

## AGENT DEBIT MEMO (ADM) POLICY

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## ALITALIA AGENCY DEBIT MEMO (ADM) POLICY

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Dear Agent

With this document ALITALIA (from now on referred to as *the Carrier*) publishes the updated policy on AGENCY DEBIT MEMO (ADM), with reference to the provisions of IATA Resolutions 850m and 818g dated 01 June 2014.

This notice replaces any previous one with effect from June 1<sup>st</sup>, 2016

### PREAMBLE

We remind that the Agent is responsible for the proper issuance of tickets, in compliance with tariffs, rules, general conditions of carriage and instructions provided by the Carrier. Travel Agent obligations are described in IATA Resolution 824.

The Agent is asked to inform passengers that the Carrier 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 boarding may be denied.

The Agent should also inform passengers that the Carrier will honour 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, as specified by the applicable Carrier's General Conditions of Carriage in effect at the time of ticket issuance. Therefore, any irregular use of ticket or flight coupons sequence will invalidate the whole Traffic Document.

In case of flight / date / booking class change, made after ticket issuance, whenever the payment of a charge or a difference is needed, the ticket must be reissued. Tickets can be revalidated if changes of flight/date are in the original booking class and/or if any applicable penalties are paid through the issuance of a VMPD/EMD-S.

ADMs are a legitimate accounting tool to be used by the Carrier to collect amounts or make adjustments to Agent transactions related to the issuance and use of Traffic Documents issued by the Agent, regardless of which airlines are included in ticket itinerary. Subject to agreement with the Agent, alternative uses of ADMs may 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.

Unless justified evidence to the contrary, the agent owes the Carrier the amount shown on the ADM as per memo reason. The Carrier will endeavour to provide as much information and detail about the reason a charge is being made in order to ensure its accuracy.



The purpose of the audit is to minimize the irregularities in issuing / managing tickets. Therefore, if the volume and types of anomalies are deemed to be above average, the Carrier will agree with the Agent concerned the most suitable solution.

## **ADM ISSUANCE**

ADMs will be processed through the BSP and issued within 9 months of the final travel date or the expiry date of the document, when the final travel date cannot be established.

To adjust incorrectly issued refunds, an ADM may be issued within 9 months of the BSP remittance date on which the document was settled. Any charge due beyond this period will be handled directly between the Carrier and the Agent.

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.

If different and unrelated charges apply, more than one ADM may be issued by the Carrier in relation to the same original ticket. For any ADM issued through BSPlink, the date of issue is considered as the date of receipt by the Agent. A daily monitoring of ADMs through BSPlink is highly recommended to the Agents.

The Carrier will provide the e-mail address in the Airline Contact box for each ADM: this address should not be used to start disputes. Any dispute should be handled directly through BSPlink, in order to allow a more efficient and timely management of disputes, indeed.

## **CRITERIA FOR CHARGE**

### **Minimum Amount**

The carrier may set minimum amounts for the issuance of a single ADM depending on the type of controls performed. If differences are lower than the amount mentioned, but related to more transactions of the same kind and with the same memo reason, these differences may be grouped in one single ADM.

### **Administrative Fees**

To cover the cost of the audit process, the Carrier will levy for each ADM an handling fee of **20,00 €** (or equivalent in local currency) identifiable by the MF code (**malpractice fee**). For charges which are lower than the minimum amount, included in one single ADM, the Carrier will apply only once the handling fee. This charge will be reversed only upon full acceptance of the dispute for wrong ADM issuance.



## RESERVATIONS CONTROLS

The Carrier carries out systematic booking control by paying special attention to any incorrect procedure that may cause malpractice regardless of ticket issuance, for which ADM may be raised.

To avoid ADM, we recommend what follows:

### Duplicate booking / dupe segments / alternative segments for the same passenger:

Do not create duplicate booking for the same passenger and provide to remove any excess segment/booking at the same time of the new one.

