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This Section is applicable to all Approved Locations of an Agent, ~~(and as well as to Sponsored Sales Intermediaries and non-IATA Sales Intermediaries as provided for in Resolutions 850a and 850c respectively),~~ with respect to all sales on behalf of Airlines and Members participating in the Billing and Settlement Plan BSP. ~~In this Section, the use of the term 'Clearing Bank' shall be deemed to mean processing centre when the functions of the Clearing Bank described in the Passenger Sales Agency Rules are performed by an organisation which is not a bank.~~ The Billing and Settlement Plan BSP Manual for Agents contains the administrative and procedural rules to be followed by Agents and constitutes part of this Resolution.

1.1 MONIES DUE ON ISSUE OF STANDARD TRAFFIC DOCUMENTS

1.1.1 monies for sale against which an Agent issues Standard Traffic Documents supplied by ISS Management shall be deemed due by the Agent to the Member or Airline whose Carrier Identification Plate is used when such Standard Traffic Documents they are issued and shall be settled in accordance with the provisions of this Section, ~~provided that~~ In the event ~~that~~ the Agent is declared insolvent, bankrupt, is placed in receivership or judicial administration, goes into liquidation or becomes subject to any other similar legal process affecting its normal operation, then notwithstanding the normal remittance procedures set out in this Section, all such monies shall become immediately due and payable, ~~provided further that~~ ~~in~~ In circumstances where a Member or Airline determines that its ability to collect monies for Standard Traffic Documents may be prejudiced by the Agent's financial position, such Member or Airline may demand immediate settlement of all such monies;

1.1.2 In circumstances where an Airline is suspended from the BSP ('BSP Airline') the monies due to the BSP Airline are handled according to the applicable procedures within Resolution 850, Attachment 'F'.

~~1.1.2~~ **1.1.3** in circumstances where an Agent collects full or part payment for transportation in respect of which reservations have been made on the services of a Member or Airline, ~~such~~ the Agent shall issue an appropriate Standard Traffic Document. Thereupon monies for such sale shall be deemed due and settlement shall be made in accordance with the provisions of Subparagraph 1.1.1 of this Paragraph;

~~1.1.3~~ **1.1.4** the Member or Airline may, subject to applicable currency regulations, designate the currencies in which remittances may be made;

~~1.1.4~~ **1.1.5** when an Agent is on a commissionable or a non-commissionable Cash Basis and requests a Member or Airline to issue a Traffic Document on its behalf, monies for such sale shall be due and settled by the Agent when the Traffic Document is issued; and

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

1.32 LENGTH OF REPORTING PERIOD: REPORTING DATE

1.32.1 for each BSP, reporting shall be as frequent as possible and the Conference shall establish the length of the reporting period most suitable to the efficient operation of such Plan. The Conference may authorise variations to the length of the established reporting period in respect of those individual Agents as deemed necessary by the Conference to provide for the optimum integration into the Plan's operation of such Agents' method of data transfer. The length of the reporting periods ~~established pursuant to the foregoing provisions~~ shall in no event exceed that of the remittance period nor affect the remittance date. The last day of the reporting period is hereinafter referred to as 'the reporting date'. The reporting periods shall run from the close of business on each reporting date to the close of business on the next reporting date;

1.32.2(a) notwithstanding the provisions of Subparagraph 1.2.1 ~~of this Paragraph~~, where in a BSP the Clearing Bank validates the Agents' reporting of automated tickets against ticketing data supplied by System Providers, such System Providers will, upon request, be allowed to report their ticketing data to the Clearing Bank not more frequently than once a week if:

1.32.2(a)(i) the System Provider's processing centre is located outside the country/area of the BSP, and

1.32.2(a)(ii) the Clearing Bank cannot provide facilities capable of accepting the System Provider's electronic wire transmission of ticketing data;

1.32.2(b) under such circumstances, ISS Management may require both parties to implement online electronic wire transmission capabilities for transmission of ticketing data. Implementation of such transmission facilities shall be completed within a reasonable period of time as jointly determined by ISS Management, the Clearing Bank and the System Provider concerned.

1.2.3 SALES TRANSMITTALS

1.2.3.1 the Agent shall, for each Approved Location, ~~furnish~~ supply to the Clearing Bank designated ~~under~~ for the applicable BSP, Sales Transmittals prepared and submitted in strict compliance with the instructions prescribed in the ~~Billing and Settlement Plan~~ BSP Manual for Agents. ~~Such Sales Transmittals~~ These shall include all transactions with respect to which Standard Traffic Documents were issued and Agency Credit and Debit Memoranda (and Shortage Notices in Canada and Bermuda) received by the Agent during the period covered by the Sales Transmittal. Such transactions are hereinafter referred to as 'accountable transactions' and the period covered by the Sales Transmittal is referred to as 'the reporting period'. If there were no accountable transactions during the reporting period, the Agent shall instead submit to the Clearing Bank a 'no sales' report in the form prescribed in the ~~Billing and Settlement Plan~~ BSP Manual for Agents ~~in lieu of a Sales Transmittal~~. (In the following paragraphs the expression 'Sales Transmittals' includes 'no sales' reports where the context so permits.)

1.4 DATE FOR SUBMISSION OF SALES TRANSMITTALS

1.4.1 for each ~~Billing and Settlement Plan~~ BSP, ISS Management shall establish annually a calendar of the dates in the following year by which Sales Transmittals shall be in possession of the Clearing Bank ~~ISS Management~~ and shall communicate it to all Agents subject to the Plan. Each ~~such~~ date shall, in principle, be the third day following the reporting date or, if the Clearing Bank is closed for business on such day, the first subsequent day on which the Clearing Bank is open for business. The Clearing Bank's close of business on the day by which Sales Transmittals are required to be in its possession ~~pursuant to the foregoing provisions~~ is hereinafter referred to as 'the submission date'.

1.5 BILLING

1.5.1 the Clearing Bank shall compute and prepare a billing in respect of each Approved Location in accordance with the requirements of the Conference. Such billings shall incorporate all accountable transactions reported in the Sales Transmittal submitted by the Agent with respect to each Approved Location;

1.5.2 the frequency at which billings shall be rendered to Agents by the Clearing Bank shall be established by the Conference; provided that there shall be ~~not~~ less than 12 and not more than 53 billings per calendar year. The time span covered by a billing hereunder shall be called the 'billing period'.

1.6 SETTLEMENT — THE REMITTANCE DATE

1.6.1(a) Agents shall settle all amounts due in respect of accountable transactions and any applicable local charges directly with the Clearing Bank. ISS Management, following consultation, which includes receiving comments from the local agency liaison working group, may require the Agent to provide ~~ISS Management~~ them with the necessary information and an authorisation form as may be prescribed from time to time by ~~ISS Management~~ them, permitting the Clearing Bank to draw cheques on or debit the Agent's trust account or other bank account in favour of the International Air Transport Association or the institution designated by ISS Management in payment of all amounts due to Members and Airlines.

1.6.1(b) The Agent shall give ISS Management 30 days' advance notice by certified/registered mail, or certified letter with return receipt, as appropriate, of its intention to change banks or bank accounts;

1.6.2 Frequency of Remittance

1.6.2(a) The Conference shall establish the standard frequency of Agents' remittances under such Plan, and these are as shown at *Attachment A*. The remittance date will be communicated to all agents participating in the each ~~Billing and Settlement Plan~~ BSP.

1.6.2(b) IN (RESOLUTION 814 COUNTRIES ONLY) Frequency of Remittance

1.6.2(b)(i) the frequency so established by the Conference shall not be less than once each calendar month, or ~~twice each calendar month~~, or at such greater frequency as the Conference shall determine; provided that individual Agents may elect to remit at such greater frequency and for such length of time as the Conference shall deem appropriate; and

1.6.2(b)(ii) IN RESOLUTION 814 COUNTRIES ONLY ~~(EXCEPT BELGIUM, FRANCE, LUXEMBOURG, NETHERLANDS AND SCANDINAVIA)~~ if the remittance frequency so established is monthly, remittances shall ~~be made by the Agent so as to reach the Clearing Bank not later than its close of business on the date established by the Conference. which~~ This date shall not be earlier than the tenth nor later than the fifteenth day of the month following the month covered by the billing,

1.1.1 OR

~~(BELGIUM, FRANCE, LUXEMBOURG, NETHERLANDS AND SCANDINAVIA ONLY)~~ if the remittance frequency so established is monthly, remittances shall ~~be made by the Agent so as to reach the Clearing Bank on the date established by the Conference which date shall~~ not be earlier than the tenth nor later than the fifteenth day of the month following the month covered by the billing; provided that the method of payment used ~~by the Agent~~ assures that the funds are in the Clearing Bank in time for the remittance to be made into the Members/Airlines' account on the date so established,

1.6.2(b)(iii) if the remittance frequency so established is twice monthly, remittances shall be made ~~by the Agent~~ so as to reach the Clearing Bank not later than its close of business on the last day of the month in respect of billings covering the first 15 days of the month, and the 15th day of the following month in respect of billings covering the period from the 16th to the last day of the month, ~~provided that the~~ The Conference may adjust the period within which remittances are required to reach the Clearing Bank by not more than five calendar days to meet the special requirements which shall be demonstrated of a particular ~~Billing and Settlement Plan~~ BSP,

1.6.2(b)(iv) if the remittance frequency so established or so elected by the Agent pursuant to Subparagraph 1.6.2(b)(i) of this Paragraph is greater than twice monthly, remittances shall be made ~~by the Agent~~ so as to reach the Clearing Bank not later than its close of business on the fifth day following the reporting dates so determined;

1.6.3 All other BSP Countries (EXCEPT CANADA)

1.6.3.1 the Agent shall remit by the remittance date the amount specified on the Clearing Bank's billing for the remittance period under settlement, ~~provided that if, if,~~ if, exceptionally, the Agent has not received such billing by the remittance date the Agent shall:

1.6.3.1(a) on the remittance date, remit the amount its records indicate is owing in respect of such remittance period or, in a direct debit situation, the amount determined by ISS Management, and

1.6.3.1(b) immediately upon receipt of the delayed billing, ~~remit, if applicable,~~ any shortage between the remittance made pursuant to Subparagraph 1.6.3.1(a) above and the amount of the billing, ~~provided that if~~ if the Agent fails to remit any such shortage immediately it shall be deemed to be an overdue remittance and irregularity and default procedures shall apply in accordance with Subparagraph 1.7.7 ~~of this Section~~. If the extent of the shortage is such as to lead ISS Management to believe that the Agent attempted deliberately to circumvent the settlement requirements of this Section, ISS Management shall instruct the Clearing Bank to debit the Agent for Clearing Bank charges incurred as a result of the shortage. Such charges shall be included in the Clearing Bank's next billing to the Agent and shall be due and payable by the Agent on the remittance date applicable to such billing;

1.6.3.2 if the Clearing Bank is closed for business on the day on which the remittance is required to reach the Clearing Bank under the provisions of Subparagraph 1.6.2 ~~of this Paragraph~~ if applicable, the remittance shall be made by the Agent so as to reach the Clearing Bank before its close of business on the first subsequent day when the Clearing Bank is open for business;

1.6.3.3 an Agent having more than one Approved Location subject to the same ~~Billing and Settlement Plan~~ BSP may apply to ISS Management for authorisation to remit monies due on behalf of all such Approved Locations through one designated office of the Agent to the Clearing Bank;

1.6.3.4 the close of business by the Clearing Bank on the day by which remittances are required to reach the Clearing Bank under the foregoing provisions of this Paragraph is hereinafter referred to as 'the remittance date';

1.6.3.5 the time span in respect of which a remittance is to be made to the Clearing Bank hereunder shall be called the 'remittance period'. A remittance period shall not be shorter than one billing period but may cover more than one billing period.

1.6.4 – 1.6.9.2 (CANADA ONLY) PROCESSING AND SETTLEMENT (CANADA ONLY)

1.6.4(a) the Agent shall submit to the Processing Centre together with each sales transmittal, a 'sales settlement authorisation' in a format, and in an amount calculated in accordance with instructions prescribed by ISS Management. The amount so calculated plus the following:

1.6.4(a)(i) an adjustment factor, as established from time to time by ISS Management, in consultation with the Local Customer Advisory Group – Passenger, and published in the ~~Billing and Settlement Plan~~ BSP Manual for Passenger Sales Agents;

1.6.4(a)(ii) charges as provided in Subparagraph 1.7.6.1 ~~of this Section~~, and

1.6.4(a)(iii) excess void charges, as established from time to time by the Conference and published in the ~~Billing and Settlement Plan~~ BSP Manual for Passenger Sales Agents,

1.6.4(a)(iv) administrative charges as determined by the Conference from time to time, notified by ISS Management to all Agents and published in the ~~Billing and Settlement Plan~~ BSP Manual for Passenger Sales Agents;

1.6.4(b) shall be the maximum amount that the Processing Centre is authorised to draw against the Agent's trust account or other bank account;

1.6.5 the Processing Centre shall in accordance with instructions prescribed by ISS Management process the contents of the Agent's sales transmittals; provide to the Agent a summary of all transactions contained therein; compute the net amount due to Members and Airlines; draw a cheque in or otherwise debit such amount on the Agent's trust account or other bank account for presentation on the 'settlement date', published in the ~~Billing and Settlement Plan~~ BSP Manual for Passenger Sales Agents;

1.6.6 an Agent having more than one Approved Location subject to the ~~Billing and Settlement Plan~~ BSP may apply to ISS Management for authorisation to submit sales transmittals on behalf of all such Approved Locations through one designated office of the Agent to the Processing Centre;

1.6.7 the time span in respect of which settlement is to be made through the Processing Centre hereunder shall be called the 'settlement period'. A settlement period shall not be shorter than one reporting period but may cover more than one reporting period;

1.6.8 the average number of days between the date of issue of a Standard Traffic Document and the date on which settlement (payment) therefor is due to a Member or Airline, or an intermediary acting on behalf of such Member or Airline is referred to hereinafter as the 'average delay from sales to settlement' (ADSS), and is determined by dividing the length of the settlement period in days by two, and adding thereto the number of days following the end of the settlement period to the date on which settlement (payment) in respect of all accountable transactions made by the Agent during such settlement period is to be made to the Member, Airline or designated intermediary;

Example:

ADSS = length of settlement period in days divided by two plus days to settlement date

e.g. $\frac{7}{2} + 10 = 13.5$ days $\frac{7}{2} + 11 = 14.5$ days

1.6.9 the Conference may, provided also that the National Carrier(s) supports the recommendation, authorise changes to the reporting period, settlement period, reporting date, submission date and settlement date applicable to the ~~Billing and Settlement Plan~~ BSP, subject to the following:

1.6.9.1 except as provided below the ADSS shall be uniform for all Agents,

1.6.9.2 that on demonstration by an Agent or group of Agents to the Agency Administrator that the existing Rules create hardship in terms of workload, administrative cost or internal work routines or that the consolidation of sales transmittals through a Head Office Location, Administrative Office or computer service bureau make it impractical to conform with such Rules, the ADSS may be extended by up to two days on the Agent's agreement to pay interest on the net amount due for such extended period at an interest rate not less than the official (prime) bank rate currently in effect and not more than such rate plus three percent.

