

**Annual Report of the Travel Agency Commissioners**  
**Submitted by the Travel Agency Commissioners**

**I. Introduction**

A new Commissioner for Area 2 was appointed in early March 2012; between mid-August and the appointment date, the Commissioner for Area 1 was in charge of the region as Deputy. By the end of 2011 the contract of the incumbents for Area 1 and 3 was renewed for another three (3) years' term.

The Commissioners are:

- Mrs. Verónica Pacheco-Sanfuentes                      TAC - 1
- Mr. Andreas Körösi    TAC - 2
- Mr. Jo Foged    TAC - 3

This year the Commissioners held their annual meeting mid-April in Toronto, Canada.

The following pages detail the cases that have been dealt with since the last Annual Report.

**II. Work Handled**

Sections "A" through "C" to this Report briefly describes the cases dealt with by the individual Commissioners, whether the matter proceeded to a Review and Decision, or whether they were handled without reaching that point.

Formal hearings were held as described in the following charts but where sufficient written evidence was available and where both Parties agreed that a decision could be rendered without the need for oral hearings they did not take place, or, where conference calls were sufficient for the Parties to reach an agreement or for the Commissioner to render a decision without holding an oral hearing (pursuant Rule # 8 of the Rules of Practice and Procedure) they did not take place. It is worth to note that cost containment was achieved, particularly this period considering the unusual high volume of cases handled and resolved in Area 3 without conducting oral hearings.

In light of the changes in Resolution 820e, effective June 2012, TACs have updated their respective Rules of Practice and Procedure and posted them on their web site ([www.travel-agency-commissioner.aero](http://www.travel-agency-commissioner.aero))

The Commissioners have kept their website updated and have revamped it in order to make it more user friendly.

### **III. Recommendations and Follow-Up on previous TACs' Recommendations**

- TACs applaud the corrections of typographical nature in the Resolutions proposed by the Secretary of PACONF35, particularly the one referred by them in last year's report concerning a cross-reference made in Resolution 818g, in the Paragraph titled "General Principles of Review", that needed to be amended to <<Resolution 820e Section 1.1>>.

- TACs are pleased to advise that last year's initiative, aimed at bringing awareness and understanding of the TAC facility, involving the distribution of an explanatory flyer about the TAC's role, was actioned in Area 1, with IATA's help, posting it at the BSPlink of each country of the Region. The next step will be to post it in Areas 3 and 2 respectively.

- Over the past years there have been numerous cases where Agents have had their ticketing authority withdrawn or where Agents have been removed from the Agency list, and after an initial contact with TACs have been reinstated. Some of these cases derive from human errors by IATA staff or officials at Member Airlines, and some from pure ignorance by the Agent.

The Resolutions are a complex set of Rules. They include a number of timeframes which have to be met by the Agent for him or her to be able to challenge different decisions.

As indicated above, it has become obvious to the TACs that there is a huge lack of understanding by Agents of the TAC facility and it is also noted that a fair proportion of Agents are not members of ECTAA, UFTAA or WTAAA, who do provide adequate information to their members.

This issue was raised in last year's TAC Report and we have noted that whereas there is widespread understanding amongst most IATA staff there is still room for a better appreciation of the TAC function.

Therefore we would like to respectfully encourage the Parties to consider making it a standard practice to include information regarding the TAC facility in each IATA's decision, referring to the Agents' right to have the decision in question reviewed if they consider themselves aggrieved by it, pursuant to Resolution 820e.

Recommendation from last year	Outcome/Comments
<p>Since 2009, the TACs have been raising the fact that ADM questions from Agents are frequent and as well-known ADMs are normally not within scope of the TAC mandate. However the TAC found it of importance that the Members of the PAPGJC were aware of this constant source of tension between the airlines and the agents.</p>	<p>Since then (2009), the situation has not changed. Especially in Area 2 there are many ADM issues brought to the TAC. Many times the problem is that the Agents feel that they are not able to get in contact with the airline for a dialogue. One practice the TACs find worth mentioning is that if an Agent disputes an ADM some airlines seem to reject the dispute without actually having reached an agreement with the Agent, or without having responded to the Agent's arguments. In a big portion of cases this has the consequence, if the Agent is not observant enough and informs IATA of the dispute, that an ADM is processed via BSP without actually being agreed upon or even properly discussed, pursuant Res. 818g, Attachment "A", Paragraphs 1.7.9.3 and 4.</p>

**Sections A-C : Individual TAC's cases**

**Section A:**

As TAC1 was acting as Deputy TAC2 for 7 months and for a shorter period of time as Deputy TAC3, the first part of her report will refer to Area 1, and consecutively, maintaining the same format, reference will be made to the other Areas where she served as Deputy.

**TRAVEL AGENCY COMMISSIONER AREA 1  
REVIEW DECISIONS – AUG. 2012 TO SEPT. 2011**

**(1) AREA 1**

Time & Place

Summary

Decision

<p><b>16 August 2012</b> <b>Santiago,</b> <b>Chile</b></p> <p>(Review conducted based upon documentary evidence only)</p> <p>A1-2012- # 1</p>	<p>Agent sought TAC review of IATA’s decision, which has found unsatisfactory its financial statements (Jan. 2011 – Dec. 2011) and, therefore, had requested from Agent a bank guarantee. Agent requested a new examination of its partial financial statements (covering only the first quarter of 2012).</p>	<p>After having reviewed the case, looked at the evidence and the applicable Resolutions, it was decided:</p> <ul style="list-style-type: none"> <li>- IATA’s decision was upheld;</li> <li>-No applicable Resolution allows Agents to present partial financial statements;</li> <li>-Agent was ordered to submit the requested bank guarantee.</li> </ul>
<p><b>21 September 2011</b> <b>Grand Cayman,</b> <b>Cayman Islands</b></p> <p>(Review conducted based upon documentary evidence only)</p> <p>A1-2011- #5</p>	<p>Agent sought TAC review of the sudden action taken by a Member-Airline of withdrawing Agent’s ticketing authority, without prior notice or written notification of any kind.</p>	<p>After having reviewed the case, looked at the evidence (particularly to the fact that the Agent was “notified” of the Airline’s decision over a telephone call) and the applicable Resolutions, it was decided:</p> <ul style="list-style-type: none"> <li>- Whereas there is no question about the Airline’s right to remove its ticketing authority from an Accredited Agent, it still has to comply with the proper form to do so (Res. 818g, Section 4.1.5); therefore, it is concluded that in this case;</li> <li>- The Respondent did not follow correct procedure in to the Agent’s serious detriment.</li> </ul>

<p><b>2 September 2011</b> <b>Santiago de Chile, Chile</b></p> <p>(Review conducted based upon documentary evidence only)</p> <p>A1-2011- #4</p>	<p>Agent sought TAC review of IATA's decision, which had found unsatisfactory its financial statements. Agent claimed that IATA hadn't followed correct procedure while evaluating the statements.</p>	<p>Considering the errors in concept and, therefore, in calculation committed by IATA's auditors, as well as the rest of the evidence at hand, it was decided:</p> <ul style="list-style-type: none"> <li>- It was not a matter of not having followed correct procedure, however, IATA's decision was to be modified in order to comply with the parameters set out in the Local Financial Criteria;</li> <li>- The Agent was allowed to present an amended version of the originally presented Financial Statements without any cost for it.</li> </ul>
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**TRAVEL AGENCY COMMISSIONER AREA 1  
ON-GOING MATTERS 2012**

