

# KUWAIT AIRWAYS - ADM POLICY

In an effort to eliminate unnecessary cost and efforts as an agent and to offer our customers the best possible services **Kuwait Airways** reviews all reservation and ticketing activities.

This document will provide you with a transparent overview of the circumstances under which an ADM will be issued and explain guidelines that **Kuwait Airways** applies to ensure the proper issuance of tickets, in compliance with tariffs rules, general conditions of carriage and other instructions provided by **Kuwait Airways** and IATA. **Kuwait Airways** may, from time to time, provide Travel Service Provider with information deems appropriate for use and/or knowledge in booking and/or ticketing an air transportation on **Kuwait Airways** and such information will supplement this policy.

The Policy applies to all Travel Service Providers, who maintain the responsibility to ensure all of its employees and contractors, in all of its locations, to comply with this policy, including future updates and amendments. Infractions made to this policy will result in an Agency Debit Memo (ADM), in accordance with IATA Resolution 850m.

## General information on ADM Policy

- ADMs are issued for tickets, PNR and/or booking related transactions. This includes previously made reservation and ticket usage transactions.
- **Kuwait Airways** raises an ADM for non-compliance with fare, ticketing and reservation rules.
- **Kuwait Airways** issues ADMs within 9 months after the last date of travel. However, in certain cases **Kuwait Airways** reserves the right to issue an ADM up to 2 years after the last date of travel.
- Physical copies of ADMs will not be sent to agent. However, **Kuwait Airways** shall provide the agent with supporting documents and breakdown upon request.
- **Kuwait Airways** endeavors to provide as much information as possible on an ADM to ensure that reasons of charges are clarified.
- **Kuwait Airways** includes only one ticket on an ADM for better overview giving contact person name with email-address.
- **Kuwait Airways** does not issue an ADM if the total amount is less than KWD 1.500, exceptions for this rule are made in certain cases, e.g. for tax corrections or unauthorized provisions. In case of persistent errors, the minimum value shall not be applicable.
- **Kuwait Airways** collects no administrative fee for issuance of each fare, booking related ADMs.

## Types of ADMs issued by Kuwait Airways

ADMs are legitimate accounting tool for use by all BSP airlines and raised to collect amounts or make adjustments to agent transactions in respect of the issuance and use of BSP STDs validated on **Kuwait Airways** regardless of which carriers are included in the itinerary. Alternative uses of ADMs may also exist: an ADM could also be issued for debits that are not directly related to Traffic documents, e.g. deposits or penalties for group sales, GDS or booking misuses, etc. In general, the scope covers but is not limited to:

- 1- Under-collection and/or omission on fares, tour package prices, penalties, change fee, sundry charges etc.
- 2- Under-collection and/or omission of Taxes, government or local authority charges and fees, fuel surcharges etc.
- 3- Contravention of fare rules
  - i) Minimum/ Maximum stay requirements
  - ii) Advance purchase rule violation
  - iii) Seasonality, flight application violation
  - iv) Weekend surcharges
  - v) Stopover, transfer surcharges
  - vi) Incorrect RBD. (Mismatch between ticketed and booked RBD)
  - vii) Incorrect Fare Basis
  - viii) Unauthorized combination of fares and OJ rules
  - ix) Open or waitlist sectors, where reservation is required
  - x) Blackout periods violation
  - xi) Sales restriction
  - xii) Incorrect tour code
  - xiii) CHD/ INF discounts
  - xiv) Baggage allowance
  - xv) Reissue procedure and penalties
- 4- Contravention of refund rules.
  - i) Nonrefundable tickets
  - ii) Over and duplicate refund
  - iii) Incorrect refund against partly unused tickets
  - iv) Refund against reissued ticket
- 5- Non submission of supporting documents as per laid down procedures
- 6- Noncompliance with **Kuwait Airways** ticketing and booking procedures
- 7- Noncompliance with terms and conditions of Sales agreements
- 8- Noncompliance to minimum group size
- 9- Validation of tickets instead of re-issue due changes
- 10- Unreported traffic documents
- 11- Credit Card chargeback
- 12- Duplicate use/ refund of traffic documents
- 13- Unauthorized or incorrect refunds
- 14- Abuse of CIP selection rule
- 15- To cover GDS wastage cost even though a traffic document might not have been issued.

