

**DECISION 2014 – 12 - 16**  
**TRAVEL AGENCY COMMISSIONER – AREA 3**

Jo Foged  
685 Remuera Road  
Remuera, Auckland 1050  
New Zealand

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**Applicant:**

Welcome Travel Agents Ltd.  
149/A DIT Extension Road  
Dhaka - 1000  
Bangladesh  
Represented by Mr. Modasser Hussain, Managing Director

**Respondent:**

Agency Administrator, International Air Transport Association, IATA,  
Geneva, Switzerland.  
Represented by Ms. Nadya Widjaja, Manager Agency Management Asia/Pacific,  
IATA, Singapore.

**The Case and Decision**

The Agent was terminated on 6 November 2014 for failing to submit a repayment plan agreement following it being declared in default. Events leading up to this action had included the Agent wanting to repay its debt in 6 monthly installments which IATA agreed to with the Agent extending its existing financial security plus a further BDT 100,000 until 31 March 2015, the augmented and extended security to be in place by 27 October 2014.

As the revised arrangement had not been lodged by 31 October 2014, on that day IATA required the repayment period to be reduced to 3 months and sought immediate acknowledgement failing which termination action would follow. As no response was received IATA terminated the Agent's accreditation on 6 November 2014.

In its request for review, lodged with the writer on 4 December 2014, the Agent's Managing Director advised that he had been on annual leave from mid-October 2014 until 6 November 2014 and that as he was the only person able to sign any financial documentation the amended financial security could not be submitted to IATA by the deadline date. On 9 November 2014 the Agent's Bank was instructed to meet IATA's request however by then such action was too late. Subsequently on 19 November 2014 the Agent's financial security was claimed against by IATA and the full amount owing has been settled.

In its plea for re-instatement the Agent acknowledged that it should have been more proactive and prompt in acknowledging communications, a matter which had caused it to

review its communication management business process to make it more efficient. The Agent referred to his 20 years of unblemished record as an IATA Accredited Passenger Sales Agent, a statement not challenged by IATA. It accepted that its communications had been "sloppy" but felt that IATA's early November communications were "confusing and drastic."

As required by sub paragraph 2.3 of Resolution 820e both Parties were placed on notice that in the writer's judgment an oral hearing was not necessary and that a decision would be based on the written information submitted. Similarly, the Agent submitted its request for review within the 30 day time frame detailed in sub paragraph 1.2.2.1 of the same Resolution.

In considering this matter the writer finds it surprising that the Agent's Managing Director would take leave at a time when its ongoing IATA accreditation was at risk. It is also surprising that he was not kept informed of IATA's requirements by his deputy so that he could take steps to comply. Furthermore, there appeared to be a casual attitude to the deadline dates set by IATA.

In mitigation, and the factor that has swayed the writer's decision to give the Agent another chance, its 20 years of reliable settlement cannot be ignored and it is expected that this incident is a clear message that when you are acting as an Agent for a Principal in a binding contractual arrangement you must adhere strictly to the Rules related to that arrangement. In conclusion, I must commend the Agent for being the first party to present its request for review in the format proscribed in the TAC's Rules of Practice and Procedure.

Based on the foregoing it is hereby decided as follows:-

1. The Agent is to be reinstated subject to submitting a financial security satisfactory to IATA and paying any costs associated therewith.

Decided this 16<sup>th</sup> day of December 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 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.