### Fictitious names / false ticket numbers:

Do not make reservations with fictitious names, or enter false ticket numbers. Bookings which contain fictitious names or ticket numbers will be screened. Once identified, such a booking is subject to automatic cancellation and a penalty of **50,00 €** (or equivalent in local currency) will be applied per passenger booked.

### Training / Testing Bookings:

While training or testing, use only the testing areas provided by each system. Test bookings will be charged as fake name bookings (**50.00 €** per passenger booked or equivalent in local currency). Agents and GDS shall use Test Environment for training purposes. Creating bookings for training scope using active sell segment status codes is prohibited.

### No-Show Bookings :

Non-ticketed bookings resulting to be No-Show will be charged **50,00 €** per passenger booked (or equivalent in local currency). A noshow booking which contains a ticket which is found to have been voided or refunded will be subject to the charge of "fake ticket number" in addition to the noshow fee.

### Waiting lists:

Remove any excess segment which will not be used in case of confirmation from the waiting list.

### Married Segments:

Agents must never break married segments. Agents that break married segments to the mere scope of gaining access to otherwise unavailable classes will be charged with ADM. In case of married segment violation to gain access, the Carrier will issue ADM and apply the following penalties: **350,00 €** for malpractice fee (or equivalent amount in local currency).

It is considered Married Segment Abuse also the act of booking an O&D in separate availability requested per leg.



Space acquisition on closed booking class:

Any availability breaching to obtain confirmation in a closed booking class/RBD will be subject to receipt of ADM of **350,00 €** per violation/passenger (or equivalent amount in local currency).

Block Space by Individual Bookings:

No block space allowed by means of many individual bookings instead of the established group procedure. Such bookings are subject to immediate cancellation without previous notice. In case of already ticketed block space reservations, the carrier will apply an ADM of **100,00 €** per each passenger exceeding the regular individual booking amount (10).

Churning:

Do not make excessive and repeated booking and cancellation with the following purpose:

- Avoiding the application of Ticketing Time Limit
- Forcing the access with input not allowed
- Achieving the CRS productivity target.

Repeated cancelling and rebooking of space is often done to circumvent ticketing time limits. Participating in this activity prevents other agencies from selling available space and ultimately blocks seats from all of our customers. The carrier reserves the right to send ADM of **50,00 €** for each reservation where this repeated cancelling and rebooking actions exceed an acceptable level (5). To avoid debit memos associated with these booking infractions, please refrain from engaging in this activity.

Above fees are applied on all classes on AZ/CT operated flights or code-share flights under AZ/CT flight numbers. The policy aims at offering Agents and Customers a better seat availability by reducing the bookings which are not materialized or are not handled in a proper manner, but are merely blocking valuable seats.

## **GDS EFFICIENCY CONTROLS**

The Carrier shall issue ADM's for specified malpractices on booking procedures on the base of BIDT data sent by GDS.

Granted that the Airline is monitoring the distribution costs to reduce the unproductive segments, (i.e. booked segments not directly involved in the production of a travel document), the violations which will be the cause of an ADM issue are the one specified as follows:

Not cancelled segments (Inactive bookings):

Segments booked by the Agent and cancelled by the Airline for:

- Ticket Time Limit expired;



- Schedule changes;
- Duplicates;
- Fictitious names or tickets.

When one of the above actions is executed, the Carrier sends notification directly to the original Agent's GDS queue. This notification communicates the change and directs the booking agent to accept the changes in the GDS passenger name record (PNR) and to remove the inactive segments.

Inactive Segment status codes include:

- HX
- UC
- UN
- NO

All inactive segments must be removed from the GDS PNR at least **24 hours before departure**. Agents should monitor their queues on a daily basis.

GDS	Queue HX	Queue UC	Queue UN	Queue NO
Amadeus	1C1	1C1	7	1C1
Galileo	23	21	21	21
Apollo	12	0/1/18	71	0/1/18
Worldspan	1	1	1	1

Please check inputs and queues number with your GDS.

