
GERMANY

(Effective 1-September 2024 – PAC46)

1. GENERAL RULE – (Accounts / Documents to be provided)

1.1. New Applicants

In addition to a complete application the applicant must, for a minimum of two years from its effective date of accreditation, provide a Financial Security according to chapter 4. The Financial Security provided will determine the Remittance Holding Capacity granted, as per Resolution 812, section 5. In the first 24 months following accreditation the most frequent standard remittance will be applied, i.e. four times per month remittance.

1.2. Accredited Agents

An Accredited Agents holding Standard Accreditation with Cash Facility is required to undergo a financial assessment annually or for cause at any time. An Agent holding a Multi-Country Accreditation is required to undergo a financial assessment quarterly or for cause at any time. For the conduct of financial assessments, the Agent must provide the financial statements/documents as stated in chapter 2.

2. ANNUAL FINANCIAL REVIEW

Accredited Agents holding the Standard Accreditation with Cash Facility are required to undergo an Annual Financial Review. The Accredited Agent is obliged to provide either the “Data Collection Sheet for establishing liquidity” or to adjust the Financial Security (“Guarantee Model”) according to the Financial Security Overview within 30 days of IATA’s request.

2.1. Guarantee Model

With the Annual Financial Review request IATA provides a Financial Security Overview, which informs the IATA Accredited Agent:

- which Financial Securities are currently deposited with IATA,
- which Remittance Frequency is currently applied
- what Financial Security amount is actually required with regard to twice-monthly, four times per month or daily remittance on basis of the most actual cash sales.

If the Financial Security deposited with IATA is sufficiently covering the most actual cash sales, no action needs to be taken by the Agent.

Accredited Agents providing 100% financial security voluntarily are considered to have PASSED the Financial Review. However, the Agent must cover at all times 100% of the amount at risk calculated according to the formula stipulated in chapter 4.3.2, otherwise the financial review is considered to be unsatisfactory.

2.2. Data Collection Sheet

Agents that are accredited for at least 24 months can optionally provide the Data Collection Sheet instead of providing 100% financial security.

The Data Collection Sheet for establishing the liquidity quota contains a list of short-term assets and short-term liabilities. Accredited Agents that achieve a liquidity rate of more than 110% are considered to have PASSED the Financial Review. For liquidity quotas equal or less than 110% (bonus class 5) the Financial Review has been FAILED.

2.2.1. Bonus Class

Agents with a liquidity quota of more than 110% are entitled to a bonus, i.e. the Agent can expect a reduction of the otherwise required Financial Security amount. Please refer to table 'Financial Security Discount' in chapter 4.7.

2.3. Agents holding a Multi Country Accreditation are required to undergo a quarterly financial assessment in accordance with the Multi Country Financial Criteria.

3. CRITERIA FOR THE EVALUATION OF AGENT'S ACCOUNT

3.1. The financial criteria for the evaluation of the Agent's Data Collection sheet is the liquidity quota.

3.2. Formula for calculating the liquidity quota:

$$\frac{\text{Assets realizable in short-term (+ current loan agreement or Financial Security if considered)} \times 100}{\text{Short-term liabilities}}$$

The Agent may include –in relation to the amount of BSP turnover and the share of BSP cash turnover- in the short-term assets either a loan agreement or a Financial Security deposited with IATA.

3.3 Prerequisites for acceptance of loan agreements

Required Financial Security (in EUR)	Requirements for loan agreement
<500.000,00	Loan agreement valid at least until last day of following year, provided the agreement is not older than 2 months and has not been cancelled.
≥500.000,00 <2.000.000,00	Loan agreement with the following details: <ul style="list-style-type: none"> • 1.) Commitment restricted for covering the BSP cash turnover 2.) Validity at least until last day of following year 3.) Bank undertakes to notify IATA immediately of notice of termination of the loan agreement (relevant clause contained in loan agreement) •
≥ 2.000.000,00	* loan cannot be taken into account

* The IATA Agent must reach a liquidity rate of more than 110% by its own financial strength. Taking a loan agreement into account is not permitted.

3.4 Remittance Period

The remittance period, i.e., the number of days between the end of the billing period and the remittance date, for four times per month remittance is 10 days.

Effective 1 January 2025 the number of days between the end of the billing period to remittance date will be 5 working days for all agents remitting four times per month.

4. FINANCIAL SECURITY

4.1. An Agent will not be accredited or will not continue to be accredited until any Financial Security required to be provided to IATA has been received by IATA and confirmed to IATA by way of written confirmation received directly from the third party supporting the Financial Security that the Financial Security was issued by that third party and is valid.

