

**MALAYSIAN ASSOCIATION OF TOUR
AND TRAVEL AGENTS
(MATTA)**

**CODE OF ETHICS
FOR
MEMBERS**

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MATTA
Code of Ethics for Members

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1 PART I
PRELIMINARY

1. The MATTA Code of Ethics

1.1 What It Means to MATTA Members

Ethical values in the travel and tourism industry are global requirements. They are the foundation of responsible business and other practices of travel agents, tour and others in the industry.

Our code of ethics calls on all members to model their conduct on the principles embodied in this Code of Ethics of MATTA and to implement them in good faith in accordance with the provisions contained herein.

This Code is, by no means, an exhaustive compilation of rules which will anticipate every contingency and cover every aspect of our business dealings and practices. It is important that members look beyond the words contained in the Code of Ethics and embrace the practice and spirit of proper business behaviour. While providing guidance to members in ensuring good business practice, it will act as a reminder of the universal values founded on the principles of integrity, competence and devotion to service in the industry.

Other values, such as the protection of the environment, the preservation of culture, the share of mutual benefits with the local communities and guarantee of fundamental rights of employees should also require the attention of members.

This Code will assist the industry to achieve high standards of professionalism, enhance and uphold the dignity of the profession and enable the Association and its members to be role models for others in the industry to emulate and engage in smart partnerships.

The MATTA Code of Ethics:

1.2 What It Means to Customers & Consumers

The activities of travel agents, tour and ground operators and others in the travel and tourism industry contribute significantly to the economic, social and cultural well-being of the community and country that they operate in.

It is essential that customers and consumers are accorded with standards and obligations of service that meet and satisfy their expectations as well as attain the professional levels contracted for in accordance with the norms of the industry. In a world that has diverse choices for customers and consumers to choose as well as select the company that they do business with, they have the right to a high level of service.

With this Code of Ethics, all MATTA members pledge to provide professional service and to serve their customers and consumers to the best of their abilities.

Customers, consumers and trade business partners who have any reasonable complaint arising out of non-compliance of the Code, may file their complaints in writing to the MATTA Consumers Affairs Board. If such complaints, are unresolved, they will be brought to the attention of the Executive Council of MATTA and, where necessary, the Government licensing authorities.

As a professional association, MATTA will endeavour to promote the highest professional practice amongst members and to reinforce MATTA's standing as Malaysia's national association for travel agents and tour operators. In this regard, MATTA will continue to represent the interests of all travel agents, tour and ground operators in the country to achieve greater heights in the travel and tourism industry for the benefits of customers and consumers.

2. Application of MATTA Code of Ethics

Under Articles VII & VIII of the Constitution of Persatuan Ejen-Ejen Pelancongan Dan Pengembaraan Malaysia (Malaysian Association of Tour & Travel Agents) (MATTA), every member of MATTA shall be bound by a Code of Ethics for the purpose of regulating the conduct and business and other practices of travel agents, tour and ground operators. The Code of Ethics is promulgated by MATTA.

3. Abbreviation

In this Code of Ethics, the expressions below have the following meanings and compositions:-

3.1 Constitution	The Constitution of Persatuan Ejen-Ejen Pelancongan Dan Pengembaraan Malaysia (Malaysian Association of Tour and Travel Agents)
3.2 MATTA	Malaysian Association of Tour and Travel Agents and its members comprise of tour operating and travel agency businesses.
3.3 MCAB	MATTA Consumers' Affair Board established under MATTA to handle consumer affairs and complaints. The Board shall comprise of the Honorary Treasurer of MATTA, Vice Presidents of MATTA and the representatives from the Ministry of Tourism and Culture, Malaysia (MOTAC). <u>Quorum 3</u>

