

## **SECTION 4 - FARE AUDITS**

SAA has appointed Zero Octa as fare auditing company to perform the fare audits effective August 2006 billing period 1.

This decision was taken to bring the following benefits and enhancements to our fare audit process:

- Billings will now be audited by Zero Octa, the preferred Star Alliance auditors;
- Accurate ADMs and easier dispute handling processes directly with Zero Octa;
- Dispute Communication channels will only be handled by Zero Octa via Fax or E-mail as per the instruction on the ADM.
- SAA supports Zero Octa who can lead and enhance service levels and increase in capabilities and functionalities to be provided to other carriers and agents in the market as well;
- The new fare audit service level agreement will ensure that service is of world-class standard;
- Specific training seminars and workshops to discuss fare audit related issues and to educate the travel agent industry on a regular basis.

### **4.1 FARE AUDITING: INTRODUCTION AND BACKGROUND**

All major airlines conduct fare audits to ensure that their approved agents and own offices accurately issue traffic documents. The purpose of a Fare Audit is to protect the airline from abuse of its fares and to ensure that fares and Taxes Fees and Charges (TFC's) are not under collected or abused which may result in a financial loss to the airline. Fare audits also ensure that agents issue tickets on an equal footing and that there is not unfair practice where agents abuse fares which are disadvantageous to the rest of the agent community that conducts fair and accurate practice.

It is important that the travel industry should have a clear understanding of the Fare Audit process to prevent unnecessary mistakes or abuse by its contracted or employed agents, which might result in an ADM (Agent Debit Memo) to the agency.

Fare audits were outsourced by SAA since April 2000. This function may be conducted internally, or can be outsourced. To ensure a high quality audit, this function is in many instances outsourced to a suitably qualified and IATA accredited Fare Audit Company such as Zero Octa to ensure industry standards in this regard are applied. SAA reserves the right to conduct any fare audit in order to protect the airline's revenue, and also reserve the right on choice of the fare Audit Company.

It is to be noted that the focus of fare audits is not to penalise agents, but to ensure that a high quality of ticketing is maintained, which enables the financial systems of the airline, dependant on the accurate ticketing information to function properly, and to safeguard the airline of financial loss as a result of the conduct of its agents and own stations.

## **4.2 SAA SUPPORTS THE IATA RESOLUTION 850 M**

**The RESOLUTION 850m contains the ISSUE AND PROCESSING OF AGENCY DEBIT MEMOS (ADMs) principles and interprets the resolution as follows:**

- The ADM serves to notify an Agent that unless there is some justification to the contrary, the Agent owes SAA (the issuing BSP Airline) the amount shown on the ADM for the reasons indicated.
- ADMs are a legitimate accounting tool for use by all BSP Airlines to collect amounts or make adjustments to agent transactions in respect of the issuance and use of Traffic Documents issued by or at the request of the Agent.
- The Airline (SAA) is required to publish and communicate in writing their ADM policies to Agents in advance of implementation. Therefore this manual contains and serves as the airline policy pertaining to the issuance and reasoning for ADMs and serves and supersedes all prior fare audit related policies.
- ADMs shall only be processed through the BSP if issued within nine months of the final travel date. Any debit action initiated beyond this period shall be handled directly between the BSP Airline and Agent.

SAA will communicate all charges, cost recovery fees and administration fees prior to implementation. These fees are also reflected in this manual and are subject to change.

Do note that your GDS is responsible for the timeous filing of any changes example: taxes, fees or charges.

## **4.3 TRAFFIC DOCUMENTS SUBJECT TO FARE AUDIT**

Fare audits (inclusive of taxes, fees and charges) are conducted in the following areas:

- Automated tickets (prime sales and re-issues)
- VMPDs

- Manual Tickets and MPDs

## **AUTOMATED TICKETS**

The fare audit company is furnished only with the BSP HOT (Billing and Settlement Plan Hand of tape) data and the audit is conducted purely electronically without any manual audit coupons on hand. Therefore it is essential that ticketing on such documents is accurate and complete, to ensure that all the fare basis, special endorsements and ticketing information as prescribed by the airline is ticketed accurately. Automated ticket audits are conducted on a weekly basis, as soon as the BSP HOT file is available. Remember, an automated ticket cannot be manually amended; because the manual amendments are not on the HOT and therefore invalid. If you omitted information on a ticket, such ticket needs to be cancelled and a new ticket issued.

## **MANUAL TICKETS AND MPDS**

The fare audits are conducted on the actual physical audit coupon's information, combined with the amounts reported on the BSP billing.

### **4.4 SAA FARE AUDIT CATEGORIES**

SAA has identified the following FARE AUDIT CATEGORIES and would like to remind you of our appendix B as per our SAA conditions of carriage Article 5 ([www.flysaa.com](http://www.flysaa.com)):

#### **ARTICLE 5 - FARES, TAXES, FEES AND CHARGES**

##### **5.1 FARES**

Fares apply only for carriage from the airport at the point of origin to the airport at the point of destination, unless otherwise expressly stated. Fares do not include ground transport service between airports and between airports and town terminals.

**Your fare will be calculated in accordance with our Tariff in effect on the date of payment of your ticket for travel on the specific dates and itinerary shown on it.** Should you change your itinerary or dates of travel, this may impact the fare to be paid.

#### **4.4.1 IN ADDITION TO THE ABOVE PLEASE TAKE NOTE OF THE FOLLOWING VIOLATIONS AND HOW MINIMIZE SUCH VIOLATIONS:**

<b>VIOLATION CATEGORY</b>	<b>EXAMPLE OF VIOLATION</b>	<b>HOW TO AVOID MISTAKES</b>
Under collection of Taxes Fees and Charges (TFC's)	<p>Example: Taxes Fees and Charges (TFC's) manually built in the CRS system and a tax is omitted to be collected or collected at the incorrect rate. Or incorrect or non-collection of Q-surcharges. Or when travel originates outside the rand monetary area.</p>	<p>Use your CRS system to quote your Taxes Fees and Charges (TFC's). They will be 99% accurate. If your CRS quoted the tax wrong or the tax was incorrectly filed, please correspond with the CRS and send supporting documentation to that effect along, when you query the ADM. Do note: The BSR changes weekly effective every Wednesday. Therefore you must re-fare quote on the day of payment and ticketing. The bankers rate means the bankers selling rate published by the first national bank of South Africa, on each Tuesday. The rate will be applicable from Wednesday of the same week up to and including Tuesday of the following week. (Reference IATA Passenger Air Tariff General Rules: currency)/ Reso 024e.</p>
Under collection of Fares	<p>Example: The fare is R1 000 and you ticket using the lower fare of R500. Or the Fare quote provided by SAA, but ticketing outside the time-limit provided which rendered the quote expired.</p>	<p>Use your CRS system to auto-fare quote and obtain a guaranteed fare and issue on day of quotation. If you manually built the fare ensure that you are comfortable with the procedures, if not contact your GDS for assistance. Do ensure your ticketing staff is well trained and go on refresher courses often if possible.</p>

<p>Fare combinations not permitted</p>	<p>Special fares not combinable with other fares</p>	<p>Please read the fare rules and ensure you understand the fare rules before you ticket, especially if the fare is a largely discounted fare with many restrictions. Remember, special low fares will always have restrictions to compensate for the lower fares. This is the only way in which SAA can ensure that it can fill an aircraft with a good spread of high and low yields.</p>
<p>Stopover not allowed/ stopover charges not charged</p>	<p>Example:                      Passenger is allowed 3 free stopovers + 1 @ ZAR350.00, but the ticket has 4 stopovers without the ZAR350 charge or a stopover is allowed on a fare that does not allow stops.</p>	<p>Please read the fare rules carefully. The missing stopover charge will be recovered or the fare upgraded to a fare that will allow for the Stopover. However, if a fare was raised to a higher fare level and you can proof that another lower valid fare exists, you can apply with documentary proof of the lower valid fare for a reduction of the ADM amount in the query process. The fare auditors will raise it to the lowest applicable fare.</p>
<p>Fare basis incorrect</p>	<p>Example :                      Fare basis does not allow one-way trips, only allow for round/open-jaw &amp; circle trips hence raise fare to next applicable fare.</p>	<p>Please read fare rules carefully. However, if a fare was raised to a fare level and you can proof another applicable lower valid fare, you can apply with obviously proof of the lower valid fare for a reduction of the ADM amount in the query process. The fare auditors will raise the ADM to the next</p>

