a Financial Security with a minimum value of €40,000 during the first two (2) years as an IATA Accredited Agent.

4.3 Existing Agents Accredited for 2 years or more

4.3.1 Agents with Risk Status A – No Financial Security is required

△ **4.3.2** Agents with Risk Status B or C are required to provide a Financial Security that covers at a minimum the Amount at Risk calculated as per Section 4.1 or €20,000, whichever is higher.

4.4 All Agents are able to provide a lower (or higher) Financial Security (but above the minimum levels established above) which may result in a corresponding alignment of the level of their Remittance Holding Capacity, based on their Risk Status.

4.5 A Financial Security is also required if an Agent undergoes a major change of ownership, as defined in Resolution 812.

4.6 A Financial Security may be arranged through a bank registered in the Republic of Ireland or through an Insurance Company approved by IATA (a list will be provided upon request) or through Global Default Insurance.

△ **5. LICENSE ISSUED BY THE IRISH AVIATION AUTHORITY (IAA)**

△ A license or a copy of their approval, issued by the Irish Aviation Authority, is required from the Agent.

Note 1 - Reporting Accountant

The Reporting Accountant shall be either a statutory auditor, which in Ireland means a person eligible for appointment as a statutory auditor as set out in Part 42 Statutory Auditors of the Companies Act 2006 or an independent qualified accountant holding a current practising certificate with a recognised accountancy body. We list below the accepted recognised accountancy bodies:

– Institute of Chartered Accountants of England & Wales
– Institute of Chartered Accountants of Scotland
– Institute of Chartered Accountants of Ireland
– Association Chartered Certified Accountants
– Association of Authorised Public Accountants
– Chartered Institute of Management Accountants
– Association of International Accountants
– Institute of Chartered Secretaries and Administrators
– Institute of Financial Accountants
– Association of Certified Public Accountants in Ireland
– Institute of Chartered Accountants Ireland

ISRAEL

New Applicants

An Agent applying for IATA accreditation must be in operation as a travel agency for at least 3 months.

New applicants shall be required to submit a full original set of audited financial statements as well as a bank guarantee of minimum USD 250,000 valid for three years. New applicants that are wholly owned branch of an established accredited IATA, that per the provisions hereunder shall not have to submit a bank guarantee, shall be required to submit a bank guarantee of USD 125,000. Major changes of ownership of Accredited IATA Agents (i.e.: movement of 30% or more of ownership and/or controlling rights within a period of less than 3 years) shall be processed as new applicants.

IATA Accredited Agents – Documentation Required

All IATA Accredited Agents (including non-incorporated privately-owned agencies): are required to submit each year, but not later than 6 months from the beginning of the new financial year, full original set of audited annual financial statements (Balance Sheet, Cash Flow and Profit & Loss Accounts) for the past financial year prepared and approved according to local accepted accounting standards and duly certified by certified external Auditor. When the accredited agent is a subsidiary then a copy of the audited financial statements of the parent company/organization must also be submitted.

An Agent who shall fail to submit financial statements in due time shall automatically be required to submit a bank guarantee that shall cover 150% of its average monthly sales during the preceding financial year.

Financial Evaluation

The Audited Financial Statements of all Agents shall be reviewed in accordance with the following guidelines.

Level of guarantee (if required) shall be set in direct relation to the score of reviewed Agent and the amount of its average monthly sales.

Reviewed Criterion and Score

There are three main elements that are reviewed:
(a) Current Ratio
(b) Capital over total assets
(c) Profitability

a) Current Ratio:

$$\frac{\textbf{[Current assets}}{\textbf{Current liabilities]}}$$

Ratio	Score
1.2 or more	4 points
1.0 or more	3 points
0.9 or more	2 points
0.8 or more	1 point
Less than 0.8	0 points

Debts to the Agent of owners, managers, employees, subsidiaries, or any other entity that directly or indirectly controls or holds an ownership interest in the Agent, doubtful debtors debts and deposits to third parties (other than IATA member airlines), shall not be taken into account for the purpose of calculating the Current Ratio.

b) Capital over Total Assets

Result	Score
Over 10%	3 points
5 % or more	2 points
0 % or more	1 point
Less than 0%	0 points

Capital notes/certificates, shall be taken into account as part of: “Capital, Funds and Surplus” only if it shall be clearly provided in the balance sheet that they cannot be cashed in for at least 2 years as of the date of the balance sheet.

Debts to the Agent of owners, managers, employees, subsidiaries, or any other entity that directly or indirectly controls or holds an ownership interest in the Agent, doubtful debtors debts and deposits to third parties (other than IATA member airlines), shall not be taken into account for the purpose of calculating the percentage of the capital over total assets.

c) Profitability (after tax)

$$\frac{[\text{ Net Profit (after tax)}}{\text{Total Revenue }]}$$

Result	Score
3 % or more	1 point
Less than 3%	0 points

d) Level of Bank Guarantees

Accredited Agents that achieve 5 points or more (out of the total available 8) shall be exempted from submitting a Bank Guarantee.

The amount of the Bank Guarantee to be submitted by Agents that achieve less than 5 points shall be determined in accordance with the following:

Result	Amount of the Bank Guarantee
4 Points	35% of average monthly sales during preceding 12 months period
3 Points	70% of average monthly sales during preceding 12 months period
2 Points	100% of average monthly sales during preceding 12 months period
1 Point	125% of average monthly sales during preceding 12 months period
0 Points	150% of average monthly sales during preceding 12 months period

The value of the guarantee shall be rounded up to the next 5,000 USD. Minimum guarantee level is 50,000 USD. Without derogating from the above, Agents may be required to submit a bank guarantee, at any stage during the financial year, in special circumstances (e.g. swift significant increase in volume of sales). Bank guarantees shall be submitted within 21 days of the date of request.

ITALY

(Effective 1 October 2019 – MV/317)

1. FINANCES

In case of voluntary request by the Agent, the latest Balance Sheet and Profit and Loss Account duly certified by an external accountant must be submitted, and the following evaluation table shall apply:

<table>
<tr>
<td>Current Ratio</td>
<td>Adjusted Current Assets
Adjusted Current Liabilities</td>
<td>Index score range from 0 to 20
<table>
<tr><th>Value × class</th><th>scoring</th></tr>
<tr><td>0,0 – 0,5</td><td>5</td></tr>
<tr><td>0,5 – 0,9</td><td>10</td></tr>
<tr><td>0,9 – 2,0</td><td>20</td></tr>
<tr><td>2,0 – 3,0</td><td>10</td></tr>
<tr><td>3,0 – 5,0</td><td>5</td></tr>
<tr><td>5,0 - above</td><td>0</td></tr>
</table>
</td>
</tr>
<tr>
<td>Assets to Equity Ratio</td>
<td>Total Assets
Equity</td>
<td>Index score range from 0 to 20
<table>
<tr><th>Value × class</th><th>scoring</th></tr>
<tr><td>0 – 1</td><td>0</td></tr>
<tr><td>1 – 2</td><td>20</td></tr>
<tr><td>2 – 5</td><td>10</td></tr>
<tr><td>5 – 10</td><td>5</td></tr>
<tr><td>10 – above</td><td>0</td></tr>
</table>
</td>
</tr>
<tr>
<td>Payable Turnover Ratio</td>
<td>Total Purchases
Total Accounts payable</td>
<td>Index score range from 0 to 20
<table>
<tr><th>Value × class</th><th>scoring</th></tr>
<tr><td>0 – 30</td><td>10</td></tr>
<tr><td>30 – 90</td><td>20</td></tr>
<tr><td>90 – 120</td><td>10</td></tr>
<tr><td>120 – 180</td><td>5</td></tr>
<tr><td>180 – above</td><td>0</td></tr>
</table>
</td>
</tr>
<tr>
<td>Receivables Turnover Ratio</td>
<td>Sales
Total Accounts receivable</td>
<td>Index score range from 0 to 20
<table>
<tr><th>Value × class</th><th>scoring</th></tr>
<tr><td>0 – 30</td><td>10</td></tr>
<tr><td>30 – 90</td><td>20</td></tr>
<tr><td>90 – 120</td><td>10</td></tr>
<tr><td>120 – 180</td><td>5</td></tr>
<tr><td>180 – above</td><td>0</td></tr>
</table>
</td>
</tr>
</table>

Once the five indexes are determined, a value is assigned to each of them according to above table. If the total value reached is between 0 and 79 the assessment will be considered as FAILED, if between 80 and 100 the assessment will be considered as PASSED. Irrespective of the assessment result, in case of New Applicant and/or IATA Accredited Agents, a Financial Security as per section 2 of these criteria shall apply.

2. FINANCIAL SECURITY

2.1 An agent will not be accredited or will not continue to be accredited until a Financial Security required to be provided to IATA has been:

(a) Received in original by IATA

(b) Confirmed to IATA by way of written confirmation received directly from the Third Party supporting the Financial Security that the Financial Security was issued by that Third Party.

2.2 Financial Security must be for an unlimited period and subject to a minimum notice period of cancellation of ninety (90) days.

2.3 For the purpose of calculating the amount of a Financial Security the following definitions will apply:

- "Days at Risk" means the number of days from the beginning of the Agents' reporting period to the remittance date in respect of that reporting period or periods, plus a margin of five days.

Remittance Frequency	Days' Sales at Risk
• Two times per month	35
• Four times per month	19

- "Amount at Risk" is calculating by dividing the BSP CASH turnover in applicable latest rolling 12 months period by 360 days, and multiplying for the Days' Sales at Risk, rounded up to the nearest 1.000 Euro.

$$\text{"Amount as Risk"} = \frac{\text{BSP Cash Turnover in applicable latest rolling 12 months period} \times \text{"Days' Sales at Risk"}}{360}$$

2.4 New Applicants:

New Applicants will be required to remit four times per month, with a minimum Financial Security calculated as per formula specified in Section 2.3.a) (2) or Euro 16,000 whichever is highest.

2.5 Accreditated Agents:

(a) Agents with Risk Status A and B are required to provide a Financial Security that covers the Amount at Risk calculated as per Section 2.3 a) (1), or minimum amount depending on the remittance frequency specified below, whichever is highest.
   (i) The minimum Financial Security for Accredited Agents under two (2) times per month remittance shall be of Euro 35,000.
   (ii) The minimum Financial Security for Accredited Agents under four (4) times per month remittance shall be of Euro 16,000.

(b) Agents with Risk Status C are required to provide a Financial Security that covers the Amount at Risk calculated as per Section 2.3 a) (2) with minimum amount of Euro16,000 whichever is highest.

2.6 Reviews

Where a discrepancy between the Financial Security level and Amount at Risk is ascertained, review will take place based on the latest rolling 12 months BSP Net Cash Sales.

License:

Required (except for Vatican City) as per national or local authority requirements.

JAPAN

△ *(Effective 1 September 2025, PAC/47)*

1. GENERAL RULES

IATA agents are required to retain the valid Japanese travel agency license category 1/2/3.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

– Must have minimum paid-up share capital in the sum of JPY 10,000,000
– The financial statements must show minimum shareholders' equity of JPY 44,000,000. Shareholders' equity is defined as total assets minus total liabilities.
– Equity Ratio must exceed 10% and up

Equity Ratio is calculated by dividing the shareholders' equity by the total assets.

△ 3. FINANCIAL REVIEWS FOR STANDARD AGENTS WITH CASH FACILITY

□ 3.1 Definition of Financial Statements

– Balance Sheet (BS), Profit & Loss Statement (PL), Statements of Shareholders' Equity (SS) and the detailed statements, certified by an independent KONINKAIKEISHI (English Equivalent to Certified Public Accountant) or ZEIRISHI (English Equivalent to Certified Tax Accountant).
– Certification with seal and/or stamp by an independent KONINKAIKEISHI or ZEIRISHI is mandatory.

△ 3.2 New Agents

– Must satisfy the minimum paid up capital of JPY 10,000,000. Paid up capital is confirmed by the latest corporate registration.

△ 3.3 Existing Agents

– Except otherwise specified in Resolution 812 5.4.3.2, Financial Statements must be submitted to IATA, within 4 months after the Agent's accounting year-end.

4. FINANCIAL SECURITY

Notwithstanding the Risk Status of A, B or C, the Agent must furnish Financial Security covering all approved Head Entity and Associate Entity locations.

4.1 Financial Security is calculated as follows:

4.1.1 Equivalent to 15/365 on the basis of BSP cash sales over the last 12 months

4.1.2 more than JPY 5 million (minimum), but not more than JPY 500 million (maximum)

4.1.3 rounded up to the nearest JPY 1 million

4.2 When Financial security is provided in the form of Bank Guarantee, it must be issued by a bank having the valid license granted by the Japanese Government and its office is registered in Japan.

<Note>

When agents who fulfil all the following conditions in addition to 2, the financial security amount is reduced by 50%. Nevertheless, when 50% of 4.1.1 is less than minimum amount in 4.1.2, minimum amount applies. When 50% of 4.1.1 is more than maximum amount in 4.1.2, maximum amount applies.

1. Agent has been accredited for 2 years or longer.
2. The financial statements are audited by the independent KONINKAIKEISHI.
3. To satisfy the following financial index:
   (a) Net Equity divided by long-term liabilities must be greater than 0.5
   (b) EBITDA (Earnings Before Interest, Taxation, Depreciation, Amortisation and extraordinary items) must be positive
   (c) EBITDA must exceed the interest payable by a factor of a minimum of three
   (d) Current Assets must exceed Current Liabilities

JORDAN

(Effective 1 March 2022, MV/530)

1. GENERAL RULE

Audited Accounts means accounts reviewed by an auditor recognized as competent by a regulatory authority in Jordan to perform an audit.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the Financial Review will be extracted from the Agent's Audited Accounts

2.2 The following financial tests apply to the evaluation of an Agent's Audited accounts:

2.2.1 The Audited Accounts must not have a qualified audit opinion or local regulatory equivalent

2.2.2 There must be a positive Net Equity

2.2.3 Net Equity divided by long-term debt and other long-term Liabilities must be greater than 0.5

2.2.4 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortisation and extraordinary items) must be positive.

2.2.5 The EBITDA must exceed the Interest Expense by a factor of a minimum of two.

2.2.6 Total Current Assets must equal or exceed total Current Liabilities.

2.3 An Agent will obtain a satisfactory result on the financial review when both provisions (2.2.1), (2.2.2) and any 2 out of the four provisions from (2.2.3, 2.2.4, 2.2.5, 2.2.6) are met.

3. ANNUAL FINANCIAL REVIEWS

3.1 All applicants must provide Audited Accounts, not more than 12 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests as per section 2 of these criteria.

3.2 If an Agent has been in business for less than 12 months at the time of application, an Opening Balance sheet must be provided instead.

3.3 All Agents must provide Audited Accounts no later than 6 months after each Financial Year End, for the purposes of evaluation against financial test in section 2 of these criteria.

3.4 All agents must provide a Financial Security in accordance with section 4 of these criteria.

4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA. The communication to IATA needs to be received in writing directly from the third party supporting the Financial Security confirming that the Financial Security was issued by that third party and is valid.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

Remittance Frequency	Days' Sales at Risk	Days in reporting period
Two times per month	35	16
Four times per month	21	8

4.3.2 "Amount at Risk" is calculated as following:

$$\text{"Amount as Risk"} = \frac{\text{"Days' Sales at Risk"} \times \text{BSP Cash Turnover in applicable 3 highest reporting periods}}{\text{Days in reporting period} \times 3}$$

4.3.3 The amount of the Financial Security is calculated to cover at a minimum the Days Sales at Risk multiplied by the BSP cash turnover in 3 highest reporting periods of the last 12 months over the number of days in the reporting period multiplied by 3.

Agents with Risk Status A, B and C

4.4 For Agents with Risk Status A, B and C the amount of the Financial Security required must be not lower than JOD 15,000 (Fifteen thousand JOD).

4.5 All Agents Financial Security will be equal to the Remittance Holding Capacity at all times.

4.6 An Applicant/Agent may at any time request to reduce or increase the Financial Security provided in accordance to sections 4.4 & 4.9 of these criteria.

4.7 The value of the Financial Security will be rounded to the next JOD 1,000.00 (One thousand JOD).

4.8 The list of financial institutions that authorized to issue Bank Guarantee or Insurance Bond/Certificate is provided by IATA. All Financial Securities must be drawn as per the IATA specimen.

4.9 Default Insurance Program (DIP)

4.9.1 Any agent under DIP (Default Insurance Program) whose Amount at Risk exceeds its maximum DIP limit, must provide a Bank Guarantee, or additional DIP cover for the excess amount.

5. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Total Current Assets - are defined as Current Assets as in the statement of financial position (balance sheet)

Total Current Liabilities – are defined as current liabilities in the statement of financial position (balance sheet) of the accounts

EBITDA - Earnings before Interest, Taxation, Depreciation and Amortisation.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this local Financial Criteria.

Net Equity or Shareholders'/owners' Funds-Consists of:
- Share capital
- Share Premium
- Retained earnings
- Other distributive reserves
- Shareholder's loans if subordinated less declared dividends

Long Term Debt - All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities - all liabilities where repayment is due more than twelve months after the end of the financial period.

Review means any assessment or evaluation of an agent's continuing compliance with the Passenger Sales Agency Rules.

KAZAKHSTAN

(Effective 1 March 2022, MV/531)

1. GENERAL RULE – (Accounts/Documents to be provided)

New applicants

- For the purposes of evaluation against the financial tests in Section 2 of these criteria, New Applicants must provide with the audited accounts by a third party prepared in accordance with the local accounting practices: Balance Sheet, Profit & Loss account, Credit and Debt Statement and Cash Flow Account for the last financial year.
- Companies with less than one year's trading record at the time of application must submit a copy of certified opening balance sheet.

Accredited Agents

- All Agents must provide with the certified accounts no later than May 31st of each year, which is 5 months after each financial year end, for the purposes of evaluation against financial tests in Section 2 of these criteria.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 Statements will be evaluated, and agent's financial review result will be considered as PASS if the following criteria are met:

- Rate of Liquidity > 0.2
- Rate of Solvency > 0.2
- Rate of Profitability > 5%
- Cash flow - positive

2.2 During the process of regular financial review, it is not a requisite that agency financial reporting documents bear the stamp and signatures of local tax authorities.

3. ANNUAL FINANCIAL REVIEWS

Agents are required to submit certified financial statements prepared in accordance with the local accounting practices:

- Certified Balance Sheet,
- Profit & Loss account,
- Credit and Debt Statement and
- Cash Flow Account

4. FINANCIAL SECURITY

4.1 General Principles

An Agent will not be accredited or will not continue to be accredited unless all the following criteria are met in relation to the Financial Security required by IATA:

(a) The original Financial Security document has been received by IATA.

(b) Any Bank Guarantee will not be accepted if not authenticated by SWIFT through IATA's nominated bank. IATA will further retain the right to demand additional verification of validity and authenticity of the Bank Guarantee presented to IATA in any reasonable way it deems necessary.

(c) The Financial Security will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.2 Amount at Risk

For the purpose of calculating the amount of a Financial Security the following definitions apply:

"Days' Sales at Risk" means the number of days from the beginning of the Agent's reporting period to the remittance date in respect of that reporting period or periods, plus a margin of five days.

Remittance Frequency	Days' Sales at Risk	Days in reporting period
Four times per month	15	8

"Amount at Risk" is calculated as following:

$$\text{Amount as Risk} = \frac{\text{Days' Sales at Risk} \times \text{BSP cash turnover in applicable 3 highest reporting periods of last 12 months}}{\text{Days in reporting period} \times 3}$$

4.3 Agents with Risk Status A, B and C

- For Agents with Risk Status A, B and C the amount of the Financial Security required must not be lower than USD 100,000.
- Agents with Risk Status A and B must at all times provide a Financial Security which will equal their assigned Remittance Holding Capacity
- An Applicant/Agent may at any time request to reduce or increase the Financial Security amount provided in accordance with Resolution 812
- The value of the Financial Security will be rounded to the next + 5,000 USD.

  - **Financial Security requirements**
    - The Financial Security must comply with the following conditions:
- The Financial Security must be issued by a bank, being a financial institution authorized to issue Financial Securities for Agents in Kazakhstan and which is duly registered and licensed to operate without limitations in the Republic of Kazakhstan.
- The Financial Security must be issued strictly according to IATA template.
- In the event that the financial institution that has provided the Bank Guarantee on behalf of the accredited agent, have a change in status whereby they either have their license to issue Bank Guarantees suspended by the national Bank of Kazakhstan, or their credit rating is withdrawn (including voluntary) or downgraded to the level of CCC/Caa2 or lower, the accredited agent shall provide IATA a new Bank Guarantee from a financial institution who does have a current license to issue Bank Guarantees and has a minimum credit rating B2 with Stable Outlook (by Moody's) or B Stable Outlook (by S&P or Fitch). If the financial institution is a subsidiary bank which does not have its own credit rating while its parent bank (owning majority of shares in the subsidiary bank) has a credit rating as mentioned above or higher such subsidiary bank's credit rating would be considered as meeting the above credit rating requirement. The new Bank Guarantee must be presented within 1 month of the notification from the Agency Services Manager of any such change in status.

5. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Absolute liquidity ratio measures availability of an Agent's cash to pay its debt. Absolute liquidity ratio is used where only cash and bank balances are used for current assets and then divided by short-term liabilities and liabilities held for sale. Short-term liabilities include Loans, Derivative financial liabilities, Other short-term financial liabilities, Short-term trade and other payables, Short-term provisions, Current income tax liabilities, Remuneration to employees payable, Other short-term liabilities.

Liquidity (Absolute ratio) =	$\frac{\text{Cash and bank balances}}{\text{short-term Liabilities + Liabilities held for sale}}$ = Total	$\frac{\text{Cash and bank balances}}{\text{+ Derivative financial liabilities + Other short-term financial liabilities + Short-term trade and other payables + Short-term provisions + Current income tax liabilities + Remuneration to employees payable + Other short-term liabilities + Liabilities held for sale}}$ = Loans	$\frac{\text{Line 010 from Form 1}}{\text{300 from Form 1 + Line 301 from Form 1}}$ Line

Solvency ratio measures the ability of an Agent to cover its long term debts. Equity here includes any Charter (share) capital, Additional paid-in capital, Purchased own equity instruments, Reserves, Retained earnings (retained loss). Total liabilities include Short-term loans, Short-term derivative financial liabilities, Other short-term financial liabilities, Short-term trade and other payables, Short-term provisions, Current income tax liabilities, Remuneration to employees payable, Other short-term liabilities, Liabilities held for sale, Long-term loans, Long-term derivative financial liabilities, Other long-term financial liabilities, Long-term trade and other payables, Long-term provisions, Deferred income tax liabilities, Other long-term liabilities.

Solvency =	Total equity _____ = Total short-term liabilities + Liabilities held for sale + Total long-term liabilities	Charter (share) capital + Additional paid-in capital + Purchased own equity instruments + Reserves + = Retained earnings (retained loss) _____ Short-term loans + Short-term derivative financial liabilities + Other short-term financial liabilities + Short-term trade and other payables + Short-term provisions + Current income tax liabilities + Remuneration to employees payable + Other short-term liabilities + Liabilities held for sale + Long-term loans + Long-term derivative financial liabilities + Other long-term financial liabilities + Long-term trade and other payables + Long-term provisions + Deferred income tax liabilities + Other long-term liabilities	Line 500 from Form 1 _____ Line 300 from Form 1 + Line 301 from Form 1 + Line 400 from Form 1

Profitability is a measure of an Agent's ability to generate profit out of its turnover. Net income in this ratio is the profit after tax and total revenue is the commission income (excluding ticket price) that an Agent receives before incurring expenses.

Profitability = Profit for the year / Gross revenue from Ticket commissions = Line 300 from Form 2 / Line 010 from Form 2

Cash flow is the net cash movement (cash increase or cash decrease) in the statement of cash movement where both cash inflows and cash outflows within a period are reflected. This is line 130 in the Form 3A or line 500 in the Form 3B.

Certified means that accounts are certified by an external accountant or internal accountant (stamped and signed).

KOREA

(Effective 1 January 2022 – MV/478)

1. GENERAL RULES

For a financial review, all applicants and Agents must provide the following documents for assessment under these criteria:

1. Balance Sheet
2. Profit and Loss statement

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

2.1 Applicants must be established and in business as a travel agent not less than six months prior to the date of application.

2.2 All Applicants and Agents must have a minimum paid capital of KRW 100,000,000.

2.3 The following points allocations apply for the financial ratio assessment:

Financial Assessment Indicators

Current Ratio	Points
>= 2.00	12
1.50 – 1.99	10
1.00 – 1.49	8
0.50 – 0.99	6
0.30 – 0.49	4
0.10 – 0.29	2
< 0.10	0

Debt Ratio	Points
<= 0.01	12
0.02 – 0.59	10
0.60 – 1.09	8
1.10 – 1.59	6
1.60 – 1.79	4
1.80 – 1.99	2
negative or >= 2.00	0

Total Points	Grade
>= 30	A
22 – 29	B
12 – 21	C
6 – 11	D
<= 5	E

The minimum passing grade for the financial ratio assessment is C. Any financial ratio assessment result with grade D & E would be failure to meet financial assessment criteria.

- To pass a financial review, Applicants and Agents must pass the financial ratio assessment and meet the requirements of section 2.2. Applicants must also meet the requirement under section 2.1.
- If an Applicant fails the financial review, the Applicant will not be approved to be accredited as an Agent.

Profitability Ratio	Points
>= 0.200	12
0.130 – 0.199	10
0.070 – 0.129	8
0.030 – 0.069	6
0.010 – 0.029	4
0.000 – 0.009	2
< 0.000	0

3. ANNUAL FINANCIAL REVIEWS

The Criteria for evaluation of Applicants' and Agents' accounts in Subparagraph 2 will be applied in the assessment of Agents' accounts for the Annual Financial Review.

4. INTERIM FINANCIAL REVIEWS

The Criteria for evaluation of Applicants' and Agents' accounts in Subparagraph 2 will be applied in the assessment of Agents' accounts for financial reviews performed at any other time.

5. FINANCIAL SECURITY

(a) Notwithstanding whether an Agent obtains a satisfactory or unsatisfactory result in a financial review, all Agents must provide IATA with a financial security equivalent to an average 13 days cash sales based on the last 12 months activity, subject to a minimum of KRW 200,000,000.

(b) Agents with Risk Status A and B must at all times provide a Financial Security which will be equal to their assigned Remittance Holding Capacity.

(c) An Applicant/Agent may at any time request to reduce or increase the Financial Security amount provided in accordance with Resolution 812 Section 5.9.4

6. REMITTANCE FREQUENCY

Remittance frequency will be 6 times monthly with Remittance Date being 5 calendar days from close of the preceding Reporting Date

KUWAIT

(Effective 1 October 2019 – MV/309)

1. GENERAL RULE

1.1 Agent must provide Audited Accounts to IATA. Audited Accounts means accounts reviewed by an auditor recognized as competent by a regulatory authority in the country to perform an audit.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the financial criteria will be extracted from the Agent/s Audited accounts.

2.2 The following financial tests apply to the evaluation of an Agent's Audited accounts:

2.2.1 There must be a positive Net Equity

2.2.2 Net Equity divided by long-term debt and other long-term Liabilities must be greater than 0.5

2.2.3 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortization and extraordinary items) must be positive.

2.2.4 The EBITDA must exceed the Interest Payable by a factor of a minimum of two.

2.2.5 Adjusted Current Assets must exceed Current Liabilities.

2.3 An Agent will obtain a satisfactory result on the financial review when all provisions in section 2.2 of these criteria have been met.

3. ANNUAL FINANCIAL REVIEWS

3.1 All Agents must provide Audited Accounts not more than 12 months old at the time of accreditation application to become an Agent to be assessed in accordance with section 2 of these criteria.

3.2 If an Agent has been in business for less than 12 months at the time of application, an Audited opening balance sheet must be provided.

3.3 All Agents must provide Audited Accounts for the last financial year, no later than 6 months, or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 2 of these criteria.

4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

– Weekly: 21 Days

4.3.2 "Amount at Risk" is calculated as following:

"Amount at Risk" = ("Days' Sales at Risk" × highest 3 months net cash sales in the last 12 months)/90

4.4 A minimum Financial Security amount will be KWD 50,000.00 (or the equivalent in local currency) and is mandatory to all travel agencies.

4.5 All Financial Securities must be provided per the format provided by IATA.

4.6 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

Agents with Risk Status A, B and C

4.7 Regardless of the Risk Status, all Agents with Risk Status A, B and C must provide a Financial Security. The amount of the Financial Security required must cover at a minimum the Amount at Risk calculated as per Section 4.3 using the BSP cash turnover amount equal to the average of the 3 months' highest net cash sales in the previous 12 months, or KWD 50,000.00 (or the equivalent in local currency), whichever is higher.

New Applicants

4.8 New Applicants are required to provide a Financial Security equal to:

("Days Sales at Risk" × Estimated Annual Sales)/365

Subject to a minimum amount of KWD 50,000.00 (or the equivalent in local currency) for the first 12 months of accreditation.

License

- Registration Certificate from DGCA.
- License from Ministry of Commerce & Industry.

5. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Adjusted Current Assets - are defined as Current Assets as in the balance sheet of the accountants after deducting:

– Stocks and work in progress
– Deposits given to third parties other than IATA
– Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
– Doubtful debtors
– Blocked funds except for funds held in favor of IATA.

These generic descriptions may be modified to terms specifically defined under the applicable local Generally Accepted Accounting Principles (GAAP) and disclosed in the financial statements.

Current Liabilities – are defined as current liabilities in the balance sheet of the accounts

EBITDA - Earnings before Interest, Taxation, Depreciation and Amortization.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this local financial criteria.

Net Equity or Shareholders'/owners' Funds-Consists of:

– Share capital
– Share Premium
– Retained earnings
– Other distributive reserves
– Shareholder's loans if subordinated less declared dividends

Long Term Debt - All debt liabilities where repayment is due more than twelve months after the end of the financial period

Long Term Liabilities - all liabilities where repayment is due more than twelve months after the end of the financial period

Review means any assessment or evaluation of an agent's continuing compliance with the Passenger Sales Agency Rules.

KYRGYZSTAN

(Effective 1 January 2013 – PAC/35)

1. NEW APPLICANTS

New applicants must have been in operation for 12 months as an Air Travel Agent before applying to be an Agent. The applicant must be in possession of a valid license/certificate to, issued by appropriate state authorities according to the legislation of Kyrgyz Republic.

Documents required:

The complete file to be sent to IATA, consisting of the following:

- certified copies of the certificate of state registration, tax payer certificate and statistical card,
- copies of corresponding licenses;
- certified by independent auditor: Balance Sheet, Profit & Loss account, Credit and Debt Statement and Cash Flow Account for the last financial year,
- list of owners, managers and staff in the format of Part V(A) of the application,
- photographs of the interior and the exterior of the agency,
- copies of certificates of courses and work experience of the staff,
- statement of international sales volumes. The applicant must provide proof of sales through other accredited Agents or Airlines. There is no minimum level that an applicant must reach before submitting the application.
- a sample of the Agent's letterhead.

Financial documentation:

The Agent must present the following financial documentation for the last financial year, according to the accounting standards, valid for Kyrgyzstan, in both paper and electronic format.

- Balance Sheet, certified by local tax authorities
- Profit & Loss account, certified by local tax authorities

The results of the financial review will be treated in a strictly confidential way.

Financial evaluation process:

The established ratios for financial evaluation are:

Rate of Liquidity = Current Assets/Current Liabilities

Rate of Solvency = Total Capital/Total Liabilities

The calculation of both rates will be applied to the last financial year.

For a "satisfactory" financial standing to be determined, both ratios must be greater than or equal to 1.00

Results of Financial evaluation

New applicants, with "unsatisfactory" financial standing are to be rejected.

Existing Agents with "unsatisfactory" financial standing will receive from IATA:

– a term of 6 months for submission of new documents showing that the ratios are met and improved financial standing is in place.

and

– immediate request for a bank guarantee to cover 100% of agent's 15-days average turnover. Turnover will be calculated for both the last 12 months and the last 3 months and the greater must be covered by the bank guarantee.

In case the submitted financial documents continue to show the ratios are not met, the Agent is obliged to present an additional bank guarantee for an amount equal to 30% of the existing guarantee for at least 6 months or until the Agent proves satisfactory financial standing, whichever is later.

Bank Guarantee

All Agents in Kyrgyzstan must present a valid bank guarantee. The bank guarantee will be accepted by IATA, only if issued by a bank, fully licensed to operate in Kyrgyz Republic and in accordance with the template approved by IATA.

All new applicants and Agents, which have not completed two years of trading, must submit a Bank Guarantee, which will cover the 15 days' net BSP cash sales at risk amount but cannot be less than 50,000 USD.

IATA has to recalculate the average 15-day turnover/for the last 12 months/on a quarterly basis at a minimum and in case the new level of turnover exceeds the existing bank guarantee does not cover the amount at risk, to advise the Agent in writing that an additional bank guarantee must be provided.

All Agents which have completed two years of trading without an irregularity resulting from non-payment or short payment in the previous twelve months and have a "Satisfactory" financial standing in two consecutive annual reviews, must submit a Bank Guarantee according to the following sliding scale:

Agent's 15 day's amount at risk turnover		Required BG Coverage
1	below < = $50,000	$ 50,000
2	> $50,000 <= $100,000	75% but not less than $ 50,000
3	> $100,000 <= $500,000	65% but not less than $ 75,000
4	> $500,000 <= $1,000,000	50% but not less than $ 325,000
5	> $1,000,000 <= $2,000,000	35% but not less than $ 500,000
6	> $2,000,000 <=	25% but not less than $ 700,000

In case the Agent is declared in Default, Overdue Remittance or in Default or default due to Accumulation of Irregularities the Agent must immediately present a bank guarantee covering 100% of the 15 days amount at risk.

LATVIA

(Effective 1 September 2024, MV/677)

1. GENERAL RULE

All IATA Accredited Agents must remit four (4) times per month.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

Applicants

2.1 Financial statements must show a positive balance of current assets over current liabilities.

Existing Agents

2.1 Profitability

An Agent is required to show profit before tax at the end of the financial year.

However, a loss in a particular year will not result in negative financial standing for established IATA agents with at least three full years as accredited agent and if the outcome of the previous financial review was satisfactory.

2.2 Equity Capital

Equity capital = Total Equity/Total Assets = min 6%

2.3 Solvency

$$\text{Rate of liquidity} = \frac{\text{Current Assets}}{\text{Current liabilities}} = \text{min } 1.0$$

2.4 The financial review result will be considered as PASS/SATISFACTORY when the financial tests in sections 2.1-2.4 are met.

3. ANNUAL FINANCIAL REVIEWS

3.1 Subject to Latvian Law, Agents will be required to submit either Audited or Certified financial statements, depending on the size of the company.

3.2 Agents must submit a full set of Audited financial statements, including balance sheet, profit and loss account, notes to financial statements, for their company for the most recent financial year, only if they are classified as:

3.2.1 Big company and on the balance sheet date has met at least 2 of the below criteria:

1. total balance sheet exceeds 20 000 000 euro;
2. net turnover exceeds 40 000 000 euro;
3. average employees per year exceeds 250.

3.2.2 Medium company and on the balance sheet date is not a small company and has met at least 2 of the below criteria:

1. total balance sheet does not exceed 20 000 000 euro;
2. net turnover does not exceed 40 000 000 euro;
3. average employees per year does not exceed 250.

3.3 Agents, classified as Micro Companies and Small Companies are entitled to present Certified financial statements if they meet below criteria:

3.3.1 Micro company which on balance date has met at least 2 of the below criteria:

1. total balance sheet does not exceed 350 000 euro;
2. net turnover per year does not exceed 700 000 euro;
3. average employees per year does not exceed 10.

3.3.2 Small company which on the balance sheet date has met at least 2 of the below criteria:

1. total balance sheet does not exceed 4 000 000 euro;

2. net turnover per year does not exceed 8 000 000 euro;
3. average employees per year does not exceed 50.

