

REPORTING AND REMITTING PROCEDURES
(Amending)

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

1. 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 those 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

1.3 Sales Transmittals

1.4 Date for Submission of Sales Transmittals

1.5 Billing

1.6 Settlement

1.7 Irregularities and Default, and Charges

1.8 Prejudiced Collection of Funds

1.9 Notification of Irregularity

Default Action

Remittance delayed by Government Action

Responsibility for the Settlement of Card Transactions

Changes to reporting and Remitting Procedures

Section 2 – Reporting and Remitting directly to Members

2.1 Monies due on issue of Traffic Documents

2.2 Sales Reports and Remittances

2.3 Agents on Billing Basis

2.4 The Remittance Date

2.5 Irregularities and Default

2.6 Default Action

2.7 Responsibility

2.8 Indemnity

2.9 Credit Facilities

2.10 Remittance delayed by Government Action

Section 3 – Consequences of Default – to BSPs and directly to Members

3.1 Determination of Agent's Indebtedness to Members/Airlines

3.2 Settlement of Amounts Due

3.3 Review by Agency Administrator

3.4 Effects of Retention after Default

3.5 Review by Travel Agency Commissioner

Attachment 'A' Frequency of Agent Remittances

SECTION 3 – CONSEQUENCES OF DEFAULT

3.1 DETERMINATION OF AGENT'S INDEBTEDNESS TO MEMBERS/AIRLINES

3.1.1 when the Agency Administrator has determined that an Agent declared in default under any of the provisions of these Rules has effected settlement of amounts due, if any, as provided in Subparagraphs 1.10.2.2 and 2.6.2(a)(ii) of this Resolution, the provisions of Paragraphs 3.3 through 3.5 of this Section shall apply;

3.1.2 when the Agency Administrator has determined that an Agent declared in default under any of the provisions of these Rules has failed to settle amounts due as provided in Subparagraphs 1.10.2.2 and 2.6.2(a)(ii) of this Resolution, he shall give the Agent notice of termination of the Sales Agency Agreement. ; provided that, if the Agent effects settlement of amounts due in accordance with the provisions of Subparagraph 3.2.1(a) of this Section, the termination shall not take effect unless the Agent fails to honour a repayment schedule agreed upon pursuant to Subparagraph 3.2.1(a)(ii) of that Paragraph; in which case, the original termination notice shall be deemed valid even though the termination may occur at a date other than specified in the notice, and the provisions of Subparagraph 12.4.1 in Resolutions 804 and 810, or Subparagraph 13.4.1 of Resolutions 802, 808, 814 and 816, or Subparagraph 14.4.1 of Resolutions 800, 810c, 810i, 810j and 810r, as applicable, shall apply Section Paragraph 3.2 provides for the settlement of monies due, including minimum repayment amounts and a schedule for the balance. Provided that the Agent effects settlement agreed under Paragraph 3.2 the termination will not take place. If an Agent dishonours a repayment schedule the original termination notice will be deemed valid even though the termination may occur at a date other than that specified originally, and the provisions for this in the applicable Passenger Sales Agency Rules shall apply.

3.2 SETTLEMENT OF AMOUNTS DUE

3.2.1(a) when an Agent declared in default is able to demonstrate to the Agency Administrator prior to the termination date specified in his notice of termination that:

3.2.1(a)(i) either all outstanding amounts, if any, have been settled, or

3.2.1(a)(ii) ~~(EXCEPT JAPAN AND LATIN AMERICA & THE CARIBBEAN)~~ or at least 50% of the outstanding amount has been settled and a firm schedule for repayment by instalments within six months of the balance plus interest at the official (prime) bank rate plus one per cent has been agreed between the Agency Administrator and the Agent; or

~~(JAPAN ONLY)~~ or at least 50% of the outstanding amount has been settled and a firm schedule for repayment by instalments within six months of the balance plus interest set in the local criteria has been agreed between the Agency Administrator and the Agent; or

