

DECISION 2018 - 05 - 11A
TRAVEL AGENCY COMMISSIONER – AREA 3

Jo Foged
685 Remuera Road
Remuera, Auckland 1050
New Zealand

Applicant:

Ali and Khalid Karwan-e-Ibraheem (Pvt) Ltd. (“the Agent”)
IATA Code 27-3 2020
Lahore, Pakistan

Respondent:

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

The Case and Decision:

The Agent's accreditation was terminated as a result of it failing to settle a BSP billing post default. Prior to that action being taken IATA invited the Agent to pay a deposit of 50% or 20% as part of a 4 month repayment agreement; however, PKR 307,000, representing less than 20% of the debt, was made after the termination date.

In its request for review the Agent stated that it had been let down by one of its sub-agents who had not paid for some PKR 2,000,000 worth of tickets issued for it. The Agent had laid a complaint with the Police who were currently investigating the incident.

IATA advised that the Agent was in arrears to the amount of PKR 2,572,093 twenty percent of which was PKR 514,419 resulting in a shortfall of PKR 207,119, which would have to be paid before a repayment agreement could be concluded. Furthermore, as the Agent's current financial security expires on 30 August 2018 a 4-month only repayment schedule was possible.

In considering this matter it is clear that the Agent is responsible for the financial risk it takes in granting credit to a third party. However, IATA's apparent willingness to conclude a repayment agreement and the Agent pursuing recovery of the outstanding funds has swayed the writer to grant the Agent's fervent plea to be reinstated. It goes without saying that doing business with sub agents can be fraught with risk but is a chronic feature in many markets.

The Parties have complied with the terms of Resolution 820e and were placed on notice that in the writer's judgement 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 is to be reinstated subject to complying with the following conditions:-

- (a) Repaying all outstandings by entering into a 4 month repayment agreement with IATA which requires a further PKR 207,119 to be paid immediately to meet the 20 percent of debt criteria;
- (b) Paying all fees and charges associated therewith.

This Decision is effective immediately.

Decided this 11th day of May 2018 in Auckland.

Jorgen Foged
Travel Agency Commissioner Area 3

NOTES

1. 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 **26 May 2018**.

2. 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.

3. 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 27 May 2018 I will assume that there is no objection to that action being taken.