In case a Small Company exceeds 2 criteria as per point 3.3.2 for 2 consecutive years, such company will need to present full set of audited financial statement as per point 3.2.

3.4 Notwithstanding the above provisions, Agents falling in any of the above group, for which audited accounts are mandatory, and who fail to present full set of Audited financial statements, will have the financial review result FAIL/UNSATISFACTORY and will need to provide a Financial Security in accordance with Resolution 812, regardless of the result of the financial tests in section 2 of these criteria. Such Financial Security will be kept by IATA until an assessment is performed on the Agent's Audited financial statements and the outcome is satisfactory, and the Agent meets other provisions of Resolution 812.

New Applicants

3.5 New Applicants must submit documents required, depending on the type of company as per point 3.2.

3.6 In case the New applicant is a micro company**,** it is entitled to present certified accounts only, as per point 3.3.

3.7 The financial statements must be produced by a nationally approved Public Auditor in accordance with International Accounting Standards.

3.8 The financial statements must not be older than 6 months at the time of submission to IATA.

3.9 IATA has the right to request the annual report including balance sheet and profit and loss accounts in original.

3.10 New Applicants which have been established as a company for less than one year must submit a copy of a certified opening balance sheet.

Existing Agents

3.11 Accredited Agents (classified as per point 3.2 must provide IATA with a full set of audited financial statements, including balance sheet, profit and loss account, notes to financial statements, for their company for the most recent financial year their audited balance sheet and profit and loss Accounts in accordance with the time frame for filling reports required by the local authorities (currently 6 months after financial year end).

3.12 The financial statements must be produced by a nationally approved Public Auditor in accordance with International Accounting Standards.

4. FINANCIAL SECURITY

Financial Securities must be drafted in the English language, using a standard text provided by IATA.

4.1 Amount of Financial Security required

All Agents must provide Financial Security for the minimum amount of EUR 35,000 during the first two (2) years as IATA accredited Agent.

4.1.1 Other than Applicants

The amount of the Financial Security for Agents that have been IATA accredited for more than two (2) years will be calculated using the provisions in sections 4.1.1.1-4.1.1.3:

4.1.1.1 Agents with Risk Status A

For Agents with Risk Status A no Financial Security is required.

4.1.1.2 Agents with Risk Status B

For Agents with Risk Status B the amount of the Financial Security required must cover at a minimum four point seven per cent (4.7%) of the calculated annual average cash sales or EUR 35,000, whichever is the higher.

4.1.1.3 Agents with Risk Status C

Agents with Risk Status C must provide a Financial Security in accordance with the provisions of Resolution 812, with a minimum amount of EUR 35,000.

LEBANON

(Effective 1 January 2024, MV A663)

1. GENERAL RULE

Audited Accounts means accounts reviewed by an auditor recognized as competent by a regulatory authority in Lebanon to perform an audit.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the Financial Review will be extracted from the Agent's Audited Accounts

2.2 The following financial tests apply to the evaluation of an Agent's Audited accounts:

2.2.1 There must be a positive Net Equity

2.2.2 Net Equity divided by long-term debt and other long-term Liabilities must be greater than 0.5

2.2.3 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortisation and extraordinary items) must be positive.

2.2.4 The EBITDA must exceed the Interest Payable by a factor of a minimum of two.

2.2.5 Adjusted Current Assets must exceed Current Liabilities.

2.3 An Agent will obtain a satisfactory result on the financial review when all provisions in section 2.2 of these criteria have been met.

3. FINANCIAL SECURITY

3.1 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

3.2 For the purposes of calculating the amount of a Financial Security the following definitions apply:

3.2.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

Remittance Frequency	Days' Sales at Risk	Days in reporting period
Four times per month	21	8

3.2.2 "Amount at Risk" is calculated as following:

$$\text{"Amount as Risk"} = \frac{\text{"Days' Sales at Risk" x BSP Cash Turnover in applicable 3 highest reporting periods}}{\text{Days in reporting period} \times 3}$$

3.2.3 The amount of the financial security is calculated to cover at a minimum the Days Sales at Risk multiplied by the BSP cash turnover in 3 highest reporting periods of the last 12 months over the number of days in the reporting period multiplied by 3.

3.2.4 Calculation of the Financial Security:

3.2.4.1 All Agents with Risk Status A, B & C which have furnished a Financial Security in 'Fresh' USD its RHC will be equal to the value of the Financial Security.

3.2.4.2 GoStandard Agents which fail to provide the Financial Security in 'Fresh' USD will have its RHC equal to zero and will not be assigned a risk event for failure to provide a Financial Security.

3.2.4.3 Agents will only be able to provide Financial Securities – 'Fresh' USD

3.2.4.4 Agents may provide 'Fresh' USD Cash Deposits or 'Fresh' USD Bank Guarantees in accordance to the 'Fresh' USD Financial Security template.

3.3 Financial Security is not applicable for 'Fresh USD' Cash sales for Golite Agent. IATA may request a Financial Security to cover any Cash transactions resulting from ADMs due by the Agent as per applicable Resolution.

4. AGENTS WITH RISK STATUS A, B, C AND GoLite

4.1 An Applicant/Agent may at any time request to reduce or increase the Financial Security which will be reflected as its assigned Remittance Holding Capacity.

4.2 The value of the Financial Security will be rounded to the next USD10,000 taking into consideration the minimum required Financial Security of USD 20,000.

4.3 All Financial Securities must be drawn as per the IATA specimen.

5. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Fresh USD is cash injected in the banking system by Cash Deposit or international USD Transfers.

Adjusted Current Assets - are defined as Current Assets as in the balance sheet of the accountants after deducting:
- Stocks and work in progress
- Deposits given to third parties other than IATA
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
- Doubtful debtors
- Blocked funds except for funds held in favour of IATA

These generic descriptions may be modified to terms specifically defined under the applicable local Generally Accepted Accounting Principles (GAAP) and disclosed in the financial statements.

Current Liabilities – are defined as current liabilities in the balance sheet of the accounts

EBITDA - Earnings before Interest, Taxation, Depreciation and Amortization.

Net Equity or Shareholders'/owners' Funds-Consists of:
- Share capital
- Share Premium
- Retained earnings
- Other distributive reserves
- Shareholder's loans if subordinated less declared dividends

Long Term Debt - All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities - all liabilities where repayment is due more than twelve months after the end of the financial period.

Review means any assessment or evaluation of an agent's continuing compliance with the Passenger Sales Agency Rules.

LIBYA

(Effective from 1 May 2017 – MV/281)

Finances

Duly certified by legal auditor, Balance Sheet and Profit & Loss accounts indicating financial standing. Statement information from agent's bank.

Staff

Minimum IATA staff criteria.

Security

Minimum IATA security standards.

Reporting/Remittance

Non BSP Country. Once monthly.

Licences

Required.

LITHUANIA

(Effective from 1 January 2025, PAC/46)

1. GENERAL RULE

All IATA Accredited Agents must remit four (4) times per month.

The financial standing of Applicants and IATA Accredited Agents in Lithuania is evaluated by a financial assessor appointed by IATA.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

Applicants

Financial statements must show a positive balance of current assets over current liabilities.

Existing Agents

2.1 Profitability

An Agent is required to show profit before tax at the end of the financial year.

2.2 Equity Capital

Equity capital = Total Equity/Total Assets = min 6%

2.3 Solvency

$$\text{Rate of liquidity} = \frac{\text{Current Assets}}{\text{Current liabilities}} = \text{min } 1.0$$

2.4 The financial review result will be considered as PASS/SATISFACTORY when the financial tests in sections 2.1-2.3 are met.

3. ANNUAL FINANCIAL REVIEWS

New Applicants

3.1 New Applicants must submit independently audited balance sheet and profit and loss accounts.

3.2 The financial statements must be produced by a nationally approved Public Auditor in accordance with International Accounting Standards.

3.3 The financial statements must not be older than 6 months at the time of submission to IATA.

3.4 IATA has the right to request the annual report including balance sheet and profit and loss accounts in original.

3.5 New Applicants which have been established as a company for less than one year must submit a copy of a certified opening balance sheet.

Existing Agents

3.6 Accredited Agents must provide IATA with a copy of their audited balance sheet and profit and loss Accounts in accordance with the time frame for filling reports required by the local authorities (currently 6 months after financial year-end).

3.7 The financial statements must be produced by a nationally approved Public Auditor in accordance with International Accounting Standards.

3.9 Notwithstanding the above provisions, Agents who fail to present Audited financial statements will have the financial review result FAIL/UNSATISFACTORY and will need to provide a Financial Security in accordance with Resolution 812, regardless of the result of the financial tests in section 2 of these criteria. Such Financial Security will be kept by IATA until an assessment is performed on the Agent's Audited financial statements and the outcome is satisfactory, and the Agent meets other provisions of Resolution 812.

4. FINANCIAL SECURITY

Financial Securities must be drafted in the English language, using a standard text provided by IATA.

4.1 Amount of Financial Security required

All Agents must provide Financial Security for the minimum amount of EUR 29,000 during the first two (2) years as IATA accredited Agent.

4.1.1 Other than Applicants

The amount of the Financial Security for Agents that have been IATA accredited for more than two (2) years will be calculated using the provisions in sections 4.1.1.1-4.1.1.3:

4.1.1.1 Agents with Risk Status A

For Agents with Risk Status A no Financial Security is required.

4.1.1.2 Agents with Risk Status B

For Agents with Risk Status B the amount of the Financial Security required must cover at a minimum four point seven per cent (4.7%) of the calculated annual average cash sales or EUR 29,000, whichever is the higher.

4.1.1.3 Agents with Risk Status C

Agents with Risk Status C must provide a Financial Security in accordance with the provisions of Resolution 812, with a minimum amount of EUR 29,000.

MACAU (SAR, CHINA)

(Effective 1 May 2022, MV/561)

1. GENERAL RULE

1.1 General Financial Requirements

New Applicants

Applicants must:

(a) be established and in business as a travel agent for not less than two years from the date of licensing prior to the date of application, and

(b) submit a certified complete set of audited financial statements which must not be older than 9 months at the time of submission and in the auditor's opinion, the financial statements give an unqualified true and fair view of the state of the company's affairs.

1.2 Definitions

(a) Encumbrance

Encumbrance means any asset of the applicant or Agent which has been pledged to any person for the security of any arrangement granted by any person for the benefit of any person other than the applicant or Agent.

(b) Related party

A related party means any shareholder or director and their immediate families, trustees or partners, associated and subsidiary companies, holding companies and their associated and subsidiary companies, or related company.

(c) Intangible

Intangible includes goodwill, trademarks, royalty, deferred expenses, deferred cost of advertising.

(d) Contingent liability

Contingent liability does not include bank guarantee provided for trade creditors of the applicant or Agent.

(e) Tangible net worth

Tangible net worth is the aggregate amount of:-

- paid-up share capital;
- reserves;
- professional property revaluation reserves; and
- retained profits;

minus

- retained losses;
- intangibles;
- encumbrances;
- deferred tax assets;
- contingent liabilities; and
- net amount of loans to related parties.

(f) Tangible net worth deficiency

Tangible net worth deficiency occurs when the requirement in Test 1 in section 2.2 has not been met, and the amount of deficiency is the difference between the Tangible Net Worth of the Agent and the requirement in Test 1.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

When assessing whether the applicant or Agent meets the financial standing the following shall be taken into account using the criteria set out in section 2.1 & 2.2.

(a) availability of adequate liquid funds to meet normal trading commitments,

(b) capital required to be commensurate with fixed assets,

(c) the existence of preferential claims on the assets and the existence of contingent liabilities.

2.1 Minimum Paid Up Capital

Have as a minimum paid-up capital of MOP 1 million;

2.2 Financial Criteria

To meet the financial criteria, the applicant or Agent must have a minimum score of 85.

Test 1 – Tangible Net Worth

A minimum requirement of MOP 1 million or 150% of the amount of net loss after tax for the immediately preceding financial year, whichever is higher. The loss must be increased by the amount of expenses which in normal circumstances should have been charged, for example, the fair market price of rent for office premises provided rent-free.

Tangible Net Worth	Score
MOP 1 million or 150% of the amount of net loss after tax, whichever is higher	80
< MOP 1 million	0

Test 2 – Working Capital Ratio

$$\text{Working Capital Ratio} = \frac{\text{Total current assets less encumbrances and loans to related parties}}{\text{Total current liabilities}}$$

Working Capital Ratio	Score
=> 1	10
0.9 – 0.99	5
< 0.9	0

Test 3 – Liquidity ratio

$$\text{Liquidity Ratio} = \frac{\text{Total current assets less encumbrances, deposits (except payments in advance to trade suppliers), prepayment, stock in trade, and loans to related parties}}{\text{Total current liabilities less bank overdraft, loans from related parties, incomplete tours and/or customer deposit}}$$

Liquidity Ratio	Score
=> 0.8	10
0.7 – 0.79	5
< 0.7	0

3. ANNUAL FINANCIAL REVIEWS

Accredited Agents must submit annually a certified complete set of audited financial statements which must not be older than 9 months at the time of submission and in the auditor's opinion the financial statements give an unqualified true and fair view of the state of the company's affairs.

Agents must submit their audited annual financial statements within 9 months from the year end date.

Financial Standing

(i) **Satisfactory without condition**

Where the applicant's or Agent's overall score is 85 or more.

(ii) **Satisfactory subject to provision of additional financial support**

Where the applicant's or Agent's overall score is below 85.

(iii) **Unsatisfactory**

Where the applicant's or Agent's financial standing has not been found satisfactory without condition and request to provide additional financial support has not been complied with on or before the deadline.

4. FINANCIAL SECURITY

Category A

The applicant or Agent has met the Tangible Net Worth requirement in Test 1:

- A1 - If its Annual BSP Payable Amount exceeds MOP 600 million, it is required to provide a 10-day bank guarantee/insurance bound.
- A2 - If its Annual BSP Payable Amount is within MOP 300 - MOP 600 million, it is required to provide a 14-day bank guarantee/insurance bound.
- A3 - If its Annual BSP Payable Amount is below MOP 300 million, it is required to provide a 18-day bank guarantee/insurance bound.

Category B

The applicant or Agent has failed to meet the Tangible Net Worth requirement in Test 1 and its annual turnover is below MOP 20 million:

- B1 - If its Tangible Net Worth deficiency is below MOP 1 million and its Annual BSP Payable Amount exceeds MOP 600 million, it is required to provide a 10-day bank guarantee/insurance bound.
- B2 - If its Tangible Net Worth deficiency is below MOP 1 million and its Annual BSP Payable Amount is within MOP 300 - MOP 600 million, it is required to provide a 14-day bank guarantee/insurance bound.
- B3 - If its Tangible Net Worth deficiency is below MOP 1 million and its Annual BSP Payable Amount is below MOP 300 million, it is required to provide a 18-day bank guarantee/insurance bound.
- B4 - If its Tangible Net Worth deficiency is MOP 1 million or higher, it is required to provide a 19-day bank guarantee/insurance bound.

Category C

The applicant or Agent has failed to meet the Tangible Net Worth requirement in Test 1 and its annual turnover is MOP 20 million or higher:

- C1 - If its Tangible Net Worth deficiency is below MOP 3 million and its Annual BSP Payable Amount exceeds MOP 600 million, it is required to provide a 10-day bank guarantee/insurance bound.
- C2 - If its Tangible Net Worth deficiency is below MOP 3 million and its Annual BSP Payable Amount is within MOP 300 - MOP 600 million, it is required to provide a 14-day bank guarantee/insurance bound.
- C3 - If its Tangible Net Worth deficiency is below MOP 3 million and its Annual BSP Payable Amount is below MOP 300 million, it is required to provide a 18-day bank guarantee/insurance bound.
- C4 - If its Tangible Net Worth deficiency is MOP 3 million or higher, it is required to provide a 19-day bank guarantee/insurance bound.

Category	Annual Turnover	Tangible Net Worth Deficiency	Annual BSP Payable Amount	Financial Support
A1	N/A	Nil	> MOP 600 mil	10-day bank guarantee/insurance bond
A2			=> MOP 300 mil <= MOP 600 mil	14-day bank guarantee/insurance bond
A3			< MOP 300 mil	18-day bank guarantee/insurance bond
B1	< MOP 20 mil	< MOP 1 mil	> MOP 600 mil	10-day bank guarantee/insurance bond
B2			=> MOP 300 mil <= MOP 600 mil	14-day bank guarantee/insurance bond
B3			< MOP 300 mil	18-day bank guarantee/insurance bond
B4		=> MOP 1 mil	N/A	19-day bank guarantee/insurance bond
C1	=> MOP 20 mil	< MOP 3 mil	> MOP 600 mil	10-day bank guarantee/insurance bond
C2			=> MOP 300 mil <= MOP 600 mil	14-day bank guarantee/insurance bond
C3			< MOP 300 mil	18-day bank guarantee/insurance bond
C4		=> MOP 3 mil	N/A	19-day bank guarantee/insurance bond

Financial Security Amount

For applicants and Agents, the amount of bank guarantee/insurance bond required is equivalent to the applicant's BSP cash turnover based on the previous 6 months. The bank guarantee/insurance bond covers its average 10-day/14-day/ 18-day/19-day BSP cash turnover, depending on its financial assessment result. Minimum bank guarantee/insurance bond amount is MOP 50,000.

5. LICENCE

The applicant or Agent must be in possession of a valid licence from the Macau Government Tourist Office to operate as a travel agent.

MALAWI

(Effective 1 September 2020 or upon implementation of NewGen ISS, MV/335)

1. GENERAL RULE

1.1 An Agent must provide Audited Accounts to IATA. Audited Accounts means accounts reviewed by an auditor recognized as competent by a regulatory authority in the country to perform an audit.

2. CRITERIA FOR THE EVALUATION OF AGENTS ACCOUNTS

2.1 All financial information used in the financial review will be extracted from the Agent's Audited Accounts.

2.2 The following financial tests apply to the evaluation of an Agent's Audited accounts:

2.2.1 There must be a positive Net Equity

2.2.2 There must be a positive net profit

2.2.3 Net Equity divided by Long Term Debt and other Long-Term Liabilities must be greater than 0.5

2.2.4 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortization and extraordinary items) must be positive

2.2.5 The EBITDA must exceed the Interest Payable by a factor of a minimum of two

2.2.6 There must be a positive net worth

2.2.7 The liquidity ratio must be greater than 1.1

2.2.8 The Current Assets must be in excess of the "Amount at Risk" as per section 4.3.2

2.3 An Agent will pass the financial review when all provisions in section 2.2 of these criteria have been met.

3. ANNUAL FINANCIAL REVIEWS

3.1 All Applicants must provide Audited Accounts no more than 12 months old at the time of accreditation application to become an Agent to be assessed in accordance with section 2 of these criteria.

3.2 If an Applicant has been in business for less than 12 months at the time of accreditation application, an audited opening balance sheet must be provided.

3.3 All Agents must provide an Audited Accounts for the last financial year, no later than 6 months, or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 2 of this criteria.

4. FINANCIAL SECURITY

4.1 An agent will not be accredited or will not continue to be accredited until IATA receives the Financial Security issued by the organization, a validation by written confirmation of the authenticity of the said Financial Security issued.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days:

Remittance Frequency	Days' Sales at Risk	Days in reporting period
Two times per month	35	16
Four times per month	20	8

4.3.2 "Amount at Risk" is calculated as following:

"Amount at Risk" = "Days Sales at Risk" × (highest 3 months net cash sales/90)

4.4 A minimum Financial Security amount will be USD 25,000.00 (or the equivalent in local currency) and is mandatory to all travel agencies.

4.5 All Financial Securities must be provided per the format provided by IATA.

4.6 Agents with Risk Status A, B and C:

4.6.1 Agents with Risk Status A:

Agents are required to provide a Financial Security covering 50% of their Amount at Risk calculated as per Section 4.3.2, or minimum Financial Security as per section 4.4, whichever is higher.

4.6.2 Agents with Risk Status B:

Agents are required to provide a Financial Security covering 70% of their Amount at Risk as per section 4.3.2, or minimum Financial Security as per section 4.4, whichever is higher.

4.6.3 Agents with Risk Status C

Agents with Risk Status C must provide a Financial Security equal to their assigned Remittance Holding Capacity (RHC).

5. DEFINITIONS OF TERMS USED IN THESE CRITERIA

EBITDA – Earnings before Interest, Taxation, Depreciation and Amortisation.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this local Financial Criteria.

Net Equity or Shareholders'/owners' Funds – Consists of:
- Share capital
- Share Premium
- Retained earnings
- Other distributive reserves
- Shareholder's loans if subordinated less declared dividends

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

MALAYSIA

(Effective 1 March 2021 – MV/390)

1. FINANCES

1.1 The applicant or existing agent must provide a certified and audited balance sheet and Profit and Loss not more than twelve months old.

1.2 Applicants or existing agent must have as a minimum paid up capital of MYR 200,000.

1.3 When assessing whether the applicant or existing agent passes the financial review the following will be taken into account:

1.3 (a)

Liquidity Ratio	Value		Points	Efficiency Ratio	Value		Points
	Between	And			Between	And	
Current Assets / Current Liabilities	1.00	above	20	Receivables x / 365 Sales	60 days	or less	30
	0.80	<1.00	10		61 days	120 days	15
	0.70	<0.80	5		121 days	150 days	5
	0.49	<0.70	2		151 days	and above	0
	<0.49		0				

1 Current Assets are defined as Current Assets as in the Balance Sheet of the Accounts after deducting:
– Stocks and work in progress
– Deposits given to third parties other than IATA
– Loans to Directors, Associate Companies (including any subsidiary, associate or company under common ownership)
– Doubtful debtors
– Blocked funds, except for funds held in favour of IATA

2 Current Liabilities are defined as Current Liabilities as in the Balance Sheet of the Accounts

3 Receivables are defined as sales made but payment for the same not received

4 Sales are defined as amount realized from selling in the normal operation in a specified period

Gearing Ratio	Value		Points
	Between	And	
Total Liabilities / Total Equity	2.00	or less	20
	>2.00	3.00	10
	>3.00	4.00	5
	>4.00		2

5 If the total equity is negative value, the points for the Gearing Ratio will be deemed as zero.

Profitability Ratio	Value		Points	Quick Ratio	Value		Points
	Between	And			Between	And	
Net Income (after tax)	> 0.050		15	Quick Asset	> 1.00		15
	0.000	0.050	9		>0.79	1.00	8
	< 0.00		0		>0.69	0.79	3
					0.48	0.69	2
Total Revenue				Current Asset	< 0.48		0

6 Quick Asset is defined as Cash and other assets which can or will be converted into cash fairly soon such as accounts receivables, or equivalently current assets minus receivables.

7 Current Asset is defined as asset that is expected to last or be in use for less than one year.

1.3 (b) In order to pass the financial review, the applicant or existing agent must obtain at least 50 points.

2. FINANCIAL SECURITY

2.1 Notwithstanding the Risk Status of A, B or C, the Agent must furnish a minimum Financial Security as per clauses 2.4 and 2.5 or equivalent to the following formula:

Total Days* Daily Average Cash Turnover (3 highest Reporting Periods) + 100%

2.2 Agents with Risk Status A, B or C must at all times provide a Financial Security which will equal their assigned Remittance Holding Capacity.

2.3 An Applicant/Agent may at any time request to reduce or increase the Financial Security amount provided in accordance with Resolution 812 Section 5.9.4.

2.4 Provided further that such Financial Security must not be less than MYR 100,000.

2.5 Provided further that such Financial Security must not be less than MYR 60,000 for Bumiputra applicants holding a certificate from the Ministry of Finance.

MALTA

(Effective 1 January 2023– MV/532)

1. GENERAL RULE

1.1 Applicants for Standard Accreditation with Cash Facility: As detailed in Resolution 812 section 2.5.1.3 Applicants are not initially subject to Financial Assessment and must provide a Financial Security for a minimum of two years from its effective date of Accreditation, as per section 2.9.6.1.

(a) A full set of Accounts must be presented for the most recent financial year and must not be more than 10 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests in section 2.

Companies with less than one year's trading record must submit a copy of a certified opening Balance Sheet.

Where an applicant is the subsidiary of a parent organization, then a copy of the accounts for the parent organization must also be submitted.

(b) A copy of the license is required by a new applicant and proof of its renewal to be presented annually thereafter.

1.2 Accredited Agents

(a) Accredited Agents must submit a full set of Audited Accounts within 10 months of the end of their most recent financial year. All financial statements must be prepared in accordance with the requirements of the EU International Accounting Standards.

Medium and Small companies: according to Legal Notice 289 of 2015 financial statements can be prepared in accordance to the General Accounting Principles for the Small and Medium Sized Entities (GAPSME) which include the balance sheet, profit and loss account and notes to the financial statements.

2. CRITERIA FOR THE EVALUATION OF AGENTS ACCOUNTS

2.1 The following financial tests apply to the evaluation of an Agents' Audited Accounts:

1. There must be positive Net Equity.
2. Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5.
3. EBITDA (Earnings Before Interest, Taxation, Depreciation, Amortization) must be positive.
4. EBITDA must exceed the Interest Expense by a factor of two.
5. Adjusted Current Assets must exceed Current Liabilities.

2.2 An Agent will obtain a satisfactory result on the financial review when all provisions in section 2.1 of these criteria have been met.

3. ANNUAL FINANCIAL REVIEWS

3.1 Applicants

During the first two (2) years as an IATA Accredited Agent, all Agents must provide a Financial Security with a minimum value of EUR 10,000 if their remittance frequency is twice per month.

3.2 Accredited Agents

For the purpose of calculating the amount of a Financial Security for an Agent accredited for more than two (2) years, the following will apply:

3.2.1 Agents with Risk Status A

For Agents with Risk Status A, no Financial Security will be required.

3.2.2 Agents with Risk Status B

3.2.2.1 Twice per month Remittance Frequency

The amount of the Financial Security required must cover at a minimum eight per cent (8%) of the Agent's latest 12 months BSP cash turnover or EUR 10,000, whichever is higher.

3.2.3 Agents with Risk Status C

Agents with Risk Status C must provide a Financial Security with a minimum amount of EUR 10,000.

Should Bank Guarantee be the opted form of Financial Security, it must be issued strictly in accordance with the template provided.

4. DEFINITIONS OF TERMS USED

Adjusted Current Assets:

Are defined as Current Assets as in the Balance Sheet of the Accounts after deducting:
- Stocks and work in progress,
- Deposits given to third parties other than IATA,
- Loans to Directors, Associate Companies (including any subsidiary, associate or company under common ownership),
- Doubtful debtors,
- Blocked funds, except for funds held in favour of IATA.

Audited Accounts:

Audited Accounts means the Agent's financial and accounting records and procedures that have been reviewed and certified by an auditor recognized as competent by the regulatory authority in that country to perform an audit that are provided to IATA and which includes the auditor's opinion of those accounts.

Net Equity or Shareholders'/Owners' Funds–consists
- Share capital
- Share premium
- Retained earnings
- Other distributable reserves
- Shareholder's loans if subordinated less declared dividends.

Long Term Debt:

All debt liabilities where repayment is due more than twelve months after the end of financial period.

Long Term Liabilities:

All liabilities where repayment is due more than twelve months after the end of the financial period.

MAURITIUS

(Effective1 June 2023–MV/A616)

1. GENERAL RULE

1.1 Audited Accounts means accounts reviewed by an auditor recognised as competent by a regulatory authority in the country to perform an audit that are provided to IATA.

Certificate of Character of owners, shareholders and directors must be provided by all new applicants.

2. CRITERIA FOR THE EVALUATION OF AGENTS ACCOUNTS

2.1 There must be positive Net Equity.

2.2 The Net Equity must exceed the sum of Long-Term Debt and other Long Term Liabilities.

2.3 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortization and extraordinary items) must be positive.

2.4 The EBITDA must exceed the Interest Payable by a factor of at least three.

2.5 Liquid Current Assets must exceed Current Liabilities.

3. ANNUAL FINANCIAL REVIEWS

3.1 Agents Accredited for two years or less:

3.1.1 All Agents must provide Audited Accounts not more than 12 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests as per section 2 of these criteria.

3.1.2 If an Agent has been in business for less than 12 months at the time of application, an Audited opening balance sheet must be provided instead.

3.1.3 All Agents must provide a Financial Security during the first two years as an agent in accordance with section 4 of this criteria.

3.2 Agents accredited for more than two years:

3.2.1 All Agents must provide Financial Accounts certified by a certified accountant/auditor no later than 6 months after each financial year end or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 2 of these criteria.

4. FINANCIAL SECURITY

4.1 The minimum Financial Security to be provided by an Agent is Mur 1,800,000.

4.2 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.3 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.4 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.4.1 “Days’ Sales at Risk” means the number of days from the beginning of the Agent’s Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

4.4.1.1 “Amount at Risk” is calculated by dividing the Days’ Sales at Risk by 90 days and applying that percentage to the BSP cash turnover amount the Agent made in the applicable three months period.

Amount at Risk = “Days Sales at Risk” × (highest 3 months net cash sales/90)

Remittance Frequency	Days' Sales at Risk	Days in reporting period
Four times per month	21	7

Agents with Risk Status A

4.5 For Agents with Risk Status A, the amount of the Financial Security required must 50% of the Amount at Risk or a minimum of MUR 1,800,000 whichever is higher.

4.6 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover 50% of the Amount at Risk.

Agents with Risk Status B

4.7 For Agents with Risk Status B the amount of the Financial Security required must 100% of the Amount at Risk or a minimum of MUR 1,800,000 whichever is higher.

4.8 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

Agents with Risk Status C

4.9 Agents with Risk Status C to provide a financial security that covers the Amount at Risk with a minimum amount of Mur 1,800,000 and in accordance with the provisions of Resolution 812.

4.10 New Applications are required to provide a Financial Security valid for a minimum of 2 years equal to: ("Days Sales at Risk" × Estimated Annual Sales)/365

Subject to a minimum amount of Mur 1,800,000.

5. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Audited Accounts - means the Agent's financial and accounting records and procedures that have been reviewed and certified by an auditor recognized as competent by the regulatory authority in that country to perform an audit that are provided to IATA.

Adjusted Current Assets – are defined as Current Assets as in the balance sheet of the accountants after deducting:

- Stocks and work in progress
- Deposits given to third parties other than IATA
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
- Doubtful debtors as revealed in the Accounts.
- Blocked funds except for funds held in favor of IATA.

Current Liabilities – are defined as current liabilities in the balance sheet of the accounts.

EBITDA – Earnings before Interest, Taxation, Depreciation and Amortization.

Net Equity or Shareholders'/owners' Funds-Consists of:

- Share capital
- Share Premium
- Retained earnings
- Other distributive reserves
- Shareholder's loans if subordinated less declared dividends

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

MEXICO

(Effective 1 March 2024 – MV/A672)

1. GENERAL RULE – (Accounts/Documents to be provided)

1.1 The Applicant/Agent shall submit independently produced financial statements prepared in accordance with local accounting practices and shall be evaluated and found satisfactory pursuant the methodology and standards described below.

1.2 Financial Statements:

- Balance Sheet, Profit and Loss Statement, Statement of Changes in Equity, Cash Flow Statement, and any other financial documents deemed appropriate to conduct the financial review,
- must not be older than six months at the time of submission,
- must be certified by a Certified Public Accountant registered with the Mexican Institute of Public Accountants or the college of Public Accountants of Mexico.

2. CRITERIA FOR THE EVALUATION OF AGENTS' FINANCIAL ACCOUNTS

2.1 Financial statements must reflect minimum Working Capital equivalent of USD 25,000.

2.2 Financial Statements will be evaluated against four financial Ratio Tests. Points will be allocated to the results of the Ratio Tests. A maximum of 40 points may be attained. For the financial results to be considered as Satisfactory result, a minimum of 22 points must be scored.

2.2.1 Ratio Tests used and maximum number of points obtainable per ratio test:

Ratio	Points	Measure
Liquidity ratio	14	A measure of the short-term solvency of the entity
Debt ratio	14	Amount of assets provided by creditors for each dollar of total assets
Turnover ratio	7	The average number of days to collect a receivable
Cash flow ratio	5	Level of debt versus profits

Scale of Points per Ratio Test:

$$\textbf{Liquidity Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Over 1.99	14 points
1.50 – 1.99	12 points
1.25 – 1.49	10 points
1.00 – 1.24	8 points
0.96 – 0.99	6 points
0.91 – 0.95	4 points
0.86 – 0.90	2 points
below 0.86	0 points

$$\textbf{Turnover Ratio} = \frac{\text{Net Receivables}}{\text{Total Sales}} \times 365$$

Under 15 days	7 points
15 – 16 days	6 points
17 – 18 days	5 points
19 – 20 days	4 points
21 – 23 days	3 points
24 – 26 days	2 points
27 – 29 days	1 point
More than 29 days	0 points

$$\textbf{Debt Ratio} = \frac{\text{Total Liabilities}}{\text{Total Assets}}$$

Under 0.4	14 points
0.4 – 0.59	12 points
0.6 – 0.89	10 points
0.9 – 0.99	8 points
1.0 – 1.19	6 points
1.2 – 1.34	4 points
1.35 – 1.49	2 points
Over 1.49	0 points

$$\textbf{Cash Flow Ratio} = \frac{\text{Profit After Tax}}{\text{Long-term Liabilities}}$$

0.20	5 points
0.18	4 points
0.15	3 points
0.13	2 points
0.10	1 point
Below 0.10	0 points

3. ANNUAL FINANCIAL REVIEWS

3.1 Agents will be subject to annual financial reviews.

4. FINANCIAL GUARANTEE REQUIREMENTS

4.1 Agents will be subject to the presentation of a Financial Security as described below:

4.1.1 Risk Status A -

No Financial Security will be required, except as indicated in Resolution 812, Section 5.11.

4.1.2 Risk Status B -

For Agents with Risk Status B the amount of the Financial Security required must cover at a minimum Day's Sales at Risk.

4.1.3 Risk Status C -

For Agents with Risk Status C the amount of the Financial Security required must cover at a minimum Day's Sales at Risk.

4.2 Amount of Financial Security:

4.2.1 New Applicants: Will be required to present a financial security for a minimum of USD20,000 or its equivalent in local currency.

4.2.2 Accredited Agents: Will be calculated based on Agent's own Day's Sales at Risk* (definition below) or a minimum financial security equivalent to USD20,000, whichever is higher.

5. DEFINITION OF FINANCIAL TERMS USED

Current Assets

This amount excludes notes or receivables from related parties, including shareholders, employees, officers, associates as well as Cash and Term Deposits pledged for security.

Current Liabilities

This amount must include the current portion of long-term debt.

Day's Sales at Risk

Number of days from the beginning of the reporting period to the remittance date plus a margin of 5 days, multiplied by the Agent's daily average net cash sales of the past 12 months.

Gross or Total Sales

In the event this figure is not specifically identified in the financial statements, please provide the gross sales figures for the period including ticket sales, package tours, hotels, car rental, insurance, miscellaneous income, etc., net of tax.

Long-term Liabilities

All long term loans from third parties. It does not include non-current loans provided by shareholders or proprietors.

Net Receivables

This amount should be net of bad debt and should be broken down to reflect separately:
– Trade receivables net of provision for bad debt
– Commissions receivable
– Receivables from related parties. Refer to definition of current assets
– Supplier deposits

Profit After Tax

Profit after taxes but before extraordinary items.

Total Assets

Total assets including intangible assets such as goodwill, franchise fees, client lists, etc.

Total Liabilities

Include current liabilities and all loans from third parties. It does not include non-current loans provided by shareholders or proprietors. Loans from associate parties are included, unless subordinated to other parties.

MONGOLIA

(Effective 1 March 2025 – MV/A695)

1. GENERAL RULE – (Accounts/Documents to be provided)

New Applicants must:

1.1 be established and in business as a travel agent not less than six months prior to the date of application.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

New Applicants and existing Agents must:

2.1 provide accredited accounts showing satisfactory financial standing and ability to remain solvent and pay bills;

2.2 have as a minimum paid up capital of USD 100,000 and

2.3 meet all criteria below in order to pass the financial evaluation:

2.3 (i) availability of adequate liquid funds to meet normal trading commitments,

2.3 (ii) capital required to be commensurate with fixed assets,

2.3 (iii) the existence of preferential claims on the assets and the existence of contingent liabilities.

