

RESOLUTION 818g

PASSENGER SALES AGENCY RULES

△ PAC1(52)818g(except USA) Expiry: Indefinite
 PAC2(52)818g Type: B
 PAC3(52)818g

This Resolution is applicable in the following countries:

Area 1: Anguilla, Antigua and Barbuda, Argentina, Aruba, Bahamas, Barbados, Belize, Bermuda, Bolivia, Bonaire, Brazil, British Virgin Islands, Canada, Cayman Islands, Chile, Colombia, Costa Rica, Curacao, Dominica, Dominican Republic, Ecuador, El Salvador, French Guyana, Grenada, Guadeloupe, Guatemala, Guyana, Haiti, Honduras, Jamaica, Martinique, Mexico, Montserrat, Nicaragua, Panama, Paraguay, Peru, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, St. Eustatius, St. Maarten (Dutch part), Saba, Suriname, Trinidad and Tobago, Turks and Caicos Islands, Uruguay, Venezuela.

Area 2—Africa: Botswana, Central/West Africa¹, Egypt, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mauritius, Mayotte, Morocco, Mozambique, Namibia, Nigeria, Reunion Island, Rwanda, South Africa, Sudan, Swaziland, Tanzania, Tunisia, Uganda, Zambia, Zimbabwe.

Area 2—Europe: Albania, Andorra, Austria, Azerbaijan, Belgium, Bosnia & Herzegovina, Bulgaria, Channel Islands, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Gibraltar, Greece, Greenland, Hungary, Iceland, Ireland, Isle of Man, Italy, Kosovo, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia (FYROM), Malta, Moldova, Monaco, Netherlands, Norway, Poland, Portugal, Republic of Cyprus, Romania, Russian Federation, San Marino, Serbia & Montenegro, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom.

Area 2—Middle East: Gulf Area², Jordan, Kuwait, Lebanon, Saudi Arabia, Syrian Arab Republic, Yemen.

Area 3: Bangladesh, Cambodia, Chinese Taipei, Hong Kong (SAR), India, Indonesia, Japan, Kazakhstan, Korea, Kyrgyzstan, Macau (SAR, China), Malaysia, Mongolia, Nepal, Pakistan, People's Republic of China, Philippines, Singapore, South West Pacific, Sri Lanka, Thailand, Vietnam.

WHEREAS the Passenger Agency Conference ('the Conference'), in consultation with the travel agency community, wishes to provide consumers with a network of reliable and professionally managed sales outlets for air transportation products in an efficient and cost effective manner responsive to evolving individual marketplace requirements, it is,

RESOLVED that, the following provisions are adopted and implemented in any country, or group of countries (area), upon a request placed before the Conference in accordance with the Provisions for the Conduct of IATA Traffic Conferences. Notification of the date of implementation of this Resolution in any country shall be given to all Members by the Agency Administrator.

Contents

DEFINITIONS

GENERAL PRINCIPLES OF REVIEW

SECTION 1—AGENCY PROGRAMME JOINT COUNCIL

SECTION 2—QUALIFICATIONS FOR ACCREDITATION

SECTION 3—PROCEDURES

SECTION 4—ISSUE OF STANDARD TRAFFIC DOCUMENTS

SECTION 5—INTEGRITY OF STANDARD TRAFFIC DOCUMENTS—CUSTODY, PROTECTION AND PROPER ISSUANCE

SECTION 6—REPORTING AND REMITTING

SECTION 7—(INTENTIONALLY LEFT BLANK)

SECTION 8—CONSEQUENCES OF DEFAULT

SECTION 9—CONDITIONS FOR PAYMENT OF COMMISSION AND OTHER REMUNERATION

SECTION 10—CHANGE OF OWNERSHIP, LEGAL STATUS, NAME OR LOCATION

SECTION 11—REVIEWS BY THE TRAVEL AGENCY COMMISSIONER

SECTION 12—ARBITRATION

SECTION 13—MEASURES AFFECTING AN AGENT'S STANDING

SECTION 14—AGENCY FEES

SECTION 15—INDEMNITIES AND WAIVER

ATTACHMENT 'A'—REPORTING AND REMITTING

ATTACHMENT 'B'—NOTICE OF CHANGE

ATTACHMENT 'C'—REPORTING & REMITTANCE EXCEPTIONS

¹ Central/West Africa comprises: Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo (Brazzaville), Gabon, Ivory Coast, Mali, Mauritania, Niger, Senegal, Togo.

² Gulf Area comprises: Bahrain, Oman, Qatar, United Arab Emirates.

Definitions

The definitions of terms and expressions used in this Resolution are contained in Resolution 866. The use of words and expressions in the singular shall, where the context so permits, be taken to include their use in the plural and vice versa. Paragraph headings are for ease of reference only and do not form part of these Rules.

General Principles of Review

In the event the Agency Administrator, hereinafter referred to as IATA, notifies an Agent of any kind of failure to meet or continue to meet the criteria so here described or of any other irregularity or non-compliance with these Rules, the Agent shall at all times be able to enter into discussion with IATA, to provide information to demonstrate its compliance and continued compliance with the terms of this Resolution within the prescribed deadlines. The Agent is also able to request a review by the Travel Agency Commissioner in accordance with Resolution 820e Section 1.1.

Section 1—Agency Programme Joint Council

In each country or area where this resolution is implemented an Agency Programme Joint Council (APJC) shall be established and shall continue to operate after implementation:

1.1 AGENCY PROGRAMME JOINT COUNCIL ('THE COUNCIL')

every Member or BSP Airline may, by written notification to the Agency Administrator, nominate a person of senior management standing (the nominee) to serve as its representative on the Agency Programme Joint Council for that country or area:

1.1.1 Composition

the Council shall consist of:

1.1.1.1 Members and Airlines designated from time to time by the Agency Administrator, from those having designated a nominee, bearing in mind the local market conditions. Any Member and Airline representative may attend the APJC as an observer at the discretion of the Chairman, whose approval shall not be unreasonably withheld. Observers are allowed to participate with the permission of the Chairman and contribute in the discussions. Members/Airlines must not designate a General Sales Agent as their APJC representative. GSAs are also not permitted to attend APJC meetings as observers.

1.1.1.2 representatives, who are Accredited Agents, selected from the agent community as coordinated by the agency association(s). Agent representation shall constitute half of the Council's membership. Executive officers of agent associations without a designated representative may attend the APJC as observers at the discretion of the Chairman, whose approval shall not be unreasonably withheld.

1.1.1.3 the Agency Services Manager as an ex officio member; provided that the number of Members, Airlines and Agents' representatives as provided in 1.1.1.1 and 1.1.1.2 above shall be determined by the Agency Administrator in proportion to their respective numbers in the country or area of the Council and shall be included in his recommendation to the Conference; provided further that the total voting membership of the Council shall not exceed 18;

1.1.2 APJC Authority and Terms of Reference

1.1.2.1 the Council may consider all aspects of the Agency Programme in the country or area and make recommendations in the form of agenda proposals to the Passenger Agency Conference which shall inform the Council of action taken, and the reason for the decision made. Conversely, the Agency Administrator shall refer to the Council for comments and recommendations all proposals submitted to the Passenger Agency Conference which fall within the Council's authority,

1.1.2.2 the Council shall make recommendations to the Passenger Agency Conference regarding accreditation criteria in respect of financial standing;

1.1.2.3 in the event that no recommendation on changes to Local Financial Criteria, Remittance Frequency, or other matters within the terms of reference of an APJC can be achieved after consultation at an APJC within 24 months or 4 consecutive meetings (whichever represents the shorter period of time), any APJC member or group of members may make proposals directly to the Passenger Agency Conference.

1.1.2.4 the Council when it deems appropriate shall create a Financial Advisory Group to review and make recommendations to it on the Local Financial Criteria, which body shall function as per sub-paragraph 1.1.3 below.

1.1.3 Financial Advisory Group

1.1.3.1 the Council may establish a Financial Advisory Group to assist in the development of Local Financial Criteria for accreditation. The Financial Advisory Group (FAG) will be under the direct control of the Council and shall:

- (i) be composed in equal numbers of qualified staff of both airline and agent members,
- (ii) consist at a minimum of two airline and two agent representatives as nominated by the APJC.

1.1.3.2 FAG may seek the assistance of legal expertise and/or external financial expertise to advise on local accounting standards.

1.1.3.3 the FAG will review any existing Local Financial Criteria against changing economic conditions in the market and make recommendations for change to the Council.

1.1.3.4 Recommendations of the FAG will be subject to ratification of the Council as per sub-paragraph 1.1.4.

1.1.4 Procedures

the Council shall meet when required and shall elect its Chairman from its membership. A simple majority of the Council shall constitute a quorum and recommendations shall be adopted, for consideration by the Conference, when a majority of the air carriers and a majority of the Agents present vote in favour of the proposal. Except as provided herein, the Council shall establish its own procedures and submit a report of its activities to each meeting of the Conference.

1.1.4.1 the IATA Secretary shall formally call meetings of the Council and shall establish the date and venue in consultation with the Chairman. The Secretary shall compile and distribute the agenda in a timely manner.

1.1.4.1.1 minutes of each meeting shall be compiled by the Secretary and presented to the Chairman for approval. Thereafter such minutes shall be circulated promptly to the membership who shall be free to provide comments to those minutes for consideration at the next formal meeting of the Council where such minutes shall also be tabled for approval of the Council.

1.2 Agency Services Office

the Agency Services Office shall be headed by the Agency Services Manager appointed by the Agency Administrator to operate and manage the accreditation programme in the country or area, including administrative actions and reviews associated therewith and also, when so decided by the Agency Administrator, to act as the local representative of IATA. The Agency Services Manager shall propose to the Agency Administrator recommendations for the annual budget of the accreditation activities of the Agency Services Office. The Director General, in consultation with the Agency Administrator shall review the recommendations and determine and approve the final budget.

Section 2—Qualifications for Accreditation

The requirements and qualifications listed in this Section 2 (including established Local Financial Criteria published in the Travel Agent's Handbook) are designed to assess on fair and neutral terms whether the applicant has the necessary qualifications and financial standing to become and maintain status as an Accredited Agent, with the consequent credit entitlement that results.

2.1 Any person in possession of the appropriate official licence, where required, may become an Accredited Agent by making an application to IATA wherever such Person carries on business and by meeting the qualifications described below.

2.1.1 The applicant must demonstrate and/or provide evidence of compliance in respect of the following:

Registration/Licence

2.1.2 The applicant's business entity and/or its owners and managers must have the requisite official registration and/or licence to trade and offer travel agency services, as prescribed by applicable law.

Staff

2.1.3 The applicant must have in its employment competent and qualified staff able to sell international air transportation and correctly issue electronic travel documents and report these to the BSP.

Finances

2.1.4 The financial stability of the applicant is assessed in relation to the Sales at Risk, taking into account net equity, net current assets compared to the net cash sales of an average prescribed reporting and remitting period. Such evaluation shall be in accordance with the Sales Agency Rules and, as the case may be, the Local Financial Criteria.

2.1.4.1 The applicant must provide accounts showing a satisfactory financial standing and ability to remain solvent and pay bills. The applicant shall submit independently produced financial statements prepared in accordance with local accounting practices.

2.1.4.2 To obtain a satisfactory evaluation, the applicant may be required to provide further information or additional financial support in the form of bank or insurance bonds or guarantees to cover the Sales at Risk. Recognising that IATA is mandated to conduct examinations of the financial standing of Agents in accordance with the provisions of this Section 2, a BSP Airline may request a separate bank guarantee on the grounds that the current Local Financial Criteria in the market require strengthening, under which circumstances the following actions will apply:

- (i) The BSP Airline must notify the Agency Administrator that the current Local Financial Criteria in the market require strengthening
- (ii) The Agency Administrator will:

- (a) authorise the BSP Airline to request a separate bank guarantee; any such bank guarantee obtained must be notified to IATA by both Airlines and Agents
 - (b) call an APJC meeting to propose strengthening the Local Financial Criteria in accordance with the requirements of Resolution 818g, Section 1
- (iii) In the event that no recommendation on changes to Local Financial Criteria can be achieved, the provisions of Resolution 818g, subparagraph 1.1.2.3 may be invoked
- (iv) Following the adoption by Conference of the changes to the Local Financial Criteria, and subsequent to a financial review of the Agent in accordance with these criteria, IATA will require the BSP Airline to return the Agent's separate bank guarantee to the Agent

2.1.4.3 The only other permissible separate airline bank guarantee is when it is for specific commercial interests. In such circumstances the airline must notify IATA of the precise circumstances and IATA will review such arrangements on a quarterly basis to determine whether the individual bank guarantee should continue.

Branch Locations in Other Countries

2.1.4.4 An applicant that opens Branch Locations in a country, that is different from where the Head Office legal entity is located, will be assessed against the Local Financial Criteria established for the country of the Branch Location. In such event the Agent will be required to submit the financial documents of the Head Office legal entity. Where the Agent is unable to meet the applicable Local Financial Criteria of the country of the Branch Location, it shall be required to furnish additional security in the form of a Financial Security to cover the Sales at Risk for that location.

2.1.4.5 an applicant owned by a Member, where the Member or Member's parent company holds greater than 50% of the equity of the applicant or of the applicant's parent company, shall not be subject to the inclusion of the Member's sales by the applicant in the calculation of the Sales at Risk under the Local Financial Criteria, as adopted by the Conference and published in the Travel Agent's Handbook.

Premises

2.1.5 The applicant shall be identified as a place of business for a travel agency in accordance with applicable laws.

2.1.6 The Agency and/or place of business shall not be identified, or represent itself, as an office of an airline or group of airlines, nor have a name the same as that of a Member of IATA, or of IATA.

2.1.7 The location where business is conducted shall not be in office space jointly occupied with an airline or an airline's General Sales Agent. Where a location is jointly occupied with another Travel Agency, each Agent shall be responsible to report its sales under its separate IATA Numeric Code.

Trading History

2.1.8 No person who is a director of, or who holds a financial interest or a position of management in the Applicant, shall have been a director of, or had a financial interest, or held a position of management in an Agent which has been removed from the Agency List or is under notice of default and still has outstanding commercial debts;

2.1.9 The applicant may nevertheless be approved if the Agency Services Manager is satisfied that such person was not responsible for the acts or omissions that caused such removal or default and is satisfied that the applicant can be relied upon to comply with the terms of the Sales Agency Agreement, these Rules and other Resolutions of the Conference;

2.1.10 The applicant shall not trade as a General Sales Agent for any air carrier in the country where it is established.

Security

2.1.11 An applicant shall undertake to provide sufficient protection for its business, premises and systems used for the issuance of STDs in accordance with the provisions detailed in Section 5 of this Resolution.

2.1.12 The applicant shall have, at the place of business under application, the facility to issue on behalf of Members/Airlines participating in the BSP, STDs through the use of an approved Electronic Ticketing System as defined in Resolution 854.

2.1.13 An Agent is recommended to take all necessary precautions to protect its business and business applications.

Online Agent

2.1.14 Applicants for approval as an internet-only Agent must meet the criteria specified in this section with the exception of the physical requirements relating to Premises and Security. In addition any entity applying for the status of an Online Agent must have an established physical Head Office duly registered/licensed to operate as a business. The applicant will also be required to conclude a Passenger Sales Agency Agreement to cover each Online Agent location in a country.

