

Applicable as from January 2018 issuances

Air France KLM ADM Policy - Letter for external communication to Travel Agents
In accordance with IATA resolution 850m

The monetary amounts will be collected in the equivalent amount in IRR, based on the applicable rate of exchange.

1. General Scope

Revenue Integrity policies ensure fare rules and other agreements between the Travel Agent and AFKL are respected and if not, settle the difference in an adequate and logical way, equal for all distribution channels. Checks are performed on 057 and 074 documents, whatever the fare owner.

Airlines have the right to audit and send ADM for all transactions. These ADM will be handled as per IATA resolution 850m.

Furthermore ad hoc reasons of ADM issuance related to Air France KLM best practices in accordance with IATA Resolution 830a under the heading 'Consequences of Violation of Ticketing and Reservation Procedures' are addressed in this document.

In particular are subject to audit:

- **Issuances, reissuances, revalidations, refunds of both tickets and EMDs**
- **Flight application, misplating, routing and booking class application on third carriers (In accordance with IATA resolution 852)**
- **Bookings of AF or KL marketing or operating flights or services**
- **Miscellaneous**

2. Issuances, reissuances, revalidations, refunds

Are included all fare elements on manual and automated fare quoted for published and negotiated programs (including Private, Corporate, Tour Operators and Group fares and conditions), surcharges, commissions, taxes and forms of payment.

The ADM is due even if the ticket was cancelled, refunded or not used.

2.1 Fares and fare rules

In cases when deviations from the fare rules are found on tickets during the audit process, Air France KLM will systematically generate an ADM reflecting the value of difference between the applicable fare and the applied fare (except for ADM based on fixed amounts as mentioned below).

If no reference fare is available, the ADM amount is calculated as follows:

→ on medium haul a fixed amount of : 300 EUR will be raised for Economy class or 600 EUR for Business.

→ on long haul : 1000 EUR will be raised for Economy class or 3000 EUR for Premium Economy / Business / First class

2.2 Contractual missing or incorrect information on the ticket such as (but not limited to):

- Corporate account code
- Ticket Designator



- Fare Calculation box in case of reissue

An ADM of a fixed amount of 50 EUR will be raised (in addition to any other ADM amount if necessary)

2.3 Flight application, misplating, routing and booking class application on third carriers

Legal position

The ADM are subject to IATA resolution 852 “designation and selection of ticketing airline”, which defines the rules and issuing priorities. It determines clearly that the travel agent is responsible for the tickets issued, even if GDS enables it.

- **Flight application**

Travel agent should check if the marketing carrier is permitted to be used as part of AF/KL/DL/KQ/A5 private or public fares (pricing rule: "flight application").

If a marketing carrier is not permitted as part of a fare, an ADM is proposed based on the first applicable public fare on which the other airline is permitted without “flight application” restriction.

ADM reason: Incorrect fare

- **Misplating**

Occurs when private fares of other airlines or any other fares for which AF/KL plate is not allowed, are used on AF or KL ticket stock (pricing rule: "sales restriction").

The amount to be raised is based on the IATA rule Revenue Accounting Manual (chapter A2 paragraph3) and is :

- The first applicable public fare of the other airline without plating restrictions, or if non existent :
- The first applicable public AF/KL or partner fare (DL, KQ, A5 - if no restriction on this airline) or if non existent :

→ on medium haul a fixed amount of: 300 EUR will be raised for Economy class or 600 EUR for Business.

→ on long haul a fixed amount of : 1000 EUR will be raised for Economy class or 3000 EUR for Premium Economy / Business / First class .

ADM reason: Misplating - fare not permitted on AF/KL ticket stock

- **Wrong booking class on third party carrier/Routing not permitted on third party carrier**

In case of wrong booking class or routing not permitted, ADM will be raised based on the applicable fare for the sectors flown on the third party.

ADM reason: Incorrect booking class or Routing not permitted

2.4 Incorrect / missing Baggage allowance

per O&D and per direction (ADM amount in EUR)	Short and Medium-Haul	Long-haul
Incorrect baggage allowance of 1 additional piece vs. number of piece(s) allowed or missing baggage allowance	55 EUR per additional piece or for missing baggage allowance	100 EUR per additional piece or for missing baggage allowance

On certain destinations/programs weight concept still applies. In that case, the maximum weight concept allowed is equivalent to 1 PC.

3. Booking AF and/or KL marketing and/or operating flights or services

Compliance to AIR FRANCE KLM Booking Policy

Travel Agents making bookings where AIR FRANCE and/or KLM are the marketing carrier and/or operating carrier should comply to the AIR FRANCE KLM Booking Policy.

Any non-compliance with the AIR FRANCE KLM Booking Policy may result in an ADM being sent to the Travel Agent.

It is the responsibility of the Travel Agent to actively acquire the latest version of the AIR FRANCE KLM Booking Policy on AGENTCONNECT.BIZ.