3. ANNUAL FINANCIAL REVIEWS

New Applicants and existing Agents must:

3.1 provide audited accounts in accordance with standard accounting practice. Such statements shall include Balance Sheet and Profit & Loss Account and shall be duly audited and certified by an Authorized Public Auditor.

3.2 The Audited Financial Statements should not be older than twelve months at the time of submission.

4. FINANCIAL SECURITY

Agents must:

4.1 provide a Financial Security not less than minimum USD 200,000.

4.2 Agents with Risk Status A and B must provide a Financial Security at all times which will be equal to their assigned Remittance Holding Capacity. If agent's FS is not equal to RHC amount, RHC will be adjusted to the same level with FS amount.

MOROCCO

(Effective 1 January 2024, MV/A647)

1. GENERAL RULES

1.1 License: A permanent license to trade as a travel agency issued by the Ministry of Tourism is required.

Only Licenses A are accepted for accreditation.

2. ANNUAL FINANCIAL REVIEW

2.1 The Applicant/Agent must provide current Financial Statements, including Balance Sheet, Profit and Loss account and attachments, further to the local legislation. With the acknowledgment receipt from the taxes authorities no later than 6 months after each financial year end, or as required by legislation, of that Agent for purposes of evaluation against the financial tests in this criteria.

2.2 If the Agent has been in business for less than 12 months at the time of application, an Opening Balance sheet must be provided instead.

3. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

3.1 Ratios and Criteria:

3.1.1 Exceptionally for the financial assessment of the 2020 financial year:

3.1.1.1 IATA will not perform the assessment of the 2020 financial statements and there will be no financial review result based on these statements.

- The results of the previous assessment of 2019 accounts will be used for the 2020 accounts
- Travel Agents will submit to IATA their 2020 annual accounts as per usual deadline.
- Agents can voluntarily request the evaluation of their 2020 annual accounts against the financial tests in sections 3.1.2 and 3.1.3 of the Local Financial Criteria.

- Ratios for review:

	Short Term Ratios:			
#	**Name of ratio**	**Formula**	**Condition**	**Points**
1	Net Equity	Net Equity	Must > Zero (Positive)	14 points
2	Operating Profitability	Operating Profitability	Must > Zero (positive)	14 points
3	Earning before tax (Resultat courant avant impots)	Earning before tax (Resultat courant avant impots)	Must >Zero (positive)	3.5 points
4	Current assets (including Cash & Short term investments)/current liabilities	Current assets (including Cash & Short term investments)/current liabilities	Must >= 0.75	10.5 points
			If > 1	(Additional bonus) 3.5 points
5	Legal form		If "SNC" ?	0 points
			If liability company	14 points
6	Capital Minimum		If SARL >= 100,000 DH	14 points
			If SA >= 300,000 DH	
	Long Term Ratios:			
1	Decrease in BSP net annual sales (total current year against total of previous year)		If <20 %	1.5 points
2	Current assets (including Cash & Short-term investments)/current liabilities	Current assets (including Cash & Short-term investments)/current liabilities	Must >= 1	4.5 points
3	Net Cash Position	Cash balance including short term investment - short term financial debt (tresorie passif)	Must >=Zero (not Negative)	4.5 points

4	Variation on net Cash Position	Current year net cash position - previous year net cash position	Must >= Zero (not Negative)	1.5 points
5	Days of Sales outstanding	Trade Receivables (comptes clients)/annual net total sales * 365	Should not be greater than 180 Days	3 points
6	Days of purchase outstanding	Trade payables/annual operating cost * 365	Should not be greater than 180 Days	3 points
7	Net equity/permanent financing	Net equity/permanent financing	Must >= 50 %	6 points
8	Net equity/total assets	Net equity/total assets	Must >= 20 %	6 points

- Short & Long Term scoring :

3.1.3.1 Passing Score

Passing Score	**50**

- Agent that fails the financial review will need to provide a financial Security in accordance with point 4 of these criteria
- Agents passing the financial review after the first 2 years will not need to provide financial Security as a result of this annual review.

4. FINANCIAL SECURITY

4.1 Minimum Financial Security:

4.1.1 All Agents must provide a Financial Security, with a minimum amount of MAD 500,000 during the first two (2) years as IATA accredited Agent.

4.1.2 For agents that fails the annual review and are existing for more than 2 years: 300,000 MAD and must be valid for a minimum of 1 year.

4.2 Financial Security calculation:

4.2.1 The Amount of Financial Security should cover the amount at risk

4.2.2 Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

Remittance Frequency	**Days' Sales at Risk**	**Days in reporting period**
Two times per month	35	16
Four times per month (VMFR)	21	8

4.2.3 "Amount at Risk" is calculated as following:

$$\text{Amount at Risk} = \frac{\text{Days' Sales at Risk} \times \text{BSP cash turnover in applicable 3 highest reporting periods}}{\text{Days in reporting period} \times 3}$$

5. DEFINITIONS

– Net Cash Position: Cash balance including short term investment-short term financial debt (tresorie passif)
– Trade Receivables: All sales not paid by customers for all business (defined in the financial statement as "Comptes Clients"
– Annual Net total Sales: sales from all line of business
– Trade Payables: All debt not paid by agent to suppliers for all business (defined in the financial statement as "Comptes Fournisseurs"
– Annual operating cost: all cost for all line of business, defined in financial Statement as "cout ou charge d'exploitations"
– Permanent Financing: net equity + long term loan
– Earning before tax is in French Resultat courant avant impots
(i) Agents must provide a Financial Security according to point 3.2 of these criteria.

MOZAMBIQUE

(Effective 1 September 2020 –MV/340)

1. GENERAL RULE

1.1 An Agent must provide Audited Accounts to IATA. Audited Accounts means accounts reviewed by an auditor recognized as competent by a regulatory authority in the country to perform an audit.

2. CRITERIA FOR THE EVALUATION OF AGENTS ACCOUNTS

2.1 All financial information used in the financial review will be extracted from the Agent's Audited Accounts.

2.2 The following financial tests apply to the evaluation of an Agent's Audited accounts:

2.2.1 There must be a positive Net Equity.

2.2.2 There must be a positive net profit.

2.2.3 Net Equity divided by Long Term Debt and other Long-Term Liabilities must be greater than 0.5.

2.2.4 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortization and extraordinary items) must be positive.

2.2.5 The EBITDA must exceed the Interest Payable by a factor of a minimum of two.

2.2.6 There must be a positive net worth.

2.2.7 The liquidity ratio must be greater than 1.1.

2.2.8 The Current Assets must be in excess of the "Amount at Risk" as per section 4.3.2.

2.3 An Agent to qualify as Risk Status A will pass the financial review when all provisions in section 2.2 of these criteria have been met.

3. ANNUAL FINANCIAL REVIEWS

3.1 All Applicants must provide Audited Accounts not more than 12 months old at the time of accreditation application to become an Agent to be assessed in accordance with section 2 of these criteria.

3.2 If an Agent has been in business for less than 12 months at the time of accreditation application, an audited opening balance sheet must be provided.

3.3 All Agents must provide an Audited Accounts for the last financial year, no later than 6 months, or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 2 of this criteria.

4. FINANCIAL SECURITY

4.1 An agent will not be accredited or will not continue to be accredited until IATA receives the Financial Security issued by the organization, a validation by written confirmation of the authenticity of the said Financial Security issued.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days:

Remittance Frequency	Days' Sales at Risk	Days in reporting period
Two times per month	35	16
Four times per month	20	7

4.3.2 Amount at Risk is calculated as following:

Amount at Risk =Days Sales at Risk × (highest 3 months net cash sales)/90

4.4 A minimum Financial Security amount will be USD 45,000 for Agents on four times per months Remittance and USD 90,000 for Agents on two times per month Remittance (or the equivalent in local currency) and is mandatory to all travel agencies.

4.5 All Financial Securities must be provided per the format provided by IATA.

4.6 All New Applicants are required to provide a Financial Security equal to:

("20 Days Sales at Risk" × Estimated Annual Sales)/365, subject to the minimum amount as defined in section 4.4, whichever is higher.

4.7 Accredited Agents:

4.7.1 Agents with Risk Status A:

Agents are required to provide a Financial Security in USD or the equivalent in local currency covering 75% of their Amount at Risk calculated as per Section 4.3.2, or minimum Financial Security as per section 4.4, whichever is higher.

4.7.2 Agents with Risk Status B:

Agents are required to provide a Financial Security in USD or the equivalent in local currency covering 90% of their Amount at Risk as per section 4.3.2, or minimum Financial Security as per section 4.4 whichever is higher.

4.7.3 Agents with Risk Status C:

Agents with Risk Status C must provide a Financial Security calculated as per section 4.3.2, equal to their assigned Remittance Holding Capacity (RHC) with a minimum amount) in accordance to section 4.4, whichever is higher.

5. DEFINITIONS OF TERMS USED IN THESE CRITERIA

EBITDA – Earnings before Interest, Taxation, Depreciation and Amortization.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this local Financial Criteria.

Net Equity or Shareholders'/owners' Funds – Consists of:

1. Share capital
2. Share Premium
3. Retained earnings
4. Other distributive reserves
5. Shareholder's loans if subordinated less declared dividends

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

MYANMAR

(Effective 1 June 2019 – MV/295)

GENERAL RULE

Certified Accounts means financial statements prepared and signed by an auditor.

CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

All financial information used in the financial criteria will be extracted from the Agent's Certified Accounts.

The following financial tests apply to the evaluation of an Agent's Certified Accounts:

There must be positive Net Equity.

Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5.

EBITDA (Earnings Before Interest, Taxation, Depreciation, Amortization and extraordinary items) must be positive save in exceptional circumstances.

The EBITDA must exceed the Interest Payable by a factor of a minimum of two.

Adjusted Current Assets must exceed Current Liabilities.

The Certified Accounts must not have a qualified audit opinion or local regulatory equivalent.

ANNUAL FINANCIAL REVIEWS

All Applicants and Accredited Agents must provide Certified Accounts or, in the case of an unincorporated entity as defined in paragraph 2.1 above, Certified Accounts, no later than (12 months) after each financial year end, of that Agent for the purposes of evaluation against the financial tests in section 2.

INTERIM FINANCIAL REVIEWS

For any Financial Review conducted for cause at a time other than in respect of an Agent's financial year end, IATA may conduct a Financial Review in accordance with section 3 as applicable to that Agent by reviewing the internal monthly management accounts of the Agent showing the results for each month since the last accounting date, the cumulative results to date and the latest balance sheet.

FINANCIAL SECURITY

An Applicant will not be accredited, or an Agent will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

Financial Securities will be subject to a minimum notice period of ninety (90) days and be valid for a minimum of at least one year.

All Applicants must provide a Financial Security with a minimum amount of USD10,000 to be accredited or furnish a Financial Security for an amount calculated on the basis of the average cash sales of the highest 3 months over the last 12 months, for the number of Days Sales at Risk, whichever is higher.

Notwithstanding Risk Status A or B, All Agents must provide a Financial Security with a minimum amount of USD10,000 to remain accredited or furnish a Financial Security for an amount calculated on the basis of the BSP average cash sales of the highest 3 months over the last 12 months, for the number of Days Sales at Risk, whichever is higher.

"Days Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period which is 15 days, plus a margin of to two days.

At any point in time, if the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

Amount at Risk is calculated by dividing the Day's Sales at Risk by 90 and applying that percentage to the BSP cash turnover as applicable:

$$\text{“Amount as Risk”} = \frac{\text{“Days’ Sales at Risk”} \times \text{BSP Cash Turnover of highest 3 months in last 12 month period}}{90}$$

REPORTING & REMITTANCE

The remittance frequency established is four (4) times monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 7th day from the Reporting Date.

DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Adjusted Current Assets – are defined as Current Assets as in the Balance Sheet of the Accounts after deducting:

Stocks and work in progress.

Deposits given to third parties other than IATA,

Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership),

Doubtful debtors,

Blocked funds, except for funds held in favour of IATA.

Current Liabilities – are defined as Current Liabilities as in the Balance Sheet of the Accounts

EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortization

Financial Review means a review of an Agent’s financial position or the calculation of the amount of Financial Security required in accordance with this local financial criteria, or both.

Net Equity or Shareholders’/Owners’ Funds – consists of:

- Share capital
- Share premium
- Retained earnings
- Other distributable reserves
- Shareholder’s loans if subordinated less declared dividends

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

Review means any assessment or evaluation of an Agent’s continuing compliance with the Passenger Sales Agency Rules.

Financial Security means a Bank Guarantee (issued by a Bank).

NEPAL

(Effective 1 January 2024 – PAC/45)

1. GENERAL RULE

The applicant must be established and in business as a Travel Agent of international ticketing for not less than 12 months prior to the date of application.

The Applicant/Agent shall provide the latest independently audited financial statements prepared in accordance with standard accounting practices.

A. PREPARATION

1.1 Prepared by a Chartered Accountant/Registered Auditor* and signed by one director or the proprietor(s). The accounts must be audited.

* "Registered Auditor" is one who obtains membership as a Registered Auditor under the provisions of Auditor's Act 1974, as amended to-date.

1.2 Change of Ownership

If the business is continuing, the applicant must submit the latest year ending statements of audited accounts reflecting the position of the Agency in operation and a certified opening balance sheet reflecting the position of the new entity taking over the business.

2. CRITERIA FOR EVALUATION OF AGENT'S ACCOUNTS

B. FINANCIAL STATEMENTS

2.1 Minimum Capital

- Minimum paid up share capital for both Applicant and existing Agent in the sum of NPR100,000/-
- Level of share capital must be increased if required based on the following scale:

Total Revenue (NPR)	SHARE CAPITAL (NPR)
Up to 10 million	100,000
10 to 20 million	120,000
20 to 30 million	140,000
30 to 40 million	160,000
40 to 50 million	180,000
Over 50 million	200,000

2.2 Financial Assessment

Based on 5 tests and the allocation of applicable points per each test, maximum applicable points are 30. The total of 15 points or more is considered a satisfactory result providing the Applicant/Agent maintains the minimum level of share capital/owner's capital.

The maximum number of points obtainable is made up as follows:

(i) Integrity of Accounting system	2 points
(ii) Current Ratio	8 points
(iii) Debt Ratio	8 points
(iv) Profitability Ratio	4 points
(v) Tangible net worth to turnover	8 points
Total	30 points

(i) Integrity of Accounting System

The accuracy and integrity of internal accounting system is considered to be critical to the Agents ability to manage the system. A clean Auditor's Report (unqualified) is required to score points in respect of this test.

(ii) Current Ratio

Current Assets divided by Current Liabilities.

Current Assets are defined as Current Assets as in the Balance sheet deducting receivables from Shareholders.

Current Liabilities are defined as Current Liabilities as in the Balance Sheet deducting loans provided by Shareholders or proprietor/partner.

Over 1.50	8 points
1.25 – 1.49	7 points
1.00 – 1.24	6 points
0.95 – 0.99	5 points
0.90 – 0.94	4 points
0.85 – 0.89	3 points
0.80 – 0.84	2 points
0.75 – 0.79	1 point
Under 0.75	0 points

(iii) Debt Ratio

Total Debt divided by Tangible Assets.

Total Debt includes Current Liabilities and all loans from 3rd parties.

Tangible Assets are defined as Total Assets in the Balance Sheet at market value (including receivables from shareholders) less intangible assets such as goodwill, franchise fees, client lists and preliminary expenses. Goodwill attaching to premises for this purpose will be considered as intangible asset unless supported by a written valuation from an independent registered valuer.

Under 0.5	8 points
0.50 – 0.59	7 points
0.60 – 0.69	6 points
0.70 – 0.79	5 points
0.80 – 0.89	4 points
0.90 – 0.99	3 points
1.00 – 1.19	2 points
1.20 – 1.29	1 point
Over 1.29	0 points

(iv) Profitability Ratio

$$\frac{\text{Net Profit before Tax}}{\text{Shareholders Funds}} \times \frac{100}{1}$$

Net profit before tax is defined as profit before tax and before extra-ordinary items. Shareholders funds are defined as the paid up share capital/owners capital plus retained earnings or minus deficit in case of loss plus other recourses.

Over 19.99%	4 points
15%-19.99%	3 points
10%-14.99%	2 points
0%-09.99%	1 point
Under 0	0 points

(v) Tangible Net Worth to Turnover Ratio

$$\frac{\text{Tangible Net Worth}}{\text{Total Turnover}}$$

Tangible Net Worth is defined as Shareholders fund as in ratio 4 above less intangibles as in ration 3 above minus loans to shareholders/proprietors.

Total turnover is BSP net to be paid figure for the latest 12 months.

Over 2	8 points
1.50 – 2.00	7 points
1.25 – 1.49	6 points
1.00 – 1.24	5 points
0.75 – 0.99	4 points
0.50 – 0.74	3 points
0.25 – 0.49	2 points
Under 0.25	1 point

2.3 In all cases financial evaluation conducted by the financial assessor appointed by IATA will be final and binding.

3. ANNUAL FINANCIAL REVIEWS

3.1 Review of Financial Guarantee

The Agency Administrator or any person acting on behalf of the Agency Administrator may on his own initiative or at the request of a member/BSP participating airline review the financial standing of an agent based on the stated criteria and direct the agent to submit additional guarantee pursuant to such review. A review resulting in assessment of a lower value of guarantee will not result in return of the guarantee held except at the time of renewal thereof.

Notwithstanding the outcome of a review the amount of Bank Guarantee held shall not fall below USD 10,000 in equivalent NPR as stated.

4. FINANCIAL SECURITY

4.1 Minimum Guarantee Amounts

All applicants/Agents are required to provide a Financial Security in NPR equivalent of USD 10,000. Daily Bankers Selling Rate (BSR) as on the date of issuance of the Financial Security would be used. Review of Financial Security amount will be per the authority of the Agency Administrator as defined in governing Resolutions read with Subparagraph 4.2. Where applicable, BSP Net Cash Sales will be prorated for fewer than 12 months as needed.

4.2 Accredited Passenger Sales Agents in Nepal

Agent must furnish a Financial Security for an amount equal to his Remittance Holding Capacity (RHC)". Remittance Holding Capacity (RHC)" is computed as defined in subparagraph 5.6 of Resolution 812.

The Financial Security provided by an Agent may be mitigated at the Agent's option by a voluntary reduction in Financial Security and a corresponding reduction in RHC, subject to the Minimum financial Security stipulated in Subparagraph 4.1.

RHC may be enhanced at any time at the option of an Agent with a corresponding increase in the Agent's Financial Security or advance payment.

NETHERLANDS

(Effective 1 September 2024–MV/678)

1. GENERAL

All Agents in BSP Netherlands will remit four times per month.

All applicants must deliver a VOG (Certificate of good conduct for Legal entities.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

2.1 Audited Accounts must be provided not later than 6 months following each financial year end of the Agent.

IATA agents which are by law subject to auditing requirements, are required to submit their Audited Accounts based on a "controleverklaring". IATA agents which are NOT subject to auditing requirements must submit their Annual Accounts including a "beoordelingsverklaring".

2.2 As of the financial assessment of 2021 accounts, the following financial criteria will be used for the financial review of the Agent's annual accounts:

2.2.1 The equity ratio is minimum 12%:

Equity ratio	=	Equity/Total Accounts
Equity	=	capital
	+	reserves
	+	carried over profit/loss
	-	revalued premiums

2.2.2 The working capital is positive:

Working capital	=	equity
	+	long-term liabilities
	-	fixed assets

2.2.3 The current ratio or liquidity is minimum 1:

Current ratio = current assets/current liabilities

2.2.4 The profitability is positive.

The accounts must indicate that there is a profit after tax, at least for two of the three last financial years.

An Agent will obtain a satisfactory result on the financial review when all provisions in 2.2.1-2.2.4 have been met.

3. ANNUAL FINANCIAL REVIEWS

Applicant

3.1 All applicants must provide Audited Accounts not more than 6 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests in Section 1 of this Resolution. If an Agent has been in business for less than 12 months at the time of application, an opening balance sheet must be provided instead.

3.2 All applicants must provide Audited Accounts no later than 6 months after each financial year end, or as required by legislation, during the first two years of accreditation for the purposes of evaluation against the financial tests in Section 2 of these Local Financial Criteria.

3.3 All applicants must provide a Financial Security in accordance with Section 4 of this Local Financial Criteria

Accredited Agents

3.4 All Agents must provide Audited Accounts no later than 6 months after each financial year end, or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 2 of these Local Financial Criteria.

3.5 If an Accredited agent fails to pass any of the financial tests, the Agent must provide a Financial Security in accordance with Section 4 of these Local Financial Criteria.

4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of up to five days.

4.3.2 "Amount at Risk" is calculated by dividing the Days' Sales at Risk by 90 days, and applying that percentage to the BSP cash turnover, or cash turnover as applicable, amount the Agent made in the three-month period referred to in Section 4.5 and 4.6 of these Local Financial Criteria, as applicable:

Amount of risk = "Days' Sales at Risk" × BSP cash turnover in applicable 3 months period/90

4.3.3 The number of 'Days' Sales at Risk' for sole proprietors will be 21 for remittance four times per month.

Applicant

4.4 All Agents must provide a Financial Security with a minimum amount of EUR 50,000 to be accredited.

4.5 After the first three months of accreditation and after the first 12 months of accreditation, the amount of the Financial Security required must cover at a minimum the higher of:

4.5.1 the Amount at Risk calculated as per Section 4.3 of these Local Financial Criteria using the cash turnover amount equal to the average net monthly cash sales of the Agent during the previous three-month period; or

4.5.2 EUR 50,000.

If the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

Accredited Agent

4.6 The amount of the Financial Security required must cover at a minimum the Amount at Risk calculated as per Section 4.3 of these Local Financial Criteria.

Risk Status A:

For agents with Risk Status A no Financial Security is required.

Agents with Risk Status B:

The amount of the Financial Security will be calculated taking the daily average sales based on the 3 months with highest sales within the preceding 12 months, and multiplying by the numbers of days at risk, being 21 days for four times per month remittance and 30 for two times per month remittance. In case of variable remittance the sales weighted average will be calculated accordingly.

If the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

Agents with Risk Status C:

Agents with Risk Status C must provide a Financial Security in accordance with the provisions of Resolution 812 and four times per month remittance will be applied.

If the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

5. CHANGES IN FINANCIAL YEAR END

5.1 All Agents must notify IATA immediately of a change in its financial year-end.

5.2 The Agent must provide both:

5.2.1 Audited Accounts within 60 days after the change is made and IATA will conduct the Financial Review applicable to the Agent under these Local Financial Criteria.

5.2.2 Audited Accounts for the financial year end that would have applied to the Agent before the Agent changed its financial year end. These must be provided to IATA within 60 days of the former financial year end.

6. SIGNIFICANT CHANGE IN GROSS BSP SALES

6.1 An Agent must notify IATA of any significant change as soon as the Agent becomes aware of it. A significant change means any change in the business of the Agent which results in a change in net BSP cash sales of more than 20% as compared to the previous 12 months. A change can be an increase or a decrease in net BSP cash sales.

6.2 An interim Financial Review may also be initiated by IATA where IATA becomes aware of a significant change in gross BSP sales in accordance with Section 3 of these Local Financial Criteria.

DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Audited Accounts means the Agent's financial and accounting records and procedures that have been reviewed and certified by an auditor recognized as competent by the regulatory authority in that country to perform an audit that are provided to IATA and which includes the auditor's opinion of those accounts. *Certified accounts will be applicable in those countries where APJCs accept certified accounts according to local law*. In all instances the established accounting rules in a country will apply.

NEW ZEALAND

(Effective 1 April 2020 – PAC/42)

1. GENERAL RULES

1.1 All Agents must provide Audited or Certified Accounts that are not older than four (4) months, from the declared financial year end, of that Agent. This is for the purposes of evaluation against the financial tests outlined in section 2 below.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the financial assessment of the Agent will be extracted from the Agent's Audited or Certified Accounts.

2.2 The following financial tests apply in the evaluation of an Agents financial performance and ability to remit funds to the Billing Settlement Plan (BSP) as and when they fall due:

2.2.1 There must be positive Net Equity.

2.2.2 Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5.

2.2.3 EBITDA (Earnings Before Interest, Taxation, Depreciation, Amortization and extraordinary items) must be positive save in exceptional circumstances.

2.2.4 The EBITDA must exceed the Interest Payable by a factor of a minimum of two.

2.2.5 Adjusted Current Assets must exceed Current Liabilities.

2.3 Audited Accounts that has a qualified audit opinion or inclusion of emphasis of matter on the going concern of the Agent will result in failure of the financial assessment regardless of the result of the financial tests above.

3. FINANCIAL SECURITY

3.1 Notwithstanding the Risk Status of A or B, the Agent must furnish a Financial Security to IATA to be accredited or remain accredited. The Financial security Provider should provide written confirmation directly to IATA, confirming the issuance and validity of the Financial Security.

3.2 Financial Securities must be valid for a minimum of twelve months and subject to a minimum notice period of ninety (90) days for termination.

3.3 All Agents must furnish a Financial Security as outlined under Resolution 850p based on the Amount at Risk or NZD 50,000, whichever is greater, and not exceeding NZD 1,125,000.

3.4 For the purposes of calculating the amount of Financial Security required, the following definitions apply:

3.5 "Days Sales at Risk" means the number of days from the beginning of the Agent's reporting period to the remittance date in respect of that reporting period or periods, plus a margin of five days.

3.6 "Amount at Risk" is calculated by dividing the Day's Sales at Risk by 360 and applying that percentage to the BSP cash turnover, or cash turnover as applicable:

$$\text{"Amount as Risk"} = \frac{\text{"Days' Sales at Risk"} \times \text{BSP Cash Turnover last 12-month period}}{360}$$

3.7 At any point in time, if the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

4. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

4.1 Audited Accounts – refer to accounts reviewed by an auditor qualified under the Auditor Regulation Act 2011 and registered in the New Zealand Companies Office to perform an audit that are provided to IATA.

4.2 Certified Accounts – refer to financial statements prepared and signed by a qualified and Registered Chartered Accountant.

4.3 Adjusted Current Assets – are defined as Current Assets as in the Balance Sheet of the Accounts after deducting:

– Stocks and work in progress.
– Deposits given to third parties other than IATA,
– Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
– Doubtful debtors,
– Blocked funds, except for funds held in favor of IATA.

4.4 Current Liabilities – are defined as Current Liabilities as in the Balance Sheet of the Accounts.

4.5 EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortization.

4.6 Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with Resolution 800f, or both.

4.7 Net Equity or Shareholders'/Owners' Funds – consists of:

– Share capital
– Share premium
– Retained earnings
– Other distributable reserves
– Shareholder's loans if subordinated less declared dividends:

4.8 Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

4.9 Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

4.10 Review means any assessment or evaluation of an Agent's continuing compliance with the Passenger Sales Agency Rules.

NICARAGUA

(Effective 1 October 2023 – PAC/MV A626)

1. GENERAL RULE – (Accounts/Documents to be provided)

Financial Statements:

- Balance Sheet, Profit and Loss Statements and any other financial documents deemed appropriate by IATA to conduct the financial review
- must not be older than six months at the time of submission
- must be audited or certified by an external public accountant

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 Financial statements must reflect minimum Working Capital equivalent to USD20,000.

2.2 Financial Statements will be evaluated against ratio tests. The financial ratio analysis is measured by the application of four ratio tests against which points are allocated. A maximum of 40 points may be attained. For the financial results to be considered as a satisfactory result, a minimum of 22 points must be scored.

2.2.1 Ratio Tests used and maximum number of points obtainable per ratio test:

Ratio	Points	
Liquidity ratio	14	A measure of the short-term solvency of the entity
Debt ratio	14	Amount of assets provided by creditors for each dollar of total assets
Turnover ratio	7	The average number of days to collect a receivable
Cash Flow ratio	5	Level of debt versus profits

2.2.2 Scale of Points per Ratio Test:

$$\textbf{Liquidity Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Over 1.99	14 points
1.50 – 1.99	12 points
1.25 – 1.49	10 points
1.00 – 1.24	8 points
0.96 – 0.99	6 points
0.91 – 0.95	4 points
0.86 – 0.90	2 points
under 0.86	0 points

$$\textbf{Turnover Ratio} = \frac{\text{Net Receivables}}{\text{Total Sales}} \times 365$$

Under 15 days	7 points
15 – 16 days	6 points
17 – 18 days	5 points
19 – 20 days	4 points
21 – 23 days	3 points
24 – 26 days	2 points
27 – 29 days	1 point
Over 29 days	0 point

Debt Ratio = $\frac{\text{Total Liabilities}}{\text{Total Assets}}$

Under 0.4	14 points
0.4 – 0.59	12 points
0.6 – 0.89	10 points
0.9 – 0.99	8 points
1.0 – 1.19	6 points
1.2 – 1.34	4 points
1.35 – 1.49	2 points
over 1.49	0 points

Cash Flow Ratio = $\frac{\text{Profit After Tax}}{\text{Long-term Liabilities}}$

0.20	5 points
0.18	4 points
0.15	3 points
0.13	2 points
0.10	1 point
under 0.10	0 points

3. ANNUAL FINANCIAL REVIEWS

3.1 All Agents are subject to annual financial reviews. Details are described in Resolution 812, Section 5.4

4. FINANCIAL SECURITY

4.1 Financial Securities will be requested based on the Risk Status of the Agent as described in Resolution 812, Section 5.5:

4.1.1 Agents with Risk Status A – are not required to present a financial security

4.1.2 Agents with Risk Status B – will be required to present a financial security

4.1.3 Agents with Risk Status C – will be required to present a financial security

4.2 New Applicants will be required to provide a minimum Financial Security of USD 20,000 (or the equivalent in local currency).

4.3 When Accredited Agents are required to provide a Financial Security, the Financial Security will be calculated based on the Agents' own Day's Sales at Risk. Days Sales at Risk is calculated based on the number of days in the reporting period plus the number of days to remittance date plus a margin of 5 days, the result is then multiplied by the daily average BSP net cash sales of the Agent's previous 12 months' sales or a minimum Financial Security equivalent to USD20,000, whichever is higher.

4.4 Duration of guarantee:

- Two-years minimum for a New Applicant
- One-year minimum for Accredited Agents

5. FINANCIAL INFORMATION DEFINITIONS

Current Assets

This amount excludes notes or receivables from related parties, including shareholders, employees, officers, associates as well as Cash and Term Deposits pledged for security.

Current Liabilities

This amount must include the current portion of long-term debt.

Gross or Total Sales

In the event this figure is not specifically identified in the financial statements, please provide the gross sales figures for the period including ticket sales, package tours, hotels, car rental, insurance, miscellaneous income, etc., net of tax.

Long-term Liabilities

All long term loans from third parties. It does not include non-current loans provided by shareholders or proprietors.

Net Receivables

This amount should be net of bad debt and should be broken down to reflect separately,

- Trade receivables net of provision for bad debt
- Commissions receivable
- Receivables from related parties. Refer to definition of current assets
- Supplier deposits

Profit After Tax

Profit after taxes but before extraordinary items.

Total Assets

Total assets including intangible assets such as goodwill, franchise fees, client lists, etc.

Total Liabilities

Include current liabilities and all loans from third parties. It does not include non-current loans provided by shareholders or proprietors. Loans from associate parties are included, unless subordinated to other parties.

NIGERIA

△ *(Effective 15 May 2026 – PAC MV/A712)*

License

The Agency must be licensed by Government as a limited liability company.

Share Capital

Minimum paid-up share capital of 30m Naira for new and existing applicants effective 31st March 2019.

FINANCES

1. Financial Statement

Annual financial statements duly audited by a Chartered Accountant disclosing airlines' sales and aged debtors must be produced annually and supplied to IATA within 6 months of the Agent's financial year-end.

The accounts will be assessed against the following financial test:

(a) There must be positive Net Equity at the end of Last year (LY) accounting period.

(b) Operating Profitability: The accounts must show that the Agent has made an operating profit at the end of LY accounting period.

(c) Net Profitability: The accounts must show that the Agent has made a positive net result/profit at the end of LY accounting period.

(d) Net Liquidity: The accounts must show a positive net liquidity i.e.(i) cash at bank and cash equivalents must exceed (ii) any Loan (within one year of after one year) + any other interest-bearing liability at the end of LY accounting period.

△ (e) Cash cover ratio: The accounts must show a cash cover ratio above 25%, ie (cash at bank + cash equivalents)/(Trade creditors due within one year) > 25%.

△ (f) Cash cover ratio: The accounts must show a cash cover ratio above 40%, ie (cash at bank + cash equivalents)/(Trade creditors due within one year) > 40%. Note that if the cash cover ratio is below 25%, the full assessment is considered as failed (see above).

(g) DSO ratio: The ratio Days of Sales Outstanding (Trade debtors/Revenue × 360) should be below 180 days at the end of LY accounting period (applicable for all Agents).

(h) DPO ratio: The ratio Days of Purchases Outstanding ((i) Trade creditors/(ii) (Revenue – Operating Profit) × (iii) 360) should be below 180 days at the end of LY accounting period.

To obtain a satisfactory result on the financial assessment, the Agent **must pass all** the criteria from **(a) to (e) and 2** from **(f)** to **(h)**.

2. Financial Review

All Agents must continue to provide Audited Accounts for each financial year end during and after the first two years of accreditation for the purposes of evaluation against the financial criteria tests mentioned in financial statements section 1.

3. Financial Security

△ **3.1** An Agent's Financial Security shall not be less than N40 million Naira (Forty Million Naira).

3.2 Default Insurance Programme (DIP) and Global Default Insurance (GDI)

The DIP and GDI shall operate in Nigeria on the following terms:

Any Agent trading above the individual policy limit is required to increase their Financial Security as advised by IATA within the timelines stipulated under Resolution 812 to cover the difference between the individual policy limit covered by the provider and that Agent's Amount at Risk.

3.3 Bank Guarantee

The Bank Guarantee shall operate in Nigeria on the following terms:

△ (i) The Minimum Bank Guarantee for new applicants shall be N40 Million Naira (Forty Million Naira).

(ii) All Bank Guarantee must be issued from the Head Office of the Issuing bank.

3.4 An Agent will not be accredited or will not continue to be accredited unless all the following criteria are met in relation to the Financial Security required by IATA:

(i) The Original Financial Security document has been received by IATA; and

(ii) The Financial Security is confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid; and

(iii) The Financial Security must be for a minimum period of twelves (12) Months and subject to a minimum notice period of cancellation of ninety (90) days.

3.5 For the purposes of calculating the amount of a Financial Security the following definitions apply:

3.5.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's reporting period to the remittance date in respect of that reporting period or periods, plus a margin of five days.

Remittance Frequency	Days at risk
Fortnightly	35
Weekly	21
Daily	5

3.5.2 "Amount at Risk" is calculated by dividing the Days' Sales at Risk by 90 days and applying that percentage to the BSP cash turnover amount the Agent made in the applicable highest three-month period. This being the average of the highest 3 months net cash sales in the previous 12 months.

"Amount at Risk" = "Days' Sales At Risk" × BSP cash turnover in applicable 3-month period/90

3.6 Agents with Risk Status A, B, C

△ For Agents with Risk Status A, B, C the amount of the Financial Security required must cover at a minimum the Amount at Risk calculated as per Section 3.5.2 using the BSP cash turnover amount equal to the average of the 3 months' highest net cash sales in the previous 12 months, or NGN 40 Million (Whichever is higher).

If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

4. CHANGES IN FINANCIAL YEAR END

4.1 All Agents must notify IATA immediately of a change in its financial year-end.

4.2 The Agent must provide both:

(a) Audited Accounts at the time of the notification of change of financial year end within 60 days after the change is made and IATA will conduct the Financial Review applicable to the Agent.

(b) Audited Accounts for the financial year end that would have applied to the Agent before the Agent changed its financial year end. These must be provided to IATA within 60 days of the former financial year end.

4.3 All Agents that have a change in financial year end will be required to provide a Financial Security calculated in accordance with the Amount at Risk applicable to the Agent under Section 3.

