



IATA-FIATA Air Cargo Program

Handbook - 1st Edition



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TABLE OF CONTENTS

Welcome to the IATA-FIATA Air Cargo Program (IFACP) Handbook	5
PART 1 – Introduction to the Program	6
Introduction to the IATA-FIATA Air Cargo Program (IFACP).....	6
How the IFACP works - Overview of Governance structure	6
IATA-FIATA Governance Board (IFGB), IFACP Regional Joint Councils and Program officials	6
How do Carriers join or sign up for the Program (General Concurrence)	7
How to apply for Endorsement as an IFACP Forwarder.....	7
Key Features	7
Fee Structure	7
Code.....	7
Changes to a Forwarder’s Company Structure.....	8
PART 2 – Program Rules.....	9
Section 1 - Criteria for IFACP Forwarder Endorsement and Retention	9
1. MINIMUM GLOBAL CRITERIA.....	9
1.1. OPERATIONS STANDARDS	9
1.2. FINANCIAL CRITERIA.....	10
1.3 MONIES DUE TO CARRIERS - REMITTANCE AND SETTLEMENT	11
1.4 MINIMUM STAFF REQUIREMENTS WHERE AIR CARGO IS MADE READY FOR CARRIAGE.....	11
1.5 LICENSE TO TRADE AND OTHER NATIONAL LEGAL REQUIREMENTS	12
Section 2 - Procedures and Processes Related to IFACP Endorsement.....	14
Section 3	16
Section 4 - Measures Affecting an IFACP Forwarder’s Standing	17
4.1 WITHDRAWAL FROM IFACP PARTICIPATION BY A FORWARDER.....	17
4.2 REMOVAL OF A FORWARDER BY THE PROGRAM SECRETARIAT	17
4.3 NOTICE OF SUSPENSION BY PROGRAM SECRETARIAT	17
4.4 EFFECT OF REMOVAL OR SUSPENSION	17
4.5 LICENSE TO TRADE.....	18
4.6 FORCE MAJEURE	18
4.7 OTHER MEASURES AFFECTING THE OPERATIONS OF A FORWARDER.....	18
Section 5 - Change of Ownership, Legal Status, Name or Address.....	19
5.1 NOTIFICATION OF CHANGES	19
5.2 TYPES OF CHANGES TO OWNERSHIP OR LEGAL STATUS IMPACT ON THE AGREEMENT.....	19
5.3 PROCEDURES FOR PROCESSING CHANGES REQUIRING A NEW AGREEMENT.....	20
5.4 PROCEDURES FOR PROCESSING CHANGES NOT REQUIRING A NEW AGREEMENT.....	20
5.5 OTHER PROCEDURES FOR PROCESSING CHANGES	20
5.6 FINAL APPROVAL.....	20

5.7 EFFECT OF DISAPPROVAL.....	20
5.8 UNDERTAKING BY TRANSFEREE	21
5.9 DEATH OF A SOLE OWNER OR OF A MEMBER OF A PARTNERSHIP OR OTHER UNINCORPORATED FIRM	21
5.10 DEATH OF STOCKHOLDER.....	21
5.11 CHANGE OF NAME	21
5.12 CHANGE OF ADDRESS	22
5.13 LATE NOTIFICATION OR ABSENCE OF NOTIFICATION OF CHANGE	22
Section 6 - Review by Arbitration	23
Section 7 - Program Fees	26
Section 8 - Remittance and Settlement	27
List of Appendices	28
Appendix A - IFACP Forwarder Agreement_201706.....	28
Appendix B - Application Form.....	35
Appendix C - Notice of Change.....	36
Appendix D - DGR training table (ICAO 1.5.A)	37
Appendix E - Non-Handling of Dangerous Goods Declaration.....	38
Appendix F - Specific Local Financial Criteria by country.....	39
PART 3 - Links to IATA Resolutions or Recommended Practices	40
PART 4 – IATA CASS Participation Rules – For Forwarders.....	41
1. IFACP FORWARDER PARTICIPATION IN CASS.....	41
1.2 FINANCIAL STANDING REQUIREMENTS FOR IFACP FORWARDERS	41
2. BILLINGS, REMITTANCES AND SETTLEMENTS	41
2.1 GENERAL	41
2.2 BILLING–FREQUENCY, PERIOD AND DATE	41
2.3 SETTLEMENT FREQUENCY AND REMITTANCE DATE	42
2.4 GRACE PERIOD.....	43
2.5 CHANGES	43
3. IRREGULARITIES AND DEFAULT	43
3.1 IRREGULARITIES AND DEFAULT	43
3.1.1 Irregularities and Default	43
3.1.2 Extraneous Factors Affecting IFACP Forwarders, Bankruptcy, Cessations	44
3.1.4 Overdue Remittance/Authorisation	44
3.1.5 Dishonoured Cheque or Other Method of Payment	44
3.1.6 Accumulated Irregularities.....	45
3.1.7 Suspension or Default Under Other Programs	45
3.1.8 IFACP Forwarder in Default as an IATA Approved Passenger Sales Agent.....	45
3.1.9 Charges.....	45
3.2 NOTIFICATION OF IRREGULARITY	46

3.3 DEFAULT ACTION	46
3.4 SUBSEQUENT IRREGULARITIES	47
3.5 REMITTANCE DELAYED BY OFFICIAL GOVERNMENT ACTION	47
3.6 FORCE MAJEURE	47
3.7 BANK ERROR	47
3.8 EXCEPTIONAL CHANGES TO REMITTING PROCEDURES.....	48
3.9 CASS IMPLEMENTATION— TRANSITIONAL RULES	48
3.10 BILLING QUERIES	48
4. CONSEQUENCES OF DEFAULT	49
4.1 DETERMINE IFACP FORWARDER'S INDEBTEDNESS TO CASS AIRLINES	49
4.2 SETTLEMENT OF AMOUNTS DUE.....	49
4.3 ACTIONS FOLLOWING SETTLEMENT OF AMOUNTS	49
4.4 EFFECTS OF RETENTION AFTER SUSPENSION OR DEFAULT	49
Appendix 'A' TABLE BY CASS OF REMITTANCE FREQUENCY, REMITTANCE DATE, GRACE PERIOD.....	51

Welcome to the IATA-FIATA Air Cargo Program (IFACP) Handbook

This Handbook is the essential reference manual of the IFACP, providing an introduction to the Program and detailing its procedures and rules. The Handbook sets out the criteria necessary for IFACP Forwarder endorsement and application processes, as well as various change or review procedures.

The Handbook is divided into 4 main parts:

Part 1 provides a brief introduction and details of the IFACP;

Part 2 contains the qualifications for IFACP Forwarder endorsement and procedures linked to obtaining and retaining endorsement, including related forms, the IFACP Forwarder Agreement and local country or regional criteria;

Part 3 provides the text or links to texts of individual IATA Resolutions and Recommended Practices relevant to those involved in air freight, and the rules and industry standards applicable also in the IFACP for the preparation of goods 'ready for carriage' by air; and

Part 4 contains the CASS Participation Rules – for Forwarders (IATA Resolution 851r).

A separate IFACP Governance Handbook provides further details of the structure and terms of reference of the IATA-FIATA Governance Board (IFGB) and Joint Councils that set the policy and determine the rules of the IFACP, including local criteria. As well as the roles of the various Program officials involved in the day-to-day operations.

PART 1 – Introduction to the Program

Introduction to the IATA-FIATA Air Cargo Program (IFACP)

The IATA-FIATA Air Cargo Program (IFACP) is the culmination of several years of collaborative work between IATA, the airlines, FIATA, and its forwarder members. The objective of the Program has been to recognise both the principal-to-principal contractual relationship that exists between the airlines and forwarders, and going forward, the requirement to better address and meet the day-to-day needs and expectations of an evolving air cargo industry. The Program therefore clarifies and validates the business model of a buyer-seller relationship between the parties. Working together to jointly manage the IFACP in future, will enable IATA and FIATA, and their respective airline and forwarder members, to jointly develop, progress and promote key air cargo industry initiatives designed to achieve industry efficiencies and to maintain the highest standards relative to safety and security.

How the IFACP works - Overview of Governance structure

The IATA-FIATA Air Cargo Program (IFACP) will be gradually rolled-out in a phased approach replacing the IATA Cargo Agency or Intermediary Programs globally. A new streamlined structure will replace the current local or regional Cargo Assemblies, Executive Councils or Joint Cargo Councils and IATA Cargo Advisory Panels (ICAPs), established under the IATA Cargo Agency Conference (CAC). A brief overview is provided below and further details can be found in the IFACP Governance Handbook.

IATA-FIATA Governance Board (IFGB), IFACP Regional Joint Councils and Program officials

The IFGB is the decision-making body that shall be responsible for the general management and administration of the IFACP, including the establishment of guidelines relating to operational procedures and financial standards required to be maintained by IFACP Endorsed Forwarders. The IFGB, which is composed of senior airline and forwarder delegates, will develop and maintain its own terms of reference, as well as those of the IFACP Regional Joint Councils. Furthermore, the IFGB will engage in the promotion of jointly agreed industry projects and initiatives. In order to achieve this the IFGB shall appoint a number of officials to manage the Program operations and to administer its rules and apply its procedures on a day-to-day basis, including the ongoing development of the IFACP Handbook and the administration of Program fees. The full terms of reference of the IFGB are contained the Governance Handbook.

As the IFACP will replace the IATA Cargo Agency Programme worldwide, it is recognized there is a need to manage certain delegated components of the program in specific geographical regions and country (ies). The IFGB may therefore establish an IFACP Joint Council (JC) wherever regionally required, to ensure adequate management of such delegated responsibilities to such region or country (ies). The IFACP-JCs shall be responsible for providing recommendations and proposals to the IFGB in respect of criteria for the endorsement of Forwarders in each country, or countries of the region assigned to it. This may include, but will not be limited to: standards of staff competence relative the processing and handling air cargo; suitability of operational premises; knowledge of air cargo products and services and minimum criteria of financial standing required for endorsement and retention of Forwarders in the region or any country (ies).

A number of Program officials will be appointed to assist the work of the above bodies and to manage the activities of the IFACP.

A Governance Manager, nominated by FIATA, will be responsible to coordinate and act as secretary for the IFGB, including preparation of agenda and minutes, managing the performance and report of Joint Councils, and ensuring general compliance with the IFGB Terms of Reference. In addition the Governance Manager will have prime accountability for industry project and initiation as agreed and assigned by the IFGB.

An Operations Manager nominated by IATA, shall oversee the day-to-day administration of the IFACP. The Operations Manager shall also take instruction from the IFGB on development of a business plan, budgeting and performance objectives and be responsible for implementation of industry projects and initiatives as agreed and assigned by the IFGB.

A Program Secretariat, Independent Assessor, Ombudsman and Legal Counsel shall also contribute to the IFACP, as described in more detail in the Program rules. Further details of their roles are contained in the Governance Handbook.

How do Carriers join or sign up for the Program (General Concurrence)

IATA Member Airlines will automatically join the IFACP since they adopted a Tie-in Transferal Resolution (IATA Resolution 849 reproduced in this Handbook) via the Cargo Agency Conference which also transfers all current Statements of General Concurrence. Other Carriers wishing to transfer to the IFACP, particularly those participating in CASS, will sign a new Statement of Concurrence in order for transfer their authorities for IATA to continue to execute Agreements on their behalf.

How to apply for Endorsement as an IFACP Forwarder

Current IATA Cargo Agents will transfer automatically to the IFACP and become a participant when launched in their country of operation, they will maintain current codes, but they will be required to sign the new IFACP Forwarder Agreement. (Shown at Appendix A)

Any new person or organization wishing to seek endorsement as an IFACP Forwarder may do so by submitting an online application form, with supporting documentation. (A link is shown in Appendix B)

The qualifications required for endorsement are described in detail in the Rules contained elsewhere in the Handbook. The essential requirements are:

- Correct legal and business registration as a forwarder;
- Minimum operational standards and levels of professionalism in cargo operations and handling;
- A minimum number of qualified staff, particularly in respect of the handling of Dangerous Goods;
- A sound financial standing.

For further details of specific criteria applicable in a country and for an application form, please contact [the IFACP Program Secretariat](#).

Key Features

The IFACP recognizes the evolving role of the Forwarder who today no longer acts as an agent of the Carrier in most markets, but as a customer or principal of the Carrier. The IFACP has been established therefore in order to better reflect the reality of this changed business relationship. The Program is jointly managed and funded by Carriers and Forwarders, with governance transferred from the Cargo Agency Conference to a joint Governance Board with equal Carrier and Forwarder representation and authority.

Working together under the commitment of a Cooperation Agreement, IATA and FIATA will jointly promote the professional standards and common industry operating objectives and practices of the IFACP as well as industry initiatives such as e-cargo, product quality, cargo security and safety.

Fee Structure

The fee structure of the IFACP will be determined by the IFGB. Details of applicable fees and Specific Fee amounts will be published separately.

Code

A code (sometimes called a 'Designator') which may be numeric, or an alpha numeric code will be assigned by IATA in accordance with IATA Resolution 821 to identify specific entities involved in air cargo transportation and/or cargo offices or air cargo points of sale.

