

**TRAVEL AGENCY COMMISSIONER - AREA 1
(DEPUTY TAC3)**

VERÓNICA PACHECO-SANFUENTES

110 – 3083 West 4th Avenue
Vancouver, British Columbia V6K 1R5
CANADA

DECISION 2014 - # 24

In the matter of:

Arabian Tours & Travels

95-Memonwada Road
Ground floor, Shop No. 2
Mumbai - 400003
India

Represented by its Manager Director Mr. Amjad Nursumar

The Applicant

vs.

International Air Transport Association (“IATA”)

111 Somerset Road, #14-05
TripleOne Somerset
Singapore 238164

Represented by its Manager, Agency Management, Asia Pacific, Ms.
Nadya Widjaja

The Respondent

I. The Case

The Applicant sought a Travel Agency Commissioner’s review of IATA’s decision of terminating the Applicant due to failure <<to settle all outstanding amounts due to airlines>> issued on January 28, 2014.

The Applicant states having paid all amounts due on January 30, 2014 and has explained that the belated payment was due to some fraudulent booking made by a third Agent (called “Ark Travel”, located in Mumbai), using the Applicant's IATA code and subsequently dishonouring the settlement.

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The Applicant has provided proof of several communications between him and the GDS provider (Amadeus India) concerning these fraudulent bookings as well as the formal request of removing the <<Secondary IATA Sharing of sub-agent>>.

II. The Applicant's arguments in summary

The Applicant is <<one of the biggest Travel Agent in the field of Hajj and Umrah packages from India and also have branch offices worldwide>>.

The Applicant was unaware of the fraudulent bookings that had been made and unsettled by Ark Travel, who is one of its Agents <<who does hotel bookings of Saudi Hotels for us>>, by using <<our letter head and made our duplicate sign and stamp on that and got registered with Amadeus under our IATA name (as sub-agent) and did the churn bookings for which we got this bill of Rs. 185475>>.

The Applicant approached the owner of Ark Travel in order to clarify the matter and it was told that there was <<no need to make payment, it will be waived off. As we had never gone thru this procedure we did not knew that this man was playing with us and the end resulted in very bad for us>>.

As a consequence of that, the Applicant paid the full amount of the unsettled remittance, since it wants to restore its IATA Accreditation.

When given the opportunity to rebut IATA's arguments, the Applicant explained its delay in paying the pending BSP Report until after being terminated in the following terms:

<<In our company we are two partners myself (the undersigned) and Mr. Mohammed Jaffer (who looks after the financial department of our company) due to Mr. Mohammed Jaffer was travelling outside continuously during month of December, 2013 and January, 2014 (during which this incident happened) as we also have come up with the unique WEBSITE for B2B Market called Clickurtrip.com, this was also one of the reason resulted in delay of the procedure and after we inquired on 4 Dec, 2013 regarding the payment and when IATA

replied to us to check on BSP Link we were not able to do so and we had requested IATA to send us the Hard Copy for same which we received on 9 Jan, 2014... and after receiving the letter we sent to AIR INDIA Office to get documents and details for the same which again resulted to 2 days gap and after we got details we started tracing M/s. ARK TRAVELS and during all this things there got delayed in payment>>.

III. The Respondent's arguments in summary

In the Respondent's words:

<<19 Nov. 2013: IATA issued Notice of Irregularity due to overdue remittance (20131004W);

22 Nov. 2013: IATA issued Declaration of Default due to non-payment. Termination date set to 31DEC2013;

22 Nov. 2013: IATA advised reinstatement formalities;

03 Dec. 2013: Agent inquire about any other outstanding - Mohamed Jaffer Abdul Aziz, Managing Director;

04 Dec. 2013: IATA advised agent to log in to BSPlink and download any billing unsettled and make payment; Agent admitted not aware of the non-pay on initial billing and apologize for oversight (20131004W);

28 Jan. 2014: IATA terminated Agency from IATA Agency List due to non-payment. Agent has not paid the 2013-12-04 billing.

30 Jan. 2014: Agent made payment of the outstanding after the Termination date>>.

IV. Oral Hearing

Pursuant Paragraph 2.3 of Resolution 820e and Rule No. 14 of the Rules of Practice and Procedure, this Commissioner, acting upon both Parties' agreement on waiving their rights to an oral hearing, had decided to base her decision only on the written submissions that have been filed by both of them.

III. Considerations leading to conclusion

Judging from the evidence that has been submitted by both Parties, this Commissioner is satisfied with the fact that the Applicant was indeed unaware of the fraudulent behaviour of the third Agent (Ark Travel), who was acting on its behalf without having been authorised to do so;

According to that same evidence, the Respondent has respected the proper procedure to follow in this case;

As of the late payment of the BSP Billing Report 2013-12-04 before the termination date of the Applicant's Passenger Sales Agency Agreement, and as such having avoided the effects of the termination action, according to the applicable Resolutions it is an Accredited Agent's obligation to honour its remittances on time, whether the member staff in charge of doing those payments would be travelling or not; therefore, this Commissioner does not consider the fact that Mr. Jaffer was abroad an acceptable excuse for the belated BSP payment;

Considering that the Applicant had already being terminated when it reached this Office, there was no possibility at this stage for it to be reinstated particularly because at the time when the termination notice was sent to the Applicant and its consequences unfolded there were no wrongdoings from the Respondent's side that would justify a cancellation or a nullity of the referred Notice of Termination;

Nevertheless, it has been clearly stated the Applicant's willingness to preserve its IATA Accreditation and its commitment to avoid this type of situations in the future;

Considering that there is a possibility for the Applicant to have assigned the same IATA Code that it had prior to its termination, if it so wishes to, provided the payment of an administrative fee is been done, since it would require for the Respondent to somehow manually confer the referred number since regularly those numbers are automatically generated by the Agency Information Management System;

IV. Decision

Having carefully reviewed all the evidence and arguments submitted by the Parties in connection with this case;

Having analysed the applicable Resolutions;

It is hereby decided:

- The Applicant has the right to reapply for its IATA Accreditation and be reinstated in to the BSP system, process that will be undertaken in a shorten period of time than it would normally be the process of accreditation as a new Applicant, provided all the requirements would have been met;
- If the Applicant would like to be assigned with the same IATA numeric code as it had prior to its termination, the Applicant would have to pay an administrative fee to be determined by the Respondent.

Decided in Vancouver, the 10th day of April 2014



Verónica Pacheco-Sanfuentes
Travel Agency Commissioner Area 1
acting as Deputy TAC3

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 it 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 document.

Right to seek review by arbitration

As per Resolution 820e, Section 4 any Party has the right, if it considers aggrieved by this decision, to seek review by Arbitration, in accordance with the provisions of Resolution 824, Section 14, once the above mentioned time frame would have elapsed.

Note: The original signed version of this decision will be sent to the Parties by regular mail, once the referred period for interpretation/corrections would have expired.