

Decision 2013 - 03 - 26
Travel Agency Commissioner - Area 2

Andreas Körösi
P.O.Box 5245
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Applicant: Pleasureseekers Ltd
30 Corringway
Ealing
London W5 3AA, United Kingdom

Represented by: **Mr Jain Harash**, Director

Respondent: IATA
Torre Europa
Paseo de la Castellana, número 95,
28046 MADRID, Spain

Represented by: **Mr Sergei Martinyuk** (Assistant Director, Agency Management)
Ms Maureen Block (Assistant Manager, Risk Management)

I. The Case

The Applicant and at least 4 more UK Agents are, according to the Respondent, not meeting the UK Financial Criteria (herein after LFC) because the “*parent company has traded less than 3 years in the travel industry*”. These Agents have received a request to provide additional financial security (herein after FS) and thus they have requested a Travel Agency Commissioner’s (herein after TAC) review by invoking Resolution (herein after Reso) 820e § 1.1.10.

Considering that the matters that had been brought to the attention of this Office by four Accredited Agents were exactly the same, having obtained the previous consent from **all the Parties** involved, this Commissioner decided to accumulate the requests for review in one sole procedure, thus all cases would be substantiated as one and one sole decision will cover all Applicants’ and Respondent’s submissions.

II. The Applicant's arguments in summary

Both the holding company (Pleasureseekers Holding Ltd) and its wholly owned subsidiary, the Applicant, have been trading since 1981. They are family owned, no change in ownership and both companies are profitable and have sufficient liquidity. There are no loans or liabilities in any of the companies. The parent company owns real estate and earns rental income.

III. The Respondent's arguments in summary

IATA acted by referring to the Local Financial Criteria established for UK, as follows:

"For new Applicants bond will be required if you or your Parent Company (ies) accounts show that

(b) Your company has traded for less than 3 years in the travel industry."

As it is not clearly stated in the LFC, it had been interpreted by IATA that for existing Agents the above mentioned requirement continues to be valid too.

IV. Right to Oral Hearing

All Parties have agreed to waive their right to oral hearing and to allow this Office to reach a Decision based on the written information submitted by and communicated to the Parties. (Resolution 820e §2.3)

V. Considerations leading to Decision

The Applicant is NOT a "new Agent".

There is a clear request (first page) in the LFC to submit a copy of the annual accounts of a "controlling" parent company but this Commissioner cannot find any text substantiating that a parent company should be trading in the Travel Industry. In the LFC under § Bonding requirements for **Accredited IATA Agents** it is stated:

*" a bond will be required if you or your Parent company **Accounts** show that:
(a) You do not meet requirements in B or C above (Profitability and Liquidity – my comments) or
(b) You or your Parent Company(ies) undergo a significant change of ownership."*

VI. Decision

Having carefully considered the Resolutions, the United Kingdom LFC and the evidence presented by the Parties it is hereby decided that IATA has, **if the financial requirements for Parent Companies outlined in the LFC are met**, no support in its request for additional financial security in these four cases. Therefore IATA's decision is hereby revoked.

Decided in Stockholm on 26, March 2013

Andreas Körösi
Travel Agency Commissioner Area 2

Right to ask for interpretation or correction

In accordance with Res 820e, § 2.10, any Party may ask for an interpretation or correction of any error which the Party may find relevant to this decision. The timeframe for these types of requests will be 15 days after receipt of the electronic version of this decision.

Right to seek review by arbitration

If considered aggrieved by this decision any Party has the right to seek review by arbitration in accordance with the provisions of Res 820e, Section 4 and Res 824, Section 14.

Note: The original signed version of this decision will be sent to the Parties by regular mail, once the above mentioned time frame has elapsed.