1.7 IRREGULARITIES AND DEFAULT

~~the provisions of this Paragraph shall govern failures by Agents/Approved Locations to adhere to the reporting and remitting procedures set out in Paragraph 1.2 through 1.6 of this Section; provided that the Agency Administrator's actions described herein in respect of the non-receipt by the Clearing Bank of submissions or remittances by the due dates shall not apply when the Agency Administrator determines from factual evidence that the Agent or Location had sent documents or data and arranged for remittance of monies, in due time to reasonably ensure receipt by the Clearing Bank by the submission date or by the remittance date, as the case may be, and that such non-receipt had been caused by extraneous factors. Where this Paragraph provides for variations from BSP to BSP, as determined by the Conference, in the sanctions applicable to such failures, the Conference's decision shall apply and be notified to all Agents subject to the Billing and Settlement Plan concerned and shall be incorporated in the relevant provisions of the applicable Billing and Settlement Plan Manual for Agents. For the purpose of this Paragraph, payment on demand, reporting on demand and accounting and settlement on demand means payment or, reporting or, accounting and settlement, as appropriate, received by the Clearing Bank before its close of business on the first day the Clearing Bank is open for business following the day of the Agency Administrator's demand; The provisions of this Paragraph shall govern failures by Agents to adhere to the reporting and remitting procedures set out in Paragraphs 1.2 through 1.6.~~

The Agency Administrator's actions described in this Paragraph, in respect of the non-receipt by the Clearing Bank of submissions or remittances by the due date, shall not apply when the Agency Administrator can determine that the Agent had adequately undertaken all of the required reporting and remittance procedures, and that such non-receipt had been caused by extraneous factors.

Conference may provide for variations from BSP to BSP in respect of the sanctions applicable to such failures, and any such variations shall be notified to all Agents in the relevant BSPs, and incorporated in the relevant provisions of the applicable BSP Manual for Agents.

For the purposes of this Paragraph, where the Agency Administrator issues a demand for payment or immediate payment, or a demand for immediate reporting and/or accounting and settlement, the deadline for the Clearing Bank's receipt of the relevant payment or report or accounting and settlement from the Agent is the close of business on the first day it is open for business following the day of the Agency Administrator's demand.

1.7.1 Charges

~~The Conference, or the Assembly where so delegated, where applicable, may, subject to the provisions set forth in this Resolution and following local consultation, which includes receiving comments from the local agency liaison working group, implement a programme of cost-recovery charges to be levied on Agents under the following circumstances:~~

1.7.1(a) (i) Administrative Charges

1.7.1(a)(i) ~~(aa)~~ excessive voiding of Standard Traffic Documents, as established from time to time by ISS Management, in consultation with the Local Customer Advisory Group – Passenger, and published in the Billing and Settlement Plan BSP Manual for Passenger Sales Agents,

1.7.1(a)(ii) ~~(bb)~~ excessive usage of manual Standard Traffic Documents by automated Agents, as established from time to time by ISS Management, in consultation with the Local

Customer Advisory Group – Passenger, and published in the Billing and Settlement Plan BSP Manual for Passenger Sales Agents,

1.7.1(a)(iii) ~~(cc)~~ late or incorrect reporting of automated ticketing transactions by Agents with electronic-reporting capability,

1.7.1(a)(iv) ~~(dd)~~ any other failures to comply with BSP procedures and instructions, which generate additional cost to airlines for which,

~~1.7.1(a)(ii)~~ 1.7.1(a)(v) (EXCEPT THE PHILIPPINES) the levels of such charges shall be determined by the Conference, or the Assembly where so delegated, from time to time and, thereafter, notified by ISS Management to all Agents subject to the Plan and published in the Billing and Settlement Plan BSP Manual for Passenger Sales Agents;

OR

~~1.7.1(a)(iii)~~ (PHILIPPINES ONLY) the amount of the charge shall escalate with the repetition of the same type of incident by the same Location during the same calendar year; provided that the level applicable to the fourth instance shall apply to all subsequent instances during the same calendar year. ISS Management shall keep a record of administrative charges debited to each Location during a calendar year. The record shall be closed at the end of each calendar year and entries therein shall not be carried forward to the following calendar year;

1.7.1(ba) (iv) Clearing Bank Charges

Clearing Bank Charges as provided for in Paragraph 1.7 of this Resolution, which shall be in the amount debited to ISS Management by the Clearing Bank as a result of the Agent's failure to report and/or remit as prescribed. These will be increased, if applicable, by an amount to compensate for any extra efforts incurred by ISS Management in relation to such failure; and

~~1.7.1(a)(v)~~ (PHILIPPINES ONLY) Clearing Bank Charges shall accrue from the remittance date applicable to the Sales Transmittal concerned, to the date of receipt of the remittance by the Clearing Bank, or to the date when the Agent is declared in default, whichever is earlier, and shall be proportional to the amount (less tax, if any) remitted late;

1.7.1(bc) (i) Billing and Settlement of Charges

charges debited to Agents pursuant to this Paragraph shall, except as otherwise specified, be included by the Clearing Bank in its first subsequent billing to the Agent or Location, concerned and shall be due and payable by the Agent by the remittance date applicable to such billing. Such charges shall, for the purpose of Subparagraph 1.10.2.2 ~~of this Section~~, be deemed to be part of all amounts owing by the Agent;

1.7.1(ed) Notification of Charges

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

1.7.2 Overdue Sales Transmittals

1.7.2.1(a) if a Sales Transmittal due in respect of an Approved Location is not in the possession of the Clearing Bank by the submission date, the Clearing Bank shall immediately so advise the Agency Administrator in the most expeditious manner and confirm such initial advice in writing immediately thereafter.

1.7.2.1(b) (EXCEPT SOUTH WEST PACIFIC) The Agency Administrator shall, immediately upon receipt of the initial advice, notify the Agent in writing that such instance of overdue Sales Transmittal in respect of the Location concerned will be entered in the record kept under the provisions of Subparagraph ~~4.7.8~~ 1.7.5 of this Paragraph, and if so determined by the Conference, the Agency Administrator shall instruct the Clearing Bank to debit the Location concerned for charges as described in Subparagraphs ~~1.7.1(a)(i) and 1.7.1(a)(iii)~~ 1.7.1(a) (i) and 1.7.1(a)(iii) of this Section;

OR

(SOUTH WEST PACIFIC ONLY) The Agency Administrator shall immediately upon receipt of the initial advice verify if such Sales Transmittal has been received by the Clearing Bank in the meantime. If the Sales Transmittal has not been received by the Clearing Bank by its close of business on the day following the Clearing Bank's initial advice, the Agency Administrator shall immediately send to the Agent a notice of irregularity in respect of the Approved Location concerned. Where the Sales Transmittal is delivered to the Clearing Bank by its close of business on the day following the Clearing Bank's initial advice no further action should be taken except that the provisions of Subparagraph 1.7.5 shall apply.

1.7.2.1(cb) Subsequent actions (EXCEPT SOUTH WEST PACIFIC and CANADA & BERMUDA)

if, subsequent to action taken pursuant in respect to Subparagraph 1.7.2.1(a) above, the overdue Sales Transmittal is not in the possession of the Clearing Bank in time for inclusion in the last ordinary billing of the remittance period, the Clearing Bank shall immediately advise the Agency Administrator and confirm such advice in writing. Upon receipt of the written advice the Agency Administrator shall immediately either send to the Agent a notice of irregularity in respect of the Approved Location concerned, or instruct the Clearing Bank to debit the Location concerned for charges as described in Subparagraph 1.7.1 of this Section, or take both actions as decided by the Conference. A notice of irregularity sent pursuant within the terms of this Subparagraph shall count as two listed instances of irregularity for the purpose of the list provided for in Subparagraph 1.7.12 of this Paragraph. Thereafter, the provisions of Subparagraph 1.7.8 10 of this Paragraph shall apply;

OR

~~1.7.2.2(a) (SOUTH WEST PACIFIC ONLY) if the Agent has been sent a notice of irregularity in respect of the Location concerned under the provisions of Subparagraph 1.7.2.1(a) of this Paragraph, and the Sales Transmittal is not in the possession of the Clearing Bank within seven calendar days of the submission date, the Clearing Bank shall so advise the Agency Administrator in the most expeditious manner and shall confirm such advice in writing immediately thereafter. The Agency Administrator shall immediately upon receipt of the initial advice, notify the Agent and default action with respect to all Locations of the Agent shall be taken in accordance with the provisions of Paragraph 1.10 of this Section;~~

1.1.2 OR

~~1.7.2.2(b) (CANADA AND BERMUDA ONLY) if a sales transmittal is not received within a further period of time set within guidelines laid down by the Conference, ISS Management shall, unless the Agent immediately provides a special sales transmittal on demand, with either audit coupons and supporting documents, if available, or facsimiles thereof, for the reporting period concerned and a certified cheque to cover such special sales transmittal, immediately notify the Agency Administrator and the Agent, and default action with respect to all Locations of the Agent shall be taken, in accordance with the provisions of Paragraph 1.10 of this Section, and~~

~~1.7.2.2(c) (CANADA AND BERMUDA ONLY) notwithstanding that the Agent provides the special sales transmittal and certified cheque in respect of an overdue sales transmittal as described in Subparagraph 1.7.2.2(b) of this Paragraph, a notice of irregularity shall be sent to the Agent at the Location concerned, and appropriate charges shall be applied to all accountable transactions covered by the sales transmittal as described in Subparagraph 1.7.6.1 of this Paragraph, and~~

~~1.7.2.2(d) (CANADA AND BERMUDA ONLY) a notice of irregularity or a declaration of default made in accordance with the foregoing shall be rescinded if it is subsequently established that the envelope containing the sales transmittal was mailed prior to the time established in Paragraph 1.4.2 of this Section;~~

1.7.3 Incomplete Sales Transmittals

~~1.7.3.1(a) if a Sales Transmittal submitted by an Agent to the Clearing Bank is incomplete in that it does not comply with the requirements of Paragraph 1.2 of this Section, and the Clearing Bank is unable to determine accurately the indebtedness of the Agent in respect of~~

~~any one or more accountable transactions included in such Sales Transmittal, the Clearing Bank shall so advise the Agency Administrator in writing in the most expeditious manner. Upon receipt of such advice the Agency Administrator shall immediately notify the Agent in writing that an instance of incomplete Sales Transmittal in respect of the Approved Location concerned will be entered in the record kept under the provisions of Subparagraph 1.7.5 of this Paragraph, and if determined by the Conference, the Agency Administrator shall instruct the Clearing Bank to debit the Location concerned for charges as described in Subparagraph 1.9.1(a)(i) of this Section;~~

1.7.3.1a Initial actions (EXCEPT SOUTH WEST PACIFIC)

if a Sales Transmittal submitted by an Agent to the Clearing Bank is incomplete in that it does not comply with the requirements of Paragraph 1.23 of this Section, and the Clearing Bank is unable to determine accurately the indebtedness of the Agent in respect of any one or more accountable transactions included in such Sales Transmittal, ~~the Clearing Bank~~ it shall advise the Agency Administrator in writing in the most expeditious manner. Upon receipt of such advice the Agency Administrator shall immediately notify the Agent in writing that an instance of incomplete Sales Transmittal in respect of the Approved Location concerned will be entered in the record kept under the provisions of Subparagraph 1.7.5, and if determined by the Conference, the Agency Administrator shall instruct the Clearing Bank to debit the Location concerned for charges as described in Subparagraph 1.97.1(a)i)

1.1.2.1 OR

(SOUTH WEST PACIFIC ONLY) if a Sales Transmittal submitted by an Agent the Clearing Bank is incomplete in that it does not comply with the requirements of Paragraph 1.3 of this Section, and the Clearing Bank is unable to determine accurately the indebtedness of the Agent in respect of any one or more accountable transactions included in such Sales Transmittal, the Clearing Bank it shall advise the Agent in writing in the most expeditious manner, with copy to the Agency Administrator. Upon receipt of such advice the Agency Administrator shall determine whether the Agent has completed the incomplete Sales Transmittal in the meantime. If the Agency Administrator determines that the Sales Transmittal was completed in time for the Clearing Bank to incorporate the outstanding information in the last ordinary billing of the remittance period, no further action shall be taken except that the provisions of Subparagraph 1.7.5 shall apply. If the Agency Administrator determines that the Agent has not completed the Sales Transmittal in time for the Clearing Bank to incorporate the outstanding information in the last ordinary billing of the remittance period, the Agency Administrator shall immediately send to the Agent a notice of irregularity in respect of the Approved Location concerned and so notify ISS Management,

1.7.3.1(b)2 (a) Subsequent actions (EXCEPT SOUTH WEST PACIFIC)

if, subsequent to action taken pursuant to Subparagraph 1.7.3.1(a) above, the Clearing Bank has not received the outstanding information in time for inclusion of the completed Sales Transmittal in the last ordinary billing of the remittance period, the Clearing Bank shall immediately so inform the Agency Administrator. Upon receipt of such advice the Agency Administrator shall immediately either send to the Agent a notice of irregularity in respect of the Approved Location concerned, or instruct the Clearing Bank to debit the Location concerned for charges as described in Subparagraph 1.7.1(a)(i) of this Section, or take both actions, as determined by the Conference. A notice of irregularity sent pursuant to in respect of this Subparagraph shall count as two listed instances of irregularity for the purpose of the list provided for in Subparagraph 1.9.11 1.7.10 of this Paragraph. Thereafter, the provisions of Subparagraph 1.7.81.7.10 of this Paragraph shall apply;