3.2.1(a)(iii) ~~(EXCEPT CANADA AND LATIN AMERICA & THE CARIBBEAN)~~ or an alternative repayment schedule and conditions have been agreed between the Agent and either the Agency Administrator or the Agency Services Manager, or in the case of Canada upon unanimous agreement of the Members and Airlines to whom the outstanding amount is due, a fraction of such amount has been settled and a firm schedule for repayment by instalments over an agreed period of the balance plus interest at the official (prime) bank rate plus one percent has been agreed between the Agency Administrator and the Agent; such alternative repayment schedule shall extend over no more than 12 months and, in any event, shall provide for payment of interest at a rate similar to that set out in Subparagraph 3.2.1(a)(ii) of this Paragraph;

3.2.1(b) the Agency Administrator shall notify Members, Airlines and ISS Management accordingly. Upon receipt of such notification Members and Airlines shall pay any commission withheld and may continue to do business with the Agent on a commissionable Cash Basis unless otherwise notified by the Agency Administrator;

3.2.2 (EXCEPT LATIN AMERICA & THE CARIBBEAN) ISS Management or the Agency Services Manager, as the case may be, shall immediately advise the Agency Administrator of any failure of the Agent to honour the repayment schedule; it/he shall also immediately advise the Agency Administrator when total settlement of the balance due (including interest) has been completed.

3.3 REVIEW BY THE AGENCY ADMINISTRATOR (EXCEPT JAPAN)

when the Agency Administrator is satisfied that the Agent has effected settlement of all outstanding amounts, if any, pursuant to Subparagraph 3.1.1 or to Paragraph 3.2 of this Section, he shall conduct a financial review of the Agent. ~~He may request documents which and the Agent shall be under obligation to furnish is obliged to provide by the date specified in the Agency Administrator's letter the documents deemed necessary by the Agency Administrator in order to conduct such the review. He may, by letter to the Agent, request that documents be provided by a specific date in order to conduct the review. The Agent will be obliged to comply with any such request.~~ Failure by the Agent to submit such documents as prescribed shall be grounds for the Agency Administrator to give the Agent notice of termination of the Sales Agency Agreement:

OR

(JAPAN ONLY) when the Agency Administrator is satisfied that the Agent has effected settlement of all outstanding amounts, if any, pursuant to Subparagraph 3.1.1 or to Paragraph 3.2 of this Section, the agent may submit a reinstatement application and the application fee within three months after settlement of all outstanding amounts and applicable interest(s). In addition to the reinstatement application, the agent shall furnish a bank or insurance guarantee by the date specified by the Agency Administrator's letter. To process reinstatement application, Paragraph 4.2 of Resolution 810j 3.3.1 (JAPAN ONLY) shall apply. The failure by the Agent to submit such documents as prescribed shall be grounds for the Agency Administrator to give the Agent notice of termination of the Sales Agency Agreement:

~~3.3.1 EXCEPT JAPAN if the Agent is able to demonstrate to the Agency Administrator that its financial and credit standing satisfies the qualifications set forth in Subparagraph 3.4.1 (Subparagraph 2.4.1(a) for Resolution 810r and 814 countries) of the Passenger Sales Agency Rules or in the Travel Agent's Handbook and, in the case of default resulting from accumulation of notices of irregularity, that it has taken adequate measures to prevent recurrence of such irregularities, the Agency Administrator shall so notify Members and Airlines; ISS Management shall redeposit stocks of Standard Traffic Documents upon advice of a Member or Airline that it has placed its Carrier Identification Plate with the Agent at the Location(s) concerned and Members not participating in the Billing and Settlement Plan may redeposit stocks of their own Traffic Documents or authorise the Agent to issue its own Transportation Orders at such Location(s);~~

~~JAPAN ONLY if the Agent satisfies the qualifications set forth in Subparagraph 3.4 of Section 3 of these Rules and furnishes a bank or insurance guarantee and, in the case of default resulting from accumulation of notices of irregularity, that it has taken adequate measures to prevent recurrence of such irregularities, the Agency Administrator shall so notify Members and Airlines; ISS Management shall redeposit stocks of Traffic Documents upon advice of a Member or Airline that it has placed its Carrier Identification Plate with the Agent at the Location(s) concerned and Members not participating in the Billing and Settlement Plan may redeposit stocks of their own Traffic Documents or authorise the Agent to issue its own Transportation Orders at such Location(s);~~