The allocated code remains the property of IATA at all times and must not be shared, leased, sold or otherwise transferred to any person. The code(s) may be withdrawn should the IFACP endorsement be discontinued, suspended or cancelled for any reason

Changes to a Forwarder's Company Structure

Under the terms of the IFACP Forwarder Agreement, participants must notify the Program Secretariat of any proposed change in the ownership, legal status of your company, and/or the Forwarder's name or address. The official 'Notice of Change' form should be completed and submitted online via the customer portal page <http://www.iata.org/customer-portal/Pages/index.aspx>). Participants cannot assign any rights or obligations under their IFACP Agreement. Therefore, if a change of ownership and/or legal status is proposed, notice of such change must be given to the Program Secretariat at the earliest possible opportunity, but not later than 21 days prior to its effective date. Failure to notify of a change may result in the review of the Forwarder's endorsement.

Similarly, if a Forwarder changes name or address, notice must be given so that the change may be properly processed and Forwarder data may be updated and all Carriers informed accordingly.

Details of the procedures for notification and processing of Forwarder changes are set out in Part 2, Section 5 of the Handbook.

PART 2 – Program Rules

GENERAL

Section 1 - Criteria for IFACP Forwarder Endorsement and Retention

Any individual, partnership, firm, association, company or corporation (a “Person”), in possession of the appropriate official licenses, where required, may apply to become an IFACP Endorsed Forwarder in the country where such Person conducts its business, by making an application and by meeting and maintaining the requirements and criteria set forth in this Handbook. The term ‘applicant’ where used in this Section is understood to include an IFACP Endorsed Forwarder. Thus if there are reasons to believe that an IFACP Endorsed Forwarder does not continue to meet the requirements or criteria for maintaining its endorsement, the Program Secretariat shall on his own initiative, or may, at the request of any program participant, initiate a review of the Forwarder.

1. MINIMUM GLOBAL CRITERIA

Any Person having the appropriate business registration and valid licenses to trade as a forwarder, where required, meeting minimum financial criteria and having premises, staff and equipment for the performance of the operational functions necessary to accept and prepare consignments ‘Ready for Carriage’, may apply to become an IFACP Endorsed Forwarder in the country where such Person is so registered and conducts its business.

The applicant must submit an application, with supporting documents, as prescribed in this Handbook, to demonstrate that it meets the requirements to prepare ‘Ready for Carriage’ consignments and any other local criteria, including Local Financial Criteria as set forth in this Handbook (including in Appendix F), for endorsement and retention as an IFACP Forwarder.

The following minimum level of criteria shall be applied in any country/Region where specific local or regional standards and in particular Local Financial Criteria have not been developed, or where no specific local criteria apply, or until such time as any local criteria, including Local Financial Criteria, are approved by the IFGB for such country/Region.

1.1. OPERATIONS STANDARDS

1.1.1 The applicant, in its country of business registration and operations, must maintain and operate at least one office (or department of an office) actively engaged in cargo activities and have the capability to accept, and/or handle and prepare consignments ‘Ready for Carriage’ by air.

1.1.2 The applicant must have suitable premises, staff and equipment necessary for the performance of operational functions that are:

1.1.2(a) to prepare and complete the required formalities for the transportation of cargo by air, including reservation services;

1.1.2(b) to comply with security control measures as prescribed by the responsible authority(ies), and as may be supplemented from time to time by National governments and/or Carriers;

1.1.2(c) to deliver (or arrange for delivery of) consignments to an Carrier, at any airport designated by the Carrier for acceptance of consignments, ‘Ready for Carriage’, as detailed and/or the Carrier’s specific instructions including correct completion of the Air Waybill;

1.1.2(d) to recognize dangerous goods or goods that may be classified as dangerous goods presented for shipment, and to accept for carriage and delivery, or arranging for delivery, to a Carrier any dangerous goods in accordance with the applicable Dangerous Goods Regulations;

1.1.2(e) remit monies due to Carriers associated with the carriage of such cargo, in accordance with the Carrier's settlement terms, conditions and instructions, whether via CASS or directly;

1.2. FINANCIAL CRITERIA

1.2.1 Subject to the applicable local financial criteria, the Program Secretariat shall conduct annual financial reviews. An applicant or Forwarder will have its financial standing and stability in relation to the funds at risk assessed against its audited accounts, which will be evaluated using established standards. Such standards may take into consideration net equity, net current assets compared to the applicant or Forwarder's air freight sales or settlements to Carriers during an average remittance period. For the purposes of any assessment calculation under these provisions if a standard remittance cycle is not established, as per CASS Rules (IATA Resolution 851r, Appendix 'A'), an average period will be considered to be one month (or 30 days).^{1,2,2} When required, applicants or Forwarders will provide independently produced financial statements, prepared in accordance with national accounting practices, to demonstrate a financially sound status and the ability to remain solvent and settle any bills.

1.2.3 The following criteria shall be applied as minimum and baseline requirements, in any country/Region where no specific Local Financial Criteria have been developed or apply, or until such time as specific Local Financial Criteria are approved by the IFGB for such country/Region:

1.2.4 Financial evaluations will be carried out by the Program Secretariat and Independent Assessor, applying the Local Financial Criteria or following criteria:

i) a minimum paid-up share capital—for limited companies in accordance with national law, or an equivalent amount in the capital account for unincorporated firms, e.g. partnerships/sole traders, will be required;

ii) solvency—defined as the excess of total tangible assets over total liabilities (intangible assets, such as goodwill, will be excluded); if a balance sheet reveals a potentially insolvent position, corrective action (e.g. by cash injection in the form of share capital or a subordinated loan) must be taken within a period of time prescribed by the Program Secretariat. Such corrective action shall be in addition to the provision or retention of a guarantee;

iii) profitability—trading profit(i.e. on ordinary activities) before taxation. However, a loss in a particular year will be treated as an exception when 3-year aggregate record of profitability can be demonstrated.

iv) Current ratio—as long as the current assets are equal to or more than liabilities.

Generic financial or accounting descriptions in these Rules, including in any Local Financial Criteria, may be modified to comply with terms specifically defined under the applicable local Generally Accepted Accounting Principles (GAAP) or national accounting standards and/or disclosed in the financial statements

1.2.5 If the evaluation, results in a negative assessment an applicant or Forwarder will be required to provide financial security until such time as it is able to demonstrate a satisfactory financial standing, in accordance with the above, based on a further review of accounts reflecting its current situation.

1.2.6 If a Forwarder fails to comply with any of the following, the IFACP Forwarder's endorsement, under these Rules will be subject to review and possible termination:

- a) Furnish documents specified as necessary to conduct a financial evaluation or review, by the deadline given by the Program Secretariat;
- b) Renew by the expiry date any required financial security, or bank guarantee, bond;
- c) Provide a new, or adjust the level of any current financial security by a 30 day deadline;
- d) Failure to satisfy Local Financial Criteria;
- e) Failure to settle undisputed indebtedness to CASS

1.2.7 FINANCIAL SECURITIES

1.2.7.1 If in order to obtain or maintain a satisfactory evaluation, or to meet Local Financial Criteria, the applicant/Forwarder is required to provide additional financial security, in such case the financial security shall be in an amount to cover the funds at risk, calculated based on the applicant's estimated sales, or the Forwarder's actual CASS settlements. A financial security shall be released and promptly returned to the Forwarder, provided Local Financial Criteria so permit, and if such Local Financial Criteria are fully met and a satisfactory evaluation is achieved following a subsequent assessment

1.2.7.2 Acceptable forms of financial security are: an individual financial security provided by a bank, such as a bank guarantee, standby letter of credit, or letter of credit; or if provided by other than a bank, an insurance bond or surety bond, or have acceptable default insurance, or an approved third party guarantee. The provisions for acceptability of providers of default insurance, bonds and guarantees provided by other than banks, including the type and terms of any such financial security guarantee or bond, are set out in IATA Resolution 817.

1.3 MONIES DUE TO CARRIERS - REMITTANCE AND SETTLEMENT

Monies due to Carriers associated with the carriage of cargo shall be settled in accordance with the Carrier's terms, conditions and instructions. Monies shall be remitted through CASS, wherever a CASS is in operation and the Carrier and Forwarder participate in such CASS. The CASS rules and procedures are outlined in IATA Resolution 851-series incorporated in this Handbook. Nothing shall preclude a Carrier and an IFACP Forwarder from making alternative arrangements for accounting, billing and settlement on a bilateral basis

1.4 MINIMUM STAFF REQUIREMENTS WHERE AIR CARGO IS MADE READY FOR CARRIAGE

1.4.1 The applicant (either employee or agent of applicant) shall employ or retain persons competent and qualified to provide the services and handling functions described before in this Handbook, including those in 1.1.2, so that a minimum of one qualified person is present at all places where air cargo is made ready for carriage, including at branch locations, whenever such places are open for business.

1.4.2 The applicant must supply evidence that a minimum of two people meet the Dangerous Goods Regulations (see Appendix D reproducing Table 1.5.A minimum requirements for training curricula 1.5.2) and General Cargo training requirements, and that:

- a) for General Cargo Training: two such persons hold an IATA Introductory Cargo Course Diploma or have completed an equivalent course offered by an IATA Carrier, a FIATA Member whose course has been accredited by the Air Freight Institute of FIATA (AFI), or any other course acceptable to the local IFACP Joint Council offered by an airline, commercial organization, or training institute; provided that any applicant unable to supply evidence of general cargo training must demonstrate its staff includes at least two full-time employees with at least 2 years practical work experience in providing international air cargo forwarder services;
- b) for dangerous goods training: at the time of application and at all times subsequent to endorsement, two persons hold a valid certificate, issued within the previous two years, or within such other period as may be specified by the competent local authority, attesting to the bearer's having passed a recognized dangerous goods training course (category 3 or 6 of Table 1.5.A in Appendix D);

It being understood that, where the applicant's staff is limited to two people, both persons shall meet the requirements set forth in a) and b) above.

For the purpose of this rule, a recognized Dangerous Goods training course means:

1.4.2(b)(i) the IATA or the FIATA Dangerous Goods Training Course,

1.4.2(b)(ii) an Airline's course of formal instruction in Dangerous Goods acceptance (category 6 of Table 1.5.A in Appendix D),

1.4.2(b)(iii) a course of formal instruction (category 3 or 6 of Table 1.5.A in Appendix D) offered by a training organization or establishment which has been appraised and endorsed by: IATA as an Accredited Training school (ATS); or the regulatory authority responsible for Dangerous Goods in the specified country,

1.4.2 (c) provided, that all the above training courses shall, where required in the country of the applicant, also be approved in advance by the governmental agency responsible for regulating the transport of dangerous goods by air in that country;

1.4.2 (d) failure to renew the certificate of dangerous goods course of training by a date specified by the Program Secretariat, with the result that the Forwarder no longer fulfils the conditions of this Subparagraph, shall be grounds for review and possible termination of its IFACP endorsement ;

1.4.3 In addition to the stated dangerous goods training requirements in 1.4.2, above, all persons assigned by the applicant to process information provided by the consignor on the cargo or who handle any consignments and/or make them ready for carriage shall have completed appropriate dangerous goods training (category 3 and 4 respectively of Table 1.5.A in Appendix D). Such dangerous goods training shall be completed at intervals not exceeding 24 months, or such lesser period as required by the national regulations in the country of operation.

Applicable ONLY in Europe (Refer to IFACP Directory)

1.4.4 Notwithstanding the above Paragraphs 1.4.1 through 1.4.2c an applicant may apply to be registered specifically as an IFACP Forwarder (non-Dangerous Goods Handler) provided it complies with all other endorsement criteria, including the requirements for dangerous goods training as per 1.4.3 above, and has executed and submitted the declaration at Appendix E confirming that it shall not accept nor make ready for carriage any consignment containing Dangerous Goods.

1.5 LICENSE TO TRADE AND OTHER NATIONAL LEGAL REQUIREMENTS

Where officially required, the applicant must be in possession of a valid license to trade and meet any other national legal requirements in the Forwarder's country of operation. If reliably informed, of the suspension or withdrawal of this licence, this shall constitute grounds for the Program Secretariat to suspend the Forwarder and to initiate a review of its endorsement by the Ombudsman.

1.6 NAME

Any restrictions on an applicant's business name will be contained in the Handbook. However, the applicant must not have a name which is misleadingly similar to that of an IATA Airline or FIATA Association member, nor should its place of business be identified as an office of an Airline.

1.7 ETHICAL BUSINESS PRACTICES

The applicant, its managerial staff or its principal stock-holders (or persons for whom they act as nominees), directors or officers or managers shall not have been found guilty of wilful violations of fiduciary obligations incurred in the course of business, nor be undischarged bankrupts. Further requirements, if introduced by the IFGB, or an IFACP Joint Council, will be published in the Handbook.

1.8 PRIOR DEFAULT

Any restrictions regarding an applicant who has previously been, or is currently associated with a defaulting IATA Cargo Agent or Intermediary, a CASS Associate or an IFACP Forwarder will be published in the Handbook.

However, no person shall be endorsed or retained as a Forwarder if, anyone who is a Director or who holds a financial interest or a position of general management in the applicant, is also holding or has held similar positions in a Forwarder which:

- 1) currently is under notice of default and has outstanding undisputed debts still owing to Carriers, or
- 2) has been removed from the IATA Cargo Agency List or IFACP Directory and has outstanding undisputed debts still owing to Carriers, provided that the applicant may nevertheless be approved if the Program Secretariat is satisfied that such person did not participate in the acts or omissions that caused such removal or default, or if he is satisfied that the applicant can be relied upon in future to comply with the terms of the Forwarder Agreement, these IFACP Rules and other Resolutions of the IATA Cargo Conferences.

