

1.7.4.1(c)(i)(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 authorized by the Agent, pursuant to the provisions of Subparagraph 1.7.3 of this Section.

1.7.4.1(c)(ii) 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 1.7.5.1(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 of this Section.

1.7.4.1(d) 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 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 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)(i)(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)(i)(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)(ii) if, contrary to the information supplied by the Agent to the Agency Administrator during the investigation undertaken in Subparagraph 1.7.4.1(d)(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 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. 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 in accordance with the provisions of Subparagraph 1.7.4.1(e)(i) of this Section, the Agent fails to provide the Agency Administrator with such 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 applicable. 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) and 1.7.4.2 above, the local Billing and Settlement Plan 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 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;

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

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.

1.7.6 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 of this Section, 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 so advise the Agency Administrator who shall thereupon demand payment from the Agent:

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) 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)(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) 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) (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(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 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 1.7.11 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 1.10 of 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 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 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 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 1.7.12 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 mail or telegraph);

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 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:

1.10.3.1 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 establish from its records the stock of Standard Traffic Documents held at each of the Approved Locations concerned,

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

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

1.10.3.5 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 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 1.7.12 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

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 OF CREDIT CARD TRANSACTIONS

1.12.1(a) notwithstanding Subparagraph 1.1.1 of this Section, the procedures for the collection 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 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 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 IN COUNTRIES UNDER RESOLUTION 802 AND 808 (EXCEPT FRENCH OVERSEAS DEPARTMENTS) – CHANGES TO REPORTING/REMITTING

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.

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 reported and remitted directly to Members.

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 is issued and shall be settled in accordance with the provisions of this Section; provided that in the event 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 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 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 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; 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.

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 sales reports (or if there were no transactions during the period, a written 'no sales' report as locally required); as well as 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, (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. 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 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)(i)(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)(i)(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;

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.

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, 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 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.

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 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 copy to the Agency Administrator, a registered letter 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 (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;

2.5.1(b)(ii) CANADA ONLY simultaneously with the notice of irregularity sent in accordance with the provisions of Subparagraph 2.5.1(b)(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 2.5.1 of this Paragraph. If payment is not received on demand, the Member shall immediately declare the Agent in default by telegraphing 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

if an Agent is in default under another Section of these Rules or of other IATA Passenger Sales Agency Rules, Members not participating in the Billing and Settlement Plan 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;

2.6.2(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;

2.6.3 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 2.5.1 of this Section.

2.6.4 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 of this Resolution shall apply.

2.7 RESPONSIBILITY

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

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

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 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 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 2.5.1(b) 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, 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

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 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.

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;

2.7.1(c) 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 and quintuplicate 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;

TRAFFIC DOCUMENT ISSUANCE FOR AGENTS AT AIRPORTS
(Amending)

PAC2(36)836	Expiry: Indefinite
PAC3(36)836 (except Japan)	Type: B

RESOLVED that Resolution 836 be amended as follows:

1. Amend Paragraph 1.1 to read:

1. notwithstanding anything to the contrary in the Passenger Sales Agency Rules, a Member ~~shall~~ may levy an administrative service charge ~~in the amount of USD10 (or equivalent) or half of the applicable commission, whichever is the lower,~~ from an Approved Agent for pre-arranged ticket issuance at an airport by a Member when:

Filing Period	Effective Date	Implementation Date
1 August-30 September 2001	1 October 2001	1 January 2002

BILLING AND SETTLEMENT PLANS
(Amending)

PAC1(36)850 (except USA)	Expiry: Indefinite
PAC2(36)850	
PAC3(36)850	Type: B

RESOLVED that Resolution 850 be amended as follows:

1. *Amend Attachment "B", Paragraph 2 to read:*

2. MEMBERSHIP

The GCACP will consist of not more than ~~42~~ 15 members, the delegates and alternates elected biennially by the Passenger Agency Conference. Nominations should be received from the Passenger Agency Conference Accredited Representatives of BSP participants. When voting, Conference delegates should give consideration to having representation from all three areas, and the following industry fields, in the Passenger area:

- Agency
- Revenue Accounting
- Automation
- Financial Control

In addition to its permanent membership, the GCACP may, from time to time, invite other members as it judges necessary, to address specific issues. The Passenger Agency Conference will elect the GCACP Chairman and ISS provides its Secretary. Members of the GCACP shall represent an industry view and not the view of their airline.

2. *Replace existing Resolution 850, Attachment "H", with the new version below to read:*

RESOLUTION 850

Attachment "H"

"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.”

