

AGENCY DEBIT MEMO POLICY



Effective date:

May 01, 2022

V 1.5

INTRODUCTION

SAUDIA's policy on Agency Debit Memos (ADM) will provide further clarification to the Travel Agents, the circumstances under which ADMs will be issued and the guidelines that SAUDIA applies. This ensures that fare rules and other agreements between the Travel Agent and SAUDIA are respected and if not, settle the dues in an adequate and logical way.

AGENT OBLIGATION & SCOPE OF AUDIT

The Agent should issue tickets in compliance with Carrier's fares, fare rules, general conditions of carriage, and written instructions of the carrier as provided to the Agent. Airlines have the right to audit and send ADMs for all SAUDIA Air traffic documents (065), issued by, or at the request of the agent, regardless of which airlines are included in the itinerary of the SV traffic document. These ADMs will be handled as per IATA resolution 850M.

IN PARTICULAR, FOLLOWING ARE SUBJECT TO AUDIT: (Not Limited to)

- Issuances, Refunds, Reissue, and Void transactions with automated or manual fare quotes.
- All fare elements for published and negotiated programs (Including Private, Government, Corporate, TO, and Group fares and conditions), YQ/YR, Commissions, Taxes, and EMD.
- Reservation violation Audit for more details of SAUDIA booking and ticketing policy visit www.saudia.com/travelagencies
- The use of Agent's Own Credit Card in credit card transactions made by the Agents. Such transactions will be subject to a penalty of **SAR 300** (or equivalent to sales currency) per transaction if the Agent has not consented to the charges associated with the use of Agent's Own Credit Card as per Saudia's Payment Policy prior to making any such transactions. For more information about Saudia's Payment Policy for Agent's Own Card visit www.saudia.com/travelagencies
- Form of payment validation is part of the audit; an **ADM of 10% of the refunded amount** going to be issued if the **CREDIT** form of payment was refunded as **CASH or other Form Of Payment than CREDIT** plus the applicable ADM's administration fees.
- Unreported sales and rejected Credit Card payments for used tickets are subject to ADM according to the issuing fare of the used itinerary.
- Recurring violation and/or abuse of reservations and/or Tickets and/or failure to pay outstanding invoices/ADM's may result in the deactivation of the reservation and/or Ticketing authority with SAUDIA.

ADM ISSUANCE PROCESS AND PROCEDURE:

- An ADM will only be submitted for processing through the BSP to adjust sales if issued within **nine months of the final travel date**, or when the final travel date cannot be established, the expiry date of the document. In case of refunds, an ADM will only be issued within nine months of the Refund date. For any charge due beyond this period, SAUDIA will agree with the Agent bilaterally the best settlement method and only submit an ADM through the BSP process if agreed in writing by the Agent.
- SAUDIA complies with BSP procedures in providing agents with a minimum period of notice, in order to review any ADM and dispute it via BSPLink dispute/ARC MEMO Manager.
- An ADM will not be issued for a value **less than SAR 20** (or equivalent in local sale currency). Exceptions for this clause are made in certain cases e.g. tax violations, commission violations, in cases of persistent errors this minimum ADM value shall not be applicable. Also, if there is a persistent practice of under-payment (multiple occurrences of under payments less than SAR 20 (or equivalent in local sale currency) in a single period by the same IATA location, SAUDIA reserves the right to raise an ADM to recover the under-payments.
- SAUDIA will endeavor to provide as much information as possible on an ADM to ensure it is specific in its detail about the reason a charge is being made.
- SAUDIA will only include more than one transaction on any ADM if the reason for the charge is the same and will provide details with the ADM.
- SAUDIA 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.
- If SAUDIA raises an ADM for non-compliance with fare rules, the general principle applied is to raise the fare to the next applicable fare. Any divergence from this principle (e.g. a fixed amount penalty charge) is communicated to the Agent in advance, e.g. through notes in the fare rules, by letter, or any other communication such as SAUDIA's travel agency's webpage www.saudia.com/travelagencies used in the market in question.
- SAUDIA reserves the right to issue any malpractice ADM against the booking procedure. Please visit (<https://www.saudia.com/travelagencies>) for more information about SAUDIA's Booking and Ticketing policy.
- SAUDIA 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.