1.7.3.2(a) if the Agency Administrator determines that the Sales Transmittal was completed before the close of business by the Clearing Bank on the first day on which the Clearing Bank was open for business after the submission date, no further action in the matter shall be taken,

1.7.3.2(b) if the Agent or the Approved Location concerned has been sent a notice of irregularity in accordance with the provisions of Subparagraph 1.7.3.2(a)1 of this Paragraph and the Agent has not completed the Sales Transmittal within seven calendar days of such notice, the Clearing Bank shall so advise the Agency Administrator, who shall immediately notify ISS Management and the Agent. Thereupon, default action with respect to all Approved Locations of the Agent shall be taken in accordance with the provisions of Paragraph 1.10 of this Section;

1.7.4 Late Reported or and Unreported Transactions

1.7.4.1(a) Late Reported Transactions Detected by the Clearing Bank

if an Agent includes in a Sales Transmittal any accountable transaction pertaining to a period covered by a previous Sales Transmittal and such late reporting is detected by the Clearing Bank, ~~the Clearing Bank it~~ shall immediately notify the Agency Administrator in writing and the following provisions shall apply:

1.7.4.1(a)(ii) if the late reported transaction ~~pertains~~ relates to a Sales Transmittal of the same remittance period, the Agency Administrator shall, upon receipt of the notice, notify the Agent in writing that an instance of late reported transaction in respect of the Location concerned will be entered in the record kept under the provisions of Subparagraph 1.7.5 of ~~this Paragraph~~, and, if so decided by the Conference empowered, the Agency Administrator shall instruct the Clearing Bank to debit the Location concerned for charges as described in Subparagraph 1.7.1(b) (a)(i) ~~of this Section~~;

1.7.4.1(a)(iii) (EXCEPT SOUTH WEST PACIFIC)

if the late reported transaction ~~pertains~~ relates to a Sales Transmittal of a previous remittance period, the Agency Administrator shall, upon receipt of the notice, either send to the Agent a notice of irregularity in respect of the Location concerned for the reporting period in which the late reported transaction was detected, or instruct the Clearing Bank to debit the Location concerned for charges as described in Subparagraph 1.7.1(a)(i) ~~of this Section~~, or take both actions, as determined by the Conference;

OR

1.7.4.1(a)(iii) ~~v~~ (SOUTH WEST PACIFIC ONLY) if the late reported transaction ~~pertains~~ relates to a Sales Transmittal of a previous remittance period, the Agency Administrator shall, instruct the Clearing Bank to debit the Location concerned for charges as prescribed in Subparagraph 1.7.1 ~~of this Section~~;

1.7.4.1 (a) (iv) (SOUTH WEST PACIFIC ONLY) in addition to the charges provided for in Subparagraph 1.7.1(b) above, accountable transactions reported four billings or more late shall cause the Agency Administrator to send the Agent a notice of irregularity in respect of the Location concerned;

1.7.4.1(b) Unreported Transaction Detected by Airline

if an Agent fails to include an accountable transaction in any Sales Transmittal and such failure is detected by the Member or Airline to which payment is due ~~for such unreported transaction~~, that Member or Airline shall immediately send to the Agent, with copy to the Agency Administrator, a registered letter, or certified letter with return receipt, requesting immediate submission of the unreported transaction to the Clearing Bank for incorporation ~~by the Clearing Bank~~ in the current billing, and the following shall apply:

1.7.4.1(b)(i) on receipt of such letter, the Agency Administrator shall immediately either send to the Agent a notice of irregularity in respect of the Location concerned for the reporting period in which such failure was detected, or instruct the Clearing Bank to debit the Location concerned for charges as described in Subparagraph 1.7.1(a)(i) ~~of this Section~~, or take both actions, as decided by the Conference

1.7.4.1(b)(ii) if the unreported transaction is not received by the Clearing Bank in time for inclusion in the current billing, the Clearing Bank shall so advise the Agency Administrator who shall immediately notify the Agent. Thereupon, default action with respect to all

Approved Locations of the Agent shall be taken in accordance of the provisions of Paragraph 1.910 of this Section;

OR

1.7.4.1(c) Failure to Include Transactions (CANADA AND BERMUDA ONLY) Failure to Include Transactions

if an Agent fails to include in a sales transmittal any accountable transaction for the period covered by the sales transmittal and such failure is detected by the Processing Centre, when processing a sales transmittal for a subsequent reporting period or is otherwise detected by the ISS Management, the following provision shall apply:

1.7.4.1(c)(i) ~~(aa)~~ an appropriate charge/penalty, as determined semi-annually by the Agency Administrator, in consultation with the Canada and Bermuda Agency Programme Joint Council, shall be applied to the total value (less tax) of each transaction and shall be due and payable by the Agent for each reporting period late up to a maximum of three weeks,

1.7.4.1(c)(ii) ~~(bb)~~ in addition to the charge provided under Subparagraph 1.7.61.1(a) above, accountable transactions reported three weeks or more late shall also constitute an instance of irregularity and shall be recorded by the Agency Administrator with respect to the Location concerned,

1.7.4.1(c)(iii) ~~(cc)~~ the charges so determined shall be included in the settlement amount due by the Agent on the settlement date for the period in which the transactions were actually reported late, notwithstanding that such action may result in a settlement value in excess of that authorised by the Agent, pursuant to the provisions of Subparagraph 1.7.3 of this Section,

1.7.4.1(c)(iv) in the event that an Agent fails to include a transaction in any sales transmittal, and such failure is detected by the Member/Airline on whose behalf the Agent issued the Standard Traffic Document, that Member/Airline shall demand immediate payment from the Agent including payment of charges due pursuant to Subparagraph 1.7.6.1(a) above and a notice of irregularity shall be sent to the Agent. If the Agent fails to make payment on demand the Member/Airline shall immediately advise the Agency Administrator and default action with respect to all Locations shall be taken in accordance with Paragraph 1.10;

1.1.2.1.1 OR

1.7.4.1(d) Unreported Transaction Detected by Airline (PHILIPPINES ONLY) Unreported Transaction Detected by Airline

if an Agent fails to include an accountable transaction in any Sales Transmittal, and such failure is detected by the Member or Airline to which payment is due for such unreported transaction, that Member or Airline shall immediately send to the Agent, with copy to the Agency Administrator, a registered letter requesting payment of the unreported transaction and specifying the date by which such payment shall be made, and the following provisions shall apply:

1.7.4.1(d)(i) if payment of the amount involved has been received by the Clearing Bank's close of business on the date specified in the Member's or Airline's letter, the Member or Airline concerned shall immediately so advise the Agency Administrator. On receipt of such advice, the Agency Administrator shall instruct the Clearing Bank to debit the Agent for Clearing Bank charges calculated as specified in Subparagraph 1.7.1(a)(iv) of this Resolution in respect of the unreported transaction,

1.7.4.1(d)(ii) if payment of the amount involved has not been received by the Clearing Bank's close of business on the date specified in the Member's or Airline's letter, the Member or Airline concerned shall immediately so advise the Agency Administrator. On receipt of such advice, the Agency Administrator shall take default action with respect to all Locations of the Agent shall be taken in accordance with the provisions of Paragraph 1.10 of this Section;

1.7.4.1(e) Unreported Standard Traffic Document Detected by the Clearing Bank

1.7.4.1(e)(i) if an Agent fails to include a Standard Traffic Document in any Sales Transmittal and such failure is detected by the Clearing Bank, ~~the Clearing Bank~~ it shall immediately ~~so~~ notify the Agency Administrator who shall thereupon investigate the failure with the Agent and, if ~~deemed~~ necessary, request a written explanation from the Agent, ~~and the~~ The following provisions shall apply:

1.7.4.1(e)(i) ~~(aa)~~ if the unreported Standard Traffic Document had been voided, the Agency Administrator shall instruct the Agent to include such Standard Traffic Document in its next Sales Transmittal,

1.7.4.1(e)(ii) ~~(bb)~~ if the unreported Standard Traffic Document had neither been voided nor issued, the Agency Administrator shall instruct the Agent to void such Standard Traffic Document if it has not been issued in time for inclusion in the Agent's next Sales Transmittal,

1.7.4.1(e)(iii) ~~(cc)~~ if the unreported Standard Traffic Document had been duly issued and the Agent had failed to include it in an earlier Sales Transmittal, the Agency Administrator shall immediately send to the Agent a notice of irregularity, (and for the Philippines advise that an instance of late remittance will be entered in the record kept under the provisions of Subparagraph 1.9.5 of this paragraph), and demand immediate reporting and accounting and settlement of the unreported transactions. If the Agent fails to comply, default action with respect to all Approved Locations of the Agent shall be taken in accordance with the provisions of Paragraph 1.10 of this Section,

1.7.4.1(e) ~~(iv)~~ if, contrary to the information supplied by the Agent to the Agency Administrator during the investigation undertaken in Subparagraph 1.7.4.1(e)(i) of this Paragraph, at the time of receipt of the next Sales Transmittal the Agency Administrator determines that the unreported Standard Traffic Document had either been issued prior to the investigation, or is still unreported, the Agency Administrator shall withdraw all Standard Traffic Documents and Carrier Identification Plates in the custody of the Agent, demand an immediate accounting of all transactions made by the Agent at the Location concerned, whether or not the submission date for reporting thereof has arrived and initiate a review by the Travel Agency Commissioner, pursuant to the provisions of ~~the Subparagraph 2.1.8 of Resolutions 800e, 804e, 810e, 810f, 810g, 810k and 814e, or Subparagraph 2.1.9 of Resolutions 802e, 808e and 816e, where applicable~~ Resolution. Pending the Travel Agency Commissioner's decision on the review, Members and Airlines may continue to do business with the Agent on a commissionable Cash Basis until otherwise advised by the Agency Administrator;

1.7.4.2 if, where the Agent has been required to provide a written explanation by the Agency Administrator in accordance with the provisions of Subparagraph 1.7.4.1(e)(i) of this Section, and the Agent fails to provide the Agency Administrator with such required explanation, within 10 days of the date of the Agency Administrator's letter, the Agency Administrator shall immediately send to the Agent a notice of irregularity and demand immediate reporting of the unreported Standard Traffic Documents;

1.7.4.2(a) if the Agent fails to comply with the Agency Administrator's demand for immediate reporting of the unreported Standard Traffic Document pursuant to Subparagraph 1.7.4.2 ~~above~~, the Agency Administrator shall withdraw all Standard Traffic Documents and Carrier Identification Plates in the custody of the Agent, demand an immediate accounting of all transactions made by the Agent at the Location concerned, whether or not the submission date for reporting thereof has arrived and initiate a review by the Travel Agency Commissioner pursuant to the provisions of ~~Subparagraph 2.1.7 of Resolutions 804e, 810e, 810f, 810g, 810k, 814e and 816e, or Subparagraph 2.1.8 of Resolutions 802e and 808e, or Subparagraph 2.1.9 of Resolution 800e, where of the applicable~~ Resolution. Pending the Travel Agency Commissioner's decision on the review, Members and Airlines may continue to do business with the Agent on a commissionable Cash Basis until otherwise advised by the Agency Administrator;

1.7.4.2(b) provided that, when in the circumstances described in Subparagraphs 1.7.4.1(b), 1.7.4.1(d), 1.7.4.1(e) and 1.7.4.2 ~~above~~, the local ~~Billing and Settlement Plan~~ BSP procedures require an Agent to include in a Sales Transmittal a previously unreported transaction, the Agency Administrator shall instruct the Agent accordingly and such out-of-

period reporting shall be exempted from application of the provisions of Subparagraph 1.7.4.1(a) above;

1.7.5 Accumulation of Overdue and Incomplete Sales Transmittals and of Late Reported Transactions

1.7.5.1 (~~EXCEPT CANADA & BERMUDA and THE PHILIPPINES~~) the Agency Administrator shall keep a record of instances of overdue and incomplete Sales Transmittals and of Late Reported Transactions advised by the Clearing Bank in accordance with Subparagraphs 1.7.2, 1.7.3 and 1.7.4.1(a) of this Paragraph, which have been submitted or corrected by the Agent and which have not resulted in notices of irregularity,

1.7.5.2 on each occasion when the record shows that the number of such instances for an Approved Location is one sixth of the total number of Sales Transmittals that the Location is required to submit in one year, the Agency Administrator shall send to the Agent a notice of irregularity in respect of that Location. An entry in the record that has caused a notice of irregularity shall not subsequently be taken into account,

1.7.5.3 the record shall be closed at the end of each calendar year and entries therein shall not be carried forward to the following calendar year;

OR

1.7.5.4 PHILIPPINES ONLY Accumulated Instances of Late Remittance and/or Dishonoured Payment (PHILIPPINES ONLY)

the Agency Administrator shall keep a record of instances of late remittance and of dishonoured payment notified to Agents pursuant to Subparagraphs 1.7.4.1(c)(i)(cc), 1.7.8.1 (a) (ii), 1.7.9 of this Paragraph. When the record indicates that an Agent has received two such notifications pursuant to Subparagraph 1.7.8.1 (a) (ii) or Subparagraph 1.7.9 (c)(i) during any six consecutive months, or whenever an Agent has received one such notification pursuant to Subparagraph 1.7.9 of this Paragraph, the following provisions shall apply:

1.7.5.4(i) the Agency Administrator shall conduct an examination of the financial standing of the Agent in accordance with the provisions of Section 3, Subparagraph 3.4.1 of Resolution 810; in addition to documents necessary for such examination, the Agency Administrator shall request the Agent to submit a written explanation of the reasons for the instances of late remittance and/or dishonoured payment;

1.7.5.4(ii) if, following the examination of the Agent's financial standing by the Agency Administrator the Agent is retained on the Agency List, the record shall be cleared of all instances of late remittance and of dishonoured payment recorded against the Agent prior to the examination and, for the purpose of this Subparagraph, the commencement of the six months period shall be the date of the decision to retain the Agent.

