

UNIT- IV

STD (STANDARD TRAFFIC DOCUMENT)

A standard traffic document (STD) is an Electronic Ticket (ET) or Electronic Miscellaneous Document (EMD). These Standard Traffic Documents (STDs) are issued by IATA Accredited travel agents under the Billing and Settlement Plan (BSP). Traffic documents serve as the passenger's receipt of sale. They record and track the usage of passenger transportation and related services. Standard traffic documents are issued in electronic format. **Standard Traffic Document (STD)** is the collective name given for neutral electronic tickets, VMPPDs and agents refund vouchers. BSP standard traffic documents bear no airline identification until after validation.

All standard traffic documents are to be issued in strict numerical sequence to ensure constant security of the documents, and to avoid unnecessary investigations by ISS of "missing" or apparently unreported documents. At the end of each reporting period, the agent submits to the processing center a sales transmittal form on which all documents issued or cancelled in a particular reporting period must be reported. The agent then settles with the clearing bank which, in turn, transmits the documents and monies to the airlines concerned.

MPD(MULTIPLE PURPOSE DOCUMENT)

Multiple purpose document is one of the most versatile accountable documents. It is an excess baggage ticket, special service ticket, tour order, PTA, MCO and agents refund voucher all rolled into one. Thus it can be used for manual and automated issuance of interline accountable traffic documents other than the ticket.

MPD is available in four different formats which are:

- Automated carrier carbonised MPD
- Automated neutral carbonised MPD
- Manual carrier carbonised MPD
- Manual neutral carbonised MPD

The MPD is valid for one year from date of issue.

CREDIT CARDS TERMS AND CONDITION

A **credit card** is a thin plastic card that identifies its owner as one who is entitled to credit when purchasing goods or services from merchants, including travel agencies and airlines. This means that the travel agency customer can purchase an airline ticket or other travel service now and pay

the credit card acquirer later. It contains a unique number identifying the owner of the card, the cardholder's name and signature and may even include a photo of the credit card owner. An **acquirer** is a bank or other financial institution that issues credit cards on behalf of credit card companies or brands such as MasterCard or Visa. Acquirers also play a role in approving credit limits and credit card purchase transactions.

A **processor** is an intermediary company that processes credit card sales transactions on behalf of the acquirer and whose responsibility is to pay the merchant for the sale. Travel agencies, like all selling businesses and vendors, apply to acquirers (banks) for permission to accept credit card payment from their customers. If permission is granted, the acquirer (the bank) assigns a **merchant ID** number to the travel agency. The merchant ID number is a unique code. It identifies the travel agency as a merchant and the agency's bank account where funds are to be transferred to or from.

An **issuer** is a financial institution, such as a bank, that issues or helps issue credit cards to consumers. A **credit card holder**—the person whose name appears on the credit card; normally the consumer.

A **card brand or scheme**—Visa, Mastercard, American Express are examples of card brands, also called card schemes. A credit card brand acts as a payment system that operates through a network of banks or other financial institutions that authorize purchases charged to a credit card. The purpose of card brands or companies is to market their credit card products and expand the network of issuing members.

A **discount fee** is a processing fee paid by merchants (travel agents) to acquirers for the benefit of processing credit card sales. An **interchange fee** is paid by merchants to a credit card issuer or card network as a fee for accepting cards. These fees range between 1% and 3% of the sale or amount charged to the credit card.

A **chargeback** occurs when the customer rejects the credit card amount billed after the sale is made and charged to a credit card. Here the customer instructs the credit card company to reverse the charge due to:

- fraudulently or falsely signed credit card charge forms
- unauthorized use of the customer's credit card
- stolen credit card, etc.

THE UNIVERSAL AIR TRAVEL PLAN (UATP) CARDS:

UATP (<http://www.uatp.com/about-us/index.html>) is a travel industry credit card owned and managed by the airline industry. The UATP card is used by cardholders to purchase airline and rail transportation as well as hotel accommodation and car rentals. UATP's low administrative fees bring maximum benefits to the travel companies that issue UATP cards and those that accept them for payment.