3.4 MMAB	MATTA Members' Affairs Board MMAB established under MATTA to handle members' affairs and complaints. The Board shall comprise of the Deputy President, Honorary Secretary-General and Vice-Presidents of MATTA. <u>Quorum 3</u>
3.5 Ethics Disciplinary Board	Ethics Disciplinary Board of MATTA established to hear complaints against members. The Board shall comprise of the Deputy President, Honorary Secretary-General and Vice Presidents of MATTA. <u>Quorum 3</u>
3.6 Appeal Board	Appeal Board of MATTA established to hear appeals from any member aggrieved by the finding and punishment imposed on a member by the Ethics Disciplinary Board. The Appeal Board shall comprise of the management committee of MATTA and 3 persons of independent status who shall not represent any member of MATTA <u>Quorum 5</u>

4. Interpretation

4.1 MATTA Members

The term "members" refers to all members of MATTA.

As Active Members in the Association are comprised of Companies which are represented by an individual who has been duly authorized to undertake such representation, the individual or representative of that Active Members shall be held liable for any breach or article as stipulated in either the Constitution or the Code of Ethics. As such, any disciplinary action served on the Company shall also be served on its representative.

4.2 Travel Agent

A travel agent is a company carrying on travel agency business under licence granted under the Tourism Industry Act 1992 (Act 482), and promotes and/or arranges and sells land, sea or air transportation, hotel accommodation and travel related services in Malaysia or outside of Malaysia for commission. A travel agent retails travel products and services which are operated or offered by principals or tour operators.

4.3 Tour Operator

4.3.1 Tour Operator

A tour operator is a company carrying on tour operating business under licence granted under the Tourism Industry Act 1992, and operates and/or arranges a package tour

and/or performs tour services for sale or commission. Tour operators may sell tour products through travel agents or directly to clients.

4.3.2 Tour Package

Any travel arrangements described in any media and/or which are publicly marketed/promoted/advertised through any media and which include any two of the following components:

- i. Transportation such as air, coaches, ferries, railways, cruises etc;
- ii. Accommodation; and
- iii. Other tourist services (e.g. excursion, shipping, sightseeing) not ancillary to transportation or accommodation and which a significant part of the package.

4.4 Ground Operator

4.4.1 Ground Operator

A ground operator is a company carrying on ground operating business under licence granted under the Tourism Industry Act 1992, and provides tours and/or transportation and/or ground services for sale or commission. The ground operator sells such tours and services to travel agents or directly to clients

4.4.2 Ground Services

Any travel arrangements including the following:-

- i. accommodation, transportation, sightseeing tours, meals, shopping, visits, academic/sports or cultural exchanges, exhibitions, conferences or conventions events in Malaysia.
- ii. services as per (i) above provided in a third country and sold to travel agents or clients outside of Malaysia.

2 PART II

5. GENERAL CODE OF ETHICS

5.1 Principles of professional Ethical Conduct

- 5.1.1 Persatuan Ejen-Ejen Pelancongan Dan Pengembaraan Malaysia (Malaysian Association of Tour and Travel Agents) (MATTA) is committed to the pursuit of excellence in the travel and tourism industry. Members are dedicated to maintain the highest degree of professionalism and ethical conduct in the industry.
- 5.1.2 Members pledge to conduct their business activities in accordance with the Constitution and By-Laws of the Association and its Code of Ethics and other existing laws of the

Government, which are promulgated and amended from time to time, where necessary, to safeguard the interests of members and the industry.

5.1.3 Adherence to the Code of Ethics signifies competence, fair dealing and high integrity. Failure to adhere to the Code may subject a member to disciplinary action in accordance with the provisions of the MATTA Constitution and Code of Ethics.

