



## **AIR MADAGASCAR ADM POLICY**

Agency Debit Memos – ADM Air Madagascar Policy

Update : 18 June 2014

Effective date: 01st July 2014

### **Background**

AIR MADAGASCAR publishes this document in order to provide to the Travel Agent a transparent overview of circumstances under which an Agency Debit Memo will be issued and to explain the guidelines that AIR MADAGASCAR applies to ensure the proper issuances of MD 258 tickets, in compliance with tariffs, rules and general conditions of carriage and other instructions provided by AIR MADAGASCAR, IATA and the GDS.

### **General scoop of Air Madagascar ADM Policy**

AIR MADAGASCAR will check any 258-MD's ticket to view their accordance with rules and other agreements between the Travel Agent and MD.

Infraction made and/or not corrected will result in an Agency Debit Memo (ADM) as per IATA Resolution 850m, and in accordance with IATA Resolution 830a "Consequence of Violation of Ticketing and reservation Procedure".

ADMs will be issued through the BSP only within nine months after the final travel date, and Air Madagascar will make effort to issue them quickly and accurately.

In certain cases, Air Madagascar reserves the right to issue an ADM for up to 3 years, if a fully flexible ticket is first rebooked and then refunded at the end of limitation period.

A floor limit of USD 3.00 (or equivalent in local currency) applies to ADMs, exceptions for recurring occurrences of under-payment (see § 2.3)

Air Madagascar uses BSPLink for delivering ADM and ACM where available.

### **Details of Air Madagascar ADM policy**

#### *1. Scope*

Air Madagascar will issue ADMs to collect amounts or make adjustments to agent transactions related to the issuance and use including refund and exchange of Air Madagascar MD-258 traffic documents, issued by, or at the request of the agent, regardless of which airlines are included in the itinerary of the Air Madagascar traffic document.

Air Madagascar may establish an ADM to collect amounts where a traffic document has not been issued, if agreed with the agent, for example, for deposits for group sales or under charges on MD 258 tickets or fake document in PNR



Air Madagascar may also raise an ADM for the following reasons (non-exhaustive list):

- CIP violation
- Fare violation :
  - reservation class error,
  - under collections of fares / incorrect fares,
  - published fares and/or fare rules not respected,
  - IT fares and/or fare rules not respected,
  - minimum/maximum stay violation,
  - season error
  - stopover violation or oversight
- Commission violation :
  - incorrect commission application,
  - non-retrocession of commission when refund,
  - over-collection of commission
- Service fees, Surcharges and Taxes :
  - under collected or uncollected taxes,
  - missing taxes/surcharges
  - cancellation fees not deducted on refunds
  - Incorrect application of penalty (e.g. in case of reissue or exchange)
- Misplating :

When private fares of other airlines are used on MD-258 ticket stock or for any other fares for which MD-258 plate is not allowed (sales restriction), an ADM will be issued, and the amount raised is based on the IATA rule Revenue accounting Manual (chapter A2 paragraph3)

- Incorrect/ missing baggage allowance
- Unreported sales
- Wrong booking class on third carrier/ Routing not permitted on third carrier
- Refund violations :
  - Incorrect calculation of refund amount, taxes and fuel
  - Incorrect application of cancellation penalty (e.g. in case of no-show...)
  - double refunds – refunds via BSPlink and manual refunds,
  - non submission of coupons refunded automatically via GDS,
- non submission of exchange coupons on reissues,
- re-issuance without endorsements of other airline tickets,
- interline tickets issued when no interline agreement exists,



- Fraud and chargeback for credit sales
- Rejected credit cards

## *2. Air Madagascar Practice*

AIR MADAGASCAR will charge the Agent 25 EUR for ADM raised on Fare, and 7 EUR on Tax. These amounts constitute the administration fees.

### *2.1*

ADMs will only be submitted for processing through the BSP to adjust sales if issued within nine months of final travel, or when the final travel date cannot be established, the expiry date of the document. In certain cases, Air Madagascar reserves the right to issue an ADM for up to 3 years, if a fully flexible ticket is first rebooked and then refunded at the end of limitation period.

