

# **BOOKING POLICY**

## **LATAM AIRLINES GROUP S.A.**

## TABLE OF CONTENTS

1. INTRODUCTION	3
2. BOOKING POLICY	4
2.1 NO SHOW	4
2.2 FICTITIOUS NAMES	5
2.3 DUPLICATED BOOKINGS	6
2.4 REDUNDANT SEGMENTS	7
2.5 CHURNING	8
2.6 FICTITIOUS TICKET	10
2.7 PASSIVE SEGMENTS	11
2.8 INACTIVE SEGMENTS	11
2.9 WAITING LISTS	12
2.10 HIDDEN GROUPS	12
2.11 APPLICABLE FARES	12
2.12 MINIMUM CONNECTING TIME	12
2.13 O&D CIRCUMVENTION	13
2.14 OVERBOOKING IN CLOSED CLASS	14
2.15 ADULT BOOKINGS WITH ISSUANCE OF CHD/INF TARIFFS	16
2.16 USE OF EMD	16
3. BOOKING AUDIT	16
4. RELEVANT IATA RESOLUTIONS	17
5. GLOSSARY	25
6. ANNEX I (LATAM BOOKING AUDIT EFFECTS)	
7. ANNEX II (NET PENALTIES IN LOCAL CURRENCY)	26

## 1. INTRODUCTION

The current document defines the **LATAM booking procedures and policies which applies to LATAM Airlines Group companies** (henceforth, LATAM). For the purposes of this document, LATAM Airlines Group refers to LAN Airlines S.A and its affiliated carriers, in other words, LATAM Colombia S.A. ("LA"), LATAM Peru S.A. ("LA"), LATAM AIRLINES Ecuador ("LA"), LATAM Argentina S.A. ("LA"), and LATAM Brasil ("LA").

These policies and procedures allow optimum handling of the seat inventory on LATAM flights. This enables LATAM to put the right number of seats available for sale, minimising the unproductive spaces on the inventory which, in addition, generate a distribution and/or travel cost for LATAM. This guide is intended to help travel agents to avoid errors which could possibly generate fines, ADMs or other measures.

The policies and procedures set out herein take into account and are based on the resolutions laid down by IATA; travel agent obligations are described in the IATA resolutions 824, 830a, 850m and 049x which are attached at the end of this document. As mentioned in paragraph 3.2 of IATA resolution 824 and any other local regulation applicable, LATAM may provide this booking policy to travel agents who are obliged to comply with it. We expect the cooperation of our travel agents (internal and external, IATA/ARC and non-IATA/non-ARC) to abide by these policies and procedures as they are of mutual benefit, including our customers.

In view of the above, LATAM audits all booking transactions to identify any possible breaches of these policies and procedures. These breaches could result in fines, Agent Debit Memos (ADMs) or invoices. Repeated violations of the policy and/or failure to pay any fine/ADM/invoice may result in a modification or loss in access to the LATAM inventory, whether to look, book or issue.

If a travel agent has carried out practices which conflict with these policies and procedures, LATAM shall inform it, providing clear and documented evidence and may take the aforementioned measures.

It should be pointed out that the policies and procedures set out herein do not constitute a final list of breaches, but merely examples; with this in mind, any practice whose direct or indirect effect or purpose is to restrict, prevent or falsify the correct availability of seats on sale on LATAM flights, shall constitute a breach of our booking policies which may result in fines, Agent Debit Memos (ADMs) or invoices.

## 2. BOOKING POLICIES

### 2.1 NO SHOW

A “no show” occurs when a travel agent does not cancel a booking which is no longer required by the passenger and which may lead to an inventory loss.

LATAM has automatic programming applying to bookings on flights operated and marketed by LATAM that cancels on the same PNR all the subsequent segments to a segment with a no show.

Bookings involving No Show will be charged when:

- They have no ticket issued
- They have a ticket issued in Void, Exchange, Refund or Flown status which remain active until the flight date.

To avoid this type of irregularity, please follow the recommendations below:

- Issue immediately any tickets associated with bookings generated on the same day as the flight.
- Maintain internal control of any unissued bookings so that they do not remain active more time than necessary.
- Confirm the flight intention of passengers not issued yet.
- Cancel unissued bookings with short notice before departure.
- Create separate PNRs for separate tickets so as to avoid cancellations of non-concatenated trips (for example, when one-way fares are used)

**Example:**

```

OLQKWZ
1.1ROJAS/VICTOR
NO ITIN
TKT/TIME LIMIT
1.T-25APR
LA FACTS
PCTC DATA EXISTS - PLEASE USE *P4 TO VIEW
1.SSR FOID LA HK1/NI116639629
2.OSI LA CTCB SCL564848484 B
3.SSR DOCS LA HK1/F///CL//M//ROJAS/VICTOR
REMARKS
1.H-PLS ADV TKT NBR BEFORE 25APR18 1623 SCL LT OR AUTO CNL
2.H-PLS CHK POSS DUPE OR LAN WILL CNL AFTER 6 HRS
3.H-NOSHOW PNR QUEUED
RECEIVED FROM - HDQRM1S250723/DK0C0A75C11C76/00000040A601FBBC
D8623C0-001
RECORD LOCATOR - HDQ15QCWYDX/BA4F/75502711/SCL/15/T/CL/CLP
TTY.TTYRM1S 0223/25APR18 OLQKWZ H

*HI<<
SC      273Q 03MAY PMCBBA HK/NS1 1052 1157 /E
R-      PDCLAPMC
PMC PMC5PD 0900/03MAY18
SC      285Q 02MAY SCLPMC HK/NS1 1350 1533 /E
R-      PDCLASCL
SCL SCL5PD 1257/02MAY18
  
```

## 2.2 FICTITIOUS NAMES

Any bookings with fictitious names and/or which are not directly related with a passenger's request to buy a ticket are not allowed.

Fictitious names shall be deemed to be any names entered incorrectly or which have a high probability of not being real passengers, examples of such bookings are the ones with names on the PNR like: TRIP/A/B/C, MOUSE/MICKEY, TEST/AIRLINE.