5.1.4 MATTA members should ensure that they will conduct their business as to avoid controversies with their fellow members. It is therefore in the interest of all members that the following rules be observed:

- i. Members shall not disparage the business practice of a competitor, nor volunteer an opinion of a competitor's transaction. If their opinion is sought, it should be rendered with strict professional integrity and courtesy.
- ii. Members shall not deliberately interfere with or knowingly induce cancellation of a definite sale made by another member or otherwise cause a customer or supplier to contravene a contractual obligation.
- iii. Members shall not offer to or solicit from any trade principals, suppliers, licensing or enforcement authorities, any gifts, favours, or hospitality intended as, or having the effect of, bribery and corruption, for the purpose of securing preferential consideration or privileges.
- iv. Members shall not infringe any of the principles of the Code of Ethics contained herein on the excuse of non-adherence to such principles by other members or non-members.
- v. Members shall not abuse the privileges and trust accorded to them by the Association.
- vi. Members shall refer all grievances to MATTA and refrain from public statements about such grievances.

5.1.5 MATTA is committed to the pursuit of excellence in the travel and tourism industry. Members are dedicated to maintain the highest degree of professionalism and ethical conduct in the industry.

GENERAL CODE OF CONDUCT

5.2 Responsibilities of Members

5.2.1 Members shall be committed towards the dynamic development of the travel and tourism industry in Malaysia.

5.2.2 Members shall ensure that they take full account all the cost components of tours and services in determining their selling prices and include a reasonable amount as their

margin of profit based on their scale of operation. In all cases members shall practise fair pricing and refrain from providing services below cost.

- 5.2.3 Members providing tour arrangements shall deliver all components as specified in their promotional materials, written quotation or any form of written confirmation. In the event of their inability to furnish any part of such component, they shall provide alternative services of similar value and quality.
- 5.2.4 Members shall encourage their clients to insure themselves against any eventualities such as flight delay/cancellation, baggage loss, personal accident etc. In accordance with Regulation 12, Standard Terms and Conditions for Outbound Tour Package of the Tourism Industry (Tour Operating Business and Travel Agency Business) Regulations 1992.
- 5.2.5 Members shall promptly advise agents or clients who reserve the space on common carriers, or any change in itinerary, departure/arrival time, services, features, price and/or products. If substantial changes are necessary and are within the control of the members, the agents, or clients shall be offered the opportunity to cancel such reservation without penalty.
- 5.2.6 Members shall honour the terms and conditions of all contracts agreed upon with their suppliers/agents unless these are modified or terminated by mutual consent.
- 5.2.7 Members shall be factual and accurate when providing information about their services which they represent. They shall not at any time or place use misleading or deceptive practices.
- 5.2.8 Members shall fulfil any programme in which their name and/or logo are used with their permission for advertising and promoting travel and tourism. All such advertisement and promotion by members shall comply with all the relevant Code(s) and regulations including that provided in Regulation 6 Standard Terms and Conditions for Outbound Tour Package of the Tourism Industry (Tour Operating Business and Travel Agency Business).
- 5.2.9 Members shall display MATTA's logo identifying themselves as a MATTA member on all their product literature, points of sale materials and other forms of advertisement and promotion. MATTA's logo cannot be commercially exploited or merchandised without the prior approval of MATTA.
- 5.2.10 Members shall not falsely represent a person's affiliation with their company.
- 5.2.11 Members shall treat every transaction for clients in a confidential manner and not disclose any information without the prior written permission of clients, unless such disclosure is required by law. Members are required to abide to the Personal Data Protection Act 2010 and any other laws relating thereto.
- 5.2.12 Members shall not make use of clients' lists or other confidential data obtained from an employee's former employers.

