



# MEMORANDUM

## PAC/RESO/1070

To: All Members, Passenger Agency Conference  
Accredited Representatives

From: Director, FSDS Operations, GDC

Date: 15 July 2025

Subject: **MAIL VOTE (A701)**  
**PAC2 (Mail A701)**  
**CHANGES TO THE LOCAL FINANCIAL CRITERIA IRELAND**

---

### Background Information

To amend the Local Financial Criteria to more closely align with Resolution 812, paragraph 6.5.3.6(a), the APJC Ireland met **on May 21, 2025**, and initiated the following discussion:

- reducing the number of days between the end of the sales period and the remittance date for weekly reporting Agents, from 8 days to 7 calendar days;
- adjusting the formula for the calculation of Financial Security to reflect the new remittance period and to include the calculation for voluntary daily remittance;
- making minor editorial changes to paragraphs 3 and 5, by replacing the name of the Commission for Aviation Regulation (CAR) with the Irish Aviation Authority, in line with recent changes in the Irish aviation regulatory framework.

Following a sustained debate, the members present -comprising six Airlines and six Agents- voted unanimously in favour of the proposed changes.

### Effective Date

The proposed effective date of these changes is 1 January 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: 15-29 July 2025  
Filing Period: 30 Jul- 13 Aug 2025  
Effectiveness: 1 Jan 2026

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

<https://forms.office.com/e/VWCHtf82QM>.

Please note that no other form of voting will be accepted. Voting will conclude at close of business MAD time on **Tuesday, 29 July 2025**. Votes not cast by that deadline will be deemed to be affirmative.

In conformity with the Mail Vote procedure endorsed by PAcnf 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](mailto:pac-gov@iata.org).

A handwritten signature in black ink, appearing to read 'J. Rodriguez', with a large, sweeping flourish above it.

Juan Antonio Rodriguez  
Director – FSDS Operations, GDC



## IRELAND

(Effective 1 January 2022~~6~~, MV/A701)

### 1. GENERAL RULE

**1.1** The financial standing of IATA New Applicants and of IATA Accredited Agents is evaluated periodically by IATA. It is important that only Agents that demonstrate their ability to settle their liabilities will be accepted and the financial criteria have been set with the objective of ensuring that only financially sound applicants are accredited.

**1.2** The Settlement dates in Ireland are:

Agents settling their liabilities twice per month the remittance dates are: the last day of the calendar month, for BSP sales covering the first 15 days of the month and the 15th of the following calendar month, for BSP sales covering the period from the 16th to the last day of the calendar month,

8 7 calendar days after each reporting period for Agents settling their BSP liabilities four times per calendar month. The reporting periods are: 1<sup>st</sup>-7<sup>th</sup>, 8-15<sup>th</sup>, 16-23<sup>rd</sup> and 24<sup>th</sup> to the end of the calendar month.

### 2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

**2.1** The financial standing of an Agent holding a Standard Accreditation with Cash Facility is assessed by IATA annually or for cause at any time, by analysis of its financial statements. The assessment is based on the examination of the full set of most recent audited accounts and is based on the following key financial criteria:

#### **2.1.1** Equity (for limited companies) or Capital account (for partnerships & sole traders)

The Agents' accounts must show positive Net Equity (Capital Accounts for Partnership & Sole Traders). This is based on the annual BSP turnover of cash reported sales (net to be paid) calculated using the BSP sales figures for the most recent 12 months period available (being 12 full calendar months) at the time of the assessment.

Equity for this purpose is capital paid up, reserves, and profit and/or loss carried forward.

There are two levels set – the normal minimum for companies that have traded for less than 2 years as an Accredited Agent, and the traded minimum for companies that have submitted 2 consecutive years' accounts.

	Less than 2 years trading	2 years' Accounts
BSP Cash Reported Sales	Normal Minimum (EUR)	Traded Minimum (EUR)
1 million	40,000	40,000
2 million	50,000	40,000
3 million	60,000	40,000
4 million	80,000	40,000
5 million	100,000	50,000
6 million	120,000	60,000
7 million	140,000	70,000
8 million	160,000	80,000
9 million	180,000	90,000
10 million and over	200,000	100,000

#### **2.1.2** Liquidity

The Agents' accounts must show a positive liquidity ratio i.e. Current assets must exceed Current liabilities at the end of an accounting period.

#### **2.1.3** Profitability

The Agents' accounts must show a profit before tax in at least one of the last two accounting periods.

If an Agent accounts do not show a profit in at least one of the last two accounting periods, the Agent is required to meet one of the following:

**2.1.3.1** If the Agent's Net Current Assets meet or exceed 8% of cash sales of their annual BSP turnover (net to be paid), the Agent can remit on the standard remittance frequency.

**2.1.3.2** If Agent's Accounts do not meet 2.1.3.1 above and their Net Current Assets meet or exceed 4% of cash sales of their Annual BSP turnover (net to be paid), the Agent must remit four times monthly, unless it provides a Financial Security to continue to remit twice monthly.

**2.1.3.3** If Agent's Net Current Assets are under 4 % of their cash sales of their Annual BSP turnover (net to be paid), the Agent must provide a Financial Security and must remit four times monthly.

The Agent's Financial Review will be considered as **PASSED** if the criteria in Sections 2.1.1. – 2.1.3. are met.

For the purpose of the liquidity tests above, the Current Assets will be adjusted to include the value of freehold properties, provided that the accounts submitted for the annual review are audited and:

- The value of the total charges and indebtedness secured on the property is disclosed by the Agent in the audited accounts.
- The value of the property must be stated in the audited accounts and must be certified by a qualified, registered and independent valuer, i.e. a professional auctioneer or real estate agent.

