

Air France and KLM Booking and ADM Policy

VALIDITY This policy is valid on/after 01 FEB 2023. This policy remains valid until further notice. AFKL reserves the right to make adjustments to this document at any time.

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1 Introduction

With the “AFKL Booking and ADM policy”, Air France and KLM provide booking and ticketing rules and definitions for individual sales. This policy is issued to support agents in their booking process and should help agents to avoid errors and keep inventory available for future sales.

The ticketing policy is related to sales, issuances of Air France and KLM fares and documents, exchanges and reissue of documents, voiding, refunds and other Air France and KLM related topics. For group bookings and ticketing, other policies and restrictions may apply.

Air France and KLM manage their flight inventories in an optimal manner. This way, more seat availability can be given and it eases the check-in process for our customers when bookings are processed correctly.

Air France and KLM audit all transactions. Through this audit, a check is done to see if all transactions are made according to this policy. Non-compliance with the “AFKL Booking and ADM policy” can lead to penalties, Agent Debit Memos (ADM) or invoices. Repeated violations of this policy and/or failure to pay outstanding fees and/or ADMs can result in the loss of access to view, book and ticket from the Air France and KLM inventories.

The “AFKL Booking & ADM Policy” complies with the IATA resolutions, which also cover the obligations of travel agencies. Air France and KLM can update this policy without any prior notice.

2 Booking Policy

Introduction

The purpose of this section is to provide additional transparency and definition to the Air France and KLM booking policy.

Objectives

- To ensure inventory integrity and to avoid circumvention of inventory steering controls.
- To avoid GDS costs brought on by unproductive and inefficient activity.
- To maintain and respect efficient cooperation between trades and airlines.

Scope / Application

- This policy applies to all travel service providers including travel agents, online travel agents and any person or entity accessing AFKL inventory via internet or any other electronic means. The travel agent must ensure that all its employees in all of its locations are made aware of this policy and of its future amendments.
- When these policies and guidelines are not followed, Air France and KLM reserve the right to stop access to their inventories, to cancel reservations without any warning (notice), to charge penalties or cost recovery fees through an Agency Debit Memo (ADM).

2.1 **Creation and Modification of a Passenger Name Record (PNR)**

When a PNR is created or when changes to an existing PNR are made, the itinerary must be booked in sequence of travel times to respect at any time the actual Point of Commencement (PoC) of the customer's journey. It is mandatory to use full O&D availability, regardless if the reservation only involves AF or KL flights and/or includes codeshare or other airline flights as well. The selected O&D availability must reflect and secure authorized Minimum Connecting Times.

2.2 **Day of departure – Un-ticketed bookings**

Bookings made within 24 hours before departure must be ticketed instantly.

All bookings made prior to 24 hours before departure, if required, must be ticketed or cancelled prior to 24 hours before departure.

If for ticketing purposes PNR claim is needed, it must take place prior to 24 hours before departure.

When tickets are not bought or when customers will no longer travel, segments must be cancelled to release inventory. Canceled space for one customer cannot be used for another customer, even if the other customer wants to travel the same itinerary.

2.3 Cancellations

AFKL wants to manage their inventory in an optimal manner so that as many seats as possible are available for agents. Cancellation ratios will therefore be monitored. A cancellation ratio above 60% is subject to an investigation and might be subject to an ADM.

2.4 Churning

It is not permitted to repeatedly book and cancel segments across one or more PNR's and/or GDS's, within the same booking class or different cabin, with the goal to circumvent or extend ticketing time limits, hold or gain a better access to inventory or to meet GDS and/or NDC aggregators productivity targets. Neither is it permitted to repeatedly issue and void a ticket to achieve the same. Updates to PNRs and issuance of tickets should correspond solely to the travel need as expressed by the customer, when it is seen that actions are done on a frequent basis and only to achieve the aforementioned, this is seen as churning.

2.5 Duplicate Bookings / Segments

It is not permitted to book the same customer on several flights on the same day, or on several consecutive days for the same journey knowing that travel is not possible on all the booked segments of the possible multiple PNR's.

Such duplicate PNRs or duplicate segments as part of one or more PNR's and/or GDS's should be avoided at any time.

2.6 Fraudulent, Fictitious, Speculative and Test Bookings and Segments

Fraudulent, fictitious, speculative and test bookings and segments are forbidden. These bookings are usually made, with no intent for travel and are not directly related to a request from a customer to purchase a ticket.

Bookings for training and testing purposes must be made in the training mode as provided by the GDS and/or approved by AFKL.

It is not permitted to create numerous and massive non-customer based bookings. Nor is it permitted to create bookings for fare quote or administrative reasons.

It is not permitted to make reservations which are different from the customer's actual intended itinerary by including fictitious segments with the aim to undercut the applicable fare. This includes also booking and issuing of round-trips for the purpose of one-way use or partial travel of the O&D booked only, as well as amending itineraries without a customer request. The customer should at any time be aware of the segments included in the PNR/Order that is used for its journey.

It is not permitted to create segments and/or PNR's in view of expected demand, to avoid fare rules, to block airline space without a specific request from a customer or to meet GDS productivity targets.

2.7 Distribution Costs – Look-to-book ratio

For cost control reasons, travel agents are not permitted to exceed the maximum level of availability requests on AF and KL inventory systems.

AFKL has defined a ratio corresponding to the number of availability requests (“looks”) divided by the number of net segments (booked -/-cancelled) on the carrier during a specific period, hereafter referred to as “look-to-book ratio”.

For bookings made in the GDS:

The travel agent look-to-book ratio, calculated for AFKL must not exceed a ratio of 1000 per month.

For NDC bookings:

The travel agent look-to-book ratio, calculated for AFKL must not exceed a ratio of 1000 per month.

In both cases AFKL will inform the travel agent if the look-to-book ratio in a period of one (1) month is overpassed. The travel agent is expected to adjust its system settings immediately, with a remedy period of 1 month, in order to restore its level of availability requests within the defined ratio.

2.8 Group Bookings

It is not permitted to request group bookings when the booking is not directly related to a request of a customer. Nor is it permitted to create bookings to avoid the group booking procedures. This includes creation of “hidden groups” by making multiple separate individual bookings intended as a group booking.

