

# DIP PROVIDERS' WITHDRAWAL FROM BSP-ZA

## Dear Members,

You would have all received an IATA notice, advising of the withdrawal of the current provider of DIP in BSP-ZA. Jack & Seach firmly believe that Brit would like to continue this relationship. However, due to the existing chain of events and so much uncertainty, they have had no option than to give notice as a precautionary.

I think it's important to note this, as they are essentially reserving their rights. Should things normalise within the six-month time frame, they will consider retracting their termination.

IATA will inform you of the required financial security amount needed for your agency within the next 60 days, but for now you might want to consider the following alternative acceptable financial securities available to you.

Below, please find the options provided by IATA, together with ASATA's comments for your consideration:

### 1. Bank Guarantee

A bank guarantee must be issued by a bank registered in your country using IATA's bank guarantee template that can be found at [www.iata.org/cs](http://www.iata.org/cs).

**ASATA:** You will need to consider the impact this would have on your cash reserves. We are asking IATA to consider softening the calculation of guarantees, based on the immediate low risk, as no sales = no exposure.

### 2. Global Default Insurance (GDI)

GDI is also acceptable security and is offered through the Euler Hermes through the GDI Portal: <https://gdiportal.eulerhermes.com/>. GDI coverage will not be considered valid until IATA receives an endorsement directly from Euler Hermes.

**ASATA:** As with the local provider of the DIP, Euler and the other major insurers are looking at individual industries and countries to determine the risk exposure. The global credit insurance and bond markets are naturally concerned about the current global crisis. We cannot assume that they will not also look at the GDI offering in each market, as has been the case with the DIP. This does not stop you from applying, though, as each application is considered on an individual basis and quoted accordingly.

### 3. Deposit

In addition to the two available types of financial security provided above, IATA is also providing - on an exceptional basis - an option for your Agency to satisfy your financial security requirements by temporarily accepting a cash deposit to be maintained by IATA in the BSP Hinge Account. This is an acknowledgement of the difficulties that may result in getting coverage by bank guarantee or GDI in the short term, and to ensure your smooth transition process.

This is also intended as a temporary measure only. Permanent financial security will be required effective 1 July 2020. The proof of deposit, together with a signed soft copy of cash deposit agreement, must be forwarded to IATA.

**ASATA:** Again, you need to consider the value of the deposit against your current cash and immediate financial obligations.

### 4. GoLite accreditation model

IATA has further introduced a solution for your Agency to stay accredited with no financial security provided. As an alternative to the above request for financial security, and if your business scope does not include a high number of ticket sales, you may consider switching to GoLite accreditation. Under this model, you will be able to use the customer card, after having complied with the Payment Card Industry Data Security Standards (PCI DSS), and/or IATA EasyPay for airline ticket issuance without furnishing financial security.

Please find below several useful links:

<https://newgeniss.iata.org/travel-agents/iata-easy-pay/>

<https://newgeniss.iata.org/travel-agents/accreditation/>

There is no minimum financial security. In addition, agents under this model are not subject to annual financial reviews and don't have to submit audited financial statements to IATA. This can bring substantial cost savings for smaller agents.

If you are interested in becoming a GoLite agent, apply through IATA's Customer Portal.

**Apply for GoLite Accreditation.**

**Learn more about IATA EasyPay.**

**ASATA:** The GoLite option is now definitely worth considering. The GoLite accreditation option allows agents to transact with airlines through IATA's BSP exclusively using the IATA EasyPay and card forms of payment. The client's credit card is passed to the airline merchant facility. And since there's no cash facility (deferred payments), GoLite agents can benefit from IATA accreditation with fewer financial requirements. You might want to consider moving your cash ticketing to another agent that still offers cash sales or your head office, should they provide ticketing facilities.

We hope the information provided will assist you in making the right decision for your business going forward.