CHAPTER 434

CODE OF CONDUCT FOR COMPUTERISED RESERVATION SYSTEMS ACT

To provide for a code of conduct for computerised reservation systems.

1st October, 2002

ACT XIX of 2001, as amended by Legal Notice 426 of 2007.

1. The short title of this Act is the Code of Conduct for Computerised Reservation Systems Act. Short title.

2. In this Act, unless the context otherwise requires - Interpretation.

"air transport product" includes both unbundled and bundled air transport products;

"Board" means the Computerised Reservation Systems Board established under article 19;

"bundled air transport product" means a pre-arranged combination of an unbundled air transport product with other services not ancillary to air transport, offered for sale and, or, sold at an inclusive price;

"bundled rail transport product" means a pre-arranged combination of an unbundled rail transport product with other services not ancillary to rail transport, offered for sale or sold at an inclusive price;

"computerized reservation system" means a computerized system containing information with regard to, *inter alia*, air carriers' -

(*a*) schedules;

(*b*) availability;

(*c*) fares; and

(*d*) related services;

with or without facilities through which -

(*a*) reservations may be made; or

(*b*) tickets may be issued,

to the extent that some or all of these services are made available to subscribers;

"consumer" means any person seeking information about or intending to purchase an air transport product for private use;

"Director" means the Director of Civil Aviation and includes, to the extent of the authority given, any person authorised in that behalf by the Director;

"distribution facilities" means facilities provided by a system vendor for the provision of information about air carriers' schedules, availability, fares and related services and for making reservations and, or issuing tickets, and for any other related

services;

"duplicate reservation" means a situation which arises when two or more reservations are made for the same passenger when it is evident that the passenger may not be able to use more than one;

"effective control" means a relationship constituted by rights, contracts or any other means which, either separately or jointly and having regard to the considerations of fact or law involved, confer the possibility of directly or indirectly exercising a decisive influence on an undertaking, in particular by the -

(*a*) right to use all or part of the assets of an undertaking; and

(*b*) rights or contracts which confer a decisive influence on the composition, voting or decisions of the bodies of an undertaking or otherwise confer a decisive influence on the running of the business of the undertaking;

"elapsed journey time" means the time difference between scheduled departure and arrival time;

"fare" means the price to be paid for unbundled air transport products and the conditions under which this price applies;

"Minister" means the Minister responsible for Civil Aviation, and includes, to the extent of the authority given, any officer authorised by him, in writing, to act in that behalf for any of the purposes of this Act;

"parent carrier" means any air carrier which directly or indirectly, alone or jointly with others, owns or effectively controls a system vendor, and includes any air carrier which it owns or effectively controls;

"participating carrier" means an air carrier which has an agreement with a system vendor for the distribution of air transport products through a computerized reservation system. To the extent that a parent carrier uses the facilities of its own computerized reservation system covered by this Act, it shall be considered a participating carrier;

"principal display" means a comprehensive neutral display of data concerning air services between city-pairs, within a specified time period;

"rail transport product" includes both unbundled and bundled rail transport products;

"service enhancement" means any product or service offered by a system vendor on its own behalf to subscribers, in conjunction with a computerized reservation system, other than distribution facilities;

"scheduled air service" means a series of flights all possessing the following characteristics:

(*a*) performed by aircraft for the transport of passengers or passengers and cargo and, or, mail for remuneration, in

such a manner that seats are available on each flight for individual purchase by consumers, either directly from the air carrier or from its authorized agents;

(*b*) operated so as to serve traffic between the same two or more points, either -

(i) according to a published timetable; or

(ii) with flights so regular or frequent that they constitute a recognizably systematic series;

"subscriber" means a person, other than a consumer, or an undertaking, other than a participating carrier, using a computerized reservation system under contract or other financial arrangement with a system vendor. A financial arrangement shall be deemed to exist where a specific payment is made for the services of the system vendor or where an air transport product is purchased;

"system vendor" means any entity and its affiliates which is responsible for the operation or marketing of a computerized reservation system;

"ticket" means a valid document giving entitlement to transport, or an equivalent in paperless, including electronic, form issued or authorised by the carrier or its authorised agent;

"unbundled air transport product" means the carriage by air of a passenger between two airports, including any related ancillary services and additional benefits offered for sale and, or, sold as an integral part of that product;

"unbundled rail transport product" means the carriage of a passenger between two stations by rail, including any related ancillary services and additional benefits offered for sale or sold as an integral part of that product.

