

MEMORANDUM

PAC/RESO/1086

To: All Members, Passenger Agency Conference
Accredited Representatives

From: Executive Director, Financial Services, BSP & CASS

Date: 27 April 2026

Subject: **MAIL VOTE (A717)**
PAC2 (Mail A717)
CHANGES TO LOCAL FINANCIAL CRITERIA FRANCE

Submitted by APJC France

Background Information

APJC France conducted a review of the Local Financial Criteria (LFC) wording and agreed to the proposed amendments outlined in Attachment 'A'.

A major element of this update is the revision of the formula used to calculate financial securities. This revised formula ensures full alignment with Resolution 866 and strengthens the clarity, consistency, and reliability of the financial security requirements.

In addition to this adjustment, the updated LFC wording also includes the removal of outdated date references to improve accuracy and maintain relevance across the documentation.

Furthermore, the amendments formally incorporate the minimum financial security amount required for agents on Daily Remittance frequency, ensuring that all operational parameters are fully aligned with the current regulatory and procedural framework.

During the meeting held on 9 October 2025, and with quorum confirmed, APJC France members unanimously approved these changes, which will enter into force on 1 July 2026.

Effective Date

The proposed effective date of these changes is the earliest date: 1 July 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: 27 April - 11 May
Filing Period: 12 - 26 May
Effectiveness: 1 July 2026

To cast a vote, Members are asked to access the application from the following link:
[2026 First mail vote cycle – Fill out form](#)

Please note that no other form of voting will be accepted. Voting will conclude at close of business MAD time on **Monday, 11th of May**. 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.

A handwritten signature in black ink, appearing to read 'J.A. Rodriguez', written in a cursive style.

Juan Antonio Rodriguez
Executive Director, Financial Services, BSP & CASS
PAConf & PSG Secretary

FRANCE

*(including French Guyana, Guadeloupe, Martinique, Mayotte, Monaco, Reunion Island, St. Barthelemy, St. Martin
Effective ~~1 January 2025~~ 1 July 2026, MV/717)*

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 2021 and 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- 1.2.4 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:~~ 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	Number of days covered	Days in Reporting Period
Twice per month	<u>24</u> <u>27</u>	<u>15</u>
Four times per month	<u>17</u> <u>19</u>	<u>7</u>
<u>Daily</u>	<u>6</u>	<u>1</u>

~~3.3.2 "Amount at Risk" is calculated as follows: 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:~~

$$\text{"Amount at Risk"} = \frac{\text{"Days' Sales at Risk" x BSP Cash Turnover in 3 highest months}}{90}$$

<u>Remittance Frequency</u>	<u>Calculation</u>
<u>Twice per month Remittance</u>	<u>(27 X Highest 3 reporting periods) / 3 x 15 days in reporting period</u> <u>Rounded to 1,000 EUR</u>
<u>Four times per month Remittance</u>	<u>(19 X Highest 3 reporting periods) /</u> <u>3 x 7 days in reporting period</u> <u>Rounded to 1,000 EUR</u>

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.~~ must at all times provide a Financial Security which will equal their assigned Remittance Holding Capacity with a minimum amount as per section 3.7

~~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.
- (iii) Agents on daily remittance: EUR 5,000.

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 Amortization) 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):

$EBITDA = GG \text{ (RÉSULTAT D'EXPLOITATION (I - II))} + GA \text{ (dotations aux amortissements)} + GB \text{ (dotations aux provisions)}$

For Simplified annual accounts (CERFA N°15948):

$EBITDA = 270 \text{ (RÉSULTAT D'EXPLOITATION (I - II))} + 254 \text{ (dotations aux amortissements)}$