<i>Filing Period</i>	<i>Effective Date</i>	<i>Implementation Date</i>
1 August-30 September 2001	1 October 2001	1 January 2002

**AUTOMATED TICKETING SYSTEMS IN BILLING AND SETTLEMENT
COUNTRIES**
(Amending)

PAC1(36)854 (except French Overseas Departments and USA)	Expiry: Indefinite
PAC2(36)854 (except France and Réunion)	Type: B
PAC3(36)854	

RESOLVED that Resolution 854 be amended as follows:

1. *Amend Section 5 by adding new Subparagraph 5.10 to read:*

5.10 authorise an agent in one location to initiate ticket issuance in an Approved Location of the same Agency. In all cases, applicable tariff and ticketing rules must be respected by the issuing agent.

2. *Amend Resolution 854, Attachment 'A', Paragraph 2.1 to read:*

RESOLUTION 854

Attachment "A"

AUTOMATED TICKETING SYSTEM PROVIDER AGREEMENT

2.1 ensure that the system is and remains capable of the automated issuance of Standard Traffic Documents, as set forth in the applicable IATA Resolutions and the IATA Ticketing Handbook, with the inclusion of any applicable local taxes and charges as well as automated control of the provisions set in the applicable Ticketing Airline Selection Rules;

Filing Period	Effective Date	Implementation Date
1 August-30 September 2001	1 October 2001	1 January 2002

ELECTRONIC RESERVATIONS SERVICES PROVIDERS
(Amending)

PAC1(36)898a (except USA)	Expiry: Indefinite
PAC2(36)898a	Type: B
PAC3(36)898a	

RESOLVED that Resolution 898a be amended as follows:

1. *Amend Preamble to read:*

RESOLUTION 898a

ELECTRONIC RESERVATION SERVICES PROVIDERS

PAC1(32 36)898a (except USA)	Expiry: Indefinite
PAC2(32 36)898a	
PAC3(32 36)898a	Type: B

RESOLVED that an ERSP (Electronic Reservation Services Provider) is the term used to refer to a business that provides the ability for an individual consumer and/or corporation to make airline reservations via any electronic medium (Internet, Intranet, on-line service, direct connection, LAN, WAN, etc.) without the direct participation of an airline or travel agency employee.

The purpose of this Resolution is to facilitate communications relating to the sale of international air transportation on the services of Members between Members and reservation services providers who operate through an on-line information service. The airline industry needs uniquely assigned numbers to identify businesses which make airline reservations and issue tickets. An ERSP number provides a means for airlines to identify reservation services providers which allow individual consumers and/or corporations to make airline reservations electronically.

Nothing in this Resolution shall be deemed to constitute appointment of the Electronic Reservations Services Provider as agent of the Member. Nothing in this Resolution shall be deemed to require or to foreclose an agreement on remuneration between the Member and the Electronic Reservation Services Provider.

Entities performing these functions under the terms of this Resolution shall follow the procedures outlined in the Passenger Services Conference Resolution Manual governing the purchase of air transportation via electronic commerce.

2. *Amend Paragraph 5 to read:*

5. ACCREDITED AGENTS ON THE INTERNET

An IATA Accredited Agent, established on the Internet and wishing to provide on-line international air transportation services, shall do so in accordance with the procedures provided for in its IATA Passenger Sales Agency Agreement and in the Passenger Sales Agency Rules. An accredited Travel Agent operating an online service, as described above, shall register the online service as an ERSP. The unique numbers will be passed to

airlines in all interactions between an Electronic Reservations Services Provider and airline host system.

<i>Filing Period</i>	<i>Effective Date</i>	<i>Implementation Date</i>	
1 August-30 September 2001	1 October 2001	1 January 2002	