		applicable fare.
Booking class violation	Example: An M class booking was made with a fare basis of XOW; therefore the agent has booked in a class with higher availability and booked a very low class fare. Raised XOW fare of ZAR 1200 to the applicable fare of YOW R1600.	There is a large portion of deliberate abuse in this area and we will be very stringent in applying these rules. Please ensure that you never use a higher booking class to book with a lower fare basis as the fare audit value differences can be very high.
Fare calculated incorrectly (NUC's etc)	Example: Fare for JNBSTL on KLZA s/be NUC340.01. Total: NUC714.54 = ZAR8320. Fare collected of ZAR 7280, thus under collection of fare.	Make sure your NUC calculations are accurate.
Flight restrictions not applied	Example: Flight number 334 is incorrect this flight is only valid on Saturdays. Raised fare to next applicable fare.	Certain special fares will only be valid on particular flights. These flights will normally be completely outside peak time and not full, therefore we would like to promote specials only on that flight and on that particular day to get more passengers on empty flights.
Net remit not allowed on fare	Example: Net remit is only as per agreed schedules and the net remit rules are to be rigidly applied otherwise the fares will be incorrect.	When you are an authorised agent with net fares, you must ensure to adhere to your fare schedules. These ADMs for non-compliance are not reversible according to the net remit fare rules as this has a significant impact on our internal revenue accounting systems and the BSP systems if ticketed incorrectly. The Net remit

		fare system is not a wide spread practice at SAA in the BSPZA market.
Minimum / Maximum stay violation	Example: Minimum stay not adhered to as per fare rule must spend a Saturday night according to the fare rules. Raised to the next higher fare available.	Minimum stay requirements are very popular on discounted fare tickets. Please read fare rules carefully. Do not ignore warning messages from your CRS to read the fare rules if prompted to do so.
Fare sale period violated (High / Low season)	Example: For this particular fare basis, the travel date falls onto peak season, thus fare raised to the applicable High Season fare due to the low season undercharge.	Please ensure that the route and fare basis applies to the season restrictions.
Child and infant fare (CHD/INF indicator) not endorsed on ticket according to standard IATA ticketing resolutions and or the correct taxes not charged.	Example: A child fare is used on a ticket, but the ticket does not indicate next to the surname of the passenger that it is a child, and/or the fare basis is not correctly indicating the child fare as prescribed. For example the child fare should have been shown as YCH33, and the fare was only indicated as Y.	Fare will be upgraded to Adult fare. This has repercussions to the airline systems as we use this information for several financial applications. As this is now not available, this will trigger incorrect information and also at time of check-in there is a couple of processes dependant on this information to be accurate. For example, for the Taxes Fees and Charges (TFC's) to be paid correctly to tax authorities, infants are normally exempted from certain Taxes Fees and Charges (TFC's). Should the tax authorities complete a tax audit on payments and on verification of the source documentation (e.g.

		tickets) can not identify tickets to be ticketed accurately stating that it is an infant, can upgrade the Taxes Fees and Charges (TFC's) to be Adults TFC's and this extrapolation will be over the full population of the sample audited.
Abuse of advance purchases	Example: Advance Purchase should be 14 days, thus fare raised to next applicable fare.	When a ticket has an advance purchase requirement, please ensure that you issue the ticket, taking the minimum advance purchase dates into consideration. If you have violated this, you will be charged the fare in which your requirement will fall. For example, if you only adhered to a 7-day advance purchase, you will be allowed the next applicable fare which may be lower than a full Y-class such as explained in this example.
Passengers not qualifying for Youth Fares or ticket not correctly completed with DOB and supported by copy of ID / Passport	Example: Passenger is already 29 before date of travel. Fare should be raised to next higher applicable fare.	Please verify the date of the passenger's birth on his passport or ID and calculate to ensure that the passenger qualifies for the discount as per the fare requirement. Also ensure that the Date of Birth appears on the ticket according to the ticketing rules. We will at all times upgrade such fares via an ADM if the passenger does not qualify – Ticketing errors will be subject to an administration fee.
Incorrect flight numbers used on Special Fares	Example: Flight SA349 in 1 <sup>st</sup> sector is valid on or	Please verify the flight number and the dates that the special will be



	<p>after 1 April 07, but the ticket travel commences on 26 March, thus the fare is raised to the next higher fare.</p>	<p>available for the particular flight numbers.</p>
<p>Incorrect calculation or application of commissions</p>	<p>Commission calculated at 7.01% instead of 1.01%.</p>	<p>Difference in over-claimed commission will be charged on an ADM.</p>
<p>Incorrect exchange rates used on issuance of tickets</p>	<p>An incorrect BSR or ROE rate used to calculate the fares and payable amount in the equivalent fare and/or if the fare is filed in another currency.</p>	<p>We find that this happens most often where a ticket is system quoted, and not ticketed on the same day as per fare quote guarantee, which then requires the agent to re-quote the fare at the new BSR / ROE rate on the day of ticketing, which is not done. Such a ticket will in most cases reflect a "C" indicator, which is a "Computer Quote" for example in Galileo, which disqualifies the fare guarantee.</p>
<p>Group Authorisation numbers abused</p>	<p>Example: A group fare is given for a specific booking for a specific group. The agent uses this authorisation number on other tickets that do not conform to the original authorisation or for different flights or in different classes than have been agreed.</p>	<p>The group fare will then be raised to the fares applicable to the booking class, and date of travel. Tip: If you have not inserted your group booking reference number on the ticket, you will also receive an ADM upgrading the fares to the applicable fares. However, if you can provide evidence that certain tickets were subject to the group booking and it is a valid group authorisation, the ADMs will be reversed on receipt of the evidence, and a ticketing error fee will be charged for not submitting the group authorisation number</p>

		according to the ticketing instructions.
Waiver authorisations abused	<p>Example: In certain instances our Fares and Marketing departments might give special authorisation for certain requirements to be waived. This waiver number is always unique to the PNR number and the ticket number. If either of the two does not correspond to the information as logged on our waiver database, you will receive an ADM.</p>	<p>Waivers by our internal departments are all logged onto a central waivers database, with all detailed specifications around the circumstances and rationale of the waiver. If you have been able to obtain a waiver authorisation by our Sales and Marketing departments, please ensure that the ticketing requirements are followed, including the waiver number must be reflected in the endorsement box on the ticket.</p>
Voyager award irregularities only applicable to tickets issued prior to 18 March 2006 due to agents not permitted to issue award tickets.	<p>Example: A voyager free award ticket is issued by an agent and fails to follow the requirements of the issuance of the voyager tickets via the book by miles <a href="http://www.flysaa.com">www.flysaa.com</a> web booking process.</p>	<p>Agents are not permitted to issue Voyager award tickets. The Web Book by Miles solution to be adhered. Abuse of this procedure will result in a full fare ADM and SAA will remove it plates from the agency in error.</p>
Country Currency contraventions	<p>In certain countries it is against the currency regulations to issue a ticket outside that country for travel commencing in the particular country. In most cases, for a travel agency to be able to issue such tickets, they need that particular country's Reserve Bank/Government</p>	<p>SAA will levy a R750 administration fee plus VAT if these rules are violated and a subsequent further violation will lead to the withdrawal of the SAA CIP. SAA can be charged with severe penalties if these regulations are not adhered to.</p>

	approval to issue tickets not contravening the IATA Passenger Air Tariff (PAT) rules. (www.PassengerAirTariff.com)	
Cross Border Selling	Example: Cross border selling is the practice of selling the ticket with a fictitious point of origin or destination in order to undercut the applicable fare. This practice is contra to the industry resolutions and applicable tariffs and fares, even if the passenger asks for such a ticket.	Such violation can result in: <ul style="list-style-type: none"> <li>• The passenger being stopped by the airline and being required to pay the additional fee.</li> <li>• The issuing travel agent being debited by the issuing airline for the applicable fare difference.</li> <li>• The travel agency losing their agency appointment.</li> </ul>
ID / AD Tickets	Agent issued ID / AD50 ticket. This is not permitted and an ADM will be issued to the full applicable fare.	Agents are not entitled to issue ID / AD tickets. Tickets will be upgraded to full fare. No retroactive adjustments will be considered.
CIP Carrier violation CIP violation fee increase for cash or credit card transactions to be raised to R750 plus VAT.	See below for detailed explanation and section on CIP violations	See below for detailed explanation and section on CIP violations
XP PTA (Prepaid Ticket advice) FEE NOT COLLECTED	ALL PTAs will attract the XP PTA fee of R200 plus vat for domestic and for international R200.	See the SAA PTA document distributed 01 August 2007.
Minimum Connecting time (MCT)	Example: The minimum connecting time between a domestic and	Agent must ensure to adhere to the Minimum Connecting Time (MCT) to eliminate any passenger

