



# **AGENT DEBIT MEMO (ADM) POLICY**

## **ITA Airways**

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## **ITA Airways AGENCY DEBIT MEMO (ADM) POLICY**

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Dear Agent,

With this document ITA Airways (from now on referred to as Carrier) publishes the updated policy on AGENCY DEBIT MEMO (ADM), with reference to the provisions of IATA Resolutions 850m and 818g dated 01 June 2014.

### **PREAMBLE**

Please be reminded that Agents are responsible for properly issuing tickets, consistently with the applicable fares, fare rules and general conditions of carriage and with the instructions received from Carrier. Travel Agents' obligations are set out in the IATA Resolution 824.

Agent is invited to inform passengers that Carrier reserves the right to carry out inspections concerning the use of tickets and to demand, if necessary, the payment of the difference between the fare paid and the applicable fare. If passenger refuses boarding may be denied.

Agent should also inform passengers that Carrier will honour flight vouchers only when correctly used, following the right sequence and from the point of origin, as per the fare calculation on the ticket. Therefore, any irregular use of ticket or flight coupons sequence will invalidate the travel document.

In case of flight / date / booking class change after ticket issuance, whenever the payment of a supplement and/or penalty is required, the relevant ticket must be reissued. Tickets can be revalidated if changes of flight/date are in the original booking class and/or if any applicable penalties are paid through the issuance of a VMPD/EMD-S.

ADMs are a legitimate accounting tool used by Carrier to collect amounts or make adjustments to transactions related to the issuance and use of traffic documents issued by Agent, regardless of which airlines are involved in the ticket itinerary. Subject to agreement with Agent, an ADM could also be issued for debits that are not directly related to traffic documents, e.g. deposits or penalties on group sales.

Unless justified evidence to the contrary is provided, Agent owes Carrier the amount shown on the ADM, for the specified reason. Carrier will endeavour to provide as much information and detail as possible about why a charge is being applied, in order to ensure its accuracy.

In cases where an IATA / ARC Agent chooses to do business with Non IATA / Non ARC Agents, any irregularities will be borne entirely by the IATA / ARC Agent who is in charge of issuing tickets.

The latter becomes fully responsible for any irregularities and ADMs will be sent to it accordingly, regardless of the location of the Agencies involved.

This includes:

- IATA / ARC ticketing agents issuing tickets on behalf of a Non IATA / Non ARC where the booking was made by the Non IATA / Non ARC agent.

These ADMs will be handled as per IATA Resolution 850M.

The purpose of the checks is to minimize the irregularities in ticket issuance / management. Therefore, if the volume and types of anomalies are deemed to be above average, Carrier will agree to the most suitable solution with the Agent concerned.



## **ADM ISSUANCE**

ADMs will be processed through the BSP and issued within 9 months of the final travel date, or the expiry date of the ticket if the final travel date has not been established.

For refunds, an ADM may be issued within 9 months of the BSP remittance date. Any charge / refund due beyond this period will be handled directly between Carrier and Agent.

An ADM is issued for each specific transaction; however, a cumulative ADM may be issued, including a number of transactions by the same Agent, for the same reason and nature.

If different and unrelated irregularities are found, Carrier may issue more than one ADM in relation to a single ticket. For any ADMs issued online through BSP, the date of issue is considered as the date of receipt of the ADM by Agent. A daily monitoring of ADMs through BSPlink is highly recommended to Agents.

Carrier will provide the e-mail address in the Airline Contact box for each ADM: this address should not be used to start disputes. Any dispute should be handled directly through BSPlink, in order to allow a more efficient and timely management of disputes by Carrier.

## **CRITERIA FOR CHARGE**

### **Minimum Amount**

Carrier may set minimum amounts for the issuance of a single ADM depending on the type of checks performed. If differences are lower than the amount mentioned, but related to more transactions of the same kind and for the same reason, these differences may be grouped in one single ADM.

### **Administrative Fees**

To cover the cost of the audit process, Carrier will charge for each ADM a handling fee of **20.00€** (or equivalent in local currency) identifiable by the MF code (**malpractice fee**). For charges which are lower than the minimum amount, included in one single ADM, Carrier shall apply the handling fee only once. This charge will be reversed only upon full acceptance of the dispute for wrong ADM issuance.



