



MEMORANDUM

PAC/Reso/912

To: All Members, Passenger Agency Conference
Accredited Representatives

From: Director, FDS Operations, GDC

Date: **13 April 2022**

Subject: **MAIL VOTE (A548)**
PAC2 (Mail A548)
Editorial Changes to the Local Financial Criteria - Belgium & Luxembourg

Background Information

While reviewing the Local Financial Criteria to complete the Travel Agency Handbook for 2022 we have detected an editorial error in the temporary Local Financial Criteria of Belgium & Luxembourg.

Under Item 4.3 it should make reference to 2021 accounts, please see below:

4.3 For the financial analysis of ~~2020~~ 2021 accounts to be performed in 2022, IATA will reproduce the result figures based on 2019 accounts which were analyzed in 2020

Effective Date

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

Proposed Action

Conference to adopt the editorial changes to the temporary 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 PACConf 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', written in a cursive style.

Juan Antonio Rodriguez
Director, FDS Operations, GDC

BELGIUM/LUXEMBOURG

(Effective 1 January 2022 -31 December 2022, MV/480 & MV/548)

1. CRITERIA FOR THE EVALUATION OF AGENTS' FINANCIAL STATEMENTS

The financial tests defined below will be used for the financial review of the Agent's annual accounts.

1.1 The equity ratio is minimum 12%:

$$\begin{aligned} \text{Equity ratio} &= \text{Equity/Total Accounts} \\ \text{Equity} &= \text{capital} \\ &+ \text{reserves} \\ &+ \text{carried over profit/loss} \\ &- \text{revalued premiums} \end{aligned}$$

1.2 The working capital is positive:

$$\begin{aligned} \text{Working capital} &= \text{equity} \\ &+ \text{long-term liabilities} \\ &- \text{fixed assets} \end{aligned}$$

1.3 The current ratio or liquidity is minimum 1:

$$\text{Current ratio} = \text{current assets/current liabilities}$$

1.4 The profitability is positive.

The accounts must indicate that there is a profit after tax, at least for two of the three last financial years.

1.5 An Agent will obtain a satisfactory result on the financial review when all provisions in 1.1-1.4 have been met.

2. ANNUAL FINANCIAL REVIEWS

2.1 New applicants:

2.1.1 New applicants with more than one year's trading record must submit with the application:

- 1) a full set of financial statements, including balance sheet, profit and loss account duly certified by an outside public accountant, for their company for the most recent financial year.
- 2) a certificate of insurance against insolvency in conformity with local law,

2.1.2 Companies with less than one year's trading record must submit:

- 1) a copy of a financial plan (including the opening balance sheet)
- 2) a certificate of insurance against insolvency in conformity with local law

The most frequent remittance frequency is applied to all new Agents in BSP Belgium & Luxembourg during their first 2 years of accreditation.

2.2 Agents Accredited for more than 2 years:

2.2.1 Accredited Agents have to submit annually, within seven months of the most recent financial year end, the following documents:

- a full set of financial statements, including balance sheet, profit and loss account duly certified by an outside public accountant.
- a certificate of insurance against insolvency in conformity with local law

2.2.3. If the Agent is a subsidiary of a larger parent organization, the consolidated accounts must be provided.

3. FINANCIAL SECURITY

3.1 All Financial Securities must have an unlimited validity.

3.2 For new applicants the minimum required financial security will be EUR 10,000 during the first 2 years.

3.3 The amount of the Financial Security for the Agents that have been IATA accredited for more than two (2) years will be calculated as follows:

Agents with Risk Status A

3.4 For Agents with Risk Status "A" no Financial Security is required.

Agents with Risk Status B

3.5 For Agents with Risk Status "B" the amount of the Financial Security required must be calculated as per the formula below, with a minimum of EUR 10,000.00.

Remittance four times per month:

$$\frac{\text{Yearly net cash sales} \times 20}{360}$$

Agents with Risk Status C

3.6 Agents with Risk Status "C" must provide a Financial Security in accordance with the provisions of Resolution 812, with a minimum amount of EUR 10,000.00. The most frequent remittance frequency per month will be applied.

4. THE FOLLOWING AMENDMENTS ARE APPLICABLE FROM 01 JANUARY 2022 TO 31 DECEMBER 2022

In freeze of the travel Agents' financial assessments:

4.1 Travel Agents will submit to IATA their 2021 annual accounts as per usual deadline.

4.2 IATA will not perform the analysis of the 2021 balance sheets.

4.3 For the financial analysis of ~~2020~~ 2021 accounts to be performed in 2022, IATA will reproduce the result figures based on 2019 accounts which were analyzed in 2020.

4.4 This measure will apply to operating travel agents (after two years of accreditation) and will not apply to new applicants to who financial criteria mentioned in Section 1 will apply as normal.

4.5 Travel Agents willing to have their 2021 annual accounts assessed, are invited to contact IATA and submit their request.

4.6 APJC Belgium and Luxembourg will assess the situation in the market through financial working groups which will be organized on a quarterly basis

5. DEFINITIONS OF TERMS USED IN THE CRITERIA

Equity Ratio	Capital	Code 10*, Capital/Kapitaal/Capital/Kapital
	Reserves	Code 13* Reserves/Reserves/Réserves/Rücklagen
	Carried over profit/loss	Code 14*, Accumulated profits (losses)/ Overgedragen winst (verlies)/Bénéfice (Perte) reporté(e)/ Gewinnvortrag (Verlustvortrag) auf neue Rechnung
	Revalued premiums	Code 12*, Revaluation surpluses/Herwaarderingsmeerwaarden/Plus- values de réévaluation/Neubewertungsrücklagen

	Total Accounts	Code 10/49*, Total Accounts/Totaal van de Passiva/Total du Passif/Total Accounts
Working Capital	Net equity	Code 10/15*, Equity/Eigen Vermogen/Capitaux propres/Eigenkapital
	Long term liabilities	Code 17*, Amounts payable after more than 1 year/Schulden op meer dan één jaar/Dettes á plus d'un an/Verbindlichkeiten mit einer Restlaufzeit von mehr als einem Jahr
	Fixed assets	Code 21/28* – 28*, Fixed Assets/Vaste Activa/Actifs immobilisés/Anlagevermögen
Current ratio	Current Assets	Code 29/58*, Current Assets/Vlottende Activa/Actifs Circulants/Umlaufvermögen
	Current Liabilities	Code 42/48*, Amounts payable within 1 year/Schulden op ten hoogste één jaar/Dettes á plus d'un an/Verbindlichkeiten mit einer Restlaufzeit bis zu 1 Jahr
Profitability	Profit after tax for the accounting period X	Code 9904* from column Boekjaar / Exercice / Geschäftsjahr (Dutch / French / German)
	Profit after tax for the accounting period X-1	Code 9904* from column Vorig boekjaar / Exercice precedent / Vorhergehendes Geschäftsjahr (Dutch / French / German)
	Profit after tax for the accounting period X-2	Code 14P* from column Vorig boekjaar / Exercice precedent / Vorhergehendes Geschäftsjahr (Dutch / French / German)

* Codes corresponding to BNB format