



ASSOCIATION OF
SOUTHERN AFRICAN TRAVEL AGENTS

ASATA TRAVEL MEMBER TERMS OF REFERENCE

We are the Association of Southern African Travel Agents (ASATA) and these are our terms of reference. You should read the terms of reference with the ASATA constitution and its annexures. If there is any conflict in interpretation, the constitution will prevail.

1. INTERPRETATION AND DEFINITIONS

1.1 Interpretation

- 1.1.1 South African law and the jurisdiction of the South African courts govern these terms of reference and the rights and obligations of our members.
- 1.1.2 Any questions of interpretation will be settled by the board whose decision will be final and binding. The board may take legal advice before they make such a decision.

1.2 Definitions

- 1.2.1 **Board of executives (the board):** Means the members elected to hold office in terms of clause 4 of the ASATA constitution.
- 1.2.2 **Business day:** Monday to Friday excluding public holidays.
- 1.2.3 **Grouping:** Any collection of travel businesses including company-owned branches and consortiums.
- 1.2.4 **Travel Member:** Means a travel business whose core business is:
 - (i) selling domestic and international travel products, services or both to end-consumers, corporates, or government; or
 - (ii) developing, preparing, marketing and reserving tours and travel packages; or
 - (iii) providing travel agents with a wide selection of offers to destinations.

2. MEMBERSHIP

2.1 Application process

- 2.1.1 All applicants must have been trading as a travel business for at least a full financial year before applying.
- 2.1.2 All applicants must complete the online application form.
- 2.1.3 The completed application form must be accompanied by proof of payment of the non-refundable registration fee.
- 2.1.4 If the applicant has multiple business entities in other locations, it must apply for membership for each of those business entities.

- 2.1.5 If the application is successful, the board will let the member know.
- 2.1.6 The applicant will have 21 days to pay the prescribed membership fee in order to activate its membership.

2.2 Travel membership criteria

- 2.2.1 Membership is open to any travel business domiciled in Southern Africa who meets the criteria set out in these Terms of Reference. However, the board may still reject an application if they have information that leads them to believe that approving the application will be to the detriment of ASATA or the objectives of its members.
- 2.2.2 All applicants must have been trading as a travel business for at least a full financial year before applying.
- 2.2.3 No director, owner or manager must be an unrehabilitated insolvent or have been insolvent in the last 5 years.
- 2.2.4 If the applicant is not an IATA accredited agent, its ticketing agent must be an ASATA member.
- 2.2.5 Applicants must undertake to operate in accordance with the ASATA constitution, code of conduct, these terms of reference, our advertising guidelines, and the laws of South Africa. This declaration is made electronically during the application process.
- 2.2.6 Applicants must provide their most recent financial statements as required by the Companies Act 71 of 2008 with a signed:
 - auditor's report, or
 - independent reviewer's report by an independent accounting professional.

If the Companies Act 71 of 2008 does not require that the applicant's financial statements must be audited by an auditor or independent reviewer, the applicant must submit the financial statements with a report by an independent accounting officer and the applicant's authorised representative must sign the ASATA Financial Declaration.

- 2.2.7 The financial statements must confirm a current minimum ratio (current assets to current liabilities) of 1:1. Where a member or shareholders have subordinated their debt in favour of other suppliers, the debt must be considered as equity funding to the business and is therefore excluded from the definition of current liability.
- 2.2.8 If the applicant's financial statements are aggregated with other unrelated business activities, the applicant must submit divisional management accounts.
- 2.2.9 All applications must be accompanied by the following documents:
 - 2.2.9.1 Signed permission for ASATA to perform a criminal history and credit check on the company or close corporation and its shareholders, directors, members, the CEO, and managers.
 - 2.2.9.2 Letters of good standing from two travel suppliers who are members of ASATA.
 - 2.2.9.3 If the applicant is not an IATA accredited agent, the applicant must confirm who will issue tickets on the applicant's behalf and when the arrangement will end.
 - 2.2.9.4 A valid Tax clearance certificate / Pin.
 - 2.2.9.5 A current BBBEE certificate or EME/QSE affidavit.
 - 2.2.9.6 CIPC registration document.

- 2.2.9.7 The most recent financial statements that meet the requirements set out in 2.2.6 0 to 2.2.8.

2.3 Annual renewal of membership

- 2.3.1 Membership must be renewed, and membership fees paid annually on the first of April.
- 2.3.2 Members will be asked to submit the following documents annually:
 - 2.3.2.1 Financial statements that meet the requirements set out in 2.2 must be provided within 6 months of the member's financial year end.
 - 2.3.2.2 A current tax clearance certificate / Pin.
 - 2.3.2.3 Current BBBEE certificate or EME/QSE affidavit.
 - 2.3.2.4 A signed declaration to confirm that they will abide to all ASATA requirements.
 - 2.3.2.5 If the applicant is not an IATA accredited agent, the applicant must confirm who will issue tickets on the applicant's behalf and when the arrangement will end.

2.4 Inform ASATA of new branches or a change of name or ownership

- 2.4.1 Existing travel members who establish a new branch must notify ASATA of the new branch. A branch means a branch office owned by and operating under the same ownership as its head office.
- 2.4.2 If a member undergoes a change of ownership or 25% shareholding or more, it must apply for a continuation of membership and submit a new application form within three months of the change. If the member does not inform ASATA of the change, it risks termination of membership.
- 2.4.3 A change of ownership means any change of shareholding or of membership in the case of a Closed Corporation or Sole Proprietor or of legal status.
- 2.4.4 If a member undergoes a name change, it must let ASATA know so that we can update our records. We will issue a new membership certificate.

