

DECISION 2018 - 01 - 09
TRAVEL AGENCY COMMISSIONER – AREA 3

Jo Foged
685 Remuera Road
Remuera, Auckland 1050
New Zealand

Applicant: *Harvey Travel and Tours (Pvt) Ltd.*

IATA Code 27-3 1895
Lahore, Pakistan

Respondent:

Agency Administrator, International Air Transport Association ("IATA")
Singapore.

The Case and Decision:

The Applicant's accreditation was terminated on 28 November 2017 for failing to settle the 4th installment of a 6 installments repayment plan. A part payment of that installment of PKR 400,000 was made post termination leaving an outstanding amount of PKR 2,767,723 (USD 24,969.00). IATA claimed against the Applicant's financial security of PKR 13,997,000 on 11 December 2017.

In an email to an IATA staff member forming part of its request for review the Applicant stated that its financial downfall was triggered by a Notice of Irregularity ("NoI") issued to the Applicant in May 2017 which was withdrawn by IATA following the admission of an error by the Applicant's Bank and the Applicant's ticketing authority was restored after 2 days. However, Airlines were reluctant to reinstate their ticket stock in the GDSs and the issue is described by the Applicant as follows:

"But reinstatement on sheer bank error did not reinstate our ticket stock in the system that Airlines had withdrawn due to our innocent default. Resultantly we had to literally visit door to door of airlines to prove them reason of default and restore the stock but many had refused to our plea. However, we moved further with fewer stock but the damage of innocent irregularity had severely affected our business rolling which contributed liquidity crises in our payment cycle. "

In seeking a review the Applicant stated that it would settle the total outstanding amount by 20 January 2017 (should be 2018) together with paying any interest and any fees and charges involved with reinstatement.

IATA's summary of events recorded a series of late installment payments time extensions for which had been agreed by IATA. The financial security referred to above was submitted and exceeded the amount of the Applicant's debt. IATA's patience with late installment payments was exhausted with the 4th installment and termination action was taken.

In considering this matter it is clear that, had the TAC's repeated proposal to the Stakeholders been accepted, that 48 hours should be allowed to elapse before Airlines were alerted to NOIs being issued, then this case may not have arisen. The apparent attitude by some Airlines that "where there is smoke there is fire" caused a reduction in the number of Airlines that the Applicant was able to issue tickets on and the consequent reduction in its marketing capability.

That issue together with the Applicant's obvious intention of repaying all its debt together with the commitment to pay the remaining outstandings by 20 January 2018 has swayed the writer to give the Applicant an opportunity to regain its accreditation.

IATA will have to decide on which entity receives the outstanding PKR 2,767,723 depending on whether or not IATA's claim against the Applicant's financial security has been actioned.

The Parties have complied with the terms of Resolution 820e and were placed on notice by the writer that in my judgment an oral hearing was not necessary and that this decision would be based on the written information submitted.

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

1. The Agent's accreditation is to be reinstated subject to it complying with the following conditions:
 - (a) full payment of PKR 2,767,723 is to be made to IATA by 20 January 2018
 - (b) any interest determined by IATA is to be paid
 - (c) all fees and charges associated with the reinstatement are to be settled.

Decided this 9th day of January 2018 in Auckland.

This Decision is effective immediately. The following sub paragraph of Resolution 820e is brought to the attention of the Parties:

" 2.10 - within 15 days after the receipt of the decision, a party, with notice to the other Parties, may request that the Commissioner gives an interpretation of the decision or correct in the decision any error in computation, any clerical or typographical error, or any error or omission of a similar nature. If

the Commissioner considers that the request is justified, he shall make the interpretation or correction within 15 days of receipt of the request. The interpretation or correction shall form part of the decision."

In this particular case the 15-day time frame expires on 24 January 2018.

If after having pursued this process a Party still considers itself aggrieved by this Decision the Party has the right to seek review by arbitration as detailed in Resolution 824, Section 14.

Finally I seek your authority for this Decision to be posted on the private pages of the Travel Agency Commissioner website which can only be accessed by the 3 TACs and the 12 members of the Passenger Agency Programme Global Joint Council. In the absence of advice to the contrary by 25 January 2018 I will assume that there is no objection to that action being taken.

Jorgen Foged
Travel Agency Commissioner Area 3