



Nile Air Policy on Agent Debit Memo (ADM)

Background

Nile Air considers you as our key partners in business. We seek your support and cooperation to effectively implement our policy on Agent Debit Memos (ADMs). Therefore, Nile Air would like to make its ADM policy transparent for all travel agents. You may already be aware of the practices and fully compliant with the requirements, but we wish to reiterate the points through a formal policy document. The purpose of this document is to make clear to agents all the circumstances under which ADMs will be raised.

Scope

This policy is applicable to Nile Air staff and agents selling NP inventory.

Distribution

Nile Air website: nileair.com

Travel Agents Worldwide

Legal Position.

ADMs are a legitimate accounting tool being used by the Airlines to collect amounts or adjust agent transactions related to the issuance and use of Traffic Documents. Alternative uses of ADMs may also exist: an ADM could also be issued for debits that are not directly related to traffic Documents, e.g., deposits or penalties for group sales, Global Distribution System (GDS) or booking misuse, (etc.).

Nile Air will raise ADM on a Billing and Settlement Plan (BSP)/Airline Reporting Corporation (ARC) stockholder or non BSP/ARC non- stockholder participating agents on incorrect ticketing/reporting and other prohibited practices for bookings which are not made in compliance with Nile Air booking and ticketing practices, resulting in revenue leakage and loss of revenue opportunity. Where applicable, Nile Air have used specific references from the relevant International Air Transport Association (IATA) resolutions.

Travel agent obligations are described in IATA resolution 824, in which is stated that the agents should issue tickets in compliance with Carrier's fares, fare rules, general conditions of carriage and written instructions of the carrier to the agent (e.g., memo, circular, manual, etc.). Airlines have the right to audit and send ADMs for all transactions that are not made in compliance with required booking and ticketing practices. Nile Air reserves the right to revise the amount and amend the ADMs issuance process. Unless the agent produces credible evidence, the agent owes the Airlines the amount shown on the ADM.

In cases where an IATA / ARC Agents chooses to have commercial relationship with non-IATA / non-ARC agents, this commercial relationship is fully the responsibility of the IATA / ARC Ticketing agent. The Ticketing agent is liable for malpractices involved and ADMs will be raised to the ticketing agent accordingly, regardless of their location. This includes:

- IATA / ARC Ticketing agents who issue tickets on behalf of a non-IATA / non-ARC where the booking has been made by the non-IATA / non-ARC agent.
- Such ADMs will be handled as per IATA resolution 850M.



Scope of ADM Issuance/Policy

Following matrix defines different violations or non-compliance practices which will result in the issuance of ADM i.e. a debit will be raised to the booking/ticketing agent. These violations include but are not limited to the following:

ADM matrix			
Issue	Scope of Audit	Outcome	Penalty
Reservation Booking Designator (RBD) violation	Validation on booked vs. ticketed data where there is a mismatch between ticketed and booked RBD.	Debit will be raised to Booking/Ticketing agent	Fare difference between ticketed vs. booked RBD.
Fare/sales violation	Validation for the compliance of fare and sales conditions on all purchased tickets (e.g. advance purchase, agency applicability, add-on fares, blackout period, booking class, under collection of fare, booking flight condition, Other Airlines (OAL) carrier condition, routing, sale date validity, travel date validity/seasonality violation, stop over surcharge, upsell charge for class upgrade, over-claim of commission, combination condition, min/max stay conditions, under collection of taxes and fees, weekend surcharge, child/infant discounts and all other special discounts, date of birth check, expiry of fare, Pricing Unit Concept (PUC), baggage allowance check, Carrier Identification Plate (CIP)/plating violation: abuse of CIP/plating conditions on NP/OAL plate where the fare rule/fare note does not allow to do so, regardless if the ticket is auto or manually priced.	Debit will be raised to Booking/Ticketing agent	Fare/tax/commission difference.
Fare violation for tickets issued with open/request status	Validation on purchased tickets with open/request status where confirmed reservation is required.	Debit will be raised to Booking/Ticketing agent	Fare difference to first higher fare where Wait List (WL) is permitted or fixed amount.
Refund violation	Validation on documents claimed for refund, duplicate refund check.	Debit will be raised to Booking/Ticketing agent	Fare/tax/commission difference
Reissue violation	Validation on reissued documents	Debit will be raised to Booking/Ticketing agent	Fare/tax/commission difference.
Travel audit	Validation on flown coupon vs. ticketed coupon (e.g., comparison between RBD on both coupons, flight number/flight date mismatch, ticketed vs. flown routing, collection).	Debit will be raised to Booking/Ticketing agent	Fare difference between flown RBD to ticketed RBD.