Conduct of system vendors.

3. (1) A system vendor shall have the capacity, in its own name as a separate entity from the parent carrier, to have rights and obligations of all kinds, to enter into contracts, *inter alia*, with parent carriers, participating carriers and subscribers, or to accomplish other legal acts and to sue and be sued.

(2) A system vendor shall, subject to any technical constraints outside the control of the system vendor, allow any air carrier to participate, on an equal and non-discriminatory basis, in its distribution facilities within the available capacity of the system concerned.

(3) (*a*) A system vendor shall not -

(i) attach unreasonable conditions to any contract with a participating carrier;

(ii) require the acceptance of supplementary conditions which, by their nature or according to commercial usage, have no connection with participation in its computerized reservation system and shall apply the same conditions for the same level of service.

(*b*) A system vendor shall not make it a condition of participation in its computerized reservation system that a participating carrier may not at the same time be a participant in another system.

(*c*) A participating carrier may terminate its contract with a system vendor by giving such notice, as may be stipulated, for the contract to expire. In such a case, a system vendor shall not be entitled to recover more than the costs directly related to the termination of the contract:

Provided that no notice of more than six months may be stipulated, and that the provisions of this paragraph shall not apply if the contract is terminated before the first year of the contract:

Provided further that a participating carrier may give a longer notice than that stipulated.

(4) If a system vendor decides to add any improvement to the distribution facilities provided or the equipment used in the provision of the facilities, it shall give information on, and offer these improvements to, all participating carriers, including parent carriers, with equal timeliness and on the same terms and conditions, subject to any technical constraints outside the control of the system vendor, and in such a way that there may be no difference in leadtime for the implementation of the new improvements between parent and participating carriers.

Conduct of parent carriers.

4. (1) (*a*)A parent carrier may not discriminate against a competing computerized reservation system by refusing to provide the latter, on request and with equal timeliness, with the same information on schedules, fares and availability relating to its own air services as that which it provides to its own computerized reservation system or by refusing to distribute its air transport products through another computerized reservation system, or by refusing to accept or to confirm with equal timeliness a reservation made through a competing computerized reservation system for any of its air transport products which are distributed through its own computerized reservation system. The parent carrier shall be obliged to accept and to confirm only those bookings which are in conformity with its fares and conditions.

(*b*) The parent carrier shall not be obliged to pay any costs in this connection except those in connection with the reproduction of the information to be provided and for accepted bookings. The booking fee payable to a computerized reservation system for an accepted booking made in accordance with this article shall not exceed the fee charged by the same computerized reservation system to participating carriers for an equivalent transaction.

(*c*) The parent carrier shall be entitled to carry out controls to ensure that the provisions of article 7(1) are adhered to by the competing computerized reservation system.

(2) The provisions of this article shall not apply in relation to a competing computerized reservation system which has been found,

by the Board, to have obtained information by any unauthorised means.

Conduct of participating carriers.

5. (1) (*a*)Participating carriers and other providers of air transport products shall ensure that the data which they submit to a computerized reservation system are accurate, non-misleading, transparent and no less comprehensive than that submitted to any other computerized reservation system. The data shall be such as to enable a system vendor to meet the requirements of the ranking criteria as set out in the First Schedule.

(*b*)Intermediaries shall not manipulate data submitted to them in a manner which leads to inaccurate, misleading or discriminatory information.

(*c*)The provisions of paragraphs (*a*) and (*b*) shall, *mutatis mutandis*, also apply to rail services in respect of data provided for inclusion in the principal display.