Time & Place

Summary

Outcome

<p><b>September 2012</b> <b>Buenos Aires, Argentina</b></p> <p>(Review conducted on documentary evidence and on a hearing)</p>	<p>The Agency Administrator sought a TAC review of the Agent's suspension of the Agency List, as a consequence of two different groups of unsolved ADMs.</p> <p>This review process has two pillars: (i) the suspension of the Agent by the Applicant (Res. 820, 1.3.1 + 1.3.12); and, (ii) whether or not the Applicant has followed correct procedure when dealing with the ADMs' matters (Res. 818g, Attachment A, 1.7.9.4, 9.6 and 9.7).</p>	<p>Ongoing procedure</p>
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**TRAVEL AGENCY COMMISSIONER AREA 1**  
**MATTERS THAT DID NOT GIVE RISE TO A REVIEW: AUG. 2012 TO SEPT. 2011**

<u>Time &amp; Place</u>	<u>Summary</u>	<u>Outcome</u>
<p><b>18 July 2012</b>  <b>Santiago de Chile, Chile</b></p>	<p>Agent sought TAC review of IATA's decision, which has found unsatisfactory its financial statements. The Agent's accountant had committed a mistake that caused the distortion in the Report.</p>	<p>In accordance with Rule # 8 of the Rules of Practice and Procedure, after sustaining several conference calls with the Parties; considering the evidence on file:</p> <ul style="list-style-type: none"> <li>- It was agreed that new Financial Statements (with the original error been amended) were to be presented by Agent and evaluated by IATA. There was no need to render any further decision.</li> </ul> <p>Agent presented new Financial Statements, which were found satisfactory by IATA; therefore, no bank guarantee was requested. Agent desisted of the review process.</p>
<p><b>5 June 2012</b>  <b>Caracas, Venezuela</b></p>	<p>Agent contacted the TAC with an ADM related matter. TAC obtained and provided Agent with the Member Airline contact information but refrained from knowing the case any further, since it was out of the TAC' scope of competence.</p>	
<p><b>24 May 2012</b>  <b>Cartagena de Indias, Colombia</b></p>	<p>Agent contacted the TAC in connection with a refund matter, but after been required by the TAC to provide further information that would allow the writer to determine whether a credible case has been made or not and, therefore, allow the review or not, the Agent did not come back.</p>	
<p><b>7 May 2012</b>  <b>Curitiba, Brazil</b></p>	<p>Agent contacted the TAC looking for some IATA code information. It was referred to local IATA's office.</p>	

<p><b>9 April 2012</b>  <b>Santiago de Chile, Chile</b></p>	<p>Agent contacted the TAC searching for a solution in regards to a tax matter derived from a ticket and a particular Member Airline. The TAC provided the Agent with the proper contact information of the Member Airline involved as well as local IATA's Office, in case the issue would have reached that level, since it is not a matter of TAC's jurisdiction.</p>
<p><b>13 January 2012</b>  <b>Cochabamba, Bolivia</b></p>	<p>Agent sought a TAC review in an ADM related matter. The writer had to dismiss the case since the Agent's requests were out of the TAC mandate.</p>
<p><b>11 October 2011</b>  <b>Santiago de Chile, Chile</b></p>	<p>Agent contacted the TAC for a pending ACM matter. The writer provided the Agent with the Member Airline contact information as well as local IATA's Office information, in case the case would have reached that level.</p>
<p><b>21 September 2011</b>  <b>Toronto, Canada</b></p>	<p>Agent sought the TAC Office looking for information in regards to becoming an IATA Accredited Agent. The writer provided him with the local IATA's Office contact information.</p>

**SUNDRY TAC1**

- A. As indicated above, over this year, TAC1 acted as Deputy TAC for Areas 2 and 3, which details are provided below.
- B. TAC1 translated various documents in cases in Area 2 (from French to English and vice-versa, and from Spanish to English and vice-versa), while being Deputy TAC1 and after that as well.

**(2) DEPUTY TAC 2**

**(I) DECISIONS FROM MARCH 2012 TO AUGUST 2011**

<u>Time &amp; Place</u>	<u>Summary</u>	<u>Decision</u>
<p><b>8 May 2012</b>  <b>Marseille,</b>  <b>France</b>            (Review conducted based upon documentary evidence only)              A2 - 2012- # 3</p>	<p>Agent sought a TAC review of IATA's termination of its Sales Agency Agreement, due to no provision of the requested documents for its license reinstatement.            The Agent argued that IATA had not followed correct procedure.</p>	<p>After having reviewed the case, looked at the evidence and the applicable Resolutions, it was decided:            - Correct procedure was followed, therefore, IATA's decision, concerning the core of the matter, was upheld; however, in order to comply with Res. 824, sub-paragraphs 13.2, 13.2.1 and 13.2.2, the effectiveness of the Notice of Termination had to be amended.</p>
<p><b>11 April 2012</b>  <b>Marseille,</b>  <b>France</b>              (Review conducted based upon documentary evidence only)              A2 – 2012 - # 2</p>	<p>Agent sought a TAC review of the Default Action taken by the Respondent, due to the accumulation of Notices of Irregularities (Nol) during the last twelve consecutive months, whereas: (i) the Nol was not sent by certified nor registered letter; (ii) unawareness of the way how Nol are to be counted; and (iii) a supposedly <i>bona fide</i> bank error</p>	<p>After reviewing the case it was concluded:            - IATA's decision was upheld, considering that:            -Despite the lack of compliance with the formalities for notifying Nol, the Respondent took care of making the Agent timely aware of the Nol by email. The Agent even reacted immediately by settling the outstanding amount without delay;            - The applicable rules are published and are an integral part of the Sales Passenger Agency Agreement that the Agent signed, so it is presumed that it would know about them (ignorance of the law is no excuse);            - It was admitted by the Agent to have forged the submitted bank letter, so no <i>bona fide</i> bank error was proved, therefore, the absence of timely payment could not be legally excused.</p>
<p><b>27 February 2012</b>  <b>Sliema, Malta</b></p>	<p>Agent sought a TAC review of the Default Action taken by IATA due to an outstanding amount, which was preceded by an unsettled Notice of</p>	<p>- IATA's decision was upheld, since correct procedure was followed, despite the miscommunication factor (created by using the BSPLink as means to communicate the refund to</p>

