

Annual Report of the Travel Agency Commissioners

Part II

Sections A to C: Individual TACs' cases

Below will be found each Commissioner's activity, starting with a summary of the Commissioners' various types of interventions aimed at solving cases in an affective and expeditious manner, without having to render a formal decision. This section will then be followed by the reviews that were concluded with a formal decision.

Section A:

TRAVEL AGENCY COMMISSIONER AREA 1 REVIEWS AND DECISIONS: SEPTEMBER 2014 – AUGUST 2015

Considering that this Commissioner has acted on behalf of her colleagues in Areas 2 and 3 as their Deputy, the cases that have been handled by her in those areas are detailed in each one of them, with the exception of some generalities provided below for statistical reasons.

In this Section of the Report only matters concerning Area 1 will be reflected.

Excluding two oral hearings, reviews were mainly based upon documentary evidence only. One of the hearings was held upon request of the Agent and two Member Airlines. The Commissioner acted as Mediator, in accordance with Section 3.4 of Resolution 820e, trying to facilitate an agreement between the Parties over an ADM/alleged credit card fraudulent procedure issue. No summary of this case will be provided, since the Parties have asked this Office for confidentiality.

Contributed to IATA's new approach to "administrative errors" without upholding suspensions or defaults, the vast majority of reviews were swiftly and cost effectively concluded **without formal Decisions** and are **not published nor individually described in this Report**.

Some issues were resolved with a few clarifying contacts, others took longer. Almost all of the reviews could be closed, with consent from both Parties, **often after IATA's own initiative** to revisit its initial actions after having had access to more facts and information disclosed during the TAC review. Cases were also closed when this Commissioner, after conducting a full review, had found that IATA had followed proper procedures and Agents had recognised that a formal TAC Decision would not change the outcome of IATA's actions.

The total number of cases dealt with during this period was: **140**

Detailed as follows:

(a) Formal Decisions = **19**

In Area 1: 10

In Area 2: 6

In Area 3: 3

(b) Matters solved without requiring a formal decision = **113**

In Area 1: 60
In Area 2: 40
In Area 3: 13

(c) On going matters in Area 1: 5

(d) Transfers = 4
To Cargo TAC: 2
To IATAN: 2

General

The summary of the decisions rendered in Area 1 is as follows:

<u>Time & Place</u>	<u>Summary</u>	<u>Decision</u>
23 September 2014 Niteroi, Brazil A1-2014/06	Newly accredited Agent had difficulties in providing the required BG on time due to the extensive time demanded by Brazilian banks.	The time frame was extended based on the evidence provided by the Agent. IATA assisted the Agent in getting familiarised with the applicable rules.
11 October 2014 Buenos Aires, Argentina A1-2014/07	The Agent requested to "decrease" the amount of BG, which had been submitted prior to Argentina's current financial crisis vis à vis the current provisions stated in the LFC for Argentina.	The decision was rendered based on an agreement reached by the Parties, as a result of a conference call: (i) No new BG was required; (ii) Agent was allowed to submit the last 12 months financial statements and be assessed by IATA based on a more realistic scenario.
13 November 2014 Bogotá, Colombia A1-2014/08	IATA sought this Office's interpretation of the need to provide a BG pursuant the LFC, considering that the same provision had been interpreted differently for the past 5 years by IATA's assessors not making necessary the submission of any financial security. The Agent had been accredited for 44 years, never before requested to provide any BG, even though its books were submitted in the exact	The TAC's decision exceptionally waived, for this year only, the BG and demanded from the Agent to do the needful adjustments to its Financial Statements for the year ending Dec. 2014, in order to properly comply with the LFC, disregarding prior IATA's assessor's views on that matter.

<u>Time & Place</u>	<u>Summary</u>	<u>Decision</u>
	same way as they were submitted this time.	
<p>16 January 2015 Cali, Colombia</p> <p>A1-2015/01</p>	IATA contacted this Office seeking an interpretation of a non-defined term in the Colombian LFC, in light of the Agent's reasoned objections and analysis of the applicable rules vis à vis the Local law concept of the term.	<ul style="list-style-type: none"> • Considering the lack of definition of the terms <i>Social Capital</i> vs. <i>Working Capital</i> in the applicable rules; • Considering the lack of determination of the Financial Statements' items that should be taken in consideration when calculating those terms, the interpretation of Colombian and other countries of the region's LFC made by the Agent should be considered as a valid interpretation this time; • Notwithstanding the above, the topic should be brought to the attention of the next APJC meeting to define the referred terms or to provide guidance for both Parties to follow.
<p>25 February 2015 Bogotá, Colombia</p> <p>A1-2015/02</p>	The Agent requested a review of the Respondent's decision of terminating its PSAA caused by a late payment of an instalment, according to a Repayment Agreement signed between the Parties on January 14 th , 2015.	The incident was beyond the Agent's control, qualifying as an <<Excusable Delay>>, pursuant Section 13.9 of Resolution 818g, and considering the Agent's payments to Member Airlines, the termination decision was revoked, and, once the Agent will provide the proper financial security, it will be reinstated in to the BPS system.
<p>3 March 2015 Rio de Janeiro, Brazil</p>	IATA contacted this Office based on a Prejudiced Collection of Funds' provisions applied against this Agent.	TAC confirmed IATA's actions. Best of the TAC's knowledge, this Agent has not paid its outstanding towards BSP Member Airlines yet. This case was part of a huge default case generated by another