PNRs should not be created for testing or training purposes. The training mode provided by the GDSs must be used when a functionality is being tested or travel agents are being trained.

To avoid this type of irregularity, please follow the recommendations below:

- Enter the passenger name in its complete form, without abbreviations.
- Avoid creating bookings without any intention to travel in order to quote or submit the itinerary to the passenger.
- Carry out training and testing in the TEST/Training environment of your GDS.

Example:

KXDRRQ	KXDRRQ
1.1CORTES/CORTES	1.1TEST/TEST
1 LA 1440 18NOV J SCLCJC HK1 0700 0910 /E	1 LA 1440 18NOV J SCLCJC HK1 0700 0910 /E
TKT/TIME LIMIT	TKT/TIME LIMIT
1.T-	1.T-
PHONES	PHONES
1.CRC99999999999	1.CRC99999999999
REMARKS	REMARKS
1.HR TEST	1.HR TEST
RECEIVED FROM - LC	2.H-RENAMING DETECTED
OAC - LA CRC LS 0334939	RECEIVED FROM - LC
CRC-CRC-LS.CRC8LB0 1131/15NOV17 KXDRRQ H	OAC - LA CRC LS 0334939
	CRC-CRC-LS.CRC8LB0 1131/15NOV17 KXDRRQ H

## 2.3 DUPLICATED BOOKINGS

Duplicated Booking means cases in which the same passenger is involved in several bookings at the same time, created by the same Travel agency (same PCC/Office ID), that are simultaneously active in the booking system and where it is clear that it is not possible to fly on both bookings without doing No Show in one of them.

LATAM does not allow duplicate PNRs. The creation of bookings in one or more PNRs/GDSs which are simultaneously active in systems where it is logically impossible to travel, are not allowed.

If the flights belong to a LATAM domestic route, they shall be catalogued as duplicate if the difference in the departure time between them is less than or equal to 24 hours. For flights on routes in South America, this range shall be 72 hours whilst for the other LATAM international routes it shall be 120 hours.

To avoid this type of irregularity, please follow the recommendations below:

- Check that the passenger does not hold similar bookings in the system before creating a new one (implementation of new sales protocols, use of transactions in passenger search system).
- If there is a similar booking, cancel it before creating a new PNR. As an additional recommendation, you must wait a few moments before starting to create the new PNR so that it is evident in the system that both bookings did not co-exist.
- Avoid making several bookings for the same passenger with the same itinerary and a different flight number or reservation booking designator.
- Avoid creating several bookings for the same passenger with different itineraries, but with overlapping dates or on which it is impossible for the same passenger to fly.

- In the event of parents and children with the same first name and surname, it is suggested to include in the contact field a different contact associated with each passenger or the frequent passenger number of each in order to tell them apart.
- It is recommended to include the passenger contact data and not the contact information of the Travel agency in order to distinguish between bookings of passengers with the same first name and surname created at the same Travel agency.

Example:

RTGFHY	HGTYUH
1.1RODRIGUEZ/JUANPABLO	1.1RODRIGUEZ/JUANPABLO
1 LA2245Y 22OCT M AQPLIM HK1 1805 1935	1 LA2245Y 22OCT M AQPLIM HK1 1805 1935 /E
/E	
/OPERATED BY LANPERU	/OPERATED BY LANPERU
GENERAL FACTS	GENERAL FACTS
1.OSILA CTCT LIM 5112536241	1.OSILA CTCT AQP 5222345678
REMARKS	REMARKS
1.H-FRAUD FAKE NAME CALIDRIS	1.H-FRAUD FAKE NAME CALIDRIS
RECEIVED FROM - EDIRM1G150250	RECEIVED FROM - EDIRM1G456070
D5C0-001	D5C0-001
RECORD LOCATOR - SWI1GXXXXXX	RECORD LOCATOR - SWI1GXXXXXX
TTY.TTYRM1G 2050/14NOV12 RTGFHY H	TTY.TTYRM1G 2100/14NOV12 HGTYUH H

## 2.4 REDUNDANT SEGMENTS

When two segments co-exist in a booking which have the same origin and destination, in which the difference in dates between them makes it impossible for the passenger (according to that stated in the paragraph below) to fly in both segments, the existence of an irregularity owing to Redundant Segment is established.

LATAM does not allow duplicate segments. The creation of bookings in one or more PNRs/GDSs which are simultaneously active in systems where it is logically impossible to travel, are not allowed.

The criteria used to determine when two segments with the same origin and destination are regarded as redundant are exactly the same as those used for duplicated bookings: 24 hours for flights on LATAM domestic routes, 72 hours for flights on routes in South America and 120 hours for all other flights on international routes.

To avoid this type of irregularity, please follow the recommendations below:

- Avoid duplicating a routing partially within a booking, same segment with a different flight number or date.
- Avoid creating itineraries which are difficult or impossible to fly.
- If it is necessary to change a flight, cancel the original flights before booking the new ones

- If the above is impossible, you are recommended to follow the timeframes determined to put in order each of the cases.

**Example:**

```
EDRFTG
1.1ECHEVERRIA/JUAN 2.1RODRIGUEZ/JUANCARLOS
1LA2115L 12NOV M LIMAQP HK2 0500 0625 /E
/OPERATED BY LANPERU
1LA2145L 14NOV M AQPLIM HK2 0800 0925 /E
/OPERATED BY LANPERU
2LA2115L 12NOV M LIMAQP HK2 0500 0625 /E
/OPERATED BY LANPERU
REMARKS
21.H-FRAUD REDUNDANT SEGMENT CALIDRIS
22.H-REDUDANT SEGMENT QUEUED
RECEIVED FROM - HDQRM1SXXXXXX
CFA218A-001
RECORD LOCATOR - HDQ1SXXXXXX/XXXX
TTY.TTYRM1S 1259/10NOV15 EDRFTG H
```

} Same segments confirmed in one single booking

## 2.5 CHURNING

All bookings created on the GDS must be issued in accordance with fare rules or cancelled immediately on the GDS before the departure date, when they are no longer required by the passenger.