2.1.15 The applicant will effect sales through a website and where local laws permit the applicant may have its Head Office Location/Administrative Office in one country and establish a local web address in another country. The Head Office Location/Administrative Office will be required to meet the criteria specified in this section. In such circumstances each location will be responsible for the reporting and remitting of BSP sales to the BSP of the country/area in which it is located.

European Accredited Agent (EAA)

2.1.16 Any Agent established or planning to establish locations in the European Union (EU), the European Economic Area (EEA) or Switzerland may apply for EAA status. European Accredited Agents must be officially registered as companies under the national law of a

member state of the EU, EEA or Switzerland and/or licensed to trade and offer travel agency services as prescribed by the national commercial or fiscal law of that member state. The Head Office must be located in the same member state as the entity is registered. The Head Office of the controlling entity which applies to become a EAA shall accept full financial responsibility to IATA and its Members for the performance of all of the locations within its application for classification as an EAA and for any locations subsequently added.

2.1.17 Once Accredited as such, an EAA shall automatically acquire the right to open affiliated, subsidiary locations and implants within the EU, EEA and Switzerland without the need to seek individual accreditation for these locations on the condition that the criteria described in this section are met. When notifying IATA of the creation of a new Location the EAA shall be required to indicate the name, address and other relevant information, (contained in the Application Form shown as Attachment D to this resolution) of the new Location.

General Requirement

2.1.18 All material statements made in the application shall be accurate and complete.

Reviews and Consequences of Non Compliance

2.2 IATA has the right to conduct examinations of the financial standing of Agents annually and for cause at any time. IATA may request that an Agent must provide the documents deemed necessary to conduct such examination, by a date no earlier than seven days from the date of the request for the examination. Failure by the Agent to submit such documents as prescribed shall be grounds for IATA to apply two instances of irregularity and to give the Agent 30 days to comply, except where IATA determines that the Agent has made all reasonable efforts to meet the specified date, in which case IATA, in its sole discretion, may extend the due date by a further seven days without penalty. Failure by the agent to comply shall be grounds for IATA to give the Agent written notice of removal from the Agency List, provided that if the Agent submits the required documents prior to the removal date the removal shall not take effect. Where the Agency Administrator gives notice of removal under this provision, the notice shall specify the date at which it will be effective, which shall not be before the date specified in clause 13.2 of the Passenger Sales Agency Agreement;

2.2.1.1 When IATA determines that an Agent no longer satisfies the applicable Local Financial Criteria, IATA shall immediately inform the Agent in writing of conditions as are deemed appropriate to be complied with by the Agent by a specified date including, but not limited to, the provision of a Financial Security if none had been previously required;

- 2.2.1.1(a)** provided that such Financial Security will only be requested if the amount is equal to or higher than USD 5,000 or the equivalent in local currency for countries where the Local Financial Criteria specify that the Financial Security can be provided in local currency.

- **2.2.1.1(b)** the provision in 2.2.1.1(a) will only apply when there is no minimum Financial Security amount specified in the Local Financial Criteria.

2.2.1.2 Additionally, IATA has the right to review at any time the Agent's Sales at Risk and require an adjustment to any existing Financial Security provided to ensure appropriate and sufficient coverage. Such adjustment may require an increase or decrease in the Agent's Financial Security. The adjusted Financial Security provided under this Subparagraph shall be in accordance with these Sales Agency Rules, and may go beyond the established Local Financial Criteria including, in the event of action taken by the Agency Administrator for Prejudiced Collection of Funds, a requirement to provide a new Financial Security.

- **2.2.1.2(a)** provided that an increase in the Financial Security amount will only be requested if the increase equals to or is higher than USD 5,000.
- **2.2.1.2(b)** the provision in 2.2.1.2(a) will only apply when there is no minimum Financial Security amount specified in the Local Financial Criteria.

- △ **2.2.1.3** In all cases where a Financial Security needs to be provided, it shall be provided by a specified date to be determined by IATA, which shall be 30 days (40 days in Argentina, Brazil, Canada, Colombia and Venezuela) from the date of such written notification. On finding that the Agent failed to comply with a requirement to provide a Financial Security or an increase thereof, such failure shall be grounds for IATA to apply two instances of irregularity and IATA shall withdraw all Standard Traffic Documents (STDs) and require the agent to comply with the conditions within 30 days (40 days in Argentina, Brazil, Canada, Colombia and Venezuela). Failure by the agent to comply within the required days shall be grounds to give the Agent notice of removal from the Agency List, which removal shall take effect on a date that is not before the date specified in clause 13.2 of the Passenger Sales Agency Agreement, and to notify all BSP Airlines accordingly;

- △ **2.2.2** if subsequent to the action taken under Subparagraphs 2.2.1.1 through 2.2.1.3 above, but prior to the removal date, the Agent satisfies IATA that the prescribed conditions have been met, the removal shall not take place, the double irregularity shall remain in place and IATA shall notify the Agent and all BSP Airlines accordingly;

2.2.3 in the circumstances described in Subparagraphs 2.2 through 2.2.2 above IATA shall, if so agreed by the Conference, using the procedures of the BSP, levy an administration charge on the Agent to cover additional workload caused by the late submission of financial documents and/or caused by delay in meeting the prescribed conditions referred to in Subparagraph 2.2.2 above. The charge shall be as recommended by IATA through the APJC and agreed by the Conference;

2.2.4 where pursuant to the provisions of Subparagraph 2.2 or 2.2.1.3 above STDs are withdrawn or an Agent receives notice of removal, the Agent may within 30 days of the date of such withdrawal, notice of removal or of termination, invoke the procedures set out in

Resolution 820e for review of IATA's action by the Travel Agency Commissioner including the possibility of seeking interlocutory relief. Before granting an interlocutory order under this Subparagraph, the Travel Agency Commissioner shall require the Agent to provide a bank or other financial guarantee to IATA;

2.2.5 If an Agent is required to provide a Financial Security, the Agent must ensure that the Financial Security is and remains valid, and is renewed by the expiry date. IATA also has the right to review the validity of a Financial Security including in accordance with the Local Financial Criteria.

2.3 When IATA receives evidence that an Accredited Agent or Approved Location has changed status or does not continue to meet the qualifications for accreditation, IATA shall initiate a review of the Agent or Approved Location. If, following written notice by IATA of the qualification criteria that are at issue, the Agent is unable to demonstrate to IATA, by a reasonable date specified by IATA, that it meets the qualifications, by a date specified in that notice, which shall be no earlier than 15 days from the date of the notice, IATA shall give the Agent notice of removal from the Agency List. The notice of removal shall specify the earliest date at which removal shall be effective, which shall not be before the date specified in clause 13.2 of the Passenger Sales Agency Agreement. Removal from the Agency List here, and elsewhere in this Section, means that IATA shall withdraw all Standard Traffic Documents. Such removal shall not take effect if, prior to the date of removal, IATA determines that the Agent or Location meets the qualifications. The Agent or Approved Location may, within 30 days of the date of the notice of removal, invoke the procedures set out in Resolution 820e for review of the Agency Administrator's action by the Travel Agency Commissioner and may also apply for an interlocutory order staying the removal action pending the outcome of the review;

2.4 if at any time IATA becomes aware that an application, which resulted in accreditation of the applicant, contained a material statement that was inaccurate or incomplete in respect of the criteria set out in Subparagraph 2.1.8 and 2.1.13 of this Paragraph, it shall be grounds for IATA, if it considers that the circumstances so warrant, to remove the Agent, or the Location concerned, from the Agency List. IATA shall give the Agent up to 30 days advance notice in writing of removal from the Agency List; provided that such removal shall not take effect if, prior to the date of removal:

2.4.1 the Agent eliminates the grounds for such removal to the satisfaction of IATA, or

2.4.2 IATA is satisfied that the Agent can be relied upon to comply with the terms of the Sales Agency Agreement, these Rules and other Resolutions in the Travel Agent's Handbook.

2.4.3 the Agent invokes the procedures set out in Resolution 820e for review of the Agency Administrator's action by the Travel Agency Commissioner and successfully applies for interlocutory relief including provision of such bank or other guarantee as the Commissioner may deem appropriate.

△ 2.4.4 in the event an Agent or applicant materially misrepresents its financial standing, providing that written evidence of such action is presented and can be verified, the Agency Administrator shall take action to remove the Agent from the Agency List and to remove the Agent's Electronic Ticketing Authority.

2.5 ELECTRONIC TICKETING (ET)

The following provisions shall apply in any country/area in which a BSP is in operation, where Electronic Ticketing has been implemented.

2.5.1 Granting and Termination of Electronic Ticketing Authority

2.5.1.1 a BSP Airline participating in the Billing and Settlement Plan may issue an ET Authority to a Head or Branch Office Location of the Agent;

2.5.1.2 any BSP Airline having issued an Electronic Ticketing Authority to an Agent, may cancel such authority in respect of the Agent, or any Location of the Agent by so notifying the Agent in writing or by updating the relevant information online through the BSPlink system;

2.5.1.3 if the update is not performed electronically in BSPlink, the BSP Airline shall simultaneously advise the BSP of the removal of the Electronic Ticketing Authority and the BSP Manager shall instruct the Ticketing System to inhibit Electronic Ticketing issuance on behalf of that BSP Airline;

2.5.2 Issuance of Electronic Tickets

the Agent shall comply with the instructions issued by the BSP and the ticketing BSP Airline(s) in relation to the issuance and reporting of Electronic Tickets.

2.6 FAILURE TO COMPLY WITH REQUIREMENTS OR TO CONTINUE TO MEET QUALIFICATIONS

△ In the event an Agent fails to comply with any of the requirements or qualifications listed in the Passenger Sales Agency Rules or with any of the terms of the Passenger Sales Agency Agreement the Agency Administrator shall take action to remove the Agent's Electronic Ticketing Authority. In situations where an Agent fails to meet the requirements of the reporting and remittance rules irregularity and/or default action will be taken as described in those rules.

Section 3—Procedures

Upon request, the Agency Services Manager shall supply each prospective applicant with an application form and a copy of the IATA Travel Agent's Handbook containing these Rules and other relevant information and guidance.

3.1 APPLICATION FOR ACCREDITATION

an applicant which wishes to be included on the Agency List and have a place of business entered as an Approved Location on the Agency List, or an Agent which wishes to have an additional place of business entered as an Approved Location on the Agency List, shall apply to the Agency Services Manager who is empowered to accredit the applicant or to reject such applications.

3.2 FORM OF APPLICATION—PROCESSING

3.2.1 the applicant must complete the application form prescribed. The submitted application shall be accompanied by financial statements as required under Section 2 of these Rules, other documents as set forth in the Handbook and by fees covering the following:

3.2.1.1 application fee which is non-refundable, and

3.2.1.2 entry fee, and

3.2.1.3 the first annual Agency fee;

3.2.2 upon receipt, the Agency Services Manager shall, within one month subject to external influences, consider whether such application is complete. If any of the required information or fees have not been included with the application the Agency Services Manager shall so inform the applicant;

3.2.3 if the Agency Services Manager finds the application is complete, he shall publish, within one month subject to external influences, to Members and BSP Airlines in a listing that such application has been received. Such listing shall be published as required;

3.2.4 IATA may arrange an inspection to assist in determining whether the applicant meets the qualifications necessary to become an Accredited Agent or for a Branch Office Location, as applicable;

3.2.5 the Agency Services Manager shall consider each application and supporting information and any other information brought to his attention and decide within 15 working days of the application listing if the applicant meets the qualifications to become an Accredited Agent or Approved Location;

3.2.6 the applicant shall be notified promptly in writing of the Agency Services Manager's action and in the event of rejection shall be given clear reasons why the application failed;

3.2.7 a rejected applicant or an Agent whose application for an additional location has been rejected may, within 30 calendar days of the date of the Agency Services Manager's notice, request reconsideration of the decision by the Agency Services Manager or may invoke the procedures for review of the Agency Services Manager's action by the Travel Agency Commissioner;

3.2.8 subsequent to approval and addition to the Agency List any Member or BSP Airline may register with the Agency Services Manager information concerning the Accredited Agent, where it feels that approval justifies further review.

3.3 ACTION FOLLOWING ACCREDITATION OF APPLICANT

3.3.1 if the Agency Services Manager determines that the applicant or location has shown that it meets the qualifications, he shall request the Agency Administrator to enter the applicant or location on the Agency List;

3.3.2 the Director General, acting on behalf of such IATA Members as may appoint Agents, shall execute a Sales Agency Agreement with each Person accredited as an Agent in accordance with these Rules and the Agency Administrator shall, within one month subject to external influences, notify all Members of the names of parties executing Sales Agency Agreements and the dates of such Agreements;

3.3.3 the Agency Administrator shall maintain, publish and circulate, twice a year, an Agency List of all Persons with whom the Director General has entered into a Sales Agency Agreement in accordance with Subparagraph 3.3.2 of this Paragraph, which will include, but not be limited to, the following information:

3.3.3.1 name and postal address,

3.3.3.2 address of place of business,

3.3.3.3 type (Head Office, Branch or Administrative Office),

3.3.3.4 date of Accreditation,

3.3.3.5 IATA Numeric Code;

3.3.4 for the purpose of these Rules, a Person's name shall be deemed to be included on the Agency List from the date when such Agreement is entered into until the date when it is terminated, and a Location shall be deemed to be included on the Agency List from the date when the Agreement applies to that place of business to the date when it ceases to apply;

3.3.5(a) an Accredited Agent wishing to identify a specific sales activity performed at an Approved Location, may request the allocation of an additional IATA Numeric Code for such purpose, on the following conditions:

3.3.5(a)(i) the Agent shall apply in writing to the Agency Services Manager, describing the specific sales activity referred to in Subparagraph 3.3.5(a) above and requesting the allocation of an additional IATA Numeric Code to identify such sales activity,

3.3.5(a)(ii) on receipt of such application, the Agency Services Manager shall verify that the specific sales activity for which the additional numeric code is required is conducted solely at the Location concerned and in compliance with the minimum security provisions set forth in Section 5 of these Rules,

3.3.5(a)(iii) if satisfied that the foregoing conditions are met, the Agency Services Manager shall request the Agency Administrator to allocate the additional IATA Numeric Code accordingly,

3.3.5(a)(iv) an entry fee and an annual agency fee shall be payable as though the additional IATA Numeric Code applied to a separate Branch Office Location in accordance with 14.1 of Section 14 of these Rules;

3.3.5(b) the additional IATA Numeric Code so allocated shall be entered on the Agency List but such entry shall not be considered as establishing a separate Branch Office Location.

3.4 APPOINTMENT OF AGENT BY INDIVIDUAL MEMBERS OR BSP AIRLINES

3.4.1 Manner of Appointment

3.4.1.1 a Member or BSP Airline may appoint an Accredited Agent which is on the Agency List and such appointment shall, unless otherwise specified, cover all Approved Locations of the Agent:

3.4.1.1(a) the Member may deposit with the Agency Administrator a statement of General Concurrence for the appointment of all Accredited Agents. The Agency Administrator shall annually publish in the Travel Agent's Handbook a list of Members having deposited with him a statement of General Concurrence,

3.4.1.1(b) alternatively, a Member may deliver to such Agent a Certificate of Appointment in the form prescribed by the Conference;

3.4.2 Effectiveness of Appointment

3.4.2.1 individual appointments shall be effective:

3.4.2.1(a) as to those Members who have deposited a statement of General Concurrence, immediately upon inclusion of the Agent on the Agency List, or as from the date the statement is deposited if such date is subsequent to that of the Agent's inclusion on the Agency List,

3.4.2.1(b) as to any other Member, as from the date on the Certificate of Appointment.

