

RESOLUTION 800

PASSENGER SALES AGENCY RULES

ATTACHMENT 'C'—FINANCIAL ASSESSMENT
FRAMEWORK FOR AGENTS WITH AN AMOUNT AT
RISK GREATER THAN USD 5 MILLION

△ PAC(58)800/(Mail A607)(except USA) Expiry: Indefinite
Type: B

This Resolution is applicable in the following markets and regions:

Afghanistan, Algeria, Angola, Armenia, Belarus, Bhutan, Brunei Darussalam, Burundi, Cape Verde, Christmas Island, Cocos (Keeling) Islands, Cuba, Comoros, Democratic People's Republic of Korea (DPRK), Democratic Republic of Congo, Djibouti, Equatorial Guinea, Eritrea, Falkland Islands/Malvinas, Gambia, Guinea, Guinea-Bissau, Indian Ocean Islands, Islamic Republic of Iran, Iraq, Israel, Laos (Peoples' Democratic Republic), Liberia, Libya, Madagascar, Maldives, Sao Tome and Principe, Seychelles, Sierra Leone, Somalia, Tajikistan, Timor Leste, Turkmenistan, and Uzbekistan.

RESOLVED that, the following Rules are adopted and implemented:

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Introduction

1. PURPOSE

the purpose of this Resolution is to encourage the orderly promotion and sale of international air transportation by Members through their Accredited Agents in an efficient manner based on established business procedures, in the interests of the travelling public, Members and their Agents.

2. ONLY ACCREDITED AGENTS TO BE APPOINTED

a travel agency appointed by a Member to sell international air transportation must be an Accredited Agent operating from an Approved Location whose name and address have been entered on the Agency List.

3. DUTY TO PROMOTE AND SELL FOR APPOINTING MEMBERS

an Accredited Agent undertakes to the best of its ability to represent the interests of the Member and to promote and sell international air transportation.

4. AGENCY INVESTIGATION PANEL

The activities of the Agency Investigation Panel are contained in Section 3 of these Rules. For the purposes of these Rules, in any country where there is no Agency Investigation Panel in place, references to such group shall be replaced with the "Agency Administrator".

Section 1—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.

Section 2—Criteria for Accreditation and Retention

When, pursuant to the provisions of this Section, the Agency Investigation Panel is authorised to establish certain standards, application of such standards shall be subject to their prior endorsement by the Agency Administrator. Standards so endorsed shall be published in the Handbook.

2.1 any Person in possession of the appropriate official licences, where required, may be considered for inclusion in the Agency List and have a place of business entered as an Approved Location on the Agency List, or an Agent may have an application considered for an additional place of business entered as an Approved Location on the Agency List by meeting the following requirements which have been confirmed as met through investigation performed on behalf of the Agency Investigation Panel, and submitting an application to the Secretary of the appropriate Agency Investigation Panel in the form prescribed by the Conference;

2.2 when there are reasons to believe that an Accredited Agent or Approved Location does not continue to meet such requirements, the Agency Administrator shall on his own initiative, or may, at the request of the Agency Investigation Panel or of a Member, initiate a review of the Agent or Location. If the Agent is unable to demonstrate to the Agency Administrator by a specified date that it meets the qualifications, the Agency Administrator shall give the Agent notice of termination of the Sales Agency Agreement or, in the case of a Branch Office Location, of removal of such Location from the Agency List. Such termination shall not take effect if, prior to the date of termination or removal, the Agency Administrator determines that the Agent or Location meets the qualifications;

2.3 if at any time the Agency Administrator 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 Subparagraphs 2.4.6 and 2.4.7 of this Paragraph, it shall be grounds for the Agency Administrator, if he considers that the circumstances so warrant, to give the Agent notice of termination of the Sales Agency Agreement or, in the case of a Branch Office Location, of removal of such Location from the Agency List; provided that such termination or removal shall not take effect if, prior to the date of termination or removal:

2.3.1 the Agent eliminates the grounds for such termination or removal to the satisfaction of the Agency Administrator or,

2.3.2 the Agency Administrator is satisfied that the Agent can be relied upon to comply with the terms of the Sales Agency Agreement, these Rules and other Resolutions of the Conference;

2.4.1(a) the applicant must provide accredited accounts showing 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 as specified by the Agency Investigation Panel. Such statements shall

be evaluated and found satisfactory pursuant to the standards established from time to time by the Agency Investigation Panel. The standards shall be endorsed and published in the Travel Agent's Handbook by the Agency Administrator. The following will be taken into account when assessing the applicant's financial standing:

2.4.1(a)(i) availability of adequate liquid funds to meet normal trading commitments,

2.4.1(a)(ii) capital required to be commensurate with fixed assets,

2.4.1(a)(iii) the existence of preferential claims on the assets and the existence of contingent liabilities;

2.4.1(b) 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. Failure on the part of an Agent to renew, by the expiry date, any such bank or insurance bonds or guarantees shall constitute grounds for the Agency Administrator to give the Agent notice of termination of the Sales Agency Agreement and notify all Members and, where applicable, Airlines and ISS Management. If, prior to the date of termination, the Agency Administrator receives evidence that such bank or insurance bonds or guarantees have been renewed as required, the termination shall not take effect and he shall reinstate credit facilities and so notify the Agent, all Members and, where applicable, ISS Management;

2.4.1(c) if so directed by the Agency Administrator, the Agency Investigation Panel shall conduct annual examinations of the financial standing of Agents. Its Secretary may request and the Agent concerned shall be under obligation to furnish, by the date specified in the Secretary's letter of request, the documents deemed necessary by the Agency Investigation Panel to conduct such examination. Failure by the Agent to submit such documents as prescribed shall be grounds for the Secretary to issue a Notice of Irregularity and to give the Agent 30 days to comply. Failure by the Agent to comply within 30 days shall be grounds for the Agency Investigation Panel to request the Agency Administrator to give the Agent notice of termination of the Sales Agency Agreement and notify all Members, Airlines and ISS Management accordingly, provided that if the Agent demonstrates to the Agency Administrator prior to the termination date that it meets the Local Financial Criteria incorporated in the Travel Agent's Handbook the termination shall not take effect;

2.4.1(d) when the Agency Investigation Panel determines that an Agent no longer satisfies the Local Financial Criteria, it may, if circumstances so warrant, prescribe in writing such conditions as are deemed appropriate to be complied with by the Agent within 60 days of the date of such written prescription. The Secretary shall determine if such conditions have been met. On finding that the Agent failed to comply, the Secretary shall request the Agency Administrator to issue a Notice of Irregularity, to withdraw all Traffic Documents, and require the Agent to comply within 30 days. If the Agent fails to comply within 30 days the Secretary shall request the Agency Administrator to give the Agent notice of termination of the Sales Agency

Agreement and notify all Members, Airlines and ISS Management accordingly;

2.4.1(e) if subsequent to the action taken under Subparagraph 2.4.1(d) above, but prior to the termination date, the Agent satisfies the Secretary that the prescribed conditions have been met, the termination shall not take effect and the Agency Administrator shall reinstate credit facilities and notify the Agent, all Members, Airlines and ISS Management accordingly;

2.4.1(f) if the termination takes effect pursuant to the provisions of Subparagraph 2.4.1(c) and 2.4.1(d) above, the Agent may, within 30 days of the termination, invoke the procedures for review of the Agency Administrator's action by the Travel Agency Commissioner;

2.4.1(g) when the financial position of an Agent is subject to examination by the Agency Administrator, and the Agent is unable to meet the Local Financial Criteria, the Agency Administrator shall take normal business fluctuations into account and provide the Agent with a reasonable period of time to meet those criteria;

2.4.1(h) A cost justified financial review fee, the level to be set by IATA Management, will apply for each Agent that fails to comply with established Local Financial Criteria.

2.4.2 the Applicant must wholly own and fully manage the business for which approval is sought as a Branch Office Location;

Branch Locations in Other Markets

2.4.2.1 An applicant that opens Branch Locations in a market, that is different from where the Head Office legal entity is located, will be assessed against the Local Financial Criteria established for the market 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 market of the Branch Location, it shall be required to furnish additional security in the form of a bank or insurance bond or guarantee to cover the Sales at Risk for that location.

2.4.3 the Applicant must have at the location concerned, except as provided in Subparagraph 2.4.4.2(c) of this Paragraph, at least two full-time travel staff members qualified and competent to sell international air transportation and issue travel documents, in accordance with the standards laid down by the Agency Investigation Panel;

2.4.4 the place of business for which approval is sought shall be open for business on a regular basis, be clearly identified as a travel agency and freely accessible to the general public for the sale of international air transportation; provided that such place of business;

2.4.4.1 shall not be located at an airport. (The term 'airport' means the airport and supporting facilities, including all parking areas, under the direct jurisdiction of the Airport Authorities),

2.4.4.2 shall not be located on the premises of an organisation, plant or commercial firm and dedicated substantially to the travel requirements of that

organisation, plant or commercial firm, unless it meets the following additional requirements:

2.4.4.2(a) it is a branch of an existing Accredited Agent, and

2.4.4.2(b) it is clearly identified as a travel office conducting its activities separately from other activities in such premises, and

2.4.4.2(c) it is staffed exclusively by the Accredited Agent, having at least one person meeting the minimum qualifications of Subparagraph 2.4.3 of this Paragraph, and

2.4.4.2(d) where possible, it shall have a separate telephone number, and

2.4.4.2(e) it meets all other criteria of these Rules, including having its own separate security facilities for safe-keeping of paper Traffic Documents supplied by a Member, except that it need not be freely accessible to the general public,

2.4.4.3 shall not be located in office space jointly occupied with another travel agency, an Accredited Agent or an air carrier;

2.4.5 the Applicant must not have a name which is the same as, or is misleadingly similar to, that of an IATA Member or IATA. The place of business must not be identified as an office of a Member or a group of Members;

2.4.6 the Applicant, its managerial staff or its principal stockholders (or persons for whom they act as nominees), directors, officers or managers shall not have been found guilty of wilful violations of fiduciary obligations incurred in the course of business, nor be undischarged bankrupts; any Member holding such information shall immediately inform the Agency Administrator accordingly;