DEFINITIONS

Net equity includes (i) share capital (issued and fully paid), (ii) any reserves and (iii) retained earnings (including current year earnings).

Operating profit is defined as:

+ revenue

- direct costs

- administrative expenses

It excludes financial income/charges, exceptional result and income tax.

Net profit is defined as

+ Operating profit

+/- financial result

+/- exceptional result

- income tax

Net liquidity is defined as

+ cash and bank balance, including cash equivalents (ie short term investments)

- short and long term loans (interest bearing items)

Trade creditors and trade debtors are disclosed in the notes to the financial statements.

PAKISTAN

(Effective 1 September 2023 – PAC/45)

1. GENERAL RULE

The applicant must have a valid government license issued by the Department of Tourist Services [DTS], Ministry of Tourism, Government of Pakistan.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the financial criteria will be extracted from the Agent's Audited Accounts prepared by a chartered accountant.

2.2 The following financial tests short term [ST] and long term [LT] apply to the evaluation of an Agent's Audited Accounts. Failure in 3 or more indicators will be considered as an unsatisfactory result in the Financial Assessment:

2.2.1 There must be positive Net Equity [ST]

2.2.2 Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5 [LT]

2.2.3 Adjusted Current Assets must exceed Current Liabilities [ST]

2.2.4 Operating result (i.e. Net result (profit/loss) before income tax, before exceptional result (profit/loss) and before financial charges (profit/loss)) must be positive [ST]

2.2.5 Net results must be positive [ST]

2.2.6 Decrease in net income [if any] (i.e. Current FY income/Previous FY income) must not be smaller than 0.75 for the short-term ratio [ST]

2.2.7 Decrease in net income [if any] (i.e. Current FY income/FY 2 years prior income) must not be smaller than 0.75 for the long-term ratio [LT]

2.2.8 Cash Generated by operations (i.e. Profit before tax adjusted for non-cash charges/provisions and working capital changes) must be positive [LT]

2.3 Minimum paid-up Capital/Investment of PKR 5 million for Head Office and PKR 1 million for each Associate Entity.

3. ANNUAL FINANCIAL REVIEWS

All Agents must provide Audited Accounts no later than 12 months after each financial year end, of that agent for the purposes of evaluation against the financial tests in Section 2.

4. INTERIM FINANCIAL REVIEWS

For any Financial Review conducted for cause at a time other than in respect of an Agent's financial year end, IATA may conduct a Financial Review in accordance with section 3 as applicable to that Agent by reviewing the internal monthly management accounts of the Agent showing the results for each month since the last accounting date, the cumulative results to date and the latest balance sheet.

5. FINANCIAL SECURITY

5.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

5.2 Financial Securities will be subject to a minimum notice period of ninety (90) days and be valid for a minimum of at least one year.

5.3 All Agents/Applicants notwithstanding the Risk Status, must furnish a minimum Financial Security for an existing agent is PKR 7,000,000 or equivalent to the average BSP cash sales over last 12 months, for the number of Days Sales at Risk, whichever is higher.

5.4 For Agents accredited for less than 12 months, the minimum Financial Security/Bank Guarantee will be PKR 10 million.

5.5 At any point in time, if the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

5.6 All Agents/Applicants notwithstanding the Risk Status must at all times provide a Financial Security which will equal their assigned Remittance Holding Capacity. However, an Applicant/Agent may at any time request to reduce or increase the Financial Security amount provided in accordance with Resolution 812 Section 5.9.4.

6. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

6.1 Adjusted Current Assets – are defined as Current Assets as in the Balance Sheet of the Accounts after deducting:

- Stocks and work in progress.
- Deposits given to third parties other than IATA,
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
- Doubtful debtors,
- Blocked funds, except for funds held in favour of IATA.

These generic descriptions may be modified to terms specifically defined under the applicable local Generally Accepted Accounting Principles (GAAP) and disclosed in the financial statements.

6.2 Current Liabilities – are defined as Current Liabilities as in the Balance Sheet of the Accounts

6.3 Net Equity or Shareholders'/Owners' Funds – consists of:

- Share capital
- Share premium
- Retained earnings
- Other distributable reserves
- Shareholder's loans if subordinated less declared dividends

6.4 Long-term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

6.5 Long-term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

PANAMA

(Effective 1 March 2019 – PAC/41)

1. GENERAL RULE – (Accounts/Documents to be provided)

1.1 Financial Statements:

- Balance Sheet, Profit and Loss Statements and any other financial documents deemed appropriate by IATA to conduct the financial review
- must not be older than six months at the time of submission,
- must be audited or certified by an external public accountant

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 Financial statements must reflect minimum Working Capital equivalent to USD20,000.

2.2 Financial Statements will be evaluated against ratio tests. The financial ratio analysis is measured by the application of four ratio tests against which points are allocated. A maximum of 40 points may be attained. For the financial results to be considered as a satisfactory result, a minimum of 22 points must be scored.

2.2.1 Ratio Tests used and maximum number of points obtainable per ratio test:

Ratio	Points	Measure
Liquidity ratio	14	A measure of the short-term solvency of the entity
Debt ratio	14	Amount of assets provided by creditors for each dollar of total assets
Turnover ratio	7	The average number of days to collect a receivable
Cash flow ratio	5	Level of debt versus profits

2.2.2 Scale of Points per Ratio Test:

$$\textbf{Liquidity Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Over 1.99	14 points
1.50 – 1.99	12 points
1.25 – 1.49	10 points
1.00 – 1.24	8 points
0.96 – 0.99	6 points
0.91 – 0.95	4 points
0.86 – 0.90	2 points
under 0.86	0 points

$$\textbf{Turnover Ratio} = \frac{\text{Net Receivables}}{\text{Total Sales}} \times 365$$

15 – 16 days	6 points
17 – 18 days	5 points
19 – 20 days	4 points
21 – 23 days	3 points
24 – 26 days	2 points
27 – 29 days	1 point
Over 29 days	0 points

Debt Ratio = $\frac{\text{Total Liabilities}}{\text{Total Assets}}$

Under 0.4	14 points
0.4 – 0.59	12 points
0.6 – 0.89	10 points
0.9 – 0.99	8 points
1.0 – 1.19	6 points
1.2 – 1.34	4 points
1.35 – 1.49	2 points
over 1.49	0 points

Cash Flow Ratio = $\frac{\text{Profit After Tax}}{\text{Long-term Liabilities}}$

0.20	5 points
0.18	4 points
0.15	3 points
0.13	2 points
0.10	1 point
under 0.10	0 points

3. ANNUAL FINANCIAL REVIEWS

3.1 All Agents are subject to annual financial reviews. Details are described in Resolution 812, Section 5.4.

4. FINANCIAL SECURITY

4.1 Financial Securities will be requested based on the Risk Status of the Agent as described in Resolution 812, Section 5.5:

4.1.1 Agents with Risk Status A – are not required to present a financial security.

4.1.2 Agents with Risk Status B – will be required to present a financial security.

4.1.3 Agents with Risk Status C – will be required to present a financial security.

4.2 New Applicants will be required to provide a minimum Financial Security of USD 20,000 (or the equivalent in local currency).

4.3 When Accredited Agents are required to provide a Financial Security, the Financial Security will be calculated based on the Agents' own Day's Sales at Risk. Days Sales at Risk is calculated based on the number of days in the reporting period plus the number of days to remittance date plus a margin of 5 days, the result is then multiplied by the daily average BSP net cash sales of the Agent's previous 12 months' sales or a minimum Financial Security equivalent to USD20,000, whichever is higher.

4.4 Duration of guarantee:

- Two-years minimum for a New Applicant
- One-year minimum for Accredited Agents

5. FINANCIAL INFORMATION DEFINITIONS

Current Assets

This amount excludes notes or receivables from related parties, including shareholders, employees, officers, associates as well as Cash and Term Deposits pledged for security.

Current Liabilities

This amount must include the current portion of long-term debt.

Gross or Total Sales

In the event this figure is not specifically identified in the financial statements, please provide the gross sales figures for the period including ticket sales, package tours, hotels, car rental, insurance, miscellaneous income, etc., net of tax.

Long-term Liabilities

All long term loans from third parties. It does not include non-current loans provided by shareholders or proprietors.

Net Receivables

This amount should be net of bad debt and should be broken down to reflect separately,

- Trade receivables net of provision for bad debt
- Commissions receivable
- Receivables from related parties. Refer to definition of current assets
- Supplier deposits

Profit After Tax

Profit after taxes but before extraordinary items.

Total Assets

Total assets including intangible assets such as goodwill, franchise fees, client lists, etc.

Total Liabilities

Include current liabilities and all loans from third parties. It does not include non-current loans provided by shareholders or proprietors. Loans from associate parties are included, unless subordinated to other parties.

PAPUA NEW GUINEA

(Effective 14 November 2011 – PAC/34)

1. GENERAL RULES

Before completing the 'Application Form for Approval as an IATA Passenger Sales Agent', applicant must comply with the following:

(i) Be established and in business as a Travel Agent for not less than 12 months prior to the date of application.

At the time of application, the applicant must at the location for which IATA approval is being sought satisfy the following:

1.1 The following documentation must be submitted with the application:

- Certificate of Incorporation and (if trading name used), Certificate of Registration of Business Name, issued by the Registrar of Companies.
- Photographs of the travel agency premises, one of the interior and one of the exteriors.

2. CRITERIA FOR EVALUATION OF AGENT'S ACCOUNTS

When assessing Agent's financial standing, the following criteria applies:

2.1 Paid up capital must not be less than PGK 5,000

2.2 There must be Net Equity

(a) There must be Net Equity in the business. The most recent financial statements, to be received no later than 3 months following the latest accounting year-end of the Agent concerned, must show a positive balance on shareholders'/owners' funds. In computing the Net Equity, adjustments must be made to write down to zero the following:
  (i) The balance of all intangible assets, including goodwill;
  (ii) All unamortized research and development costs;
  (iii) The value of all unquoted investments;
  (iv) All encumbered Assets;
  (v) All trading losses for the current financial period.

2.3 The Net Equity must exceed the sum of Long-term Debt and other Long-term Liabilities

(a) Net Equity must be greater than the sum of Long-term Debt and other Long-term Liabilities. Long-term is defined to be where repayment is due more than twelve months after the end of the financial period.

2.4 The amount of Net Current Assets must exceed the Amount at Risk

(a) Current Assets must exceed Current Liabilities. The following are to be excluded from Current Assets in making the calculation:
  (i) Stocks and work in progress;
  (ii) Deposits or guarantees given to third parties other than IATA;
  (iii) Loans to Directors, Associate Companies;
  (iv) Payments in advance;
  (v) Deferred Expenses;
  (vi) Doubtful debtors;
  (vii) Blocked funds.

(b) Current Liabilities are to be increased for the amount of Long-term Liabilities which exceed Net Equity.

(c) Current Assets less Current Liabilities (the Net Current Assets) must be greater than the Amount at Risk (average annual net cash sales multiplied by the number of Days' Sales at Risk).

3. ANNUAL FINANCIAL REVIEWS

3.1 Applicants

At the time of application, an applicant must submit Balance Sheet and Profit & Loss Account prepared in accordance with local accounting standards of the country of incorporation, audited or certified by outside public accountant and not more than six months old.

3.2 Existing Agents

Existing Agents must provide Balance Sheet and Profit & Loss Account, prepared in accordance with local accounting standards of the country of incorporation, audited or certified by outside public accountant, every year for financial review. Balance Sheet and Profit & Loss account are to be provided to IATA no later than three months after the Agent's financial year end.

If an applicant or Agent fails to pass any of the criteria tests: 2.2 – 2.4, the applicant/Agent must provide a Financial Security in the form of a Bank Guarantee, up to the ceiling stipulated in 4.1 and 4.2.

4. FINANCIAL SECURITY

Nothwithstanding whether an applicant or Agent obtains a satisfactory or unsatisfactory in a financial review, all applicants/Agents must provide IATA with a financial security as per criteria below.

4.1 Applicants

A Bank Guarantee will be required for the "Amount at Risk" on the basis of the estimation.

4.2 Existing Agents

After the first six months of accreditation, the amount of the Financial Security required will be reviewed based on the "Amount at Risk" computed with reference to the average BSP net cash sales of the Agent during the immediately preceding six month period.

PARAGUAY

(Effective 1 October 2024 – MV/A653)

1. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

1.1 The financial assessment will be based on the calculation of the financial ratios and the achievement of the score described below:

Financial Ratios	Maximum possible score	Description
Liquidity	14	Short-term solvency
Debt	14	Level of assets financed by debt
Collection Average	7	Collection days to cover sales
Cash Flow	5	Coverage of long-term debt through earnings

Formula and score applicable to financial ratios:

a) Liquidity = Current Assets/Current Liabilities

Above 1.99	14 points
1.50 – 1.99	12 points
1.25 – 1.49	10 points
1.00 – 1.24	8 points
0.96 – 0.99	6 points
0.91 – 0.95	4 points
0.86 – 0.90	2 points
Below 0.86	0 points

b) Collection Term Average = (Receivables/Sales) * 365

Below 15 days	7 points
15 – 16 days	6 points
17 – 18 days	5 points
19 – 20 days	4 points
21 – 23 days	3 points
24 – 26 days	2 points
27 – 29 days	1 point
Above 29 days	0 points

c) Debt = Total Liabilities/Total Assets

Below 0.4	14 points
0.4 – 0.59	12 points
0.6 – 0.89	10 points
0.9 – 0.99	8 points
1.0 – 1.19	6 points
1.2 – 1.34	4 points
1.35 – 1.49	2 points
Above 1.49	0 points

Cash Flow = After-tax earnings/Long-term Debt

0.20 and above	5 points
0.18 – 0.19	4 points
0.15 – 0.17	3 points
0.13 – 0.14	2 points
0.10 – 0.12	1 point
0.09 and below	0 points

2. ANNUAL FINANCIAL ASSESSMENTS

Conditions for the analysis of financial statements presented by the Agent

2.1 In order to become an IATA Accredited Agent and each year, for the annual financial review, the Agent must submit the latest Financial Statements filed with the tax authority (SET) (Balance Sheet, Profit & Loss Statement, Notes and Annexes). Tax affidavit copies, in replacement of Financial Statements, are not acceptable. Submission must be done not later than 8 months following the Agent's financial year end.

Satisfactory result in the financial assessment

2.2 The maximum score that can be obtained as a result of the application of the 4 financial ratios is 40 points. In order to achieve a satisfactory evaluation, the minimum acceptable score is **22 points**.

Unsatisfactory result in the financial assessment

2.3 The result of the financial assessment will be considered as unsatisfactory when points obtained after calculation of the 4 financial ratios in the financial statement is **lower than 22 points**.

3. FINANCIAL SECURITY

3.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA.

3.2 Financial Securities will be expected to be valid for a minimum of at least one year.

3.3 Upon accreditation and during the first two years, every Agent must present a Financial Security for an amount equivalent to **USD 10.000** or calculated as the Agent's amount at risk as defined in Section 3.4, whichever is higher.

3.4 Notwithstanding the Risk Status, all Agents must provide a Financial Security to cover the amount at risk calculated using the formula:

$$\frac{\text{Total net cash sales over the last 12 months} \times 17 \text{ days}}{365 \text{ days}}$$

Agents with Risk Status A

3.5 For Agents with Risk Status A, the amount at risk will be calculated as per Section 3.4. Additionally, the following table will be applied to the result obtained in order to determine the amount of the Financial Security to be provided:

Total net cash sales over the last 12 months × 17 days / 365 days		**Financial Security**
From	**To**	
0	19.999	10.000
20.000	29.999	20.000
30.000	39.999	30.000
40.000	49.999	40.000
50.000	59.999	50.000
60.000	69.999	60.000
70.000	79.999	70.000
80.000	89.999	80.000
90.000	99.999	90.000
100.000	109.999	100.000
110.000	119.999	110.000
120.000	129.999	120.000
130.000	139.999	130.000
140.000	149.999	140.000
150.000	159.999	150.000
160.000	169.999	160.000
170.000	179.999	170.000
180.000	189.999	180.000
190.000	199.999	190.000
200.000	and above	200.000

Agents with Risk Status B

3.6 For Agents with Risk Status B the amount of the Financial Security required must cover at a minimum the amount calculated as per Section 3.4, or USD10,000 (or the equivalent in local currency), whichever is higher.

3.6.1 If an existing Financial Security is insufficient to cover the amount calculated as per Section 3.4, the amount of the Financial Security required will be increased to cover this amount.

Agents with Risk Status C

3.7 For Agents with Risk Status C the amount of the Financial Security required must cover at a minimum the amount calculated as per Section 3.4, or USD10,000 (or the equivalent in local currency), whichever is higher.

4. DEFINITIONS

Current Assets: Receivables from related companies, shareholders, employees, directors, partners as well as cash and fix-term deposits in escrow must be excluded.

Current Liabilities: It must include the current portion of long-term debt.

Total Sales: The amount must appear specifically in the Financial Statements and correspond to gross sales obtained in the period including (but not limited to) ticket sales, packages, hotels, car rental, insurances, miscellaneous, etc.

Long-term Liabilities: It comprises all third parties long-term debt. Loans to shareholders or proprietors must be excluded.

Receivables: It must be shown as a breakdown of commercial receivables, fees, commissions, related companies receivables and advances granted to suppliers. Bad debt must be excluded.

Earnings after taxes: Extraordinary earnings must be excluded.

Total Assets: Intangible assets must be included.

Total Liabilities: It includes current liabilities and third parties loans. Loans granted to shareholders or owners must be excluded. It must include related companies liabilities less the corresponding subordinated tranche (receivable).

PERU

(Effective 1 January 2024 – PAC MV/A650)

1. GENERAL RULE – (Accounts/Documents to be provided)

All Agents must present the electronic copy of the Formal Annual Tax Declaration with all its annexes that support the amounts declared, submitted to SUNAT the Government Tax Regulator, in the government official template.

Additionally, they must present a Balance, Statement of Profit and Losses as of 31 December.

All accounting documents and SUNAT declaration must be duly signed by a chartered accountant sending copy of the proof of certification of Accountant.

New applicants and IATA Accredited Agents shall present the Financial Statements with an Audit report, only when required by local Authority.

2. CRITERIA FOR THE EVALUATION OF AGENTS' FINANCIAL ACCOUNTS

2.1 The following financial tests apply to the evaluation of an Agent's Financial Account:

- Test 1: There must be positive Net Equity.
- Test 2: Net Equity divided by long-term debt and other long-term liabilities must be equal to or greater than 0.5. If there is no long-term debt, the test result is positive.
- Test 3: EBITDA (Earnings before Interest, Taxation, Depreciation, Amortization and extraordinary items) must be positive save in exceptional circumstances.
- Test 4: The EBITDA must exceed the interest payable by a factor of a minimum of two.
- Test 5: Adjusted Current Assets must exceed Current Liabilities.

2.2 New Applicants and IATA Accredited Agents must demonstrate minimum registered capital equivalent to USD5,000.

3. ANNUAL FINANCIAL REVIEWS

3.1 All Agents are subject to annual financial reviews. Details described in Resolution 812, Section 4 and 5.

3.2 The presentation of Financial Statements to IATA for the annual financial review, will be 30 days after the official presentation date before fiscal authorities.

3.3 New Applicants

Present the formal documentation submitted to SUNAT with all annexes of the previous year prior to application to IATA, when the applicant has operations from a previous year and in addition Statement of Assets and Liabilities, Profit and Loss of the months of the unclosed current year, signed by a chartered accountant sending copy of the proof of certification of the accountant.

3.4 IATA Accredited Agents

Agents will present copy of the Formal Annual Tax Declaration with all its annexes that support the amounts declared, submitted to SUNAT the Government Tax Regulator, in the government official template, in addition Statement of Assets and Liabilities, Profit and Loss as of 31 de December. All accounting documents and SUNAT declaration must be duly signed by a chartered accountant sending copy of the proof of certification of Accountant.

3.5 Date of final submission of Financial Statements is May 15 for each year (or the next business day)

4. FINANCIAL SECURITY

4.1 Financial Securities will be requested based on the Risk Status of the Agent as described in Resolution 812, Section 5:

Agents with Risk Status A – are not required to present a financial security

Agents with Risk Status B – will be required to present a financial security

Agents with Risk Status C – will be required to present a financial security

4.2 New Applicants and IATA Accredited Agents will be required to provide a minimum financial security equivalent to USD10,000.

4.3 When IATA Accredited Agents are required to provide a Financial Security, the Financial Security will be calculated based on the Agents' own Days Sales at Risk. Days Sales at Risk is calculated based on the number of days in the reporting period plus the number of days to remittance date plus a margin of 5 days, the result is then multiplied by the daily average BSP net cash sales of the Agent's previous 12 months' sales.

5. FINANCIAL INFORMATION DEFINITIONS

Current Assets

This amount excludes notes or receivables from related parties, including shareholders, employees, officers, associates as well as Cash and Term Deposits pledged for security.

Current Liabilities

This amount must include the current portion of long-term debt.

Gross or Total Sales payable:

In the event this figure is not specifically identified in the financial statements, please provide the gross sales figures for the period including ticket sales, package tours, hotels, car rental, insurance, miscellaneous income, etc., net of tax.

Long-term Liabilities

All long-term loans from third parties where repayment is in more than twelve months after the end of the financial period. It shall not include loans to owners/shareholders.

Net Receivables

Should be net of bad debt and should be broken down to reflect separately,

- Trade receivables net of provision for bad debt
- Commissions receivable
- Receivables from related parties. Refer to definition of current assets
- Supplier deposits

Net Equity (or Shareholders'/Owners' Funds) consists of:

- Share capital
- Share premium
- Retained earnings
- Other distributable reserves
- Shareholder's loans if subordinated less declared dividends.

Profit After Tax

Profit after taxes but before extraordinary items.

Registered capital

It is defined as registered capital paid in full by shareholders and duly registered at government registration entity.

Total Assets

Total assets including intangible assets such as goodwill, franchise fees, client lists, etc.

Total Liabilities

Include current liabilities and all loans from third parties. It does not include non-current loans provided by shareholders or proprietors. Loans from associate parties are included, unless subordinated to other parties.

PHILIPPINES

(Effective 1 September 2024 – PAC/46)

1. FINANCES

1.1 The applicant must have conducted travel agent business for at least twelve (12) months.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

2.1 paid-up capital of PHP 3.0 million

2.2 working capital of PHP 1.2 million

2.3 Financial Assessment Indicators

CRITERIA **FORMULA**

Liquidity (max 30) Current Assets/Current Liabilities

Values	Rating
1.20 and above	30
1.10 < 1.20	25
1.00 to <1.10	15
<1.00 and below	0

Stability (max 25) Total Liabilities/Total Equity

Values	Rating
<1.5	25
1.5 and <1.75	20
1.75 and <2.0	10
>=2.0	5

Profitability (max 25) Net Income (Before Tax)/Total Revenue

Values	Rating
0.10 and above	25
0.050 to <0.10	15
0.000 to <0.050	10
Below 0.000	0

Investment Returns (max 20) Net Income (Before Tax)/Stockholders Equity

Values	Rating
>0	20
< 0	0

The total points achievable is 100.

2.4 To pass the financial assessment, the Agent must meet the following:

(a) The minimum level of paid up capital in accordance with section 2.1, and

(b) The minimum level of working capital in accordance with section 2.2, and

(c) Obtain a financial assessment rating score of 70 or above in accordance with section 2.3.

3. ANNUAL FINANCIAL REVIEWS

New Agents

3.1 Applicants must provide their latest audited financial statements that are not more than 12 months old at the time of application to become an Agent for the purposes of evaluation against the criteria for evaluation of agents' accounts set forth in section 2.

3.2 Applicants will not be approved for accreditation if they fail to meet any of the following:

(a) A minimum Financial Assessment rating score of 70 or above.

(b) The minimum level of paid-up capital in accordance with section 2.1.

(c) The minimum level of working capital in accordance with section 2.2.

(d) Financial Security in accordance with section 4.

Existing Agents

3.3 All existing Agents must provide audited financial statements for each financial year end of that Agent for the purpose of evaluation against the criteria for evaluation of agents' accounts set forth in section 2.

3.4 Audited financial statements must be provided not later than 6 months after the Agent's financial year end.

4. FINANCIAL SECURITY

4.1 Applicants must provide IATA with a Financial Security with a minimum amount of PHP 2.0 million.

4.2 All existing Agents must provide IATA with a Financial Security with a minimum amount of PHP 2.0 million or highest 2 reporting periods net BSP cash sales over the last 12 months, whichever is higher.

In calculating the net BSP cash sales, all USD net sales will be converted to PHP using the latest IATA-5 day rate. If the Financial Security is in USD, then PHP net sales will be converted to USD using the latest IATA-5 day rate.

4.3 Agents who obtained a financial assessment rating score below 70 must increase their Financial Security amount by 50%.

POLAND

(Effective 1 January 2024 - MV/A632)

1. GENERAL RULES (ACCOUNTS/DOCUMENTS TO BE PROVIDED)

1.1 New applicants for IATA accreditation have to submit:

(a) A current extract from the National Court Register or certificate of entry into the business register (aktualny wyciąg z Krajowego Rejestru Sądowego lub zaświadczenie o wpisie do ewidencji działalności gospodarczej), indicating that they are allowed to provide tourism activities and have been trading for at least 6 months;

(b) Audited Financial Statements (entities which are required under the Polish Accounting Act to prepare financial statements and submit them for audit) or Statutory Accounts (Balance Sheet and Profit & Loss Account) reviewed and duly certified by an outside independent auditor (entities which are not required under the Polish Accounting Act to prepare financial statements and submit them for audit) for the most recent accounting year-end;

(c) Tax Office certification (certification that the Agent has paid all taxes) and social security certification (certification that the Agent has paid all social security payments). Documents shall not be older than 3 months.

1.2 Upon IATA's request, Accredited Agents have to submit:

(a) A current extract from the National Court Register or certificate of entry into the business register (aktualny wyciąg z Krajowego Rejestru Sądowego lub zaświadczenie o wpisie do ewidencji działalności gospodarczej);

(b) Tax Office certification (certification that the Agent has paid all taxes) and social security certification (certification that the Agent has paid all social security payments). Documents shall not be older than 3 months.

2. REMITTANCE FREQUENCY

2.1 As of 1st of July 2015 four times per month remittance frequency is mandatory for all accredited agents.

3. FINANCIAL SECURITY

3.1 General principles:

An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party (e.g. bank, insurance company etc) supporting the Financial Security that the Financial Security was issued by that third party and is valid.

3.1.1 Financial Securities must cover 100% of the Amount at Risk as per the calculation in 3.2.

3.1.2 All Financial Securities must be issued for a period of at least 12 months and must be drawn as per the IATA specimen.

3.1.3 Financial securities without the additional six months claim period beyond the expiry date must be received by IATA 30 days before the expiry date of the currently valid financial security.

3.2 Amount at Risk

3.2.1 "Amount at Risk" is calculated based on the risk status as per 3.3.2 and 3.3.3.

3.2.2 The number of "Days Sales at Risk" is 7 (billing period) + 12 (days until remittance) + 5 (margin of 5 days to default declaration of the agent, as per Resolution 812) = 24.

3.3 Level of Financial Security

3.3.1 All Agents must provide a Financial Security with a minimum amount of PLN 70,000 during the first two (2) years as IATA accredited Agent.

3.3.2 AGENTS WITH RISK STATUS A:

Agents with Risk Status A are required to provide a Financial Security covering:

60% of their Amount at Risk calculated using BSP cash turnover amount equal to their net cash sales in the previous 12 months, or PLN 70,000, whichever is higher.

$$\text{“Amount as Risk”} = \frac{\text{“Days’ Sales at Risk”} \times \text{BSP Cash Turnover in the most recent 12 months}}{365}$$

3.3.3 AGENTS WITH RISK STATUS B:

Agents with Risk Status B are required to provide a Financial Security covering 100% of their Amount at Risk calculated using BSP cash turnover amount equal to the average of their net cash sales in the previous 12 months, or PLN 70,000, whichever is higher.

$$\text{“Amount as Risk”} = \frac{\text{“Days’ Sales at Risk”} \times \text{BSP Cash Turnover in the most recent 12 months}}{365}$$

3.3.4 AGENTS WITH RISK STATUS C:

In accordance with Resolution 812, Agents with Risk Status C are required to provide a Financial Security, calculated using BSP cash turnover amount equal to their net cash sales in the previous 12 months, or PLN 70,000, whichever is higher.

$$\text{“Amount as Risk”} = \frac{\text{“Days’ Sales at Risk”} \times \text{BSP Cash Turnover in the most recent 12 months}}{365}$$

4. FINANCIAL REVIEWS

4.1 Accredited Agents are required to submit Financial Statements or Statutory Accounts (Balance Sheet and Profit & Loss Account) for the twelve (12) months since their last accounting year-end, filed with the Fiscal Authorities.

4.2 The financial reviews are conducted in accordance with the Criteria for Evaluation of Agents’ Financial Performance, per section 6.

5. GLOSSARY OF TERMS

5.1 Equity

Equity = Total Assets - Liabilities and Provisions for Liabilities

Pasywa A. Kapitał (fundusz) własny = Aktywa razem – Pasywa B. Zobowiązania i rezerwy na zobowiązania

Liabilities and Provisions for Liabilities = Provisions for Liabilities + Long-term Liabilities + Short-term Liabilities + Deferred Income

Pasywa B. Zobowiązania i rezerwy na zobowiązania = Pasywa B.I. Rezerwy na zobowiązania + Pasywa B.II. Zobowiązania długoterminowe + Pasywa B.III. Zobowiązania krótkoterminowe + Pasywa B.IV. Rozliczenia międzyokresowe

5.2 Current Ratio

Current ratio = Current Assets/Current Liabilities

Current Liabilities = Short-term Liabilities + Deferred income

Wskaźnik bieżącej płynności = Aktywa B. Aktywa obrotowe/(Pasywa B.III. Zobowiązania krótkoterminowe + Pasywa B.IV. Rozliczenia międzyokresowe)

5.3 Debt Ratio

Debt Ratio = (Long-term Liabilities + Short-term Liabilities)/Owner’s Equity

Wskaźnik zadłużenia = (Pasywa B.II. Zobowiązania długoterminowe + Pasywa B.III. Zobowiązania krótkoterminowe)/Pasywa A. Kapitał (fundusz) własny

6. CRITERIA FOR EVALUATION OF AGENTS’ ACCOUNTS

The established criteria for financial evaluation of new and existing Agents are:
(a) There must be Equity not lower than 40,000 PLN
(b) The Current Ratio must not be lower than 1.2
(c) The Debt Ratio must not be greater than 2.5

(d) The Profit and Loss account must show an Operating Profit

An Agent will pass the Financial Review if all the above financial tests are met.

7. CHANGES IN FINANCIAL YEAR-END

7.1 Notification to IATA of a change in year-end, without a change in ownership, will result in a review of the Agent's financial position in accordance with the Criteria for Evaluation of Agents' Financial Performance to determine whether a Financial Security is required.

7.2 The Agent should, as a minimum, submit Financial Statements/Statutory Accounts described in point 4 for the twelve (12) months period since its last accounting year-end, within six (6) months of the end of that period. IATA will conduct the financial evaluation based on these Financial Statements/Statutory Accounts with reference to the Amount at Risk applicable to the Agent.

PORTUGAL

△ *(Effective 1 January 2026 - PAC47)*

1. GENERAL RULE

1.1 Documentation

Provided below is a description of the original documents required to become an Accredited Agent.

– Certified or attested photocopy of the National Identity Document or Foreigners' Identity Number (NIE) of the joint and several administrator/s, managing director, legal representative/s and director/s of the new Agent.
– Original criminal record certificate of the joint and several administrator/s, managing director, legal representative/s and director/s of the new Agent.
– Original, certified or attested certificate from the General Treasury of the Social Security confirming that the new Agent is up-to-date with the payment of Social Security contributions.
– Official Balance Sheet and Profit and Loss Account form of the last Financial Year submitted by the IES (Informação Empresarial Simplificada – official document that agencies must present to Treasury) and financial statements for the period between the beginning of the current year and the date in which the accreditation is requested. In the event that the new agent is a newly established company and therefore does not have any financial statements available, it must present an Opening Balance Sheet.
– Certified or attested photocopy of the Company's formation deed in which the names of the new Agent's administrator/s and legal representative/s are clearly specified.
– If the administrator/s and director/s of the new Agent are not EU citizens, please provide a certified or attested copy of their Portuguese Residence Permit/s, which must be valid for at least five (5) years.
– Certified or attested photocopy of the registration with the RNAVT (Decreto-Lei 61/2011).
– Certified or attested photocopy of the contract (excluding the financial terms) with an accredited Reservation System, or otherwise a letter from the GDS confirming the installation of the system in the Agent's premises
– Online access code to the Chamber of Commerce
□ – Online access code to the Ultimate Beneficial Owner (UBO) registration

1.2 Financial Requirements for new applicants

The new agent must submit a bank guarantee with a value of seventy-five thousand euros (75,000 €.)

The bank guarantee provided by all new Agents under this section 1 to IATA at the time of accreditation as a new Agent must continue in effect for a minimum period of 2 years from the date of accreditation as a new Agent notwithstanding the result of any financial assessment of the Agent required in accordance with section 3 and 4 of these financial criteria during that time.

2. CRITERIA FOR THE EVALUATION OF AGENTS ACCOUNTS

2.1 Criteria for Agents accredited with less than 2 years

(a) New Agents will be required to provide Official Balance Sheet and Profit and Loss Account form of the last Financial Year submitted by the IES (Informação Empresarial Simplificada – official document that agencies must present to Treasury) and financial statements for the period between the beginning of the current year and the date in which the accreditation is requested. In the event that the new agent is a newly established company and therefore does not have any financial statements available, it must present an Opening Balance Sheet

(b) Existing Agents are required to supply a copy of the Official Balance Sheet and Profit and Loss Account form after stamped receipt from the Tax Department, covering the previous Financial Year ("Documentation required").

Any additional information must be provided if requested in order to complete the assessment in accordance with the criteria on section 3.

3. ANNUAL FINANCIAL REVIEWS

The ratios below are applicable for both New Agents and Already existing ones:

△ $$\text{Rate of liquidity} = \frac{\text{Current assets}}{\text{Current liabilities}} = \text{min } 0.95$$

$$\text{Rate of solvency} = \frac{\text{Total capital}}{\text{Total liabilities}}$$

△ In the event the Balance Sheet indicates a negative (loss) result, the required minimum Rate of Solvency would be 0.95.
⊗
⊗

☐ Negative results or accumulated negative results are required to be not more than 38,25% of Share Capital, in each year and, for three consecutive fiscal years.

☐ The negative results cannot be more than 38,25% and not for more than 3 consecutive years.

☐ Except for the situation foreseen in the previous paragraph, the Total Capital must be equal to or greater than the Share Capital.

4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.2 Formula for the Financial Security:

$$\text{Financial Security Calculation} = \frac{\text{“Days’ Sales at Risk”*} \times \text{BSP Cash Turnover in the last 12 months}}{365}$$

△ *Days’ sales at risk = 19

4.3 Agents with Risk Status A, B and C

4.3.1 New Agents

All New Agents must provide a Financial Security with a minimum amount of 75.000 EUR during the first two (2) years as IATA accredited Agent.

4.3.2 Other than New Agent

For Agents that have been accredited for more than two (2) years, the following will apply:

Agents with Risk Status A:

No Financial Security is required

Agents with Risk Status B:

A financial security will be required following the calculation as per point 4.2 with the minimum amount of 5.000 EUR being requested. If amount required is below 5.000 EUR the guarantee won’t be requested.

Agents with Risk Status C:

Agents with Risk Status C must provide a Financial Security with a minimum amount of 5.000 EUR.

QATAR

(Effective 1 May 2019 – MV/298)

1. GENERAL RULE

1.1 Agent must provide Audited Accounts to IATA. Audited Accounts means accounts reviewed by an auditor recognized as competent by a regulatory authority in the country to perform an audit.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the financial criteria will be extracted from the Agent/s Audited accounts.

