

DECISION 2014 – 02- 03
TRAVEL AGENCY COMMISSIONER – AREA 3

Jo Foged
685 Remuera Road
Remuera, Auckland 1050
New Zealand

Applicant:

Destinations Travel Management
Fl 9, The Data Centre
220 Queen Street
Auckland, New Zealand
Represented by Mr. David O'Brien, Director

Respondent:

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

The Case and Decision:

As a result of the assessment of its annual financial statements the Agent was required to submit a financial security of NZD 224,000 by 13 February 2014. This amount represented a NZD 94,000 increase on the existing security. The Agent queried this increase with IATA and was advised that the accounts had not detailed a breakdown of IATA agency and non-agency sales hence the financial security calculation had been made on the Agent's total sales.

The Agent highlighted a 16 August 2013 email from IATA AKL which simply required a set of financial statements prepared by a Chartered Accountant "in accordance with standard accounting practice" and signed by a Director which should be uploaded on the IATA Financial Assessment Portal. The Agent considers that he has complied with IATA's requirement which states that it must provide its "Company accounts" which in the opinion of the Agent does not include a breakdown of sales.

The Agent felt that once the oversight had been discovered a quick email from IATA would have resolved the matter. The Agent has supplied the breakdown required however IATA has advised that the decision on the financial security amount required cannot be reversed and the issue could be referred to the writer if the Agent was dissatisfied with the situation.

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 submitted as provided for in sub-paragraph 2.3 of Resolution 820e and the Agent has sought a review within the 30 day time frame detailed in sub-paragraph 1.2.2.1 of the same Resolution.

In considering this matter it must be said that the Agent, or it's Auditors, could have avoided the situation that developed by referring to Clause 6 of the Financial Criteria for New Zealand published in the Travel Agent's Handbook which spells out the need to detail the breakdown of sales. However the centralising of IATA's Agency services activity to Singapore may have had some influence on the manner in which this matter developed.

Therefore, based on the foregoing it is hereby decided as follows:-

1. The Agent's amount of financial security required is to be re-assessed.
2. IATA is to advise the Agent whether or not the information already provided is sufficient and if not what form it is to be submitted in.
3. Any costs associated with the re-assessment is to be met by the Agent.

Decided this 3rd day of February 2014 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.