<p>(Review conducted based upon documentary evidence only)</p> <p>A2 – 2012 - # 1</p>	<p>Irregularity.</p> <p>At the origin of this whole matter were two unfortunate factors: (i) an unnoticed refund made in the Agent’s favour; and (ii) an erroneous deduction from the BSP Report.</p>	<p>Agent);</p> <p>-However, due to the circumstances and evidence at hand, no penalty fee was to be collected from Agent when reinstated.</p>
<p><b>15 December 2011</b></p> <p><b>Abu Dhabi, United Arab Emirates</b></p> <p>(Review conducted based upon documentary evidence only)</p> <p>A2 – 2011 - # 13</p>	<p>Agent sought a TAC review of the Default Action taken by the Respondent, due to the accumulation of Notices of Irregularities by one (1) branch, but applied in respect to all of the Agent’s approved locations (10 of them)</p> <p>Parties agreed on the following facts: (i) that one of the approved locations had actually incurred in irregularities and consequently proper default action had to be declared by the Respondent; and (ii) that the amount that was settled by the Agent had fully honoured the concerned BSP report.</p>	<p>- IATA’s decision was upheld, since it was rendered in accordance with Res. 818g, Attachment A, Sub-paragraphs 1.7.5.2 and 1.10.1.</p> <p>Despite the fact of having many Approved Locations, the reality is that there’s only one legal entity responsible for the entire business, one sole responsible of honouring all BSP sales’ reports. Therefore, even though the rule is not sufficiently clear because it refers in one part (Paragraph 1.7.5.2) to all Locations, using the plural and meaning all the different approved centres where the Agent might have operations, and then in Paragraph 1.10.1 makes an apparent differentiation between all Locations or the concerned one, the TAC considered that since there is only one (1) legal entity signatory of the Passenger Sales Agency Agreement, correct procedure was applied by IATA when decided to affect by its decision all Agent’s Approved Locations, regardless the fact that only one of them had technically defaulted its payments.</p>
<p><b>1 September 2011</b></p> <p><b>Frankfurt,</b></p>	<p>IATA sought a TAC review (pursuant Res. 818g, Attachment A, Sub-paragraph</p>	<p>-Correct procedure had been followed by the Applicant, despite the Agent’s argument of having rather taken a less</p>

<p><b>Germany</b></p> <p>(Review conducted on documentary evidence and on a hearing)</p> <p>A2 – 2011 - # 12</p> <p><u>NOTE:</u> Due to the Court order in the Agent’s favour, this case had a long chain of events after this decision with the TAC intervention. Finally, many months after, the Agent complied with the TAC decision and provided the requested financial guarantee to IATA’s satisfaction.</p>	<p>1.8.2–Prejudiced Collection of Funds), in to an Agent’s situation which ticketing capacity had been removed.</p> <p>Agent obtained a local Court temporary injunction against this measure.</p>	<p>punitive action toward it. Res. 818g, Attachment A, Sub-paragraph 1.8.1 allows the Agency Administrator the discretion (by using the word &lt;&lt;may&gt;&gt; instead of “shall” or “will”) of removing or not the Agent’s ticketing authority, according to IATA’s own risk assessment;</p> <ul style="list-style-type: none"> <li>- Enough evidence was at the Applicant’s hands when it took the decision against the Agent. Furthermore, the Applicant was able to further substantiate this evidence during the course of the review process, in support of its actions;</li> <li>- Considering the local Court injunction in regards to the Agent’s ticketing capacity, the TAC had no matter to decide in this regard (Res. 820e, Sub-paragraph 1.4.1); however, since no comments were made concerning the requested bank guarantee, TAC decided to upheld IATA’s decision in this regard and ordered the Agent to increase the bank guarantee, as it had been originally demanded by the Applicant.</li> </ul>
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**(2) DEPUTY TAC 2**

**(II) MATTERS THAT DID NOT GIVE RISE TO A REVIEW - FROM AUGUST 2011 TO MARCH 2012**

Phone calls and e-mail responses to “short questions” are not part of this list.

Time & PlaceSummaryOutcome

<p><b>29 December 2011</b> <b>Warsaw, Poland</b></p>	<p>An IATA Accredited Agents' Association sought TAC review of one of its associates, allegedly due to an Agent's non-compliance with IATA's Resolutions (in particular regarding fares and ticketing practices)</p>	<p>The case had to be dismissed since (i) the matter is out of the TAC scope; and, (ii) the Agent's Associations are not entitled to seek TAC reviews according to Res. 820e.</p>
<p><b>12 December 2011</b> <b>Vilnius, Lithuania</b></p>	<p>Agent sought a TAC review of IATA's request of an adjustment of guarantee, due to a sales' increase in its new location in Finland</p>	<p>Instead of processing an entire review, after a Preliminary Conference Call, Parties were able, with the TAC's intervention (pursuant Rule # 8 of the Rules of Practice and Procedures), to reach an agreement without the need of a formal decision.</p>
<p><b>18 August 2011</b> <b>Lagos, Nigeria</b></p> <p><u>NOTE:</u> TAC1 knew about this case, as Deputy TAC2, due to a conflict of interest with former employer of the current - at the time- TAC2, which made her refrain from getting involved in this matter.</p>	<p>Agent sought a TAC review of local IATA's Office action of wrongly removing the Agent's ticketing capacity without any prior notification of any kind. The only fact at hand was a 10\$ unsettled amount on the last BSP report, that was immediately paid by Agent once informed about it by IATA.</p> <p>Agent sought damages' compensation, alleging serious financial losses as well as damages in its business reputation</p>	<p>Despite noting a lack of compliance with the correct procedure from local IATA's Office, since Res. 818g, Attachment A, Paragraph 1.7.2.1 and Sub-paragraphs 1.7.2.1. (a) and (b) were not followed, the case had to be dismissed based on the following facts:</p> <ul style="list-style-type: none"> <li>- IATA's Africa &amp; Middle East Services had already taken care of the situation by reconnecting the Agent's ticketing capabilities and by sending him an apology letter;</li> <li>- Damage compensation claims are out of the TAC mandate</li> </ul>

<b>21 September 2011</b> <b>Mechelen,</b> <b>The Netherlands</b>	Agent contacted the TAC for procedural information purposes, which was provided by her.
<b>4 October 2011</b> <b>Vilnius,</b> <b>Lithuania</b>	Agent contacted the TAC in regards to an ADM issue. TAC preliminarily reviewed the matter and consequently informed the Agent about her lack of jurisdiction to intervene without both Parties' agreement. TAC was later on informed that the conflict had been satisfactorily resolved between the Parties.
<b>7 October 2011</b> <b>Jerusalem, Israel</b>	Agent contacted the TAC for information purposes, which was provided by her.
<b>18 October 2011</b> <b>Benoni,</b> <b>South Africa</b>	Agent contacted the TAC in search for clarification of a procedural nature. TAC put the Agent in contact with IATA's proper Office and the procedure followed its way without any need of further assistance.
<b>25 October 2011</b> <b>Poznan, Poland</b>	Agent contacted the TAC in search for clarification of a procedural nature with the BSP. TAC put the Agent in contact with IATA's proper Office and the procedure followed its way without any need of further assistance.
<b>25 October 2011</b> <b>Johannesburg,</b> <b>South Africa</b>	Agent contacted TAC looking for information about becoming an IATA Accredited Agent. TAC provided IATA's local Office information.
<b>27 October 2011</b> <b>Nairobi, Kenya</b>	Agent contacted the TAC in regards to an ADM issue. TAC preliminarily reviewed the matter and consequently informed the Agent about her lack of jurisdiction to intervene without both Parties' agreement.
<b>10 November 2011 – January 2012</b> <b>Yaoundé,</b> <b>Cameroun</b>	Agent sought the enforcement of a former TAC decision, after the expiration of the time frame to request Arbitration. TAC reviewed the matter, allowed the Parties to present their submissions, and, once verified the passage of time, rendered her conclusions: IATA complied with the TAC2 decision and refunded the Agent the due amount. No further intervention was necessary.