2.2 The following financial tests apply to the evaluation of an Agent's Audited accounts:

2.2.1 There must be a positive Net Equity

Net Equity divided by long-term debt and other long-term Liabilities must be greater than 0.5

2.2.2 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortization and extraordinary items) must be positive

2.2.3 The EBITDA must exceed the Interest Payable by a factor of a minimum of two.

2.2.4 Adjusted Current Assets must exceed Current Liabilities.

2.3 An Agent will obtain a satisfactory result on the financial review when all provisions in section 2.2 of these criteria have been met.

3. ANNUAL FINANCIAL REVIEWS

3.1 Agents Accredited for two years or less:

3.1.1 All Agents must provide Audited Accounts not more than 12 months old at the time of application to become an Agent for the purposes of evaluation against the financial tests as per section 2 of these criteria.

3.1.2 If an Agent has been in business for less than 12 months at the time of application, an Audited opening balance sheet must be provided instead.

3.1.3 For any subsequent annual financial review, all Agents must provide Audited Accounts no later than 6 months after each financial year end or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 2 of these criteria.

3.2 Agents accredited for more than two years:

3.2.1 All Agents must provide Audited Accounts certified by a certified accountant/auditor no later than 6 months after each financial year end or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 2 of these criteria.

4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

– Weekly: 21 Days
– Bi-Monthly: 35 Days

4.3.2 "Amount at Risk" is calculated by dividing the Days' Sales at Risk by 90 days, and applying that percentage to the BSP cash turnover amount the Agent made in the three month period referred to in Section 4.4 or 4.7 of these criteria, as applicable:

"Amount at Risk" = ("Days' Sales at Risk" × BSP cash turnover in applicable 3 month period)/90

Agents with Risk Status A, B and C

4.4 Regardless of the Risk Status, all Agents with Risk Status A, B and C must provide a Financial Security. The amount of the Financial Security required must cover at a minimum the Amount at Risk calculated as per Section 4.3 using the BSP cash turnover amount equal to the average of the 3 months' highest net cash sales in the previous 12 months, or USD 100,000.00/- (or the equivalent in local currency), whichever is higher.

4.5 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

New Applicants

4.6 New Applicants are required to provide a Financial Security equal to:

("Days Sales at Risk" × Estimated Annual Sales)/365

Subject to a minimum amount of USD 100,000.00/- (or the equivalent in local currency)

4.7 After the first three months of accreditation, the amount of the Financial Security required must cover at a minimum the higher of:

4.7.1 the Amount at Risk calculated as per Section 4.3 using the BSP cash turnover amount equal to the average of the 3 months' highest net cash sales in the previous 12 months (during the period as IATA Accredited Agent); or

4.7.2 USD 100,000. (or the equivalent in local currency).

4.8 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

5. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Adjusted Current Assets – are defined as Current Assets as in the balance sheet of the accountants after deducting:
- Stocks and work in progress
- Deposits given to third parties other than IATA
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
- Doubtful debtors
- Blocked funds except for funds held in favor of IATA.

These generic descriptions may be modified to terms specifically defined under the applicable local Generally Accepted Accounting Principles (GAAP) and disclosed in the financial statements.

Current Liabilities – are defined as current liabilities in the balance sheet of the accounts

EBITDA - Earnings before Interest, Taxation, Depreciation and Amortization.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this local financial criteria.

Net Equity or Shareholders'/owners' Funds-Consists of:
- Share capital
- Share Premium
- Retained earnings
- Other distributive reserves
- Shareholder's loans if subordinated less declared dividends

Long Term Debt - All debt liabilities where repayment is due more than twelve months after the end of the financial period

Long Term Liabilities - all liabilities where repayment is due more than twelve months after the end of the financial period

Review means any assessment or evaluation of an agent's continuing compliance with the Passenger Sale.

ROMANIA & MOLDOVA

△ *(Effective 1 January 2026 - PAC47)*

1. GENERAL RULE – (Accounts/Documents to be provided)

1.1 New applicants shall be legally established companies holding a valid tourism licence and may apply for IATA accreditation right after receiving valid tourism license. Applicants must provide Audited Accounts not more than 12 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests in this section. If an Applicant has been in business for less than 12 months at the time of application, an opening balance sheet must be provided instead.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 (a) There must be Net Equity.

2.1 (b) The Net Current Assets must reflect a Current Assets to Current Liabilities Ratio greater than 1.

2.1 (c) The Solvency Ratio must be greater than 1.

2.2 Net Equity

There must be Net Equity in the business. The most recent Statutory Accounts- must show a positive balance on shareholders'/owners' funds. In computing the Net Equity, adjustments must be made to write down to zero the following:

2.2 (a) The balance of all intangible assets, including goodwill.

2.2 (b) All encumbered Assets, other than for IATA.

2.2 (c) All trading losses for the current financial period.

2.3 Net Current Assets

2.3.1 Current Assets to Current Liabilities Ratio must be greater than 1.

The following are to be excluded from Current Assets when making the calculation:

2.3.1 (a) Deferred Expenses

2.3.1 (b) Blocked funds

2.3.1 (c) Loans to Directors, Associates, Companies

2.3.1 (d) Doubtful debtors

2.4 Solvency Ratio

$$\text{Rate of solvency} = \frac{\text{Total assets}}{\text{Total Debts}} > 1$$

2.4.1 Total debts including Current Liabilities plus Long-Term Liabilities

3. ANNUAL FINANCIAL REVIEWS

3.1 All agencies may be reviewed by periodical examination of the financial standing in accordance with Subparagraph 5.4 of Resolution 812 – Section 5 in order to determine their financial stability and amount at risk.

3.2 Notwithstanding the frequency of periodic reviews, Accredited Agents must submit annual Statutory Accounts, no longer than 6 months after the financial year end.

3.3 Intermediary review with accounts of the last 6 months at the specific request of the Accredited Agent that called for his own revision.

4. FINANCIAL SECURITY

4.1 Agents will be required to provide sufficient Financial Security as detailed below.

4.2 AGENTS DURING THE FIRST TWO YEARS OF TRADING

4.2.1 Financial Security to be provided by all Agents during the first two years of trading as an Agent. All Financial Securities shall be issued for a period of at least 12 months in the form provided by IATA. Expiring Financial Securities shall be renewed and presented to IATA before expiration.

4.2.2 Amount of the Financial Security

4.2.2 (a) For new applicants the amount should be calculated based on the estimation, as provided by the applicant. After the first year of accreditation the amount should be calculated based on the agent's BSP cash turnover during the first year of Accreditation, adjusted for the numbers of "Days' Sales at Risk".

△ **4.2.2 (b)** The number of "Days' Sales at Risk" is to be counted from the beginning of the Reporting Period to the Remittance Date in respect of that Reporting Period, plus a margin of 5 days. For agents on Weekly Remittance:

1. as of 01st of January 2026, the days from the end of the billing period to the remittance date will be 12.

   DSR = 7 days (billing period) + 12 days + 5 days = 24 days
2. as of 01st of January 2027, the days from the end of the billing period to remittance date will be 8.

   DSR = 7 days (billing period) + 8 days + 5 days = 20 days
3. as of 01st of January 2028, the days from the end of the billing period to remittance date will be 5.

   DSR = 7 days (billing period) + 5 working days + 5 days = 17 days.

The result is to be divided by 360 days, and then applied to the "annual cash turnover" (after the first year of Accreditation) or "sales estimation" (for the new applicants) to calculate the Amount at Risk and the amount of the Financial Security required

4.2.3 The minimum level of Financial Security in the first 2 years of Accreditation is 24,000 EUR. IATA may review the level of the Financial Security after the first month based on the amount at risk computed with reference to the average net cash sales of the Agent during that period. The amount of Financial Security required will be increased if it is found to be insufficient to cover the Amount at Risk.

4.3 AGENTS WHICH HAVE COMPLETED TWO YEARS OF ACCREDITATION

4.3.1 Financial Securities shall be issued for a period of at least 12 months in the form provided by IATA. Expiring Financial Securities shall be renewed and presented to IATA before expiration.

Agents with Risk Status A

4.3.2 Agents with Risk Status A are required to provide a Financial Security that covers 20% of the amount at risk, but not less than EUR 15,000.

Agents with Risk Status B

4.3.3 Agents with Risk Status B are required to provide a Financial Security that covers 35% of the amount at risk, but not less than EUR 15,000.

Agents with Risk Status C

4.3.4 Agents with Risk Status C are required to provide a Financial Security with the minimum amount of EUR 15,000.

RUSSIAN FEDERATION

(Effective 1 September 2022 – PAC44)

1. GENERAL RULE

1.1 The business entity and/or the owners and managers of all IATA Accredited Agencies and Agents applying for IATA accreditation must meet all applicable requirements as prescribed by the law in the Russian Federation.

1.2 For the Financial Review the new applicant or Agent regardless of the form of taxation must submit Audited Accounts which must consist of:

– Balance Sheet (Форма по ОКУД 0710001),
– Report on Financial Results (Форма по ОКУД 0710002),
– Auditor's Conclusion,
– Any other documents related to the finances of the Agent required to calculate the financial ratios used in the Financial Review of the Agent.

1.3 Audited Accounts must be for a period of at least 12 months:

(i) Covering previous financial year already closed - for annual review or new applicants;
(ii) Covering previous 12 months of operations - for all other types of review.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

2.1 For the Financial Assessment result to be considered as PASS the following criteria (financial tests) must be met: Net Equity must be positive,

– The Net Equity must be greater than the sum of Long-Term Debt and other Long Term Liabilities,
– Adjusted Current Assets must exceed Current Liabilities,
– The accounts must indicate that there is a net profit, at least in one of the two last financial years.

3. FINANCIAL SECURITY FOR AGENTS HOLDING STANDARD ACCREDITATION WITH CASH FACILITY

3.1 An Agent will not be accredited or will not continue to be accredited until Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation. If the Financial Security is a Bank Guarantee, such confirmation must be received through the trusted secure channel directly from the Bank which issued this Bank Guarantee indicating that the Bank Guarantee was issued by the Bank and is valid.

3.2 Agents who opt to provide their Financial Security in the form of a Bank Guarantee, must provide Bank Guarantees issued by a compliant bank holding a license of the Central Bank of Russian Federation with a minimum international credit rating of B or Russian agencies' credit rating equal or higher than ruA- /A+. In case of significant reducing of the country's sovereign rating, or for any other reasons, due to which international rating agencies are not applicable for Russian banks, Russian rating agencies ratings will be taken as the basis.

3.2.1 The wording used for the Bank Guarantee provided must comply with IATA requirements.

3.2.2 In the event that the Financial Institution that has provided the Bank Guarantee on behalf of the Accredited Agent, have a change in status whereby its license suspended by the Central Bank of Russian Federation, or its credit rating downgraded below the established for acceptance, the Accredited Agent shall provide IATA with a new Bank Guarantee from a Financial Institution which holds a valid license and required credit rating. For the transitional period, the agent must provide alternative security covering the applicable to Agent amount at risk.

3.2.3 In case of renewal of Bank Guarantee its original hard copy and confirmation from the issuing bank must be provided to IATA office 19 days before expiry date of the previous Guarantee.

3.3 Level of Financial Security

3.3.1 All Agents must provide a Financial Security in Russian Rubles with a minimum amount equivalent to USD 10,000 at the official exchange rate of the Central Bank of Russia on the date of financial security provision.

3.3.2 Agents with Risk Status A and B must at all times provide a Financial Security which will equal their assigned Remittance Holding Capacity.

3.3.3 Agent may at any time request to reduce or increase the Financial Security amount provided and Remittance Holding Capacity will be adjusted accordingly.

4. DEFINITIONS OF TERMS USED IN THESE CRITERIA

Adjusted Current Assets – are defined as Current Assets as in the Balance Sheet of the Accounts after deducting:

- Stocks and work in progress,
- Deposits given to third parties other than IATA,
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership),
- Doubtful debtors,
- Blocked funds, except for funds held in favor of IATA.

Current Liabilities – are defined as Current Liabilities as in the Balance Sheet of the Accounts.

Net Equity consists of:

- Share capital,
- Share premium,
- Retained earnings,
- Other distributable reserves,
- Shareholder's loans if subordinated less declared dividends.

Long Term Debt – all debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

Net profit –profit after all costs and taxes are deducted.

RWANDA

(Effective 1 October 2019 – MV/310)

1. GENERAL RULES

Audited annual financial statements prepared by a statutory auditor disclosing airlines sales and aged debtors must be produced annually and supplied to IATA within 6 months of the Agent's financial year end.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the Financial Review will be extracted from the Agent's Audited accounts

2.2 The following financial tests apply to the evaluation of an Agent's Audited accounts:

(a) There must be positive Net Equity
(b) The Net Equity must exceed the sum of Long Term Debt and other Long Term Liabilities
(c) EBITDA (Earnings before Interest, Taxation, Depreciation, Amortization and extraordinary items) must be positive
(d) The EBITDA must exceed the Interest Payable by a factor of at least three
(e) Liquid Current Assets must exceed Current Liabilities.
(f) There must have been no defaults in the previous 24 months

2.3 An Agent will obtain a satisfactory result on the financial review when all provisions in section 2.2 of these criteria have been met.

3. ANNUAL FINANCIAL REVIEW

3.1 All Agents must provide Audited Accounts for each financial year end for the purposes of evaluation against the financial criteria tests mentioned in the Section 2:

(i) Balance Sheet
(ii) Income Statement
(iii) Cash Flow Statement
(iv) Auditor's Report

4. FINANCIAL SECURITY

4.1 General Principles

An Agent will not be accredited or will not continue to be accredited unless all the following criteria are met in relation to the Financial Security required by IATA:

(a) The original Financial Security document has been received by IATA; and
(b) The Financial Security is confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid; and
(c) The Financial Security will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.2 Amount at Risk

For the purposes of calculating the amount of a Financial Security the following definitions apply:

"Days' Sales at Risk" means the number of days from the beginning of the Agent's reporting period to the remittance date in respect of that reporting period or periods, plus a margin of five days.

Remittance Frequency	Days' Sales at Risk	Days in reporting period
Two times per month	37	16
Four times per month	21	8

"Amount at Risk" is calculated by dividing the Days' Sales at Risk by 90 days, and applying that percentage to the BSP cash turnover amount the Agent made in the applicable three month period.

$$\text{"Amount as Risk"} = \frac{\text{"Days' Sales at Risk"} \times \text{BSP Cash Turnover in applicable 3 month period}}{90}$$

4.3 Level of Financial Security

4.3.1 All Agents must provide a Financial Security with a minimum amount of USD 50,000 during the first two (2) years as IATA accredited Agent.

4.3.2 Existing Agents

4.3.2.1 Agents with Risk Status A

Agents with Risk Status A are required to provide a Financial Security covering 70% of their Amount at Risk calculated as per Section 4.2 using BSP cash turnover amount equal to the average of the 3 months' highest net cash sales in the previous 12 months, or USD 50,000, whichever is higher.

4.3.2.2 Agents with Risk Status B

Agents with Risk Status B are required to provide a Financial Security covering 100% of their Amount at Risk calculated as per Section 4.2 using BSP cash turnover amount equal to the average of the 3 months' highest net cash sales in the previous 12 months, or USD 50,000, whichever is higher.

4.3.2.3 Agents with Risk Status C

Agents with Risk Status C are required to provide a Financial Security that covers at a minimum the Amount at Risk calculated as per Section 4.2 using the BSP cash turnover amount equal to the average of the 3 months' highest net cash sales in the previous 12 months, or USD 50,000, whichever is higher.

4.3.3 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

5. DEFINITIONS

Net Equity or Shareholders'/Owners' Funds –

In computing the Net Equity, adjustments must be made to write down to zero the following:
(a) The balance of all intangible assets, including goodwill
(b) All unamortised research and development costs
(c) The value of all unquoted investments
(d) All encumbered Assets
(e) All trading losses for the current financial period
(f) All share capital not paid in cash

Liquid Current Assets – are defined as Current Assets as in the Balance Sheet of the Accounts after deducting:
(a) Stocks and work in progress
(b) Deposits or guarantees given to third parties other than IATA
(c) Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
(d) all intercompany balances
(e) Payments in advance
(f) Deferred Expenses
(g) Doubtful debtors
(h) Blocked funds

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

SAUDI ARABIA

(Effective 1 July 2021 – MV/355)

1. GENERAL RULE

1.1 An Agent must provide Audited Accounts to IATA. Audited Accounts means accounts reviewed by an auditor recognized as competent by a regulatory authority in the country to perform an audit.

2. CRITERIA FOR THE EVALUATION OF AGENTS ACCOUNTS

2.1 All financial information used in the financial review will be extracted from the Agent's Audited Accounts.

2.2 The following financial tests apply to the evaluation of an Agent's Audited accounts:

2.3 There must be a positive Net Equity.

2.4 There must be a positive net profit.

2.5 Net Equity divided by Long Term Debt and other Long-Term Liabilities must be greater than 0.5.

2.6 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortization and extraordinary items) must be positive.

2.7 The EBITDA must exceed the Interest Payable by a factor of a minimum of two.

2.8 There must be a positive net worth

2.9 The liquidity ratio must be greater than 1.1.

2.10 The collection period of accounts receivable must not exceed an average of 21 days.

2.11 The Current Assets must be in excess of the Risk Amount.

3. ANNUAL FINANCIAL REVIEWS

3.1 All Applicants must provide Audited Accounts not more than 12 months old at the time of accreditation application to become an Agent to be assessed in accordance with section 2 of these criteria.

3.2 If an Agent has been in business for less than 12 months at the time of accreditation application, an audited opening balance sheet must be provided.

3.3 All Agents must provide an Audited Accounts for the last financial year, no later than 6 months, or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 2 of this criteria.

4. FINANCIAL SECURITY

4.1 An agent will not be accredited or will not continue to be accredited until IATA receives the financial security issued by the organization, a validation by written confirmation of the authenticity of the said financial security issued.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days:

– Four times a month: 21 Days

4.3.2 Amount at Risk is calculated as following:

"Amount at Risk" = ("Days Sales at Risk" × highest 3 months net cash sales in the last 12 months)/90

4.4 All Financial Securities must be provided per the format provided by IATA.

4.5 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

4.6 Agents Accredited for less than 2 years:

Agents are required for the first two years to provide a Financial Security covering 100% of their Amount at Risk as per section 4.3.2, subject to a minimum amount of SAR 500,000.00/-

4.7 Agents Accredited for more than 2 years:

4.7.1 Agents with Risk Status A:

Agents are required to provide a Financial Security covering 50% of their Amount at Risk calculated as per Section 4.3.2, subject to a minimum of SAR 500,000.00/- whichever is higher.

4.7.2 Agents with Risk Status B:

Agents are required to provide a Financial Security covering 80% of their Amount at Risk calculated as per Section 4.3.2, subject to a minimum of SAR 500,000.00/- whichever is higher.

4.7.3 Agents with Risk Status C:

Financial Security will be equal to the Remittance Holding Capacity and must be not lower than SAR 500,000.00.

5. DEFINITIONS OF TERMS USED IN THESE CRITERIA

EBITDA - Earnings before Interest, Taxation, Depreciation and Amortisation.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this local Financial Criteria.

Net Equity or Shareholders'/owners' Funds - Consists of:
- Share capital
- Share Premium
- Retained earnings
- Other distributive reserves
- Shareholder's loans if subordinated less declared dividends

Long Term Debt - All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities - all liabilities where repayment is due more than twelve months after the end of the financial period.

SCANDINAVIA

(including Denmark, Greenland, Iceland, Norway and Sweden - Effective 1 March 2024 – MV/A668)

1. GENERAL RULE

These Local Financial Criteria contain the details of the financial requirements locally recommended. The complete requirements will be applied following the hierarchy of sources as governed by Resolution 010, Section 4. The required financial criteria below for the Scandinavian countries are evaluated by IATA.

2. CRITERIA FOR THE EVALUATION OF AGENTS' FINANCIAL STATEMENTS

2.1 The minimum financial criteria for Denmark, Greenland, Norway and Sweden fall into two areas, financial tests and credit rating. For Iceland, the financial criteria are only based on the financial tests, and any reference to credit rating below can be disregarded.

The financial tests defined below for Equity (a) and Liquidity (b) must be met at all times.

(a) Equity Capital

$$\text{Rate of solidity} = \frac{\text{Equity Capital}}{\text{Total Capital}} = \text{min } 6\%$$

If the Agent shows a profit before extraordinary items, otherwise min 8%.

(b) Liquidity

$$\text{Rate of liquidity} = \frac{\text{Current assets}}{\text{Current liabilities}} = \text{min } 1.0$$

In preparation of the financial statements, generally accepted accounting principles and national legislation of the respective country must be taken into consideration. The Signed Auditor's report must not indicate any deviation from the generally accepted accounting principles of the respective country.

2.2 Credit Rating

IATA will obtain the credit rating of an Agent from Dun & Bradstreet. A credit rating of an Agent must at all times be higher than the Dun & Bradstreet 'B' rating. An Agent rated B or lower, will be requested to submit a Financial Security, even if they have passed the financial tests as described in section 2.1.

Whenever a change in Credit rating is registered, IATA will proceed to re-assess the Agent's financial status and either request a Financial Security or agree to its release if applicable.

In addition, an Agent has the possibility to send proof of a satisfactory rating from a second rating company, approved by IATA, however satisfactory rating from the second supplier will have to be provided in 6 months intervals, unless the rating goes back to satisfactory level.

Credit rating from a second rating company will be considered as satisfactory when meeting the following conditions:

Denmark – Minimum Risk Class "Moderate" from Experian

Norway – Minimum Risk Class "Moderate" from Experian

Sweden – Minimum Risk Class "3" from UC

3. FINANCIAL REVIEW AND RISK STATUS

3.1 IATA will make a financial assessment of the two criteria: financial test as per 2.1 and credit rating test as per 2.2, and grant accreditation to the Agents fulfilling the requirements of these criteria.

3.2 Agents will be assigned one of the three risk statuses: A, B or C. Each risk status will be determined by the Agents' ongoing Risk history assessment and the outcome of the Financial Review.

Agents with the equivalent of Credit rating C according to Dun & Bradstreet will automatically be assigned cash conditions that are equal to Risk Status C.

Agents with No rating will have 30 days to have its rating available with the credit rating company, otherwise they will be assigned cash conditions that are equal to Risk Status C.

4. ANNUAL FINANCIAL REVIEWS

4.1 New applicants

4.1.1 New applicants with more than one year's trading record must submit with the application a full set of audited financial statements, including balance sheet, profit and loss account, notes to financial statements, if any, for their company for the most recent financial year. Documents must be approved by a nationally approved Public Auditor in accordance with generally accepted accounting principles and national legislation.

4.1.2 Companies with less than one year's trading record must submit a copy of a certified opening balance sheet.

4.2 Accredited Agents

4.2.1 Accredited Agents are obliged to submit a copy of their Audited Annual Report and financial statements in accordance with time frame for filling reports required by the local authority in each country, presently:

Denmark and Iceland – 6 months after each financial year end

Sweden – 7 months after each financial year end

Norway – 8 months after each financial year end

4.2.2 Documents must be reviewed by a nationally approved Public Auditor in accordance with generally accepted accounting principles and national legislation.

4.2.3 Notwithstanding the above provisions, any Agent that does not present audited financial statements will be assigned cash conditions that are equal to Risk Status C, and will need to provide a Financial Security with a minimum amount of EUR 10,000 or equivalent in local currency, regardless of the result of the assessment.

5. FINANCIAL SECURITY

5.1 New Agents

All New Agents must provide a Financial Security with a minimum amount of EUR 10,000 or equivalent in local currency during the first two (2) years as IATA accredited Agent.

5.2 Other than New Agent

For Agents that have been accredited for more than two (2) years, the following will apply:

5.2.1 Agents with Risk Status A

No Financial Security is required.

5.2.2 Agents with Risk Status B

Financial Security is required. The amount must cover at a minimum four point seven per cent (4.7%) of the calculated annual average cash sales or EUR 10,000 (or equivalent in local currency), whichever is higher.

5.2.3 Agents with Risk Status C

Agents with Risk Status C must provide a Financial Security with a minimum amount of EUR 10,000 (or equivalent in local currency).

SERBIA & MONTENEGRO

(Effective 1 September 2022 – MV/586)

1. CRITERIA FOR EVALUATION OF AGENTS' FINANCIAL STATEMENTS

1.1 The following financial tests apply to the evaluation of an Applicant/Accredited Agent's Accounts:

1.1.1 Net profit in the accounting period

1.1.2 No blocked periods for the current accounts in the last 12 months

1.1.3 Short term liquidity coefficient:

$$\frac{\text{Current assets-long-term business claims}}{\text{Short-term financial and business liabilities}} \geq 1$$

An Agent will pass the financial review when all provisions in section 1.1 of these criteria are met.

2. ANNUAL FINANCIAL REVIEWS

2.1 New Applicants

An Agent who applies for IATA accreditation must provide the documents listed below:
- Current balance sheet for the most recent financial year – as submitted and accepted by relevant financial or tax authority
- Profit and loss account for the most recent financial year – as submitted and accepted by relevant financial or tax authority

2.2 Accredited Agents

Accredited Agents must submit the documents listed below 6 months after each financial year end:
- Balance sheet – as submitted and accepted by relevant financial or tax authority
- Profit & loss Account – as submitted and accepted by relevant financial or tax authority
- Solvency certificate from all commercial banks where the Agent has active accounts (document that displays turnover and blocked period)

3. FINANCIAL SECURITY

3.1 Should bank guarantee be the opted form of Financial Security, it must be issued by a bank authorized by the National Bank of Serbia (NBS) and National Bank of Montenegro (NBCG).

3.2 The BSP currency in Montenegro is EUR. In the case of Serbia, due to the fact that the only BSP currency is the local one (RSD) and that bank guarantee amounts are expressed in EUR currency, the exchange rate applied will be the NBS (National Bank of Serbia) official middle rate valid on the date when the information regarding the bank guarantee amount should be sent to the Agent.

The bank guarantee amount will be rounded up to the nearest 1.000 EUR above the amount resulting from the calculation.

3.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

3.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's reporting period to the remittance date in respect of that reporting period or periods, plus a margin of two calendar days.

3.3.2 "Amount at Risk" is calculated by dividing the Days' Sales at Risk by 90 days and applying that percentage to the BSP cash turnover amount the Agent made in the three-month period referred to in Section 3.5 of these criteria, as applicable:

$$\text{"Amount at Risk"} = \frac{\text{"Days' Sales at Risk"} \times \text{BSP cash turnover in applicable 3-month period}}{\mathbf{90}}$$

3.3.3 Days' sales at Risk, applicable to the formula above, are 22.

3.4 All Agents must provide a Financial Security with a minimum amount of EUR 40,000 during the first two (2) years as IATA accredited Agent.

3.5 Agents Accredited for more than two years

3.5.1 Agents with Risk Status A

Agents will be required to provide a Financial Security that covers 30% of the “Amount at Risk” calculated as per Section 3.3.2 using BSP cash turnover amount equal to the average of the 3 months’ highest net cash sales in the previous 12 months, or EUR 40,000, whichever is higher. A Financial Security wouldn’t change in cases when turnover growth is not higher than 30% of the turnover.

3.5.2 Agents with Risk Status B

Agents with Risk Status B are required to provide a Financial Security covering 130% of their “Amount at Risk” calculated as per Section 3.3.2 using BSP cash turnover amount equal to the average of the 3 months’ highest net cash sales in the previous 12 months, or EUR 40,000, whichever is higher.

3.5.3 Agents with Risk Status C

Agents with Risk Status C must provide a Financial Security with a minimum amount of EUR 40,000.

SIERRA LEONE

(Effective 1 January 2023, MV/606)

1. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

1.1 All financial information used in the financial criteria will be extracted from the Agent/s Audited accounts

1.2 The following financial tests apply to the evaluation of an Agent's Audited accounts:

1.2.1 There must be a positive Net Equity

1.2.2 Net Equity divided by long-term debt and other long-term Liabilities must be greater than 0.5.

1.2.3 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortisation and extraordinary items) must be positive.

1.2.4 The EBITDA must exceed the Interest Payable by a factor of a minimum of Three.

1.2.5 Adjusted Current Assets must exceed Current Liabilities.

1.3 In order to obtain a satisfactory result of the Financial Review all tests in 1.2.1–1.2.5 must be passed.

2. ANNUAL FINANCIAL REVIEW

2.1 Agents Accredited for two years or less:

2.1.1 New Applicants must have been in operations for one year before becoming an IATA accredited Agent. This applies also to the re-accreditation of agents that were terminated for financial default.

2.1.2 All Agents must provide accounts certified by a certified accountant/auditor not more than 12 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests as per section 2 of these criteria.

2.2 Agents accredited for more than two years

2.2.1 All Agents must provide accounts certified by a certified accountant/auditor no later than 6 months after each financial year end or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 2 of these criteria.

3. FINANCIAL SECURITY

3.1 Notwithstanding the result of the Financial Review, all New Applicants and existing Agents must provide a Financial Security. The financial security will be calculated per 3.3–3.5.

3.2 Any Financial Security will be subject to a minimum notice period of nighty (90) days and will be valid for a minimum of at least one year.

3.3 The amount of the Financial Security required must cover the Amount at Risk calculated as below using the BSP cash turnover, amount equal to the average of the 3 months highest net cash sales in the previous 12 months. If the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

("Days Sales at Risk" × highest 3 months net cash sales)/90

Subject to a minimum of USD 50,000.00/-

3.4 "Days at Risk" means the number of days from the beginning of the Agent's reporting period to the remittance date, plus a margin of 5 days:

– Bi-Monthly: 35 days

– Weekly: 21 days

– Daily: 5 days

3.5 New Applications are required to provide a Financial Security equal to:

("Days Sales at Risk" × Estimated Annual Sales)/365

Subject to a minimum of USD 50,000.00/-

3.6 Agents with Risk Status A, B, C

For Agents with Risk Status A, B, C the amount of the Financial Security required must cover the Amount at Risk calculated as per Section 3.3 or USD 50, 000 (Whichever is higher). If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

4. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Adjusted Current Assets – are defined as Current Assets as in the balance sheet of the accountants after deducting:

- Stocks and work in progress
- Deposits given to third parties other than IATA
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
- Doubtful debtors
- Blocked funds except for funds held in favour of IATA.

These generic descriptions may be modified to terms specifically defined under the applicable local Generally Accepted Accounting Principles (GAAP) and disclosed in the financial statements.

Current Liabilities – are defined as current liabilities in the balance sheet of the accounts.

EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortisation.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this local financial criteria.

Net Equity or Shareholders'/owners' Funds-Consists of:

- Share capital
- Share Premium
- Retained earnings
- Other distributive reserves
- Shareholder's loans if subordinated less declared dividends

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

SINGAPORE

(Effective 1 January 2025 – MV/686)

1. GENERAL RULE

1.1 General:

The term “applicant” where used in these Criteria will be understood to include an Accredited Agent.

The applicant must provide audited accounts in accordance with standard accounting practice and signed by one director or the proprietor(s). Such statements will be evaluated pursuant to the financial standards defined in these Criteria. They must include the following:

1.1.1 Detailed Profit & Loss Statement

1.1.2 Balance Sheet

1.1.3 Notes to the Accounts if applicable

1.1.4 Signed Auditor Independent Report (must include auditor’s Registration Number).

1.1.5 Company Composition (evidence showing: company details including shareholders names, contact details and percentage share) if applicable.

2. CRITERIA FOR THE EVALUATION OF AGENTS’ ACCOUNTS

2.1 Finances

An applicant must have a minimum paid up capital of SGD100,000.

An applicant must be established and in business as a travel agent for at least twelve months prior to the date of application. The minimum Financial Security must be SGD 40,000 or equivalent to 21/360 days’ average sales based on the last 12 months activity, whichever is higher.

For Applicant with less than twelve months trading record in business as travel agent, the minimum Financial Security must be SGD 50,000 or equivalent to 21 days average sales based on the trading months, whichever is higher, until the receipt of audited annual accounts.

2.2 When assessing whether the applicant meets the financial standing described in Subparagraph 2.1 of this Paragraph, the following will be taken into account.

2.2.a(i) Financial assessment indicators

Leverage	Score
> 25.00	1
>12.50 - 25.00	2
>6.00 - 12.50	3
>4.30 - 6.00	4
>3.10 - 4.30	5
>2.11 - 3.10	6
>1.60 - 2.11	7
>1.00 - 1.60	8
>0.65 - 1.00	9
>=0.00 - 0.65	10

Owner’s Equity	Score
<=100,000	1
>100,000 - 150,000	2
>150,000 - 180,000	3
>180,000 - 210,000	4
>210,000 - 300,000	5
>300,000 - 500,000	6
>500,000 - 700,000	7
>700,000 - 1,200,000	8
>1,200,000 - 10,000,000	9
> 10,000,000	10

Profitability	Score
1 - 5,000	1
>5,000 - 16,500	2
>16,500 - 39,500	4
>39,500 - 90,000	6
>90,000 - 213,000	8
> 213,000	10

Liquidity	Score
0.01 - 0.60	1
>0.60 - 0.75	2
>0.75 - 0.95	3
>0.95 - 1.05	4
>1.05 - 1.17	5
>1.17 - 1.26	6
>1.26 - 1.45	7
>1.45 - 1.68	8
>1.68 - 2.50	9
> 2.50	10

Net profit Margin Trend	Score
↑	2
No change	0
↓	-2

Net Profit margin trend will be assessed based on the period of 2 financial years. If an agent/applicant is not able to provide evidence of positive or static trend, points for negative trend will be assigned.

To pass the financial assessment, the Agent must obtain a score of 15 or more.

3. FINANCIAL SECURITY

3.1 Notwithstanding the Risk Status of A or B, the Agent must furnish a minimum Financial Security for an existing agent is SGD 40,000 or equivalent to 21/360 days' average sales based on the last 12 months activity, whichever is higher.

3.2 Agents with Risk Status A and B must at all times provide a Financial Security which will equal their assigned Remittance Holding Capacity.

3.3 An Applicant/Agent may at any time request to reduce or increase the Financial Security amount provided in accordance with Resolution 812 Section 5.9.4.

4. OTHER

DEFINITIONS OF TERMS USED IN THESE CRITERIA

Definition of Financial assessment indicators

Owner's Equity – is the total of Paid up capital and Reserves.

Paid up Capital is the amount of a company's capital that has been funded by shareholders. Paid-up capital can be less than a company's total capital.

Profitability is the capacity to make a profit. Net Profit is measured by what is left over from income earned after having deducted all costs and expenses related to earning the income in a specific financial year. Profitability is measured as the average Net Profit of the current financial year and previous financial year.

Liquidity is the Liquidity Ratio. The calculation of a company's available cash and marketable securities against outstanding debt.

Leverage is the ratio of a company's loan capital (debt) to its Equity (Equity is the value of its ordinary shares and accumulated profits/reserves).

Reserve is any part of Shareholders' Equity, except for basic share capital. Shareholders' Equity' is a firm's total assets minus its total liabilities.

Net Worth, also known as Shareholders Equity, is a firm's total assets minus its total liabilities.

Net Profit margin trend – is net profit/Turnover % year on year.

SLOVENIA

(Effective 1 September 2023 – PAC/45)

1. FINANCIAL EVALUATION CRITERIA

New Applicants

New applicants will be required to present financial security corresponding to an estimated 23 days worth of BSP net cash sales. The minimum amount of the financial security is EUR 30,000 and must be provided for a period of 2 years.

Accredited Agents

1. Net profit in the accounting period
2. Short-term liquidity coefficient must be:

$$\frac{\text{Current assets-long-term business claims}}{\text{Short-term financial and business liabilities}} \geq 1$$

Or a short-term liquidity coefficient between 0.75 and 1 is acceptable if the Agent:

(a) complies fully with criteria set under 1.

(b) has cash and cash equivalents not lower than its average 10 days BSP net cash sales for the past 12 months.

3. Equity ratio

$$\frac{\text{Equity}}{\text{Total Assets}} \times 100 \geq 12\%$$

If the agent fails any of the above criteria, points 1-3, will have the Financial Assessment result considered as "FAIL".