## BOOKINGS

The Company carries out systematic checks in the booking environment paying particular attention to incorrect procedures that generate malpractice independently of the ticket issue, for which ADMs may be issued.

The ADM Policy below will be applied in case of malpractice on any booking class regarding flights operated by ITA or code-share flights with an AZ flight number. The policy aims to offer Agents and Clients a better availability of seats by promptly eliminating bookings that do not materialize or are not handled correctly, but which merely block seats unnecessarily.

In case the IATA Agency that makes the booking does not coincide with the IATA Agency that issues the ticket, the ADM will be sent to the Agency that generated the malpractice.

In the event that the booking is generated by a Non-IATA Agent, the ADM will be sent to the IATA Agency responsible for ticketing.

To avoid incurring such charges, we recommend the following:

### Duplicate booking / dupe segments / alternative segments for the same passenger:

Do not create duplicate bookings for the same passenger and endeavour to remove any excess segment/booking at the same time as the new one.

Following a regular check, the Carrier reserves the right to cancel the duplicate, with or without a ticket issued.

### Fictitious names / false ticket numbers:

Do not make bookings with fictitious names or enter false ticket numbers. Bookings which contain fictitious names and/or tickets will be screened and, once identified, the booking will be cancelled forthwith and a penalty of **50.00€** (or equivalent in local currency) will be applied per passenger booked.

### Violation of the Ticket Time Limit (TTL):

The carrier reserves the right to sanction any action that aims to modify or cancel the TTL provided by the system.

Furthermore, if dedicated TTLs are granted, the carrier reserves the right to penalise any improper use thereof.

The ADM foreseen will be **50,00 €** per passenger (or equivalent in local currency).

### Training / Test Bookings:

While training or testing, use only the test areas provided by each system. Any bookings found, without doubt, to be false, or created for training and/or test/trial purposes, shall be subject to an ADM of **50.00€** (or equivalent in local currency) per passenger.

Please be reminded that the use of active sales and action codes for training and/or testing purposes is prohibited.

### No-Show Bookings:

Non-ticketed bookings resulting to be No-Show will be charged **50.00€** per passenger booked (or equivalent in local currency). Likewise, if a ticket is used that is found to be false or to have been voided or refunded an ADM for this malpractice shall also be applied.

### Waiting lists:

Remove any excess segment that will not be used in case of confirmation from the waiting list. Carrier reserves the right to cancel any excess segments, where necessary.



## BREACH OF AVAILABILITY/ACCESS

- Violation of Married Segments:

The reservation must be created using the availability for O&D (Origin & Destination) and not the availability of individual segments. When an itinerary request returns an "Availability Display" with multiple connecting flights, the entire portion of the trip must be sold together as "Married Segments".

Agents, under no circumstances, should break up married segments.

Connecting flights booked as "Married Segments" must be modified, cancelled, quoted and ticketed as "Married Segments" at all times.

Travel agents may be notified of the detection of the O&D availability violation within 72 hours of the detection of the violation or within such other time period as may be necessary for appropriate review.

Notification of the violation will be made via the following notice displayed in PNR in the form of a Special Service Requirement (SSR):

**ATTN MARRIED SEGMENT ABUSE DETECTED - ADM WILL BE GENERATED**

Failure to comply with the above is subject to ADM.

The Carrier will issue ADM applying a penalty of **350,00€** (or equivalent in local currency) for each individual violation and passenger.

- Availability Breach / POS (Point Of Sale) Access

Availability may vary by point of sale (POS). POS identifies the country in which the booking Agency resides.

- ✓ A reservation must not be ticketed by an Agency belonging to a different POS than the one where the Agency making the reservation resides.

- ✓ A booking must not be modified by an agency belonging to a POS different from the one where the agency that made the booking is based.

Both behaviors are subject to ADM.

The Carrier will issue ADM applying a penalty of **350,00€** (or equivalent in local currency) for each single violation and passenger.

