

**DECISION 2018 - 08 - 14**  
**TRAVEL AGENCY COMMISSIONER – AREA 3**

Jo Foged  
685 Remuera Road  
Remuera, Auckland 1050  
New Zealand

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**Applicant:**

***Urbi Travels and Tours*** (“the Agent”)  
IATA Code 42-3 0887  
Dhaka, Bangladesh

**Respondent:**

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

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**The Case and Decision:**

The Agent's accreditation was terminated as a consequence of it failing to settle a BSP billing having not been able to meet the initial terms of a repayment agreement involving a 20% deposit with 2 installments. The amount owed was BDT 4,774,766 (USD 56,426.00). The amount of financial security held by IATA was BDT 3,000,000 (USD 35,433.00).

In its request for review the Agent admitted that it had insufficient funds to cover its cheque for the subject BSP billing. The Agent stated that it had sought a repayment schedule, which was confirmed verbally by IATA, but did not eventuate in hard copy form and consequently the termination action was received. The owner was absent during these events and on his return discovered that IATA had made a claim against the Agency's financial security. The Agent had been in business for 33 years and was keen to continue working with the Airlines. It would pay BDT 2,442,122 (USD 28,860.00) on 15 October 2018 with the balance on 30 October 2018.

IATA stated that it had emailed the repayment plan to the Agent with a phone call follow up. The Agent had sought an extension to 15 September 2018 to pay the 20% deposit, which was declined, and the Agent was asked to submit proof of payment of same by 5 September 2018. In the absence of that deposit payment the Agent's accreditation was terminated on 6 September 2018.

In considering this matter it is obvious that it would be in the interests of both parties if the Agent was allowed to settle the debt as the amount of financial security held by IATA is less than the amount owed by the Agent. In that context IATA was asked to advise how they would see this matter moving forward with the

reinstatement of the Agent's accreditation being an element. Their response is detailed in the decision following.

The parties have complied with the provisions of Resolution 820e and were placed on notice that in the writer's judgement an oral hearing was not necessary and that the decision would be based on the written information submitted.

IATA made the point that "the Agent's Bank Guarantee expired on 31 December 2018 and in normal circumstances we would have insisted that the Agent provide the same before renewal but as a special case we allow the Agent to renew it before the expiry date on 31 December."

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

1. The Agent's accreditation is to be reinstated subject to it complying with the following conditions:

(a) The Agent is to pay 20% of the outstandings by 15 October 2018 with the balance being paid in 2 installments on 27 October 2018 and 27 November 2018;

(b) Paying the late remittance recovery charge, repayment interest and any outstanding invoices;

(c) Submitting a completed Agency Status Form.

This Decision is effective as of today.

Decided this 5<sup>th</sup> day of October 2018 in Auckland.

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 **19 October 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 20 October 2018 I will assume that there is no objection to that action being taken.

Yours faithfully,

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