2.9 Corporate fares

When the travel agent has been designated by a corporate account customer as the issuing agency (s) under a corporate travel agreement or bluebiz program, the travel agent shall always apply the negotiated corporate rates of said corporate account customer exclusively to eligible travelers or employees of the concerned corporate account customer and its affiliates, or to passengers travelling on behalf of the corporate account customer on the condition that the ticket is directly paid by the corporate account customer. The use of the section OSYYOIN + reference should apply only to the corporate account customer beneficiary of the reference.

2.10 Inactive Segments

The following status codes are determined by AFKL as inactive bookings: HX, NO, UC, UN and WK. Travel agents should monitor their queues on a daily basis and remove any inactive segments immediately from the GDS.

All inactive segments must be removed from the GDS PNR at least 24 hours before departure. Inactive segments that are not cancelled 24 hours prior to departure are subject to cost recovery fee charges by AFKL.

2.11 Inventory control circumvention

AFKL manages inventory on an origin and destination (O&D) basis using a Point of Commencement (PoC) logic. As a result inventory that is available on a particular segment for one O&D may not be available for other O&Ds including the same segment(s). Also the same O&D could not be available in case of another PoC for another customer journey.

Bookings must at all times be made and updated from the availability display, per O&D in the chronological order of each O&D. A full O&D availability is mandatory, regardless if the reservation involves AF and/or KL flights only and/or includes codeshare or other airline flights. The booking of a

connecting O&D through separate local O&D's (availability requested per segment) shall also be considered as a circumvention of inventory steering.

Changing the Point of Commencement during the booking process, breaking the marriage of segments, using segment availability or any other action with the intent to circumvent inventory management controls (i.e. obtaining access to lower booking classes) are not allowed. Also it is prohibited to obtain inventory for ticket sales which AFKL does not intend to offer for the customers' actual O&D itinerary, even if the GDS or other booking channel does not block this.

2.12 Passive and Informative Segments

Passive segments are only permitted for ticketing when the passive booking is synchronized with the airline's system (same name, itinerary, booking class and number of passengers), for groups or individual reservations which are split from groups. These passive segments must match segments already existing in the airline reservation system.

These passive segments may only be entered for ticket issuance purposes. Passive segments must not be cancelled after the issuance of the ticket to avoid cancellation of space.

When bookings are created in one GDS the ticketing must be done in the same GDS to avoid passive segments. Passives are not permitted against active inventory bookings on the same GDS or on a different GDS by the same travel agent. It is not permitted to create passive segments when the Claim functionality is available.

It is not permitted to use passive segments, for example to reach GDS productivity target usage, circumventing fare rules, administrative functions such as invoice or itinerary pricing.

The creation of a passive segment in a GDS in relation to an existing NDC segment is prohibited

2.13 Name Changes / Name Corrections

All reservations must have a valid first and last name (according to travel document e.g. passport) at the time of booking.

Name changes are not permitted on reservations unless entered for the purpose of correcting a misspelling of the passenger's name. There are specific cases where a full name change to another passenger can occur in accordance with the "Name change/correction Policy".

2.14 Waitlist segments

It is not permitted to create "duplicate" waitlist segments for the same flight for the same customer in the same cabin within the same PNR or within different PNR's.

It is not permitted to create and request a waitlist segment on a lower booking class for a customer who has already a confirmed flight in the same cabin.

Best practice: Travel Agent should remove confirmed waitlist segments when the passenger no longer intends to travel.

2.15 Ticket Time Limit Circumvention

A Ticket Time Limit (TTL) is set in the PNR to ensure that the issuance of the ticket is done in time. It is not permitted to enter or keep a false, voided or refunded ticket number in the PNR to pretend the issuance of a ticket took place. Neither is it permitted to add a waiver remark to delay the required ticketing date for ineligible bookings.

Bookings cancelled by the airline due to the TTL being expired must be removed in the GDS by the travel agent immediately.

2.16 Contact details

In accordance with the terms of resolution IATA 830d and in order to allow AFKL to advise the passenger of irregular flights operations, the travel agent must imperatively indicate the passenger's contact details (mobile phone and / or email address) in the form of a SSR CTCE (email) and SSR CTCM (Mobile phone number) for each booking made in a GDS or for NDC bookings.

In this respect, the travel agent must ensure that the passenger's consent is obtained in compliance with all applicable data protection regulations. The travel agent must inform the passenger that failure to transmit said contact details to AFKL, will lead to passenger not being able to be provided with information related to irregular flights operations.

In the event the passenger exercises his right not to provide his contact details then it is incumbent on the travel agent to indicate that the passenger has declined to provide such contact details and to enter the refusal (in a SSR CTCR (Refused) remark) in the PNR/Order in order to limit any liability provided for by laws and regulations for the Carriers.

2.17 Secure Flight Information

The following information must be provided for each PNR/Order as it appears on government issued identification at least 72 hours prior to departure:

- a. Legal Name
- b. Date of birth
- c. Gender
- d. Redress Number (if applicable)

2.18 Partial ticketing

In case the issuance of the ticket(s) can only be done for part of the journey or not all of the passengers included in the booking, the booking should be split when the issuance of the ticket for the rest of the

journey or for the other passengers cannot be done before the Ticket Time Limit as communicated in the booking is reached.

2.19 Aftersales services

Tickets, including taxes on unused coupons, must be refunded only on customer's or Airline's express request. The travel agent must promptly inform Airline about any legitimate refund request from a customer. When the customer will no longer travel, the segments must be cancelled. The PNR should be cleaned at the same time the refund of the ticket is done. All refunds must always be processed no later than 7 days after the request. The refunds must be done in accordance with the Airline's tariffs, General Conditions of Carriage and any specific written instructions communicated by the Airline to the travel agent. On Airline's demand, the travel agent must provide a proof of the request and payment of the refundable amount to customer own account. In case no proof is provided within 7 days after the Airline's request, the travel agent will be liable for all extra costs incurred by the Airline.

For all refund requests, the travel agent must provide the correct information allowing Airline to identify the person who paid for the ticket in case such person is not the passenger itself.

The travel agent acknowledges that, in all events, Airline is only responsible for the refund of its own tickets and services, for the amounts set up by the Airline and/or corresponding to the Airline's tariffs. The travel agent will be solely responsible for the refund of any other amount the agency invoices the customer.