(2) (*a*) A system vendor shall not manipulate the material referred to in subarticle (1) in a manner which would lead to the provision of inaccurate, misleading or discriminatory information.

(*b*) A system vendor shall load and process data provided by all participating carriers with equal care and timeliness, subject only to the constraints of the loading method selected by individual participating carriers and to the standard formats used by the said vendor.

Access and distribution.

6. (1) Loading and, or, processing facilities provided by a system vendor shall be offered to all parent and participating carriers without discrimination. Where relevant and generally accepted air transport industry standards are available, system vendors shall offer facilities compatible with the same.

(2) A system vendor shall not reserve any specific loading and, or, processing procedure or any other distribution facility for one or more of its parent carriers.

(3) A system vendor shall ensure that its distribution facilities are separated, in a clear and verifiable manner, from any carrier's private inventory and management and marketing facilities. Separation may be established either by means of software or physically in such a way that any connection between the distribution facilities and the private facilities may only be achieved by means of an application-to-application interface. Irrespective of the method of separation adopted, any such interface shall be made available to all parent and participating carriers on a non-discriminatory basis and shall provide equality of treatment in respect of procedures, protocols, inputs and outputs. Where relevant and generally accepted air transport industry standards are available, system vendors shall offer interfaces compatible with them.

(4) The system vendor shall ensure that any third parties providing computerized reservation system services in whole or in part on its behalf comply with the relevant provisions of this Act.

Computerized reservation system displays.

7. (1) (*a*)Displays generated by a computerized reservation system shall be clear and non-discriminatory.

(*b*)A system vendor shall not intentionally or negligently display inaccurate or misleading information in its computerized reservation system.

(2) (*a*) A system vendor shall provide a principal display or displays for each individual transaction through its computerized reservation system and shall include therein the data provided by participating carriers on flight schedules, fare types and seat availability in a clear and comprehensive manner and without discrimination or bias, in particular as regards the order in which information is presented.

(*b*) A consumer shall be entitled to have, on request, a principal display limited to either scheduled or non-scheduled services only.

(*c*) No discrimination on the basis of airports serving the same city shall be exercised in constructing and selecting flights for a given city-pair for inclusion in a principal display.

(*d*) Ranking of flight options in a principal display shall be as set out in the First Schedule.

(*e*) Criteria to be used for ranking shall not be based on any factor directly or indirectly relating to carrier identity and shall be applied on a non-discriminatory basis to all participating carriers.

(3) Where a system vendor provides information on fares, the display shall be neutral and non-discriminatory and shall contain at least the fares provided for all flights of participating carriers shown in the principal display. The source of such information must be acceptable to the participating carrier and system vendor concerned.

(4) Information on bundled products regarding, *inter alia*, the tour organizer, availability and prices, shall not be featured in the principal display.

(5) A computerized reservation system shall not be considered to be in breach of the provisions of this Act to the extent that it changes a display in order to meet the specific request or requests of a consumer.

Availability of information.

8. (1) The following provisions shall govern the availability of information, statistical or otherwise, by a system vendor from its computerized reservation system:

(*a*) information concerning identifiable individual bookings shall be provided on an equal basis and only to the air carrier or carriers participating in the service covered and to the subscribers involved in the booking. Information under the control of the system vendor concerning identifiable individual bookings

shall be archived off-line within seventy-two hours of the completion of the last element in the individual booking and destroyed within three years. Access to such data shall, without prejudice to any power of the police or other authority in connection with criminal investigations or national security, be allowed only for reasons relating to disputes concerning billing;

(*b*) any marketing, booking and sales data shall only be made available on the basis that -

(i) such data are offered with equal timeliness and on a non-discriminatory basis to all participating carriers, including parent carriers;

(ii) such data may and, on request, shall cover all participating carriers and, or subscribers, but shall include no identification, either directly or indirectly, of, or personal information on, a passenger or a corporate user;

(iii) all requests for such data are treated with equal care and timeliness subject to the transmission method selected by the individual carrier;

(iv) information is made available on request to participating carriers and subscribers both globally and selectively with regard to the market in which they operate;

(v) a group of airlines and, or subscribers is entitled to purchase data for common processing.