1.1.2.1.2 OR

1.7.6 Failure to Submit Sales Settlement Authorisation (CANADA AND BERMUDA ONLY) Failure to Submit Sales Settlement Authorisation

1.7.6.1 if the Processing Centre does not receive a properly completed sales settlement authorisation due with respect to any Approved Location by the submission date, it shall immediately so advise ISS Management which shall investigate the failure with the Agent and demand an immediate submission of a replacement sales settlement authorisation,

1.7.6.2 if an Agent fails to submit such sales settlement authorisation by the settlement date or within the further period provided in Subparagraph 1.7.2.3(b) of this Paragraph, the Processing Centre shall immediately so advise ISS Management. ISS Management shall thereupon notify the Agency Administrator and the Agent and default action with respect to all Locations of the Agent shall be taken in accordance with Paragraph 1.10 of this Section;

1.7.7 Overdue or Dishonoured Remittance

1.7.7.1(a) if the Clearing Bank does not receive a remittance due by the remittance date, or immediately on receipt by the Agent of a delayed billing a remittance in respect of a shortage as provided for in Subparagraph 1.7.7.2, or if an instrument of payment received by the

Clearing Bank to effect such remittance is dishonoured on or after the remittance date, the Clearing Bank shall immediately advise the Agency Administrator who shall then demand payment from the Agent including any Clearing Bank charges incurred:

~~1.7.7.1(a)(i) if payment is received on demand, the Clearing Bank shall immediately so advise the Agency Administrator who shall then, either send to the Agent a notice of irregularity in respect of the Location concerned (or, where the Agent has been authorised to remit through one designated office under the provisions of attachment A in respect of all Approved Locations covered by such authorisation), or take no further action, as determined by the Conference. A notice of irregularity sent pursuant to this Subparagraph shall count as two listed instances of irregularity for the purposes of the lists provided for in Subparagraph 1.7.12 of this Paragraph;~~

~~1.7.7.1(a)(ii) PHILLIPINES ONLY if payment is received on demand, the Clearing Bank shall so advise the Agency Administrator. On receipt of such advice the Agency Administrator shall instruct the Clearing Bank to debit the Agent for Clearing Bank charges calculated as specified in Subparagraph 1.7.1(a)(iii) of this Section and notify the Agent that an instance of overdue remittance will be entered in the record kept under the provisions of Subparagraph 1.7.5.4 of this Paragraph;~~

~~1.7.7.1(a)(iii) if payment is not received on demand, the Clearing Bank shall immediately so advise the Agency Administrator who shall thereupon notify ISS Management and the Agent and default action with respect to all Locations of the Agent shall be taken in accordance with Paragraph 1.10 of this Section;~~

~~1.7.7.1(a)(iv) PHILLIPINES ONLY Notwithstanding such default action, the Agency Administrator shall instruct the Clearing Bank to debit the Agent for Clearing Bank charges calculated as specified in Subparagraph 1.7.1 (a) (iii) of this Section. The Clearing Bank shall immediately bill the Agent and the charges so debited shall, for the purpose of Subparagraph 1.10.2.2 of this Section, be deemed part of all amounts owing by the Agent;~~

1.7.7.1(a)(i) (EXCEPT SOUTH WEST PACIFIC and THE PHILIPPINES) if payment is not received on demand, the Clearing Bank shall immediately so advise the Agency Administrator who shall then, either send to the Agent a notice of irregularity in respect of the Location concerned (or, where the Agent has been authorised to remit through one designated office under the provisions of Subparagraph 1.6.3.3 in respect of all Approved Locations covered by such authorisation), or take no further action, as determined by the Conference. A notice of irregularity sent pursuant to this Subparagraph shall count as two listed instances of irregularity for the purposes of the lists provided for in Subparagraph 1.7.10.

1.1.2.1.2.1 OR

1.7.7.1(a)(ii) (SOUTH WEST PACIFIC ONLY) The Agency Administrator shall additionally send the Agent a notice of irregularity in respect of the Location concerned (or where the Agent has been authorised to remit through one designated office under the provisions of Subparagraph 1.6.3.3 in respect of all Approved Locations covered by such authorisation) . If payment is not received on demand, the Agency Administrator shall immediately notify ISS Management and the Agent, and he shall take default action with respect to all Locations of the Agent in accordance with Paragraph 1.10 of this Section. A notice of irregularity sent pursuant to this Subparagraph shall count as two listed instances of irregularity for the purposes of the list provided for in Subparagraph 1.7.10.

1.1.2.1.2.1.1 OR

1.7.7.1(a)(iii) (PHILIPPINES ONLY) if payment is received on demand, the Clearing Bank shall so advise the Agency Administrator. On receipt of such advice the Agency Administrator shall instruct the Clearing Bank to debit the Agent for Clearing Bank charges

calculated as specified in Subparagraph 1.7.1(a)(v) and notify the Agent that an instance of overdue remittance will be entered in the record kept under the provisions of Subparagraph 1.7.5.4;

1.7.7.1(a)(iv) if payment is not received on demand, the Clearing Bank shall immediately so advise the Agency Administrator who shall thereupon notify ISS Management and the Agent and default action with respect to all Locations of the Agent shall be taken in accordance with Paragraph 1.10.

1.7.7.1(a)(v) (PHILIPPINES ONLY) Notwithstanding such default action, the Agency Administrator shall instruct the Clearing Bank to debit the Agent for Clearing Bank charges calculated as specified in Subparagraph 1.7.1(a)(v). The Clearing Bank shall immediately bill the Agent and the charges so debited shall, for the purpose of Subparagraph 1.10.2.2, be deemed part of all amounts owing by the Agent;

1.7.7.1(b) in addition to any action prescribed in this Subparagraph, the Agency Administrator shall instruct the Clearing Bank to debit the Agent for costs incurred as a consequence of the late or dishonoured payment;

1.7.7.2 if it is established that such non-payment or dishonouring is due to a bona fide bank error and settlement of all amounts due is received on demand, the irregularity if recorded, shall be rescinded;

1.7.7.3 if it is subsequently established that such non-payment or dishonouring is due to a bona fide bank error and settlement of all amounts due is received, but after default action has been taken, the Agency Administrator shall immediately withdraw such default and the notice of irregularity, if recorded in accordance with Subparagraph 1.7.7.1(a)above;

1.7.8 Dishonoured Cheque or other Method of Payment (CANADA & BERMUDA, SOUTHWEST PACIFIC, AND PHILIPPINES ONLY) Dishonoured Cheque or other Method of Payment

1.7.8(a)(i) if a cheque or other debit in settlement of amounts due is dishonoured by non-payment by the drawee bank, the Agency Administrator shall without delay send a notice of irregularity in respect of the location concerned and demand immediate payment from the Agent. Such notice of irregularity shall count as two instances of irregularity for the purposes of the lists provided for in Subparagraph 1.7.4110 of this Paragraph. If payment is not received on demand, the Agency Administrator shall immediately notify ISS Management and the Agent and he shall take default action with respect to all Locations of the Agent in accordance with Paragraph 1.10of this Section. In addition to any action prescribed in this Subparagraph, the following additional provisions shall apply:

1.7.8(a)(i)(aa) a charge as determined annually by the Conference to recover all costs incurred as a consequence of the dishonoured cheque, or other debit shall be due and payable by the Agent,

1.7.8(a)(i)(bb) the charge so determined shall be included in the settlement amount due by the Agent,

1.7.8(a)(ii) if it is established within 90 days of receipt by the Agent of the notice of irregularity that non-payment by the drawee bank of such cheque or other debit is due to a bona fide bank error and settlement of all amounts due is received on demand, the irregularity so recorded and the charge set forth in Subparagraph 1.7.8(a)(i)(aa) above shall be rescinded,

1.7.8(a)(iii) if it is established within 90 days of receipt by the Agent of the notice of irregularity that non-payment by the drawee bank of such cheque or other debit is due to a bona fide bank error and settlement of all amounts due is received, but after default action has been taken, the Agency Administrator shall immediately withdraw such default and notice of irregularity recorded in accordance with Subparagraph 1.7.8(a)(i)of this Paragraph, rescind the charge set forth in Subparagraph 1.7.8(a)(i)(aa)above,

1.7.9 Bona Fide Bank Error

1.7.9.1 a bona fide bank error is one of the following circumstances substantiated by evidence acceptable to the Agency Administrator:

1.7.9.1(a) Credit Arrangement or Automatic Transfer of Funds

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

1.7.9.1(b) Sufficient Funds

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

Note: 'uncollected funds' shall not be considered funds available for immediate withdrawal;

1.7.10 Accumulated Irregularities

after each remittance date the Agency Administrator shall compile and publish to Members and Airlines a list containing the names of all the Agents (and the addresses of the Approved Locations concerned) that have been sent notice of irregularity under any of the provisions of these Rules since the preceding remittance date. Except in countries where weekly reporting and remitting is in place, if three instances (six in Canada) of irregularity are recorded on such lists in respect of a Location during any 12 consecutive months, the Agency Administrator shall immediately advise ISS Management. The Agent shall be required to meet more frequent reporting and remitting procedures determined by the Agency Administrator until such time as the Agent's financial and credit standing has been reviewed and found satisfactory. As an alternative, by written notification to the Agency Administrator, with a copy to ISS Management the Agent may elect to be placed on a commissionable Cash Basis until determined otherwise by the Agency Administrator, following such financial review. Notwithstanding the above, immediately upon a fourth instance of irregularity being recorded on such list in respect of a Location during any 12 consecutive months the Agency Administrator shall advise ISS Management and he shall take default action with respect to that Location in accordance with Paragraph 1.10 of this Section;

1.7.11 Agent in Default as an IATA Cargo Agent

if an Agent which is also registered as an IATA Cargo Agent under the IATA Cargo Agency Rules is declared in default under those Rules in connection with its cargo activities (other than by reason of accumulated irregularities) such Agent shall also be deemed in default under this Section, and default action with respect to all Locations of the Agent shall be taken in accordance with the provisions of Paragraph 1.10 of this Section;

1.7.12 Other Defaults

if an Agent is in default under another Section either of these or of other IATA Passenger Sales Agency Rules, default action shall be taken in accordance with the provisions of Paragraph 1.10 of this Section with respect to all Locations of the Agent or, in the case of default arising from accumulated irregularities, with respect to the Location concerned;

1.7.13 Accounting Irregularity Safeguards

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

1.7.13.1(a)(i) failure to include in the sales transmittal all Standard Traffic Documents issued during the reporting period,

1.7.13.1(a)(ii) falsely reporting Standard Traffic Documents as having been sold against UATP or other credit cards,

1.7.13.1(a)(iii) post-validating Standard Traffic Documents, alteration of the validation date on Standard Traffic Documents, or consistent or extensive reporting of Standard Traffic Documents out of numerical sequence,

1.7.13.1(a)(iv) inability to account for missing Standard Traffic Documents or to account for all coupons of Standard Traffic Documents reported as void,

1.7.13.1(a)(v) permitting blank Standard Traffic Documents and/or Standard Traffic Documents validated but not fully completed to be removed from the Approved Location for sale elsewhere,

1.7.13.1(a)(vi) permitting alteration, omission or other falsification of credit card data or other required information in the 'form of payment' box on all coupons of original Standard Traffic Documents or on any reissues thereof,

1.7.13.1(a)(vii) issuing or reissuing single or multiple Standard Traffic Documents reflected as credit card sales having an aggregate face value exceeding the established 'floor limit' without full disclosure to and the authority of the pertinent credit card company; or complicity in the issuing or reissuing of Standard Traffic Documents reflected as credit card sales to circumvent credit or reporting procedures,

1.7.13.1(a)(viii) falsification of reports or documents,

1.7.13.1(a)(ix) validating Standard Traffic Documents and/or Refund Notices by using Carrier Identification Plates assigned to and/or held by another Agent/Approved Location or offering Carrier Identification Plates for use by another Agent/Approved Location,

1.7.13.1(a)(x) violation of Standard Traffic Document exchange or refund procedures as specified in the applicable IATA Resolutions and their Attachments, the Ticketing Handbook or as published in carriers' tariffs, instructions or elsewhere, and provided to the Agent, or

1.7.13.1(a)(xi) failure to prevent the unauthorised or fraudulent use of computer-generated document numbers for issuance of Electronic Tickets,

1.7.13.1(a)(xii) falsification and/or manipulation of issued Electronic Tickets, such that electronic ticketing data included in Sales Transmittals differs from electronic ticket data provided to the carrier whose Electronic Ticket has been issued,

1.7.13.1(a)(xiii) persistent failure to meet the requirements of Paragraph 1.2 of this Section,

1.7.13.1(a)(xiv) failure to comply with credit card sales instructions provided by Members, as prescribed in the Travel Agent's Handbook and ~~Billing and Settlement Plan~~ BSP Manual for Passenger Sales Agents;

1.7.13.1(a)(xv) persistent failure to comply with the format and the instructions of ISS Management in the calculation of the sales settlement authorisation amounts, resulting in the frequent and regular issuance of shortage notices,

1.7.13.1(b) under circumstances which lead the Agency Administrator to believe that the Agent is attempting to circumvent the reporting and settlement requirements of this Section, with the result that Members' or Airlines' ability to collect for Standard Traffic Documents sold is seriously prejudiced, the Agency Administrator, in consultation with the Local Customer Advisory Group – Passenger, shall withdraw all Standard Traffic Documents and Carrier Identification Plates from the Agent, demand an immediate accounting and settlement of all amounts owing by the Agent, whether or not the remittance date for payment thereof has arrived, transmit to the Clearing Bank the accounting obtained and any monies received and notify all Members and Airlines of the action taken. Thereupon, the Agency Administrator shall request the Travel Agency Commissioner to review and redetermine the approval of the Agent or Approved Location. Pending this review, the Agent may request an interlocutory review of the Agency Administrator's action by the Travel Agency Commissioner. Thereafter and pending the Travel Agency Commissioner's final decision on the review, Members and Airlines may do business with the Agent on a commissionable Cash Basis unless the Agency Administrator advises them that the Agent failed to settle as required in which case commission payment shall immediately be withheld until otherwise advised.

1.8 PREJUDICED COLLECTION OF FUNDS

1.8.1 in the event that the Agency Administrator receives written information, which can be substantiated, leading to the belief that Members' and Airlines' ability to collect monies for Standard Traffic Documents may be prejudiced, the Agency Administrator may remove all Standard Traffic Documents and Carrier Identification Plates in the Agent's possession,

1.8.2 the Agency Administrator shall so advise ISS Management and, thereupon, the Agency Administrator shall request an immediate review by the Travel Agency Commissioner;

1.8.3 the Travel Agency Commissioner shall review such written information and other factors and shall commence a review under the terms of Section 2 of of the applicable Passenger Sales Agency Rules Resolutions 800e, 802e, 804e, 808e, 810e, 810f, 810g, 810k, 814e or 816e, where applicable, within three working days from receipt of such a request.

