



ASSOCIATION OF
SOUTHERN AFRICAN TRAVEL AGENTS

MEMBERS SECTION TERMS OF REFERENCE

1. PREAMBLE

All definitions and terms described in this document are as per the ASATA Constitution. In the case of any conflict in the interpretation of this document, the ASATA Constitution will prevail.

2. DEFINITIONS AND INTERPRETATION

The Laws of the Republic of South Africa and the jurisdiction of the South African courts shall govern these Terms of Reference and the rights and obligations of Members of ASATA.

All and any questions of interpretation of these Terms of Reference and any other addenda, regulation or schedules which form part of these Terms of Reference shall be settled and decided by the Board whose decision shall be final and binding on all Members. The Board, if deemed necessary (at their prerogative), may take legal advice before giving its interpretation.

"ASATA"	means the Association of Southern African Travel Agents.
"BOARD OF EXECUTIVES"	means those persons elected from time to time holding office as Members in terms of clause 5 of the ASATA Constitution. Hereafter refer to as the "Board"
"BRANCH"	means a branch office owned by and operating under the same ownership as its head office.
"BBBEE"	means Broad Based Black Economic Empowerment. BEE Act 53 of 2003
"BUSINESS DAY"	A business day is considered every official working day of the week. These are days between and including Mondays to Fridays and do not include public holidays and weekends.
"CHIEF EXECUTIVE OFFICER"	means the person appointed as such by the Board and holding the office of a senior full time salaried officer of ASATA.
"CHANGE OF OWNERSHIP"	means any change of shareholding or of membership, in the case of a Closed Corporation / Sole Proprietor or of legal status.
"CODE OF CONDUCT"	means the attached document so named, as referred to in clause 12.1 of the ASATA Constitution.
"CONSULTANT"	means a person employed by a Member in a Travel Agency or Wholesaler who provides travel related advice and services and sells products on behalf of a travel agency or Wholesale company.
"CONSTITUTION"	means the ASATA Constitution, Annexures thereto and any other agreements and/or conventions entered into by ASATA on behalf of its Members/Partners.

"FINANCIAL STATEMENTS"	means a formal record of the financial activities of a business, person, or other entity which explains the transactions and financial position of the business of the company.
"GROUP"	means any grouping (collection) of Members who are all Members of ASATA including company owned branches and consortiums.
"INCLUSIVE TOUR / "PACKAGE HOLIDAY"	<p>means a pre-arranged combination <i>of not less than two of the following</i> when sold or offered for sale at an inclusive price under a pre-determined and published name:</p> <ul style="list-style-type: none"> - transportation to and from the point of destination - accommodation - sightseeing - other tourist services accounting for significant part of the package.
"MEMBER"	means a travel business in good standing whose Membership has been approved by the Board without limitations and whose core business is acting as a Travel Agent or a Wholesaler.
"MEMBERS SECTION"	shall comprise of the Members as a collective whole.
"REGION"	means the geographic areas as set out in 7.1 of the ASATA Constitution.
"TRAVEL AGENT" / INTERMEDIARY	<p>means any business selling, both domestic and international travel products and / or services to the consumer or corporate on behalf of suppliers. These businesses focus predominantly on the outbound market.</p> <p><u>Intermediary as defined by the CPA</u></p> <p>Representing another person with respect to the actual or potential supply of any goods or services.</p> <p>Offering to sell to a consumer, soliciting offers for or selling to a consumer any goods or property that belongs to a third person, or service to be supplied by a third person, but does not include a person whose activities as an intermediary are regulated in terms of any other national legislation.</p>
"SECTION"	means the categories of Members as referred to in 7.1. of the ASATA Constitution

"SUBSCRIPTION"

means the contribution paid by Members on an annual basis as approved at the General Meeting of the Association and is determined by the number of Consultants of a Member as on 01 April annually. A Member with one Consultant shall pay 25% of the subscription, two Consultants shall pay 50% and three or more Consultants shall pay 100% of the subscriptions as determined annually by the Board.

"TERMS OF REFERENCE"

means this document, including the rules and regulations set out and determined by the Board to regulate their specific operation.

"TRAVEL INDUSTRY"

means the industry whose participants are those engaged in serving the consumer by way of selling travel related services.

"WHOLESALE"

means those operators who package travel products and / or services for the retail travel trade to sell to the consumer, or for direct sales to the consumer.

3. NEW MEMBERSHIP

Membership is open to any natural person, Close Corporation or Company who conducts business as a Travel Agent and / or Wholesaler, and which is domiciled in Southern Africa.

