

RESOLUTION 853

CARGO ACCOUNTS SETTLEMENT SYSTEM — CHARGES COLLECTABLE AT DESTINATION

CAC1(33)853(except USA) Expiry: Indefinite
(amending)
CAC2(33)853 (amending)
CAC3(33)853 (amending) Type: B

WHEREAS the 1998 IATA Annual General Meeting agreed to restructure the IATA Industry Settlement Systems and has approved the establishments of IATA Distribution and Financial Services (hereafter referred to as "IDFS"), as an IATA division responsible to the IATA Board of Governors for the Management and efficient operation of this business activity and to that end has authorised changes in the management and operation of the IATA Industry Settlement Systems (hereafter referred to as "ISS"), and

WHEREAS it is therefore necessary to recognise the responsibility of IDFS for all ISS administration and operational functions, such as:

- ISS budgets (cost and revenues)
- ISS staffing
- ISS contracts (service agreements) to include signature authority
- ISS office management and administration

and further to recognise that ISS matters will be supervised by the IATA Board of Governors, and

WHEREAS the IATA Board of Governors has charged the Cargo Committee to provide advice and guidance to the Board on all Cargo settlement matters, and

WHEREAS the IATA Cargo Committee has established a CASS Policy Group (hereinafter referred to as "CPG") to provide policy direction to IDFS on CASS matters and to provide advice to IDFS Management on all matters relating to the functional management and operation of CASS;

WHEREAS it is recognised that the terms of reference and activities of the CPG are to:

- Provide a CASS consultative forum between IDFS Management and Member airlines
- Formulate a global representation policy
- Develop the CASS cost sharing formula and CASS pricing policy
- Develop a CASS country development plan
- Approve the commencement of all new feasibility studies and appoints CASS feasibility study groups to work with IDFS Management in the preparation of feasibility study reports
- Review reports received from the Local Customer Advisory Groups
- Monitor local CASS member costs
- Review the CASS budgets on a consultative basis

WHEREAS it is further recognised that in the event of any disagreement or dispute between the CPG and IDFS, such dispute shall be referred to the Cargo Committee;

WHEREAS ISS Management shall operate in accordance with the IATA Settlement Systems Service Provisions Manual, the CASS Technical Specifications Handbook and the Local Customer Services Manual which describe the provision of services in the operating CASSs;

WHEREAS the Cargo Agency Conference (hereafter referred to as "the Conference") exercises authority and responsibility over the IATA Cargo Agency Programme, including the relationship between Airlines and Agents, and

WHEREAS Cargo Accounts Settlement Systems (CASS) have been introduced.

It is hereby RESOLVED that,

1. CARGO AGENCY CONFERENCE

1.1 The Conference is responsible for, amongst other things, setting CASS-Import technical standards, together with corresponding changes to Standard forms used in the operation of the CASS-Import. These are published in the CASS Technical Specifications Handbook, Attachment 'A', which constitutes part hereof;

1.2 amendments to the CASS Technical Specifications Handbook shall be subject to agreement by the Conference, however should the CASS Policy Group (CPG) recommend action be taken on a particular amendment(s) between Conferences, ISS Management shall publish the proposed amendment(s) in writing to all Members. If no protest is received from any Member within 45 days of the publication of the amendment(s), the amendment(s) will be deemed endorsed and the CASS Technical Specifications Handbook will be amended accordingly. In the event of a protest, the reasons therefore shall be given in writing and the protested amendment will be reconsidered at the next meeting of the CPG with a view to overcoming the reasons for disagreement. In the event of continuing disagreement, the matter shall be referred to the Conference for final action.

2. LOCAL CUSTOMER ADVISORY GROUPS — CARGO (LCAGC)

2.1 the Conference has established Local Customer Advisory Groups — Cargo (LCAGC) in countries wherever a CASS is in operation, to provide advice to ISS Management on local customer service issues and to co-ordinate local needs;

2.2 the Conference determines the procedures for establishing the membership of the LCAGC;

2.3 the Rules and Procedures for the LCAGC, as agreed by the Conference, are contained in Appendix 'B' to this Resolution and constitute part hereof.

3. FEASIBILITY STUDY — IMPLEMENTATION OF A CASS-IMPORT

The Head Office of any Member, or group of Members, may request ISS Management to initiate a study.

4. PARTICIPATION BY MEMBERS

4.1 Participation by IATA Members in any CASS-Import is voluntary. IATA Members may join at the inception of a CASS-Import or may join at a later date by paying the applicable joining fee set by ISS Management;

4.2 participation in any CASS-Import shall be dependent on the Member continuing to pay the appropriate charges for those services that have been provided to the Member in connection with the operation of that CASS-Import;

4.3 a Member's participation shall be dependent on it continuing to meet financial criteria established by the Conference, if any;

4.4 upon joining a CASS-Import, a Member must sign a Counter-indemnity Agreement with IATA as prescribed in Appendix 'C' to this Resolution, where a current signed counter-indemnity is in place, the changes specified in Appendix 'C' are deemed to be incorporated therein;

4.5 once a Member has joined a CASS-Import, it may elect a mode of Participation, Billing or Full, as defined in Resolution 823 "Definitions of Terms Used in Cargo Agency Resolutions".