<u>Time & Place</u>	<u>Summary</u>	<u>Decision</u>
A1-2015/03		Accredited Agent in this country.
9 March 2015 Brasilia, Brazil A1-2015/04	IATA contacted this Office based on a Prejudiced Collection of Funds' provisions implemented against these two Agents owned by the same shareholders.	Even though initially IATA had solid grounds to presume the involvement of these two Agents in a huge default occurred in that country, after the results of IATA's own ulterior investigations, in addition to the submissions and evidence presented by the Agents during the course of this review procedure, it came to light that their suspension from the BSP system had no legal grounds to stand. Therefore, IATA's decision was revoked and removed from the Agents' records.
29 July 2015 Bogotá, Colombia A1-2015/05	Agent sought a review contesting IATA's demand to provide a BG, claiming that the change of ownership occurred did not meet the criteria set out in Section 10.2 of Resolution 818g.	Despite the mistaken and confusing information provided by the Agent, leading IATA to the wrong belief that a change in ownership higher than 30% had occurred, the legal and notarised documents examined by this Office demonstrated that the change had been of 16% , in a period less than 3 years, hence, there was no requirement for the Agent to provide any BG.
31 July 2015 La Paz, Bolivia + 10 August 2015 Clarification A1-2015/06	Agent contested the submission of a BG and requested the application of the Minor Error Rule ("MER"). <u>NOTE:</u> Agent was informed about the possibility of bringing this issue to the next APJC, since in other countries of the region the MER is applied <i>more than once</i> in a 12 months period, but until the LFC for Bolivia remains the same, no other option was available in this case than to provide the BG as requested by IATA.	The MER could not be applied since the Agent had recorded a previous irregularity; therefore, this Office confirmed the submission of the BG. However, the case got complicated due to ulterior allegations of discrimination claimed by the Agent in regards to a supposed "pardon" given by IATA to another Agent who had committed also 2 irregularities in a period of 12 consecutive months in that country

<u>Time & Place</u>	<u>Summary</u>	<u>Decision</u>
		<p>and to whom the BG was not requested. Also local Law was raised as an alleged impossibility to deny the application of the MER more than once, as conceived in the LFC for Bolivia.</p> <p>After affording the Parties opportunity to present their views and evidence, both arguments were dismissed and the request for BG confirmed.</p>
<p>5 August 2015 Guatemala city, Guatemala</p> <p>A1-2015/07</p>	<p>Agent challenged the BG demand, arguing that the change of ownership that occurred in the company was the result of having to comply with a recent modification of the Guatemalan laws for Corporations and their shareholders.</p>	<p>During the course of the review process it became clear that, in fact, that new legislation did not have any impact on the actual change that had occurred in the Agent's corporate structure. The Agent had used the opportunity of the new laws to make actual changes in its structure, and, hence, this Office confirmed the BG request.</p>

Section B

**TRAVEL AGENCY COMMISSIONER AREA 2
REVIEWS AND DECISIONS – SEPTEMBER 2014 To AUGUST 2015**

Reviews were based upon documentary evidence only. Included in this part of the Report are the Official Decisions. No travel to oral hearings in Area 2 during this period.

The vast majority of reviews in Area 2 have been swiftly and cost effectively concluded **without formal Decisions** and are **not published nor individually described in this Report**. Some issues were resolved with a few clarifying contacts, others needed full review. Some Agents had multiple requests for reviews. Most of the reviews could be closed, **after consent by both Parties** and often after IATA's own initiative to rectify the misunderstandings. Majority of cases were closed when this Commissioner, after

conducting a full review, had found that IATA had followed proper procedures and Agents had recognised that a formal TAC Decision would not change the outcome of IATA’s actions. The number of reviews in Area 2 have been fairly constant compared to the last reporting period, but the **amount of time spent to resolve each issue has significantly decreased**. Largely contributed to the change in Resolutions allowing IATA’s “new” approach when dealing with issues of administrative character.

