



**Eswatini Air (RN) ADM Policy effective 01 February 2023**

*Notice – Confidential information*

**BACKGROUND:**

Eswatini Air publishes, as per IATA requirements, its Agent Debit Memo (ADM) Policy to Travel Agents to ensure the reasons for issuance of ADM’s by Eswatini Air is understood, can be avoided and to explain the guidelines that will be applied by Eswatini Air.

Eswatini Air will be performing sales audit to monitor ticketing accuracy and compliance to the airlines policies and procedures and adherence to the Conditions of Carriage as set out by Eswatini Air. GDS abuse will also be included in the sales audit.

**SCOPE:**

This policy applies to all services sold on 507 ticket stock by travel agents and any person or entity accessing Eswatini Air internal reservation system content via the Internet or any other electronic means. It is the responsibility of the GDS subscribers to ensure that all its employees, agents, and contractors, in all its locations, are familiar with this policy.

Eswatini Air will issue ADMs/invoices to collect amounts or adjust all Travel Agents and Staff transactions with regards to the bookings, ticketing, sales, and refunds as per **IATA Res 850M and 830A.**

**COMPLIANCE REQUIREMENTS:**

Compliance with this policy is **mandatory** to maintain integrity in Eswatini Air Revenue Accounting Systems and compliance with IATA Standards.

Eswatini Air does not encourage any deviations from conditions set out in the policy document as well as our conditions of carriage.

**ADM Matrix** *(to be prioritized and phased in with RN recovery amounts/competitive impact?)*

The scope of the audit is not exhaustive and will be applied to the context mentioned in the ADM matrix below.

The following matrix allows for a transparent overview of the circumstances under which an Agency Debit Memo or Internal Debit Memo will be issued to booking/ticketing Agents and defines various violations/non-compliance practices. These guidelines that Eswatini Air will apply is to ensure the proper issuance of tickets in compliance with our tariffs, rules, general conditions of carriage and other instructions provided by the airline.

<b>Violations</b>	<b>Scope of Audit</b>	<b>Outcome</b>	<b>Cost Recovery Fee</b>
Churning	The act of repeatedly cancelling & rebooking the same/different itinerary for the same/different classes across one or more GDS’s, is defined as <b>Churning</b> . If segments in a PNR are rebooked more than 4 times after cancellation by TTL or the airline, an ADM will be raised for the excessive churn cost amount.	A Debit memo will be raised to the Booking/Ticketing agent	<b>Abuse penalty of USD 10 per segment per passenger will be applied to the 5<sup>th</sup> and consecutive times. This is regardless of, if the PNR was ticketed afterwards.</b>
High cancellation rate	A cancellation of more than 75% of the bookings for flights departing within the month, regardless of the time the bookings were generated.	A Debit memo will be raised to the Booking/Ticketing agent	<b>A fee of USD 50 will be applied per passenger segment booked above the 75% limit.</b>

Under collections of Fares, TFC & charges	Example: Fare is USD200 which is ticketed at a lower fare of USD150, or the fare quote provided by Eswatini Air, but ticketing outside the time limit provided which rendered the quote expired.	A Debit memo will be raised to the Booking/Ticketing agent	<b>The fare/TFC/Charges difference + ADM fee of USD 20.</b>
Fictitious, Test or Training Bookings	Verification of bookings created with fictitious names and ticket numbers.	A Debit memo will be raised to the Booking/Ticketing agent	<b>USD 10 per segment, per passenger</b>
Booking Class Violation	RBD "M" Class booking made with a "XOW" fare basis, an agent has booked in a class with a higher availability and a very low fare class.	A Debit memo will be raised to the Booking/Ticketing agent	<b>Should the passenger travel on the higher booking class, the difference between the ticketed fare and the booking class travelled will be collected – if it is combinable. In addition, an ADM fee of USD 20 will be charged per person.</b>
Speculative bookings	Bookings made when no definite passengers exist, in anticipation of possible sale. Bookings created in higher classes that are released close to departure to make seats available in lower classes.	A Debit memo will be raised to the Booking/Ticketing agent	<b>USD 20 per passenger, per segment</b>
Fare rules and condition	Non-adherence to specified fare rules as stipulated by Eswatini Air E.g., Flight restrictions, Min/ Max stay, fare sale period (high/Low season), advanced purchase etc.	A Debit memo will be raised to the Booking/Ticketing agent	<b>USD 10 per passenger, per segment</b>
Private & Corporate Fares Abuse	Where we have Private or other special fares, and agent does not adhere to the Passenger eligibility criteria or fare rules and conditions.	A Debit memo will be raised to the Booking/Ticketing agent	<b>Difference between fare paid &amp; 1<sup>st</sup> unrestricted published fare in the same cabin plus the ADM fee of USD 20 per ticket.</b>
Bookings & ticketing of Infants & Child	INF/CHD indicator not endorsed on ticket according to standard IATA ticketing resolutions. PAX travelling with Infant must have INF SSR present and confirmed in the PNR.	A Debit memo will be raised to the Booking/Ticketing agent	<b>USD 10 per passenger per segment</b>