Required documentation for the Agent financial assessment

1. Profit and Loss Account (copies with original stamp and signature acceptable).
2. Balance Sheet (copies with original stamp and signature acceptable).
3. Solvency assessment provided by all commercial banks, where the Agent has opened its current accounts that must be not older than 30 days. Copies acceptable.
4. External Audit Report (where required by Slovenian legislation).

Agents (all type of entities except Joint Stock Companies are required to provide IATA with the documentation specified above by 30 April of the current year.

Agents registered as Joint Stock Companies ("d.d.") are required to submit entire documentation (including external Audit report) by 31 July of the current year.

The assessment is carried out based on Slovenian legislation and Slovenian Accounting Standards.

2. FINANCIAL SECURITY

Bank guarantees must be issued by one of the authorized banks by the Bank of Slovenia. The bank guarantee may be replaced by insurance accepted by IATA in accordance with criteria established under Resolution 850p.

Amount of Financial Security required

All Agents must provide Financial Security for the minimum amount of EUR 30,000 during the first two (2) years as IATA accredited Agent.

Other than Applicants

The amount of the Financial Security for Agents that have been IATA accredited for more than two (2) years will be calculated using the following provisions:

– **Agents with Risk Status A:** For Agents with Risk Status A no Financial Security is required.
– **Agents with Risk Status B:** For Agents with Risk Status B the amount of the Financial Security required must cover at a minimum an average amount of 23 days BSP net cash sales within the previous 12 months, with a minimum required amount of 30,000 EUR.
– **Agents with Risk Status C:** Agents with Risk Status C must provide a Financial Security in accordance with the provisions of Resolution 812, with a minimum amount of 30,000 EUR.

3. LICENSE

Official Travel Agent license is required issued by the Chamber of Commerce and Industry of Slovenia (Gospodarska zbornica Slovenije).

SOMALIA

(Effective 1 January 2026 – MV/A713)

1. GENERAL RULES

New Applicants

1.1 For the purposes of evaluation against the financial tests in Section 2 of these criteria, New Applicants must provide the Audited or Certified Accounts, covering 12 months of trading:

- Balance Sheet,
- Profit & Loss Statement

1.2 Newly formed companies that have traded for less than 12 months at the time of application must submit an Audited or Certified opening balance sheet.

Accredited Agents

1.3 All Agents must provide Audited or Certified Accounts no later than 30th of April, which is 4 months after each financial year end, for the purpose of evaluation against the Criteria in Section 2 of these criteria.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

The below criteria apply both to New applicants and Accredited Agents. All financial information used in the financial criteria will be extracted from the Agent's Audited or Certified Accounts:

(a) There must be positive Net Equity i.e. Total Assets must exceed Total Liabilities.

(b) Profitability: The accounts must show that the Agent has made a profit before tax at the end of an accounting period. For New Applicants, submitting opening balance sheet, Profit will be considered as 0.

(c) Liquidity: The accounts must show a positive liquidity ratio i.e. current assets must exceed current liabilities at the end of an accounting period.

3. ANNUAL FINANCIAL REVIEWS

All Agents must provide Audited or Certified Accounts prepared according to the local accounting practice. The report must consist of:

– Profit and Loss Statement,
– Balance Sheet.

4. FINANCIAL SECURITY

4.1 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.1.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

Remittance Frequency	Days' Sales at Risk	Days in reporting period
Four times per month	19	7

4.1.2

$$\text{Amount at Risk} = \frac{\text{Days' Sales at Risk} \times \text{BSP cash turnover in applicable 3 highest reporting periods}}{\text{Days in reporting period} \times 3}$$

4.2 Level of Financial Security:

4.2.1 For Agents with Risk Status A, B and C the amount of the Financial Security required must not be lower than USD 25,000.

4.2.2 Agents with Risk Status A and B must at all times provide a Financial Security which equals their assigned Remittance Holding Capacity.

4.2.3 An Applicant/Agent may at any time request to reduce or increase the Financial Security amount provided in accordance with Resolution 812 Section 5.9.4 but not lower than USD 25,000.

4.2.4 The value of the Financial Security will be rounded to the next + 1,000 USD.

4.3 Financial Security requirements:

4.3.1 Financial Security must be strictly drafted as per specimen provided by IATA.

4.3.2 An Agent will not be accredited or will not continue to be accredited until any Financial Security (Bank Guarantee) required to be provided to IATA has been received by IATA and confirmed its validity to IATA through inter-banking channel SWIFT by the issuing bank. IATA will not accept paper Bank Guarantees.

4.3.3 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but must be valid for at least one year.

4.3.4 If the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

4.3.5 When the renew/reissue of Agent's Financial Securities is required, the Agent must ensure that confirmation of renewed/reissued Financial Security received by IATA at least 30 days before expiry date of the currently valid Financial Security.

SOUTH WEST PACIFIC ISLANDS

(Effective 1 June 2023 – MV/A615)

(including Cook Islands, Fiji, French Polynesia, Kiribati (Canton & Enderbury Islands), Marshall Islands, Federated State of Micronesia, Nauru, New Caledonia (including Loyalty Islands), Niue, Palau, Samoa (Independent State of), Solomon Islands, Tonga, Tuvalu, Vanuatu, Wallis and Futuna Islands)

FINANCIAL EVALUATION

The term "applicant" where used in these Criteria shall be understood to include an Accredited Agent.

The applicant shall provide audited or certified financial statements prepared in accordance with standard accounting practices. Such statements shall be evaluated and found satisfactory pursuant to the financial standards and financial ratio analysis established from time to time by the South West Pacific General Assembly and set forth in this Handbook.

To obtain a satisfactory evaluation, the applicant will be required to provide additional financial support in the form of a bank guarantee or an insurance cover from an Insurance Company acceptable to IATA.

For **Fiji** the bank guarantee or insurance cover will be equivalent to three weeks average BSP sales net of credit card sales and commission for weekly reporting transacted for international sales. For **Tonga** the bank guarantee or insurance cover will be equivalent to three weeks average BSP sales net of credit card sales and commission for weekly reporting transacted for international sales. For **Samoa** the bank guarantee or insurance cover will be equivalent to three weeks average BSP sales net of credit card sales and commission for weekly reporting transacted for international sales. For the **Cook Islands** the bank guarantee or insurance cover will be equivalent to five weeks average BSP sales net of credit card sales and commission for fortnightly reporting or three weeks average BSP sales net of credit card sales and commission for weekly reporting transacted for international sales. For **Vanuatu** the bank guarantee or insurance cover will be equivalent to 3 million Vatu or 4 weeks average turnover transacted for international sales whichever is the greater. For New Caledonia (including Loyalty Islands) and Wallis & Futuna Islands the bank guarantee will be equivalent to two weeks average BSP sales. For **all other countries** the bank guarantee or insurance cover will be equivalent to four weeks average turnover for international sales.

The financial statements will be evaluated by a Financial Assessor appointed by the Agency Services Manager.

1. PREPARATION

1.1 The financial statements must be audited or be certified by a Chartered Accountant (Registered Accountant in Samoa) and signed by one director or the proprietor(s).

The financial data and documents supporting an application shall reflect the current financial position of the applicant and shall be submitted in accordance with the requirements set out in the Agency Services Manager's letter of request.

1.2 Change of Ownership/New Applications – If the business is continuing, a new applicant must submit statements reflecting the position of the agency in operation. Historical data will thus be available for evaluation.

Otherwise, an applicant shall submit a certified opening balance sheet reflecting the position of the new entity on commencing business. Budgets of projected turnover and expenses will be required.

1.3 Contents of Accounts – As a standard industry practice, the following items should be disclosed in the financial statements or as notes thereto:

1.3.1 Gross Sales includes ticket sales, package tours, hotels, car rental, insurance, accommodation, miscellaneous income, etc. net of VAT or any other similar tax imposed within the countries covered by these Criteria and before deduction of commission. Non-travel turnover should also be included.

1.3.2 Salary to directors and shareholders. Also franchise fees and management fees which may need to be considered in assessing profitability should be disclosed.

1.3.3 Accounts receivable to show:

– amounts due from clients
– amounts due from airlines
– amounts due from associated persons
– other

If the amount shown as "other" is material, it should be fully identified.

1.3.4 Accounts payable should show:
- amounts due to clients
- amounts due to airlines
- amounts due to associated persons
- other trade creditors

1.3.5 Encumbrances – should any Balance Sheet assets of an applicant be used as security for loans which do not appear on the Balance Sheet, (e.g. Third party loan to directors) those loans will be deducted from assets, up to the maximum amount of the liability secured by the applicant's assets. Details of such encumbrances will require immediate disclosure and will be included in the Annual Financial Accounts.

All charges over an applicant's assets, both fixed and floating, require immediate disclosure to the Agency Services Manager at the time of their creation. Failure to notify the creation of a charge will be regarded as a serious departure from these financial requirements. Retirement of all charges during the year should also be notified to the Agency Services Manager.

2. FINANCIAL STANDARDS

2.1 Minimum Capital

Each applicant shall have minimum paid up share capital of FJD 20,000 for Fiji, WST 30,000 for Samoa, NZD 30,000 for Cook Islands, TOP 10,000 for Tonga, VATU1.5 million for Vanuatu and for other countries the capital should be paid up sufficient so that the company is not undercapitalized in the overall total funds employed by the company.

For each branch location, the applicant must increase paid up share capital by FJD 5,000 for Fiji, WST 5,000 for Samoa, NZD 5,000 for Cook Islands, TOP 5,000 for Kingdom of Tonga, VATU 300,000 for Vanuatu and SBD 5,000 for Solomon Islands in addition to the minimum paid-up share capital or the following scale based on turnover whichever is the greater.

FIJI:

Total Gross Sales (FJD)	Share Capital (FJD)
Minimum	$20,000
Up to $2 million	$20,000
$2 to $3 million	$30,000
$3 to $4 million	$40,000
$4 to $5 million	$50,000
$5 to $6 million	$60,000
$6 to $7 million	$70,000
$7 to $8 million	$80,000
$8 to $9 million	$90,000
$9 to $10 million	$100,000
Over $10 million	1% of total gross turnover

SAMOA:

Total Gross Sales (WST)	Share Capital (WST)
Minimum	$30,000
Up to $3 million	$30,000
$3 to $4 million	$40,000
$4 to $5 million	$50,000
$5 to $6 million	$60,000
$6 to $7 million	$70,000
$7 to $8 million	$80,000
$8 to $9 million	$90,000
$9 to $10 million	$100,000
Over $10 million	1% of total gross turnover

COOK ISLANDS:

Total Gross Sales (NZD)	Share Capital (NZD)
Minimum	$30,000
Up to $3 million	$30,000
$3 to $4 million	$40,000
$4 to $5 million	$50,000
$5 to $6 million	$60,000
$6 to $7 million	$70,000
$7 to $8 million	$80,000
$8 to $9 million	$90,000
$9 to $10 million	$100,000
Over $10 million	1% of total gross turnover

KINGDOM OF TONGA:

Total Gross Sales (TOP)	Share Capital (TOP)
Minimum	$10,000
Up to $2 million	$10,000
$2 to $3 million	$20,000
$3 to $4 million	$30,000
$4 to $5 million	$40,000
$5 to $6 million	$50,000
$6 to $7 million	$60,000
$7 to $8 million	$70,000
$8 to $9 million	$80,000
$9 to $10 million	$90,000
Over $10 million	1% of total gross turnover

VANUATU:

Total Gross Sales (VUV)	Share Capital (VUV)
Minimum	1,500,000
Up to 1.5 million	1,500,000
Over 1.5 million	1% of total gross turnover

A sole trader or partnership will have the same equivalent levels of paid up capital.

2.2 Financial Assessment

The financial assessment is based on four tests and the allocation of the applicable points to each test. Maximum points are 30 and a total of 15 points or more is considered satisfactory providing the applicant maintains the minimum level of share capital.

The maximum number of points obtainable is made up as follows:

Current Ratio	8 points
Debt Ratio	8 points
Profitability	6 points
Tangible Net Worth to Turnover	8 points
TOTAL	30 points

2.3 Current Ratio

$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

This ratio provides a measure of the short-term solvency of the entity.

Current Assets: This amount excludes receivables from shareholders.

Current Liabilities: This amount includes the current portion of external long-term debt, but excludes loans provided by shareholders or proprietors.

Over 1.99	8 points
1.50 – 1.99	7 points
1.25 – 1.49	6 points
1.00 – 1.24	5 points
0.95 – 0.99	4 points
0.90 – 0.94	3 points
0.85 – 0.89	2 points
0.80 – 0.84	1 point
Under 0.80	0 points

2.4 Debt Ratio

$$\frac{\text{Total Debt}}{\text{Tangible Assets}}$$

This ratio measures the amount of assets provided by creditors for each dollar of Tangible Assets.

Total debt: Includes current liabilities and all loans from third parties and includes loans provided by shareholders or proprietors.

Tangible Assets: Total Assets (including receivables from shareholders and related parties) less intangible assets such as goodwill, franchise fees, client lists and preliminary expenses. Goodwill attaching to premises will be classed as intangible unless supported by a written valuation from an independent valuer.

Under 0.50	8 points
0.50 – 0.59	7 points
0.60 – 0.69	6 points
0.70 – 0.79	5 points
0.80 – 0.89	4 points
0.90 – 0.99	3 points
1.00 – 1.19	2 points
1.20 – 1.29	1 point
Over 1.29	0 points

2.5 Profitability Ratio

$$\frac{\text{Net Profit after Tax}}{\text{Shareholders' Funds}} \text{ X100}$$

This ratio is a measure of how well the owner's investment has been employed by management.

Net Profit after Tax: Profit after taxes but before extraordinary items.

Shareholders Funds: This is calculated by summing share capital plus retained earnings (minus deficit) plus other reserves.

Over 19.99%	6 points
15.00% – 19.99%	5 points
10.00% – 14.99%	4 points
0% – 9.99%	3 points
Under 0%	0 points

2.6 Tangible Net Worth to Turnover

$$\frac{\text{Tangible Net Worth}}{\text{Total Turnover}} \text{ X100}$$

This ratio equates the tangible net worth of an applicant with its turnover and recognizes that the greater the turnover of an organization the greater should be its tangible net worth.

Tangible Net Worth: Shareholders Funds as in Ratio 2.5 less intangible assets such as goodwill etc. (See Ratio 2.4). Loans to Shareholders/Proprietors will be excluded.

Total Turnover: Total annual gross sales from all sources.

Over 2.00%	8 points
1.50% – 2.00%	6 points
1.00% – 1.49%	4 points
0.75% – 0.99%	3 points
0.50% – 0.74%	2 points
0.25% – 0.49%	1 point
Under 0.25%	0 points

3. FINANCIAL DISCRETION

It is recognized that different interpretations of financial accounts are possible and do occur. Accordingly the Financial Assessor shall have discretion as to the most appropriate accounting classification in accordance with standard accounting practices for all items included in Financial Statements.

4. ADDITIONAL FINANCIAL SUPPORT AND GUARANTEES

Any applicant who is unable to meet the financial criteria may be required to provide additional protection to the airlines by any of the following measures to be agreed with the applicant:

- a reduction of the BSP remitting period;
- other forms of guarantee acceptable to the Agency Administrator.

5. FINANCIAL REVIEW

A fully review of all Accredited Agents will be carried out periodically by a duly appointed Financial Assessor. All financial data and documents required for this purpose are to be submitted by the date specified in the Agency Services Manager's letter of request. Late or incomplete submission by an Agent of such data and/or documents will attract an administrative charge. The amount of the administrative charge shall be as determined from time to time by the Passenger Agency Conference.

SOUTHERN AFRICA

(including Botswana, Lesotho, Namibia, South Africa and Swaziland - Effective 1 February 2016 – PAC/38)

1. GENERAL RULES

1.1 Audited Accounts means accounts reviewed by an auditor recognised as competent by the regulatory authority in that country to perform an audit that are provided to IATA. In all instances the established accounting rules in a country will apply.

1.2 If an Agent provides Audited Accounts to IATA with an audit report in relation to the possibility to apply the financial tests under Section 2 and:

1.2.1 The qualified audit report does not set out the adjustments which should be made to the Audited Accounts to enable the auditor to provide an unqualified audit report, the Agent will be required to provide a Financial Security calculated In accordance with the Amount at Risk applicable to the Agent under this Resolution.

1.2.2 The determination made by the third party financial assessor under section 1.2.1 will be final, subject to the provisions of Resolution 820e.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the financial criteria will be extracted from the Agent's Audited Accounts.

2.2 The following financial tests apply to the evaluation of an Agent's Audited Accounts:

2.2.1 There must be positive Net Equity.

2.2.2 EBITDA (Earnings Before Interest, Taxation, Depreciation, Amortisation and extraordinary items) must be positive save as specified below based on the IFRS reporting standards: ("IFRS International Financial Reporting Standards"

2.2.2.1 Fair value adjustments

2.2.2.2 Non-cash items

2.2.2.3 IFRS exceptional items as defined in International Accounting Standards ("IAS")

2.2.3 Current Assets must exceed Current Liabilities.

3. ANNUAL FINANCIAL REVIEWS

Agents accredited for four years or less

3.1 All Agents must provide Audited Financial Statements not more than 12 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests in section 2. If an Agent has been in business for less than 12 months at the time of application, a recent set of management accounts must be provided instead.

3.2 All Agents must provide Audited Financial Statements no later than 6 months after each financial year end, or as required by legislation, during the first four years of accreditation for the purposes of evaluation against the financial tests in section 2.

3.3 All Agents must provide a Financial Security during the first four years as an Agent in accordance with section 5.

Agents accredited for more than four years

3.4 All Agents must provide Audited Accounts no later than 6 months after each financial year end, or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in section 2.

3.5 If an Agent passes all the financial tests and satisfies all the points below, the Agent will be required to provide IATA with the minimum Financial Security subject to the Remittance Frequency and the following:

3.5.1 The Agent has not had any of the following in the last 12 months:

1. a default (including defaults resulting from an accumulation of irregularities and removal from the Agency List.
2. a change of ownership subject to the conditions in Section 6.

3.6 If an Agent fails to pass any of the financial tests, the Agent must provide a Financial Security in accordance with section 5.

4. INTERIM FINANCIAL REVIEWS

4.1 For any Financial Review conducted for cause at a time other than in respect of an Agents financial year end, IATA may conduct a Financial Review in accordance with section 2, as applicable to that Agent by reviewing the internal monthly management accounts of the Agent showing the results for each month since the last accounting date, the cumulative results to date and the latest balance sheet.

5. FINANCIAL SECURITY

5.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

5.2 Financial Securities will be subject to a minimum notice period of ninety (90) days and will be required to be valid for a minimum of at least one year.

5.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

5.3.1 "Days Sales at Risk" means the number of days from the beginning of the Agents reporting period to the remittance date in respect of that reporting period or periods, plus a margin of five days.

5.3.2 "Amount at Risk" is calculated by dividing the "Days Sales at Risk" by 90 days, and applying that percentage to the BSP cash turnover, or cash turnover as applicable, amount the Agent made in the three month period referred to in section 5.5 or 5.7 of this criteria,

Agents accredited for four years or less

5.4 All Agents must provide a Financial Security subject to the remittance frequency and subject to the minimum amount in point 5.8.

5.5 After the first three months of accreditation and after the first 12 months of accreditation, the amount of the Financial Security required must cover at a minimum the higher of:

5.5.1 the Amount at Risk calculated as per section 5.3 using the cash turnover amount equal to the average net monthly cash sales of the Agent during the previous three month period; or

5.5.2 the minimum amount as in point 5.8.

If the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

5.6 Except for the amount of the initial Financial Security, all calculations of the amount of Financial Security required for Agents accredited for four years or less will be reviewed and calculated under section 5.5.

Agents accredited for more than four years.

5.7 The amount of the Financial Security required must cover at a minimum the Amount at Risk calculated as per section 5.3 using the BSP cash turnover,

5.8 All calculations of the amount of Financial Security required for Agents accredited for more than four years will be calculated under section 5.7 of this Resolution taking into consideration the following elements:

5.8.1 Minimum Financial Security subject to Remittance Frequency:

5.8.1.1 Weekly Remittance: ZAR 160,000.00 (or equivalent in NAD, LSL, SZL or BWP for each country operation as communicated by IATA).

5.8.1.2 Fortnightly Remittance: ZAR 250,000.00 (or equivalent in NAD, LSL, SZL or BWP for each country operation as communicated by IATA).

5.8.1.3 Monthly Remittance: ZAR 500,000.00 (or equivalent in NAD, LSL, SZL or BWP for each country operation as communicated by IATA).

Financial Security calculation subject to the minimum above:

Additional financial Security	Risk amount less Net equity
Risk Amount	For monthly remitters: (Last 12 months BSP cash sales/365) * 50 For fortnightly remitters : (Last 12 months BSP cash sales/365) *35 For weekly remitters : (last 12 months cash sales/365) *17 *Sales Period Under Review
Net Equity	Consists of: – Share capital – Share premium – Retained earnings – Other distributable reserves – Shareholder's loans if subordinated less declared dividends

Exception:

When an Agent is defaulted due to late payment or accumulation of Irregularities the Agent might be requested to provide a Financial Security that covers the "Sales at Risk" in accordance to Resolution 818g Att A 2.2(A).

Reduced Guarantee:

If the Agent is required to provide additional guarantees (over the minimum guarantee per Agent indicated in the above table subject to remittance frequency), the additional guarantee will be reduced by the appropriate percentage as indicated in the table below:

Number of years in Business	% reduction
0-4	0%
5-7	10%
8-10	20%
11-12	30%
13-15	40%
>15	50%

Exception to this reduction is for Agents with non-payment default during the past 12 months:

6. CHANGES IN OWNERSHIP

6.1 This section applies to all changes in ownership or control or any other Review resulting from a change of ownership or control of the Agent in accordance with the Passenger Sales Agency Rules.

6.2 The Agent must provide Audited Accounts, no later than 90 days after the change of ownership or control is effected. The Accounts must cover a period of 12 months including, at a minimum, the first month after the change of ownership or control takes effect and IATA will use these Accounts to conduct the Financial Review.

7. CHANGES IN FINANCIAL YEAR END

7.1 All Agents must notify IATA immediately of a change in its financial year-end.

7.2 The Agent must provide both:

7.2.1 Audited Accounts within 90 days after the change is made and IATA will conduct the Financial Review applicable to the Agent.

7.2.2 Audited Accounts for the financial year end that would have applied to the Agent before the Agent changed its financial year end. These must be provided to IATA within 90 days of the former financial year end.

8. SIGNIFICANT CHANGE IN GROSS BSP SALES

8.1 A significant change means any change in the business of the Agent which results in a change in gross BSP cash sales of more than 20% as compared to the previous 12 months. A change can be an increase or a decrease in gross BSP sales.

8.2 An Agent must notify IATA of any significant change as soon as the Agent becomes aware of it

8.3 An interim Financial Review may also be initiated by IATA where IATA becomes aware of a significant change in gross BSP sales in accordance with Section 4.

DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Current Assets – are defined as Current Assets as in the Balance Sheet of the Accounts.

Current Liabilities – are defined as Current Liabilities as in the Balance Sheet of the Accounts.

EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortization

Financial Irregularity means an irregularity applied as a result of any failure to adhere to the reporting and remittance procedures described in Resolution 818g Attachment "A" including but not limited to those irregularities described in Resolution 818g Attachment "A".

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this Resolution 800f, or both.

Irregularity means any irregularity applied under the Passenger Sales Agency Rules for non-compliance with those Rules including but not limited to Financial Irregularities.

Net Equity or Shareholders'/Owners' Funds – consists of:
- Share capital
- Share premium
- Retained earnings
- Other distributable reserves
- Shareholder's loans if subordinated less declared dividends:

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due beyond twelve months after the end of the financial period.

Review means any assessment or evaluation of an Agent's continuing compliance with the Passenger Sales Agency Rules.

Sales Period Under Review: will be counted back from the start date of the review i.e. review initiated in December for 12 months will include all months between December and December.

SPAIN

(Effective 1 January 2025, PAC/46)

1. GENERAL RULE (Accounts/Documents to provide)

1.1 Accreditation of new agent

Provided below is a description of the original documents required to become an Accredited Agent. These documents must not be older than three (3) months from the date of the Agent accreditation application described in the official form.

– Certified photocopy of the National Identity Document or Foreigners' Identity Number (NIE) of the administrator(s), Managing Director, legal representative(s) and director(s) of the new Agent.
– Original criminal record certificate [certificato de penales] of the administrator(s), Managing Director, legal representative(s) and director(s) of the new Agent.
– Original, or certified copy from the General Treasury of the Social Security Office confirming that the new Agent is up to date with the payment of social security contributions.
– Financial statements of the previous financial year submitted to the Trade Registry (attaching the proof of deposit of the accounts in the Trade Registry) or audited accounts by an auditor member of the Official Registry of Auditors (ROAC), and interim financial statements for the period comprised from the start date of the current financial year to the date of the Agent accreditation application. If the Agent is a newly formed company without financial statements due to its short period in operation, the new Agent must provide an opening balance sheet.
– Certified photocopy of the Company's formation deed in which the names of the new Agent's administrator(s) and legal representative(s) are clearly specified.
– If the new Agent has had any change in ownership at any time after the formation of the company and prior to the Agent accreditation application, the new Agent must provide a copy of the change in ownership deed or the change in administrator(s), legal representative(s) and director(s) deed certified by the auditor or a notary.
– If the administrator(s) and director(s) of the new Agent are not EU citizens, they will have to provide a certified copy of their valid long-term Spanish Resident's Permit.
– Certified photocopy of the new Agent authorization issued by the competent authorities or the ***Declaración Responsable*** presented by competent body.
– Certified photocopy of the business tax (IAE) payment receipt (***Impuesto de Actividades Económicas*** , IAE)
– Certified photocopy of the contract (excluding financial terms) with an accredited reservations system or otherwise a letter from the GDS confirming the installation of the system in the Agent's premises.

1.2 Accredited agents

1.2.1 Agencies evaluated with rating report

A/Agent whose average 22 days' cash sales, taking the past 12 months as a reference, is more than two hundred and sixty-seven thousand Euros (€267,000) on the date the continuity analysis is performed.

IATA will appoint two independent rating companies specialized in risk and solvency analysis to perform impartial risk and solvency analysis of the Agent, and which have no conflict of interest with either travel agents and/or airlines,

Agents are evaluated twice a year through an impartial risk and solvency analysis:

- the first time: 46 days after the deadline established by law for submitting the annual accounts duly signed by the administrators. Annual accounts duly signed by the administrators will be evaluated.
- the second time: 46 days after the deadline established by law for submitting the annual accounts at the Trade Registry. Annual accounts to the Trade Registry will be evaluated.

The Agent will also have the option to send directly to IATA a rating report prepared by either of the two companies designated by IATA, at the choice of the Agent. These reports must be:

(a) send to IATA no later than 45 days after the deadline established by law for submitting the annual accounts duly signed by the administrators or depositing the annual accounts at the Trade Registry,
(b) must not be older than seven (7) days from the presentation deadline.

If the voluntary report is sent by the Agent in accordance with the timeframes specified in this criterion, IATA will not request any report and will use the analysis in the report sent by the Agent as a reference.

If the Agent's year-end is not 31 December, the Agent must notify IATA before the closing date of its accounts.

For the results of each of the default and insolvency analysis to be valid, the Agent must have submitted the annual accounts duly signed by the administrators or submitted annual accounts to the Trade Registry within the deadline established by law.

A1/If the Agent has not sent a risk and solvency report on a voluntary basis, IATA will request a report to COMPANY 1.

A2/If the Agent has sent a risk and solvency report on a voluntary basis in accordance with the criteria described above, the results provided in the report will depend on the company chosen by the Agent.

1.2.2 Agencies evaluated with financial ratios

Agents whose average 22 days' cash sales, taking the past 12 months as a reference, is below two hundred and sixty-seven thousand Euros (€267,000) on the date the annual financial assessment is performed, it will be required to provide the following financial documents on a yearly basis:

- Copy of the annual accounts prepared and duly signed by the administrators in the month following the deadline established by law for preparing the accounts
- Copy of the duly completed annual accounts submitted to the Trade Registry in the month following the deadline established by law for submitting the annual accounts to the Trade Registry
- In the case of companies required to audit their accounts, a copy of the audit.

1.3 Change of ownership

Described below are the original documents required by IATA for a change in the ownership of an Agent or in its shareholders (if the change involves a change in the control of the company) to become valid. These documents must not be older than three months from the date of the application for changes in ownership authorisation described in the official form:

- A certified photocopy by the auditor of the National Identify Document or Foreigners' Identify Number (NIE) of the new administrator(s), Managing Director, legal representative(s) and director(s) of the Agent.
- An original criminal record certificate [certificado de penales] of the new administrator(s), Managing Director, legal representative(s) and director(s) of the Agent.
- Original, certified or attested certificate from the General Treasury of the Social Security Office confirming that the new Agent is up to date with the payment of Social Security contributions.
- Audited accounts from the previous financial year submitted to the Trade Registry and interim financial statements for the period between the start date of the current financial year to the date of the application for the change in ownership. In case it is not possible, the Agent will be required to submit accounts accompanied by a certificate of conformity signed by the CEO, CFO, or equivalent Executive Director. When submitting non-audited accounts, the Agent will automatically be set with a condition of RHC=FS, regardless of the qualification of its risk status.
- Certified photocopy of the change in ownership deed in which the names of the new administrator(s), Managing Director, legal representatives and director(s) of the Agent are clearly specified.
- If the new administrator(s), Managing Director, legal representative(s) and director(s) of the travel Agent are not EU citizens, they will have to provide a certified or attested photocopy of their valid long-term Spanish Resident's Permit.
- A certified photocopy of the Agent's permit/authorization issued by the autonomous regional authorities.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 New Agents

2.1.1 For newly formed Agents (less than one (1) year since the formation of the company)

In case of having submitted an opening balance, the new Agent will be assigned a FAIL in his financial review.

2.1.2 Agents with more than one (1) year since the formation of the company

IATA will appoint a company specialized in risk and solvency analysis which does not pose a conflict of interest with an Agent or Airline to perform impartial risk and solvency analyses on the new Agent.

The results of the analysis will be given a score between zero (0) to ten (10), where ten (10) is the highest score and zero (0) the lowest. Likewise, the external company will perform a creditworthiness assessment and a RAI (*Registro de Aceptaciones Impagadas*, Unpaid Receivables Registry) incidents analysis on the new Agent.

For the results to be valid, the new Agent must have submitted the accounts for the most recent financial year to the Trade Registry by the deadline established by law.

If the Agent has been in operation for more than one (1) year but has not yet been required to submit its accounts to the Trade Registry, the Agent must provide its limited audited provisional accounts to the external company performing the analysis. Otherwise, the results of the solvency ratio analysis will be considered to be zero (0).

The result of the Agent's financial review will be considered **PASS** if it complies with all the following requirements:

- minimum score of five (5) in the results of each of the risk and solvency analysis
- in case the score is less than five (5) only Go Lite accreditation, option will be available for the Agent
- Agent is also required to be given a creditworthiness rate above six thousand (€6,000) euros
- no incidents in the RAI (Unpaid Receivables Registry)

2.2 Accredited Agents evaluated with risk and solvency (rating) report

The result of the financial review of the agent will be considered PASS if all following criteria are met:

- COMPANY 1: agent is required to achieve a score of six (6) in the results of the risk analysis and six (6) in the results of the solvency analysis
- COMPANY 2: Agent is required to achieve a score of eleven (11) in the results of the risk and solvency analysis

COMPANY 1:

- If the minimum valuation obtained is 5, either in the default analysis, solvency analysis or in both, the agent will have to present a bank guarantee for 20 % of the amount of sales at risk.
- If the minimum valuation obtained is 4, either in the default analysis, solvency analysis or in both, the agent will have to present a bank guarantee for 55% of the amount of sales at risk.
- If the minimum valuation obtained is 3 or lower, either in the default analysis, solvency analysis or in both, the agent will have to present a bank guarantee for 100 % of the amount of sales at risk.

COMPANY 2:

- If the valuation obtained is 10, the Agent will have to present a bank guarantee for 20% of the amount of sales at risk.
- If the valuation obtained is 9, the Agent will have to present a bank guarantee for 55 % of the amount of sales at risk.
- If the valuation obtained is 8 or lower, the Agent will have to present a bank guarantee for 100 % of the amount of sales at risk.

2.3 Agents evaluated by IATA's Global Financial Assessor

The result of financial review of the Agent will be considered as **PASS** if all following criteria are met:

Capital/Equity

The Agent's equity must:

- not be less than 80 per cent of the authorized and paid-up capital; and
- not be less than forty-eight thousand and eighty euro and ninety seven cents (€48.080,97).

Short-Term Solvency

Short-term solvency = Current assets/short-term debts (current liabilities).

A weighting ratio of short-term solvency will be applied, based on the result of comparing Equity with Authorised and Paid-up Capital.

To do this, the following table is applied:

Equity/Share Capital	Weighting Ratio
>1,3	1,10
1,2	1,075
1,1	1,05
1	1
0,9	0,95
0,8	0,925

The weighting ratio resulting from applying the table is multiplied by the short-term solvency ratio and the result should be 1 or above.

Earnings

1. The agent may incur pre-tax losses, provided they do not exceed 25% of its equity.
2. The possibility of incurring losses, as per point 1, is limited to a maximum of 2 consecutive years.
3. If losses continue into the third consecutive year, they cannot exceed 15,000 Euros annually or represent more than 25% of its equity. In such cases, the financial evaluation result will be considered fail.

3. ANNUAL FINANCIAL REVIEW

Annual financial review will be performed according to sections 1.2, 2.2, 2.3 of this document.

4. FINANCIAL SECURITY

4.1 Validation of Financial Security

The Agent will not be accredited or will not continue accredited until IATA receives the requested financial security and until the issuing entity of the guarantee confirms directly to IATA in written that it recognizes the issuance, validity and authenticity of the financial guarantee.

4.2 Calculation of the financial guarantee

With the objective to calculate the amount of Financial Security, the following definitions apply:

Remittance frequency	Days at risk
4 times per month	22

4.2.1 The amount of "sales at risk" is calculated using the amount of BSP cash sales that agent had in the last 12 months, as follows

$$\textbf{Sales at Risk} = \frac{\text{Days of sales at risk} \times \text{BSP Cash sales in the last 12 months}}{\text{365 days}}$$

The amount of the Financial Security will be rounded to the following + 1,000 EUR

4.3 Financial security level

4.3.1 New Agents and Agents accredited for less than 2 years

Agents will be required to submit a financial security calculated in accordance with section 4.2.1, with minimum amount of 38,000 EUR.

4.3.2 Agents accredited for more than two years

Agents with Risk Status A

Financial Security will not be required

Agents with Risk Status B

Agents with Risk Status B will be required to submit a Financial Security calculated according to section 4.2.1 or 2.2 as applicable, with minimum amount of 10,000 EUR.

Agentes con Estado de Riesgo C

Agents with Risk Status C will be required to submit a Financial Security calculated according to section 4.2.1 or 2.2 as applicable, with minimum amount of 10,000 EUR.

B/Financial Requirements

B1/A New Agent is a newly formed Agent (less than one (1) year since the formation of the company):

New Agents will be required to submit a financial guarantee of thirty-eight euros (38,000 EUR).

B/2 Agents with more than one (1) year since the formation of the company.

IATA will appoint a company specialized in risk and solvency which does not pose a conflict of interest with an Agent or Airline to perform impartial risk and solvency analyses on the Agent. The results of the analysis will give a score between zero (0) to ten (10), where ten (10) is the highest score and zero (0) the lowest. Likewise, the external company will perform a creditworthiness analysis and a RAI (Unpaid Receivables Registry) incidents analysis on the Agent.

For the results to be valid, the Agent must have submitted their accounts for the most recent financial year to the Trade Registry by the deadline established by law.

In case of Agents with over one year of activity which has not been required to present its accounts to the Trade Registry, the Agent will have to present audited provisional accounts. Otherwise, the result of the risk and solvency analysis will be considered to be zero (0).