- 5.2.13 Members shall not offer rewards by way of referral commissions and incentives to be paid to employees of fellow members without the prior written approval of the members concerned.
- 5.2.14 Members shall promptly respond to their clients' complaints and to work closely with the MATTA Consumer Affairs Board (MCAB).
- 5.2.15 Members shall cooperate and comply with the mediation and arbitration process conducted by the MCAB and/or the MMAB/MATTA to resolve any dispute involving consumers, customers and/or suppliers or another member as provided for in the Association's Constitution.
- 5.2.16 Members shall endeavour to give priority to training and educational initiatives such as all industry wide professional certificate programme aimed at enhancing the professionalism and quality standards of the industry and reducing staff turnover.
- 5.2.17 Members shall not misrepresent the views of MATTA nor claim that the views of a segment or a group of members constitute the views of MATTA as a whole.
- 5.2.18 Members shall strictly observe all stipulated governmental regulations, licensing requirements, laws and by-laws that have been issued with regard to the operational activities of the travel and tourism industry.
- 5.2.19 Members shall settle all debts amongst members without undue delay and in accordance with their agency agreements or booking conditions whichever are applicable. In the event a member agency intends to close down its operations, the member agency shall inform the Ministry of Tourism and Culture, Malaysia and MATTA to enable the Association to inform members of such intention as well as act in accordance with Section 10 (3). Tourism Industry Act, 1992.
- 5.2.20 Members shall uphold the good image of Malaysia and MATTA and shall not bring the country and MATTA into disrepute by unprofessional behaviour or undesirable acts and/or omissions.

5.3 Infringement and Enforcement

- 5.3.1 If any infringement of this Code is alleged against a member, the facts shall be reported to the MMAB and/or MCAB for preliminary investigation.
- 5.3.2 A member against whom the allegation has been made shall provide, at the request of the MMAB and/or MCAB, such further information and/or documents as may be required within such as reasonable period as may be specified.
- 5.3.3 If after preliminary investigations, the facts alleged a member appear to constitute a prima facie case on the infringement of this Code, the MMAB and/or MCAB shall forward the facts, such further information and/or documents and recommendation to the Ethics Disciplinary Board for hearing.

- 5.3.4 A member shall have the right to refute, explain or defend the allegations at the hearing. It shall be given at least fourteen (14) days prior notice in writing of the date, time and the place of hearing before the Ethics Disciplinary Board.
- 5.3.5 If, after hearing, the Ethics Disciplinary Board finds that there is no case against the member, The Board shall discharge and exonerate it. If the Board finds that the member has infringed this Code, the Board may, in its absolute discretion, issue a warning in writing to him; and/or administer a reprimand against the member; and/or fine the member; and/or require the member to give an undertaking to comply with this Code; and/or suspend the member from membership for a period of not less than ninety (90) days and not exceeding twelve (12) months; and/or terminate the membership of the member.
- 5.3.6 The findings and decisions shall be communicated to the Ministry of Tourism and Culture, Malaysia within fourteen (14) working days from the date the Board concludes the hearing.

5.4 Appeal

- 5.4.1 Any member aggrieved by the finding and penalty imposed on him by the Ethics Disciplinary Board may appeal to the Appeal Board in accordance with the relevant Articles of the Constitution of MATTA. His appeal shall be in writing and shall be submitted to the Appeal Board within fourteen (14) days from the date of the finding of the Ethics Disciplinary Board.
- 5.4.2 The aggrieved member shall have the right to legal representation and/or make representations personally at the appeal before the Appeal Board. The Appeal Board shall be convened within thirty (30) days from the date the appeal is submitted by the member.
- 5.4.3 The Appeal Board in its absolute discretion, may uphold, vary or annul the finding and penalty of the Ethics Disciplinary Board. The decision of the Appeal Board shall be communicated to the Executive Council of MATTA and the Ministry of Tourism within fourteen (14) days from the date the Board makes the decision for further action if, after the appeal, the penalty is suspension or termination of membership.
- 5.4.4 The decision of the Appeal Board shall be final and binding and there shall be no recourse to judicial review by either party except in accordance with the provision of the Constitution and sub paragraph 5.4.5 below.
- 5.4.5 In the event that the decision of the Appeal Board is to expel the member concerned, the member shall have the right to appeal the case to a General Meeting of members which shall be called by the Honorary Secretary General. The decision by the General Meeting shall be final.
- 5.4.6 The procedures in sub-paragraphs 5.3.2, 5.3.3, 5.3.4, 5.3.5, 5.4.1, 5.4.2, 5.4.3, 5.4.4 and 5.4.5 shall be followed in accordance with the relevant Articles of the Constitution of

MATTA. To facilitate the implementation of this Code, the MMAB and/or MCAB shall submit in writing all documentation to the Honorary Secretary General of MATTA.