(2) A system vendor shall not make personal information concerning a passenger available to others not involved in the transaction without the consent of the passenger.

(3) A system vendor shall ensure that the provisions of subarticles (1) and (2) are complied with, by technical means and, or appropriate safeguards, in such a way that information provided by or created for air carriers shall in no way be accessed by one or more of the parent carriers except as permitted by this Act.

Parent carriers and countries other than Malta.

9. (1) The obligations of a system vendor under articles 3, 5, 6, 7 and 8 shall not apply in respect of a parent carrier of a country other than Malta to the extent that its computerized reservation system outside the territory of Malta does not offer Maltese air carriers equivalent treatment to that provided under this Act.

(2) The obligations of parent or participating carriers under articles 4, 5 and 10 shall not apply in respect of a computerized reservation system controlled by an air carrier of one or more countries other than Malta to the extent that, outside the territory of Malta, the parent or participating carrier is not accorded equivalent treatment to that provided under this Act.

No commission, incentive or disincentive.

10. (1) A parent carrier shall not, directly or indirectly, link the use of any specific computerized reservation system by a subscriber with the receipt of any commission or other incentive or disincentive for the sale of air transport products available on its flights.

(2) A parent carrier shall not, directly or indirectly, require the use of any specific computerized reservation system by a subscriber for the sale or issue of tickets for any air transport products directly or indirectly provided by the said parent carrier.

(3) An air carrier shall not, when authorizing a travel agent to sell and issue tickets for the air carrier's air transport products, impose any condition, on the travel agent, which runs counter to the provisions of subarticles (1) or (2).

Distribution of facilities.

11. (1) A system vendor shall make any of the distribution facilities of a computerized reservation system available to any subscriber on a non-discriminatory basis.

(2) A system vendor shall not require a subscriber to sign an exclusive contract, nor directly or indirectly prevent a subscriber from subscribing to, or using, any other system or systems.

(3) A service enhancement offered to any one subscriber shall be offered by the system vendor to all subscribers on a non-discriminatory basis.

(4) (*a*) A system vendor shall not attach unreasonable conditions to any subscriber contract allowing for the use of its computerized reservation system and, in particular, a subscriber may terminate its contract with a system vendor by giving such notice, as may be stipulated, for the contract to expire. In such a case, a system vendor shall not be entitled to recover more than the costs directly related to the termination of the contract:

Provided that no notice of more than three months may be stipulated, and that the provisions of this paragraph shall not apply if the contract is terminated before the first year of the contract:

Provided further that a subscriber may give a longer notice than that stipulated.

(*b*) Subject to the provisions of subarticle (2), the supply of technical equipment by the system vendor shall not be subject to any of the conditions set out in paragraph (*a*).

(5) A system vendor shall, in each subscriber contract, make provision for -

(*a*) the principal display, in conformity with article 7, to be accessed for each individual transaction, except where a consumer requests information for only one air carrier or where the consumer requests information only for bundled air transport products; and

(*b*) the subscriber not to manipulate material supplied by computerized reservation systems in a manner which would lead to inaccurate, misleading or discriminatory presentation of information to consumers.

(6) A system vendor may not impose an obligation on a subscriber to accept an offer of technical equipment or software, but may require that equipment and software used be compatible

with its own system.

Subscribers' obligations and consumers' rights.

12. (1) (*a*)In the case of information provided by a computerized reservation system, a subscriber shall use a neutral display in accordance with article 7(2)(*a*) and (*b*) unless another display is required to meet a preference indicated by a consumer.

(*b*) No subscriber shall manipulate information provided by a computerized reservation system in a manner that leads to inaccurate, misleading or discriminatory presentation of that information to any consumer.

(*c*) A subscriber shall make reservations and issue tickets in accordance with the information contained in the computerized reservation system used, or as authorised by the carrier concerned.