Cancelling and rebooking the same itinerary on the same or a different service class in one or more PNR or GDS to circumvent or extend the ticketing time limit is not allowed. Creating and cancelling on repeated occasions the same segment, travel date, the same or different flight number and the same passenger in the same booking or different bookings shall be regarded as Churning as from the fourth cancellation and the fifth relocation for the same segment.

To avoid this type of irregularity, please follow the recommendations below:

- Only make changes to a booking when the passenger so requests, without exceeding the maximum permitted (4 cancellations) • Issue on the fourth booking.
- Avoid circumventing the ticketing time limit by cancelling and relocating segments.



### Example

COQDCX

1.1SCOTT/JEFFREY WAYNE 2.1MERRITT/PATRICIA  
 1 LA7552Y 14DEC Q AEPSLA HK2 1230 1450 HRS /E  
 /OPERATED BY LATAM AIRLINES ARGENTINA  
 2 LA 347Y 23DEC J CJCSCS HK2 1819 2019 HRS /E  
 /OPERATED BY LATAM AIRLINES CHILE  
 3 LA 69Y 24DEC S SCLMHC HK2 1000 1155 HRS /E  
 4 LA 274Y 02JAN T BBASCL HK2 1727 1944 HRS /E  
 /OPERATED BY LATAM AIRLINES CHILE

TKT/TIME LIMIT

1.T-13JUN  
 2.TE 0458679387567-68 SCOTT/J SYSSYS 1349/13JUN\*  
 3.TE 0458679387569-70 MERRI/P SYSSYS 1349/13JUN\*

VCR COUPON DATA EXISTS \*VI TO DISPLAY

GENERAL FACTS

2.OSI YY CTCT SFO 415 922-0448 GEOGRAPHIC EXPEDITIONS  
 3.OSI LA SC.REAC 2133/23MAY17  
 7.OSI LA SC.REAC 0339/12NOV17

REMARKS

1.H-TTL TTOO WILL BE APPLIED  
 2.H-PLS ADV TKT NBR BEFORE 14NOV17 1805 NYC LT OR AUTO CNL  
 3.H-PLS ADV TKT NBR BEFORE 13NOV17 0105 NYC LT OR AUTO CNL  
 4.H-PLS ADV TKT NBR BEFORE 13NOV17 2305 NYC LT OR AUTO CNL  
 5.H-PLS CHK POSS DUPE OR LAN WILL CNL AFTER 12 HRS  
 6.H-PLS ADV TKT NBR BEFORE 14NOV17 1505 BUE LT OR AUTO CNL  
 7.H-PLS ADV TKT NBR BEFORE 14NOV17 1145 BUE LT OR AUTO CNL ‡  
 8.H-POSSIBLE CHURNING ‡

\*HI

XS 273Y 29DEC PMCBBA SC/HK2 1527 1634 HRS/E ‡  
 AS 273Y 28DEC PMCBBA HS/HK2 1527 1634 /E  
 R- EDIRM1A12162016 4CCD2C62-001  
 TTY TTYRM1A 1120/12JUN17  
 SC 347Y 23DEC CJCSCS HK/WK2 1710 1914 HRS/E  
 AS 347Y 23DEC CJCSCS SC/KK2 1819 2019 HRS/E  
 SC 273Y 29DEC PMCBBA HK/WK2 1522 1630 HRS/E  
 AS 273Y 29DEC PMCBBA SC/KK2 1527 1634 HRS/E  
 R- SC.REAC 2133/23MAY17  
 AS 69Y 24DEC SCLMHC HS/HK2 1000 1155 HRS/E  
 R- EDIRM1A22192651 9A1FFE81-001 BPR  
 TTY TTYRM1A 1426/22MAY17  
 XS 347L 23DEC CJCSCS HS/HK2 1710 1914 /E  
 XS 274L 02JAN BBASCL HS/HK2 1730 1950 /E  
 AS 347Y 23DEC CJCSCS HS/HK2 1710 1914 /E  
 AS 274Y 02JAN BBASCL HS/HK2 1730 1950 /E  
 R- EDIRM1A27010635 4C386131-001  
 TTY TTYRM1A 2006/26APR17  
 XS 341Y 23DEC CJCSCS HS/HK2 1454 1658 HRS/E ‡  
 MD#  
 AS 347L 23DEC CJCSCS HS/HK2 1710 1914 /E ‡  
 AS 274L 02JAN BBASCL HS/HK2 1730 1950 /E  
 R- EDIRM1A27010613 4A212097-001  
 TTY TTYRM1A 2006/26APR17  
 XS 7550L 14DEC AEPSLA HS/HK2 0845 1105 HRS/E  
 XS 341L 23DEC CJCSCS HS/HK2 1454 1658 HRS/E  
 XS 273L 29DEC PMCBBA HS/HK2 1522 1630 HRS/E

## 2.6 FICTITIOUS TICKET

Each PNR has a date and time at which the issuance of the respective tickets is requested. Each fare has its own ticketing time limit which is determined in the paragraph of CAT 5/AP. If there is any discrepancy between the ticketing time limit in the system and the encoded content in CAT 5 of the fare, the most restrictive ticketing time limit shall be regarded as valid.

LATAM has automatic programming which cancels segments when the issuance has not occurred within the times determined. In cases of PNRs with multiple names and in which there are ticket numbers issued only for some names, LATAM shall split the PNR and the names without any associated ticket number shall be cancelled.

A false ticket number is regarded as an intention to circumvent the ticketing time limit. A false ticket is taken to have different numbering from a real ticket, including in the ticket format in the booking. Some examples of this malpractice are the input of the following data in the ticket field:

- Totally fictitious numbering.
- Real numbers used previously in other bookings.
- Ticket issued for a route which is different from that booked.
- Ticket issued in the name of someone different from the booking.
- Cancelled ticket.
- Ticket with invalid check digit.
- MCO or any other form of accounting used as fictitious ticket.
- Ticket numbers entered incorrectly.

To avoid this type of irregularity, please follow the recommendations below:

- Refrain from creating bookings and entering an invalid ticket number with the intention of preventing the airline from cancelling said booking or to block the airline inventory.
- Avoid issuing tickets in the booking and then voiding them with the intention of keeping the inventory blocked.
- If you void a ticket, cancel the booking immediately so that the seats do not remain blocked.

