



# Agency Debit Memo Policy

## 1.0 GENERAL

Gulf Air (GF) uses multiple distribution channels for its fares, cargo, and ancillary products to cover the widest reach and provide convenience to potential passengers. This process entails allowing travel agents around the world access to GF's inventory through multiple Global Distribution Systems (GDS). The nature of this open exposure to GF's inventory imposes risks of abuse and causes large revenue losses. Accordingly, this Agency Debit Memo (ADM) Policy is to list and define the revenue violations that Gulf Air will inspect for, and issue ADM against.

## 2.0 ISSUANCE PRINCIPLES

In line with IATA resolution number 850m addressing the issuing and processing principles of the Agency Debit Memos (ADM) and, IATA resolution number 830a addressing the consequences of violation of ticketing and reservation procedures, and IATA resolution number IATA 824 listing the passenger sales agency agreement terms and conditions, GF hereby issues this ADM Policy to list and define the revenue violations that will be inspected and charged by ADMs.

- a) For BSP Agents, an ADM is issued through the Bank Settlement Plan (BSP) link:
  - within nine months from the last travel date for Fare & Tax Violations, and
  - within nine months from the date of refund for Refund Violations.GF reserves the right to claim any dues beyond this period (i.e. nine months) outside the BSP, and agree with the Agent on the best settlement method.
- b) For non-BSP Agents, GF is not restricted to a time frame within which a violation may be disputed or an ADM (or Manual Invoice) issued.
- c) Manual Invoices will be sent to the respective non-BSP Agent through their respective GF Local Office.
- d) GF may issue more than one ADM per ticket in cases where different violations are reported for the same ticket. In such cases each ADM will specify the nature of violation and the relevant adjustment.

## 3.0 List of Violations:

Different violations (Fare, Tax & Refund Violations) are inspected by GF and consequently ADMs are issued. These violations include, but are not limited to;

- unreported tickets
- pricing variances
- GDS / Booking abuses and
- noncompliance practices with fare rules and general conditions regardless of whether the ticket is priced manually or through the applicable system.



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### List of GDS/Booking Violations

| # | Violation                       | Definition/Description   | ADM Value                           |
|---|---------------------------------|--|-------------------------------------|
| 1 | Duplicate PNR cancellation      | GF will automatically cancel duplicate booking (PNRs) issued for the same passenger, and/or the same sector at or around the same date, and will raise an ADM.   | USD 15 per passenger per segment    |
| 2 | Duplicate segment cancellation  | GF will inspect for booking with multiple segments for the same passenger with the same origin or destination in the same PNR, or same booking class. GF will cancel one of the duplicate segments, and raise an ADM.  | USD 15 per passenger per segment    |
| 3 | Passive segment                 | When an agent creates a PNR containing a passive segment, GF will cancel the passive segment, and raise an ADM.  | USD 15 per segment per passenger    |
| 4 | Fictitious names/booking        | GF will inspect for booking containing fictitious names in the PNRs, and will cancel the booking and raise an ADM.   | USD 15 per segment per passenger    |
| 5 | Fictitious tickets              | GF will inspect for booking containing fictitious PNRs, and will cancel the booking and raise an ADM.  | USD 15 per segment per passenger    |
| 6 | Groups firming - name & deposit | GF will inspect for the required deposits for group reservations. In cases where group PNRs do not have deposit paid according to rules and/or do not have names for all seats reserved, GF will send a warning message to the booking source with information about the mandatory deposit payments and/or about when names need to be inserted into the PNR. Failure to submit the specified deposit, or enter the names for all reserved seats will result in GF cancelling the booking in full. | GF will cancel the booking in full. |

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| #  | Violation   | Definition/Description   | ADM Value  |
|----|---|--|--|
| 7  | Hidden group                                      | Where a group reservation is booked with separate individual PNRs to avoid group reservation deposit requirement, GF will raise an ADM.  | USD 100 for each passenger   |
| 8  | MCT violation (minimum connection time violation) | GF will inspect all PNRs for minimum connection time allowed, and will cancel all PNRs containing connection with minimum timing, and will raise an ADM for all cancelled segments.  | USD 200 per passenger, plus USD 15 per segment, in addition to the resulting stay- over cost |
| 9  | Fictitious block seats                            | If GF suspects fictitious block seats for which tickets were not issued, or voided tickets were issued, GF will cancel the booking and raise an ADM.   | USD 15 per segment per passenger   |
| 10 | Churning  | GF will inspect for instatement of cancelled bookings for the same PNR. GF will cancel the booking, and an ADM will be raised to the agent.  | USD 15 per segment per passenger   |
| 11 | E-ticket revalidation                             | If the Agent revalidated a ticket without applying the search charge imposed by GF, GF will issue an ADM to the Agent.   | USD 60 per change  |
| 12 | Inactive segment cancellation                     | When GF cancels a segment due to lack of ticketing, but the agent does not remove it from the face of the PNR in the GDS, an ADM will be raised.<br><i>Example segment status: (HX, UC, NO, UN, etc...).</i>                                       | USD 15 per passenger per segment   |
| 13 | COD tickets – collect on delivery                 | For itineraries where a return ticket is mandated by law, one PNR should be used for a return ticket. If the return sector is cancelled, without cancelling the booking, GF will cancel the booking and issue an ADM against the ticketing source. | full fare amount of the cancelled sector/segment   |
| 14 | High cancellation rate- unticketed PNRs           | A cancellation of more than 80% for flights departing within a month regardless of the time of generating the bookings will result in raising an ADM.  | USD 1 per passenger per segment  |