2.4.7 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 debts to Members, or in such an Agent whose debts to Members were met solely or in part by recourse to a financial bond or guarantee; provided that the Applicant may nevertheless be approved if the Agency Investigation Panel is satisfied that such person did not participate in the acts or omissions that caused such removal or default or if it 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;

2.4.8(a) the Applicant must not be a General Sales Agent for a Member in the country (whether or not for the whole of that country) where the location for which approval is being sought is situated; provided that this shall not preclude consideration by the Agency Investigation Panel of such an applicant if the application contains evidence, to the satisfaction of the Agency Investigation Panel, that the applicant will have ceased to be such a General Sales Agent before the date of effectiveness of the decisions

taken by the Agency Investigation Panel at the meeting where the application is acted upon;

2.4.8(b) the Applicant must not act as a General Sales Agent for one or more non-IATA air carriers. Nevertheless an applicant or an Accredited Agent may be authorised to act as a GSA for one or more non-IATA air carriers if so agreed by unanimous vote of Members present and voting at a meeting of the Agency Investigation Panel, and, the decision having been promptly circulated to all Members by the Agency Administrator, no Member files written protest with the Agency Administrator within 15 days of details of such decision being circulated;

2.4.9 the applicant shall make adequate provision for the safe custody of paper Traffic Documents supplied by a Member and the security of premises in accordance with the standards prescribed from time to time by the Agency Investigation Panel, with the concurrence of the national carrier(s) concerned;

2.4.10 in respect to the issue of Traffic Documents after accreditation an Agent shall comply with the provisions of [Resolution 822](#) to the extent that they affect an Agent's obligations or actions;

2.4.11 in any country/area where a BSP is in operation, 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 which meets the requirements set out in [Resolution 854](#);

2.4.12 An Agent is required to safeguard paper STDs, supplied by a Member, in its possession by storing them in a lockable steel cabinet when not in use. An Agent that does not use paper STDs is recommended to take all necessary precautions to protect its business and business applications but is not required to maintain any lockable device.

2.4.13 where officially required the applicant must be in possession of a valid licence to trade;

2.4.14 all material statements made in the application shall be accurate and complete.

2.4.15 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 a Notice of Irregularity will be issued and/or default action will be taken as described in those rules.

2.4.16 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 take action to remove the Agent's Electronic Ticketing Authority.

2.5 DISCRETION IN CERTAIN CASES

the Agency Investigation Panel may, at its discretion, approve an application by a person in an area or community where there are no persons who could meet the requirements for an Accredited Agent, although such applicant would not otherwise be approved because of the provisions of Subparagraph [2.4.3](#) of this Section.

2.6 TOUR OPERATOR AS ACCREDITED AGENT

notwithstanding Subparagraph [2.4.4](#) of this Section, an applicant which demonstrates that its business is solely concerned with the organising of Inclusive Tours and which fulfils all other criteria but does not maintain a place of business which is freely accessible to the general public, may nevertheless be accredited, provided that it performs the issuance of Traffic Documents related to such inclusive tours only.

2.7 FINANCIAL ASSESSMENTS FOR AGENTS WITH AN AMOUNT AT RISK GREATER THAN USD 5 MILLION

2.7.1 At any point, an Agent with an Amount at Risk greater than USD 5,000,000, will be subject to additional financial and operational reviews of the Agent's business in accordance to the financial assessment framework as established in [Attachment 'C'](#) of this Resolution. Any cost associated with such review will be borne by the Agent.

2.7.2 The assessment framework contains a set of criteria, each criterion categorised as either a key criterion, or a standard criterion. A subset of such criteria forms various sections of this framework. The determination to fail a section of this framework is considered by failing to meet at least one Key criterion, or a number of Standard criteria as indicated in [Attachment 'C'](#) of this Resolution.

2.7.3 To pass the assessment, the Agent must pass all sections of the framework in accordance to [Attachment 'C'](#) of this Resolution.

2.7.4 If the Agent fails any section of the framework, in accordance to [Attachment 'C'](#) of this Resolution, the Agent will be required to provide a Financial Security to cover any Amount at Risk in excess of USD 5,000,000. The Financial Security requirements for any Amount At Risk below USD 5,000,000 shall continue to be governed by the Local Financial Criteria.

2.7.5 Notwithstanding the requirements as established in [2.7.1–2.7.4](#) of this section, the Agent will continue to undergo annual examination of its financial standing in accordance to section [2.4.1](#) of this Resolution.

Section 3—Agency Investigation Panel

3.1 AGENCY INVESTIGATION PANEL

3.1.1 Constitution

where warranted in each country where this Resolution is applicable, the Agency Administrator shall set up an Agency Investigation Panel; provided that where he deems it warranted the Agency Administrator may, with the agreement of the national carriers concerned, set up an Agency Investigation Panel for a group of countries. Where there is no Agency Investigation Panel for a country or territory the duties and authority of an Agency Investigation Panel shall be exercised by the Agency Administrator;

3.1.1.1 any Member may participate in an Agency Investigation Panel by giving written notification from its Head Office to the Secretary of the Agency Investigation Panel, with copy to the Agency Administrator, of the name of an appropriately senior management representative who is a full-time employee of that Member and who will act as that Member's delegate. Such notification may also include a designation of an alternate;

△ **3.1.1.2** the Chair and Secretary shall normally be provided by the Member national carrier(s) unless otherwise decided by the Agency Investigation Panel.

3.1.1.3 On full implementation of BSP in a country the AIP shall have six months in which to disband and transfer accreditation activities to the IATA office. IATA will at the same time consult with the market on a move to a progressive set of Sales Agency Rules provided for under [Resolution 818g](#).

3.2 PROCEDURES

△ **3.2.1** the Agency Investigation Panel shall meet when convened by the Secretary in consultation with the Chair, or at the request of the Agency Administrator or at the request of one-third participating Members;

3.2.2 notwithstanding the provisions of Subparagraph [3.2.1](#), the Agency Investigation Panel shall meet not less than four times a year to carry out the functions assigned to it;

3.2.3 a quorum is constituted by a simple majority of Members operating to the territory of the Agency Investigation Panel, which have notified the Agency Administrator pursuant to Subparagraph [3.1.1.1](#) of this Section;

3.2.4 any Member's delegate or alternate present at a meeting shall be entitled to cast the Member's vote. Decisions shall be taken by a vote of the Members present and there shall be neither abstentions nor secret voting nor voting by proxy. Member's names shall not be mentioned in the voting record;

3.2.5 the Secretary of the Agency investigation Panel shall be responsible for the production and distribution of minutes after each meeting. Each Member of the Agency

Investigation Panel and the Agency Administrator shall receive a copy of the Minutes.

3.3 OBSERVERS

△ by prior arrangement with the Chair the following are permitted to attend the Agency Investigation Panel as observers:

3.3.1 legal, financial or security advisers and only for that part of the meeting in which their specialist advice is sought;

3.3.2 a representative from the Member's Head Office who is responsible for agency affairs may attend together with a member of the Agency Investigation Panel;

3.3.3 senior representatives of active Members who are all-cargo operators;

3.3.4 an accredited member of the Agency Investigation Panel may be accompanied on the occasion of his final attendance at an Agency Investigation Panel meeting by the person who is to assume his responsibilities;

3.3.5 an alternate who is not participating in the meeting;

3.3.6 the Agency Administrator or his representative;

3.3.7 the Billing and Settlement Plan Manager or Project Manager.

3.4 AUTHORITY

the Agency Investigation Panel is empowered to process the following matters and to make decisions thereon in accordance with the voting requirements, and the provisions of the appropriate Sections of these Rules, as specified below;

3.4.1 by a two-thirds majority vote:

3.4.1.1 applications for inclusion on the Agency List received from applicants, in accordance with [Section 4](#), except as provided in [Section 2](#), Subparagraph [2.4.8\(b\)](#),

3.4.1.2 applications for approval of changes of ownership or legal status referred by the Agency Administrator following his countersignature of the Notice of Change form or his granting of provisional approvals, as the case may be, in accordance with [Section 11](#),

3.4.1.3 applications for approval of changes of name or location, in accordance with [Section 11](#);

3.4.2 by unanimous vote:

3.4.2.1 applications for inclusion on the Agency List as provided in [Section 2](#), Subparagraph [2.4.8\(b\)](#),

3.4.2.2 increases in the frequency of sales reports and remittances, in accordance with [Section 2](#) of [Resolution 832](#).

3.5 ELECTRONIC TICKETING

The following provisions shall apply in any country/area in which a BSP is in operation.

3.5.1 Granting and Termination of Electronic Ticketing Authority

3.5.1.1 a Member or Airline participating in the Billing and Settlement Plan may issue an ET Authority to a Head or Branch Office Location of the Agent.

3.5.1.2 any Member or 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;

3.5.1.3 if the update is not performed electronically on BSPlink, the Member or Airline shall simultaneously advise the BSP of the removal of the Electronic Ticketing Authority and IATA shall instruct the System to inhibit Electronic Ticketing issuance on behalf of that Member or Airline.

3.5.2 Issuance of Electronic Tickets

the Agent shall comply with the instructions issued by the BSP and the Ticketing Carrier(s) in relation to the issuance and reporting of Electronic Tickets;

Section 4—Procedures for Accreditation of Agents

Upon request, the Secretary of the Agency Investigation Panel will supply each prospective applicant with an application form and a copy of the Travel Agent's Handbook (at a nominal charge) containing these Rules and other relevant information and guidance.

