



MEMORANDUM

PAC/Reso/924

To: All Members, Passenger Agency Conference
Accredited Representatives

From: Director, FDS Operations, GDC

Date: **13 April 2022**

Subject: **MAIL VOTE (A560)**
PAC2 (Mail A560)
Temporary Local Financial Criteria - Lebanon

Background Information

Lebanon APJC met on 21 February 2022 to discuss extension of the temporary LFC.

Lebanon APJC reviewed the current Temporary LFC. The members discussed the current economic situation and concluded that there is no improvement in the financial and banking situation and there is a need to extend the TLFC to sustain the operation and maintain the current process.

Members reviewed the TLFC and approved to renew it for another year (Effective 1 Jun 2022 to 31 May 2023). In addition the group will meet on Jan 2023 to assess the situation.

A quorum was present. The council consists of 6 Airlines and 6 Agents.

The APJC voted unanimously to recommend the changes to Conference.

Effective Date

The proposed effective date of these changes is 1 June 2022.

Proposed Action

Conference to adopt the temporary change to the Local Financial Criteria as shown in Attachment 'A'.

The timetable for this Mail Vote is as follows:

Voting Period: 13 April - 27 April 2022

Filing Period: 28 April - 31 May 2022

Effectiveness: 1 June 2022

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

<https://forms.office.com/r/mzQjYmfYDw>

Please note that no other form of voting will be accepted. Voting will conclude at close of business MAD time on **Wednesday, 27 April 2022**. 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
Director, FDS Operations, GDC

LEBANON

~~(Effective from 1 June 2021 - MV/406)~~

(Effective from 1 June 2022 until 31 May 2023, MV/560)

Note: There will be no requirements for Applicants to provide Audited Accounts for their application of Accreditation during this period of time.

Annual financial reviews will not be performed by IATA for the duration of this set of temporary financial criteria being applicable, Agents will not be required to provide any financial statements to IATA.

1. FINANCIAL SECURITY

1.1 Financial Securities 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.

1.2 For the purposes of calculating the amount of a Financial Security the following definitions apply:

1.2.1 "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
Four times per month	21	8

1.2.2 "Amount at Risk" is calculated as following:

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

1.2.3 The amount of the financial security is calculated to cover at a minimum the Days Sales at Risk multiplied by the BSP cash turnover in 3 highest reporting periods of the last 12 months over the number of days in the reporting period multiplied by 3.

1.2.4 Calculation of the Financial Security:

1.2.4.1 IATA shall maintain the current legacy Financial Securities up to 31 August 2021. From 1 September 2021 Agents must provide Financial Securities in 'Fresh' USD. Agents which fail to provide a Financial Security in 'Fresh' USD, its RHC will be equal to zero Effective 1st of September and will not be assigned a Risk Event for failure to provide a Financial Security.

1.2.4.2 For all Agents with legacy Financial Securities, its RHC will be equal to 50% of their legacy Financial Security

1.2.4.3 Agents which have furnished a Financial Security in 'Fresh' USD its RHC will be equal to the value of the Financial Security.

1.2.4.4 Agents will not be able to provide combined Financial Securities in legacy and 'Fresh' USD

1.2.4.5 Agents may increase its RHC up to 31 August 2021 by providing additional coverage in its legacy Financial Security. In these cases its RHC will be equal to 50 % of their legacy Financial Security value.

1.2.4.6 Agents may provide a Financial Security in 'Fresh' USD prior to the effectiveness of this LFC. In these cases its RHC will be equal to the value of the Financial Security and any previously provided securities in the legacy currency will be returned to the Agent.

1.2.4.7 Agents may provide 'Fresh USD' Cash Deposits or 'Fresh' USD Bank Guarantees in accordance to the 'Fresh' USD BG template.

1.3 Financial Security is not applicable for 'Fresh USD' Cash sales for GoLite Agent

2. Agents with Risk Status A, B, C and GoLite

2.1 An Applicant/Agent may at any time request to reduce or increase the Financial Security

2.2 The value of the Financial Security will be rounded to the next USD10,000 taking into consideration the minimum required Financial Security of USD 20,000

2.3 All Financial Securities must be drawn as per the IATA specimen.

2.4 Go Lite Agent upon request will be granted access to Cash Fresh USD sales with RHC = Zero

3. DEFINITIONS OF TERMS USED IN THESE GUIDELINES

3.1 Fresh USD is cash injected in the banking system by Cash Deposit or international USD Transfers.