



MEMORANDUM

PAC/RESO/ PAC/1065

To: All Members, Passenger Agency Conference
Accredited Representatives

From: Director, FSDS Operations, GDC

Date: 20 January 2025

Subject: **MAIL VOTE (A696)**
PAC2 (Mail A696)
CHANGES TO LOCAL FINANCIAL CRITERIA TUNISIA

Submitted by APJC Tunisia

Background Information

An APJC meeting was held on 21 November 2024 to consider changes to the Local Financial Criteria (LFC) proposed by the Local Financial Criteria Advisory Group (LFCAG). The LFCAG reviewed the Local Financial Criteria and submitted two proposals for changes to the LFC.

Following discussion by the APJC, a mail vote was conducted, and a simple majority was achieved for one of the proposals to remove a criteria in 2.2.8.

This APJC consists of 9 airlines and 9 agents. There were 6 airlines and 9 agents voting in favour.

Effective Date

The proposed effective date of these changes is 1 March 2025.

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: 20 January-3 February 2025

Filing Period: 4-18 February 2025

Effectiveness: 01 March 2025

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

<https://forms.office.com/e/MLtEKMhPmu>

Please note that no other form of voting will be accepted. Voting will conclude at close of business MAD time on **Monday, 3 February 2025**. 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. Rodriguez', with a large, sweeping flourish at the end.

Juan Antonio Rodriguez
Director – FSDS Operations, GDC



TUNISIA

(Effective ~~March 1 2024~~ 1 March 2025 – MV/~~673~~-A696)

1. GENERAL RULE

- 1.1** An Agent must provide Audited Accounts to IATA. Audited Accounts means accounts reviewed by an auditor recognized as competent by a regulatory authority in the country to perform an audit.
- 1.2** Agencies will need to apply online on the IATA Customer Portal where all need documentations in accordance with the local legislations are listed.

2. CRITERIA FOR THE EVALUATION OF AGENTS ACCOUNTS

- 2.1** All financial information used in the financial review will be extracted from the Agent's Audited Accounts.
- 2.2** The following financial tests apply to the evaluation of an Agent's Audited accounts:
- 2.2.1** There must be a positive Net Equity.
 - 2.2.2** There must be a positive net profit.
 - 2.2.3** Net Equity divided by Long Term Debt and other Long-Term Liabilities must be greater than 0.5.
 - 2.2.4** EBITDA (Earnings before Interest, Taxation, Depreciation, Amortization, and extraordinary items) must be positive.
 - 2.2.5** The EBITDA must exceed the Interest Payable by a factor of a minimum of two.
 - 2.2.6** There must be a positive net worth.
 - 2.2.7** The liquidity ratio must be greater than 1.
 - ~~**2.2.8** The collection period of accounts receivable must not exceed an average of 35 days.~~
 - ~~**2.2.9**~~ **2.2.9** The Current Assets must be in excess of the Risk Amount as per Section 4.3.2
 - ~~**2.2.10**~~ **2.2.10** The Net Cash Position (Cash balance including short term investment - short term financial debt) must be positive.
 - ~~**2.2.11**~~ **2.2.11** The Net equity / total assets must be greater than 0.5.
- 2.3** An agent will obtain a satisfactory result of the annual financial review when all above criteria listed in 2.2 are met.

3. ANNUAL FINANCIAL REVIEWS

- 3.1** All Applicants must provide Audited Accounts not more than 12 months old at the time of accreditation application to become an Agent to be assessed in accordance with section 2 of these criteria.
- 3.2** If an Agent has been in business for less than 12 months at the time of accreditation application, an audited opening balance sheet must be provided.
- 3.3** All Agents must provide an Audited Accounts for the last financial year, no later than 6 months, or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 2 of this criteria.

4. FINANCIAL SECURITY

- 4.1** An agent will not be accredited or will not continue to be accredited until IATA receives the financial security issued by the organization, a validation by written confirmation of the authenticity of the said financial security issued.
- 4.2** 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.
- 4.3** For the purposes of calculating the amount of a Financial Security the following definitions apply:
- 4.3.1** Days' Sales at Risk means the number of days from the beginning of the agent's Reporting Period to the remittance in respect of the reporting period plus a margin of five days.

Frequency of Remittance	Days' Sales at Risk	Days in Reporting period
Bimonthly (Fortnightly)	35	15

4.3.2 Amount at Risk is calculated as follows:

	"Amount at Risk"	=	"Days' Sales at Risk" × BSP Cash Turnover in applicable 3 highest reporting periods in the last 12 months	
			Days in reporting period × 3	

4.4 All Financial Securities must be provided per the format provided by IATA.

4.5 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.

4.6 The minimum Financial Security required from all IATA Accredited Agents is TND 50,000.00

4.6.1 Agents with Risk Status A:

Agents are required to provide a Financial Security covering 50% of their Amount at Risk calculated as per Section 4.3.2, subject to a minimum of TND 50,000.00/- whichever is higher.

4.6.2 Agents with Risk Status B:

Agents are required to provide a Financial Security covering 100% of their Amount at Risk calculated as per Section 4.3.2, subject to a minimum of TND 50,000.00/- whichever is higher.

4.6.3 Financial Security for agent with Risk Status C:

RHC=Financial Security. The Remittance Holding Capacity (RHC) will be equal to Financial Security and must be not lower than TND 50,000.00.

5. DEFINITIONS OF TERMS USED IN THESE CRITERIA

EBITDA—Earnings before Interest, Taxation, Depreciation and Amortisation.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this local Financial Criteria.

Net Equity or Shareholders'/owners' Funds-Consists of:

- Share capital
- Share Premium
- Retained earnings
- Other distributive 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