



# MEMORANDUM

## PAC/RESO/698

To: All Members, Passenger Agency Conference  
Accredited Representatives

From: Director, FDS Operations, GDC

Date: **2 July 2020**

Subject: **MAIL VOTE (A337)**  
**PAC (Mail A337)**  
**Temporary Amendments to Resolutions 866 and 812**

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### Background Information

PSG has been following the impact that the development of COVID-19 has posed to the Passenger Agency Programme, and meeting on a weekly basis since 16 March 2020 to review and approve any exceptional measures on behalf of the Conference in the meantime. During PSG/116, quorum was met and PSG had carefully deliberated how the agency programme could be managed in an agile manner, as business restarts.

In line with the large drop in sales volumes, the calculation of the Financial Security amount which is based on the Local Financial Criteria, was endorsed to be revisited for markets that are considering the BSP cash turnover in the most recent 12 months to calculate the Financial Security amount which puts an additional burden to Agents.

It is proposed that when calculating the Financial Security amount until the end of 2021 financial year, the following be taken into consideration:

- Markets governed under Resolution 818g and 800:

To have a more recent view on the Agents' Amount at risk, the required Financial Security will be calculated based on the last 6 months sales excluding refunds transactions, for those LFC that base their calculation on the last 12 months cash sales.

- Markets governed under Resolution 812:

The current provisions in Resolution 812 already allows Agents to voluntarily decrease their Financial Security amount, by levelling their Remittance Hold Capacity to the same percentage as such lowered Financial Security amount. The proposal therefore is to keep the current Financial Security formula, for both new applicants and existing Agents, which is based on the BSP cash turnover in the last 12 months.

However, in order to alleviate the financial burden for Agents during this period, a minimum Financial Security amount to USD20,000 has been set globally for those markets that have established a minimum Financial Security greater than the USD 20,000. In the event an Agent wishes take advantage of this initiative its RHC will be equal to the lowered amount of Financial Security provided.

## Effective Date

The proposed effective date of these changes is 1 September 2020.

## Proposed Action

Conference to adopt the changes to Resolution 866 and 812, as shown in Attachment 'A'.

The timetable for this Mail Vote is as follows:

Voting Period: 2 – 16 July 2020

Filing Period: 17 – 31 July 2020

Effectiveness: 1 September 2020

To cast a vote, Members are asked to access the application from the following link:

<https://www.surveymonkey.com/r/A333-341>

Please note that no other form of voting will be accepted. Voting will conclude at close of business MAD time on **Thursday, 16 July 2020**. Votes not cast by that deadline will be deemed to be affirmative.

In conformity with the Mail Vote procedure endorsed by PAConf in October 2009, this Mail Vote has been provided in advance to representatives of the agency associations ECTAA, UFTAA and WTAAA for review and/or comment. No comments were received.

Any Member seeking clarification on any aspect of the mail vote or the mail vote process is invited to contact the IATA Passenger Governance team by email to [pac-gov@iata.org](mailto:pac-gov@iata.org).

A handwritten signature in black ink, appearing to read 'J.A. Rodriguez', with a long horizontal stroke extending to the right.

Juan Antonio Rodriguez  
Director – FDS Operations, GDC

It is proposed to amend Resolution 866:

(Effective immediately until all annual financial assessments for the Financial Year End of 2021 have been completed or until the financial accounts no longer considers the financial impact resulted from COVID-19 pandemic)

**SALES AT RISK** is calculated by dividing the Days' Sales at Risk by 180 days and applying that percentage to the BSP cash turnover, or cash turnover as applicable, amount the Agent made in the previous 6 months.

It is proposed to amend Resolution 812 Section 5:

(Effective immediately until all annual financial assessments for the Financial Year End of 2021 have been completed or until the financial accounts no longer considers the financial impact resulted from COVID-19 pandemic)

On a temporary basis, all Local Financial Criteria with a minimum Financial Security amount that is higher than the equivalent of USD20,000 will be adjusted to a minimum Financial Security of USD 20,000 (or the equivalent in local currency) for all Applicants and Agents. In the event an Agent wishes take advantage of this option its RHC will be equivalent to the amount of financial security provided.