~~3.3.2 CANADA ONLY if the Agent has previously supplied to the Agency Administrator a temporary financial security under any provisions of these Rules, the Agent shall be required to demonstrate to the Agency Administrator that its financial and credit standing meet the requirements of Subparagraphs 3.4.1.1 and 3.4.1.2 of Section 3 of~~

~~the Passenger Sales Agency Rules (Resolution 804) by the submission of satisfactory financial statements. When the Agent satisfies the requirements of Subparagraphs 3.4.1.1 and 3.4.1.2 of Section 3 of the Passenger Sales Agency Rules (Resolution 804) the Agency Administrator shall so notify Members and Airlines; ISS Management shall redeposit stocks of Standard Traffic Documents upon advice of a Member or Airline that it has placed its Carrier Identification Plate with the Agent and Members not participating in the Billing and Settlement Plan may redeposit stocks of their own Traffic Documents.~~

3.3.1 (EXCEPT JAPAN AND CANADA) if the Agent is able to demonstrate to the Agency Administrator that its financial and credit standing satisfies the qualifications set forth in the ~~Subparagraph 3.4.1 (Subparagraph 2.4.1(a) for Resolution 810r and 814 countries)~~ of applicable Passenger Sales Agency Rules or Travel Agent's Handbook and, in the case of default resulting from accumulation of notices of irregularity, that it has taken adequate measures to prevent recurrence of such irregularities, the Agency Administrator shall so notify Members and Airlines;

OR

(CANADA ONLY) if the Agent has previously supplied to the Agency Administrator a temporary financial security under any provisions of these Rules, the Agent shall be required to demonstrate to the Agency Administrator that its financial and credit standing meet the requirements of Subparagraphs 3.4.1.1 and 3.4.1.2 of Section 3 of specified within the applicable Passenger Sales Agency Rules (Resolution 804) by the submission of satisfactory financial statements. When the Agent satisfies the those requirements of Subparagraphs 3.4.1.1 and 3.4.1.2 of Section 3 of the Passenger Sales Agency Rules (Resolution 804) the Agency Administrator shall so notify Members and Airlines;

(JAPAN ONLY) if the Agent satisfies the qualifications set forth in Subparagraph 3.3 (JAPAN ONLY) of Section 3 of these Rules and furnishes a bank or insurance guarantee and, in the case of default resulting from accumulation of notices of irregularity, that it has taken adequate measures to prevent recurrence of such irregularities, the Agency Administrator shall so notify Members and Airlines;

3.3.2(a) ISS Management shall redeposit stocks of Standard Traffic Documents upon advice of a Member or Airline that it has placed its Carrier Identification Plate with the Agent at the Location(s) concerned and Members not participating in the ~~Billing and Settlement Plan~~ BSP may redeposit stocks of their own Traffic Documents,
OR

3.3.2(b) (EXCEPT CANADA AND SOUTH WEST PACIFIC) authorise the Agent to issue its own Transportation Orders at such Location(s).

3.3.3 (EXCEPT JAPAN) if the Agent having settled all outstanding amounts, if any, is unable to demonstrate to the Agency Administrator by a specified date that its financial and credit standing satisfies the qualifications set forth in the applicable Travel Agent's Handbook or Passenger Sales Agency Rules or Subparagraphs 3.4.1.1 and 3.4.1.2 of Resolution 804, Subparagraph 3.4.1 of Resolution 810, Subparagraph 3.4.1(a) of Resolutions 810i and 810j or Subparagraph 3.4.1(a) of Resolution 814, where applicable, and, in the case of default resulting from accumulation of notices of irregularity, that it has taken adequate measures to prevent recurrence of such irregularities, the Agency Administrator shall give the Agent notice of termination of the Sales Agency Agreement or of removal from the Agency List as the case may be. Provided that if, prior to the date of termination or removal, the Agent eliminates the grounds for such termination or removal to the satisfaction of the Agency Administrator, the termination or removal shall not take effect.

OR

(JAPAN ONLY) if the Agent having settled all outstanding amounts, if any, is unable to satisfy the qualifications set forth in Subparagraph 3.3 of Section 3 of these Rules and to furnish a bank or insurance guarantee and, in the case of default resulting from accumulation of notices of irregularity, that it has taken adequate measures to prevent recurrence of such irregularities, the Agency Administrator shall give the Agent notice of termination of Sales Agency Agreement or of removal from the Agency List as the case may be. ~~provided that~~ If, prior to the date of termination or removal, the Agent eliminates the grounds for such termination or removal to the satisfaction of the Agency Administrator, the termination or removal shall not take effect.