2.20 Referring passengers to claim agencies

The travel agent shall not automatically refer customers to "claims agencies" in EU Regulation 261/2004 situations (e.g. flight irregularities such as flight delays and/or cancellations) unless:

- (1) travel agent has first obtained formal consent from the customer, and
- (2) travel agent has notified the customer that he/she can apply directly to the operating carrier to obtain, if applicable, full compensation to which the customer may be entitled to under EU Regulation 261/2004.

3 Agent Debit Memo (ADM) Policy

General scope

Revenue Integrity makes sure that fare rules and other agreements between Travel Agents and AFKL are respected. When rules and/or agreements are not respected, the difference is settled, equally for all distribution channels. These checks are performed on 057 and 074 documents, regardless the fare owner.

If a travel agent issues a ticket based on a PNR with a manipulated segment, an ADM or invoice is issued. This ADM will be raised irrespective of ticket stock used. Ticketing agents are responsible for malpractices even if they are not the original agent making the booking.

Airlines have the right to audit and send ADM for all transactions. These ADM are handled as per IATA resolution 850m.

Furthermore ad hoc reasons of ADM issuance related to Air France KLM best practices in accordance with IATA Resolution 830a under the heading 'Consequences of Violation of Ticketing and Reservation Procedures' are addressed in this section.

These are the main procedures subject to audit:

- Issue, reissue, revalidation, refunds of tickets and/or EMD's.
- Flight application, misplating, routing and booking class application on third carriers, in accordance with IATA resolution 852.
- Bookings of AF or KL marketing or operating flights or services.
- Miscellaneous

3.1 Issuances, reissuances, revalidations, refunds

During the audit, issuances, reissuances, revalidations and refunds are checked covering all fare elements, regardless if a fare is quoted manually or automatically, for published and negotiated programs. This includes Private, Corporate, Tour Operators and Groups fares and conditions. Also surcharges, commissions, taxes and forms of payments are checked. An ADM is due even if a ticket was cancelled, refunded or unused.

3.1.1 Fares and fare rules

In case the fare rules are not respected, an ADM reflecting the value difference between the applicable fare and the fare applied, is generated. Except for ADMs based on fixed amounts.

When no fare reference is available, the ADM amount is calculated as follows:

- for medium haul flights, a fixed amount of EUR 320 (or equivalent in local currency) is charged for Economy cabin or EUR 630 (or equivalent in local currency) for Business cabin.

-for long haul flights, a fixed amount of EUR 1050 (or equivalent of local currency) is charged for Economy cabin / Premium Economy & Comfort cabin or EUR 3150 (or equivalent in local currency) for Business cabin / La Première cabin.

3.1.2 Contractual information missing or incorrect on the ticket

An ADM with a fixed amount of EUR 55 (or equivalent in local currency) is charged when contractual information is missing or if the information is missing or incorrect on the ticket such as (but not limited to):

- Corporate account code
- Ticket Designator
- Ticket number on EMD or EMD number on the ticket.
- Fare Calculation box in case of reissue
- Endorsement box not filled in for name correction (FE)

An ADM of a fixed amount of EUR 12 (or equivalent in local currency) is charged for Groups when contractual information is missing in the Tourcode box.

- Tigre file number and Amadeus PNR reference

An ADM of a fixed amount of EUR 270 (or equivalent in local currency) is charged if a name change is done outside of the Name change Policy. This applies to both AF (057) and KL (074) tickets.

These ADMs can be in addition to any other ADM amount if necessary.

3.2 Flight application, misplating, routing and booking class application on third carriers

Legal position

The ADM are subject to IATA resolution 852 “Selection and Designation of Ticketing Airline”, which defines the rules and issuing priorities.

It determines clearly that the travel agent is responsible to check if the issuance of a ticket is allowed, even if the GDS enables it.

3.2.1 Flight application

A travel agent is responsible to check if a marketing carrier is permitted to be used as part of a private or public fare. This pricing rule can be found in the category “flight application” of the fare.

If a marketing carrier is not permitted as part of the fare, an ADM is given based on the first applicable public fare which allows the other airline without the flight application restriction.

ADM reason: Incorrect fare

3.2.2 Misplating

An ADM for misplating is given when private fares of other airlines or any other fare for which AF/KL plate is not allowed, are used on AF or KL ticket stock. This pricing rule can be found in the category “sales restriction” of the fare.

The amount raised is based on the IATA rule Revenue Accounting Manual (chapter A2 paragraph 3) and is:

- The first applicable public fare of the other airline without plating restrictions, or if nonexistent:
- The first applicable public AF/KL or Partner fare (if no restriction on this airline) or if non-existent:

On medium haul a fixed amount of: EUR 320 (or equivalent in local currency) is raised for Economy cabin or EUR 630 (or equivalent in local currency) for Business cabin.

On long haul a fixed amount of: EUR 1050 (or equivalent in local currency) is raised for Economy cabin / Premium Economy & Comfort cabin or EUR 3150 (or equivalent in local currency) for Business cabin / First cabin.

ADM reason: Misplating - fare not permitted on AF/KL ticket stock.

3.2.3 AFKL plates usage

Air France (057) or KLM (074) ticket stock may not be used for itineraries that do not include at least one Air France (AF) or KLM (KL) flight segment. However, AF or KL ticket stock can be used if itinerary includes only Sky Team partners flights, provided there is an interline agreement and provided the fare allows ticketing on AF or KL ticket stock in the category “flight application” of the fare.

It is permitted to issue fares of airlines for which AF or KL is GSA on AF or KL respective ticket stock.

An updated list of GSA and interline agreements can be found in the GDS. Please contact the GDS helpdesk for additional information and formats to access the list.

An ADM with a fixed amount of EUR 55 (or equivalent in local currency) is charged per ticket when AF or KL plate is misused.

3.2.4 Wrong booking class on third party carrier / Routing not permitted on third party carrier

In case of wrong booking class or routing not permitted, an ADM is raised based on the applicable fare for the sectors flown on the third party carrier.

