SECTION 5 - REFUND RULES AND REGULATIONS

5.1 INTRODUCTION
The purpose of this section for Agents and Travel Consultants is to create a clear understanding of the Policy applicable to the Refund and Cancellation process with regard to the travel documents of South African Airways (SAA). Do note that this section is an extract of the SAA Head office policy and procedure 2014 document.

It is the Selling Agents responsibility to clearly explain not only the conditions of fare purchased but also the refund rules and regulations pertaining to the applicable purchase.

SAA Passengers and the travelling public in general, when applying for a refund often indicate they were not aware of the refund and cancellation terms and conditions applicable to the services rendered or the travel document they have purchased.

This is a clear indication that many of the uncertainties regarding the refund and cancellation process could be prevented at the first point of purchase/contact. Therefore once again the selling agent should explain the terms and conditions of the purchase.

The Refunds Department at Airways Park process more than 5000 refunds per month (200 refunds per working day). It is important that a clear understanding of this policy is attained between SAA and the Agent/Travel Consultant. This will improve the refund processing time and enhance good customer relations.

5.1.1 COST OF SERVICES PROVIDED AND THE NUCLEUS OF THE REFUND POLICY
Any kind of service requested by a person or passenger and provided for, incurs an expense. To confirm the services provided for, a suitable valid travel document indicating the required service is issued, not free of charge, but at a cost.

The cost for issuing such a travel document or service rendered will therefore be recovered whenever a request for a refund or cancellation is received by SAA.

Besides the incurred cost involved, this interaction also constitutes the basis for an obligatory contract between the passenger and the SAA Station or Agent and forms the nucleus of the Refund and Cancellation policy of SAA.
5.2 IATA APPOINTED AGENTS OR TRAVEL CONSULTANTS

All IATA appointed Agents or Travel Consultants are considered to be fully competent and able to transact reservations and issue travel documents on behalf of SAA.

To expedite refunds and to limit all the unnecessary delays to the refund process, all IATA appointed Agents will make sure that their Travel Consultants are able and authorised, to quote airfares, effect reservations, process refunds and issue travel documents, in accordance with this policy.

Any Agent or Travel Consultant will confirm and display on the travel document being issued, all the necessary elements depicting exact terms and conditions applicable to that travel document. The omission to do so could render the Agent or Travel Consultant liable in accordance to the terms and conditions related to any service or travel document and will be unjustifiable.

Note: SAA will not be responsible for any cost incurred by such an error or any other errors made by an Agent or Travel Consultant.

5.3 BSPLINK REFUND APPLICATION PROCESSES FOR BSPZA

The Head Office Refunds Department will not approve any refunds on BSPLINK. Applications for refunds received via BSPLINK for the BSPZA market will be processed and finalized on SAP Refunds system. Once finalized, the BSPLINK application will be rejected with the relevant comment indicating the reference number that will appear on the agents billing (908…….). The refund process takes up to a maximum of 21 working days.

Note: An application on BSPLink should only be made upon receipt of a request to do so from a passenger by the travel agent

All relevant supporting documentation must be attached on the online application.

For E-tickets / EMDs
Attach copies of all documentation to the online application e.g. death certificate, medical certificate, hospital bill, etc.)

VMPD's / EMDs:
Attach copy of VMPD. If it is a VMPD for a group deposit attach authority obtained from groups department to refund.

Downgrades:
Attach copies of all documentation to the online application (including the boarding pass).
5.3.1 THE REFUND PROCESS

The refund process is very dynamic and involves electronic and manual systems that are managed and validated at different intervals by trained staff.

It is regulated by:
- Government regulations
- Conditions of carriage
- IATA resolutions
- Fare rules and conditions

An originally issued travel document, used in accordance to the service/s for which it was issued, has no other additional costs over and above the displayed amount.

When a passenger requests a refund, an amendment, a cancellation or a modification, for a specific service/s that was rendered, it constitutes a change of the original formal contract. The party or person, who has requested the change, in part or in total, will pay all costs, or penalties applicable and relevant to the change/s of the initial contract.

Any cost that is waived during the refund process will be a direct loss for the Agent/Travel Consultant/SAA.

