



# MEMORANDUM

## PAC/RESO/1042

To: All Members, Passenger Agency Conference  
Accredited Representatives

From: Director, FDS Operations, GDC

Date: 23 January 2024

Subject: **MAIL VOTE (A673)**  
**PAC2 (Mail A673)**  
**CHANGES TO LOCAL FINANCIAL CRITERIA TUNISIA**

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### Background Information

LFCAG Meeting was held on 13 Dec 2023. Members reviewed the Local Financial Criteria (LFC) and recommended changes to the LFC which was discussed at the APJC in depth and IATA Risk Team provided input for the detailed review.

APJC Meeting held on 14 December 2023 to recommend changes to the Local Financial Criteria. Members took the time to review each section to strengthen the LFC and add necessary criteria and ratios. Suggested changes included adding required financial reviews, ratios, Financial Security for each Agent's Risk Status (A,B & C).

APJC consists of 9 Airlines and 9 Agents. Qorum was present with 9 Airlines and 9 Agents.

Voting took place during the meeting with unanimous votes achieved, endorsed by 9 Airlines and 9 Agents.

After the APJC, IATA Risk Management team recommended revision of Section 4.6 of the LFC to further align it with Resolution 812.

A Mail Vote has been sent to APJC members who unanimously approved the change.

### Proposed Solution

The proposal is to amend the Local Financial Criteria as follows with full details in Attachment 'A':

- Section 1: General rules added that indicates the need for Audited Accounts.
- Section 2: Criteria for the evaluation of Agent's Accounts has been added to include required financial tests and ratios.
- Section 3: Annual Financial Review process and required documents have been specified.
- Section 4: Financial Security calculation has been categorized for Agents under Risk Status A,B and C.
- Section 5: Definitions have been added to clarify the necessary terms.

### Effective Date

The proposed effective date of these changes is **1 March 2024**.

## Proposed Action

Conference to adopt the change to the Local Financial Criteria shown in Attachment 'A'.

The timetable for this Mail Vote is as follows:

Voting Period: 23 January – 06 February 2024

Filing Period: 07 - 21 February 2024

Effectiveness: 1 March 2024

To cast a vote, Members are asked to access the application from the following link:

[Link](#)

Please note that no other form of voting will be accepted. Voting will conclude at close of business MAD time on **Tuesday, 6 February 2024**. 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](mailto:pac-gov@iata.org).

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

Juan Antonio Rodriguez  
Director – FDS Operations, GDC

# TUNISIA

(Effective March 1, 2024, MV/A673 ~~2022~~ or upon NewGen ISS implementation, MV/537)

## 1. ~~REQUESTED DOCUMENTS~~ 1. GENERAL RULE

~~Documents to provide by new applicants for accreditation as of 2022:~~

1.1 An Agent must provide Audited Accounts to IATA. Audited Accounts means accounts reviewed by an auditor recognized as competent by a regulatory authority in the country to perform an audit.

1.2 Agencies will need to apply online on the IATA Customer Portal where all need documentations in accordance with the local legislations are listed.

## 2. ~~CRITERIA OF PERSONAL QUALIFICATIONS~~ CRITERIA FOR THE EVALUATION OF AGENTS ACCOUNTS

2.1 All financial information used in the financial review will be extracted from the Agent's Audited Accounts.

2.2 The following financial tests apply to the evaluation of an Agent's Audited accounts:

2.2.1 There must be a positive Net Equity

2.2.2 There must be a positive net profit.

2.2.3 Net Equity divided by Long Term Debt and other Long-Term Liabilities must be greater than 0.5.

2.2.4 EBITDA (Earnings before Interest, Taxation, Depreciation, Amortization, and extraordinary items) must be positive.

2.2.5 The EBITDA must exceed the Interest Payable by a factor of a minimum of two.

2.2.6 There must be a positive net worth.

2.2.7 The liquidity ratio must be greater than 1.

2.2.8 The collection period of accounts receivable must not exceed an average of 35 days.

2.2.9 The Current Assets must be in excess of the Risk Amount as per section 4.3.2

2.2.10 The Net Cash Position (Cash balance including short term investment - short term financial debt) must be positive.

2.2.11 The Net equity / total assets must be greater than 0.5.

2.3 An agent will obtain a satisfactory result of the annual financial review when all above criteria listed in 2.2 are met.

~~The agent must have in its employment competent and qualified staff able to sell international air transportation and correctly issue electronic travel documents and manage the documents and the invoicing and the payment of the BSP report from the accounting perspective.~~

## 3. ANNUAL FINANCIAL REVIEWS

3.1 All Applicants must provide Audited Accounts not more than 12 months old at the time of accreditation application to become an Agent to be assessed in accordance with section 2 of these criteria.

3.2 If an Agent has been in business for less than 12 months at the time of accreditation application, an audited opening balance sheet must be provided.

3.3 All Agents must provide an Audited Accounts for the last financial year, no later than 6 months, or as required by legislation, of that Agent for the purposes of evaluation against the financial tests in Section 2 of this criteria.

## ~~3. FINANCIAL CRITERIA~~ 4. FINANCIAL SECURITY

### ~~3.1 Financial Security~~

4.1 An agent will not be accredited or will not continue to be accredited until IATA receives the financial security issued by the organization, a validation by written confirmation of the authenticity of the said financial security issued.