3.5 TERMINATION OF INDIVIDUAL APPOINTMENT

3.5.1 any Member having appointed an Accredited Agent to act for it may cancel such appointment in respect of the Agent or any Location of the Agent:

3.5.1.1 in the case of appointment by General Concurrence, by so notifying the Agent in writing, with copy to the Agency Administrator;

3.5.1.2 in other cases, by delivering to the Agent a notice of termination cancelling the Certificate of Appointment.

3.6 CAPACITY AND INDEMNITY

Members or BSP Airlines appointing Agents undertake to indemnify IATA, its officers, employees and other appointees against liability (including liability for legal costs) for any action taken or omitted in good faith in the performance of their functions under these Rules (other than under Section 1 of Attachment 'A' of these rules) and under other applicable Resolutions. Members and BSP Airlines participating in a Billing and Settlement Plan undertake to indemnify IATA, its officers, employees and other appointees against liability (including liability for legal costs) for any action taken or omitted in good faith in the performance of their functions with respect to such Plan under Sections 1 and 2 of Attachment 'A' of these Rules and under Resolution 850 and its Attachments.

Section 4—Issue of Standard Traffic Documents

4.1 Only Accredited Agents at Approved Locations may hold STDs. IATA shall provide Agents with STDs. STDs furnished by IATA to the Agent are, and remain, the property of IATA until duly issued.

4.1.1 BSP Airlines Participating in the Billing and Settlement Plan

4.1.1.1 a BSP Airline may place its ticketing authority at a Head or Branch Office Location of the Agent appointed by it. Provided also that a ticketing authority supplied to an Approved Location shall also authorise the Agent, unless otherwise advised by the BSP Airline to the Agent in writing, to issue STDs on any additional numeric codes assigned under the provisions of Section 2 of Subparagraph 2.2.5 of the Sales Agency Rules, to identify specific sales activities. Conversely, the BSP Airline is entitled to withdraw such ticketing authority;

4.1.2 Members not Participating in the Billing and Settlement Plan

4.1.2.1 a Member, not participating in the Billing and Settlement Plan, and wishing to conduct business with Accredited Agents at Approved Locations, shall do so in accordance with the provisions of the Passenger Sales Agency Agreement. This agreement and the Travel Agent Handbook govern the relationship between the Member and the Agent;

4.1.3 Removal by Agency Administrator in Special Circumstances

in the event a BSP Airline ceases all of its scheduled air service operations for reason of financial failure, the Agency Administrator shall, on instruction from the BSP Airline or from the Director General, cause that BSP Airline's BSP ticketing authorities to be removed;

4.1.4 Additional Responsibilities of Agent

4.1.4.1 an Agent is responsible for the safe custody and care of STDs whilst these are in its possession;

4.1.4.2 STDs shall be completed, validated and issued by the Agent only at an Approved Location.

4.1.4.3 an Agent shall not sell, validate or issue an STD of or in the name of a BSP Airline for transportation solely on any other air carrier, unless the Agent has been so authorised by the BSP Airline whose ticketing authority has been used;

4.1.4.4 an Agent that does not make use of Standard Traffic Documents in its possession for a period in excess of twelve months shall have such BSP STDs removed by the Agency Administrator. In the event, subsequent to the action above, an Agent has reason to request re-instatement of STDs it shall be subject to a review of its financial standing. If the inspection and the review reveal that the Agent still fulfils the accreditation criteria, the Agency Administrator shall reinstate ticketing facilities.

If after a period of three months the Agent still does not make use of STDs a notice of termination shall be sent to the Agent in accordance with paragraph 13.1.3 of Resolution 824. Likewise, a notice of termination shall be sent to the Agent if three months after removal of the STDs the Agent has not requested re-instatement of ticketing facilities.

4.1.5 Review of a BSP Airline's Individual Decision

4.1.5.1 notwithstanding the provisions of Paragraph 4.1.1 of this Section and of Paragraphs 3.4 and 3.5 of Section 3 of these Rules, an Agent which considers itself aggrieved by the decision of a BSP Airline:

4.1.5.1(a) to refuse to appoint such Agent, or

4.1.5.1(b) to withdraw its appointment of such Agent, or

4.1.5.2 with the result that such Agent's commercial interests are adversely affected to the point of placing its business in jeopardy, shall have the right to obtain such BSP Airline's criteria for appointing Agents or reasons for refusal, withdrawal or removal. If the Agent believes such justification is unreasonable then the Agent shall in the first instance seek clarification and satisfaction from the BSP Airline. If the issue is not thereby resolved, then the Agent shall have the right to have the BSP Airline's decision reviewed by the Travel Agency Commissioner pursuant to Resolution 820e; provided that when the BSP Airline's decision to withdraw its appointment from an Agent was made in application of the collective provisions of these Rules, the Agent's right for review shall not be exercised against the BSP Airline individually but as set forth in such collective provisions of these Rules and pursuant to Resolution 820e;

4.1.6 Review of Conference Decision

notwithstanding the provisions of Paragraph 2.3 of the Passenger Sales Agency Agreement, in the event that Agent is aggrieved by the incorporation into its Agreement of amendments made by the Conference to IATA Resolutions it shall be grounds for the Agent, within 30 days receipt of the Agency Administrator's notification of such amendments, to seek a review of its grievance by the Travel Agency Commissioner pursuant to Section 1.1.9 of Resolution 820e.

Section 5—Integrity of Standard Traffic Documents—Custody, Protection and Proper Issuance

5.1 DUTY OF CARE

An Accredited Agent is duty bound to take all reasonable care and precautions to secure standard Traffic Documents assigned to it and to protect them from unauthorized or improper issuance or post-issuance tampering whilst in its custody.

5.2 LIABILITY

The liability of an Agent in the event of the following is a strict one: damage, expenses or loss experienced by the BSP Airline, its officers, agents or employees on account of the misapplication, theft or forgery of Standard Traffic Documents assigned to the Agent.

5.3 AGENT TO REPORT IRREGULAR OCCURRENCES

5.3.1 An Agent who has reason to suspect any of the above occurrences must immediately report the matter, in writing, in accordance with the provisions of the BSP Manual for Agents.

5.3.2 An Agent whose business premises suffer any form of unlawful entry, such as a forced entry or burglary, irrespective of whether or not material loss is detected, shall immediately report the incident to the police authorities, with copy of such report to IATA.

5.4 CONSEQUENTIAL ACTION

Upon receipt of a report that an Agent has suffered loss as a consequence of robbery, theft, burglary, fraud or any other unlawful means which might have compromised the integrity of Standard Traffic Documents assigned to the Agent, IATA shall immediately alert all BSP Airlines in the country and publish to them the serial numbers of any Standard Traffic Documents the integrity of which has been compromised.

5.5 REVENUE LOSSES ATTRIBUTABLE TO ALTERATION OR FALSIFICATION OF STANDARD TRAFFIC DOCUMENTS WHILST IN AGENTS CARE

5.5.1 A BSP Airline which has incurred revenue loss as a consequence of alteration of original entries or falsification of entries made in one or more Standard Traffic Documents issued in its name, which may reasonably be attributed to the issuing Agent, may request review of the irregularity by the Agency Administrator;

5.5.2 upon receipt of such a request, the Agency Administrator shall promptly invite the Agent's explanation of the

purported irregularity and evaluate the documentary evidence thus obtained;

5.5.3 if the Agency Administrator does not receive an explanation from the Agent within ten working days of his request, or receives an explanation but concludes from it that an irregularity has indeed occurred and may reasonably be attributed to the fault of the Agent, he shall refer the matter, with all the documentary evidence in his possession, to the Travel Agency Commissioner with a request for review and action;

5.5.4 if the Agent demonstrates to the satisfaction of the Agency Administrator that the irregularity was committed by an employee who acted without the knowledge or complicity of the Agent, the Agency Administrator shall require the Agent to make good the revenue loss within a prescribed period prescribed by him. Failure by the Agent to adhere to the terms of the Agency Administrator's requirement shall cause him to refer the matter to the Travel Agency Commissioner, with a request for review and action;

5.5.5 if the Agency Administrator concludes that the detected irregularity and ensuing revenue loss stem from the Agent's own fault; intentional, negligent or otherwise, he shall immediately pass the documentary evidence gathered to the Travel Agency Commissioner, with a request for review and action.

Section 6—Reporting and Remitting

The provisions regarding sales reports, billings, remittances and collections and defaults under a Billing and Settlement Plan are contained in Section 1 of Attachment 'A'.

Section 7—(Intentionally left blank)

Section 8—Consequences of Default

The provisions regarding the consequences of default are contained in Section 2 of Attachment 'A'.

Section 9—Conditions for Payment of Commission and Other Remuneration

9.1 RATE OF COMMISSION OR AMOUNT OF REMUNERATION

Any commission or other remuneration paid to the Agent shall be established by the Member or BSP Airline. Such commission or other remuneration shall be established in advance and communicated in writing to the Agent. Any changes in the level of commission or other remuneration or associated condition shall be notified in advance by giving written notice to the Agent.

9.2 INTERLINE SALES

the amount of fare on which commission shall be computed may include, and the level of any other remuneration may take into account, interline passenger transportation over the services of other Members or BSP Airlines with which the Agent's principal has an interline Traffic agreement. A Member or BSP Airline may also pay commission or other remuneration to an Agent for passenger transportation sold on the services of an air carrier that is not a Member or BSP Airline when the Member or BSP Airline has been so authorised by such air carrier.

9.3 CONDITIONS FOR PAYING COMMISSION

9.3.1 where commission is payable to an Agent it shall be calculated on the amount of the fares applicable to the air passenger transportation:

9.3.2 the 'fares applicable' are the fares (including fare surcharges) for the transportation in accordance with the Member's or BSP Airline's tariffs and shall exclude any charges for excess baggage or excess valuation of baggage as well as all taxes and other charges collected by the Agent.

9.4 RECALL OF COMMISSION OR OTHER REMUNERATION

when a refund is made of all or any part of the fare or charge for any transportation, the commission or other remuneration shall be recomputed on the un-refunded fare or charge. If the commission or other remuneration has already been paid, any amount in excess of the recomputed commission or other remuneration shall be paid back. When there is an involuntary change of routing involving a substitution of surface transportation for confirmed air transportation a recall of commission or other remuneration shall not be deemed due. In case of involuntary change of routing to other air services, nothing shall prevent the Member from passing on the commission or other remuneration received from the new carrying carrier.

Section 10—Change of Ownership, Legal Status, Name or Location

10.1 NOTIFICATION OF CHANGES

All changes of ownership, legal status, name or location of the Agent that may impact its accreditation status shall be notified to the Agency Administrator prior to the change to enable processing in accordance with the respective provisions of this Section. Information and data relating to the Agent will be treated as confidential. Following is a summary of the main provisions in this Section:

10.2 Changes within a corporation not requiring a new Sales Agency Agreement

10.3 Procedures for changes requiring a new Sales Agency Agreement

10.4 Other procedures for processing changes

10.5 Final approval by Agency Administrator

10.6 Effect of disapproval

10.7 Death of a sole owner or member of a partnership, or other unincorporated firm

10.8 Change of location or name

10.9 Sale of location to another Accredited Agent

10.10 Sale of Branch Office Location to an outside party

10.11 Change of location type

10.12 Late notifications or absence of Notification of Change

10.13 Notices to BSP Airlines

10.2 CHANGES NOT REQUIRING A NEW PASSENGER SALES AGENCY AGREEMENT

10.2.1 The following changes to an Agent, which is structured as a corporation or limited liability company, require notice to be provided to IATA in accordance with Subparagraph 10.2.2 but do not require execution of a new Sales Agency Agreement, provided that the changes do not alter the Agent's legal nature with respect to its responsibilities and obligations under applicable law:

10.2.1(a) a reduction of capital;

10.2.1(b) the disposal or acquisition of stock representing 30% or more of the total issued share capital of the Agent by any Person, whether by means of a single transaction or as the result of a series of transactions, over a period of not more than three years;

10.2.1(c) any reduction in capital, disposal or acquisition of Stock less than 30% that has the effect of vesting the control, as defined in applicable local law, of the Agent in a person in whom it was not previously vested, whether

by means of a single transaction or as the result of a series of transactions, over a period of not more than three years. Such transfer of Stock will nonetheless be subject to the notification requirements under Subparagraph 10.2.2.

10.2.2 No later than 7 days after any change listed in Subparagraph 10.2.1 taking effect, the Agent must provide to IATA notice of the change and the most recently available accounts, in accordance with the applicable criteria, as defined in Section 2 of this Resolution. The Agent's accreditation will remain in effect unless, after reviewing the change or completing the Financial Review of the Agent, IATA determines that (i) the Agent does not satisfy the qualifications for accreditation, or (ii) the change alters the Agent's legal nature, in which case the Agency Administrator shall initiate a review of the Agent.

10.3 PROCEDURES FOR CHANGES REQUIRING A NEW PASSENGER SALES AGENCY AGREEMENT

The following changes to an Agent require the execution of a new Sales Agency Agreement:

10.3.1(a) in the case of a sole owner, partnership or other unincorporated entity:

10.3.1(a)(i) the transfer of an interest in the Agent that has the effect of transferring control of the Agent to a Person in whom it was not previously vested,

10.3.1(a)(ii) the admission or withdrawal of a partner, or

10.3.1(a)(iii) the incorporation of the Agent;

10.3.1(b) in the case of a corporation or limited liability company:

10.3.1(b)(i) the acquisition of the Agent by a Person who is not an Agent,

10.3.1(b)(ii) the transformation of the Agent into a partnership or unincorporated firm,

10.3.1(b)(iii) any change which reduces the liability of any Person who was previously liable for the debts of the corporation, whether directly or indirectly, or

10.3.1(b)(iv) any change in the legal nature of the Agent, such that after the change, the legal nature of the Agent is not that existing prior to the change of legal status.

10.3.2 in the event of a change to an Agent, as set forth in Subparagraphs 10.3.1 (a) or 10.3.1(b), notice shall be submitted to the Agency Administrator by the Agent and, if applicable, the new owner, using the Notice of Change set forth at Attachment 'B' at least seven days before the change is to be effected. As soon as practicable given the nature of the change, the Agent and/or, if applicable, the new owner, shall submit an application for accreditation in accordance with Section 3 of these Rules;

10.3.3 upon receipt of the Notice of Change form, the Agency Administrator will countersign the Notice of Change form which will have the same effect as a Sales Agency Agreement, and/or, if applicable, the new owner,

unless the application for accreditation fails to meet the criteria set forth in Section 3 of these Rules, in which case the Agency Administrator shall initiate a review;

10.3.4 when an Agent with more than one Approved Location undergoes a change pursuant to this Subsection 10.3, a Notice of Change shall be submitted by the Agent only in respect of the Head Office Location, which shall apply to all Approved Locations if the Agent confirms on its own letterhead that, except for such new ownership or status, the information previously submitted in connection with the other Approved Locations remains unchanged;

10.3.5 when an Agent undergoes a change that also includes a change of name or location, all changes shall be notified by the Agent in a single Notice of Change form and the Agency Administrator shall process all changes as one application.

