

MALAYSIAN AVIATION COMMISSION

Malaysian Aviation Consumer Protection Code (Amendment) 2019

Enhance Passenger Protection Workshop 3 Raise Awareness of Consumer and Passenger Protection Issues



**Malaysian
Aviation Commission**
Suruhanjaya Penerbangan Malaysia

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Director Consumer Affairs
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Roles of MOT, CAAM & MAVCOM



**Malaysian
Aviation Commission**
Suruhanjaya Penerbangan Malaysia



Malaysian Aviation Commission

- Economic regulator, overseeing commercial and economic matters
- Independent adviser to Ministry of Transport on economic matters pertaining to civil aviation



Ministry of Transport

- Principal policy maker for aviation industry in Malaysia
- G2G negotiations for bilateral rights



Civil Aviation Authority Malaysia

- Technical regulator, overseeing safety, maintenance and security

Economic issues

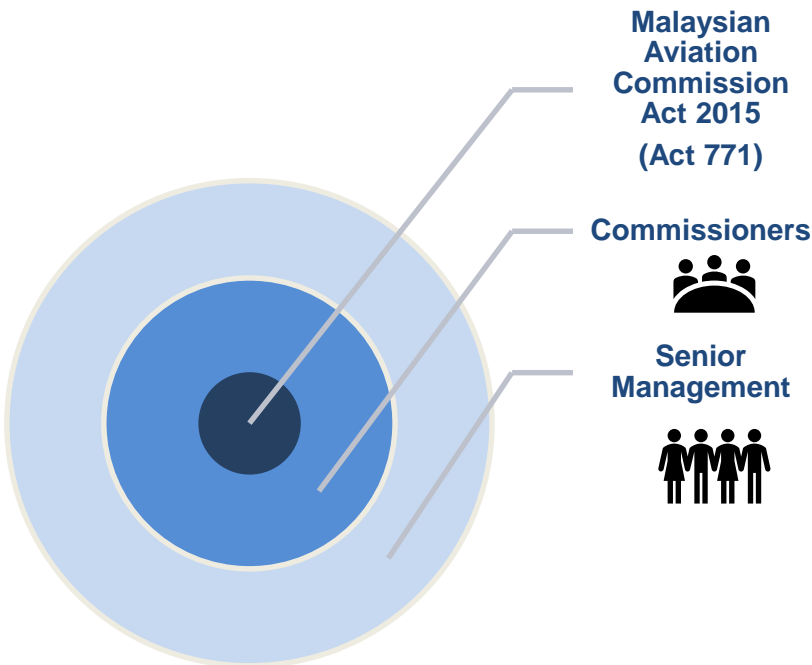
Technical issues

Industry

Malaysian Aviation Commission (MAVCOM)



Board of Commissioners



- **Under section 5 of Act 771**, the Commission members are :
- Executive Chairman - appointed by the **Prime Minister**
- Two representatives of the Federal Government i.e. **Secretary General of Ministry of Transport (MoT)** and **Director General of the Economic Planning Unit** under Prime Minister's Department.
- Other Commission members are **appointed by the Minister of Transport**:

Part X – Consumer Protection

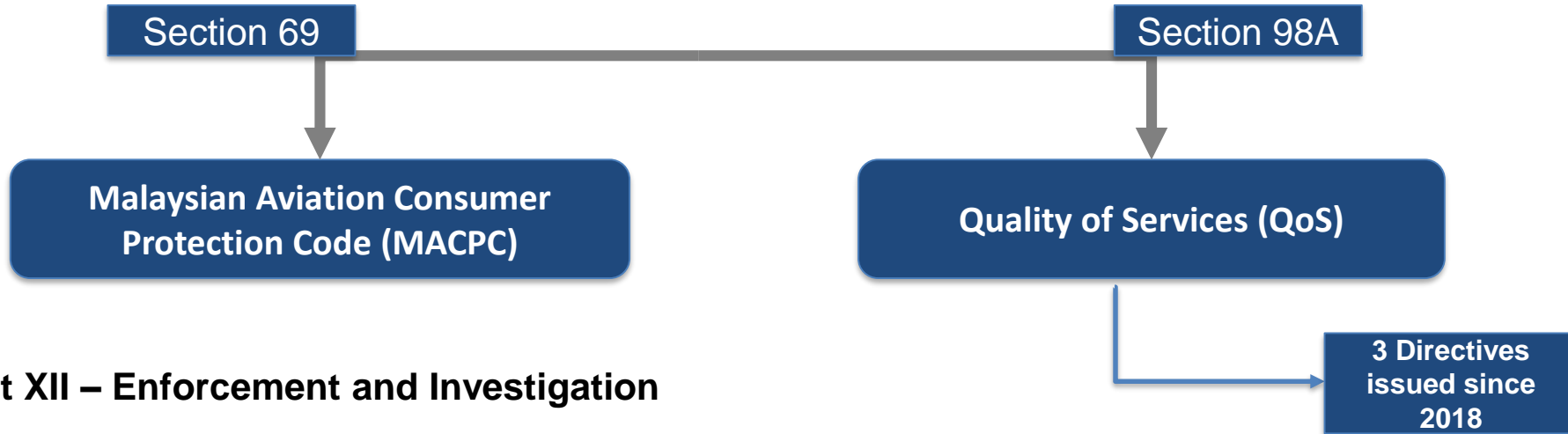
Section 69 - Consumer Code

- Under section 69 (1), the Commission may **prescribe a consumer code** to be published, which cover the minimum policies and practices for:
 - **Meeting consumer requirements;**
 - **Handling of complaints and care & compensation** of consumers in case of a breach of the consumer code;
 - **Raising consumer awareness** and determination of fees or charges imposed on consumers by aviation service providers
 - Protection of consumer information; and
 - Any other matters of concern to consumers
- 69(3): Aviation Service Providers **must comply to the consumer code;**
- 69(4): The Commission **may impose a financial penalty** of an amount not exceeding RM 200,000 for any non-compliance.

Part XIII – General

Section 98 – Power to make regulations

- Under section 98A, the Commission may issue guidelines, circular, directives to regulate economic matters relating to the civil aviation industry and may impose any condition or restriction.



Part XII – Enforcement and Investigation

- Section 80 - Powers of enforcement, inspection and investigation
 - Authorized officer have all the powers of a police officer under Criminal Procedure Act (Act 593) except power to arrest.
- Section 81 - Power to require information
 - Authorized officer may require any information that is relevant to perform functions and powers under Act 771
- Section 82 - Power to conduct inspection
 - The Commission shall access to any place to inspect, make copies or extract from any books, minutes or any documents for the purpose of ascertaining compliance with this Act
- Section 83 - Power to investigate
 - Authorized officer may investigate for any offence or attempt to commit an offence under the under Act 771

Malaysian Aviation Consumer Protection (Amendment) Code 2019



Part I: Preliminary

Preliminary

Part II: Minimum Service Level and Standards of Performance for Airlines and Aerodrome Operators

NEW Full disclosure of air fare	Prohibition on post-purchase price increase	Prohibition on automatically adding on services	Identity of operating airline	NEW Disclosure of key terms and conditions at the point of booking	NEW Refund policies	NEW Communication of changes in flight status
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Part III: Air Passenger's Rights

Entitlement to claims	Denied boarding	Flight delay and cancellation	Compensation for lost, damaged or delayed baggage	Compensation for lost or damaged mobility equipment	NEW Reimbursement for route cessation and flight re-scheduling	Notice to inform passengers of their rights	Conversion of monetary units
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Part IV: Consumer Complaints

Complaint to airline and airports	Complaint to the Commission
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Part V: Consumer Awareness

Consumer awareness	Obligations of airlines
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Part VI: General