<b>13 November 2011</b> <b>London, UK</b>	Agent contacted TAC looking for information about becoming an IATA Accredited Agent. TAC provided IATA's local Office information.
<b>30 November 2011</b> <b>London, UK</b>	Agent sought the TAC intervention as a follow-up of a previous TAC2 decision. After a hearing, Parties were able to reach an agreement concerning the fulfilment of the pending obligations and a preliminary payment schedule.
<b>21 December 2011</b> <b>Check Republic</b>	Agent contacted the TAC in regards to an ADM issue. TAC preliminarily reviewed the matter and consequently informed the Agent about her lack of jurisdiction to intervene without both Parties' agreement.
<b>January 27, 2012</b> <b>Amsterdam, The Netherlands</b>	Agent contacted the TAC in regards to a passenger claim.
<b>2 February 2012</b> <b>Dubai, United Arab Emirates</b>	Agent contacted TAC looking for information about becoming an IATA Accredited Agent. TAC provided IATA's local Office information.
<b>6 February 2012</b> <b>Port Louis, Mauritius Island</b>	Agent sought the TAC in connection with a bank guarantee matter. Once in contact with the proper IATA Office, the issue was satisfactorily solved without the need of any TAC intervention.
<b>9 March 2012</b> <b>Nigeria</b>	Agent contacted TAC looking for information about becoming an IATA Accredited Agent. TAC provided IATA's local Office information.

### 3. DEPUTY TAC3

#### (i) DECISIONS 2012 FROM CASES INITIATED IN JUNE 2012

Time & Place

Summary

Decision

<p><b>27 June 2012 Nagpur, India</b></p> <p>(Review conducted based upon documentary evidence only)</p> <p>A3 - 2012 # 5</p>	<p>IATA sought a TAC review after placing the Agent under review (Prejudiced Collection of Funds—Res. 818g, Attachment “A”, Section 1.8), based on information according to which the Agent’s office would close down due to disagreements between the shareholders</p>	<p>Based on the evidence that was provided by the Parties, the TAC review process was terminated, as well as the Agent’s review process, provided the Agent complies with the following:</p> <ul style="list-style-type: none"> <li>- Agent submits to the IATA local Office in India a Notice of Change signed by both current directors for the Change of Ownership (Res. 818g, Paragraph 10.3.3 (a)(ii));</li> <li>- Agent executes a new Passenger Sales Agency Agreement replacing the existing one which was signed by the outgoing director, in accordance with Resolution 818g, Paragraph 10.3.3 (a)(ii); and,</li> <li>- The Agent successfully undergoes a financial review and deposits a Guarantee or an Insurance Cover as needed under the local financial criteria for India.</li> </ul>
<p><b>6 July 2012 Faisalabad, Pakistan</b></p> <p>(Review conducted based upon documentary evidence only)</p> <p>A3 - 2012 # 6</p>	<p>Agent sought a TAC review of IATA’s decision of disapproving its application to become an Accredited Agent, allegedly due to none fulfilment of the criteria</p>	<p>-The Applicant was to be promptly inspected by IATA under pre-arranged bases, considering that:</p> <ul style="list-style-type: none"> <li>- It is the Respondent’s responsibility to ensure that the site inspections (whether made by itself or by any Member-Airline) are undertaken in the utmost fair, neutral and impartial manner, pursuant Section 2 of Res. 818g;</li> <li>- Considering that the purpose of the site inspections, according to Res. 818g, Paragraph 3.2.4., is to verify the information submitted by the Applicant, those inspections would be more effective if pre-arranged, thus avoiding the waste of mutual time;</li> <li>- The burden of proving the alleged inaccuracy found in any material</li> </ul>

		<p>submitted by the Applicant lies in the Respondent (Law Principle: Presumption of Innocence);</p> <ul style="list-style-type: none"> <li>- Before the inspection the Applicant should be given the reasons behind any inaccuracy found on the material submitted with its application, in order for it to amend whatever needs to be corrected and provide the proper documents if the case might be, and, therefore be able to demonstrate its compliance with the Resolutions (Res. 818g, General Principles of Review).</li> </ul>
<p><b>19 July 2012</b> <b>Lahore, Pakistan</b></p> <p>(Review conducted based upon documentary evidence only)</p> <p>A3 - 2012 # 7</p>	<p>Agent sought a TAC review of IATA's decision of disapproving its application to become an Accredited Agent, allegedly due to not having competent and qualified staff</p>	<p>Based on the lack of proof of the Applicant's member staff's qualifications (only affirmations were brought forward):</p> <ul style="list-style-type: none"> <li>- IATA's decision was upheld;</li> <li>- Nonetheless the Applicant can provide IATA with further evidence in order to demonstrate its compliance with Res. 818g, Paragraph 2.1.3 and request for a new pre-arranged site inspection, at the Applicant's cost.</li> </ul>
<p><b>27 July 2012</b> <b>Lahore, Pakistan</b></p> <p>(Review conducted based upon documentary evidence only)</p> <p>A3 – 2012 # 9</p>	<p>Agent sought a TAC review of IATA's decision of disapproving its application to become an Accredited Agent, allegedly due to no payment of the application fee</p>	<p>Despite an unfortunate misunderstanding during the accreditation process, the Respondent did follow correct procedure, therefore,</p> <ul style="list-style-type: none"> <li>- IATA's decision was upheld;</li> <li>- Considering that the Applicant had, according to the evidence, satisfactorily paid the accreditation fees, its accreditation process should be reactivated and, provided all the other requirements are met according to the applicable Resolutions, its IATA accreditation should be granted</li> </ul>

<p><b>30 July 2012</b> <b>Lahore, Pakistan</b></p> <p>(Review conducted based upon documentary evidence only)</p> <p>A3 – 2012 # 8</p>	<p>Agent sought a TAC review of IATA's decision of disapproving its application to become an Accredited Agent, allegedly due to not having competent and qualified staff</p>	<p>The Respondent had followed correct procedure in this case; therefore,</p> <ul style="list-style-type: none"> <li>- IATA's decision was upheld;</li> <li>- Considering the Applicant's interest in obtaining an IATA accreditation: (i) provided it will hire competent and qualified staff, in accordance with Res. 818g, Paragraph 2.1.3.; and, that (ii) it will undoubtedly demonstrate its compliance with this rule, as well as the rest of the requirements, its IATA accreditation should be granted;</li> <li>- In case another site-inspection would be required, the Applicant is to cover the cost of it.</li> </ul>
<p><b>3 August 2012</b> <b>Lahore, Pakistan</b></p> <p>(Review conducted based upon documentary evidence only)</p> <p>A3 – 2012 # 10</p>	<p>Agent sought a TAC review of IATA's decision of disapproving its application to become an Accredited Agent, allegedly due to not having competent and qualified staff</p>	<p>The Respondent's decision is overturned, considering that:</p> <ul style="list-style-type: none"> <li>- The requirement stated in Res. 818g, Paragraph 2.1.3, does not oblige the Applicant to have present at the premises during all business hours competent staff in the terms defined by the said rule. In fact, what the rule requires is that the Applicant would have as part of its hired member staff, competent and qualified employees, able to sell and issue international air transportation tickets and report them to the BSP;</li> <li>- According to the evidence on file there are no conclusive findings as to determine that the Applicant did not fulfil this requirement; therefore,</li> <li>-The Applicant is to be inspected promptly by IATA on a pre-arranged basis, using the already submitted Application Form for Approval as an IATA Passenger Sales Agent as the source document for verification;</li> <li>-No fees will be charged to the Applicant as a consequence of this</li> </ul>

		new site inspection.
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Section B

**TRAVEL AGENCY COMMISSIONER AREA 2  
REVIEW DECISIONS – MARCH 2012 TO AUGUST 2012**

<u>Time &amp; Place</u>	<u>Summary</u>	<u>Decision</u>
<p><b>19 July 2012 Belgium</b></p> <p>(Review conducted based upon documentary evidence only)</p> <p>A2-2012- # 4</p>	<p>IATA requested TAC review of the Agent under Res. 818g Attachment A, Section 1.8., Prejudiced Collection of Funds, and based the request on allegations that the Agent had not fulfilled its obligations to pay on time. Default action was taken the day after.</p>	<p>The Agent declared his willingness to pay the outstanding amount, but did not respond to follow up questions from this Office. Consequently a decision was made on the written statements at hand.</p> <p>The review showed that IATA had followed proper procedures as requested by the Resolutions. There were solid grounds in the matter for the action taken by IATA and the decision should therefore stand.</p> <p>It was also decided that IATA should make the Respondent aware, that if certain conditions are met, the Respondent can be reinstated.</p>

**TRAVEL AGENCY COMMISSIONER AREA 2  
MATTERS THAT DID NOT GIVE RISE TO A FORMAL DECISION**

Period 15 March – 31 Aug 2012 (Phone calls and e-mail responses to “short questions” are not part of this list.)