- Violation of closed classes

Please note that violation of closed classes means all those cases in which the Agent, by forcing the booking system, manages to obtain confirmation of a seat in a booking class that does not offer seats available for sale.

Reservations must be made in strict compliance with the classes available for sale.

An integrated tool within the Sabre Host System, called "PNR Footprint", allows ITA SPA to monitor any access violations by comparing, by individual segment / O&D (Origin & Destination), the confirmed class with the lowest available class at the time of booking.

Whenever the aforementioned tool reports a transaction carried out by the Agency to obtain a confirmed seat in closed classes, an "Inventory Availability Abuse" will occur, resulting in the issuance of ADM and/or the restriction of the display/sale of any ITA SPA service/flight.

Travel agents may be notified of the detection of the O&D Availability Abuse within 72 hours of the detection of the violation or within such other time period as may be necessary for appropriate review.

The notification of the violation is made through the following note that can be displayed in the PNR in the form of SSR (Special Service Requirement):

**ATTN OD AVAILABILITY ABUSE DETECTED - ADM WILL BE GENERATED**

The availability violation determines the generation of ADM.

The Carrier will issue ADM applying a penalty of **350,00€** (or equivalent in local currency) for each individual violation and passenger.

However, prior to the issuance of a ticket, if following the sending of the notification of the detected violation the agency will cancel the transaction and create a new reservation will not be sent ADM for the violation of availability.

If a ticket is issued on a reservation made with an Availability Violation, any cancellation will still follow the relevant fare rules.



#### Compliance with the name correction procedure

If, in the event of a name correction action for which an EMD is to be issued, the latter is not issued at the same time as the name correction and in any case no later than 24 hours after the correction and always before the passenger's departure, the Carrier reserves the right to send ADM in the amount of **50.00€** (or the equivalent amount in local currency) for each missed EMD.

#### Seat Blocks with Individual Bookings:

No seat blocks may be created through many individual bookings instead of the established group procedure. Such malpractice shall be subject to immediate cancellation without prior notice. If tickets are issued, Carrier shall apply an ADM of **100.00€** (or equivalent amount in local currency) per each passenger exceeding the regular individual booking amount (10).

#### Churning:

Do not make excessive and repeated bookings and cancellations for the following purposes:

- avoiding the application of the Ticketing Time Limit
- forcing access by means of non-allowed inputs
- achieving the CRS productivity target.

These actions are often performed to circumvent ticketing time limits and, by keeping the space blocked, prevent secure sales by other agencies and/or direct clients. Carrier reserves the right to send an ADM of **50.00€** (or equivalent in local currency) for each reservation where substantially the issuing of a ticket is repeatedly postponed restoring the booking status beyond an acceptable number of reinstates (5). Carrier also reserves the right to cancel the segments concerned by this type of malpractice.

The behavior specified here and related sanctions apply to all ITA operated flights. The policy aims at offering Agents and Customers a better seat availability by reducing the number of bookings that are not materialized or handled in a proper way, but which merely and uselessly block valuable space.

#### **GDS EFFICIENCY**

Carrier shall issue ADM's for specified malpractices on booking procedures on the basis of the BIDT (Billing Information Data Tape) data sent by GDS.

Given that the Airline is monitoring distribution costs to reduce the number of unproductive segments and transactions, i.e. booked segments or transactions not directly involved in the production of a ticket, the violations giving rise to an ADM are specified below:

#### Non-cancelled segments:

Segments booked by Agent and cancelled by Carrier for the following reasons:

- Ticket Time Limit expiry
- Schedule changes
- Duplicates
- Fictitious names or tickets
- Revenue Integrity Firming actions

In connection with any of the above cancellations, Carrier sends the booking in the Agent's GDS queue for the segment cancellation action.



The booking shows the segments in the following status:

- HX
- UC
- UN
- NO

Agent shall promptly cancel the said segments and, in any case, at least 24 hours before the scheduled departure of the flights. Agents should monitor their dedicated queues on a daily basis.

Please check inputs and queue number with your GDS.