Reports	Penalties
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First Schedule: Compensation and Care

Second Schedule: Assistance by Airlines

Airfare

- **For advertisement:**
Transparency and elimination of hidden charges
- **Point of Payment:** Airlines are only permitted to display the following:
 - base fare
 - any government imposed taxes
 - fee and charges prescribed under any written law
 - fuel charges; and
 - charges for optional services - opt-in basis

Refunds

- Remit the refund to the passengers or travel agents within 30 days - from the submission date
- Passenger Service Charge - & Regulatory Charges - Permitted to charge only up to 5% as an administration fee for non-refundable tickets

Route cessation & advance flight re-scheduling

To offer the choice between:

- Reimbursement of full cost including taxes and fees within thirty days; or
- Re-routing under comparable transport conditions to the final destinations at the earliest

Example of full disclosure of air fare

Point of payment (KUL – YANGON)

Base fare*	RM 300
Airport tax	RM 35
Regulatory Fee	RM 1
Hot seat (opt-in)	RM 10
Total:	RM 346

- ****Any charges for example; administrative fee, credit card fee, processing fee that has been imposed separately will now be required to be included as part of the base fare***

In essence elimination of hidden charges

Air Passenger Rights



Example :

Non-refundable tickets - airlines may charge maximum of 5% as administrative fee

Base fare	RM300
Airport tax	RM35
Regulatory fee	RM1

Refund administrative fee :

$RM\ 36 \times 5\% = RM1.80$

Refund due : RM34.20

*

Example:

- **Refundable tickets**
 - Terms and conditions of the ticket will apply
 - There should not be any additional administrative charges to refund taxes, fee & charges

Base fare	RM 300
Airport tax	RM 35
Regulatory Fee	RM 1

Refund Fee	RM 100
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Refundable due: RM 336 – RM100 = RM 236

1 Education & Awareness on air passengers' rights



Website

- Information beneficial for air travellers.
- Empower consumers with the right travel information.



Facebook and Instagram

- Travel rights and information on social media channels.
- Primarily used to share experiences.



FlySmart Mobile application

- Empower the consumers with tools and information on the go.



On-ground activation

- Participation in travel-and aviation-related fairs



Airport Collaterals

- Ensure consumers aware of their air travel rights before, during, and after their journey



Engagements

- Engage with different stakeholders such as airports/airlines, consumer association, media, road shows etc.

2 Channels for consumers to lodge complaints

Submit to the airline first

Consumers are encouraged to first submit their complaints to the airline or airport before submitting their complaints to MAVCOM



FlySmart Website



Submit a complaint

If consumers encounter any flight issues throughout their travel journey



Mobile Application



Submit a complaint

Consumers can submit their complaints on the go.



Consumer Hotline



Walk-ins



Dedicated consumer e-mail

Violation of the MACPC and Quality of Service (QoS) Directive

MAVCOM monitors the conduct of airlines and airports.

In June 2019, MAVCOM found that both AirAsia and AirAsia X have contravened subparagraph 3(2) of the MACPC.

Subparagraph 3(2) of the MACPC - airlines must disclose the final price of its airfare

Following the due process - a financial penalty of RM200,000 each was imposed in September 2019.

MAVCOM also imposed a financial penalty of RM1.17 million on the KLIA and klia2 airport operator for failing to meet targets of the Quality of Service at the airports.

Information for the above is available on the link below:

<https://www.mavcom.my/en/2019/09/10/mavcom-imposes-financial-penalties-on-airasia-airasia-x-and-ma-sepang-subsidiary-of-mahb/>



Recognition by IDC

IDC's Digital Transformation Awards

International Data Corporation (IDC) is a provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets

Information Visionary - Malaysia

- MAVCOM was recognized for the Information Visionary category;
- For leveraging data for improved decision making, collaboration, competitive advantage, and ultimately, data monetization.
- Nominated for Asia Pacific award



THANK YOU



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