In case of violation of the Policy here published, the Carrier reserves the right to issue a **5,00 €** (or equivalent in local currency) ADM for each passenger/segment held in the certified malpractice. ADM will not be issued for amounts less than **20,00 €**.

Passive Segments:

Passive segments are only permitted for ticketing purposes.

They must match an existing booking created by:

- Group reservations;
- Individual bookings created by the Carrier;



- Individual bookings created by other Agents.

They will be considered forbidden and will cause an ADM issue if they have been generated:

- by the same Agent creating the active reservation;
- for an administrative scope.

In case of violation of the Policy here published, the Carrier reserves the right to issue a **5,00 €** (or equivalent in local currency) ADM for each passenger/segment held in the certified malpractice. ADM will not be issued for amounts less than **20,00 €**.

## **ISSUE, REISSUE, REVALIDATION AND REFUND TICKETS CONTROLS**

Following controls will be carried out by the carrier to ensure adherence to internal and industry policies. Penalty ADM, for a minimum amount of **8,00 €** per single ADM, shall be raised in case of discrepancies.

- Issue/Reissue/Refund Fare calculation
- Minimum/Maximum Stay
- Booking Class/Class of Travel
- Advance Purchase requirements
- Issue/Reissue/Refund Tax calculation
- Routing/Flight requirements
- Stopover & Transfers
- Open Jaws
- Seasonality/Travel Restriction/Blackout
- Combination for Fares & Carriers
- Joint Fare violation of other Airline and Airlines partner Joint Fares
- IATA fare construction
- Non-refundable Fare
- Group Fares
- YR Surcharges
- Change Fee/Reissue/Cancellation Fee/Refund Charges
- Issue/Reissue/Refund Commission
- Child/Infant/Other discounts
- Missing or incorrect Tour Codes/Sanction Codes/Waiver Codes/Discount Code
- Expiry of fare/ticket
- Expired tickets reissued
- Dual utilization of coupons
- Any conditions/Rules/Charges covered under contracts/Deals/Sanctions/Fares
- Out of sequence
- Original ticket details not reported in re-issued ticket
- Endorsement restrictions
- No Show Charges
- Conversion Rates
- Refund of partly used ticket
- Conjunction ticket refunded separately



- Duplicate refunds
- Ticket refund validity
- Correct original airline
- Form of Payment
- Credit Card Refunds
- Credit Card charge back
- Credit Card fraud
- Sales not reported
- Utilization of tickets reported as VOID
- RBD abuse
- Any incorrect Ticketing
- Baggage allowance

The Carrier will charge the lower or missing collection of fare, taxes, fees, charges, rbd violation, comparing them to the applicable amounts in effect on the date of ticket issue or reissue. In case of incorrect application of the tariff (e.g. booking class abuse), the difference will be calculated to the next applicable fare, considering the whole ticket itinerary.

The proper applicable fare basis, tour code, ticket designator, corporate information (if any) should always be shown on the ticket. Taxes, fees, charges should not be merged into a single tax code, either on the ticket nor the refund. In case of wrong issuance, even if the amount collected was correct and the dispute approved, the Carrier will keep the administrative fee of **20,00 €** (or equivalent amount in local currency), to cover the costs incurred for ADM issuance, due to the wrong compilation of the ticket by the agent.

In case of wrong or omitted baggage allowance or of unjustified Piece Concept applied, an ADM will be sent, according to the following amounts:

Malpractice type	Domestic Itinerary	International Itinerary	Intercontinental Itinerary
Wrong baggage – adult/child	<b>50,00 €</b>	<b>50,00 €</b>	<b>100,00 €</b>
Omitted baggage – adult /child	<b>50,00 €</b>	<b>50,00 €</b>	<b>50,00 €</b>
Wrong or omitted baggage allowance – infant	<b>25,00 €</b>	<b>25,00 €</b>	<b>40,00 €</b>

In case of use of VMPD/MCO it is mandatory to enter the number of that document into the endorsement box of every reissued ticket. In case of use of EMD-S, it is mandatory to enter the conjunction ticket number into the EMD-S document. The VMPD/EMD-S/MCO must be correctly filled in all part. In case of wrong compilation or omitted document number, the Company will debit a fee of **25,00 €** (or equivalent amount in local currency) in additional to a malpractice fee of **20,00 €**. The same amount will be applied to tickets issued without the respect of all issue/reservation rules of the fare construction (for example without the MCT).