1.9 NOTIFICATION OF IRREGULARITY

when the Agency Administrator is required under any of the provisions of Paragraph 1.7 of ~~this Section~~ to send to an Agent a notice of irregularity it shall immediately send the Agent a registered letter, or certified letter with return receipt, in the form prescribed from time to time ~~by the Agency Administrator~~. The notice of irregularity shall be in respect of the Approved Location concerned, except that a notice of irregularity resulting from overdue remittance by an Agent authorised to remit through one designated office ~~as provided in Subparagraph 1.6.3.3 of this Section~~ shall be in respect of all Approved Locations covered by the authorisation. The Agency Administrator shall at the same time send a copy of the letter to the Approved Location concerned, to ISS Management and to the Clearing Bank. Such irregularity shall be recorded against the Location concerned by the Agency Administrator on the list maintained pursuant to Subparagraph 1.7.120 of this Section.

1.10 DEFAULT ACTION

if default action is required to be taken in accordance with any of the provisions of Paragraph 1.7.7 of ~~this Section~~, the procedures prescribed in this Paragraph shall be followed:

1.10.1 the Agency Administrator shall immediately advise all Members, Airlines and ISS Management that the Agent is in default at all Locations or at the Location concerned. (Airlines and Members which have appointed the Agent shall be notified by electronic e-mail or telegraph or similar fast method of communication;

1.10.2 the Agency Administrator on declaring an Agent in default or receiving notice from a Member that an Agent is in default shall immediately take the following action:

1.10.2.1 advise the Agent in writing, with a copy to ISS Management, that default action has been invoked and withdraw from the Approved Location(s) concerned all Carrier Identification Plates supplied by Members and Airlines and all Standard Traffic Documents,

1.10.2.2 demand an immediate accounting and settlement of all amounts owing by the Agent in respect of the Location(s) concerned whether or not the remittance date for payment thereof has arrived and transmit to the Clearing Bank the accounting obtained and any monies received,

1.10.2.3 notify the Clearing Bank, the local representatives of Members and Airlines participating in the ~~Billing and Settlement Plan BSP~~ concerned, and the local representative of any Member having the Agent under appointment but not participating in such Plan, of the default action,

1.10.2.4 ISS Management shall hold the Carrier Identification Plates so withdrawn pending receipt of written instructions from each of the Members or Airlines concerned, and shall retain custody of the Standard Traffic Documents so withdrawn pending the outcome of the Agent's review when ISS Management shall either return such Standard Traffic Documents to the Agent or, if the circumstances so warrant, withdraw them permanently from circulation;

1.10.3 the Clearing Bank, on receiving notice that an Agent is in default, shall immediately take the following action:

1.10.3.4 (a) establish from the Sales Transmittals in its possession an up-to-date statement of indebtedness for each of the Approved Locations concerned and bill the Agent for charges incurred as a result of the Agent's failure to make complete settlement by the remittance date,

1.10.3.2 (b) establish from its records the stock of Standard¹ Traffic Documents held at each of the Approved Locations concerned,

1.10.3.3 (c) transmit such statement and a report on such stock held to ISS Management,

1.10.3.4 (d) check any accounting and settling obtained from the Agent by ISS Management and report any discrepancies to ISS Management;

1.10.3.5 (e) distribute any monies obtained by ISS Management from the Agent among the Members and Airlines concerned in accordance with the standing instructions of the Conference;

1.10.4 Members and Airlines may continue to do business with the Location(s) concerned on a Cash Basis and shall, upon notification from the Agency Administrator that monies are due to Members or Airlines, extend the Cash Basis to all other Locations of the Agent and withhold payment of any commission due to the Agent until otherwise notified by the Agency Administrator;

1.10.5 Disputes and Withdrawal of Defaults (EXCEPT CANADA AND BERMUDA)

if at any time, the Agency Administrator becomes aware, through any source, that there exists between a BSP Member or Airline and the Agent any dispute arising solely from amounts due or claimed to be due to such Member or Airline from the Agent or vice versa in respect of the reporting/billing period for which the Agent was declared in default, and/or in respect of previous reporting/billing periods, he shall withdraw the declaration of default. In the event that the Member or Airline does not admit the existence of such a dispute, the Agency Administrator shall require the Agent either, to submit documented evidence demonstrating the existence of the dispute or, to pay the amount of the short payment into an escrow account. Provided that either of such conditions is met, the Agency Administrator shall withdraw the declaration of default;

1.10.6 (EXCEPT CANADA AND BERMUDA) if the default is withdrawn, the Agency Administrator shall, also, reinstate credit facilities and notify the Agent, ISS Management, all Members and Airlines accordingly. Upon receipt of such notification, ISS Management shall cancel any prior instruction to the Clearing Bank to debit the Agent for Clearing Bank charges incurred as a result of the overdue remittance, and Members and Airlines shall pay any commission withheld from the Agent. The notice of irregularity, if any, giving rise to the withdrawn declaration of default shall be removed by the Agency Administrator from the list maintained pursuant to the provisions of Subparagraph 1.7.4210 of this Section;

1.10.7 thereafter, if the default is not withdrawn pursuant to Subparagraph 1.10.5 of this Paragraph, the provisions of Section 3 of this Resolution shall apply.

1.11 (EXCEPT CANADA AND BERMUDA) REMITTANCE DELAYED BY OFFICIAL GOVERNMENT ACTION (EXCEPT CANADA AND BERMUDA)

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

1.12 RESPONSIBILITY FOR COLLECTION SETTLEMENT OF CREDIT CARD TRANSACTIONS MADE AGAINST A MEMBERS'/AIRLINE'S MERCHANT AGREEMENT

1.12.1(a) notwithstanding Subparagraph 1.1.1 of this Section, the Agent shall not be responsible for the ~~collection~~ settlement of amounts payable under:

1.12.1(a)(i) the Universal Air Travel Plan, or

1.12.1(a)(ii) similar credit plan, or under

1.12.1(a)(iii) any instalment plan,

~~1.12.1(a)(iv)~~ recognised and made available to the public by the Member or Airline concerned (except for the initial payment under such an instalment plan), or for payment of tickets issued by the Agent in accordance with a prepaid ticket advice (issue wire),

1.12.1(b) provided the Agent has complied with the Member or Airline instructions on such issue;

1.12.2 nevertheless where due to the failure to apply the procedures for credit card sales and/or the late submission of the requisite documents by the Agent, or the failure of the Agent to adhere to the procedures set out in the ~~Billing and Settlement Plan~~ BSP Manual for Passenger Sales Agents, the contracting Member or Airline is unable to collect the charges from its subscriber, the ticketing Member or Airline shall charge the loss to the Agent which issued the Standard Traffic Document by means of an agency debit memo, to be processed by the Agent in the normal manner;.

1.12.3 Reporting

the Agent undertakes that no credit card issued in the name of the Agent or in the name of a person permitted to act on behalf of the Agent or in the name of the Agent's officer, partner or employee shall be used in connection with the sale of air transportation on behalf of a Member to any customer of the Agent.

1.12.4 Sales Made Against UATP and Credit/Charge Cards

1.12.4.1 The Agent undertakes to accept sales against credit cards when the credit card and the credit card holder are simultaneously present at the time of the transaction., or when the transaction itself is covered by the provisions of the Signature on File procedures. Any other form of credit card sales shall be made under the sole responsibility of the Agent. Notwithstanding the individual instructions given by Members, sales made by the Agent under the Universal Air Travel Plan or against a credit/charge card shall be made in accordance with the following procedures .:

1.12.4.1(a) authorisation shall be obtained by the Agent for each transaction from the credit/charge card company,

1.12.4.1(b) in face to face transactions the signature of the card holder shall be matched to the card, and against the signature on the validated Credit Card Charge Form,

1.12.4.1(c) the expiry date of the credit card shall be verified,

1.12.4.1(d) although credit card details may already have been verified, ticket orders by telephone, by fax, or by any other method which constitutes a non face-to-face transaction, shall be undertaken under the sole responsibility of the accepting Agent,

1.12.4.1(e) the Agent acknowledges that mandatory authorisation does not guarantee the transaction, and that this shall not be deemed to guarantee that the card holder will not dispute the charge, and in the case of a fraudulent transaction, the subsequent adjustment made by the issuing Carrier;

1.12.5 Signature on File (Lodged or Deposited Cards)

1.12.5(a) Where the credit card holder empowers the travel agency to issue tickets or other documents against a credit card, whereby the charge form bears the remark "signature on file" in the place of the signature, a clear written arrangement between credit card holder, credit card company and the Agent must exist. Disputes between the credit card holder and the Agent do not release the credit card holder from its liability towards the credit card company.

1.12.5(b) Signature on file-type agreements are contracts which enable Travel Offices or Agents to sign the charge form on behalf of the credit card holder. Such agreements must contain the following information:

1.12.5(b)(i) definition of agreement's duration,

1.12.5(b)(ii) provision for termination (by both parties),

1.12.5(b)(iii) requirement for changes to be made in writing,

1.12.5(b)(iv) an imprint of the card on the signed sales draft (the imprinted draft should be signed by the same person who signs the agreement),

1.12.5(b)(v) the expiration date of the card,

1.12.5(b)(vi) names and sample signatures of all parties authorised to make purchases under the agreement,

1.12.5(b)(vii) Authorisations must be obtained for all sales regardless of the floor limit.

1.13 CHANGES TO REPORTING/REMITTING PROCEDURES

IN COUNTRIES UNDER RESOLUTION 802 AND 808 (EXCEPT FRENCH OVERSEAS DEPARTMENTS) – ~~CHANGES TO REPORTING/REMITTING PROCEDURES~~

1.13.1 notwithstanding any provision to the contrary in this Section, the frequencies of Agents' reporting and remitting and/or the remittance date may be modified in response to changing economic circumstances under the following conditions:

1.13.1.1(a) the Agency Programme Joint Council (for countries under Resolution 802) or the Regional Assembly (for Latin America & the Caribbean) shall be responsible for monitoring the evolution of the economic situation in each BSP area and establishing a set of economic and financial indicators and the degrees of variations thereof which should prompt a reappraisal of the reporting/remitting frequencies and/or of the remittance date applicable in the country(ies) concerned;

1.13.1.1(b) (LATIN AMERICA & THE CARIBBEAN ONLY) In determining those indicators and degrees of variations, the Assembly shall take into consideration the recommendations placed before it by the Joint Executive Council, or the Joint Agency Liaison Working Group (JALWG), or where neither a Joint Executive Council nor a Joint Agency Liaison Working Group has been established, by the national travel agents' association;

1.13.1.2 a meeting of the Agency Programme Joint Council or the Assembly, as applicable, may be called at any time on a 72-hour notice, or an Assembly Mail Vote may be issued, to conduct such reappraisal at the documented request of one of its members or of any Member issuing Standard Traffic Documents through Agents in the country(ies) concerned;

1.13.1.3 if, in its opinion, the economic situation so warrants, the Agency Programme Joint Council or the Assembly, as applicable, may decide by unanimous vote at such meeting to change with immediate effect the reporting/remitting frequencies and/or the remittance date; provided that the revised frequencies and/or date shall remain within the allowable margins set forth in the relevant provisions of this Section and shall be immediately notified to all Members and Airlines by the Agency Administrator;

1.13.2 (IN COUNTRIES UNDER RESOLUTION 802 ONLY) If subsequent to the ratification of the Agency Programme Joint Council's decision, the economic and financial indicators may no longer warrant the current reporting/remitting procedures, the Conference shall, at its next meeting, review its ratification of the Council's decision under Subparagraph 1.13.1.3. It may uphold, revoke or amend such reporting and remitting procedures, taking into account any subsequent recommendations of the Council.

1.1.2.1.3 OR

(LATIN AMERICA & THE CARIBBEAN ONLY) If subsequent to the ratification of the Assembly's decision, the Assembly determines that the economic and financial indicators may no longer warrant the current reporting/remitting procedures, the Assembly shall, at its next meeting, review its decision under Subparagraph 1.13.1.3. It may uphold, revoke or amend such reporting and remitting procedures, taking into account any subsequent recommendations of the Joint Executive Council.

SECTION 2 – REPORTING AND REMITTING DIRECTLY TO MEMBERS

This Section is applicable to all Approved Locations with respect to sales on behalf of Members not participating in the ~~Billing and Settlement Plan~~ BSP.

2.1 MONIES DUE ON ISSUE OF TRAFFIC DOCUMENTS

2.1.1 monies for any sales against which an Agent issues its own Transportation Order or a Member's Traffic Document shall be deemed due by the Agent to the Member when ~~such Order or Document~~ it is issued and shall be settled in accordance with the provisions of this Section; ~~provided that in~~ In the event that the Agent is declared bankrupt, placed in receivership or judicial administration, goes into liquidation or becomes subject to any other

similar legal process affecting its normal operation, then notwithstanding the normal remittance provisions set out in this Section all such monies shall become immediately due and payable; ~~provided further that in~~ In circumstances where a Member determines that its ability to collect monies for Traffic Documents may be prejudiced by the Agent's financial position such Member may demand immediate settlement of all such monies;

2.1.2 in circumstances where an Agent collects full or part payment for transportation in respect of which reservations have been made on the services of a Member, such Agent shall issue an appropriate Traffic Document. ~~Thereupon~~ Monies for such sale shall then be deemed due and settlement shall be made in accordance with the provisions of Subparagraph 2.1.1 ~~of this Paragraph~~;

2.1.3 the Member may, subject to applicable currency regulations, designate the currencies in which remittances may be made;

2.1.4 where an Agent requests a Member to issue a Traffic Document on its behalf, monies for such sale shall be due and settled by the Agent when the document is issued.

2.1.5 (EXCEPT SOUTH WEST PACIFIC) when a Member incurs a loss of revenue attributable to an Agent's failure to apply the correct fare, rules and conditions applicable to the sale of transportation, for which the Agent issued the Member's Traffic Document, the Member shall invoice the Agent for the amount of the undercollection. Settlement of the invoice shall be due and payable by the Agent by the remittance date applicable to the reporting period in which the invoice was issued and shall be subject to the irregularity and default provisions set out in Paragraph 2.5 ~~of this Section for Irregularities and Defaults,~~ provided that the fare for which the Traffic Document was issued and which was collected and remitted shall, insofar as these Rules are concerned, be deemed correct for the transportation sold, if the Agent is able to supply evidence that the fare so used, collected and remitted was the subject of a fare quotation obtained from an applicable airline tariff or reservations system Should the Agent be able to demonstrate that the fare, for which the Traffic Document was issued and accounted for, was the subject of either a fare quotation obtained from an applicable airline tariff or reservation system, it will be deemed correct within the context of these Rules.

