



## China Airlines ADM Policy

China Airlines is herewith publishing its ADM Policy effective 01. January 2015.

China Airlines (CI) has decided to publish its ADM policy in accordance with IATA Resolution 850m.

### 1. General

The purpose of the Sales Audit is to ensure that all tickets issued on CI ticket stock (297) are in accordance with IATA ticketing rules and CI fare rules. In addition all taxes and fees must be collected correctly.

- Sales, exchanges, reissues and refunds will be audited
- Manually as well as automatically priced tickets will be audited
- Commission on tickets will be audited
- More than one ADM may be issued in relation to the same ticket for different reasons
- CI will charge a penalty fee for incorrect ticket issuance in the amount of 50 EUR or the equivalent amount rounded up or down
- If there is a ticketing error which is due to incorrect information in the GDS, CI will issue the ADM to the agent and the agent will then have to claim the money from the GDS. This does not apply if CI has loaded the incorrect information to the GDSs
- CI will not levy administration charges to cover the cost of the ADM issuance

### 2. ADMs will be raised for the following reasons

- If the fare, taxes and fees are under-collected
- If commission, which is not applicable is taken
- If refund rules are not followed
- If the fare rule is broken in any way, e.g. min/max stay, stopovers, penalties, changes etc.
- If a ticket is not reported to CI or it is not paid
- If the fare calculation line is not in accordance with IATA ticketing rules
- If the fare basis or IT code is incorrect
- If fare, taxes and fees are not in the appropriate box, e.g. taxes and fees inserted as fare
- Credit card fraud: If CI is debited by credit card acquirer for fraudulent activity related to an agent ticket, CI will charge the agent for all costs. This is in accordance with IATA resolution 890
- If agent uses CC and commission box when it is not allowed according to the agreement

### 3. ADM amount

If the fare, taxes or fees are under-collected the ADM amount will reflect the difference between the applicable

amount that should have been charged and what was actually collected

In case the correct amount was collected but the ticketing rules were not followed an ADM for a penalty fee will be issued in the amount of 50 EUR or the equivalent amount. The penalty amount decreases per ticket depending on the volume of tickets with the same type of error.

This only applies to groups.

- 1-5 tickets 100% penalty fee
- 6-10 tickets 50% penalty fee
- 11-20 tickets 25% penalty fee
- 21 tickets and more 10% penalty fee

#### **4. ADM minimum amount**

The minimum amount:

The minimum amount raised for each ADM is equivalent to 5 EUR and for taxes 1 EUR. If multiple tickets with the same error are found, an ADM will be issued, even though the amount is less than 5 EUR per ticket, as long as the total amount of the ADM exceeds 5 EUR.

For commission no minimum amount applies.

#### **5. ADM settlement**

- BSP: The settlement of an ADM will be done through BSP, if the ADM is issued within 9 months after the last travel date. ADMs referring to refunds made by the agents shall be processed through BSP within 9 months after the refund has been made by the agent. After this date, payment will be settled between the agency and the airline directly.
- The ADM will be automatically processed in the first available billing period after the dispute period has ended. Alternatively, the first available billing period following a dispute by the agent and subsequent rejection of dispute by the airline. The dispute period is 15 days.
- The timeframe for ADM settlement may differ if subject ADM involves 3<sup>rd</sup> party such as interline, GDS, etc. This would depend on the carrier's judgment, which may exceed 9 months after the last travel date.