To: All Members, Passenger Agency Conference
   Accredited Representatives

From: Director, FDS Operations, GDC

Date: 31 March 2020

Subject: MAIL VOTE (A331)
         PAC (Mail A331)
         Clarification of Cleared Funds under Resolution 812 and 818g

Background Information

It has been pointed out by a Member that the current provisions under Resolution 812 and 818g is not clear
where it describes the requirements for remittances to “reach the Clearing Bank no later than…” a certain
timeframe. Whilst the existing processes have already been in place to ensure that Agent Remittance is received
by IATA’s Clearing Bank as Cleared Funds in accordance to the existing provisions, the terminology should be
clarified by referring correctly to the financial terminology ensuring that Cleared Funds are received by the
Clearing Bank.

For completeness, the proposal also includes a definition of Cleared Funds under Resolution 866. The proposed
amendments are found in Attachment ‘A’ to this paper.

PSG/115 had endorsed such proposal to be put forth to Conference for a special Mail Vote.

Effective Date

The proposed effective date of these changes is 1 May 2020.

Proposed Action

Conference to adopt the changes to Resolution 812, 818g and 866 as shown in Attachment ‘A’.

The timetable for this Mail Vote is as follows:

Voting Period: 31 March – 14 April 2020
Filing Period: 15-30 April 2020
Effectiveness: 1 May 2020

To cast a vote, Members are asked to access the application from the following link:
https://www.surveymonkey.com/r/A331-A332

Please note that no other form of voting will be accepted. Voting will conclude at close of business MAD time on
Tuesday, 14 April 2020. Votes not cast by that deadline will be deemed to be affirmative.
In conformity with the Mail Vote procedure endorsed by PAConf in October 2009, this Mail Vote has been provided in advance to representatives of the agency associations ECTAA, UFTAA and WTAAA for review and/or comment. No comments were received.

Any Member seeking clarification on any aspect of the mail vote or the mail vote process is invited to contact the IATA Passenger Governance team by email to pac-gov@iata.org.

Juan Antonio Rodriguez
Director – FDS Operations, GDC
Attachment ‘A’

It is proposed to amend Resolution 866 as follows:

**CLEARED FUNDS** are the cash balances in an account that are able to be immediately withdrawn or used in financial transactions.

**REMITTANCE** is the payment of monies due by an Agent, for sales issued with Standard Traffic Documents to the BSP Airline, including sales made by an Agent where the ticket is issued by the BSP Airline on behalf of the Agent and reported using the facility of the BSP. The Agent's Remittance shall reach must be Cleared Funds in the Clearing Bank account on the date established by the Conference.

**REMITTANCE DATE** means the Clearing Bank's close of business on the latest date by which the Agent's remittance must reach the Clearing Bank account as Cleared Funds or, in cases where authorised by the Passenger Sales Agency Rules, the value date on which the Clearing bank draws cheques on or debits the Agent's bank account.

It is proposed to amend Resolution 812 as follows:

6.5.3.8 The Agent must, in all cases, use a method of remittance which ensure that the funds Cleared Funds are received in the Clearing Bank account no later than its close of business on the Remittance Date established under the provisions of this section

6.5.3.10 If the Clearing Bank is closed for business on the Remittance Date established under the provisions of this section 6.5.3, the remittance must be made by the Agent so as to reach that Cleared Funds are in the Clearing Bank account no later than its close of business on the first day that the Clearing Bank is open for business.

6.6.1.3 For the purposes of this section 6, where IATA issues a demand for payment, including in the form of a Notice of Adjusted Risk Event, the Agent must remit monies due so that they are received by in the Clearing Bank account as Cleared Funds by the end of the next day on which it is open for business. A demand for payment arising from a Notice of Payment Default is due immediately.

It is proposed to amend Resolution 818g, Attachment ‘A’ as follows:

1.6.2.1 (c) if the Remittance Frequency so established is twice monthly, Remittances shall must be made so as to reach that Cleared Funds are in the Clearing Bank account 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. The Conference may adjust the period within which Remittances are required to reach the Clearing Bank account by not more than five calendar days to meet the special requirements which shall be demonstrated of a particular BSP or BSP Airline; provided that the method of payment used ensures that the funds are Cleared Funds in the Clearing Bank account in time for the Remittance to be made into the BSP Airlines' account on the date so established;

1.6.2.1 (d) if the Remittance Frequency so established or so elected pursuant to Subparagraph 1.6.2.1 is greater than twice monthly, Remittances shall must be made by the Agent so as to reach that Cleared Funds are in the Clearing Bank account not later than its close of business on the fifth day following the Reporting Dates so determined or by such date where agreed by the Conference for application in a specific market; any transactions not processed in previous Reporting Periods, will be included in the final billing; provided that the method of payment used ensures that the funds are Cleared Funds in the Clearing Bank account in time for the Remittance to be made into the BSP Airlines' account on the date so established;
1.6.2.1(g) 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 if applicable, the Remittance shall be made by the Agent so as to reach that Cleared Funds are in the Clearing Bank account before its close of business on the first subsequent day when the Clearing Bank is open for business;

It is proposed to amend Resolution 818g, Attachment ‘C’ as follows:

TUNISIA ONLY: if the Remittance Frequency so established is monthly, Remittances shall reach the must be Cleared Funds in the Clearing Bank account not later than its close of business on the date established by the Conference; provided that the method of payment used assures that the funds are in the Clearing Bank account in time for the Remittance to be made into the BSP Airlines’ account on the date so established.