AND

~~2.1.6~~ (INDIA ONLY) on the issuance by the Agent of a Traffic Document on behalf of a Member, the Agent shall be responsible for payment to the Member of any related non-transportation charges applicable in the country of issuance, irrespective of whether such Traffic Document is subsequently voided or refunded.

2.2 SALES REPORTS AND REMITTANCES

2.2.1 Agents appointed by the Member may be supplied with such Member's Traffic Documents and such Agents shall ~~furnish~~ provide sales reports (or if there were no transactions during the period, a written 'no sales' report as locally required); as well as the remittances due ~~thereon~~, and all supporting documents. Remittances shall be made with the same frequency and by the same date as prescribed in the ~~Billing and Settlement Plan BSP,~~ (or as provided in Attachment A to this resolution, as locally determined) and sales reports shall be submitted with the same frequency and by the same date as remittances. Furthermore, the provisions governing Irregularities and Defaults shall be the same as those applicable under the ~~Billing and Settlement Plan BSP.~~ If there were no transactions during the reporting period, the Agent shall submit a written 'no sales' report in lieu of a sales report;

2.2.2 (EXCEPT SOUTH WEST PACIFIC) Notwithstanding Subparagraphs 2.2.1 of this Paragraph,

2.2.2.1(a) In Countries operating under an Agency Investigation Panel, a Regional Assembly, or an Assembly

2.2.2.1(a)(i) the Agency Investigation Panel, on unanimous vote, the Regional Assembly through the Agency Administrator, or Assembly may:

2.2.2.1(a)(ii) ~~(aa)~~ by notice to all Agents and to Members prescribe a greater frequency for sales reports and remittances and shorter reporting periods, or

2.2.2.1(a)(iii) ~~(bb)~~ permit individual Agents to elect to report and remit at such greater frequency and for such length of time as the Agency Investigation Panel shall deem appropriate.

2.2.2.2 in either case, sales reports shall cover the reporting period so prescribed or permitted and sales reports and remittances shall be furnished, so as to reach the Member by the respective times set forth in the applicable provisions of Subparagraph 2.2.1 ~~of this Paragraph~~. Furthermore, with respect to the sales reports and remittances due to it by its own appointed Agents any Member may establish a greater frequency than that prescribed in Subparagraph 2.2.1 ~~of this Paragraph~~ or by the Agency Investigation Panel, and such Member may then elect to use the resulting shorter period for the purpose of determining the Agent's irregularities under Paragraph 2.4 ~~of this Section~~;

AND

~~2.2.3 EXCEPT UNDER THE JURISDICTION OF THE ORIENT with respect to any Approved Location situated in the area of a Billing and Settlement Plan, notwithstanding anything contained in Subparagraphs 2.2.1 and 2.2.2 of this Paragraph, remittances shall be made with the same frequency and by the same date as prescribed in such Plan, and Reports shall be submitted with the same frequency and by the same date as remittances. The provisions governing Irregularities and Default applicable to such Locations shall be the same as applicable under the Billing and Settlement Plan of the country where such Locations are situated.~~

2.2.3 (UNDER THE JURISDICTION OF THE ORIENT ONLY) notwithstanding Subparagraphs 2.2.1 and 2.2.2 of this Paragraph, the Assembly may at the request of the Executive Council concerned permit tier-two agents to report and remit at such greater frequency and for such length of time as the Assembly shall deem appropriate, in which case sales reports shall cover the reporting period so prescribed or permitted and sales reports and remittances shall be furnished, so as to reach the Member within seven days of the end of such reporting period. Furthermore, with respect to the sales reports and remittances due from these tier-two agents the resulting shorter period for the purpose of determining the tier-two agents' irregularities under Paragraph 2.5 of this Section shall be five days.

2.3 AGENTS ON BILLING BASIS (EXCEPT CANADA AND SOUTH WEST PACIFIC)

2.3.1 (RESOLUTION 802, 810i, 810j AND 814 COUNTRIES ONLY) Agents which have been authorised by the appointing Member to issue their own Transportation Orders drawn on the Member shall be billed by the Member for such Orders at the end of the remittance period, as prescribed in the ~~Billing and Settlement Plan BSP~~ in which the Orders were accepted by the Member. The billings shall be issued so as reasonably to permit settlement by Agents by the remittance date prescribed in the ~~Billing and Settlement Plan BSP~~ for the relevant remittance period; provided that any Agent which is billed on this basis shall have been required by the Member to draw all such Orders only on the appointing Member's office nearest to the Agent's Approved Location where such Orders are issued, and shall have been required by the Member to forward to such nearest office without delay all such Orders issued by the Agent.

OR

2.3.2 (RESOLUTION 800, 808, 810c AND 810r COUNTRIES AND UNDER THE JURISDICTION OF THE ORIENT ONLY) Agents which have been authorised by appointing Member to issue their own Transportation Orders drawn on the Member shall be billed by the Member for such Orders, in accordance with locally established time period in which the Orders were accepted by the Member; provided that any Agent which is billed on this basis shall have been required by the Member to draw all such Orders only on the appointing Member's office nearest to the Agent's Approved Location where such Orders are issued, and shall have been required by the Member to forward to such nearest office without delay all such Orders issued by the Agent;

2.3.3 remittances shall be made by the Agent to reach the Member not later than:

2.3.3.1 If so prescribed by the Agency Investigation Panel, the Regional Assembly, the Orient Assembly or the IATA General Assembly, as applicable, billings shall be rendered more frequently than once a month. When a frequency greater than once a month is prescribed by the Agency Investigation Panel, the Regional Assembly, the Orient Assembly or the IATA General Assembly the remittance shall be made by the Agent to reach the Member not later than the fifteenth day after each such billing period;

2.3.4 notwithstanding anything above, with respect to its own billings and/or remittances a Member may establish a greater frequency than that prescribed herein or by the Agency Investigation Panel, the Regional Assembly, the Orient Assembly or the IATA General Assembly, in which case such Member may elect to use the shorter period which results as a basis for determining the Agent's irregularities pursuant to Paragraph 2.4 ~~5~~ of this Section.

2.4 THE REMITTANCE DATE

as used in this Section, the term 'remittance date' shall designate either:

2.4.1 the day by which sales reports (or 'no sales' reports) and remittances shall reach the Member as specified in Paragraph 2.2 or 2.3 ~~of this Section~~; or

2.4.2 when such day falls on a Saturday, Sunday or public holiday, the first working day thereafter,

2.4.3 in countries where the recognised weekly holiday is not a Saturday and/or Sunday, the remittance date shall be the first working day after the recognised weekly holiday.

2.5 IRREGULARITIES AND DEFAULT

for the purpose of this Paragraph, submission and payment on demand means submission and payment received by the Member before the close of business of the Member's office on the first day such office is open for business following the day of the demand;

2.5.1 Overdue Sales Report/Remittance

2.5.1(a)(i)– if a sales report and full remittance, or where applicable a 'no sales' report, due in respect of an Approved Location have not been received by a Member by the reporting date or remittance date as applicable, the Member shall immediately send to the Agent a notice of irregularity in respect of that Location ~~by sending to the Agent, with a copy to the Agency Administrator, as a registered letter, or certified letter with return receipt,~~ in the form prescribed from time to time. The Member shall simultaneously demand immediate submission of the overdue sales report and payment of the amounts due, if any. If submission and payment are not made by the Agent on demand, the Member shall immediately declare the Agent in default by ~~telegraphing~~ e-mail or similar fast method of communication (and confirming in a full report by registered mail) to the Agency Administrator and default action shall be taken with respect to all Locations of the Agent in accordance with Paragraph 2.6 ~~of this Section~~. At the end of each reporting period, the Agency Administrator shall compile a list of all Approved Locations in respect of which such notices were sent during the previous reporting period, and shall send a copy of such list to all Members. If four instances (six in Canada and Bermuda) of irregularity (including irregularities reported under these Rules) are recorded on such lists in respect of a Location during any 12 consecutive months, default action shall be taken with respect to such Location of the Agent in accordance with Paragraph 2.6 ~~of this Section~~;

~~2.5.1(b) Overdue Sales Report/Remittance — Irregularity~~

~~2.5.1(b)(i) if a sales report and full remittance, or where applicable a 'no sales' report, due in respect of an Approved Location have not been received by a Member by the remittance date, the Member shall immediately send to the Agent, by registered mail, with copy to the Agency Administrator, a notice of irregularity in respect of that Location in the form prescribed from time to time by the Agency Administrator;~~

AND

2.5.1 ~~(a)~~(ii) CANADA ONLY simultaneously with the notice of irregularity sent in accordance with the provisions of Subparagraph 2.5.1 ~~(b)~~(a)(i), the Member shall demand the immediate submission of the overdue sales report, and the immediate payment of the amounts, if any, which are owed by the Agent:

2.5.2 Dishonoured Cheque or Other Method of Payment

2.5.2.1(a)(i) if a cheque or other method of payment in settlement of amounts due by an Agent hereunder is dishonoured after the remittance date by a non-payment by the drawee bank, the Member shall without delay send to the Agent a notice of irregularity in the form prescribed and demand immediate payment from the Agent. Such notice shall count as two listed instances of irregularity for the purposes of the lists provided for in Subparagraph 2.5.4.3 of this Paragraph. If payment is not received on demand, the Member shall immediately declare the Agent in default by telegraphing ~~e-mail the Agency Administrator, or similar fast method of communication to the Agency Administrator~~, and by sending a registered letter (or certified letter in the South West Pacific) to the Agent (with copy to the Agency Administrator) in the form prescribed from time to time and default action shall be taken with respect to all Locations of the Agent in accordance with Paragraph 2.6 of this Section. For the purpose of this Paragraph submission and payment on demand means submission and payment received by the Member before the close of business of the Member's office on the first day such office is open for business following the day of the demand;

2.5.2.1(a)(ii) (LATIN AMERICA AND THE CARIBBEAN ONLY) provided that the Member's actions described herein in respect of the non-receipt of settlements or remittances by the due dates shall not apply when the Member or the Agency Administrator determines from factual evidence that the Agent or location had arranged for the payment or remittance of monies, in due time to reasonably ensure receipt by the Member by the submission date or by the remittance date as the case may be, and that such non-receipt had been caused by extraneous factors or bona fide bank error;

2.5.2.1(a)(iii) if it is established that non-payment by the drawee bank of such cheque or other debit is due to a bona fide bank error or was caused by extraneous factors, and settlement of all amounts due is received on demand, the irregularities so recorded above shall be rescinded by the Agency Administrator;

2.5.2.1(a)(iv) if it is subsequently established that non-payment by the drawee bank of such cheque or other debit is due to a bona fide bank error or was caused by extraneous factors and settlement of all amounts due is received, but after default action has been taken, the Agency Administrator shall immediately withdraw the default and irregularities so recorded above and shall notify all Members;

2.5.2.2 Bona Fide Error

a bona fide bank error is one of the following circumstances substantiated by evidence acceptable to the Agency Administrator:

2.5.2.2(a) Credit Arrangements or Automatic Transfer of Funds

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

2.5.2.2(b) Sufficient Funds

when sufficient collected funds were in the Agent's account on which the cheque or other debit was drawn and available for immediate withdrawal at the time the cheque or other debit was presented to the bank for payment, and the bank erroneously fails to honour the cheque or other debit,

Note: 'uncollected funds' shall not be considered funds available for immediate withdrawal;

2.5.3 Accumulated Irregularities (IN COUNTRIES UNDER RESOLUTIONS 800, 808, 810c, 810r AND 816 ONLY) ~~Accumulated Irregularities~~

at the end of each reporting or billing period, the Agency Administrator shall compile a list of all Approved Locations in respect of which such notices were sent during the previous reporting/billing period, and shall send a copy of such list to all Members. If four instances of irregularity (including irregularities notified under the ~~Billing and Settlement Plan BSP~~ provisions of these Rules) are recorded on such lists in respect of an Approved Location

during any twelve consecutive months, default action shall be taken with respect to such Location of the Agent in accordance with Paragraph 2.6 of this Section;

2.5.4 Agent in Default as a Cargo Agent

if an Agent which is also registered as an IATA Cargo Agent under the IATA Cargo Agency Rules is declared in default under those Rules in connection with its cargo activities (other than by reason of accumulated irregularities), such Agent shall also be deemed in default at all Locations under these Rules and default action shall be taken with respect to all Locations of the Agent in accordance with Paragraph 2.6 of this Section;

2.5.5 Failure to Include Sales — Subsequent Detection/Discovery

2.5.5.1 if an Agent fails to include on its sales report any of the Traffic Documents issued by it in the period covered by the sales report and to remit monies due thereon and such failure is detected after the remittance date applicable to the reporting period, the following provisions shall apply:

2.5.5.1(a)(i) on learning of such failure, the Member shall immediately send to the Agent by registered mail a notice of irregularity in the form prescribed from time to time, with a copy to the Agency Administrator, for the reporting period in which such failure was detected/discovered.

2.5.5.1(a)(ii) The notice shall demand immediate payment (if not yet made) in respect of the document not reported, and for countries covered by Resolutions 800, 808 & 810r or under the jurisdiction of Resolution 810, within 10 days (four days for Ecuador) in respect of the document not reported.

2.5.5.1(a)(iii) Such irregularity shall be recorded by the Agency Administrator against the Location concerned on the list maintained pursuant to Subparagraph 2.5.4(b)3 of this Paragraph,

2.5.5.1(b)(i) if payment is not received from the Agent on demand, the Member shall immediately declare the Agent in default and default action shall be taken with respect to all Locations of the Agent in accordance with Paragraph 2.6 of this Section- and for countries covered by RESOLUTIONS 800, 808 & 810r or under the jurisdiction of the Orient, if payment is not received from the Agent within 10 days (four days for Ecuador) of the notice of irregularity, the Member shall immediately declare the Agent in default and default action shall be taken with respect to all Locations of the Agent in accordance with Paragraph 2.6 of this Section;

2.5.6 Notice to ISS Management of Irregularity or Default

2.5.6(a) in all cases when the Agent or Approved Location concerned is situated in the area of a ~~Billing and Settlement Plan~~ BSP, the Member sending a notice of irregularity to an Agent or declaring an Agent in default shall notify ISS Management at the same time and in the same way as it notifies the Agency Administrator.