Section 2 - Procedures and Processes Related to IFACP Endorsement

Upon request, each prospective applicant shall have access to an application form and a copy of the IFACP Handbook containing these Rules and other relevant information and guidance.

2.1 APPLICATION FOR ENDORSEMENT

An applicant that wishes to be included in the IFACP Directory shall apply to the Program Secretariat who is empowered to endorse or to reject the application in accordance with the endorsement criteria agreed by the IFGB and Joint Council and published in the Handbook.

2.2 FORM OF APPLICATION — PROCESSING

2.2.1 The submitted application shall be accompanied by such financial and other documents together with appropriate fees:

2.2.2 upon receipt, the Program Secretariat shall promptly consider whether such application is complete. If any of the required information or fees have not been included with the application the Program Secretariat shall so inform the applicant;

2.2.3 if the Program Secretariat finds the application complete, he shall notify Carriers and publish details of the Forwarder-applicant;

2.2.4 the Program Secretariat shall consider the application and supporting information and any information brought to his attention and decide if the applicant meets the qualifications to become an IFACP Endorsed Forwarder;

2.2.5 in cases where the application information or documentation alone is inconclusive, the Program Secretariat may request a report, based on an independent inspection, including by electronic means, to assist in determining whether the applicant meets the qualifications necessary to become an IFACP Endorsed Forwarder.

2.2.6 the applicant shall be notified promptly in writing of the Program Secretariat's approval, or disapproval and in the event of disapproval shall be given clear reasons why the application failed;

2.2.7 a rejected applicant may, within 30 calendar days of the date of the Program Secretariat's notice, request reconsideration of the decision by the Program Secretariat or may invoke the procedures for review of the Program Secretariat's action by the Ombudsman;

2.3 ACTION FOLLOWING ENDORSEMENT OF APPLICANT

2.3.1 If the Program Secretariat determines that the applicant meets the qualifications, he shall enter the Forwarder details in the IFACP Directory;

2.3.2 the Director General of IATA, shall execute an IFACP Forwarder Agreement with each Person endorsed as a Forwarder in accordance with these Rules and the Program Secretariat shall promptly notify all Carriers of the names and the effective dates of parties executing Forwarder Agreements ;

2.3.3 the Program Secretariat shall maintain, a Program Directory of all Persons who have executed a Forwarder Agreement. The contents and information contained within the Directory will be determined by the IFGB;

2.3.4 for the purpose of these Rules, a Person's name shall be deemed as included in the Directory effective from the date when the Agreement is entered into until the date it is terminated.

2.4 CARRIER DESIGNATION OF A FORWARDER

A Carrier may recognize the IFACP endorsement of a Forwarder, which is then listed in the-IFACP Directory in the following manner:

2.4.1 through the Statement of General Concurrence and thereby participate in the IFACP, as detailed in IATA Resolution 849;

2.4.2 alternatively, by opting for individual designation in respect of a given country or in respect of one or more specific Forwarders. In which case, or should the Carrier specifically opt-out, it shall so inform such Forwarder(s), in writing with copy to the Program Secretariat, that such Carrier has specific bilateral requirements to be met before it will designate the Forwarder and accept its IFACP endorsement;

2.5 TERMINATION OF INDIVIDUAL CARRIER DESIGNATION

Any Carrier having designated a Forwarder may cancel its designation by so notifying the Forwarder in writing with copy to the Program Secretariat. The Carrier may then deal with such Forwarder pursuant to its own bilateral requirements.

2.6 DELIVERY OF AIR WAYBILLS BY CARRIERS

The provision of Air Waybills shall be at the option of the Carrier. The Carrier may, also at its option, authorize the Forwarder to issue on the Carrier's behalf, Neutral Air Waybills in conformity with the provisions of IATA Resolution 600a.

2.7 REVIEW OF CARRIER'S INDIVIDUAL DECISION

Notwithstanding the above provisions an IFACP Forwarder which considers itself aggrieved by the decision of a Carrier in respect of its refusal or cancellation of designation, or refusal to provide, or authorize, or withdrawal of its Air Waybills, with the result that such Forwarder's commercial interests are adversely affected to the point of placing its business in jeopardy, it shall have the right to obtain such Carrier's reasons for refusal or withdrawal—and seek clarification and if still not satisfied, may appeal to the Ombudsman;

2.8 CAPACITY AND INDEMNITY

IATA, FIATA, the individual members of the IFGB and the Program Secretariat in performing any action pursuant to these Rules in respect of the IFACP, act as agents for the Carriers and Forwarders participating in the IFACP. Program participants undertake to indemnify IATA, FIATA, the individual members of the IFGB and the Program Secretariat and his-her appointees against any liability (including liability for legal costs) for any action taken or omitted in good faith in the performance of their functions under these Rules.

Section 3

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Section 4 - Measures Affecting an IFACP Forwarder's Standing

4.1 WITHDRAWAL FROM IFACP PARTICIPATION BY A FORWARDER

An IFACP Forwarder may voluntarily relinquish its endorsement status at any time by giving advance notice in writing to the Program Secretariat who shall notify all Carriers. The notice will state an effective date of withdrawal, without prejudice to fulfilment by the Forwarder and any Carriers doing business with the Forwarder, of all obligations accrued up to the date of withdrawal from the IFACP Directory and termination of its Agreement;

4.2 REMOVAL OF A FORWARDER BY THE PROGRAM SECRETARIAT

4.2.1 The Program Secretariat may, in accordance with the provisions of these Rules, remove an IFACP Forwarder from the Directory by giving notice in writing to the Forwarder to take effect in accordance with these Rules. Such removal shall be without prejudice to fulfilment by the Forwarder and each of the Carriers doing business with the Forwarder-of all obligations accrued up to the date of removal from the Directory. Any Forwarder served such notice may apply to the Ombudsman for review of such decision;

4.2.2 A participating IFACP Forwarder's suspension from CASS for financial reasons shall result in a review by the Independent IFACP Assessor of that entity's continued participation in the IFACP under the IFACP financial criteria and IFACP Rules adopted by the IFGB. In the event that an IFACP Forwarder is defaulted from CASS, is not reinstated and fails to satisfy any undisputed indebtedness to the CASS or its participating CASS Carriers, such IFACP Forwarder shall also have its participation in the IFACP automatically reviewed by the Independent Assessor. All decisions on a Forwarder's continued participation in or termination from the IFACP for financial reasons shall be the responsibility of the IFGB.

4.2.3 The IFGB shall therefore be informed by the Program Secretariat of Forwarders terminated in accordance and as a result of any of the above provisions.

4.3 NOTICE OF SUSPENSION BY PROGRAM SECRETARIAT

When a Forwarder is suspended for cause under the provisions of these Rules, the Program Secretariat shall give notice thereof in writing to the Forwarder. The suspension will take effect from the time specified in the written notice.

If a participating IFACP Forwarder's is suspended from CASS due to financial reasons this shall result in a review under IFACP financial criteria by the Independent Assessor in respect of such Forwarder's continued IFACP endorsement.

4.4 EFFECT OF REMOVAL OR SUSPENSION

4.4.1 Removal

When the Program Secretariat has served notice that a Forwarder is to be removed from the Directory in accordance with the applicable provisions of these Rules, the Program Secretariat shall by notice to the Forwarder also terminate the Forwarder's Agreement and so notify Carriers. Any Forwarder served such notice may apply to the Ombudsman for review of such decision.

4.4.2 Suspension

When notice has been served by the Program Secretariat that a Forwarder is to be suspended, the Program Secretariat shall so notify Carriers, in all other respects the provisions of these Rules and of other applicable IATA Resolutions continue to apply to the Forwarder during the period of suspension. Any Forwarder served such notice may apply to the Ombudsman for review of such decision.

4.5 LICENSE TO TRADE

in addition to actions affecting a Forwarder's standing which may be taken pursuant to these Rules, the Forwarder Agreement and the capacity of such Forwarder to do business with Carriers may be affected by termination, suspension or other condition relating to the Forwarder's license to trade or operate its business (where this is officially required) imposed by national or government authorities, in the country where the Forwarder conducts its business. In such cases, the Program Secretariat shall promptly notify all Carriers, with copy to the Forwarder, if informed of the effects of such government action.

4.6 FORCE MAJEURE

The Forwarder or the Carrier shall not be liable for delay or failure to comply with the terms of the Forwarder Agreement to the extent that such delay or failure (i) is caused by any act of God, war, natural disaster, strike, lockout, labour dispute, work stoppage, fire, third-party criminal act, quarantine restriction, act of government, or any other cause, whether similar or dissimilar, beyond the reasonable control of the Forwarder or Carrier, and (ii) is not the result of the Forwarder's or the Carrier's lack of reasonable diligence.

4.7 OTHER MEASURES AFFECTING THE OPERATIONS OF A FORWARDER

4.7.1 When Forwarder is declared bankrupt, placed in receivership or judicial administration, goes into liquidation or becomes subject to any other similar legal procedure affecting its normal operations, the Program Secretariat shall, when allowed by the provisions of applicable law in the Forwarder's country of operation, suspend the Forwarder, notify Members, and initiate termination procedures of its IFACP Forwarder Agreement.

4.7.2 The Program Secretariat may also initiate termination procedures if there is evidence that a Forwarder has ceased business and all operations for a period of more than 12 months, provided that such cessation is not due to any 'force majeure' as described above in 4.6.

Section 5 - Change of Ownership, Legal Status, Name or Address

5.1 NOTIFICATION OF CHANGES

All changes of ownership, legal status, name or address of the Forwarder that may impact its endorsed status and/or its Agreement shall be notified to the Program Secretariat prior to the change to enable processing in accordance with the respective provisions of this Section. Information and data relating to changes of the Forwarder will be treated as confidential. When a Forwarder undergoes a change of ownership or status which also includes a change of name or address, all changes shall be notified by the Forwarder in a single notice of change and actioned by the Program Secretariat as one change application. Following is a summary of the main provisions in this Section:

5.2 TYPES OF CHANGES TO OWNERSHIP OR LEGAL STATUS IMPACT ON THE AGREEMENT

5.2.1 the following types of changes of ownership or changes to legal status shall require the execution of a new Forwarder Agreement, and shall be processed in accordance with Paragraph 5.3 of this Section:

5.2.1. (a) in the case of a sole owner, partnership or other unincorporated firm:

5.2.1. (a)(i) the transfer of an interest in the Forwarder which has the effect of transferring control of the Forwarder to a Person in whom it was not previously vested,

5.2.1. (a)(ii) the admission or withdrawal of a partner,

5.2.1. (a)(iii) the change from a sole ownership, partnership or other unincorporated firm, to become a corporation;

5.2.1. (b) in the case of a corporation:

5.2.1. (b)(i) the disposal of the Forwarder's business and its acquisition by a Person who is not a Forwarder;

5.2.1.(b)(ii) the transformation of the Forwarder into a partnership or other unincorporated firm,

5.2.1(b)(iii) any change which reduces the liability of any Person who was previously liable, directly or indirectly, for the debts of the corporation.

5.2.2 The following changes of ownership within a corporation shall not require the execution of a new Forwarder Agreement, provided that the change(s) do not alter the Forwarder's legal nature with respect to its responsibilities and obligations under applicable law, in which cases the change shall be processed in accordance with Paragraph 5.4 of this Section:

5.2.2(a) a reduction of capital,

5.2.2(b) the disposal or acquisition by any Person of stock representing 30% or more of the total issued share capital of the Forwarder, whether by means of a single transaction or as the result of a series of transactions, over a period of not more than three years.

5.2.2(c) any reduction in capital, disposal or acquisition or other transfer of stock less than 30% that nevertheless has the effect of vesting the control of the Forwarder, as defined in applicable law, in a Person in whom it was not previously vested, whether by means of a single transaction or as the result of a series of transactions, over a period of not more than three years. Such change or transfer shall require notification to the Program Secretariat as described in 5.4 below.

5.2.3 the following other types of changes listed below shall be processed in accordance with the appropriate Paragraph of this Section as indicated:

death of sole owner or of a member of a partnership or other unincorporated firm—Paragraph 5.9;

death of stockholder—Paragraph 5.10;

change of name—Paragraph 5.11;

change of address—Paragraph 5.12.

5.3 PROCEDURES FOR PROCESSING CHANGES REQUIRING A NEW AGREEMENT

5.3.1 when a Forwarder proposes to effect a change of ownership and/or legal status as described in Subparagraph 5.2.1 of this Section: notice shall be submitted to the Program Secretariat by the Forwarder and, if applicable the new owner, by using the Notice of Change, at least seven days before the change is to be effected. As soon as practicable given the nature of the change, the Forwarder and/or if applicable the new owner, shall submit an application of endorsement in accordance with Section 2 of these Rules and shall be dealt with pursuant to the provisions of that Section;

5.3.2 upon receipt of a Notice of Change form the Program Secretariat will acknowledge and countersign the Notice, which will have the same effect, during the processing, as an Agreement with the Forwarder or new owner if applicable. Unless the Notice or application reveals or the Program Secretariat has reason to believe, that the application should be disapproved because it fails to meet the criteria for endorsement of Section 1 of these Rules, in which case 5.7 below shall apply.

