

DISTRIBUTION TECHNOLOGY CHARGE GUIDE

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Definitions

Add-on	Add-ons are amounts combined with international published fares to create international constructed fares
ADM	Agent Debit Memo
BA	British Airways plc
Fare Component	A portion of an itinerary between two consecutive fare construction points.
GDS	Global Distribution System
Groups	Bookings of parties of nine or more on one PNR, booked through a groups booking channel and designated as Groups
IB	Iberia
NDC	New Distribution Capability
PNR	Passenger Name Record

1. Introduction

Since 1 November 2017, IAG operating companies British Airways Plc (BA) and Iberia (IB) have applied a Distribution Technology Charge on BA and IB marketed fares (including BA and IB fares valid on codeshare partners) which are not booked through an NDC based connection, or other low cost channels, such as ba.com and iberia.com and the airlines call centres.

The charge is applied per fare component on all bookings ticketed from the effective date. The charge is applicable in all markets, subject to Government approval, with a small number of markets where it is not intended to apply the charge¹. The charge is collected through a Q charge on ticketing and is calculated automatically on quoting the fare.

2. The Charge

Charge level

The charge applied for bookings created on or after 1 November 2017 to 17 September 2018 is €9.50, £8.00, \$10.00, JPY 1,100, CHF 10.00.

From 18 September 2018, the charge to be applied is €10.50, £9.00, \$12.00, JPY 1,300, CHF 11.50. The revised charge amounts will apply to all bookings ticketed on or after 18 September 2018.

Where the fare sold uses a currency other than those listed, the USD amount is used (other than in Europe when Euro is used), and then converted into local selling currency. The charge is also filed in other local currencies where required by local regulations.

Collection of the charge

The charge is collected through a Q charge applied to all applicable fare components on fares which are not booked using an NDC based connection, or other low cost channels, such as our websites and call-centres.

The Q charge is displayed on the ticket in the fare calculation line.

Accounting, invoicing and BSP processes are identical to all other fares, taxes, fees and charges shown on the ticket.

Changes in the Distribution Technology Charge

From time to time the Distribution Technology Charge will be reviewed, and this may result in changes to the charge level. Changes will be filed on the effective date. Where required, these changes will be subject to Government approval.

3. Charge Application policy

The Distribution Technology Charge is applied for each BA or IB marketed fare component on bookings which are not booked using an NDC enabled connection, or booked through other low cost channels, such as our websites and call-centres, regardless of how they are subsequently ticketed.

¹ Exceptions are set out in section 4

What is a fare component?

A simplified definition of Fare Component is 'A portion of an itinerary between two consecutive fare construction points.'

The Fare construction below shows two fare components, one for LONNYC (in red and bold) and the second for NYCLON (in green and Italics). In both, the Q charge is shown immediately after the O&D of the segment it relates to, but before the actual fare itself. The Q charge in the below example is GBP8 per fare component, converted to NUC10.46 based the prevailing rate of exchange:

AL	FLGT	BK	T	DATE	TIME	FARE	BASIS	NVB	NVA	BG					
LON															
NYC	BA	117	S	S	01NOV	0820	SLX7S4C1		01NOV	01NOV 1P					
LON	BA	116	S	S	10NOV	2010	SLW7S4C1		10NOV	10NOV 1P					
GBP	445.00			01NOV17			LON BA NYC Q10.46 264.11		<i>BA LON Q10.46 296.80</i>						
							NUC581.83	END	ROE0.764818						
GBP	203.00	YQ		XT	GBP	41.47	UB	GBP	4.20	YC	GBP	13.90	US	GBP	
GBP	75.00	GB			13.90	US	GBP	3.10	XA	GBP	5.40	XY	GBP	4.30	AY
GBP	89.77	XT			GBP	3.50	XF	JFK	4.50						
GBP	812.77														

- More detail on Fare Components can be found in Appendix 1.

Charge to be applied on Ticketing date

When bookings are created and quoted, the GDS will autoquote using the charge level in force on the date of quote. On ticketing, as per best practice, the fare should be requoted and the charge level in force on date of ticketing should be applied.

The charge can be added when tickets are built manually, but care should be taken to ensure the charge is applied correctly.

Class/Cabin application rules

The Distribution Technology Charge applies to all cabins and classes.

EMD/MCOs

The Charge does not apply to EMDs/MCOs.

Fare type

The Distribution Technology Charge applies to all BA and IB marketed fare types, however there are a small number of exceptions. See Section 4 below.

Reissues

In the event of reissue, the charge is reassessed based on the new itinerary/ticket and the Distribution Technology Charge level in effect on the day of reissue.

Reductions/Discounts/Special/Promotional level Distribution Technology Charge amounts

There is only one Distribution Technology Charge level per currency, with no discount or reduction for any category of fare.

The exceptions set out in Section 4 list the scenarios where the Charge does not apply. Unless the product or fare category is listed in that section the charge shall apply.

Refunds

The refund rules for the Distribution Technology Charge align with the fare rules of the fare. Where the fare is eligible for refund on either a voluntary or involuntary basis, the Distribution Technology Charge is refunded along with the fare refund.

In markets where full refunds are permitted within 24 hours of ticket purchase, the Distribution Technology Charge should be refunded along with the base fare.

Where applicable, refunds will be to the original form of payment.

Bookings made in the GDS and subsequently managed/ticketed by BA/IB or in BA/IB booking systems

If a booking is originated in the GDS using existing connection methods, then the Distribution Technology Charge applies, regardless of whether subsequent servicing and ticketing is done by BA or IB, its GSA's, or by the agent in BA/IB NDC based systems.

oneworld round-the-world fares

The Distribution Technology Charge is applied on **oneworld** round-the-world fares where a BA or IB fare is used.