3.1 Application for Membership

Application for Membership must be on the prescribed forms as determined by the ASATA Board from time to time, and must be accompanied by the prescribed Administration fee. This fee is not refundable, whether or not membership is granted, and no application for membership will be considered without payment of this fee.

3.2 Criteria to be admitted as an ASATA Member (Travel Agent)

3.2.1 Completed application form

3.2.2 Any applicant for Membership must have traded in a travel agent capacity for a minimum of one full financial year before application can be made.

3.2.3 At least one full time staff member who has relevant experience to sell travel as well as an up to date Curriculum Vitae from each member of staff with proof of qualifications.

3.2.4 Written undertaking to operate the business in accordance with the ASATA Constitution, Code of Conduct, the Members Section Terms of Reference and Advertising Guidelines and be compliant with the Laws of the Land.

3.2.5 Signed permission for ASATA to perform credit and criminal checks on the Shareholders, Directors, Members, Chief Executive Officer and Managers applying for Membership (as per Annexure C of the Membership Application).

3.2.6 Should the applicant not be an IATA accredited agent, your ticketing agent must be a Member of ASATA.

3.2.7 The applicants' business must be operated in separate premises to any other unrelated business.

3.2.8 Letters of good standing from current ASATA Members and / or Partners in support of the application.

3.2.9 Companies Act Regulations state that every profit company must calculate its Public Interest Score (PIS) for each financial year at the end of the year.

A Special Purpose Factual Finding Report must be submitted within 6 months after the end of a financial year and will include, but is not limited to the following:

- Confirmation that the Annual Financial statements have been audited or

independently reviewed as per the Financial Reporting Standards document attached.

- That the applicant's financials reflect a satisfactory financial standing which is defined as a current minimum ratio (current assets to current liabilities) of 1:1
- Where the Member or Shareholders of the entity has subordinated their debt in favour of other suppliers, that this be considered as equity funding to the business and therefore be excluded from the definition of liability.
- Verification that the following special purpose factual finding report has been completed and that the selected sample of the lesser of 25 or 10% of sales invoices from the complete listing of sales issued by the travel agent was included in the following procedure
 - That the amounts of taxes charged to the client by the travel agent to the underlying service provider's invoice. i.e. Airline/Hotel, was on charged to the customer and that the amount agreed/did not agree to the service providers originating invoice.
 - That the amounts on charged to the client by the travel agent to the underlying airlines invoice, as it relates to the booking class confirmed to the client, was on charged to the customer and that the amount agreed/ did not agree to the airlines originating invoice.
 - Confirmed that the invoice issued to the customer was a valid tax invoice in terms of the criteria required by SARS Section 20(4) of the Vat Act.

3.2.10 Submission of a current valid Tax Clearance Certificate

3.2.11 Current BBBEE certificate

3.2.12 Members who are based outside the borders of South Africa wishing to apply for ASATA Membership should be a Member of their local Travel Association in their own Country, before Membership of ASATA may be considered.

3.2.13 Application for Membership will not be approved where the Director / owners / managers include a person who was a Director of a travel company, which became insolvent within the last 5 years, or a director / owner / manager who is an unrehabilitated insolvent.

3.2.14 The Board may reject an application where they have information that leads them to believe that such a membership approval will be to the detriment of the objectives of Members.

3.3 Criteria to be admitted as a Wholesale Member of ASATA

- 3.3.1 Completed application form.
- 3.3.2 Any applicant for membership must have traded in a wholesale capacity for a minimum of one full financial year before application can be made.
- 3.3.3 Any applicant for Membership must have the following minimum staffing:
- i) The Manager of the Office must have six years recent experience in a wholesale tour operation (dealing with the important aspects of running a tour operation).
 - ii) A staff member with two years recent practical experience working for a wholesale tour operator.
 - iii) The final decision as to whether the applicant has sufficient qualified staff will be at the discretion of the Board of ASATA.
- 3.3.4 Written undertaking to operate the business in accordance with the ASATA Constitution, Code of Conduct, the Members Section Terms of Reference and Advertising Guidelines and be compliant with the Laws of the Land.
- 3.3.5 Signed permission for ASATA to perform credit and criminal checks on the Company, Close Corporation, Directors, Shareholders, Members, Chief Executive Officer or Manager applying for Membership (as per Annexure C of the Membership Application).
- 3.3.6 Should the applicant not be an IATA accredited agent, your ticketing agent must be a Member of ASATA.
- 3.3.7 The applicants' business must be operated in separate premises to any other unrelated business.
- 3.3.8 Letters of reference from current ASATA Members and/or Partners in support of the application.
- 3.3.9 Companies Act Regulations state that every profit company must calculate its Public Interest Score (PIS) for each financial year at the end of the year.

