



Travel Industry Act, 2002 and the Travel Industry Council of Ontario An Overview

**Meeting with the RTOs
November 12, 2013**



TICO Corporate Structure and Mandate

TICO is a not-for-profit corporation created in 1997 to administer the TIA on behalf of the Minister of Consumer Services.

TICO has been delegated responsibility for the day to day delivery of regulatory services. It has 24 employees, and its revenue for the 2012-2013 fiscal year was \$2.8 million. TICO is wholly financed by Ontario Travel Agents and Wholesalers.

The Minister is accountable to the Legislative Assembly for TICO's performance of its delegated duties. The Minister retains overall accountability and control of the TIA and regulation.

Who Requires Registration and What is the Criteria?

All individuals and entities who sell travel services provided by another person require registration and have to meet the following:

- Maintain specific minimum working capital, post a security deposit and have a designated Travel Industry Act Trust account.
- Have a qualified Supervisor Manager, and all travel counsellors selling travel services have to meet Education Standards
- Applicants are required to have a “bricks and mortar” office that is open to the public or accessible by TIA Inspectors
- Applicants are screened for CPIC and Credit

Travel Industry Regulatory Structure

The Travel Industry Act, 2002 (TIA) regulates travel agents and wholesalers in Ontario

TIA provides consumer protection through a variety of measures:

- Full disclosure pricing in advertisements
- A detailed receipt upon payment of travel services
- Information regarding changes to travel arrangements, with options for changing, cancelling or obtaining a refund
- Information if there is a price increase of more than seven per cent of the original total package price
- Protection of prepaid deposits
- Coverage for eligible claims from the Travel Industry Compensation Fund

Overview of TIA Requirements

Any person selling travel services in Ontario must be registered under the *Travel Industry Act, 2002* and its Regulation 26/05 (TIA)

A Travel Agent is defined as a person who sells, to consumers, travel services provided by another person.

Travel Services are defined as transportation or sleeping accommodations for the use a traveler, tourist or sightseer or other services combined with that transportation or sleeping accommodation

Exemptions from Registration are found in section 2 of the Regulation. The exemptions relate to end suppliers of travel services, teachers and certain not-for-profit associations.

TICO Core Services

TICO is structured around five areas of service aimed at protecting the public interest:

- **Registration:** Applicants must meet TIA requirements to be registered. Registrations are valid for one year, and renewals are conditional on registrants having demonstrated honesty, integrity and financial responsibility
- **Inspections, Investigations, Prosecutions:** Trust accounting, bank accounts, working capital, invoices and other documents are inspected to ensure compliance with TIA. Where appropriate, charges for contraventions of the Act and Regulation may be laid.
- **Consumer Complaints:** Disputes between consumers and travel agents or travel wholesalers are investigated and mediated. The goal is to achieve a negotiated solution.

TICO Core Services

- **Professional Standards and Public Awareness:** To enhance service quality and consumer confidence in the travel industry, TICO has established education standards for registrants. In addition, TICO fosters public awareness and understanding of consumers rights and responsibilities.
- **Travel Industry Compensation Fund:** This Fund reimburses consumers for eligible claims arising from the bankruptcy or insolvency of an Ontario registrant or arising from the failure of an end supplier airline or cruise line. The Fund may reimburse eligible claims of up to \$5 million per event and up to \$5,000 per person. An additional \$2 million is available for repatriation and accommodation of consumers of Ontario registrants who are stranded in destination.

Registration Options

Under the current Regulation 26/05, RTO's do not fit with Section 2 Exemptions. To sell travel services RTO's have the following options:

- The host head office RTO, registers as a travel retailer which requires meeting all TIA criteria
- Each RTO outlet registers as a branch office of the host – again this will require all branches meeting all TIA criteria.

OR

- Each outlet makes arrangements with a registered travel agency and sells travel services through that agency. This requires each person to have a written agreement with the agency and for the “Sellers/Counsellors” to meet the Education Standards.
- The RTO's website (URL) would have to be registered with TICO.
- Under this option sales cannot take place at a kiosk or other bricks and mortar location, which would require a branch registration.
- For the OTICs (Ontario Travel Information Centres) we have agreed that if the OTIC has an agreement with an RTO who works through a registrant, that travel bookings can be made on the RTO's website for the consumer at the OTIC. Any sellers of travel at the OTIC must pass the Travel Counsellor exam.



Discussion and Questions