ADM reason: Incorrect booking class or Routing not permitted

3.2.5 Incorrect / missing Baggage allowance

per O&D and per direction (ADM amount in EUR)	Short and Medium haul	Long haul
Incorrect baggage allowance of 1 additional piece vs. number of piece(s) allowed or missing baggage allowance	EUR 60* per additional piece or for missing baggage allowance	EUR 110* per additional piece or for missing baggage allowance

(* Or equivalent in local currency)

On certain destinations or programs the weight concept still applies. In that case, the maximum weight concept allowed is equivalent to 1 PC.

3.2.6 Tour Operator fares

For passengers with special Tour Operator fare tickets but who are not eligible to travel with these fares, an ADM is sent to the travel agent. As an example: if a Tour Operator fare is sold without any additional services or if the minimum required level of these services is not reached. Passengers must be able to present proof of purchase of a land package (such as pre-paid voucher or paid receipt detailing the services purchased) when requested by the airline personnel at the checking / boarding area. AFKL will not accept proof of eligibility after audit and ADM issuance. The voucher for additional services has to be issued on letterhead paper from the travel agent (or affiliates) that issued the ticket.

An ADM is charged using fixed amounts:

- Short haul flights in Economy cabin: EUR 110 (or equivalent in local currency) per ticket and per passenger
- Short haul flights in Business cabin: EUR 110 (or equivalent in local currency) per ticket and per passenger
- Medium haul flights in Economy cabin: EUR 160 (or equivalent in local currency) per ticket and per passenger
- Medium haul flights in Business cabin: EUR 530 (or equivalent in local currency) per ticket and per passenger
- Long haul flights in Economy, Premium Economy & Comfort cabins: EUR 270 (or equivalent in local currency) per ticket and per passenger
- Long haul flights in Business and La Première cabins: EUR 2 630 (or equivalent in local currency) per ticket and per passenger.

3.3 Booking AF and/or KL marketing and/or operating flights or services

Compliance to the Booking Policy

Any non-compliance with the Booking Policy can result in an ADM being sent to the travel agent. It is the responsibility of the travel agent to ensure that all its employees in all of its locations are made aware of this policy and of its future amendments.

An ADM is due even if the booking was cancelled before or after flight departure date. In case a ticket is involved, the ADM is sent to the ticketing agent (see §3 under “General scope”). In case no ticket is involved, the ADM will be raised to the original agent making the booking.

Travel agents must comply with Booking Policy when AF and/or KL flights are booked regardless as marketing and/or operating carrier.

3.3.1 Day of departure – Un-ticketed bookings

All un-ticketed bookings which are not cancelled at least 24h before departure are subject to a cost recovery fee of EUR 15 (or equivalent in local currency) per segment.

3.3.2 Cancellation

If an agent exceeds the defined cancellation ratio, a fixed fee of EUR 0,45 (or equivalent in local currency) will be charged per segment above the ratio.

3.3.3 Churning

In case of a detection of churning within a PNR, a fixed amount per segment and per passenger is charged whatever the booking or ticketing country:

- EUR 50 (or equivalent in local currency) for Economy, Premium Economy & Premium Comfort cabins
- EUR 125 (or equivalent in local currency) for Business & La Première cabins

3.3.4 Duplicate bookings / segments

The same travel agent cannot book the same customer on several (flight) segments on the same day, or on several consecutive days for the same journey knowing that travel is not possible on all the booked segments.

In case of the cancellation of duplicate PNRs or duplicate segment, a fixed amount per passenger and per cancelled segment is charged whatever the booking country:

- EUR 20 (or equivalent in local currency) for Economy, Premium Economy & Premium Comfort cabins
- EUR 50 (or equivalent in local currency) for Business & La Première cabins

3.3.5 Fraudulent, Fictitious, Speculative and Test Bookings and Segments

In case of fraudulent, fictitious, speculative and test bookings, a fixed amount per passenger and per cancelled segment is charged whatever the booking country:

- EUR 20 (or equivalent in local currency) for Economy, Premium Economy & Premium Comfort cabins
- EUR 50 (or equivalent in local currency) for Business & La Première cabins

In case of fictitious segments included in a ticket of customer, a fixed amount per passenger is charged:

- Short / Medium haul flights in Economy cabin: EUR 140 (or equivalent in local currency) per ticket and per passenger
- Short / Medium haul flights in Business cabin: EUR 320 (or equivalent in local currency) per ticket and per passenger
- Long haul flights in Economy, Premium Economy & Comfort cabins: EUR 530 (or equivalent in local currency) per ticket and per passenger
- Long haul flights in Business and La Première cabins: EUR 1 580 (or equivalent in local currency) per ticket and per passenger.

3.3.6 Distribution Costs

In case after the remedy period of 1 month the level of availability requests is not restored within the defined ratio as per Booking Policy, AFKL will invoice the travel agent by ADM for the excess level of availability requests. The cost of each extra availability will be charged a fee of EUR 0.0007 per excessive transaction.

For example: Agent has made 500 booking in January. In the same month 200 segments were cancelled. Total looks in this month is 450.000. Look to book ratio is $450.000 / (500-200) = 1.500$. The number of excessive transactions in this period is $(1.500-1.000) * 300 \text{ net segments} = 150.000$

3.3.7 Group Bookings

In case of hidden groups, a fixed amount per O&D per ticket is charged:

- EUR 55 (or equivalent in local currency) regardless the ticketing country.

3.3.8 Corporate fares

In the event of repeated violation concerning the terms and conditions of use of the fares negotiated by a corporate account customer and in particular if the fares negotiated by a corporate account customer is not applied exclusively to said corporate customer then an ADM reflecting the value difference between the applicable fare and the fare applied, is generated.

3.3.9 Inactive bookings

The travel agent must delete all flight segments with a status HX, NO, UC, UN and WK* from the PNR at the latest 24 hours before departure.

In case of inactive segments remaining in the PNR within 24 hours before departure, a fixed amount per segment per passenger is charged:

- EUR 15 (or equivalent in local currency) regardless the ticketing country.

(*) Inactive segments are notified to travel agents in their GDS queues with a status:

HX = holding cancelled

NO = no action taken

UC = unable/flight closed

UN = unable/flight cancelled

WK = was confirmed

3.3.10 Inventory control circumvention

Bookings must at all times be made and updated from the availability display, per O&D in the chronological order of each O&D.