A Special Purpose Factual Finding Report must be submitted within 6 months after the end of a financial year and will include, but is not limited to the following:

- Confirmation that the Annual Financial statements have been audited or independently reviewed as per the Financial Reporting Standards document attached.
- That the applicant's financials reflect a satisfactory financial standing which is defined as a current minimum ratio (current assets to current liabilities) of 1:1
- Where the Member or Shareholders of the entity has subordinated their debt

in favour of other suppliers, that this be considered as equity funding to the business and therefore be excluded from the definition of liability.

- That the paid up share capital is a minimum of R100 000 (one hundred thousand rand).
- That the total assets exceed total liabilities by at least R100 000 (one hundred thousand rand).
- Confirmed that the invoice issued to the customer was a valid tax invoice in terms of the criteria required by SARS Section 20(4) of the Vat Act.

3.3.10 Submission of a current valid Tax Clearance Certificate

3.3.11 Current BBBEE certificate

3.3.12 Members who are based outside the borders of South Africa wishing to apply for ASATA Membership should be a Member of their local Travel Association in their own Country, before Membership of ASATA may be considered.

3.3.13 The applicant for Membership must offer INCLUSIVE TOURS and/or PACKAGE HOLIDAYS with regular departures. The applicant can be called on to identify the suppliers of the components included in their tours.

3.3.14 The applicant must produce full colour, bound, and professionally presented brochures either electronically or printed. The brochure must clearly state/refer to the Wholesaler's booking conditions.

3.3.15 The applicant must make their products available for sale to the ASATA Retail Travel Agents.

3.3.16 The BOARD may reject an application where they have information that leads them to believe that such a membership approval will be to the detriment of the objectives of Wholesale Membership.

3.3.17 Any applicant whose ASATA Membership has been terminated due to non-payment may only re-apply for ASATA Membership 12 months after the date of termination and rectify all outstanding payments due to ASATA.

3.4 Admittance as an ASATA Member

3.4.1 Should the Board approve an application for Membership, the Member will be advised accordingly, and required to pay the prescribed entrance fee and annual fee within 21 (twenty one) business days before such Membership is effective.

3.4.2 Any applicant whose ASATA Membership has been terminated due to non-payment may only re-apply for ASATA Membership 12 months after the date of termination and rectify all outstanding payments due to ASATA.

4. EXISTING MEMBER OBLIGATIONS

4.1 Change of Ownership

If any Member should undergo a change of ownership or change of shareholding of 25% or more, the Member shall be required to apply to ASATA for continuation of Membership. A new set of application forms must be completed, and the administration fee paid before this will be considered. Failure to advise ASATA of such changes within three (3) months of such change may lead to termination of Membership. Terminated Members wishing to reinstate their ASATA Membership are required to reapply by due process.

4.2 Change of Agency Name

If any Member should change their company name (e.g. consortium change, etc.), the Member shall be required to notify ASATA for the purposes of updating Membership records. A new Membership certificate will be provided on receipt of the nominal administration fee.

4.3 Membership of Branches

An applicant for Membership who is not already a Member, and who has branches at locations in addition to that for which Membership is being applied, shall also apply for Membership for all other branches. Existing Members who establish branches at additional locations shall apply for Membership for all such branches.

4.4 Renewal of Membership

Membership is due for renewal on 01 April every year.

Annual subscription fees are due upon presentation of the ASATA invoice. Non-payment of the ASATA subscription fee will be reported to the ASATA Board as well as the head of the Consortium to which the Member belongs, if applicable.

4.5 Submission of Special Purpose Factual Finding Report

4.5.1 Companies Act Regulations state that every profit company must calculate its Public Interest Score (PIS) for each financial year at the end of the year.

A Special Purpose Factual Finding Report must be submitted within 6 months after the end of a financial year and will include, but is not limited to the following:

- Confirmation that the Annual Financial statements have been audited or independently reviewed as per the Financial Reporting Standards document attached.
- That the applicant's financials reflects a satisfactory financial standing which is defined as a current minimum ratio (current assets to current liabilities) of 1:1
- Where the Member or Shareholders of the entity has subordinated their debt

in favour of other suppliers, that this be considered as equity funding to the business and therefore be excluded from the definition of liability.