## IMPORTANT

Transportation shall be subject to the fares and charges in effect on the date on which such transportation commences at the place of origin designated on the ticket.

A fare and tariff is only guaranteed when the fare was auto-priced by the system and ticket was issued based on confirmed flights and reported in BSP/ARC.

Auto-priced and stored but not ticketed fares are subject to any price change. The ticketed fare remains guaranteed up to a voluntary first flight and/or itinerary change. Any change needs observation of the corresponding fare rule, which also applies to taxes which need to be reassessed in case of reissue/rerouting before departure. Auto-pricing manually manipulated will revoke auto-quote guarantee, however as long as the fare and other amounts are calculated correctly no ADM will be issued.

## **Dispute Procedure**

An agent can dispute an ADM issued by **Kuwait Airways** via BSPLINK/ ARC Memo Manager within 15 days after issuance in accordance with IATA Resolution 850m with relevant supporting documents and/or justification to dispute.

**Kuwait Airways** will review disputed ADM within 60 days of receiving it and consequently accepted shall be cancelled and not included in the billing. Any dispute not accepted would be rejected through BSPLINK with justification and would be billed accordingly.

Any ADM disputed by agent and rejected by **Kuwait Airways**, or dispute raised by the agent after 15 days, shall automatically be processed and agent needs to pay for the ADM through BSPLINK.

Dispute for tickets issued under GDS fare guarantee should be supported with FCMI and forwarded to GDS provider. Reimbursement for such ADMs deducted through BSPLINK will be made to Travel Agents directly by their GDS provider.

## **NOTICE:**

Failure to adhere by the outlined policy and procedure will result in **Kuwait Airways** taking necessary action as deemed fit, including, but not limited to the following:

- 1- Using the IATA mechanism to report non-payment
- 2- Inhibiting/closing out ticketing ability on **Kuwait Airways**
- 3- Inhibiting/ closing out access to **Kuwait Airways** inventory.

## **Contact**

All ADM Disputes should be handled by the country of issuance KU accounts office and each individual ADM will reflect contact and E-mail ID.

## Attachment “A”

### Ticketing related ADM Matrix

ADM will be raised as per below matrix between applicable fare and ticketed fare or a flat amount plus 10% of the ADM amount as processing fee, which may be raised up to 15% to commensurate cost against agent’s increased violation.

Violation	Audit outcome
Minimum Stay requirements	To the next higher fare type allowing travel as per number of days counting from the day of departure referred on the ticket issued
Maximum Stay requirements	To the next higher fare type with higher validity allowing travel as per number of days/ months counting from the day of departure to the last day return travel may commence from the last stopover referred on the ticket issued
Flight application	To the next higher fare with no flight restriction
Non-compliance to seasonality	To the next higher seasonality fare permitting travel as per ticketed date of outbound travel.
Weekend rule	Difference between weekend and weekday fare
Stopover / transfer	Difference between ticketed fare and the next higher fare with no stopover/ transfer restrictions.
Incorrect RBD / Mismatch between ticketed and booked RBDS	Difference between ticketed fare and applicable fare as per booked RBDS.
Incorrect Fare Basis	Fare collected correctly in accordance with booked RBD, reflecting incorrect Fare Basis. In case incorrect fare basis results in violation at the time of reissue, original ticketing agent will be responsible of the consequences.
Violation to combination and OJ Rules	Difference between ticketed fare and applicable fare as per the Fare note of the most restricted fare.
Waitlist or Open dated segment, where confirmed reservation required	<p>Difference between the ticketed fare and the highest cabin fare USD 200.</p> <p>In case ticket issued against the highest fare, whom governing rule does not allow open date or RQ segment, a penalty equal to 20% of the OW fare of same RBD will be debited on segment-to-segment basis.</p> <p>This rule does not apply on G-class ticketing against Group bookings.</p>
Advance Purchase /Blackout period	Difference between the ticketed fare and the next higher fare with no Advance purchase and/or BLA restriction.
Incorrect Tour Code against negotiable fares	Difference between negotiable and free sale fare.
CHD/INF Fare violation	Child and infant ticket should reflect Date of Birth and in case of violation to CHD/INF fare, difference between

