



MEMORANDUM

PAC/RESO/700

To: All Members, Passenger Agency Conference
Accredited Representatives

From: Director, FDS Operations, GDC

Date: **2 July 2020**

Subject: **MAIL VOTE (A339)**
PAC (Mail A339)
Temporary Amendments to BSP Manual for Agents

Background Information

PSG has been following the impact that the development of COVID-19 has posed to the Passenger Agency Programme, and meeting on a weekly basis since 16 March 2020 to review and approve any exceptional measures on behalf of the Conference in the meantime. There is also a Mail Vote item A337 that details a proposal endorsed by PSG for Conference adoption.

To ensure that clear communication is made to Agents on how such changes would be applied in the near future, it is proposed to amend the BSP Manual for Agents, indicating such changes in a clear manner.

Effective Date

The proposed effective date of these changes is 1 September 2020.

Proposed Action

Conference to adopt the changes to the BSP Manual for Agents, as found in Attachment 'A' and Attachment 'B'.

The timetable for this Mail Vote is as follows:

Voting Period: 2 – 16 July 2020

Filing Period: 17 – 31 July 2020

Effectiveness: 1 September 2020

To cast a vote, Members are asked to access the application from the following link:
<https://www.surveymonkey.com/r/A333-341>

Please note that no other form of voting will be accepted. Voting will conclude at close of business MAD time on **Thursday, 16 July 2020**. 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', with a large, sweeping flourish extending upwards and to the right.

Juan Antonio Rodriguez
Director – FDS Operations, GDC

It is proposed to amend the BSP Manual for Agents under Resolution 812 as follows:

3.11 Financial Reviews for Standard Agents with Cash Facility/Multi-Country Agents

(Effective immediately until all annual financial assessments for the Financial Year End of 2021 have been completed or until the financial accounts no longer considers the financial impact resulted from COVID-19 pandemic)

Under Resolution 812 section 5.4.1, Agents are required to undergo a financial assessment annually or for cause at any time.

On a temporary basis, Agents under Risk Status C, or where their Remittance Holding Capacity is fully covered by a Financial Security, will not be required to complete a Financial Assessment, unless the Agent wishes to do so.

IATA will be contacting Agents if they had failed their previous annual assessment, to offer them the option of submitting their financial statements, in case they wish to be assessed.

IATA will be following the principles below when considering additional financial assessments:

- GoStandard Agents with Cash Facility whose sales is not covered by any type of Financial Security held by IATA beyond USD 100,000 (or the equivalent in local currency), may be requested to undergo a quarterly financial assessment, conducted in compliance with Resolution 812 section 5.4.2 with the following exceptions:

- Understanding that Audited Accounts will be costly and difficult to obtain, Agents may provide IATA with their managerial accounts

Whilst the accounts do not need to be audited, they must include the recent financial information of the Agent that will permit IATA to conduct a Financial Assessment using such managerial accounts, against the local financial criteria.

- Allow for an extension of 7 days to submit required documentation. Depending on the circumstances, on an exceptional basis, an extension of up to 30 days may be granted.

- If an Agent is unable to meet the full requirements as stated under Resolution 812 section 5.4.5.1, IATA will not record a Risk Event, however Resolution 812 section 5.4.5.2 will apply in the event that an Agent fails to submit their managerial account .

- The Agent will be required to cover the cost for such assessments to be conducted, which will be USD28.00 per assessment.

- The quarterly assessment of managerial accounts will be maintained until the Agent's sales are not covered by any type of Financial Security held by IATA, decrease below USD 100,000 (or the equivalent in local currency).

3.13 Financial Security for Standard Agents with Cash Facility/Multi-Country Agents

(Effective immediately until all annual financial assessments for the Financial Year End of 2021 have been completed or until the financial accounts no longer considers the financial impact resulted from COVID-19 pandemic)

On a temporary basis, all local financial criteria with a minimum Financial Security amount higher than the equivalent of USD 20,000 will be adjusted, with a minimum Financial Security of USD 20,000 (or the equivalent in local currency) for all Applicants and Agents. In the event an Agent wishes take advantage of this option its RHC will be equivalent to the amount of financial security provided.

Chapter 15 – Financial Security Process

(Effective immediately until all annual financial assessments for the Financial Year End of 2021 have been completed or until the financial accounts no longer considers the financial impact resulted from COVID-19 pandemic)

On a temporary basis, all local financial criteria with a minimum Financial Security amount higher than the equivalent of USD 20,000 will be adjusted, with a minimum Financial Security of USD 20,000 (or the equivalent in local currency) for all Applicants and Agents. In the event an Agent wishes take advantage of this option its RHC will be equivalent to the amount of financial security provided.

It is proposed to amend the BSP Manual for Agents under Resolution 800 and 818g by adding a chapter dedicated to the following content in a new chapter:

Chapter 0 – Special conditions for Financial Assessments impacted from COVID-19

Effectiveness:

(Effective immediately until all annual financial assessments for the Financial Year End of 2021 have been completed or until the financial accounts no longer considers the financial impact resulted from COVID-19 pandemic)

Financial Assessments:

Under Resolutions 800 section 2.4.1(c) and 818g section 2.2, Agents are required to undergo a financial assessment for cause at any time, in addition to its annual financial assessments.

IATA will be following the principles below in assessing the requirements for additional financial assessments:

- IATA Accredited Agents with sales above USD100,000 (or the equivalent in local currency) that are not covered by any form of Financial Security held by IATA, may be requested to undergo a quarterly financial assessment, conducted in compliance with Resolution 818g section 2.2 with the following exceptions:

- Understanding that Audited Accounts may be difficult to obtain, Agents may provide IATA with their managerial accounts.

Whilst the accounts do not need to be audited, they must include the recent financial information of the Agent that will permit IATA to conduct a Financial Assessment using such managerial accounts, against the local financial criteria.

-Allow for an extension of 7 days to submit required documentation. Depending on the circumstances, on an exceptional basis, an extension of up to 30 days may be granted.

- In the event the agent is unable to meet the full requirements as stated under Resolution 818g section 2.2, IATA will not record an irregularity and shall provide the agent with additional 30 days to submit the managerial accounts.

- Failure by the Agent to submit the managerial accounts will result in a written notice fo removal from the agency list, as established in Resolution 818g section 2.2.

- The Agent will be financially responsible for such assessments to be conducted, which will be USD28.00 per assessment.

- The quarterly assessment will be maintained until the Agent's sales amounts not being covered by any Financial Security by IATA, drops below USD100,000 (or the equivalent in local currency)