3 PART III

6. TRAVEL AGENTS' CODE OF BUSINESS PRACTICE

6.1 Conduct Between Travel Agents and Members of the Public

6.1.1 Booking Conditions

Travel agents shall draw the attention of their clients to booking conditions and other published conditions (e.g. cancellation conditions) applicable to their travel arrangements, at the point of booking which shall be in accordance with the Standard Terms and Conditions for Outbound Tour Package of the Tourism Industry (Tour Operating Business and Travel Agency Business) Regulations 1992. However, whenever it is not possible to refund the clients due to non-refundable policies by the respective sectors, travel agents are to inform clients upfront during the booking of the ticket.

6.1.2 Booking Forms

Travel agents shall ensure that booking forms for travel arrangements where applicable are completed correctly in every detail. Other booking requirements by clients (e.g. any special requests related to disabilities or medical conditions) shall be shown as appropriate. Travel agents are to avoid charging unreasonable costs on special services rendered to the disabled clients in the light of the spirit of the Persons With Disabilities Act 2008.

6.1.3 Insurance

- i. Travel agents shall draw the attention of their clients to insurance facilities and cover to suit their requirements.
- ii. A licensed tour operator for outbound tours shall purchase an insurance policy for a value of RM100,000.00 or deposit with the Commissioner cash in the sum of RM20,000.00 or furnish to the Commissioner a bank guarantee as specified in the Third Schedule in the amount of RM100,000.00 for purposes of compensation or refund for the protection of outbound tourists in line with Regulation 6(1) (m) (i) Tourism Industry Regulations (Tour Operating Business and Travel Agency Business) (Amendment) Regulations 2000.

6.1.4 Travel Documents

- i. Travel agents shall ensure that all documentation received from principals is checked before delivering them to their clients and that any points relating to documentations requiring clarification are explained to their clients.

- ii. Travel agents shall not materially alter, amend or delete any part of any principals' documentation or file intended for the client.

6.1.5 Alterations to Travel Arrangements

- i. When alterations are made to travel arrangements by principals for which bookings have already been accepted, travel agents shall inform their clients immediately after they are advised of the situation and act as intermediaries between their principals and clients in any subsequent negotiations.
- ii. When alterations are made to travel arrangements by clients for which bookings have already been accepted, travel agents shall inform the principles immediately after they are advised of the situation and act as intermediaries between their principals and clients in any subsequent negotiations.

6.1.6 Visa, Health and Other Requirements

Upon the request of clients, travel agents shall

- i. advise their clients of health requirements which are necessary for the journey to be undertaken;
- ii. advise their clients of visa requirements which are necessary for the journey to be undertaken; and
- iii. whenever possible assist their clients with any other ancillary services which they may request and which are not covered by the booking. However, clients may be required to pay for the additional charges, where applicable.

6.1.7 Disputes and Complaints

- i. in the event of a dispute with a client, travel agents shall make every effort to reach an amicable and speedy solution with such client.
- ii. when complaints are of such a nature that reference to the principal is necessary, a travel agent shall endeavour, acting as an intermediary, to bring about a satisfactory conclusion.
- iii. in the event that a travel agent and his client fall to reach an amicable solution in respect of any disputes or complaints, either party may submit a written request for detailed examination of the case to the MCAB, which shall have the full discretion whether to respond to such request and the travel agent and the client concerned shall abide by the decision on the case.
- iv. in the event that the MCAB is unable to assist in reaching a solution which is satisfactory to the client, he or she may refer the matter to the Commissioner of Tourism as provided in Regulation 6(1) (m) (iii) Tourism Industry Regulations (Tour Operating Business and Travel Agency Business) (Amendment) 2000.