Note: Any Agent’s error of incorrect issuance or any other form of errors will be a cost for the Agent or Travel Consultant, and will not be the responsibility of SAA.

The refund cost will be recovered in the form of either an:

* **Administrative Fee**

  or

* **Cancellation Fee**

Note: This is for the BSPZA market only as all countries will charge as per the market they serve.

To allocate the applicable costs of an originally issued travel document, which will no longer be used as issued, in total or in part, it is necessary to establish whether that required change of the original travel document is: Voluntary Or Involuntary

5.4 ADMINISTRATION FEES AND CANCELLATION PENALTIES FOR REFUNDS

ADMINISTRATION FEES
Administration fees are charged for the work performed to process a refund on a traffic document. This is not to be confused with a cancellation penalty.

An administration fee is to be charged where there is no cancellation fee on the fare concerned. This fee is applicable even when a travel agent is processing the refund direct.

In cases where the cancellation is less than the administration fee, the latter will be applicable.

**Note:** All refunds that should have been processed on GDS but are forwarded to the airline will attract an additional admin fee of ZAR500.00 plus VAT over and above the applicable administration/cancellation fee.

**IATA BSP AGENTS**
In certain markets, SAA may grant Agents a percentage or fixed portion of the administration or cancellation fee imposed on travel documents being refunded.

In the following instances, Agent or Travel consultant will forfeit any administration fees where:

A. The Agent or Travel consultants send or refer refunds to the SAA Refund Office.

B. The Agent or Travel Consultant incorrectly computes the value of refund, or neglects to apply the cancellation fee in accordance to the rules and regulations of that particular travel document.

**IATA BSP Agents reserve the right to charge any additional administration fee from their clients to cover their operational expenses, but this must then be collected and communicated to their clients outside the BSP process.**

**CANCELLATION FEES**
A cancellation fee is payable as stipulated by the particular fare rules. Cancellation penalties may vary according to the conditions of sale, and is normally related to the conditions of the transportation contract sold, and not to be confused with an administration fee for a refund.

**Note:** Either an administration or cancellation fee (whichever is the highest) will be charged when processing a refund for the BSPZA market.

**REFUNDING OF TAXES ONLY**
In the event where the entire fare is non-refundable, the non-refundable amount (excluding vat) must be reflected in the remittance area, therefore, the amount must reflect in the cancellation penalty area followed by the vat in the vat box.
5.4.1 SAA HEAD OFFICE REFUNDS WILL ONLY PROCESS THE FOLLOWING TRAVEL AGENT REFUNDS

- Involuntary Refunds
- Group Refunds
- Waiver and Favor authority (e.g. death, medical)
- Exchange tickets
- Changes in IATA agent number
- Change in the form of payment
- Incorrect spelling of Passenger name
- Expired Tickets

**Note:** Any refund forwarded directly to SAA not falling into the above categories will attract an additional administration fee of R500 plus VAT.

5.5 VOLUNTARY REFUND

A voluntary refund is a refund where the reason for the refund of a totally unused travel document or the unused portion of it, is solely attributed to action of the passenger or the lack thereof.

Examples are:
- Decision not to travel
- Error by Agent or Travel Consultant in issuing the travel document

**Note:** All the necessary penalties and cancellation fees will normally apply in these instances.

**Waiver requests for voluntary refunds:**
Waivers of cancellation fees or administration fees on voluntary refunds must be referred to SAA H/O Refunds department and may not be paid out by any station or directly by a travel agent, without the approval of the H/O department.

**Consumer Protection Act (CPA) directive for refunds:**
Consumer Protection Act is the law applicable in South Africa which gives consumers the right to receive full refund in case of Illness/Death.

- **Illness**
  - The hospital Account/Admission form must be obtained
  - Full Refund

**Note:** Fare rules will apply where no hospital account/admission form is received to substantiate illness. Medical Certificates are not covered by the Consumer Protection Act.
Death
• Death certificate must be obtained
• Full Refund

Note: Death and illness should coincide with the dates of travel. Each country has its own government regulations pertaining to consumer protection/rights.

5.6 INVOLUNTARY REFUND
An involuntary refund is the request for a refund of a totally unused, or the unused portion of a travel document, which can be solely attributed to the airline being unable to provide the contracted conveyance of a passenger as detailed on the travel document.