	<p>international sector is not honoured as per the time of booking MCT warning. This results in the passenger missing the onward connection resulting in the airline responsible to accommodate the passenger on the next available flight. Any agent found in violation will receive an ADM for the applicable charges accommodating the passenger.</p>	<p>inconvenience.</p>
<p>Book Versus Ticketed</p>	<p>Example: Ticket issued on a discounted / lower class and higher class is reflected in the booking. (Passive booking created). The applicable booked class ADM will be raised and final warning letter of CIP removal will be issued.</p>	<p>Agent must ensure to ticket as per booked class.</p>
<p>REFUND AUDIT</p>	<p>Example: Incorrect refund amount applied. Refund Administration fees:</p> <ul style="list-style-type: none"> <li>• <b>R250 plus VAT</b> for refunds submitted via BSPLink or Auto Refunds or refunds requiring SAA Head Office refunds approval.</li> <li>• <b>R500 plus</b></li> </ul>	<p>See SAA Refund Rules and Regulations.</p>

	<p><b>VAT</b> for refunds submitted directly to SAA Head Office which the Travel Agent could process.</p>	
<p>Incorrect fare basis used on group bookings</p>	<p>Example: Ticket issued without group fare basis identifier as per Group special fare. Such errors will be subject to an administration fee.</p>	<p>Agent must ensure to ticket as per Group fare basis instruction.</p>
<p>Group size: Original size is less than group size (minimum 10)</p>	<p>Example: Only 9 tickets issued instead of the minimum requirement of 10. Therefore the 9 (non-group) tickets will be raised the applicable full fare.</p>	<p>Agent must ensure to ticket as per the minimum required group size.</p>
<p>Incorrect baggage allowance reflected on ticket</p>	<p>Example: Ticket reflects 40 kilograms in the baggage allowance box, when an economy class passenger is entitled to 20 kilograms only. The kilograms in excess will be calculated according to the SAA Excess baggage policy and the applicable ADM issued.</p>	<p>Agent must ensure to ticket as per the SAA baggage allowance policy.</p>
<p>VAT on commission</p>	<p>Example: Agent must remember that in the event of a Refund the commission portion returned to the airline, VAT will be applicable.</p>	<p>Agent must ensure when completing the refund to insert the VAT on commission correctly.</p>
<p>Incorrect completion of the "Not Valid Before /</p>	<p>Example: Ticket issued reflecting the incorrect validity due</p>	<p>GDS inserts the NVB/NVA automatically and therefore manual</p>

<p>Not Valid After" field.</p>	<p>to a re-issue or manual intervention. Such errors will be subject to an administration fee.</p>	<p>intervention should be limited.</p>
<p>VMPD</p>	<p>Example: SAA only permit the usage of the VMPD for PTAs (Code 40), Tour Order (code 30) (used for Group Deposits) and Agents Refund Voucher (ARV) (Code 51). Incorrect completion resulting in over or underutilization will receive an ADM accordingly.</p>	<p>See VMP guideline effective 01 August 2007.</p>
<p>Incomplete Endorsement box / Tour Code box</p>	<p>Agent omitted to include the endorsement box as per the fare sheet instruction. Example: Corporate deal number. And/Or fails to include the tour code box with the tour code indicator as per the fare sheet instruction. Such errors will be subject to an administration fee.</p>	<p>Ensure to adhere to the fare sheet instructions.</p>
<p>VOID Coupons</p>	<p>SAA has agreed that the risk can be managed, and that the Travel Agents must retain all the VOID coupons for the prescribed legal period. By permitting this, the airline and agent will now enjoy a cost saving and benefit from it.</p>	<p>The Agent is responsible for voiding the document and perforating the voided coupons. Should it be discovered that the voided coupon is actually flown, then the agent will be liable and the applicable ADM will be issued.</p>

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## **4.5 THE AUDITING OF REFUNDS**

Refunds are audited because of errors caused by the agent due to over refunding on the refund or commission which results into financial loss to the airline. It is important that the travel industry should have a clear understanding of the Refund Audit process to prevent unnecessary mistakes or abuse by it's contracted or employed agents, which might result in an ADM (Agent Debit Memo) to the agency.

### **4.5.1 AUTOMATED REFUNDS AVAILABLE TO TRAVEL AGENTS**

Automated Refunds is now available in the BSPZA market. This means that Agents must now use their Global Distribution System (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.

The normal Refund procedure, rules and regulations will apply and Partial and Full Refunds will be accepted via the auto refunds process.

- **ELECTRONIC TICKETS (ET) REFUNDED VIA THE GDS:**

- There is still a need to update the Electronic Ticketing Record held in the airline database to refund status. Failure to update the Electronic Ticket Record (ETR) when refunding could result in the coupon being fraudulently used and an ADM being raised to the issuing agent.
- For electronic tickets the status of the Electronic Ticket Record is checked as part of the refund process. Refunds of electronic tickets can only be completed on unutilised flight coupons. The issuing Agent may refund flight coupons that are unutilized.
- The issuing Agent must update the Electronic Ticket Record (ETR) to reflect as refund (RFND) status within their GDS as per their system providers' auto refund instruction. Updating the e-ticket status to refund in the GDS is now reported automatically into BSP and will reflect on the billing as a refund.

- The Data Processing centre has in place a duplicate check on the ET range of tickets to block any duplicate ET refund processing. This will ensure that any agent that purposely or accidentally sends in an ET refund twice for a same ticket will not be accepted by the BSP. This should eliminate the risk on ET refunds due to the fact that this does not entail physical value coupons.

- **PAPER TICKETS (OPTATS) REFUNDED VIA THE GDS:**

- The Airline will still require the original tickets for audit purposes.
- Upon completion of the refund, the agent should forward the refunded coupons (marked as such) together with the Auto Refunds screen dump to the data processing centre. This should be done together with the sales audit coupons for that period. These refunds will also reflect on the Agents billing.
- Failure to forward such documents will result in an ADM for the full value for documents not received.

#### **4.5.2 KEY POINTS APPLIED WHEN CONDUCTING A REFUND AUDIT**

**Always remember the golden rule: First check your fare rules prior to processing any change or refund.**

The following points 1 to 9 listed below are reflected on the ticket and are taken in consideration when auditing refunds. These points will guide you pertaining to the fare paid and applicable fare rules:

- 1 – Endorsement box
- 2 – Not good for passage
- 3 – Area above Agent address that states the name of the Coupon
- 4 – Tax box in the remittance area
- 5 – Gross fare box in the remittance area
- 6 – Fare basis or tour code box
- 7 – Fare ladder or linear format or fare calculation string
- 8 – Commission box in the remittance area
- 9 – Ticket details (number) in addition to a BSP Analysis report.

**Points 1 and 6 indicate Refunds Cancellation Charges**



The Endorsement box and the fare basis/tour code box, could reflect or determine if a cancellation fee or service charge applies, if so has it be levied?

### **Points 2 and 7 help indicating partially Used Tickets**

These areas on the ticket help to identify what fare/journey has been purchased, does this fare permit a refund? (Check the fare / refund rules)

- For Published fares recalculate for the journey travelled.
- For Nett fares/Special fares what is the airline policy; many airlines do not permit a partial refund.

### **Point 3 is where you can check for which Coupons are enclosed**

Whatever the value of refund the agent needs to supply/indicate the correct coupons to match this value, do you have the right number of coupons for a full refund?

Example: Journey JNB/BOM/JNB fare paid ZAR11930 YRT, full refund claimed but only the BOM/JNB flight coupon is submitted

Note: All the e-ticket coupons processed as part of the refund must reflect as refunded as per the data base of the airline and not as flown or available, as this will result in duplicate usage.