(*d*) A subscriber shall inform every consumer of any *en route* changes of equipment, the number of scheduled *en route* stops, the identity of the air carrier actually operating the flight, and of any changes of airport required in any itinerary provided, to the extent that that information is present in the computerized reservation system. The subscriber shall inform the consumer of the name and address of the system vendor, the purposes of the processing, the duration of the retention of individual data and the means available to the consumer to exercise his access rights.

(*e*) A consumer shall be entitled at any time to have a print-out of the computerized reservation system display or to be given access to a parallel computerized reservation system display reflecting the image that is being displayed to the subscriber.

(*f*) A person shall be entitled to have effective access, free of charge, to his own data regardless of whether the data is stored by the computerized reservation system or by the subscriber.

(2) A subscriber shall use the distribution facilities of a computerized reservation system in accordance with the Second Schedule.

Fee charging criteria to participating carriers.

13. (1) Any fee charged to a participating carrier by a system vendor shall be non-discriminatory, reasonably structured and reasonably related to the cost of the service provided and used, and shall, in particular, be the same for the same level of service.

(2) The billing for the services of a computerized reservation system shall be sufficiently detailed to allow the participating carriers to see exactly which services have been used and the fees therefor; as a minimum, booking fee bills shall include the following information for each segment:

(i) type of computerized reservation system booking;

(ii) passenger name;

(iii) country;

(iv) IATA/ARC agency identification code;

(v) city-code;

(vi) city pair of segment;

(vii) booking date (transaction date);

(viii) flight date;

(ix) flight number;

(x) status code (booking status);

(xi) service type (class of service);

(xii) passenger name record (PNR) locator; and

(xiii) booking/cancellation indicator.

(3) The billing information shall be offered on magnetic or other media normally used in the services provided. The fee to be charged for the billing information provided in the form chosen by the carrier shall not exceed the cost of the medium itself together with its transportation costs. A participating air carrier shall be offered the facility of being informed when any booking or transaction is made for which a booking fee may be charged. Where a carrier elects to be so informed, it shall be offered the option of disallowing any such booking or transaction, unless the latter has already been accepted. In the event of such a disallowance, the air carrier shall not be charged for that booking or transaction.

(4) Any fee for equipment rental or other service charged to a subscriber by a system vendor shall be non-discriminatory, reasonably structured and reasonably related to the cost of the service provided and used, and shall, in particular, be the same for the same level of service. Productivity benefits awarded to subscribers by system vendors in the form of discount on rental charges or commission payments shall be deemed to be distribution costs of the system vendors and shall be based on ticketed segments. Without prejudice to paragraph 5 of the Second Schedule, when the system vendor does not know whether a ticket has been issued or not, then that system vendor shall be entitled to rely upon notification of the ticket number from the subscriber. The billing for the services of a computerized reservation system shall be sufficiently detailed to allow subscribers to see exactly which services have been used and what fees have been charged therefor.

(5) A system vendor shall, on request, provide interested parties, including consumers, with details of current procedures, fees and system facilities, including interfaces, editing and display criteria used. The processing of individual data shall be free of charge for consumers to whom that information refers. This provision shall not, however, require a system vendor to disclose proprietary information such as software.

(6) Any changes to fee levels, conditions or facilities offered and the basis therefor shall be communicated to all participating carriers and subscribers on a non-discriminatory basis.

Use of computerized reservation system by carriers in their own office, etc.

14. (1) The provisions of article 7, article 11(5) and the Schedules shall not apply to a computerized reservation system used by an air carrier or a group of air carriers:

(*a*) in its own office or offices and sales counters clearly identified as such; or

(*b*) to provide information and, or distribution facilities accessible through a public telecommunications network, clearly and continuously identifying the information provider or providers as such.

(2) Where booking is performed directly by an air carrier, the provisions of article 12(1)(*d*) and (*f*) shall apply.

Auditing of technical compliance of computerized reservation system.