4.2 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but will be expected to be valid for a minimum of at least one year.

4.3 For the purposes of calculating the amount of a Financial Security the following definitions apply:

~~3.1.1~~ **4.3.1** Days' Sales at Risk means the number of days from the beginning of the agent's Reporting Period to the remittance in respect of the reporting period plus a margin of five days.

| Frequency of Remittance | Days' Sales at Risk | Days in Reporting period |
|-------------------------|---------------------|--------------------------|
| Bimonthly (Fortnightly) | 35                  | 15                       |

~~3.1.1 The amount of the Financial Security is calculated to cover at minimum the Days' Sales at Risk multiplied by the BSP Cash Turnover in the 3 highest reporting periods of the last 12 months over the number of days in reporting period multiplied by 3.~~

~~3.1.2~~ **4.3.2** Amount at Risk is calculated as follows:

$$\text{"Amount at Risk"} = \frac{\text{"Days Sales at Risk" x BSP Cash Turnover in applicable 3 highest reporting periods in the last 12 months}}{\text{Days in reporting period x 3}}$$

| Frequency of Remittance | Days' Sales at Risk | Days in Reporting period |
|-------------------------|---------------------|--------------------------|
| Bimonthly (Fortnightly) | 35                  | 15                       |

~~3.1.4 The amount of this bank guarantee shall not be less than 50 000 Tunisian dinars for agencies choosing bi-monthly payment in accordance to the BSP calendar~~

~~3.1.5 For New Applicants, the expected sales will be used to calculate the BSP Cash Turnover.~~

~~3.1.6 All Financial Securities must be drawn as per the IATA specimen.~~

**3.2 Financial ratio due for financial assessment or review of the financial statements :**

~~3.2.1 All Financial Information used in the annual financial assessment will be extracted from the agents' audited financial statement (certified by a chartered accountant)~~

~~3.2.2 Below financial tests will be used in the financial assessment of the agencies :~~

- ~~(i) There must be a positive Net Equity~~
- ~~(ii) Net Equity divided by long-term debt and other long-term Liabilities must be greater than 0.5~~
- ~~(iii) EBITDA (Earnings before Interest, Taxation, Depreciation, Amortization and extraordinary items) must be positive~~
- ~~(iv) The EBITDA must exceed the Interest Payable by a factor of a minimum of two.~~
- ~~(v) Adjusted Current Assets must exceed Current Liabilities.~~

~~3.2.3 An agent will obtain a satisfactory result of the annual financial review when all above criteria listed in 3.2.2 are met.~~

**Agent with Risk status A, B & C :**

~~3.3 For Agents with Risk Status A, B and C the amount of the Financial Security required must be not lower than specified in point 3.1.4~~

**3.4 Financial Security for agent with Risk Status A:**

~~Financial Security = Amount at Risk (as per 3.1.2) \* 0.9 and follows the BSP standard remittance frequency.~~

4.4 All Financial Securities must be provided per the format provided by IATA.

4.5 If an existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

4.6 The minimum Financial Security required from all IATA Accredited Agents is TND 50,000.00

4.6.1 Agents with Risk Status A:

Agents are required to provide a Financial Security covering 50% of their Amount at Risk calculated as per Section 4.3.2, subject to a minimum of TND 50,000.00/- whichever is higher.

4.6.2 Agents with Risk Status B:

Agents are required to provide a Financial Security covering 100% of their Amount at Risk calculated as per Section 4.3.2, subject to a minimum of TND 50,000.00/- whichever is higher.

~~3.5 Financial Security for agent with Risk Status B:~~

~~Financial Security = RHC and follow the BSP Standard Remittance Frequency~~

~~3.6~~ 4.6.3 Financial Security for agent with Risk Status C:

RHC=Financial Security. The Remittance Holding Capacity (RHC) will be equal to Financial Security and must be not lower than TND 50,000.00. Financial Security = RHC and follows the BSP more frequent Remittance Frequency.

~~3.7 An Applicant/Agent may at any time request to reduce or increase the Financial Security amount provided in line with 3.1.4.~~

~~3.8 The value of the Financial Security will be rounded to the next TND 10,000~~

~~3.7 Exceptional measures~~

~~3.7.1 Only the financial tests "A, B & E" will be used for the annual financial evaluation of the financial statement of 2021 that will take place during May & June 2022.~~

~~3.7.2 Only for the 2022 & 2023 and as of the NCISS implementation an additional discount on the Financial Security for risk status "A" is to be implemented to have the financial Security calculated as follows:~~

~~Financial Security = Amount at Risk (as per 3.1.2) \* 0.6 and follows the BSP standard remittance frequency.~~

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| <b><u>5. DEFINITIONS OF TERMS USED IN THESE CRITERIA</u></b> |
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EBITDA - Earnings before Interest, Taxation, Depreciation and Amortisation.

Financial Review means a review of an Agent's financial position or the calculation of the amount of Financial Security required in accordance with this local Financial Criteria.

Net Equity or Shareholders'/owners' Funds-Consists of:

- Share capital
- Share Premium
- Retained earnings
- Other distributive reserves
- Shareholder's loans if subordinated less declared dividends

Long Term Debt - All debt liabilities where repayment is due more than twelve months after the end of the financial period.

Long Term Liabilities - all liabilities where repayment is due more than twelve months after the end of the financial period.