

Decision 5/2018 Travel Agency Commissioner - Area 2

Andreas Körösi
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Applicant: *Royal Plus Travels And Tours*
IATA Code # 59-21421 2
Nigeria

Respondent: International Air Transport Association (IATA)
Torre Europa
Paseo de la Castellana, número 95
28046 Madrid, Spain

NOTE:

This summarized decision is being posted as the Parties have received it. Occasional requests for clarification are not posted. However, should any Stakeholder requests it, a copy of such clarification will be sent to her/him.

Background / Considerations:

The Applicant, prior being terminated, and in order to avoid the liquidation of its bank guarantee ("BG"), sought a Travel Agency Commissioner's review in December 2017, aiming at gaining some extra time to arrange alternatives to pay its outstanding debt towards BSP Member Airlines.

The Respondent was only allowing a 2 months period in a repayment schedule for the Applicant to honour the total amount of its debt.

The Applicant, at the time of this request for review, had a valid insurance policy ("DIP"). However, the Respondent had raised valid concerns about the fact that, even if it agreed to sign a repayment schedule with the Applicant for an extended period of time, such DIP was to expire before the possible conclusion of any repayment agreement (other than the proposed for 2 months only).

At that time, this Commissioner informed the Applicant **that it was not going to be allowed a repayment agreement after the DIP had lost validity.**

It was noted that the validity of the DIP was possible to be encashed **not later than** January 10th, 2018.

Considering those facts, this Commissioner was prepared to allow a repayment schedule until that day - **MINUS 10 business days** allowing the Respondent

administrative time to encash the DIP, should the Applicant had not paid all its debts before that date.

The DIP provider, *Leadway Company*, intervened in the case presenting the following arguments:

<<I'd like to question the rationale behind the repayment plan being restricted to just 2 month merely because the DIP certificate expires 31st March 2018.

The default occurred whilst the Agency was under cover and we have already been notified and I believe are kept in the picture as pertains to any development on the case. More so, the standard practice is to get a confirmation from us that we will settle the claim in the event that the Agent is unable to make his obligations under the repayment plan.

With this background, making the Agent pay within two months or even shorter as the case might be will be a difficult task for any Agency who is already in difficult circumstances to attain.

I therefore suggest that the Agent be allowed to pay within the 6-month period, normal to the IATA repayment plan. All you need is a confirmation from us that we will still cover the agent if he falls off the plan>>

Considering that neither this Office nor the Respondent is served by impeding the Applicant to pay its debt, a confirmation from the DIP provided, in a separate letter, suffice to allow the extended time that the Applicant needs to secure the funds and sign a repayment schedule with the Respondent.

Decision:

Based on the evidence on file and the applicable Resolutions;

It is hereby decided that:

Considering the formal letter issued by the DIP Provider, according to which:

<<This is a formal confirmation that if Royal Plus Travels and Tours does fall off the IATA repayment plan, we will as the DIP provider in question, step in and pay the claim since the default occurred while the Agent was covered by our DIP certificate.

This measure is to give the Agent the ability to salvage his situation as requested...>>

Considering that the Respondent has accepted such collateral, and committed to draft a repayment plan for payment in installments over 6 months;

- A new repayment schedule is to be drafted by the Respondent, in the terms agreed between the Parties, and signed by the Applicant;
- There is no need to request from the Applicant the submission of any additional financial security, since the Applicant will remain under the coverage provided by DIP, as referred to *supra*;
- As soon as the total outstanding debt will be fully honoured by the Applicant, **as well as all other reinstatement requirements are met**, the Applicant shall be reinstated in to the BSP system.

This Decision is effective as of today.

Decided in Stockholm, on January 25th, 2018

Andreas Körösi
Travel Agency Commissioner
IATA-Area 2

In accordance with Resolution 820e § 2.10 any Party may ask for an interpretation or correction of any error in computation, any clerical or typographical error, or any error or omission of a similar nature which the Party may find relevant to this decision. The time frame for these types of requests will be maximum 15 calendar days after receipt of this decision. Meaning as soon as possible and **not later than February 9th, 2018**.

Please also be advised that, unless I receive written notice from either one of you **before** the above mentioned date this decision will be published in the Travel Agency Commissioner's secure web site, provided no requests for clarification, interpretation or corrections have been granted by this Commissioner, in which case the final decision will be posted right after that.

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