	ticketed and applicable fare will be debited.
Baggage allowance violation	Ticket reflecting additional FBA than authorized to debit 1.5% of the OW YIF fare on the sector per KG for each additional KG and charge of additional piece on the sector on piece concept.

## Ticketing related ADM Matrix

Continued

Violation	Audit outcome
Revalidation	<p><b>Kuwait Airways</b> rules does not allow revalidation of tickets, instead ticket should be reissued whenever any alteration/ changes required.</p> <ul style="list-style-type: none"> <li>a) Ticket revalidated against change of booking instead of reissue will result in ADM equal to USD 200 per transaction plus the applicable rebooking fee.</li> <li>b) In case revalidation transaction violates RBD and Fare rule simultaneously, an ADM will be raised equal to difference between the applicable fare and ticketed fare plus USD 200</li> <li>c) On implementation of EMD policy, the revalidation rule may be revised by means of an addendum to the ADM Policy.</li> </ul>
Reissue	<ul style="list-style-type: none"> <li>a) Agents cannot honor tickets issued by <b>Kuwait Airways</b> offices or through KU website and/or by other travel agencies for any transaction, except issued from their own office. Violation will result in either inhibiting the ticketing facility or penalty equal to USD 500 per ticket or both together.</li> <li>b) Completely unused tickets must be reassessed in accordance with the rescheduled date of travel and fare difference should be collected in addition to applicable reissue penalty as per ticketed fare.</li> <li>c) Completely unused ticket represented for alteration and/or changes and fare for the revised journey is lower than the ticketed fare, reissued / rebooking should be made with equal or higher fare collecting reissue fee in addition, or ticket should be refunded and a fresh ticket to be issued for revised journey.</li> </ul>
Incorrect reissue	1- Reissue without reissue fee, ADM will be raised

	<p>equal to the applicable RF and in case of combined fare as per the Fare note of the most restricted fare.</p> <p>2- Reissue with improper Fare/ Fare Basis and RBD violating the fare rules, ADM will be raised in accordance with the conditions stipulated in the concerned paragraph of the fare rule.</p> <p>3- Rebooking / alteration to booking fee classified as Rebooking prior to date of departure and after date of departure as expressed on the ticket with separate charges, which should be observed carefully.</p>
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## Ticketing related ADM Matrix

Continued

Violation	Audit outcome
Refund	<p><b>Kuwait Airways</b> does not allow auto-refund through BSPLINK after 13 months from date of original issue. Auto-refund also not allowed against GP Tickets, Re-issued Tickets, downgrading, groups and Ad-HOC movements.</p> <p>Auto-refund against partly used tickets permitted on component basis. Auto-refund not permitted in case of unused segment of a fare component.</p> <p>Non-adherence to above, ADM will be raised equal to</p> <ol style="list-style-type: none"> <li>1- Total ticketed amount of GP tickets</li> <li>2- Refunded amount of Reissued ticket plus USD 200</li> <li>3- Partial refund of unused segment of a fare component involving transportation on OAL services, ADM may be raised up to 9 months from the date of travel equal to OAL billing plus USD 100.</li> </ol>
Refund	<p>Prior to submitting a refund, agents must carefully observe Fare rules, particularly cancellation/ refund paragraph to determine that ticket is refundable or not and amount of refund fees to be deducted from refundable amount.</p> <p>If no specified refund/ cancellation fee referred in the fare rule, KU General Refund rule will apply.</p>