3.4 EFFECTS OF RETENTION AFTER DEFAULT

a defaulting Agent whose Agreement has not been terminated shall be cleared of all irregularities recorded against all its Locations prior to the default and for the purposes of Subparagraph 1.7.4-2 ~~10~~ and 2.5.4(b) ~~5.3~~ of this Resolution, the commencement of the 12-month period shall be the date of the Agency Administrator's notification pursuant to Subparagraph 3.3.1; provided that when the review arose out of default at individual Locations through accumulation of notices of irregularity, the clearance of irregularities shall apply only in respect of the Locations concerned.

3.5 REVIEW BY TRAVEL AGENCY COMMISSIONER

when an Agent's Sales Agency Agreement is terminated or its Approved Location is removed from the Agency List pursuant to the provisions of Subparagraph 3.1.2 or Paragraph 3.3, the Agent may, within 30 days of the termination or removal, invoke the procedures for review of the Agency Administrator's action by the Travel Agency Commissioner; in such case the Agency Administrator shall place the Agent or the Location(s) concerned on a non-commissionable Cash Basis pending the outcome of the review and notify the Agent, ISS Management, and all Members and Airlines accordingly.

Attachment "A" - Frequency of Agent Remittances

BSP	Permitted remittance frequencies	Monthly remittance	Twice Monthly remittance	Greater than Twice Monthly remittance	Weekly remittance	Greater than Weekly remittance
Resolution 802 & 808	Twice Monthly ¹ (with effect from 1 June 2003, or sooner if so agreed by JEC-Colombia, the permitted remittance frequency for Colombia shall be four times monthly ¹)	-	Remittances shall be made by the Agent to reach the Clearing Bank by 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 15 th day of the following month in respect of billings covering the period from the 16 th to the last day of the month ²	Remittances shall be made by the Agent so as to reach the Clearing Bank by not later than its close of business on the fifth day following the reporting dates so determined (with effect from 1 June 2003, or sooner if so agreed by JEC-Colombia, the provisions for Colombia shall be revised as follows: Remittances shall be made by the Agent so as to reach the Clearing Bank by not later than its close of business on the twelfth day following the reporting dates so determined)	-	-

Note

- ¹ or 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
- ² provided that, for Resolution 802 countries only, 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	Permitted remittance frequencies	Monthly remittance	Twice Monthly remittance	Greater than Twice Monthly remittance	Weekly remittance	Greater than Weekly remittance
Resolution 804	<i>(see Subparagraphs 1.6.4 through 1.6.9.2 of this Resolution)</i>					
Resolutions 800, 810i & 810r	Monthly or Twice Monthly ¹	Except Resolution 800 countries within Area 3: Remittances shall be made by the Agent to reach the Clearing Bank by not later than its close of business 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 covered by the billing	Remittances shall be made by the Agent to reach the Clearing Bank by 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 15 th day of the following month in respect of billings covering the period from the 16 th to the last day of the month ²	Remittances shall be made by the Agent so as to reach the Clearing Bank by not later than its close of business on the fifth day following the reporting dates so determined	-	-

Note

¹ or 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

² provided that, with the exception of Resolution 800 countries within Area 3 and Resolution 810r countries, 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 Resolutions	Permitted remittance frequencies	Monthly remittance	Twice Monthly remittance	Greater than Twice Monthly remittance	Weekly remittance	Greater than Weekly remittance
810, 810c and 810j	Except Indonesia, Malaysia & Singapore: Twice Monthly ¹ (In respect of tier-two Agents, the frequency shall not be less than weekly) Indonesia, Malaysia & Singapore only: ³ Weekly ¹	-	Remittances shall be made by the Agent to reach the Clearing Bank by 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 15 th day of the following month in respect of billings covering the period from the 16 th to the last day of the month	Remittances shall be made by the Agent so as to reach the Clearing Bank by not later than its close of business on the fifth day following the reporting dates so determined. ²	-	-
Resolution 814	(see Subparagraph 1.6.2(b) of this Resolution)					