Airlines that issue UATP cards do so under their own airline brand. UATP issuers benefit from very low merchant service fees. They also earn some revenue in the form of a commission fee every time the UATP cardholder uses it. With UATP, airlines can

completely avoid credit card fees if their cardholders purchase tickets on the issuing airline.



PASSENGER TICKETING AND BAGGAGE:

The procedures for transporting, handling, and clearing passenger baggage are not internationally standardized. Airlines set their own free baggage allowances and charges based on commercial considerations. The way baggage is handled, what articles are permitted, and the amount of luggage allowed may differ from country to country, airline to airline, class to class and between international and domestic routes. Therefore, the information presented in this unit is a guide for travel professionals and their customers travelling on flights operated by most international airlines.

IATA defines baggage as follows:

“Articles, effects, and other personal belongings of passengers destined to be worn or used by them or necessary for their comfort or convenience during the journey”. Passenger baggage is transported in two ways: as **unchecked** baggage stored by the passenger in the aircraft cabin; or as **checked** baggage which is registered at check-in and stored by airport baggage handlers in the aircraft hold. Each airline applies its own baggage allowance rules.

Every airline establishes its own rules on what personal items passengers are permitted to travel with. Airlines also establish the number of baggage pieces, size and weight that can be carried free of charge. Every airline can set its own baggage allowances and fees, although many apply the same or similar allowance policies and rules for competitive reasons.

Unchecked Baggage Allowance

In addition to the checked baggage allowance, airlines may allow passengers to hand-carry baggage small enough for storage in the aircraft's overhead compartments (above the passenger seat) or under a passenger seat.

remains with the passenger during the flight. Unchecked baggage is accepted without charge, but there are limits to the quantity, dimensions, weight and contents of

unchecked baggage for every cabin class. The generally accepted dimensions for carry-on baggage are a maximum length 56 centimeters-cm (equivalent 22 inches-in), width 45 cm (18 in), depth 25 cm (10 in). The sum of the 3 dimensions of each carry-on bag should not exceed 115 cm (45 in) including wheels, handles and side pockets. Baggage in excess of these measurements must be transported as checked baggage in the aircraft hold.

There are limitations on the amount of liquid, creams, aerosols and gels that can be carried on board to a maximum of 100 ml per container. All containers must fit into a one-liter plastic bag. Just before approaching the security screening point at an airport, passengers carrying containers of liquids, creams aerosols and gels must remove them from their personal carry-on baggage. They must be presented in one clear transparent resealable plastic bag (measuring no more than one liter). These must be carried separately from other carry-on items for presentation at airport security screening checkpoints before entering the airport departure area. Space on any aircraft is limited. There may be occasions when there is still not enough room even after having met the size limitations. It is therefore wise to advise customers to only pack items required during the flight in their carry-on baggage.

Checked Baggage Allowances

Checked baggage is baggage that is too large to store in the aircraft cabin. Checked baggage is stored and transported in the aircraft hold. The aircraft hold is the part of an aircraft located in the aircraft's underbelly. The airline is responsible for the safe transportation of checked passenger baggage.

Each airline sets its checked baggage allowance rules, including the maximum number, weight, and size of checked bags they will accept. In the airline industry, the number of checked bags is expressed as "pieces," and so an airline that permits passengers to check 2 bags expresses this allowance as "2 pieces." A bag's size is expressed as the total sum of the bag length, width, and height. A checked bag that measures 55 cm in length, 35 cm in width and 22 cm in height is said to have total dimensions of 112 cm (55+35+22).