4.1 PROCESSING

4.1.1/4.1.1.1 upon receipt of an application, the Secretary of the Agency Investigation Panel shall promptly consider whether such application is complete. If any of the required information or fees have not been included with the application, the Secretary of the Agency Investigation Panel shall so inform the applicant;

4.1.1.2 if the Secretary of the Agency Investigation Panel finds the application is complete, he shall:

4.1.1.2(a) publish promptly to Members on the Agency Investigation Panel in a periodic listing that such application has been received,

4.1.1.2(b) immediately designate from the Agency Investigation Panel membership, two investigators to ascertain whether the applicant meets the requirements of [Section 2](#) of these Rules,

4.1.1.2(c) obtain an evaluation of the applicant's financial statements;

4.1.1.3 after receipt of the completed investigation reports and of the financial evaluation, the Secretary of the Agency Investigation Panel shall include the application on the agenda of the next meeting of the Agency Investigation Panel;

4.1.1.4 if the Agency Investigation Panel finds that the applicant meets the requirements set out in [Section 2](#) of these Rules, it shall be empowered to approve, on a two-thirds majority vote, the application subject to the following procedures:

4.1.1.4(a) following each meeting, the Secretary of the Agency Investigation Panel shall forward to the Agency Administrator, together with the minutes of the meeting, the names and complete application files of applicant approved by the Agency Investigation Panel on a two-thirds majority basis,

4.1.1.4(b) upon finding the application and file to be in accordance with these Rules, but not later than 15 days after receipt thereof, the Agency Administrator shall thereupon enter the name and location of the person on the Agency List and shall notify the Agent and Members. Thereafter the provisions of [Section 5](#) of these Rules shall apply,

4.1.1.4(c) if the Agency Administrator determines that the application or file is not in accordance with these Rules, he shall return the application and file to the Agency Investigation Panel for reconsideration and resubmission after remedial action,

4.1.1.5 except in respect of an application for approval of a change of ownership from a ‘transferee’ as defined in Section 11, Subparagraph 11.3.1 of these Rules, the Agency Investigation Panel shall be empowered to reject an application on a two-thirds majority vote;

4.1.1.6 if the Agency Investigation Panel is unable to approve by two-thirds majority vote an application for approval of a change of ownership from a ‘transferee’ or to arrive at a two-thirds majority decision in respect of an application for inclusion in the Agency List, it shall forward the application and complete file to the Agency Administrator for decision;

4.1.2 when an application is rejected, the Agency Administrator shall notify the applicant in writing, giving full reasons.

4.2 RECONSIDERATION/REVIEW OF REJECTED APPLICANT

a rejected applicant, or ‘transferee’, or an Agent whose application for an additional location has been rejected, may within 30 days of the date of notification of such rejection, request reconsideration of the decision by the Agency Investigation Panel, or may invoke the procedures for review of the decision by the Travel Agency Commissioner.

4.3 THE AGENCY LIST

4.3.1 the Agency Administrator shall maintain, publish and circulate from time to time, an Agency List of all persons with whom the Director General has entered into a Sales Agency Agreement in accordance with Section 5 of these Rules, which will contain the following information:

4.3.1.1 name and postal address,

4.3.1.2 address of place of business,

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

4.3.1.4 date of approval,

4.3.1.5 IATA Numeric Code;

4.3.2 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 so apply;

4.3.3(a) an Approved Agent which operates under a BSP and wishes to identify a specific sales activity performed at an Approved Location, may request the allocation of an additional IATA numeric code (hereinafter referred to as “numeric code”) for such purpose, on the following conditions:

4.3.3(a)(i) the Agent shall apply in writing to the Agency Administrator, describing the specific sales activity

referred to in Subparagraph 4.3.3(a) above and requesting the allocation of an additional numeric code to identify such sales activity,

4.3.3(a)(ii) on receipt of such application, the Agency Administrator 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 6 of these rules,

4.3.3(a)(iii) if satisfied that the foregoing conditions are met, the Agency Administrator shall allocate the numeric code accordingly,

4.3.3(a)(iv) an entry fee and an annual agency fee shall be payable as though the numeric code applied to a separate Branch Office Location in accordance with Paragraph 4.4 of this Section;

4.3.3(b) the additional 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.

4.4 AGENCY FEES

4.4.1 Framework for agency fees

4.4.1.1 This section establishes the process for the charging of Agency fees.

4.4.1.2 Structure of Section

4.4.1.2.1 This section is structured as follows:

- (a) Types of Agency Fees
- (b) Invoicing
- (c) Non-Payment of annual agency or administrative fees
- (d) Use of Agency Fees
- (e) Application of Agency Fees

4.4.2 Types of agency fees

The different types of Agency fees are set out in Resolution 800 Attachment ‘B’.

4.4.3 Invoicing

4.4.3.1 Except in respect of the first annual fee payment which must be settled upon application, annual agency fees for each calendar year will be due no later than December 1 of the preceding year in accordance with the instructions provided by IATA. Invoices for such fees will be issued by IATA for collection through the BSP, except where this is not operationally feasible payment will be due within 30 days of the date of issue. All fees will be listed and established in Swiss Francs (CHF) and will be invoiced in the currency of collection.

4.4.4 Non-payment of annual, application or administrative fees

4.4.4.1 If any Agent fails to pay the annual fee by 1 December, the Agency Administrator may apply an additional late-payment fee to that Agent and shall promptly notify the Agent in writing that its Sales Agency Agreement will be terminated if such fee and such additional fee are not received by 31 December. In the event of failure to make payment by such date, the Director General shall terminate the Agent's Sales Agency Agreement and the Agency Administrator shall remove the Agent's name from the Agency List;

4.4.4.2 Notwithstanding the foregoing or any other provisions of these Rules, the Agency Administrator, on receipt of the overdue annual agency fee from an Agent by 1 March following the 31 December due date shall reinstate the accreditation of such Agent provided he is satisfied that such late payment was caused by events beyond the Agent's control. Where payment is received after 1 March the Agency Administrator shall, provided he is satisfied that such late payment was caused by events beyond the Agent's control, refer the matter to the next meeting of the Agency Investigation Panel, which may at its discretion reinstate the accreditation of the Agent. In either case, the Agent's name shall be re-entered on the Agency List and a new Sales Agency Agreement executed with the Agent if necessary;

4.4.5 Use of agency fees

4.4.5.1 Agency fees collected by 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.

4.4.6 Application of agency fees

The application of the Agency Fees are set out in Resolution 800 [Attachment 'B'](#).

If an application for Accreditation is rejected or withdrawn, the fees related to Registration, Annual and Travel Agency Commissioner fee will be refunded.

4.4.6.1 Lack of compliance in reporting Major Changes

4.4.6.1.1 For the purpose of assessing non-compliance to report a major change within the mandatory period, major changes consist of those relating to the ownership/structure of the Agent (change of ownership, legal status, legal name and shareholding).

4.4.6.2 Change of Accreditation Type

4.4.6.2.1 In the event that the Agent changes ownership, which results in a change of accreditation type, the difference in application fees will be charged to the new owner.

4.4.6.3 Agency Fees Governance

4.4.6.3.1 Agency fees shall be determined by Conference.

Section 5—Appointments

5.1 EXECUTION OF SALES AGENCY AGREEMENT

the Director General, acting on behalf of such IATA Members as may appoint Agents as hereinafter provided, shall execute a Sales Agency Agreement with each person accredited as an Agent in accordance with these rules and shall, where applicable, execute with such person a Supplementary Agreement in the form prescribed by the applicable Resolution of the Conference. The Agency Administrator shall promptly notify all Members of the names of parties executing Sales Agency Agreements and the dates of such Agreements.

5.2 APPOINTMENT OF AGENTS BY MEMBERS OR BSP AIRLINES

5.2.1 Manner of Appointment

5.2.1.1 a Member or BSP Airline may appoint an Agent executing such Agreement as an Accredited Agent for such Member or BSP Airline in the following manner and such Appointment shall, unless otherwise provided therein, cover all Approved Locations of the Agent:

5.2.1.1(a) either under the authority of the Agency Administrator by effecting the Appointment of all Accredited Agents. Such authority is within the Agency Administrator's responsibilities for the management of the Agency Programme and will normally be effective for all locations but a Member or BSP Airline may notify IATA that exclusions on a geographical basis for one or more markets are to be made. IATA will publish on the IATA website (www.iata.org) a list of Members and BSP Airlines with markets where the Agency Administrator is not authorised to effect Appointments,

5.2.1.1(b) or by delivering to such Agent a Certificate of Appointment in the form prescribed by the Conference in [Resolution 820](#), a copy of which shall be simultaneously transmitted by the Member to the Agency Administrator;

5.2.2 Effective Date

5.2.2.1 such appointments shall be effective as follows:

5.2.2.1(a) as to those Members or BSP Airlines effecting Appointments through the Agency Administrator, immediately upon full execution of the above Agreement as advised by the Agency Administrator,

5.2.2.1(b) as to any other Member or BSP Airlines, as of the date of the Certificate of Appointment which shall be dated by the Member or BSP Airlines not earlier than the date of transmission to the Agent; provided that in the case of a change of ownership approved under [Section 11](#) of these Rules a Certificate of Appointment issued within 30 days of the date of the new Sales Agency Agreement shall be effective as of the date of such new Agreement;

5.2.3 Withdrawal of Appointment

Any Member or BSP Airlines may cancel such Appointment in respect of the Agent or any Approved Location of the Agent by so notifying the Agent in writing, with a copy simultaneously sent to the Agency Administrator, who shall amend his records accordingly.

5.3 TRAFFIC DOCUMENTS

5.3.1/5.3.1.1 Delivery By Member

the provision of Traffic Documents to an Agent shall be at the option of the Member; provided that no Member shall deliver to an Agent stocks of its Traffic Documents (and/or authorise an Agent to issue its own Transportation Orders) at Head or Branch Office Location situated in the area of a Billing and Settlement Plan unless and until the Member has appointed the Agent as above; provided also that Carrier ticketing authority supplied to an Approved Location shall also authorise the Agent, unless otherwise advised by the Member to the Agent in writing, to issue Standard Traffic Documents on any additional numeric codes assigned under the provisions of Section 4, Sub-paragraph 4.3.3(a) of the Sales Agency Rules to identify specific sales activities;

5.3.1.2 Removal By Member

the removal by a Member of its Traffic Documents/ticketing authority from an Agent's custody is governed by the Passenger Sales Agency Agreement;

5.3.1.3 Removal By Agency Administrator In Special Circumstances

in the event a Member ceases all of its scheduled international air service operations for reason of financial failure, the Agency Administrator shall on instruction from the disabled Member or from the Director General cause that Member's Traffic Documents to be removed from the possession of any or all Approved Locations known to be holding them;

5.3.1.4 Standard Traffic Documents

ISS Management shall provide Agents in Billing and Settlement Plan countries/areas with ranges of Standard Traffic Document numbers for use in the issue of Standard Traffic Documents.