### **Point 4 shows the break up of Taxes and the total figure**

Has the agent calculated the taxes and security charges, which may be due on a partly travelled ticket?

Taxes fairly straightforward – beware of Q surcharges – these are commonly fully refundable on unused coupon(s)

Example – LON AA NYC Q10.00 108.50VUXAPGB1 AA LON  
Q10.00 108.50VUXAPGB1 – submitted for a full refund  
Fare basis VUXAPGB1 cancellation fee applies BUT the Q surcharge is fully refundable.

### **Point 5 indicates the Gross fare charged on the ticket**

Has the agent refunded the gross fare on the ticket instead of the nett fare paid to the airline?

What clues are on the ticket?

To indicate a Nett fare has been paid. Example – Tour Code – No Fare – ITX – IT – BT – FARE BASIS

**Point 8 shows the Commission charged on the fare**

Has the commission taken on sale, been repaid by the agent back to the airline?

**Point 9 along with the BSP analysis report helps to identify an unreported sale**

Has the refunded ticket originally been put through as a sale or was the agent not debited for it in the first place? Normally BSP will reject a refund if the ticket or original ticket has not been reported as a sale on the BSP analysis report.

**4.5.3 ITEMS AUDITED BY THE REFUNDS AUDIT DEPARTMENT**

**REMEMBER: One must either charge the Cancellation penalty fee OR the Administration fee. Never Both. If the cancellation fee is less than the administration fee, charge the administration fee.**

- **FARE:** The fare amount that is used when calculating a refund depends on the reason for refund. Always verify as per the fare rule if a Fare is non-refundable by checking whether the fare is refundable in the first place. Non-refundable fares are non refundable. For a Full refund or partly used ticket: While conducting a refund audit, it is very important to check if the ticket is completely or partly unused, as this would have a direct impact on the IATA fare construction rules in case of a partly used ticket.  
For Example:  
JNB-CPT-JNB = ZAR 1000.00 Journey flown: JNB-CPT (OW) not half RT. Therefore the agent actually (incorrectly) claimed: ZAR 1000.00  
This is usually the case with international tickets.  
For Example: A return ticket is issued and the passenger uses only one sector.  
Calculation example:  
Purchased i.e. fare paid: LON JNB LON (RT)  
Flown i.e. fare travelled: LON JNB (OW) not ½ RT

Refund formula: Fare paid less the one way fare travelled.

- **VAT ON FARE:** No VAT will be applied on the fare of an international ticket. The exception is when only domestic sectors of an international ticket was used e.g. DUR/JNB/LON/JNB/DUR therefore used DUR/JNB/DUR This will result in the change of an International ticket into a Domestic ticket; thus the refund less VAT ON FARE.
- **CXD FEE** (cancellation fee): Refer to the fare basis rulings. Make sure that cancellation fee is completed and that the valid and correct amount reflects in the cancellation fee box on the refund. No commission is to be calculated on a cancellation penalty fee.
- **VAT ON CXD FEE** (VAT on cancellation fee): If the ticket is refunded in South Africa; the cancellation fee amount attracts VAT on Domestic or International refunds. VAT is applicable on cxd fee/admin fee whether or not it is an International or Domestic ticket, or if the agent resides in South Africa. Make sure that VAT on cancellation fee is completed in the correct box on the refund.
- **ADMIN FEE:** The Admin fee is to be charged on full Y-class fares. This includes (Y, J, F, C) class. Please check in fare basis rules, to be sure.
- **VAT ON ADMIN FEE:** VAT is to be collected on all tickets refunded in South Africa.
- **COMMISSION:** If commission was collected on the sale of the ticket; then commission should be returned when refunding the unused ticket. In the case of a wholly unused ticket or partially used ticket, then the commission that was claimed (paid to the agent) on the sale has to be deducted (reclaimed) from the agent. Whenever a "FARE" amount is refunded commission is applicable. Ensuring commission at the correct rate is repaid on any refund. Even when the refund request does not have any commission mentioned, check the ticket image to make sure that no commission was claimed at time of issuance.
- **VAT ON COMMISSION:** 1.01% is applicable for an international journey while 1% is applicable for a domestic journey.
- **TAXES:** The general IATA Passenger Air tariff (PAT) rule states that taxes are non-refundable, unless specified by the airline / country rule. (Most airlines refund taxes). Only tax that is refundable to be refunded, and any tax applicable to a flown journey, on a partially refunded document, should not be refunded. Fully unused tickets; all taxes are refundable

excluding the DU / DV / XP taxes are non-refundable. YR Tax is refundable per sector (unused) and WC Tax - Outgoing taxes.

- **TOTAL**: Calculating the total to be refunded:

$$\begin{array}{r} \text{Fare (+)} \\ \text{VAT (+)} \\ \text{(admin fee / cxd fee (-))} \\ \text{(Vat/admin / vat/cxd (-))} \\ \text{(commission on ticket (-))} \\ \text{(vat on commission (-))} \\ \text{taxes (+)} \\ \hline \\ \text{= TOTAL REFUND AMOUNT} \\ \hline \end{array}$$

- **Calculating a Partly Unused ticket refund:** This is when one or more sector(s) in the journey has been traveled on.

$$\begin{array}{r} \text{Fare PAID (+)} \\ \text{VAT PAID (+)} \\ \text{MINUS FARE TRAVELLED} \\ \text{MINUS VAT USED} \\ \text{(admin fee / cxd fee (-))} \\ \text{(vat/admin / vat/cxd (-))} \\ \text{= REFUND DUE} \\ \text{(commission on ticket (-))} \\ \text{(vat on commission (-))} \\ \text{taxes (+)} \\ \hline \\ \text{= TOTAL REFUND AMOUNT} \\ \hline \end{array}$$

#### **4.5.4 ADDITIONAL IMPORTANT NOTES APPLIED TO THE AUDITING OF REFUNDS**

- **Infants** are exempt from the cancellation or administration fee.
- For Infants occupying a seat, the child fare rules will apply.
- In the event where a Travel Agent over charged the passenger and the passenger already flew a refund will apply

reflecting the difference and the administration fee will apply, irrespective of cash or credit card transactions.

- No administration fee will be applied to ID/AD/Award tickets or on refundable balances.
- Only the following type of refunds will be processed by SAA Head Office (H/O) refunds: Involuntary Refunds, Group Refunds, Waiver and Favour Authority refunds, Lost Tickets, PTAs, and Expired Tickets. Any refund forwarded to SAA Head Office not following within this category will attract an administration fee of R500 plus VAT.
- PTAs: **For totally unused PTA refunds:** will only be processed when authorization is received from the original receiving / ticketing office that no ticket was issued against the PTA. **For partially unused PTA refunds:** a refund MCO/VMPD must be issued for the residual amount and this MCO/VMPD must be refunded accordingly.
- **Void / Cancelled** requests not reflected on the same day sales reports must be handled as a normal refund and the normal refund process and fare rules will apply.
- Do note should No Cancellation / Penalty fee as per the Fare rule be applicable then charge the administration fee of ZAR 250 plus ZAR 35 Vat.
- **Duplicate refunds:** Check for duplicate refund claims
- **Correct original airline:** Make sure that the refund has been claimed from the airline that has issued the original ticket and not the airline that the ticket has been reissued for travel on. Example:  
Original Issue airline: QF  
Reissue airline: SQ (you are doing a SQ audit)  
Refund s/b claimed from: QF (original airline)

Note: Interline billing takes place 6 months from the actual date. Refunds are claimed for almost immediately after travel.

- **Unreported sale:** Check that no unreported documents are being refunded as tickets could have been overlooked at time of BSP punching. So the agent has not been debited for the amount during the sale itself.
- **Unsupported refund:** The correct flight coupons, for which a refund has been claimed, should support the refund.  
2 types of refunds: Total refunds (where the error would be - no coupons provided at all) and Partial refunds (where the error would be that only 1 coupon is provided instead of 2...)

The auditing company only uses the automated information. The DPC will verify that all documents are received.