Note

- ¹ or 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
- ² in Resolution 810 countries only, in respect of tier-two Agents, remittances shall be made by the Agent so as to reach the Clearing Bank by not later than its close of business on the seventh day following the reporting dates so determine
- ³ ~~The implementation of weekly remittance in Malaysia is now planned to be deferred until 1 April 2002. Until advised by the Agency Administrator, Agents in Malaysia will continue with either twice monthly or weekly remittance~~

BSP	Permitted Remittance Frequencies	Monthly Remittance	Twice Monthly Remittance	Greater than Twice Monthly Remittance	Weekly Remittance	Greater than Weekly Remittance
Resolution 816 (except New Zealand)	Weekly ¹	-	-	-	Remittances shall be made by the Agent so as to reach the Clearing Bank not later than its close of business on the 15 th day following the last day of the reporting period	Remittances shall be made by the Agent so as to reach the Clearing Bank not later than its close of business on the 15 th day following the reporting dates so determined, or on such earlier date established by the Conference
New Zealand only	Fortnightly (once every 14 days) or Weekly ¹		(Fortnightly Remittance) Remittances shall be made by the Agent so as to reach the Clearing Bank not later than its close of business on the 15 th day following the reporting dates so established		Remittances shall be made by the Agent so as to reach the Clearing Bank not later than its close of business on the 15 th day following the reporting dates so established	Remittances shall be made by the Agent so as to reach the Clearing Bank not later than its close of business on the 15 th day following the reporting dates so determined, or on such earlier date established by the Conference

Note

¹ or 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

Filing Period Effective/Implementation Date
1-30 September 2002 1 January 2003

JOINT AGENT AND AIRLINE CONSULTATIVE MEETINGS
(Amending)

PAC1(37)862 (except USA)	Expiry: Indefinite
— PAC2(37)862	—
PAC3(37)862	Type: B

RESOLVED that Resolution 862 be amended as follows:

1. Amend Resolution 862 to read:

WHEREAS there are a number of joint airlines and travel agent consultative bodies established by the Conference under separate resolutions, now it is

RESOLVED that all such consultative meetings shall, ~~within twelve months of the Resolution being declared effective,~~ comprise of equal representatives from both Airlines and Travel Agents. This shall include, but is not limited to, Executive Councils, Agency Programme Joint Councils (APJCs) and BSP Agency Liaison Working Groups.

Filing Period

1-30 September 2002

Effective/Implementation Date

1 January 2003

APPENDIX B**PART 3**

**AUTHORISED AMENDMENTS TO DECISIONS OF THE GENERAL
ASSEMBLY SOUTH WEST PACIFIC REFLECTED IN THE IATA
TRAVEL AGENT'S HANDBOOK RESOLUTION 816 EDITION
(EFFECTIVE 1 DECEMBER 2000) MADE USING POWERS
DELEGATED PURSUANT TO RESOLUTIONS APPEARING IN
APPENDIX B PART 1**

No.	Title	Outline of changes⁵
816	Passenger Sales Agency Rules - South West Pacific	Amended to introduce a requirement for all staff of an accredited agent to have completed an appropriate ticketing course within the previous 2 years.

⁵ The outline is provided for guidance only. The full text of the amendments is attached.

PASSENGER SALES AGENCY RULES - SOUTH WEST PACIFIC

RESOLVED that Resolution 816 be amended as follows:

1. *Add new Subparagraph 3.4.2.1(a)(ii)(cc) as follows:*

3.4.2.1(a)(ii)(cc) provided also that each person issuing BSP standard traffic documents within an Agent location shall hold a certificate, confirming successful completion of a ticketing course approved by the Council, within the previous two years, the Agency Administrator may request, and the Agent shall provide a copy of such certificate upon receipt of such request;

