

Transparency of air fares and conditions of carriage

Regulations and agreed practices

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Issues

- 1) Scope of the rules
- 2) Advertisement of fares
- 3) Displaying of prices in the booking process
- 4) Add-ons and extras
- 5) Disclosure of terms and conditions
- 6) Post-purchase price increase
- 7) Information on the operating carrier

1. Scope

LAO: Domestic carriers

IND: Domestic carriers

MAL: ?

PHI: Domestic carriers and foreign carriers operating from the Philippines

SGP: Domestic carriers (?)

THA: Domestic carriers (?)

VIE: Domestic air travel (= domestic airlines)

1. Scope

Common practice agreed:

Domestic carriers.

2. Advertisement of fares

INDONESIA

- The passenger tariff for economy class shall be calculated based upon distance rates, taxes, mandatory insurance premium, surcharge.
- The scheduled commercial flight economy class passenger tariff shall be made public to consumers, at least through print and electronic media and/or installed at each point of sale for airline ticket and airport.
- In determining the fares for passengers a Scheduled Commercial Air Transport Business Entity must include details of components of the fares in economy class services and the cost of Aircraft Passenger Services (PJP2U) or Passenger Service Charge (PSC) on the ticket.

2. Advertisement of fares

INDONESIA *continued*

- Flight information is made available through publication which includes information on:
 - a. service groups provided by the relevant scheduled commercial air transport business entity;
 - b. flight routes and schedules;
 - c. the rates that apply to each route;
 - d. how to reserve a ticket;
 - e. ticket payment methods;
 - f. method of boarding pass issuance and
 - g. the terms and conditions imposed by the scheduled commercial air transport business entity (Conditions of Carriage).

2. Advertisement of fares

LAO

- The consumer protection shall aim at ensuring the equality, transparency and fairness between the consumers and suppliers in performance of the contracts;
- The advertising must be clearly identifiable as such, contain true, accurate and sufficient information on the goods and services and not disrespect other traders.

2. Advertisement of fares

MALAYSIA

- For the purpose of advertisement of an air fare, an airline shall publish an all-inclusive price of the air fare which shall consist of:
 - a. the base fare, including all charges payable to the airline;
 - b. any government-imposed taxes and fees;
 - c. any fees and charges prescribed under any written law; and
 - d. fuel surcharge.

2. Advertisement of fares

PHILIPPINES

- Every air carrier causing the publication of fare advertisements in any medium, shall likewise disclose the following:
 - (a) Conditions and restrictions attached to the fare type;
 - (b) Refund and rebooking policies, if any;
 - (c) Baggage allowance policies;
 - (d) Government taxes and fuel surcharges;
 - (e) Other mandatory fees and charges;
 - (f) Contact details of the air carrier (i.e. website, e-mail, etc.);
 - (g) Other information necessary to apprise the passenger of the conditions and the full/total price of the ticket purchased.

In case of promotional fares, the additional information shall be included:

- (h) Number of seats offered on a per sector basis;
- (i) The duration of the promo; and
- (j) The CAB Approval No. of Fares.

2. Advertisement of fares

PHILIPPINES *continued*

- Major restrictions (e.g. conditions for rebooking or refund) shall be disclosed in full and in such a way that the passenger may fully understand the consequences of purchasing such tickets and the effect of non-use thereof.
- The required disclosures shall occupy not less than 1/3 of the advertising material. A copy of the same shall be printed on or attached to the ticket in English and Filipino. In the case of broadcast media, it shall be enough that the air carrier and/or advertising agent incorporate the foregoing terms and conditions by reference

2. Advertisement of fares

PHILIPPINES *continued*

- All sales promotion campaigns and activities of air carriers shall be carried out with honesty, transparency and fairness, and in accordance with the requirements of the Consumer Act of the Philippines, and its Implementing Rules and Regulations.
- Air carriers shall provide to DTI a copy of its promotional materials for post audit not later than the publication, release, or launch date whichever is earlier.

2. Advertisement of fares

SINGAPORE

- Suppliers should ensure that any unavoidable or mandatory fees/charges (e.g. taxes, surcharges) are included in the total headline price.

THAILAND

- Air Service Operators shall publish their service types for each domestic route with approved ceiling rates of airfares at their offices, sales offices, on websites and all other sale channels.
- Airfares published in all sale channels and advertisements shall include all costs relevant to air transport service.

2. Advertisement of fares

VIETNAM

- Airlines shall specify and publicize specific fares on flight routes or groups of routes according to the method of diversifying fares for each route and the regular discount policy for compatriots and soldiers permanently residing in remote areas, borders, islands.
- The maximum price of a service includes all expenses paid by 01 passenger on an air ticket, except the following:
 - a) Value-added tax;
 - b) Amounts collected on behalf of enterprises providing passenger terminal services and security services, including: passenger service charge, passenger and luggage security price;
 - c) Service charges for additional items.

2. Advertisement of air fares

Common practice agreed:

1. Air carriers shall publish at all communication channels they use the total headline price of the air fare which shall comprise the base fare and all unavoidable taxes, fees and charges.
2. Advertisements of air fares shall be clear and not misleading.

3. Displaying of prices in the booking process

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MALAYSIA

- An airline shall disclose the final price of the air fare to be paid before the purchase of a ticket by a consumer which shall consist of:
 - a. the base fare, including all charges payable to the airline;
 - b. any government-imposed taxes and fees;
 - c. any fees and charges prescribed under any written law;
 - d. fuel surcharge; and
 - e. charges for optional services purchased by a consumer on an opt-in basis.