#### Example:

```

CWEDHC
1.1HA/KANG SOO MR
1 LA 600N 29FEB M SCLLAX HK1 2255 0730 01MART HRS /E
2 OZ 201E 01MART LAXICN HK1 1100 1730 02MAR W /E
TKT/TIME LIMIT
1.T-03FEB
2.TK 9883749162947 HA/K SYSSYS 0424/03FEB
TICKETING DATA EXISTS - *T TO DISPLAY
SEATS/BOARDING PASS
1 LA 600N 29FEB SCLLAX HK 31D NA 1.1 HA/KANG SOO MR
1 LA 600N 29FEB SCLLAX HK 31F N 2.1 HAKIM/CHUNG IN MRS
LA FACTS
1.OSI LA CTCT SCL 562 22476277 OK CORPORATION LTDA.
2.SSR TKNM LA HK1 SCLLAX0600N29FEB/9883749162947
3.SSR TKNM LA HK1 SCLLAX0600N29FEB/9883749162948
4.SSR SEAT LA LK2 SCLLAX0600N29FEB.31D31F/RS
GENERAL FACTS‡

VCR*9883749162947«
TICKET NUMBER NOT FOUND

VCRH*9883749162947«
‡TICKET NUMBER NOT FOUND IN HISTORICAL DATABASE‡

VCRH*9883749162947*H«
‡TICKET NUMBER NOT FOUND IN HISTORICAL DATABASE‡

```

## 2.7 PASSIVE SEGMENTS

LATAM only allows the creation of passive segments (which have status: AK, BK, BL, GK, GL, MK, PK, PL, DS, YK) when the booking belongs to a group so that tickets can be issued. LATAM does not allow the creation of passive segments associated with individual passenger bookings or for administrative or other purposes.

To avoid this type of irregularity, please follow the recommendations below:

- In order not to incur in this practice, the passive segment generated must be cancelled when individual bookings are involved so as not to leave a segment with passive status in the active individual booking.
- Only use the passive segments to issue tickets in group bookings (with 10 or more passengers) and its split bookings

## 2.8 INACTIVE SEGMENTS

In line with industry standards, airlines respond to certain booking requests with status codes like HX, NO, UC, US and UN which are generated by processes of the Host of each airline or by automatic

applications (such as dupe checks, notifications of passive segments or others). These responses occur in cases in which LATAM Booking policies have not been respected or when it is not possible to confirm the sale on LATAM flights or on itinerary changes.

All inactive segments with codes such as HX/NO/UC/UN/US must be eliminated at least 24 hours before flight departure. The Travel agency is responsible for checking the queues and cancelling the segments on a daily basis in order to avoid charges for uncanceled segments.

To avoid this type of irregularity, please follow the recommendations below:

- Check the queues of your respective system on a daily basis and cancel all segments with HX/NO/UC/UN/US status on a daily basis.

## **2.9 WAITING LISTS**

The segments on a waiting list enable passengers to be listed on a flight in the service class they prefer but remain pending of confirmation in accordance with availability and priority. LATAM does not allow agencies to book this type of segments under any circumstances.

## **2.10 HIDDEN GROUPS**

The LATAM group policy determines that 10 or more passengers travelling to and from a sector together in Economy and/or Business class constitute a group booking, regardless of the fare paid.

A hidden group is considered to be several individual bookings which, as a whole, form a group, in other words, 10 or more passengers in the same O&D for the same flight date and created by the same Travel agency. LATAM informs travel agents that hidden group bookings are subject to cancellation by means of a response with HX status in the PNR to whosoever made the booking.

## **2.11 APPLICABLE FARES**

The agent commits to offer its customers the fares that LATAM has available in its system at the time of the booking and/or purchase in accordance with the applicable and published regulations and standards and the legislation in force. In particular, the agent must offer, book and issue the fares applicable in the country in which the booking is made in accordance with the registered IATA code of the Travel agency.

## **2.12 MINIMUM CONNECTING TIME**

In order for passengers to be able to take their connecting flights without any problems, it must be ensured that there is enough time between the arrival of the first flight and the departure of the following one. The time between flights is known as the minimum connecting time and it needs to be taken into account in order to be able to carry out the security checks and any terminal change,

if necessary. The minimum connecting time (MCT) is specified in the GDSs and it varies in line with the airport, the connection type and the airlines between which the connection is made.

It is not allowed to generate bookings which contain connecting flights whose connecting time is less than that required in the MCT table specified in the GDS.

## **2.13 O&D CIRCUMVENTION**

When LATAM submits an availability level for an origin-destination (O&D) requested by the travel agent, the latter could be different from the availability level submitted if the flight segments are requested separately and not under a full O&D scheme.

LATAM strictly forbids any manipulation of these bookings and their subsequent tickets, such manipulations will be known as O&D Circumvention. The O&D present in the PNR must clearly show the availability requested at the time of generating the booking as set out in IATA resolution 830a, section 1.

Any PNR which have not been booked in line with the availability submitted for this O&D or which contains bookings received by means of manipulations before or after ET, are monitored. When said manipulations are detected, LATAM shall be entitled to cancel the PNR if it has not been issued yet, and/or to charge an ADM/Invoice if the PNR has already been issued.

The travel agents who issue these bookings are responsible for this malpractice even if it is not the agents who originally generated the booking, as by issuing said bookings they take full responsibility for them.

When an PNR is created or modified, the travel itinerary must be booked in the order in which it will be used. Complete O&D availability is mandatory, regardless of whether the booking includes only LATAM flights and/or includes codeshare flights and/or flights from other airlines. The O&D availability requested must reflect and ensure the minimum authorised connecting times.

To avoid this type of irregularity, please follow the recommendations below:

- Book PNRs based on full O&D availability
- When there is re-booking or changes in the booking, all the connecting segments of an O&D must be cancelled
- Re-bookings or changes must be carried out of all new segments selected in an O&D on the same entry
- Do not circumvent the O&D logic by trying to achieve a space in a closed class in order to obtain a lower fare that does not apply, owing to the fact that there is no longer any availability for the service class requested.