5.4 PROCEDURES FOR PROCESSING CHANGES NOT REQUIRING A NEW AGREEMENT

5.4.1 when a Forwarder proposes to effect a change of ownership as described in Subparagraph 5.2.2 of this Section: notice shall be submitted to the Program Secretariat by the Forwarder and, if applicable the new owner, by using the Notice of Change, at least seven days before the change is to be effected. As soon as possible the Forwarder shall also provide a current financial statement.

5.5 OTHER PROCEDURES FOR PROCESSING CHANGES

5.5.1 Upon receipt of a notice of change, the Program Secretariat shall:

5.5.1(a)(i) bill the Forwarder for a change of ownership fee as provided in Section 7 of these Rules, and

5.5.1(a)(ii) publish promptly to Carriers that such a notice has been received;

5.6 FINAL APPROVAL

5.6.1 In addition to any action taken by the Program Secretariat under Paragraphs 5.3 and 5.4 of this Section he may obtain from such source and in such manner as he may deem appropriate a report on the transferee or Forwarder, as the case may be, indicating whether the requirements set out in Section 1 of these Rules are satisfied;

5.6.2. in cases of a change(s) meeting those requirements the Program Secretariat shall notify the Forwarder, or transferee where appropriate, that full approval and any new Agreement shall be effective as a result of the change(s).; The Program Secretariat shall notify all Carriers accordingly and, when required, make any necessary amendment to the Program Directory.

5.7 EFFECT OF DISAPPROVAL

5.7.1(a) If the Program Secretariat is unable to execute an Agreement with a transferee or to give final approval of a change to a Forwarder, as the case may be, he shall promptly notify the transferee or Forwarder and shall, simultaneously:

5.7.1(a)(i) in cases of a change as described in Subparagraphs 5.2.1 of this Section, by notice to the transferor confirm that its Agreement is terminated on the date when the change of ownership took place, and by notice to the transferee, terminate any provisional Agreement, if executed;

5.7.1(a)(ii) in cases of a change as described in Subparagraph 5.2.2 of this Section, by notice to the Forwarder withdraw any provisional approval that has been given and terminate the Forwarder's Agreement;

5.7.1(b) in all such notices the Program Secretariat shall give the reasons for this action and notify all Carriers accordingly. A disapproved transferee or Forwarder may request reconsideration of the decision by the Program Secretariat or invoke the procedures for review of the action by the Ombudsman.

5.7.2 Upon request for reconsideration by the Program Secretariat or for review by the Ombudsman, the disapproval action shall be stayed and the status quo ante restored pending the result of the reconsideration or of the review. If the Ombudsman confirms the disapproval, the transferee or Forwarder may request review of such decision by arbitration pursuant to Section 6 of these Rules in which case the disapproval action shall continue to be stayed until notification of the arbitration decision;

5.7.3 if the transferor or the Forwarder as the case may be notifies the -Program Secretariat that the change of ownership has been revoked and the Forwarder entity is restored in all respects to its previous ownership, the Program Secretariat shall reinstate the Agreement and so notify the Forwarder and all Carriers accordingly.

5.8 UNDERTAKING BY TRANSFEREE

Except in case of change described in Subparagraph 5.2.2 of this Section:

5.8.1 every application for approval shall be accompanied by an undertaking by the transferee to accept joint and several liability with the transferor for any outstanding obligations of the transferor under its Agreement as of the date when the transfer of ownership takes place; and

5.8.2 in cases where the transferor is employed by or retains a financial or beneficial interest directly or indirectly in the Forwarder after the change of ownership, the application shall be accompanied by an undertaking by the transferee to accept responsibility for any violation by the transferor of its -Forwarder Agreement which may have occurred within a period of two years immediately prior to the change of ownership as if such violation were a violation of the transferee's Forwarder Agreement.

5.9 DEATH OF A SOLE OWNER OR OF A MEMBER OF A PARTNERSHIP OR OTHER UNINCORPORATED FIRM

5.9.1 In the event of the death of the sole owner of a Forwarder, or of a member of a partnership or other unincorporated firm, the Forwarder shall promptly advise the Program Secretariat who, in order to preserve the goodwill of the Forwarder, as far as possible, may, at the request of the person entitled to represent the decedent's estate (in the case of a sole ownership) or of the remaining member of the partnership or other unincorporated firm enter into a temporary Forwarder Agreement with the requesting party pending processing of the change in accordance with 5.3 of this Section, and advise Carriers accordingly. The temporary Forwarder Agreement shall be in the same form and have the same effect as a Forwarder Agreement and thereafter the provisions of Paragraphs 5.3 and 5.5, 5.6, 5.7 and 5.8 of this Section shall apply;

5.10 DEATH OF STOCKHOLDER

5.10.1 in the event of the death of a stockholder holding 30% or more of the total issued stock of a corporation (or in whom control of the Forwarder is vested), the Forwarder shall promptly advise the Program Secretariat who shall notify all Carriers accordingly and request the Forwarder to submit current financial statements for review;

5.10.2 if the person entitled to represent the decedent's estate proposes to transfer or to confirm the transfer of the decedent's interest in the Forwarder to an heir, legatee or other person, such transfer shall be deemed a change of ownership for purposes of this Section. The Forwarder shall give notice to the Program Secretariat as required under Subparagraph 5.4.1 of this Section and the provisions of Paragraphs 5.4, 5.5, 5.6 and 5.7 of this Section shall apply.

5.11 CHANGE OF NAME

5.11.1 When a Forwarder changes its name, it shall notify promptly the Program Secretariat of the new name and remit the fee as provided in Section 7 of these Rules.

5.11.2 The Program Secretariat shall ascertain whether the new name can be approved pursuant to the provisions of Section 1 of these Rules. If the name change is approved the Program Secretariat shall notify all Carriers of the new name and record the new name in the Program Directory and in the Forwarder's Agreement.

5.11.3 If the Program Secretariat disapproves the application he shall initiate a review by the Ombudsman.

5.12 CHANGE OF ADDRESS

5.12.1 Where a Forwarder changes its address from that shown in the Program Directory, such Forwarder shall notify promptly the Program Secretariat shall so advise all Carriers and update the Directory accordingly. Authority to act as a Forwarder shall continue to apply to the new address;

5.12.2 when such change of address results in a Forwarder moving from the operational premises or handling facilities that were evaluated in the course of processing its application for IFACP endorsement, such Forwarder shall as far in advance as possible before effecting the move, notify the Program Secretariat of the new address and remit the fee as provided in Section 7 of these Rules. The Program Secretariat shall update the Directory and review if the Forwarder continues to meet all of the operational requirements described in Section 1 of these Rules. If such review is satisfactory he shall notify the Forwarder and all Carriers that the new premises of the Forwarder shall be deemed to be approved.

5.12.3 If however the review is unfavourable, the change of address shall not be approved. The Forwarder at its new premises shall be reviewed by the Ombudsman and if the Forwarder no longer meets the endorsement criteria, to disapprove the change and serve notice to terminate its Agreement

5.13 LATE NOTIFICATION OR ABSENCE OF NOTIFICATION OF CHANGE

5.13.1 In respect of a change of ownership or legal status if notification and, when required, the completed application is not received by the Program Secretariat or is received but more than 5 days after the change has taken place, the Program Secretariat shall place the Forwarder under review by the Ombudsman.

5.13.2 Failure to notify the Program Secretariat of a change of name or address within 30 days of such change being made shall be grounds to initiate a review of the Forwarder by the Ombudsman.

Section 6 - Review by Arbitration

6.1 RIGHT TO ARBITRATION REVIEW

Any applicant or Forwarder which considers itself aggrieved by a decision taken under these Rules may appeal to the Ombudsman. The procedures for a review by the Ombudsman are contained within the Handbook. If following such review the applicant or Forwarder, or any Carrier which contests the Ombudsman's ruling in a review of such Member's Carrier's' individual decision, still aggrieved shall have the right to have the Ombudsman's decision reviewed by arbitration in accordance with the following procedures.

(Hereafter in this Section the term 'Appellant' is used to designate severally an aggrieved Forwarder or applicant or a contesting Carrier, seeking review by arbitration, except where the context specifies otherwise).

6.2 APPLICATION PROCEDURE

The Appellant shall send written notice to the Program Secretariat advising of its wish to have the decision reviewed by arbitration. The notice is to reach the Program Secretariat within 30 days of the date the decision was notified to the Appellant. Thereafter the Program Secretariat shall dispatch to the Appellant a form of Request for Arbitration and shall notify all Carriers that arbitration has been requested.

6.3 SETTING UP OF ARBITRATION BOARD

6.3.1(a) The Appellant may elect arbitration before:

6.3.1(a)(i) a sole arbitrator appointed by mutual agreement within 20 days of the date of receipt by the Appellant of the form of Request for Arbitration; (failing such agreement, the nomination shall be made by the President of the International Chamber of Commerce), or

6.3.1(a)(ii) a sole arbitrator appointed by the President of the International Chamber of Commerce, or

6.3.1(a)(iii) an Arbitration Board composed of three members as provided in 6.3.2 of this Paragraph;

6.3.1(b) in any event the Appellant shall complete, sign and return the form of Request for Arbitration so as to reach the Program Secretariat within 30 days of its receipt by the Appellant. On such form the Appellant shall indicate its choice of (i), (ii) or (iii) above. Where it chooses arbitration before a three member Arbitration Board, the Appellant shall enter the name of an arbitrator acceptable to it and willing to act as such; the form shall be accompanied by a certified cheque, banker's draft or electronic payment for USD750 (or the acceptable equivalent) where a sole arbitrator has been chosen, or for USD1,000 (or the acceptable equivalent) where a three-member Arbitration Board has been chosen, as deposit on account of any costs that may become payable by the Appellant;

6.3.1(c) upon receipt of documentation from the Forwarder and Program Secretariat, and prior to holding the hearing, the Arbitrator(s) may require the Forwarder and IATA to post certified cheques in an amount determined by the Arbitrator(s), in US dollars or the acceptable equivalent, to cover the estimated costs of the arbitration. Upon notification of the Board's award, any monies so posted, and in excess of the arbitration costs, shall be refunded to one or other or both parties, as appropriate.

6.3.2 within 20 days of receipt by the Program Secretariat of the form of Request for Arbitration completed by the Appellant electing arbitration before a three-member Board together with a certified cheque or banker's draft, the Program Secretariat shall nominate an arbitrator and the two arbitrators so nominated shall nominate a third who shall act as chairman of the Arbitration Board. If the third arbitrator has not been so nominated within 20 days after the nomination of the second arbitrator, the Program Secretariat shall request the President of the International Chamber of Commerce to nominate the third arbitrator;

6.3.3 the expression 'Arbitration Board' shall mean a sole arbitrator or a three-member Arbitration Board nominated pursuant to Subparagraphs 6.3.1 and 6.3.2 of this Paragraph.

6.4 SUBSTITUTION OF ARBITRATOR

In the event of the resignation or incapacity of an arbitrator, the persons appointing such arbitrator shall, within 30 days of the date when the Program Secretariat is notified of such resignation or incapacity, appoint a substitute.

6.5 CONDUCT OF PROCEEDINGS

6.5.1 The Arbitration Board shall unless otherwise agreed by the Appellant and the Program Secretariat, hold the hearing in the country where the Forwarder is registered, or for which the application for registration was made, as applicable;

6.5.2 the Arbitration Board shall publish its award in writing not later than 60 days after appointment of the chairman or of the sole arbitrator, provided that this period may be extended by or with the agreement of the Appellant and the Program Secretariat. If the Arbitration Board does not publish its award in writing within such period of 60 days, or within such extended period agreed by the Appellant and the Program Secretariat, the Arbitration Board shall be deemed discharged without remuneration and the Program Secretariat shall request the President of the International Chamber of Commerce to appoint a sole arbitrator or another sole arbitrator (in place of the sole arbitrator discharged) who shall proceed in accordance with the provisions of Subparagraph 6.5.1 of this Paragraph and Paragraph 6.7 of this Section and shall publish his written award within 45 days of the date of his appointment;

6.5.3 the Arbitration Board shall reach its decision by a majority;

6.5.4 the Arbitration Board shall permit the parties to be heard either in person or by a representative and shall receive any relevant or material probative evidence bearing on the matter referred to it;

6.5.5 in all other respects the Arbitration Board shall settle its own procedures.

6.6 SCOPE OF REVIEW

6.6.1(a) Review by the Arbitration Board shall be appellate and not de novo. The Board shall affirm the decision under review unless it finds and concludes that such decision is deficient in one or more of the following respects:

6.6.1(a)(i) it is not supported by substantial evidence;

6.6.1(a)(ii) it contains error of applicable law;

6.6.1(a)(iii) it is arbitrary or capricious;

6.6.1(a)(iv) it is not in accordance with the terms of the IFACP rules under which it was taken;

6.6.1(a)(v) the penalty is inappropriate, inadequate or excessive;

6.6.1(b) additionally, evidence may be considered which is available to the Arbitration Board but which for good cause could not be presented to the Ombudsman.