5.4 ADDITIONAL RESPONSIBILITIES OF AGENT

5.4.1 Standard Traffic Documents shall be issued by the Agent only at an Approved Location. When issuing Standard Traffic Documents, the Agent shall use only such ticketing authority as deposited by the Member or Airline with the issuing Location.

5.4.2 an Agent shall not issue a Standard Traffic Document of or in the name of a Member or Airline for transportation solely on any other air carrier, unless the Agent has been so authorised by the Member or Airline whose Standard Traffic Document has been used;

5.4.3 an Agent that does not issue Standard Traffic Documents for a period in excess of six months shall have its Ticketing Authority removed by the Agency Administrator. In the event, subsequent to the action above, the Agent shall be subject to a review of its financial standing.

5.5 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 and under other applicable Resolutions (other than under [Resolution 832, Section 1](#)). 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 Section 8 of these Rules and under [Resolution 850](#) and its Attachments.

Section 6—Application of Minimum Security Standards for Premises and Systems

6.1 An Agent shall take all reasonable precautions to secure its business and prevent access to its premises or usage of its systems by unauthorised parties.

6.2 REPORT BY AGENT OF BREACHES OF SECURITY

6.2.1 in the event that the premises of an Accredited Agent suffer any form of unlawful entry irrespective of whether any material loss is incurred, the Agent shall immediately notify the local police authorities, and IATA;

6.3 VERIFICATION ACTION

Upon receipt of advice from an Agent, IATA or a BSP Airline that an Agent has suffered loss as the consequence of robbery, theft, burglary, fraud or any other unlawful means, IATA shall immediately notify all BSP Airlines in the country with copy to the Agency Administrator.

6.4 FAILURE TO FULFIL CONTRACTUAL OBLIGATIONS RELATED TO THE ISSUANCE OF STANDARD TRAFFIC DOCUMENTS

6.4.1 any BSP Airline or the Agency Administrator in order to recover and prevent continuing loss of BSP Airlines' revenue as result of:

6.4.1(a) alteration of, or falsification of entries in Standard Traffic Documents

6.4.1(b) may request to have the matter reviewed by the Travel Agency Commissioner. BSP Airlines shall direct such requests to the Agency Administrator;

6.4.2 if such review is requested the Agency Administrator shall undertake an investigation into the circumstances surrounding the request;

6.4.2.1 if the conclusion of the Agency Administrator is that the Agent had fulfilled its contractual obligations related to the issuance of Standard Traffic Documents, he shall so inform the BSP Airline requesting the review and close the file,

6.4.2.2 if the conclusion of the Agency Administrator is that the Agent has not fulfilled its aforementioned obligations he shall within seven days send a written report to the Agent together with a notification that he intends to place the matter before the Travel Agency Commissioner and shall so notify the requesting BSP Airline and those BSP Airlines which the investigation revealed might be affected by the alleged failure. The Agency Administrator shall invite the Agent to submit a written answer together with such evidence as it wishes within 30 days from the date of notification,

6.4.2.3 upon timely receipt of the Agent's written answer and after consultation with such authorities as he deems appropriate, the Agency Administrator may either:

6.4.2.3(a) conclude that the matter warrants no further action in which case he shall notify the Agent and the party requesting the review accordingly and shall close the file and so notify concerned BSP Airlines, or

6.4.2.3(b) because the Agent does not contest its failure to fulfil its aforementioned obligations, the Agency Administrator may endeavour to settle the matter with the Agent without reference to the Travel Agency Commissioner by entering into an agreement with the Agent to appoint a sole arbitrator by mutual agreement and to stipulate a penalty to be imposed. In this event the said agreement together with all other relevant documents shall be submitted to the sole arbitrator who shall make an appropriate award. If the Agency Administrator is unable to reach such agreement with the Agent then he shall refer the matter to the Travel Agency Commissioner, or

6.4.2.3(c) when the Agent denies its failure to fulfil its contractual obligations related to issuance of Standard Traffic Documents, or where after 30 days from the date of the notification the Agent has not submitted a written answer, the Agency Administrator shall refer the matter to the Travel Agency Commissioner.

Section 7—Reporting and Remitting Directly to Members in Non-BSP Countries

The provisions regarding sales reports, billings, remittances and collections and defaults for sales directly to Members in non-BSP countries are contained in [Section 2](#) of Resolution 832.

Section 8—Reporting and Remitting Through the Billing and Settlement Plan

The provisions regarding sales reports, billings, remittances and collections and defaults under a Billing and Settlement Plan are contained in [Section 1](#) of Resolution 832.

Section 9—Consequences of Default

The provisions regarding the consequences of default are contained in Section 3 of Resolution 832.

Section 10—Commission and Beneficial Services

10.1 RATE OF COMMISSION OR AMOUNT OF REMUNERATION

commission and/or the amount of other remuneration for the sale of international air passenger transportation paid to Agents shall be as may be authorised from time to time by the Member; provided that the Agent complies with the applicable rules governing sales of the transportation. It is recommended that notification of changes to such commission or other remuneration will be given well in advance. No commission or other remuneration shall be paid on Miscellaneous Charges Orders or Transportation Orders unless the air transportation for which they have been issued is specifically described therein. Taxes on commission or other remuneration, collectable by the Member on behalf of the competent fiscal authorities, shall be deducted from any commission or other remuneration paid to or claimed by the Agent.

10.2 AUTHORITY TO PAY COMMISSION AND OTHER REMUNERATION

10.2.1/10.2.1.1 Agents duly appointed by the Member shall be paid commission or other remuneration for the sale of international air passenger transportation;

10.2.1.2 an Accredited Agent shall retain the full amount of the commission or other remuneration paid by the Member and shall not rebate or promise to rebate directly or indirectly in any manner whatsoever such commission or other remuneration or portion thereof to any passenger or client or disburse such commission or other remuneration or portion thereof to any other person;

10.2.2 Commission for Applicant

10.2.2.1(a) upon receipt of a complete application, the Secretary of the Agency Investigation Panel shall promptly publish to the Members on the Panel in a periodic listing that such application has been received. Notwithstanding Subparagraph 10.2.1 of this Paragraph, Members may, on receipt of this listing, pay commission or other remuneration to the applicant for the sale of international air passenger transportation sold by the Member, which such applicant has referred to the Member during the pendency of the application, provided that:

10.2.2.1(a)(i) any Member which does not wish to pay such commission or other remuneration shall so notify the applicant in writing,

10.2.2.1(a)(ii) the applicant has paid, directly to the Member, the monies due for sales of Traffic Documents issued by the Member, at the time of issue,

10.2.2.1(a)(iii) the applicant has not been removed from the Agency List during the year preceding the date of the application involved;

10.2.2.1(b) furthermore, nothing in this Subparagraph shall be deemed to authorise any person to perform any

act as Agent for a Member before such person is approved and appointed in accordance with these Rules.

10.3 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 with which the Agent's principal has an interline traffic agreement. A Member 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 when the Member has been so authorised by such air carrier.

10.4 CONDITIONS FOR PAYING COMMISSION

10.4.1 where commission is payable to an Agent it shall be calculated only on the amount of the fares applicable to the air passenger transportation or charter prices paid over to the Member, or to the Clearing Bank under a Billing and Settlement Plan, and collected by the Agent; provided that this shall not prevent commission being paid where the sale is made:

10.4.1.1 pursuant to the Universal Air Travel Plan or a credit plan recognised by the Member (provided the Agent has procured and forwarded to the Member the Universal Credit Card Charge Form or other documents required under the credit plan, validated by an imprint of the date of issuance and Agent's name), or pursuant to an instalment plan of a Member made available to the public by the Member concerned; or with respect to bona fide immigrants to South Africa, pursuant to a government assisted passage loan or contribution plan wherein the government lends or contributes part or all of the cost of transportation to the passenger; or

10.4.1.2 on a prepaid ticket advice when the Agent issues the ticket or arranges for the issuance of the ticket and the fare is paid by the purchaser directly to the Member, the Member's Passenger General Sales Agent or to an air carrier with which the Member has an interline Traffic Agreement (or such carrier's General Sales Agent);

10.4.2 the 'fares applicable' are the fares (including fare surcharges) for the transportation in accordance with the Member'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.

10.5 RECALL OF COMMISSION OR OTHER REMUNERATION

where a refund is made of all or any part of the fare or charge for any transportation, the Agent's commission or other remuneration shall be recomputed on the unrefunded fare or charge. If the commission or other remuneration has already been paid, the Agent shall pay back any amount in excess of the recomputed

commission or other remuneration. Where 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 to the Agent the commission or other remuneration received from the new carrying carrier.

Section 11—Change of Ownership, Legal Status, Name or Location

11.1 NOTIFICATION OF CHANGES

notification with respect to changes of ownership, legal status, name or location of the Agent shall be given to the Agency Administrator prior to the change, and processed in accordance with the provisions of this Section; provided that:

11.1.1 when an Agent with more than one Approved Location undergoes a change of ownership and/or status the application for approval of such change shall be submitted only in respect of the Head Office Location and 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;

11.1.2 when an Agent undergoes a change of ownership or status which also includes a change of name or location, all changes shall be notified by the Agent in a single notice of change and actioned by the Agency Administrator as one application.

11.1.3 The parties to the Change of Ownership may request IATA to be a party to a non-disclosure agreement.

11.2 PROCESSING OF CHANGES

11.2.1 Changes requiring a New Passenger Sales Agency Agreement

the following changes of ownership shall require the execution of a new Sales Agency Agreement and shall be processed in accordance with Paragraph 11.3 of this Section:

11.2.1(a) in the case of a sole owner, partnership or other unincorporated firm:

- (i) the disposal of an interest in the Agent which has the effect of transferring control of the Agent to a Person in whom it was not previously vested,
- (ii) the admission of a new partner or the withdrawal of a partner,
- (iii) the incorporation of the Agent;

11.2.1(b) in the case of a "Corporation"

- (i) the disposal of the Agent's business and its acquisition by a Person who is not an Agent;
- (ii) the transformation of the Agent into a partnership or other unincorporated firm,
- (iii) any change which reduces the liability of any Person who was previously liable, directly or indirectly, for the debts of the corporation,
- (iv) any other change in the legal personality of the Agent such that after the change, pursuant to applicable national law the legal personality of the Agent is not that existing prior to the change of legal status;

11.2.2 Changes not Requiring a New Passenger Sales Agency Agreement

the following changes of ownership in a corporation shall not require the execution of a new Sales Agency Agreement, and shall be processed in accordance with Paragraph 10.4 of this Section:

- (a) a reduction of capital,
- (b) the disposal or acquisition by any Person of stock representing 30% or more of the total issued share capital of the Agent,
- (c) Unless the transfer of stock has the effect of vesting the control 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;
- (d) the disposal or acquisition by any Person of stock representing 29% or less of the total issued share capital of the Agent, a current financial review shall not be required.