5. PARTICIPATION BY RECIPIENTS

5.1 Where a CASS-Import has been adopted for a given country/area, the Agency Administrator shall offer to execute an agreement with each commercial intermediary (not being an air carrier) handling inbound air cargo consignments in such country/area who:

5.1.1 regularly and systematically acts by way of trade and for reward, as agent for consignees named on Air Waybills, or as agent for persons indicated on the face of Air Waybills as persons to be notified upon delivery or as customs consignees;

5.1.2 in the ordinary and usual course of its undertaking, assembles, consolidates or provides for assembling and consolidation of property or performs or provides for the performance of break bulk and distributing operations with respect to consolidated shipments, is responsible for procuring international air transportation of property from the point of receipt to the point of destination and utilises for the whole or any part of such transportation the services of an air carrier;

5.2 the Conference may determine, from time to time, criteria for participation of CASS Recipients into a CASS-Import. The criteria may vary by CASS-Import operation;

5.2.1 where qualifying criteria requires approval between Conferences, a mail vote may be initiated. Providing unanimous support for the proposal is received, the proposal shall be adopted. Failure to vote will be deemed to be an abstention. Abstentions shall count as positive votes;

5.3 an applicant to become a CASS Recipient must sign the agreement specified in Appendix 'D' to this Resolution and pay the participation fees determined by ISS Management from time to time;

5.4 the Agency Administrator signs the agreement on behalf of all Airlines participating in that CASS-Import and shall then issue to the applicant a CASS Recipient code number;

5.5 such number may only be used as long as the Recipient continues to meet the local qualifying criteria and has paid all applicable fees;

5.6 such intermediaries executing the agreement shall become Recipients under the CASS-Import from the date stipulated in the agreement and shall from such date be required to remit monies due to CASS-Import Airlines and other Members in accordance with the requirements of this Resolution and associated CASS-Import procedures.

6. PARTICIPATION BY NON-IATA AIR CARRIERS

6.1 A non-IATA air carrier (an Airline), may request participation in a given CASS-Import by submitting to the Agency Administrator a Form of Application and Concurrence, in which, amongst other things, they agree to be bound by the applicable Cargo Procedures Conference Resolutions. The Form is prescribed in Appendix 'E' to this Resolution:

6.2 upon acceptance by the Agency Administrator, the Airline agrees;

6.2.1 to pay the applicable joining fees set by ISS Management;

6.2.2 to contribute to the management and other costs of such CASS-Import as set by ISS Management;

6.2.3 to meet the financial criteria established by the Conference, if any;

6.3 participation in any CASS-Import shall be dependent on the Airline continuing to pay the appropriate charges for those services that have been provided to the Airline in connection with the operation of that CASS-Import;

6.4 upon joining a CASS-Import, an Airline must sign a Counter-indemnity Agreement with IATA as prescribed in Appendix 'C' to this Resolution;

6.5 once a Member has joined a CASS-Import it may elect a mode of Participation, Billing or Full, as defined in Resolution 823 "Definitions of Terms Used in Cargo Agency Resolutions".

7. PARTICIPATION BY AIRLINE GROUND HANDLING AGENTS (GHAs)

For the purpose of this Paragraph, the term 'Ground Handling Agent (GHA)' shall mean any Person, appointed by one or more air carriers to carry out cargo handling, storage and preparation of freight for collection by the consignee and other activities for inbound freight in the area covered by the CASS:

7.1 a Ground Handling Agent (GHA) may request participation in a given CASS-Import by submitting a Form of Application and Concurrence to the Agency Administrator. The form, prescribed in Appendix 'F' to this Resolution, amongst other things, binds the applicant to the applicable Cargo Procedures Conference Resolutions;

7.2 upon acceptance by the Agency Administrator, the GHA agrees;

7.2.1 to pay the applicable joining fees set by ISS Management;

7.2.2 to contribute to the management and other costs of such CASS-Import as set by ISS Management;

7.2.3 to meet the financial criteria established by the Conference, if any;

7.3 participation in any CASS-Import shall be dependent on the GHA continuing to pay the appropriate charges for those services that have been provided to the GHA in connection with the operation of that CASS-Import;

7.4 upon joining a CASS-Import, a GHA must sign a Counter-indemnity Agreement with IATA as prescribed in Appendix 'C' to this Resolution;

7.5 once a GHA has joined a CASS-Import it may elect a mode of Participation, Billing or Full, as defined in Resolution 823 "Definitions of Terms Used in Cargo Agency Resolutions".

8. CASS DELIVERING COMPANY

Pursuant to Paragraphs 4, 6 and 7 of this Resolution, the term 'CASS Delivering Company' shall mean a Member, Airline or Ground Handling Agent who participates in a particular CASS-Import.

9. IATA SETTLEMENT SYSTEM SERVICE PROVISIONS MANUAL

ISS Management, in consultation with the CPG, shall produce an IATA Settlement System Service Provisions Manual containing terms, conditions and codes of conduct of CASS operations applicable in all areas. The CPG will be responsible for the content of the Manual, however, it shall at all times be in conformity with applicable IATA Resolutions.

10. LOCAL CUSTOMER SERVICES MANUAL – CASS (IMPORT)

Wherever a CASS-Import has been implemented, ISS Management shall produce a local Customer Services Manual, containing local terms, conditions and codes of conduct of the local CASS operation. The Cargo Agency Conference delegates the authority for the contents of this Manual to the Local Customer Advisory Groups — Cargo (LCAGC), for subsequent endorsement by the CPG. The contents of this Manual shall be in conformity with applicable IATA Resolutions and are described in Appendix 'H'.

11. VOLUNTARY TERMINATION

A CASS Delivering Company may withdraw from a particular CASS-Import by giving written notice of not less than 3 months and shall be liable for its share of all costs through to the end of the notice period.

12. AIRLINE SUSPENSION OF OPERATIONS

12.1 Reasons for Suspension

Where an Airline participating in a CASS ("the Airline") ceases operations, due to financial or other reasons, or where the Airline becomes subject to formal bankruptcy or reorganisation proceedings, ISS Management shall immediately inform all participants in the CASS of the date of such cessation of operations.

12.2 Action by ISS Management

When an airline ceases operation, ISS Management will continue to collect and settle monies due to such airline in accordance with the settlement office procedures.

13. REPORTING

CASS Delivering Companies shall advise the Settlement Office by means of Air Waybill Transmittals of amounts due from each Recipient in respect of all shipments delivered to such Recipient in accordance with the procedures set out in the ISS Service Provisions Manual.

14. BILLINGS

14.1 The Settlement Office shall compute and prepare a billing in respect of each Recipient based on Air Waybill Transmittals. Billings raised from Air Waybill Transmittals shall incorporate all charges incurred and payable at destination by each Recipient in respect of shipments delivered;

14.2 the frequency at which such billings shall be rendered by the Settlement Office shall be established by the Settlement and Remittance Committee for each CASS-Import, provided that there shall be not less than 24 billings per calendar year;

14.3 the time span covered by a billing shall be called 'the billing period'.