10.3.6 the Notice of Change form, if executed, shall take effect from the date when the change takes place. The previous Sales Agency Agreement will then terminate or cease to apply to the Location concerned as of the date when the change takes place, without prejudice to the fulfillment of all obligations accrued prior to the date of termination;

10.3.7 the Agency Administrator shall notify all BSP Airlines of the countersignature of the Notice of Change form and on receipt of such notice BSP Airlines may do business with the Agent or the new owner as if it were an Accredited Agent.

10.4 OTHER PROCEDURES FOR PROCESSING CHANGES

Upon receipt of a notice of change, the Agency Administrator shall:

10.4.1 bill the Agent for applicable change application fee, as provided in Subparagraph 14.1.1.4 of these Rules, and

10.4.2 publish details promptly to BSP Airlines in a listing that such a notice of change has been received.

10.5 FINAL APPROVAL BY AGENCY ADMINISTRATOR

10.5.1 in addition to any action taken by the Agency Administrator under Subparagraphs 10.2 or 10.3 of this Section, the Agency Administrator shall obtain from such source and in such manner as he may deem appropriate a report indicating whether the requirements for accreditation in these Rules are satisfied;

10.5.2 if the report shows that the requirements are satisfied, the Agency Administrator shall notify the Agent or the new owner and sign a Sales Agency Agreement with the Agent or the new owner effective 15 days from the date of the publication by the Agency Administrator. The Agency Administrator shall notify all BSP Airlines accordingly and, when required, make any necessary amendment to the Agency List.

10.6 EFFECT OF DISAPPROVAL

10.6.1(a) if the Agency Administrator is unable to execute a Sales Agency Agreement with the Agent or, if applicable, the new owner, the Agency Administrator shall promptly notify the Agent and/or the new owner and shall, simultaneously:

10.6.1(a)(i) in cases of a change requiring a new Agreement, by notice to the Agent and, if applicable, the new owner, confirm that the Sales Agency Agreement or the application for accreditation to the Location concerned terminated on the date when the change of ownership took place, and by notice to the new owner, the Notice of Change form will no longer have effect as a Sales Agency Agreement,

10.6.1(a)(ii) in cases of a change not requiring a new Agreement, by notice to the Agent withdraw a provisional approval that has been given and terminate the Agent's Sales Agency Agreement or its application to the Location concerned,

10.6.1(b) in all such notices the Agency Administrator shall give the specific reasons for his action in writing and notify all BSP Airlines accordingly. In addition he will remove the STDs, remove the Agent from the Agency List. A disapproved transferee or Agent may within 30 days of the Agency Administrator's notice request reconsideration of the decision by the Agency Administrator or invoke the procedures set out in Resolution 820e for review of the Agency Administrator's action by the Travel Agency Commissioner;

10.6.2 upon request for reconsideration by the Agency Administrator or for review by the Travel Agency Commissioner pursuant to Resolution 820e, the disapproval action shall be stayed and the status quo restored pending the result of the reconsideration or of the review. The Travel Agent Commissioner may request that a bank or other guarantee be provided as a condition for the stay;

10.6.3 if the transferor or the Agent as the case may be notifies the Agency Administrator that the change of ownership has been revoked and the Agent restored in all respects to its previous ownership, the Agency Administrator shall reinstate the Agent's Sales Agency Agreement or its application to the Location concerned and, when applicable, reinstate credit facilities and notify the Agent and all BSP Airlines accordingly.

10.7 DEATH OF A SOLE OWNER OR OF MEMBER OF A PARTNERSHIP OR OTHER UNINCORPORATED FIRM

10.7.1 in the event of the death of the sole owner of an Agent, or of a member of a partnership or other unincorporated firm, the person entitled to represent the decedent's estate (in the case of a sole ownership) or the remaining member(s) of the partnership or other unincorporated firm, shall promptly advise the Agency Administrator who shall either withdraw all STDs or execute a temporary Sales Agency Agreement, as provided below. In order to preserve the goodwill of the

Agent as far as possible, the Agency Administrator may, at the request of the person entitled to represent the decedent's estate (in the case of a sole ownership) or the remaining member(s) of the partnership or other unincorporated firm, enter into a temporary Sales Agency Agreement with the requesting party, reinstate STDs if already withdrawn, and advise BSP Airlines accordingly. The temporary Sales Agency Agreement shall be in the same form and have the same effect as a Sales Agency Agreement except that:

10.7.1.1 if the Agency Administrator at any time has reason to believe that the financial situation of the decedent's estate, the partnership or other unincorporated firm is unsatisfactory, he shall withdraw STDs and give the person entitled to represent the decedent's estate (in the case of a sole ownership) or the remaining member(s) of the partnership or other unincorporated firm, notice of termination of the temporary Sales Agency Agreement and notify all BSP Airlines accordingly. The termination shall take effect on a date that is not before the date specified in clause 13.2 of the Sales Agency Agreement. The estate, partnership or other unincorporated firm may within 30 days of the date of the Agency Administrator's notice invoke the procedures set out in Resolution 820e for review of the Agency Administrator's action by the Travel Agency Commissioner and may also apply for an interlocutory order staying the termination and restoring the status quo pending the outcome of the review. Before granting an interlocutory order under this Subparagraph, the Travel Agency Commissioner shall require the estate, partnership or other unincorporated firm to provide a bank or other financial guarantee,

10.7.1.2 if prior to the date of termination of the temporary Sales Agency Agreement the decedent's estate or the partnership or other unincorporated firm submits evidence of a satisfactory financial situation, the termination shall not take effect and the Agency Administrator shall notify the Agent and all BSP Airlines that STDs have been reinstated,

10.7.1.3 if the termination of the temporary Sales Agency Agreement takes effect, the Agency Administrator shall remove the Agent from the Agency List and notify the person entitled to represent the decedent's estate or the partnership or other unincorporated firm and all BSP Airlines accordingly. Upon receipt of such notice, BSP Airlines shall take the same action as required on removal of an Agent from the Agency List;

10.7.2 if the person entitled to represent the decedent's estate proposes to transfer or to confirm the transfer of the decedent's interest in the Agent to an heir, legatee or other person, or notifies that the decedent's interest is withdrawn from the partnership or other unincorporated firm, such transfer or withdrawal shall be deemed a change of ownership for the purposes of this Section. The signatory of the temporary Sales Agency Agreement and the transferee shall jointly give notice to the Agency Administrator as required under Paragraph 10.3. of this Section and thereafter the provisions of that Paragraph shall apply;

10.7.3 subject to earlier termination under the provisions of Subparagraph 10.8.1 or 10.8.2 of this Paragraph, a

temporary Sales Agency Agreement with the representative of the estate of a deceased sole owner shall terminate if such representative ceases to carry on the Agent's business at the Location covered by the Agreement.

10.8 CHANGE OF LOCATION OR NAME

10.8.1(a) when an Agent moves from an Approved Location to another location not so approved, such Agent shall:

△ **10.8.1(a)(i)** as far in advance as possible but in any case before effecting the change, providing it can legally do so, notify the Agency Administrator of the new address and remit the appropriate application fee,

10.8.1(a)(ii) if requested submit as soon as practicable two photographs of the interior and exterior of the new location;

10.8.1(b) IATA may arrange for an inspection of the new location and shall notify all BSP Airlines of the proposed new location. If the inspection report is favourable, the new location shall be deemed an Approved Location. If the investigation report is unfavourable the new location shall not be approved and the Agency Administrator shall give the Agent written notice of termination of the Sales Agency Agreement or of removal from the Agency List in the case of a Branch Office Location, specifying the date on which termination shall be effective, which shall not be before the date specified in clause 1.3.2 of the Passenger Sales Agency Agreement, and notify all BSP Airlines accordingly. Such termination or removal shall not take effect if, prior to the date of termination or removal, the Agency Administrator is able to approve the application for change of location;

10.8.1(c) the authority to act as an Approved Location shall continue to apply to the new location, pending the action taken under Subparagraph 10.8.1(b) of this Paragraph, provided that the move from the Approved Location to the new location is effected on, but in no event more than five working days later than, the date the Approved Location is closed;

10.8.2(a) when an Agent changes its name, such Agent shall:

10.8.2(a)(i) as far in advance as possible but in any case before effecting the change, providing it can legally do so, notify promptly the Agency Administrator of the new name, and

10.8.2(a)(ii) remit the appropriate application fee;

10.8.2(b) the Agency Administrator shall determine whether the new name can be approved pursuant to the provisions of Subparagraph 2.1.6, Section 2 of these Rules. If affirmative, he shall approve the new name, notify all BSP Airlines accordingly and record the new name on the Agency List and in the Agent's Agreement. If negative, the Agency Administrator shall disapprove the application and shall give the Agent written notice of termination of the Sales Agency Agreement, specifying the date on which termination shall be effective which

shall not be before the date specified in clause 13.2 of the Passenger Sales Agency Agreement, and notify all BSP Airlines accordingly. Such termination shall not take effect if, prior to the date of termination, the Agent reverts to its approved name or the Agency Administrator is able to approve the application for change of name;

10.8.3 when an Agent's application for change of location or name is disapproved, or its Sales Agency Agreement is terminated or its Approved Location is removed from the Agency List, the Agent may, within 30 days of the Agency Administrator's notice, invoke the procedures set out in Resolution 820e for review of the Agency Administrator's action by the Travel Agency Commissioner and may also apply for interlocutory order staying termination or removal pending the outcome of the review; in such case the Agency Administrator shall withdraw all STDs pending the outcome of the review, and notify the Agent and all BSP Airlines accordingly, provided that the Agent has failed to apply for an interlocutory order, or the order has been denied or the Agent has not provided a bank or other guarantee required by the Commissioner as a condition for interlocutory relief.

10.8.4 Change of Head Office Location to another country

△ In the event a Head Office Location changes from one country to another without prior notification, the Agency Administrator shall take action to remove the Agent's Electronic Ticketing Authority pending review of its changed circumstances and evidence confirming its principal place of business for the Head Office and compliance with the Local Financial Criteria applicable to the country concerned. Such removal of the Agent's Electronic Ticketing Authority may lead to removal from the Agency List and termination of the current Passenger Sales Agency Agreement until such time as a new application for accreditation, complying with all Local Financial Criteria in the other country, is reviewed and approved and a new Passenger Sales Agency Agreement has been signed with the Head Office legal and business entity in the new country.

10.9 SALE OF LOCATION TO ANOTHER ACCREDITED AGENT

in the event that an Agent sells a Location to another Agent the latter shall give notice to the Agency Administrator and the provisions of Subparagraph 10.2 of this Section shall apply.

10.10 SALE OF BRANCH OFFICE LOCATION TO AN OUTSIDE PARTY

in the event the Agent ('the transferor') sells a Branch Office Location to another person who is not an Agent ('the transferee') the provisions of Paragraphs 10.3 of this Section shall apply.

10.11 CHANGE OF LOCATION TYPE

10.11.1 in the event that an Agent wishes to change the Location type under which it is shown in the Agency List to another Location type by which Locations are identified in the Agency List, such as Head Office to Branch Location, the Agent shall:

10.11.1.1 apply to the Agency Services Manager, giving full details of the proposed change, and

10.11.1.2 on request from the Agency Services Manager, shall remit the appropriate administration fee or such other fee, appropriate to the change, as provided for in these Rules;

10.11.2 the Agency Services Manager shall determine if the change of Location type requested by the Agent is of an administrative nature or one requiring further investigation and processing under another provision of these Rules;

10.11.3 if the former, the Agency Services Manager shall record the change of Location type in the Agency List and notify the Agent and all BSP Airlines accordingly;

10.11.4 if the latter, he shall so notify the Agent and proceed to process the change as provided for elsewhere under these Rules;

10.12 LATE NOTIFICATION OR ABSENCE OF NOTIFICATION OF CHANGE

△ **10.12.1** in respect of absence of notification of change of ownership, shareholding, name or legal status if the Notice of Change form is not received by the Agency Administrator before the change has taken place, the Agency Administrator will remove the STDs and the Agent will be informed by IATA to provide the required Notice of Change form within 5 days. If within 5 days the Agent provides the required Notice of Change form, the removal of STDs will no longer apply but IATA will apply a late notification of change fee. If within 5 days the Agent does not revert to its previous ownership or submit the required Notice of Change form then the Agent will be given notice of termination of the Sales Agency Agreement. The Agency Administrator shall notify all BSP Airlines accordingly and the provisions of Subparagraph 13.4.1 of Section 13 of these Rules shall apply. The transferor or Agent may within 30 days of the notice of removal of STDs invoke the procedures set out in Resolution 820e for review of the Agency Administrator's action the Travel Agency Commissioner and may also apply an interlocutory order staying termination or removal pending the outcome of the review. Before granting an interlocutory order under this Subparagraph, the Commissioner shall require the Agent to provide a bank or other financial guarantee. Any future application from the transferee shall be processed in accordance with the provisions of Section 3 of these Rules;

△ **10.12.2** in respect of late notification of change of ownership, shareholding, name or legal status if the Notice of Change form is received after the change has taken place, the Agency Administrator will apply a late notification of change fee.

△ **10.12.3** in respect of late/absence of notification of a change of location, the Agency Administrator will apply a late notification of change fee.

10.13 NOTICE TO BSP AIRLINES

The Agency Administrator when giving any notice to BSP Airlines required under the foregoing provisions of Section 10 shall give a copy of such notice to all IATA Member Airlines.

Section 11—Reviews by the Travel Agency Commissioner

The jurisdiction of the Travel Agency Commissioner is set out in Resolution 820e as are the procedures for conducting reviews.

Section 12—Arbitration

12.1 RIGHT TO ARBITRATION

12.1.1 Any party to a dispute settled in accordance with Resolution 820e shall have the right to submit the Travel Agency Commissioner's decision to *de novo* review by arbitration in accordance with this Section.

12.1.2 Where the Travel Agency Commissioner has granted interlocutory relief, such relief and any bank or other guarantee shall remain in effect pending the outcome of the arbitration. The arbitrators, however, will have the power to vary the terms of the bank or other guarantee as they deem appropriate including requesting additional guarantees from the Appellant.

12.2 AGREEMENT TO ARBITRATE

12.2.1 All disputes arising out of or in connection with a decision rendered by a Travel Agency Commissioner (a "Decision") shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with said Rules and judgment upon the award may be entered in any Court having jurisdiction thereof.

12.2.2 Unless otherwise agreed by the parties, the language of the arbitration shall be English, but at the request of a party, documents and testimony shall be translated into such party's native language.

12.2.3 The place of arbitration shall be in the country of the Approved Location concerned or the location under application, as the case may be, unless otherwise agreed by the parties. Notwithstanding the foregoing, in the event that the laws of such country are inconsistent with the effect of subparagraph 12.2.5 herein, then in the case of a Decision rendered with respect to Area 1, the place of arbitration shall be, at the election of the claimant, either Montreal, Quebec or Miami, Florida; in the case of a Decision rendered with respect to Area 2, the place of arbitration shall be Geneva, Switzerland; and in the case of a Decision rendered with respect to Area 3, the place of arbitration shall be, at the election of the claimant, either Singapore or Sydney, Australia.

12.2.4 The award of the arbitrator(s) shall be accompanied by a statement of the reasons upon which the award is based.

12.2.5 The arbitration award shall be final and conclusively binding on the parties and shall be complied with in accordance with its terms.

12.3 COMMENCEMENT OF THE PROCEEDING

12.3.1 Arbitration proceedings pursuant to this Section 12 shall be commenced no later than thirty (30) calendar days from the date of the Travel Agency Commissioner's award.