## **2.14 OVERBOOKING IN CLOSED CLASS**

This refers to the forced sale of flight segments in closed classes and they are identified as overbooking in the LATAM inventory.

Overbooking in a closed class is deemed to be those bookings made in a service class which is not available for sale and which has been confirmed by the travel agent in a forced manner by using a series of entries to circumvent the system logic (GDS/Host).

To avoid this type of irregularity, please follow the recommendations below:

- Book segments based on availability, in other words, only book service classes which are available
- Do not try to sell spaces in closed classes using entries which circumvent the system logic, trying to confirm classes which are not available for sale.

**Example:**

YPCZLN  
 1.1NOGUEIRA/NESTORJOSE 2.1RIOS/LITTA  
 1 LA2242Q 23DEC J LIMIQT HK2 1910 2105 /E  
 /OPERATED BY LATAM AIRLINES PERU  
 2 LA2243Q 25DEC M IQTLIM HK2 2145 2330 /E  
 /OPERATED BY LATAM AIRLINES PERU  
 TKT/TIME LIMIT  
 1.T-05NOV  
 2.TE 5445946579247 NOGUE/N SYSSYS 1401/05NOV\*  
 3.TE 5445946579248 RIOS/L SYSSYS 1401/05NOV\*  
 VCR COUPON DATA EXISTS \*VI TO DISPLAY  
 TICKETING DATA EXISTS - \*T TO DISPLAY  
 LA FACTS  
 1.SSR FOID LA HK1/NI76064461  
 2.SSR FOID LA HK1/NI73174108  
 3.OSI LA CTCP CKP511 720031 TCTC  
 REMARKS  
 1.H-PLS ADV TKT NBR BEFORE 05NOV17 1719 LIM LT OR AUTO CNL  
 RECEIVED FROM - WSPRM1POS1919/DKAS434F100139203/000000122802012  
 6 7FD6589C-001  
 RECORD LOCATOR - HDQ1POL7EP7/6TS/99003774/LIM/1P/T/PE//GS  
 TTY.TTYRM1P 1319/05NOV17 YPCZLN H  
 ===== PNR SEGMENT HISTORY =====  
 NO HIST

===== PNR SEGMENT HISTORY =====  
 VIH2242/23DEC\*Q  
 12.AU 0355/19OCT PROS \* Z  
 LIM Q OLD 0 NEW 30  
 6.AU 0340/30AUG PROS \* Z  
 LIM Q OLD 100 NEW 0  
 2.AU 0404/26AUG PROS \* Z  
 LIM Q OLD 0 NEW 100  
 1.AU 1930/22AUG REAPPLY  
 LIM Q OLD 0 NEW 0  
 END  
 VIL2242/23DECLIM-AVS  
 2242 LIM FACTS  
 EQUIP 320  
 CL AC AU SA SS AS  
 Y 174 188 105 0 83  
 B 186 103 0  
 H 184 101 0  
 K 182 99 0  
 M 151 68 0  
 L 138 55 0  
 V 125 42 1  
 X 110 28 0  
 S 92 10 6 CR  
 N 74 -2 43 CL  
 Q 30 -3 30 CL  
 O 0 -3 0 CL SL  
 G 0 -3 0 CL SL  
 T 0 -3 3 CL  
 A 0 -3 0 CL  
 E 0 -3 0 CL  
 FPI-A E G N O Q S T



## **2.15 ADULT BOOKINGS WITH ISSUANCE OF CHD/INF TARIFFS**

All bookings must have in the name field the identification of the passenger type (ADT, CHD, INF), otherwise it will be assumed to be an adult passenger (ADT).

It is not permitted to log in a passenger type (ADT, CHD, INF) which is not consistent with the real age of the passenger at the time of the journey which is determined in CAT 1 (Eligibility) or CAT 19 (Children Discounts) of the tariffs.

## **2.16 USE OF EMD**

An EMD is defined by IATA resolutions 725f, 725g and 725h as the method for documenting a sale and tracking the use of some charges (for example, rebooking fee, ASR and FBAG).

An EMD is issued for a certain Reason for Issuance Code (RFIC) which determines the group of services/purposes it contains. Each coupon of an EMD has a precise Reason for Issuance Subcode (RFICSC) which determines the specific service/charge which generates, within the RFIC category. In addition, the value of each EMD is provided by the tariff Brand chosen and this value cannot be manipulated.

An EMD may contain one single coupon or several coupons with different values where up to 4 coupons may have the same number of EMD. If an EMD contains more than 4 coupons, an associated EMD must be issued (up to 4 different document numbers).

Each coupon of an EMD has the following characteristics:

- 1) Indicates the service paid (or charge)
- 2) Contains an RFIC and an RFICSC
- 3) It belongs to the same RFIC as all the other EMD coupons
- 4) It has its own status (for example, open, used, void, refunded)

## **3. BOOKING AUDIT**

LATAM Airlines Group states that if a booking audit shows that practices have been committed such as those set out below (this list is not exhaustive nor necessarily final), the travel agents will see effects like those described in the attached document "LATAM Airlines Bookings Audit Effects":

- Booking manipulation (for example: O&D Circumvention, Married Segment breakage, overbooking in closed class)
- No show
- Fictitious names
- Duplicate Bookings
- Redundant Segments
- Churning



- Fictitious ticket
- Passive and/or inactive segments
- Passengers/Segments on waiting lists (WL)
- Hidden groups
- Application of incorrect tariffs (cross border selling), set out in point 2.11
- Violation of minimum connecting times
- Adult bookings with issuance of CHD/INF tariffs
- Incorrect usage of EMD
- Taxes, fees and surcharges missing, altered or miscalculated
- Incomplete use or usage out-of-sequence of the coupons of a ticket
- Obtaining cheaper fares with a fictitious roundtrip
- Obtaining cheaper fares with a fictitious initial/final coupon

## 4. RELEVANT IATA RESOLUTIONS

The resolutions issued by IATA, some of which have been described below, form the basis for the air industry distribution system and they are considered to sustain the construction and application of the LATAM booking policies and procedures described in this document. These resolutions provide the terms & conditions that the requesting parties and the Accredited Agents have to comply with to make sales on behalf of the IATA member airlines, in other words, they are mandatory.