**OTHER 2001 AND 2002 RESOLUTIONS
FILED FOR INFORMATION ONLY**

2001 NON-APPENDIX B RESOLUTIONS⁶		
No.	Title	Outline of changes
800r	Special Event Locations	Amended to reflect the introduction of Resolution 832
824b	Supplementary Agreement for Agents to Receive Electronic Versions of the Travel Agent's Handbook	Resolution 824b allows accredited agents to elect to receive copies of the Travel Agent's Handbook electronically by entering into a supplementary agreement.
816	Passenger Sales Agency Rules - South West Pacific	Amended to allow an agent's agreement to be terminated on failure to pay outstanding fees after notice has been given.
832	Reporting and Remitting Procedures	New Resolution 832 consolidates the reporting and remittance requirements operating under the various resolutions worldwide into a single resolution. As a result the reporting and remittance requirements applicable in Australia which were previously set out in sections 6 and 7 of Resolution 816 have been incorporated into Resolution 832. In the drafting process some aspects of the existing arrangements under Resolution 816 were inadvertently altered in Resolution 832. Those discrepancies were amended at the next Passenger Agency Conference meeting in June 2002. In the interim the arrangements as they existed under Resolution 816 continued to be applied.
836	Traffic Document Issuance for Agents at Airports	Amended to remove the fixed administrative service fee previously charged to accredited agents for pre-arranged ticket issuance at an airport, and replace it with a discretionary fee.
850	Billing and Settlement Plans	Amended to add a requirement to the Ticketing Airline Selection Rules (or BSP Plating Rules) that, in order for a BSP airline involved in the travel being ticketed to be used as the ticketing airline, the airline have an interline agreement with all of the other airlines involved in the travel. The Global Customer Advisory Committee is also increased from a maximum of 12 to a maximum of 15 members.
854	Automated Ticketing Systems in Billing and Settlement Plan Countries/Areas	Amended to expand the functions of the person appointed in each BSP to facilitate the introduction of automated and electronic ticketing.

⁶ This outline and the full text of the resolutions attached are provided for the Commission's information only.

898a	Electronic Reservation Services Providers	Amended to extend the definition of electronic reservation services provider to include accredited agents providing online services via the internet.
------	---	---

SPECIAL EVENT LOCATIONS
(Amending)

PAC1(36)800r (except USA)	Expiry: Indefinite
PAC2(36)800r	—
PAC3(36)800r	Type: B

RESOLVED that Resolution 800r be amended as follows:

2. *Amend Paragraph 5.1 to read:*

5.1 the Agent shall, for each SEL, furnish to the Clearing Bank designated under the applicable BSP, Sales Transmittals prepared and submitted in strict compliance with the instructions prescribed in ~~Attachment 'A' to Resolution 850~~ the BSP Manual for Agents and as set forth in ~~the Sales Agency Rules~~ Resolution 832;

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

PASSENGER AGENCY SALES RULES – SOUTH WEST PACIFIC
(Amending)

PAC3(36)816 (South West Pacific)

Expiry: Indefinite

Type: B

RESOLVED that Resolution 816 be amended as follows:

6. *Amend Section 6 by replacing all paragraphs with the following paragraph:*

Section 6 — Reporting and Remitting Through the Billing and Settlement Plan

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

7. *Amend Section 7 by replacing all paragraphs with the following paragraph:*

Section 7 — Reporting and Remitting Directly to Members

The provisions regarding sales reports, billings, remittances and collections and defaults directly to Members are contained in Section 2 of Resolution 832.

8. *Add new Paragraphs 15.4 and 15.5 and renumber existing Paragraph 15.4 as follows:*

15.2 except in respect of the first assessment upon application, annual agency fees for each calendar year shall be paid to the Agency Administrator at such place as he may designate not later than December 1 of the preceding year. Invoices for such fees shall be sent out by the Agency Administrator not later than November 1 of each year. The Agency Administrator may, at his discretion, instruct Agents to settle such invoices through the Billing and Settlement Plan facilities. If any Agent fails to pay the annual fee by December 1, the Agency Administrator shall promptly notify the Agent in writing that its Sales Agency Agreement shall be terminated if such fee is not received by December 31. In the event payment is not made by such date, the Director General shall terminate the Agent's Sales Agency Agreement and the Agency Administrator shall remove the Agent's name from the Agency List.

15.3 if an Agent whose Agreement has been terminated under Paragraph 15.2 of this Section subsequently remits the annual agency fee by March 31 following such termination, the Agency Administrator may, if he is satisfied that the late payment was caused by events beyond the Agent's control, reinstate the approval of an Agent. Such Agent's name shall then be re-entered on the Agency List and a new Sales Agency Agreement shall be executed.

