

RM / ADM / 290709
15th May, 2017

AGENCY DEBIT MEMO POLICY FOR AIR INDIA Ltd

1. Background

Effective 01 January 2006, Resolution 850m 'Code of Best Practice for issuance and processing of Agency Debit Memo' becomes a binding resolution on Agent/Travel service providers and airlines.

Accordingly we give below indicative reasons for which Air India will raise the ADM's

2. Agency Debit Memo Policy

Air India will raise ADMs for

- a. Non-compliance with Fare rules as well as Fares, GDS and Reservation procedure circulars issued by the Airline at various times for ticket sales and refunds which generally comprises of
 1. Minimum number of Passenger requirements
 2. Minimum / maximum stay requirement
 3. Sale period /travel validity including restricted days and flight condition
 4. Land & Hotel Booking arrangement for FIT Traffic
 5. Black Out Period surcharge & Black out period travel
 6. Back-track or Stopover Condition
 7. Child/Infant Discount
 8. Refund Rules and penalties
 9. Booking / Travel class including upsale amount for higher RBD
 10. Miles permitted
 11. Supporting Documentary Proofs like Seaman Certificate, Student certificate etc.
 12. ADD-ON fares for Domestic sectors
- b. Amounts to be recovered in compliance with the stipulations of the Income Tax department and/or other Government regulatory bodies, including Tax Deduction at Source u/s 194H for commission/Incentive earned by Agent/Travel service providers. This may be revised by Air India to comply with government rules and regulations. (TDS ADMs will be raised instantly without giving 14 days time as Airlines deposit the money in advance with the Govt.)

- c. If various surcharges prevalent at the time of ticketing e.g. Unaccompanied Minor, Q charge, re-issue penalties , YQ/YR, JN TAX etc. are not paid
- d. To recover wrong incentive claimed by the Agent/Travel service provider through BDR or received from BSP, if conditions applicable to the deal are not complied by, or incorrect interpretation made by the Agent/Travel service provider of the Net Deal
- e. If the Agent/Travel service provider has used the BDR to adjust the amount other than billing discrepancy, Air India will recover the same by ADM. Examples of such cases are
 - 1. Agent/Travel service provider cannot claim Incentive against MPD issued for PTA transactions
 - 2. Amount claimed by the Agent/Travel service provider for document belonging to Other Airline
 - 3. Incentive claimed by the Agent/Travel service provider for previous billing period
 - 4. Refunds claimed by the Agent/Travel service provider
 - 5. Agent/Travel service provider cannot reverse the ADM through BDR as he gets 14days time to dispute the ADM if not acceptable by giving reasons
 - 6. Reversal of voiding charges against Printer error tickets due to CRS /GDS where applicable, and in cases when reason of system/link failure is provided without proof
 - 7. Agent/Travel service provider had claimed the incentive against the ticket without dealcode, or with wrong dealcode
- f. If Agent/Travel service provider had issued the ticket in connection or as a side trip with all the sectors closed on the other carrier, and if other carrier bills Air India for more than the amount collected on the ticket or raises the fare to Published level stating that "Sales Restrictions or fare rules not complied". In such cases, ADM will be raised as & when recharge is received from the other carrier. Time limit will not be applicable as it depends on other carrier's action
- g. Air India will raise ADMs for other violations, which include BSP billing errors, discrepancies in the form of payment, conversion rate violations, unaccounted sale, void charges, RAF etc
- h. Air India will raise ADM either for free of cost ticket issued by Air India against Group Ticketing or incentive paid against such Groups for which conditions for Group Ticketing are not met
- i. Air India will raise ADM for excess refunds made by the Agent/Travel service provider or applicable penalties not applied by the Agent/Travel service provider at the time of Refund resulting in excess refund. ADM will be raised on the tickets 'Flown' as well as 'Refunded' due to no update to the system

