



MEMORANDUM

PAC/RESO/1071

To: All Members, Passenger Agency Conference
Accredited Representatives

From: Director, FSDS Operations, GDC

Date: 30 October 2025

Subject: **MAIL VOTE (A702)**
PAC2 (Mail A702)
CHANGES TO LOCAL FINANCIAL CRITERIA CYPRUS

Background Information

Submitted by APJC Cyprus

Following the APJC Cyprus meeting held on the 7th of July 2025, it was unanimously agreed to align 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.

Effective Date

The proposed effective date of these changes is 1 January 2026.

Proposed Action

Conference to adopt the changes to the Local Financial Criteria as shown in Attachment 'A'.
The timetable for this Mail Vote is as follows:

Voting Period: 30 October-13 November 2025
Filing Period: 14 - 28 November 2025
Effectiveness: 1 January 2026

To cast a vote, Members are asked to access the application from the following link:
<https://forms.office.com/e/X2tmmeakQK>

Please note that no other form of voting will be accepted. Voting will conclude at close of business MAD time on **Thursday, 13 November 2025**. Votes not cast by that deadline will be deemed to be affirmative.

In conformity with the Mail Vote procedure endorsed by PACConf 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.

A handwritten signature in black ink, appearing to read 'J. Rodriguez', with a large, sweeping flourish above it.

Juan Antonio Rodriguez
Director – FSDS Operations, GDC

CYPRUS

~~(Effective 1 June 2021 – MV/400)~~
(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 dividing the Days' Sales at Risk by 90 days, and applying that percentage to the BSP cash turnover of the 3 highest months made by the Agent in the previous 12 months period: 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:~~

$$\text{"Amount at Risk"} = \frac{\text{"Days' Sales at Risk" x BSP Cash Turnover in the 3 highest-month period reporting periods}}{90 \text{ Days in reporting period x 3}}$$

<u>Remittance Frequency</u>	<u>Calculation</u>
<u>Twice per month Remittance</u>	<u>(35 X Highest 3 reporting periods cash turnover) / (3 x 15 days)</u> <u>Rounded to 1,000 EUR</u>
<u>Voluntary Four times per month Remittance</u>	<u>(19 X Highest 3 reporting periods cash turnover) / (3 x 7 days)</u> <u>Rounded to 1,000 EUR</u>

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 ~~or C~~

For Agents with Risk Status B ~~or C~~ 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.

~~All Financial Security amounts are calculated to the nearest multiple of EUR 1,000.~~

5. OTHER

License

A valid Cyprus Tourism Organization license is required.