- Ticket must be re-issued if any change pertains irrespective of Additional Collection (ADC) or no ADC is required.
- SAUDIA instructions specify any fee (Reissue/No-show) must be collected via an EMD, and the EMD must be linked to the ticket concerned. Failure to follow this procedure may result in a charge to be collected by ADM for incorrect ticketing procedures.
- SAUDIA 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).
- SAUDIA will levy for each ADM an administration fee on ADM issuance. This charge will be reversed only upon full acceptance of the dispute for wrong ADM issuance.
- SAUDIA reserves the right to revise administration fee with or without prior notification. This fee is to cover the cost of the audit process and will be issued as part of the ADM value.
- If an ADM waiver is given under SAUDIA discretion, then only the administration fees will be applicable.
- SAUDIA reserves the right to deduct outstanding ADM dues from the agencies' incentives or/and commissions or/and deposits.
- Except where otherwise agreed in a market, in consultation with Agents individually or collectively, SAUDIA will not use an ADM to collect third party costs not directly associated with the initial ticket issuance of a passenger journey.

ADM ADMINISTRATION CHARGES:

- **SAR 95** for Europe, USA, and Canada (or equivalent to sales currency)
- **SAR 75** for The Middle East, and Africa (or equivalent to sales currency)
- **SAR 60** for Indian Subcontinent & Asia Pacific (or equivalent to sales currency)

OTHER CHARGES:

SAUDIA will apply the below charges for the mentioned list of services

Service	Charges
Refund application authority for VOLUNTARY cases via SV refund team	SAR 150 per Refund request
ACM requests as a reimbursement/adjustment for an agency's error	SAR 150 per ACM

ADM DISPUTES:

- According to IATA resolution 850M, an agent shall have a **maximum of 15 Days** in which to review and dispute an ADM.
- Any billed ADM which was not disputed within the dispute period will be considered as **ACCEPTED** by the agency, and will not be applicable to any further dispute.
- SAUDIA will handle 1st disputes via BSPlink/ARC MEMO Manager only,
- While disputing an ADM, it is essential to provide a clear reason for the dispute and all supporting documents should be attached.
- If SAUDIA rejects the dispute an explanation for the rejection will be mentioned in the airline rejection reason.
- If SAUDIA rejects a dispute and the agent wants SAUDIA to re-investigate, the agent could contact SAUDIA through the email mentioned in **the ADM within 10 days** of the rejection date by providing additional information. Otherwise, the re-dispute will not be considered.
- Using PBD in BSPlink (after the 15-day dispute period) as 1st dispute is not permitted.
- Misuse of PBD in BSPlink may result in withdrawal of your SAUDIA's ticketing authority.

SAUDIA expects travel agents:

- To train their staff on ADM procedures; its 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 provided.
- Not to dispute an ADM where the reason is valid and evidence to the contrary is not available.
- To raise all disputes within 15 days from the ADM issue date (according to Resolution 850m).
- To ensure that their contact details (phone numbers, fax numbers, and email addresses) are up to date in BSPlink. To provide specific contact details when logging a dispute in BSPlink to enable SAUDIA to make contact concerning the dispute.
- Authorized agents should check passenger's eligibility for special fares or discounts/commission e.g. Seaman, Government, corporate fares and Tour Operator (TO) fares, etc. before issuing a ticket and **keep a copy of proof of eligibility for 18 months** as it may be requested by the Airline at any time. Failure to provide the documentation may result in issuing an ADM.

Information & Contact Address

For any further information:

- Visit travel agency's webpage <http://www.saudiairlines.com/travelagencies>
- E-mail address HQBSPDISPUTE@saudiairlines.com