

MEMORANDUM

PAC/RESO/1099

To: All Members, Passenger Agency Conference
Accredited Representatives

From: Executive Director, Financial Services, BSP & CASS

Date: 27 April 2026

Subject: **MAIL VOTE (A731)**
PAC123 (Mail A731)
Clarification in Resolution 812, Section 6.7 - Prejudiced Collection of Funds

Submitted by IATA

Background Information

Prejudiced Collection of Funds (PCF) is a risk-mitigating mechanism established in Resolution 812, designed to protect BSP Airlines from financial loss when there is a risk that funds owed by an Agent may not be collected safely or reliably.

When such a risk is detected, IATA may take any action under Section 6.7.1.2 of the Resolution 812. If an action under sub-paragraph (e) - Removal all Ticketing Authority- is taken, the Agency Administrator will request an immediate review by the Travel Agency Commissioner.

The Travel Agency Commissioner may either confirm the basis of the prejudiced collection of funds, after which a risk event is recorded in the Agent's risk history for 12 months from the date IATA invoked the PCF, or lift the PCF and request IATA to restore Ticketing Authority.

An Agent that fails to settle all outstanding amounts is eventually terminated. However, several cases have been identified where fraudulent activity by an Agent was confirmed, yet no payment default occurred as there was no outstanding debt. At the same time, the Agent did not provide any justification or feedback required to support the reinstatement process.

Section 6.7.1 does not reference the issuance of a Notice of Termination for this type of scenario, which means that an Agent could theoretically remain under "review" status, with suspended Ticketing Authority, indefinitely.

Proposed Solution

In collaboration with the Travel Agency Commissioners, the IATA team has proposed amending Resolution 812, Section 6.7.1 as per Attachment 'A', to include wording that addresses the scenario described above.

Effective Date

The proposed effective date of these changes is the earliest date: 1 July 2026.

Proposed Action

Conference to adopt the changes as shown in Attachment 'A' and as endorsed by PSG/139.

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, 11 May 2026**. 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
Executive Director, Financial Services, BSP & CASS
PAConf & PSG Secretary

RESOLUTION 812

[...]

6.7 PREJUDICED COLLECTION OF FUNDS

6.7.1 Where the Agency Administrator Believes that the Agent's Ability to Pay is Prejudiced

6.7.1.1 This section 6.7.1 governs the procedures for the protection of All Amounts Owing to all BSP Airlines by the Agent in situations where the Agency Administrator believes that the ability or intent of the Agent to remit All Amounts Owing to BSP Airlines is in doubt.

6.7.1.2 In the event that the Agency Administrator receives written information, which is substantiated to the satisfaction of the Agency Administrator, leading to the belief that the ability of any BSP Airline to collect All Amounts Owing from the Agent may be prejudiced, and/or an Agent's funds at risk are not covered by a Financial Security, or that any Financial Security provided does not sufficiently cover those funds taking into account reasonable variations in sales levels, the Agency Administrator may review the circumstances of the Agent and may take any of the following actions:

- a. demand an immediate accounting and settlement of monies due by the Agent and/or require the Agent to restrict the issuance of Standard Traffic Documents to the Customer Card Payment Method and/or IEP only;
- b. conduct, in cooperation ~~of~~ with the Agent, financial and operational reviews of the Agent's business. Any costs associated with such review may be borne by the Agent;
- c. request for additional Financial Securities in accordance with the provisions in 3.2.1.4;
- d. place the Agent on the Most Frequent Remittance Frequency in the applicable BSP;
- e. remove all Ticketing Authority;
- f. set the Remittance Holding Capacity of the Agent at the same amount as the Financial Security amount provided.

6.7.1.3 Following the issue of a notice under section 6.7.1.2(e), the Agency Administrator will request an immediate review by the Travel Agency Commissioner.

6.7.1.4 If requested to undertake a review in accordance with section 6.7.1.3, the Travel Agency Commissioner will commence a review under the terms of review by Travel Agency Commissioner of the applicable Passenger Sales Agency Rules within three working days from receipt of such a request. Pending the results of this review, the Agent may within 30 days of the date on which Ticketing Authority was removed or the date when the review was commenced, whichever is the ~~latter~~ ~~later~~, apply for interlocutory relief to stay the removal of Ticketing Authority in accordance with Resolution 820e. Before granting an interlocutory order under this section 6.7.1.4, the Travel Agency Commissioner will require the Agent to provide a Financial Security in accordance with Resolution 820e.

6.7.1.5 If the review of the Travel Agency Commissioner confirms the basis of the prejudiced collection of funds, a Risk Event will be registered against the Agent in its Risk History for 12 months following the date of IATA's invocation of the prejudiced collection of funds action.

6.7.1.6 If the Agent fails to provide sufficient evidence during the Travel Agency Commissioner review process justifying the circumstances leading to the Prejudiced Collection of Funds, and such matter remains unresolved or cannot be adequately confirmed or rejected within 30 days from the date of the Agency Administrator's notification, the Agency Administrator may issue a Notice of Termination of the Agent's Passenger Sales Agency Agreement.

6.7.1.67 If payment under section 6.7.1.2 is not received on demand by the deadline referred to in section 6.6.1.3, the Agency Administrator will immediately notify the Agent and issue a Notice of Payment Default with respect to the Agent in accordance with the provisions of section 6.9.

6.7.1.78 IATA has the right to conduct a review or other investigation of the Agent's Customer Card Payment Method and Alternative Transfer Method transactions in the BSP to verify the Agent's compliance with the applicable Resolutions and consent(s) given by individual BSP Airline(s) for specific Alternative Transfer Methods. If a situation of potential non-compliance is detected by IATA, the Agency Administrator may notify individually the BSP Airline(s) concerned and make this information available to the Agent. This notice shall be unsubstantiated and no further details will be provided by IATA.

6.7.1.89 In the event a review or other investigation reveals a persistent failure by the Agent to comply with Resolution 812a and/or Resolution 890, the Agency Administrator may restrict on an ad interim basis authorisation to use the Customer Card Payment Method and Alternative Transfer Methods and request in writing an immediate review by the Travel Agency Commissioner.

6.7.1.99.1 The Travel Agency Commissioner will commence a review under the terms of Reviews by the Travel Agency Commissioner. Pending the results of the review, the Agent may within 30 days of the date when the review was initiated apply pursuant to Resolution 820e for interlocutory relief staying the restriction of the Agent's use of Customer Card Payment or Alternative Transfer Method. Upon reinstatement, use of Alternative Transfer Methods will be subject to the individual consent of the BSP Airline(s) affected.

6.7.1.109.2 Upon completion of the review, the Travel Agency Commissioner will either (i) order the reinstatement of the Agent's authorisation to use the Customer Card Payment Method and/or Alternative Transfer Method(s), or (ii) maintain the restriction of the Customer Card Payment Method and/or Alternative Transfer Method(s) until the Agent has demonstrated to IATA's satisfaction that the non-compliance has been remedied.

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