- That the paid up share capital is a minimum of R100 000 (one hundred Thousand rand). (Applicable to Wholesale Members only)
- That the total assets exceed total liabilities by at least R100 000 (one hundred thousand rand). (Applicable to Wholesale Members only)
- Verification that the following special purpose factual finding report has been completed and that the selected sample of the lesser of 25 or 10% of sales invoices from the complete listing of sales issued by the travel agent was included in the following procedure (Applicable to Travel Agent Members only):
 - That the amounts of taxes charged to the client by the travel agent to the underlying service provider's invoice. i.e. Airline/Hotel, was on charged to the customer and that the amount agreed/did not agree to the service providers originating invoice.
 - That the amounts on charged to the client by the travel agent to the underlying airlines invoice, as it relates to the booking class confirmed to the client, was on charged to the customer and that the amount agreed/ did not agree to the airlines originating invoice.
 - Confirmed that the invoice issued to the customer was a valid tax invoice in terms of the criteria required by SARS Section 20(4) of the Vat Act. (Applicable to all Members – Travel Agents and Wholesalers)

4.5.2 Any Member, who fails to timeously supply the completed Special Purpose Factual Finding report as required for Membership, will be given 14 business days written notice (electronic communication) to rectify this default. Should the Member fail to comply with these requirements within the given 14 days, the Members will be reported to the ASATA Board as well as the head of the Consortium to which the Member belongs, if applicable, and may result in termination of Membership.

4.5.3 The CEO may make random calls for interim management accounts to be submitted on a more frequent basis.

4.5.4 Any Member, who fails to respond to the CEO's request for interim management account, will be given 14 business days written notice (electronic communication) to rectify this default. Should the Member fail to comply with these requirements within the given 14 days, the Members will be reported to the ASATA Board as well as the head of the Consortium to which the Member belongs, if applicable, and may result in termination of Membership.

Note: ASATA in no way seeks to regulate pricing in any manner, fashion and/or form, save for uncovering any fraudulent and/or dishonest, and/or misleading practices and to ensure transparency at all times.

4.6 Advertising

- 4.6.1 In accordance with the ASATA Advertising Guidelines, Members shall ensure that they are able to meet and comply with the promises and offers made in any advertising, and that advertising shall at all times be ethical and not intentionally misleading.
- 4.6.2 The ASATA logo may be used by fully paid up individual Members, Grouping Head Office as well as the individual Members of Groupings, provided their Membership to ASATA has been approved and is in good standing. The logo may be used on National or Generic advertising, including inter alia, brochures and websites.
- 4.6.3 In accordance with guidelines laid down by ASATA from time to time, the ASATA logo (red) and **Membership number** shall be featured on any display advertising that is larger than an area of 10 column centimeters.

4.7 General requirements

- 4.7.1 Members must submit the following on an annual basis to ASATA
 - 4.7.1.1 Current Tax clearance certificate
 - 4.7.1.2 Current BBBEE certificate
- 4.7.2 ASATA must be notified should a Member change the nature of their business
- 4.7.3 If a Member tickets on behalf of a non-IATA Member or non-ASATA Member, they must advise ASATA both upon signing and/or terminating this arrangement.
- 4.7.4 Members must on an annual basis complete a compliance document confirming that they will abide to all ASATA requirements as set out in Clause 7.

5. AMENDMENTS TO THE TERMS OF REFERENCE

Any amendments to these Terms of Reference shall be proposed and considered at a Board meeting.

6. INTERPRETATION

All questions of interpretation of the Terms of Reference and any other addenda, regulation or schedules which form part of the Terms of Reference upon which the Terms of Reference or any such parts of the Terms of Reference are ambiguous or silent and which, in the opinion of the Board, are reasonably required, shall be settled and decided by the Board whose decision shall be final and binding on all Members. The Board if deemed necessary may take legal advice before giving its interpretation.

In these Terms of Reference words implying the singular, shall include the plural and vice versa, words importing one gender shall include the other gender and references to natural persons shall include created entities (corporate or unincorporated) and vice versa.

7. GENERAL

The following documents that may be added to, deleted, and/or amended from time to time will form Annexures to these Terms of Reference of the Members Section.

- ASATA Constitution
- ASATA Code of Conduct
- ASATA Advertising Guidelines
- Corporate Identity Document (Annexure A of the Membership Application)
- Personal Details of each Director, Member, CEO and /or Manager (Annexure C of the Membership Application)
- Employee information Form (Annexure D of the Membership Application)
- SAVRALA – ASATA Convention
- ASATA Compliance document
- Financial Reporting Standards
- Special Purpose Factual Finding Report
- Other (to be added if/when required)