6.7 AWARD

6.7.1 In the event the Arbitration Board does not affirm the decision under review, it shall either direct action upon the Appellant in accordance with the Board's findings, or refer the matter to the Ombudsman for action consistent with the Board's decision;

6.7.2/6.7.2.1 the cost of the Arbitration Board shall be borne:

6.7.2.1(a) when the Appellant is a Forwarder or applicant:

6.7.2.1(a)(i) by the appellant if the decision under review is affirmed,

6.7.2.1(a)(ii) by IATA, or by the Carrier in whose favour the Ombudsman had ruled, as applicable, if the decision under review is reversed,

6.7.2.1(a)(iii) by the Appellant and IATA in a proportion decided by the Arbitration Board if the decision under review is modified;

6.7.2.1(b) provided that, if there are special circumstances warranting a different award as to such costs, the Arbitration Board shall be empowered to direct that they be borne by the parties in such a manner as it considers equitable;

6.7.2.2 when the Appellant is an Carrier, by the Appellant whether the decision under review is upheld, reversed or modified;

6.7.3 costs of legal representation shall be borne by the party incurring such costs.

6.8 EFFECT AND EFFECTIVE DATE OF THE AWARD

6.8.1 The award of the Arbitration Board shall be final and conclusively binding on the Appellant, IFACP Program Secretariat and all Carriers, as applicable, and shall be complied with in accordance with its terms;

6.8.2 The Program Secretariat shall notify the Appellant, all Carriers, IATA and FIATA of the award of the Arbitration Board, which shall take effect, unless the Arbitration Board directs otherwise, from a date the Program Secretariat shall specify in advance;

6.8.3 If the award requires a Forwarder to pay the costs of the Arbitration Board in whole or in part and the Forwarder has not paid such costs within 60 days of the date of notice given under Subparagraph 6.8.2 of this Paragraph, the Program Secretariat shall remove the Forwarder from the IFACP Directory.

Section 7 - Program Fees

7.1. Forwarder and Carriers fees, in the amounts determined by the IATA-FIATA Governance Board, shall be published by the Program Secretariat and payable by Forwarders and Carriers.

7.2 The types of fees and conditions under which they are payable, for example annual fees, or for processing new applications or changes, are described within the Handbook and will be communicated in advance to participants.

7.3 Failure to pay the appropriate fees in accordance with the established provisions may result in the termination of the Forwarder's Agreement. Termination for failure to pay an annual Forwarder fee shall not be subject to Ombudsman nor arbitration appeal by the Forwarder.

7.4 Fees collected by the Program Secretariat will be expended in accordance with directives given by the IFGB to administer the IFACP and contribute to industry initiatives as designated by the IFGB.

Section 8 - Remittance and Settlement

8.1 Monies due to Carriers associated with the carriage of cargo shall be settled in accordance with the Carrier's terms, conditions and instructions. Monies shall be remitted through CASS, wherever a CASS is in operation and the Carrier and Forwarder participate in such CASS. Nothing shall preclude a Carrier and an IFACP Forwarder from making alternative arrangements for accounting, billing and settlement on a bilateral basis.

8.2 The Carrier may, subject to applicable currency regulations, designate the currencies in which remittances are to be made.

List of Appendices

Appendix A - IFACP Forwarder Agreement_201706

IATA-FIATA AIR CARGO PROGRAM FORWARDER AGREEMENT

AN AGREEMENT made this _____ day of 20____BETWEEN each IATA Member or other carrier granting IATA the authority to execute this Agreement on their behalf (the "Carrier"), as set forth in the Program Handbook represented by the Director General of IATA (the "Director General") acting for and on behalf of the Carrier,

AND _____, having its principal office at _____

,including any of its Branch Office (collectively and individually, the "Forwarder") with respect to the purchase of international air cargo transportation services ('airfreight') and/or the handling and delivery to the Carrier of cargo consignments within _____ (the "Specified Country").

WHEREAS: The purpose of the Agreement is to set out the framework of working relations between the Carrier and the Forwarder. A contractual relationship between the Forwarder and the Carrier is hereby created. The Carrier and the Forwarder (sometimes jointly called 'the Parties' or individually a 'Party') each undertake to give a high priority to industry initiatives that enhance efficiency, security and safety such as applying electronic commerce in accordance with IFACP recognized standards and procedures. Such electronic commerce will facilitate the identification of consignments, and the tracking, tracing and settlement requirements of the Parties and accelerate the introduction of necessary procedures with other competent entities to the benefit of their mutual customers;

WHEREAS: the Program Secretariat has provided the Parties with a copy (in electronic format) of the IFACP Handbook (herein after called 'the Handbook'). It contains relevant material as decided by the IFGB.

WHEREBY IT IS AGREED AS FOLLOWS:

Definitions of Terms used in this Agreement

Air Waybill: means the document made out by or on behalf of the shipper which evidences the contract between the Shipper and the Carrier for carriage of goods, or where the context so requires, also means the electronic shipment record.

Branch Office: means a majority owned and/or controlled affiliate of the Forwarder operating under the same name as the Forwarder.

The Directory: the list of then currently endorsed IATA FIATA Forwarders and Carriers participating in the IFACP.

IATA-FIATA Air Cargo Program (IFACP): The air cargo program jointly managed by IATA and FIATA.

IATA-FIATA Governance Board (IFGB): means the entity that manages the IFACP as set forth in the Handbook and is composed of Carriers, Forwarders and representatives of IATA and FIATA.

Joint Council (JC): A regional or national council established by the IFACP which has responsibilities as set forth in the Handbook.

The Handbook: contains the global working procedures, rules, standards and criteria for the IFACP.

Convention: means the applicable convention (where applicable, as amended by various protocols) for the unification of certain rules relating to the international carriage by air.

Shipper: equivalent to the term 'consignor' means the party contracting with Carrier for the carriage of cargo.

Forwarder: in the context of this Agreement, is an entity which enters into air waybills as the Shipper on a principal to principal basis, in accordance with the conditions set forth in this Agreement.

Program Secretariat: Shall mean such entity as may be appointed from time to time by the IFGB.

IATA: International Air Transport Association, an international association incorporated by Special Act of the Canadian Parliament, having its Head Office at 800 Place Victoria, Montreal, in the Province of Quebec, Canada and an office at 33 Route de l'Aéroport, 1215 Geneva 15 Airport, Switzerland.

FIATA: International Federation of Freight Forwarders Associations, an international organization incorporated under Swiss Law, with its head office located at Schaffhauserstrasse 104, CH-8152 Glattbrugg, Switzerland.

1. CONTRACTUAL RELATIONSHIP

1.1 Subject to the provisions of this Agreement, the Forwarder is entitled to tender goods to any Carrier, in accordance with the Handbook and/or the Carrier's specific instructions;

1.2 The Forwarder shall, or shall authorize the Carrier to, provide information from house air waybills or other supporting documentation when required by a national authority.

1.3 The Forwarder shall not indicate or imply in any way that it is an agent of the Carrier;

1.4 All cargo tendered for carriage pursuant to this Agreement shall create a contract for carriage between the Carrier and the Forwarder as Shipper. For purposes of this Agreement and the cargo transactions hereunder, the Forwarder is always the contracting party and shall therefore always be the "shipper" under the carrier's conditions of carriage without regard to any other party identified as the shipper in the carrier's air waybill or shipment record in the case of an electronic air waybill. Should the Forwarder's name appear in the Issuing Carrier's Agent box of the air waybill or electronic shipment record, he shall nonetheless not be deemed to be the agent of the Carrier.

1.5 Each current release of the Handbook shall be incorporated by reference into this Agreement and forms an integral part of this Agreement. Any amendments to the Handbook shall be provided to the Parties by the IFGB. The date of effect of such amendments shall be 30 days after their incorporation into the Handbook by the IFGB. Such amendments shall also be deemed to be incorporated herein. The Parties acknowledge that they have received a copy of the current edition of the Handbook and have acquainted themselves with the contents thereof.

1.6 Upon coming into effect, this Agreement, including any amendments thereto, shall have the same force and effect between the Carrier and the Forwarder as though they were both named herein and had both subscribed their names as parties hereto.

1.7 This Agreement is not intended to foreclose either Party from entering into other arrangements for the shipment of cargo by air whether with other, Carriers, or forwarders or with cargo exporters or owners or with another Party to this Agreement.

1.8 If not defined herein, the terms and expressions used in this Agreement shall, unless the context otherwise requires, have the meanings respectively provided in the Handbook. In the event of any conflict, contradiction or inconsistency between specific provisions of this Agreement and any provisions incorporated by reference, the specific provisions of this Agreement shall prevail.

1.9 Entering into this Agreement shall not affect a Carrier's or Forwarder's existing participation in a CASS. Where a Carrier and Forwarder have elected to participate in a CASS, it is acknowledged that

they will continue to participate in such CASS according to the applicable CASS settlement conditions and procedures, as set forth in IATA Cargo Agency Conference's Resolution 851r as amended from time to time by such Conference (a copy of which is reprinted in the IATA/FIATA Forwarder Handbook and incorporated herein by this reference), unless the Forwarder and Carrier agree, on a bilateral basis, to make alternative arrangements for accounting, billing and settlement pursuant to paragraph 6 of this Agreement.

2. SECURITY MEASURES

The Parties shall comply with appropriate security training or control measures as prescribed in the Handbook, by National Governments and /or Carriers.

3. THE AIR WAYBILL

3.1 The Carrier may supply Air Waybills, or Air Waybill serial numbers for neutral issuing systems, to the Forwarder. Accordingly, the Carrier may authorize the Forwarder to send electronic air waybill data in order to establish an electronic shipment record.

3.2 The Forwarder is responsible for the correctness of the particulars and statements relating to the cargo inserted by it in the Air Waybill or the electronic shipment record.

3.3 The Forwarder shall be responsible for the safe custody and care of air waybill's supplied to the Forwarder by the Carrier.

3.4 The Forwarder acknowledges that Carrier's Air Waybills and Air Waybill serial numbers supplied, are and remain the sole property of the Carrier during the period that they are in the custody of the Forwarder, and the Forwarder acknowledges and agrees that it has no proprietary right to such documents or Air Waybill serial numbers. The Carrier may at any time at its sole discretion, require the Forwarder to cease and desist from making out Carrier Air Waybills and/or neutral Air Waybills under the Carrier's name.

3.6 The Forwarder shall not make out an Air Waybill supplied by the Carrier in connection with the sale of airfreight offered by any other air carrier unless the Carrier has so authorized the Forwarder in writing.

3.7 After acceptance of the consignment, the Carrier shall not in any manner vary or modify the terms and conditions of the underlying Conditions of Contract in respect of the consignment.

4. OPERATIONAL PROCESSES

4.1 The Carrier shall advise the Forwarder of the locations designated by it for general acceptance of airfreight;

4.2 The Forwarder shall not in any manner, vary or modify the terms and conditions set forth in any documents or instructions of the Carrier;

5. READY FOR CARRIAGE

5.1 The Forwarder shall ensure that all consignments are delivered to the Carrier at any location designated by the Carrier for general acceptance of all consignments, properly packed, marked, documented, addressed and labelled, in accordance with the Handbook and/or Carrier's specific instructions, so as to be Ready for Carriage;

5.2 All shipments tendered by the Forwarder to the Carrier, unless otherwise agreed, shall be tendered subject to the Conditions of Carriage of the Carrier or carriers concerned.

5.3 The Forwarder shall conduct its activities in all of its offices only under the name as set forth in this Agreement, as registered with the Program Secretariat and as it appears in the directory as published from time to time by the IFGB.

5.4 All shipments containing dangerous goods shall comply with the applicable provisions of current edition of the IATA Dangerous Goods Regulations, which is fully aligned to the content of the [International Civil Aviation Organization \(ICAO\)](#) Technical Instructions for the Safe Transport of Dangerous Goods by Air. When required, the Shipper's Declaration, or an electronic Shipper's Declaration, which certifies the contents are fully and accurately described, classified, packaged, marked and labelled and in proper condition for transport, shall be completed and signed by the shipper and made available to the Carrier at the time of delivery.

6. MONIES DUE BY THE FORWARDER TO THE CARRIER—REMITTANCE

6.1 For purposes of this Agreement, monies due to Carriers associated with the carriage of cargo shall be settled in accordance with the Carrier's terms, conditions and instructions. Monies shall be remitted through CASS, wherever a CASS is in operation and the Carrier and Forwarder participate in such CASS. Nothing shall preclude an individual Carrier and an individual IFACP Forwarder from making alternative arrangements for accounting, billing and settlement on a bilateral basis.

6.2 The Carrier may, subject to applicable currency regulations, designate the currencies in which remittances are to be made;

7. DISPUTES AND ARBITRATION

The Parties agree to use their best endeavours to fully and finally settle any dispute or claim arising under or with respect to this Agreement concerning the scope, meaning, construction or effect of any provisions herein contained, by mediation or other informal method of dispute resolution. Such informal dispute resolution shall commence at the latest within seven (7) working days of written notice being received by either Party from the other Party that such dispute exists.

In the event that the Parties have not reached an amicable settlement of such dispute within thirty (30) days of the commencement of such dispute resolution negotiations, either Party may refer this matter to the Ombudsman and, in the event that the matter is still not resolved, to binding arbitration for resolution. The procedures for referring matters to the Ombudsman or binding arbitration shall be set forth in the Handbook.