Each airline publishes what is not permitted (prohibited) in checked baggage, as well as a list of items that can substitute for a checked bag. These items consist of various sports equipment and musical instruments. One airline may accept ski equipment as free checked baggage while another may refuse to accept it as free checked baggage. Each airline sets the fees for transporting extra bags or bags that exceed the weight and size limitations. There are restrictions imposed by all airlines on the weight, length, width, and height per bag. Extra bags or larger, heavier bags will either be refused or accepted with a fee. It is necessary to verify checked baggage allowances with each airline.

The price of an airline ticket includes the transportation of the passenger. It sometimes includes the transportation of the passenger's checked baggage. It is increasingly commonplace for a fee to be charged for the transportation of checked baggage. Free baggage allowance varies by airline, routing and class of fare paid. Members of airline

loyalty or frequent flyer programs may be granted the privilege of extra baggage allowances without fees. Airlines set their own passenger baggage transportation policies on their services, deciding their own allowances and charges. It is critical to check with individual airlines for accurate and up-to-date information. All airlines publish their baggage allowance rules and policies on their website and in GDS systems. Refer to the following sample airline baggage webpages and compare their baggage allowance policies.

RESTRICTIONS BY CARRIER

Carriers have the right to require travel agents to provide legible documentation that are proof of compliance with the credit card acceptance procedures.

The acceptance of credit cards is governed by:

- Individual contracts between the airlines and the commercial credit card companies and
- By contracts between the airlines and the Universal Air Travel Plan (UATP)

The absence of a contract means that there is no obligation on the part of the credit card company to pay the issuing airline the total amount shown on the traffic document sold by the travel agent on behalf of the issuing airline.

TAX REFERENCE

The TFCs are listed alphabetically by country names with the corresponding ISO country code shown in parentheses. Below each country name, you will find the list of TFCs which are accompanied by the two-character tax code or tax identifier.

The PATTECD includes an index of countries that impose TFCs. If you do not find a country in the list, that means you do not need to collect any ticket related TFC for the country. There is also a list of tax codes at the beginning of the section. This explains the meaning of the each special TFC code. Always make sure to read the exemptions written below each tax rule plus the accompanying annotation about whether such tax is interlineable or not interlineable.

When a TFC is interlineable, it means that the issuing airline is responsible to collect it on behalf of another operating airline in interline journeys. The issuing airline agrees to pay the carrying or operating airline the TFCs applicable at the time of ticket sale for the travel dates applicable to the transportation performed by the operating airline and any additional TFCs collected by the issuing airline for the payment of which the operating airline is responsible.

TFC TAX FEES AND CHARGES, TYPES, IDENTIFICATION, GENERAL CONVERSION PROCEDURE

Types of TFCs

There are many types of TFCs collected at time of ticket issuance but for easier identification, let us associate them with the type of ticketed points in the itinerary and the place of sale and ticket issue. Hence, TFCs may be classified as:

- Departure TFCs
- Arrival TFCs
- Sales Tax
- Ticket Tax

Departure TFCs

Find out if there are departure TFCs for each ticketed point of departure. Such ticketed departure points may include the point of commencement, stopovers and transit points (with the code 'X/').

Departures TFCs come in a variety of forms but are usually expressed as a fixed amount and not as a percentage. The provisions require that such taxes, fees or charges are to be collected during ticket issuance for each departure from a point in the taxing country. These may be for domestic or international travel depending on the TFC specifications.

Example:

12.2.2 Algeria (DZ)

Airport tax (XE)

International airport tax is collected at ticket issuance for any travel involving any international departure from an airport in Algeria, amounts levied as follows:

International departures from:

ALG, CZL, ORN, HME DZD 900

Other Algerian airports DZD 400

Exemption: infants

The tax is interlineable.

Arrival TFCs

These are TFCs imposed for arrivals at a particular city or country. These are mostly tied to costs involving immigration inspection, customs inspection, and other types of services rendered to process passenger arrivals into such countries. However, these may also have been legislated for environmental causes such as the example shown below.

