



MEMORANDUM

PAC/Reso/1004

To: All Members, Passenger Agency Conference
Accredited Representatives

From: Director, FDS Operations, GDC

Date: **1 September 2023**

Subject: **MAIL VOTE (A635)**
PAC1 (Mail A635)
Proposal for Changes to Remittance Frequency for Agents in Paraguay, Argentina and Uruguay

Background Information

Submitted by APJC Argentina, Paraguay and Uruguay

The 26th and 27th Meetings of the APJC for Argentina, Paraguay, and Uruguay, were held on 9 May 2023 and 9 June 2023, respectively. At these meetings, the APJC reviewed PAC/45 Agenda, the Airline Risk Management Framework, and the BSP Remittance Frequency global alignment with the provisions of Resolution 812. Agents also presented proposals on other topics for review by the Joint Council.

The APJC noted the information presented by the Secretariat. Regarding the Days Sales at Risk global alignment, the APJC reviewed the discussions retaken by PSG and PAPGJC during March and May of 2023 with the aim to invite APJCs overseeing noncompliance markets to agree on a plan to move towards Resolution compliance.

The APJC reviewed the provisions of Resolution 812 requiring BSPs with more than 2 reporting periods per month to comply with a remittance frequency of 5-business days after the close of the reporting period, while for all Agents in the three countries covered by this APJC the existing remittance frequency had been 10-calendars days after the close of the reporting period.

The APJC was encouraged to discuss how to reach the required alignment, reviewing potential obstacles and agreeing to work together towards compliance. Airline members of the APJC stated support to have this alignment completed as soon as possible but if there were any market conditions identified, then those would be considered when determining the timeline of implementation.

APJC Agent delegates strongly debated against the remittance change given the economic circumstances of Argentina, in specific, with the continued currency devaluation, the uncertainty of upcoming government elections and the potential impact it could bring on the Argentine economy. Agents also expressed concern over the launch of NDC and the technical investments it required from their businesses along with the adoption-time required from the new distribution model. Agents also raised strong concerns over the delayed Agent billing reports currently taking 3 and even 4 days after the close of the billing period and should the remittance frequency change, the delayed billing reports would be unacceptable, leaving no time to review BSP reports and remit funds on time to the

Clearing Bank. Agents firmly stated that their position was to extend the implementation as much as possible to allow for a more stable market and added that unless IATA could produce billing reports 24-hours after the close of the billing report, any change of remittance date would not be acceptable.

IATA confirmed that a change to the remittance calendar would also bring a change to the availability of the billing reports, as it is the case with all other markets in the Americas that had adopted the 7+5 remittance calendar since 2018 and billing reports are available in those markets within 48 hours after the close of the billing period. The Secretariat also advised that discussions with the DPC had started to provide billing reports within 48 hours for all remaining markets in Americas starting 1 January 2024, regardless of the date of implementation of the new remittance frequency.

Understanding the need for compliance along with market issues previously discussed, Agents proposed an implementation date of 1 January 2025 for each of the three countries while Airlines' position for implementation was proposed for 1 October 2024.

Since there was no consensus reached at the APJC meeting, Agent members of the Joint Council requested a few days to further review amongst themselves and to come back to the APJC with a counter proposal for approval by the APJC over Mail Vote, to which the APJC agreed.

Two days later Agents requested the IATA Secretariat to circulate a motion for review and approval by the APJC, via Mail Vote, proposing the following implementation dates, **Paraguay, effective 1 October 2024; Argentina and Uruguay, effective 1 January 2025.**

The result of the APJC Mail Vote was:

- **Paraguay, effective 1 October 2024 – approved.**
Proposal follows for adoption by PAC via Q3-2023 Mail Vote.
- **Argentina and Uruguay – proposed date of 1 January 2025 – no agreement reached.**
All agent delegates supported the proposed date of implementation, however, none of the airline delegates voted in favour.

Once the result of this APJC Mail Vote was published, it prompted an airline member of the APJC to request the Secretariat to circulate a new Mail Vote inviting all APJC members to consider **1 November 2024** as the new proposed date of implementation of remittance changes for Agents in Argentina and Uruguay.

The result of the second APJC Mail Vote was:

- **Argentina and Uruguay – new proposed date of 1 November 2024 – no agreement reached.**
All airline delegates supported the new proposed date of implementation, however, none of the agent delegates voted in favour.

Not having reached APJC consensus for the effective date of change to the remittance calendar for Agents in Argentina and Uruguay, the discussions remain open to further dialogue. To this effect, this item remains open, and it will be included in the Agenda of the next APJC Meeting scheduled in early September 2023.

Proposed Action

Conference to adopt alignment of Remittance Frequency to 5-business days after the end of the billing period for Agents in Paraguay, as unanimously agreed by the APJC.

Effective Date

The proposed effective date of the change is **1 October 2024.**

The timetable for this Mail Vote is as follows:

Voting Period: 1 – 15 September 2023

Filing Period: 16 – 30 September 2023

Effectiveness: 1 October 2024

To cast a vote, Members are asked to access the application from the following [link](#).

Please note that no other form of voting will be accepted. Voting will conclude at close of business MAD time on **Friday, 15th September 2023**. 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.

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.

A handwritten signature in black ink, appearing to read 'J. Rodriguez', with a large, sweeping flourish extending from the end of the signature.

Juan Antonio Rodriguez
Director, FDS Operations, GDC