



AGENCY DEBIT MEMO (ADM) POLICY

Introduction

Travel service providers (Agents) along with representative associations and GDSs are partners of airlines in travel industry. Within the framework of local laws, IATA guidelines, recommendations, laid down rules and regulations, they are jointly responsible for delivering the best possible service in the most efficient and effective manner to the passenger.

Since its existence Air India has continued issuing good booking practices advisory in regular communication to its agents worldwide. We request all Travel Agents making use of GDS to distribute Air India's inventory to abide by our policy guidelines given in this document.

Booking and GDS usage Policy

Global Distribution System (GDS) forms an important component of Indirect Channel of distribution of an airlines inventory. Recognizing its importance Air India today is distributing its inventory through all major GDS worldwide. There is a cost involved in using the GDS and which is borne by the Airline. The cost includes that for booking, cancellation, wait listing, ticketing etc.

Violation of booking guidelines and best practices while accessing Air India's inventory through GDS results in a high cost which is borne by Air India. Also there is an opportunity cost in terms of wasted seats and denial of inventory to other agents and passengers. Air India conducts regular audit for all booking transactions for identifying booking violations and raises ADMs and invoices to recover excessive GDS cost.

The various booking violations for which ADMs or invoices are raised are as follows:

➤ Churn Violation:

Churning refers to the process of repeated bookings for same itinerary for same passenger across PNRs on same GDS or across various GDS. For bookings created in Economy Class 5 churns will be permitted. As far as bookings made in Business and First Class 10 churns are permitted. Thereafter ADM of \$5 would be charged for each additional churn done for per passenger per segment.

Parameters for judging churn will include same- origin, destination, segment date, passenger name, flight number, IATA PCC code.

Group Bookings will be excluded from churn violation check. Transactions with status code “KL” (Confirmed from Waitlist) will also be excluded from churn violation check.

➤ **Duplicate Booking Violation**

All multiple active bookings for a passenger with same origin & destination, segment date, passenger, same or different flight number, same or different RBD, same IATA BSP/ARC PCC code constitute duplicate booking violation

Group Bookings made on all GDS are excluded from duplicate booking violation check.

Same day bookings (bookings created within 24hrs of departure date) are excluded. Transactions with status code TK, TL & TN are excluded from this violation type.

ADM of \$5 will be charged per passenger per segment for every duplicate booking.

➤ **Fictitious Name Booking Violation**

Fictitious name bookings are those bookings with names like test/abc/aaa/micky mouse etc. For every fictitious name booking an ADM of \$5 per passenger per segment will be charged and also once identified, such a booking is subject to automatic cancellation.

Ticketed PNRs will be excluded from fictitious name booking violation check.

➤ **Invalid Class Booking Violation**

Invalid class booking violation happen when an agent makes a booking through GDS in RBDs prohibited by Air India

The prohibited RBDs are I, N, O, R and X. However, ADM of \$5 per passenger per segment will be raised only if the agent using GDS makes a booking in RBD R and N, which are non-revenue RBDs and are used for staff travel.

Ticketed PNRs will be excluded from this violation check.

➤ **Passive Booking Violation**

Passive booking occurs when a segment gets manually created in a GDS and hence the corresponding airline’s inventory system doesn’t get updated. An acceptable Passive booking should be created for the purpose of ticketing. It must match an existing booking in Air India’s Passenger reservation system. The use of mismatched segments to issue tickets constitutes a violation of Air India’s booking

policy. ADM of \$5 per passenger per segment will be raised for each passive booking violation.

Bookings with transactions having status codes like AL, AN, BK, BN, GK, MK, ML, MN, PK, AK, XN, YK, YL and YN are considered as passive booking. All passive bookings made in month if remained un-cancelled and non-ticketed till the end of that month will be considered a passive booking violation.

Same day bookings (bookings created within 24 hours of departure date) are excluded from passive booking violation check.

Ticketed and Cancelled Passive Bookings are excluded from passive booking violation check.

➤ **Waitlist Booking Violation**

All un-confirmed waitlist segments should be cancelled by agents 24 hours before departure.

Waitlist bookings can be identified by their status codes like HL, LL, PA, PB, PC, PD, RL, TL, US and UU.

All waitlist bookings made in month if remained un-cancelled and non-ticketed till the end of that month will be considered a waitlist booking violation. and ADM of \$5 per passenger per segment will be raised.

Same day bookings (bookings created within 24 hours of departure date) are excluded from waitlist booking violation check.

