

EL AL Agent Debit Memo (ADM) Policy for Ukrainian Travel Agents

In an effort to eliminate unnecessary cost and effort for you as an agent and to offer our customers the best possible service, EL AL carefully reviews all reservation activity and avoidable GDS costs.

This document provides you with a transparent overview of the circumstances under which an ADM will be issued and explains the guidelines that EL AL applies to ensure the proper issuance of tickets, in compliance with tariffs, rules, general conditions of carriage and other instructions provided by EL AL, IATA and the GDSs.

Infractions made and/or not corrected will result in an Agency Debit Memo (ADM), as per IATA Resolution 850m.

General Information regarding ADM policy

EL AL audits any ticket validated on 114 LY ticket stock.

ADMs are issued for ticket, PNR and/or booking related transactions.

If EL AL raises an ADM for non-compliance with fare rules, the general principle applied is to raise the fare to the next applicable fare.

EL AL provides ADMs via BSPLINK no later than nine months from the date of the last flight as reflected on the travel documents (Accountable Documents).

Only one ticket is reflected on an ADM.

In case the date of last flight was unspecified, the date will be determined by the expiration date of the document.

ADMs issued beyond the nine months period, will be handled directly between the airline and the agent (not through BSP).

EL AL will do the utmost to provide as much information as possible on an ADM as to the reason why a debit has been raised.

A department or contact person with email-address will be stated on the ADM.

EL AL will not raise an ADM if the total amount is less than \$8. Exceptions for this rule are made in certain cases, e.g. for taxes, fees, charges and/or commissions or unauthorized provisions.

In case of persistent errors, the minimum value shall not be applied.

EL AL will collect an administration fee of \$20 for each ADM issuance (e.g. booking, fare, and commission); this fee is meant to cover the cost of the audit process.

ADM types issued by EL AL

ADMs are used by EL AL to adjust the amount collected on agency transactions, on EL AL travel documents, to the correct amount of said transaction. An ADM may also be used to collect amounts where a traffic document has not been issued, if agreed with the agent, e.g. for deposits for group sales.

Types of ADMs issued by EL AL include, but are not limited to:

1. Fare violations

- a) Incorrect fare application and combinability (e.g. routing or sales restrictions)
- b) Incorrect fare value (under-collection)
- c) Minimum / maximum stay
- d) Advance purchase rules
- e) Seasonality, flight applications
- f) Codeshare flights not allowed
- g) Stopovers, transfers and fuel surcharges
- h) Incorrect RBD (reservation booking designator), on EL AL and on other Airlines
- i) Incorrect Fare Basis
- j) Open or waitlisted sectors (where reservation is required)

A fare and tariff are only guaranteed when the fare was auto-priced by the system and the ticket was in fact issued.

Auto-priced and stored but not (yet) ticketed fares are subject to any price change. A ticketed fare remains guaranteed up to a voluntary first flight and/or itinerary change.

The corresponding fare rule must be observed, this also applies to taxes, fees and charges and have to be reassessed in case of reissue/rerouting before departure.

2. Commission violations

- a) Incorrect application
- b) Over-collection of commission (standard & supplementary)

3. Discounts

- a) Commercial company tickets:
 - Missing company number in Form of Payment
 - Wrong COR entitlement
 - Missing Tour Code
- b) Age:
 - Discount entitlement according to date of birth (D.O.B.)

4. Taxes, Fees, Charges (TFC) & Fuel Surcharges,

- a) Incorrect collection of taxes , fees, charges and fuel surcharges
- b) Missing taxes, fees, charges and fuel surcharges
- c) Wrongly altered taxes, fees, charges and fuel surcharges
- d) Already used taxes, fees, charges and fuel surcharges refunded by mistake

5. Refund violations

- a) Incorrect calculation of refund amount, taxes , fees, charges (TFC) and fuel surcharges
- b) Incorrect application of cancellation penalty (e.g. in case of no-show)
- c) Incorrect calculation of refunds commission amount
- d) Incorrect form of payment on refunds (versus sale)

6. Exchange/Reissue violations

- a) Missing rebooking fee (calculated per transaction)
- b) Missing difference in fare if rebooked in higher RBD, or rerouting or any other change which results in difference of fare
- c) Taxes, Fees, Charges (TFC) and Fuel Surcharges

Important: Please make sure that non-refundable amounts on the ticket are not used towards payment of any TFC or difference in fare.

7. Uncollected change fees

By changing a flight in a passenger booking record, the corresponding e-ticket shall be fare and flight adjusted within that change transaction. That guarantees an effective customer service with smooth check-in before flight departure and at the same time prevents the flight bookings from being cancelled due to ticketing deadline control.

Important: Failure to collect additional monies for reasons such as change of reservation fee, additional fare or tax / fee / charge will result in the raising of an ADM.

8. Missing waiver codes

It is extremely important that you give your EL AL service team the correct ticket number after receiving a waiver.

Important: If the ticket number is not in the audit waiver system the ticket is automatically treated as if no waiver was given and the applicable fare rules will be applied.

Please ensure that all information is correctly and completely provided to EL AL and ensure waiver code is updated in PNR in order to avoid unnecessary ADMs.

9. Inactive segments

Segment status changes due to schedule changes, ticketing time limit action, irregular operations, flight cancellations or other circumstances are queued to your CRS/GDS, and must be handled at least 24 hours prior to flight departure.

This includes cancelling ticketed or un-ticketed segments with a status code of UN, NO, HX, WK, WL, WN, HL, UC and US.

10. Ticket Time Limit extensions (TTL)

Multiple bookings and cancellations for the purpose of extending the Ticket Time Limit (TTL) are prohibited. Booking high fare classes in order to secure an extended TTL is prohibited

11. Duplicate bookings

A reservation must be booked and ticketed within the same CRS/GDS, in case your agency uses more than 1 CRS/GDS.

