

Decision 9/2016 Travel Agency Commissioner - Area 2

Andreas Körösi
P.O. Box 5245
S-102 45 Stockholm, Sweden

Applicant: CFX Travel & Tours
IATA Code # 68-2 1020
Zimbabwe

Respondent: International Air Transport Association (IATA)
King Abdullah II Street, Al Shaab Roundabout
Business Park, Building GH8
P.O. Box 940587
Amman 11194 Jordan

NOTE:

This summarized decision is being posted as the Parties have received it. Occasional requests for clarification are not posted. However, should any Stakeholder requests it, a copy of such clarification will be sent to her/him.

Decision:

Background:

The Applicant holds a bank guarantee ("BG") with IATA:

- US\$ 276,000.00 from *CBZ Bank Limited*, which expired on 28/FEB/2016.

On 26/FEB/2016 the Applicant was issued Notice of Irregularity due to failure to renew the BG. The Applicant was defaulted due to accumulation of irregularities on the same date.

The Applicant was on 28/FEB/2016 notified that the BG was going to be liquidated on 10/MAR/2016 due to short amount of US\$ 76,890.50 related to remittance period 20160201F.

The Applicant was provided two alternatives to consider postponing the liquidation of the BG:

- (a) Provide IATA with a Proof of Payment by 10/MAR/2016, considering that IATA has 2 months as claim period or;

- (b) Provide an official letter from the Applicant's bank confirming that the bank is in the process of renewing Applicant's BG by 10/MAR/2016.

After negotiations IATA and the Applicant agreed that IATA will liquidate the BG on 16/MAR/2016 at 10:00 am Amman Time, after the Remittance Date 15/MAR/2016 for the coming billing cycle, keeping in mind that the BG is expired and the Airlines' money is at risk.

The Applicant failed to settle the full remittance amount as only US \$ 43,565.00 was received from the Applicant by the Remittance Date of 15/MAR/2016 of the billing amount US \$ 75,598.30, leaving the Applicant US \$ 32,033.30 short. The Applicant was declared into Default due to non-settlement.

CFX claims that there is a definite deadline of 28 April for encashment.

CFX asks for a final extension to pay in full and avoid the substantial costs involved in renewing the existing BG.

Decision:

My conclusion, based on the above is:

- I strongly support and praise IATA's "**exception**" to allow the new deadline of 16 March;
- I am also strongly praising the laudable efforts done by *CXF* to repay in full;

Member Airlines' funds shall not be at risk and the BG has to be encashed according to the requirements of the existing BG.

If the 28th of April is the definite deadline, then I deem the 14 days from 05 April enough to do so.

- Considering the great benefit for the Applicant and "no risk involved" for IATA, I find the request from the Applicant "to settle end Business day on the 5th" - **money in IATA's account** - as acceptable.

This Decision is effective as of today.

Decided in Stockholm, on March 19th, 2016

Andreas Körösi
Travel Agency Commissioner
IATA-Area 2

In accordance with Res 820e § 2.10 any Party may ask for an interpretation or correction of any error in computation, any clerical or typographical error, or any error or omission of a similar nature which the Party may find relevant to this decision. The time frame for these types of requests will be maximum 15 calendar days after receipt of this decision. Meaning as soon as possible and **not later than April 3rd, 2016.**

Please also be advised that, unless I receive written notice from either one of you **before** the above mentioned date this decision will be published in the Travel Agency Commissioner's secure web site, provided no requests for clarification, interpretation or corrections have been granted by this Commissioner, in which case the final decision will be posted right after that.

Please note that if after having asked for and obtained clarification or correction any Party still considers aggrieved by this decision, as per Resolution 820e §4, the Party has the right to seek review by Arbitration in accordance with the provisions of Resolution 824 §14.

Please let me know if any of the Parties requires a signed hard copy of this decision and I will send one once the time for "interpretation or correction" has elapsed.