15. REMITTANCES

15.1 Remittance Frequency

Prior to implementation of a CASS-Import, the Settlement and Remittance Committee shall establish the frequency of Recipients' remittances under such a CASS-Import; provided that where a CASS-Export has been implemented in a (any) country(ies) of a CASS-Import area, the frequency established for such a country(ies) shall be the same as that applicable to the CASS-Export;

15.1.1 when action to endorse remittance terms is required between Conferences, a Mail Vote may be initiated. Providing unanimous support for the proposal is received, the proposal shall be adopted. Failure to vote will be deemed to be an abstention. Abstentions shall count as positive votes;

15.2 Remittance Date

the day by which remittances must reach the Settlement Office shall be called the 'remittance date'. Remittance must be completed by the close of business of the Settlement Office on the remittance date, which shall be the 28th day following the last day included in the billing(s) under settlement, unless the Settlement and Remittance Committee establishes an earlier date; provided that where a CASS-Export has been implemented in a (any) country(ies) of a CASS-Import area, the remittance date established for such a country(ies) shall be the same as that applicable to the CASS-Export;

15.3 if the Settlement Office is closed for business on the remittance date, the remittance shall be completed by the Recipients by the close of business of the Settlement Office on the first subsequent day the Settlement Office is open for business ('the deferred remittance date');

15.4 Failure to Effect Timely Remittance

the Settlement and Remittance Committee shall establish the length of the grace period to be granted before implementing the provisions of Subparagraph 14.4.2 of this Subparagraph. Such grace period shall not exceed ten calendar days and, where a CASS-Export has been implemented in a (any) country(ies) of a CASS-Import area, shall be the same as that applicable to the CASS-Export;

△ **15.4.1** if, by its close of business on the remittance date, the Settlement Office has not received from a Recipient full remittance of its billing(s), it shall immediately so advise the Agency Administrator. Upon receipt of such advice, the Agency Administrator shall immediately send to the Recipient a Notice of Irregularity (NOI) and shall investigate the failure with the Recipient;

△ **15.4.2(a) (except the area covered by Resolution 805zz)**

if subsequent to action taken pursuant to Subparagraph 15.4.1 above, the Recipient fails to make complete settlement of the amounts due by the last day of the grace period following the remittance date, the Settlement Office shall immediately so advise the Agency Administrator, who shall thereupon place the Recipient on a cash basis for not less than three calendar months, or until such time as he is satisfied that there will be no recurrence of such failure, whichever period is the longer;

□ **15.4.2(b) (the area covered by Resolution 805zz only)**

if subsequent to action taken pursuant to Subparagraph 15.4.1 above, the Recipient fails to make complete settlement of the amounts due by the last day of the grace period following the remittance date, the Settlement Office shall immediately so advise the Agency Administrator, who shall thereupon suspend the Recipient from CASS for not less than three calendar months, or until such time as he is satisfied that there will be no recurrence of such failure, whichever period is the longer;

△ **15.5(a) Dishonoured Cheque or Other Method of Payment (except the area covered by Resolution 805zz)**

if a cheque, direct debit or any other method of payment in settlement of amounts due is dishonoured after the remittance date by non-payment by the drawee bank, the Settlement Office shall without delay so notify the Agency Administrator, who shall in turn immediately send to the Recipient a Notice of Irregularity and demand immediate payment from the Recipient. Such Notice shall count as two listed Notices of Irregularity for the purposes of the lists provided for in Subparagraph 15.6 of this Paragraph. If payment is not received on demand, or is so received but after the last day of the grace period following the remittance

date (as established pursuant to Subparagraph 15.4 of this Paragraph), the Settlement Office shall immediately advise the Agency Administrator, who shall immediately place the Recipient on a cash basis and notify the Recipient and all CASS Delivering Companies accordingly. The Recipient shall remain on a Cash Basis for not less than three calendar months, or until such time as the Agency Administrator is satisfied that there will be no recurrence of such failure, whichever period is the longer;

□ **15.5(b) (the area covered by Resolution 805zz only)**

if a cheque, direct debit or any other method of payment in settlement of amounts due is dishonoured after the remittance date by non-payment by the drawee bank, the Settlement Office shall without delay so notify the Agency Administrator, who shall in turn immediately send to the Recipient a Notice of Irregularity and demand immediate payment from the Recipient. Such Notice shall count as two listed Notices of Irregularity for the purposes of the lists provided for in Subparagraph 15.6 of this Paragraph. If payment is not received on demand, or is so received but after the last day of the grace period following the remittance date (as established pursuant to Subparagraph 15.4 of this Paragraph), the Settlement Office shall immediately advise the Agency Administrator, who shall immediately suspend the Recipient from CASS and notify the Recipient and all CASS Delivering Companies accordingly. The Recipient shall remain suspended for not less than three calendar months, or until such time as the Agency Administrator is satisfied that there will be no recurrence of such failure, whichever period is the longer;

□ **15.6(a) Accumulated Notices of Irregularities (NOI) (except the area covered by Resolution 805zz)**

after each remittance date, the Agency Administrator shall advise all CASS Delivering Companies, by urgent electronic means, of the names of all the Recipients having been sent Notices of Irregularity under the provisions of this Resolution, since the preceding remittance date. If a Recipient appears on such lists four times during any 12 consecutive months, the Agency Administrator shall carry out an analysis of the Recipient's credit worthiness in accordance with the criteria established by the Cargo Agency Conference, if any, for that particular CASS. If a Recipient appears on such list six times during any 12 consecutive months, the Agency Administrator shall immediately place the Recipient on a cash basis for not less than three calendar months, or until such time as he is satisfied that there will not be a recurrence of such failure, whichever period is the longer;