15. (1) The system vendor shall ensure that its computerized reservation system complies with the technical requirements listed in articles 6 and 8, and that this compliance is monitored by an independent auditor on a calendar year basis. For that purpose, the auditor shall be granted access at all times to any programmes, procedures, operations and safeguards used on the computers or computer systems through which the system vendor provides its distribution facilities. Each system vendor shall submit its auditor's report on his inspection and findings to the Director within four months of the end of the calendar year under review.

(2) The system vendor shall inform participating carriers and the Director of the identity of the auditor at least three months before his appointment and at least three months before each annual reappointment. If, within one month of notification, any of the participating carriers objects to the capability of the auditor to carry out the tasks as required under this article, the Director shall, within a further two months, and after consultation with the auditor, the system vendor and any other party claiming a legitimate interest, decide whether or not the auditor is to be replaced.

Applicability to rail transport products.

16. (1) Subject to the provisions of subarticles (2) to (5), the provisions of this Act apply where a system vendor decides to include rail services in the principal display of its computerized reservation system.

(2) Where a system vendor decides to include rail products in the principal display of its computerized reservation system, it may choose to include only certain well-defined categories of rail services, while respecting the principles stated in article 3(2).

(3) A rail transport operator shall be deemed to be a participating or parent carrier, as appropriate, for the purposes of this Act, insofar as it has an agreement with a system vendor for the distribution of its products through the principal display of a computerized reservation system or where its own reservation system is a computerized reservation system as defined in article 2. Subject to subarticle (4), those products shall be treated in the same manner as air transport products and shall be incorporated in the principal display in accordance with the criteria set out in the First Schedule.

(4) (*a*) When applying the rules laid down in paragraphs 1 and 2 of the First Schedule to rail services, the system vendor shall adjust the ranking principles for the principal display in order to take due account of the needs of consumers to be adequately informed of rail services that represent a competitive alternative to the air services. In particular, system vendors may rank rail services with a limited number of short stops with non-stop direct air services.

(*b*) System vendors shall define clear criteria for the application of the provisions of this article to rail services. Such criteria shall cover elapsed journey time and reflect the need to avoid excessive screen padding. Those criteria shall be submitted to the Director at least two months before their application.

(5) For the purposes of this article, all references to "flights" in this Act shall be deemed to include references to "rail services" and references to "air transport products" shall be deemed to include references to "rail products".

Prohibition of renunciation to rights.

17. The beneficiaries of rights arising under the provisions articles 3(4), 6, 8 and 15 may not renounce to those rights by contractual or any other means.

Procedures before the Board.

18. (1) The Director shall, acting either on his own initiative or on receipt of a complaint, initiate proceedings before the Board to terminate any infringement of the provisions of this Act.

(2) Complaints may be submitted by natural or legal persons who claim a legitimate interest.

Computerised Reservation Systems Board.

19. (1) There shall be established a Computerised Reservation Systems Board, which shall consist of an advocate with not less than twelve years experience, as chairman, sitting with two technical assessors.

(2) The chairman and the technical assessors of the Board shall be appointed by the Prime Minister from year to year:

Provided that the Prime Minister may renew any appointment from year to year and he may direct, on making any new appointment, that the outgoing chairman or assessor shall continue to sit on the Board in respect of any matter whereof he has already taken cognizance before the termination of his appointment until such matter is disposed of.

(3) The Prime Minister may also make any necessary appointments for the purpose of surrogating the chairman or any assessor of the Board in the event of his being, for any reason, unable to carry out his functions with respect to any particular case or cases.

(4) The chairman or any assessor of the Board shall not be competent to take cognizance of or deal with any matter in which he has a direct or an indirect interest.

(5) The technical assessors of the Board shall, before entering upon their office, take before the Attorney General an oath to the effect that they shall examine and decide any matter referred to them under the provisions of this Act with equity and impartiality.

(6) The chairman of the Board shall have, for the purpose of collecting the evidence and establishing the facts relating to any matter before the Board, all such powers as are by the Code of Organization and Civil Procedure vested in the Civil Court, First Hall, for the like purpose in relation to any matter before it.