All the terms defined below in IATA resolutions are applicable, without prejudice to the above, and LATAM will not necessarily copy the complete resolution but rather the paragraphs which are relevant for this document. Said resolutions are transcribed in the original language provided by IATA.

### **IATA Resolution 824, section 3.1 and 3.2 Passenger Sales Agency Agreements**

“3.1 the Agent is authorized to sell air passenger transportation on the services of the Carrier and on the services of other air carriers as authorized by the Carrier. The sale of air passenger transportation means all activities necessary to provide a passenger with a valid contract of carriage including but not limited to the issuance of a valid Traffic Document and the collection of monies therefor. The Agent is also authorized to sell such ancillary and other services as the Carrier may authorize;”

“3.2 all services sold pursuant to this Agreement shall be sold on behalf of the Carrier and in compliance with Carrier’s tariffs, conditions of carriage and the written instructions of the Carrier as provided to the Agent. The Agent shall not in any way vary or modify the terms and conditions set forth in any Traffic Document used for services provided by the Carrier, and the Agent shall complete these documents in the manner prescribed by the Carrier;”

## **IATA Resolution 830a, section 1 Consequences of Violation of Ticketing and Reservation Procedures**

WHEREAS IATA Members are granting IATA Accredited Agents access to Standard Traffic Documents; and

WHEREAS custody, completion, issue, reissue, validation and revalidation of such traffic documents are governed by Members' tariffs and the ticketing procedures furnished to Agents through ticketing systems, and as described in the Travel Agent's Handbook, copies of which are furnished to Agents by the Agency Administrator and compliance with which is mandatory upon each Agent under the terms of the Passenger Sales Agency Agreement; it is

RESOLVED that,

1. all Agents be reminded that practices such as those listed herein, in other applicable Resolutions, or in Carriers' written instructions, but not limited thereto, violate the governing conditions referred to above. They harm Members' legitimate interests and can accordingly result in action being taken under the provisions of the Sales Agency Rules and Passenger Sales Agency Agreement. e.g. charging the Agent with the difference between the fare applied and the fare applicable to the service in accordance with Members' tariffs.

- 1.1 entering incomplete or incorrect reservation entries, such as reservation booking designators that do not correspond to the fare paid, or reservation requests on a ticket/miscellaneous charges order (MCO), thereby allowing travel at less than the applicable fare,
- 1.2 inaccurately completing or omitting to complete the 'not valid before' and/or 'not valid after' boxes on a ticket contrary to the conditions governing the fare applied, thereby allowing travel at less than the applicable fare,
- 1.3 issuing a ticket or MCO for more than one passenger, except as authorized for certain MCOs,
- 1.4 changing or omitting the name of the passenger,
- 1.5 changing the "Form of Payment" or failing to carry this forward to the new ticket or MCO,
- 1.6 changing the currency of payment or failing to carry this forward to the new ticket or MCO,
- 1.7 failing to carry forward all restrictions to the new ticket or MCO,
- 1.8 failing to obtain endorsement(s) from carriers when required,
- 1.9 failing to complete correctly the "Issued in Exchange For" entries and/or the "Original Issue" entries, and/or failing to carry these forward to the new ticket or MCO,
- 1.10 failing to ensure that when conjunction tickets or MCOs are issued, the conjunction ticket or

MCO numbers are shown on all conjunction tickets or MCOs,

- 1.11 changing the point of origin,
- 1.12 issuing/selling a ticket with a fictitious point of origin or destination in order to undercut the applicable fare (cross border selling),
- 1.13 failing to observe the applicable rules for Designation and Selection of Ticketing Airline (Resolution 852) and/or designating transportation on such parties' services where a

valid interline agreement between the ticketing airline and the transporting party does not exist,

- 1.14 cancelling or amending a customer booking and/or Electronic Ticket without the express permission of that customer,
- 1.15 deliberately making duplicate reservations for the same customer,
- 1.16 when reservations for a group are not confirmed, attempting to secure the required service by requesting this in smaller numbers in individual transactions,
- 1.17 making reservation transactions without the specific request of a customer and/or,
- 1.18 making an amendment to a booking that has previously been issued as an eticket without either revalidating or reissuing, as applicable, the original ticket to reflect the new itinerary and/or,
- 1.19 voiding tickets without cancelling corresponding reservations and/or,
- 1.20 failing to split PNRs in cases where not all passengers included in the PNR are ticketed and/or,
- 1.21 failing to observe the prescribed minimum connecting times.

### **IATA Resolution 850m, Issue and Processing of Agency Debit Memos (ADMs)**

WHEREAS the Passenger Agency Conference (“the Conference”) wishes to promote a consistent and standard set of rules for BSP practices,

#### **1. INTRODUCTION**

- 1.1 The ADM serves to notify an Agent that unless there is some justification to the contrary, the Agent owes the issuing BSP Airline the amount shown on the ADM for the reasons indicated.
- 1.2 ADMs are a legitimate accounting tool for use by all BSP Airlines to collect amounts or make adjustments to Agent transactions in respect of the issuance and use of Standard Traffic Documents issued by the Agent. Alternative uses of ADMs may exist provided that consultation has taken place either individually with the Agent or a local representation of Agents, or through the applicable local joint consultative forum.
- 1.3 ADMs are to be specific in their detail as to why a charge is being made.

#### **2. AIRLINE POLICY**

- 2.1 Airlines are required to publish their ADM policies to Agents through BSPLink (ASD in China) in advance of Implementation.
- 2.2 Where possible the model shown in the Attachment to this Resolution should be applied.

#### **3. BSP PROCESSING OF ADMs**

- 3.1 ADMs shall only be processed through the BSP if issued within nine months of the final travel date. ADMs referring to refunds made by the Agent shall be processed through

the BSP if issued within nine months after such refund has been made by the Agent. Any debit action initiated beyond this period shall be handled directly between the BSP Airline and the Agent.