- **Agency checks:** Check that the same agent or original agent has claimed for the refund. The satellite office / station can be closed. The Head Office will then process the refund.
- **Credit Card Refunds:** Ensure all refunds, originally paid for by credit card, are not refunded as cash and are refunded to the same credit card. If the payment is made by credit card on the original ticket but the refund is being processed as cash then an ADM will be raised for this error.
- **Terminated Agents:** If an agent is closed and a subsequent refund is requested, we will look for the Head Office and an ACM will be forwarded to them.
- VAT on cancellation fee is not applicable for tickets sold outside South Africa.
- If a conjunction ticket is refunded separately we raise an ADM if the full value is refunded twice.
- **SAA's Domestic refund calculation:** The cancellation fee is applicable per sector on combinable sector fares with different fare basis's. Should the fare basis be the same for the entire ticket, the same cancellation fee will be charged on the entire ticket. The cancellation or administration fee will be charged, not both. Always apply the highest amount, whichever is the highest amount.
- **SAA's International refund calculation:** On international tickets the highest applicable cancellation fee should be charged. Where a full fare is combined with a discounted fare either the cancellation or administration fee will be charged, always apply the highest amount.

## 4.6 THE CARRIER IDENTIFICATION PLATE (CIP) VIOLATIONS

### 4.6.1 DESIGNATION AND SELECTION OF A TICKETING AIRLINE

PASSENGER AGENCY CONFERENCE MANUAL RESOLUTION 850
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Attachment "H"

(From separate resolution 852)
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The selection of the ticketing airline shall be governed by the following strict order of priority, which must be observed at all times:

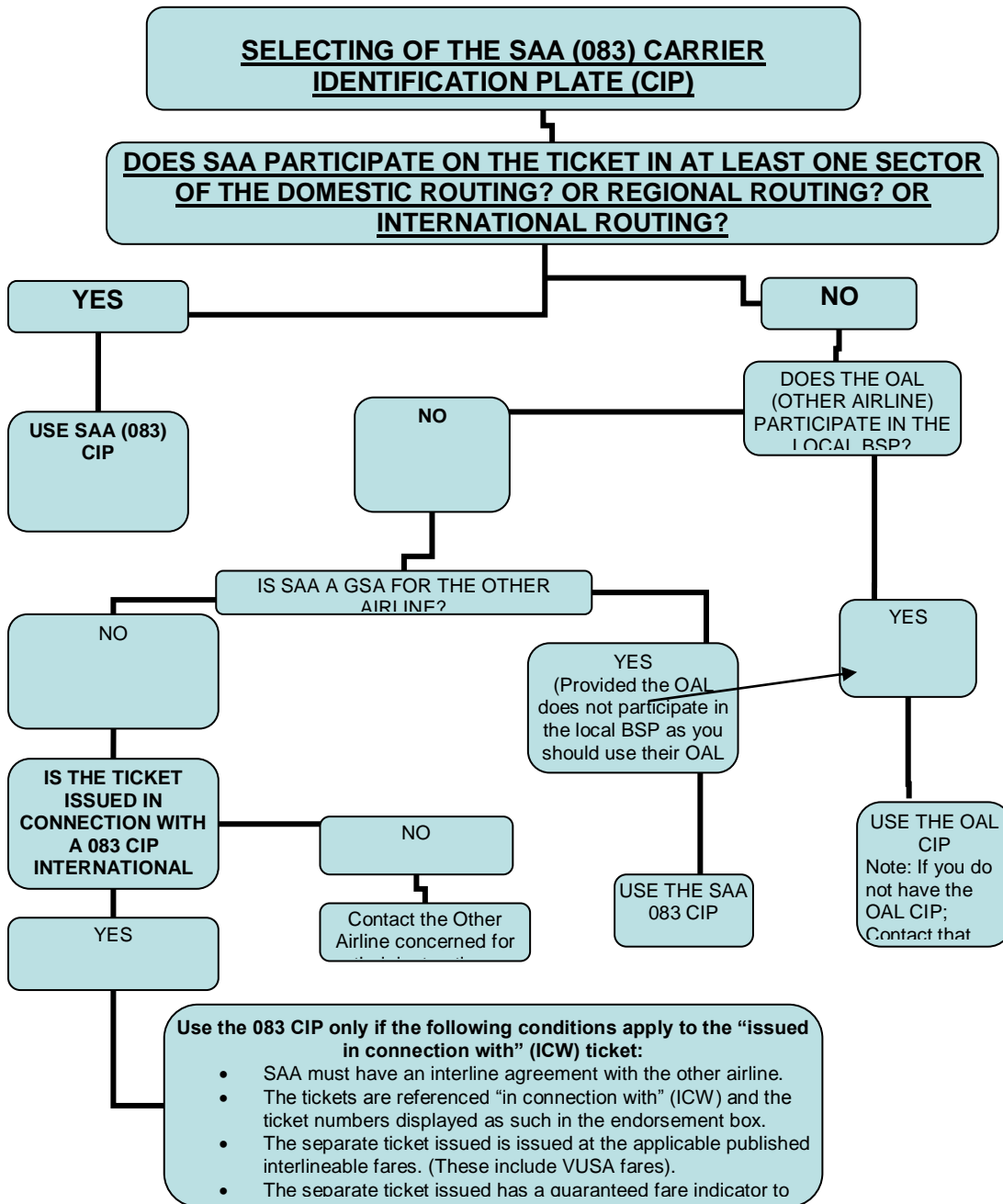
1. the ticketing airline shall be any BSP Airline participating in the transportation, or a BSP Airline acting as the General Sales Agent for any airline participating in any sector of the transportation in the country of ticket issuance, subject to the existence of a valid interline agreement between the ticketing airline and each transporting airline,
2. only if none of the situations described in Subparagraph 2.1 of this Paragraph apply, and, if authorised in writing to issue a Traffic Document for transportation entirely over the routes of other airline(s) by the airline (including the one through which the reservation is made), the ticketing airline may be any other airline.

#### **4.6.2 CREDIT CARD AND CASH TRANSACTIONS: USE OF 083 CIP**

In addition to the above CIP Rules, SAA has a carrier specific requirement that on credit card OR cash transactions that to use the 083 CIP (paper):

- SAA must have at least one long haul sector on an international ticket
- Or
- For Domestic Travel at least one of the sectors on the ticket must be on SAA
- Or
- For Regional travel SAA must at least have one regional sector on the ticket.

**IN SHORT, WHAT IS THE PROCESS AND WHEN SHOULD THE SAA (083) CIP TICKET STOCK BE SELECTED:**





### 4.6.3 GSA AIRLINE AGREEMENTS, VUSA FARES AND OTHER EXCEPTIONS

Please note that this is the situation as at the date of issuance of this report. Travel agents must please ensure that they are updated with any changes subsequently. We will ensure that such changing information is published through the relevant communication channels.

## AIRLINES WHO HAVE APPOINTED SAA AS THEIR GSA, AND DO NOT PARTICIPATE IN BSPZA

For the airlines mentioned below, 083 ticket stock can be used to ticket all sectors of this airline, even though SA is not a participant in carriage. Special fares of this airline can also be used on this ticket.

No ADMs will be issued if 083 ticket stock is used to ticket these airline sectors only.

AIRLINE NR.	AIRLINE	ABBR.	AREA	BSP
459	Rwandair Express	WB	Republic of South Africa and Namibia	No – Use 083 CIP
045	Linea Aerea Nacional De Chile (Lan Chile)	LA	Republic of South Africa and Namibia	No – use 083 CIP

## AIRLINES WHO HAVE APPOINTED SAA AS THEIR GSA, BUT THE AIRLINE DOES PARTICIPATE IN BSPZA

For the airlines mentioned below, 083 ticket stock must not be used to ticket where SA is not a participant in carriage as this airline does have CIP's with agents in the BSPZA market.

If any sole sectors of the airlines below are ticketed on 083 ticket stock, and SA is not a participant in carriage, a standard cost recovery fee of R750 plus VAT will be charged as well as the fare will be raised to the applicable interlineable

fare plus the applicable credit card commission will be charged, since they do participate in BSPZA and their CIP's are available for ticketing.

