



MEMORANDUM

PAC/RESO/1082

To: All Members, Passenger Agency Conference
Accredited Representatives

From: Director, FSDS Operations, GDC

Date: 30 October 2025

Subject: **MAIL VOTE (A713)**
PAC2 (Mail A713)
NEW ISS LOCAL FINANCIAL CRITERIA - SOMALIA

Background Information

The new Local Financial Criteria (LFC) proposal has been submitted by a member airline, who is planning to join the newly established BSP operations in Somalia. It is anticipated that the operation will be launched in Q1 2026.

The proposal has been reviewed by IATA Settlement Risk Management (SRM) team.

Effective Date

The proposed effective date of the new LFC is 1 January 2026.

Proposed Action

Conference to adopt the new Local Financial Criteria for Somalia as shown in Attachment 'A'.
The timetable for this Mail Vote is as follows:

Voting Period: 30 October-13 November 2025

Filing Period: 14 - 28 November 2025

Effectiveness: 1 January 2026

To cast a vote, Members are asked to access the application from the following link:

<https://forms.office.com/e/X2tmmeakQK>.

Please note that no other form of voting will be accepted. Voting will conclude at close of business MAD time on **Thursday, 13 November 2025**. Votes not cast by that deadline will be deemed to be affirmative.

In conformity with the Mail Vote procedure endorsed by PACConf in October 2009, this Mail Vote has been provided in advance to representatives of the agency associations ECTAA, UFTAA and WTAAA for review and/or comment.

No comments were received.

Any Member seeking clarification on any aspect of the mail vote or the mail vote process is invited to contact the IATA Passenger Governance team by email to pac-gov@iata.org.

A handwritten signature in black ink, appearing to read 'J. Rodriguez', with a large, sweeping flourish above the name.

Juan Antonio Rodriguez
Director – FSDS Operations, GDC

SOMALIA*(Effective 1 January 2026)***1. GENERAL RULES**New Applicants

1.1 For the purposes of evaluation against the financial tests in Section 2 of these criteria, New Applicants must provide the Audited or Certified Accounts, covering 12 months of trading:

- Balance Sheet,
- Profit & Loss Statement

1.2 Newly formed companies that have traded for less than 12 months at the time of application must submit an Audited or Certified opening balance sheet.

Accredited Agents

1.3 All Agents must provide Audited or Certified Accounts no later than 30th of April, which is 4 months after each financial year end, for the purpose of evaluation against the Criteria in Section 2 of these criteria.

2. CRITERIA FOR THE EVALUATION OF AGENTS' ACCOUNTS

The below criteria apply both to New applicants and Accredited Agents. All financial information used in the financial criteria will be extracted from the Agent's Audited or Certified Accounts:

- (a) There must be positive Net Equity i.e. Total Assets must exceed Total Liabilities.
- (b) Profitability: The accounts must show that the Agent has made a profit before tax at the end of an accounting period. For New Applicants, submitting opening balance sheet, Profit will be considered as 0.
- (c) Liquidity: The accounts must show a positive liquidity ratio i.e. current assets must exceed current liabilities at the end of an accounting period.

3. ANNUAL FINANCIAL REVIEWS

All Agents must provide Audited or Certified Accounts prepared according to the local accounting practice. The report must consist of:

- Profit and Loss Statement,
- Balance Sheet.

4. FINANCIAL SECURITY

4.1 For the purposes of calculating the amount of a Financial Security the following definitions apply:

4.1.1 "Days' Sales at Risk" means the number of days from the beginning of the Agent's Reporting Period to the Remittance Date in respect of that Reporting Period or Periods, plus a margin of five days.

Remittance frequency	Days' Sales at Risk	Days in reporting period
Four times per month	19	7

4.1.2 "Amount at Risk" = $\frac{\text{"Days' Sales at Risk"} \times \text{BSP cash turnover in applicable 3 highest reporting periods}}{\text{Days in reporting period} \times 3}$

4.2 Level of Financial Security:

4.2.1 For Agents with Risk Status A, B and C the amount of the Financial Security required must not be lower than USD 25,000.

4.2.2 Agents with Risk Status A and B must at all times provide a Financial Security which equals their assigned Remittance Holding Capacity.

4.2.3 An Applicant/Agent may at any time request to reduce or increase the Financial Security amount provided in accordance with Resolution 812 Section 5.9.4 but not lower than USD 25,000.

4.2.4 The value of the Financial Security will be rounded to the next + 1,000 USD.

4.3. Financial Security requirements:

4.3.1 Financial Security must be strictly drafted as per specimen provided by IATA.

4.3.2 An Agent will not be accredited or will not continue to be accredited until any Financial Security (Bank Guarantee) required to be provided to IATA has been received by IATA and confirmed its validity to IATA through inter-banking channel SWIFT by the issuing bank. IATA will not accept paper Bank Guarantees.

4.3.3 Financial Securities will be subject to a minimum notice of termination period on the part of the Financial Security Provider of ninety (90) days and ideally be valid for an unlimited period but must be valid for at least one year.

4.3.4 If the existing Financial Security is insufficient to cover the Amount at Risk, the amount of the Financial Security required will be increased to cover the Amount at Risk.

4.3.5 When the renew/reissue of Agent's Financial Securities is required, the Agent must ensure that confirmation of renewed/reissued Financial Security received by IATA at least 30 days before expiry date of the currently valid Financial Security.