<p><b>Cases initiated in March 2012</b></p> <p>2 Cases which after investigation did not qualify for formal review</p> <p>1 Case about procedural information and follow up questions from Applicant</p> <p><b>Cases initiated in April 2012</b></p> <p>3 Cases which after investigation did not qualify for formal review</p>
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1 Case where Parties reached an agreement after TAC intervention and without the need for a formal decision

**Cases initiated in May 2012**

4 Cases that after investigation did not qualify for formal review

1 Case of informational nature to Agent regarding formalities

**Cases initiated in June 2012**

2 Cases that after investigation did not qualify for formal review

1 Case where Parties reached an agreement after TAC intervention and without the need of a formal decision

1 Case concerning information and follow-up on procedures for possible review of allegations of "IATA-Member misuse of ADMs"

**Cases initiated in July 2012**

1 Case that after investigation did not qualify for formal review

2 Cases where Parties were able to reach an agreement after TAC intervention and without the need of a formal decision

1 Case of informational nature to Agent

**Cases initiated in August 2012**

2 Cases that after investigation did not qualify for formal review

1 Case not yet closed, formal review initiated

1 Case request for review by Agent, not yet decided on

Section C

**TRAVEL AGENCY COMMISSIONER AREA 3  
REVIEW DECISIONS – AUGUST 2011 TO AUGUST 2012**

Time & Place

Summary

Decision

<u>Time &amp; Place</u>	<u>Summary</u>	<u>Decision</u>
<b>29 August 2011</b> <b>Sialkot</b> <b>Pakistan</b> A3 – 2011 #1	The agent defaulted on a BSP settlement. Instead of arranging an instalment re-payment plan with IATA it used its travel agency association to make full payment and it would re-pay the	IATA acted in full compliance with the Rules. Had the legal tangles within the association not occurred then the outcome would be different. The Agent was misguided but took action to re-

<p>(Review conducted on the documentary evidence alone)</p>	<p>association in instalments. Due to an election dispute within the association its bank accounts were frozen by Court order and the payment deadline was missed and the Agent was terminated by IATA.</p>	<p>pay its debts therefore it should be re-instated subject to a satisfactory financial review and the provision of an adequate financial guarantee.</p>
<p><b>26 October 2011</b> <b>Sydney, Australia</b></p> <p>A3 – 2011 #2</p> <p>(Review conducted on the documentary evidence alone)</p>	<p>A state-owned government Agent was unable to provide its financial statements by the IATA deadline date due to the legislative processes involved and hence sought interlocutory relief.</p>	<p>The Agent was granted relief for 60 days subject to providing a financial guarantee. The acquisition of this relief would take between 30 and 60 days to arrange so due to the low BSP volumes and the state ownership the guarantee condition was removed. The Agent's financials were IATA assessed in early 2012 and a financial guarantee was required. The Agent on seeking a further extension of 90 days was granted 60 days.</p>
<p><b>31 October 2011</b> <b>Jakarta, Indonesia</b></p> <p>A3 – 2011 #3</p> <p>(Review conducted on the documentary evidence alone)</p>	<p>The Agency Administrator (AA) suspended the Agent for the submission of fraudulently prepared financial statements. While having the authority to terminate the Agent the AA sought a TAC review and requested the Agent to submit a second set of accounts which the Agent complied with. It was discovered that the Agent's Chief Accountant had embezzled funds and absconded therewith.</p>	<p>Having erroneously sought a second set of accounts the AA had to honour that invitation. The Notice of Termination was revoked. The second set of accounts had to be assessed promptly with the Agent remaining suspended pending a satisfactory assessment.</p>
<p><b>1 November 2011</b> <b>Victoria,</b></p>	<p>The Agent sought a time extension to submit its audited accounts for annual review by</p>	<p>Having some sympathy with the pressures placed on a small Agency interlocutory relief was</p>

<p><b>Australia</b></p> <p>A3-2011 #4</p> <p>(Review conducted on the documentary evidence alone)</p>	<p>IATA. An airline grounding causing a spike in re-ticketing plus lack of staff prevented the owner from devoting time to report preparation.</p>	<p>granted for a specified period subject to the Agent providing a financial guarantee as determined by IATA.</p>
<p><b>10 November 2011 Melbourne, Australia</b></p> <p>A3-2011 #5</p> <p>(Review conducted on the documentary evidence alone)</p>	<p>The Agent was terminated for not providing a financial guarantee within the timeframe set by the Passenger Sales Agency Rules. The delay was caused by contradictory advice from the guarantee supplier plus lack of response to questions directed to IATA SYD and IATA SIN.</p>	<p>In view of the situation IATA was requested to deal with the Agent's, now Applicant's, application for accreditation and to charge one half of the full fee associated with that process.</p>
<p><b>30 November 2011 Karachi, Pakistan</b></p> <p>A3-2011 # 6</p> <p>(Review conducted on the documentary evidence alone)</p>	<p>The Agent was terminated as it was closed when inspected for a Change of Ownership, Name and Location. The closure was due to staff being involved with preparations for a religious festival and others being away escorting pilgrim groups. There is no definition of 'normal' business hours and an Agent must be given some flexibility in operating its business to service its clients. Had the inspection been pre-arranged then the objective of verifying the information submitted would have been achieved.</p>	<p>IATA was to promptly arrange an inspection on a pre-arranged basis and subject to the information meeting all the criteria the Agent was to be re-instated.</p>