Section 13—Measures Affecting an Agent's Standing

13.1 RELINQUISHMENT BY AGENT

13.1.1 an Accredited Agent may voluntarily relinquish its Accreditation in respect of all or any of its Approved Locations at any time by giving notice in writing to the Agency Administrator who shall notify all Members and BSP Airlines. The withdrawal shall take effect on a date that is not before the date specified in clause 13.2 of the Sales Agency Agreement, unless these Rules specify a different date. Such withdrawal shall be without prejudice to fulfilment by the Agent and each of the BSP Airlines having the Agent under appointment, of all obligations accrued up to the date of withdrawal from the Agency List;

13.1.2 in the event an Agent voluntarily relinquishes any BSP Airline's appointment it shall so notify the BSP Airline in writing;

13.2 REMOVAL BY AGENCY ADMINISTRATOR

13.2.1 the Agency Administrator may, in accordance with the provisions of these Rules, remove for cause an Agent or a Location of an Agent from the Agency List by giving notice in writing to the Agent to take effect in accordance with these Rules. Such removal shall be without prejudice to fulfilment by the Agent and each of the BSP Airlines having the Agent under appointment of all obligations accrued up to the date of removal from the Agency List;

13.2.2 notwithstanding the provisions contained in Paragraph 4 of Resolution 824, when evidence is produced that an Agent uses its IATA accreditation to engage in, and profit from, activities which, if associated with IATA, may prove detrimental to the good standing of IATA, the Agency Administrator may remove the Agent from the Agency List and notify all members of the action being taken. The Agency Administrator shall give notice to the Agent of such removal and its effective date, which shall be no earlier than 15 days after the date of the notice, and such removal shall be without prejudice to fulfilment by the Agent and each of the BSP Airlines having the Agent under appointment of all obligations accrued up to the date of removal from the Agency List. The Agent may within 15 days of the date of the removal notice invoke the procedures set out in Resolution 820e for review of the Agency Administrator's action by the Travel Agency Commissioner and may also apply for an interlocutory order staying the removal and preserving the status quo pending the outcome of the review.

⊗

△

13.3 EFFECT OF REMOVAL

13.3.1 Removal

13.3.1.1 when notice has been served by the Agency Administrator that an Agent or Location is to be removed from the Agency List:

13.3.1.1(a) the Agency Administrator shall by notice to the Agent terminate the Agent's Sales Agency Agreement or exclude the Location from the application of the Agreement and so notify BSP Airlines. The termination or exclusion shall take effect on a date that is not before the date specified in clause 13.2 of the Sales Agency Agreement, unless these Rules specify another date,

13.3.1.1(b) IATA shall appoint a Coordinator to withdraw all STDs deposited with the Agent or with the Location and require an immediate accounting and settlement of monies due,

13.3.1.1(c) the Agent may within 30 days of the date of the termination or removal notice invoke the procedures set out in Resolution 820e for review of the Agency Administrator's action by the Travel Agency Commissioner and may also apply for an interlocutory order staying the termination and preserving the status quo pending the outcome of the review;

⊗

13.4 OTHER MEASURES AFFECTING OPERATION OF AGENT

when an Agent is declared bankrupt, placed in receivership or judicial administration, goes into liquidation or becomes subject to any other similar legal procedure affecting its normal operation, the Agency Administrator shall, when allowed by the provisions of applicable law at the Agent's place of business, withdraw all STDs and remove the agent and all its locations from the Agency List.

13.5 APPOINTMENT AND DUTIES OF COORDINATOR

13.5.1 IATA Management shall appoint the Coordinator upon the request of the Agency Administrator when an Agent or a Location which operates under the Billing and Settlement Plan procedures:

△

13.5.1.1 is removed from the Agency List under these Rules; or

13.5.1.2 is declared in default under these Rules; or

13.5.1.3 has an application for change of ownership disapproved under these Rules;

13.5.2 the Coordinator shall immediately remove all STDs from the Agent or the Location concerned and shall, when so prescribed, require an immediate accounting and settlement of all monies due unless the Commissioner has made an interlocutory order staying such action and preserving the status quo.

13.6 CHANGES TO AGENT'S OFFICIAL LICENCE

if the government authorities of the place where an Agent's Location is situated terminate, suspend or otherwise condition the official licence granted to such Location, the Agency Administrator shall promptly notify all BSP Airlines and the Agent of the effects of such action.

13.7 USE OF IATA LOGO

13.7.1 an IATA Accredited Agent may use the logo on its letterhead and publicity materials exactly as illustrated in the Travel Agents Handbooks. No other forms of IATA logo are authorised for Agent use;

13.7.2 the use of the logo is permitted only in connection with activities of an IATA Accredited Agent's Approved Locations;

13.7.3 the IATA logo may not be used in any way to misrepresent an existing industry service such as the IATA Travel Agent Identity (ID) Card.

13.8 FORCE MAJEURE

The Agent shall not be liable for delay or failure to comply with the terms of the Passenger Sales Agency Agreement to the extent that such delay or failure (i) is caused by any act of God, war, natural disaster, strike, lockout, labor dispute, work stoppage, fire, third-party criminal act, quarantine restriction, act of government, or any other cause, whether similar or dissimilar, beyond the reasonable control of the Agent, and (ii) is not the result of the Agent's lack of reasonable diligence (an "Excusable Delay"). In the event an Excusable Delay continues for seven days or longer, the Agency Administrator shall have the right, at its option, to terminate this Agreement by giving the Agent whose performance has failed or been delayed by the Excusable Delay at least thirty days' prior written notice of such election to terminate.

Section 14—Agency Fees

14.1 TYPES OF FEES

14.1.1 the following agency fees, in the amounts determined by the Conference in consultation with the Director General, shall be payable:

14.1.1.1 a non-refundable application fee in respect of each application to become an Accredited Agent or an Approved Location;

14.1.1.2 entry fees on application for entry in the Agency List of the Agent's Head Office Location and for entry of each Branch Office Location, and all other locations included within the Agency Programme;

14.1.1.3 annual agency fees with respect to the Head Office Locations, each Branch Office Location, and all other locations included within the Agency Programme;

14.1.1.4 non-refundable application fees in respect of each application for approval of changes of name, ownership or Location;

14.1.1.5 an administration fee in respect of each application for a change of Location Type;

14.1.2 no application for entry in the Agency List shall be considered unless the application fee, the entry fee and the first annual agency fee have been received. If the application is rejected, the entry and annual Agency fees shall be returned to the applicant.

14.1.3 A cost justified fee, the level to be agreed locally, will apply for each Agent that fails to comply with established Local Financial Criteria.

14.2 INVOICING

except in respect of the first assessment upon application, annual agency fees for each calendar year shall be due not later than December 1 of the preceding year in accordance with the instructions of the Agency Administrator. Invoices for such fees will be issued by the Agency Administrator for collection through the BSP, except where this is not operationally feasible payment will be due within 30 days of the date of issue.

14.3 NON-PAYMENT OF ANNUAL, APPLICATION OR ADMINISTRATIVE FEES

△ **14.3.1** if any Agent fails to pay the annual agency fee by the due date, IATA will apply two instances of irregularity by issuing a Notice of Irregularity, including notice of suspension, and will give the Agent 30 days to comply. Failure by the Agent to comply within 30 days will cause IATA immediately to remove the Agent's Electronic Ticketing Authority and to give the Agent written notice of removal from the Agency List, provided that if the Agent submits payment prior to the removal date the removal shall not take effect. Where the Agency Administrator gives notice of removal under this provision, the notice shall specify the date at which it will be effective, which

shall not be before the date specified in clause 13.2 of the Sales Agency Agreement. Payment of annual fees by the Agent after the due date may be subject to a 10% late-payment charge to cover costs incurred.

14.3.2 in the event an Agent refuses to remit the correct level of application fee, or administration fee, then the Agency Administrator shall promptly notify the Agent in writing that its Sales Agency Agreement shall be terminated within 30 days for failure to pay fees due;

△ **14.3.3** if an Agent whose Agreement has been terminated under Subparagraph 14.3.2 of this Paragraph subsequently remits the correct fees within 30 days, following such termination, the Agency Administrator may reinstate the accreditation of an Agent. Such Agent's name shall then be re-entered on the Agency List and a Sales Agency Agreement shall be executed or re-instated;

14.3.4 an Agent may within 30 days of the date of the notice in Subparagraphs 14.3.1 or 14.3.3 invoke the procedures set out in Resolution 820e for review of the Agency Administrator's action by the Travel Agency Commissioner and may also apply for an interlocutory order preserving the status quo pending the outcome of the review. Before granting an interlocutory order under this Subparagraph, the Commissioner shall require the Agent to provide a bank or other financial guarantee.

14.4 USE OF AGENCY FEES

Agency fees collected by the Agency Administrator on behalf of IATA will be expended by the Director General in accordance with directives given by the Board of Governors of IATA to administer the Agency Programme.

Section 15—Indemnities and Waiver

15.1 the Agent agrees to indemnify and hold harmless the BSP Airline, its officers and employees from all damage, expense or loss on account of the loss, robbery, theft, burglary, fraudulent issue or misuse of STDs supplied to the Agent pursuant to these Rules, which STDs have not been duly issued by the Agent; provided that the Agent shall be relieved of liability in respect of any damage, expense or loss incurred or suffered by the BSP Airline resulting from such event if the Agent can demonstrate that at the material time it met the minimum security standards prescribed in Section 5, Paragraph 5.1 of these Rules, and that such unlawful removal was immediately reported in accordance with the requirements of these Rules, or fraudulent issue or misuse of such STDs resulted solely from the action of persons other than the Agent, its officers or employees;

15.2 the Agent recognises that BSP Airlines (whether acting individually or collectively) the Director General, and the Agency Administrator are required to issue notices, give directions, and take other action pursuant to these and other applicable Resolutions, including in the circumstances therein provided giving notices of irregularity and default, notices of alleged violations and notices of grounds for removing an Agent or any of its Locations from the Agency List. The Agent waives any and all claims and causes of action against any BSP Airline and IATA and any of their officers and employees for any loss, injury or damage (including damages for libel, slander or defamation of character) arising from any act done or omitted in good faith in connection with the performance of any of their duties or functions under these and other applicable Resolutions and indemnifies them against such claims by the Agent's officers, employees or any other person acting on the Agent's behalf.

RESOLUTION 818g

Attachment ‘A’

SECTION 1. REPORTING AND REMITTING

- 1.1 Monies Due on Issue of Standard Traffic Documents
- 1.2 Length of Reporting Period: Reporting Date
- 1.3 Agency Sales Transmittals
- 1.4 Frequency for Submission of Agency Sales Data
- 1.5 Billings
- 1.6 Settlement—the Remittance Date
 - 1.6.2 Frequency of Remittance
- 1.7 Irregularities and Default
 - 1.7.1 Charges
 - 1.7.2 Overdue or Dishonoured Remittance
 - 1.7.3 Failure to Remit in Billing Currency
 - 1.7.4 Bona Fide Bank Error
 - 1.7.5 Accumulated Irregularities
 - 1.7.6 Agent in Default as an IATA Passenger and/or Cargo Agent
 - 1.7.7 Other Defaults
 - 1.7.8 Accounting Irregularity Safeguards
 - 1.7.9 Disputed Agency Debit Memo
- 1.8 Prejudiced Collection of Funds
- 1.9 Notification of Irregularity
- 1.10 Default Action
- 1.11 Remittance and Settlement Delayed by Official Government Action
- 1.12 Responsibility for Settlement of Credit and Charge Card (‘Card’) Transactions made against a BSP Airline’s Merchant Agreement

SECTION 2. CONSEQUENCES OF DEFAULT TO BSPs AND TO BSP AIRLINES

- 2.1.1 When settlement has been made
- 2.1.2 When settlement has not been made
- 2.2 Settlement of Amounts Due
- 2.3 Review by the Agency Administrator
- 2.4 Effects of Retention after Default
- 2.5 Review by Travel Agency Commissioner

Section 1—Reporting and Remitting

This Section is applicable to all Approved Locations of an Agent, with respect to sales on behalf of Airlines participating in the BSP. The BSP Manual for Agents contains the administrative and procedural rules to be followed by Agents and constitutes part of this Resolution.

1.1 MONIES DUE ON ISSUE OF STANDARD TRAFFIC DOCUMENTS

The provisions of this Paragraph govern monies due to BSP Airlines arising from Accountable Transactions.

In all instances the preferred method of remittance shall be by Electronic Funds Transfer, or by Business-to-Business Direct Debit. In this context Business-to-Business Direct Debit is defined as a Direct Debit system and jurisdiction which imposes strict conditions and time limits not exceeding 2 banking days for revocation of the transfer by the payer or the payer’s bank. When either of these systems are available in a market and unless required by applicable local law other methods of remittance are discouraged.

1.1.1(a) monies for sale against which an Agent issues STDs shall be deemed due by the Agent to the BSP Airline whose ticketing authority is used when they are issued and shall be settled in accordance with the provisions of this section;

1.1.1(a)(i) monies for sales made by an Agent, where the ticket is issued by the BSP Airline on behalf of the Agent and reported using the facility of the BSP, shall be deemed due by the Agent to the BSP Airline and shall be settled in accordance with the provisions of this section in the same way as if the Agent had issued an STD.

1.1.1(b) in the event that the Agent is declared insolvent, bankrupt, is placed in receivership or judicial administration, goes into liquidation or becomes subject to any other similar legal process affecting its normal operation, then notwithstanding the normal remittance procedures set out in this Section all such monies shall become immediately due and payable;

△ **1.1.1(c)** in circumstances where a BSP Airline determines that its ability to collect monies for STDs may be prejudiced by the Agent’s financial position such BSP Airline may demand immediate settlement of all such monies and advise IATA prior to such action being taken. In the event the Agent fails to settle its total BSP dues to IATA for the same reporting period, the BSP Airline would be required to pay the monies collected from the Agent to IATA immediately, failing which IATA would deduct the amount from the next settlement due to each BSP Airline;

1.1.2 in circumstances where a BSP Airline is suspended from the BSP the monies due to the BSP Airline are handled according to the provisions contained within Resolution 850;

1.1.3 in circumstances where an Agent collects full or part payment for transportation in respect of which reservations have been made on the services of a BSP Airline, the Agent shall issue an appropriate STD.

Thereupon monies for such sale shall be deemed due and settlement shall be made in accordance with the provisions of Subparagraph 1.1.1(a);

1.1.4 Agents shall be required to remit in the currency reported on the ticket and billed to the Agent.

- 1.1.5** (China only) Each Agent shall have a credit limit for its Electronic Ticketing Authority equal to 90% of the Financial Security amount that the Agent has provided to IATA at any time. The Agency Administrator shall take action to withdraw an Agent's Electronic Ticketing Authority sales should the Agent's total unremitted monies reach the credit limit for that Agent, at which time IATA shall:
 - 1.1.5(a)** notify the Agent in writing of the withdrawal of Electronic Ticketing Authority;
 - 1.1.5(b)** notify the BSP Airlines participating in BSP China of the withdrawal of the Agent's Electronic Ticketing Authority.
- 1.1.6** Electronic Ticketing Authority shall be reinstated upon either:
 - 1.1.6(a)** settlement by the Agent of all or part of the monies due where the effect of such settlement reduces the total unremitted monies to an amount that is below the credit limit of that Agent; or
 - 1.1.6(b)** receipt by IATA from the Agent of an additional Financial Security amount that has the effect of sufficiently increasing the Agent's credit limit sales, in light of the total unremitted monies then outstanding.
- 1.1.7** Agents may at all times continue to make sales through the BSP using the BSP China Online Payment Solution, or through the direct bilateral arrangements as may be agreed between an Agent and any BSP Airline(s).
- 1.1.8** The effectiveness of Sections 1.1.5 through 1.1.7 of this Resolution shall expire automatically upon the implementation of credit limit management in China as defined under NewGen ISS.