Attributed to the following:

• Safety or legal requirements
• Cancellation of a flight
• The airline fails to operate a flight according to the schedule
• Fails to stop at a point to which the passenger is destined to stopover.
• Unable to honor confirmed space
• Unable to honor the class booking
• Unable to deliver passenger to a connecting flight for which the passenger holds a confirmed reservation issued within the same travel document.

Note: Under this clause, all the administrative or cancellation fees will not be applicable.

Waiver requests for involuntary refunds:
Waivers of cancellation fees or administration fees on involuntary refunds must be referred to SAA H/O Refunds department and may not be paid out by any station or directly by a travel agent, without the approval of the H/O department. In the case where the Travel Agent has proof or evidence that led to such involuntary refund, such proof must be submitted to H/O to validate the authenticity of the situation, which will ensure that the involuntary refund is properly supported with circumstantial evidence.

Note: Denied boarding due to incorrect documentation (e.g. Visa) or on advice from an Embassy’s Airline Liaison Officer does not constitute an Involuntary Refund.

5.6.1 TERMS AND CONDITIONS OF REFUNDS
• The validity of a travel document is one year for international and six months for domestic flights; calculated from the day of commencement of a flight (partially used) or
the date of issue for an open or unused travel document. Special / Restricted Fares will determine the validity as per the special fare rule.

- The validity of a travel document for refund purposes is twelve (12) months from date of issue. Travel documents that are older than (12) months may not be refunded.

**Note: This policy applies for documents issued in South Africa only.**

- Subject to applicable Government Regulations and their currency control restrictions, an Agent / Travel consultant or Carrier will refund only, to the person who has paid for the travel document in the original form of payment, via the original issuing agent office.

### 5.7 FAILURE BY SAA TO PROVIDE CARRIAGE

On failure by SAA to provide carriage in accordance with the contract of carriage, or where a passenger requests an involuntary refund, the refund for an unused travel document or portion thereof will only be made by SAA in accordance with the clauses and conditions of this policy. Refer to our website: www.flysaa.com

Agents and Travel Consultants may re-issue an SAA travel document only if the airline failed to provide the transport in accordance with the terms and conditions thereof and upon the airline’s notification or authorisation.

### 5.8 REFUND PAYMENT OF TRAVEL DOCUMENTS BY AGENTS OR TRAVEL CONSULTANTS

#### 5.8.1 VOLUNTARY REFUNDS

Totally unused travel documents and partially used travel documents:

- The Agent or Travel consultant will refund the travel documents issued by that same Agency if the motivation for the refund is on a voluntary basis. In the event of an ADM due to duplicate usage SAA will request from the Travel Agent the written request for refund as instructed by the customer to the Travel Agent.
- A voluntary refund requires that all applicable administrative or cancellation fees be applied.

**Note: Waiver of these fees will only be approved and sanctioned by SAA’s Refunds Department.**

**VMPD’s / EMD’s**

All VMPD’s/EMD’s refunds will be forwarded to the carrier whose document has been used to originate the transaction.

**Note: Voluntary refunds will be made by the Carrier who originally issued the travel document or by the Agent who issued the travel document when authorization is received. All BSP E-TICKETS/VMPD’s/EMD’s issued for groups require authority from the groups department before they can be finalized.**
5.8.2 INVOLUNTARY REFUNDS
All Agents or Travel Consultants will forward involuntary refunds to the ISSUING AIRLINE for refund and processing.

All involuntary refunds HAVE to be referred to H/O Refunds Department for authorization. Only once such authorization has been received, may the station pay out such refund.

Note: SAA will only process travel documents under this clause.

5.9 PERSON TO WHOM THE REFUNDS WILL BE MADE
SAA will make a refund to the travel agent via BSP according to the form of payment as indicated in the ticket purchased. The only acceptable deviation would be where the credit card indicated in the ticket has changed and there is proof substantiating that fact (letter from the credit card institution/bank declaring the change).

Refunds for closed agents will be dependent on the reason for closure thereof.

5.10 RIGHT TO REFUSE A REFUND
SAA may refuse to refund a travel document if application thereof, is made later than TWELVE MONTHS after the date of issue of document.