There have also been a significant increase of cases where Member Airlines directly have approached this Office, and after TAC’s mediation, matters have been solved directly between Member Airline and Agent.

Noteworthy are the increasing number of cases where Resolution’s requirements for IATA to accept *Bona Fide* Bank Error are not possible for Agents to meet. Banks simply do not always “comply”. Formal Decisions 2014/13,14, 16 and 2015/03,08,10 are illustrating the above. TAC’s suggestion of “change in Resolution’s text” is incorporated in Part I of this Report.

TAC 2 wants to specially acknowledge the efficiency and good spirit of cooperation demonstrated by IATA representatives Ms. Christine Hazboun and Mr. Cornelius Hattingh in Amman and Ms. Olena Dovgan and Mr. Ignacio Mula in Madrid.

In numbers the activity in Area 2 can be summarised as follows:

Total in AREA 2: **289 (43 handled by Ms. Pacheco–Sanfuentes in her capacity as Deputy)**
Handled by TAC2

25 (September 2014 – August 2015) posted formal Decisions
212 reviews closed without formal Decisions
6 reviews still open

Handled by TAC1 acting in her capacity of Deputy TAC2
6 posted formal Decisions in 2015
40 reviews closed without formal Decisions

Posted

Decision No. Summary Decision

A2/2014-12 Nigeria	Termination due to not submitting Financial Statements on time.	ALL amounts due were paid well within deadline. Agent did substantiate valid reason for missing the upload of the Financial Statements on time. IATA had acknowledged that “ <i>not being the result of the Agent's lack of reasonable diligence (an “Excusable Delay”)</i> ” the termination was withdrawn.
-------------------------------	---	---

A2/2014-13 Germany	Agent defaulted due to late payment. IATA did not accept to reinstate without a <i>Bona Fide</i> Bank letter.	Agent substantiated <i>Bona Fide</i> Bank Error. Deutsche Bank refused to write a letter “as principle”. Since the Agent could substantiate the “dispute” with DB through email correspondence and having made the payment on time, as well as having funds available, the default had to be withdrawn.
A2/2014-14 Spain	Prejudiced Collection of funds’ suspension.	IATA’s actions were confirmed. Agent reinstated after meeting all Reinstatement Requirements.
A2/2014-15 UK	Defaulted due to late payment - <i>Bona Fide</i> Bank Error	Agent’s bank confirmed late payment was due to “internal bank proceedings” but refused to write the <i>Bona Fide</i> Bank Error Letter as mandated by Resolution. This was beyond “reasonable control” of the Agent, hence, default withdrawn.
A2/2014-16 Spain	Defaulted due to late payment - <i>Bona Fide</i> Bank Error	Agent’s bank issued a <i>Bona Fide</i> Bank letter but refused to disclose “the nature of the Error”. This is beyond “reasonable control” of the Agent, thus, Agent should not be penalized.
A2/ 2014-17 Spain	Agent requested to provide Financial Security for the same sale twice.	Dispute between Agent and 2 Member Airlines when Agent already had supplied sufficient Financial Security directly to IATA. After invoking Reso 818g §2.1.4.2 (iv) the matter was solved.
A2/2014-18 Spain	Agent requested to provide Financial Security directly from Member Airline.	Agent did meet all LFC requirements and had no request from IATA/BSP to supply Financial Security. Member Airline did request a FS directly from Agent. After informing the Member Airline about Reso 818g §2.1.4.2 (iv) the matter was amicably resolved.
A2/2014 19+20 Azerbaijan	– Member Airline asked for mediation regarding “ADM dispute after change of ticketing rules”.	The concerned “change” affected the whole local market, and after mediation an amicable agreement was reached by the Parties.

A2/2014-21 UK	Prejudiced Collection of funds' suspension not properly substantiated by IATA.	Agent claiming that IATA's suspension caused them not to be able to pay on Remittance Date. TAC's Decision: Money from tickets' sales has to be separated from day to day activity and considered "clients funds" at all times. IATA's actions were confirmed.
A2/2014-22 UK	Agent terminated due to 2 unpaid ADMs totalling GBP 288. Agent was not aware of these ADMs because it had not been active on <i>BSPlink</i> since accreditation.	Reason for not being active on BSP was "better deals through consolidators until Agent reaches a "critical mass" where Airlines support their sales". Agent was given 3 months to start ticketing or the termination would stand.
A2/2014-23 South Africa	Agent defaulted – terminated due to "unsuccessful" upload of Financial Statements.	Agent did send FS by email on time but failed to upload "successfully". FS was ultimately found unsatisfactory because it was only signed by "certified accountant" instead of by an audited one, as mandated by LFC. Agent was allowed extension to provide the full audited FS and the termination was withdrawn.
A2/2014-24 Spain	Change of "legal" Ownership - but still 100 % owned by the same person.	The change proposed did NOT constitute any legal modification of the Company in regards of VAT n ^o , legal status, ownership (same 100% owner), Company's management continued to lie with the same person who had management control in the prevailing company structure. Considering both Reso 818g § 10.2 and the LFC to be met, TAC deemed this change as a "minor change" with no request for a new PSAA.
A2/2014-25 UK	Prejudiced Collection of funds' suspension only having traded a few weeks. "Substantial growth" of sales not reflecting the Financial Security allocated when accredited.	Agent "in shock" – was not allowed to respond nor increase BG before suspension when just started. TAC's decision confirming IATA's action , mainly because the "budget for sales" when applying only a month earlier was