6.2 Conduct Between Tour Operators and Travel Agents

6.2.1 Tickets, Documentation and Accounts

Upon receipt of full payment, from the clients, it shall be the duty of the tour operators to pass on without undue delay to the travel agent confirmation of accounts and all other documents as well as provide any other relevant information pertaining to the package tour booked, to enable the agent to transmit these to their clients within a reasonable period before departure.

6.2.2 Advertisements and Promotions

All advertisements or other publicity initiated by travel agents on behalf of a tour operator and the terms of holiday contracts advertised must be in line with the Standard Terms and Conditions for Outbound Tour Package of the Tourism Industry (Tour Operating Business and Travel Agency Business) Regulations 1992.

6.2.3 Collection of Tour Payment

When booking tour operators' arrangements, travel agents shall, to avoid overbooking, forward the booking form, if appropriate, together with the deposit or credit voucher, within the stipulated period and the balance shall be forwarded in due course.

6.2.4 Refund

Tour operators shall settle funds without undue delay in accordance with paragraphs 7.3, 7.4 and 7.5 in the Tour Operators Code of Business Practice. Where travel agents receive refunds from the tour operators, they shall pay refunds due to clients within a reasonable period of their receipt from the tour operators.

6.2.5 Incentives

Any incentives in cash or kind shall only be offered by a principal or tour operator to the company and not to any individual staff. The company holds the prerogative to distribute such incentives if they so wish.

6.3 Travel Agents Acting as Tour Operators

Travel agents organizing their own package travel arrangements shall conform to the Tour Operators' Code of Business Practice.

4 PART IV TOUR OPERATORS' CODE OF BUSINESS PRACTISE

7. TOUR OPERATORS' CODE OF BUSINESS PRACTISE

7.1 Tour Booking Conditions

Tour Operators are to produce a set of "Tour Booking Conditions" to include the following:

- 7.1.1 Define the extent of the responsibilities as well as the liabilities of tour operators towards clients and shall be clear that they can be easily read and understood.
- 7.1.2 Clearly indicate the circumstances in which and the conditions on which surcharges may be imposed on clients.
- 7.1.3 Clearly indicate the tour operators' general policy both in the event of his cancellation of a package tour or in the event of their alteration of part of a package tour; and the tour operators' price policy in relation to deposits and final payments.
- 7.1.4 Clearly state the amount of, or the basis for calculating the cancellation fees which the client shall be liable to incur as well as the terms and conditions under which the clients shall be liable to incur such fees.
- 7.1.5 Adhere to the Standard Terms & Conditions for outbound tour packages made under the Standard Terms and Conditions for Outbound Tour Packages of the Tourism Industry (Tour Operating Business and Travel Agency Business) Regulations 1992.

7.2 Tour Operators' Liability

- 7.2.1 Tour Operators shall indicate acceptance of responsibility should the services which the tour operator is contractually obliged to provide become deficient or are not of reasonable standard and exclusion of liability causes are prohibited.
- 7.2.2 A tour operator shall include, as a term of any contract for the sales of package holidays or tours, a position accepting responsibility for the negligent acts and/or omissions of:
 - i. his employees or agents,
 - ii. his suppliers and sub-contractors, servants and/or agents of the same whilst acting within the scope of, or in the course of, their employment.
- 7.2.3 A tour operator shall ensure that he obtains adequate liability and indemnity cover to cover claims made by clients under paragraph 7.2.2 of this Code.

7.3 Cancellation of Package Tour for Reasons Beyond the Control of Tour Operators

- 7.3.1 A tour operator shall endeavour not to cancel any scheduled packages tours.
- 7.3.2 If a tour operator cancels a confirmed package tour for reasons beyond his control, he shall inform his agents and clients as soon as possible and refund all money paid (administrative fee) by clients within seven (7) working days.