8. CLAIMS

8.1 The Carrier shall expeditiously process claims raised by the Forwarder, in accordance with the Carriers Conditions of Contract, Conditions of Carriage, National Law or Convention (as applicable);

8.2 The Forwarder, shall immediately notify the Carrier in writing of any complaint within the timeframes detailed below:

8.2(b)(i) for visible damage or other damage to goods, fourteen (14) days from receipt of the goods by the person entitled to receipt;

8.2(b)(ii) for delay of goods, within twenty-one (21) days from the date of goods are placed at the disposal of the person entitled to receipt;

8.2(b)(iii) for non-delivery of goods, within one hundred and twenty (120) days from the date of the issue of the air waybill;

the Carrier will accept notice from the Forwarder within seventy-two (72) hours following these timeframes, and will be deemed to have received such claim within the abovementioned timeframes;

8.3 Where the Carrier has appointed a subcontractor to perform one or more of the Carrier's obligations hereunder, it shall be fully liable for all actions taken by such subcontractor on behalf of the Carrier and the Carrier hereby agrees that the subcontractor's place of business is the place of jurisdiction in respect of any claims by the Forwarder against the Carrier.

9. GENERAL INDEMNITIES AND WAIVER

The Parties recognise that the Program Secretariat is required under the IFACP to issue notices, give directions, and take other action as directed from time to time by the IFGB, including in the circumstances therein provided, notices of alleged violations, and notices of grounds for removing a Forwarder or Carrier from the Directory or for reprimanding a Forwarder or Carrier. The Parties hereby waive any and all claims and causes of action against the Program Secretariat, and against IATA, FIATA, the IFGB, the Joint Councils and any of their respective members, officers and employees for any loss, injury or damage (including damages for libel, slander, or defamation of character) arising from any act done or omitted in good faith in connection with the performance of any of their duties or functions under the IFACP and indemnify them against any such claims by any third party; Furthermore the Parties recognise that the Program Secretariat is required under the IFACP to issue a Directory and to share program information with the IFGB, JC, IATA and FIATA, as necessary for the operation of the IFACP. The Parties hereby consent to the sharing of such information for the purposes of conducting operations under this Agreement to the extent it contains personal or other information publically available and excludes any and all commercially sensitive or otherwise confidential information.

10. FORCE MAJEURE

The Forwarder or the Carrier shall not be liable for delay or failure to comply with the terms of the Forwarder Agreement to the extent that such delay or failure (i) is caused by any act of God, war, natural disaster, strike, lockout, labour dispute, work stoppage, fire, third-party criminal act, quarantine restriction, act of government, or any other cause, whether similar or dissimilar, beyond the reasonable control of the Forwarder or Carrier, and (ii) is not the result of the Forwarder's or the Carrier's lack of reasonable diligence.

11. PROGRAMME FEES

The Parties shall pay fees in the amount and within the time prescribed by IFGB.

12. TRANSFER, ASSIGNMENT, CHANGE OF LEGAL STATUS, OWNERSHIP, NAME OR ADDRESS

12.1 The Parties shall not assign any of their rights or obligations under this Agreement.

12.2 In the event that a Party proposes to effect any material change(s) in its legal status, ownership and/or name (within the meaning of these expressions as used in the Handbook), such Party undertakes to notify and comply with the procedures as set forth in the Handbook.

13. NOTICES

All notices to be sent under this Agreement shall be sufficient if sent by any means that provides proof of dispatch or receipt, addressed, as appropriate.

14. APPLICABLE LAW

This Agreement shall in all respects be governed by and interpreted in accordance with the law of the Specified Country. In the event of conflict between the contents of any provision of this Agreement and such law, the law of the Specified Country shall prevail.

15. TERMINATION

15.1 This Agreement may be terminated without prejudice to fulfilment by the Parties of all obligations accrued prior to the date of termination;

15.1.1 at any time by written notice by any Party to another provided that such notice shall not be effective less than 30 days after it is dated;

15.1.2 immediately, in the event the Forwarder is removed from the Directory in accordance with the provisions in the Handbook

15.1.3 180 days following the termination of the IATA-FIATA Cooperation Agreement.

16. ACTION TO BE TAKEN SUBSEQUENT TO TERMINATION

Upon termination of the Agreement, the Forwarder shall immediately return all unused Air Waybills held and cease using all Air Waybill serial numbers assigned, and effect immediate settlement of all monies due and payable under the terms of this Agreement, substantiated by complete and satisfactory accounting therefor. The Forwarder shall be liable for any loss or damage suffered by the Carrier arising out of the loss or misuse by the Forwarder of such Air Waybills, or the misuse by the Forwarder of any Air Waybill serial numbers supplied to the Forwarder for use in an electronic environment, which were in the possession of the Forwarder at the termination of the Agreement and were not duly surrendered.

The Carrier shall be liable for loss or damage suffered by the Forwarder, in accordance with such obligations under the applicable Conventions.

17. SEVERABILITY

If any provision of this Agreement is held to be illegal or invalid, this shall not have the effect of invalidating the other provisions, which shall accordingly remain binding and effective between the Parties.

18. OTHER AGREEMENTS SUPERSEDED

This Agreement shall supersede any and all prior similar agreements between the Parties, without prejudice to such rights and liability as may exist at the date hereof.

19. DURATION

This Agreement shall be of indefinite duration and may be terminated in accordance with the relevant provisions set out herein.

SIGNED BY The Director General of the International Air Transport Association, acting as agent for the Carriers referred to in the preamble hereto.

By..... (Authorised Representative)

(Signature)

(Name, typed or printed)

SIGNED BY

The Authorised Person on behalf of the Forwarder,

Name & Address

By..... (Authorised Representative)

(Signature)

(Name, typed or printed)

(Capacity)WITNESS

(Signature)

(Name, typed or printed)

Note: When in accordance with local law, execution of this Agreement requires the signatures of the parties to be witnessed, or notarised, such formalities must be accomplished. The space below may be used for that purpose.

Appendix B - Application Form

[Link to the Application Form](#)

Appendix C - Notice of Change

Removed as per IFGB decision (2IFGB Meeting, June 2017).

Notice of change to be completed and submitted online via the customer portal page
<http://www.iata.org/customer-portal/Pages/index.aspx>

Appendix D - DGR training table (ICAO 1.5.A)

TABLE 1.5.A

Minimum Requirements for Training Curricula (1.5.2)

Aspects of transport of dangerous goods by air with which they should be familiar, as a minimum	Shippers and packers		Freight forwarders			Operators and ground handling agents						Security screeners
	Category											
	1	2	3	4	5	6	7	8	9	10	11	12
General philosophy	X	X	X	X	X	X	X	X	X	X	X	X
Limitations	X		X	X	X	X	X	X	X	X	X	X
General requirements for shippers	X		X			X						
Classification	X	X	X			X						
List of dangerous goods	X	X	X			X				X		
General packing requirements	X	X	X			X						
Packing instructions	X	X	X			X						
Labelling and marking	X	X	X	X	X	X	X	X	X	X	X	X
Shipper's Declaration and other relevant documentation	X		X	X		X	X					
Acceptance procedures						X						
Recognition of undeclared dangerous goods	X	X	X	X	X	X	X	X	X	X	X	X
Storage and loading procedures					X	X		X		X		
Pilots' notification						X		X		X		
Provisions for passengers and crew	X	X	X	X	X	X	X	X	X	X	X	X
Emergency procedures	X	X	X	X	X	X	X	X	X	X	X	X

CATEGORY

1. Shippers and persons undertaking the responsibilities of shippers', including operator's staff acting as shippers, operators staff preparing dangerous goods as Company Materials (COMAT)
2. Packers
3. Staff of freight forwarders involved in processing dangerous goods dangerous goods
4. Staff of freight forwarders involved in processing cargo or mail (other than dangerous goods)
5. Staff of freight forwarders involved in the handling, storage and loading of cargo or mail
6. Operators and ground handling agent's staff accepting dangerous goods
7. Operators and ground handling agent's staff accepting cargo or mail (other than dangerous goods)
8. Operators and ground handling agent's staff responsible for the ground handling, storage and loading of cargo or mail and baggage
9. Passenger handling staff
10. Flight crew members, loadmasters, load planners and flight operations officers/flight dispatchers
11. Crew members (other than flight crew)
12. Security staff who deal with the screening of passengers and their baggage and cargo or mail, e.g. security screeners, their supervisors and staff involved in implementing security procedures.

Appendix E - Non-Handling of Dangerous Goods Declaration

DANGEROUS GOODS: NON HANDLING DECLARATION

Pursuant to the provisions of Section 1.4.4, of IATA-FIATA Air Cargo Program rules, we hereby confirm that the above named IFACP Forwarder elects not to accept nor make ready for carriage any consignment containing Dangerous Goods.

It is further acknowledged that failure to comply with this declaration will result in the termination of the IFACP Forwarder Intermediary Agreement in accordance with Paragraph 15 of that Agreement.

SIGNED BY

The Authorized Person on behalf of the Intermediary

By

(Authorised Representative)

(Signature)

(Name, typed or printed)

(Capacity)

Appendix F - Specific Local Financial Criteria by country

[Links to the Local Financial Criteria](#)

PART 3 - Links to IATA Resolutions or Recommended Practices

- 817 [Financial Securities](#)
- 821 [IATA Cargo Office Numeric Code](#)
- 823 [Definitions of Terms](#)
- 831 [Consequences of Violation of Air Waybill or Shipment Record Completion Procedures](#)
- 833 [Ready for Carriage Consignments](#)
- 833a [Security Measures for Intended Consolidated Consignments](#)
- 837 [Shipment Record](#)
- 849 [Carrier General Concurrence Tie in and Transferal Resolution](#)

- 600 [The Consignment](#)
- 600a [Air Waybill](#)
- 600b [Air Waybill-Conditions of Contract](#)
- 606 [Bar Coded Label](#)
- 606a [Non-Bar Coded Label](#)
- 607 [Standards for Labels and Tags for Special Shipments](#)
- 612 [Shipper's Request for Changes to Air Waybill and Shipment Record Amounts](#)
- 614 [Procedures for Disbursements](#)
- 618 [Dangerous Goods Regulations](#)
- 620 [IATA Live Animals Regulations](#)
- 622 [Perishable Cargo Regulations](#)
- 651 [Consignment Security Declaration \(CSD\) and \(e-CSD\)](#)
- 1600t [Use of Bar Codes and Bar Code Equipment in Cargo Applications](#)

PART 4 – IATA CASS Participation Rules – For Forwarders

Below is reproduced the text of IATA Resolution 851r

WHEREAS it is recognized that the IATA Cargo Accounts Settlement System (CASS) provides an efficient and cost effective mechanism for accounting and settlement between Airlines and Forwarders; and

WHEREAS the Conference wishes to deal with billing and remitting procedures, and participation related matters under the CASS in a single Resolution; and

WHEREAS to ensure that notwithstanding any variations in CASS participation rules and the IATA-FIATA Air Cargo Program (IFACP), the rules governing CASS billing and remittance matters shall be applied in a consistent manner, it is

RESOLVED that the following Procedures are adopted and shall be applied in conjunction with other applicable CASS participation rules, and IATA-FIATA Air Cargo Program Rules, or procedures set out in that Program Handbook.

1. IFACP FORWARDER PARTICIPATION IN CASS

1.1 To participate in CASS under the provisions of this Resolution, an IFACP Forwarder will be required to sign an IFACP Forwarder Agreement as shown in Appendix 'B'. Nothing in these procedures shall preclude a CASS Airline and an IFACP Forwarder from making alternative arrangements for accounting, billing and settlement on a bilateral basis outside of CASS.

1.2 FINANCIAL STANDING REQUIREMENTS FOR IFACP FORWARDERS

1.2.1 The IFACP Forwarder must meet and comply with any Local Financial Criteria that apply in its country of business, or minimum global financial criteria, as established under the applicable IFACP Rules;

1.2.2 Failure of an IFACP Forwarder to meet such Local Financial Criteria will be grounds to suspend and serve notice of termination of the IFACP Forwarder's participation in CASS under these Rules.

2. BILLINGS, REMITTANCES AND SETTLEMENTS

This Section is applicable to all IFACP Forwarders for the country/area of a CASS when amounts due to the Carrier(s) are billed and consequently are to be settled via the CASS.

2.1 GENERAL

2.1.1 Monies Due To CASS Airlines

Monies due to the CASS Airlines associated with the carriage of cargo shall be remitted through CASS.

2.1.2 CASS–Cargo Accounts Settlement System terms

For the purpose of these rules the term 'CASS' shall mean the system, which processes IFACP Forwarders' accountable transactions to produce statements in the form of billings, collects IFACP Forwarders' remittances in respect of such billings and disburses them to the CASS Airlines to which monies are due. Where the processing of accountable transactions and the collection/disbursement of monies are carried out by two separate institutions, which may include a Settlement Office and/or a Clearing Bank, the term 'CASS' shall mean those institutions either collectively or individually.

