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NOTES: Re ITAA Meeting with Representatives of the Department of Transport, Tourism and Sport

The issues don't arise directly from the Consultation Paper and flow from the current definition of '*overseas travel contracts*'.

A: Queries relating to the transposition of the PTD 2

It is the ITAA's position that the requirement for retail agents to have insolvency protection arrangements in place for 3rd party packages (including cruise-only) sales constitutes *gold plating* of the PTD, given that the Department did not avail of the option contained in the second paragraph of Article 13(1) of the PTD to introduce provisions whereby the retailer would also be responsible for the performance of the package.

Aside from the incompatibility of this requirement with the PTD, it results in double bonding and an additional, unacceptable level of costs for members.

The ITAA is seeking confirmation that steps will be taken by the Department to eliminate this gold-plating. Regrettably, if this confirmation is not forthcoming, the ITAA will have to look to escalate this matter to the EU Commission.

B: Issues relating to competitive disadvantage for travel agents in respect of flight-only sales

- 1) Irish travel agents are currently at a disadvantage vis-a-vis other traders not established in Ireland, who are free to sell flights in Ireland without a licence – Section 5A of the 1982 Act, permits traders established in other Member States to trade in Ireland without a licence or any financial protection for flight-only sales.
- 2) If Corporate Travel Agents are required to protect flight-only sales, this may place them at a competitive disadvantage with CTMs in other countries, where corporate flight-only sales are excluded from LTO/no licence required for such sales.

In general terms, it is unsatisfactory that **travel-only (flight-only) sales have been excluded** from the Consultation.

The Consultation Paper, references previous submissions made by industry stake-holders that any reform should include flight-only sales.

Further, at page 6 of the Consultation Paper, the following recommendation is made: -

'CAR advises the Government to undertake a more thorough review in future, that considers the most appropriate ambition for the insolvency protection regime, in terms of the scope of travel that is covered and the overall effectiveness of the scheme'

.....which begs the question why is this not happening now?