		not even close to actual sales. Generally, Agents should have a chance to explain and supply additional BG when “significant” sales’ increase. This increase is often due to an unplanned large group, or similar situations.
A2/2015-01 Côte d’Ivoire (Decided by TAC1 acting as Deputy TAC2)	Agent challenged the Respondent’s decision of suspending it from the BSP and applying Default Actions against it, allegedly due to a late payment.	The belated receipt of a timely made payment was due to internal bank procedures, therefore, even though the situation was not expressly contemplated in the wording of Resolution 818g, Attachment “A”, Section 1.7.4 as a <i>bona fide</i> bank error, yet, since it was clearly beyond the Agent’s reasonable control, the Nol was revoked and removed from the Agent’s records.
A2/2015-02 Nigeria	Suspension – failure to successfully upload Annual FS	Agent had been trading for 26 years and always submitted on time, “upload unsuccessful”. Proved, through browser history, that “upload” had been done months ago, even though Agent could not prove the existence of “automated reply receipt” for successful upload. TAC finds highly unlikely that someone would risk his business when the audit already is done month ago and having an impeccable history of uploading on time.
A2/2015-03 South Africa	Suspended, one-day late payment due to <i>Bona Fide</i> Bank Error. Bank’s letter was not accepted by IATA due to a missing stamp.	Agent provided evidence of a) enough funds on payment date, b) bank order to pay on time and the only missing “item” from the bank’s statement was that it was not properly stamped. Bank refused to issue a new letter according to IATA’s requests.
A2/2015-04 South Africa	Notice of Irregularity (“Nol”)- BG did not reach IATA on time.	Agent provided evidence of having BG issued on time. Tried multiple times to contact IATA by phone without luck. Problems with courier service so Agent flew to AMM and delivered it in person. Nol was lifted considering all circumstances.

A2/2015-05 UK	Risk for Prejudiced Collection of Funds. Steep increase in sales not matching Financial Security provided short after Change of Ownership (“CoO”).	IATA’s actions confirmed, mainly because Agent’s budget did not even closely match actual sales when CoO was approved only a month before suspension.
A2/2015-06 South Africa	Defaulted – Terminated due to an ADM after BSP suspension.	Agent met all reinstatement requirements except settle a small ADM, which was on <i>BSPlink</i> after he got notification of “blocked and suspended from BSP”. Agent was not properly made aware that <i>BSPlink</i> is open for 45 days also after suspension.
A2/2015-07 Ethiopia	Defaulted due to Suspended Member Airline’s approved refund not withdrawn from Remittance.	IATA’s requirements to “adjust payments” directly with Suspended Member Airlines before next remittance is sometimes impossible to meet. Agent had already sent payment order and also questions how IATA’s implementation of Reso 850 Att “F” can be lawful since it has a “retroactive effect”. This Resolution does NOT deal with already approved refunds , only refunds “with immediate effect” as of suspension.
A2/2015-08 Cyprus	Defaulted due to late payment – <i>Bona Fide</i> Bank Error.	Agent provided evidence of IATA acknowledging “Bank Error” even though bank refused to supply the exact wording normally demanded by IATA.
A2/ 2015-09 Cameroun (Decided by TAC1 acting as Deputy TAC2)	The Agents sought a review of the Respondent’s NoD, allegedly wrongly served to them. The Agents provided proof of payment of both of their IATA-Codes’ locations. The remittances were timely made and in compliance with the amounts shown in the respective BSP Billing Reports.	The core of the matter arose as a consequence of a miscommunication between the Agent and IATA, leading to a genuine misunderstanding from the Agent’s side of the billing process when faced to a suspended Member Airline’s situation. NoD was revoked and Agents were reinstated in to the BSP system. No monies were ever outstanding.
A2/2015-10	Notice of Irregularity due to late payment. <i>Bona Fide</i> Bank Error	Agent could at first not substantiate that the order of payment included the