2.2 BILLING–FREQUENCY, PERIOD AND DATE

2.2.1 The Cargo Agency Conference shall set the frequency and length of the billing periods applicable to each CASS, which shall be consistent with the remittance frequency established. Each CASS airline shall submit data within a reasonable time in respect of the accountable transactions made on its behalf by IFACP Forwarders for billing, in accordance with the timetable and calendar of each CASS;

2.2.2 The billing frequency shall be as agreed for a specific CASS by the Cargo Agency Conference and notified to all participants in such CASS. The billing frequency shall relate to the remittance frequency in the respective CASS and should be at least twice each month, more often where shorter remittance cycles apply, but as a minimum must be at least once a month;

2.2.3 The time span covered by a billing hereunder shall be called the 'Billing Period'. The Billing Period shall run from the close of business on each billing date to the close of business on the next billing date. The precise time span covered will be determined in each case by the date of the accountable transactions that each CASS Airline wishes to include in that billing. The last day of the billing period is hereinafter called 'the Billing Date';

2.2.4 Each CASS Airline must submit its data electronically through CASSlink, or as instructed by CASS, and shall ensure that all accountable transactions in respect of IFACP Forwarders are received by the CASS in time to be included in the next appropriate billing. A CASS Airline may also submit accountable transactions occurring prior to the current Billing Period. Data shall be submitted so as to be in the possession of each CASS by the time and date published by IATA in the CASS calendar. The day by which CASS Airline data is required to be in the possession of the CASS for IFACP Forwarder billing purposes under the provisions of this Subparagraph is hereinafter referred to as 'the Submission Date'.

2.3 SETTLEMENT FREQUENCY AND REMITTANCE DATE

2.3.1 IFACP Forwarders shall remit monies due on CASS billings directly to Clearing Bank as per instructions provided by IATA from time to time. The day by which remittance is required to reach CASS under the provisions of this Subparagraph is hereinafter referred to as 'the Remittance Date';

2.3.2 IATA may require the IFACP Forwarder to provide the necessary information and/or an authorisation form permitting it to draw cheques on, or otherwise debit the IFACP Forwarder's bank account in favour of the International Air Transport Association, or the institution designated, in payment of all amounts due to CASS Airlines. Such authorisation shall be in the form prescribed from time to time by IATA and shall be submitted by the IFACP Forwarder once, or for each Remittance Period. In the latter case IATA shall require the IFACP Forwarder to specify the maximum amount, including an adjustment factor, for which it is authorised to debit the IFACP Forwarder's account;

2.3.3 The IFACP Forwarder shall give IATA 30 days advance notice by e-mail or certified or registered mail of its intention to change its bank or bank account(s);

2.3.4 An IFACP Forwarder having more than one office holding stocks of Air Waybills, may request in writing to IATA the authorisation for such field offices to be billed individually for Air Waybills issued from their stock. IATA shall assign an additional 'Numeric Code' for such purpose, in accordance with **Resolution 821**. Such individual billings shall be settled directly with CASS by the IFACP Forwarder's office granted such authorization. The IFACP Forwarder's (Head/Principal Office) shall remain responsible for the correct issuance of all such Air Waybill stocks and the timely settlement in respect of any and all billings by its individual field offices, or Branch Office Locations

2.3.5 The time span in respect of which a remittance is to be made to CASS hereunder shall be called the 'remittance period'. A Remittance Period shall not be shorter than a Billing Period but may cover more than one Billing Period.

2.3.6 'Remittance Date' is the time and day when billed amounts must be paid to CASS. If the CASS is closed for business on the day on which the remittance is required to reach it, the remittance shall be made by the IFACP Forwarder so as to reach the CASS before its close of business on the first subsequent day when it is open for business;

2.3.6.1 The frequency of IFACP Forwarder remittances via CASS shall be as determined by the Cargo Agency Conference and notified by each CASS to all participants and published as the CASS calendar. It shall be at least once each month, but may be more frequent. Provided that, where feasible, IATA

may also permit an individual IFACP Forwarder to voluntarily elect to remit at such greater frequency and for such length of time as deemed appropriate;

2.3.6.2 IFACP Forwarder remittance shall be made so that funds are cleared and reach the CASS by its close of business on a specified date, or specific number of days following the Billing Date under settlement, which shall be established in respect of each CASS and published for all participants. See Appendix 'A' for details;

2.3.6.3 The date and number of days shall reflect the remittance frequency which shall in not be later than the 30th day following the Billing Date; unless the Cargo Agency Conference exceptionally establishes a different date for a specific CASS or for a specific settlement method.

2.4 GRACE PERIOD

2.4.1 A 'grace period' is a number of additional days that may be established by Conference in respect of a CASS that will be allowed for IFACP Forwarders to settle any outstanding amounts, counting from and including the first day after the Remittance Date;

2.4.2 The Grace Period referred to in Paragraphs 3.1 below shall be ten calendar days, except where a specific shorter Grace Period has been established. The Grace Period that applies in CASS countries can be found in Appendix A.

2.5 CHANGES

2.5.1 Changes to the CASS Remittance Date and/or frequency referred to in this paragraph, and/or the Grace Period, shall be made by the Cargo Agency Conference in accordance with its due process, whenever possible, following consultation via an appropriate Local Customer Advisory Group Cargo (LCAGC) and Agent Liaison Working Group (ALWG);

2.5.2 Changes to the frequency or date of remittance taken by vote of the Cargo Agency Conference shall, take effect from a future date to be determined by Conference, on which date the result of such vote is declared effective.

3. IRREGULARITIES AND DEFAULT

The provisions of this Paragraph shall govern failures by IFACP Forwarders to adhere to the remittance procedures and/or dates set out above and in this Section.

3.1 IRREGULARITIES AND DEFAULT

The provisions of this Paragraph shall govern failures by IFACP Forwarders to adhere to the remittance procedures and/or dates set out above and in this Section.

3.1.1 Irregularities and Default

3.1.1.1 Circumstances which result in failure to adhere to the remittance procedures, for which the IFACP Forwarder will be served with a Notice of Irregularity and will accrue a specified number of penalty points, are:

Overdue remittance/late payment	1 penalty point
Dishonoured remittance/cheque	1 penalty point
Rejected debit/electronic transfer	1 penalty point
Unauthorized short payment	1 penalty point
Failure to remit in correct Billing Currency	1 penalty point

3.1.1.2 A notice of irregularity shall be sent in writing to the IFACP Forwarder and set out the specific circumstances giving rise to the irregularity and will demand an immediate settlement if outstanding amounts are due by the Remittance Date. Only one irregularity notice and corresponding one penalty point shall be applied to an IFACP Forwarder in respect of the same billing or remittance period.

3.1.2 Extraneous Factors Affecting IFACP Forwarders, Bankruptcy, Cessations

3.1.2.1 IATA's actions described in this Section, in respect of payment failures and non-receipt of remittances by CASS by the due date, shall not apply when it can be determined that the IFACP Forwarder had adequately undertaken all of the required remittance procedures, and that such non receipt had been caused by extraneous factors directly affecting the IFACP Forwarder, such as described in 3.5, 3.6 & 3.7 below;

3.1.2.2 an IFACP Forwarder shall be suspended from CASS and a notice of termination of its CASS participation shall be sent in the following circumstances:

(i) if there is a cessation in the operation or transfer of the IFACP Forwarder's business to different entity than the one to which its IFACP Agreement relates;

(ii) in the event the IFACP Forwarder is declared bankrupt, placed in receivership or judicial administration, goes into liquidation or becomes subject to any other similar legal procedure affecting its normal operation, including actions affecting its license to trade (where this is officially required).

3.1.2.3 Concurrent with this suspension, a demand for payment and immediate settlement of all monies due shall be made when allowed by the provisions of applicable law in the IFACP Forwarder's country of operation. 3.1.3

Demand for Payment

For the purpose of this paragraph, where IATA issues: a demand for immediate payment; or a demand for immediate accounting and settlement, the deadline for CASS' receipt of such from the IFACP Forwarder shall be the close of business on the last day of the Grace Period. Except in the circumstances described in 3.1.2.2 above, when immediate shall mean by the end of the next business day.

3.1.4 Overdue Remittance/Authorisation

3.1.4.1 if CASS has not received from an IFACP Forwarder by the Remittance Date either full remittance, or where required, an authorisation form as specified in Subparagraph 2.3.2 of this Section, in respect of its billings, IATA shall immediately send to the IFACP Forwarder a notice of irregularity and demand immediate payment from the IFACP Forwarder; except where the Forwarder has not remitted the full amount by up to 5% of the billing, not exceeding USD 100,000; provided that this will not apply in respect of a Forwarder where this exception has been applied in three instances during any 12 consecutive months.

3.1.4.2 if the IFACP Forwarder does not comply with the currency of settlement as indicated in the billing statement, IATA shall issue a notice of irregularity to the IFACP Forwarder for non-compliance with payment procedures;

3.1.4.3 if subsequent to action taken pursuant to Subparagraph 3.1.4.1 above the IFACP Forwarder fails to make immediate and complete settlement of the amounts due or to submit the authorisation form, as applicable, by the last day of the Grace Period, IATA shall immediately take default action with respect to the IFACP Forwarder in accordance with the provisions of Paragraph 3.3 of this Section.

3.1.5 Dishonoured Cheque or Other Method of Payment

if a cheque, or debit, or any other method of payment in settlement of amounts due is dishonoured or rejected and results in non-payment by the drawee bank, IATA shall send to the IFACP Forwarder a

notice of irregularity and demand immediate payment from the IFACP Forwarder of amounts due. Such notice shall count as one irregularity and penalty point for the purposes of the lists provided for in Subparagraph 3.1.6 of this Paragraph. If payment is not received by the last day of the Grace Period IATA shall immediately confirm in writing to the IFACP Forwarder advising that default action is being taken, by reason of the dishonoured cheque, rejected direct debit or any other method of nonpayment. IATA shall simultaneously take default action with respect to the IFACP Forwarder in accordance with the provisions of Paragraph 3.3 of this Section.

3.1.6 Accumulated Irregularities

After each Remittance Date, IATA shall compile and publish to CASS Airlines a list containing the names of all the IFACP Forwarders that have been sent notices of irregularity and have accumulated a penalty points under any of the provisions of these Rules since the preceding Remittance Date. A notice of irregularity is provided for informational purposes and does not require any particular action by CASS Airlines:

3.1.6.1 when an IFACP Forwarder accumulates three instances and notices of irregularity during a 12 month period it shall be subject to a financial review to evaluate its financial standing, based on its most recent financial accounts, assessed against the Local Financial Criteria applicable in its country of operation. Such assessment may require the IFACP Forwarder to provide a financial security covering its current CASS remittance value and sales amount at risk;

3.1.6.2 if four instances and notices of irregularity, or any other number limit that has been agreed by the Cargo Agency Conference in respect of a CASS, are issued in respect of an IFACP Forwarder and are recorded on such lists during any 12 consecutive months, IATA shall immediately take default action with respect to the IFACP Forwarder in accordance with the provisions of Paragraph 3.3 of this Section.

3.1.7 Suspension or Default Under Other Programs

If the same IFACP Forwarder entity is also contracted with IATA, in respect of any other cargo program(s) in the same country, such as a CASS Recipient participating in CASS-Import, and if such same IFACP Forwarder/Recipient is suspended or terminated, or in default under those Program Rules, IATA shall likewise take similar action under these Rules, to suspend, initiate a review and serve notice to terminate the IFACP Forwarder in CASS.

3.1.8 IFACP Forwarder in Default as an IATA Approved Passenger Sales Agent

If the same legal entity that is an IFACP Forwarder in a specific country is also approved as a Passenger Sales Agent under the IATA Passenger Sales Agency Rules applicable in that country and such IATA Agent is declared in default in the Billing and Settlement Plan (BSP) and under those Rules has outstanding amounts due to Airlines, the IFACP Forwarder shall also be deemed in default under these CASS Rules and default action with respect to the IFACP Forwarder shall be taken in accordance with the provisions of Paragraph 3.3 of this Section;

3.1.9 Charges

3.1.9.1 notwithstanding the provisions of Subparagraphs 3.1.4 and 3.1.5 of this Paragraph, the Cargo Agency Conference may decide to sanction instances of failures to comply with procedures and instructions, which generate additional cost to CASS Airlines and instances of overdue remittances, by the levy of a general cost recovery or operational charge. The levels of such charge shall be determined from time to time by the Cargo Agency Conference and notified by IATA to FIATA and the local forwarders association (if any) and all IFACP Forwarders in the CASS area;

3.1.9.2 CASS operational charges shall be in the amount debited by IATA as a result of the IFACP Forwarder's failure to remit as prescribed, increased, if applicable, by an amount to compensate for any extra costs incurred by IATA in relation to such failure;

3.1.9.3 when charges are to be levied, IATA shall instruct the CASS to debit an IFACP Forwarder for such charges, and then notify the IFACP Forwarder concerned;

3.1.9.4 charges debited to IFACP Forwarders pursuant to this Subparagraph shall, except as otherwise specified, be included by CASS in its first subsequent billing to the IFACP Forwarder concerned and shall be due and payable by the IFACP Forwarder by the Remittance Date applicable to such billing. Such charges shall, for the purpose of Subparagraph 3.3.1.1(b) of this Section, be deemed part of all amounts owing by the IFACP Forwarder.