The Carrier may refuse the refund on a travel document, which has been presented, to a Carrier or Government officials of a country as evidence of intention to remain in that country. Unless the passenger establishes to SAA's satisfaction, that he or she has received permission to remain in that country or that he or she will be departing from that country on another Carrier or other means of transport.

5.11 CURRENCY
All refunds will be subject to Government laws, rules and regulations or orders by the country in which the travel document was originally purchased and of the country in which the refund is being made.

Subject to the foregoing provision, refunds will normally be made in the currency in which the ticket was paid for, but may be made in another currency in accordance with Carrier's Regulations and its applicable rates of exchange.

5.12 METHOD OF REFUND PAYMENT BY AGENTS AND TRAVELLING CONSULTANTS
An Agent or Travel Consultant may only process refunds on travel documents that were issued by them. The refund will always be processed in the same way as the original transaction form of payment, i.e. cash, cheque, or credit card.
If another Agent has issued a travel document or Travel Consultant not affiliated to SAA, or outside of South Africa, or by another Carrier, the person requesting the refund must be referred to that issuing office for a refund.

Lost document refunds, expired travel documents, unused VMPD's/EMD's must be referred and submitted to the issuing Carrier together with the appropriate refund application and their required attachments.

5.13 SUPPORTING DOCUMENTATION
A refund will only be processed if the original travel document and supporting documentation as required have been attached to the correct refund application form and forwarded to our offices for processing.

Only in the following instances will photocopies of the documents required for a refund be accepted:
• Lost document refund application,
• Death certificates,
• Hospital bills
• Passport or I'D. Documentation of the passenger,
• The Agent or Travel consultant's copy of the document,
• In the case of cabin occupancy downgrade, the copies of the passenger's travel document together with a boarding pass of the passenger.

5.14 THE REFUND OF LOST, STOLEN OR DESTROYED TRAVEL DOCUMENT
The following procedure will be followed regarding lost, stolen or destroyed travel documents.
• Any passenger declaring that they are no longer in possession of a travel document, for which, they want a refund will be requested to complete an SAA Form of Indemnity (FOI), agreeing to indemnify SAA for any loss or damage it may sustain by reason thereof.
• The original of a completed F.O.I. declaration, together with a photocopy of the declared lost document and an EMD/VMPD/PROOF OF PAYMENT for the lost document fee, (presently set at R300.00 plus 14% VAT for the BSPZA market), must be submitted with the refund application form to the Refunds office.
• The refund of a lost, stolen or destroyed travel document, partly used or totally unused, can only be processed after expiry date of that document. A copy of the new travel document purchased to complete the journey will waive any cancellation fees if all information (e.g. fare, routing, dates) is the same.
• The required processing lost document fee does not waiver any cancellation penalties or refund administrative fee, which may be applicable to that particular document for the airfare being refunded.

Note. The omission of these requirements will only delay the completion of the refund process.
5.15 MEDICAL CERTIFICATES
The waiver of the cancellation fee will only be considered on illness of a passenger or immediate family based on the fare rules.

It is recommended that the passenger be advised and encouraged to take out a cancellation and curtailment insurance cover. The insurance cover will protect and compensate for all those eventualities or penalties that will be levied to those airfares they have chosen to purchase.

Immediate Family is defined and limited to spouse, children (including adopted children) parents, brothers, sisters, grandparents, grandchildren, fathers-in-law, mothers-in-law, brothers-in-law, sisters-in-law, sons-in-law, and daughters-in-law.

5.16 APPLICABLE FARES
The applicable fares are those published by or on behalf of SAA, or if not published, constructed in accordance with the Carrier's rules and conditions relevant to that fare which are subject to Government Requirements and the Carriers Regulations.

The applicable fare is the fare for the flight or flights in effect on the date of commencement of the carriage covered by the first flight coupon of the ticket. When the amount that has been collected is not the applicable fare, the difference to the applicable fare shall be paid by the passenger or, as the case may be, refunded by the Carrier, in accordance with the Carrier's Regulations.