Ticketed and cancelled waitlist bookings are excluded from waitlist booking violation check. Waitlist segments if confirmed (status code KL) are excluded from this check.

➤ **Blocking of Inventory by selling seat without ending transaction**

Agents are supposed to end the transaction before end of booking session when they sell a segment. A Passenger name record (PNR) gets created only at the end of transaction and in this booking violation since transaction is not ended no PNR gets created. An act where an agent doesn't end the transaction after selling the segment results in unnecessary blocking of Air India's inventory. The seat remains blocked till the end of booking session and Air India suffers an opportunity cost in form of denying another passenger or agent from taking that seat.

Air India reserves the right to raise an Agency Debit Memo (ADM) of value given in the following table for each seat sold without PNR

Sector	Penalty for irregular blocking (selling seat without ending transaction)
Domestic	Penalty equivalent of the total market price of each seat blocked as calculated from the RBD available at the time of blocking.
International	First Class: US \$ 750 per seat per coupon-flight segment (or its equivalent in local currency). Business Class: US \$ 500 per seat per coupon-flight segment (or its equivalent in local currency). Economy Class: US \$ 250 per seat per coupon-flight segment (or its equivalent in local currency).

➤ **Training/Test bookings in Live Mode**

Making of test PNRs is prohibited in the Live Mode of GDS. Training must not be done in Live mode. For such purposes training mode made available by the GDS should be used. Speculative bookings, TEST PNRs are unacceptable as they cause losses to airline due blockage of inventory. Also there is opportunity cost as such actions prevent other travel agents and genuine passengers to make confirm bookings. A penalty in form of ADM worth USD 5 will be charged for every such violation.

Raising of ADMs: Penalty for booking violations

Air India carries out regular audit of all booking transactions and reserves the right to raise ADMs or Invoices, in order to recover excess GDS cost, to travel agents for non-compliant booking practices. If the travel agent is found continuing with such practices then Air India reserves the right to take additional actions including blocking access of travel agent to Air India's inventory through the specific GDS on which the abuse was committed.

ADM or Invoice Fee structure for various Booking violations

Types of Booking Violation	Penalty
Churning	5 Churns permitted for Economy Class and 10 for Business Class. ADM worth US \$ 5 per passenger/per segment will be raised for every additional churn booking
Duplicate Booking	US \$ 5 per passenger/ per segment
Fictitious/Test Booking	US \$ 5 per passenger/ per segment
Invalid Class Booking	US \$ 5 per passenger/ per segment
Passive Booking	US \$ 5 per passenger/ per segment
Booking without ending transaction	Invoice of US \$ 100 (or equivalent in local BSP currency) per seat will be raised to the agent
Waitlist Booking	US \$ 5 per passenger/ per segment

An Admin fee equal to 10.5% of the total ADM value will be charged in addition to above fee structure for ADMs raised for bookings done from 01st April 2017. Applicable GST @18% will be charged to the Admin fee as well as to the ADM value for the ADM issued in India effective 01st July 2017.

Sales & Refund ADM Policy

Background

Sales and Refund Audit or Fare Audit is an audit on the “ticketing” activities rather than “booking” activities. This audit checks whether the agent has adhered to all the fare rules at the time of sale, refund and reissues. The ADMs are raised to recover revenue or penalties not collected by the Travel agent as per fare rules set by Air India.

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.

Policy Violations

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

- 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
 - Minimum / maximum stay requirement
 - Sale period /travel validity including restricted days and flight condition
 - Black Out Period surcharge & Black out period travel
 - Child/Infant Discount
 - Refund Rules and penalties
 - Booking / Travel class including up sell amount for higher RBD
 - ADD-ON fares for Domestic sectors
- 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.)