GDS	CODA			
	HX	UC	UN	NO
AMADEUS	1C1	1C1	7	1C1
TRAVELPORT	23	21	21	21
APOLLO	0/1	0/1	0/1-18/20	0/1
WORLDSPAN	1	1	1	1
SABRE	7	0/1	0/1	0/1

Indicative table to be verified with your GDS.

In case of violation of the Policy herein, Carrier reserves the right to issue a **5.00€** (or equivalent in local currency) ADM for each passenger / segment held in the certified malpractice. ADMs will not be issued for amounts of less than **20.00€**.

#### Passive Segments:

Carriers reminds you that passive segments are only permitted for ticketing purposes. They must match an existing booking created by:

- Carrier for Groups;
- Carrier for individuals;
- other Agent for individuals

The following is not allowed and may give rise to an ADM if generated:

- by the same Agent creating the active reservation;
- for administrative purposes.

In the case of an established violation of the Policy herein published, Carrier reserves the right to issue a **5.00€** (or equivalent in local currency) ADM for each passenger/segment held in the certified malpractice. ADMs will not be issued for amounts of less than **20.00€**.



## TICKET ISSUE, REISSUE, REVALIDATION AND REFUND

Carrier shall perform the following checks to ensure compliance with the internal and industry regulations. An ADM, for a minimum amount of **8.00€** per single ADM, shall be applied in the event of discrepancies.

- Issue/Reissue/Refund Fare calculation
- Minimum/Maximum Stay
- Booking Class/Class of Travel
- Advance Purchase requirements
- Issue/Reissue/Refund Tax calculation
- Routing/Flight requirements
- Stopover & Transfers
- Open Jaws
- Seasonality/Travel Restriction/Blackout
- Combination of Fares & Carriers
- Joint Fare violation of other Airlines and partner Airline Joint Fares
- IATA fare construction
- Non-refundable Fares
- Group Fares
- YR Surcharges
- Change Fee/Reissue/Cancellation Fee/Refund Charges
- Issue/Reissue/Refund Commission
- Child/Infant/Other discounts
- Missing or incorrect Tour Codes/Sanction Codes/Waiver Codes/Discount Code
- Expiry of fare/ticket
- Expired tickets reissued
- Dual utilization of coupons
- Breach of any conditions/Rules/Charges covered under contracts
- Out of sequence
- Original ticket details not reported in re-issued ticket
- Endorsement restrictions
- No Show Charges
- Exchange Rates
- Refund of partly used tickets
- Conjunction ticket refunded separately
- Duplicate refunds
- Ticket refund validity
- Correct use of Fare/Airline/Plate combination
- Form of Payment
- Credit Card Refunds
- Credit Card charge back
- Credit Card fraud
- Sales not reported
- Use of tickets reported as VOID
- RBD abuse
- Any incorrect Ticketing
- Baggage allowance

Carrier will charge the lower or missing collection of fare, taxes, fees, charges, RBD violation, comparing them to the applicable amounts in effect on the date of ticket issue or reissue. In case of incorrect application of the fare (e.g. booking class abuse), the difference shall be calculated with reference to the next applicable higher fare, considering the whole ticket itinerary.

The proper applicable fare basis, tour code (if any), ticket designator, corporate information (where applicable) should always be shown on the ticket. Taxes, fees, charges should not be merged into a single tax code, either on the ticket or the refund. In case of wrong issue, even if the amount collected was correct and the dispute approved, Carrier will keep the administrative fee of **20.00€** (or equivalent amount in local currency) to cover the costs incurred for ADM issuance, due to the mistaken compilation of the ticket by Agent.





In case of wrong or omitted baggage allowance or of unjustified Piece Concept, an ADM shall be applied, as follows:

Malpractice type	Domestic Itinerary	International Itinerary	Intercontinental Itinerary
Baggage allowance non corretta (adult/child/infant)	100,00 €	200,00 €	300,00 €
Baggage allowance omessa (adult/child/infant)	100,00 €	200,00 €	300,00 €

In the case of use of the VMPD/MCO, it is mandatory to enter the document numbers in the endorsement box of each reissued ticket with all the fields properly compiled. In the case of use of EMD-S, instead, it is mandatory to enter the conjunction ticket number in the EMD-S document itself. In the case of the mistaken compilation or omitted document number, Carrier shall apply a fee of **25.00€** (or equivalent amount in local currency) in addition to the malpractice fee of **20.00€**. The same amount will be applied to tickets issued without complying with all the relevant issue/reservation rules of the fare construction (for example, compliance with the MCT).