Concerning Refund for medical reason, it has to be certificated to the Carrier.

The exchange rate will be recalculated.



## STATION CONTROL

Alitalia reserves the right to make inspections at the Airport to verify the respect of Fare Rules, the carriers General Conditions of Carriage, 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 boarding will be denied.

The Agent is responsible for the proper issuance of tickets, in compliance with tariffs, rules, fare basis/ticket designators, tour codes, baggage allowance, General Conditions of Carriage etc. and he has also the responsibility to inform the passenger accordingly.

The Agent is also obliged to check the passenger's eligibility for typological fares (e.g. Seaman, Resident, Government) or Tour-Operator fares, before issuing a ticket and to inform the passenger that the proof of eligibility may be requested by the Airline at any time. In case of established ineligibility, the Airline has the right to settle with the customer. ADM can be sent in case of responsibility of the Travel Agent (e.g. in case of passengers holding tickets with special Tour Operator Fares without being eligible to travel with such Fares).

Especially concerning Tour Operator fares when passenger is not eligible for check-in an ADM will be sent to a Travel Agent as follows:

- National: **90,00 €** for Ticket + **20,00 €** for malpractice fee
- International: **140,00 €** for Ticket + **20,00 €** for malpractice fee
- Intercontinental: **200,00 €** for Ticket + **20,00 €** for malpractice fee

The Agent is also obliged to warn passengers that the Carrier will honour 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, according to the General Condition of Carriage (Art. III). Therefore, any irregular use of ticket or flight coupons sequence will invalidate the whole Document.

Finally, the Agent has the responsibility to inform customer that at any time, customer could be charged the fare difference (plus change fee, if applicable,) between the paid itinerary and the effective one if there is a discrepancy between effective and paid itinerary (all in accordance with the Fare Rules).

## ADM DISPUTE

The Agent shall have a maximum of 15 days (RESO 850m 01jun14) from receipt (=issuance) of ADM to examine and dispute the ADM via BSPlink before it is submitted for settlement to BSP ("Latency Period").

When logging a dispute the Agent will provide the reason for dispute and the contact details (e-mail address and/or phone numbers) for any clarification or supporting information needed. Failure to provide the reason for dispute will lead to rejection of the dispute.



The Carrier will endeavour to handle the ADM disputed in a timely manner, at most within 60 days of receipt of the dispute. In this regard we remind that the raising of the dispute via BSPlink suspends the billing and payment of ADM, until the dispute is not defined.

The Carrier will examine the reasons for the dispute and will approve it where it is proved that the charge was wrong/not due and/or evidence to the contrary is provided. In case of full approval of the dispute, the Carrier will delete the ADM, in case of partial agreement an Agency Credit Memo (ACM) will be issued for the value accepted.

## **CONTACTS AND INFORMATION REQUEST**

The e-mail addresses for any question and forwarding of relevant supporting or additional information for the disputes raised via BSPlink are:

Reservations: [BookingControl@alitalia.com](mailto:BookingControl@alitalia.com)

GDS Efficiency: [GDSadm@alitalia.com](mailto:GDSadm@alitalia.com)

Tickets issuance: [AZSalesAudit@alitalia.com](mailto:AZSalesAudit@alitalia.com)

Tickets issuance (only Italian Market): [AZITREVENUEINTEGRITY@alitalia.com](mailto:AZITREVENUEINTEGRITY@alitalia.com)

Station Control: [stationcontrol.AZAP@alitalia.com](mailto:stationcontrol.AZAP@alitalia.com)

Thank you in advance for your cooperation.