1.2 LENGTH OF REPORTING PERIOD: REPORTING DATE

The provisions of this Paragraph govern the reporting of transactions within the Reporting Periods and Reporting Dates as determined for each BSP.

1.2.1 for each BSP, reporting shall be as frequent as possible and the Conference shall establish the length of the Reporting Period most suitable to the efficient operation of such Plan;

1.3 AGENCY SALES TRANSMITTALS

Agency sales are provided to the BSP Data Processing Centre in an automated report by the Ticketing System Providers.

1.4 FREQUENCY FOR SUBMISSION OF AGENCY SALES DATA

The frequency by which Agency Sales Data is transmitted to the Data Processing Centre is established by Resolution 854 which requires the System Providers to report daily.

1.5 BILLINGS

1.5.1 the Data Processing Centre shall compute and prepare a Billing in respect of each Approved Location in accordance with the requirements of the Conference. Such Billings shall incorporate all Accountable Transactions reported by the System Provider with respect to each Approved Location of an Agent;

1.5.2 the frequency at which Billings shall be rendered to Agents shall be established by the Conference;

1.5.3 Where a BSP allows ticket issuance in more than one currency a billing will be produced for each currency used.

1.6 SETTLEMENT—THE REMITTANCE DATE

The provisions of this Paragraph govern the dates, and their frequencies, by which Billings will be settled by Agents.

1.6.1(a) Agents shall settle all amounts due in respect of Accountable Transactions and any applicable local charges directly with the Clearing Bank;

1.6.1(a)(i) Where an Agent receives a billing in more than one currency the Agent is obliged to remit in the currency of the billing.

1.6.1(b) IATA, following consultation, (which includes receiving comments from the local Joint Agency Liaison Working Group), may require the Agent to provide them with:

- the necessary information and
- an authorisation form as may be prescribed by them, permitting the Clearing Bank to draw cheques on, or debit the Agent's trust account or other bank account, in favour of IATA, or the institution designated by IATA, in payment of all amounts due to BSP Airlines;

1.6.1(c) When the Agent intends to change its bank(s), or bank accounts(s), the Agent shall give IATA 30 days' advance notice by certified/registered mail, or certified letter with return receipt, as appropriate;

1.6.2 Frequency of Remittance

△ The Conference will establish the standard frequency of Agents' Remittances under such BSP. The Remittance Date will be communicated to all Agents participating in each BSP.

△ **1.6.2.1** the frequency so established by Conference must not be less than once each calendar month, or at such

greater frequency as the Conference determines, provided that individual Agents may elect to remit at such greater frequency and for such length of time as IATA deems appropriate acting on the requirements of the Agent; and

- **1.6.2.1(a)** where an Agent elects to remit at a greater frequency than the Remittance Frequency approved by PAConf for a country, and the Local Financial Criteria does not set out the provisions for calculating the Financial Security amount for the new Remittance Frequency elected by the Agent, the Agent will be required to provide a Financial Security for an amount equal to the new number of Days' Sales at Risk of that Agent,

1.6.2.1(b) if the Remittance Frequency so established is monthly, Remittances shall reach the Clearing Bank not later than its close of business on the date established by the Conference. This date shall not be later than the fifteenth day of the month following the month covered by the Billing,

AND

1.6.2.1(c) Whereso agreed by the PAConf if the Remittance Frequency so established is monthly, Remittances shall reach the Clearing Bank on the date established by the Conference which shall not be later than the fifteenth day of the month following the month covered by the Billing; provided that the method of payment used assures that the funds are in the Clearing Bank in time for the Remittance to be made into the BSP Airlines' account on the date so established;

1.6.2.1(d) if the Remittance Frequency so established is twice monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the last day of the month in respect of Billings covering the first 15 days of the month and the 15th day of the following month, in respect of Billings covering the period from the 16th to the last day of the month. The Conference may adjust the period within which Remittances are required to reach the Clearing Bank by not more than five calendar days to meet the special requirements which shall be demonstrated of a particular BSP or BSP Airline;

1.6.2.1(e) if the Remittance Frequency so established or so elected pursuant to Subparagraph 1.6.2.1 is greater than twice monthly, Remittances shall be made by the Agent so as to reach the Clearing Bank not later than its close of business on the fifth day following the Reporting Dates so determined or by such date where agreed by the Conference for application in a specific market; any transactions not processed in previous Reporting Periods, will be included in the final billing;

1.6.2.1(f) if the Clearing Bank is closed for business on the day on which the Remittance is required to reach the Clearing Bank under the provisions of Subparagraph 1.6.2 if applicable, the Remittance shall be made by the Agent so as to reach the Clearing Bank before its close of business on the first subsequent day when the Clearing Bank is open for business;

1.6.2.1(g) an Agent having more than one Approved Location subject to the same BSP may apply to IATA for authorisation to remit monies due on behalf of all such

Approved Locations through one designated office of the Agent to the Clearing Bank;

1.6.2.1(h) The Conference acknowledges that a BSP Airline may establish an individualized frequency of Remittance subject to (i) bilateral agreement with an Agent, or (ii) applicable law, which shall be distinct from the Remittance Frequency set by the Conference. An individual frequency of Remittance shall be subject to all terms and conditions contained in this Resolution including, for the avoidance of doubt, Section 1.7 and Section 1.10. In the event of an overdue or dishonored Remittance under an individualized frequency, the Agent shall be subject to a Notice of Irregularity and, where appropriate, Default Action.

1.7 IRREGULARITIES AND DEFAULT

The provisions of this Paragraph govern failures by Agents to adhere to the reporting and remitting procedures set out in Paragraphs 1.2 to 1.6 inclusive, for which an Agency can be served with Notices of Irregularity, or be declared in Default, as appropriate. Agents may also be liable for charges arising from them. The circumstances for this may include:

- Overdue remittance or cheque
- Dishonoured remittance or cheque
- Failure to remit in billing currency
- Accumulation of the above

1.7(a) the Agency Administrator's actions described in this Paragraph, in respect of the non-receipt by the Clearing Bank of Remittances by the due date, shall not apply when the Agency Administrator can determine that the Agent had adequately undertaken all of the required remittance procedures, and that such non receipt had been caused by extraneous factors;

1.7(b) the Conference may provide for variations from BSP to BSP in respect of charges applicable to the irregularities listed in this paragraph, and any such variations shall be notified to all Agents in the relevant BSPs, and incorporated in the relevant provisions of the applicable BSP Manual for Agents;

1.7(c) for the purposes of this Paragraph, where the Agency Administrator issues:

- a demand for payment or
- immediate payment, or
- a demand for immediate reporting and/or
- accounting and settlement,

the deadline for the Clearing Bank's receipt for such from the Agent is the close of business on the first day it is open for business following the day of the Agency Administrator's demand;

1.7(d) A Notice of Irregularity or declaration of default shall be in writing and set out the specific circumstances giving rise to the irregularity or default.

1.7.1 Charges

The Conference may, subject to the provisions set forth in this Resolution, implement a programme of cost recovery charges to be levied on Agents under the following circumstances:

1.7.1(a) Administrative Charges

(i) for excessive voiding of STDs, as established from time to time by IATA, in consultation with the Local Customer Advisory Group—Passenger (LCAG-P), and published in the BSP Manual for Agents,

(ii) for any other failures to comply with BSP procedures and instructions, which generate additional cost to IATA or BSP Airlines;

1.7.1(aa) the levels of such charges shall be determined by the Conference then notified by IATA to all Agents subject to the Plan and published in the BSP Manual for Agents;

1.7.1(b) Clearing Bank Charges

Clearing Bank Charges, which shall be in the amount debited to IATA by the Clearing Bank as a result of the Agent's failure to remit as prescribed. These will be increased, if applicable, by an amount to compensate for any extra efforts incurred by IATA in relation to such failure; and

1.7.1(c) Billing and Settlement of Charges

such Charges debited to Agents shall, except as otherwise specified, be included by the ISS Management in its first subsequent Billing to the Agent/Location concerned and shall be due and payable by the Agent by the Remittance Date applicable to such Billing. Such Charges shall, for the purpose of Subparagraph 1.10.2(ii), be deemed to be part of all amounts owing by the Agent;

1.7.1(d) Notification of Charges

when ISS Management is required under any of the provisions of this Section to debit an Agent for Charges, it shall simultaneously notify the Agent and Location concerned.

1.7.2 Overdue or Dishonoured Remittance

1.7.2.1 if the Clearing Bank does not receive a remittance due by the Remittance Date, or immediately on receipt by the Agent of a delayed Billing a remittance in respect of a shortage as provided for in Subparagraph 1.6.2, or if an instrument of payment received by the Clearing Bank to effect such remittance is dishonoured on or after the Remittance Date, the Agency Administrator shall thereupon demand immediate payment from the Agent including any Clearing Bank charges incurred and shall then:

1.7.2.1(a) send to the Agent a Notice of Irregularity in respect of the Location concerned (or, where the Agent has been authorised to remit through one designated office under the provisions of Subparagraph 1.6.2.1(f) in respect of all Approved Locations covered by such authorisation). A Notice of Irregularity sent pursuant to

this Subparagraph shall count as two listed instances of Irregularity for the purposes of the lists provided for in Subparagraph 1.7.5,

1.7.2.1(b) if payment is not received on demand, the Agency Administrator shall immediately notify the Agent, and shall take Default Action with respect to all Locations of the Agent in accordance with Paragraph 1.10,

1.7.2.1(c) in addition to any action prescribed in this Subparagraph, the Agency Administrator shall debit the Agent for costs incurred as a consequence of the late or dishonoured payment,

1.7.2.1(d) if it is established that such non-payment or dishonouring is due to a bona fide bank error, as provided for in Paragraph 1.7.4, and settlement of all amounts due is received on demand, the Irregularity if recorded, shall be rescinded,

1.7.2.1(e) if it is subsequently established that such nonpayment or dishonouring is due to a bona fide bank error, as provided for in Paragraph 1.7.4, and settlement of all amounts due is received, but after Default Action has been taken, the Agency Administrator shall immediately withdraw such Default and the Notice of Irregularity, if recorded,

1.7.2.1(f) if, subsequent to an Agent's relinquishment of its accreditation, that Agent fails to remit any monies due, it shall be held to be in default, and the provisions of Paragraph 1.10 shall apply. The Agency Administrator shall thereby cause the termination to be amended to one of default;

1.7.3 Failure to Remit in Billing Currency

if the Clearing Bank does not receive a remittance in the same currency as billed to the Agent in the correct amount, the Clearing Bank shall immediately so advise the Agency Administrator who shall thereupon demand immediate payment from the Agent to the correct value of the ticketed currency, including any Clearing Bank charges incurred and shall then;

1.7.3.1(a) send to the Agent a Notice of Irregularity in respect of the Location concerned (or, where the Agent has been authorised to remit through one designated office under the provisions of Subparagraph 1.6.2.1(f) in respect of all Approved Locations covered by such authorisation). A Notice of Irregularity sent pursuant to this Subparagraph shall count as two listed instances of Irregularity for the purposes of the lists provided for in Subparagraph 1.7.5,

1.7.3.1(b) if payment is not received on demand in the billed currency, the Agency Administrator shall immediately notify the Agent, and shall take Default Action with respect to all Locations of the Agent in accordance with Paragraph 1.10,

1.7.3.1(c) in addition to any action prescribed in this Subparagraph, the Agency Administrator shall debit the Agent for costs incurred as a consequence of the late or dishonoured payment,

1.7.3.1(d) if it is established that such non-payment or dishonouring is due to a bona fide bank error, as provided for in Paragraph 1.7.4 and settlement of all amounts due is received on demand, the irregularity, if recorded, shall be rescinded,

1.7.3.1(e) if it is subsequently established that such nonpayment or dishonouring is due to a bona fide bank error, as provided for in Paragraph 1.7.4, and settlement of all amounts due is received, but after Default Action has been taken, the Agency Administrator shall immediately withdraw such Default and the Notice of Irregularity, if recorded,

1.7.3.1(f) if, subsequent to an Agent's relinquishment of its accreditation, that Agent fails to remit any monies due, it shall be held to be in default, and the provisions of Paragraph 1.10 shall apply. The Agency Administrator shall thereby cause the termination to be amended to one of default;

1.7.4 Bona Fide Bank Error

a bona fide bank error is one of the following circumstances substantiated by evidence acceptable to the Agency Administrator as provided for in Paragraph 1.7.4.3.

1.7.4.1 Credit Arrangement or Automatic Transfer of Funds

when on the date the cheque or other method of payment was presented to the bank for payment, sufficient funds should have been available in the account on which the cheque or other method of payment was drawn by virtue of a valid written line of credit or other written arrangement, dated and executed between the bank and the Agent prior to the Reporting Period involved, and the bank erroneously fails to honour such line of credit or other arrangement, or

1.7.4.2 Sufficient Funds

if the bank erroneously fails to honour a valid cheque or other method of payment when sufficient collected funds are in the Agent's account on which the cheque or other method of payment was drawn and available for immediate withdrawal at the time the cheque or other method of payment was presented to the bank for payment;

1.7.4.3 Evidence Acceptable to the Agency Administrator

In all cases a bank letter must be provided to IATA:

- (i) The original bank letter must be sent to IATA within 10 working days by registered post or courier, fax or as a scanned copy via email stating the nature of the error and reason for the delay in remittance;
- (ii) The bank letter must be signed by a Manager including name, job title or designation;
- (iii) The bank letter must stipulate that the Agent had sufficient available funds on Remittance Date in the stipulated bank account(s), stating the account name and the account number(s).

1.7.5 Accumulated Irregularities

The provisions of this Paragraph govern the procedures that shall apply when an Agent accumulates Notices of Irregularities. Accumulated Irregularities may, ultimately, lead to an Agent being placed in Default.

