



Arrangements for Travel Trade Licensing in Spring 2013

Commission Notice 1/2013

CN1/2013

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1. Purpose of Notice

- 1.1 This Notice sets out the Commission for Aviation Regulation's scheme to implement the travel trade licensing regime in the Spring licensing round of 2013 in order to facilitate a smooth and orderly renewal of licences, for the benefit of applicants and consumers. The "Spring Round" means licences commencing from 1 May 2013.
- 1.2 It is important that applicants take account of the requirements of the financial services industry associated with securing any type of bond, particularly in respect of the timelines and securities needed to obtain bonds. Prompt engagement with these providers in an active way is needed to ensure these providers are fully aware of the requirement to ensure the new bonds are received in this office by the due date.

2. Background

- 2.1 To facilitate the online application process, the Commission will hold a "webinar" during the week commencing 14 January 2013. Applicants should contact traveltrade@aviationreg.ie if they wish to register for this event. During the webinar, the Commission will explain the steps that need to be followed to complete an online licensing application, and will respond to applicants' questions about the online licensing system.
- 2.2 This note sets out the relevant timeline for the licensing round. In addition, each licence holder will be notified by email and post with the timelines of Spring 2013 licensing round. It is the sole responsibility of the applicant to make him/herself familiar with the timetable and the dates when the application and financial statements are due. No obligation rests on this office to remind applicants of various dates and the absence of reminders will not be taken into account when applying levies in the event of the applicant's failure to meet deadlines.
- 2.3 Applicants should be aware that the providers of bonds (guarantees), such as banks and insurance companies, require several weeks' notice to ensure that completed bonds are returned to applicants. Active engagement with these providers is needed to ensure

they are fully aware of the requirement that new bonds should be received in this office by the date due.

3. Timetable for licence applications, licensing decisions, and granting of licences

3.1 For Spring 2013, the general approach to the licensing round will be as follows:

- The Commission aims to issue decision-in-principle letters four weeks from receipt of completed applications¹
- Applicants are allowed a maximum of a further four weeks to obtain a bond.
- The Commission aims to grant licences within two weeks of receipt of a bond, subject to all outstanding issues having been resolved to its satisfaction.

3.2 On this approach, the following deadlines arise:

Date	Stage
15 January 2013	Opening of on-line licensing facility
12 February 2013	Deadline for receipt of completed licence application standard fee
12 March 2013	Date Commission aims to issue decision-in-principle letters for applications made by 12 March
16 April 2013	Deadline for receipt by Commission of applicant's bond for licence to be granted by 1 May 2013 In addition to St. Patrick's Day (17 March), Good Friday & Easter Monday fall between the 31 March and 1 April

4. Fee/Levy Structure

4.1 The fee structure that will apply in 2013 is set out below.

- A completed renewal application submitted by the deadline of **12 February 2013** will attract the standard application fee of **€300**.
- Applications received on or after **12 February 2013** but before **1 March 2013** will attract a levy of **€2,021** in respect of each application.
- Applications received on or after **1 March** will attract a levy of **€4,042** in respect of each application.

¹ Where all outstanding information has been sent to the Commission and evaluated as satisfactory

- 4.2 A set of audited² financial accounts is required to be with the Commission within 4 months of the end of the accounting year ***except that accounts for entities with December year-ends are required by 31 March, which is a three month period.*** Applicants with a 31 December year-end are advised to contact their auditors or accountants now to ensure that the 31 March deadline is met. The late receipt of accounts, whether audited or unaudited, will require a levy (or levies) to be paid.
- 4.3 Entities that have provided the Commission with audited accounts for at least 4 years, who believe they may be eligible for an ³audit exemption and have not previously sought an exemption, should consult with their auditor and this office to identify if they might qualify for such exemption. Only entities that have sought and received an exemption from this office may submit accounts without an audit certificate.
- 4.4 In addition to the charges set out above, financial accounts that do not reach the Commission in accordance with timelines above will incur an additional levy of **€2,021**.
- 4.5 The dates and associated application fees are set out in the table below.

Date of submission	Application fee	Levy	Total
Up to 12 February 2013	€300	0	€300
After 12 February and before 1 March 2013	€300	€2021	€2321
After 1 March 2013	€300	€4042	€4342

² Except applicants holding a Commission audit exemption certificate allowing for the receipt of unaudited accounts

³ See CN1 2011 outlining conditions for same (available on our website)

5. Applicants without a licence from 1 May 2013

- 5.1 The Commission only commits itself to grant licences by 1 May 2013 to those applicants who provide a bond by 16 April 2013. Priority will be given to applicants who make the earliest completed applications and submit their bond documents in good time. Applicants run the risk of not being licensed if they fail to meet the 16 April 2013 deadline.
- 5.2 To protect the customers of licence holders who made bookings under the current licence, applicants who do not have a bond by 16 April 2013 will be required to obtain a new bond for the new licensing period while retaining the bond on the existing licence. This cost can be avoided by making arrangements to secure a bond in sufficient time so that there is no gap in the licences, as a gap will automatically attract the requirement to retain the bond supporting the licence ending on 30 April 2013. The Commission recommends that applicants start the bond process immediately. Bond documents are available for download from www.aviationreg.ie
- 5.3 In addition, any current licence holder who has not renewed their licence by 1 May 2013 must:
- not carry on business as a travel agent/tour operator or hold themselves out as carrying on such business and
 - confirm in writing to the Commission that they will not trade unless and until a new licence is issued.

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