

MEMORANDUM

PAC/RESO/1084

To: All Members, Passenger Agency Conference
Accredited Representatives

From: Executive Director, Financial Services, BSP & CASS

Date: 27 April 2026

Subject: **MAIL VOTE (A715)**
PAC2 (Mail A715)
NEW LOCAL FINANCIAL CRITERIA FOR KAZAKHSTAN & KYRGYZSTAN

Submitted by APJC Kazakhstan and Kyrgyzstan

Background Information

Following the APJC meetings held in Kyrgyzstan on 8 September 2025 and Kazakhstan on 23 October 2025, both APJCs unanimously agreed to merge the Local Financial Criteria for these markets and to consolidate future APJC meetings, in line with the approach already adopted in other markets in the past such as Scandinavia, Romania & Moldova, Western Balkans, etc.

The revised Local Financial Criteria is now fully aligned with Resolution 812, addressing the previous misalignment in Kyrgyzstan. Furthermore, the minimum financial security requirements have been reduced, as the market classification is RHC = Financial Security (FS).

Effective Date

The proposed effective date of these changes is the earliest date: 1 July 2026.

Proposed Action

Conference to adopt the new Local Financial Criteria for Kazakhstan and Kyrgyzstan 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
PACConf & PSG Secretary

KAZAKHSTAN & KYRGYZSTAN*(Effective 1 July 2026, MV/715)***1. GENERAL RULE (Accounts / Documents to be provided)****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 may provide with the audited 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 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 zero.
- 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

3.1 Agents may submit audited financial statements prepared in accordance with the local accounting practices:

- Certified Balance Sheet,
- Profit & Loss accounts,
- Credit and Debt Statement and
- Cash Flow Account

4. FINANCIAL SECURITY LEVEL

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 | The number of days between the end of the sales period and the remittance date |
|----------------------|---------------------|--------------------------|--|
| Four times per month | 19 | 8 | Refer to Resolution 812 6.5.3.7 |

4.1.2 "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:

- a) Kazakhstan – USD 70,000.
- b) Kyrgyzstan – USD 25,000.

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 the reduction or increase the Financial Security amount, but Financial Security at any time should not be lower than amounts provided in paragraph 4.2.11 of this LFC.

4.2.4 The value of the Financial Security will be rounded to the next + 5,000 USD.

5. FINANCIAL SECURITY REQUIREMENTS

5.1 Financial Security must be drafted strictly as per specimen provided by IATA.

5.2 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.

5.3 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.

5.4 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 prior expiry date of the currently valid Financial Security.

5.5 For Kazakhstan. 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. 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 its validity to IATA. If the Agent opts to provide a Bank Guarantee, it must be submitted through inter-banking channel SWIFT by the issuing bank. Paper Bank Guarantees are not accepted.

5.6 For Kyrgyzstan. The Financial Security must be issued by a bank, being a financial institution authorized to issue Financial Securities for Agents in Kyrgyzstan and which is duly registered and licensed to operate without limitations in Kyrgyzstan. 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 its validity to IATA. 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 prior expiry date of the currently valid Financial Security.

KAZAKHSTAN

(Effective 1 March 2022, MV/531)

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.~~

CRITERIA FOR THE EVALUATION OF AGENTS’ ACCOUNTS

~~**3.1** Statements will be evaluated, and agent’s financial review result will be considered as PASS if the following criteria are met:~~

- ~~3 Rate of Liquidity > 0.2~~
- ~~4 Rate of Solvency > 0.2~~
- ~~5 Rate of Profitability > 5%~~
- ~~6 Cash flow – positive~~

~~**3.2** 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.~~

4 ANNUAL FINANCIAL REVIEWS

~~Agents are required to submit certified financial statements prepared in accordance with the local accounting practices:~~

- ~~7 Certified Balance Sheet,~~
- ~~8 Profit & Loss account,~~
- ~~9 Credit and Debt Statement and~~
- ~~10 Cash Flow Account~~

5 FINANCIAL SECURITY

5.1 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.~~

5.2 — 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:

$$\text{Amount at Risk} = \frac{\text{Days' Sales at Risk} \times \text{BSP cash turnover in applicable 3 highest reporting periods of last 12 months}}{\text{Days in reporting period} \times 3}$$

5.3 — 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.~~

o **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.~~

6 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.

| | | | |
|-------------------------------------|--|--|---|
| <p>Liquidity (Absolute ratio) =</p> | <p>Cash and bank balances $\frac{\text{Cash and bank balances}}{\text{Total short-term Liabilities} + \text{Liabilities held for sale}}$</p> | <p>Cash and bank balances $\frac{\text{Cash and bank balances}}{\text{Loans} + \text{Derivative financial liabilities} + \text{Other short-term financial liabilities} + \text{Short-term trade and other payables} + \text{Short-term provisions} + \text{Current income tax liabilities} + \text{Remuneration to employees payable} + \text{Other short-term liabilities} + \text{Liabilities held for sale}}$</p> | <p>Line 010 from Form 1 $\frac{\text{Line 010 from Form 1}}{\text{Line 300 from Form 1} + \text{Line 301 from Form 1}}$</p> |
|-------------------------------------|--|--|---|

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.

| | | | |
|-------------------|---|--|---|
| <p>Solvency =</p> | <p>Total equity $\frac{\text{Total equity}}{\text{Total short-term liabilities} + \text{Liabilities held for sale} + \text{Total long-term liabilities}}$</p> | <p>Charter (share) capital + Additional paid-in capital + Purchased own equity instruments + Reserves + Retained earnings (retained loss) $\frac{\text{Charter (share) capital} + \text{Additional paid-in capital} + \text{Purchased own equity instruments} + \text{Reserves} + \text{Retained earnings (retained loss)}}{\text{Short-term loans} + \text{Short-term derivative financial liabilities} + \text{Other short-term financial liabilities} + \text{Short-term trade and other payables} + \text{Short-term provisions} + \text{Current income tax liabilities} + \text{Remuneration to employees payable} + \text{Other short-term liabilities} + \text{Liabilities held for sale} + \text{Long-term loans} + \text{Long-term derivative financial liabilities} + \text{Other long-term financial liabilities} + \text{Long-term trade and other payables} + \text{Long-term provisions} + \text{Deferred income tax liabilities} + \text{Other long-term liabilities}}$</p> | <p>Line 500 from Form 1 $\frac{\text{Line 500 from Form 1}}{\text{Line 300 from Form 1} + \text{Line 301 from Form 1} + \text{Line 400 from Form 1}}$</p> |
|-------------------|---|--|---|

| | | | |
|--|--|---|--|
| | | income tax liabilities + Other long-term liabilities | |
|--|--|---|--|

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.

$$\text{Profitability} = \frac{\text{Profit for the year} - \text{Line 300 from Form 2}}{\text{Gross revenue from} - \text{Line 010 from Form 2} - \text{Ticket commissions}}$$

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).

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) a term of 6 months for submission of new documents showing that the ratios are met and improved financial standing is in place;
- and

- b) ~~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.~~