1.7.5.1 after each Remittance Date or Settlement Date, the Agency Administrator shall compile and publish to BSP Airlines a list containing the names of all the Agents (and the addresses of the Approved Locations concerned) that have been sent Notice of Irregularity under any of the provisions of these Rules since the preceding Remittance Date,

△ **1.7.5.2** immediately upon a fourth instance of Irregularity being recorded, six instances in the case of Switzerland & Liechtenstein, Hungary, Nepal and India and countries on weekly remittance in Area 1 except Argentina, Paraguay and Uruguay where eight instances apply, on such list in respect of a Location during any 12 consecutive months the Agency Administrator shall take Default Action with respect to all Locations in accordance with Paragraph 1.10;

△ **1.7.6 Agent in Default as an IATA Passenger and/or Cargo Agent**

□ **1.7.6.1 Common ownership with another IATA Passenger Agent**

If a director or person with a position of management owned more than half of the shares or majority of the outstanding shares or had a financial interest in an Agent which has been previously removed from the Agency List or is under Notice of Default is a director or person with a position of management who owns more than half of the shares or majority of the outstanding shares or has a financial interest or is employed or abetted by another Agent, that Agent shall also be deemed in Default under this Section. Default Action with respect to all locations of the Agent shall be taken in accordance with the provision of Paragraph 1.10 of this section;

1.7.6.2 Common ownership with an IATA Cargo Agent

△ if an Agent which is also registered as an IATA Cargo Agent under the IATA Cargo Agency Rules is declared in Default under those Rules in connection with its cargo activities such Agent shall also be deemed in Default under this Section, and Default Action with respect to all Locations of the Agent shall be taken in accordance with the provisions of Paragraph 1.10 of this Section;

1.7.7 Other Defaults

if an Agent is in Default under another Section either of these or of other IATA Passenger Sales Agency Rules, Default Action shall be taken in accordance with the provisions of Paragraph 1.10 with respect to all Locations of the Agent;

1.7.8 Accounting Irregularity Safeguards

1.7.8.1 in the event an audit or other investigation reveals such irregularities on the part of an Agent as:

- (i) failure to submit any manual accountable documents issued during the Reporting Period,
- (ii) falsely reporting STDs as having been sold against Credit Cards,
- (iii) post-validating STDs
- (iv) permitting alteration, omission or other falsification of Card data or other required information in the 'form of payment' box on all coupons of original STDs or on any reissues thereof,
- (v) issuing or reissuing single or multiple STDs reflected as Card sales having an aggregate face value exceeding the established 'floor limit' without full disclosure to and the authority of the pertinent Card company; or complicity in the issuing or reissuing of STDs reflected as Card sales to circumvent credit or reporting procedures,
- (vi) falsification of reports or documents,
- (vii) violation of STD exchange or refund procedures as specified in the applicable IATA Resolutions and their Attachments, or as published in BSP Airlines' tariffs, instructions or elsewhere, and provided to the Agent, or
- (viii) failure to prevent the unauthorised or fraudulent use of computer-generated document numbers for issuance of Electronic Tickets,
- (ix) falsification and/or manipulation of issued Electronic Tickets, such that electronic ticketing data reported differs from electronic ticket data provided to the BSP Airline whose Electronic Ticket has been issued,
- (x) failure to comply with Card sales instructions provided by BSP Airlines, as prescribed in the Travel Agent's Handbook, the BSP Manual for Agents and Resolution 890,
- (xi) persistent failure to comply with the format and the instructions of IATA in the calculation of the sales settlement authorisation amounts, resulting in the frequent and regular issuance of Shortage Notices,
- (xii) persistent failure to settle amounts properly owing against Agency Debit Memos (ADMs).

1.7.8.2 under circumstances which lead the Agency Administrator to believe that the Agent is attempting to circumvent the reporting and settlement requirements of this Section, with the result that BSP Airlines' ability to collect for STDs sold is seriously prejudiced;

1.7.8.3 the Agency Administrator, in consultation with the LCAG-P shall

- (i) notify the Agent of the irregularity and demand an immediate accounting and settlement of all amounts owing by the Agent, whether or not the Remittance Date for payment thereof has arrived,
- (ii) instruct the Ticketing System to prevent further use of STDs and cause the removal of ticketing authority from the Agent,
- (iii) account for any monies received and
- (iv) notify all BSP Airlines of the action

1.7.8.4 and in circumstances where the Agency Administrator is notified by a BSP Airline of irregular activity by the Agent, which causes chargeback under Resolution 890, to immediately invoke default action as described under paragraph 1.10 of these rules.

1.7.8.5 and in circumstances where the Agency Administrator is notified by a BSP Airline in writing of irregular activity by an Agent, which shall be substantiated, including but not limited to a violation of the provisions of Resolution 830a (Consequences of Violation of Ticketing and Reservation Procedures), leading to the belief that BSP Airlines' ability to collect monies for STDs may be prejudiced, the Agency Administrator shall notify the Agent of the irregular activity and may withdraw all STDs in the Agent's possession;

1.7.8.6 thereupon, the Agency Administrator shall request the Travel Agency Commissioner, except in cases described under paragraph 1.7.8.4, to review and re-determine the approval of the Agent or Approved Location. Pending this review, the Agent may request an interlocutory review of the Agency Administrator's action by the Travel Agency Commissioner and may also apply for interlocutory relief staying the withdrawal of STDs. Before granting an interlocutory order under this Subparagraph staying withdrawal of STDs, the Travel Agency Commissioner shall require the Agent to provide a bank or other financial guarantee and ensure that all amounts due as determined under Subparagraph 1.7.8.3(i) are settled at the time the interlocutory order takes effect.

1.7.9 Disputed Agency Debit Memo

The provisions of this paragraph should be read in conjunction with the provisions concerning ADMs as provided in Resolution 850m.

1.7.9.1 an Agent may for reason dispute an ADM,

1.7.9.2 an Agent shall have a maximum of 15 days in which to review and dispute an ADM prior to its submission to BSP for inclusion in the billing,

1.7.9.3 when an ADM is disputed prior to it being submitted to the BSP for processing, it will be recorded as disputed, and will not be included in the Billing,

1.7.9.4 if an Agent disputes an ADM within the minimum dispute period it shall be suspended from the BSP process and settlement of the dispute will be for resolution between the Agent and Airline concerned:

1.7.9.4(i) in the event an Agent disputes an ADM and, after agreement between the Airline and the Agent, it is determined that the purpose of that ADM was correct, the Airline will advise the Agent and the BSP accordingly and the ADM as originally submitted will be processed,

1.7.9.4(ii) if as a result of an Agent dispute it is determined after agreement between the Airline and the Agent that the ADM needs adjustment, the Airline will submit to the Agent and the BSP the adjusted ADM, in the form of a new ADM, in which case only the new ADM shall be processed,

1.7.9.5 an ADM that has been included in the BSP Billing will be processed for payment,

1.7.9.6 If after 60 days of receipt of a disputed ADM by an Airline the dispute has not been resolved, despite consultation between the Airline and the Agent, such ADM will no longer be suspended and will be withdrawn from the BSP process,

1.7.9.7 Such ADM dispute is now for bilateral resolution between the Airline and the Agent.

1.8 PREJUDICED COLLECTION OF FUNDS

The provisions of this Paragraph govern the procedures for the protection of BSP Airlines' monies in situations where the ability or intent of an Agent to pay them are in doubt.

△ **1.8.1** in the event that the Agency Administrator receives written information, which shall be substantiated, leading to the belief that BSP Airlines' ability to collect monies for STDs may be prejudiced, the Agency Administrator shall notify the Agent and shall remove all STDs in the Agent's possession;

1.8.2 the Agency Administrator shall request an immediate review by the Travel Agency Commissioner;

1.8.3 the Travel Agency Commissioner shall review such written information and other factors and shall commence a review under the terms of Review by Travel Agency Commissioner of the applicable Passenger Sales Agency Rules within three working days from receipt of such a request. Pending the results of this review, the Agent may within 30 days of the date on which the STDs were withdrawn or of the date when the review was initiated, apply pursuant to Resolution 820e for interlocutory relief staying the withdrawal of STDs. Before granting an interlocutory order under this Subparagraph, the Travel Agency Commissioner shall require that the Agent provide a bank or other financial guarantee.

1.8.4.1 if at any time IATA finds that an Agent's funds at risk are not covered by a Financial Security, or that any Financial Security provided does not sufficiently cover those funds taking into account reasonable variations in sales levels, IATA has the right to review the circumstances of the Agent and to demand an immediate accounting and settlement of monies due through the provision of an interim Billing report to the Agent and/or require the Agent to restrict its sales of STDs to credit card sales only made against the BSP Airline's merchant agreement and in accordance with Resolution 890;

1.8.4.2 if payment is not received on demand, the Agency Administrator will immediately notify the Agent and take default action with respect to all locations of the Agent in accordance with the provisions of Resolution 818g, Section 'A', paragraph 10.

1.9 NOTIFICATION OF IRREGULARITY

The provisions of this Paragraph govern the procedures when the Agency Administrator is required under any of

the provisions of Paragraph 1.7 to send to an Agent a Notice of Irregularity.

△ **1.9.1** the Agency Administrator will immediately send the Notice of Irregularity to the Agent in accordance with paragraph 16 of Resolution 824. In addition, a copy of the Notice of Irregularity will be posted on the ISS Portal and sent via electronic mail, provided that the Agent has a valid email address on file;

1.9.2 the Notice of Irregularity shall be in respect of the Agent's Head Office Location;

1.9.3 the Agency Administrator shall at the same time send a copy of the letter to the Approved Location concerned;

1.9.4 such irregularity shall be recorded against the Location concerned by the Agency Administrator on the list maintained pursuant to Subparagraph 1.7.5 of this Section;

1.9.5 an Agent may within 30 days of the date of the Notice of Irregularity invoke the procedures set out in Resolution 820e for review of the Agency Administrator's action by the Travel Agency Commissioner. An Agent may also invoke such review procedures in any case where a charge is applied in lieu of or in addition to a Notice of Irregularity. Where a review under this Subparagraph is pending and Default Action pursuant to Paragraph 1.10 of this Attachment is imminent or threatened, the Agent may apply to the Travel Agency Commissioner for interlocutory relief pursuant to Subparagraph 1.10.6 and subject to the conditions contained in that Subparagraph.

1.10 DEFAULT ACTION

The provisions of this Paragraph govern the procedures if Default Action is required to be taken in accordance with any of the provisions of Paragraph 1.7, when the procedures prescribed below shall be followed:

1.10.1 the Agency Administrator shall immediately advise all BSP Airlines that the Agent is in Default at all Locations or at the Location concerned (BSP Airlines which have appointed the Agent shall be notified by email or similar fast method of communication);

△ **1.10.2** the Agency Administrator on declaring an Agent in Default will immediately take the following action:

(i) send a notice in writing to the Agent in accordance with paragraph 16 of Resolution 824, that Default Action has been invoked and withdraw from the Approved Location(s) concerned all STDs. In addition, a copy of the notice shall be posted on the ISS Portal and sent via electronic mail, provided that the Agent has a valid email address on file;

(ii) demand an immediate accounting and remittance of all amounts owing by the Agent in respect of the Location(s) concerned whether or not the Remittance Date for payment thereof has arrived should the Agent fail to settle the amounts due, the provisions of Subparagraph 2.1.2 of this Attachment shall apply,

- (iii) notify the local representatives of BSP Airlines participating in the BSP concerned, and the ticketing system suppliers, of the Default Action;
- (iv) BSP Airlines will have a maximum period of 30 days to submit any ADMs/ACMs to be included in the final accounting with the Agent declared in default.

1.10.3 on establishing that an Agent is in default the Agency Administrator, shall immediately take the following action:

- (i) establish an up-to-date statement of indebtedness for each of the Approved Locations concerned and bill the Agent for charges incurred as a result of the Agent's failure to make complete settlement by the Remittance Date,
- (ii) establish from its records the ticket serial numbers held at each of the Approved Locations concerned,
- (iii) check any accounting and remittance obtained from the Agent and identify any discrepancies,
- (iv) distribute any monies obtained from the Agent among the BSP Airlines concerned, subject to subsection 1.10.4.

△ **1.10.4(a) Encashment of Bank Guarantee, Insurance Bond or Other Form of Guarantee (except India, Malaysia and Singapore)**

In the event that an Agent's BSP bank guarantee, insurance bond or other form of guarantee, if applicable, is insufficient to provide a full settlement to each of the BSP Airlines concerned listed in the Billing which has been subject to the Agent's default, each such BSP Airline shall be provided with a prorated amount of the bank guarantee, insurance bond or other form of guarantee in proportion to its percentage share in Billing subject to the default; such calculation shall be without regard to specific Accountable Transactions. In the event that an Agent has provided a separate bank guarantee, insurance bond or other form of guarantee in favour of a specific BSP Airline for Accountable Transactions, such BSP Airline shall not be entitled to any payment under the Agent's BSP bank guarantee, insurance bond or other form of guarantee until all outstanding indebtedness of the Agent to other BSP Airlines shall be discharged. In the event that an Agent owned by a Member, where the Member or Member's parent company holds greater than 50% of the equity of the Agent or the Agent's parent company, is declared in Default, such Member shall not be entitled to any payment under the Agent's BSP bank guarantee, insurance bond or other form of guarantee.

1.10.4(b) Encashment of Bank Guarantee, Insurance Bond or Other Form of Guarantee (India only)

In the event that an Agent's BSP bank guarantee, insurance bond or any other form of guarantee, if applicable is insufficient to provide a full settlement to each of the BSP participating Airlines concerned listed in the Billing which has been subject to the Agent's default, each such BSP Airline shall be provided with a prorated amount of the bank guarantee, insurance bond or other form of guarantee in proportion to its percentage share in Billing up to the date when the full amount of the bank

guarantee, insurance bond or other form of guarantee was exceeded. In the event that an Agent owned by a Member, where the Member or Member's parent company holds greater than 50% of the equity of the Agent or the Agent's parent company, is declared in Default, such member shall not be entitled to any payment under the Agent's BSP bank guarantee, insurance bond or other form of guarantee.

△ **1.10.4(c) Encashment of Bank Guarantee, Insurance Bond or Other Form of Guarantee (Malaysia and Singapore only)**

In the event that an Agent's BSP bank guarantee, insurance bond or any other form of guarantee, if applicable is insufficient to provide a full settlement to each of the BSP participating Airlines concerned listed in the Billing which has been subject to the Agent's default, each such BSP Airline shall be provided with a prorated amount of the bank guarantee, insurance bond or other form of guarantee in proportion to its percentage share in Billing up to the date when the full amount of the bank guarantee, insurance bond or other form of guarantee was exceeded; such calculation shall be without regard to specific Accountable Transactions. In the event that an Agent has provided a separate bank guarantee, insurance bond or any other form of guarantee in favor of a specific BSP Airline for Accountable Transactions, such BSP Airline shall not be entitled to any payment under the Agent's BSP bank guarantee, insurance bond or other form of guarantee until all outstanding indebtedness of the Agent to other BSP Airlines shall be discharged. In the event that an Agent owned by a Member, where the Member or Member's parent company holds greater than 50% of the equity of the Agent or the Agent's parent company, is declared in Default, such member shall not be entitled to any payment under the Agent's BSP bank guarantee, insurance bond or other form of guarantee.

1.10.5 Disputes and Withdrawal of Defaults

1.10.5(a) an Agent may register the existence of a dispute with the Agency Administrator over a billing of a specified amount as part of its billing. Provided written evidence of such dispute is provided by the Agent to the Agency Administrator, the Agency Administrator will ensure that no irregularity or default action will be applied, except where notification is received that the Agent has failed to comply with the provisions of Resolution 890 and action as prescribed under paragraph 1.7.7 of these rules is being taken by the Agency Administrator;

1.10.5(b) if the Agency Administrator becomes aware, through any source, that there exists between a BSP Airline and the Agent any dispute arising solely from amounts due or claimed to be due to such Airline from the Agent, or vice versa, in respect of the Reporting/Billing Periods for which the Agent was declared in Default he/she shall withdraw the declaration of Default. In the event that the BSP Airline does not admit the existence of such a dispute, the Agency Administrator shall require the Agent either, to submit documented evidence demonstrating the existence of the dispute or, to pay the amount of the short payment to the BSP. Provided that either of such conditions is met, the Agency Administrator shall withdraw the declaration of Default;

1.10.5(c) pending resolution of the dispute between the BSP Airline and Agent, and where the Agent has remitted the disputed amount to the BSP, the Agency Administrator shall hold such amount for 60 days. If after 60 days the dispute has not been resolved the Agency Administrator shall return the disputed amount to the Agent.