3.2 NOTIFICATION OF IRREGULARITY

When IATA is required under any of the provisions of Paragraph 3.1 of this Section to send to an IFACP Forwarder a notice of irregularity, it shall immediately send the IFACP Forwarder a written notification, by registered letter and/or e-mail, in the form prescribed from time to time advise all CASS Airlines in the area concerned; provided that where the CASS covers more than one country, the irregularity shall apply to the entire area of such CASS. A notice of irregularity is provided for informational purposes and does not require any particular action by CASS Airlines:

3.3 DEFAULT ACTION

3.3.1 If default action is required to be taken in accordance with any of the provisions of Paragraph 3.1 of this Section;

3.3.1.1 IATA shall immediately take the following action:

3.3.1.1(a) promptly advise the IFACP Forwarder that default action has been invoked, in respect of all of its Air Waybill issuing offices, with confirmatory written advice to be sent under registered cover;

3.3.1.1(b) demand an immediate full and complete accounting and settlement of all monies due and outstanding from the IFACP Forwarder whether or not the Remittance Date for payment thereof has arrived. The accounting obtained in respect of all its Air Waybill issuing office locations and any monies received shall be transmitted to the CASS;

3.3.1.1(c) notify all CASS Airlines in the area concerned of the default;

3.3.1.1(d) notify the IFACP Forwarder that it may initiate a review with the Commissioner pursuant to the provisions of Resolution 811e, Section 1.1.

3.3.1.2 IATA shall immediately advise the head offices of all Members that the IFACP Forwarder is in default as well as other CASS Airlines who do business with the IFACP Forwarder via CASS shall be notified;

3.3.1.3 CASS, on receiving notice that an IFACP Forwarder is in default, shall take the following action:

3.3.1.3(a) immediately suspend the IFACP Forwarder from CASS;

3.3.1.3(b) immediately establish from the Airline data submissions in its possession an up-to-date statement of indebtedness for the IFACP Forwarder concerned;

3.3.1.3(c) check any accounting and settlement obtained from the IFACP Forwarder and report any discrepancies;

3.3.1.3(d) distribute any monies obtained by the CASS from the IFACP Forwarder among the CASS Airlines concerned in accordance with the standing instructions of the Cargo Agency Conference;

3.3.1.4 CASS Airlines, on receiving notice that an IFACP Forwarder is in default and has been suspended from CASS shall individually determine how they will continue to conduct business with such IFACP Forwarder;

3.3.1.5 Billing Disputes

If it is identified, at any time, that a dispute exists with an individual item or individual airline, in respect of the CASS billing, an irregularity notice shall not be issued, or if already issued, it shall be withdrawn. IATA shall also withhold or withdraw any declaration of default resulting from such dispute. In the event that the CASS Airline does not admit the existence of a dispute, the Agency Administrator shall require the Forwarder either to supply documented evidence demonstrating existence of the dispute or, to pay the amount of the short payment into an 'escrow account'. Provided that either of such conditions is met, the Agency Administrator shall withhold or withdraw the notice of irregularity. If still not resolved then the disputed item/issue shall be removed from CASS and shall be dealt with bilaterally between the parties concerned;

3.3.1.6 if a default is withdrawn, IATA shall so notify the IFACP Forwarder and all recipients of the declaration of default. The notice of irregularity giving rise to such default shall also be removed by IATA from the list maintained pursuant to the provisions of Subparagraph 3.1.6 of this Section;

3.3.1.7 thereafter, if the declaration of default is not withdrawn, the provisions of Section 3.3 of this Resolution shall apply.

3.4 SUBSEQUENT IRREGULARITIES

Notices of irregularity reported in accordance with Paragraph 3.1 of this Section in respect of sales effected between the end of the reporting period for which the IFACP Forwarder was declared in default and the date the IFACP Forwarder was declared in default shall not be entered on the list maintained by IATA.

3.5 REMITTANCE DELAYED BY OFFICIAL GOVERNMENT ACTION

Notwithstanding any other provision contained herein, an IFACP Forwarder shall not be sent a notice of irregularity or be declared in default with respect to all or any part of a remittance to the extent that the IFACP Forwarder is unable to make full settlement because of official Government action which directly prevents such settlement; provided that the IFACP Forwarder demonstrates that the amount due has been made available for remittance at a recognized bank but cannot be remitted owing to such official Government action.

3.6 FORCE MAJEURE

The IFACP Forwarder shall not be liable for delay or failure to comply with the terms of these rules and its Agreement to the extent that such delay or failure

3.6(i) is caused by any act of God, war, natural disaster, strike, lockout, labour dispute, work stoppage, fire, third-party criminal act, quarantine restriction, act of government, or any other cause whether similar or dissimilar, beyond the reasonable control of the IFACP Forwarder, and

3.6(ii) is not the result of the IFACP Forwarder's lack of reasonable diligence (an 'Excusable Delay'). In the event an Excusable Delay continues for seven days or longer, IATA shall have the right, at its option, to serve notice to terminate the Agreement of the IFACP Forwarder whose performance has failed to comply.

3.7 BANK ERROR

3.7.1 A 'Bank Error' is one that is substantiated by evidence acceptable to IATA as provided for below, which resulted in the bank's failure to honour a cheque or transfer, or otherwise make payment on behalf of the IFACP Forwarder, which consequently resulted in the IFACP Forwarder being issued with a notice of irregularity, or declared in default. If the bank error is substantiated the irregularity and/or default action shall be withheld or withdrawn and the same status of the IFACP Forwarder reinstated as prior to the incident.

3.7.2 Evidence of a Bank Error in all cases means an original bank letter provided to IATA, signed by a bank manager which must be sent to IATA within 10 working days of the incident by registered post or courier, stating that the delay in remittance was due to bank error and that the customer (IFACP Forwarder) had sufficient funds available at that time.

3.8 EXCEPTIONAL CHANGES TO REMITTING PROCEDURES

Notwithstanding any provision to the contrary in this Section, the frequencies of billing and remitting and/or the Remittance Date for any CASS country may be modified in response to exceptional changing economic or extraordinary circumstances by the Agency Administrator, using his autonomy to act in exceptional circumstances.

3.9 CASS IMPLEMENTATION— TRANSITIONAL RULES

Notwithstanding the provisions of Paragraphs 2.5 and 3.1 of this Section, the Cargo Agency Conference may establish different Billing or Remittance Dates, and Grace Periods for sales under the CASS concerned. Additionally, the Cargo Agency Conference may establish different accumulated irregularity provisions. These variations may apply for the first full year of CASS implementation only.

3.10 BILLING QUERIES

To ensure CASS billings are as accurate as possible the following procedures shall be implemented by all CASS participating airlines and GSSA's.

3.10.1 Each CASS Participant will activate CASS-link online correction services, facilitating IFACP Forwarder billing adjustment requests via the automated web tool.

3.10.2 Each CASS shall implement a correction period within its processing calendar.

3.10.3 IATA shall enhance the CASS reporting calendar to include two additional deadlines;

3.10.3.1 A query notification deadline, by which date IFACP Forwarders must register billing queries through CASSlink. Such deadline shall be no less than 4 calendar days following the date of the CASS invoices for the billing period in question, where the CASS Remittance Period is 28–30 days, and no less than 2 calendar days following the date of the CASS invoices where the CASS Remittance Period is 15 days.

3.10.3.2 A query response deadline, by which date CASS Airlines must respond through CASSlink to all registered queries. Such deadline shall be no less than 4 calendar days prior to the Remittance date for the billing period in question. Responses may be one of the following;

3.10.3.2.1 Accept, meaning the Participant agrees with the registered query;

3.10.3.2.2 Reject, meaning the Participant does not agree with the registered query;

3.10.3.2.3 Airline handled, meaning the Participant agrees with the registered query and will be generating the appropriate credit within its own system for processing through CASS;

3.10.3.2.4 Amend, meaning the Participant wishes to process a credit for a different amount to that registered.

3.10.4 Prior to each CASS processing the correction period, established pursuant to paragraph 3.10.2 above, all registered queries in accordance with paragraph 3.10.3.1 that have not been responded to in accordance with paragraph 3.10.3.2 shall be automatically processed as approved.

3.10.5 Notwithstanding paragraph 3.10 above CASS Airlines may in subsequent billing periods re-invoice registered queries, which they subsequently determine should have been initially rejected.

4. CONSEQUENCES OF DEFAULT

4.1 DETERMINE IFACP FORWARDER'S INDEBTEDNESS TO CASS AIRLINES

4.1.1 When IATA has determined that an IFACP Forwarder, declared in default under any of the provisions of this Resolution, has effected settlement of all amounts due, if any, as provided in Section 3 of this Resolution, the provisions of Paragraphs 4.3 and 4.4 of this Section shall apply;

4.1.2 When IATA has determined that an IFACP Forwarder, declared in default under any of the provisions of this Resolution, has failed to settle all amounts due, it shall give the IFACP Forwarder notice of termination of its participation in CASS and shall notify all CASS Airlines and the IFACP Administrator of such action;

4.1.3 Upon receipt of a notice of termination the IFACP Forwarder shall have the right to request a review by the Cargo Commissioner;

4.1.4 The Cargo Commissioner, at his discretion, and depending upon the circumstances surrounding the default and/or actions following the default and/or following settlement of amounts due and actions described in 4.3 below, may uphold the decision to terminate the IATA Freight IFACP Forwarder Agreement, or may retain the IFACP Forwarder, as described in 4.4 below.

4.2 SETTLEMENT OF AMOUNTS DUE

When an IFACP Forwarder declared in default is able to demonstrate to IATA prior to the termination date specified in the notice of termination that all outstanding amounts, if any, have been fully settled, IATA shall notify CASS Airlines accordingly. Thereafter, the provisions of Paragraphs 4.3 and 4.4, as appropriate of this Section shall apply.

4.3 ACTIONS FOLLOWING SETTLEMENT OF AMOUNTS

4.3.1 When IATA is satisfied that the IFACP Forwarder has effected settlement of all outstanding amounts, the IFACP Forwarder shall be required to furnish a financial security to allow a its reinstatement in CASS. The financial security shall be in a form prescribed by IATA, such as a bank guarantee, or other acceptable form of insurance or bond. It shall be in an amount equivalent to the IFACP Forwarder's sales at risk, calculated on its CASS billings and remittance values for two latest periods, or the default amount, whichever is the greater.

4.3.2 Upon receipt of the required financial security, the Forwarder will be reinstated in CASS. Following reinstatement, the IFACP Forwarder may request a financial review in accordance with the Local Financial Criteria applicable in its country of operation and as described in the IFACP rules. Such review will only be conducted based on the financial position and audited accounts of the IFACP Forwarder dated no earlier than 6 months following the date of reinstatement.

4.3.3 If the IFACP Forwarder, having settled all outstanding amounts, is unable to furnish a financial security, or to demonstrate by a specified date that its financial and credit standing again satisfies the applicable Local Financial Criteria, IATA shall serve notice of termination to the IFACP Forwarder in respect of its participation in CASS.

4.3.4 Without prejudice to the notice of termination, if the IFACP Forwarder is able to furnish the required financial security, or to demonstrate a satisfactory financial standing meeting the Local Financial Criteria, the termination shall be waived and the provisions of 4.4 shall apply.

4.4 EFFECTS OF RETENTION AFTER SUSPENSION OR DEFAULT

4.4.1 If the IFACP Forwarder is reinstated and retained as a CASS participant after having complied with the provisions above, it shall be cleared of the default status and all irregularities recorded against it prior to the default. For the purposes of Subparagraph 3.1.6 of this Resolution, the commencement

of the 12 months period shall be the date of IATA's notice to CASS Airlines regarding the clearance of the Default status of the IFACP Forwarder, or the date of the decision by the Cargo Commissioner to retain the IFACP Forwarder as applicable.

Appendix 'A' TABLE BY CASS OF REMITTANCE FREQUENCY, REMITTANCE DATE, GRACE PERIOD

CASS Region Country	Settlement Frequency	Remittance Date after Billing	Grace Period
Global Standard	1 and 2 times monthly	7, 15, 28-30 days	5-10 days
Region LATAM	2 times	15 days	5 days
Brazil (Import)	2 times	15 days	5 days
Canada	2 times	30 days	5 days
Ecuador	2 times	15 days	5 days
Peru	2 times	20 days	1 day
Region Europe	1 time	28-30 days	10 days
Israel	2 times	15 days	10 days
Turkey	2 times	28-30 days	2 days
United Kingdom & Ireland	1 time	32 days	10 days
United Kingdom (Import)	1 time	32 days	15 days
Region MENA	1,2 times	15, 30 days	10 days
Morocco	2 times	20 days	10 days
United Arab Emirates	2 times	15 days	5 days
Region Asia Pacific	2 times	28 days	10 days
Australia	2 times	30 days and mid and last day of the Month	4 days
Bangladesh	2 times	15 days and mid and last day of the month	10 days
Malaysia	2 times	15 days and mid and last day of the month	10 days
Pakistan*	2 times	15 days and mid and last day of the month	10 days
Korea	2 times	30 days and mid and last day of the month	10 days

CASS Region Country	Settlement Frequency	Remittance Date after Billing	Grace Period
Thailand	2 times	30 days and mid and last day of the month	10 days
Region North Asia	2 times	15, 30 days	10 days
China	2 times	30 days	10 days

***PAKISTAN ONLY** For the purpose of this paragraph, where 30 June and 31 December of any year are each not a declared holiday in Pakistan, those dates shall be treated as banking holidays and Agents' Remittance falling on such dates shall be deferred to the next bank working day.