<p><b>6 December 2011</b> <b>Karachi, Pakistan</b></p> <p>A3-2011 # 7</p> <p>(Review conducted on the documentary evidence alone)</p>	<p>The Applicant for accreditation was inspected on a Saturday afternoon on an impromptu basis. Staffs present were the accountant and the office boy. IATA disapproved the application citing “no staff available”. The Applicant felt that inspections should be done on a weekday on a pre-arranged basis. However IATA’s position was that all staff should be present at all times and impromptu visits were a local practice.</p>	<p>Res. 818g paragraph 2.1.3 requires an Applicant to ‘employ’ qualified staff. There are no parameters as to the time they must be present. The Applicant employed 3 qualified staff out of the 5 people at the location. A pre-arranged visit would be effective and this is the practice in other parts of Area3. IATA was required to promptly inspect the Applicant on a pre-arranged basis.</p>
<p><b>11 December 2011</b> <b>Sialkot, Pakistan</b></p> <p>A3 – 2011 #8</p> <p>(Review conducted on the documentary evidence alone)</p>	<p>The Agent was the victim of a fraudulently submitted change of ownership. When a subsequent application for change of ownership was received confusion over whether it was a major or minor change of ownership arose. IATA’s handling of this matter revealed some uncertainty as to whether a change of ownership or change of location was involved and the latter situation was used as the cause for the termination.</p>	<p>It was clear that the earlier change of ownership submission was fraudulent with the motive for such being unclear. The Agent was to submit a fresh change of ownership application and IATA was to deal with it promptly with a view to re-instatement. Any fees already paid to be credited towards the cost of the process.</p>
<p><b>12 December 2011</b> <b>Karachi, Pakistan</b></p> <p>A3-2011 # 9</p> <p>(Review conducted on the documentary</p>	<p>The Agent submitted a Change of Ownership and Location application. Three months later without any forewarning, its ticketing authority was withdrawn. The Agent claimed that IATA had been sending messages to a superseded e-mail address. On becoming alert to the situation the Agent provided IATA with the requested</p>	<p>IATA took prudent action in terminating the Agent. However attempts by other media over that 3 month ‘no reply’ period to contact the Agent might have been envisaged. Equally the Agent could have enquired re progress on its application during that time. IATA was to re-active the Agent’s application and subject to all criteria being met the Agent was</p>

evidence alone)	additional information. IATA stated that no 'bounced message' responses had been received.	to be re-instated.
<b>20 December 2011</b> <b>Karachi, Pakistan</b>  A3 –2011 #10  (Review conducted on the documentary evidence alone)	The Agent uploaded its annual financial statements using an incorrect IATA code. Three weeks later they received 2 Instances of Irregularity for failing to meet the deadline date. The accounts were uploaded again using the correct code and the Agent sought removal of the 2 IIRs on the grounds of inadvertent error.	IATA acted correctly, however as the Agent had submitted its accounts prior to the deadline date, albeit using an incorrect code, IATA was requested to remove the 2 IIRs as a lesson had been learned. Any costs borne by that action were to be paid by the Agent. Any request to intervene in any future situations of this kind would be dismissed.
<b>5 January 2012</b> <b>Sydney, Australia</b>  A3 –2012 #1  (Review conducted on the documentary evidence alone)	The Agent sought interlocutory relief when it was discovered that further work was needed by its Auditors on its financial statements to meet the Australian financial criteria.	IATA was satisfied with the Agent's retention of credit and hence relief was granted for a specified period.
<b>18 January 2012</b> <b>Rawalpindi, Pakistan</b>  A3 –2012 #2  (Review conducted on	The Agent uploaded its annual audited financial statements 3 times and on each occasion the message 'file uploaded successfully' was received. After the second upload the Agent received 2 IIRs due to not meeting the IATA set deadline date. The first upload had taken	IATA admitted that the 'successfully uploaded' message was misleading and work was in hand to rectify this problem. Had the Agent couriered its data at the same time as the first upload attempt the 2 IIRs would not have been issued. The software used must be modified to remove the

<p>the documentary evidence alone)</p>	<p>place prior to the deadline date. The Agent sought removal of the 2 IIRs, but IATA advised the 'successful upload' message was system generated and it was IATA staff scrutiny that identified incorrectly uploaded data and the Agent should have paid more attention to the guidelines for uploading. The last upload attempt was the only successful one.</p>	<p>misleading message and the 2 IIRs were to be withdrawn.</p>
<p><b>3 March 2012 Seoul, Korea</b>  A3 –2012 #3  (Review conducted on the documentary evidence alone)</p>	<p>The Agency Administrator sought a review of the Agent's accreditation on the grounds that it no longer satisfied the Passenger Sales Agency Rules. An inspection had determined that 2 staff employed there were not qualified and the manager and ticketing staff had left.</p>	<p>The Agent's owner was contacted on several occasions but did not respond. Rules 7 and 13 of the TAC3 Rules of Practice and Procedure were invoked and therefore based on the Agency Administrator's information with no rebuttal from the Agent, having been given time to do so, the Agent was terminated.</p>
<p><b>23 March 2012 Pakistan</b>  A3 –2012 #4  (Review conducted on the documentary evidence alone)</p>	<p>An Applicant for accreditation was disapproved due to no qualified staff being present when the location was inspected on an impromptu basis. The Applicant advised staff were out of the country handling pilgrim groups.</p>	<p>Common sense dictates that at least one qualified person should be present during business hours. The Rules require an Agent to 'employ' qualified staff. IATA interprets this to mean that all such staff must be present at all times. Such a state is not always practical. Pre-arranged inspections are effective and impromptu visits are counter-productive. The Applicant was to be inspected on a pre-arranged basis and pay the applicable fee. The Agent should take note of the need to have at least one qualified person present during trading</p>

		hours.
<p><b>NOTE:</b> Decisions numbered 5 to 10 were rendered by Deputy TAC1 and have been reported above, in Section A.3 (i) of this document.</p>		
<p><b>30 March 2012</b> <b>Australia</b></p> <p>A3 –2012 #11</p> <p>(Review conducted on the documentary evidence alone)</p>	<p>The Agency Administrator sought a review of the Agent’s accreditation as the owner was a shareholder in an Agent that defaulted and had been terminated. The sole owner stated that there was no involvement in the operations of the defaulting Agent and the shareholding was an investment. An offer was made to settle the defaulting Agent debt.</p>	<p>The Agent under review had an excellent BSP settlement record. The Agent was to settle the defaulting Agent’s BSP debt and provide IATA with an up to date set of accounts. On meeting the criteria the required level of financial guarantee was to be provided and if IATA considered that the Agent met the condition in sub-paragraph 2.1.9 of Res. 818g and all other conditions complied then ticketing authority could be re-instated.</p>
<p><b>18 April 2012</b> <b>Mumbai, India</b></p> <p>A3 –2012 # 12</p> <p>(Review conducted on the documentary evidence alone)</p>	<p>The Agent was terminated following due process for failing to settle ADMs amounting to USD10.24. The Agent advised that there had been ‘mis-communication’ while it was moving to a new location. The ADM amount was settled after termination date.</p>	<p>The Agent chose to ignore the ADMs rather than initiate a disputed ADM procedure. It also failed to realise the severity of the consequences of inaction. IATA handled the matter in full compliance with the Rules. However the paltry sum involved should not see the business halted, so the Agent was to be reinstated subject to submitting an audited set of accounts subsequently found to be satisfactory, providing a bank guarantee and having its new premises approved.</p>
<p><b>28 June 2012</b> <b>Sydney, Australia</b></p> <p>A3 –2012 #13</p>	<p>The Agent sought interlocutory relief 2 days before it was to provide IATA with a substantial financial guarantee. IATA’s letter calling for the guarantee took 7</p>	<p>The one week relief sought for the Agent to arrange the deposit with its Head Office was considered reasonable and was granted.</p>