Additional audit checks	Violation of which will result in the issuance of ADM: dual utilization, Miscellaneous Charges Order (MCO)/Prepaid Ticket Advice (PTA) over-utilization, utilization against void sales and unreported sales, identification of no show passengers and blocking the future utilization for non-refundable cases as well as conversion of fare collected against such cases into revenue, collection of no show charges for refund transactions where applicable, MCOs issued for class upgrades, Excess Baggage Ticket (EBT)/MCO issued for excess baggage, Passenger Name Record (PNR) check for min/max stay condition in case of e-tickets, materialization rate for group sales.	Debit will be raised to Booking/Ticketing agent	Entire value of the ticket (violated sector).
Excessive Churning	Verification on agency rebooking a segment or segments cancelled either by the agency or airline Six (6) or more times in one PNR or across different PNRs.	Debit will be raised to Booking/Ticketing agent	ADM to be raised for GDS misuse, Violation amount USD 10 per passenger per churning segment.
Duplicate segments	Verification on agency created duplicate segments, Duplicate or multiple confirmed bookings that remain active without cancellation in the same month. Booking for a passenger on same Origin & Destination, same segment Date & IATA, PCC, on same or different Flights, same or different class and across same or different PNRs	Debit will be raised to Booking/Ticketing agent	ADM to be raised for GDS misuse, Violation amount USD 30 per passenger per segment.
Other misuse	Verification on agency with other misuse involved, which includes other violations like Invalid city pair, Invalid flight, invalid class of booking and segments cancelled within 24 hours of departure if charged to airline	Debit will be raised to Booking/Ticketing agent	ADM to be raised for GDS misuse, Violation amount USD 50 per passenger per segment.
Inactive bookings or unproductive bookings	Agents should monitor the queues in GDSs and release inactive segments with HX, UN, UC, NO, SC, TK, TL, TN, UU, US, PN, WL, WN, DL, DS, IX, MM, RM, GN, WK status codes not later than 24 hours before departure.	Debit will be raised to Booking/Ticketing agent	ADM to be raised for GDS misuse, Violation amounts USD 30 per passenger per segment.
Origin & Destination (O&D) violation	Verification on bookings that do not follow the O&D logic and other various practices used to manipulate the system to accept bookings made against the married segment logic.	Debit will be raised to Booking/Ticketing agent	Fixed amount of USD 350 per passenger.
Minimum Connecting Time (MCT) violation	Verification on bookings that undercut required MCT.	Debit will be raised to Booking/Ticketing agent	Fixed amount USD 200 per passenger.



Fictitious names	Verification on bookings created with fictitious names	Debit will be raised to Booking/Ticketing agent	Fixed amount USD 30 per passenger per PNR.
Speculative bookings	Bookings created in higher classes that are released close to departure to make seats available in lower classes	Debit will be raised to Booking/Ticketing agent	Fixed amount USD 100 per passenger.
	Excessive waitlists	Debit will be raised to Booking/Ticketing agent	ADM to be raised for GDS misuse, Violation amount USD 50 per passenger per segment.
	Bookings made when no definite passengers exist, in anticipation of possible sale	Debit will be raised to Booking/Ticketing agent	USD 100 per passenger.
	Bookings created in higher classes that are released close to departure to make seats available in lower classes.	Debit will be raised to Booking/Ticketing agent	USD 300 per passenger.
Combining negotiated space with free sale inventory	Combination of negotiated space (G class) with free sale inventory within one O&D without authorization	Debit will be raised to Booking/Ticketing agent	Fare difference between G class fare and Highest RBD.
Excessive tickets void	Revenue loss due to non-collection of void charges. No control on void tickets will lead to misuse of Airline's ticket stocks. The limit for tickets being void is 10 % of the total number of issued tickets.	ADM will be raised on each ticket that was issued above the limit.	USD 10 per ticket.
Passive Booking	Passive bookings should only be created for ticketing purposes. Any Passive bookings which are not cancelled or ticketed should be raised as violation.	Debit will be raised to Booking/Ticketing agent.	ADM to be raised for GDS misuse, Violation amounts USD 30 per passenger per segment.
Desired segment	Open segments are not allowed for NP and hence no agency had to book any booking using flight as 0000. All such open bookings, where flight number is 0000 with status code DS will be proposed as an ADM.	Debit will be raised to Booking/Ticketing agent.	ADM to be raised for GDS misuse, Violation amount USD 50 per passenger per segment.
Un-ticketed booking	Any bookings which are not cancelled or ticketed within 24 hours of departure date and GDS had charged such booking to NP. All Such un ticketed bookings will be raised as a Violation.	Debit will be raised to Booking/Ticketing agent.	ADM to be raised for GDS misuse, violation amount USD 50 per passenger per segment.
Cross border ticketing	Ticket issuance in such a way it appears that the travel commences in a different country than is the case or containing flight segments not intended for use.	Debit will be raised to Booking/Ticketing agent	Fare difference between fare purchased and Highest RBD Plus USD 100 Per Ticket.