7.4 Material Alterations to Package Tours for Reasons Beyond the Control of Tour Operators

- 7.4.1 A tour operator shall endeavour not to make any material alteration to a package tour.
- 7.4.2 If a tour operator shall make a material alteration to a package tour prior to its commencement for reasons beyond his control and in which case it results in increasing the operations costs, he shall inform his agents and clients without delay and shall give clients the choice of either accepting the alteration with a reasonable adjustment in the tour price, or of receiving a full refund of all money paid.

7.5 Cancellation and Alterations for Other Reasons

- 7.5.1 If a tour operator cancels a package tour prior to its commencement for reason other than stated in paragraph 7.6, he shall notify his agents and clients of the cancellation at least fourteen (14) days in advance for tours of more than six (6) days in duration or eight (8) days in advance for tours of six (6) days and less, excluding the departure date. In such case, he shall make a full refund of all money paid and subject to the conditions in the Tourism Industry (Tour Operating Business and Travel Agency Business) Regulations 1992.
- 7.5.2 If a tour operator makes a material alteration to a package tour after its commencement for reasons other than those stated in paragraph 7.6, he shall not impose any additional charge if alteration resulted in a price increase. He shall also offer a reasonable refund to clients proportionate to reduction if alteration resulted in a lower price.

7.6 Definition of "Reasons Beyond the Control"

For the purpose of paragraphs 7.3 and 7.4 above, "reasons beyond the control" of the tour operators shall include factors such as hostilities, political unrest, force majeure, bad weather, technical problems to transport, strikes and industrial action and ecological hazards beyond one's control and action by the government.

7.7 Conduct Between Tour Operators and Travel Agents

7.7.1 Tickets, Documentation and Accounts

It shall be the duty of the tour operators to pass on without undue delay to the travel agent confirmation of accounts and all other documents as well as providing any other relevant information pertaining to the package tour booked, to enable the agent to transmit these to the clients within a reasonable period before departure.

7.7.2 Advertisements and Promotions

All advertisements or other publicity initiated by travel agents on behalf of a tour operator shall be in a form and manner agreed with by the tour operator in writing.

7.7.3 Collection of Tour Payment

When booking tour operators' arrangements, travel agents shall, to avoid overbooking, forward the booking form, if appropriate, together with the deposit or credit voucher, within the agreed period between tour operators and travel agents following receipts from clients. In addition, travel agents shall endeavour to collect the balance due and forward it within such time limit as agreed between tour operators and travel agents.

7.7.4 Payment of Accounts

All members shall settle all debts amongst members without undue delay and in accordance with their agency agreements or booking conditions, whichever are applicable.

7.7.5 Refund

Tour operators shall settle refunds without undue delay in accordance with paragraphs 7.3, 7.4 and 7.5. When travel agents receive refunds from the tour operator, they shall pay such refunds to clients within a reasonable period of their receipt from the tour operators.

7.7.6 Incentives

Any incentives in cash or kind shall only be offered by a principal or tour operator to the company and not to any individual staff. Such incentives may be distributed to their staff if they so wish.

7.8 Direct Selling By Tour Operators

Tour operators who sell their package tours or travel arrangements direct to the public shall conform so far as is applicable to the Travel Agents' Code of Business Practise in respect of such sales.

5 PART V

GROUND OPERATORS' CODE OF BUSINESS PRACTICE

8. GROUND OPERATORS' CODE OF BUSINESS PRACTICE

8.1 Tour Booking Conditions

The scope and standard of services provided shall be clearly specified in the quotation and duly carried out by the ground operators and shall include the following items:

8.1.1 Hotel accommodation

The name, category of rooms, grade and type of hotels shall be specified. Alteration of hotels as a result of reasons beyond control shall be allowed provided that the hotels are not of grades inferior to the original ones.

8.1.2 Transportation

The means category, type and capacity of transportation shall be specified as appropriate for tourist vehicles, limousines, self-drive vehicles or water crafts licensed by the relevant authorities.