CIP Violation	When a carriers CIP is selected, ensure that all subsequent voluntary exchange/reissues must remain on the original issuing carrier. Normal CIP rules shall apply.	A Debit memo will be raised to the Booking/Ticketing agent	<b>USD 100 per ticket.</b>
Contractual missing or incorrect information on the ticket	Such as but not limited to. Corporate Information Ticket Designator/tour code Special fare basis Missing EMD number on the Ticket Fare Calculation box in case of reissue	A Debit memo will be raised to the Booking/Ticketing agent	<b>An ADM fee of USD 20 in addition to any other applicable ADM or difference in fare etc.</b>
Commissions	Incorrect calculation/ application of commissions E.g., 7.01% claimed when 1.01% is applicable.	A Debit memo will be raised to the Booking/Ticketing agent	<b>The difference in over-claimed commission will be charged.</b>
Group Bookings/ Authorizations	Conditions specified in the RN group's contract will be audited such as fare, taxes, surcharges, number of passengers travelling (minimum 10 passengers). Non-materialization of group (less than 10 clients travelling) is charged retrospectively per ADM for each No-Show/cancelled passenger. Abuse of the authorization number for different classes/flights & tickets that do not conform to the original authorization.	A Debit memo will be raised to the Booking/Ticketing agent	<b>USD 50 per ticket, shall be charged.</b>
Cross Border Selling	Cross border selling is the practice of selling the ticket with a fictitious point of origin or destination to undercut the applicable fare. This practice is in contravention of the industry resolutions and applicable tariffs and fares, even if requested by the PAX.	A Debit memo will be raised to the Booking/Ticketing agent	<b>An ADM for applicable fare difference plus ADM fee of USD 20. <u>Eswatini Air may withdraw the agency ticketing authority (CIP).</u></b>
Baggage	Incorrect Baggage charge, ticket reflects 23kg in baggage allowance and the PAX has 40kg. As well as excess baggage under collected/not charged.	A Debit memo will be raised to the Booking/Ticketing agent	<b>The Kilograms in excess/under collected will be calculated according to Eswatini Air excess baggage policy and charged accordingly + the ADM fee of USD 20.</b>
Commission	Agent must remember that in the event of a refund the commission is <b>non-refundable.</b>	A Debit memo will be raised to the Booking/Ticketing agent	<b>Commission applicable.</b>

No show segment for a void/refund Ticket	Verification of holding bookings with voided/refunded/fictitious tickets without cancelling the booking.	A Debit memo will be raised to the Booking/Ticketing agent	<b>USD 10 per sector, per passenger for any un-ticketed/voided /refunded tickets with booking still live in the system. In addition, NO-SHOW Charges will apply as per fare rules.</b>
Schedule change	Segments created due to schedule changes should be cancelled by the agent to avoid double costs. Un-actioned Schedule change costs are very expensive and must be cleared from the queues and in accordance with IATA standards.	A Debit memo will be raised to the Booking/Ticketing agent	<b>USD 10 per segment per passenger will be applicable. Should any additional abuse continually occur in this regard, the RN ticketing authority will be reviewed</b>
Duplicate PNRs by same Agent or Duplicate segments	Verification on created duplicate PNRs for same passenger. RN does not allow customers to hold more than one reservation to/for travel on, or around the same date for bookings created by the same agent. Creating multiple one-way itineraries for 1 passenger in the same PNR is PROHIBITED. In case of cancellation of duplicate bookings by RN, a fixed amount per passenger, per segment will be raised.	A Debit memo will be raised to the Booking/Ticketing agent	<b>USD 10 per segment per passenger.</b>
Fare violation for tickets issued with open status	Validation on purchased tickets with open status where confirmed reservation is required	A Debit memo will be raised to the Booking/Ticketing agent	<b>Fare difference to first higher fare where open segments is permitted + the admin fee of USD 20.</b>
Reissue Violation/ uncollected change fee	Validation on reissued documents	A Debit memo will be raised to the Booking/Ticketing agent	<b>Fare/taxes/ penalty fee, whichever is applicable.</b>
Refund Violation	Validation on documents claimed for refund, duplicate refund check. Incorrect refund amount applied.	A Debit memo will be raised to the Booking/Ticketing agent	<b>Fare/Tax &amp; commission difference + USD 20 Adm fee.</b>