Portugal	case.	correct date when funds have to be available on IATA's account. IATA's decision upheld but later corrected since a formal <i>Bona Fide</i> Bank letter exonerated the Agent.
A2/2015-11 Yemen	Termination – no room in the Resolutions to withhold due to the current situation in Yemen.	Agent desperately wanted to find a repayment agreement manageable due to the “war time situation” prevailing in Yemen. TAC ordered the termination to be put on hold until the <i>Force Majeure</i> in Yemen requires it or the Stakeholders give clear guidance in situations like this.
A2/2015-12 Egypt	Suspended due to “non payment of annual fee”	Agent provided evidence of payment through IATA's website with “receipt”. Agent cannot be held responsible for IATA-controlled web site malfunctioning.
A2/2015-13 République de Guinée (Decided by TAC1 acting as Deputy TAC2)	Agent contested IATA's NoT, allegedly served due to non-payment of the 2015 Agency Annual Fees. The Agent provided a belated proof of payment of the referred fee.	The core of the matter arose as a consequence of a miscommunication problem between the Agent and IATA, derived from an email address malfunction that triggered the first Nol, due to a lack of payment of the Agency Annual Fees. Once things were clarified, the Agent was reinstated, however, the Nol remained in its records since IATA's actions were in accordance with the applicable rules.
A2/2015-14 Greece (Decided by TAC1 acting as Deputy TAC2)	IATA contacted this Office based on a Prejudiced Collection of Funds' provisions applied against this Agent.	Considering that a belated payment did occur; however, that fact was not attributable to the Agent's lack of diligence but rather the consequence of a commonly well known Bank closure and poor working service in the current Greek financial market: circumstances far beyond the Agent's reasonable control, hence, pursuant Section 13.9, of Resolution 818g, that delay must be considered as an << <i>Excusable Delay</i> >>, thus, the Nol originally served against the Agent was expunged from the Agent's records.

<p>A2/2015-15 Nigeria</p> <p>(Decided by TAC1 acting as Deputy TAC2)</p>	<p>The Agent sought a review of the Respondent’s termination, which took place more than a year ago, due to a non-submission of FS.</p> <p>TAC allowed the review based on the extraordinary circumstances that were proven during the course of this process by the Agent and accepted by the Respondent.</p>	<p>Since the Nol and the further NoT were due to a non-submission of the Agent's FS, considering that the NoT was removed from the Agent's records, it was granted to it 30 days to upload the FS and, provided they will be in accordance with the Nigerian LFC, its reinstatement in to the BSP will be undertaken.</p>
<p>A2/2015-16 Malta</p> <p>(Decided by TAC1 acting as Deputy TAC2)</p>	<p>The core of the matter was about a default action unfolded due to an accumulation of irregularities.</p>	<p>No wrongdoing from IATA's side, however, the cause for the one day (hours actually) delay was found to be, due to the factual circumstances of the case, an <<Excusable Delay>>, pursuant Resolution 818g, Section 13.9, therefore, the Nol was revoked.</p>
<p>A2/2015-17 EGYPT</p>	<p>Defaulted due to a short payment.</p>	<p>Short payment was a result of human error and immediately rectified when aware of it. IATA’s notification for “not suspending” not received on time due to email malfunction which was satisfactory substantiated by Agent</p>

Section C

**TRAVEL AGENCY COMMISSIONER AREA 3
REVIEW DECISIONS – SEPTEMBER 2014 – AUGUST 2015**

General

Due to the number of formal decisions rendered, 56, this Report separates the rest of them (which were solved without the need of a formal decision) into categories as follows:

- A. Additional time granted in order to submit financial statements = 31
These emanated from the following countries:

Australia - 24
Malaysia - 2
Singapore - 4
Taiwan -1

B. Additional time granted in order to submit a financial security = 11
These emanated from the following countries:

- Australia - 2
- Hong Kong SAR - 2
- Malaysia - 3
- Papua New Guinea - 1
- Bangladesh -1
- Indonesia -1
- Singapore -1

C. This leaves 14 decisions to be summarised as follows:

<u>Time</u> <u>Place</u>	<u>and</u> <u>Summary</u>	<u>Decision</u>
15 September 2014 Karachi, Pakistan.	IATA sought a review of the Agent under the Prejudiced Collection of Funds provisions of Att. "A" to Resolution 818g. This was due to IATA having received written advice that 2 of the Agency's Directors were also Directors of a sister company which owed significant moneys to an Airline causing concern that the Agent may not be able to meet its BSP commitments. On being alerted to the situation the Agent advised that there were in fact 3 Directors common to the 2 Companies and they held 30% of the Agency's shares. The Agency's Chief Executive had recently passed away and it had been decided to exclude the 3 Directors plus the CEO from the Agency company. An Order of Succession had been filed with the Court and a Notice of Change of Ownership would be filed with IATA excluding these 4 Directors once the legal formalities had been completed. Based on this advice IATA stated	In light of the action being taken by the Agent to remove the controversial Directors and the offer made by IATA it was decided to re-instate the Agent subject to meeting the conditions imposed upon it. Note:- post the release of the decision no action was taken by the Agent and a final date of 31 March 2015 for completion was advised.