<b>AIRLINE CODE</b>	<b>AIRLINE</b>	<b>ABBR.</b>	<b>AREA</b>	<b>BSP</b>
047	TAP - Air Portugal	TP	Republic of South Africa and Namibia	YES – use 047 CIP
050	Olympic Airways	OA	Republic of South Africa and Namibia	YES – use 050 CIP
068	L A M	TM	Republic of South Africa	YES – use 068 CIP
235	Turk Hava Yollari (Turkish Airlines)	TK	Republic of South Africa Namibia, Lesotho, Botswana and Swaziland	YES - use 235 CIP
239	Air Mauritius Ltd	MK	Republic of South Africa and Namibia	YES – use 239 CIP
257	Austrian Airlines	OS	Republic of South Africa and Namibia	YES – use 257 CIP

## **TERMINATED GSA AGREEMENTS**

Please note that the following GSA agreements have been terminated and that SAA no longer act as the GSA for the airline(s) below:

<b>AIRLINE NR.</b>	<b>AIRLINE</b>	<b>ABBR.</b>	<b>AREA</b>	<b>BSP</b>
042	Varig - SA Empressa Viacao Area Rio Grandense (Terminated August 2006)	<b>RG</b>	Republic of South Africa and Namibia	
<b>197</b>	Air Tanzania	<b>TC</b>	Republic of South Africa and Namibia	<b>YES – use 197 CIP</b>

## **OTHER AIRLINE INCLUSIONS AND RESTRICTIONS**

The following airlines do not participate in the BSPZA, but have specific VUSA fares in the market that may be ticketed as separate tickets "in connection with" tickets with an SA outbound ticket: The original ticket must be issued on 083 ticket stock.

<b>AIRLINE NR.</b>	<b>AIRLINE</b>	<b>ABBR.</b>	<b>AREA</b>	<b>BSP</b>
401	American West Airlines	HP	Republic of South Africa And Namibia	NO – use 083 CIP

Note that other American Carriers have the same VUSA fares, but they do participate in BSPZA, hence their ticket stock can be used to ticket these separate tickets.

Note: No exceptions will be applicable to STAR Alliance Carriers and therefore our normal CIP rules will apply to Round the World fares.

#### **4.6.4 DEFENITIONS**

INTERLINE TICKET	The ticket has more than one carrier participation on the same ticket for example: JNB – FRA (SA) FRA – PAR (LH) PAR – ZRH (AF) ZRH – JNB (SA) It will be perfectly valid to use 083 CIP to ticket these sectors as SA is a participant in carriage on this ticket.
CONJUNCTION TICKET	If such a ticket has more than 4 sectors, a "conjunction ticket" is issued. A conjunction ticket is not a separate transportation agreement, and only a continuation of the sectors on a further ticket for the same transportation contract. Conjunction tickets must always be issued on the same carrier paper as the first ticket.
IN CONNECTION WITH	The ticket is issued completely separately from the original ticket as a separate transportation agreement: Example: Ticket 1 : Separate ticket on 083 paper: JNB – IAD (SA) IAD – JNB (SA) Ticket 2 : Separate ticket on 016 paper: IAD – LAX (UA) LAX – NYC (UA) NOTE: Please refer to the exchange control regulations

	within this document for the detailed explanation.
CIP VIOLATION TICKET	The ticket has no participation of SA on the routings for example: JNB – LON (BA) LON – JNB (BA) 083 Ticket stock can not be used in this routing because SA does not participate in carriage and we will then be paying agent commission, credit card commission, administration interline costs, have exchange rate risk and also agent non-payment/default risk with a loss of potential revenue, BSP Processing cost, BSP participation and ticket stock cost.

#### 4.6.5 ISSUANCE OF "IN CONNECTION WITH" TICKETS

##### **Example 1:**

The traveller wants to travel to the USA and wants to make use of American Airlines special fares.

Separate ticket on 083 paper:

JNB – NYC (SA)

NYC – JNB (SA)

Separate ticket on 001 paper:

NYC – CHI (AA)

CHI – NYC (AA)

Issue separate ticket on SA 083 paper for the first ticket, and issue the second ticket on AA paper, in connection with the SA ticket. This is two separate journeys and two separate transportation contracts.

If the second ticket is issued on 083 paper as well, it will be treated as a CIP violation and the fares will be upgraded to the applicable interlineable AA fares, and a cost recovery fee for SAA of R750 plus VAT plus 3% credit card commission will prevail to cover agent commission, credit card commission and administrative expenses by SAA.

##### **Example 2:**

If the agent wants to use 083 paper for an American airlines journey the ticket has to be issued with interlineable fares as follows as one complete journey. It will not be acceptable to issue this ticket with special fares from either carrier if the fare

rules do not stipulate or allow it. If this ticket is issued, it will be seen as one journey and one contract.

JNB – NYC (SA)

NYC – CHI (AA)

CHI – NYC (AA)

NYC – JNB (SA)

## **4.7 GUARANTEED FARE INDICATORS**

### **4.7.1 GALILEO (1G)**

The following information was provided to South African Airways for inclusion in our fare audit document.

Fares and Fare Rules within the Galileo Global Fares™ product are provided by the airlines. The airlines do not file directly with Galileo, but via either ATPCO or SITA who then onward transmit to the various GDS'.

Tax information is provided directly from IATA through an electronic transmission called TTBS, which is used by all GDS'. This information is sent on a quarterly basis and updated to reflect the latest information available.

When an urgent change or new tax is introduced before the next quarter's update then an interim transmission will be made and actioned without delay by Galileo. Therefore the GDS will be held responsible for any late or incorrect filing.

In accordance with its Statement of Guarantee (from the Fares Guarantee Policy, dated 1/08/96), Galileo International guarantees its fares and taxes quoted by the auto quote entries. This guarantee is indicated by a "G" in the filed fare field. If an agency does not follow the fare guarantee rules, then the guarantee does not apply.

However, it is important to note that any Airline can at any time issue an ADM for a fare or tax even though the ticket carries the "G" indicator.

Also refer to the Galileo Fare Guarantee Policy – EMEA Customer Version Effective: 01 May 2006 obtainable from Galileo.

Herewith the Galileo Fare Status Indicators (they can also be found in the system under GC\*420/10):

<b>INDICATORS</b>	<b>EXPLANATION</b>
G - GUARANTEED	Guaranteed
C - SYSTEM-GENERATED FARE	Not Guaranteed When a fare is quoted, for which restrictions apply e.g. "Ticketing must be completed within X days/hours after reservation is made". It is the responsibility of the ticketing agent to ensure that all restrictions (advance purchase, reservation and ticketing restrictions etc) are met.  In addition, the "C" status code is output if a booking file contains an OPEN segment with no specified carrier.
B - BUILT FARE	Not Guaranteed Input manually by an agent.
M - MANUAL FARE	Not Guaranteed A pricing modifier was used to obtain the fare.
R - FARE RESTORED	Not Guaranteed Fare restored by agent for Re-ticketing.
I - INVALID FARE	Invalid fare (as result of Itinerary change)
P PRIVATE FARES	Not Guaranteed Private Fare
X - EXPIRED OR CANCELLED FARE	Expired or cancelled fare: Guaranteed fares expire at midnight local time on the last day of the guarantee.

All Fare, Tax and ADM enquiries should be addressed with/brought to the attention of Galileo Southern Africa Customer Services (Galileo Helpdesk), who in turn will liaise with Galileo International in investigating the problem.

TIP: A number of agents make the mistake of seeing the 1G indicator as being the guaranteed fare indicator. Please note the example below to see where on the ticket the physical G/C/M/B/R/I -Indicator will be shown:

1G = Galileo  
 B = Manual fare built

ISSUED BY SOUTH AFRICAN AIRWAYS  
 CONJUNCTION TICKETS  
 Passenger ticket and baggage check  
 Subject to Conditions of Contract certified herein  
 DATE OF ISSUE 04 JAN 02  
 FARE BASIS 1G B  
 TO CAPE TOWN SA 352R 02MAY 1400 OKVLITZZ02 02MAY20K  
 TO JOHANNESBURG SA 274V 02MAY 2005 OKVLITZZ02 02MAY20K  
 TO PARIS CIGSA OPEN - - VLITZZ02 17MAY02MAY20K  
 TO JOHANNESBURG SA OPEN VLITZZ02 02MAY20K  
 TO CAPE TOWN  
 FARE CALCULATION  
 ZAR 3400.00 CPT SA /XJNB SA PAR SA X/JNB SA CPT END ROE1.000 XT 243.00YR1  
 TAX/FEE CHARGES  
 ZAR 100.00  
 ZAR 168.00  
 ZAR 451.00  
 TOTAL ZAR 4119.00  
 FORM OF PAYMENT 083 3192442492 1  
 ORIGINAL ISSUE M 94522 VLITZZ02  
 CASH COLLECTION 740.00 CREDIT BALANCE 3400.00 COMM RATE TAX AMOUNT 0701719.00

INDICATORS	EXPLANATION
4 <sup>th</sup> DIGIT of the Stock control number	Worldspan's tickets can be identified in the 4 <sup>th</sup> digit of the stock control number to see whether it is guaranteed or not.  If you look at the Ticket Control Number (TCN) on the bottom left hand corner of the ticket, the 4th digit should be a "9" to indicate the fare was auto priced and guaranteed by Worldspan. If any other number appears, the booking has been manually priced.

