

DEBIT MEMO POLICY for TRAVEL AGENTS based outside CANADA and the U.S.A

Source	Reasons to issue Debit Memos	Time Limit to issue Debit Memos
Sales and Exchange Audit	Fare, tax, change fee, time of ticketing and mark-up violation	6 months from ticket issuance date
Refund Audit	Non-compliance with rules and calculations of the refunded fare/taxes and commissions returned; violations of any procedures specified in a policy or procedure.	6 months from the refund/exchange date
Refund Processing	AC will impose fees collected via debit memo for any refund that could have been processed by the travel agency.	6 months from the refund date
Sales Accounting	Unreported sales, duplicate usage, tax issues, credit card chargebacks	9 months from last travel date
CRS Audit	Non-compliance of CRS Booking and Ticketing policy	9 months from last travel date

- The above standards apply to all fares, commissions shown in the commission box of the ticket, and to the CRS Booking and Ticketing policy.
- With all sales and refund audits, the 6-month time limit applies only to normal errors. If we suspect abuse or fraud, an in-depth audit of this agency would follow, and time limits are not applicable.
- Credit card chargebacks may be debited beyond the time limit if the card processor invokes longer timeframes, allowing the cardholder an extended time frame to dispute/reject the credit transaction.
- Under collection of taxes and missing information on tax exempt tickets will be treated as an exception. Air Canada is subject to audit assessment by tax authorities for a period of 7 years.
- A ticketing/refund error fee may apply for failure to ticket/refund according to the Air Canada policy.

Please ensure:

- You review debit and credit memos, and your agency's BSP memos, weekly.
- You refund your customer immediately when Air Canada processes a refund that your agency received as a credit memo.
- You review the refund payment to customer was successful. If the payment failed to reach the customer, please investigate.

Minimum Value

CAN\$5*	Time of ticketing/mark-up audit; anything less than CAN\$5 will not be debited/or credited. Refund and exchange audit; missing or under collection of supplementary fees, such as a change fee
CAN\$10*	Non-compliance to Air Canada's CRS Booking and Ticketing policy
CAN\$15*	Audit of the fare component

*All fees will be converted from CAD to local currency using the daily exchange rate.
Applicable taxes apply to all Debit Memo and Ticketing error fee.

- Multiple items below the minimum value may be accumulated for debit memo issuance.
- There is no minimum value for recalled Time of Ticketing, taxes (including the lack of proper documentation for tax exempt tickets), surcharges, or fees.

Ticketing Errors fees may also be assessed for:

- Failure to issue a ticket and/or process a refund according to the Air Canada policy may result in a ticketing/refund error fee for 20% of the debit memo value (minimum CAN\$50*)
- Missing or incorrect cross-reference where a tax exemption may apply will result in a ticketing error fee of CAN\$25*.

Debit Memo Dispute Correspondence via BSPLink

All disputes must be initiated via **BSPLink**. Air Canada will respond, on average, within 15 business days of receipt. Disputes initiated *after billing cycle* must also be submitted via BSPLink, via the **Post Billing Dispute** option.

All disputes must clearly indicate the dispute amount, reason for dispute, and must include supporting documentation. Disputes are resolved within 30 business days.

For a valid dispute, if it is necessary to reverse or reduce a debit memo after the 14-day BSPLink latency period, a CAN\$25* late dispute fee will be deducted from the credit memo due to the agency. Disputes on debit memos that have already been paid will not be accepted beyond one (1) year from the original debit memo issue date.

Inventory Circumvention

Air Canada manages inventory on an Origin and Destination (O&D) basis. Inventory that is available on a particular segment for one O&D may not be available for another O&D, even though both O&Ds include the same segment as part of the itinerary.

Air Canada's CRS Booking and Ticketing policy prohibits booking practices that result in the circumvention of inventory management controls and/or to obtain inventory for ticket sales which Air Canada does not intend to offer for the passenger's actual O&D itinerary.

Prohibited practices include, but are not limited to, hidden cities that do not reflect the intended O&D and the booking of segments out of order.

Air Canada reserves the right to take necessary measures to prohibit agents engaging in the circumvention of Air Canada's inventory controls. These measures include, but are not limited to:

- issuance of debit memos of minimum of CAN\$1,000* or the value of the lost revenue in addition to a CAN\$50* ticketing error fee, and/or
- inhibit from booking Air Canada inventory.

The above information summarizes our policy for the key audit areas but should not be construed as complete and final.

Please refer to the Air Canada [CRS Booking & Ticketing policy](#) for full policy details.

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