Island resident/large family subsidies

In line with guidance from the Spanish Authorities, subsidies do not apply to the Distribution Technology Charge for island residents and large families. Island resident and large family subsidised fares without the Distribution Technology Charge can be accessed by using the airline website, an NDC enabled connection or via the IAG booking portals. Guidance from the Spanish Authorities is subject to possible change in future.

4. Exceptions

The Distribution Technology Charge applies to all BA and IB fare components except:

- Those products booked through an NDC based connection, other low cost channels, such as the airlines websites, or bookings originated in BA and IB office IDs
- BA Groups and IB Groups. Note also that Distribution Technology Charge will apply to both carriers' allocation/allotment products – see section 6 below
- IATA FLEX Fares (fully flexible fares) – Y1F, W1F
- Infants without seats
- BA or IB marketed fares used wholly for Vueling operated sectors (BA*/IB* on VY). N.B. Vueling operated sectors as part of a BA or IB through fare comprising one fare component are subject to the charge. In addition, IB*/VY between Madrid and Barcelona (and vice-versa) will also be subject to the charge

- BA Domestic UK fares that require end on end construction with an international fare, denoted by –ADD in the Fare Basic Code, which cannot be sold independently
- IB marketed routes subject to OSP (Obligated Public Service regulation)
 - October to May only: MAD-MAH
 - Full Year: PMI-IBZ, PMI-MAH, IBZ-MAH, LEI-SVQ
- Point of Sale Brazil for journeys originating in that country (for example, a journey originating from GRU sold in Brazil would not incur the charge. However, a journey originating from HKG sold in Brazil would be subject to the charge.)
- Point of Sale China for journeys originating in China and Hong Kong; Point of Sale Hong Kong for journeys originating in Hong Kong and China (for example, a journey originating from HKG sold in Beijing would not incur the charge. However, a journey originating from HKG sold in London would be subject to the charge, as would (for example) a journey MAD-CDG sold in Hong Kong)
- In Point of Sale Colombia, the Distribution Technology Charge applies via a separate fare ladder, rather than as a Q charge

5. Alliances, Franchises and Codeshares

The Distribution Technology Charge applies whenever a BA or IB marketed fare component is used, regardless of operating or ticketing carrier (or ticket stock used), when the booking is not made using an NDC based connection, or other low cost booking channel, such as through our websites and call-centres.

The Distribution Technology Charge does not apply with other airline marketed fares booked on BA or IB metal, e.g. AA or AY code booked on BA or IB metal, will not be subject to the Distribution Technology Charge.

Similarly, other airline marketed fares booked on BA (125-) or IB (075-) ticket stock do not incur the charge.

Both Aer Lingus and Vueling continue to apply their existing indirect pricing structure and therefore the charge will not apply to Aer Lingus and Vueling marketed fares.

The treatment of BA marketed fares used wholly on Comair or Sunair operated flights, and IB marketed fares used wholly on Air Nostrum operated flights, are subject to each franchise carrier's respective commercial policies.

6. Fare quotes, ticketing and audit

Fare quoting

The price impact of the Q charge is seen when the agent/customer does an itinerary quote. When this is done, the GDS takes into account all relevant taxes, fees and carrier charges, both inside and outside the fare, so the Q charge is added into the base price.

When agents view a list of Fares (Fares Display function), only filed fares are displayed, without the the Q charge.

Ticketing

The Distribution Technology Charge is applied per BA or IB fare component, not per ticket. Therefore where multiple airlines appear on a ticket, the Distribution Technology Charge applies to the BA or IB fare components only.

The Q charge appears on the ticket at the end of each of the applicable fare component/s. For the avoidance of doubt, the Distribution Technology Charge is applicable on any ticket stock where a BA marketed fare component exists, regardless of airline ticket stock.

The Distribution Technology Charge is filed into the fare and will quote automatically when automatic fare quote is used.

Accounting, invoicing and BSP processes are identical to all other fares, taxes, fees and charges shown on the ticket.

Audit

All tickets issued by the trade will be subject to audit in the usual way to ensure the Distribution Technology Charge has been paid.

Applicable Distribution Technology Charge amount

The applicable Distribution Technology Charge amount is based on the charge effective at the time of ticketing, regardless of when the original booking was made (with the exception of 'fare at time of booking products' shown below).

Where a revised Distribution Technology Charge amount comes into effect, all bookings ticketed on or after the effective date of the revision will be subject to the revised charge. Any bookings ticketed prior to the effective date of the revision will be subject to the existing Distribution Technology Charge amount.

For changes made to ticketed bookings, the Distribution Technology Charge amount applied is based on the charge amount in effect at the time of ticket reissue, regardless of the Distribution Technology Charge amount applied at the original time of ticketing.

Applicable Distribution Technology Charge amount – IT and other 'Fare at time of booking products'

If the fare in question is a 'Fare at time of booking' product, the applicable Distribution Technology Charge amount is based on the charge effective at the original date of booking. If the booking is ticketed after the effective date of a revision to the Distribution Technology Charge amount, and the booking is subject to 'Fare at time of booking' rules, then the original fare quote from the time of booking will apply, including the original Distribution Technology Charge amount. An automatic historic fare quote, for the original date of booking, will produce the correct fare quote.

Where a change is made to an existing booking for a 'fare at time of booking' product that results in a change in fare, the applicable Distribution Technology Charge amount is based on the charge effective at the time of the change.

Allocations/Allotments

The timing for the application of the Distribution Technology Charge to allocation and allotment fares will be communicated in due course.

Commission

In countries where BA or IB pay an IATA commission on a fare, the commission amount is calculated based on the Fare plus Q charge.

Appendix 1

What is a Fare Component?