△ **15.6(b) (the area covered by Resolution 805zz only)**

after each remittance date, the Agency Administrator shall advise all CASS Delivering Companies, by urgent electronic means, of the names of all the Recipients having been sent Notices of Irregularity under the provisions of this Resolution, since the preceding remittance date. If a Recipient appears on such lists four times (three times in the United Kingdom) during any 12 consecutive months, the Agency Administrator shall carry out an analysis of the Recipient's

credit worthiness in accordance with the criteria established by the Cargo Agency Conference, if any, for that particular CASS. If a Recipient appears on such list six times (four times in the United Kingdom) during any 12 consecutive months, the Agency Administrator shall immediately suspend the Recipient from CASS for not less than three calendar months, or until such time as he is satisfied that there will not be a recurrence of such failure, whichever period is the longer;

15.7 Charges

15.7.1 notwithstanding the provisions of Subparagraphs 15.4 and 15.5 of this Paragraph, the Cargo Agency Conference may decide to sanction instances of overdue remittances by the levy of a general charge. The level of such charge shall be determined from time to time by the Cargo Agency Conference and shall be notified by the Agency Administrator to all Recipients in the CASS-Import area;

15.7.2 Settlement Office charges shall be in the amount debited to ISS Management by the Settlement Office as a result of the Recipient's failure to remit as prescribed, increased, if applicable, by an amount to compensate for any extra costs incurred by ISS Management in relation to such failure;

15.7.3 when charges are to be levied, the Agency Administrator shall instruct the Settlement Office to debit a Recipient for such charges and simultaneously notify the Recipient accordingly;

15.7.4 charges debited to Recipients pursuant to this Subparagraph shall, except as otherwise specified, be included by the Settlement Office in its first subsequent billing to the Recipient concerned and shall be due and payable by the Recipient by the remittance date applicable to such billing.

15.8 IATA Cargo Agent as Recipient

△ 15.8(a) IATA Cargo Agent as Recipient (except the area covered by Resolution 805zz)

If a Recipient placed on a Cash Basis pursuant to Subparagraphs 15.4, 15.5 or 15.6 of this Paragraph is also an IATA Cargo Agent registered in that country under the Cargo Agency Administration Rules, the Agency Administrator shall initiate a review of the Agent under those Rules.

□ 15.8(b) IATA Cargo Intermediary as Recipient (the area covered by Resolution 805zz only)

If a Recipient suspended from CASS pursuant to Subparagraphs 15.4, 15.5 or 15.6 of this Paragraph is also an IATA Cargo Intermediary registered in that country under the European Air Cargo Programme Rules, the Agency Administrator shall initiate a review of the Intermediary under those Rules.

16. NOTIFICATION OF LATE PAYMENT

When the Agency Administrator is required under the provisions of this Resolution to send to a Recipient a Notice of Late Payment, he shall immediately send the Recipient a registered letter in the form prescribed from time to time by

him with a copy to the Settlement Office and advise all CASS Delivering Companies of the CASS concerned by urgent electronic means.

17. TIE-IN

This Resolution shall not come into or remain in effect unless Resolution 851 comes into and remains in effect.

(Attachment 'A' is the CASS Technical Specifications Handbook and is published separately).

Appendices:

Appendix A: Intentionally left blank

Appendix B: Local Customer Advisory Group – Cargo Rules and Procedures

Appendix C: Counter Indemnity

Appendix D: Recipient Agreement

Appendix E: Application and Concurrence – Non-IATA Carrier

Appendix F: Application and Concurrence – Ground Handling Agent

Appendix G: Local Customer Services Manual – CASS (Import) Contents Outline

RESOLUTION 853

Appendix 'B'

RULES AND PROCEDURES LOCAL CUSTOMER ADVISORY GROUPS – CARGO (LCAGC)

1. Function

Local Customer Advisory Groups – Cargo (LCAGC) are established by the Cargo Agency Conference wherever a CASS is in operation. Each LCAGC provides advice to ISS Management on customer service issues and in particular, establishing and addressing local needs.

2. Membership

The LCAGC will normally consist of not more than 10 persons. The Cargo Agency Conference may authorise a larger number, following a request from an area. LCAGC members and their designated alternates shall be elected for a two-year term by all Participating Airlines in that CASS, from nominations received from these Participating Airlines. Ideally, LCAGC members should be suitably qualified representatives at a senior level, providing expertise in the different fields of the CASS activity. LCAGC members attend LCAGC meetings as local industry representatives.

3. Meetings, Quorum and Voting

The frequency of meetings is determined by ISS Management, in consultation with CPG or the LCAGC. A quorum shall be a simple majority (one half plus one) of the membership. Each LCAGC is a consultative body and therefore there will be no formal voting. LCAGC will act in the form of making recommendations. Each LCAGC will elect its Chairman from among its members. The local ISS Manager will act as Secretary of these meetings. Other Participating Airlines in the CASS may attend meetings as observers, subject to the prior consent of the CAGC Secretary. Representatives of non-airline entities participating in that CASS may attend certain parts of a CAGC meeting, at the invitation of its Chairman and ISS Management. Additionally, the local/regional ISS Manager may call a customer meeting, at least once per year.

4. Activities

ISS Management may typically consult a LCAGC for:

- advice, as a user forum, on all local matters presented to it by ISS Management, concerning the local operation of CASS.
- advice to the local ISS Manager on the establishment of local CASS business requirements and enhancements, especially where differences from worldwide policy and standards are sought.

guidance to the local ISS Manager, concerning:

- marketplace activities and development opportunities, and other local/area needs.
- other matters, as appropriate.

5. Agenda and Reports

The Agenda of each LCAGC shall consist of customer service issues on which ISS Management seeks the advice of the LCAGC, or proposals submitted by Participating Airlines. It shall be circulated by the LCAGC Secretary not later than 10 days before the start of the meeting. The report of LCAGC meetings shall be submitted to the CPG and circulated promptly by the Secretary to LCAGC Members, and all Participating Airlines. The Secretary of the LCAGC will provide a regular update on action taken pursuant to recommendations from the LCAGC.