2002 NON-APPENDIX B RESOLUTIONS⁷		
No.	Title	Outline of changes
816a	Application Form for Accreditation as an IATA Passenger Sales Agent	Amended to include additional contact details, such as fax numbers and an email addresses, and to clarify the use which will be made data provided and its confidentiality.
824b	Supplementary Agreement for Agents to Receive Electronic Versions of the Travel Agent's Handbooks	Amended to clarify the governing law of and arbitration rules applying to the agreement, and to include details of the agent's numeric codes.
832	Reporting and Remitting Procedures	Resolution 832 was a new resolution adopted at the 2001 meeting of the Passenger Agency Conference which consolidated the reporting and remittance requirements operating under the various resolutions worldwide into a single resolution. It was amended to improve the clarity of the text, to reflect changes to Resolution 850 and to correct some aspects of the rules applicable in Australia under former sections 6 and 7 of Resolution 816 which were inadvertently altered during the transition to Resolution 832. During the period that those errors were in Resolution 832 the arrangements as they existed under Resolution 816 continued to be applied.
850	Billing and Settlement Plans	Amended to move the Ticketing Airline Selection Rules to a new separate Resolution 852, to update the forms of concurrence and application for non-members to reflect the IDFS changes, to replace the provision for escrow accounts on suspension of an airline's operations with a special account, and to include provisions for the reinstatement of a suspended airline.
852	Designation and Selection of Ticketing Airline	The Ticketing Airline Selection Rules previously contained in Attachment 'H' to Resolution 850 have been moved to a new resolution. This new resolution will be added to the next edition of the Travel Agent's Handbook.
892	Disclosure of Positions Taken at an IATA Meeting	Amended to extend the non-disclosure requirement to agents and non-IATA airlines attending IATA passenger agency meetings

⁷ This outline and the full text of the resolutions attached are provided for the Commission's information only.

**APPLICATION FORM FOR ACCREDITATION AS AN IATA PASSENGER SALES
AGENT
(Amending)**

PAC3(37)816a (South West Pacific)

Expiry: Indefinite

Type: B

RESOLVED that Resolution 816a be amended as follows:

1. Amend Subparagraph 2.1.2.1 to read:

2.1.2.1 give name, address, telephone number, e-mail address and IATA Numeric Code of IATA Approved Head Office

2. Amend Paragraph 4.1 through 4.3.2 to read:

4.1 If SOLE OWNER:

Name of owner

Extent of participation in the operation of travel agency business

4.2 If PARTNERSHIP:

Name and Title of Partners

Address, Telephone Number, Fax Number and ~~Telephone Numbers~~ E-mail Address

% of time devoted to the agency interest business

Financial Interest %

(if partners are companies, please state type of business and shareholders of those companies)

4.3 If CORPORATION:

4.3.1 location and date of incorporation

4.3.2 names and addresses of all stockholders¹

% of shares held

(If shareholders are companies, please state type of business and shareholders of those companies)

3. Amend

I hereby certify that the foregoing statements (including statements made in any attachment hereto) are true and correct to the best of my knowledge and belief, and that I am authorised by the organisation identified in the answer to A. of Part I above to make these statements and file this document.

It is hereby agreed that this application shall become a part of every Sales Agency Agreement signed with Members of IATA for the sale of international air passenger transportation, and as such, all information contained herein will be treated as confidential (excluding the information contained in Section 1). Notwithstanding the foregoing, the applicant authorizes IATA to use and process the information contained in Sections

2.1.2.2, 2.2, 4, 5.1.1 and 5.1.2, in order to produce and distribute databases among the airline industry participants.

The applicant hereby expressly waives any and all claims, causes of action or rights to recovery and agrees to indemnify and hold harmless IATA or any of its Members, their officers, employees, agents or servants, for any loss, injury or damage based upon libel, slander or defamation of character by reason of any action taken in good faith pursuant to this application, including but not limited to a notice of disapproval.

The applicant understands and agrees that if the application for accreditation as an IATA Agent is disapproved, he will not claim any commission, remuneration or compensation for the sale of any IATA Member during the period the application was under consideration.

Filing Period

1-30 September 2002

Effective/Implementation Date

1 January 2003

**SUPPLEMENTARY AGREEMENT FOR AGENTS TO RECEIVE ELECTRONIC
VERSIONS OF THE TRAVEL AGENT'S HANDBOOKS**
(Amending)

PAC1(37)824b (except USA)	Expiry: Indefinite
PAC2(37)824b	Type: B
PAC3(37)824b	

RESOLVED that Resolution 824b be amended as follows:

1. *Amend Preamble to read:*

WHEREAS the Passenger Agency Conference wishes to provide for Agents to receive the Travel Agent's Handbook in electronic format, it is

RESOLVED that the following supplementary agreement to the Passenger Sales Agency Agreement (Resolution 824) is adopted and shall be implemented upon notification by the Agency Administrator.

AGREEMENT

BETWEEN The International Air Transport Association, an association incorporated by special Act of Parliament of Canada, with an Executive Office located at Route de l'Aéroport 33, P.O. Box 416, 1215 Geneva 15, Airport, Switzerland ("IATA");

AND [FULL NAME] with its principal office located at [FULL ADDRESS] IATA Accreditation Number Numeric Code: [] ("Agent"),

collectively the "parties", for the distribution of the IATA Travel Agent's Handbook electronically by IATA to Travel Agent.