In case the PoC is changed during the booking process to obtain access to lower subclasses an ADM will be sent. A fixed amount per O&D is charged whatever the booking or ticketing country:

- EUR 400 (or equivalent in local currency) for Economy, Premium Economy & Premium Comfort cabins
- EUR 1000 (or equivalent in local currency) for Business and La Première cabins.

In case the marriage of segment is broken or circumvented, in cases where local availability is used to obtain access to lower subclasses of an O&D and in other cases where inventory steering is circumvented an ADM will be sent. A fixed amount per O&D is charged whatever the booking or ticketing country:

- EUR 600 (or equivalent in local currency) for Economy, Premium Economy & Premium Comfort cabins
- EUR 1500 (or equivalent in local currency) for Business and La Première cabins.

The ticketing agent is accountable for malpractices even if the booking creation and/or updating was done by another agent or sub agent.

3.3.11 Passive Segments

In case of unpermitted passive segments, a fixed amount per passenger and per segment is charged:

- EUR15 (or equivalent in local currency).

3.3.12 Waitlist segments

In case of unpermitted waitlist segments, a fixed amount per passenger and per segment is charged:

- EUR 15 (or equivalent in local currency).

3.3.13 Ticket Time Limit circumvention

In case of an unpermitted action leading to a more lenient Ticket Time Limit, or in case of a pretended ticketing of the segment(s) of a passenger to keep inventory longer without actual ticket, a fixed amount per segment and per passenger is charged whatever the booking or ticketing country:

- EUR 50 (or equivalent in local currency) for Economy, Premium Economy & Premium Comfort cabins
- EUR 125 (or equivalent in local currency) for Business & La Première cabins

3.3.14 Contact details

In all cases where the passenger's contact details are completely missing or incorrectly entered in the PNR/Order and in the absence of any indication that the passenger has exercised his right not to provide his contact details, then a fixed amount per passenger is charged:

- EUR 25 (or equivalent in local currency).

In case of litigation with a passenger arising out of missing or incorrect contact details in the PNR/Order and in the absence of any indication that the passenger has exercised his right not to provide his contact details and the Carrier is unable to advise passengers of irregular flight operations, then a fixed amount will be charged per concerned passenger:

- EUR 630 (or equivalent in local currency).

3.3.15 Partial ticketing

In case of segment left un-ticketed after the Ticket Time Limit has been reached due to the partial ticketing of the PNR (either not all passengers or not all segments), a fixed amount per segment and per passenger is charged whatever the booking or ticketing country:

- EUR 50 (or equivalent in local currency) for Economy, Premium Economy & Premium Comfort cabins
- EUR 125 (or equivalent in local currency) for Business & La Première cabins

3.3.16 Aftersales service

In the event that the travel agent does not refund the full amount of the tickets including taxes on unused coupons and relevant paid options, within 7 days after the customer's or the Airline's request or in the event the travel agent does not provide proofs of refund to the Airline within 7 days after the Airline's request, then a fixed amount is charged:

-EUR 630 (or equivalent in local currency)

3.3.17 Referring passengers to claim agencies

In the event the travel agent has automatically referred customers to "claims agencies" or to a lawyer without first notifying the customer that he/she can apply directly to the operating carrier to obtain, if applicable, full compensation to which the customer may be entitled to under EU Regulation 261/2004, then an ADM of a fixed amount is charged:

- EUR 630 (or equivalent in local currency)

3.4 Miscellaneous

3.4.1 Groups

Conditions specified in the TIGRE contract are audited such as fare, taxes and surcharges, number of customers travelling (minimum 10 passengers).

Groups must be plated on the airline ticket stock specified in the group section of the distribution contract between the travel agent and AFKL. An ADM of EUR 110 (or equivalent in local currency) for each ticket can be given when plating on a different carrier ticket stock than specified in the contract is done.

If there are less than 10 customers travelling in a group booking, an ADM is given retrospectively for each no show customer. The number of passengers concerned is the difference between 10 and the actual number of passengers travelling on the outbound journey. The ADM is calculated with a fixed amount:

short haul EUR 90 (or equivalent in local currency) per no show passenger,
 medium haul EUR 370 (or equivalent in local currency) per no show passenger
 long haul EUR 690 (or equivalent in local currency) per no show passenger.

Cancellation fees for non-materialisation of group travel are charged retrospectively by ADM according to the group contract agreed and signed between the travel agent and AIR FRANCE KLM.

3.4.2 Use of AIR FRANCE KLM Merchant of Record (MOR)

According to IATA resolutions 890, 896, 812, 812a the use of the carriers' Merchant of Record (MOR) is **only** allowed for sales using Customer Cards on any offline (i.e. not an internet transaction) sales channel.

For the avoidance of doubt the following is not allowed:

- Use of carrier MOR for internet sales (IATA resolution 890 4.1.2)
- Use of carrier MOR for any alternative payment method regardless of the sales channel

For the avoidance of doubt, "Customer Card" means a physical payment card or a one-time use or fixed account number that is issued in the name of the customer purchasing passenger air transportation or ancillary services and/or who is responsible for settling the transactions with the entity that has issued the card, excluding a card issued in the name of the Agent or any person acting on behalf of the Agent, or any of the Agent's contracted subscribers.

In case of abusive use of the Carrier's MOR, the Carrier will be entitled to charge the Travel Agent all credit card costs resulting from the non-authorized, improper or abusive use of Carrier's MOR by the Travel Agent and obtain an appropriate compensation for such misuse. Additionally, in the event of repeated malpractices, Carrier may take any measures to prevent the continued unauthorized use of the MOR by withdrawing from the Travel Agent the authority to issue Traffic Documents on the Carrier's behalf in accordance with IATA Reso.824

The Travel Agent shall not apply credit card surcharges when issuing Carrier Fares in countries where such surcharges are prohibited. However, in countries where such credit card surcharges are allowable, the Travel Agent shall fully comply with the Payment Service Directive (EU) 2015/2366 and all related national laws.

In case of violations AFKL will raise an ADM of 5% of the amount paid with the credit card to recover the credit card commission incurred on travel agent's behalf.

