

Cathay Pacific Airways Limited (CX)

Debit and Credit Memo Policy for Taiwan Travel Agents

A. Agency Debit Memo (ADM) Policy for Travel Agents

CX may issue ADMs to agents to collect amounts or make adjustments related to issuance and use of BSP Standard Traffic Documents validated on CX, regardless of which carriers are included in the itinerary.

In general, the scope covers but not limits to:

- (a) Under-collection and/or omission on fares, tour package prices, penalties, re-booking fees, service charges, fuel surcharges etc.
- (b) Under-collection and/or omission of taxes, any government or local authority charges and fees; etc.
- (c) Commission over-claimed
- (d) Contravention of fare, tax and refund rules
- (e) Excess refund
- (f) Recall of commission on refunds
- (g) Non-compliance with CX GDS ticketing and booking procedures
- (h) Non-compliance with terms and conditions of Sales Agreements
- (i) Unreported traffic documents
- (j) Credit card chargeback
- (k) Administration fee for form of payment change
- (l) Transaction fee for the use of EasyPay to pay our tickets
- (m) Penalty/transaction fee for the use of credit card to pay our tickets which we don't accept credit card payment
- (n) Penalty/transaction fee for the use of agent's own payment card or other Alternative Transfer Methods to pay our tickets without our
- (o) explicit consent
- (p) Duplicate use/refund of traffic documents
- (q) Errors made either by the agent or BSP Processing Centre in BSP report

Note: Alternative uses of ADMs are permitted if agreed bilaterally between CX and the agent.

1. Processing of ADMs

- 1.1 CX would issue ADMs to agents through BSPlink on a daily basis. To adjust sales, ADM can be issued within nine months of the final travel date or the expiry date of the document if the final travel date cannot be established. To adjust refund, ADM can be issued within nine months of the BSP remittance date on which the refund document was processed. Any debit action initiated beyond the afore-mentioned period, CX will handle directly with the agent.

With the following exceptions:

- (a) Omission and/or undercollection of taxes and local authority charges and fees for tax reporting and audit purpose.
- (b) Unreported sales and credit card chargebacks

- 1.2 CX would not send physical copies of ADMs to agents but will provide agents with supporting documents and breakdowns of the debit upon request. For complicated calculations and with ADM issued for a series of tickets on taxes and surcharges, supporting listing and breakdowns will be attached to ADM in BSPlink at the time of issuance.
- 1.3 CX would not issue more than one ADM to recall fare/surcharges/taxes in relation to the same ticket unless the nature of collection or adjustment is totally different from the previously issued ADM. For instance, the agent subsequently refunds the ticket and it is found over-refunded, CX would send another ADM to the agent in relation to that ticket which an ADM has been sent before for under-report of fare/surcharge/taxes.
- 1.4 CX would issue an ADM for a specific transaction only, and will not group unrelated transaction together. However, more than one charge can be included in one ADM if the reason for the charge is the same.
- 1.5 Unless otherwise agreed, CX would not issue ADMs to collect third party costs not directly associated with the initial ticket of a passenger journey.
- 1.6 Penalty on unreported sales is levied by BSP by ADM and under the following conditions:

1st instance	TWD1,350 BSP administration charge
2nd instance	TWD1,350 BSP administration charge
3rd and onward	TWD1,350 BSP admin. fee or difference between published fare and NET fare, whichever is higher

Irregularities will be cleaned up if an offence occurred 12 months onward from the last instance.

2. ADM Correspondence and Dispute

- 2.1. Agents if dispute the ADMs issued by CX should email to GGT#FD@cathaypacific.com with reasons, despatch ADM dispute to CX Finance Department.
- 2.2. CX would respond agent's ADM disputes within 60 days of receipt as per IATA Resolution 850.
- 2.3. For any valid dispute submitted after expiry of BSPlink latency period and up to six months from date of ADM, CX reserve the right to charge a late fee which would be deducted from the credit memo issued to the agency. Any ADM dispute submitted after six months from date of ADM will not be entertained.

3. Report of short payment by ADM request through BSPlink

- 3.1. In line with the automation of sales summary adjustment by BSP, agents should report short payment by ADM Request function through BSPlink to CX for authorization.

B. Agency Credit Memo (ACM) Policy for Travel Agents

CX would issue ACMs to reimburse or make adjustments to agents on cash activities resulted from errors made by either agents or BSP Processing Centre.

Over-payment for transportation or related charges and fees paid by credit card will only be made to the original credit card used for the ticket purchase.

1. ACM Request by Agents

- 1.1. Agents requesting ACM should email to TPE#FIN@cathaypacific.com with reasons or despatch ACM request with supporting documents to CX Financial Department. Absence of supporting would result in delay in processing of ACM Request.

2. Permitted Time Frame and Minimum Adjustment Amount

- 2.1. Adjustment request would not be accepted after one year from date of issuance of ticket.
- 2.2. Amounts less than admin. fee TWD300 per transaction will not be handled.

3. Administration Fee

- 3.1. CX would levy an administration fee TWD300 per ticket for FIT ticket or TWD1,350 per group booking record and reserves the right to amend this admin. fee to cover transaction costs that are related to the processing of ACM.

4. Processing of ACM Request

- 4.1. CX will only process ACM Request from agents for transactions with the same reason. Grouping of unrelated transactions in one ACM Request is not permitted.
- 4.2. CX would authorize ACM Request from agents in BSPlink.
 - CX would state reason(s) for rejected ACM Request or process ACM Request with revised value.
 - For rejected ACM Request, no ACM will be issued unless it is bilaterally agreed between CX and the agent for re-submission by agent.

Although the above summarize the ADM/ACM policy of CX, they should not be construed as complete and final as they will be reviewed and subject to change by CX from time to time when needed. In the event of recurrent abuse, suspected fraud and other extraordinary circumstances, an in-depth audit may be performed, and the above would no longer be considered as valid.