(7) Subject to any regulations made under article 21, the Board shall regulate its own procedure.

(8) The Prime Minister shall appoint a public officer to act as secretary to the Board.

Review of decisions.

20. (1) Any decision of the Board shall be final and binding.

(2) Notwithstanding the provisions of subarticle (1), the Board may, on a new fact being brought to its notice, review a decision given by it:

Provided that -

(*a*) the application for review is lodged in writing with the Board within twenty days from the date on which the decision is communicated to the undertaking or association of undertakings; and

(*b*) a review of the decision shall in no case involve the Board in any liability for any damages which may have been sustained in consequence of the first decision.

Power to make regulations.

21. The Minister may, from time to time, make and, when made, alter or revoke regulations generally for giving effect to any of the provisions of this Act and particularly for making provision regarding the procedure before the Board, the liability of any of the parties in respect of the expenses incurred in connection therewith and to prescribe anything that is to be prescribed under this Act.

Supply of information to the Board.

22. (1) In carrying out the duties assigned to it by this Act, the Board may obtain all necessary information from undertakings and from any association of undertakings.

(2) The Board may fix a time limit of not less than one month for the communication of the information requested.

(3) In its request the Board shall state the legal basis and purpose of the request and also the penalties, which may be imposed in accordance with article 23(1), for the supply of incorrect information.

(4) The owners of the undertakings or their representatives and, in the case of a legal person or of companies, firms or associations not having legal personality, the person authorised to represent them by law or by their rules, shall be bound to supply the information requested.

(5) Undertakings and associations of undertakings shall submit to investigations ordered by a decision of the Board. The decision shall specify the subject matter and the purpose of the investigation, appoint the date on which it is to begin and indicate the penalties which may be imposed in accordance with article 23(1).

Disciplinary penalties. *Amended by: L.N. 426 of 2007.*

23. (1) The Board may impose disciplinary penalties, on undertakings or associations of undertakings, of not less than nine hundred and thirty-one euro and seventy-five cents (931.75) but not exceeding forty-six thousand and five hundred and eighty-seven euro and forty-seven cents (46,587.47) where the undertakings or associations of undertakings, whether intentionally or negligently -

(*a*) supply incorrect information in response to a request

made pursuant to article 22, or do not supply information within the time limit fixed; or

(*b*) produce books or other business records in incomplete form during investigations, or refuse to submit to an investigation pursuant to article 22(5).

(2) The Board may impose disciplinary penalties on system vendors, parent carriers, participating carriers and, or subscribers for infringements of the provisions of this Act up to a maximum of ten per cent of the annual turnover for the relevant activity of the undertaking concerned. In fixing the amount of the penalty, regard shall be had both to the seriousness and to the duration of the infringement.

(3) Decisions imposing disciplinary penalties, pursuant to the provisions of subarticles (1) and (2), shall not be of a penal nature, and any such penalties shall be recoverable as a civil debt by the Director by action before the competent court of civil jurisdiction.

(4) Carriers, whether they are parent or participating carriers, subscribers and system vendors shall be subject to the jurisdiction and the procedures of, and the administrative penalties imposed by, the Board.

FIRST SCHEDULE

PRINCIPAL DISPLAY RANKING CRITERIA FOR FLIGHTS* OFFERING UNBUNDLED AIR TRANSPORT PRODUCTS

(Articles 5, 7 and 16)

1. Ranking of flight options in a principal display, for the day or days requested, shall be in the following order unless requested in a different way by a consumer for an individual transaction:

   (i) all non-stop direct flights between the city-pairs concerned;

   (ii) all other direct flights, not involving a change of aircraft or train, between the city-pairs concerned;

   (iii) connecting flights.

2. A consumer shall at least be afforded the possibility of having, on request, a principal display ranked by departure or arrival time and/or elapsed journey time. Unless otherwise requested by a consumer, a principal display shall be ranked by departure time for group (i) and elapsed journey time for groups (ii) and (iii).