3.4.3 ADM minimum amounts and administrative fees

3.4.3.1. ADM minimum amount

In case of ADM's related to surcharges, commissions, taxes and fees, a minimum of EUR 1 (or equivalent in local currency) applies. For other reasons, no ADM below EUR 8 (Or equivalent in local currency) is sent.

In case of persistent practices of under collection (multiple occurrences of underpayments regardless the amount, by the same IATA), Air France KLM reserves the right to recover these underpayments by sending an ADM. No ADM minimum amount applies in this case.

3.4.3.2. Administrative fees

To cover audit process cost, a fixed amount of EUR 25 (or equivalent in local currency) is added to each ADM equal or greater than EUR 8 (or equivalent in local currency) except for:

- ADM on missing information
- ADM on non-compliance with the Booking Policy (listed § 3.3)

3.4.4 ADM process in BSP & ASD

In compliance with IATA resolution 850m:

- » An ADM can be processed through BSP if issued within 9 months after the final travel date. When the final travel date cannot be established, the expiry date of the document is used. After this period payments will be settled between the travel agency and the airline directly.
- » In line with IATA Resolution 850m, Air France KLM will send the ADM through BSP link with no financial consequences during the latency period (15 days).
- » For BSP countries, disputes must only be done through BSP link. Attach any enclosures through BSP link only as this will ensure an optimal service from AIR FRANCE and KLM.
- » When making a dispute, provide a valid and clear justification at all times in the “Dispute Reason” box. Responsible behaviour in case of ADM disputes is required from both the travel agency and the airline.
- » Please mention your contact details for an efficient handling by AF/KL.
- » AIR FRANCE and KLM will reply to your dispute within 60 days (conform Resolution 850m) giving a clear explanation of the acceptance or denial of the dispute.
- » Should AIR FRANCE and KLM reject a dispute and the travel agent wants AIR FRANCE and KLM to re-investigate, the travel agent is requested to respond to AIR FRANCE and KLM in compliance with IATA resolution.

3.4.5 ADM process in ARC

- » In line with ARC Debit Memo Best Practice, Air France KLM will send/issue the ADM through ARC Memo Manager.
- » Disputes must only be done through ARC Memo Manager. Agents are requested to attach any additional documentation in ARC MM as this will ensure an optimal service from AIR FRANCE and KLM.
- » When disputing a debit memo, provide a valid and clear justification at all times in the “Dispute Reason” box. Responsible behaviour in case of ADM disputes is required from both the travel agency and the airline.

- » Please mention your contact details for an efficient handling by AF/KL.
- » AIR FRANCE and KLM will reply to your dispute within 60 days (conform Resolution 850m) giving a clear explanation of the acceptance or denial of the dispute.
- » Travel Agents should dispute multiple times the same debit memo, only if new information is provided to the dispute.
- » Should AIR FRANCE and KLM reject all disputes and the travel agent reached the maximum number of disputes, the travel agent could escalate the case to AIR FRANCE and KLM M by using the e-mail addresses listed on the debit memos.

Contact Information

For ADM (Agent Debit Memo) and/or ACM (Agent Credit Memo) questions or issues, please contact your local AFKL Agent Support.

4 Glossary

Abbreviation	Description
1A	Amadeus
1B	Abacus
1E	Travelsky
1F	Infini
1G	Travelport + (1G Galileo / 1P Worldspan / 1V Apollo)
1J	Axess
1S	Sabre
ACM	Agency Credit Memo
ADM	Agency Debit Memo
AIL	Automated Issuance Limit
ASR	Advance Seat Reservation
BSP	Billing and Settlement Plan
BT Fares	Bulk Tour Fares
CAT	Fare Note Category
CoC	(Carrier's) Conditions of Carriage
CUG	Closed User Group
EMD-S / EMD-	Electronic Miscellaneous Document S = Stand alone; A = Associated
EoT	End of Transaction
eTKT	Electronic Ticket
EUR	Euro
GDS	Global Distribution System
GSA	General Sales Agent
IATA	International Air Transport Association
INVOL	Involuntary
IT Fares	Inclusive Tour Fares
NUC	Neutral Unit of Construction
NVA	Not Valid After
NVB	Not Valid Before
OAL	Other Airlines
O&D	Origin & Destination
Order	NDC / Passenger name record
PNR	Passenger Name Record
POC	Point of Commencement
POS	Point of Sale
RBD	Reservation Booking Designator
SDC	Service Deadline Control
SKCHG	Schedule Change (as per IATA definition)
SSR	Special Service Request
USD	US Dollar
WL	Waitlist



5 IATA Resolutions supporting this Booking & ADM Policy

All the defined terms in the below IATA Resolutions apply, even though AFKL does not always copy the entire resolution but sometimes only mentions salient features. Regarding EMD rules, the IATA policies are not copied but they do apply.

IATA Resolution 824, 3.1 and 3.2 Passenger Sales Agency Agreements

"[...]"

"3.1 "the Agent is authorized to sell air passenger transportation on the services of the Carrier and on the services of other air carriers as authorized by the Carrier. The sale of air passenger transportation means all activities necessary to provide a passenger with a valid contract of carriage including but not limited to the issuance of a valid Traffic Document and the collection of monies therefore. The Agent is also authorized to sell such ancillary and other services as the Carrier may authorize;"

3.2 "all services sold pursuant to this Agreement shall be sold on behalf of the Carrier and in compliance with Carrier's tariffs, conditions of carriage and the written instruction of the Carrier as provided to the Agent. The Agent shall not in any way vary or modify the terms and conditions set forth in any Traffic Document used for services provided by the Carrier, and the agent shall complete these documents in the manner prescribed by the Carrier;"

"[...]"