Time and Summary Decision
Place

	that it could reinstate the Agent subject to the latter's submission of confirmation from the Agent's default protection insurance provider that coverage would continue under the revised ownership, latest audited financial statements, other documents related to staffing and premises and payment of the Change fee.	
3 October 2014 Mumbai, India.	The Agent was issued with a Notice of Irregularity (NOI) for failing to settle INR7825 (USD129.00) out of a total settlement of INR122,537,978 (USD2,013,110.00). The Agent sought removal of the NOI explaining that the debt was an ADM issued against its HYD branch and had not been spotted as HYD was not on BSPlink. Immediate payment was made on identifying the cause of the debt however meantime the circulation of the NOI to Airlines had resulted in "severe damage to reputation, phone calls and ticket capping". The Agent considered it to be unfair that Airlines were not made aware of the amount involved when the NOI was circulated to Carriers, as this would have caused less concern.	The writer agreed with the Agent's suggestion that the bulletin to Airlines summarising NOI action should include the amount involved so that an appointing Airline could make an informed judgment. Based on the prompt action taken by the Agent and the minor amount involved the NOI was to be replaced by a Reprimand.
7 November 2014 Islamabad, Pakistan.	The Agent, on being served with a second NOI within a 12 month period, was declared in default and its ticketing authority was removed. The Agent stated that it had remitted its BSP settlement to the IATA Clearing bank on 15 September 2014 however due to an	Both sides were vehement on the accuracy of their input. It appears that the Agent made its payment very close to the time of the interbank transactions and thus payment was not "made good" until the following day. In its favour the Agent took prompt action with

Time and Summary
Place

Decision

	<p>oversight the Receipt was not date stamped. This oversight was rectified the next day and the Agent rang IATA SIN to bring that to their attention and the Agent was asked to seek a letter from its Bank admitting "bank error". The Bank provided a document which showed the "Posting Date" to be 15 September 2014. However as this did not comply with the Resolution 818g format IATA could not remove the NOI. IATA's Clearing Bank advised that as the banking had occurred after the "cut off" time of the 15th the funds had not been received until the 16th. The Agent went on to explain that IATA's Clearing Bank had 2 collection accounts with 2 different Banks. It had settled with one of them by electronic transfer on the 15th and opined that it was the victim of the funds transfer process between the 2 banks.</p>	<p>IATA to have the NOI removed however the circumstances did not fit the format specified in Resolution 818g. It was expected that the Agent had learned from this experience and would in future make settlement earlier on the due date.</p> <p>Based on that it was decided that the second NOI was to be expunged thus removing the Agent's default status.</p>
<p>7 November 2014 Lahore, Pakistan A3-2014/86 (Deputy TAC1)</p>	<p>Agent sought a review of the Respondent's NoT, aiming at stopping the effects of its PSAA's termination by settling the outstanding dues to BSP Member Airlines.</p>	<p>After scheduling a conference call between the Parties, the TAC rendered the decision based on the agreement reached by the Parties, according to which the Respondent was to facilitate a letter to the Insurance Company in order to allow the Agent to access a financial coverage from them, at the same time the Agent was allowed an extended time frame to honour its debts. Once all monies would have been paid, its reinstatement in to the BSP system would be undertaken by the Respondent.</p>