	Agent must ensure that no duplicate refund processed and correct CIP used. Refund for partly used documents is assessed correctly in accordance with the flown journey.
CIP	<p>Travel Service Provider must not validate any ticket on KU, if journey does not involve <b>Kuwait Airways</b> segments.</p> <p>In case of interline transportation a flight segment(s) of other airlines should not be included on KU document unless the airline has a ticketing and baggage agreement with <b>Kuwait Airways</b></p> <p>Non-adherence to above Travel Service provider will be liable/responsible of all the consequences arose directly or indirectly by passenger and/or interline carrier.</p>

## Supplement “A”

### Reservation related ADM Matrix

In continuous efforts to eliminate unnecessary cost and to provide our customers the best possible service and availability, **Kuwait Airways** carefully reviews all reservation activities, at the same time addressing avoidable GDS cost. This document shall provide you with a transparent overview of the circumstances under which an ADM will be issued and explain the guidelines that **Kuwait Airways** applies to ensure proper creation of PNR, issuance of tickets and providing travel related services in compliance with tariffs rules, General Conditions of carriage and other instructions provided by **Kuwait Airways**, IATA and GDSS.

**Kuwait Airways** reserves the right to raise ADM equal to USD 8.00 per segment per passenger to compensate cost against all such reservation violations as described below. Terms of this supplement will be implemented in two Phases. This supplement will become effective with immediate application outside the scope of BSP until further notice.

Violation	Definition /Audit outcome
Administrative/Training/ Passenger follow-up bookings	Reservation made for test or training of staff in live mode and/or to passenger follow-up to issue an itinerary for invoicing purposes.
Churning	Segments repeatedly cancelled and rebooked for same itinerary in the same or different classes across one or more PNRs or GDSS to circumvent time limits or to meet GDS productivity.
Duplicate Booking	Booking made for more than one segment in same or across PNRs for the same passenger with same or different route in same and/or different GDSS.
Split /Hidden Group Booking	Travel service provider should not split group traveling

	together in more than one PNR to circumvent group procedure.
Illogical/ Impossible Booking	Booking with multiple destinations not matching with passenger itinerary and/or connecting segments with departure before arrival of inbound flight not possible for the passenger to travel simultaneously.
Inactive Segment	The agent should undertake to delete all inactive segments e.g. UN, UC, US, NO, HX, TL, TK, WK, WN, SC etc. from the PNR latest by 24 Hours prior to departure.
Passive segment	Non-active booking entered in the GDS to issue ticket against segments not held on the airline system and/or to circumvent fare rules.

## Reservation related ADM Matrix

Continued

Violation	Definition /Audit outcome
Married Segments	A travel itinerary containing at least one connection sold as single origin/destination basis. Manipulation or partial cancellation of segments considered as abuse to this rule.
Cancellation	Segments must be cancelled and inventory released immediately when a ticket has not been purchased.
Claim / Migration of booking	Ticketing against claim PNR across agents not permitted.
Fictitious / Speculative Booking	Reservation made to fill sales quota with fake names or non-existing passengers.  PNRS created to hold or block reservation due to anticipated demand, customer indecision or for any reason to circumvent reservation and fare rules. This includes creation of PNRS for journeys commencing outside the points of sale/booking with incorrect/ incomplete information including passenger contact etc.
Protection Bookings	Bookings created for the purpose of protecting space for customer within 24 hours without issuing ticket.
Excessive Wait listing	Travel Service provider must not repeatedly create waitlisted bookings. All waitlisted segments/ bookings must be removed from the active PNR at least 24 hours



	prior to departure.
Void Ticket with active segments	In circumstances where ticket is voided, agent should simultaneously cancel all active and non-active segments.
Repeated transportation	Ticketed PNR containing subsequent journey (s) not permitted.
Inventory Blocking**	Practice of blocking airlines inventory with-out creating a PNR to protect unclaimed sale is strongly prohibited.  Airline reserves the right to penalize such agent by imposing monetary penalties or inhibit access to its inventory and/or both outside the scope of BSPLINK.