IATA Resolution 830a, Consequences of Violation of Ticketing Procedures

WHEREAS IATA Members are granting IATA Accredited Agents access to Standard Traffic Documents;

and

WHEREAS custody, completion, issue, reissue, validation and revalidation of such traffic documents are governed by Members' tariffs and the ticketing procedures furnished to Agents through ticketing systems, and as described in the Travel Agent's Handbook, copies of which are furnished to Agents by the Agency Administrator and compliance with which is mandatory upon each Agent under the terms of the Passenger Sales Agency Agreement; it is

RESOLVED that,

1. all Agents be reminded that practices such as those listed herein, in other applicable Resolutions, or in Carriers' written instructions, but not limited thereto, violate the governing conditions referred to above. They harm Members' legitimate interests and can accordingly result in action being taken under the provisions of the Sales Agency Rules and Passenger Sales Agency Agreement. e.g. charging the Agent with the difference between the fare applied and the fare applicable to the service in accordance with Members' tariffs.
 - a. entering incomplete or incorrect reservation entries, such as reservation booking designators that do not correspond to the fare paid, or reservation requests on a ticket/miscellaneous document (EMD), thereby allowing travel at less than the applicable fare,
 - b. inaccurately completing or omitting to complete the 'not valid before' and/or 'not valid after' on a ticket contrary to the conditions governing the fare applied, thereby allowing travel at less than the applicable fare,

- c. issuing a ticket or EMD for more than one passenger, except as authorized for certain EMDs,
 - d. changing or omitting the name of the passenger,
 - e. changing the "Form of Payment" or failing to carry this forward to the new ticket or EMD,
 - f. changing the currency of payment or failing to carry this forward to the new ticket or EMD,
 - g. failing to carry forward all restrictions to the new ticket or EMD,
 - h. failing to obtain endorsement(s) from carriers when required,
 - i. failing to complete correctly the "Issued in Exchange For" and/or the "Original Issue", and/or failing to carry these forward to the new ticket or EMD,
 - j. failing to ensure that when conjunction tickets or EMDs are issued, the conjunction ticket or EMD numbers are shown on all conjunction tickets or EMDs,
 - k. changing the point of origin,
 - l. issuing/selling a ticket with a fictitious point of origin or destination in order to undercut the applicable fare (cross border selling)
 - m. failing to observe the applicable rules for Designation and Selection of Ticketing Airline (Resolution 852) and/or designating transportation on such parties' services where a valid interline agreement between the ticketing airline and the transporting party does not exist,
 - n. cancelling or amending a customer booking and/or Electronic Ticket without the express permission of that customer,
 - o. deliberately making duplicate reservations for the same customer,
 - p. when reservations for a group are not confirmed, attempting to secure the required service by requesting this in smaller numbers in individual transactions,
 - q. making reservation transactions without the specific request of a customer and/or,
 - r. making an amendment to a booking that has previously been issued as an e-ticket without either revalidating or reissuing, as applicable, the original ticket to reflect the new itinerary and/or,
 - s. voiding tickets without cancelling corresponding reservations and/or,
 - t. failing to split PNRs in cases where not all passengers included in the PNR are ticketed and/or,
 - u. failing to observe the prescribed minimum connecting times.
2. In this Resolution the use of the singular may also be taken to include the use of the plural, where the text so permits and vice versa.

IATA Resolution 830d, 4. Contact details

"[...]"

"4. To be able to advise passengers of irregular flight operations and disruptions Members and BSP Airlines need to have sufficient contact details available to proactively contact the passengers. Consequently, at or before the time of ticketing, the Agent must actively ask each passenger whether they wish to have their contact details (mobile number and/or email) provided to airlines participating in the itinerary for the purposes of contact in an operational disruption. The Agent must ensure that the Passenger's consent is obtained in compliance with any data protection directives or regulations. Where the passenger wishes to have their contact details provided to airlines participating in the itinerary, the Agent must enter it in the Passenger Name Record (PNR), while maintaining compliance with all applicable data protection directives and regulations. Contact details must be entered in the PNR in compliance with the Resolutions governing reservations procedures. Members and BSP Airlines shall use these contact details exclusively for the purpose of operational notifications, e.g. flight cancellation, schedule change, etc. and shall not use the contact details for sales & marketing purposes.

In the event the passenger exercises his or her right not to provide contact details it is incumbent on the Agent to indicate that the passenger has declined to provide such details, and to enter the refusal in the PNR to limit any statutory liability. In such a case, the Agent must actively advise the passenger that they may not receive information from the airline relating to flight cancellation or schedule changes (including delay in departure)."

"[...]"

IATA Resolution 850m, Issue and Processing of Agency Debit Memos (ADMs)

WHEREAS the Passenger Agency Conference (“the Conference”) wishes to promote a consistent and standard set of rules for BSP practices,

It is RESOLVED that the following principles will be followed,

1. INTRODUCTION

1.1 The ADM serves to notify an Agent that unless there is some justification to the contrary, the Agent owes the issuing BSP Airline the amount shown on the ADM for the reasons indicated.

1.2 ADMs are a legitimate accounting tool for use by all BSP Airlines to collect amounts or make adjustments to Agent transactions in respect of the issuance and use of Standard Traffic Documents issued by the Agent. Alternative uses of ADMs may exist provided that consultation has taken place either individually with the Agent or a local representation of Agents, or through the applicable local joint consultative forum.

1.3 ADMs are to be specific in their detail as to why a charge is being made.

1.4 BSPLink (ASD in China) is mandated as the exclusive medium through which ADMs must be billed and disputed.

2. AIRLINE POLICY

2.1 Airlines are required to publish, and maintain their ADM policies to agents through BSPLink (ASD in China) which will send a system alert of any changes to ADM policies to the Agents in advance of Implementation.

2.2 Where possible the model shown in the Attachment to this Resolution should be applied.

3. BSP PROCESSING OF ADMS

3.1 ADMs shall only be processed through the BSP if issued within nine months of the final travel date. ADMs referring to refunds made by the Agent shall be processed through the BSP if issued within nine months after such refund has been made by the Agent. Any debit action initiated beyond this period must be handled directly between the BSP Airline and the Agent.

3.2 ADMs/ACMs may be processed through the BSP, for a maximum period of 30 days following default action taken against an Agent in accordance with Resolution 812 Section 6.9 and 818g, Attachment ‘A’, Section 1.10.

4. ISSUANCE PRINCIPLES

4.1 Airlines should consider establishing policies for a minimum value for the issuance of a single ADM. Where such minimum is established it may be published to Agents.

4.2 In principle ADMs should not be raised for the collection of administrative fees.

4.3 If there is an administrative cost associated with the raising of an ADM it should be incorporated in the same ADM document raised for the adjustment. The inclusion of the administration fee must be communicated to the agent.

4.4 Airlines shall provide Agents with the phone or fax number and email address of a person or department that has knowledge of the concerned ADM.