RESOLUTION 853**Appendix ‘C’****COUNTERINDEMNITY AGREEMENT****Relating to the Operation of CASS-Export/CASS-Import Bank Accounts by IATA
 (“Single Counterindemnity – CASS”)**

An Agreement entered into:

between

having its registered office at

(Name of Airline or GSSA*)

(name of Airline or CASS Delivering Company)

(full address)

hereinafter called “the CASS-Export/CASS-Import Airline”

and

the International Air Transport Association (IATA), a non-profit corporation under Canadian Law, having its registered office at 800 Place Victoria , IATA Building, Montreal, Quebec, H4Z 1M1, hereinafter called “IATA”.

WHEREAS the CASS-Export/CASS-Import Airline, jointly with other CASS-Export/CASS-Import Airlines participating in the same respective Cargo Accounts Settlement System or Cargo Accounts Settlement System – Charges Collectable at Destination (“CASS-Export/CASS-Import”), has considered it desirable that IATA operates and maintains certain CASS-Export/CASS-Import bank accounts (including a “Hinge Account” for clearing services) on its behalf, and

WHEREAS IATA has agreed to provide such service subject to the CASS-Export/CASS-Import Airline and other such airlines providing a Counterindemnity relating to the risks arising therefrom.

IT IS THEREFORE AGREED AS FOLLOWS:**1.a. Definitions**

For the purposes of this Agreement, the term “Hinge Account” shall mean the bank account into which Agents’/Associates’/Recipients’ remittances are paid and from which monies are distributed to CASS-Export/CASS-Import Airlines;

1.b. Applicability

This Agreement applies to all bank accounts established and operated in the name of IATA on behalf of a CASS-Export/CASS-Import for the purpose of operating through the Settlement Bank clearing services or administrative or other associated services, for the benefit of the CASS-Export/CASS-Import Airline and other carriers participating in the respective CASS-Export/CASS-Import.

2. Indemnity

The undersigned CASS-Export/CASS-Import Airline will indemnify IATA, its officers and employees, against any liability and costs, for any action taken or omitted in good faith in the performance of the operation of the Clearing (Hinge) Account or other accounts mentioned in Paragraph 1 above, or arising in any other way from the operation of these accounts. Such liability may include, inter alia, shortfalls caused by under-remittance or non-remittance by Agents/Associates/Recipients in cases where the Settlement Bank has credited the CASS-Export/CASS-Import Airlines, in anticipation of full and timely remittance by the Agents/Associates/Recipients. In case of such under-remittance or non-remittance, the undersigned CASS-Export/CASS-Import Airline, when so requested by the CASS Manager, undertakes to immediately refund the corresponding amount(s) remitted to it to the CASS-Export/CASS-Import Hinge Account, and herewith acknowledges and agrees that IATA and ISS Management may take all such action, including legal action, as deemed required in this connection, both on behalf of IATA and the CASS-Export/CASS-Import and on behalf of the CASS-Export/CASS-Import Airlines concerned. In the event of a liability arising otherwise than by way of non-remittance or under-remittance, the undersigned CASS-Export/CASS-Import Airline undertakes to pay the amount of the obligation under this Agreement within 15 days of it being called upon to do so.

3. Preliminary Joint Indemnification

If it cannot be established immediately for which CASS-Export/CASS-Import Airline(s), a transaction not supported by a full Agent/Associate/Recipient remittance was effected, the undersigned CASS-Export/CASS-Import Airline, jointly with the other CASS-Export/CASS-Import Airlines having signed an identical agreement, shall forthwith reimburse and indemnify IATA for any shortfalls, which shall be deemed to be CASS-Export/CASS-Import operating costs and expenses. Such cost of reimbursement shall be reapportioned as soon as it has been established for which CASS-Export/CASS-Import Airline(s) the respective remittance has been effected, in proportion to each of the undersigned CASS-Export/CASS-Import Airline's share in the respective remittance.

4. Collective Binding Agreement

Upon signature, the present document, in conjunction with identical documents signed by other CASS-Export/CASS-Import Airlines and IATA, shall constitute a collective binding Agreement which, shall continue in full force and effect for as long as IATA operates any bank accounts as referred to in Paragraph 1 above, provided that if any CASS-Export/CASS-Import Airline withdraws from a CASS-Export/CASS-Import, it shall cease to be a party to the Agreement with respect to that CASS-Export/CASS-Import. The undersigned CASS-Export/CASS-Import Airline shall nevertheless remain liable in respect of any of its liabilities arising prior to withdrawal from the respective CASS-Export/CASS-Import or termination of IATA's operation of respective bank accounts as referred to in Paragraph 1 above.

IN WITNESS WHEREOF, this Agreement has been executed on behalf of the Parties hereto by their duly authorised officers in duplicate, on the day and year that appears below:

For and on behalf of
(full name of Airline or
CASS Delivering Company)

Signature
(full name of person signing)

(title of person signing)

.....
(place, date)

For and on behalf of:

International Air Transport Association

Signature
(full name of person signing)

Agency Administrator
(title of person signing)

.....
(place, date)

* A CASS Delivery Company completing this agreement must do so for each CASS in which it participates.

Note: In accordance with the EXCOM decision (EXCOM/157, 28 May 1993), this Single Counterindemnity Agreement is to be signed by all airlines participating in a CASS-Export and/or CASS-Import. This one Agreement relates to all CASS-Export/CASS-Import operations in which the Airline participates.

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Appendix ‘D’

CASS-IMPORT RECIPIENT AGREEMENT

AN AGREEMENT MADE BETWEEN

The several Carriers/Handling Companies which have agreed to participate in the Cargo Accounts Settlement System-Import (CASS-Import Delivering Companies as defined hereunder), represented herein by the Agency Administrator of the International Air Transport Association

AND

.....
(Name of Recipient)

having its principal place of business at

.....
.....
.....
(Address of Recipient)

(hereinafter referred to as the ‘Recipient’)

WHEREBY IT IS AGREED AS FOLLOWS:

1. Definitions

For the purposes of this Agreement:

‘**Agency Administrator**’ means the IATA official designated from time to time by the Director General as the holder of that office, or his authorised representative. He is charged with the administrative management and development of Cargo Accounts Settlement Systems-Import.