Credit Card charge Back	In case Eswatini Air is debited by the credit card acquirer for purchase rejection by passenger, credit card misuse or fraud case on a ticket issued by the agent, Eswatini Air will charge the agent for the cost. The agent is always responsible for checking the validity of the credit card and to ensure that the card holders' signature is provided or to secure the eligible website for e-tickets purchase	A Debit memo will be raised to the Booking/Ticketing agent	<b>Eswatini Air will charge the agent for the entire cost of the chargeback + USD 20 ADM fee.</b>
Ticket Not Reported /Miscellaneous	In case of discrepancy in the sales information /reporting of agents, an ADM is issued. This can be due to reasons such as an unreported ticket or cases in which flown tickets are missing in BSP/ARC sales reporting.	A Debit memo will be raised to the Booking/Ticketing agent	<b>Eswatini Air will charge the value of unreported sale + USD 20 ADM fee.</b>
Credit Card Authorization codes	When the credit card information is inserted in the booking, the bank forwards an authorization code which must be inserted in the booking. e.g., FP PAX CCVXXXXXXXXXXXX1003/0123* CV/A218463/S3-4/P1-2... Refrain from overriding the Authorization code that holds and secures the funds with "0000"	A Debit memo will be raised to the Booking/Ticketing agent	<b>Eswatini Air will charge the value of the sale + USD 20 ADM fee.</b>

**TRAVEL AGENT'S, GSA's, Online Travel Agents (OTA's) and Airline Staff OBLIGATIONS:**

Travel Agents obligations are described in IATA **Resolution 824** and **ARC** in which it is stated that all tickets must be issued in compliance with the Carriers fares, conditions, general conditions of carriage and written instructions provided to them.

**TRAVEL AGENTS', GSA's, OTAs and Airline Staff BEST PRACTICES:**

- Train their staff to comply with Eswatini Air booking policy guidelines as well as the IATA Resolutions and ARC -ADM Procedures.
- Make available the Carriers' General Conditions of Carriage "to the customer and advise the customer of the fare conditions, eligibility - when required, and free baggage allowance.
- Inform customers that Eswatini Air will only honor flight coupons if used in sequence and from the point of origin as displayed on the ticket. Otherwise, the ticket will be rendered invalid, customer denied boarding and no refund will be accepted.
- Inform customers that at any time, customers could be charged the fare difference (plus change fee, if applicable) between the paid travel plan and the effective one, or risk denied boarding. Travel Agents should take payments systematically for any changes made to the original booking.

- Inform the Carrier of all Pseudo City Codes (PCC) / office IDs linked, bridged, or emulated to its main agent codes. The carrier will hold the agent fully responsible for all bookings made by all PCCs/office IDs linked to their agent codes
- Action all queues daily and delete all HX, NO, UC, UN & US segments 24hrs prior to departure to minimize GDS costs.
- Action all TK segments daily and advise clients accordingly.
- Reservations must consist of the full names of each customer as per the customer's ID/Passport.
- Reservations/ticketing training in "live" PNRs is not permitted, only in the GDS training mode.
- Use fare levels and fare basis as stipulated by the carrier. All fares must be updated and applicable at date of ticketing.
- Inform passengers that the Airline reserves the right to collect any differences in taxes implemented by respective Government Authorities.
- Ensure that the baggage allowance on the ticket is in accordance with the fare conditions and the GDS.
- Agents subscribed to multiple GDS must issue tickets in the same GDS where the booking is made and not generate unnecessary GDS costs.
- Check passenger's eligibility for Private and other special fares (e.g., Seaman, Corporate, staff, etc.) or Tour Operator (TO) fares, before issuing a ticket and to inform the passenger that the proof of eligibility may be requested by the Airline at any time. The Airline reserves the right to settle with the customer or alternatively an ADM shall be raised to the respective Travel Agent.
- To ensure that when an ADM is disputed, the response is specific, in-depth and the relevant supporting information is sent to Eswatini Air.
- To raise all disputes as per BSP/ARC guidelines applicable.

