

DECISION 2013 – 07 – 17
TRAVEL AGENCY COMMISSIONER – AREA 3

Jo Foged
685 Remuera Road,
Remuera, Auckland 1050,
New Zealand

Applicant:

Robinsons (Bombay) Pvt Ltd t.a. Robinsons Travels and Tours,
309, Emca House,
Shahid Bhagat Singh Rd,
Mumbai 400 023,
India.
Represented by Mr Anil Vazirani, Director.

Respondent:

Agency Administrator, Geneva
International Air Transport Association, IATA,
Represented by Ms Hwa Ooi Tham, Manager, Agency Management Asia/Pacific
IATA, Singapore.

The Case and Decision:

The Agent (who is also an IATA Cargo Agent) discovered during the process of renewing an IATA ID card that it had been served a Notice of Termination. In its explanation the Agent stated that it had not received IATA BOM's letter of 22 October 2012 advising that its current Bank Guarantee would expire on 31 December 2012 and requiring it to lodge a renewed Bank Guarantee of INR100000 for the period 1 January 2013 to 31 December 2013 to be received by 1600 on 31 December 2012.

On having failed to meet that deadline IATA SIN issued a Notice of Irregularity on 1 January 2013 to the Agent's IATA Cargo Agency address. Due to further lack of action the Agent was served with a Notice of Termination again sent to the IATA Cargo Agency address and was ultimately terminated on 7 May 2013. There was some confusion on where to send the request for review and the writer did not receive same until 29 June 2013. However in light of the circumstances and the fact that no moneys are owed by the Agent the writer has accepted the request for review.

In its request the Agent records the fact that it did not receive the critical 22 October 2012 letter from IATA calling for a renewal of the Agent's bank guarantee. They put this situation down to the fact that the office was being relocated at that time and the document was mislaid. On being alerted to the requirement the Agent's representative met with IATA staff on 22 April 2013 and was advised that the bank guarantee was required to be in place by 30 April 2013. This time frame could not be met by the Agent's

bank and consequently the Agent submitted a letter together with a demand draft for INR100000 to IATA on 27 April 2013. The Agent asserts that this draft was "accepted" by IATA, a statement refuted by IATA who advise that it was "received" on that date. In tandem with this action the Agent requested its bank to prepare the subject guarantee.

The new bank guarantee was submitted to IATA mid May 2013 but was declined as it was in an incorrect format. Further delay occurred while the correct form of guarantee was prepared and this document was delivered to IATA BOM on 5 June 2013. The Agent states that it had every intention of providing the guarantee and it was unfortunate that it did not receive the original advice to do so which it considers was due to the office relocation and the document being misplaced during that process. The new bank guarantee could not be completed in the time frame available hence the delivery of the demand draft to IATA on 27 April 2013. With regard to that document IATA advises that it was not acceptable and was returned to the Agent same day.

The writer asked the Agent why the loss of their ticketing authority had not alerted them to IATA's termination action. The Agent advised that as they only specialise in hotel accommodation transactions this loss was not noticed. On questioning IATA SIN on whether or not the Agent met the parameters of sub paragraph 4.1.4.4. of Resolution 818g viz the requirement to issue some STDs over a specified period the answer was that the Agent had not reached the standard described in that condition and hence ticketing authority removal was not appropriate.

On querying the Agent why IATA accreditation was needed when mainly hotel accommodation transactions were involved the writer was told that hotels preferred to deal only with IATA accredited agents.

As provided for in sub paragraph 2.3 of Resolution 820e both parties have agreed to waive their rights to an oral hearing and have allowed the writer to reach a decision based on the written information provided.

In considering the factors involved in this case it strikes the writer that the Passenger Sales Agency operation must be a minor part of the overall activities of the parent cargo and logistics enterprise. The fact that an annual bank guarantee renewal was required should have been no surprise to the Directors had they had a more direct involvement with the Travel Agency business. The fact that its IATA Passenger Sales Agency accreditation is being utilised for the purpose of selling hotel accommodation rather than passenger air transportation should be of concern to those administering the Programme.

However based on the information presented and in light of the subject guarantee having already been lodged with IATA it is hereby decided as follows:-

1. Subject to IATA finding the lodged bank guarantee satisfactory the Agent is to be reinstated as an IATA Accredited Passenger Sales Agent.

Decided this 17th day of July 2013 in Auckland.

Jorgen Foged
Travel Agency Commissioner Area 3

Notes:

1. As per Resolution 820e, Section 4, any Party has the right, if it considers itself aggrieved by this Decision, to seek review by Arbitration in accordance with the provisions of Resolution 824, Section 14.
2. The Parties are advised that effective from 1 June 2012, according to Subparagraph 2.10 of Resolution 820e, any of them may request an interpretation of this Decision, or for a correction of any error in computation, any clerical or typographical error, or any omission in this Decision. Such request must be made within 15 days of receipt of the electronic version of this Decision.