To adjust refunds, an ADM will only be issued within nine months of the BSP remittance date on which the document was settled. For any charge due beyond this period, Air Madagascar will agree with the agent bilaterally the best settlement method and only submit an ADM through the BSP process if agreed in writing by the agent.

### *2.2*

Air Madagascar complies with local BSP procedures in providing Agents with a minimum period of notice of 14 days, in order to review and dispute any ADM before its submission into BSP for process.

### *2.3*

An ADM will not be issued for a value less than USD 3.00 or equivalent. However, if there is a persistent practice of under-payment (multiple occurrences of under payments less than USD 3.00 or equivalent) by the same Agent (Agent code/IATA location), Air Madagascar may raise an ADM to recover the under-payments.

### *2.4*

Air Madagascar will endeavour to provide as much information as possible on an ADM to ensure it is specific in its detail about the reason a charge is being made.

### *2.5*

Air Madagascar will only include more than one transaction on any ADM if the reason for the charge is the same and will provide in this case details with the ADM.

### *2.6*

If Air Madagascar raises an ADM for non-compliance with fare rules, the general principle applied is to raise the fare to the next superior level or normal applicable fare. Any divergence from this principle (e.g. a fixed amount penalty charge) is communicated to the agent in advance, e.g. through notes in the fare rules, by letter or any other communication used , including GDS, in the market in question.



## 2.7

Air Madagascar Policy consists to mandate the use of electronic tickets “e-tickets” on routes where e-tickets are available. It can be verified in the GDS. Where a paper ticket is issued for an e-ticketable journey, Air Madagascar may impose a charge of USD 25.00 that will be collected by ADM. This charge will be billed to the Travel Agent. It belongs to the Travel Agent to bill customer at time of sale.

## 2.8

Air Madagascar will only issue more than one ADM in relation to the same original ticket in case where different amounts of unrelated charges apply. (This does not apply when an ADM is cancelled and raised again for the same reason but for a different value.)

## 2.9

Any disputes are to be raised by the Agent within 30 days of receipt of an ADM, i.e. - 30 days from the date where ADM is possible to be reviewed / date of issuance of ADM.

Air Madagascar will proceed in this way:

- Acknowledging receipt of the Agent’s dispute within 30 days of the receipt.
- Investigating and communicating their decision on the dispute within 30 days from the date of receipt of the dispute.
- An explanation will be sent to the Agent if Air Madagascar will reject the dispute.

In circumstances where the agent has furnished insufficient information to support the dispute or the airline decision is subject to further commercial consideration, Air Madagascar will communicate their decision no later than 60 days from the date of receipt of the dispute.

## 2.10

Air Madagascar will endeavor to handle rejected or disputed ADMs in a timely manner. Where an agent has disputed an ADM within the dispute period provided the dispute was sent to the address/fax notified on the ADM in question, Air Madagascar will acknowledge receipt of the Agent’s dispute, either via a status change in BSP Link or through a separate communication and stop the submission of the ADM onto the agent’s billing analysis. So, ADM will not be included in the billing against the Agent.

## 2.11

Air Madagascar will not send out an ADM to collect third party costs not directly associated with the initial ticket issuance of a passenger journey. Except if it is stipulated and agreed in a market, in consultation with agents individually or collectively.

Air Madagascar expectations from Travel Agents and Final Dispositions:

- To train their staff in ADM procedures, their purpose and the dispute period that exists.
- To Inform their customers and passengers with applicable fare conditions and rules
- To ensure that when an ADM is disputed, the response is specific in detail and the relevant supporting information is sent to Air Madagascar to the address / fax / mail indicated on the ADM.
- Not to dispute an ADM where the reason is valid and evidence to the contrary is not available.



- To submit any dispute within one month from the date of issuance of the ADM.

If it is established that an ADM is not valid it must be cancelled (withdrawn from billing process) by Air Madagascar.

When an ADM is withdrawn by Air Madagascar, any administration fee that may have been levied will be withdrawn or refunded to the Agent.