<p>(Review conducted on the documentary evidence alone)</p>	<p>days to be delivered between 2 adjacent street addresses. The chosen guarantee supplier then took 14 days to advise the Agent of the level of cash deposit needed.</p>	
<p><b>12 July 2012</b> <b>Sydney, Australia</b>  A3 –2012 #14  (Review conducted on the documentary evidence alone)</p>	<p>IATA sent the Agent a letter requiring a financial guarantee; however this was not received as the Agent had changed PO Box number. On the deadline date, following an IATA phone call enquiring about the guarantee, the Agent sought interlocutory relief for an 8 day period. Re-assessment of the Agent’s audited financial statements would also be required.</p>	<p>The 8 day extension was granted. Subsequently a further extension was sought due to IATA’s new Global Assessor not being able to complete the assessment within the original time extension. The extra relief period was granted and was supported by IATA.</p>
<p><b>19 July 2012</b> <b>Melbourne, Australia</b>  A3 –2012 #15  (Review conducted on the documentary evidence alone)</p>	<p>The Agent failed the annual financial review due to not operating a Client Trust Account. To achieve a satisfactory evaluation IATA required the provision of a substantial guarantee. The Agent sought to avoid this guarantee provision by proposing monthly audited checks of its newly opened Client Trust Account but this was not agreed. The Agent then sought a 41 day interlocutory relief period.</p>	<p>The Agent had a poor understanding of English and did not seek advice on the IATA information regarding the operation of a Client Trust Account. Interlocutory relief was granted for one half of the period sought. On the extended period deadline date the Agent advised its inability to raise the financial guarantee citing the fact that it had assigned a substantial guarantee to one airline with which it did most of its transactions. IATA had correctly set the guarantee level based on the Agent’s BSP volume. The arrangement with one airline was a commercial matter over which IATA had no influence. The double guarantee situation relating to one</p>

		airline was the cause of the Agent's loss of ticketing authority and the IATA requirement must be met.
<p><b>23 July 2012</b>  <b>Sydney, Australia</b></p> <p>A3 –2012 #16</p> <p>(Review conducted on the documentary evidence alone)</p>	<p>Having undergone the annual financial review the Agent was required to provide an AUD1m financial guarantee. The Agent sought agreement from IATA to submit its Group consolidated accounts and thus remove the financial guarantee requirement. This was agreed and the Agent sought interlocutory relief for 30 days to allow the Group accounts to be submitted and assessed.</p>	<p>The 30 day period was granted. IATA advised the Agent subsequently that due to a change to a new Global Assessor entity the work could not be completed by the extended date and a further 3 week relief period should be sought. This the agent did and the extra time was granted.</p>
<p><b>31 July 2012</b>  <b>Mumbai, India</b></p> <p>A3 –2012 #17</p> <p>(Review conducted on the documentary evidence alone)</p>	<p>The multi-location Agent was terminated following the dishonouring of an instalment which was part of a re-payment schedule agreement with IATA where in excess of 50 per cent of the amount owed had been paid. Post termination the Agent made full settlement with interest and sought re-instatement. IATA supported re-instatement pointing out that carriers had neither lost money nor cost of capital.</p>	<p>The Agent was to be re-instated subject to a satisfactory financial review and the provision of a financial guarantee to the level specified by IATA.</p>
<p><b>3 August 2012</b>  <b>Panaji, India</b></p> <p>A3 –2012 #18</p> <p>(Review conducted on the</p>	<p>The Agent sought a 30 day time extension on the day prior to its termination. It was not able to settle 50 per cent of the debt which formed the re-payment schedule agreement with IATA. The Agent cited the devaluation of the INR and the strengthening</p>	<p>Much was to be gained by allowing the 30 day extension and this was granted and the Agent was to be re-instated subject to full settlement being made on or before the deadline date. A satisfactory assessment was made of its financial statements and a</p>

documentary evidence alone)	of some European currencies together with delayed payments from clients as the cause of its cash flow problem. An Agent director was liquidating some personal assets and client payments were expected within 2 weeks. This would allow full settlement including interest to be made. No risk was posed to airlines in granting more time as the Agent had lost its ticketing authority.	financial guarantee to the level set by IATA was set in place.
<p><b>7 August 2012 Sydney, Australia</b></p> <p>A3 –2012 #19</p> <p>(Review conducted on the documentary evidence alone)</p>	Following the annual financial review, the Agent was required to provide a substantially increased financial guarantee. The Agent sought to use a foreign bank as the source of the guarantee but it was subsequently established that this bank had not been approved for providing bonding in Australia. The Agent wanted to pursue a parent company guarantee as backing for the cover but would need more time to arrange same and sought interlocutory relief for a 30 day period.	IATA was satisfied with the current level of guarantee and the 30 day extension was granted. Meantime approval of the foreign bank as a bonding entity was being pursued. IATA recommended that a further extension be sought in case this dialogue proved fruitless and a parent company guarantee had to be acquired and the Agent acted on this by seeking a further 7 weeks. This was considered extreme and 5 weeks were granted. (The foreign bank was approved and the finalisation of the guarantee arrangement is in hand).
<p><b>22 August 2012 Western Australia</b></p> <p>A3 –2012 #20</p> <p>(Review conducted on the</p>	The Agent sought an extension to its annual financial statement review date as it will be able to record actual income rather than estimated accrued income. IATA was satisfied with the Agent’s current level of financial guarantee and was not opposed to the granting of interlocutory relief for a period if that was to	A 30 day extension beyond the IATA set date was granted with the rider that any request for further time would not be entertained.

documentary evidence alone)	produce a more accurate set of accounts.	
<b>27 August 2012</b> <b>Jakarta, Indonesia</b>  A3 –2012 #21  (Review conducted on the documentary evidence alone)	The Agency Administrator sought a review of the Agent’s accreditation on the grounds that it no longer satisfied the Passenger Sales Agency Rules as two of its shareholders had shares in an Agent that had been terminated some years prior. Attempts were made for the Agent to respond to the claims made but messages and phone calls remain unanswered.	To reach a conclusion Rules 7 and 13 of the TAC3 Rules of Practice and Procedure were invoked and the matter was evaluated on the documentary evidence submitted. The Agent was suspended for 60 days to allow either the offending shareholders to be bought out or the whole entity to be sold. Should a change of ownership be approved within this period then the suspension may be lifted.

### TAC3 Rules of Practice and Procedure Rule 8 Conference

#### **1. – Sydney, Australia**

Held in Sydney on 31 August 2011

IATA was concerned at the financial risk presented by the Agent’s recent significant increase in sales.

The parties agreed with the TAC’s proposal that a conference as provided for in Rule 8 of the TAC3 Rules of Practice and Procedure was the best option in trying to resolve this issue.

After examining a number of options it was agreed that a combination of shortened remittance periods plus the provision of an increased financial guarantee was the most pragmatic solution.

An agreement incorporating specific terms and conditions was signed by the Parties and authorised by the TAC.

#### **2. – Kuala Lumpur, Malaysia**

Held in Kuala Lumpur on 9 January 2012.

The Agent failed to submit audited financial statements by the finally set date and was placed on notice of termination in compliance with the Rules.

The Agent suspended payments to the BSP and sought a court injunction. The Court struck out the case and no further litigation was initiated.

At that point it was possible to have a meeting between the Parties where it was agreed to conduct a Rule 8 Conference. This focussed on establishing the conditions under which ticketing authority could be re-established and the elements of an agreement to achieve that was reached on the day and authorised by the TAC.

