

DECISION 2016-08-05
TRAVEL AGENCY COMMISSIONER – AREA 3

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

Applicant:

Travel Mart India Com Pvt Ltd,
4/5 New Udyog Mandor No 1,
7C Bhagoji Marg,
Near Mashim Station, Mahim,
Mumbai 400016,
India.

Represented by Dharmendra Gursahani, Director.

Respondent:

Agency Administrator, International Air Transport Association, IATA,
Geneva, Switzerland.
Represented by Mr Rodney D'Cruz, Manager Agency Management Asia/Pacific,
IATA, Singapore.

The Case and Decision.

During the course of a change of location process IATA detected that a change of ownership had taken place. Documents for the latter change were sent to the Agent on 6 May 2016. These were returned to IATA but the audited financial statements were more than 12 months old and consequently were not acceptable. A request for an up to date set was made on 9 May 2016. Reminders were sent but as the requested statements had not been submitted by 28 June 2016 the Agent's accreditation was terminated on 1 July 2016.

The Agent advised that it had not been able to produce audited financial statements for an abridged period (less than a year) and offered to provide a provisional balance sheet but this was not acceptable to IATA. The Agent could not understand the need for audited accounts as the Agency's sales were covered by a financial security and the demand for audited accounts half way through the year was unreasonable. The Agency had been accredited for 35 years and this was the first incident where the Agent had fallen foul of the Passenger Sales Agency Rules which was deeply regretted and it was now focused on rectifying these issues.

IATA advised that, subject to a decision by this office, if the audited financial statements and a financial security with an extended expiry date could be

submitted " within a reasonable time frame" the Agent could be re-instated. The Agent was asked to give an estimate as to when these matters could be settled by and gave a date of 30 September 2016..

The Agent has complied with sub paragraph 1.2.2.1 of Resolution 820e and has lodged its request for a review within the 30 day time frame allowed and both parties were alerted, as required by sub paragraph 2.3 of the same Resolution, that in the writer's judgement an oral hearing is not necessary and that the decision would be based on the written information submitted.

In considering this matter it is prudent practice for an entity under new shareholding to provide financial information involving that share holding's performance before re-instating credit facilities. Similarly adequate protection of Airline monies held in trust by the Agent must be in place. The Agent has no doubt provided a conservative estimate of the time it will take to comply with IATA's requirements and is encouraged to take whatever action is possible to speed up the process.

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

1. The Agent is to be re-instated subject to submitting a set of audited financial statements which are less 12 months old and a financial security to a level acceptable to IATA by 30 September 2016.
2. All fees and charges in connection with that process must be paid.

Decided this 5th day of August 2016 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.