11.2.3 the following other changes shall be processed in accordance with the appropriate Paragraph of this Section as indicated:

11.2.3.1 death of sole owner or of a member of a partnership or other unincorporated firm; Paragraph 11.9;

11.2.3.2 death of stockholder; Paragraph 11.10;

11.2.3.3 change of name; Paragraph 11.11;

11.2.3.4 move of Approved Location to a new Location; Paragraph 11.12;

11.2.3.5 sale of Location to another Accredited Agent; Paragraph 11.13;

11.2.3.6 sale of Branch Office Location to an outside party; Paragraph 11.15.

11.3 PROCEDURES FOR CHANGES REQUIRING A NEW PASSENGER SALES AGENCY AGREEMENT

when an Agent proposes to effect a change of ownership and/or status as described in Subparagraph 11.2.1 of this Section:

11.3.1 the Agent ('the transferor') and the proposed new owner ('the transferee') shall jointly give the Agency Administrator notice of the proposed change in the form as provided in Attachment 'A' to these Rules at least 60 days before the change is to be effected. The notice of change of ownership may be accepted and acted upon by the Agency Administrator at less than 60 days notice but not after change is effected, where he is satisfied with the transferor's and transferee's joint written statement of explanation for failure to give due notice. The transferor accepts the liability for any outstanding Billing which either has not yet been remitted to IATA, or where the related Remittance Date has still to be reached, whichever event occurs last, until IATA has been notified of the date that the Change of Ownership takes place, through the submission of a Notice of Change, shown as

Attachment A to this Resolution, and such Change of Ownership takes effect.

11.3.2 on receipt of a Notice of Change form and a duly completed application in time to enable the Agency Administrator to process the application, the Agency Administrator shall countersign the Notice of Change form unless the application reveals or the Agency Administrator has reason to believe that the application should be disapproved because it does not meet one or more of the criteria set out in Subparagraphs [2.4.1](#), [2.4.2](#), [2.4.5](#), [2.4.6](#), [2.4.7](#), [2.4.8](#), [2.4.11](#) or [2.4.12](#). Nevertheless if prior to the processing by the Agency Investigation Panel of the application the applicant eliminates the grounds of disapproval to the satisfaction of the Agency Administrator, the Agency Administrator shall countersign the Notice of Change form with the transferee;

11.3.3 the transferee's Notice of Change form countersigned by the Agency Administrator shall take effect from the date when the change of ownership and/or legal status takes place. The transferor's Sales Agency Agreement shall terminate or cease to apply to the Location concerned as of the date when the change of ownership and/or legal status takes place, without prejudice to the fulfilment of all obligations accrued prior to the date of termination;

11.3.4 a Notice of Change form will have the same effect as a Sales Agency Agreement. The Agency Administrator shall notify all Members of the execution of a Notice of Change form and on receipt of such notice Members may do business with the transferee as if he were an Accredited Agent. A Notice of Change form will remain in effect until the Agency Investigation Panel has processed the application; provided that, if at any time between the effective date of the Notice of Change form and the processing by the Agency Investigation Panel, information becomes available to the Agency Administrator which causes him to believe that the transferee fails to meet one or more of the criteria referred to in Subparagraph [11.3.2](#) of this Paragraph, the Agency Administrator shall notify all Members accordingly;

11.3.5 if the Agency Administrator is unable to execute a provisional Sales Agency Agreement either because the applicant does not meet the criteria for approval or because insufficient notice of the proposed change has been given to enable the Agency Administrator to process the application, the Agency Administrator shall notify all Members accordingly. If subsequent to the above action but prior to the next meeting of the Agency Investigation Panel the transferee has removed the grounds that prevented execution of a Sales Agency Agreement the Agency Administrator acting under Subparagraph [11.3.2](#) of this Paragraph may execute such agreement pending final processing at the next appropriate meeting of the Agency Investigation Panel.

11.3.6 the Agent will in all cases be required to provide a Financial Security in accordance with provisions of [Resolution 800f](#) which will be kept until the set of financial statements produced no earlier than 6 months following the date the change was communicated to IATA and reviewed as per applicable Local Financial Criteria and is found satisfactory. On finding that the Agent failed to

comply with the requirement to provide a Financial Security, such failure will be grounds for the Agency Administrator to serve a notice of termination in accordance with Resolution 800 Subparagraph [2.4.1](#).

11.4 PROCEDURES FOR CHANGES NOT REQUIRING A NEW PASSENGER SALES AGENCY AGREEMENT

11.4.1 when an Agent proposes to effect a change of ownership as described in Subparagraph [11.2.2](#) of this Section:

11.4.1.1 the Agent shall give the Agency Administrator notice of the proposed change in the form of [Attachment 'A'](#) at least 60 days before such change is to be effected. As soon as possible the Agent shall also provide a copy of current financial statements including balance sheet and profit and loss account certified by a chartered, certified public or certified general accountant. (Such certification requirement may be waived by the Agency Investigation Panel in the case of a reduction of capital.) In countries where the such chartered, certified public or certified general accountant has no legal standing, certification is not mandatory; provided a notice of change of ownership may be accepted and acted upon by the Agency Administrator at less than 60 days notice but not after the change is effected, where he is satisfied with the Agent's written statement of explanation for failure to give due notice. Upon receipt of such notice the Agency Administrator shall bill the Agent for an application fee as prescribed in Paragraph 4.5 of Section 4 of these Rules and initiate a review of the Agent by the Agency Investigation Panel in accordance with the provisions of Subparagraph [11.4.1.5\(a\)](#) of this Paragraph;

11.4.1.2 on receipt of a notice of change in time to enable the Agency Administrator to process the application, the Agency Administrator shall give provisional approval of the change unless the notice reveals or the Agency Administrator has reason to believe that the Agent should not be retained because it does not meet one or more of the criteria set out in Subparagraphs [2.4.1](#), [2.4.6](#), [2.4.7](#), [2.4.11](#) or [2.4.12](#). Nevertheless if prior to the review by the Agency Investigation Panel the Agent eliminates the grounds of disapproval to the satisfaction of the Agency Administrator, the Agency Administrator shall give provisional approval of the change;

11.4.1.3 the provisional approval of the change shall take effect from the date when the change of ownership takes place and remain in effect until the Agency Investigation Panel conducts the review; provided that, if at any time between the effective date of the provisional approval and the review by the Agency Investigation Panel, information becomes available which causes the Agency Administrator to believe that the Agent no longer meets the criteria referred to in Subparagraph [11.4.1.2](#) of this Paragraph the Agency Administrator shall immediately place the Agent on a Cash Basis until either the Agent has removed the grounds therefor, or the Agency Investigation Panel has conducted the review. The Agency Administrator shall notify the Agent and all Members accordingly;

11.4.1.4 if the Agency Administrator is unable to grant a provisional approval either because the applicant does not meet the criteria for approval of the application or because insufficient notice of the proposed change has been given to enable the Agency Administrator to process the application, the Agency Administrator shall notify all Members accordingly. If subsequent to the above action but prior to the next meeting of the Agency Investigation Panel the Agent has removed the grounds that prevented granting of provisional approval, the Agency Administrator acting under Subparagraph **11.4.1.2** of this Paragraph may give such approval pending review of the Agent at the next appropriate meeting of the Agency Investigation Panel;

11.4.1.5(a) upon referral from the Agency Administrator, pursuant to Subparagraph **11.4.1.1** of this Paragraph of an application for approval of a change of ownership not requiring the execution of a new Agreement, the Agency Investigation Panel shall determine whether the Agent or Approved Location shall be retained on the Agency List:

11.4.1.5(a)(i) if the Agency Investigation Panel determines by two-thirds majority vote that the Agent or Approved Location shall be retained, its Secretary shall immediately return the file to the Agency Administrator and notify him of the Agency Investigation Panel's decision:

11.4.1.5(a)(i)(aa) if the Agency Administrator finds the file to be complete and in accordance with these Rules, the provisions of Subparagraph **11.6.1** of this Section shall apply,

11.4.1.5(a)(i)(bb) if the Agency Administrator does not find the file to be complete and in accordance with these Rules, he shall refer the file to the Agency Investigation Panel for reconsideration and remedial action,

11.4.1.5(a)(ii) if the Agency Investigation Panel is unable to determine by two-thirds majority vote that the Agent or Approved Location shall be retained, it shall return the file to the Agency Administrator for a decision,

11.4.1.5(b) when an application is disapproved, the Agency Administrator shall notify the Agent in writing, giving full reasons.

11.5 EXPEDITED PROCEDURE

notwithstanding the provisions of Paragraph **11.4** of this Section, in case of a change of ownership as described in Subparagraphs **11.2.1.2(b)** and **11.2.1.2(c)** of this Section, the following expedited procedure may be followed:

11.5.1 on receipt of a notice of change of ownership the Agency Administrator shall, within 30 days of the date of receipt of such notice and application consult with the Secretary of the Agency Investigation Panel concerned. If the Agency Administrator determines that all of the criteria for approval set out in Subparagraphs **2.4.1**, **2.4.6**, **2.4.7** and **2.4.12** of Section 2 of these Rules are present, he shall approve the change;

11.5.2 if the Agency Administrator approves the change of ownership he will notify the Agent and all Members accordingly;

11.5.3 if a notice of change reveals or the Agency Administrator has reason to believe that the Agent should not be retained because he does not meet one or more of the criteria for approval set out in Subparagraphs **2.4.1**, **2.4.6**, **2.4.7** or **2.4.12** of Section 2 of these Rules, he shall notify the Agent and all Members accordingly and shall initiate a review of the Agent by the Agency Investigation Panel in accordance with the provisions of Subparagraph **11.4.1.5(a)** of this Section. If prior to the Agency Investigation Panel's review the Agent has removed the grounds that prevented granting of the approval the Agency Administrator may give approval and notify the Agent and all Members accordingly;

11.5.4 if the Agency Administrator is unable to approve a change of ownership he shall request the Secretary of the Agency Investigation Panel concerned to place the matter on the agenda of a meeting of the Agency Investigation Panel, which shall, as far as is practicable, be its next meeting after receipt of the notice of change. An Agent shall not be retained if it is found that any of the criteria for approval set out in Subparagraph **2.4.1** of Section 2 of these Rules are not met except as provided therein.