2. *Amend Paragraph 1 to read:*

1. Introduction. Resolution 824 (Passenger Sales Agency Agreement ("PSAA")) provides that the IATA Travel Agent's Handbook ("Handbook") and amendments thereto shall be distributed by the Agency Administrator and shall be attached to the PSAA. The Handbook and its amendments are currently distributed in hard copy format. The Agent wishes to receive and IATA wishes to distribute these documents electronically, either by e-mail or via the Internet, pursuant to the conditions described in this supplementary agreement to the PSAA ("Agreement"). The Agent shall identify the locations covered by this Agreement by providing a list of their IATA Numeric Codes.

3. *Amend Paragraph 12 and renumber Paragraph 13 as follows:*

12. Governing Law and Arbitration. ~~This Agreement shall be governed by and construed in accordance with the laws of England, excluding its conflict of laws provisions. Should any difference or dispute arise between the parties concerning their respective rights, duties or liabilities under this Agreement, such difference or dispute~~

It is recognised that the provisions of the Passenger Sales Agency Agreement require that the application and interpretation of the contents of the Travel Agent's Handbook shall be in accordance with the law of the principal place of business of the Agent. However, this

Supplementary Agreement shall, for convenience, be construed and applied in accordance with the laws of England.

13. Settlement of Disputes. Any dispute arising between the parties concerning their respective rights and duties under this Supplementary Agreement shall be settled exclusively and finally by arbitration under the ~~IATA Rules of Arbitration~~ arbitration procedures established in the Passenger Sales Agency Rules in effect at the time the difference or dispute arises.

13. 14. Entire Agreement. This Agreement contains the entire and final understanding between the parties with respect to the distribution of the Handbook by the Internet and by e-mail. It supersedes all prior or contemporaneous agreements and understandings between the parties concerning this matter. The Agent hereby agrees that access to the Handbook and amendments electronically under the terms of this Agreement will satisfy the requirement specified in any IATA Resolution and other IATA document that require the IATA Agency Administrator or any other IATA person to provide the Agent with a hard copy of the Handbook or its amendments.

Filing Period

1-30 September 2002

Effective/Implementation Date

1 January 2003

REPORTING AND REMITTING PROCEDURES
(Amending)

PAC1(37)832 (except USA)	Expiry: Indefinite
PAC2(37)832	
PAC3(37)832	Type: B

2. Amend, to read:

RESOLUTION 832
REPORTING AND REMITTING PROCEDURES

PAC1(36 37)832 (except USA)	Expiry: Indefinite
PAC2(36 37)832	
PAC3(36 37)832	Type: B

~~WHEREAS the Passenger Sales Agency Rules (Resolutions 800, 802, 804, 810, 810c, 810i, 810j, 810r, 814 and 816, as applicable) provide in their respective Sections 6, 7 and 8 or 7, 8 and 9 for reporting and remittance procedures, defaults and related matters, both under the Billing and Settlement Plan (BSP) and outside the BSP and~~

~~WHEREAS the Conference wishes to deal with the aforesaid matters in a single resolution and thus ensure that notwithstanding variations in the Passenger Sales Agency Rules, the rules governing these matters shall be applied in a consistent manner, it is~~

~~RESOLVED that the following procedures are adopted and shall be applied in conjunction with the applicable Passenger Sales Agency Rules (it being understood that the Definitions in these Rules apply to this Resolution):~~

RECOGNISING that IATA accredits Agents, and other recognised entities, to sell international air travel on behalf of Members and airlines in accordance with the prevailing Passenger Sales Agency Rules, including sales and remittance under the procedures of Billing and Settlement Plans (BSPs), and outside of them, and

RECOGNISING the Conference wishes to deal with all reporting and remittance matters in a single resolution, notwithstanding variations in the Passenger Sales Agency Rules, it is

RESOLVED that the following reporting and remittance procedures are adopted for application in a consistent manner in conjunction with the applicable Passenger Sales Agency Rules and which empowers the Agency Administrator to supervise and take corrective actions as determined by the Conference.

~~Note: (i) major exceptions are shown in shaded type.~~

(ii) All references to Paragraphs and Sub-Paragraphs are to those contained within this Resolution unless stated otherwise.

CONTENTS

Section 1 - Reporting and Remitting through the BSP

1.1 Monies due on issue of Standard Traffic Documents

1.2 Reporting Period and Reporting Date