The ADM is due even if the booking was cancelled before or after flight departure date.

3.1 Revenue Management circumvention to obtain better availability

The agent must book from the availability display, per Origin & Destination (O&D) in the chronological order of each O&D.

Changing the Point of Commencement (PoC) or Point of Sale (PoS) in the purpose of circumventing inventory control is not permitted.

If PoC or PoS steering was subverted in any way an ADM will be sent. The ticketing agent is responsible for malpractices even if booking has been done by a sub agent.

Fixed amounts apply per direction and per passenger:

- 450 EUR whatever the ticketing country (excluding US, CA and MX) for Economy and Premium Economy fares.
- 950 EUR whatever the ticketing country (excluding US, CA and MX) for Business or First Class fares.
- 600 USD for US, CA and MX ticketing, for Economy and Premium Economy fares.
- 1200 USD for US, CA and MX ticketing, for Business or First class fares.

3.2 Breaking of Married Segments (audit of tickets sold as O&D)

The agent undertakes to only book the O&D (origin & destination) concerned from the availability display and not to subvert married segment controls before or after EoT (end of transaction) on other O&Ds.

In case a Travel Agent issues a ticket based on PNR with broken segments that were initially married, an ADM will be sent. The ticketing agent is responsible for malpractices even if booking has been done by a sub agent.

Fixed amounts apply per direction and per passenger:

- 450 EUR whatever the ticketing country (excluding US, CA and MX) for Economy and Premium Economy fares.
- 950 EUR whatever the ticketing country (excluding US, CA and MX) for Business or La Premiere fares.
- 600 USD for US, CA and MX ticketing, for Economy and Premium Economy fares.
- 1200 USD for US, CA and MX ticketing, for Business or La Premiere fares.

3.3 Duplicate bookings

The agent undertakes not to book the same passenger on several flights in the same day, or on several consecutive days, for the same journey, knowing that it is not possible for the passenger to travel on all the booked segments.

In case of cancellation of duplicate bookings by AF or KL, a fixed amount per passenger and per cancelled segment will be raised:

- 8 EUR whatever the ticketing country excluding US, CA and MX
- 10 USD for US, CA and MX ticketing

3.4 Inactive segments

The agent undertakes to delete from the PNR all flight segments with a status HX/NO/UC/UN (*) at the latest 24 hours before departure.

Inactive segments remaining in the PNR within 24 hours prior to departure are subject to a fixed fee of 3.50 EUR per seat per passenger.

(*) Inactive segments are notified to the agents in their GDS queues with a status:

HX = holding cancelled

UC = unable/flight closed

UN = unable/flight cancelled

NO = no action taken

3.5 Abusive extension of Ticket Time Limit

Any abusive use of specific remarks in order to benefit from a more lenient ticket time limit will be liable to a fixed ADM amount per passenger and per AF or KL flight segment of:

→ 50 EUR for Economy

→ 100 EUR for Premium Economy / Business / La Première.

4. Miscellaneous

4.1 GDS Costs for AF/KL

In order to control the costs of their distribution systems, AF and KL demand that the Agent do not exceed a maximum level of availability requests on AF and KL inventory systems.

AFKL has defined a ratio corresponding to the number of availability requests "looks" divided by the number of net segments booked on the Carriers during the same period, hereafter referred to as "look-to-book ratio".

Agent look-to-book ratio, calculated for AFKL shall not exceed a ratio of 1000 per month.

AFKL will inform the Agent in case it has overpassed the look-to-book ratio in a period of one (1) month. The Agent is expected to adjust its system settings immediately, with a remedy period of 1 month, in order to restore its level of availability requests within the defined ratio.

In case such remedy is not executed and the level of availability requests is not restored within the defined ratio, AFKL will invoice the Agent by ADM at the end of the year for the excess level of availability requests. The cost of each extra availability request made over the year will be calculated according to below table.

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Threshold	Look to Book ratio from	to	Charge per 10 000 excessive transactions (in €)
1	1000	2000	1
2	2001	5000	2
3	5001		5

5. ADM minimum amounts and administrative fees

5.1 ADM minimum amount

In case of ADM related to surcharges, commission, taxes and fees a minimum of 1 EUR applies. For other reasons, no ADM below 8 EUR is sent.

In case of persistent practices of under collection (multiple occurrences of underpayments whatever the amount, by the same IATA), Air France KLM reserves the right to recover these underpayments by sending an ADM. No ADM minimum amount applies in this case.

5.2 Administrative fees

To cover audit process cost, a fixed amount of 20 EUR is added to each ADM above 8 EUR except for:

- ADM on Missing information
- ADM on Married Segment abuse

Contact Information

The e-mail address to contact for ADM/ACM questions and issues is: sales.iran@klm.com or mail.sales.iran@airfrance.fr