**TRAVEL AGENCY COMMISSIONER AREA 3**  
**MATTERS THAT DID NOT GIVE RISE TO A REVIEW – JUNE 2011 TO AUGUST 2012**

<u>Time &amp; Place</u>	<u>Incident</u>	<u>Outcome</u>
<b>June 2011 India</b>	The Agent was unable to meet BSP payments in large part due to an incentive sales arrangement with a carrier which was now in dispute. The Agent was terminated.	IATA acted in compliance with the Rules but was open to re-instatement action subject to the Agent meeting certain conditions.
<b>June 2011 Bangladesh</b>	The Agent was required to provide a financial guarantee within a specified time frame. Business was slow and more time was needed. However IATA declined the request.	Contact was made with IATA and the additional time was granted.
<b>September 2011 India</b>	The Agent defaulted due to credit clients not paying. Part payment was made after the termination date and the Agent sought re-instatement.	IATA acted in compliance with the Rules and the case was dismissed.
<b>September 2011 India</b>	The Agent was terminated due to non-BSP settlement. Pleas for retention were made with the hint that failure to do so would discourage settlement of the debt.	IATA acted in compliance with the Rules. The Agent was encouraged to settle so that an appeal to Agency Administrator under Res. 832 Paragraph 3.3 could be made. Case dismissed.

<p><b>September 2011</b> <b>India</b></p>	<p>The Agent was issued with 2 IIRs due to late BSP payment. Ten months after the event the Agent claimed bank error and sought removal of IRRs. Res. 820e was ambiguous on time limit (since fixed) but the Agent failed to provide requested evidence of bank error.</p>	<p>After initial approach the Agent failed to respond thus preventing progress and the case was dismissed.</p>
<p><b>September 2011</b> <b>Thailand</b></p>	<p>The Agent claimed that it had been given insufficient time to comply with new financial criteria which included an increase in the minimum level of financial guarantee.</p>	<p>Evidence from IATA determined that the Agent had been alerted 5 months previously together with a phone call and emails 30 days out. Case dismissed.</p>
<p><b>October 2011</b> <b>India</b></p>	<p>The Agent accumulated 4 IIRs and was terminated under the Rules. A bank holiday was a factor in creating the problem however full settlement was made post termination.</p>	<p>The Agent was encouraged to seek re-instatement by the Agency Administrator as provided for in Res. 832 Paragraph 3.3.</p>
<p><b>December 2011</b> <b>Pakistan</b></p>	<p>The Agent underwent a complete change of ownership. The new owner had not conducted a travel agent business for at least 12 months as required by the local criteria. Furthermore the accounts submitted did not comply. Review was requested of IATA's decision to disapprove change.</p>	<p>IATA complied with the Rules. The previous owner took over and sought re-instatement from the Agency Administrator.</p>
<p><b>December 2011</b> <b>Pakistan</b></p>	<p>An Applicant's site was inspected and was disapproved due to lack of qualified staff. Applicant insisted qualified staff were present and sought review of IATA decision.</p>	<p>On comparing information between the Applicant and IATA there were 5 points that were in conflict. A credible case was not made and therefore request dismissed.</p>

<p><b>February 2012</b> <b>Pakistan</b></p>	<p>The Agent was terminated in 2010 having failed to provide a financial guarantee. Agent owner stated that a long term illness prevented action but now requested re-instatement.</p>	<p>The request was made outside Res. 820e time limit parameters and the suggestion was made to re-apply for accreditation.</p>
<p><b>February 2012</b> <b>India</b></p>	<p>The Agent failed to submit requested documents associated with Change of Ownership and location. After repeated requests over 7 months the Agent was terminated. The Agent rescinded the Change of Ownership action and sought re-instatement.</p>	<p>No BSP billings were outstanding and the rescinding of the change of ownership application removed the cause for termination. An appeal to the Agency Administrator for re-instatement was suggested.</p>
<p><b>February 2012</b> <b>Brunei</b></p>	<p>The Agent was failed in a financial review as a consequence of the Global Assessor's classification of a grant and a review was sought.</p>	<p>After some message exchanges, documents were submitted which convinced the Assessor to approve the Agent. An appeal was made to the Agency Administrator and the Agent was re-instated.</p>
<p><b>February 2012</b> <b>Philippines</b></p>	<p>An Agent with HO in India was disapproved for its branch office in MNL as it did not meet the Philippines financial criteria. The HO disagreed with the IATA decision pointing to SEC conditions and sought a review.</p>	<p>It was pointed out that Res. 818g paragraph 2.1.4.3 required branch offices to comply with the criteria of the BRs location hence the IATA decision was correct and the request was dismissed.</p>
<p><b>January 2012</b> <b>Pakistan</b></p>	<p>The Agent failed to upload its financial statements by the deadline and was issued with 2 IIRs. A post IIR upload was successful. The Agent claimed that it had made a number of uploads prior to the deadline date and the 2 IIRs should be removed.</p>	<p>There was no evidence of uploads on the portal until the post IIR date upload. As there were 3 points in the submissions which were in conflict, a credible case was not established and the request was dismissed.</p>

<p><b>May 2012 Pakistan</b></p>	<p>An Applicant sought a review of the IATA decision to disapprove its application due to no staff being present at the time of the inspection. This was due to the evacuation of the area due to civil unrest.</p>	<p>IATA advised that there was no media reference to any rioting and the location was devoid of CRS equipment. A credible case for a review was not established and the request was dismissed.</p>
<p><b>May 2012 Malaysia</b></p>	<p>The KUL office of an AKL based default insurance provider advised IATA that it was withdrawing its programme at the end of May 2012. This news was passed by IATA to Agents with the request that they acquire bank guarantees. Thirteen Agents sought TAC intervention due to the short notice and increased financial burden associated with bank guarantees.</p>	<p>The AKL HO of the BSP provider was unaware of its KUL office action and confirmed its desire to provide cover from 1 June 2012. However the criteria to be a BSP provider had changed and IATA required 60 days to evaluate tenderers. The actions or inactions of a third party were beyond TAC3's mandate and the case was dismissed.</p>
<p><b>June 2012 Australia</b></p>	<p>The Agent was required to provide a significantly increased financial guarantee by the end of June 2012. Due to the short time available to be able to comply and the complicated process to assess the increased amount interlocutory relief was sought.</p>	<p>A decision was in the course of completion when 11<sup>th</sup> hour advice from the Agent confirming the establishment of the guarantee made further work unnecessary.</p>
<p><b>July 2012 Philippines</b></p>	<p>The purchaser of an existing Agent was declined on the grounds that it had not conducted a travel business for at least 12 months. The purchaser advised that it had bought an Agent in 2003 under identical circumstances and therefore sought review of the IATA decision.</p>	<p>Investigation revealed the fact that the 12 month condition was not introduced until 2004 and hence IATA had acted correctly and the request for review was dismissed.</p>

<p><b>July 2012 Pakistan</b></p>	<p>The Applicant on inspection did not have qualified staff and was declined. Proof of staff qualifications was submitted and a review sought.</p>	<p>As 3 months had elapsed since the IATA disapproval was rendered the Applicant had failed to meet the 30 day time limit for TAC intervention as enshrined in Res. 820e and the request was dismissed.</p>
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### SUNDRY TAC3

1. An Agent sought support from the TAC to persuade certain carriers to appoint it. Request declined after explanation of the role of the TAC.
2. An Applicant sought non-specific assistance. On seeking more specific information there was no reply.
3. An Applicant sought TAC assistance having waited 3 months for action by IATA. Referral to key IATA staff produced results.
4. Eight cases involving ADM disputes between Agents and Airlines could not be pursued through lack of agreement by carriers for TAC involvement.
5. Four cases are in hand at the time of this Report's compilation.