The valuation of the property must not be older than three years with the date of the valuation stated in the audited accounts. For newly accredited Agents or when an Agent presents audited accounts for the first time, the valuation must not be older than 3 months.

### **3. ANNUAL FINANCIAL REVIEWS**

#### **3.1 New Applicants**

**3.1.1** New Applicants must submit with their application a full set of their companies audited accounts for the most recent financial year and a copy of their Irish Government issued license or a copy of their approval from the Irish Commission Aviation Authority for Aviation Regulation. New Applicants will also be required to put in place a Financial Security, with a minimum value of €40,000 and settle their BSP liabilities four times monthly for a minimum period of 2 years.

**3.1.2** Newly formed companies that have traded for less than 12 months at the time of application may submit an opening balance sheet, prepared by a statutory auditor.

#### **3.2 Accredited Agents**

**3.2.1** Agents holding a Standard Accreditation with Cash Facility must submit a full set of audited accounts within 4 months of the end of their financial year.

##### **3.2.2 Exemption from Audit**

Notwithstanding the provisions above, sole traders, partnerships and Irish registered limited companies, that meet the conditions for exemption from audit as a small company as defined by the Irish Company Law, may submit certified accounts for financial review, provided that

- i. the certification is issued by an independent Reporting Accountant and
- ii. the Agent settles its BSP liabilities four times monthly, according to the published BSP Reporting Calendar.

**Reporting Accountant is defined in Note 1 below.**

**3.2.3** Agents holding Multi- Country Accreditation will be assessed quarterly according to provisions set out in Resolution 812.

**3.3** Agents holding Standard and Multi- Country accreditation (enabling them to report and settle cash sales) will be assigned a Risk Status based on their most recent Financial Review and ongoing Risk History as follows:

**3.3.1** Risk Status A, when the Agent has passed both the ongoing Risk History and its latest Financial Review

**3.3.2** Risk Status B, when the Agent has failed either the ongoing Risk History or its latest Financial Review

**3.3.3** Risk Status C, when Agent has failed both the ongoing Risk History or its latest Financial Review

**3.4** Risk history is defined in detail in Sections 2.5.4 and 4.2 of Resolution 812.

## 4. FINANCIAL SECURITY

**4.1** For the purpose of calculating the amount of a Financial Security the following definitions apply:

**4.1.1** "Days' Sale at Risk" means the number of days from the beginning of the Agent's reporting cycle to the remittance date in respect of that reporting period or periods plus a margin of five days

**4.1.2** "Amount at Risk" is calculated by multiplying the Days' Sales at Risk by the total BSP Cash Turnover of the 3 highest Reporting Periods in the previous 12 months divided by the days in Reporting Period and multiplied by 3 (Total Days x Total BSP Cash Turnover 3 highest Reporting Periods / Days in Reporting Period x 3) ~~by dividing the Days' Sales at Risk by 90 days, and applying the percentage to the BSP not to be paid turnover the Agent made in the three-month period referred to in Section 4.3 as applicable~~

**4.1.3**

$$\text{"Amount at Risk"} = \frac{\text{"Days' Sales at Risk"} \times \text{BSP Cash Turnover in applicable 3 months}}{90}$$

Remittance Frequency	Calculation
Twice per month Remittance	(35 X 3 highest Reporting Periods) / 3 x 15 days in Reporting Period Rounded to 1,000 EUR
Four times per month Remittance	(19 X 3 highest Reporting Periods) / 3 x 7 days in Reporting Period Rounded to 1,000 EUR
Daily Remittance (Voluntary)	(5 X 3 highest Reporting Periods) / 3 x 1 days in Reporting Period Rounded to 1,000 EUR

### 4.2 New Applicants

**4.2.1** All new Agents must provide a Financial Security with a minimum value of €40,000 during the first two (2) years as an IATA Accredited Agent.

### 4.3 Existing Agents Accredited for 2 years or more

**4.3.1** Agents with Risk Status A – No Financial Security is required

**4.3.2** Agents with Risk Status B or C are required to provide a Financial Security that covers at a minimum the Amount at Risk calculated as per Section 4.1 ~~using the cash turnover amount of the three (3) highest BSP not to be paid monthly turnover in the previous 12 months period~~, or €20,000, whichever is higher.

**4.4** All Agents can provide a lower (or higher) Financial Security (but above the minimum levels established above) which may result in a corresponding alignment of the level of their Remittance Holding Capacity, based on their Risk Status.

**4.5** A Financial Security is also required if an Agent undergoes a major change of ownership, as defined in Resolution 812.

**4.6** A Financial Security may be arranged through a bank registered in the Republic of Ireland or through an Insurance Company approved by IATA (a list will be provided upon request) or through Global Default Insurance

<b>5. LICENSE ISSUED BY THE <del>COMMISSION FOR AVIATION REGULATION (CAR)</del> Irish Aviation Authority (IAA)</b>
--

A license or a copy of their approval, issued by the Irish ~~Commission for Aviation Regulation~~ Aviation Authority, is required from the Agent.

**Note 1 - Reporting Accountant**

The Reporting Accountant shall be either a statutory auditor, which in Ireland means a person eligible for appointment as a statutory auditor as set out in Part 42 Statutory Auditors of the Companies Act 2006 or an independent qualified accountant holding a current practising certificate with a recognised accountancy body. We list below the accepted recognised accountancy bodies:

- Institute of Chartered Accountants of England & Wales
- Institute of Chartered Accountants of Scotland
- Institute of Chartered Accountants of Ireland
- Association Chartered Certified Accountants
- Association of Authorised Public Accountants
- Chartered Institute of Management Accountants
- Association of International Accountants
- Institute of Chartered Secretaries and Administrators
- Institute of Financial Accountants
- Association of Certified Public Accountants in Ireland
- Institute of Chartered Accountants Ireland