2.5.7 Other Defaults

if an Agent is in default under another Section of these Rules or of other IATA Passenger Sales Agency Rules, Members not participating in ~~Billing and Settlement Plan~~ BSP shall take action as prescribed in Paragraph 2.6 of this Section with respect to all Locations specified in the notice;

2.5.8 Notice of Default

the Agency Administrator's notice to Members advising of an Agent's default shall be sent by appropriate communication medium, immediately upon discovery of the default.

2.6 DEFAULT ACTION

2.6.1 if default action is required to be taken in accordance with any of the provisions of Paragraph 2.5 of this Section, the procedures prescribed in this Paragraph shall be followed:

2.6.1.1 the Agency Administrator shall immediately:

2.6.1.1(a) advise all Members that the Agent is in default at all Locations or at the Location concerned, and

2.6.1.1(b) notify the Agent in writing by registered mail of the declaration of default and of the consequences thereof;

2.6.2(a) upon receipt of such notice from the Agency Administrator that an Agent is in default Members shall in respect of all Locations of the Agent or of the particular Location specified in the notice:

2.6.2(a) (i) discontinue credit, withdraw all Traffic Documents supplied and revoke any authorisation to the Agent to issue its own Transportation Orders drawn on Members,

2.6.2(a) (ii) demand an immediate accounting and settlement of all amounts owing by the Agent in respect of the Location(s) concerned whether or not the remittance date therefor has arrived,

2.6.2(a) (iii) notify the Agency Administrator of all amounts owing to them by the Agent and thereafter advise the Agency Administrator whether proper accounting and settlement have been made;

2.6.3 2(b)(i) pending application of the provisions of Section 3 of these Rules, Members may continue to do business with the Location(s) concerned on a Cash Basis and shall, upon notification from the Agency Administrator that monies are due to Members, extend the Cash Basis to all other Locations of the Agent and withhold payment of any commission due to the Agent until otherwise notified by the Agency Administrator;

2.6.4 3 if at any time, the Agency Administrator becomes aware that there exists between the declaring Member and the Agent any dispute arising solely from amounts due or claimed to be due to the Member from the Agent or vice versa in respect of the reporting/billing period for which the notice of irregularity was sent, and/or in respect of previous reporting/billing periods, he shall withdraw the declaration of default, reinstate credit facilities and notify the Agent and all Members accordingly. Upon receipt of such notification Members shall pay any commission withheld from the Agent. The notice of irregularity giving rise to the improper declaration of default shall be removed by the Agency Administrator from the list maintained pursuant to the provisions of Subparagraph 2.5.4-3 of this Section.

2.6.5 4 RESOLUTION 808 ONLY thereafter, if the declaration of default is not withdrawn pursuant to Subparagraph 2.6.2(a) of this Paragraph, the provisions of Section 4-3 of this Resolution shall apply.

2.7 RESPONSIBILITY FOR THE SETTLEMENT OF CREDIT CARD AND CHARGE CARD TRANSACTIONS MADE AGAINST A MEMBER'S MERCHANT AGREEMENT

2.7.1(a) notwithstanding Subparagraph 2.1.1 of this Section, the Agent shall not be responsible for the ~~collection~~ settlement of amounts payable under:

2.7.1(a)(i) the Universal Air Travel Plan, or

2.7.1(a)(ii) a similar credit plan, or

2.7.1(a)(iii) any instalment plan,

~~2.7.1(b)~~ recognised and made available to the public by the Member concerned (except for the initial payment under such plan), or for tickets issued by the Agent in accordance with a prepaid ticket advice and;

2.7.1(b) ~~e~~ provided the Agent has complied with the Member's instructions on such issue;

2.7.2 (CHINA, LATIN AMERICA & THE CARIBBEAN, THE RUSSIAN FEDERATION AND UNDER THE JURISDICTION OF THE RESOLUTIONS 800 AND 810 ONLY)

where, however, a sale is made by an Agent under the Universal Air Travel Plan the Agent shall mail or deliver not later than the first working day after the day of sale to the Members whose Traffic Documents are issued, the original, duplicate and triplicate copies of the Universal Credit Card Charge Form (UCCCF), together if so required with related Auditor Coupons. (The ~~quadruplicate 4th~~ and ~~quintuplicate 5th~~ copies of the UCCCF, where furnished by the Member, are to be distributed according to the instructions of the ticketing Member):

2.7.2(a) where the contracting and ticketing Members are one and the same Member, and due to the late submission of such documents by its Agent, the Member is unable to collect

the charges from its subscriber and the Agent fails to prove that it had adhered to the above procedure, the Member shall charge the loss to the Agent which issued the documents;

2.7.2(b) where the contracting and ticketing Members are different, and due to the late submission of such documents by the Agent, the Ticketing Member bills the charges to the Contracting Member more than 17 days from the date of issue of the UCCCF, and the Contracting Member is unable to collect the charges from its subscriber and therefore rejects the bill, the Ticketing Member shall charge the loss to the Agent which issued the documents unless the latter proves that it had adhered to the above procedure;

2.7.3 (CHINA, LATIN AMERICA & THE CARIBBEAN, THE RUSSIAN FEDERATION AND UNDER THE JURISDICTION OF THE RESOLUTIONS 800 AND 810 ONLY) likewise, where a sale is made under a credit plan similar to the Universal Air Travel Plan, or under any instalment plan made available to the public by the Member concerned, the Agent shall not later than the first working day after the sale mail or deliver to the Member concerned a copy of the UCCCF, or in respect of an instalment plan, the credit documents validated by an imprint of the date of issuance and Agent's name. Where due to the late submission of such documents by the Agent such Member is unable to collect the charges from the credit card company, bank or other creditor, and the Agent fails to prove that it has adhered to the above procedure, the Member shall charge the loss to the Agent which issued the documents;

2.7.4 where a loss is incurred by a Member and such loss is attributable to an Agent's failure to adhere to the instructions of the Member in respect of such credit sales described in Subparagraphs 2.7.1(a)(i) and 2.7.1(a)(ii) of this Paragraph, the ticketing Member shall invoice the Agent for such loss. Settlement by the Agent shall be made with the remittance covering the reporting period during which such invoice was raised and shall be subject to the irregularities and default provisions set out in this Section;

2.7.5 CHINA, LATIN AMERICA & THE CARIBBEAN, THE RUSSIAN FEDERATION AND UNDER THE JURISDICTION OF THE RESOLUTIONS 800 AND 810 ONLY where a loss is incurred by the Member and such loss is attributable to the Agent's failure to adhere to the submission procedures set out in Subparagraphs 2.7.1 and 2.7.2 of this Paragraph, the Member shall invoice the Agent for such loss. Settlement of the invoice by the Agent shall be made with the remittances covering the reporting or billing period during which such invoice was issued and shall be subject to the irregularities and default provisions set out above in this Section;

2.7.6 the Agent undertakes that no credit card issued in the name of the Agent or in the name of a person permitted to act on behalf of the Agent or in the name of the Agent's officer, partner or employee shall be used in connection with the sale of air transportation on behalf of a Member to any customer of the Agent.

2.8 INDEMNITY (IN COUNTRIES UNDER RESOLUTIONS 800 AND 808 AND UNDER THE JURISDICTION OF RESOLUTION 810 ONLY)

2.8.1 if a Member sends a notice of irregularity to an Agent or declares an Agent in default and such action is found subsequently to have been wrongly taken, the Member taking such action shall indemnify IATA, its officers and employees and other Members against all claims (including legal costs) arising from acts performed in reliance on such action; provided that in case of an out of court settlement such indemnifying Member shall have approved the terms of the settlement;

2.9 CREDIT FACILITIES (IN COUNTRIES UNDER RESOLUTIONS 800 AND 808 AND UNDER THE JURISDICTION OF RESOLUTION 810 ONLY)

2.9.1 no Member shall grant credit facilities exceeding those permitted in this Section to a travel agent serving the general public and which is not an Accredited Agent.

2.10 REMITTANCE DELAYED BY OFFICIAL GOVERNMENT ACTION (EXCEPT CANADA AND BERMUDA) ~~REMITTANCE DELAYED BY OFFICIAL GOVERNMENT ACTION~~

notwithstanding any other provision contained herein an Agent shall not be sent a notice of irregularity, debited for administrative or Clearing Bank charges nor declared in default with respect to all or any part of a remittance to the extent that the Agent is unable to make full settlement because of official Government action which directly prevents such settlement;

provided that the Agent demonstrates that the amount has been made available for remittance at a recognised bank but cannot be remitted owing to such official Government action.

BILLING AND SETTLEMENT PLANS
(Amending)

PAC1(37)850 (except USA)	Expiry: Indefinite
PAC2(37)850	
PAC3(37)850	Type: B

RESOLVED that Resolution 850 be amended as follows:

1. *Amend Section 1, Definitions, by adding a new definition as shown below:*

1. DEFINITIONS

'BILLING AND SETTLEMENT PLAN' (sometimes referred to as BSP) means the method of providing and issuing Standard Traffic Documents and other accountable forms and of accounting for the issuance of these documents between Members and Airlines on the one hand and Accredited Agents on the other, as described in the Sales Agency Rules and in this Resolution 850 and its Attachments.

2. *Amend Paragraph 16 to read:*

16. SUSPENSION OF OPERATIONS BY A BSP AIRLINE AND/OR REINSTATEMENT OF A BSP AIRLINE

Where a Member or Airline participating in a BSP ("BSP Airline") ceases operations, either temporarily or permanently, due to financial or other reasons, or where the Member or Airline becomes subject to formal bankruptcy or reorganisation proceedings, or defaults on a material obligation under the BSP, thereby impairing the operation of the BSP, ISS Management shall take the action outlined in Attachment "F" to this Resolution.

3. *Amend Paragraph 18 to read:*

18. TICKETING AIRLINE SELECTION RULES

Members and Airlines shall follow the ticketing airline selection rules specified in Attachment "H" to this Resolution 852.

4. *Amend Attachment 'D', Introduction to read:*

FORM OF APPLICATION TO BE COMPLETED BY A NON-IATA AIR CARRIER WISHING TO PARTICIPATE IN A BILLING AND SETTLEMENT PLAN

FORM OF APPLICATION

To: BSP _____

Copy: International Air Transport Association

Industry Distribution & Financial Services
Route de l'Aéroport 33 — P.O. Box 416
1215 Geneva 15 Airport
Switzerland

5. Amend Attachment 'D', Section 4(e) to read:

(e) in consideration of the benefits of participation in the BSP, the Airline agrees to subscribe the costs of participation in the BSP in accordance with Subparagraph 5(c) of the Form of Concurrence, in advance at the beginning of each calendar year ~~an annual participation fee towards the costs of ISS Management. The first annual participation fee which amounts to {amount}, as well as a joining fee of {amount} being a contribution towards the setting up and subsequent development costs of the BSP shall be payable in its entirety upon the acceptance by the ISS Management of the present Application;~~

6. Amend Attachment 'E', Introduction through Paragraph 5 as follows:

FORM OF CONCURRENCE TO BE COMPLETED BY A NON-IATA AIR CARRIER WISHING TO PARTICIPATE IN IATA BILLING AND SETTLEMENT PLANS

To : Manager BSP (Country)

Copy: International Air Transport Association
Industry Distribution & Financial Services
Route de l'Aéroport 33 - P.O. Box 416
1215 Geneva 15 Airport
Switzerland

1. The Airline operates scheduled air services to and from, and/or, within the country or area of IATA Billing and Settlement Plan ("BSP") (country) or has placed stocks of its traffic documents with IATA Approved Agent Locations there. The Airline has obtained all operating licenses or governmental authorisation required for such services or sales.

2. The Airline has applied to the Manager of BSP (country) for participation in BSP (country).

3. The Airline acknowledges that it has received copies of the following documents together with such explanation of their contents as it requires:

~~(a) An Agreement between the BSP Airlines (country) and the (Name of Electronic Data Processing Centre), (hereinafter called "the Data Processing Centre");~~

~~(b) An Agreement between the BSP Airlines (country) and the (Name of Clearing Bank), (hereinafter called "the Bank");~~

~~(c) (a) Passenger Agency Conference Resolution 892 (Disclosing another Member's Position taken at an IATA Meeting);~~

~~(d) (b) Passenger Agency Conference Resolutions 800/802/804/808/810/810c/810j/810r/814/816 series..... (as applicable). The applicable Resolution for the Passenger Sales Agency Rules appertaining to that BSP, i.e. Application of Minimum Security Standards for Safe Custody of Traffic Documents and Carrier Identification Plates; Sales Transmittals, Billings, Remittances and Collections - Defaults (under Billing and Settlement Plans); Reporting and Remitting through the Billing and Settlement Plan; Commission; Cash Basis, Reprimand, Suspension, Removal or Voluntary Relinquishment; Reviews under Authority of IATA Travel Agency Commissioner;~~

~~(e) (c) Passenger Agency Conference Resolution 822 - IATA Numeric Code;~~

~~(f)~~ (d) Passenger Agency Conference Resolution 850 - Billing and Settlement Plans;
~~(g)~~ (e) Local editions of the Billing and Settlement Plan Manual for Agents; or any other applicable manuals.

~~(h)~~ (f) Passenger Agency Conference Resolution 854 - Automated Ticketing Systems in BSP Countries/Areas;

~~(i)~~ (g) Resolution 850a - Supply of Standard Traffic Documents to Sponsored Sales Intermediaries; and 850c - Sale of Standard Traffic Documents, to Non-IATA Sales Intermediaries in Kuwait (as applicable).

4. BSP (country) will forward revisions to the foregoing documents to the Airline as and when they are issued.

5. The Airline hereby undertakes and agrees to observe and comply with the following terms and conditions:

(a) the Airline authorises ISS Management to enter into agreements with the relevant electronic data processing centre ("Data Processing Centre") and the relevant clearing bank ("Bank") on its behalf and to give notice to the Data Processing Centre and the Bank that the name of the Airline is to be added to the list of BSP Airlines in the Schedule of the respective Agreements with the Data Processing Centre and the Bank;

except as otherwise provided in Subparagraph (e)(ii) of this paragraph, the Airline shall be subject to the same conditions and obligations as other BSP Airlines, of which the following are particularly brought to notice:

(i) the Airline shall observe and be bound by the provisions of the documents set out in Paragraph 3 hereof, as well as subsequent additions, deletions or amendments thereto, as though the Airline were a Member of IATA and a party to the Resolutions or the sections of Resolutions set out in those documents;

(ii) the Airline shall execute an Agreement with each IATA Accredited Agent subject to BSP (country) and appointed to act for the Airline, by virtue of which Agreement such Agents shall agree inter alia to:

– comply with applicable Passenger Sales Agency Rules and BSP Procedures; such local standards as may be provided for under the Passenger Sales Agency Rules; applicable IATA Resolutions; and applicable government laws and regulations.