11.6 EFFECT OF APPROVAL

the Agency Administrator shall request the Secretary of the Agency Investigation Panel concerned to place all notification of changes (received prior to the actual date of the change of ownership and/or legal status) on the agenda of a meeting of the Agency Investigation Panel which shall, as far as practicable, be its next meeting after receipt of the notification. An application shall not be approved nor shall an Agent be retained if it is found that any of the criteria for approval set out in Subparagraph **2.4.1** of Section 2 of these Rules are not met except as provided therein:

11.6.1 in the case of a change processed under the provisions of Subparagraph **11.3.2** of this Section, if the application is approved, a Sales Agency Agreement with effect from the date of such approval will be signed by the transferee and by the Agency Administrator. The Agency Administrator shall notify the transferee and all Members accordingly and shall make any necessary amendment to the Agency List;

11.6.2 in the case of a change processed under the provisions of Subparagraph **11.4.1.2** of this Section, if the Agent is retained, the provisional approval of such change shall cease to be provisional and shall become a full approval with effect from the date of the decision to retain the Agent. The Agency Administrator shall notify the Agent and all Members accordingly.

11.7 EFFECT OF DISAPPROVAL

11.7.1(a) if the application is disapproved and the change of ownership has already taken place, the Agency Administrator shall notify the Agent (or transferor), the transferee and all Members accordingly, and shall simultaneously:

11.7.1(a)(i) in the case of changes described in Subparagraph 11.2.1 or in Paragraph 11.2.2 of this Section, by notice to the transferor confirm that its Sales Agency Agreement, or its application to the Location concerned, terminated at the date when the change of ownership took place, and by notice to the transferee the Notice of Change form will no longer have effect as a Sales Agency Agreement,

11.7.1(a)(ii) in the case of changes described in Subparagraph 11.2.1.2 of this Section, 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;

11.7.1(b) in all such notices the Agency Administrator shall give the reasons for his action. A disapproved transferee or Agent may within 30 days of the Agency Administrator's notice request reconsideration of the decision by the Agency Investigation Panel or invoke the procedures for review of the decision by the Travel Agency Commissioner;

11.7.2 upon request for reconsideration by the Agency Investigation Panel or for review by the Travel Agency Commissioner, the disapproval action shall be stayed and the status quo ante restored pending the result of the reconsideration or of the review. If the Travel Agency Commissioner confirms the disapproval, the transferee or Agent may request review of such decision by arbitration pursuant to Section 13 of these Rules in which case the disapproval action shall continue to be stayed until notification of the arbitration award;

11.7.3 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 Members accordingly;

11.7.4 if an application is disapproved and the change of ownership and/or legal status has not yet taken place, the Agent shall be removed from the Agency List if the change of ownership is proceeded with.

11.8 UNDERTAKING BY TRANSFEREE

11.8.1 every application for approval shall be accompanied by an undertaking by the transferee to accept joint and several liability with the transferor for any outstanding obligations of the transferor under its Sales Agency Agreement as of the date when the transfer of ownership takes place; and

11.8.2 in cases where the transferor is employed by or retains a financial or beneficial interest directly or indirectly in the agency after the change of ownership, the application shall be accompanied by an undertaking by the transferee 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.

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

11.9.1 in the event of the death of the sole owner of an Accredited Agent, or of a member of a partnership or other unincorporated firm, the Agent shall promptly advise the Agency Administrator who shall place the Agent on a Cash Basis and notify the Agent and all Members. However, 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 of the remaining member of the partnership or other unincorporated firm, enter into a temporary Sales Agency Agreement with the requesting party, reinstate credit facilities and advise Members accordingly. The temporary Sales Agency Agreement shall be in the same form and have the same effect as a Sales Agency Agreement except that:

11.9.1.1 if the Agency Administrator at any time has reason to believe that the financial situation of the estate, partnership or other unincorporated firm is unsatisfactory, he shall give the Agent notice of termination of the temporary Sales Agency Agreement and notify all Members accordingly,

11.9.1.2 if prior to the date of termination of the temporary Sales Agency Agreement the estate or 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 Members that credit facilities may be reinstated,

11.9.1.3 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 Agent and all Members accordingly. Upon receipt of such notice, Members shall take the same action as required on removal of an Agent from the Agency List;

11.9.2 if the person entitled to represent the estate of the decedent 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 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 Subparagraph 11.3.1 of this Section and thereafter the provisions of

Paragraphs 11.3, 11.6, 11.7 and 11.8 of this Section shall apply;

11.9.3 subject to earlier termination under the provisions of Subparagraph 11.9.1 or 11.9.2 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.

11.10 DEATH OF STOCKHOLDER

11.10.1 in the event of the death of a Stockholder holding 30% or more of the total issued Stock of a corporate body (or in whom control of the Agent is vested), the Agent shall promptly advise the Agency Administrator who shall notify all Members accordingly and request the Agent to submit current financial statements:

11.10.1.1 if the financial situation of the Agent is found to be satisfactory, the Agent may continue to do business with Members as an Accredited Agent,

11.10.1.2 if the financial situation of the Agent is found to be unsatisfactory, the Agency Administrator shall give the Agent notice of termination of the Sales Agency Agreement, provided that if the Agent demonstrates to the Agency Administrator prior to the termination date that it meets the Local Financial Criteria the termination shall not take effect;

11.10.2 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, such transfer shall be deemed a change of ownership for purposes of this Section. The Agent shall give notice to the Agency Administrator as required under Subparagraph 11.4.1.1 of this Section and the provisions of Paragraphs 11.4, 11.6 and 11.7 of this Section shall apply.

11.11 CHANGE OF NAME

11.11.1 if an Agent proposes to change its name it shall, before effecting the change, notify the Agency Administrator of the proposed new name and request approval of the change. The Agency Administrator shall promptly direct the Secretary of the Agency Investigation Panel concerned to place the request on the agenda of the next meeting of the Panel. If the Agency Investigation Panel by two-thirds majority vote recommends approval of the change of name it shall so advise the Agency Administrator who shall approve the change, record the new name on the Agency List and in the Agent's Agreement and notify the Agent and all Members;

11.11.2 if the Agency Investigation Panel does not reach a two-thirds majority vote recommendation the Agency Administrator shall disapprove the request and give the Agent notice of termination of the Sales Agency Agreement, and notify all Members 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.

11.12 MOVE OF APPROVED LOCATION TO A NEW LOCATION

11.12.1 when an Accredited Agent moves from an Approved Location to another location not so approved, in the same market, such Agent shall:

11.12.1(a) as far in advance as possible and in any case before effecting the move, notify the Agency Administrator,

11.12.1(b) submit as soon as practicable two photographs of the interior and exterior of the new location,

11.12.2 the Agency Administrator shall promptly direct the Secretary of the Agency Investigation Panel to place the matter on the agenda of the next meeting of the Panel. The authority to act as an Accredited Agent shall continue to apply to the new location 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, until the Agency Investigation Panel has determined by two-thirds majority vote that the new premises satisfy the criteria set out in Section 2 of these Rules. If the Agency Investigation Panel does so determine the Agency Administrator shall notify the Agent and all Members that the authority of the Agent to act as an Accredited Agent shall apply to the new location;

11.12.3 if the Agency Investigation Panel does not achieve such two-thirds majority determination, the authority of the Agent to act as an Accredited Agent shall not apply to the new location. The Agency Administrator shall give the Agent notice of termination of the Sales Agency Agreement or of removal from the Agency List and notify all Members accordingly. Such termination shall not take effect if prior to the date of termination, the Agency Administrator is able to approve the application for change of location.

11.12.4 Change of Head Office Location to another Market

In the event a Head Office Location changes from one market 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 market 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 market, 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 market.

11.13 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 as required under Subparagraph 11.4.1.1 of this Section and thereafter the provisions of Paragraphs 11.4, 11.6 and 11.7 of this Section shall apply.

11.14 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 11.3, 11.5, 11.7 and 11.8 of this Section shall apply.

11.15 LATE NOTIFICATION OR ABSENCE OF NOTIFICATION OF CHANGE

11.15.1 if the notification and, when required, the completed application in respect of a change of ownership or status is not received by the Agency Administrator or is received after the change has taken place, the Agency Administrator shall remove the Agent from the Agency List and notify the transferor (in the case of changes pursuant to Subparagraph 11.2.1 of this Section) or the Agent (in the case of changes pursuant to Subparagraph of 11.3 of this Section) that its Sales Agency Agreement is terminated as of the date of change. The Agency Administrator shall notify all Members accordingly and the provisions of Paragraph 14.4 of Section 14 of these Rules shall apply. The application from the transferee, if any, shall be processed in accordance with the provisions of Section 4 of these Rules;

11.15.2 failure to notify the Agency Administrator of a change of name within 30 days of it being made can result in a Notice of Irregularity being issued and a review to ensure such Agent continues to meet the Accreditation criteria. The notice of irregularity and the cost of undertaking the review, which shall be paid for by the Agent, will be confirmed in writing. If within 30 days the Agent does not revert to its Approved name or submit the required application for a change of name then the Agent shall be given notice of termination of the Sales Agency Agreement; provided that if prior to the date of termination the Agent reverts to its approved name or the Agent submits the requisite application for the change of name and the Agency Administrator is able to approve the application, the termination shall not take effect;

11.15.3 failure to notify the Agency Administrator of a change of location within 30 days of the change being made can result in a Notice of Irregularity being issued and a review to ensure such Agent continues to meet the accreditation criteria. The Notice of Irregularity and the cost of undertaking the review, which shall be paid for by the Agent, will be confirmed in writing. If the report is unfavourable the Agent shall be given notice of termination of the Sales Agency Agreement or of removal from the Agency List in the case of a Branch Office Location; provided that if prior to the date of termination or removal the Agency Administrator is able to approve the

application for change of location, the termination or removal shall not take effect.