4.4.1 Whenever applicable, a BSP Airline will provide the Related Document Number (RTDN) to which the ADM relates in order for BSPLink (ASD for China) to display the values of Fare Calculation Mode Indicator (FCMI) or Data Input Status Indicator for Refund transactions

4.5 An Agent shall have a maximum of 15 days in which to review and dispute an ADM prior to its submission to BSP for processing.

4.6 All disputes are to be settled by the Airline within 60 days of receipt.

4.7 If it is established that an ADM is not valid it must be cancelled.

4.8 Where erroneously issued ADMs are withdrawn by BSP Airlines or refunded to the Agent, any administration fee that may have been levied will be withdrawn, or refunded to the Agent. In the event the ADM is withdrawn, or reduced due to any reason other than it was issued by mistake, the application of an administration fee shall be agreed between the Agent and the BSP Airline concerned.

4.9 Following consultation and if both parties agree a disputed ADM may be referred to the Travel Agency Commissioner to be resolved pursuant to Resolution 820e Section 3.3.

4.10 An ADM that has been included in the BSP billing will be processed for payment. Any subsequent dispute of such ADM must be dealt according to the applicable Passenger Sales Agency Rules.

IATA Resolution 850m, Attachment 'A'

MODEL ADM INDUSTRY PROCEDURES

1. DESCRIPTION

1.1 ADMs are a legitimate accounting tool for use by all BSP Airlines and should only be used to collect amounts or make adjustments to agent transactions in respect of the issuance and use of Traffic Documents issued by or at the request of the Agent.

1.2 Alternative uses of ADMs may exist provided that consultation has taken place either individually with the Agent or through the applicable local joint consultative forum

1.3 ADMs are to be specific in their detail as to why a charge is being made.

1.4 Any ADM relates to a specific transaction only, and may not be used to group unrelated transactions together, however, more than one charge can be included on one ADM if the reason for the charge is the same, and a detailed supporting list is provided with the ADM.

1.5 In the event an airline decides to apply a charge for under-collection or incorrect ticketing on a sale or for the adjustment of a refund issued incorrectly or incorrectly calculated, such charges must be clearly explained in the carriers published ADM policy or must be agreed with Agents bilaterally in writing.

1.6 No more than one ADM should be raised in relation to the same original ticket issuance. When more than one ADM is raised in relation to the same ticket it shall be specified for a different adjustment to previous issues.

1.7 All rejected or disputed ADMs must be handled by BSP Airlines in a timely manner.

1.8 Except where otherwise agreed in a market ADMs should not be used to collect third party costs not directly associated with the initial ticket issuance of a passenger journey.

1.9 When ADMs are raised for administration fees the level of such fees should be commensurate with the cost of the work incurred.

1.10 When the Agent has used an automated pricing system to generate the total ticket price including fare, tax, fees and charges specific to the purchase, and subsequent issuance, of a ticket for a journey, and there has been absolutely no manipulation by the Agent, on such price the ticketing systems shall send a Fare Calculation Mode Indicator (FCMI) to the airline, in accordance with the provisions of IATA PSC Resolutions 722f and 722g, to identify automated pricing has been used. The airline shall ensure the FCMI indicator is passed to an Agent in the event an ADM is issued.

IATA Resolution 852 BSP Travel Agent's Selection and Designation of Ticketing Airline

The following covers all types of tickets issued under the Billing and Settlement Plan conditions:

Method of Designating a Ticketing Airline

For issue of tickets, 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.

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:

- 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, provided that the selection of validating carrier conforms to the requirements of the fare rules where applicable and subject to the existence of a valid interline agreement between the ticketing airline and each transporting airline,
- 2.** If none of the situations described in the previous paragraph apply, the ticketing airline may be any other BSP Airline providing the agent has received written authorization from that BSP Airline to issue Standard Traffic Documents for such transportation.
- 3.** When an Electronic Miscellaneous Document (EMD) is issued, the ticketing airline shall be any BSP Airline, or a BSP Airline acting as the GSA for the Airline delivering a service on the EMD. In the event that none of these situations apply, the provisions in paragraph 2 shall apply.

Note: *Where a BSP Airline has given written authority to use its ticketing authority under the alternative in paragraph 2 above, STDs may be used for all airline passenger transportation and associated services.*

IATA Resolution 890, Customer Card Sales Rules

"[...]"

3. CUSTOMER CARD ACCEPTANCE

3.3 In the event of the Agent accepting a type of Customer Card which is not accepted by the Member/Airline whose Traffic Document has been issued, the Member/Airline will charge the non-payment from the card company to the Agent by means of an Agency Debit Memo (ADM), or, in

non-BSP countries, a subsequent adjustment will be made by the Member whose Traffic Document was issued.

3.4 This Resolution gives authority to accept only a Customer Card when using the card acceptance merchant agreement of the Member/Airline to collect payment for the sale of passenger air transportation and Ancillary Services. The Agent may not accept any other card or payment method that uses the Member/Airline's card acceptance merchant agreement, including any card in the issued in the name of the Agent or any Person permitted to act on behalf of the Agent, unless specifically authorized by such Member/Airline. A failure to comply with the present paragraph 3.4 will be undertaken under the sole responsibility and liability of the Agent toward the Member/Airline concerned.

IATA Resolution 049x, Fare Changes

“Resolved that:

1. Transportation shall be subject to the fares and charges in effect on the date on which full payment is made, for travel on the specific dates and journey shown on the ticket
2. Provided no voluntary change is made to the originating flight, no increase in fare effected through a change in fare level, a change in conditions governing the fare, or cancellation of the fare itself, shall apply
3. In the event of a voluntary change to the originating flight, the fares and charges for the passenger's journey shall be recalculated in accordance with the fares and charges in effect on the date on which the change is made and is reflected on the ticket
4. in the event payment is made prior to confirmation of reservations for the originating flight, the fares and charges for the passenger's journey shall be recalculated in accordance with the fares and charges in effect on the date on which the confirmation is made”

IATA Resolutions related to EMDs which apply

Below are IATA resolutions related to EMD which apply to the AFKL carriers.

725f Electronic Miscellaneous Document – Airline

725g Electronic Miscellaneous Document – Neutral

725h Electronic Miscellaneous Document – Ground Handling