



Arrangements for Travel Trade Licensing in Autumn 2013

Commission Notice 2/2013

CN2/2013

8 July 2013

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1. Purpose of Notice

- 1.1 This Notice sets out the Commission for Aviation Regulation's (CAR) scheme to implement the travel trade licensing regime in the Autumn licensing round of 2013 in order to facilitate a smooth and orderly renewal of licences, for the benefit of applicants and consumers. The "Autumn Round" means licences commencing from 1 November 2013.
- 1.2 Applicants are advised that cash deposits lodged with the CAR are subject to the withdrawal of the Eligible Liabilities Guarantee (ELG) by the Irish Government from 29th March 2013. This could mean that deposits in excess of €100,000 placed with it may not be repaid if the bank in which the funds are lodged becomes insolvent. Full details of the existing Deposit Guarantee Scheme (DGS) for amounts up to €100,000 which remains in place for now can be obtained from www.finance.gov.ie or www.ntma.ie

2. Background

- 2.1 To facilitate the online application process, the Commission will hold a "webinar" during the week commencing 15 July 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. The proposed timeline is Friday 19th July at 11:00 for Travel Agents and a separate webinar for Tour Operators at 15:00 (3 p.m.) on the same day.
- 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 Autumn 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. There is no obligation 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. We suggest applicants enter the cut-off dates into their electronic calendars and diaries to ensure timely internal reminders and avoid late

levies. A countdown clock will be placed on www.aviationreg.ie to assist applicants make timely applications. Late receipt of applications will generate a levy or levies specified in this document.

- 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. You should plan for up to four weeks from the time the institution receives the bond document to the time it must be with the CAR.

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

- 3.1 For Autumn 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
16 July 2013	Opening of on-line licensing facility
13 August 2013	Deadline for receipt of completed licence application at standard fee
10 September 2013	Date by which Commission aims to issue decision-in-principle letters for applications made by 13 August
15 October 2013	Deadline for receipt by Commission of applicant’s bond in order for licence to be granted by 1 November 2013

¹ Where all outstanding information has been sent to the Commission and evaluated as satisfactory
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4. Fee/Levy Structure Travel Agents

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

- A completed renewal application submitted by the deadline of 23:59hrs on **13 August 2013** will attract the standard application fee of **€300**.
- Applications received on or after **14 August 2013** but before **1 September 2013** will attract a levy of **€2,021** in respect of each application.
- Applications received on or after **1 September** will attract a levy of **€4,042** in respect of each application.

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 June year-ends are required by 30 September, which is a three month period.*** 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. If eligible, an application should immediately seek an audit exemption from the CAR via auditexemption@aviationreg.ie. Only entities that have sought and received an exemption from this office may submit accounts without an audit certificate. We will require an Accountant's Report in place of the audit report. Any accounts submitted without a report will be rejected.

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**.

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)

4.5 The dates and associated application fees are set out in the table below.

Date of submission	Application fee	Levy	Total
Up to 23.59hrs 13 August 2013	€300	0	€300
After 13 August and before 1 September 2013	€300	€2021	€2321
On or After 1 September 2013	€300	€4042	€4342

5. Fee/Levy Structure Tour Operators

5.1 A completed licence application submitted by the deadline of 23:59hrs 13 August 2013 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 2013 to 31 October 2014 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

- A completed renewal application submitted by the deadline of 23:59hrs **13 August 2013** will attract the standard application fee set out in the above table.

- Applications received on or after **14 August 2013** but before **1 September 2013** will in addition attract a levy of **€2,021** in respect of each application.
- Applications received on or after **1 September** will in addition attract a levy of **€4,042** in respect of each application.

5.2 A set of audited⁴ 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 June year-ends are required by 30 September, which is a three month period.*** The late receipt of accounts, whether audited or unaudited, will require a levy (or levies) to be paid.

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⁵ See CN1 2011 outlining conditions for same (available on our website)

6. *Applicants without a licence from 1 November 2013*

- 6.1 The Commission only commits itself to grant licences by 1 November 2013 to those applicants who provide a bond by 15 October 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 15 October 2013 deadline.
- 6.2 To protect the customers of licence holders who made bookings under the current licence, applicants who do not have a bond by 15 October 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 31 October 2013. The Commission recommends that applicants start the bond process immediately. Bond documents are available for download from www.aviationreg.ie
- 6.3 In addition, any current licence holder who has not renewed their licence by 1 November 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.
- 6.4 Entities not licensed promptly at 1 November 2013 risk being listed on the CAR's website as not having an up to date licence. This information may attract adverse trade, consumer and media attention.

8 July 2013