TIP: Worldspan does verify interline agreements between carriers where the airlines both participate in the journey.

1P -

4<sup>th</sup> Digit is a 9, therefore the ticket is guaranteed by Worldspan

### 4.7.3 AMADEUS (1A)

Both indicators above must be 0 and then the ticket is guaranteed.

Note: For Amadeus use the pricing by validating carrier option: FXP/R, VC-SA

INDICATORS	EXPLANATION
Right hand corner of the ticket, in the agent name box, there is a / followed with a number. This number indicates how the ticket was priced.	If the number after the slash is: <ul style="list-style-type: none"> <li>• 0 – the ticket was originally auto priced by Amadeus</li> <li>• Any other number or alpha code will indicate that there was a “fail code” and this ticket is not guaranteed.</li> </ul>
Stock control number on the ticket’s second last digit indicates whether there was any manual	If the second last digit of the SCN (Stock control number) is: <ul style="list-style-type: none"> <li>• 0 – the ticket was and is originally auto priced by</li> </ul>



intervention in the ticket after the ticket has been built or auto priced by Amadeus. This is the ultimate check if the ticket is guaranteed.

Amadeus with no manual intervention, thus the ticket is guaranteed

- Any other number not 0 – the ticket is not guaranteed.

1A = Amadeus

This last digit is an even number (0); therefore this ticket was initially priced by Amadeus.

FROM	CARRIER	FLIGHT	CLASS	DATE	TIME	STATUS	FARE BASIS	NOT VALID BEFORE	NOT VALID AFTER
CAPE TOWN INTER	SA	0324	Y	27 JUN	1010	OKY			27 DEC 20K
TO JOHANNESBURG	SA	8102	Y	27 JUN	1250	OKYOW			27 DEC 20K
TO PIETERSBURG	SA	8105	Y	28 JUL	1825	OKYOW			27 DEC 20K
TO JOHANNESBURG	SA	0375	Y	28 JUL	2030	OKY			27 DEC 20K
TO CAPE TOWN INTER									

The second last digit is a 0, therefore this ticket is guaranteed by Amadeus

## 4.8 EXCHANGE CONTROL REGULATIONS

### 4.8.1 PLEASE REFER TO THE IATA RESOLUTIONS FOR ANY UPDATES

Example the Mozambique: Via All – Govt. order update:

IATA Resolution 024c, Section C: the acceptance of tickets issued outside Mozambique is prohibited for journeys commencing in Mozambique. The issuance of tickets in Mozambique is prohibited for journeys commencing outside Mozambique (6.4.93).

19 October 2007, IATA has been notified that the Mozambique Government Reservation on Resolution 024e dealing with the acceptance of tickets issued outside of Mozambique is withdrawn with immediate effect.

## **4.9 FARE AUDIT PROCESS**

The following high-level processes are described:

- Conducting of fare audits
- Preparation of fare audit result sheets
- Issuance and distribution of ADMs
- Query and Dispute processes and time lines
- Issuance of ACMs

### **4.9.1 CONDUCTING OF FARE AUDITS**

As soon as the sales information is available on the standard DISH HOT, the billing period is forwarded to the fare audit company to conduct the audit. A comprehensive audit is performed on all traffic documents and schedules of proposed ADMs are submitted back to the airline for their perusal and approval for distribution to agents.

Please remember that for automated tickets, the physical tickets are not used at all, but only the HOT electronic information, which means that if your ticket has incomplete information on it, and has not been ticketed completely or is inaccurate, the fare auditors will not have sufficient information which can lead to the agent being debited via an ADM. Agents will also be charged an administration fee for incorrect or incomplete ticketing, as this has a significant impact on the airlines financial and revenue accounting systems.

The following is a list of standard monthly processes to ensure that the fare auditors are in possession of the most updated information to enable them to conduct the fare audits:

- A monthly updated address-list is obtained from the local BSP office and updated with the fare auditing company, to ensure that the ADMs will be issued to the correct IATA

number (agency). This list will be confirmed before processing of a new batch of ADMs. Note that physical documents are no longer mailed but are now available to be viewed on the BSPLink. Please note you must follow the ADM dispute process as per your ADM instruction

- Any new agents or closed agents are advised to the fare auditors to update their records accordingly
- All published and non-published fare sheets are provided to the fare auditors via our central pricing and policy department on a daily basis
- All special group fare authorisation quotes, are submitted to the fare auditors to validate against the authorisation codes as used by agents on tickets on a weekly basis
- Waivers and Group authorisation numbers logged by the SAA authorised departments

#### **4.9.2 PREPARATION OF FARE AUDIT RESULT SHEETS**

After an initial scrutiny of the proposed ADM listing, a fare audit result sheet is processed with approved ADMs. This serves as a control listing of all ADMs submitted to agents in the market for the specific billing period.

The BSP Processing Centre (DPC) approved calendar will be used in the process to determine the timelines for the completion of the audit and to set the deadline dates for the issuance of ADMs and dispute processes to ensure adherence to deadline dates for submission of the final electronic data for processing by the DPC.

#### **4.9.3 ISSUANCE AND DISTRIBUTION OF ADMS**

Each period of fare audit ADM results uploaded by SAA will indicate the following information:

- Periods audited / Reporting Period Ending (e.g. Billing Jan 2007, period 1)
- Date of submission / issue (e.g. P1 Feb 2007)
- Deadline date for disputes (14 calendar day period)
- Dispute e-mail address and Fax number.

The dispute deadline date will always allow for a **14** calendar day period for the agents to dispute the ADMs. Please ensure that the deadline date is strictly adhered to if you want to ensure that your dispute (if valid) can result in an ACM to be processed in the next billing period.

Do note: ADMs appear on the BSPLink; the agent must flag the ADM and follow the normal query and dispute process.

## **4.10 QUERY AND DISPUTE PROCESSES AND TIME LINES**

### **4.10.1 DISPUTE CHANNELS**

Each ADM has a very clear instruction to the agent around the dispute channels to be followed.

Fare audit queries **MUST** be directed to the fare audit company as stipulated on the ADM, which is either the e-mail or the facsimile dispute facilities:

**Please follow instructions on your ADM to ensure you use the correct channel:**

E-Mail facility	dispute	disputes@auditextra.com
Fax: facility	dispute	+44 (0) 2087832391

- It is critically important to ensure that if the fare audit query is received that it is supported with the actual correct information and supporting documentation. If an agent disputes queries without the supporting documentation, the dispute will be rejected and the ADM will stand.
- Please supply a return e-mail address to ensure the quickest turn around time on your query.
- Queries will **NOT BE LOGGED** verbally or directly with SAA, but have to be communicated in writing as per the ADM stipulated addresses. If such query was faxed, please retain a fax: "ok" sheet as proof that the fax was successfully sent.
- Please note that only the above dispute channels will route your disputes and queries directly to the fare audit company,

who will investigate the nature of your query, and validate the supporting documentation. Once again SAA must not be contacted directly as only Zero Octa handles the disputes.

#### **4.10.2 FARE AUDIT QUERY LEVEL AND DISPUTE LEVEL**

##### **QUERY LEVEL:**

Effective 1 December 2006 SAA has introduced a 14-calendar day as per dispute period for ADMs issued for the BSPZA market.

A Query will be raised when the agent has evidence which will be sufficient proof for the fare audits that the original ADM amounts must be altered or lowered, or where the evidence provided will prove the ADM to be incorrectly raised and has to be reversed. All such documentation must be forwarded within the 14 day dispute period allowed for the agent, in which the fare auditors will review all supporting documentation and conclude the outcome of such evidence to be accepted or rejected. The aim is 5 working days.