- j. Air India will raise ADM for an incorrect class of travel mentioned on the Ticket. The difference will be charged between the next higher applicable fare less fare reported
- k. Air India will raise ADM towards excess/wrong commission claimed or received by the Agent/Travel service provider at the time of sale or reissue due to Date change penalty
- l. Air India will raise ADM towards recall of commission/supplementary commission paid to the Agent/Travel service provider at time sale against Credit Card, when refund is effected against the same
- m. Air India will raise ADM , where Agent/Travel service provider had issued the Ticket with combination of RBD's (say V & M) & received or claimed the Incentive as per higher RBD whereas it should be as per lower RBD (As BSP S/W calculates incentive as per first leg RBD). Air India will recover the difference between RBD's levels
- n. Air India will raise the ADM for entire value of ticket, where Agent/Travel service provider had issued the ticket against Credit card but not submitted the Charge slip within stipulated time frame
- o. Air India had introduced Pass through mechanism for sale against Credit cards. Any chargeback, in such cases will be recovered from the Agent/Travel service provider by way of ADM
- p. Air India will raise ADMs for bookings made and not ticketed (e.g. No- show, Late Cancellation, Fictitious Ticket Number etc.) as per policy and rules communicated to the Agent/Travel service provider in advance through Fare Circulars
- q. Air India will raise ADMs for any ticketing violations as covered by the Conditions of Contract; Notice of Government and Airport Imposed Taxes, Fees and Charges; and Passenger Service Charge and Security, Fuel and/or Insurance Surcharge ,by various resolutions in IATA Travel Agent/Travel service provider's handbook (IATA Passenger Sales Agency Agreement), IATA Ticketing Handbook
- r. ADMs will be raised for issuance of documents and voiding the same without adequate and valid reasons. Any misuse of void documents will result in a penalty of USD20
- s. For GDS Booking policy and Reservations Procedure violations
Violations of GDS/CRS Booking Policy for Air India vide RM/GDS/H9 dated July 29th, 2009 and any subsequent updates to the same will result in issuance of an ADM. **For each violation listed below and in the GDS/CRS Booking Policy, a fee of USD 5 per segment will apply**

The indicative list of violations which add to the undesirable costs and financial burden or affect smooth operations of the airline:

- Cancelling Reservations
- Churning
- Dual CRS/GDS
- Duplicate Bookings/Segments
- Fictitious or Speculative Bookings
- Group Booking misuse
- Inactive Segments
- Passive Segments
- Claim PNR
- Special Service Requests caused wastage
- Test or Training PNRs
- Name changes
- Waitlist segment
- Timelimits
- Journey Control (O and D) - Married segment

3. ADM Administrative Fees:

All ADMs will attract an Administrative Fee which will be equivalent of 10.5% of the total value of ADM raised. This new policy will be applicable for all bookings made on or after 01Apr17.

4. Dispute Process ADMs

Since all ADMs are issued through BSPLINK eff.01Jan06, Agent/Travel service providers gets minimum 14 days time to review the ADM & dispute the same by assigning the reasons through BSPLINK. Air India will accept the Dispute, if reasons conveyed are acceptable. Else Air India will reject the dispute by providing reasons for the same. In such cases, further cooling period of 14days may not be permitted.

No reversal of ADM will be permitted through BDR. In case of Agency reversing the ADM through BDR, the airline will demand for the cheque & levy an ADM dispute fee currently set at USD 10.5% of the total value of ADM raised and thereafter close the file.

Please note that failure to adhere to the outlined policy and procedure will result in AI taking necessary action as deemed fit, including, but not limited to the following:

- a. Using the IATA mechanism to report non-payment
- b. Inhibiting/closing out ticketing ability on AI
- c. Inhibiting/closing out access to AI's inventory
- d. Pursuing independent legal action as per applicable laws



Each GDS user's continued appointment as an airline travel service provider and continued bookings through GDS for air transportation services and products will be deemed to constitute an acceptance of this and all associated and related policies and agreement to any terms and conditions set herein.

Air India hereby reserves the right to modify and amend any of the terms and conditions set forth herein at any time which will be communicated directly in writing or through any electronic media and agency including GDS communication pages and notifications which affect the airline and industry policy, all of which are binding on partner travel service providers.

Airline and industry practices and norms will continue to be honoured by all our partner travel service providers through all outlets and service locations, and all forms of distribution adopted.

We appreciate your support and look forward to your cooperation.

***Executive Director
Revenue Management & Industry Affairs
Air India Ltd***