#### **Eswatini Air Responsibility:**

- Aim to minimize irregularities in issuing/managing tickets through audits.
- Provide as much information and detail for the reason behind the charge issued to ensure its accuracy.
- To avoid recurrence of irregularities when the type and volume of anomalies are deemed to be above average, concurrence with the respective Agent is required regarding the most suitable corrective action. Eswatini Air will endeavor to address these issues bilaterally with the respective agent concerned.
- Eswatini Air reserves the right to take preventive measures, including but not limited to, inhibiting access – point of sale closure (POSCI) to its inventory by any Travel Agent/OTA engaged in booking malpractices.
- Eswatini Air must notify the agents of any errors that may result in an ADM being issued.

## **General ADM Process Worldwide**

In compliance with IATA Resolution **850M** and ARC processes,

- An ADM can be sent out by the airline via BSP/ARC Link within 9 months after final travel date. When final travel date cannot be established, expiry date of the document will be used. After this period, payments will be settled directly between the travel agent and the airline.
- In line with IATA Resolution 850m, Eswatini Air will send ADMs via BSP/ARC link with no financial consequences during the latency period (14 days or period fixed by the local BSP/ARC -link organization).
- When making a dispute, a valid and clear justification must always be provided otherwise the dispute cannot be handled. Responsible behavior in case of ADM disputes is required from both the Travel Agent /OTAs and the Airline staff.
- Please mention your contact details for an efficient handling by RN.
- Eswatini Air will reply to your dispute within 60 days (in consistency with IATA Resolution and ARC procedures) giving a clear explanation of acceptance or denial of the dispute.
- Should Eswatini Air reject a dispute and Agent wants RN to re-investigate, agent is requested to respond to RN within 14 days to provide additional new information. Otherwise, ADM will be submitted for settlement to BSP/ARC link.
- For non BSP/ARC cases, the ADMs shall be circulated by the respective local Eswatini Air office.

## **ADM Issuance Process**

- An ADM relates to a specific transaction and will not be used to group unrelated transactions together. However more than one charge can be included in an ADM if the reason for the charge is the same and a detailed supporting list is provided with the ADM.
- No more than one ADM will normally 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.
- Except where otherwise agreed in the local market, ADMs will not be used to collect third party costs not directly associated with the initial ticket issuance of passenger journey. However, GDS wastage costs form an exception and will be settled through ADMs.
- In case deviations of the fare rules are found on tickets during an audit process, Eswatini Air will systematically generate ADMs reflecting value of difference between the applicable fare and the applied fare.
- **An ADM will be sent to the Travel agent with a copy of the same to Eswatini Air sales executives handling the respective agencies.**



### **Minimum ADM Amount**

- The minimum amount, for which an ADM is raised, is **\$10**.
- Eswatini Air can issue one ADM with multiple reasons for one original ticket regarding minimum amount. In case of persistent practices of under collection (multiple occurrences of underpayments of less than **USD 10** by the same IATA/ARC Agent, RN reserves the right to recover these underpayments by issuing an ADM.
- In case of ADM related to fuel surcharge, other surcharges, commission, taxes, penalties and fees, no minimum applies, and an ADM will be generated for value due.

### **ADM Dispute**

- Eswatini Air will endeavor to handle rejected or disputed ADMs in a timely manner in compliance with applicable IATA resolutions and regulations. The travel agent can dispute the ADM as per the "Latency period" applicable in respective BSP/ARC country/market practice.
- Eswatini Air shall evaluate the reasons for the dispute and approve where it is proved that the charge was not due.
- For any un-resolved disputes, Eswatini Air reserves the right to deduct the disputed amount from applicable Agent's incentive program.