Time and Summary
Place Decision

	<p>payment. As a result of this NOI featuring in the bulletin to Airlines some of whom withdrew their appointment, considerable disruption was caused to the Agent's business.</p>	
<p>10 December 2014 Bangalore, India.</p>	<p>The Agent was terminated for failing to settle an ADM for INR7523 (USD121.44 at the time) which was overlooked at the time of the weekly BSP settlement. IATA had sent the Agent a reminder on 29 October 2014 to make payment of the available billing. Absent settlement the Agent was terminated. On 18 November 2014 the Agent made a payment of INR14373 (USD232.00 at the time) representing the full outstanding amount "plus fine".</p>	<p>IATA, in light of the absent payment, was obligated to terminate the Agent's accreditation. However it was felt that the small amount involved should not see the end of that accreditation and a valuable lesson had been learned and a process to avoid future occurrences introduced. The Agent was to be re-instated having paid any fees associated therewith.</p>
<p>16 December 2014 Dhaka, Bangladesh.</p>	<p>The Agent was terminated on 6 November 2014 for failing to submit a repayment plan agreement following a default. Up to that point the Agent had desired to repay its debt in 6 monthly instalments to which IATA agreed along with the Agent extending and increasing its financial security to 31 March 2015 by 27 October 2014. As this arrangement had not been lodged by 31 October 2015 IATA required the repayment period to be reduced to 3 months and sought immediate acknowledgement of same failing which termination would follow. No response was received and the Agent was terminated on 6 November 2014. In its defence the Agent's CEO advised</p>	<p>It was surprising that the CEO should take leave at a time when his Company's accreditation was at risk. It was also surprising that no one in the office had alerted him to IATA's requirements so that action to comply could have occurred.</p> <p>The factor that swayed the decision in the Agent's favour was the 20 years of reliable settlement and that this event would be a salutary lesson.</p> <p>Consequently it was decided that the Agent be re-instated subject to submitting a financial security satisfactory to IATA and paying any costs associated therewith.</p>

Time and Summary
Place

Decision

	<p>that he had been on holiday from mid-October 2014 until 6 November 2014 and as he was the only person authorised to sign financial documents the financial security could not be submitted by the due date. On 19 November 2014 IATA claimed against the Agent's existing financial security and the full amount owed was settled. In its plea for reinstatement the Agent acknowledged its lack of initiative in responding to communications and steps had been taken to improve that. It referred to its 20 years of unblemished record as an IATA Agent, a statement not challenged by IATA.</p>	<p>Note: post the decision there was on-going communication between the Agent and IATA over several months related to the Agent's difficulties in raising the security and at the end of March 2015 it was terminated with the opportunity of re-applying for accreditation once its financial strength allowed it to do so.</p>
<p>9 December 2014 Rawalpindi, Pakistan</p>	<p>The Agent was declared in default on 19 June 2014 for failing to settle PKR 1,280,000 (USD 12,424.00 at the time). On 30 July 2014 the Agent wanted to establish a repayment plan agreement and was asked to settle 50% of the debt. By 5 August 2014 only a fraction had been paid and on 11 August 2014 IATA reminded the Agent to submit the re-payment agreement. As at 3 November 2014 no agreement had been sighted and the Agent was terminated on 5 November 2014. That action initiated a payment of PKR 996,608 (USD 9,673.00 at the time) on 6 November 2014 and a further payment of PKR 276,608 (USD 2,685.00 at the time) was made on 25 November 2014</p>	<p>The factor that swayed the decision in the Agent's favour was its payment of all its debts post termination. Had only part payment been made the outcome would have been different. It was therefore decided to reinstate the Agent subject to it submitting a financial security satisfactory to IATA. Note: post decision the Agent failed to pay various IATA charges and fees and did not submit a financial security despite many promises to do so. The case was closed on 24 July 2015.</p>

Time and Summary Decision
Place

	<p>leaving PKR 6,784 (USD 66.00 at the time) unpaid. The Agent pleaded for re-instatement pointing out that it had repaid the debt in full which was correct as at 6 December 2014 and giving an assurance that it would " pay timely all dues of IATA in future."</p>	
<p>30 December 2015 Sidney, Australia A3-2015/13 (Deputy TAC1)</p>	<p>As a result of the annual financial evaluation of the Agents it was found that, even though each one of the individual Agents did meet the LFC for Australia, the Holding company did not and, hence, a financial security was requested from each one of the Applicants.</p>	<p>After consultation with a financial expert, who confirmed the TAC's view, the Commissioner decided that in light of a lack of defined terms and concepts to be applied in this case by the Australian LFC:</p> <ul style="list-style-type: none"> • the Agents' objections to the Respondent's financial assessment were to be sustained, therefore, a new financial assessment should be undertaken by the Respondent taking express consideration of the two challenged topics; • If as a result of this new evaluation a BG is required it will be communicated to the Agents. While this new evaluation takes place, the original BG that was requested to the Agents should be withdrawn.
<p>17 March 2015 Lahore, Pakistan.</p>	<p>The Agent's accreditation was terminated on 5 January 2015 due to its failure to honour the repayment agreement plan entered into in August 2014. The Agent's defence was that with the death of one of the Partners its Bank had frozen its accounts. Considerable delay had been</p>	<p>Based on the legal process required and the fact that there was no debt it was decided to reinstate the Agent as soon as was practicable.</p>