An Agent needs to reach a minimum score of five (5) in the results of the analysis at the moment of applying for accreditation, in order to obtain qualification of **PASS**. In case Agent scores less than five (5) the qualification will be **FAIL.**

At the same time the Agent is also required to have a creditworthiness rate above six thousand (€6,000) euros without any incident in the RAI (*Registro de Aceptaciones Impagadas*, Unpaid Receivables Registry).

Once fulfilled the evaluation criteria, the new agent will be required to submit a financial security for the amount of thirty-eight thousand EUR (38.000€).

SRI LANKA

(Effective 1 October 2019 – MV/313)

1. GENERAL RULE

1.1 The Applicant must be in the airline trading business for not less than one year prior to application of becoming an IATA Accredited Agent.

1.2 The Applicant/Agent must be licensed by the Civil Aviation Authority of Sri Lanka for not less than 1 year at the time of application.

1.3 The Applicant/Agent must have a minimum paid up capital of LKR 500,000 and be in airline trading business of not less than one year prior to the application.

2. Finances

2.1 The Applicant/Agent must provide a certified and audited balance sheet and profit and Loss account not more than one year old at the time of submission.

2.2 When assessing whether the applicant/Agent meets the financial standing the requirements in section 3 below shall be taken into account.

3. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

3.1 All financial information used in the financial assessment will be extracted from the Agent's Audited Accounts.

3.2 The following financial tests apply to the evaluation of an Agent's Audited Accounts:

3.2.1 There must be positive Net Equity

3.2.2 Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5.

3.2.3 EBITDA (Earnings Before Interest, Taxation, Depreciation, Amortization and extraordinary items) must be positive

3.2.4 The EBITDA must exceed the Interest Payable by a factor of minimum two.

3.2.5 Adjusted Current Assets must exceed Current Liabilities.

4. ANNUAL FINANCIAL REVIEWS

4.1 All Agents must provide Audited Accounts no later than 12 months after each financial year end, of that Agent for the purposes of evaluation against the financial tests in section 3.

5. INTERIM FINANCIAL REVIEWS

5.1 For any Financial Review conducted for cause at a time other than in respect of an Agent's financial year end, IATA may conduct a Financial Review in accordance with section 3 as applicable to that Agent by reviewing the internal monthly management accounts of the Agent showing the results for each month since the last accounting date, the cumulative results to date and the latest balance sheet.

6. FINANCIAL SECURITY

6.1 Notwithstanding the Risk Status of A or B, the Agent must furnish a minimum Financial Security for an existing agent is LKR2,500,000 or equivalent to 17/365 days' average sales based on the last 12 months activity, whichever is higher

6.2 Agents with Risk Status A and B must at all times provide a Financial Security which will equal their assigned Remittance Holding Capacity.

6.3 An Applicant/Agent may at any time request to reduce or increase the Financial Security amount provided in accordance with Resolution 812 Section 5.9.4.

6.4 Financial Securities will be subject to a minimum notice period of ninety (90) days post expiry and be valid for a minimum of at least one year.

6.5 At any point in time, if the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

6.6 Amount at Risk is calculated by dividing the Day's Sales at Risk by 365 and applying that percentage to the BSP cash turnover, or cash turnover as applicable – Example:

$$\text{"Amount as Risk"} = \frac{17}{365} \times \text{BSP Cash Turnover over last 12 month period}$$

7. SIGNIFICANT CHANGE IN GROSS BSP SALES

7.1 A significant change means any change in the business of the Agent which results in a change in gross BSP sales of more than 10% as compared to the previous 12 months. A change can be an increase or a decrease in gross BSP sales.

7.2 An interim Financial Review may also be initiated by IATA where IATA becomes aware of a significant change in gross BSP sales in accordance with Section 5.

8. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

a) Adjusted Current Assets – are defined as Current Assets as in the Balance Sheet of the Accounts after deducting:

Stocks and work in progress.

Deposits given to third parties other than IATA,

Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)

Doubtful debtors,

Blocked funds, except for funds held in favour of IATA.

b) Current Liabilities – are defined as Current Liabilities as in the Balance Sheet of the Accounts.

c) EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortization.

d) Financial Irregularity means an irregularity applied as a result of any failure to adhere to the reporting and remittance procedures described in Resolution 818g Attachment "A" including but not limited to those irregularities described in Resolution 818g, Attachment A.

e) Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with these Criteria, Resolution 800f, or both.

f) Irregularity means any irregularity applied under the Passenger Sales Agency Rules for non-compliance with those Rules including but not limited to Financial Irregularities.

g) Net Equity or Shareholders'/Owners' Funds – consists of:

Share capital

Share premium

Retained earnings

Other distributable reserves

Shareholder's loans if subordinated less declared dividends:

h) Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

i) Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

j) Review means any assessment or evaluation of an Agent's continuing compliance with the Passenger Sales Agency Rules.

SOUTH SUDAN

(Effective 1 January 2025 – MV/685)

1. GENERAL RULES

New Applicants

1.1 For the purposes of evaluation against the financial tests in Section 2 of these criteria, New Applicants must provide the Audited or Certified Accounts prepared according to the local accounting practice, covering 12 months of operations:

- Balance Sheet,
- Profit & Loss Statement
- Cash Flow Statement

Accredited Agents

1.2 All Agents must provide Audited or Certified Accounts prepared according to the local accounting practice not later than 30th of April, which is 4 months after each financial year end, for the purpose of evaluation against the Criteria in Section 2 of these criteria.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

The below criteria apply both to new applicants and Accredited Agents. All financial information used in the financial criteria will be extracted from the Agent's Audited or Certified Accounts:

(a) There must be positive Net Equity i.e. Total Assets must exceed Total Liabilities.

(b) Profitability: The accounts must show that the Agent has made a profit before tax at the end of the latest accounting period.

(c) Liquidity: The accounts must show a positive liquidity ratio i.e. current assets must exceed current liabilities at the end of an accounting period.

(d) Net Equity divided by long term debt and other long-term liabilities > 0.5

3. ANNUAL FINANCIAL REVIEW

All Agents must provide Audited or Certified Accounts prepared according to the local accounting practice. The report must consist of:

– Profit and Loss Statement,
– Balance Sheet
– Cash Flow Statement

4. FINANCIAL SECURITY

4.1.1 For the purposes of calculating the amount of a Financial Security the following definitions apply: "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

Remittance Frequency	Days' Sales at Risk	Days in reporting period
Four times per month	19	7

4.1.2 "Amount at Risk" = "Days' Sales at Risk" x BSP cash turnover in applicable 3 highest reporting periods.

4.2 Level of Financial Security:

4.2.1 For Agents with Risk Status A, B and C the amount of the Financial Security required must not be lower than USD 25,000.

4.2.2 Agents with Risk Status A and B must at all times provide a Financial Security which equals their assigned Remittance Holding Capacity.

4.2.3 An Applicant/Agent may at any time request to reduce or increase the Financial Security amount provided in accordance with Resolution 812 Section 5.9.4, but not lower than USD 25,000.

4.2.4 The value of the Financial Security will be rounded to the next + 1,000 USD.

4.3 Financial Security requirements:

4.3.1 Financial Security must be strictly drafted as per specimen provided by IATA.

4.3.2 An Agent will not be accredited or will not continue to be accredited until any Financial Security (Bank Guarantee) required to be provided to IATA has been received by IATA and confirmed its validity to IATA through inter-banking channel SWIFT by the issuing bank. IATA will not accept paper Bank Guarantees.

4.3.3 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but must be valid for at least one year.

4.3.4 If the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

4.3.5 When the renew/reissue of Agent's Financial Securities is required, the Agent must ensure that confirmation of renewed/reissued Financial Security received by IATA at least 30 days before expiry date of the currently valid Financial Security.

SUDAN

(Effective 1 March 2022 – MV/535)

1. GENERAL RULES

1.1 Audited Accounts means accounts reviewed by an auditor recognized as competent by a regulatory authority in Sudan to perform an audit that are provided to IATA.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the financial criteria will be extracted from the Agent/s Audited accounts

2.2 The following financial tests apply to the evaluation of an Agent's Audited accounts:

2.2.1 There must be a positive Net Equity.

2.2.2 Net Equity divided by long-term debt and other long-term Liabilities must be greater than 0.5.

2.2.3 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortisation and extraordinary items) must be positive save in exceptional circumstances.

2.2.4 The EBITDA must exceed the Interest Payable by a factor of a minimum of two and ideally three.

2.2.5 Adjusted Current Assets must exceed Current Liabilities.

2.3 An Agent will obtain a satisfactory result on the financial review when 2 provisions out of the first 4 provisions in section 2.2 and the fifth provision in section 2.2 of these criteria have been met.

3. ANNUAL FINANCIAL REVIEW

3.1 All applicants must provide Audited Accounts not more than 12 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests as per section 2 of these criteria.

3.2 If an Agent has been in business for less than 12 months at the time of application, an Audited opening balance sheet must be provided instead.

3.3 All Agents must provide Audited Accounts not later than 6 months after each financial year end for the purpose of evaluation against the financial tests in Section 2 of these criteria.

4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA.

4.2 The communication to IATA needs to be received in writing directly from the third party supporting the Financial Security confirming that the Financial Security was issued by that third party and is valid.

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

Remittance Frequency	Days' Sales at Risk	Days in reporting period
Four times per month	21	8

4.3.2 "Amount at Risk" is calculated as following:

$$\text{Amount at Risk} = \frac{\text{Days' Sales at Risk} \times \text{BSP cash turnover in applicable 3 highest reporting periods}}{\text{Days in reporting period} \times 3}$$

4.3.3 The amount of the financial security is calculated to cover at a minimum the Days Sales at Risk multiplied by the BSP cash turnover in 3 highest reporting periods of the last 12 months over the number of days in the reporting period multiplied by 3.

Agents with Risk Status A, B and C

4.4 For Agents with Risk Status A, B and C the amount of the Financial Security required must be not lower than 850,000.00 SDG and once the BSP is implemented in USD the BG should be changed to USD with a minimum of 10,000.00 USD.

4.5 All Agents Financial Security will be equal to the Remittance Holding Capacity at all times.

4.6 An Applicant/Agent may at any time request to reduce or increase the Financial Security amount provided in line with 4.1.

4.7 The value of the Financial Security will be rounded to the next USD10,000 (NOT APPLICABLE FOR SDG).

4.8 All Financial Securities must be drawn as per the IATA specimen.

5. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Adjusted Current Assets – are defined as Current Assets as in the balance sheet of the accountants after deducting:

- Stocks and work in progress
- Deposits given to third parties other than IATA
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
- Doubtful debtors
- Blocked funds except for funds held in favour of IATA.

These generic descriptions may be modified to terms specifically defined under the applicable local Generally Accepted Accounting Principles (GAAP) and disclosed in the financial statements.

Current Liabilities – are defined as current liabilities in the balance sheet of the accounts

EBITDA – Earnings before Interest, Taxation, Depreciation and Amortisation.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this local financial criteria.

Net Equity or Shareholders'/owners' Funds - Consists of:

– Share capital
– Share Premium
– Retained earnings
– Other distributive reserves
– Shareholder's loans if subordinated less declared dividends

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

Review means any assessment or evaluation of an agent's continuing compliance with the Passenger Sales Agency Rules.

SWITZERLAND/LIECHTENSTEIN

(Effective 1 March 2024 – MV/675)

1. GENERAL RULE

1.1 All forms of commercial companies have to be entered in the Swiss Trade Register.

2. ANNUAL FINANCIAL REVIEWS

2.1 Annual Financial Statements must be in compliance with Swiss Law' Code of Obligations (OR). The time limit for submission of Annual Financial Statements is within six months after the closing date of the Fiscal year.

Document requirements:

2.2 All documents have to be prepared according CO 957 ff.

2.3 According to Art. CO 727a, Auditor's control report is not obligatory for those legal entities meeting the conditions for exemption from audit (opting out practice according to Swiss legislation). Such Agencies must provide a copy of the certificate of the Swiss trade register in order to proof the exemption.

2.4 New legal entities without at least one year's trading record are required to provide an Opening Balance Sheet.

2.5 The balance sheet shall be segmented according CO 959.

3. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

Formulas used for the financial evaluation:

3.1 Equity:

The equity (capital paid-in, reserves, profit and loss carried forward) must not be lower than CHF 100'000. If this requirement is not met, an Agent cannot be accredited or in case of accredited Agents must provide financial securities.

3.2 Liquidity ratio:

$$\frac{\text{Total current assets} - \text{Total Inventory} \times 100}{\text{Total Current liabilities}}$$

The liquidity ratio (quick-ratio) must be above 100%; i.e. short-term assets must cover to 100% all short-term liabilities.

When calculating the liquidity ratio, a safety margin of 5% is deducted from amounts owned by debtors as well as from securities/bonds.

Amounts of doubtful debtors as well as money given to owners and/or managers are not eligible in case company has not been audited.

3.3 Self-financing ratio:

$$\frac{\text{Total equity} \times 100}{\text{Total liabilities}} \geq 15\%$$

The self-financing ratio must reach 15%, i.e. the Equity must cover at least 15% of the total liabilities. Subordinated claims are considered as equity when calculating the Total Equity.

3.4 Fixed Assets Coverage:

$$\frac{(\text{Equity} + \text{Long Term liabilities}) \times 100}{\text{Fixed assets}} \geq 100\%$$

The coverage ratio must attain the factor 1.0, i.e. the Equity + long-term liabilities must cover to 100% all fixed assets.

3.5 Capital Loss:

Total Assets - Total Liabilities ≥ 0.5 * (Share Capital + Statutory Capital Reserve)

The assets less the liabilities must be at least 50% of the sum of the share capital and the statutory capital reserve.

3.6 In order to obtain a satisfactory result of the financial assessment, an Agent must pass all tests in 3.1-3.5 of these criteria.

3.7 The remittance period, i.e., the number of days between the end of the billing period and the remittance date, for four times per month remittance is 10 days.

Effective 1 January 2026 the number of days between the end of the billing period to remittance date will be 5 working days for all agents remitting four times per month.

4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods.

Remittance Frequency:	Days' Sales at Risk
Twice per month	35
Four times per month	22
Daily	5

4.3.2 "Days Sales at risk as per 1st January 2026:

Remittance Frequency:	Days' Sales at Risk
Twice per month	35
Four times per month	17
Daily	5

4.3.3 "Amount at Risk" is calculated using BSP cash turnover amount equal to the net cash sales in the previous 12 months, as follows:

$$\text{"Amount at Risk"} = \frac{\text{"Days' Sales at Risk"} \times \text{BSP cash turnover in the last 12 month period}}{360}$$

4.3.4 For Agents that are required to provide a Financial Security the following minimum amounts are applicable:

– twice per month remittance: CHF 25.000
– four times per month remittance: CHF 20.000
– daily remittance: CHF 5.000

Agents with Risk Status A

4.4 For Agents with Risk Status A no Financial Security is required.

Agents with Risk Status B

4.5 For Agents with Risk Status B the amount of the Financial Security required must cover at a minimum the Amount at Risk calculated as per Section 4.3 using the BSP cash turnover amount equal to the net cash sales in the previous 12 months, or the minimum amount of financial security as per 4.3.3, whichever is higher.

Agents with Risk Status C

4.6 For Agents with Risk Status C the amount of the Financial Security required must cover at a minimum the Amount at Risk calculated as per Section 4.3 using the BSP cash turnover amount equal to the net cash sales in the previous 12 months, or the minimum amount of financial security as per 4.3.3, whichever is higher. The most frequent standard remittance frequency, i.e. weekly remittance, will be applied.

Further information on Risk Status to be found in Resolution 812 (Travel Agents Handbook).

SYRIAN ARAB REPUBLIC

(Effective 1 February 2009)

A. FINANCIAL CRITERIA - In accordance with Resolution 800f and the locally decided criteria

1. New Applicants' Financial Statements

(a) Complete set of audited financial statements as detailed in Paragraph A.3, not older than six months upon the date of submission, in English language, duly signed, stamped and certified by a certified public audit firm.

(b) For applicants who have just commenced trade without financial records, the following should be submitted:
   1. Opening Balance Sheet
   2. Statement of Accounts receivable and payable
   3. Any other document deemed necessary by the Financial Assessor

2. Accredited Agencies' Financial Statements

(a) An accredited agent undergoing a Financial Review must submit Financial Statements and comply with the minimum Financial Ratios, as given in detail in paragraphs A.1 and A.3.

(b) The financial ratios minimum levels given in paragraph A.3 must always be met, and will be the base for deciding additional financial security requirements (i.e. Higher Bank Guarantee, or Default Insurance Policy), as deemed necessary by the Financial Assessor.

(c) Agents have to submit an annual Financial Assessment by no later than 31 March or the next working day, should that date be a non-working day.

3. Required Financial Statements from new applicants, and required ratios:

All new applicants must submit the following statements, and comply with the following minimum financial reports:

(a) **Liquidity:** Statement of Assets & Liabilities

Ratio: Current Assets divided by Current Liabilities **should not be less than one**

(b) **Profitability:** Net income & Stockholder's Equity statements

Ratio: Net Income divided by Stockholder's Equity statements **should not be less than 10%**

(c) Any other documents and statements deemed necessary by the Financial Assessor to determine the agency's financial standing.

B. FINANCIAL SECURITIES

1. All new applicants and accredited agencies are required to comply all the time with the financial security requirements as decided in the locally established criteria of Syria, even if the financial review of a new applicant and/or an accredited agency reflects achieving or exceeding the minimum financial ratios given in Paragraph A.3.

2. Bank Guarantee is the approved method to provide Financial Securities as follows:

2.1 New applicants that have not yet commenced trade, or have just commenced trading, without sales records, will be required to submit a Bank Guarantee of **SYP 3.500.000** as a minimum level of financial security. The minimum level could be increased if the ASO has reasons including financial risk.

2.2 New applicants that had commenced trade with a sales record (i.e. sales outside the BSP umbrella) will be required to submit a Bank Guarantee of **SYP 3.500.000** as a minimum level of financial security, or Bank Guarantee levels higher than **SYP 3.500.000** as decided by the ASO based on new applicant's sales record and any other financial risk indicator assessed by the ASO.

2.3 All accredited agencies will have to undergo an annual Bank Guarantee adjustment process, by which the ASO will communicate to each agency its highest average sales level in 3 (three) cumulative (and not necessarily consecutive) months during the pervious year (JAN-DEC). Agent's sales will be the guideline to assess the Bank Guarantee. If the agent's sales exceed the Bank Guarantee by 25% (twenty five percent) or more, the Bank Guarantee will be influentially increased by the same percentage. This process will have no borderline limits when it comes to the Bank Guarantee's amount. The new Bank Guarantee level will be communicated to the concerned agencies by the ASO in **JAN** of each year, with a deadline to comply by no later than **31 March** or the next working day, should that date be a non-working day.

2.4 For accredited agencies with less sales record of the Bank Guarantee **SYP 3.500.000**, same Bank Guarantee will be maintained.

2.5 ASO will communicate the Bank Guarantee adjustment level, only to the agency with an increase requirement. However, Agencies have the right to request reducing the Bank Guarantee level based on a decrease in the sales record of the previous year's highest 3 months average sales, provided the decrease will always comply with the minimum **SYP 3.500.000** Bank Guarantee requirement.

2.6 The Bank Guarantee level can be adjusted for an agency/agencies undergoing a Financial Assessment or Review, based on the review results compared to the minimum accepted ratios in Paragraph A.3 under Financial Statement.

C. STAFFING CRITERIA

The agent must have in its employment competent and qualified staff able to sell international air transportation and correctly issue electronic travel documents and report these to the BSP.

D. BSP PROCEDURES

Information on the procedures and responsibilities of agents in respect of the reporting and settlement rules is contained in the BSP Manual for agents supplied to each approved location.

IATA offers regular BSP procedures training sessions. Any agent wishing to undertake such training is encouraged to contact the local BSP contact to coordinate the participation in the training sessions.

THAILAND

(Effective 1 January 2025 – MV/687)

1. FINANCES

1.1 The applicant must have been legally registered as a travel agent and must have conducted travel agent business for the past 12 months and must provide certified or properly audited Balance Sheet and Profit and Loss account statement not older than 12 months at time of submission.

1.2 An applicant

1.2(a)(i) Must have a minimum registered capital of THB 1,000,000 of which a minimum of THB 500,000 must be paid up capital.

1.2(b) must submit:

1.2(b)(i) a financial guarantee equivalent to the average of 15 days turnover or THB 2,000,000, whichever is higher.

1.2(c) The Bank Guarantee has to be issued by a bank with investment status rating from Fitch Ratings (Thailand) Limited or an international rating from Standard & Poors, Moody's or Fitch Ratings.

1.3(a) when assessing whether the applicant meets the financial standing described in Subparagraph 1.1 of this Paragraph the following shall be taken into account:

1.3(a)(i) availability of adequate liquid funds to meet normal trading commitments;

1.3(a)(ii) capital required to be commensurate with fixed assets;

1.3(a)(iii) the existence of preferential claims on the assets and the existence of contingent liabilities.

TIMOR LESTE

3.4.1 Finances

3.4.1.1 the applicant must provide a certified and audited balance sheet and Profit and Loss account not more than six months old showing satisfactory financial standing and ability to remain solvent and pay bills:

3.4.1.2 applicant must:

3.4.1.2(a) have a minimum paid up capital as required by the local Government

3.4.1.2(b) be established and be in airline trading business of not less than 6 months prior to the application. The applicant is also required to submit a Minimum Bank Guarantee equivalent to an average of one month's turnover.

3.4.1.3(a) when assessing whether the applicant meets the financial standing described in Subparagraph 3.4.1.1, the following shall be taken into account:

3.4.1.3(a)(i) availability of adequate liquid funds to meet normal trading commitments;

3.4.1.3(a)(ii) capital required to be commensurate with fixed assets;

3.4.1.3(a)(iii) the existence of preferential claims on the assets and the existence of contingent liabilities;

3.4.1.3(b) the applicant may be required to provide further information or additional financial support in the form of recapitalisation, bank of insurance bonds or guarantees. Failure on the part of an Agent to renew, by the expiry date, any such financial guarantees shall constitute grounds for the Agency Administrator to give the Agent notice of termination of the Sales Agency Agreement, provided that if the Agent demonstrates to the Agency Administrator prior to the termination date that it meets the financial standards, the termination shall not take effect;

3.4.1.4(a) the Agency Administrator shall conduct periodic examinations of the financial standing of Agents. He may request and the Agent concerned shall be under obligation to furnish, by the date specified in the Agency Administrator's letter of request, the documents deemed necessary by the Agency Administrator to conduct such examination.

Failure by the Agent to submit such documents as prescribed shall be grounds for the Agency Administrator to apply two instances of irregularity and to give the Agent 30 days to comply. Failure by the Agent to comply within 30 days shall be grounds for the Agency Administrator to give the Agent notice of termination of the Sales Agency Agreement, provided that if the Agent demonstrates to the Agency Administrator prior to the termination date that it meets the financial criteria incorporated in the Travel Agent's Handbook, the termination shall not take effect;

3.4.1.4(b) when the Agency Administrator determines that an Agent may no longer satisfy the financial criteria incorporated in the Travel Agent's Handbook, he may, if circumstances so warrant, prescribe in writing such conditions as he deems appropriate to be complied with by the Agent within 60 days of the date of such written prescription. The Agency Administrator shall determine if such conditions have been met. On finding that the Agent failed to comply, the Agency Administrator shall give the Agent notice of termination.

3.4.1.4(c) if subsequent to the action taken under Subparagraph 3.4.1.4(b) above, but prior to the termination date, the Agent satisfies the Agency Administrator that the prescribed conditions have been met, the termination shall not take place, and the Agency Administrator shall reinstate credit facilities and notify the Agent, all Members, Airlines and where applicable, ISS Management accordingly;

3.4.1.5 when the financial position of an Agent is subject to examination by the Agency Administrator and the Agent is unable to meet the financial criteria of the Travel Agent's Handbook, the Agency Administrator shall take normal business fluctuations into account and provide the Agent with a reasonable period of time to meet those criteria;

3.4.1.6 the applicant must wholly own and fully manage the business for which approval is sought as a Branch Office Location.

TUNISIA

△ *(Effective 1 September 2025 – MV/A698)*

1. GENERAL RULE

1.1 An Agent must provide Audited Accounts to IATA. Audited Accounts means accounts reviewed by an auditor recognized as competent by a regulatory authority in the country to perform an audit.

1.2 Agencies will need to apply online on the IATA Customer Portal where all need documentations in accordance with the local legislations are listed.

2. CRITERIA FOR THE EVALUATION OF AGENTS ACCOUNTS

2.1 All financial information used in the financial review will be extracted from the Agent's Audited Accounts.

2.2 The following financial tests apply to the evaluation of an Agent's Audited accounts:

2.2.1 There must be a positive Net Equity.

2.2.2 There must be a positive net profit.

2.2.3 Net Equity divided by Long Term Debt and other Long-Term Liabilities must be greater than 0.5.

2.2.4 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortization, and extraordinary items) must be positive.

2.2.5 The EBITDA must exceed the Interest Payable by a factor of a minimum of two.

2.2.6 There must be a positive net worth.

2.2.7 The liquidity ratio must be greater than 1.

2.2.8 The Current Assets must be in excess of the Risk Amount as per Section 4.3.2

2.2.9 The Net Cash Position (Cash balance including short term investment - short term financial debt) must be positive.

2.2.10 The Net equity / total assets must be greater than 0.5.

2.3 An agent will obtain a satisfactory result of the annual financial review when all above criteria listed in 2.2 are met.

3. ANNUAL FINANCIAL REVIEWS

3.1 All Applicants must provide Audited Accounts not more than 12 months old at the time of accreditation application to become an Agent to be assessed in accordance with section 2 of these criteria.

3.2 If an Agent has been in business for less than 12 months at the time of accreditation application, an audited opening balance sheet must be provided.

3.3 All Agents must provide an Audited Accounts for the last financial year, no later than 6 months, or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 2 of this criteria.

4. FINANCIAL SECURITY

4.1 An agent will not be accredited or will not continue to be accredited until IATA receives the financial security issued by the organization, a validation by written confirmation of the authenticity of the said financial security issued.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1 Days' Sales at Risk means the number of days from the beginning of the agent's Reporting Period to the remittance in respect of the reporting period plus a margin of five days.

Frequency of Remittance	Days' Sales at Risk	Days in Reporting period
Bimonthly (Fortnightly)	35	15
VMFR (Four times per month)	21	7

4.3.2 Amount at Risk is calculated as follows:

$$\text{“Amount as Risk”} = \frac{\text{“Days' Sales at Risk”} \times \text{BSP Cash Turnover in applicable 3 highest reporting periods in the last 12 months}}{\text{Days in reporting period} \times 3}$$

4.4 All Financial Securities must be provided per the format provided by IATA.

4.5 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

4.6 The minimum Financial Security required from all IATA Accredited Agents is TND 50,000.00

4.6.1 Agents with Risk Status A:

Agents are required to provide a Financial Security covering 50% of their Amount at Risk calculated as per Section 4.3.2, subject to a minimum of TND 50,000.00/- whichever is higher.

4.6.2 Agents with Risk Status B:

Agents are required to provide a Financial Security covering 100% of their Amount at Risk calculated as per Section 4.3.2, subject to a minimum of TND 50,000.00/- whichever is higher.

4.6.3 Financial Security for agent with Risk Status C:

RHC=Financial Security. The Remittance Holding Capacity (RHC) will be equal to Financial Security and must be not lower than TND 50,000.00.

5. DEFINITIONS OF TERMS USED IN THESE CRITERIA

EBITDA–Earnings before Interest, Taxation, Depreciation and Amortisation.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this local Financial Criteria.

Net Equity or Shareholders'/owners' Funds-Consists of:
- Share capital
- Share Premium
- Retained earnings
- Other distributive reserves
- Shareholder's loans if subordinated less declared dividends

Long Term Debt–All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities–all liabilities where repayment is due more than twelve months after the end of the financial period.

TÜRKİYE

(Effective 1 January 2025, PAC/46)

1. GENERAL RULE – (Accounts/Documents to be provided)

1.1 Documents Required from New Applicants and Agent undergoing Change of Ownership or Shareholder

New applicants must submit the following documents:

- Agency Trading Licence ("Isletme Belgesi") issued by the Ministry of Tourism, showing the category A or B and type of trading - required also in change of location/ownership/legal status/name.
- Company's certificate of registration ("Faaliyet Belgesi/Oda Sicil Kayıt Sureti") provided by the Chamber of Commerce within last 3 months.
- Commercial Registry Gazette (s) ("Ticaret Sicil Gazetesi/Gazeteleri") containing information on present addresses, shareholders, shares and paid-up capital - required also in change of location/ownership/legal status/name.
- Latest Shareholder Portions Table signed by commissaire ("Komiser imzalı son Hazirun Cetveli") for incorporated companies.
- Steering Committee Decision Records ("Yonetim Kurulu Karari"), for companies having a status other than incorporated, showing shareholder portions.
- For Agent undergoing Change of Ownership or Shareholder: Year-end balance sheet ("bilanco") stamped by the Turkish tax office and P&L account ("kar/zarar hesabi)" for those applicants with more than 1-year trading, or Notarised/Certified Financial Advisor's approved Open Balance sheet for those applicants with less than 1-year trading.
- For New Applicants: Year-end balance sheet ("bilanco") stamped by the Turkish tax office and P&L account ("kar/zarar hesabi)" for those applicants with more than 1-year trading, or open Balance sheet for those applicants with less than 1-year trading.
- Authorised Signature Identification ("Imza Sirkuleri") of the agent.
- Certified or attested photocopy of the contract (excluding financial terms) with an accredited reservations system or otherwise a letter from the GDS confirming the installation of the system in the Agent's premises.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 Agents accredited for more than two years

Agents are required to supply a copy of its annual financial statements covering the previous financial year within following six months of the Agent's financial year-end. The financial statements must be stamped by agent's local tax authorities.

Liquidity Ratio	Financial Assessment Result
Current Assets (Turkish term)/Current Liabilities (Turkish term) equal or greater than 1	SATISFACTORY
Current Assets (Turkish term)/Current Liabilities (Turkish term) lower than 1	UNSATISFACTORY

* Unrealistic "cash in safe" values, which is exceeding TRY 650.000, will be excluded in the calculation of the "liquidity ratio".

3. FINANCIAL SECURITIES

3.1 All Financial Securities must be issued in TRY. Financial Securities will be accepted from the financial institutions as defined by article 2 of Banking Law No. 5411.

3.2 When a renewal/reissuance of an Agent's Financial Security is required, the Agent must submit the new Financial Security to IATA no later than 30 days before the expiry date of the current Financial Security.

3.3 New Applicants and Agents accredited for less than 2 (two) years:

New Applicants will be requested to submit a Financial Security with a minimum of TRY 1.250.000, or the amount calculated on the basis of the estimated sales provided by the applicant on the application form, whichever is higher.

3.4 Agents accredited for 2 (two) years or more:

For Agents with Risk Status A, B and C the amount of the Financial Security required must be not lower than TRY 1.250.000 and their Financial Security level to be calculated per the below formula:

- 35 days' sales at risk for fortnightly remittance, or;
- 20 days' sales at risk for weekly remittance

- 15 days in reporting period for fortnightly remittance; or
- 7 days in reporting period for weekly remittance.

$$\textbf{Financial Security amount} = \frac{\text{Number of days' sales at risk} \times \text{BSP Cash Turnover of the 3 highest reporting periods of last 12 months}}{\text{Number of days in reporting period} \times 3}$$

3.5 Agents with Risk Status A, B and C must at all times provide a Financial Security which equals their assigned Remittance Holding Capacity.

3.6 Financial Security must be strictly drafted as per specimen provided by IATA.

3.7 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but must be valid for at least one year.

UKRAINE

(Effective 1 January 2019 – PAC/41)

1. GENERAL RULE – (Accounts/Documents to be provided)

1.1 The business entity and/or the owners and managers of all IATA Accredited Agencies and Agents applying for IATA accreditation must meet all applicable requirements as prescribed by the law in Ukraine

New Applicant

1.2 New Applicants with more than one year's trading record must provide with the Audited Accounts not more than 12 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests in Section 2 of these criteria.

1.3 Companies with less than one year's trading record at the time of application must submit a copy of a certified opening balance sheet.

Accredited Agents

1.4 Agents provide most recent Audited Accounts in March for the purposes of evaluation against the financial tests in Section 2 of these criteria.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

Statements will be evaluated, and Agent's Financial Review Result will be considered as PASS if the following criteria are met:

1. The Net Equity must be positive
2. The Net Equity must exceed the sum of Long Term Debt and other Long Term Liabilities
3. Adjusted Liquid Current Assets must exceed Current Liabilities

3. ANNUAL FINANCIAL REVIEWS

Agents submit audited financial statements prepared in accordance with the Ukrainian accounting practices. The audit report must consist of:

- Balance Sheet
- Profit and Loss Account
- Auditor's Conclusion

4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

Remittance Frequency	Days' Sales at Risk	Days in reporting period
Four times per month	19	8

"Amount at Risk" is calculated as following:

$$\text{Amount as Risk} = \frac{\text{Days' Sales at Risk} \times \text{BSP Cash Turnover in applicable 3 highest reporting periods}}{\text{Days in reporting period} \times 3}$$

Agents with Risk Status A, B and C

4.4 For Agents with Risk Status A, B and C the amount of the Financial Security required must be not lower than USD 75,000.

4.5 Agents with Risk Status A and B must at all times provide a Financial Security which will equal their assigned Remittance Holding Capacity.

4.6 An Applicant/Agent may at any time request to reduce or increase the Financial Security amount provided in accordance with Resolution 812 Section 5.9.4.

4.7 The value of the Financial Security will be rounded to the next + 5,000 USD.

4.8 The list of financial institutions that authorized to issue Bank Guarantee or Insurance Bond/Certificate is provided by IATA. All Financial Securities must be drawn as per the IATA specimen.

4.9 When the renew/reissue of Agent's Financial Securities is required, the Agent must submit the original confirmation of renewed/reissued Financial Security to IATA at the latest 30 days before expiry date of the currently valid Financial Security.

UNITED KINGDOM

△ *(Effective 1 January 2026 - PAC47)*

1. GENERAL RULES

ACCOUNTS

1.1 Audited Accounts means Accounts prepared by a statutory Auditor, recognized as competent by the regulatory authority in that country to perform an audit, that are provided to IATA.

1.2 Where Accounts are required to be provided, all Agents must provide **Audited Accounts**.

1.3 Newly formed companies that have traded for less than 12 months at the time of application for accreditation must submit an opening balance sheet, prepared by their statutory Auditor.

1.4 Notwithstanding the provisions above, sole traders, partnerships and UK registered limited companies, that meet the conditions for exemption from audit as a small company as defined by the UK Companies Act, may submit **Certified Accounts**, provided that (i) the certification is issued by an independent Reporting Accountant (see Note 1) and (ii) the Agent settles its BSP liabilities four times monthly, according to the published BSP Reporting Calendar.

1.5 The statutory Auditor and/or the Reporting Accountant must be a current member and hold a current Practising Certificate of a recognized Accountancy body. The list of accepted bodies and supporting documentation are listed in Note 1 of this criteria.

SETTLEMENT DATES

1.6 The Settlement Dates in the United Kingdom are:

- For Agents settling their liabilities twice per month the remittance dates are: the last day of the calendar month, for BSP sales covering the first 15 days of the month and the 15th of the following calendar month, for BSP sales covering the period from the 16th to the last day of the calendar month,
- △ 7 calendar days after each sales period for Agents settling their BSP liabilities four times per calendar month. The reporting periods are: 1-7th, 8-15th, 16-23rd and 24th to the end of the calendar month.

A yearly BSP Reporting Calendar is published and can be found on the IATA Customer Service website.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the Financial Criteria tests will be extracted from the Agent's Accounts.

2.2 The following Financial Criteria tests apply to the evaluation of an Agent's Accounts:

2.2.1 There must be **positive Net Equity** at the end of an accounting period.

2.2.2 Operating Profitability: The Accounts must show that the Agent has made an operating profit at the end of an accounting period.