- 3.2 ADMs/ACMs may be processed through the BSP, for a maximum period of 30 days following default action taken against an Agent in accordance with Resolution 818g, Attachment 'A', Section 1.10.

#### 4. ISSUANCE PRINCIPLES

- 4.1 Airlines should consider establishing policies for a minimum value for the issuance of a single ADM. Where such minimum is established it may be published to Agents.
- 4.2 In principle ADMs should not be raised for the collection of administrative fees.
- 4.3 If there is an administrative cost associated with the raising of an ADM it should be incorporated in the same ADM document raised for the adjustment. The inclusion of the administration fee must be communicated to the agent.
- 4.4 Airlines shall provide Agents with the phone or fax number and email address of a person or department that has knowledge of the concerned ADM.
- 4.4.1 Whenever a Fare Calculation Mode Indicator (FCMI) has been provided by a ticketing system to the Airline, the Airline shall include the FCMI in any ADM raised to an Agent.
- 4.5 An Agent shall have a maximum of 15 days in which to review and dispute an ADM prior to its submission to BSP for processing.
- 4.6 all disputes are to be settled by the Airline within 60 days of receipt.
- 4.7 If it is established that an ADM is not valid it must be cancelled.
- 4.8 Where ADMs are withdrawn by BSP Airlines, any administration fee that may have been levied will be withdrawn, or refunded to the Agent. In the event the ADM is refunded to the Agent, the Airline cannot charge an administrative fee associated to the refund.
- 4.9 Following consultation and if both parties agree a disputed ADM may be referred to the Travel Agency Commissioner to be resolved.
- 4.10 An ADM that has been included in the BSP billing will be processed for payment. Any subsequent dispute of such ADM, if it is upheld by the Airline, will be dealt with directly and where applicable may result in the issue of an Agency Credit Memo (ACM).

#### ISSUE AND PROCESSING OF AGENCY DEBIT MEMOS (ADM's)

It is RESOLVED that the following principles will be

#### MODEL ADM INDUSTRY PROCEDURES

##### 1. DESCRIPTION

- 1.1 ADMs are a legitimate accounting tool for use by all BSP Airlines and should only be used to collect amounts or make adjustments to agent transactions in respect of the issuance and use of Traffic Documents issued by or at the request of the Agent.
- 1.2 Alternative uses of ADMs may exist provided that consultation has taken place either individually with the Agent or through the applicable local joint consultative forum
- 1.3 ADMs are to be specific in their detail as to why a charge is being made.

- 1.4 Any ADM relates to a specific transaction only, and may not be used to group unrelated transactions together, however, more than one charge can be included on one ADM if the reason for the charge is the same, and a detailed supporting list is provided with the ADM.
- 1.5 In the event an airline decides to apply a charge for under-collection or incorrect ticketing on a sale or for the adjustment of a refund issued incorrectly or incorrectly calculated, such charges must be clearly explained in the carriers published ADM policy or must be agreed with Agents bilaterally in writing.
- 1.6 No more than one ADM should be raised in relation to the same original ticket issuance. When more than one ADM is raised in relation to the same ticket it shall be specified for a different adjustment to previous issues.
- 1.7 All rejected or disputed ADMs must be handled by BSP Airlines in a timely manner.
- 1.8 Except where otherwise agreed in a market ADMs should not be used to collect third party costs not directly associated with the initial ticket issuance of a passenger journey.
- 1.9 When ADMs are raised for administration fees the level of such fees should be commensurate with the cost of the work incurred.
- 1.10 When the Agent has used an automated pricing system to generate the total ticket price including fare, tax, fees and charges specific to the purchase, and subsequent issuance, of a ticket for a journey, and there has been absolutely no manipulation by the Agent, on such price the ticketing systems shall send a Fare Calculation Mode Indicator (FCMI) to the airline, in accordance with the provisions of IATA PSC Resolutions 722f and 722g, to identify automated pricing has been used. The airline shall ensure the FCMI indicator is passed to an Agent in the event an ADM is issued.

#### **IATA Resolution 049x, Fare Changes (Travel Agent's Handbook)**

"Resolved that:

1. Transportation shall be subject to the fares and charges in effect on the date on which full payment is made, for travel on the specific dates and journey shown on the ticket
2. Provided no voluntary change is made to the originating flight, no increase in fare effected through a change in fare level, a change in conditions governing the fare, or cancellation of the fare itself, shall apply
3. In the event of a voluntary change to the originating flight, the fares and charges for the passenger's journey shall be recalculated in accordance with the fares and charges in effect on the date on which the change is made and is reflected on the ticket
4. in the event payment is made prior to confirmation of reservations for the originating flight, the fares and charges for the passenger's journey shall be recalculated in accordance with the fares and charges in effect on the date on which the confirmation is made"

#### **725f Electronic Miscellaneous Document – Airline**

#### **725g Electronic Miscellaneous Document – Neutral**

#### **725h Electronic Miscellaneous Document – Ground Handling**

## 5. GLOSSARY

Abbreviation	Description
ACM	Agency Credit Memo
ADM	Agency Debit Memo
BSP	Billing and Settlement Plan
CAT	Tariff note category
EMD	Electronic Miscellaneous Document
ET	End of Transaction
GDS	Global Distribution System
IATA	International Air Transport Association
O&D	Origin-Destination
PNR	Passenger Name Record
RBD	Reservation Booking Designator

## ANNEX I LATAM AIRLINES BOOKING AUDIT EFFECTS

LATAM audits all booking transactions to identify any possible breaches of policies and procedures described in LATAM Booking Policy, available in LATAM Trade site. These breaches, if any, could result in fines, Agent Debit Memos (ADMs) or invoices. Repeated violations of the policy and/or failure to pay any fine/ADM/invoice may result in a modification or loss in access to the LATAM inventory, whether to look, book or issue.

If a travel agent has carried out practices which conflict with these policies and procedures, LATAM shall inform it, providing clear and documented evidence and may take the aforementioned measures. The billing process for the above mentioned fines/ADM/invoices shall take place via regular ADM/Invoice process currently defined for every agency in particular.