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

15.5 If an Agent whose Agreement has been terminated under Paragraph 15.4 of this Paragraph subsequently remits the correct fees within 30 days, following such termination, the Agency Administrator may reinstate the accreditation of an Agent. Such Agent's name

shall then be re-entered on the Agency List and a Sales Agency Agreement shall be executed or re-instated.

15.4 15.6 agency fees collected by the Agency Administrator on behalf of IATA will be expended by the Director General in accordance with directives given by the Board of Governors of IATA to administer the Agency Programme.

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

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

PAC1(36)824b (except USA)
PAC2(36)824b
PAC3(36)824b

Expiry: Indefinite
Type: B

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 agreement 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 main office located at [FULL ADDRESS] IATA Accreditation Number: [] ("Agent"),

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

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 agreement ("Agreement").

THE PARTIES AGREE:

2. Term. This Agreement shall enter into force on [.....date] ("Effective Date") and shall remain in force indefinitely, provided that the parties may terminate this Agreement at any time (a) by mutual written agreement; or (b) upon 30 days' prior written notice by either party to the other.

3. Responsibilities of IATA. With effect from the Effective Date, IATA shall:

3.1 Post on the IATA web site the current edition of the Handbook and any amendment thereto;

3.2 If requested by the Agent, send by e-mail to Agent an electronic version of the Handbook and amendments thereto;

3.3 Cease to mail hard copies of the Handbook and amendments to the Agent, except that upon receiving thirty (30) days' advance written or e-mail notification from the Agent, IATA shall revert to mailing hard copies by ordinary mail.

3.4 As soon as the Handbook has been posted on the IATA web site or sent by e-mail as described above, notify the Agent by e-mail or by fax, of the means of accessing the website.

4. Responsibilities of the Agent. With effect from Effective Date, the Agent shall rely solely on the IATA web site or on e-mail, as applicable, for its copy of the Handbook. The Agent shall bear all costs and charges it incurs for subscribing to Internet service providers and ancillary services to access and download the Handbook electronically.

5. Indemnification and Liability

5.1 The parties agree to discharge their responsibilities described in this Agreement in compliance with all applicable laws and regulations and assume sole liability for their acts and omissions.

5.2 IATA declines liability for any loss and/or damage that is or may be incurred by Agent due to non-availability of or impossibility to connect to the Internet or to e-mail by the Agent.

5.3 The Agent shall defend, indemnify and hold harmless IATA from and against any and all claims, demands, losses, costs (including reasonable legal fees), damages, actions, suits or other proceedings howsoever arising from Agent's negligent acts and omissions in connection with this Agreement.

6. Modification of Agreement. This Agreement may be modified only by a written agreement executed by both parties.

7. Authority. Each of the signatories warrants it has the requisite authority to execute this Agreement and has obtained all necessary approvals to do so.

8. Notices and Communications. All notices and other communications from one party to the other shall be in writing and shall be sent by facsimile or e-mail, to the facsimile numbers and e-mail addresses of the parties as initially indicated below. A party who changes any of its contact details shall so notify the other party forthwith by facsimile or e-mail. Termination notices shall also be confirmed by prepaid registered post. Any notice and communication transmitted by facsimile shall be deemed received in the jurisdiction of the recipient on the next business day after the day of transmission.

For IATA: The Agency Administrator

Tel: _____ Fax: _____

E-mail: _____

IATA Web Site address: _____

For Agent: [FULL NAME], [FULL ADDRESS]

Tel: _____ Fax: _____

E-mail: _____

9. General. The failure by either party at any time to require performance by the other party of any of its obligations shall not affect the first party's rights to require such performance at any time thereafter.

10. Severability. If any part, term, or provision of this Agreement shall be held illegal, unenforceable, or in conflict with any law of a government having jurisdiction over this Agreement, the validity of the remaining portions or provisions of the Agreement shall not be affected thereby and shall remain in force.

11. Force Majeure. The performance of this Agreement by either party is subject to factors and emergencies outside the control of the relevant party, making it illegal or impossible for either party to perform its obligations

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 shall be settled exclusively and finally by arbitration under the IATA Rules of Arbitration in effect at the time the difference or dispute arises.