11.16 AGENTS WITH APPROVED LOCATIONS IN A BILLING AND SETTLEMENT PLAN AREA

if any change pursuant to this Section is to be effected by an Agent with an Approved Location in the area of a Billing and Settlement Plan the Agency Administrator when giving any notice to Members required under the foregoing provisions of this Section shall give a copy of such notice to ISS Management and to all Airlines.

Section 12—Reviews by the Travel Agency Commissioner

The matters under the purview of the Travel Agency Commissioner are set out in [Resolution 820e](#) as are the procedures for conducting reviews.

Section 13—Arbitration

13.1 RIGHT TO ARBITRATION

13.1.1 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.

13.1.2 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.

13.2 AGREEMENT TO ARBITRATE

13.2.1 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.

13.2.2 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.

13.2.3 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 [13.2.5](#) 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.

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

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

13.3 COMMENCEMENT OF THE PROCEEDING

13.3.1 Arbitration proceedings pursuant to this [Section 13](#) shall be commenced no later than thirty (30) calendar days from the date of the Travel Agency Commissioner's award.

Section 14—Measures Affecting an IATA Agent's Standing

14.1 EFFECT OF REMOVAL

when an Agent or an Approved Location is to be removed from the Agency List in accordance with any of the provisions of these Rules:

14.1.1 the Director General shall by notice in writing to the Agent terminate the Agent's Sales Agency Agreement or exclude the Location from the application of the Agreement;

14.1.2 the Agency Administrator shall notify all Members that the Agent, or the Location, has been removed from the Agency List;

14.1.3 a new application for approval of the Agent or the Location shall not be accepted within six months from the date of removal from the Agency List.

14.2 VOLUNTARY RELINQUISHMENT

14.2.1 an Accredited Agent may voluntarily relinquish its accreditation in respect of all or any of its Approved Locations at any time by notifying in advance the Agency Administrator or the Secretary of the Agency Investigation Panel in writing. If the latter is notified the Secretary shall advise the Agency Administrator who shall in turn notify all Members;

14.3 OTHER MEASURES AFFECTING OPERATION OF AGENT

14.3.1 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, remove the Agent from the Agency List and notify all members of the action being taken;

14.3.2 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 and such removal shall be without prejudice to fulfilment by the Agent and each of the Members having the Agent under appointment of all obligations accrued up to the date of removal from the Agency List.

14.4 EFFECT OF REMOVAL IN BILLING AND SETTLEMENT PLAN AREAS

The provisions of Paragraphs 14.1 or 14.2 of this Section, as the case may be, shall apply except that ISS Management shall withdraw all Standard Traffic Documents supplied by ISS Management to the Agent or the Approved Location concerned and in cases of removal or voluntary relinquishment ISS Management shall require an immediate accounting and settlement of all monies due under the Billing and Settlement Plan by the Agent or the Approved Location concerned.

14.5 LICENCE TO TRADE

in addition to actions affecting an Agent's IATA status which may be taken pursuant to these Rules, the application of the Sales Agency Agreement to any Location of an Agent and the capacity of such Agent to do business with Members may be affected by termination, suspension or other condition relating to the Agent's licence to trade (where this is officially required) imposed by the government authorities of the place where the Location is situated. In such case, the Agency Administrator shall promptly notify all Members, with copy to the Agent, of the effects of such government action.

14.6 USE OF IATA LOGO

14.6.1 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.

14.6.2 The use of the logo is permitted only in connection with activities of an IATA Accredited Agent's Approved Locations.

14.6.3 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.

14.7 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 may 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 15—Indemnities and Waiver

15.1 the Agent agrees to indemnify and hold harmless the Member, its officers and employees from all damage, expense or loss on account of the loss, robbery, theft, burglary, fraudulent issue or misuse of Traffic Documents supplied to the Agent pursuant to these Rules, which Traffic Documents 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 Member resulting from such event if the Agent can demonstrate that at the material time it met minimum security standards as prescribed in [Section 6](#) 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 Traffic Documents resulted solely from the action of persons other than the Agent, its officers or employees.

15.2 the Agent recognises that Members (whether acting individually or collectively), the Director General, the Agency Administrator and ISS Management are required to issue notices, give directions, and take other action pursuant to these Rules 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 Member 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 Rules 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 800

Attachment ‘A’

NOTICE OF CHANGE

IATA NUMERIC CODE:

□ □ □ □ □ □ □ □

LEGAL NAME:
TRADE NAME:
AGENCY FULL ADDRESS:
TELEPHONE NO.:
TELEFAX NO.:
EMAIL:

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

PREVIOUS STATUS				STATUS AFTER CHANGE			
1. SPECIFY TYPE OF ENTITY: (SOLE PROPRIETORSHIP, PARTNERSHIP, LIMITED PARTNERSHIP, LIMITED LIABILITY COMPANY, OTHER)							
2. NAME(S) OF OWNER/PARTNERS/SHAREHOLDERS, ADDRESS, TELEPHONE, FAX, & EMAIL, TIME DEVOTED TO THE AGENCY BUSINESS AND % FINANCIAL INTEREST IN CASE OF CORPORATION, PARTNERSHIP OR OTHER:							
NAME OF OWNER/PARTNERS/SHAREHOLDERS	ADDRESS, TELEPHONE, FAX & EMAIL	%TIME DEVOTED TO AGENCY	%FINANCIAL INTEREST	NAME OF OWNER/PARTNERS/SHAREHOLDERS	ADDRESS, TELEPHONE, FAX & EMAIL	%TIME DEVOTED TO AGENCY	%FINANCIAL INTEREST
3. IF CORPORATION LIST,							
(a) ISSUED SHARED CAPITAL:							
(b) PAID-UP CAPITAL:							
(c) NAMES OF ALL OFFICERS AND DIRECTORS: (PLEASE UNDERLINE NAME OF LOCATION MANAGER)							
4. IF REGISTRATION AND/OR LICENSE IS REQUIRED BY LAW IN YOUR COUNTRY GIVE THE BELOW INFORMATION AFTER THE CHANGE/UNDER NEW OWNERSHIP.							
(a) THE TRADE REGISTRATION OR LICENSE NUMBER OF THE AGENCY:							
(b) THE DATE THIS WAS GRANTED							
5. IF YOUR TRAVEL AGENCY IS OWNED BY AN ORGANIZATION OTHER THAN THE HEAD OFFICE, ANSWER THE FOLLOWING WITH RESPECT TO THE PARENT ORGANIZATION:							
(a) WHAT IS ITS LEGALLY REGISTERED NAME AND ADDRESS?							
(b) WHAT IS THE PRINCIPAL BUSINESS OF THIS ORGANIZATION?							
6. WILL THE COMPANY OPERATE AS AN ON-LINE AGENCY UNDER NEW STATUS? IF SO, PLEASE SPECIFY URL ADDRESS:							
7. IS YOUR AGENCY IATA REGISTERED CARGO AGENT? IF SO, PLEASE STATE THE IATA CODE UNDER WHICH IT IS REGISTERED:							
IF THE NEW OWNER IS A NON-IATA ACCREDITED COMPANY, PLEASE:							
(a) SUBMIT IN ACCORDANCE WITH THE ATTACHED FORMAT, A STATEMENT OF YOUR CURRENT INTERNATIONAL AIR PASSENGER TRANSPORTATION SALES.							
(b) SPECIFY ESTIMATED GROSS AMOUNT OF INTERNATIONAL AIR TRANSPORTATION SALES OF IATA CARRIERS:							
• IN YOUR FIRST YEAR?							
• IN YOUR SECOND YEAR?							

8.	WILL THIS CHANGE AFFECT ALL APPROVED LOCATIONS? IF NOT, PLEASE PROVIDE DETAILED EXPLANATION.	
9.	WILL THIS CHANGE AFFECT THE MANAGERS AND STAFF AT THE APPROVED LOCATIONS UNDER THIS CHANGE? IF SO, GIVE DETAILS.	
10.	HAVE ANY OF THE NEW OWNERS, OFFICERS (DIRECTORS), MANAGERS OR ANY INDIVIDUAL HAVING AUTHORISATION TO ACT OR SIGN ON BEHALF OF SUCH FIRM BEEN INVOLVED IN BANKRUPTCY OR FOUND GUILTY OF WILLFUL VIOLATIONS OF FIDUCIARY OBLIGATIONS IN THE COURSE OF BUSINESS OR DEFAULT PROCEEDINGS? IF SO, GIVE DETAILS.	
11.	WILL THE CHANGE OF OWNERSHIP CAUSE DIRECT OR INDIRECT RELATIONSHIP WITH AN ORGANISATION HOLDING GSA APPOINTMENT FROM A MEMBER? IF SO, PLEASE PROVIDE FURTHER DETAILS.	
12.	LEGAL NAME, TRADING NAME AND FULL ADDRESS OF THE AGENT AFTER THE CHANGE/UNDER NEW OWNERSHIP.	
	LEGAL NAME:	TEL:
	TRADING NAME:	E-MAIL:
	ADDRESS:	VAT/TAX NUMBER:
	MAILING ADDRESS IF DIFFERENT	WEBSITE:
13.	PLEASE INDICATE IF THE ANSWER TO (13) ABOVE REPRESENTS A CHANGE OF NAME OR LOCATION OR BOTH.	
14.	WILL SUCH CHANGE AFFECT ALL APPROVED LOCATIONS? IF NOT, PLEASE PROVIDE DETAILED EXPLANATION.	
15.	EFFECTIVE DATE OF CHANGE	

The Transferor has informed the Transferee of the need to comply with the provision of the Passenger Sales Agency Rules if the Transferee wishes to be entered on the IATA Agency List as an Accredited Agent. Approval may be granted only if the Transferee complies in all respects with the requirements of the Passenger Sales Agency Rules.

In accordance with one of the requirements of the Passenger Sales Agency Rules, the Transferee hereby undertakes that it accepts joint and several liability with the Transferor for any outstanding obligation 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.