2.2.3 Cash Ratios

2.2.3.1 Definitions

For the purpose of this section the following definitions apply:

$$\textbf{Quick Ratio} = \frac{\text{Cash + Cash Equivalents + Trade Debtors (excl. related parties)}}{\text{Trade Creditors}}$$

$$\textbf{Cash Cover Ratio} = \frac{\text{Cash + Cash Equivalents (including remaining Overdraft or RCF remaining)}}{\text{BSP Outstanding Cash Sales at financial year end (FYE)}}$$

Overdraft or RCF (Revolving Credit Facility) Remaining = remaining authorised or arranged Overdraft or RCF, held in the name of the IATA Accredited Agency. The lender must be a Financial Services Provider, investment firm or consumer credit firm who has been authorised by the UK Financial Conduct Authority.

- The above statement needs to be outlined in the Agent's Accounts or in a separate document signed by the Auditor, so it can be taken into account in the outlined criteria.
- The Overdraft or RCF remaining is optional – if an Agent does not require an overdraft or RCF in order to meet the Cash Cover Ratio, then this does not need to be included in their Accounts.

BSP Outstanding Cash Sales at FYE: this figure must be declared by the Auditor in the Accounts or in a separate statement.

2.2.3.2 If the review shows that both Quick Ratio and Cash Cover Ratio are at a level of **1.10 or above**, the Agent can continue to settle its BSP Cash reported sales twice per month.

2.2.3.3 If the review shows that both Quick Ratio and Cash Cover Ratio are at the level of **0.6 or** above, but below 1.10, the Agent must settle its BSP Cash reported sales four times per month, unless they provide a Financial Security to cover the amount at risk to settle twice per month.

2.2.3.4 If either the Quick Ratio or the Cash Cover Ratio are **under 0.6**, this Criteria is considered as FAILED.

2.3 The Agent Financial Review will be considered as **PASSED** as defined in Resolution 812 when all the Financial Criteria tests under 2.2.1, 2.2.2 and 2.2.3 above are met.

3. ANNUAL FINANCIAL REVIEWS

Agents accredited for two years or less

3.1 All Agents must provide Audited Accounts not more than 6 months old at the time of application to become an Agent, for the purpose of evaluation against the Financial Criteria tests in Section 2 of this document. The Audited Accounts must cover a period of least 12 months of trading. If an Agent has been in business for less than 12 months at the time of application, it must submit an opening balance sheet, prepared by their statutory auditor.

Agents accredited for more than two years

3.2 All Agents must provide Audited Accounts not later than 6 months after each financial year end of that Agent for the purposes of evaluation against the Financial Criteria tests in Section 2 of this document. The Audited Accounts must cover a period of at least 12 months of trading.

4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until a Financial Security required to be provided to IATA has been:

(a) received by IATA; and

(b) confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party.

4.2 Financial Securities must be for an unlimited period and subject to a minimum notice period of cancellation of ninety (90) days.

4.3 For the purpose of calculating the amount of a Financial Security the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's reporting period to the remittance date in respect of that reporting period or periods, plus a margin of five days.

4.3.2 "Amount at Risk" is calculated by dividing the Days' Sales at Risk by 90 days and applying that percentage to the BSP net to be paid turnover, the Agent made in the three month period referred to in Section 4.6, as applicable.

Thus the formula to calculate the "Amount at Risk" is:

$$\text{"Amount as Risk"} = \frac{\text{"Days' Sales at Risk"} \times \text{BSP Cash Turnover in applicable 3 month period}}{90}$$

4.4 The following Financial Securities are accepted as per Resolution 850p:

– Bank guarantees arranged through a bank registered in the UK, Channel Islands, or Isle of Man under the statutes of the UK/Channel Islands/Isle of Man
– Insurance bonds arranged through IATA approved Insurance Companies
– Global Default Insurance

4.5 New Applicants

All Agents must provide a Financial Security, with a minimum amount of GBP50,000 during the first two (2) years as IATA accredited Agent and must settle their liabilities four times per calendar month.

4.6 Existing Agents

4.6.1 Agents with Risk Status A

For Agents with Risk Status A no Financial Security will be required, unless the Agent voluntarily opts to provide one as per 2.2.3.3 above

4.6.2 Agents with Risk Status B

Agents with Risk Status B are required to provide a Financial Security that covers at a minimum the Amount at Risk calculated as per Section 4.3 using the cash turnover amount of the 3 month highest BSP net to be paid turnover in the previous 12 months period, or GBP 25,000, whichever is higher.

4.6.3 Agents with Risk Status C

Agents with Risk Status C are required to provide a Financial Security that covers at a minimum the Amount at Risk calculated as per Section 4.3 using the cash turnover amount of the 3 month highest BSP net to be paid turnover in the previous 12 months period, or GBP 25,000, whichever is higher.

5. CHANGES IN FINANCIAL YEAR END

5.1 An Agent must notify IATA immediately of a change in its financial year-end.

5.2 If the Agent prepares Accounts for a period of more than 12 months (but less than 18 months), the Agent must provide Audited Accounts within 6 months of the original financial year-end.

5.3 If an Agent extends their financial year-end by the full six months allowed under UK Company Law, exceptionally a maximum of a further two months extension may be granted for final submission of Accounts.

5.4 If the Agent prepares Accounts for a period of less than 12 months, the Agent must provide them within six months of the new financial year-end.

5.5 IATA will conduct the Financial Review applicable to the Agent.

Note 1 - Reporting Accountant

The Reporting Accountant shall be either a Statutory Auditor, which in the UK means a person eligible for appointment as a statutory Auditor as set out in Part 42 Statutory Auditors of the Companies Act 2006 or an independent qualified Accountant holding a current Practising Certificate (see Section 1.5 above) with a recognised accountancy body. We list below the accepted recognised accountancy bodies:

- Institute of Chartered Accountants of England & Wales
- Institute of Chartered Accountants of Scotland
- Institute of Chartered Accountants of Ireland
- Association Chartered Certified Accountants
- Association of Authorised Public Accountants
- Chartered Institute of Management Accountants
- Association of Accounting Technicians
- Association of International Accountants
- Institute of Chartered Secretaries and Administrators
- Institute of Financial Accountant

To validate the above, Agents must provide a copy of one of the following supporting documents with their Annual Financial Statements:

– The Auditor/Accountant's original Practising Certificate, which must not be older than one year from the date of signing of the audit report to the Accounts, or
– The Annual Receipt for Auditor/Accountant's membership renewal of the approved Accountancy body, or
– Proof from the Accountancy body's own online directory showing that the Auditor/Accountant is a member of the approved Accountancy body and holds its Practising Certificate.

URUGUAY

(Effective 1 January 2025–MV/A654)

1. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

1.1 The financial assessment will be based on the calculation of the financial ratios and the achievement of the score described below:

	Financial Ratios	Maximum possible score	Description
a)	Liquidity	14	Short-term solvency
b)	Debt	14	Level of assets financed by debt
c)	Collection Average	7	Collection days to cover sales
d)	Cash Flow	5	Coverage of long-term debt through earnings
e)	Capital Solvency	19	Property Ownership

Formula and score applicable to financial ratios:

a) Liquidity = Current Assets/Current Liabilities

Above 1.99	14 points
1.50 – 1.99	12 points
1.25 – 1.49	10 points
1.00 – 1.24	8 points
0.96 – 0.99	6 points
0.91 – 0.95	4 points
0.86 – 0.90	2 points
Below 0.86	0 points

b) Debt = Total Liabilities/Total Assets

Below 0.4	14 points
0.4 – 0.59	12 points
0.6 – 0.89	10 points
0.9 – 0.99	8 points
1.0 – 1.19	6 points
1.2 – 1.34	4 points
1.35 – 1.49	2 points
Above 1.49	0 points

c) Collection Term Average = (Receivables/Sales) * 365

Below 15 days	7 points
15 - 16 days	6 points
17 – 18 days	5 points
19 – 20 days	4 points
21 – 23 days	3 points
24 – 26 days	2 points
27 – 29 days	1 point
Above 29 days	0 points

d) Cash Flow = After-tax earnings/Long-term Debt

0.20 and above	5 points
0.18 – 0.19	4 points
0.15 – 0.17	3 points
0.13 – 0.14	2 points
0.10 – 0.12	1 point
0.09 and below	0 points

e) Capital Solvency = Value of Property owned by the Agent must cover Agent's own Amount of Sales at Risk* as per Table A. (Documentation and criteria for this ratio is described under paragraph 4). Score:

*equal or above	19 points
*0 below	0 points

Table A – Capital Solvency requirements for Agents with no Risk Events.

Amount of Sales at Risk = Total net cash sales (USD) over the last 12 months × 17 days / 365 days		**Minimum Capital Solvency Property value (USD)**
From	**Up to**	
0	14.999	10.000
15.000	19.999	15.000
20.000	24.999	20.000
25.000	49.999	25.000
50.000	74.999	50.000
75.000	99.999	75.000
100.000	149.999	100.000
150.000	199.999	150.000
200.000	299.999	200.000
300.000	399.999	300.000
400.000	499.999	400.000
500.000	599.999	500.000
600.000	699.999	600.000
700.000	799.999	700.000
800.000	and above	800.000

2. ANNUAL FINANCIAL ASSESSMENTS

Conditions for the analysis of Financial Statements presented by the Agent

2.1 In order to become an IATA Accredited Agent and each year, for the annual financial review, the Agent must submit the latest Financial Statements (Balance Sheet, Profit & Loss Statement, Notes and Annexes) with Public Accountant's Report (Compilation, Limited Review or Audit). Submission must be done not later than 8 months following the Agent's financial year end.

2.2 After the first two years of accreditation, agents with Risk Status 'A' who own property for a value equivalent or superior to their Amount of Sales at Risk as determined under Paragraph 1.1 section e) above, can submit documentation as described under Financial Definitions.

Satisfactory result in the financial assessment

2.3 In order to achieve a satisfactory evaluation, the agent must obtain a minimum acceptable score of **22 points** resulting of the application of the sum of financial ratios a), b), c) and d).

2.4 The maximum score that can be obtained as a result of the application of the 5 financial ratios (a, b, c, d and e) is 59 points.

Unsatisfactory result in the financial assessment

2.5 The result of the financial assessment will be considered as unsatisfactory when points obtained after calculation of the 4 financial ratios a), b), c) and d) in the financial statement is **lower than 22 points.**

3. FINANCIAL SECURITY

3.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA.

3.2 Financial Securities will be expected to be valid for a minimum of at least one year.

3.3 Upon accreditation and during the first two years, every Agent must present a Financial Security for an amount equivalent to **USD 20.000** or calculated as the Agent's amount at risk as defined in Paragraph 3.4, whichever is higher.

3.4 The following formula will be applied to calculate Agent's the amount of sales at risk:

$$\frac{\text{Total net cash sales over the last 12 months} \times 17 \text{ days}}{365 \text{ days}}$$

Agents with Risk Status A

3.5.1 Agents with Risk Status 'A' who obtained a satisfactory financial assessment ratio result above 40 points, and who do not have risk events, are not required to present a financial security.

3.5.2 Agents with Risk Status 'A' who obtained a satisfactory financial assessment ratio result between 22 and 40 points, who do not have risk events but failed to comply with ratio e) are required to present a financial security for an amount equivalent to the Agent's own Amount of Sales at Risk as per **Table B** below.

Amount of Sales at Risk = Total net cash sales (USD) over the last 12 months × 17 days / 365 days		**Financial Security (USD)**
From	**Up to**	
0	14.999	10.000
15.000	19.999	15.000
20.000	24.999	20.000
25.000	49.999	25.000
50.000	74.999	50.000
75.000	99.999	75.000
100.000	149.999	100.000
150.000	199.999	150.000
200.000	299.999	200.000
300.000	399.999	300.000
400.000	499.999	400.000
500.000	599.999	500.000
600.000	699.999	600.000
700.000	799.999	700.000
800.000	and above	800.000

Agents with Risk Status "B"

3.6 For Agents with Risk Status "B", the amount of the Financial Security required must cover at a minimum the amount calculated as per Paragraph 3.4, or a minimum of USD10,000 (or the equivalent in local currency), whichever is higher.

Agents with Risk Status "C"

3.7 For Agents with Risk Status "C" the amount of the Financial Security required must cover at a minimum the amount calculated as per Paragraph 3.4, or a minimum of USD10,000 (or the equivalent in local currency), whichever is higher.

4. FINANCIAL DEFINITIONS

Current Assets: Receivables from related companies, shareholders, employees, directors, partners as well as cash and fix-term deposits in escrow must be excluded.

Current Liabilities: It must include the current portion of long-term debt.

Total Sales: The amount must appear specifically in the Financial Statements and correspond to gross sales obtained in the period including (but not limited to) ticket sales, packages, hotels, car rental, insurances, miscellaneous, etc.

Long-term Liabilities: It comprises all third-parties long-term debt. Loans to shareholders or proprietors must be excluded.

Receivables: It must be shown as a breakdown of commercial receivables, fees, commissions, related companies' receivables and advances granted to suppliers. Bad debt must be excluded.

Earnings after taxes: Extraordinary earnings must be excluded.

Total Assets: Intangible assets must be included.

Total Liabilities: It includes current liabilities and third-parties' loans. Loans granted to shareholders or owners must be excluded. It must include related companies' liabilities less the corresponding subordinated tranche (receivable).

Capital Solvency: The Value of Property owned by the Agent, which must be included In the Agent's financial accounts, must be free and clear. The following documents will be required to prove capital solvency (these criteria apply only to Agents described in paragraph 2.3).

- An ownership certificate issued by a Public Notary for each property owned by the Agent. The validity of the certificate must not be older than 30 days. Each property provided must be free of restrictions (garnishment, mortgage, usufruct, etc.) and fully available to the Agent.
- Two property appraisals certified by local realtors or public auctioneers, indicating the market value of the property presented. The validity of the appraisals must not be older than 30 days.

VENEZUELA

(Effective 1 September 2022 – MV/566)

1. GENERAL RULE – (Accounts/Documents to be provided)

1.1 Financial Statements should be prepared and signed by a certified accountant.

1.2 Financial Statements must be prepared in accordance with generally accepted accounting principles for evaluation.

1.3 Financial Statements must not be older than 6 months at the time of submission to IATA.

2. CRITERIA FOR THE EVALUATION OF AGENTS' FINANCIAL ACCOUNTS

2.1 Agent's total paid-up capital shall be equivalent to 2,000 Tax Units or as stipulated and published by the Ministry of Tourism, the official entity that regulates the activity of Travel Agencies in Venezuela. Tax Units established by SENIAT (Venezuelan Tax Authority) are published annually and set at Bs 0.40, effective April 20th, 2022.

2.2 Financial Statements will be evaluated against ratio tests. Financial ratio analysis measured by the application of four ratio tests against which points are allocated. A maximum of 40 points may be attained. For the financial results to be considered as a Satisfactory result, a minimum of 22 points must be scored.

Ratio Tests used and maximum number of points obtainable per ratio test:

Ratio	Points	
Liquidity ratio	14	A measure of the short-term solvency of the entity
Debt ratio	14	Amount of assets provided by creditors for each dollar of total assets
Turnover ratio	7	The average number of days to collect a receivable
Cash flow ratio	5	Level of debt versus profits

Scale of Points per Ratio Test:

$$\textbf{Liquidity Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Over 1.99	14 points
1.50 – 1.99	12 points
1.25 – 1.49	10 points
1.00 – 1.24	8 points
0.96 – 0.99	6 points
0.91 – 0.95	4 points
0.86 – 0.90	2 points
under 0.86	0 points

$$\textbf{Turnover Ratio} = \frac{\text{Net Receivables}}{\text{Total Sales}} \times 365$$

Under 15 days	7 points
15 – 16 days	6 points
17 – 18 days	5 points
19 – 20 days	4 points
21 – 23 days	3 points
24 – 26 days	2 points
27 – 29 days	1 point
Over 29 days	0 points

Debt Ratio = $\frac{\text{Total Liabilities}}{\text{Total Assets}}$

Under 0.4	14 points
0.4 – 0.59	12 points
0.6 – 0.89	10 points
0.9 – 0.99	8 points
1.0 – 1.19	6 points
1.2 – 1.34	4 points
1.35 – 1.49	2 points
over 1.49	0 points

Cash Flow Ratio = $\frac{\text{Profit After Tax}}{\text{Long-term Liabilities}}$

0.19 – 0.20	5 points
0.16 – 0.18	4 points
0.14 – 0.15	3 points
0.12 – 0.13	2 points
0.10 – 0.11	1 point
under 0.10	0 points

3. FINANCIAL GUARANTEE REQUIREMENTS

New Applicants and/or Agents will be subject to the presentation of a financial guarantee as described below:

- **New Applicants**: Head Office and/or Branch Location are required to present a guarantee for a period of two years in accordance with Resolution 800f. Amount of guarantee described below.
- **Payment related Irregularity** – financial guarantee is required whenever Agent short pays or fails to pay on remittance date.
- **Minor Error Rule** – An Agent shall be subject to two instances of irregularity following a short payment and/or late payment (pursuant to Resolution 818g), however, the financial criteria requirement to submit a financial guarantee will be waived once, in a twelve month period, whenever the Agent demonstrates satisfactory evidence from the bank, that total amount due was available in Agent's bank account on the date of remittance and the amount due was paid within the demand period.
- **Default** – financial guarantee is required as a condition for reinstatement to full credit privileges and once all outstanding monies have been paid in full.
- **Unsatisfactory Financial Standing –** financial guarantee is required when Agent's financial statements fail to comply with financial criteria established in this Manual.
- **Changes of Ownership** – financial guarantee is required whenever a change in ownership or control of the Agent is equivalent to 30% or more of the total stock issued.

Duration of guarantee:

- One-year minimum for Approved Agents. Prior to the expiry of the guarantee Agents will be requested to submit their financial statements for review.
- Two-years for Applicants subject to satisfactory results of financial review prior to expiry of the guarantee.

Amount of guarantee:

Accredited Agents

Agent's average annual net cash sales of the previous 12 months equivalent to the number of "Days' Sales at Risk".

The number of Days' Sales at Risk is to be counted from the beginning of the reporting period to the remittance date in respect of that reporting period plus a margin of five days. This criterion follows framework established by Resolution 800f.

New Applicants (Head Office and/or Branch Locations): Equivalent to USD10,000

4. FINANCIAL INFORMATION DEFINITIONS

Current Assets

This amount excludes notes or receivables from related parties, including shareholders, employees, officers, associates as well as Cash and Term Deposits pledged for security.

Current Liabilities

This amount must include the current portion of long-term debt.

Gross or Total Sales

In the event this figure is not specifically identified in the financial statements, please provide the gross sales figures for the period including ticket sales, package tours, hotels, car rental, insurance, miscellaneous income, etc., net of tax.

Long-term Liabilities

All long term loans from third parties. It does not include non-current loans provided by shareholders or proprietors.

Net Receivables

This amount should be net of bad debt and should be broken down to reflect separately,

- Trade receivables net of provision for bad debt
- Commissions receivable
- Receivables from related parties. Refer to definition of current assets
- Supplier deposits

Profit After Tax

Profit after taxes but before extraordinary items.

Registered Capital

This is the capital that the partners commit to pay and maintain into the business. Registered Capital is comprised of Subscribed Capital and Paid-In Capital.

- Subscribed Capital – The payment of the Subscribed Capital can be in cash or by installments within a period not exceeding one year.
- Paid in Capital is the part of the subscribed capital that actually must be paid at the time of incorporation. It is the capital that the company can count at the time of its constitution.

Total Assets

Total assets including intangible assets such as goodwill, franchise fees, client lists, etc.

Total Liabilities

Include current liabilities and all loans from third parties. It does not include non-current loans provided by shareholders or proprietors. Loans from associate parties are included, unless subordinated to other parties.

VIETNAM

△ *(Effective 1 October 2025 – PAC/47)*

1. GENERAL RULE

The applicant must be established and in business as a Travel Agent and/or Airline ticketing agent for not less than 12 months prior to the date of application.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 All financial information used in the financial criteria will be extracted from the Agent's Financial Statement.

2.2 The following financial tests apply to the evaluation of an Agent's Financial Statement:

2.2.1 There must be positive Net Equity.

2.2.2 Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5.

2.2.3 EBITDA (Earnings Before Interest, Taxation, Depreciation, Amortisation and extraordinary items) must be positive.

2.2.4 The EBITDA must exceed the Interest Expense by a factor of a minimum of two.

2.2.5 Adjusted Current Assets must exceed Current Liabilities.

2.3 An Agent will obtain a satisfactory result on the financial review when all provisions in section 2.2 of these criteria have been met.

3. FINANCIAL REVIEWS

3.1 New Applicants

New applicants must provide audited financial statements not older than 12 months from the Agent's last financial year end, for evaluation against the financial criteria tests set forth in Section 2.

3.2 Existing Agents

All existing Agents must annually provide audited financial statements not older than 6 months from the Agent's financial year end for evaluation against the financial criteria tests set forth in Section 2.

4. FINANCIAL SECURITY

△ **4.1** Notwithstanding the Risk Status A, B or C, the applicant or existing Agent must furnish a minimum Financial Security of VND 800,000,000 or equivalent to 17/360 days' average sales based on the last 12 months activity, whichever is higher.

4.2 All Agents/applicants, notwithstanding individual Risk Status, must at all times provide a Financial Security which will equal their assigned Remittance Holding Capacity. An Agent/applicant may at any time request to reduce or increase the Financial Security amount provided in accordance with Resolution 812 Section 5.9.4.

5. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Adjusted Current Assets – are defined as Current Assets as in the Balance Sheet of the Accounts after deducting:

- Stocks and work in progress,
- Deposits given to third parties other than IATA,
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership),
- Doubtful debtors,
- Blocked funds, except for funds held in favour of IATA.

These generic descriptions may be modified to terms specifically defined under the applicable local Generally Accepted Accounting Principles (GAAP) and disclosed in the financial statements.

Current Liabilities – are defined as Current Liabilities as in the Balance Sheet of the Accounts.

EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortisation.

Interest Expense means an income statement account which is used to report the amount of interest incurred on debt during a period of time.

Net Equity or Shareholders'/Owners' Funds – consists of:

Share capital
Share premium
Retained earnings
Other distributable reserves
Shareholder's loans if subordinated less declared dividends.

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

WESTERN BALKANS

(Albania, Bosnia & Herzegovina, Kosovo, North Macedonia; Effective 1 March 2023 – MV/A610)

1. FINANCIAL EVALUATION CRITERIA

1.1 New Applicants

New applicants will be required to provide a minimum financial security of 20,000 EUR for each of the first 2 years.

1.2 Existing IATA Accredited Agents

Financial evaluation for the Agents in Western Balkans will be performed yearly. All IATA Accredited Agents must submit documents listed below. The result of the financial assessment will then be considered as PASS or FAIL.

An existing Agent must comply with the following financial tests:
1. Net profit in the accounting period must be positive (> 0)
2. Short term liquidity coefficient:

$$\frac{\text{Current assets-long term business claims}}{\text{Short term financial and business liabilities}} \geq 1$$

If the Agent fully complies with 1, a short-term liquidity coefficient between 0,75 and 1 is acceptable.

2. ANNUAL FINANCIAL REVIEWS

2.1 New Applicants

An Agent who applies for IATA accreditation must provide the following documentation:
1. Official Registration Certificate
2. Official travel agents License (except Kosovo and Bosnia-Herzegovina)
3. Current balance sheet - not older than 6 months
4. Profit and loss account

2.2 Accredited Travel Agents

Accredited Agents must submit the documents listed below:

Yearly balance sheet – as submitted and accepted by relevant financial or tax authority

Profit and loss account - as submitted and accepted by relevant financial or tax authority

3. FINANCIAL SECURITY

3.1 Agents will be required to provide a financial security based on 23 days' worth of BSP net cash sales during the last 12 consecutive months.

3.2 New applicants will be required to provide a financial security for a minimum amount of 20,000 EUR for each year and maintained for a minimum period of 2 years.

3.3 Agents Accredited for more than two years

3.3.1 Agents with Risk Status A

Agents will be required to provide a Financial Security that covers 40% of their average 23 days turnover in the previous 12 months, with the minimum amount of 20.000 EUR, whichever is higher.

3.3.2 Agents with Risk Status B

Agents with Risk Status B are required to provide a Financial Security covering 80% of their average 23 days turnover in the previous 12 months with the minimum amount of 20.000 EUR, whichever is higher.

3.3.3 Agents with Risk Status C

Agents with Risk Status C must provide a Financial Security with a minimum amount of EUR 20,000.

3.4 In case that the only BSP currency is the local one and that bank guarantees amounts are provided EUR currency, the exchange rate applied will be National Bank's official middle rate valid on the date when the request is sent to the Agent.

The bank guarantee amount will be rounded to the nearest 1.000 EUR above the amount resulting from the calculation.

3.5 All banks approved by National Banks are authorized to issue the bank guarantee.

YEMEN

(Effective with the reinstatement of BSP Yemen - PAC/39)

1. GENERAL RULE – (Accounts/Documents to be provided)

1.1 New applicants should provide the following:

1.1.1 A License issued by the Ministry of Tourism

1.1.2 A license issued by the Ministry of Civil Aviation

1.1.3 A valid Commercial Registration License showing the category/type of trading

1.1.4 Membership of the Yemen Union for Tourism

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

2.1 The Accounts will reflect a satisfactory financial standing by meeting the following Financial Tests:

2.1.1 There must be positive Net Equity.

2.1.2 Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5.

2.1.3 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortization and extraordinary items) must be positive.

2.1.4 The EBITDA must exceed the Interest Payable by a factor of a minimum of two.

2.1.5 Adjusted Current Assets must exceed Current Liabilities.

3. ANNUAL FINANCIAL REVIEWS

3.1 All Agents must provide Audited Accounts no later than 6 months after each Financial Year End (FYE).

3.2 All new Applicants that had commenced trading over 12 months must provide Audited Accounts of not more than six (6) months old and covering at least 12 consecutive months, at the time of application.

3.3 All new applicants that did not commence trading yet or commenced trading for less than 12 months should submit certified opening balance sheet.

4. FINANCIAL SECURITY

4.1 New Agents

4.1.1 All new applicants are required to provide a Financial Security that covers at a minimum the higher of minimum financial security level of USD 70,000 or the required Financial Security according to section 4.2 of these criteria.

4.2 Existing Agents

An Agent will not be accredited or will not continue to be accredited unless all the following criteria are met in relation to the Financial Security required by IATA:

4.2.1 The original Financial Security document has been received by IATA; and

4.2.2 Financial Security will be subject to a minimum notice of termination period on the part of the Financial Security Provider of nighty (90) days and will be valid for a minimum of at least one year.

4.2.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.2.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's reporting period to the remittance date in respect of that reporting period or periods, plus a margin of five days.

Fortnightly remittance: Days at Risk: 35 days

4.2.3.2 The amount of Financial Security required must cover at a minimum the Days Sales at Risk calculated as below using BSP Days at Risk, multiply 12 months sales over 365 days. If the existing Financial Security is insufficient to cover Amount at Risk, the amount of Financial Security will be increased to cover the Amount at Risk.

"Days Sales at Risk" × (12 months Sales/365) for Existing Agents

"Days Sales at Risk" × (Estimated Annual Sales/365) for New Applicants

4.2.3.2.1 Subject to a minimum of USD 70,000.00 (Seventy Thousand United States Dollars)

5. DEFINITIONS OF TERMINS USED IN THESE GUIDELINES

Adjusted Current Assets – are defined as Current Assets as in the balance sheet of the accountants after deducting:
- Stocks and work in progress
- Deposits given to third parties other than IATA
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
- Doubtful debtors
- Blocked funds except for funds held in favour of IATA.

Current Liabilities – are defined as current liabilities in the balance sheet of the accounts.

EBITDA – Earnings before Interest, Taxation, Depreciation and Amortisation.

Financial Irregularity means an irregularity applied as a result of any failure to adhere to the reporting and remittance procedures described in resolution 818g Attachment "A" including but not limited to those irregularities described in resolution 818g Attachment "A".

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this local Financial Criteria.

Irregularity means any irregularity applied under the Passenger Sales Agency Rules for non-compliance with those rules including but not limited to Financial Irregularities.

Net Equity or Shareholders'/owners' Funds - Consists of:
- Share capital
- Share Premium
- Retained earnings
- Other distributive reserves
- Shareholder's loans if subordinated less declared dividends

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – all liabilities where repayment is due more than twelve months after the end of the financial period.

Review means any assessment or evaluation of an agent's continuing compliance with the Passenger Sales Agency Rules.

ZAMBIA

(Effective 1 September 2021, MV/432)

1. GENERAL RULES

1.1 An Applicant must have been in operation for 12 months as a travel agent before applying for IATA Accreditation.

1.2 All Applicants must provide Audited Accounts no more than 12 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests in Section 2 of this Local Financial criteria.

1.3 All Agents must provide Audited Accounts no later than 6 months after each financial year end for the purpose of evaluation against the financial tests in Section 2 of this criteria.

2. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

All financial information used in the financial assessment will be extracted from the Agent/s Audited accounts

2.1 The following financial tests apply to the evaluation of an Agent's Audited accounts:

2.1.1 There must be a positive Net Equity

2.1.2 Net Equity divided by long-term debt and other long-term Liabilities must be greater than 0.5

2.1.3 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortisation and extraordinary items) must be positive.

2.1.4 The EBITDA must exceed the Interest Payable by a factor of a minimum of two

2.1.5 Adjusted Current Assets must exceed Current Liabilities.

2.2 An Agent will obtain a satisfactory result on the financial review when all provisions in section 2.2 have been met.

3. FINANCIAL CRITERIA

3.1 For individuals trading as sole proprietors, a statement of assets and liabilities certified by an Auditor must accompany all applications. For companies audited financial statements must be supplied.

3.2 A minimum guarantee amounts of USD35,000 is set for new entrants, which the applicant must comply with.

4. FINANCIAL SECURITY

4.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

Remittance Frequency	Days' Sales at Risk	Days in reporting period
Two times per month	35	16
Four times per month	20	8

4.3.2 "Amount at Risk" is calculated by dividing the Days' Sales at Risk by 90 days, and applying that percentage to the BSP cash turnover amount the Agent made in the highest three-month period in the past 12 months, as referred to in Section 4.3.2 of these criteria, as applicable:

$$\text{"Amount at Risk"} = \frac{\text{"Days' Sales at Risk"} \times \text{BSP cash turnover in applicable 3 highest months}}{90}$$

Subject to a minimum of USD 35,000 (Thirty Five Thousand US Dollars), or the equivalent in local currency.

4.4 Agents with Risk Status A, B and C

4.4.1 Agents with Risk Status A

The amount of the Financial Security required must cover 40% of the Amount at Risk calculated as per Section 4.3.2, or USD 35,000 (or the equivalent in local currency), whichever is higher.

4.4.2 Agents with Risk Status B

The amount of the Financial Security required must cover 80% of the Amount at Risk calculated as per Section 4.3.2, or USD35,000 (or the equivalent in local currency), whichever is higher.

4.4.3 For Agents with Risk Status C

Must always provide a Financial Security which will equal their assigned Remittance Holding Capacity.

5. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Audited Accounts – means the Agent's financial and accounting records and procedures that have been reviewed and certified by an auditor recognized as competent by the regulatory authority in that country to perform an audit that are provided to IATA.

Adjusted Current Assets – are defined as Current Assets as in the balance sheet of the accountants after deducting:

1. Stocks and work in progress
2. Deposits given to third parties other than IATA
3. Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
4. Doubtful debtors as revealed in the Accounts.
5. Blocked funds except for funds held in favour of IATA.

Current Liabilities – are defined as current liabilities in the balance sheet of the accounts.

EBITDA – Earnings before Interest, Taxation, Depreciation and Amortization.

Net Equity or Shareholders'/owners' Funds – Consists of:

– Share capital
– Share Premium
– Retained earnings
– Other distributive reserves
– Shareholder's loans if subordinated less declared dividends

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

ZIMBABWE

(Effective 1 January 2020 or upon migration to NewGen ISS, PAC/42)

1. CRITERIA FOR EVALUATION OF AGENTS' ACCOUNTS

1.1 All financial information used in the financial review will be extracted from the Agent's Audited Accounts.

1.2 The following financial tests apply to the evaluation of an Agent's Audited Accounts:

1.2.1 There must be positive Net Equity.

1.2.2 Net Equity divided by long-term debt and other long-term liabilities must be greater than 0.5.

1.2.3 EBITDA (Earnings Before Interest, Taxation, Depreciation, Amortization and extraordinary items) must be positive.

1.2.4 The EBITDA must exceed the Interest Expense by a factor of a minimum of two.

1.2.5 Adjusted Current Assets must exceed Current Liabilities.

1.2.6 The Audited Accounts must not have a qualified audit opinion or local regulatory equivalent.

1.3 An Agent will obtain a satisfactory result on the financial review when all provisions in section 1.2 of these criteria have been met.

2. ANNUAL FINANCIAL REVIEWS

2.1 Applicants must provide Audited Accounts not more than 12 months old at the time of submission to become an Agent for the purposes of evaluation against the financial tests in this section. If an Applicant has been in business for less than 12 months at the time of application, an opening balance sheet must be provided instead.

2.2 All Agents must provide Audited Accounts no later than 6 months after each financial year end of that Agent for the purposes of evaluation against the financial tests in section 1.

3. FINANCIAL SECURITY

3.1 An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

3.2 Financial Securities will be subject to a minimum notice period of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

3.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

3.3.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's reporting period to the remittance date in respect of that reporting period or periods, plus a margin of five days.

3.3.2 The amount of the financial Security required must cover at a minimum the Amount at Risk calculate as below using the BSP Days Sales at Risk, multiplied by 12 months sales over 365 days. If the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

$$\text{"Amount at Risk"} = \frac{\text{"Days" Sales At Risk"} \times \text{BSP cash turnover in applicable 12 month period)}}{360}$$

Subject to:

– A minimum of USD 20,000.00/-

4. Agents with Risk Status A

4.1 For Agents with Risk Status A, the amount of Financial Security required must cover 25% of the Amount at Risk or a minimum of USD 20,000.00/- whichever is higher.

Agents with Risk Status B and C

4.2 For Agents with Risk Status B and C the amount of the Financial Security required must cover Amount at Risk calculated as per Section 3.3 or USD 20,000.00/- whichever is higher.

4.2.1 For Agents Accredited for less than 12 months, the Amount at Risk will be calculated as per section 3.3 using the cash turnover amount equal to the average daily net cash sales of the Agent during the previous months of accreditation multiplied by the Days Sales at Risk subject to a minimum of USD 20,000.00/- .

5. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

Adjusted Current Assets are defined as Current Assets as in the Balance Sheet of the Accounts after deducting:

- Stocks and work in progress.
- Deposits given to third parties other than IATA,
- Loans to Directors, Associate Companies, (including any subsidiary, associate or company under common ownership)
- Doubtful debtors,
- Blocked funds, except for funds held in favor of IATA.

These generic descriptions may be modified to terms specifically defined under the applicable local Generally Accepted Accounting Principles (GAAP) and disclosed in the financial statements.

Audited Accounts means the Agent's financial and accounting records and procedures that have been reviewed and certified by an auditor recognized as competent by the regulatory authority in that country to perform an audit that are provided to IATA and which includes the auditor's opinion of those accounts. *Certifies accounts will be applicable in those countries where APJCs accept certified accounts according to local law.* In all instances the established accounting rules in a country will apply.

Current Liabilities are defined as Current Liabilities as in the Balance Sheet of the Accounts.

EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortisation.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with these criteria, or both.

Interest Expense means an income statement account which is used to report the amount of interest incurred on debt during a period of time.

Net Equity or Shareholders'/Owners' Funds – consists of:

- Share capital
- Share premium
- Retained earnings
- Other distributable reserves
- Shareholder's loans if subordinated less declared dividends:

Long Term Debt – All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities – All liabilities where repayment is due more than twelve months after the end of the financial period.

Review means any assessment or evaluation of an Agent's continuing compliance with the Passenger Sales Agency Rules.

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