1.10.5(d) thereafter the dispute shall be for bilateral resolution between the Airline and Agent outside the BSP.

1.10.5.1 if the Default is withdrawn, the Agency Administrator shall, also

- (i) reinstate credit facilities and notify the Agent, all BSP Airlines accordingly. Any prior debits to the Agent for Clearing Bank charges incurred as a result of the overdue remittance shall be cancelled,
- (ii) remove the Notice of Irregularity, if any, giving rise to the withdrawn declaration of Default from the list maintained pursuant to the provisions of Subparagraph 1.7.4;

1.10.5.2 thereafter, if the Default is not withdrawn pursuant to Subparagraph 1.10.5 the provisions of Section 2 of this Attachment shall apply.

1.10.6 an Agent may within 30 days of the date of the Notice of Default Action invoke Resolution 820e for review of the Agency Administrator's action by the Travel Agency Commissioner and may also apply for an interlocutory order staying the Default Action and preserving the status quo pending the outcome of the review. Before granting an interlocutory order under this Subparagraph, the Travel Agency Commissioner shall require the Agent to provide a bank or other financial guarantee and ensure that all amounts due as determined under Subparagraph 1.10.2(ii) are settled at the time the interlocutory order takes effect.

1.11 REMITTANCE AND SETTLEMENT DELAYED BY OFFICIAL GOVERNMENT ACTION

notwithstanding any other provision contained in this Resolution an Agent shall not be sent a Notice of Irregularity, debited for administrative or Clearing Bank charges, nor declared in Default with respect to all or any part of a Remittance to the extent that the Agent is unable to make full settlement because of official Government action which directly prevents such settlement; provided that the Agent demonstrates that the amount has been made available for Remittance at a recognised bank but cannot be remitted owing to such official Government action.

1.12 RESPONSIBILITY FOR SETTLEMENT OF CREDIT AND CHARGE CARD ('CARD') TRANSACTIONS MADE AGAINST A BSP AIRLINE'S MERCHANT AGREEMENT

The provisions for Credit Card and Charge Card transactions are provided for by Resolution 890.

Section 2—Consequences of Default to BSPs and to BSP Airlines

The provisions of this Paragraph govern the procedures that shall be implemented when an Agent declared in Default owes monies to BSP Airlines.

2.1.1 When settlement has been made

when the Agency Administrator has determined that an Agent declared in Default under any of the provisions of these Rules, has effected settlement of amounts due, if any, as provided for in Default Actions (Subparagraph 1.10.2(ii)), the provisions of Paragraphs 2.3 through 2.5 inclusive shall apply.

2.1.2 When settlement has not been made

2.1.2(a) when the Agency Administrator has determined that an Agent declared in Default under any of the provisions of these Rules has failed to settle amounts due as provided for in Default Action (Subparagraph 1.10.2(ii)), he/she shall give the Agent notice of termination of the Sales Agency Agreement with the termination date being a date that is not before the date specified in clause 13.2 of the Sales Agency Agreement Paragraph 2.2 below provides for the settlement of monies due, including minimum repayment amounts and a schedule for the balance. Provided that the Agent effects settlement agreed under Paragraph 2.2, the termination will not take place.

2.1.2(b) if an Agent dishonours a repayment schedule, the original termination notice will be deemed valid even though the termination may occur at a date other than that specified originally, and the provisions for this in the applicable Passenger Sales Agency Rules shall apply.

2.2 SETTLEMENT OF AMOUNTS DUE

The provisions of this Paragraph govern the settlement of monies due by an Agent declared in Default.

2.2.1 when an Agent declared in Default is able to demonstrate to the Agency Administrator prior to the termination date specified in his notice of termination that:

- (i) either all outstanding amounts, if any, have been settled, or
- (ii) at least 50% of the outstanding amount has been settled and a firm schedule for repayment by instalments within six months of the balance plus interest at the official (prime) bank rate plus one percent has been agreed between the Agency Administrator and the Agent;

2.2.2 an alternative repayment schedule and conditions have been agreed between the Agent and either the Agency Administrator or the Agency Services Managers, upon unanimous agreement of the BSP Airlines to whom the outstanding amount is due, a fraction of such amount has been settled and a firm schedule for repayment by instalments over an agreed period of the balance plus interest at the official (prime) bank rate plus one percent has been agreed between the Agency Administrator and the Agent; such alternative repayment schedule shall

extend over no more than 12 months and, in any event, shall provide for payment of interest at a rate similar to that set out in Subparagraph 2.2.1(ii)

2.2.3 the Agency Administrator shall notify Members and Airlines accordingly;

2.2.4 the Agency Services Manager shall immediately advise the Agency Administrator of any failure of the Agent to honour the repayment schedule; he/she shall also immediately advise the Agency Administrator when total settlement of the balance due (including interest) has been completed.

2.3 REVIEW BY THE AGENCY ADMINISTRATOR

2.3(a) Agent able to demonstrate financial qualification

△ when the Agency Administrator is satisfied that the Agent has effected settlement of all outstanding amounts, he/she will require the Agent to furnish a Financial Security equivalent to its Sales at Risk, or per the Financial Security provisions for New Applicants in the Local Financial Criteria, whichever is higher;

2.3.1(a) provided the Agent satisfies the qualifications set forth in 2.3(a) above and in the case of default resulting from accumulation of Notices of Irregularity, demonstrates that it has taken adequate measure to prevent recurrence of such irregularities, the Agency Administrator shall so notify the BSP Airlines,

AND

2.3.1(b) IATA shall re-supply STDs and the BSP Airlines may, in their individual discretion, supply to the Agent their ticketing authority. In addition IATA will advise all System Providers that the Agent may issue STDs.

2.3.1(c) following reinstatement the Agency Administrator shall conduct a financial review of the Agent to determine if the Agent meets the Local Financial Criteria. Such review will only be conducted based on the financial position and audited accounts of the Agent dated no earlier than 6 months following the date of reinstatement and full settlement of all previous outstanding amounts, and not later than the next annual financial review after this date. The Agency Administrator may, by letter to the Agent, request that documents be provided by a specific date which date shall be no earlier than seven days from the date of the request.

2.3.1(d) if the results of the financial review detailed in 2.3.1(c) above determine that the Agents financial situation is sufficiently secure the Agency Administrator may remove the requirement for the Agent to continue furnishing a guarantee.

2.3.2 after reinstatement Agents may be required to continue to provide a guarantee subject to the results of any financial review.

2.3.3 if the Agent having settled all outstanding amounts, if any, is unable to demonstrate to the Agency Adminis-

trator by a specified date which shall be no earlier than 15 days from the initiation of the financial review that its financial and credit standing satisfies the qualifications set forth in the applicable Travel Agent's Handbook or Passenger Sales Agency Rules and, in the case of Default resulting from accumulation of Notices of Irregularity that it has taken adequate measures to prevent recurrence of such irregularities, the Agency Administrator shall give the Agent notice of termination of the Sales Agency Agreement or of removal from the Agency List as the case may be. The termination or removal shall take effect on a date that is not before the date specified in clause 13.2 of the Sales Agency Agreement. If, prior to the date of termination or removal, the Agent eliminates the grounds for such termination or removal to the satisfaction of the Agency Administrator, the termination or removal shall not take effect.

2.4 EFFECTS OF RETENTION AFTER DEFAULT

A defaulting Agent whose Agreement has not been terminated shall be cleared of all irregularities recorded against all its Locations prior to the Default.

2.5 REVIEW BY TRAVEL AGENCY COMMISSIONER

when notice that an Agent's Sales Agency Agreement is to be terminated or its Approved Location is removed from the Agency List pursuant to the provisions of Subparagraph 2.1.2 or Paragraph 2.3, the Agent may, within 30 days of the date of either the notice of termination/removal or of termination/removal, invoke Resolution 820e for review of the Agency Administrator's action by the Travel Agency Commissioner and may also apply for an interlocutory order staying the termination and preserving the status quo pending the outcome of the review. Before granting an interlocutory order under this Subparagraph, the Travel Agency Commissioner shall require the Agent to provide a bank or other financial guarantee and ensure that all amounts due as determined under Subparagraph 1.10.2(ii) or any subsequent accounting are settled at the time the interlocutory order takes effect.



RESOLUTION 818g

Attachment 'B'

TO: Agency Administrator AGENCY NAME, ADDRESS &
INTERNATIONAL AIR TRANSPORT ASSOCIATION NUMERIC CODE

NOTICE OF CHANGE

Pursuant to the provisions of Section 10 of the Passenger Sales Agency Rules we hereby give notice of the following change(s) in the legal status or ownership of the above-named IATA Agent (Transferor) as a consequence of contractual arrangements or negotiations:

- 1. Sole Proprietorship/Partnership /Corporation/other (specify one)
2. Name(s) of owner/partners in case of unincorporated firms
3. If corporation list: (a) issued share capital name/amount of shares % name/amount of shares % (b) names and address of owners of stock/shares and amount of stock owned by each (c) names of all officers and directors
4. Effective date of future status as shown above.
5. Legal name, trading name and full address under new ownership.
6. If the answer to (5) above represents a change of name or location or both, please give details.
7. Will such change affect all Approved Locations? If not, please provide detailed explanation.
8. Will such change affect the managers and staff at the Approved Locations under this change? If so, give details.
9. Have any of the new owners, officer (directors), managers or any individual having authorisation to act or sign on behalf of such firm been involved in bankruptcy or default proceedings? If so, give details.
10. Will the change of ownership cause direct or indirect relationship with an organisation holding General Sales Agency appointment from a BSP Airline? If so, give details.

The Transferor has informed the Transferee of the need to comply with the Sales Agency Rules if the Transferee wishes to be entered on the IATA Agency List as an Accredited Agent.

In accordance with one of the requirements of the Sales Agency Rules, the Transferee hereby undertakes that it accepts joint and several liability with the Transferor for any outstanding obligations of the Transferor under its Sales Agency Agreement as at the date the transfer of ownership takes place.

Where the Transferor is employed by, or retains a financial or beneficial interest, directly or indirectly, in the agency following the change of ownership, the undersigned Transferee knows and hereby agrees to accept responsibility for any violation by the Transferor of his Sales Agency Agreement which may have occurred within a period of two years immediately prior to the change of ownership as if such violation were a violation of the Transferee's Sales Agency Agreement.

Authorised Signature of Agent (Transferor) Witness
Authorised Signature of Transferee Witness

Dated:.....

RECEIVED AND ACKNOWLEDGED:
IATA Agency Administrator
Dated:.....

RESOLUTION 818g

Attachment 'C'

REPORTING & REMITTANCE EXCEPTIONS

SECTION 1.1 MONIES DUE ON ISSUE OF STANDARD TRAFFIC DOCUMENTS

INDIA ONLY On the issuance by the Agent of a Standard Traffic Document on behalf of a Member, the Agent shall be responsible for payment to the Member of any related non-transportation charges applicable in the country of issuance, irrespective of whether such Standard Traffic Document is subsequently voided or refunded.

SECTION 1.5 BILLING

CHINA ONLY The frequency at which Billings shall be rendered to Agents by the Clearing Bank shall be established by the Conference; provided that there shall be not less than 104 and more than 106 billings per calendar year.

SECTION 1.6 SETTLEMENT—THE REMITTANCE DATE

- *Effective 1 February 2016

AUSTRALIA ONLY Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 12th day from the Reporting Date.

- *Effective 1 February 2018

AUSTRALIA ONLY Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 8th day from the Reporting Date.

BELGIUM, FRANCE, LUXEMBOURG AND THE NETHERLANDS and such other countries as agreed by the PAConf where agreed if the Remittance Frequency so established is monthly, remittances shall reach the Clearing Bank on the date established by the Conference which shall not be earlier than the tenth nor later than the fifteenth day of the month following the month covered by the Billing; provided that the method of payment used assures that the funds are in the Clearing Bank in time for the remittance to be made into the BSP Airlines' account on the date so established;

- CAMBODIA, THAILAND, GULF AREA AND ZAMBIA ONLY** remittances must be made so that the method of payment used assures that the funds are in the Clearing Bank for good value on the day of remittance.

- 1.6.2(e) CHINA ONLY** If the remittance frequency so established exceeds four times per month, the remittance date and settlement date can be adjusted forward or backward based on the need of the market due to the updated public holidays.

- INDIA ONLY** Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 09th calendar day from the Reporting Date and the method of payment used assures that the funds are in the Clearing Bank for good value on the day of remittance. If the Clearing Bank is closed for business on the required "Remittance Date" then the Agent shall make the Remittance so as to reach the Clearing bank on the first subsequent day when the Clearing bank is open for business.

- NEPAL ONLY** Remittances shall be made so as to reach the Clearing Bank no later than its close of business on the 14th day from the Reporting Date.

Effective 1 January 2015

JAPAN ONLY Recurring dates 29 December through 3 January, considered as business holidays, must not have remittance scheduled during this window.

*Effective 1 January 2015

JAPAN ONLY If the remittance frequency so established is four times monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 13th calendar day from the Reporting Date.

**Effective 1 October 2015

JAPAN ONLY If the remittance frequency so established is four times monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 8th calendar day from the Reporting Date.

JORDAN ONLY if the Remittance Frequency so established is twice monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the last day of the month in respect of Billings covering the first 15 days of the month and the 15th day of the following month, in respect of Billings covering the period from the 16th to the last day of the month; provided that the method of payment used assures that the funds are in the Clearing Bank for good value on the day of remittance in time for the settlement to be made into the BSP Airlines' account on the date so established locally;

- LITHUANIA ONLY** If the remittance frequency so established is four times monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 7th calendar day from the Reporting Date.

PAKISTAN ONLY If the remittance frequency so established is four times monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 7th day from the Reporting Date.

NEW ZEALAND ONLY If the remittance frequency so established is four times monthly, Remittances shall be made so as to reach the Clearing Bank not later than its close of business on the 7th day from the Billing Distribution date (6th day from Billing Distribution date effective 1st July 2014). If the remittance frequency so established is twice monthly, Remittances shall be made

so as to reach the Clearing Bank not later than its close of business on the 7th day from the Billing Distribution date of the later sales period (6th day from Billing Distribution date effective 1st July 2014).

SECTION 1.7 IRREGULARITIES & DEFAULT

Exceptions to Accumulated Irregularities

CHINA ONLY if ten (10) instances of irregularity are recorded on such lists in respect of a Location during any 12 consecutive months, the Agency Administrator shall immediately advise ISS Management and he/she shall take Default Action with respect to all Locations in accordance with Paragraph 1.10;

RESOLUTION 820

FORM OF CERTIFICATE OF APPOINTMENT

PAC1(40)820(except USA) Expiry: Indefinite
PAC2(40)820 Type: B
PAC3(40)820

RESOLVED that, the following form of Certificate of Appointment be adopted:

CERTIFICATE OF APPOINTMENT

(NAME OF AGENT)

Whose principal place of business is located at

Full Address and Postal Codes

.....

is hereby authorised to represent(name of IATA Member and any designated affiliated carrier) in promoting and selling air passenger transportation in accordance with and subject to all of the terms and conditions of the IATA Sales Agency Agreement and any amendments thereto currently in effect. This appointment will automatically be terminated or suspended on the date such Agreement is terminated or suspended.

The authority granted to the Agent by this Certificate and the said Agreement may be exercised only in that Agent's IATA Approved Locations, unless otherwise restricted by the appointing carrier.

Name of Airline.....

By (Title).....

(Address).....

(Date)