4.2. Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.2.1. The following types of Financial Securities are accepted

- i. Bank Guarantee payable on first demand according to IATA sample
- ii. Guarantee by an insurance company payable on first demand according to IATA sample
- iii. Assignment of fixed deposit or saving account according to IATA sample
- iv. Global Default Insurance

4.3. For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.3.1. "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

Remittance Frequency:	Days' Sales at Risk
Twice per month (optional)	35
Four times per month (standard)	22
* Daily (voluntary)	5

4.3.2 "Days Sales at Risk" as per 1st January 2025

Remittance Frequency:	Days' Sales at Risk
Twice per month (optional)	35
Four times per month (standard)	17
* Daily (voluntary)	5

4.3.3 “Amount at Risk” is calculated using BSP cash turnover amount equal to the net cash sales in the previous 12 months, as follows:

“Amount at Risk” = “Days’ Sales at Risk” x BSP cash turnover in the most recent 12 months

360

4.3.3 The value of the Financial Security will be rounded to the next + 1,000 EUR.

4.4. All Agents must provide a Financial Security with a minimum amount as per 4.5. during the first two (2) years as IATA accredited Agent.

4.5. The minimum fixed amount of financial security based on the remittance frequency of the Agent:

-twice per month remittance: EUR 20 000

- four times per month remittance: EUR 15 000

- daily remittance: EUR 5 000

4.6. Accredited Agents

4.6.1. Agents with Risk Status A

Agents with Risk Status A, Bonus Class 1 and Amount at Risk below 400.000 EUR will not be required to submit a Financial Security. Agents with Risk Status A, bonus class 1 – 4 incl. are required to provide a Financial Security applying the corresponding discount and their Amount at Risk is calculated using BSP cash turnover amount equal to their net cash sales in the previous 12 months, with a minimum amount as per 4.5., whichever is higher.

4.6.2. Agents with Risk Status B

For Agents with Risk Status B the amount of the Financial Security required must cover at a minimum the Amount at Risk calculated as per Section 4.3 and 4.7 using the BSP cash turnover amount equal to the net cash sales in the previous 12 months, with a minimum amount as per 4.5., whichever is higher. IATA Agents that have failed the Risk History Assessment will be downgraded by one bonus class during the Annual Review.

4.6.3. Agents with Risk Status C

For Agents with Risk Status C the amount of the Financial Security required must cover at a minimum the Amount at Risk calculated as per Section 4.3 and 4.7.using the BSP cash turnover amount equal to the net cash sales in the previous 12 months, with a minimum amount as per 4.5., whichever is higher.

4.6.4. Agents with a required Financial Security above EUR 400.000

IATA Agents in the bonus categories 1 to 4 with an amount of the Financial Security required equal or above EUR 400,000 and a BSP cash turnover share as defined in table 4.7 must provide additional surety by paying 100% of the BSP cash turnover on a daily basis. The cash sales will be remitted from the gent’s account 8 days after ticket issuance. On the Remittance Date as defined in the BSP calendar for payments, the total amount according to the Billing must be available for direct debiting.

As an alternative to the daily remittance the IATA Agent is entitled to provide a Financial Security in the amount of the required Financial Security multiplied by the relevant bonus quota.

IATA Agents in the bonus category 5 with an amount of the Financial Security required above EUR 400.000 must provide additional surety by paying 100% of the BSP cash turnover on a daily basis. The cash sales will be remitted from the Agent's account 3 days after ticket issuance. As an alternative to the daily remittance the IATA Agent can provide IATA with a Financial Security that covers 100% of the amount at risk.

4.7. Financial Security Discount:

Target Guarantee/Required Financial Security in EUR	BSP cash turnover share	Financial Security required (Target Guarantee multiplied by bonus quota)				
		1	2	3	4	5
Bonus classes						
Liquidity rates in %		> 140%	> 130% ≤ 140%	> 120% ≤ 130%	> 110% ≤ 120%	≤ 110%
< 400,000.00		0%	25%	50%	75%	100%
≥ 400,000.00						
< 600,000.00	≥ 40%	50%	60%	75%	80%	100%
≥ 600,000.00						
< 800,000.00	≥ 40%	60%	70%	75%	80%	100%
≥ 800,000.00						
< 1,000,000.00	≥ 30%	50%	60%	75%	80%	100%
≥ 1,000,000.00	≥ 18%					
	< 20%	50%	60%	70%	80%	100%
≥ 1,000,000.00	≥ 20%					
	< 30%	60%	70%	80%	90%	100%
≥ 1,000,000.00	≥ 30%					
	< 40%	70%	75%	80%	100%	100%
≥ 1,000,000.00	≥ 40%	72%	80%	90%	100%	100%

If the BSP cash turnover share is below the minimum quotas stated in the table under 4.7. the IATA Agent is not required to provide a Financial Security.