5.17 REFUND AMOUNT

5.17.1 VOLUNTARY REFUND
If a passenger or issuing agent, wishes a voluntary refund of a travel document for a reason other than those set out for an involuntary refund, the amount of refund shall be:

- If no portion of the travel document has been used, an amount equal to the fare paid, less any applicable administration or cancellation fees.
- If a portion of the travel document has been used, the refund will be the amount equal to the difference between the fare paid and the applicable fare for travel between the points of which the ticket has been used, less any applicable administrative or cancellation fees.

Note: In some cases not all fares are refundable according to the fare rules and regulations that are stipulated under this clause.
5.17.2 THE REFUND OF A DOCUMENT UPGRADABLE TO THE NEXT HIGHER FARE

Currently a number of fare bases stipulates the rule, that the ticket is non-refundable but upgradeable to the next higher fare. Should the ticket be upgraded to a higher fare, the original fare rules and those of the upgraded fare will be considered in case of a refund calculation.

5.17.3 INVOLUNTARY REFUND

If the refund is due to involuntary basis, the amount of refund shall be:

- If no portion of the ticket has been used, an amount equal to the fare paid
- If a portion of the ticket has been used, the refund will be the higher of,
  a. The one way fare (less applicable discounts and charges) from point of interruption to destination or point of next stopover
  OR
  b. The difference between the fare paid and the fare for the transportation used.

**Note:** In both these instances the administrative or cancellation fees, if any applicable to that fare, will be waived and absorbed by SAA.

5.18 AUTOMATED BSP REFUND PROCESSES

Automated Refunds is available in the BSPZA market. This means that Agents will use their GDS to finalise refunds that do not require Airline authorization.

Agents should refer to their GDS manual for procedures on how to process auto refunds.

**Note:**
- SAA has no consultants to assist with the agents GDS policy and procedures.
- The normal Refund procedure, rules and regulations will apply.
- Partial and Full Refunds will be accepted via the auto refunds process.
- XP, OC, DV and DU tax codes are non-refundable.
- The Cancellation or Administration fee will always be applicable.
- Non-refundable fares are non-refundable.
- SAA will continue to audit the billing and ADM's will be issued for violations.
- Coupons of those travel documents being processed for refund through the GDS must be crossed and marked "REFUNDED ".


Those travel documents which have been issued incorrectly, either due to "system error" or "agents error" or "duplicate issue", will be marked "VOID" and reported as such to BSP within the same sales reporting period. If these errors are detected only after the corresponding reporting period of the date of issue, they are to be processed as "normal" refunds, applying any administrative or cancellation penalties due. It is the duty of the Agent to correctly recuperate or claim from the source of origin the fees if the passenger is not liable for them. These documents are "NOT INVOLUNTARY" refunds.

5.19 FEES CHARGED IN THE BSPZA MARKET

The standard refund administration fee is R250 (plus 14% VAT) this is for refunds that by their nature require Airline authorisation and for refunds processed direct by travel agents. The charge is applicable to all voluntary refunds.

Note: The standard refund administration fee of R250.00 (plus 14% VAT) is also applicable to refunds processed through the GDS and travel agents are entitled to a 50% commission thereof. However no ACM’s will be issued by SAA in this respect, as travel agents are required to process their refunds correctly – the 50% commission is to be collected at the time of processing the refund.

The alternative refund administration fee is R500 (plus 14% VAT).
- This is for refunds which should have been finalised by the agents direct using their GDS.
- This administration fee will either be collected through an ADM (if the FOP on the ticket is credit card) or deducted from the refund (if the FOP is cash).
- The alternative refund application fee will be over and above the standard refund administration fee of R250.00 (plus 14% VAT) or applicable cancellation fee.

The form of indemnity fee is R300 (plus 14% VAT).
- This is for Lost Tickets (take note that most airlines are now paper less), however the cost will stand to those who still remain on paper ticket.
- The form of indemnity fee will be charged over and above the applicable Administration or cancellation fee.

Note: Only Cash and Credit Card are valid payment types for BSP Agent refunds.

5.20 SPECIFIC REFUND REQUIREMENTS FOR H/O APPROVAL

5.20.1 INCORPORATION REFUNDS (ADVANCED)
Correspondence with Other Airline
- Voluntary/Involuntary downgrade
- Missing coupons due to incorrect exchange
• Retroactive refund
• Request from OAL & follow up correspondence

**Supporting documentation**
• Refund application/Approval Forms completed in detail
• Copies of all TICKETS/EMD/VMPD’s involved
• Flight details (referral notices handed to PSGRS by other Airlines, Boarding Passes, etc.) that may be of assistance in finalizing the refunds.