3. Displaying of prices in the booking process

Common practice agreed:

Air carriers shall disclose the final price of the air fare to be paid, before the purchase of a ticket by a passenger, which shall consist of:

- a. The base fare, including all charges payable to the airline
- b. Any unavoidable taxes, fees and charges imposed or permitted by law
- c. The charge for each optional service purchased by passengers for the particular flight.

4. Add-ons and extras

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INDONESIA

- Imposition of surcharges due to additional services provided by the air transport business entity charged to the passengers as referred to in Article 6 letter c, includes the following forms:
 - a. passenger services before, during, and after the flight;
 - b. insurance protection benefits; and/or
 - c. other additional forms of service.

The imposition of additional fees may be imposed after the approval from the Minister

4. Add-ons and extras

MALAYSIA

- An airline shall not automatically add on any optional services to a customer's purchase if the customer takes no other action when making the purchase.
- Any optional services shall be communicated in a clear, transparent and unambiguous way at the start of any reservation process and acceptance to any of the optional services shall be made by the customer on an opt-in basis.

4. Add-ons and extras

SINGAPORE

- Suppliers should avoid using pre-ticked boxes to automatically include add-ons. If pre-ticked boxes are used, suppliers must provide proper disclosures of the goods or services offered in a clear and prominent manner.

4. Add-ons and extras

Common practice agreed:

1. Any additional services shall be provided only on an opt-in basis.
2. The terms and conditions for any additional services shall be clearly displayed and made available to the passenger before purchase.

5. Disclosure of terms and conditions

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MALAYSIA

- An airline shall disclose all contractual terms and conditions to the consumer before the purchase of a ticket.
- An airline shall ensure that all the terms and conditions of the contract of carriage are printed on or attached to the ticket or boarding pass, or the incorporation of such terms and conditions of carriage by reference.

5. Disclosure of terms and conditions

MALAYSIA *continued*

- The airline shall ensure that the following key terms and conditions are identified on the ticket:
 - a. and conditions and restrictions attached to the fare type;
 - b. any refund and rebooking policies;
 - c. baggage allowance policies;
 - d. and government imposed taxes and fees;
 - e. fees and charges imposed by the Commission;
 - f. any charges, surcharges and other related fees;
 - g. contact details of the airline; and
 - h. other information necessary to inform the passenger of the conditions and the total price of the ticket purchased.

5. Disclosure of terms and conditions

PHILIPPINES

- Before purchasing any ticket by the air carrier or its agents, every passenger shall be informed of all the terms and conditions of the contract of carriage, including documents required and procedures for check-in, refund and rebooking policies, procedures and responsibility for delayed and cancelled flights.
- In addition, the key terms of the contract of carriage shall be provided in a prescribed print form.

5. Disclosure of terms and conditions

SINGAPORE

- Specific unfair practices:

Omitting to provide a material fact to a consumer, using small print to conceal a material fact from the consumer or misleading a consumer as to a material fact, in connection with the supply of goods or services.

- Any terms and conditions should be made upfront and displayed clearly.


5. Disclosure of terms and conditions

THAILAND

- The conditions in carriage alongside the air fare, should be announced/available at the place of business operation of the licensee, ticket office and on its website.

5. Disclosure of terms and conditions

Common practice agreed:

1. Air carriers shall disclose all terms and conditions of the contract of carriage to the passenger, before the passenger purchases a ticket. The carrier shall also disclose separately specific important conditions, such as
 - conditions for refund, rebooking and allowed baggage,
 - documents required for check in,
 - procedure for check in,
 - procedures and responsibility for denied boarding, delay and cancellation of flight,
-  complaint handling procedures and contact details.

5. Disclosure of terms and conditions

Common practice agreed:

2. Air carriers shall ensure that all terms and conditions of the contract of carriage are easily accessible to the passenger, after a ticket has been purchased.
3. All terms and conditions shall be drafted in clear and intelligible language.

6. Post-purchase price increase

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MALAYSIA

- An airline shall not increase the price of an air fare after the air fare has been purchased by the consumer, unless—
 - a. such increase is due to government imposed taxes or fees, or fees imposed by the Commission; and
 - b. the consumer is given notice of the potential price increase and has consented in writing before completing the purchase.

6. Post-purchase price increase

Common practice agreed:

No agreed practice.

7. Information on the operating carrier

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MALAYSIA

- A contracting airline shall inform consumers of the identity of the identity of the operating airline, when the consumer is making a reservation and specify in the general terms of sale its obligation to inform the consumer of the identity of the operating airline.
- If such identity is not known at that point, the airline shall inform the consumer, as soon as such identity is established.
- It shall also inform consumers immediately of any change thereof and the reasons for the change.

7. Information on the operating carrier

SINGAPORE

- Specific unfair practices:

Omitting to provide a material fact to a consumer, using small print to conceal a material fact from the consumer or misleading a consumer as to a material fact, in connection with the supply of goods or services.

7. Information on the operating carrier

Common practice agreed?

1. The contracting carrier shall inform all passengers of the identity of the operating carrier, when the passenger is making a reservation, and subsequently of any change thereof, immediately after it is known to the carrier.
2. If the identity of the operating carrier is not yet known at the time of reservation, the contracting carrier shall ensure that all passengers are informed of the identity of the carrier that is likely to act as operating carrier of the flight concerned, as soon as such identity is established.

Thank you for the fruitful discussion!

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