In any event, the ticketing must be made within the same CRS/GDS as the bookings.

12. Fictitious/Speculative bookings & Ticket numbers

The agent must issue and report a valid ticket number for customer and itinerary as appear in the PNR.

The full name and title of each passenger must be entered at the time of booking. Name changes are not permitted. Name corrections are permitted only if they are misspelled.

All bookings must be ticketed as per tariff rules or immediately cancelled in the CRS when not required, prior to departure. Fictitious or speculative bookings, including blocking or holding reservation due to expected demand or the customer's indecision are not permitted.

13. Passive bookings

Passive segment is entered into a booking for the purpose of valid pricing and ticketing only and according to EL AL's working procedures.

14. Invalid Flight number/Class of service

You may not use EL AL airline designator with fictitious flight numbers if not listed in the CRS/GDS. In addition, the agent must not issue a ticket unless the required class of service is available for sale and confirmed in EL AL's internal reservation system.

15. Test/Training bookings

Test or training PNRs must only be created in "Training mode".

16. No-Show bookings

If a customer cancels his or her reservation, the agent must immediately cancel the reservation. Otherwise, a PNR which results in a No Show will be issued with a penalty amounting to the full fare for the cabin in which the seat had been booked. This is valid for both ticketed and un-ticketed bookings.

According to the items 9-16 described above, EL AL will assess fees for non-compliance:

- \$50 per passenger– System abuse.
- \$50 per passenger – Test & Fictitious bookings.
- \$250 per passenger- Used tickets.
- No Show (NS) fee – effective on All RBDs respectively to NS fees per flight routing and according to the ticket rules. When ticket is unrestrictive, the charge of \$250 will be applies and in certain circumstances, EL AL may charge the travel agent the full price of the ticket.
- Standard service fee of \$30 per occurrence.

This policy applies, with an immediate effect, to all CRS/GDS subscribers and travel Agents that access EL AL's reservations system via any electronic means. The Agent has responsibility to ensure that all of its employees and contractors, in all of its locations, are familiar with this policy, including future amendments.

EL AL reserves the right to amend and/or to adapt and/or to delete rules and fees described in this document.

Updated: 01/06/2014

Dispute procedure overview:

1. An agent can **ONLY** dispute an ADM issued by EL AL via BSPLINK, within 20 days after issuance in accordance with IATA Resolution 850m.
 - Ensure that when an ADM is disputed, the response is specific in detail and the relevant supporting information including contact details are provided.
 - Do not dispute an ADM where the ADM reason is valid and evidence to the contrary is not available.
2. EL AL will handle rejected or disputed ADMs in a timely manner. The dispute will be reviewed within 60 days of receiving it. The status will always be reflected in BSP Memo Manager. If EL AL rejects the dispute, an explanation for the rejection will be sent to the agent via BSP Memo Manager & to agent email provided in the dispute.
3. Undisputed ADMs shall not be waived if not disputed within BSP dispute period (20 days from receiving ADM).

IATA resolutions supporting the EL AL policies stated in this document:

Please note that all defined terms in the following IATA Resolutions shall have the meaning as mentioned/defined in the respective IATA Resolution.

In reference to the IATA Resolution 824, §3.1 the agent is authorized to sell air passenger transportation on the services of the carrier and on the service of other carriers as authorized by the carrier. The sale of air passenger transportation means all activities necessary to provide the passenger with a valid contract of carriage etc.

IATA Resolution 824, §3.2: All services sold pursuant to this agreement shall be sold on behalf of the carrier and in compliance with carrier's tariffs, conditions of carriage and the written instruction of the carrier as provided to the agent. The agent shall not vary or modify the terms and conditions set forth in any Traffic Document used for services provided by the carrier, and the agent shall complete these documents in the manner prescribed by the carrier.

IATA Resolution 852: Selection of validation carrier, for the issuance of documents on behalf of the carrier and in compliance with the carrier's validation principle; the agent shall comply with the instructions issued by the BSP and the ticketing carrier in relation to the issuance and reporting of electronic tickets.

IATA Resolution 890, §1- 4: The agents shall comply with the resolution and instructions issued by the BSP Manual and the ticketing carrier in relation to acceptance of cards.

IATA Resolution 049x, Fare Changes, resolved that,

1. Transportation shall be subject to the fares and charges in effect on the date, on which full payment is made, for travel on the specific dates and journey shown on the ticket.
2. Provided no voluntary change is made to the originating flight, no increase in fare effected through a change in fare level, a change in conditions governing the fare, or cancellation of the fare itself, shall apply.
3. In the event of a voluntary change to the originating flight, the fares and charges for the passenger's journey shall be recalculated in accordance with the fares and charges in effect on the date on which the change is made and is reflected on the ticket.
4. In the event payment is made prior to confirmation of reservations for the originating flight, the fares and charges for the passenger's journey shall be recalculated in accordance with the fares and charges in effect on the date on which the confirmation is made.

IATA Resolution 830a, §1: Practices such as listed herein, in other applicable Resolutions, or in carriers written instructions, but not limited thereto, violate the governing conditions referred to above. They can result in action being taken, e.g. charging the agent with the difference between the fare applied and the fare applicable to the service in accordance with Member's tariff.

IATA Resolution 838: change of traffic documents by agents is only allowed when authorization of the airline has been given.

IATA Recommended Practice 1770 –Code of Reservations Ethics: To guarantee smooth handling of reservations and to avoid inconvenience to customers, travel agents, airlines and other providers must keep accurate and complete records covering all reservations transaction. All dealings should be conducted in a businesslike manner, keeping in mind at all times the need for correct and efficient handling of each transaction.