Concerning refunds for medical reasons, these must be certificated to Carrier. Any exchange Rates shall be recalculated.

## AIRPORT CHECKS

ITA reserves the right to carry out checks at the Airport to verify compliance with the Fare Rules, the General Conditions of Carriage, the use of tickets, and to charge, if necessary, the difference between the fare indicated on the ticket and the actual applicable fare.

Therefore, Agent is responsible for the proper issuance of tickets and for accurately providing to Passengers full information on the fare rules and General Conditions of Carriage.

Before issuing a ticket, Agent is also obliged to check passenger eligibility for a certain fare (e.g. Maritime workers, Residents, Young people ....) or for the Tour Operator fares, and to inform the passenger that proof of eligibility may be requested by Carrier at any time.

In the case of established ineligibility, Carrier reserves the right to request the relevant fare supplement, where applicable.

If Agent is found to be responsible, Carrier reserves the right to send a compensation ADM.

In particular, in the case of passengers holding tickets with special Tour Operator Fares without being eligible, an ADM will be sent to Agent as follows:

- National: **90.00 €** per Ticket + **20.00 €** malpractice fee
- International: **140.00 €** per Ticket + **20.00 €** malpractice fee
- Intercontinental: **200.00 €** per Ticket + **20.00 €** malpractice fee

Agent is also obliged to inform passengers, in a detailed manner, that Carrier will honour every flight coupon only if correctly used, in the right issue sequence and from the point of origin as per the fare calculation as explicitly indicated in the General Condition of Carriage (Art. 3). Therefore, any irregular use of ticket, or flight coupon sequence, will invalidate the whole travel document.

Finally, Agent has the responsibility to inform customer that, at any time, he / she could be charged the fare difference by Carrier (plus a penalty, if applicable), between the purchased and the actual itinerary (in accordance with the fare rules).



## **ADM DISPUTES**

Agent shall have a maximum of 15 days (RESO 850m 01jun14) from receipt (=issuance) of the ADM to examine and dispute the ADM via the online dispute mechanism in BSP, before it is billed ("Latency Period").

When lodging a dispute, Agent must specify the reason for the dispute and the contact details (email address and/or phone numbers) for any clarification or supporting information that may be required. Failure to indicate the reason for the dispute will lead to its rejection.

Carrier shall endeavor to handle the disputed ADM in a timely manner, at the latest within 60 days of receiving the dispute. In this regard, we remind that the online lodging of the dispute entails the suspension of the billing and payment of the ADM, until the dispute is settled.

Carrier will examine the reasons for the dispute and will acknowledge them if it is proved that the charge was wrong/not due and/or sufficient evidence to the contrary is provided. If the dispute is fully acknowledged, Carrier shall then cancel the ADM, if it is only partially acknowledged, it shall issue an Agency Credit Memo (ACM) for the acknowledged value.

## **CONTACTS AND REQUESTS FOR INFORMATION**

The email addresses for requesting information or forwarding support documents in the case of disputes lodged through BSPlink are:

Bookings: [BookingControl@ita-airways.com](mailto:BookingControl@ita-airways.com)

GDS Efficiency: [GDSadm@ita-airways.com](mailto:GDSadm@ita-airways.com)

Ticket issues/re-issues/refunds (Italian Market): [AZsalesaudit@ita-airways.com](mailto:AZsalesaudit@ita-airways.com)

Ticket issues/re-issues/refunds: [AZsalesaudit@ita-airways.com](mailto:AZsalesaudit@ita-airways.com)

Airport checks: [AZAP.stationcontrol@ita-airways.com](mailto:AZAP.stationcontrol@ita-airways.com)

Thank you in advance for your cooperation