8.1.3 Itinerary

The items on the itinerary shall be clearly specified. Whether the tour price includes all the admission fees and whether there are any self-paid programmes shall be specified. All scenic spots mentioned on the itinerary shall be visited. Alteration or cancellation of any item on the itinerary as a result of unforeseen circumstances is to be explained to tour participants in detail. In the event of alteration or cancellation of any items on the itinerary resulting in an increase in operation costs, no surcharge shall be imposed on the overseas agents or tour participants. In the event of alteration or cancellation of any items on the itinerary resulting in a decrease in operating costs, the difference in tour price shall be reimbursed to the overseas agents and tour participants.

8.1.4 Meals and dining places

The hygienic conditions of the places at which the travellers dine shall be the primary concern to the inbound agents when choosing such places. The number and type of meals served shall be specified, such as Chinese, Western or others.

8.1.5 Tour Guides

Licensed tour guides shall be assigned to the tour. The tour guides shall carry out the services undertaken by the inbound agents.

8.1.6 Shopping

Ground operators shall specify the number of shopping activities to be arranged. If the agents or their staff make arrangements for or recommendations to travellers regarding shopping, they shall take reasonable steps to ensure that their travellers are taken to reputable shops only.

8.1.7 Service charge

The service charge to be paid by tour participants shall be specified in the contract.

8.1.8 Methods and term of payment

The methods and term of payment shall be clearly specified in the contract.

8.1.9 Others

Ground operators shall bear moral obligations in general business practices not specified in the contract, such as confirming flights and assisting travellers to seek medical treatment in case of illness or accidents.

8.2 Ground operators contracts should ensure the following:-

- 8.2.1 Define the extent of the responsibilities as well as the liabilities of ground operators towards clients and shall be so designed that they can be easily read and understood.
- 8.2.2 Clearly indicate the circumstances in which and the conditions on which surcharges may be imposed on clients.
- 8.2.3 Clearly indicate the ground operators' general policy both in the event of their cancellation of a package tour or in the event of their alteration of part of a package tour; ground operators' price policy in relation to deposits and final payments.
- 8.2.4 Clearly state the amount of, or the basis for calculating the cancellation fees which the client shall be liable to incur as well as the terms and conditions under which the clients shall be liable to incur such fees.

8.3 Ground operators' Liability

- 8.3.1 Ground operators shall indicate acceptance of responsibility should the services which the ground operators are contractually obliged to provide become deficient or are not of reasonable standard and exclusion of liability clauses are prohibited.
- 8.3.2 The ground operators shall include, as a term of any contract for the sales of package holidays or tours, a position accepting responsibility for the negligent acts and/or omissions of:
 - i. his employees or agents,
 - ii. his suppliers and sub-contractors, servants and/or agents of the same whilst acting within the space of, or in the course of their employment.
- 8.3.3 The ground operators shall ensure that they obtain adequate liability insurance and indemnity cover to cover claims made by clients under paragraph 8.3.1 of this Code.
- 8.3.4 Ground operators providing transportation services shall ensure that all vehicles and crafts are in good working order, regularly serviced and well maintained.

8.4 Material Alterations to Ground Services for Reasons Beyond the Control of Ground Operators

- 8.4.1 The ground operators shall endeavour not to make any material alteration to ground services provided.
- 8.4.2 If the ground operators shall need to make a material alteration to a ground service provided prior to its commencement for reasons beyond its control, the ground operator shall make every effort to inform its customers and advise them of any alteration in itinerary and any change in prices.
- 8.4.3 If the ground operators shall need to make a material alteration to a ground services provided after its commencement for reasons beyond its control, he may impose reasonable additional charges and offer a reasonable refund to clients proportionate to the reduction if the alteration resulted in a lower price.

8.5 Definition of "Reasons Beyond Control"

For the purpose of paragraphs 8.4 above, "reasons beyond the control" of the ground operators shall include hostilities, political unrest, force majeure, adverse weather conditions, strikes and industrial action and ecological hazards beyond one's control and control of government.