Time and Summary Decision
Place

	<p>caused by the wait for a Succession Certificate issued by a Court and the consequent amendment to the partnership deed. The total amount outstanding, PKR358,003 (USD3470.60 at the time) was settled in full on 4 March 2015.</p> <p>This case was protracted by the time consumed in waiting for the Court proceeding which would produce the documentation allowing the Agent to move forward.</p>	
<p>21 March 2015 Sydney, Australia.</p>	<p>The Agent was declared in default having received 4 Instances of Irregularity (NOI) within a 12 month period. The Agent operated a downtown SYD office with a Branch Office 200km away with all tickets being issued in SYD. The Branch Office was not on BSPlink or have a direct debit facility thus was not aware of the ADM until the NOI was received. The ADM that triggered the NOI was for AUD48.00 and involved PNR manipulation activity by the Branch Office. It was paid promptly but it was too late. The Agent sought interim interlocutory relief to which IATA did not object. The Agent stated that BSPlink and direct debit had now been introduced in the Branch Office. The Company had 12 years of unblemished business and the default had "caused panic among our suppliers".</p>	<p>It was considered unreasonable that ticketing authority should be withdrawn permanently on the grounds of an AUD48.00 short payment which was paid promptly once identified.</p> <p>Therefore in order for the Agent to return to normal ticketing/settlement routines it was decided that the second NOI should be expunged.</p> <p>The Agent was reminded that another NOI issued within 12 Months of 4 March 2015 would see it declared in default once more.</p>
<p>1 April 2015</p>	<p>The Agent's accreditation was terminated for failing to settle the</p>	<p>Failure to pay on the due date was beyond the reasonable control of</p>

Time and Summary Decision
Place

<p>Peshawar, Pakistan.</p>	<p>second and last instalment as required by the repayment agreement plan. In its request for review the Agent stated that on the settlement date all businesses in its area were closed as a result of political demonstrations. When the Banks re-opened on the following day payment was made but was not received by IATA until the day after that.</p>	<p>the Agent hence the "<i>force majeure</i>" provisions described in section 13.9 of Resolution 818g were applied. The Agent was to be reinstated subject to submitting a new bank guarantee of an amount determined by IATA and paying all fees associated with that action.</p>
<p>15 April 2015 Yunnan, PR China.</p>	<p>The Agent was terminated for failing to pay its annual fee. In its defence the Agent stated that it was a new Agency and its staff had misunderstood the reason for the payment. It was only when IATA phoned on 28 February 2015 advising that payment was due that day that the Agent realised that there was an issue. As it was the weekend there were no foreign exchange banking facilities available hence the deadline was missed. Payment was made on the Monday, a fact confirmed by IATA.</p> <p>In its description of events leading up to the termination by IATA it was evident that ample time had been allowed for the Agent to be alert to the matter. Phone calls had been made and unfortunately the Agent's 2 March 2015 payment had not been identified in the volume of payments received by IATA daily.</p>	<p>The Agent admitted its negligence and lack of managerial oversight however an administrative failing of this nature should not see the loss of accreditation.</p> <p>Had IATA identified the payment then this matter may not have reached this office.</p> <p>Based on the forgoing it was decided to re-instate the Agent subject to its payment of all fees and charges associated therewith.</p>
<p>19 May 2015 Pudukkottai,</p>	<p>The Agent was issued with a NOI as a consequence of not paying a BSP billing on time. The cause for this</p>	<p>In light of the Agent's prompt action to rectify its omission and the fact that re-occurrence has</p>

Time and Summary
Place

Decision

	<p>the Clearing Bank by some 15-20 minutes due to traffic congestion. It had no intention of making a late payment and its cheque was cleared under the "evening deposit" process that day. The Agent sought removal of the NOI and the waiving of IATA's charges. IATA advised that the Agent's payment was received after regular banking hours and was included in the following day's receipts. IATA's special efforts had seen the Agent's payment included in the settlement to Airlines.</p>	<p>deliver future payments in ample time before the Bank's closing time. With regard to IATA's charges there were costs associated with the Agent's actions and it was reasonable for these costs to be met by the Agent.</p>
--	---	---

**TRAVEL AGENCY COMMISSIONER AREA 3
MATTERS THAT DID NOT GIVE RISE TO REVIEW
SEPTEMBER 2014 – AUGUST 2015**

General

Due to the number of cases handled, 70, this report condenses these into categories as follows:-

- A. IATA decisions upheld = 32
- B. Intervention of TAC produced satisfactory outcome without need for a decision = 30
- C. Dismissed as application for review made outside 30 day time limit = 5
- D. ADM issues where Airline did not agree to TAC involvement = 3

There were 5 cases under consideration at the time of preparing this report.