

**DECISION 2017- 03-20**  
**TRAVEL AGENCY COMMISSIONER – AREA 3**

Jo Foged  
685 Remuera Road  
Remuera, Auckland 1050  
New Zealand

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**Applicant:**

FM Express and Logistics Travel  
Office 7/8 Basement Plot 92  
Razia Sharif Plaza  
Fazal-e-Haq Rd, Blue Area  
44000 Islamabad  
Pakistan.  
Represented by Farah Anjum, Proprietor.

**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 core cause of the Agent's accreditation being terminated on 23 February 2017 was the Agent's business relationship with a credit client. The Agent had acquired IATA accreditation in August 2016 and had little experience in the industry. The Agency became involved with a person who promised good business. Initially tickets were paid for but gradually the amount of ticketing held on credit increased until when it reached a significant sum the person stopped paying and the Agent was unable to settle its BSP billing.

Initially the Agent's request for a review was declined on the grounds that a credible case had not been established, evidenced by the imprudent oversight of the credit arrangement and the seeming reliance by the Agent on the credit client meeting a repayment installment plan.

However, the Agent demonstrated its determination to clear its debt and advised that it had raised funds by selling a car and acquiring a loan. The credit client has committed to making monthly payments. This action persuaded the writer to re-open the case and to explore the ingredients required in a repayment schedule with IATA.

IATA demonstrated a pragmatic approach to the situation and after a number of repayment agreement propositions had been evaluated by the two Parties a final agreement was reached. The writer is impressed by the attitude of the Agent and the IATA staff involved in resolving this matter and is pleased to formalise the agreement reached. The Agent will no doubt take valuable lessons from this experience and will introduce prudent practices, which will avoid future occurrences of this nature.

The Parties have complied with the terms of Resolution 820e in connection with this review.

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

1. The Agent is to settle PKR 1,000,000 immediately or at the latest on the date of this decision. (Payment evidenced by proof thereof has been made.)
2. The Agent is to remit the remaining balance of PKR 662,056 to constitute 20 percent of the total default outstanding by 24 March 2017.
3. The Agent is to settle the remaining balance of PKR 15,648,223 in 3 monthly installments (April-May-June 2017) no later than the 27<sup>th</sup> day of each month.
4. The Agent's financial security to IATA must be renewed by 31 March 2017. Meantime the financial security currently in place will not be encashed by IATA.

Reinstatement of the Agent's accreditation will be initiated upon the Agent fulfilling the following conditions:

1. Full settlement is made of the total outstanding debt as per the repayment agreement,
2. A new valid financial security is submitted to IATA,
3. All fees related to the Agent's reinstatement are paid as per IATA's invoice,
4. The submission of a completed Agency Status Form.

Decided this 20<sup>th</sup> day of March 2017 in Auckland.

**Jorgen Foged**  
**Travel Agency Commissioner Area 3**

**Notes:**

1. 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.
2. Please note that if after having asked for clarification or correction still considered aggrieved by this decision, as per Resolution 820e, Section 4, any Party has the right to seek review by Arbitration in accordance with the provisions of Resolution 824, Section 14.