2.5 Members must keep their details up to date

ASATA maintains a current register of members, including physical address, email address, and authorised representative of the member. Members must update these details on the ASATA website if they change.

2.6 Special purpose audits and/or interim management accounts

- 2.6.1 The board CEO may take random calls for interim management accounts or special purpose audit to be submitted more frequently. A special purpose factual finding report includes verification that a sample of 10% of a submitted batch of invoices was checked to determine whether the amount of tax charged to a customer corresponds with the tax on the service provider's originating invoice.
- 2.6.2 A member who does not supply financial statements or fails to respond to the CEO's request for interim management accounts will be given 10 business days' written notice by email to provide the information. If the member does not comply, the member will be reported to the board and the consortium to which it belongs, if applicable, and its membership may be terminated.

2.7 Notification of financial distress

- 2.7.1 If a member expects that it will be unable to pay its debts as they become due over the following six months, or it appears to be reasonably likely that the company will become insolvent, it must let ASATA know immediately.
- 2.7.2 ASATA may call for the following information to be submitted within 10 business days by members in financial distress or members about whom they are concerned:
- A description of the key factors contributing to the financial distress, the risks that may worsen the situation, and the management plans to mitigate these risks.
 - A management plan detailing the procedures for future sustainability including cost cutting and plans and procedures to potentially increase current turnover.
 - A budget for the current year (income and expenses for the past 12 months), including a variance analysis with detailed explanations for substantial differences in budgeted and actual amounts, and differences in key indicators (i.e., advertising, bad debt, employee costs, legal fees, and staff training).
 - A two-year cash flow forecast (set out annually) from the date of submission.
 - A two-year budget (income and expenses set out annually) from the date of submission.
 - Disclosure of loan subordinators if there are any.
 - Most recent signed annual financial statements.
- 2.7.3 Members who are currently under business rescue (as defined in terms of the Companies Act, 71 of 2008) must submit:
- monthly management accounts, and
 - a copy of progress reports issued by the business rescue consultant where one has been appointed.

2.8 Resignations and terminations

- 2.8.1 If a member wishes to resign from ASATA, the member must give written notice of its intention to the CEO of ASATA by 31 March. Otherwise, that member is liable for the membership fee of the following year.
- 2.8.2 ASATA membership may be terminated if the member fails to comply with these terms of reference or ASATA's Constitution. ASATA's disciplinary process is set out in the Constitution. Membership fees will not be refunded in the event that membership is terminated.

2.9 Use of the ASATA logo

- 2.9.1 Only paid-up ASATA travel members may use the ASATA logo on national or generic advertising, including brochures and websites.
- 2.9.2 ASATA has published advertising guidelines. Members must ensure that they stay within these guidelines and that they are able to keep the promises they make in their advertising. Advertising must always be ethical and never intentionally misleading.

3. FEES

3.1 Application and entrance fees

- 3.1.1 An application fee is due with every application form.
- 3.1.2 The application fee is also due if a member changes ownership if a member wants to be reinstated after their membership had been terminated or if an agency name is changed and ASATA must issue a new membership certificate.
- 3.1.3 An entrance fee is set by the board, and due when the member is admitted to ASATA.

3.2 Annual membership fees and special levies

- 3.2.1 Membership fees are due annually on the first of April.
- 3.2.2 fee for groupings will be based on an acceptable measurement of grouping market share.
- 3.2.3 The fee for other travel businesses is determined by the number of consultants the member has on the first of April every year. A member with one consultant will pay 25% of the fee, a member with two consultants will pay 50% of the and three or more consultants will pay 100% of the fee.
- 3.2.4 A member admitted between the first of April and the first of October must pay the full fee for the current year.
- 3.2.5 A member admitted after the first of October must pay half the annual fee.
- 3.2.6 Special levies may be imposed on members by the ASATA board from time to time.

3.3 Non-payment and refunds

- 3.3.1 A member who is in arrears of their membership fees or levies will receive an email reminder that payment is due. If the member does not respond, its membership may be terminated. However, the member may re-apply for ASATA membership three months after the date of termination and once all outstanding payments have been made.
- 3.3.2 Non-payment of the annual membership fee will be reported to the board and to the head of the consortium to which the member belongs, if applicable.
- 3.3.3 Membership fees are not refundable if a travel member's membership is terminated for any reason, or a travel member resigns during the year

4. MEETINGS

Travel members are divided within the following regions according to their physical location:

- Region 1 North West, Limpopo, and Gauteng North (Centurion Northwards)
- Region 2 Gauteng South (Midrand Southwards) and Mpumalanga
- Region 3 Free State and Northern Cape
- Region 4 Western Cape
- Region 5 Eastern Cape – Port Elizabeth and surrounding areas
- Region 6 KwaZulu-Natal
- Region 7 Eastern Cape- East London and surrounding areas

- Region 8 Southern African Members

Regional meetings will be held annually.

For more information about ASATA's annual general meetings and extraordinary general meeting, please consult section 6 of the constitution.

5. AMENDMENTS TO THE TERMS OF REFERENCE

Any changes to the terms of reference are proposed and considered at a board meeting.

6. ANNEXURES

The following documents must be read with these management rules:

- The ASATA constitution
- ASATA code of conduct
- ASATA advertising guidelines
- ASATA corporate identity (ASATA logo)
- ASATA application form for new members
- ASATA compliance document
- Special purpose factual finding report

These documents are available on the ASATA website.