



Travel Trade Licensing Arrangements For Autumn 2012

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1. PURPOSE OF NOTICE

- 1.1 The purpose of this Notice is to clarify the Commission for Aviation Regulation's ("the Commission") arrangements for the Autumn 2012 licensing round in order to facilitate a smooth and orderly renewal of licences, for the benefit of all concerned. The "Autumn Round" means licences commencing from 1 November 2012.

2. BACKGROUND

- 2.1 The Commission appreciates the manner in which applicants dealt with their applications in both the Autumn round 2011 and Spring round in 2012, where nearly all applicants were in possession of a new licence on the renewal dates. The Commission is keen to ensure similar or better success for the coming round.
- 2.2 The process followed by the financial services industry, prior to deciding on whether to provide a bond to a given travel firm, is taking longer than in previous years. The economic situation currently prevailing means that such institutions require applicants to submit their bond documents for evaluation much earlier as the process involves credit review committees in different locations and even different countries. The Commission is recommending that applicants should allow a minimum of 5 working weeks (25 working days) for decisions on bonds from either banks or insurance companies. As far as possible, the proposed licensing period seeks to accommodate this process while renewing licences by 1 November 2012.

3. THE BOND

- 3.1 Under the bonding regulations of the Transport (Tour Operators and Travel Agents) Act 1982 ("The Act") and SI No. 102 of 1983, the bond required to be held by travel companies seeking a travel trade licence may be comprised of all or any of the following:
- (i) a cash bond deposited with the Commission
 - (ii) a guarantee with a bank or an insurance company
 - (iii) a guarantee of such other type that is acceptable to the Commission

4. TIMETABLE FOR APPLICATIONS, DECISIONS, AND GRANTING OF LICENCES

4.1 For Autumn 2012, the general approach to the licensing round will be as follows:

- The deadline for receipt of completed licence applications is 15 August
- The Commission, aims to issue decision-in-principle letters within four weeks of receipt of completed applications¹
- Applicants are allowed a maximum of a further five weeks to obtain a bond. Please also see paragraph 2.2 above.
- 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.

4.2 On this approach, the following deadlines arise:

Date	Stage
18 July	Opening of on-line licensing facility and deadline for applications for Audit Exemption in respect of year-end accounts
15 August	Deadline for receipt of completed licence application at standard fee
12 September	Date Commission aims to issue decision-in-principle letters for applications made by 15 August
17 October	Deadline for receipt by Commission of applicant's bond for licence to be granted by 1 November

5. FEES AND LEVIES - TRAVEL AGENTS

5.1 Consistent with the timetable set out above, the fee structure that will apply in 2012 is set out below.

5.2 The dates and associated application fees/levies for 2012 are set out in the table below:

Date of submission of Application	Application fee	Levy	Total
By 15 August	€300	0	€300
After 15 August and before 1 September	€300	€1,997	€2,297
On or after 1 September	€300	€3,994	€4,294

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

6. FEE STRUCTURE AND LEVIES – TOUR OPERATORS

6.1 A completed licence application submitted by the deadline of 15 August 2012 will attract the standard application fee set out in the table below:

Fees will be determined on the basis of projected licensable turnover for the period of the licence (from 1 November 2012 to 31 October 2013) according to the following scale: -	
Licensable Turnover	Fee
€635,000 or less	€300
€635,001 but not exceeding €1,270,000	€600
€1,270,001 but not exceeding €3,810,000	€1,550
€3,810,001 but not exceeding €6,350,000	€2,150
€6,350,001 but not exceeding €12,670,000	€3,100
€12,700,001 but not exceeding €25,400,000	€7,800
For every €1,270,000 or part thereof in excess of € 25,400,000	€300
Additional Fee for new applicant	€300

6.2 The dates and associated application fees/levies are set out in the table below:

Date of submission of Application	Application fee	Levy	Total
Up to 15 August	See 6.1	0	See 6.1
After 15 August and before 1 September	See 6.1	€1,997	6.1 plus €1,997
On or after 1 September	See 6.1	€3,994	6.1 plus €3,994

7. ACCOUNTS/FINANCIAL STATEMENTS

7.1 In support of a licence application, the Commission requires the most recent end-of-year set of audited financial accounts (or accounts exempted from audit, see 7.3) within four months of the end of the accounting year except that accounts with June year-ends are required within three months (i.e. by 30 September).

- 7.2 Financial accounts that do not reach the Commission by the deadlines set out in 7.1 will incur a levy of €1,997 in respect of applicants who have a travel agent licence and €3,994 in respect of applicants who have a tour operator licence. A holder of both licences will be liable for both levies.
- 7.3 Accounts may be exempted from audit if certain criteria are met. In January 2011, the Commission issued a [Notice \(CN1/2011\)](#), which is available from www.aviationreg.ie, which removes, if approved, the automatic requirement for licence applicants to produce audited accounts. The grounds for exemption and the procedure by which an applicant may be exempted are set out in that Notice. Licence holders who believe they may be entitled to an exemption from the audit requirement should complete an Audit Exemption Form, available from <http://www.aviationreg.ie/>, and submit it to exemptrequest@aviationreg.ie.
- 7.4 Applicants should obtain advice from their Auditor on this process particularly with regard to the date of the year-end financial accounts which will have a bearing on the eligibility for exemption for this round. Licence holders whose current licences expire on 31 October 2012 and who wish to avail of the exemption are invited to apply to the Commission before 18 July 2012 (the commencement date for autumn 2012 online licensing). The Commission aims to issue a response to fully completed and signed Audit Exemption Forms within one week of receipt of the form i.e. by Friday 22 July 2012 in the case of applications received before 18 July 2012.

8 APPLICANTS WITHOUT A LICENCE FROM 1 NOVEMBER

- 8.1 The Commission only commits itself to grant licences by 1 November 2012 to those applicants who provide a bond and a fully completed application to the Commission by 17 October 2012. Priority will be given to applicants who submit completed applications and bond documents in good time. Applicants run the risk of not being licensed if they fail to meet the 17 October 2012 deadline
- 8.2 To protect customers who made bookings under the current licence, applicants who do not have a bond by 17 October 2012 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 timely arrangements to secure a bond to ensure that there is no gap in the licences as any gap will

automatically attract the requirement to retain the bond supporting the licence ending on 31 October 2012. The Commission recommends that applicants start the bond completion process with effect from 18 July 2012. Bond documentation will be available on the Commission's website from the date of opening of the online licensing facility.

- 8.3 Those applicants who have not secured a licence by 1 November 2012 must:
- not enter into any new contracts as a travel agent or tour operator² or hold themselves out as carrying out such business,
 - confirm to the Commission that they will not trade as a travel agent or tour operator³ until a new licence is issued.

9 LICENCE CONDITIONS

- 9.1 The Commission reminds licence holders that failure to comply with all or any of the conditions of the licence may result in steps being taken to revoke the licence. Particular regard should be paid to the requirements to submit periodic management accounts and to ensure the license number is used in all advertising material (print, tv, radio or electronic) where the full legal name of the entity is not used.

² As defined by the Act , Section 2 (1) (as amended)

³ As defined above