- Unpaid surcharges prevalent at the time of ticketing e.g. Unaccompanied Minor, Q charge, re-issue penalties, YQ/YR, JN TAX etc.
- To recover wrong incentive claimed by the Agent/Travel service provider through PBD 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.
- Abuse of transfer rules wherein transfers are not permitted. Validate if transfer fees are paid wherein transfers are permitted at a surcharge
- Violation of Refund validity rule: Any ticket above two year from the validity of the ticket is not be considered for refund processing. The entire fare amount and taxes including YQ/YR claimed in refunds will be recalled in case refund as been processed for ticket which is more than two year old.
- Different Agency claiming refund (Agency mismatch) - If the agency IATA code in the original sale differs from the IATA code claiming for refunds then the debit will be raised to the entire amount of the refund which is claimed by the agent.
- Routing Violation – Incorrect routing is travelled on the ticket which is not as per the routings specified by the fare rule.
- Combination violation – Non adherence to rules and tariffs pertaining to the combination restriction of End on End, circle trips, round trips, open jaws, carriers, site trip
- Open dated sector - If any sector is open dated and the same is not permitted as per the fare rule, the debit will be raised to the next applicable or YY carrier fare.
- Under/Non collection of Day time/Week end surcharge.
- Carrier Identification Plate (CIP) Violation - If the fare rules and conditions does not permit the ticketing of another airline (OAL) fare on AI document, then this will be considered as a CIP violation. The document will be raised on the OAL carrier fare which permits CIP. If the applicable fare is not found in the OAL carrier then it will be raised to highest economy class (YY) fare.
- Reissue calculation error – ADMs will be raised against the Non/Short collection of ADC value which includes change & no show penalties on the

reissue ticket, arising due to change in Fare/Class/flight Date/Flight time/Routing and others.

- 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.
- BSP billing errors, discrepancies in the form of payment, conversion rate violations, unaccounted sale, void charges etc.
- 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.
- 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.
- Any kind of dual utilization resulting in loss of revenue.
- Incorrect class of travel mentioned on the Ticket. The difference will be charged between the next higher applicable fare less fare reported
- Excess/wrong commission claimed or received by the Agent/Travel service provider at the time of sale or reissue due to Date change penalty.
- 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
- Issuance of ticket with combination of RBD's (say V & M) & receiving and claiming 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
- 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
- Air India had introduced Pass through mechanism for sale against Credit cards. Any charge back, in such cases will be recovered from the Agent/Travel service provider by way of ADM

- 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
- 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
- Issuance of documents and voiding the same without adequate and valid reasons. Any misuse of void documents will result in a penalty of US \$ 20
- **Credit Cards Pass Through facility on TMC Cards in BSP India**
 - Air India allows usage of “Travel Management Company (TMC) “Credit Cards issued to travel agents by Preferred banks for issuance of tickets against CC pass through BSP India.
 - Following Banks are classified as preferred banks for issuance of tickets in BSP India under Credit Card Pass Through facility:
 - i. American Express Cards issued by American Express
 - ii. Master Card & Visa cards issued by ICICI Bank, Axis Bank , Yes Bank and Indus Bank
 - iii. Diners Card issued by HDFC Bank
 - TMC cards issued by HDFC, SBI , Kotak, RBL , Bank of Baroda , Citibank or any other bank on Master Card & Visa cease to be Preferred Banks of Air India effective 16th Feb18.
 - If agents issues ticket against non-preferred bank cards, Air India will raise ADMs on those agents for an amount of 3% of total value of the ticket plus applicable GST and Admin fee.

Raising of ADMs: Penalty for booking violations

The minimum amount or threshold value for the issuance of a single ADM is US \$ 5 in away/foreign markets and INR 100 in the Indian market. ADMs which are less than the above threshold value will be accumulated and raised once they cross the minimum amount.

All ADMs will attract an Administrative Fee which will be equivalent of 17% of the total value of ADM raised and it will be applicable for all bookings made on or after 27Sep19. Applicable GST will be added to the ADM as well as on the Admin fee for the ADM issued in India with effect from 01Jul17.

ADM Dispute and Resolution Mechanism

Since all ADMs are issued through BSPLINK eff.01Jan06, Agent 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.

As per the BSP Post Billing Dispute policy, once a dispute is successfully registered an email alert is triggered and sent to the corresponding airlines and BSP advising that a new dispute has been initiated by the agent. All disputes must be resolved within a period of 30days. However, if any disagreement happens exactly on the 30th day, an additional 7 days will be given to the Agent to reply.

If the limit of 2 disagreements per party has been reached or the airline does not reply to the agent's disagreement, the dispute will have to be resolved between the agent and the airline on a bilateral basis outside of the BSP. If the agent does not reply to the airline's disagreement the dispute will be the status 'in favor of Airline' and should be resolved between the agent and the airline on a bilateral basis outside of the BSP.

If the Agent has used the Post billing dispute to adjust the amount which as per Air India ADM Policy is not justifiable, AI may recover the same by way of a new ADM and the new ADM will again attract admin fee as well as GST on ADM as well as GST on admin fee @ 18%.

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.

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:

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

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.