



MEMORANDUM

PAC/Reso/991

To: All Members, Passenger Agency Conference
Accredited Representatives

From: Director, FDS Operations, GDC

Date: **1 September 2023**

Subject: **MAIL VOTE (A622)**
PAC1 (Mail A622)
Proposal for Changes to Remittance Frequency for all Agents under APJC Caribbean

Background Information

Submitted by APJC Caribbean

The 13th Meeting of the APJC for the Caribbean, was held on 14 June 2023. The APJC Caribbean is comprised of the following estates: Antigua and Barbuda, Aruba, Bahamas, Barbados, Bonaire, British Virgin Islands, Cayman Islands, Curacao, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Montserrat Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Sint Maarten, Suriname, Trinidad and Tobago, and Turks and Caicos.

At this 13th Meeting, the APJC reviewed and adopted proposals on changes to Local Financial Criteria and was briefed on the outcome of PAC/45, the Airline Risk Management Framework and the Days Sales at Risk global alignment with the provisions of Resolution 812.

The APJC noted and appreciated the information shared from these briefings. 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 the existing remittance frequency for these markets 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 conveyed concerns over delays of inter-banking wire transfers whereby, at times, funds transfers could take 4-5 business days to clear into IATA's Clearing Bank account, a reality that would have a significant negative impact on Agents' payment compliance record, if the proposed remittance frequency was adopted. Other Agent delegates expressed concerns over government accounts and some commercial accounts where Agents today finance the funds while they await payment from their clients. The proposed shorter remittance frequency would require greater financial liquidity demands on Agents' cash flow in order to meet the more frequent remittance cycle, adding an element of financial risk/noncompliance not present nowadays. Another Agent raised concerns over the availability of billing reports, noting that currently, Agent billing reports are available 4 to 5 days after the close of the billing period, depending on the island estate.

IATA acknowledged the concerns raised by Agents related to the timeliness of inter-banking transfers and delays on the availability of billing reports and agreed to take these two items to investigate and to come back to the APJC with documented information on the inter-banking funds transfers and also a commitment to produce billing reports within a maximum of 48-hours after the close of the billing period to ensure Agents would have at least 2-days to review their billing reports, as per Resolution.

The APJC further discussed the need for remittance frequency alignment and agreed that if IATA was able to satisfactorily address the two key concerns brought forth by the Agents, inter-bank funds transfer and delayed billing reports, the APJC, Airlines and Agents, were willing to move forward with the alignment of the remittance frequency agreeing on a date that would provide IATA time to address the issues raised and such date would also serve to provide ample notice to the market.

IATA agreed to provide updates to the APJC at its upcoming meetings and prior to any implementation to ensure feasibility of the proposed change. On this agreement, the APJC moved to unanimously approve **1 September 2024**, as the date for the alignment of the remittance frequency to 5-business days after the close of the billing period.

Proposed Solution

APJC Caribbean unanimously approved the alignment of remittance frequency effective **1 September 2024** to 5-business days after the close of the billing report, to allow IATA time to address market concerns and to allow ample notice to all Agents under the purview of APJC Caribbean.

Effective Date

The proposed effective date of these changes is 1 September 2024.

Proposed Action

Conference to adopt changes to the Remittance Frequency for all Agents under the purview of APJC Caribbean, effective 1 September 2024, where remittance frequency will be **5-business days** after the end of the billing period.

The timetable for this Mail Vote is as follows:

Voting Period: 1 – 15 September 2023

Filing Period: 16 – 30 September 2023

Effectiveness: 1 September 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 above it.

Juan Antonio Rodriguez
Director, FDS Operations, GDC