

Decision 16/2017
Travel Agency Commissioner - Area 2

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

Applicant: *ALKARAM ALHATEMEE FOR TRAVELING & TOURISM AGENCY*
IATA Code # 79-2 1263
Sudan

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:

Considerations:

Alkaram Alhatamee Travel Agency asked for a review as a result of IATA's request to amend its BG to the **minimum required of US\$ 87,000.00**, mandated by the Sudanese Local Financial Criteria ("LFC").

The BG, supplied when requested in the local Sudanese currency, based on the annual financial assessment of 2016, was submitted for the minimum amount of US\$ 87,000.00, which corresponded, **in local currency**, to approximately 15% less than it would have been today if calculated with "today's" exchange rate.

Due to this "discrepancy" IATA requested all Sudanese Agents to amend the existing BG.

As in previous decisions regarding the same situation, meaning fluctuation of currencies during fiscal year, the issue at hand is if IATA's SOP (*Standard Operational Procedure*) to amend a BG "randomly" to match the **"current"** exchange rate between SDG and US\$, is in compliance with Resolutions and local law.

After having considered all statements, including that there is no risk for prejudiced collection of Member Airlines' funds, it is hereby decided as follows:

When LFC requests for a BG is to be calculated in another than the local currency:

According to this Commissioner, a BG has to be "valid throughout the regular financial evaluation period", **except when there is a substantial sudden change** (e.g. devaluation or revaluation) of currencies involved. This "amendment" has to go both ways. Meaning that should there instead of an increase be a decrease in the "LFC requested currency value" against "local currency value", the Agent has to have also the right to amend its BG in its own favour.

Following the "daily currency exchange rate" and, consequently, increasing or decreasing a BG "randomly" is not viable. If IATA deems it necessary to the Sudanese, **or any other market**, then this should be explicitly stated in that country's LFC.

Conclusion:

IATA (even though following IATA's SOP) has no legal grounds to ask **Alkaram Alhatamee Travel Agency** to renew the BG until the existing BG expires. At that point the "new" prevailing currency exchange rate will be applied.

This Decision is effective **as of the informal decision dated 17th of April 2017**.

Decided in Stockholm, on April 20th, 2017

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 May 3rd, 2017**.

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.