13. 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.

**INTERNATIONAL AIR TRANSPORT
ASSOCIATION**

[AGENT's FULL NAME]

Signed: _____

Signed: _____

Name: _____

Name _____

Title: _____

Title _____

Date: _____

Date: _____

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

REPORTING AND REMITTING PROCEDURES

(New)

PAC1(36)832 (except USA)		Expiry: Indefinite
PAC2(36)832	_____	_____
PAC3(36)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 those Rules apply to this Resolution):

Notes: none. Exemptions are shown in shaded type.

SECTION 1 – REPORTING AND REMITTING THROUGH THE BILLING AND SETTLEMENT PLAN

This Section is applicable to all Approved Locations of an Agent, and 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. 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 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 are 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 procedures set out in this Section all such monies shall become immediately due and payable; provided further that 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 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

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

1.1.4 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.

1.1.5 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.

1.2 SALES TRANSMITTALS

1.2.1 the Agent shall, for each Approved Location, furnish to the Clearing Bank, designated under the applicable BSP, Sales Transmittals prepared and submitted in strict compliance with the instructions prescribed in The Billing and Settlement Plan Manual for Agents. Such Sales Transmittals 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 submit to the Clearing Bank a 'no sales' report in the form prescribed in the Billing and Settlement Plan 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.)

1.3 LENGTH OF REPORTING PERIOD: REPORTING DATE

1.3.1 for each Billing and Settlement Plan, 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 authorize 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;

1.3.2(a) notwithstanding the provisions of Subparagraph 1.3.1 of this Paragraph, where in a Billing and Settlement Plan 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:

1.3.2(a)(i) the System Provider's processing centre is located outside the country/area of the Billing and Settlement Plan, and

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

1.3.2(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.

1.4 DATE FOR SUBMISSION OF SALES TRANSMITTALS

1.4.1 for each Billing and Settlement Plan, 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 shall communicate such calendar 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 with the necessary information and an authorisation form as may be prescribed from time to time by ISS Management, 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(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 Billing and Settlement Plan.

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 be once each calendar month, or twice each calendar month, or 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;

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 date shall not be earlier than the tenth nor later than the fifteenth day of the month following the month covered by the billing.

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 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.

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.

1.6.3.1 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, 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 above and the amount of the billing; provided that 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 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

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 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 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 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 Manual for Passenger Sales Agents;

1.6.6 an Agent having more than one Approved Location subject to the Billing and Settlement Plan 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

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

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, 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,

1.7.1 Charges the Conference, or the Assembly 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 Manual for Passenger Sales Agents,

1.7.1(a)(i)(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 Manual for Passenger Sales Agents,

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

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

1.7.1(a)(ii) the levels of such charges shall be determined by the Conference or, where applicable, the Assembly 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 Manual for Passenger Sales Agents;

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(a)(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, increased, if applicable, by an amount to compensate for any extra efforts incurred by ISS Management in relation to such failure;

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(b)(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/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(c) 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. 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 1.7.8 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) of this Section,

1.7.2.1(b) EXCEPT SOUTH WEST PACIFIC if, subsequent to action taken pursuant 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 so 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 to 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 of this Paragraph shall apply;

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.

1.7.2.2(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.

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.

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,

1.7.3.1(b) EXCEPT SOUTH WEST PACIFIC if, subsequent to action taken pursuant to Subparagraph 1.9.3.1(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 this Subparagraph shall count as two listed instances of irregularity for the purpose of the list provided for in Subparagraph 1.9.11 of this Paragraph. Thereafter, the provisions of Subparagraph 1.7.8 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) 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 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 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 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 1.9.5 of this Paragraph, and, if so decided by the Conference, the Agency Administrator shall instruct the Clearing Bank to debit the Location concerned for charges as described in Subparagraph 1.7.1(a)(i) of this Section,

1.7.4.1(a)(iii) EXCEPT SOUTH WEST PACIFIC if the late reported transaction pertains 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;

1.7.4.1(a)(iv) SOUTH WEST PACIFIC ONLY if the late reported transaction pertains 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(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 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 1.9 of this Section;

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

1.7.4.1(c)(i) 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)(i)(bb) in addition to the charge provided under Subparagraph 1.7.6.1(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,