– permit ISS Management to have access to their books, vouchers and other records relating to its sales activities on the Airline's behalf;

(iii) Except as otherwise prescribed in Resolutions, the Airline shall not place stocks of its traffic documents with Approved Locations of IATA Accredited Agents subject to BSP (country) and shall require of such Approved Locations that they issue only Standard Traffic Documents on the Airline's behalf;

~~(c) in consideration of the benefits of participation in BSP (country), the Airline agrees to pay the following fees: subscribe, in advance at the beginning of each calendar year, annual participation fees towards the costs of the ISS Management. The Airline also agrees to pay the appropriate Joining Fee, being contribution towards the setting-up and subsequent development costs of BSP (country). The joining fee shall be payable in its entirety upon the grant by ISS Management of the Airline's Application.~~

(i) the appropriate Joining Fee, being contribution towards the setting-up and subsequent development costs of BSP (country). The Joining Fee will be payable in its entirety upon the grant by ISS Management of the Airline's Application;

(ii) Central and Regional management fees set by ISS Management and billed and payable to ISS Management in Geneva monthly in advance;

(iii) Local management fees as a contribution towards the management and other applicable costs in BSP (country) calculated annually in advance by ISS Management and payable to the BSP (country). The level of annual participation fees for subsequent calendar years shall be as set from time to time by ISS Management after

~~consideration of the operating expenses of BSP (country). The Airline shall also pay an annual contribution, subdivided into two parts:~~

~~— one part payable directly to BSP (country), as a contribution to the management and other costs of the BSP, generally including a surcharge set by ISS Management;~~

~~(iv) costs — another part, payable through the IATA Clearing House, to ISS Management in Geneva, based on total participation in BSPs worldwide and total UTP throughput where applicable.~~

~~(ii) — These extra charges take into account the fact that non-IATA carriers do not otherwise contribute to the overall costs incurred by IATA in providing BSPs and administering the IATA distribution system.~~

(d) the conditions of the Airline's participation in BSP (country) may be amended from time to time upon serving reasonable advance notice of such amendment to the Airline.

(e) the Airline's participation in BSP (country) shall continue until either:

~~(i) the Airline has, through the ISS Management given three calendar months' advance notice in writing to the ISS Management who will advise the Data Processing Centre and the Bank of withdrawal from the Schedules of these Agreements where applicable these Agreements and such notice has become effective in accordance with the terms of the said Agreements;~~

or

~~(ii) ISS Management acting on the authority of at least two-thirds of those Members of IATA participating in BSP (country) has given the Airline three calendar months' notice in writing of termination of the Airline's participation in BSP (country), citing reasons therefore. In the event ISS Management gives such notice, it shall at the same time give three calendar months' notice to the Data Processing Centre and the Bank of withdrawal of the Airline from the Schedules of those Agreements where applicable termination of the Airline's participation in the Agreements with those parties; thereafter, the Airline shall cease to be a party to those Agreements three calendar months from the date of the said notices,~~

provided that, in both cases, rights and liabilities incurred before the date of termination shall survive termination.

7. *Amend Attachment 'F' to read:*

Resolution 850 — Attachment "F"

SUSPENSION OF OPERATIONS BY A BSP AIRLINE

1. REASONS FOR SUSPENSION

Where an airline participating in a BSP ("BSP Airline") ceases operations, either temporarily or permanently, due to financial or other reasons, or where the Airline becomes subject to formal bankruptcy or reorganisation proceedings, or defaults on a material obligation under the BSP, thereby impairing the operation of the BSP, the ISS Manager shall immediately call a meeting of the Local Customer Advisory Group (LCAGP), or in the case of urgency contact its chairman, in order to seek advice whether the BSP Airline should be suspended from BSP operations. If neither of these is possible, the ISS Manager shall seek legal advice to determine the action to be taken, based on the pertinent information available.

2. IMMEDIATE ACTION BY ISS MANAGER

If the ISS Manager, having ~~consulted the LCAGP, or its Chairman~~ undertaken the due consultation procedure in Paragraph 1 above, determines that the BSP Airline should be suspended from BSP operations, the ISS Manager shall immediately:

(a) Inform the BSP Airline concerned and all other BSP Airlines;

(b) Instruct all Agents:

— to suspend immediately the use of the Carrier Identification Plate (CIP) of the BSP Airline concerned, and in the case of automated ticketing, to suspend immediately the use of its name and numeric code as ticketing airline;

— to report any sales, refunds or other credit/debit transactions made on behalf of the BSP Airline during the current reporting period to the Data Processing Centre (DPC) as usual, ~~but and~~ to settle such sales, refunds or other credit/debit transactions either directly with the BSP Airline ISS Management for control and reconciliation of the special account detailed in paragraph 2(c), or directly with the BSP Airline concerned;

— consequently, to adjust the total amount to be remitted to the Clearing Bank at the end of the current reporting period by excluding the total amount pertaining to the BSP Airline;

— to report and settle all refunds or other credit/debit transactions which will be made in future reporting periods directly with the BSP Airline.

(c) Instruct the Clearing Bank:

— to stop immediately all direct debit and clearing operations relating to sales, refunds or other credit/debit transactions made on behalf of the BSP Airline and await further instructions from the ISS Manager;

— open a separate special account for management of that specific airline's funds, under the control of IATA, for the collection of monies due to the BSP Airline, to be administered and held at the disposition of the Official Receiver/Liquidator, if any, once all refunds have been actioned, subject to sufficient funds being available.

(d) Instruct the DPC:

— to take all necessary measures to cooperate with the Clearing Bank in stopping any direct debit and clearing operations referred to in the preceding subsection immediately;

— to forward to the BSP Airline as usual its copies of the billing analysis for the current reporting period.

3. FURTHER ACTION BY ISS MANAGER

The ISS Manager shall monitor the situation and shall take any further action in full consultation with the LCAGP and, where appropriate, after having sought legal advice, in order to respond to any individual circumstances. This may, where appropriate, include the opening of ~~an escrow account~~ a special account, for the collection of monies due to the BSP Airline, to be administered and held at the disposition of the Official Receiver/Liquidator, if any.

4. ACTION WHEN AIRLINE IS NOT SUSPENDED, OR IS RE-INSTATED AFTER SUSPENSION — ESCROW — SPECIAL ACCOUNT — RETENTION OF FUNDS AS SECURITY

In the case where the BSP Airline as referred to in Paragraph 1 above continues to operate, the ISS Manager may refrain from suspending the Airline, or in the case where the BSP Airline is able to resume operations, after having been initially suspended, the ISS Manager may re-instate the BSP Airline, subject to taking further action, in accordance with applicable local bankruptcy laws, in order to respond to any individual circumstances.

(a) This ~~may shall~~, where appropriate, include the opening, and/or continuation, of a special ~~an escrow~~ account, as described in sub paragraphs 2(b) and 2(c) above, controlled by IATA, for the collection of monies representing sales made on behalf of the Airline.

(b) To the extent required to cover the risk that refunds exceed sales during any given period following the filing under the bankruptcy laws, the ISS Manager shall, for a period of 60 days from the date of such filing, be entitled to retain ~~a percentage~~ the entire amount of the Airline's funds collected, ~~at a level to be authorised and determined by the ISS Manager based on sales volumes over several previous months,~~ and the Airline or its Administrator, Receiver, Liquidator or Trustee, shall have no claim to such funds while

retained in accordance with these rules. During such 60-day period the ISS Manager or ISS Management on his behalf shall seek an agreement with the Airline, or its Administrator, Receiver, Liquidator or Trustee, to extend the retention arrangement beyond the 60 days.

(c) If no such extension beyond 60 days can be agreed, the funds retained in accordance with Subparagraph 4(b) shall, to the extent not refunded, be released and paid over to the BSP Airline, or its Administrator, Receiver, Liquidator, or Trustee, at the end of the 60-day period referred to in Subparagraph 4(b) above, and the provisions of paragraph 1 shall apply.

(d) Any funds of the BSP Airline collected on the ~~escrow~~ special account other than those described in Subparagraphs 4(b) and 4(c) shall be remitted in the ordinary fashion or as otherwise requested or agreed by the BSP Airline, its Administrator, Receiver, Liquidator or Trustee.

5. LIFTING OF SUSPENSION

If the BSP Airline resumes its operations, or the reorganization proceedings terminate and the BSP Airline continues or resumes operations, or the BSP Airline has cured its default, or the BSP Airline protests the suspension in writing, the ISS Manager shall put this item on the agenda of the next LCAGP Meeting, or if time does not permit consult the LCAGP Chairman, in order to secure advice whether and under which conditions the suspension shall be lifted. If neither of these is possible, the ISS Manager shall seek legal advice to determine the action to be taken, based on the pertinent information available. The BSP Airline shall be given the opportunity to be heard.

Such conditions may in particular require that the BSP Airline compensate the BSP for any losses incurred as a result of the BSP Airline's default.

6. DEFAULTING AIRLINE OWING MONEY TO THE CLEARING BANK

Where a defaulting airline owes money to the Clearing Bank for the last remittance period before the default or to the BSP on any grounds and the debt is considered irrecoverable, the remaining BSP Airlines must bear the loss, excluding any sales incentive if any, in proportion to their share of the total amount in that remittance period. Such sales incentive shall be settled directly between the defaulting airline and the Travel Agents.

8. Amend Attachment 'H' as follows:

Resolution 850 — Attachment "H"

(Intentionally left blank)

~~DESIGNATION AND SELECTION OF TICKETING AIRLINE~~

~~The following covers all types of tickets issued under Billing and Settlement Plan conditions and under neutral ticketing schemes in BSP conditions:~~

~~1. METHOD OF DESIGNATING A TICKETING AIRLINE~~

~~1.1 For automated/electronic issuance of STDs, designation of the ticketing airline shall be accomplished by specifying to the ticketing system, either prior to or at the time of requesting generation of the ticket(s), the identity of the airline selected.~~

~~1.2 For manual issuance of Standard Traffic Documents (STDs), designation of the ticketing airline shall be accomplished by use of the Carrier Identification Plates (CIPs) provided by Billing and Settlement Plan Airlines;~~

~~2. ORDER OF PRIORITY IN SELECTION OF THE TICKETING AIRLINE~~

~~The selection of the ticketing airline shall be governed by the following strict order of priority, which must be observed at all times:~~

~~2.1 the ticketing airline shall be any BSP Airline participating in the transportation, or a BSP Airline acting as the General Sales Agent for any airline participating in any sector of~~

~~the transportation in the country of ticket issuance, subject to the existence of a valid interline agreement between the ticketing airline and each transporting airline,~~

~~2.2 only if none of the situations described in Subparagraph 2.1 of this Paragraph apply, and, if authorised in writing to issue a Traffic Document for transportation entirely over the routes of other airline(s) by the airline (including the one through which the reservation is made), the ticketing airline may be any other airline.~~

Note:

~~Where a BSP Airline has given written authority to use its CIP under the alternative in Subparagraph 2.2 of this Attachment, STDs may be used for all airline passenger transportation and associated services.~~

Filing Period

1-30 September 2002

Effective/Implementation Date

1 January 2003

DESIGNATION AND SELECTION OF TICKETING AIRLINE
(New)

PAC1(37)852 (except USA)	Expiry: Indefinite
PAC2(37)852	
PAC3(37)852	Type: B

The following covers all types of tickets issued under Billing and Settlement Plan conditions and under neutral ticketing schemes in BSP conditions:

1. METHOD OF DESIGNATING A TICKETING AIRLINE

1.1 For automated/electronic issuance of STDs, designation of the ticketing airline shall be accomplished by specifying to the ticketing system, either prior to or at the time of requesting generation of the ticket(s), the identity of the airline selected.

1.2 For manual issuance of Standard Traffic Documents (STDs), designation of the ticketing airline shall be accomplished by use of the Carrier Identification Plates (CIPs) provided by Billing and Settlement Plan Airlines;

2. ORDER OF PRIORITY IN SELECTION OF THE TICKETING AIRLINE

The selection of the ticketing airline shall be governed by the following strict order of priority, which must be observed at all times:

2.1 the ticketing airline shall be any BSP Airline participating in the transportation, or a BSP Airline acting as the General Sales Agent for any airline participating in any sector of the transportation in the country of ticket issuance, subject to the existence of a valid interline agreement between the ticketing airline and each transporting airline,

2.2 only if none of the situations described in Subparagraph 2.1 of this Paragraph apply, and, if authorised in writing to issue a Traffic Document for transportation entirely over the routes of other airline(s) by the airline (including the one through which the reservation is made), the ticketing airline may be any other airline.

Note:

Where a BSP Airline has given written authority to use its CIP under the alternative in Subparagraph 2.2 of this Attachment, STDs may be used for all airline passenger transportation and associated services.

Filing Period

1-30 September 2002

Effective/Implementation Date

1 January 2003

DISCLOSING ANOTHER MEMBER'S POSITION TAKEN AT AN IATA MEETING
(Amending)

PAC1(37)892	Expiry: Indefinite
PAC2(37)892	
PAC3(37)892	Type: B

RESOLVED that Resolution 892 be amended as follows:

1. Amend Resolution 892 to read:

RESOLUTION 892

DISCLOSURE OF DISCLOSING ANOTHER MEMBER'S POSITIONS TAKEN AT AN IATA MEETING

PAC1(02 37)892	Expiry: Indefinite
PAC2(02 37)892	
PAC3(02 37)892	Type: B

RESOLVED that no Member, Airline or Agent shall disclose to ~~anyone other than a Member or the IATA Secretariat~~ the position taken by a specific another Member, or Airline or Agent at an IATA Meeting concerning passenger agency matters, ~~with the effect of discrediting or detrimentally affecting the interest of such other Member or Agent.~~

Filing Period

1-30 September 2002

Effective/Implementation Date

1 January 2003