

The recent ruling of the European Court confirming that passengers are entitled to receive compensation where, on account of a delayed flight, they arrive at their final destination three hours or more after the originally scheduled time (unless extraordinary circumstances) will have a serious impact not only on airlines but also passengers, as airlines are likely to increase fares and cancel flights to mitigate the reactionary delays on successive flights of the same aircraft. All eyes are now directed to the Commission, which is expected to present a Regulation proposal revising the current air passenger rights legislation before the end of the year. This proposal is closely linked to the revision of the package travel Directive, the Commission being eager to establish common rights for passengers travelling as part of a package and passengers holding stand-alone tickets. You will have the opportunity to raise these issues with representatives of the European Commission and the European Parliament at the **ECTAA cocktail reception organised in Brussels on the 28th of November**, just before our bi-annual meeting. So don't forget to invite your MEPs to the cocktail reception in order to prepare the ground for the upcoming revisions.

*Christina Russe*

## **Package Travel Directive: Further dialogue with Commission**

In various discussions with the Commission services and the Cabinet of Dalli and Kallas, ECTAA has sought information about the scope and obligations of the revised PTD. The Commission is considering to cover linked travel arrangements that look like travel packages. The impact assessment is being finalised and will be presented to the Commission's Impact Assessment Board by the end of November. Next step: finalisation of a draft text, which will go into Interservice Consultation in view of a formal Commission's approval during the first quarter of 2013.

For more details, see e-mail sent on 18 October 2012

## **IATA: IATA adopts resolution setting the basis for the New Distribution Capability**

ECTAA has written to the European Commission to raise concerns about the New Distribution Capability standard, which has been adopted by the IATA Passenger Service Conference on 18 October 2012. ECTAA is questioning NDC's compatibility with existing EU legislation, among other the competition rules prohibiting anti-competitive agreements and the Regulation 80/2009 on a Code of Conduct for CRS.

For more details, see e-mail sent on 19 October 2012

## **IATA: Main results of the IATA PAConf/35**

The Passenger Agency Conference, which took place on 15-16 October, has adopted all the proposed changes to local criteria and remittance frequency, the global best practices for financial criteria in line with the PAPGJC review, and number of changes to IATA resolutions, notably on instructions to agents when an airline is suspended from BSP with possible implications on refunds reported before the airline suspension.

For more details, see e-mail sent on 19 October 2012

## **Air transport: EP clearly signals need for legislation on airline insolvency protection**

The EP has adopted 2 reports, which include calls for legislation to protect passengers against airline insolvency. Seven parliamentary questions have been raised on this issue. Meanwhile, the Commission is still asserting that Malev and Spanair were well managed. It is planning to address the issue by releasing guidelines to national authorities in late 2012 or early 2013.

For more details, see e-mail sent on 25 October 2012

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### **Air transport: ECoJ upholds Sturgeon ruling regarding compensation in case of long delays**

The European Court of Justice confirmed its previous ruling that passengers who reach their destination three hours or more after the scheduled arrival are entitled to compensation, unless the delay is caused by extraordinary circumstances. There are no temporal limits to the right to seek this compensation.

For more details, see e-mail sent on 24 October 2012 or consult [ruling of the joint cases C-581/10 and C-629/10](#)

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### **Air transport: ECoJ further clarifies rules on denied boarding**

In its rulings handed down on 4 October, the European Court held that passengers on connected flights must be compensated when denied boarding as a result of a delay to the first flight caused by the airline. In addition, an air carrier must compensate passengers when they have been denied boarding because their flight was rescheduled as a result of a strike at the airport two days before.

For more details, see e-mail sent on 10 October 2012 or consult ruling of the two cases [C-321/11](#) and [C-22/11](#)

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### **Air transport: Refund process of Malev insolvency on hold**

IATA has informed agents that the refund process for Malév tickets is now prevented by a challenge filed in the Hungarian Courts by a secured lender to Malev. ECTAA is supporting the position of MUISZ that IATA should in any case complete the refund process.

For more details, see e-mails sent on 11 October and 20 September 2012

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### **Insurance intermediation: Members to ring the alarm bells – necessity to retain exemption**

Taking into consideration the considerable administrative burdens that travel agents would have to bear if the Commission proposal revising Directive 2002/92 on insurance mediation is adopted, the ECTAA Legal Committee recommended that Members should send a letter to their competent Ministry to request the maintenance of the current exemption of intermediation in travel insurance.

For more details, see e-mail sent on 18 September 2012

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### **Consumer rights: European Court considers provision of information via a hyperlink to a trader's website as insufficient**

The business practice of making information, required under the Directive on Distance Contracts, accessible to the consumer only via a hyperlink to the website of the trader, does not meet the requirements of said Directive. The concept of consumer information given on a durable medium is similar in the new Directive on Consumer Rights and may thus also affect the sale of travel services.

For more details, see e-mail sent on 4 October 2012 or see ruling in the case [C-49/11](#)

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### **Standards: Members recommended to get involved in development on accessibility standard**

CEN has announced the proposal for a CEN Workshop Agreement on 'Universal Design of Tourism Services'. Travel agents and tour operators are included in the scope. The ECTAA Tour Operators Committee recommended that all ECTAA Members get involved in the mirror committees of their national standardization organization to monitor and where necessary block negative developments.

For more details, see e-mail sent on 19 October 2012

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### **VAT: ECoJ says the 'single supply' concept only applies to travel services supplied under TOMS**

The Court considers that where a travel agent supplies a package including accommodation provided by third parties and in-house transport services, the latter are subject to the normal VAT arrangements and, where applicable, are subject to the reduced VAT rate for transport services. The Court further considers that the 'single supply' concept only applies to TOMS services.

For more details, see e-mail sent on 29 October 2012 or consult [C-557/11 ruling](#)

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### **VAT: Proposal to abandon reverse charging for land-related passenger transport in Germany**

Germany is planning to abandon the complex rule whereby tour operators are liable under the reverse charge mechanism to register and account for VAT on land-related passenger transport carried out in Germany where the transport company is not established in Germany. The transport company will become liable to account for VAT. If adopted, the rule will become effective in 2013.

For more details, see e-mails sent on 6 and 7 November 2012

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### **UNWTO Convention: Firth and possibly last meeting of the Working Group**

The Secretariat of UNWTO sent a third version of a draft Convention on the protection of tourists. Members have been invited to provide their input. The Secretariat of UNWTO would like to have a final draft completed at the meeting on the 7<sup>th</sup> of November that will be presented to UNWTO Executive Council at its 95<sup>th</sup> meeting taking place in the first half of 2013.

For more details, see e-mail sent on 20 September 2012

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## **Other News in Brief**

- [Commission Work Programme for 2013](#)
- [EU – Egypt Task Force and High-Level Business and Tourism Forum, Cairo 13-14 November 2012](#)

## **Calendar of ECTAA meetings**

20 November 2012	Incoming Tourism Working Group, Brussels
28 November 2012	ECTAA cocktail reception at European Parliament, Brussels
29-30 November 2012	ECTAA bi-annual meeting, Brussels