‘**Cargo Accounts Settlement System – Import**’ (hereinafter called ‘CASS-Import’) means the method of accounting and settling accounts between Delivering Companies and Recipients as provided in IATA Agency Conference Resolution 853 and its Attachment.

‘**Delivering Company**’ means a Member, Airline or Ground Handling Agent who participates in a particular CASS-Import.

‘**Cargo Accounts Settlement System-Import Delivering Companies**’ means the IATA Members and Non-IATA Air Carriers/Ground Handling Companies (named as CASS-Import Delivering Companies) in the First Schedule to this Agreement as having authorised the Agency Administrator to execute this Agreement on their behalf, and such other Delivering Companies, which subsequent to the execution of this Agreement, authorise the Agency Administrator to advise the Recipient that their name is to be added to the said First Schedule in accordance with Paragraph 7 hereof.

‘**Hinge Account**’ means the account to be opened by ISS Management for a given period of settlement; it will be used for receiving Recipients’ remittances and paying out monies due to CASS-Import Delivering Companies.

‘**IATA**’ means the International Air Transport Association, an association incorporated by Act of the Canadian Parliament having its Head Office at 800 Place Victoria, Montreal, in the Province of Quebec, Canada and an office at 33 Route de l’Aéroport, CH-1215 Geneva 15 Airport, Switzerland.

‘**IATA Settlement Systems Management (ISS Management)**’ means the appropriate department of IATA responsible for the administrative and operational functions of the IATA Settlement Systems, such as ISS budgets (cost and revenues), ISS staffing, ISS contracts (service agreements) to include signature authority and ISS office management and administration. This includes the local designated ISS representative for Cargo, who shall have overall responsibility for the CASS-Export or the CASS-Import.

‘**Import Charges**’ means charges entered on an Air Waybill at origin or in transit according to applicable tariffs for collection at destination and any charges incurred at destination and due to the CASS-Import Delivering Companies.

‘**Settlement Office**’ means the institution appointed by ISS Management to issue billings and to collect and distribute monies due under the CASS-Import.

For applicable definition terms used for the purpose of this Agreement, reference should be made to Resolution 823 (Definitions of Terms Used in Cargo Agency Resolutions).

2. Resolution 853

In so far as the provisions of IATA Resolution 853 and its Attachment relate to CASS-Import Recipients, such provisions are incorporated in the applicable local CASS-Import Customer Manual, which Manual as amended from time to time is part of this Agreement and the Recipient shall abide by the provisions of such Manual.

3. Authority of CASS Management

In all matters affecting the Recipient’s obligations under this Agreement and all applicable IATA Conference Resolutions, ISS Management is authorised to act on behalf of each CASS-Import Delivering Company and any direction or request given or made to the Recipient by ISS Management shall be as effective as if given or made by such CASS-Import Delivering Company.

4. Settlement of Accounts

Settlement of accounts with the CASS-Import Delivering Company shall be made by means of remittance through the Hinge Account. Such remittance shall cover the amounts due appearing on the Billing Statements issued periodically by the Settlement Office.

5. Liability

IATA, the Agency Administrator, ISS Management and their employees and representatives shall not be liable to the Recipient for any loss or damage suffered by the Recipient arising out of any act done or omitted in good faith in carrying out their functions under this Agreement or any other functions which may follow from the application of the CASS-Import.

6. Encumbrances

The Recipient shall ensure that Import Charges, which are to be remitted to the Settlement Office are not pledged, hypothecated or encumbered in any way; the Recipient shall also ensure that any claim it may have against a consignee with respect to such charges is not assigned at any time.

7. Changes in CASS-Import Delivering Companies

7.1 The Agency Administrator may, from time to time during the currency of this Agreement, give written notice to the Recipient that the name of a Delivering Company is to be added to the list of CASS-Import Delivering Companies in the First Schedule hereto. The Delivering Company mentioned in the notice shall become a party to this Agreement on the date specified in the notice;

7.2 the Agency Administrator may, from time to time during the currency of this Agreement, give written notice to the Recipient that the name of a Delivering Company is to be deleted from the list of CASS-Import in the First Schedule hereto. The Delivering Company mentioned in the notice shall cease to be a party to this Agreement on the date specified in the notice.

8. Credit Protection Measures

During the currency of this Agreement, the Recipient will be required to provide a bank guarantee to be automatically renewed each year, in the form and amount, which will be determined by the Cargo Agency Conference from time to time.

9. Force Majeure

Neither party shall be liable for failure to perform its part of this Agreement when such failure is due to fire, flood strikes, labour troubles or other industrial disturbances, inevitable accidents, war (declared or undeclared), legal restrictions imposed by the national government, riots, insurrections or any cause beyond the control of the parties.

10. Assignment of Rights

The Recipient shall not assign any of its rights or obligations under this Agreement.

11. Cessation of Operations and Changes in Ownership or Control

If the Recipient ceases (or transfers) the operation of the business to which this contract relates, or if any substantial change occurs in the control of a Recipient corporation, or if a change in partners occurs in a Recipient partnership, the Recipient shall notify the Agency Administrator, through the local ISS Management, prior to the cessation, transfer or change becoming effective.

12. Governing Law and Arbitration

This Agreement shall be governed by and interpreted in accordance with the laws of (country) and any difference or dispute arising between the parties with respect to the interpretation, meaning or effect of this Agreement or relating to any rights or obligations herein contained shall be

finally settled by arbitration to be held in the (country), under the rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more Arbitrators appointed in accordance with such Rules.

13. Termination

This Agreement shall remain in force until:

- terminated by not less than 3 months' written notice given by one party to the other party
- terminated with immediate effect by the Agency Administrator upon the Recipient's non-compliance with the settlement procedures stipulated in the Local Customer Services Manual – CASS (Import).