### 5.20.2 GROUP REFUNDS

**Supporting Documentation**
• Refund application
• Unused tickets
• Purged PNR
• TICKET/EMD/VMPD utilisation (RAPID)
• Copies of TICKET/EMD/VMPD’s involved

**Group department authorisation**
• Obtain group authorisation document stipulating the waiver rules and regulations according to the group purchase.
• Refer to Group Waiver policy for refunds

### 5.20.3 LOST TICKET

**Supporting Documentation (Refund after Expiry)**
• Refund Application/Approval Forms completed in detail
• Copies of all TICKET’s involved
• Form of Indemnity correctly completed & signed by person/PSGR reporting the loss. (If agency –office stamp required)
• Copy of ID/Passport
• VMPD/EMD for F.O.I. Fee of ZAR342.00 incl. VAT

### 5.20.4 UNUSED TICKETS

**Supporting documentation**
• Refund Application.
• Unused Coupons
• Permanent Residence Certificate where Applicable

### 5.20.5 RETRO-ACTIVE REFUNDS WHERE APPLICABLE EG: STUDENT

**Supporting Documentation**
• Refund application/Approval Forms completed in detail
• Copies of all TICKETs/EMD’s/VMPD’s involved
• Flight details (e.g.: Flight numbers, Dates of travel, Boarding passes, endorsements) that may be of assistance in finalising the refunds.
• Student Certificates must be received by Agents/SAA within three months after commencement of travel.

5.20.6 VOLUNTARY AND INVOLUNTARY DOWNGRAADING
Supporting Documentation
• Refund application/Approval Forms completed in detail
• Copies of all TICKETS’s/EMD’s/VMPD’s involved
• Flight details
• Boarding passes
• In-/Voluntary downgrading notices handed to PSGRS by Airline concerned.

5.20.7 AGENT ERROR – NEW TICKET ISSUED
The agent issues a ticket incorrectly for the passenger and is forced to issue a new ticket and cancel the original one, for example:
• Name incorrectly spelled or entered on ticket as Mr instead of Mrs/Miss

Supporting documentation
• The agent must prove that a new ticket was issued for the same itinerary before a waiver can be granted.

Note: The agent has the ability to cancel such incorrect ticket the same day on his/her SALES REPORT. This will eliminate an unnecessary refund. If such agent did not cancel the ticket on the SALES REPORT, the standard administration fee plus VAT will be charged as indicated.

Waiver policy
• Waive the cancellation fee.
• Issue an ADM for the admin fee to the agent or charge it to the refund to recover cost.

5.20.8 PASSENGER LOST TICKET AND PURCHASED ANOTHER TICKET (FOI)
Passenger for whatever reason lost ticket and were forced to purchase new ticket.
Supporting documentation
• Form of Indemnity Form (FOI) must be completed and FOI fee must be charged.
• The new tickets purchased must be for the same date as for the original tickets.
• Check that lost tickets were not utilized.
• Apply the lost ticket policy provisions (refund after expiry).

Waiver policy
• Waive the cancellation fee.

Note: Where there is no new ticket purchased, the applicable cancellation fee or standard administration fee must be charged.
### SECTION 1

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#### 5.20.9 FLIGHT INTERRUPTIONS OR CANCELLATIONS
Passenger could not travel due to involuntary flight interruption or cancellation.

**Supporting documentation**
- An authority must be obtained from the airport to stipulate and validate the flight interruption and/or
- Flight Manifest/Cognos.

**Waiver policy**
Waive the cancellation fee and Standard Administration Fee.

#### 5.20.10 COMPANY DECLARED
Occurrences that have an impact on world-wide or national carriers.
E.g. September 11; SARS in Far East; Flights reduced; Strikes

**Supporting documentation**
- Company policy or ruling in the specific regard.
- Proof that the passenger was affected by the circumstances.

**Waiver policy**
- Waive the cancellation fee and Standard Administration Fee.