It should be pointed out that the policies and procedures set out herein do not constitute a final list of breaches, but merely examples; with this in mind, LATAM reserves the right to add new breaches with their corresponding penalty, also to modify penalty charts, prior notice to agents.

## NET PENALTIES FOR EACH TYPE OF POLICY BREACH

The company is monitoring all bookings created in your inventory to ensure compliance with booking procedures described in the Booking Policies and Procedures, published in preferred partners club.com. In the event the audit discovers irregularities, this will derive in fines, Agent Debit Memos (ADMs) or invoices to travel agents. Repeated violations to policy and/or failure to pay any fine/ADM/invoice can result in modification to LATAM inventory access (reserve and/or issue).

### NO SHOW:

PAX-SEGMENT/CABIN	Economy	Premium Economy	Premium Business
Domestic	USD 20	-	-
Within South America	USD 50	USD 75	USD 100
Long Haul	USD 100	USD 150	USD 200

(\*) Passenger segment values; taxes not included

FICTITIOUS NAMES, DUPLICATE BOOKINGS, REDUNDANT SEGMENTS, CHURNING, PASSIVE SEGMENTS, INACTIVE SEGMENTS, WAIT LIST, HIDDEN GROUPS, MINIMUM CONNECTION TIME, ADULT FARES ISSUED AS CHD/INF & EMD:

PAX-SEGMENT/CABIN	Economy	Premium Economy	Premium Business
Domestic	USD 15	-	-
Within South America	USD 20	USD 30	USD 50
Long Haul	USD 50	USD 75	USD 100

(\*) Passenger-segment values, taxes not included

INVALID TICKET, APPLICABLE FARES, MARRIED SEGMENTS, OVERBOOKING IN CLASSES ALREADY CLOSED:

PAX-SEGMENT/CABIN	Economy	Premium Economy	Premium Business
Domestic	USD 150	-	-
Within South America	USD 150	USD 150	USD 150
Long Haul	USD 150	USD 150	USD 150

w(\*) Passenger-segment values, taxes not included<sup>4</sup>

Communication and collection process:

After the sales month closing date, information and communication will be processed as follows:

01-10 days, LATAM will process data for each type of irregularity

11-25 days, LATAM will send out the information; agency appeal period begins

26-50 days, ADM collection will be made through ARC; agency appeal period continues

As of September 11st, all information will be sent via zendex through this account **<https://rprotectionlatam.zendesk.com>** (within your servers to avoid receiving it as spam), and the appeal channel will be accessed through this link **<https://rprotectionlatam.zendesk.com/hc/en-us/requests/new>**

LATAM reserves the right to incorporate new irregularity and charge penalties estimated following prior information. LATAM also reserves the right to change rates related to irregularity charges.



O&D Circumvention is identified through LATAM PSS system (HOST), since GDSs don't always leave a traceable mark in the PNR to identify this kind of breach. In case this penalty is disputed by the travel agent, LATAM will send as evidence: (i) PNR history, if the GDS left a traceable mark of the breach, or (ii) information from LATAMs PSS system describing the original O&D availability request and the final O&D present in the PNR.

Overbooking in Closed Class is identified through LATAM PSS system (HOST), since GDSs don't always leave a traceable mark in the PNR to identify this kind of breach. In case this penalty is disputed by the travel agent, LATAM will send information from LATAMs PSS system as evidence.

**Valeria Alvano**

Gerente General Oceania LATAM Airlines



## ANNEX II

### NET PENALTIES IN LOCAL CURRENCY

Country Code	Moneda	Fee ADM	Churning	No show	DUPE	REDU	Fake Name	Married Segment	
								Economy	Premium
AE	AED	100	21	21	21	21	320	1,065	1,704
AT	EUR	20	5	5	5	5	75	250	400
BE	EUR	20	5	5	5	5	75	250	400
BG	BGN	40	10	10	10	10	147	490	784
BH	BHD	10	2	2	2	2	33	110	176
CY	EUR	20	5	5	5	5	75	250	400
CZ	CZK	500	128	128	128	128	1,925	6,415	10,264
CH	CHF	25	6	6	6	6	85	283	452
DE	EUR	10	5	5	5	5	75	250	400
DK	DKK	150	37	37	37	37	560	1,865	2,984
EE	EUR	20	5	5	5	5	75	250	400
EG	EGP	180	103	103	103	103	1,550	5,168	8,268
ES	EUR	20	5	5	5	5	75	250	400
FI	EUR	20	5	5	5	5	75	250	400

FR	EUR	15	5	5	5	5	75	250	400
GB	GBP	25	4	4	4	4	67	223	356
GR	EUR	20	5	5	5	5	75	250	400
HR	HRK	150	37	37	37	37	557	1,855	2,968
HU	HUF	6	1,623	1,623	1,623	1,623	24,345	81,150	129,840
IE	EUR	25	5	5	5	5	75	250	400
IL	USD	25	6	6	6	6	87	290	464
IS	ISK	3,000	657	657	657	657	9,858	32,860	52,576
IT	EUR	25	5	5	5	5	75	250	400
JO	JOD	20	4	4	4	4	62	205	328
LB	USD	25	6	6	6	6	87	290	464
LT	EUR	20	5	5	5	5	75	250	400
LV	EUR	20	5	5	5	5	75	250	400
NL	EUR	20	5	5	5	5	75	250	400
NO	NOK	150	48	48	48	48	725	2,415	3,864
OM	OMR	10	2	2	2	2	34	113	180
PL	PLN	80	22	22	22	22	323	1,078	1,724
PS	USD	-	6	6	6	6	87	290	464
PT	EUR	20	5	5	5	5	75	250	400
QA	QAR	100	21	21	21	21	317	1,055	1,688
RO	RON	90	23	23	23	23	347	1,158	1,852
RU	RUB	800	403	403	403	403	6,051	20,170	32,272
SE	SEK	175	53	53	53	53	788	2,628	4,204
SK	EUR	20	5	5	5	5	75	250	400
TR	TRY	50	37	37	37	37	559	1,863	2,980
ZA	ZAR	250	88	88	88	88	1,313	4,375	7,000