It is hereby agreed that this Notice of Change shall become a part of every Sales Agency Agreement signed with Members of IATA for the sale of international air passenger transportation, and as such, all information contained herein will be treated as confidential (excluding the information contained in the preamble to this Notice of Change). Notwithstanding the foregoing, the applicant authorises IATA, and represents that it has obtained meaningful consent of each individual listed in this application to use and process the information to be used by travel industry participants.



Resolution 800—Attachment ‘A’

Authorised Signature of Agent (Transferor)

Authorised Signature of Transferee
(in case of Corporation/Sole Owner)

Print/Type Name

Print/Type Name

Title/Position

Title/Position

Signature of Witness & Date

Signature of Witness & Date

In case of partnership:

Authorised Signature of Partner

Authorised Signature of Partner

Print/Type Name

Print/Type Name

Title/Position

Title/Position

Signature of Witness & Date

Signature of Witness & Date

Authorised Signature of Partner

Print/Type Name

Title/Position

Signature of Witness & Date

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

RESOLUTION 800
Attachment ‘B’
APPLICATION OF AGENCY FEES

Event/Case	Description	Fee (Swiss Francs, CHF)
New Applicant	Registration Fee, Head Office Location	500
New Applicant	Application Fee, Head Office Location ¹	1,000
New Applicant	Registration Fee, Branch Office Location	250
New Applicant	Application Fee, Branch Office Location ¹	250
Change	Change of Address/Location, all types of entity	0
Change	Change of Name, all types of entity	0
Change	Change of Name and Address/Location, all types of entity	0
Change	Change of Ownership, all types of entity	0
Change	Change of Shareholders, all types of entity	0
Annual Fees	Annual Fee, Head Office Location	200 (small) ² 350 (medium) ³ 500 (large) ⁴
Annual Fees	Annual Fee, Branch Office Location (First 10 locations/codes)	100
Annual Fees	Annual Fee, Branch Office Location (11-25 locations/codes)	50
Annual Fees	Annual Fee, Branch Office Location (additional locations/codes beyond 25)	25
Administrative Fees	Reinstatement Fee	150
Administrative Fees	Late Payment Fee	150
Administrative Fees	Interest charges on amount short paid when a payment plan is established	2% over national bank rate times days outstanding
Administrative Fees	Minor Error Policy	150
Administrative Fees	Lack of compliance to report any of the changes within 30 days of occurrence	1,500

- 1 All application fees are refundable, in the event accreditation is not achieved
- 2 Small—up to USD 200,000 gross annual sales
- 3 Medium—USD 200,001—USD 2,000,000 gross annual sales
- 4 Large—more than USD 2,000,000 gross annual sales

RESOLUTION 800

Attachment 'C'

FINANCIAL ASSESSMENT FRAMEWORK FOR AGENTS WITH AN AMOUNT AT RISK GREATER THAN USD 5 MILLION

* Note that unless indicated with "Key", all other ratios are categorized as "Standard" ratios.

Criteria #	Criteria Name	Criteria Description	Target	Result	Pass/Fail	
1	IATA Specific Controls					
1.1	Irregularities, Defaults and Prejudiced Collection of Funds	Agent incurred an irregularity, default or prejudice collection of funds during the year?	No	-		Key
			Pass/Fail			
2	Historical Financial Data					
2.01	EBITDA (Last 12 months)	EBITDA (rolling Last 12 Months)	x>0			Key
2.02	EBITDA (quarterly)	EBITDA (Quarterly, 3M)	x>0			
2.03	Cash ratio	Cash ratio (Cash and Cash equivalent/Current liabilities)	x≥30%			
2.04	Quick ratio	Quick ratio (Cash and Cash equivalent + AR/Current liabilities)	x≥50%			
2.05	Free cash flow	Free cash flow as per latest publication (Last 12 months)	x>0			Key
2.06	Free cash flow/Net Debt	Free cash flow/Total net Debt	x≥20%			
2.07	Net Equity>0	Net Equity	x>0			
2.08	Decrease in net sales≥0	Net Sales (Last 12 months N, vs Last 12 months N-1)	x≥-20%			Key
2.09	Net Cash Position>0	Net Cash Position	x>0			
2.10	Net Income 12 months	Net Income (rolling last 12 Months)	x>0			
2.11	Net Income 3 months	Net Income (Quarterly, 3M)	x<>0			Key
2.12	Qualification and reserves from auditors	Is there any qualification/emphasis of matters reflecting ongoing concerns from the auditors on the latest audited financial statements (including half year)?	No			
			Pass/Fail: Key ratio (1 Fail = Total Fail) Standard ratio (4 Fails = Total Fail)			
3	Forecasted Financial Process					
3.01	Effective Business Forecast	Is there any Business Forecast process in place (providing at least 1-year visibility)?	Yes			Key
3.02	Effective CF Forecast	Is there any CF Forecast process in place (at least 1 year)?	Yes			Key
			Pass/Fail			
4	Operational Review					
4.01	Effective Disaster Management	Is there any process in place to apply operational countermeasures in case of extraordinary disaster (with no major exception) (Certification ISO 22301)	Yes			Key
4.02	Effective Cybersecurity Management					
4.02a	Have you appointed a Chief Information Security Officer or similar in your organisation?		Yes			Key
4.02b	Do you have an information security strategy/roadmap, aligned with the IT and business strategies?		Yes			
4.02c	Have you formalised and enforced an information security policy?		Yes			Key
4.02d	Have you performed an information security risk assessment for your organisation (e.g. evaluation of information security risks based on identified threats)?		Yes			Key
4.02e	Have you implemented information security controls and measures to adequately mitigate your organisation's risks?		Yes			Key
4.02f	Do you train your employees on a regular basis regarding information security risks and good practices (e.g. through yearly e-learning)?		Yes			Key
4.02g	Are information security incidents managed (e.g. incident management and monitoring procedures, data breach reported to impacted individuals)?		Yes			Key
4.02h	Do you perform regular vulnerability scans and penetration tests?		Yes			Key
4.02i	Do you implement security patches on your information systems on a regular basis (e.g. at least every 3 months)?		Yes			
4.02j	Do you involve information security stakeholders at the earliest stage during project implementations?		Yes			Key
4.02k	When engaging with services providers, do you perform an information security due diligence?		Yes			
4.02l	Have you implemented specific measures to ensure the continuity of your information systems following a cyberattack?		Yes			

Criteria #	Criteria Name	Criteria Description	Target	Result	Pass/Fail
4.03	Effective Applicable Data Protection Requirements Compliance Management				
4.03a	Have you appointed a Data Protection Officer or a similar role in your organisation?		Yes		Key
4.03b	Have you formalised and enforced a data protection policy?		Yes		Key
4.03c	Have you formalised and enforced an information classification policy?		Yes		Key
4.03d	Do you have a documented register of your personal data processing activities, including the identification of the lawful grounds for processing personal data?		Yes		Key
4.03e	Are data protection notices adequately document to notify individuals about the processing of their personal data?		Yes		Key
4.03f	Are Data Protection Impact Assessments conducted whenever processing activities induce a high risk for the rights and freedom of individuals to whom personal data belong?		Yes		Key
4.03g	Do you train your employees on a regular basis regarding data protection risks and good practices (e.g. through yearly e-learning)?		Yes		
4.03h	Have you developed procedures to handle and respond to individuals' exercising their data protection rights (e.g. right to access, right to be forgotten, right to object, etc.)?		Yes		Key
4.03i	Are Data Protection by Design and by Defaults concepts implemented in your organisation's project methodology?		Yes		Key
			Pass/Fail: Key ratio (1 Fail = Total Fail) Standard ratio (3 Fails = Total Fail)		
5	Global Risks Controls	(5.01–5.02 assessed only if applicable)			
5.01a	Stock Market Price decrease (Last 12 Months N)	Stock Market Price decrease (Last 12 Months N)	x≥-20%		
5.01b	Stock Market Price decrease (Last 12 Months N)	Variation of the stock compared to the Index is higher than 30%	x≥-30%		
5.01c	Stock Market Price decrease (12 Months N-1)	Stock Market Price decrease (12 Months N-1)	x≥-20%		
5.01	Stock market development 12 month (2 periods negative trends = Fail)				
5.02a	Stock Market Price decrease (Quarterly, 3M)	Stock Market Price decrease (Quarterly, 3M)	x≥-20%		
5.02b	Stock Market Price decrease (Quarterly Q-1, 3M)	Stock Market Price decrease (Quarterly N-1, 3M)	x≥-20%		
5.02	Stock market development 3 months (2 periods negative trends = Fail)				
5.03	Analyst consensus 12 months forward EBITDA	Analyst consensus 12 months forward EBITDA	EBITDA > 0		
			Pass/Fail Standard ratio (3 Fails = Total Fail)		
6	Trends Analysis	(Not applicable if CFO is positive)			
6.01	Trend - Cash ratio 12 months (Last 12 months N, vs Last 12 months N-1)	Cash ratio (Cash and Cash equivalent/Current liabilities) (Last 12 months N, vs Last 12 months N-1)	x≥0%		
6.02	Trend - Cash ratio 12 months (Last 12 months N-1, vs Last 12 months N-2)	Trend - Cash ratio 12 months (Last 12 months N-1, vs Last 12 months N-2)	x≥0%		
6.03	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N, vs Last 12 months N-1)	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N, vs Last 12 months N-1)	x≥0%		
6.04	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N-1, vs Last 12 months N-2)	Quick ratio (Cash and Cash equivalent + AR/Current liabilities) (Last 12 months N-1, vs Last 12 months N-2)	x≥0%		
6.05	Trend - CFO 12 months (Last 12 months N, vs Last 12 months N-1)	Cash Flow from Operating activities (CFO) as per latest publication (Last 12 months N, vs Last 12 months N-1)	x≥0%		
6.06	Trend - CFO 12 months (Last 12 months N-1, vs Last 12 months N-2)	Trend - CFO 12 months (Last 12 months N-1, vs Last 12 months N-2)	x≥0%		
			Pass/Fail Standard ratio (3 Fails = Total Fail)		
General Result: Result assessment Any fail to any of the above sections results in a failed assessment					