Back-to-back ticketing / out of sequence used	The issuance or use of coupons from two or more tickets issued at round trip fares or the combination of two or more round trip fares end to end on the same ticket, for circumventing applicable tariff rules, such as advance purchase and minimum stay requirements.	Debit will be raised to Booking/Ticketing agent	Fixed amount of USD 300 per direction per passenger.
Use of robotic macros/scripts	Use of robotic macros/scripts to perform availability functions within GDSs.	Debit will be raised to Booking/Ticketing agent	Fixed amount of USD 10 per hit.
Baggage allowance or any ancillary services.	Verification on baggage allowance printed on the ticket vs. the actual allowance approved for applicable fares/Point of Sales (POS)/deal code, etc.	Debit will be raised to Booking/Ticketing agent	Fixed amount of USD 300 per passenger.
Missing Passenger Information	The travel agency should provide the full contract information of the passenger including phone number, mobile number, and e-mail.	Debit will be raised to Booking/Ticketing agent	Fixed amount of USD 100 – 2000 per passenger per PNR.
POC (Point of Commencement) violation	Creation of segment (s) not in the right booking sequence as per the journey passenger intends to travel, with the intention to circumvent NP inventory to obtain seats in RBD (s) which may have not been available when the same was requested.	Debit will be raised to Booking/Ticketing agent	Fixed amount of USD 300 per passenger. This is the minimum amount Nile Air will be charging. It remains the airline prerogative to recover the fare difference where, deemed necessary, between the RBD booked and next available RBD that should have been booked when the same was requested from the right availability / booking sequence.
Hidden Group	Verification on multiple individual ticketed PNRs created for large groups which expressly prohibited as against NP Group Policy and Procedures.	Debit will be raised to Booking/Ticketing agent	Fixed amount USD 100 per segment per passenger.
PNR Transfer	Validation will ensure that PNR transfers are processed within the same point of sale country. Any PNR transfer between two different countries will be considered a violation.	Debit will be raised against the ticketing agent.	USD 100.00 per PAX per segment.



ADM Issuance Process

In compliance with IATA resolution 850M:

- ADM will be raised on Nile Air traffic documents (325), issued by, or at the request of the agent, regardless of which airlines are included in the itinerary of the NP traffic document.
- Nile Air mandates 100% e-ticketing issuance. Where a paper ticket is issued, Nile Air may impose a charge that will be collected by ADM.
- To cover the cost of the audit process, Nile Air will levy for each ADM an administration fee of USD 15.00 (or equivalent amount in local currency), identifiable by the MF code. This charge will be reversed only upon full acceptance of the dispute for wrong ADM issuance by Nile Air. Nile Air reserves the right to revise the administration fee with or without prior notification.
- An ADM may also be used to collect a penalty charge for each seat falling below the agreed materialization rate for group sales.
- Nile Air will endeavor to provide as much information as possible on an ADM to ensure it is specific enough about the reason a charge has been raised.
- ADMs will be issued for each specific transaction; however, more than one transaction can be included in one ADM if the reason for the charge is the same for the same agent.
- NP reserves the right to raise the ADM on repeat offenders irrespective of the minimum ADM value on 'as and when' basis.
- If Nile Air raises an ADM for non-compliance with fare rules, the general principle applied is to raise the fare to the next applicable fare.
- Nile Air will only issue more than one ADM in relation to the same original ticket, if different, unrelated charges apply. This does not apply when an ADM is cancelled and raised again for the same reason but for a different value.
- Nile Air will raise ADM via BSPLINK/ARC as per applicable BSP/ARC guidelines.
- Nile Air complies with respective local BSP/ARC procedures in providing agents with a minimum period of notice to review ADM raised and dispute it.
- To adjust refunds, an ADM will only be issued within nine months of the BSP remittance date on which the document was settled. Being outside the BSP settlement window, the method will be direct invoicing.
- ADMs/ACMs may be processed through the BSP/ARC, for a maximum period of 30 days following default action taken against an Agent in accordance with IATA Resolution 818g, attachment "A", Section 1.0
- For any ADM issued through BSP/ARC link, the date of issue is considered as the date of receipt by the agent. A daily monitoring of ADMs through BSP/ARC link is highly recommended to the agents.
- For non BSP/ARC cases, the ADMs shall be circulated by the respective Nile Air local office.
- For the Revenue Integrity function any O&D abuse identified from a non-IATA agent leads to immediate blocking.
- The Audit Period governs the frequency of the audit process and can be weekly, fortnightly, or monthly.