14. Effectiveness

This Agreement shall become effective on:

.....
(Date)

On behalf of CASS Delivering Company

Signed as a Deed by an Authorised Representative of the Agency Administrator:

.....
Signed as a Deed on behalf of:

.....
(Name of Recipient)

Signatures of Recipient:

.....
(Director)

and

.....
(Director or Company Secretary)

RESOLUTION 853

Appendix 'E'

FORM OF APPLICATION AND CONCURRENCE

To be completed by a Non-IATA Air Carrier

TO:

Agency Administrator
International Air Transport Association
800 Place Victoria
P.O. Box 113
Montreal, Quebec H4Z 1M1
Canada

1. Name of Airline:
Address:
.....
2. The Airline operates scheduled air services to and from/within (country or area of the CASS-Import) (*see note 1*).
3. The Airline acknowledges that it has received **inter alia** copies of the following documents and IATA Resolutions, together with such explanation of their contents, as it requires:
 - IATA Resolution 600d, Air Waybill — Part Consignment procedures
 - IATA Resolution 853, Cargo Accounts Settlement System and its Attachment, CASS Technical Specifications Handbook
 - The ISS Service Provisions Manual Cargo
 - The Local Customer Services Manual — CASS (Import)
 - IATA Resolution 893, Disclosing another Member's Position taken at an IATA Meeting;
4. The Airline hereby applies to participate in CASS-Import (*country*) (hereinafter 'the CASS') on the following terms and conditions:
 - 4.1 The Airline authorises the Agency Administrator to give notice to the Settlement Office that the name of the Airline is to be added to the list of CASS-Import Delivering Companies in the First Schedule of the General Settlement Office Agreement.
 - 4.2 The Airline shall become a Full Participant/Billing Participant (*see Note 2*), with effect from the date when it becomes a party to the Settlement Office Agreement in accordance with the terms of that Agreement.
 - 4.3 Except as otherwise provided in Subparagraph hereof, the Airline shall be bound by the same conditions and obligations as the other CASS-Import Airlines. The Airline shall observe and be bound by the provisions of the documents listed in Paragraph 3 hereof, as well as subsequent additions, deletions or amendments thereto, as though the Airline were a Member of IATA and a party to the Resolutions or the Sections of Resolutions set out in those documents.
 - 4.4 The amounts for participation in CASS-Import (*country*) are as follows:

a) Joining fee	USD 3,500.00*
b) Non-IATA air carrier annual fee	USD 500.00
c) Annual charges in accordance with the pricing schedule communicated and published by ISS Management	

(*All amounts, plus, tax, if applicable*)
 - 4.5 The amounts specified under a) and b) above shall be payable in their entirety upon the acceptance of the present application by the Agency Administrator. The level of amounts for subsequent calendar years shall be those set from time to time by ISS Management, after consideration of the operating expenses of the CASS, and shall be payable at the beginning of each calendar year. The amounts specified under c) above shall be payable according to a payment schedule established by CASS-Import (*country*).

* Amount determined for country by ISS Management in conjunction with the CPG

- 4.6 The conditions of the Airline's participation in the CASS-Import may be amended by the Cargo Agency Conference from time to time upon serving the Airline notice, in writing, reasonably in advance of the effectiveness of such amendment.
- 4.7 The Airline's participation in the CASS-Import shall continue until either:
- 4.7.1 The Airline has (through the Agency Administrator) given thirteen calendar months' advance notice in writing to the Settlement Office of withdrawal from the General Settlement Office Agreement and such notice has become effective in accordance with the terms of the said Agreement; or
- 4.7.2 The Agency Administrator, acting on the authority of at least two-thirds of those Members of IATA participating in CASS-Import (*country*), has given to the Airline three calendar months' advance notice, in writing, of termination of the Airline's participation in CASS-Import (*country*). In the event the Agency Administrator gives such notice, he shall at the same time give notice to the Settlement Office of termination of the Airline's participation in the General Settlement Office Agreement; thereafter the Airline shall cease to be a party to that Agreement three calendar months from the date of the said notice.
5. The Airline undertakes to indemnify IATA, its officers and employees against any liability (including liability for legal costs) for any action taken or omitted in good faith in the performance of their functions with respect to the CASS-Import under Resolution 853 and its Attachment.
6. This Application may be accepted, and will then become a contract binding the parties, upon counter signature by the Agency Administrator of the enclosed duplicate copy to be returned to the Airline at the address given above.

To be completed by the Airline:

Signature:

Name:

Title:

Date:

Accepted for and on behalf of IATA Cargo Accounts Settlement System by the Agency Administrator

Signature:

Name:

Title:

Date:

Notes:

- 1) When submitting this form, the Airline is to attach a copy of its current timetable.
- 2) Indicate either "Full Participant" or "Billing Participant".

RESOLUTION 853**Appendix ‘F’**

FORM OF APPLICATION AND CONCURRENCE
To be completed by a Ground Handling Agent (GHA)

TO:

Agency Administrator
International Air Transport Association
800 Place Victoria
P.O. Box 113
Montreal, Quebec H4Z 1M1
Canada

1. Name of Airline:
Address:
.....
2. The GHA provides cargo handling services to Air Carriers who operate scheduled services to and from/within (country or area of the CASS-Import) (*see Note 2*). The Airlines represented are listed in Schedule 1 to this form (*attached*).
- 2.1 The GHA may from time to time advise the Agency Administrator that the name of an airline is to be added or deleted from the list in Schedule 1.
3. The GHA acknowledges that it has received *inter alia* copies of the following documents and IATA Resolutions, together with such explanation of their contents as it requires:
 - IATA Resolution 600d, Air Waybill — Part Consignment procedures
 - IATA Resolution 853, Cargo Accounts Settlement System and its Attachment, CASS Technical Specifications Handbook
 - The ISS Service Provisions Manual Cargo
 - The Local Customer Services Manual — CASS (Import)
 - IATA Resolution 893, Disclosing another Member's Position taken at an IATA Meeting;
4. The GHA hereby applies to participate in CASS-Import (*country*) (hereinafter called “the CASS”) on the following terms and conditions:
 - 4.1 The GHA authorises the Agency Administrator to give notice to the Settlement Office that the name of the Ground Handling Company is to be added to the list of Delivering Companies in the First Schedule of the Settlement Office Agreement;
 - 4.2 The GHA shall become a Full Participant/Billing Participant (*see Note 2*) with effect from the date when it becomes a party to the Settlement Office Agreement in accordance with the terms of that Agreement;
 - 4.3 Except as otherwise provided in Subparagraph 4.6.3, the GHA shall adhere to the procedures laid down in the relevant Resolutions and their attachments and in the Local CASS-Import Customer Manual as if it were a “carrier” in general, and as a “Full Participant” or “Billing Participant”, and therefore shall be bound by the same conditions and obligations as the other Carriers of which the following are particularly brought to notice.
 - 4.3.1 The GHA shall observe and be bound by the provisions of the documents listed in Paragraph 3 hereof, as well as subsequent additions, deletions or amendments thereto, as though the GHA were an Airline Member of IATA and a party to the Resolutions or the Sections of Resolutions set out in those documents;

