

RESOLUTIONS 813

1.2 AUTHORITY AND TERMS OF REFERENCE

1.2.1 the Cargo Executive Council may initiate its own recommendations to the Conference for improvements to those provisions of the Programme which remain under the undelegated authority of the Conference. The Conference shall inform the Cargo Executive Council of action taken on such recommendations with reasons;

1.2.2(a) the Cargo Executive Council is empowered to make final decisions in respect of the following provisions of the Cargo Agency Programme in Latin America and the Caribbean:

1.2.2(a)(i) financial standing,

1.2.2(a)(ii) standards of staff competence, experience, and knowledge of air cargo products,

1.2.2(a)(iii) suitability of premises,

1.2.2(a)(iv) suitability of cargo handling equipment;

1.2.2(b) provided that all decisions of the Cargo Executive Council shall be consistent with the terms of Resolution 801a 'Cargo Agency Agreement' and be included, as part of applicable IATA Resolutions, in the Cargo Agent's

Handbook; the Cargo Executive Council may consider operational and technical aspects and procedures of the Cargo Agency Programme with a view to coordinating an industry approach and make recommendations directly to the appropriate body in the form of agenda proposals.

1.3 COMPOSITION the Cargo Executive Council shall consist of not less than six nor more than 10 Member airline representatives of each Member having lodged Air Waybills with Agents in any country in Latin America and the Caribbean where implementation of this Resolution is sought, elected/re-elected biennially by the Cargo Agency Conference. Representatives designated by an association recognized as a national cargo agents' association in the country (or countries in the area) where implementation of this Resolution is implemented, provided that the number of such representatives shall be not more than half the number of air carriers' representatives; the Agency Administrator, or his authorised representative, as an ex officio member, and a representative from ALACAT, the regional Cargo Agent Association for Latin America.

1.4 PROCEDURES

1.4.1 the Cargo Executive Council shall meet at least once a year and shall elect its Chairman from its Member airline representatives for a twelve month period. The Secretary shall be supplied by the Agency Administrator from the IATA Secretariat and shall keep a written record of the meetings of the Cargo Executive Council, except as provided herein the Council shall establish its own procedures;

1.4.2 each member of the Cargo Executive Council is entitled to vote. Except as detailed below, the decisions thereof shall be adopted by a simple majority vote of the members present at the meeting. The quorum of the meeting shall be two-thirds of the Council;

1.4.3 the Cargo Executive Council shall receive recommendations for review/approval, as appropriate, in the form of agenda items, from the Local Customer Advisory Groups Cargo (LCAGC), in countries where aCASShas been implemented, and from IATA Cargo Advisory Panels (ICAPs), in non-CASS countries;

1.4.4.4 the Cargo Executive Council is empowered to consider and make recommendations on all issues affecting the operation of the Cargo Agency Programme, as contained in these Cargo Agency Rules.

2.4 FINANCIAL STANDING

2.4.1 the applicant must be able to show satisfactory financial standing and ability to remain solvent and pay bills, and should provide the Agency Administrator with audited and independently produced financial statements prepared in accordance with local accounting practices including:

2.4.1.1 balance sheet,

2.4.1.2 Full Trading Account,

2.4.1.3 profit and loss statement,

2.4.1.4 source and application of funds statement,

2.4.1.5 any other information and schedules as deemed necessary by the Agency Administrator;

2.4.2 the information supplied by the applicant must relate to the most recent financial year, although the Agency Administrator may require an interim set of accounts if he deems the circumstances so warrant;

2.4.3 the applicant shall also submit an appropriate corporate affairs certificate of incorporation of the Company or, in the case of an unincorporated entity, a statement of personal assets from its bank or lender confirming legal ownership of the net assets;

2.4.4(a) the Agency Administrator shall examine the information against criteria set by the Cargo Executive Council and contained in the Handbook; the following will be taken into account when assessing the applicant's financial standing:

2.4.4(a)(i) availability of adequate liquid funds to meet normal trading commitments,

2.4.4(a)(ii) paid-up capital required to be commensurate with fixed assets,

2.4.4(a)(iii) the existence of preferential claims on the assets and contingent liabilities;

2.4.4(b) the applicant may be required to provide further information or additional financial support in the form of recapitalisation, insurance bonds or bank guarantees. Failure on the part of an Agent to renew, any such bank guarantees, before their expiry dates, shall constitute grounds for the Agency Administrator to place the Agent on a Cash Basis and to give the Agent notice of termination of the Cargo Agency Agreement; provided that if the Agent demonstrates to the Agency Administrator, prior to the termination date, that it meets the financial criteria incorporated in the Handbook, the termination shall not take place. In such event, the Agency Administrator shall so notify the Agent, all Members and where applicable, ISS Management. If,

prior to the review, the Agency Administrator receives evidence that such bank guarantees have been renewed as required, he shall terminate the review proceeding and the

Cash Basis status and so notify the Agent, all Members and, where applicable, ISS Management;

2.4.4(c)(i) when economic and financial conditions so warrant, and when requested by a Member or IATA Cargo Advisory Panel (ICAP), the Cargo Executive Council may require Applicants to provide bank or insurance guarantees; normal business fluctuations will be taken

into consideration when determining the level of such guarantees and Applicants will be provided with a reasonable period of time to furnish such guarantees;

2.4.4(c)(ii) if, subsequent to the implementation of the provision shown in Subparagraph 2.4.4(c)(i) above, the economic and financial conditions no longer warrant such requirements, the Cargo Executive Council shall, at its next meeting, review ratification of these special measures;