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| #  | Violation                                   | Definition/Description  | ADM Value   |
|----|---|---|---|
| 15 | Speculative bookings                        | GF will inspect for blocked bookings made on higher RBDs and cancelled close to the departure date using fictitious names in order to open lower RBD classes and benefit from lower prices.   | USD 250 per passenger per segment   |
| 16 | No show due to void ticket or refund ticket | If the agent fails to cancel the booking for a void or refunded ticket, resulting in a no show case, an ADM will be raised.   | Full fare ticket value  |
| 17 | Scheduled change                            | For every scheduled change such as TL, TK, WK, the agent should remove the old/inactive segment from the face of PNR. Failure to comply will result in issuing an ADM.  | USD 15 per passenger per segment  |
| 18 | Inventory abuse                             | GF will inspect for cases where an agent blocks a seat without completing/ending the transaction.   | USD 350 per passenger per segment   |
| 19 | Fare sales violations                       | GF will inspect for cases where an agent issues a ticket outside the blackout period and then changes the dates to move it into the blackout period.  | The difference between the blackout period rates and the reserved period dates for values of the fare, tax and commission   |
| 20 | High cancellation ratio- ticketed segments  | Cancellation ratio is allowed up to 20% from total ticketed segments monthly. Any cancellation beyond this rate will be subject to an ADM.  | 30 USD per passenger per segment  |
| 21 | Out of sequence/cross boarded coupon usage  | GF will inspect for compliance between the ticketed coupons, and the flown coupons. In cases where GF suspects that a PNR is issued for travel itinerary mismatching the actual trip in order to get lower fare or ancillary costs, GF will deny-board the passenger for the remainder of the coupons, and an ADM will be raised. | Flat ADM fee of USD 350 plus the difference between the flown ticket and the booked ticket. Passengers with a DMS segment in their ticket who arrive at BAH airport without taking the bus service and who do not have Saudi residency will be either asked to pay the difference in fare or will be denied boarding. |

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| #  | Violation   | Definition/Description  | ADM Value   |
|----|---|---|---|
| 22 | Incomplete itinerary coupon trashing                | If the travel itinerary mismatched the actual trip due to trashing any of the ticket coupons, GF will suspend the remaining coupons, and an ADM will be raised.   | Flat ADM fee of USD 350 plus the difference between the flown ticket and the booked ticket values |
| 23 | Excess baggage                                      | In cases of manipulation of weight records to allow greater weight for a passenger using weight allowance of another non-related passenger, an ADM will be issued with the applicable additional weight charges.  | Applicable additional weight charges  |
| 24 | Fraud monitoring                                    | Any ticket that was blocked "status NOGO" due to suspicion of fraud (credit card fraud, FFP fraud or charge back), should not be actioned. Failure to comply will result in issuing an ADM with the ticket price for the highest RBD on the flight travelled.   | Ticket price for the highest RBD on the flight travelled  |
| 25 | Ticket time limit on ancillaries                    | GF specifies a time limit for each of the ancillary reservations. In cases where a seat is reserved without issuing EMD (Electronic Miscellaneous Document) to settle the cost of the seat, GF will cancel the reservation, or charge the passenger the cost of the ancillary upon departure. GF will also raise an ADM.  | The maximum value for the same category of ancillary  |
| 26 | Accepting a passenger without ticket at the airport | In cases where a passenger should be accepted without a ticket due to a medical, emergency, or deportation case, the option to board the passenger as a "norec" in the system must be approved by the airport manager or the duty manager of the respective station. Failure to obtain such approval will result in issuing an ADM with the Ticket price for the highest RBD on the flight travelled. | Ticket price for the highest RBD on the flight travelled  |
| 27 | Accepting a passenger as Norec/Go Show              | In cases where a passenger is reported at the airport holding a ticket with a different date or flight number, the passenger should be accepted on  | Ticket price for the highest RBD on the flight travelled  |



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| #  | Violation  | Definition/Description   | ADM Value  |
|----|--|--|--|
|    |  | higher RBD “M” and above on the economy cabin, and “D” and above for the business cabin, provided all applicable penalties to be collected. Failure to comply will result in issuing an ADM with the ticket price for the highest RBD on the flight travelled.                         |  |
| 28 | Unblocking a previously blocked ticket without approval from the airport manager | A ticket that was blocked from flying /ticket status was made “NOGO” by GF for any reason, can only be unblocked with the airport manager’s approval. Failure to obtain such approval will result in issuing an ADM with the ticket price for the highest RBD on the flight travelled. | Ticket price for the highest RBD on the flight travelled |

GF Reserves the right to reduce the minimum value for raising an ADM (of USD 15) in case of frequent under-payments by an agent, or established conditions where abuse or neglect is obvious.

GF reserves the right to make changes to this policy. In such case, the changes will be published on GF’s public portal and the BSP link.

This ADM Policy applies on IATA and non-IATA agents.

A non-refundable, non-reversible administrative fee of USD 15 will be imposed per ADM.

GF will allow the agents 15 calendar day grace period to review the documentation, thereafter, the ADM will be automatically confirmed in case of no reply.

BSP and non-BSP Agents must justify and provide proper supporting documents when disputing an ADM.

Any unjustifiable or unclear dispute reason submitted will be rejected by GF. If any further clarifications or details related to the issued ADM are required, the Agents may contact their respective GF Local Office.

**This ADM Policy is effective from 01<sup>st</sup> of April 2019**