4.4 The amounts for participation in CASS-Import (*country*) are as follows:

- a) Ground Handling Agent participation joining fee USD 3,500.00*
- b) GHA annual fee USD 500.00*
- c) Annual charges in accordance with the pricing schedule communicated and published by ISS Management
(*All amounts, plus, tax, if applicable*)

The amounts specified under a) and b) above shall be payable in their entirety upon the acceptance of the present application by the Agency Administrator. The level of amounts for subsequent calendar years shall be those set from time to time by ISS Management, after consideration of the operating expenses of the CASS-Import, and shall be payable at the beginning of each calendar year. The amounts specified under (c) above shall be payable according to a payment schedule established by CASS-Import (*country*).

4.5 The conditions of the GHA's participation in the CASS-Import may be amended by the Cargo Agency Conference from time to time upon serving the GHA notice, in writing, reasonably in advance of the effectiveness of such amendment.

4.6 The GHA's participation in the CASS-Import shall cease:

4.6.1 Only when the GHA has given thirteen months' advance notice, in writing, to the Settlement Office (through the Agency Administrator) of withdrawal from the Settlement Office Agreement and such notice has become effective in accordance with the terms of the said Agreement;

4.6.2 The Agency Administrator, acting on the authority of at least two-thirds of those Members of IATA participating in the CASS-Import, has given to the GHA three calendar months' advance notice in writing of termination of the GHA's participation in CASS-Import. In the event the Agency Administrator gives such notice, he shall at the same time notify the Settlement Office of termination of the GHA's participation in the Settlement Office Agreement; thereafter the GHA shall cease to be a party to that Agreement three calendar months from the date of the said notice.

5. The GHA undertakes to indemnify IATA, its officers and employees against any liability (including liability for legal costs) for any action taken or omitted in good faith in the performance of their functions with respect to the CASS-Import under Resolution 853 and its Attachment.

6. This Application may be accepted, and will then become a contract binding the parties, upon counter signature by the Agency Administrator of the enclosed duplicate copy to be returned to the GHA at the address given above.

To be completed by the GSA:

Signature:

Name:

Title:

Date:

Accepted for and on behalf of IATA Cargo Accounts Settlement System by the Agency Administrator

Signature:

Name:

Title:

Date:

Notes:

- 1) When submitting this form, the GHA is to attach a copy of a current timetable for carriers listed in the first schedule.
- 2) Indicate either "Full Participant" or "Billing Participant".

* Amount determined for country by ISS Management in conjunction with the CPG

RESOLUTION 853

Appendix 'G'

LOCAL CUSTOMER SERVICES MANUAL – CASS (IMPORT) CONTENTS

The contents of the Manual shall cover the following items in the sequence indicated below:

- Table of Contents
- List of Full Participants
- List of Billing Participants
- Glossary
- Outline of the CASS
- Local Service Provisions and Codes of Conduct
- Administrative Forms and Procedures
- IBI Completion
- Billing and Remittance Schedules
- Output Documentation
- Settlement Procedures
- Notification of Changes
- CASS Management Contacts

RESOLUTION 871

NON-AIRLINE CARGO GENERAL SALES AND SERVICE AGENTS

CAC1(33)871(except USA) (amended) Expiry: Indefinite
CAC2(33)871 (amended) Type: B
CAC3(33)871 (amended)

RESOLVED that,

1. DEFINITIONS

In this Resolution:

1.1 'NON-AIRLINE CARGO GENERAL SALES AND SERVICE AGENT' ('GSSA') means a person (including any individual, partnership, firm, association, company or corporation) appointed by the Principal to represent the Principal with respect to the promotion and sale of air cargo business for and on behalf of the Principal, either directly or by means of a sub-contract and whose name has been entered in the List of Members' GSSAs, pursuant to the present Resolution.

1.2 'AGENT' means an IATA Cargo Agent whose name is entered on the Cargo Agency List, pursuant to the Cargo Agency Rules.

1.3 'ASSOCIATE' means any Person, other than a Registered IATA Cargo Agent or an Air Carrier, which has executed an Agreement for participation in CASS-(country).

1.4 'CASS' (Cargo Accounts Settlement System-Export) means the method of accounting and settling accounts between CASS-Export Airlines on the one hand, and their Agents on the other hand, described in Resolution 851, as amended from time to time.

1.5 'PARTIES' means the Principal and the General Sales and Service Agent.

1.6 'PRINCIPAL' as used herein means an appointing Member or, in the case of a sub-contract, the original appointing Member.

1.7 'SUBCONTRACT' means the delegation of general authority to provide cargo services and cargo sales functions for the Principal by a GSSA to another party, by virtue of a written agreement which shall be subject to the conditions of this Resolution and shall require the prior written consent of the Principal.

1.8 'TERRITORY' means the geographic area and/or the customer base to which this Agreement applies.

The use of words and expressions in the singular shall, where the context permits, be taken to include their use in the plural and vice versa.

2. SERVICES AND SALES FUNCTIONS

The services to be provided by a GSSA and the function to be performed by it shall be agreed between the Principal and the GSSA and shall be set out in a written contract. A model form of GSSA agreement is found at Attachment 'D'.