Example:

12.2.9 Australia (AU)

2. Noise levy tax (QK)

AUD3.40 is levied for each international arrival at Adelaide (ADL) airport. AUD1.35 is levied for each domestic arrival and departure. At Adelaide (ADL) airport (iso AUD3.40 per arrival).

To be collected at point of sale.

Sales Tax

Find out if the place of sale has a Sales Tax, Value Added Tax (VAT), Goods and Services Tax (GST), or any other tax applicable for the purchase of a traffic document. In general this is often a local tax usually assessed as a percentage of the fare and is collected locally in the taxing country at the time of traffic document issuance.

Example:

Argentina (ARZ)

2. Gross Receipts tax—domestic (QN)

3.2% of the applicable domestic fare levied on all domestic transportation within Argentina. Collected at time of ticketing regardless of place of sale/issue.

Note: the resultant amount should be rounded to the nearest 0.01

Exemptions:

1. Infants
 2. Free tickets
 3. Airline crew on duty
 4. Domestic travel when part of an international contract for carriage international ticket, visit Argentina, Mercosur air passes connected to an international ticket.
- The tax is interlineable.

Ticket Tax

The ticket tax is not a sales tax but is a TFC imposed on the issuance of tickets.

TFC Identification

To be able to quote the total cost on the ticket, you need to examine the TFCs to be collected for each ticketed point on the itinerary.

For the following example, turn to Section 12 of your PAT General Rules extracts in order to check out the TFCs of the countries included in the journey.

Example: Journey:

SYD

NYC

Step 1: List the country of departure and identify the corresponding departure TFCs.

- Australia: six TFCs listed However, only three TFCs apply as departure taxes from Sydney.

These are listed below:

- Passenger Movement Charge (SYD) 38.00 AU
- Safety and Security Charge (WG) (SYD) 3.09 WG
- Passenger Service Charge (WY) (SYD) 21.37 WY

Step 2: List the country of arrival and look for the corresponding **arrival**

TFCs

- United States:

But, after reading the provisions of each, you would discover that the applicable arrival TFCs include:

- International transportation tax: USD 15.10 US
- US customs user fee: USD 5.50 YC
- US federal inspection fee/immigration user fee: USD 7.00 XY
- US APHIS: USD 5.00 XA

Step 3: Find out if there are any sales or ticket TFCs.

For the countries in our sample journey there are none applicable.

GENERAL CONVERSION PROCEDURES

After identifying the applicable TFCs by country and by type, convert all these taxes into the currency of the country of payment.

Step 1: Convert TFCs into the currency of the country of payment at the Bankers Selling Rate (BSR)

Unlike the IATA Rate of Exchange, BSRs change every week if not daily.

For exchange rates not published in the official source, you may use the latest issue of the 'IATA Clearing House Monthly Five Day Rates'. However, in this module, you need not consult these sources. Instead you will be provided with the applicable BSR for illustration purposes only.

Step 2: Round the resulting amount according to the instructions listed in the IROE table under "Other Charges".

Step 3: Add the TFCs to the equivalent fare paid to obtain the overall ticket total. If there is no equivalent fare paid, then add the TFCs to the fare to get the total amount to be paid by the passenger.

For example, assuming that the current BSR is 1USD = 0.63449

AUD, then we convert each of the US arrival TFCs as follows: – International transportation tax (US):

USD 15.10 x 0.63449 = 9.580 ~ (H 0.1) AUD 9.60 US – US customs user fee (YC):

USD 5.50 x 0.63449 = 3.48 ~ (H 0.1) AUD 3.50 YC – US federal inspection fee (XY):

USD 7 x 0.63449 = 4.44 ~ (H 0.1) AUD 4.50 XY – US APHIS (XA):

USD 5.00 x 0.63449 = 3.17 ~ (H 0.1) AUD 3.20 XA

Important: As figures need to be shown separately in the TFC boxes of the ticket, do not add up all the TFCs in USD and collectively convert this sum into AUD!.

