

MEMORANDUM

PAC/RESO/1085

To: All Members, Passenger Agency Conference
Accredited Representatives

From: Executive Director, Financial Services, BSP & CASS

Date: 27 April 2026

Subject: **MAIL VOTE (A716)**
PAC2 (Mail A716)
CHANGES TO LOCAL FINANCIAL CRITERIA MALTA

Submitted by APJC Malta

Background Information

To enable IATA agents to participate in the newly created GoEurozone accreditation, APJC Malta met on 15 July 2025 and voted unanimously to implement a four-times-per-month remittance frequency, on a voluntary basis only.

Furthermore, APJC Malta reviewed the LFC and, at its meeting of 12 March 2026, unanimously agreed to initiate a phased transition towards full alignment with the Amount at Risk definition set out in Resolution 866. As part of this process, the APJC recommended amending the formula for calculating the Financial Security in Section 3.2.1.1 by introducing a calculation based on the 3 highest months of BSP cash turnover within the previous 12 months.

APJC Malta also agreed on a joint re-assessment in Q3 to discuss *the transition from 3 Highest Months to the 3 Highest Periods*, with the objective of achieving full alignment with the Resolution.

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 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.



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

MALTA

(Effective ~~1 July 2026~~ ~~January 2023~~ – MV/716)

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.~~

<u>Remittance Frequency</u>	<u>Calculation</u>	<u>Minimum Financial Security</u>
<u>Twice per month Remittance</u>	$\frac{35 \text{ days X Highest 3 months)}{90 \text{ days}}$	<u>EUR 10,000</u>
<u>Voluntary Four times per month Remittance</u>	$\frac{19 \text{ days X Highest 3 months)}{90 \text{ Days}}$	<u>EUR 10,000</u>

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.