Should the query be valid and accepted, a full/partial reversal of ADM will apply provided that the agent could supply the fare auditors with sufficient information around the transaction and it is found that any of the following occurred:

- Where all the documentation and information was not available at time of the audit by the fare audit company and as a result of subsequent proof or information by the agent renders the ADM invalid. Therefore no gross negligence by the fare audit company.
- The fare information was not available to the fare auditors at time of audit and per the agent supporting documentation this was validated with the SAA pricing and policy department.
- The ticket was previously refunded.
- The ticket under collected amount was previously remitted to SAA, and proof of such transaction can be given and validated by SAA.
- If the agent can prove that the ADM amount has been incorrectly calculated, or that certain fare information was not at the disposal of the fare audit company which could

result in the ADM amount to be lower, such original ADM will be amended, and the applicable ACM will be issued.

- In the case where an agent omits certain critical information on a ticket, which changes the nature of the transaction, or which is critical to be included on the ticket to render the ticket with the specific status, and such tickets are ticketed incomplete, the fares will be raised to next highest fare. If the agent could provide the fare auditors subsequent to the receiving of the ADM with sufficient information which satisfy the auditors that the ticket adhered to the original status, SAA will review the circumstances under which the transaction occurred and can decide to issue a full ACM and charge a ticketing error administration fee. In the case where the transportation on the sectors included other airlines, SAA will not consider reversal of the ADMs.

Typical examples of such cases would be:

- Child or Youth birth date not accurately reflected on ticket
- Group Fare approval code as obtained from SAA Central Group Fares department not accurately reflected on the ticket

If the query is valid, the ADM will be reversed via an ACM. If the query is invalid, the ADM will stand. The agent will be informed of the decision taken and the reason if rejected.

### **A Query will be rejected because:**

The agent applied the fare rules and regulations incorrectly, or could not provide any supporting documentation to back-up his/her dispute. The agent will be informed that his/her dispute application has been rejected and that the ADM will stand.

Reasons for the rejection will be supplied.

One will notice on BSPLink that the ADM will reflect the effective date that it will appear on the billing. This date will always be in the future, and is calculated as 14 calendar days from date of distribution from the BSP SAA office. Distribution is now weekly, as opposed to the previous once per month processing system.

Your dispute must reach our auditing office on or before the date as stipulated and as per the instruction on the ADM to ensure minimal financial impact on the agent. If this period is not met, you will receive the ADM on your billing. If you dispute the ADM after the dispute cut-off date (but in no instance later than 6 months after the issuance of the ADM), we will still process ACMs if necessary, but the ACM will be only processed in a subsequent billing, other than what the ADM was processed on.

### **DISPUTE LEVEL:**

It is important to know that an agent MUST follow the dispute process as per the ADM so that the evidence can be populated and reviewed before the item can be raised to a dispute level. If any queries are received which is of a commercial nature on which the fare auditors can not effect a decision, it will also be referred to the principal (SAA) for clarification and final decision.

Should the agent, based on the outcome of the query result still feel that they want to dispute; such query must once again be raised via the dispute process as per the ADM instruction, with the additional evidence.

Note that in all cases SAA approves the final outcomes of the disputes. A detailed follow up and validation of queries is handled by the fare audit company, and in cases where the dispute is clearly identifiable, the fare audit company will immediately handle such correspondence with the agent. However, in the case of a grey area or a dispute dependant on the approval from SAA, such query will be directed to SAA Head Office for finalisation and final authorisation.

### **The Outcome of the SAA dispute committee's decision could be based on the following:**

- **Commercial waiver – at the discretion of SAA**  
In very rare circumstances SAA might at its discretion decide to waive an ADM or to reduce the value of an ADM taking into account all relevant documentation and information presented by the agent. The SAA department responsible will be liable to absorb the costs.

- **System errors – fix error and reverse ADM (not fault of SAA, The Auditing company or the Agent)**

The agent proves that the error was due to a system problem: For example incorrect filing of Taxes Fees and Charges (TFC's) or fares. System error is corrected and ACM issued should the party in error agree to receive an invoice to absorb the costs. Should the party in error fail to absorb the costs, the Agent will be informed that the ADM will not be reversed and the Agent should therefore correspond with the party in error.

#### **4.10.3 ISSUANCE OF ACMS**

ACMs will be issued for ADMs that are reversed. The ACM will at all times reflect the ADM(s) reversed for easy reference to the travel agent. Should the dispute not be received within the dispute period, but within a 6-month period from date of issuance of ADM, and such dispute is honoured, the ACM will be processed in the next billing period in which SAA submits its normal monthly ACMS.

#### **4.11 GENERAL INCLUSIONS OF ADMS FROM THE DISPUTE PERIOD**

The following ADMs will be allowed a 14-day dispute period:

- Fare audit ADMs
- Refund audit ADMs
- Duplicate claims and PTA overcharges
- Billing errors (e.g. incorrect commissions or Taxes Fees and Charges (TFCs))
- Unreported sales documents (these transactions are flown on SAA aircraft without SAA receiving the money to be able to pay its respective operational expenses or to pay refunds).
- DPC billing capturing errors
- ADMs requested by agents to be processed by SAA
- Fraudulent transactions
- Credit card charge-backs. Note: In the case of a credit card charge-back SAA has to refund the bank within 7 days the funds for such a transaction. As soon as we receive the newly validated signed CCCF, we will immediately process such a transaction.



In all the above cases, we need all the supporting documentation as per the ADM dispute instruction before we will reverse this ADM with an appropriate ACM.

#### 4.12 FARE AUDIT AND REFUND AUDIT FEES

The administrative fees below have already been in place from the inception of the commencement of fare audits by SAA. Please refer to the section that deals with all aspects of our fare audits. This is a high-level summary of the administration fees as a result of fare audits.

SAA would like to remind and inform the Travel Trade of the following changes and summary of our administration fees effective since 01 August 2007. These fees have been previously communicated via our newsletters and are applicable per ticket.

#### CALCULATION OF ADMINISTRATION FEE, COST RECOVERY FEE AND CHARGES

<b>REASON</b>	<b>AMOUNT (Exclusive of 14% Vat)</b>
Standard Ticketing Error, example: Incompletion of ticket data	Attracts the Administration Fee of R250 (effective 01 November 2007)
Fare audit under-collections of fares and Taxes Fees and Charges (TFC's)	Amount calculated from the under-collection. No additional administration fee is charged.
CIP Violation fee	Difference between the amount per the ticket and the applicable interlineable fare plus a cost recovery fee calculated as follows: <ul style="list-style-type: none"> <li>• Administration fee of R750 Plus</li> <li>• Credit card commission recovery of 3% (if it was a credit card transaction)</li> <li>• An administration fee of R750 will be raised on cash transactions if the ticket was upgraded to the applicable interlineable fare.</li> </ul>
Currency Violation fee	If an agent issues a ticket for travel commencing: <ul style="list-style-type: none"> <li>• in a country with exchange control restrictions</li> </ul> These restrictions are contained in the PAT General Rules.

	<p>The following process will be followed:</p> <p>SAA will levy a R750 administration fee if these rules are violated and a subsequent further violation will lead to the withdrawal of the SAA CIP. SAA can be charged with severe penalties if these regulations are not adhered to.</p>
Refund audit over-claim of commission, or undercharge of administration fees.	Amount calculated from the under-collection. No additional administration fee is charged.
Reversal of original ADM when accurate/supporting documentation previously omitted now received (e.g. Birth certificate, original exchange coupons received)	R250 administration fee per ticket
Reversal due to Incorrect ticketing where later, proof that the ticket was valid and reasons supplied received (e.g. waiver number not on ticket, but written proof of validity of waiver obtained from SAA)	R250 administration fee per ticket
Billing errors caused by the agent	R250 per ticket.
Over-claims and duplicate claims	R250 per ADM (if as a result of an agent error)
Out of sequence tickets	R250 per ticket.
PTA service fee	R200 plus VAT for domestic and R200 for international (Audit date 07 August 2007)
Standard Refund Administration Fee (Refunds requiring SAA authority)	R250
Alternative Refund Administration Fee (Agent could have processed the refund)	R500
Form of Indemnity Fee	R300

For the following items (per ticket) the R250 plus VAT administration fee will not be raised:

- Data processing centre capture errors, provided that this can be proved
- Fare audit and refund audit ADMs have a different charging module as per the ADM specification
- If an ACM is issued on an ADM on which such a charge was already raised, SAA will not penalize the agent again