3. Where a system vendor chooses to display information for any city-pair in relation to the schedules or fares of non-

*All references to "flights" in this Schedule are in accordance with article 16(6) of the Act.

participating carriers, but not necessarily all such carriers, such information shall be displayed in an accurate, non-misleading and non-discriminatory manner between carriers displayed.

4. If, to the system vendor's knowledge, information on the number of direct scheduled air services and the identity of the air carriers concerned is not comprehensive, this shall be clearly stated on the relevant display.

5. Flights other than scheduled air services shall be clearly identified.

6. Flights involving stops *en route* shall be clearly identified.

7. Where flights are operated by an air carrier which is not the air carrier identified by the carrier designator code, the actual operator of the flight shall be clearly identified. This requirement shall apply in all cases, except for short-term *ad hoc* arrangements.

8. A system vendor shall not use the screen space in a principal display in a manner which gives excessive exposure to one particular travel option or which displays unrealistic travel options.

9. Except as provided for in paragraph 10, the following provisions shall apply:

   (*a*) for direct services, no flight may be featured more than once in a principal display;

   (*b*) for multi-sector services involving a change of aircraft, no combination of flights may be featured more than once in a principal display;

   (*c*) flights involving a change of aircraft shall be treated and displayed as connecting flights, with one line per aircraft segment. Nevertheless, where the flights are operated by the same carrier with the same flight number and where a carrier requires only one flight coupon and one reservation, a computerized reservation system should issue only one coupon and shall charge for only one reservation.

10. (1) Where participating carriers have joint-venture or other contractual arrangements requiring two or more of them to assume separate responsibility for the offer and sale of air transport products on a flight or combination of flights, the terms "flight" (for direct services) and "combination of flights" (for multi-sector services) in paragraph 9 shall be interpreted as allowing each of the carriers concerned, up to a maximum of two, to have a separate display using its individual carrier designator code.

    (2) Where more than two carriers are involved, designation of the two carriers entitled to avail themselves of the exception provided for in sub-paragraph (1) shall be a matter for the carrier actually operating the flight. In the

absence of information from the operating carrier sufficient to identify the two carriers to be designated, a system vendor shall designate the carriers on a non-discriminatory basis.

11. A principal display shall, wherever practicable, include connecting flights on scheduled services which are operated by participating carriers and are constructed by using a minimum number of nine connecting points. A system vendor shall accept a request by a participating carrier to include an indirect service, unless the routing is in excess of 130% of the great circle distance between the two airports or unless that would lead to the exclusion of services with a shorter elapsed journey time. Connecting points with routings in excess of 130% need not be used.

SECOND SCHEDULE

USE OF DISTRIBUTION FACILITIES BY SUBSCRIBERS

(Articles 12 and 13)

1. A subscriber shall keep accurate records covering all transactions concluded through the computerized reservation system. Those records shall include flight numbers, reservations booking designators, date of travel, departure and arrival times, status of segments, names and initials of passengers with their contact addresses and/or telephone numbers and ticketing status. When booking or cancelling space, the subscriber shall ensure that the reservation designator being used corresponds to the fare paid by the passenger.

2. A subscriber shall not deliberately make duplicate reservations for the same passenger. Where confirmed space is not available, the passenger may, at his choice, be wait-listed on that flight (if wait-list is available) and confirmed on an alternative flight.

3. When a passenger cancels a reservation, the subscriber shall immediately release that space.

4. When a passenger changes an itinerary, the subscriber shall ensure that all space and supplementary services are cancelled when the new reservations are made.

5. A subscriber shall, where practicable, request or process all reservations for a specific itinerary and all subsequent changes through the same computerized reservation system.

6. No subscriber may request or sell airline space unless requested to do so by a consumer.

7. A subscriber shall ensure that a ticket is issued in accordance with the reservation status of each segment and in accordance with the applicable time limit. A subscriber shall not issue a

ticket indicating a definite reservation and a particular flight unless confirmation of that reservation has been received.