ADM Dispute

- Nile Air shall endeavor to handle rejected or disputed ADMs in a timely manner in compliance with applicable IATA resolutions and regulations. Where an agent has disputed an ADM within the latency dispute period provided the dispute was sent to the address notified on the ADM in question, Nile Air will endeavor to handle rejected or disputed ADMs in a timely manner in compliance with applicable IATA resolutions and regulations. The travel agent can dispute the ADM as per the "Latency period" applicable in respective BSP/ARC country/market practice.
- Nile Air shall examine the reasons for the dispute and approve where it is proved that the charge was wrong/not due and/or evidence to the contrary is provided.
- For any unresolved disputes, Nile Air reserves the right to deduct the disputed amount from the applicable Productivity Link Bonus (PLB).



- Nile Air expects travel agents not to dispute an ADM where the reason is valid and evidence to the contrary is not available and to raise all disputes as per applicable BSP/ARC guidelines. If the dispute is invalid or evidence to the contrary is not available, an administration charge of USD 15.00 per ADM will be applicable.

Booking/Ticketing Agents' and Nile Air' Responsibilities

This section is to clearly define the role and expectations from Booking/Ticketing Agents as well as Airlines.

Booking/Ticketing Agents' Responsibility:

- Proper issuance of tickets, in compliance with Tariffs, Rules, General conditions of carriage and instructions provided by the Carrier. Travel Agent's obligations are described in IATA Resolution 824.
- Inform passengers, where required, that the Airline reserves the right to make inspections concerning the use of Traffic Documents and to demand, if needed, the payment of the difference between the fare paid and the applicable one. In case of refusal, the Airline reserves the right to deny board the passenger.
- Advise passengers that the Airline will honor every flight coupon only when correctly used, following the right sequence and from the point of origin as per fare calculation shown on the ticket. Any irregular use of ticket or flight coupons sequence will invalidate the entire Traffic Document.
- Re-issue ticket if changes pertaining to flight/date/booking class are made after ticket issuance and whenever the payment of a charge or a difference is needed. Ticket to be reissued irrespective of Additional Collection (ADC) or no ADC.
- Inform passengers that the Airline reserves the right to collect any difference in taxes implemented by the respective Government Authorities.
- Check passenger's eligibility for typological fares (e.g., Seaman, Resident and Government) or Tour Operator (TO) fares, before issuing a ticket and to inform the passenger that the proof of eligibility may be requested by the Airline at any time. The Airline reserves the right to settle with the customer or alternatively an ADM shall be raised on the Travel Agent (e.g., in case of passengers holding tickets with special TO fares without being eligible to travel with such fares).
- To train their staff in ADM procedures; their purpose and the dispute period that exists.
- To ensure that when an ADM is disputed, the response is specific in detail and the relevant supporting information is sent to Nile Air to the address indicated on the ADM.
- Not to dispute an ADM where the reason is valid and evidence to the contrary is not available.
- To raise all disputes as per BSP/ARC guidelines applicable.
- Booking more than 9 passengers on at least one common flight segment within their itinerary shall be requested as a group booking. Booking them in two or more individual PNRs is considered as "hidden" group, which is not allowed. Such bookings are subject to ADM. 200 USD flat fee will be collected per segment /per passenger.

Nile Air' Responsibility:

- Try to minimize irregularities in issuing/managing tickets through audits.
- Provide as much information and detail about the reason a charge is being made to ensure its accuracy.
- To avoid recurrence of irregularities, agree with the Agent concerning the most suitable corrective action if the volume and types of anomalies are deemed to be above average. Nile Air station Commercial Manager will attempt to address these issues bilaterally with the agent concerned.

Contact and Information Requests

All ADM disputes/requests for supporting/additional information should be addressed to the below mentioned email ID.

Email ID: sales.audit@nileair.com

The airline contact details provided in the ADM should not be used for any dispute communications.