

Air France-KLM Distribution surcharge

Operational Guide - November 2017

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A) INTRODUCTION

With effect from April 1st, 2018 Air France (AF), KLM Royal Dutch Airlines (KL) and HOP! (A5) will introduce a Distribution Surcharge on bookings made via a Global Distribution System (GDS). The Distribution Surcharge will not apply to bookings made via alternative NDC based connections (NDC Application Programming Interfaces and Air France-KLM Agent Booking Tool). Likewise, airline direct sales channels (websites, calls centers, airport and city ticket offices) will be exempted.

The Distribution Surcharge will apply per direction whenever AF, KL or A5 participate as marketing carriers. It is effective for ticketing from April 1st, 2018 irrespective of ticket stock. It applies on all fares, fare types, booking classes in all markets, subject to approval from regulatory authorities.

The Distribution Surcharge is filed using the standard YQ coding: it will be quoted and collected automatically as per standard industry processes.

B) SURCHARGE LEVEL

The Distribution Surcharge is defined as a fixed amount per direction. Its level will be 11 EUR per direction. The same level applies to all cabins and haul types. For international markets, the surcharge will be filed in following currencies:

<u>13.00</u>	<u>USD</u>	<u>17.50</u>	<u>SGD</u>
<u>10.00</u>	<u>GBP</u>	<u>430</u>	<u>THB</u>
<u>1500</u>	<u>JPY</u>	<u>175000</u>	<u>IDR</u>
<u>16.00</u>	<u>CAD</u>	<u>390</u>	<u>TWD</u>
<u>12.50</u>	<u>CHF</u>	<u>1320</u>	<u>XPF</u>
<u>850</u>	<u>INR</u>		

Currency conversion will be done as per standard rules. As standard YQ filing, amounts apply on a point of origin basis.

The level of the Distribution surcharge will be reassessed regularly and is subject to change in the future.

C) SURCHARGE APPLICATION

The Distribution Surcharge is applicable per direction when AF, KL or A5 participate as marketing carriers, irrespective of ticketing carrier.

It applies at ticketing time regardless of fare types, booking classes, pricing programs and cabins.

It only applies to tickets, not to EMDs.

Discounts and reductions

As per standard practice for YQ filing, discounts and reductions do not apply on Distribution Surcharge.

Examples of application per direction

The Distribution Surcharge is filed per direction, meaning that the surcharge will apply once for each direction of travel on the journey: outbound and / or inbound.

For example:

- One way PAR–AMS (1 direction): the Distribution Surcharge applies once.
- One way PAR–AMS–NYC (1 direction): the Distribution Surcharge applies once.

- Round trip PAR–AMS–PAR (2 directions): the Distribution Surcharge applies twice.
- Round trip PAR–AMS–NYC–PAR (2 directions): the Distribution Surcharge applies twice.
- Open Jaw PAR–NYC/LAX–PAR (2 directions): the Distribution Surcharge applies twice.

D) PRICING, TICKETING AND COLLECTION

Pricing and ticketing

The Distribution Surcharge is priced automatically at time of quote and collected at ticketing time. The surcharge level in force at quoting time is the one eventually collected.

Bookings quoted on or after April 1st, 2018 will be subject to the Distribution Surcharge.

For ticketing on / after April 1st, 2018 of PNRs initially created on / before March 31st, 2018 two situations are possible:

- In cases where the historic fare quote is used, then the Distribution surcharge will not be levied.
- In cases where the fare needs to be requoted after April 1st, then the Distribution surcharge applies.

A similar logic applies in case of change on / after April 1st, 2018 of bookings initially created on / before March 31st, 2018.

All bookings made after April 1st, 2018 will be surcharged.

On the ticket

The Distribution Surcharge is part of the “total amount” on the ticket. It is displayed in the tax box similar to other fees/taxes/surcharges.

Collection and sales audit

The Distribution Surcharge is filed as YQ and will be collected automatically at time of ticketing.

Accounting, invoicing, VAT handling and BSP processing are identical to other taxes and charges shown in the tax box of the ticket.

It is subject to sales audit, as part of AF KL A5 normal ticket auditing practices.

E) REFUNDS

The Distribution surcharge will follow the refund conditions of the fare. In case of fares eligible for refund (either on voluntary or involuntary basis), the surcharge will be refunded with the fare.

If a ticket is cancelled within 24 hours using the standard void/cancellation process on applicable markets, the Distribution Surcharge is voided/cancelled together with the ticket.

Refund is made to the original form of payment.

F) CODESHARE AND PARTNER AIRLINES

The Distribution Surcharge applies per direction regardless of operating carrier whenever AF KL or A5 are marketing carrier.

Where multiple marketing carriers appear on a ticket, the Distribution surcharge applies only to the direction where AF KL or A5 participate as marketing carriers.

The surcharge applies irrespective of ticket stock. In cases where AF KL or A5 are marketing carriers on a ticket issued by another airline, the surcharge will be levied.

The surcharge does not apply on Transavia marketed sectors.

G) EXEMPTIONS

The Distribution Surcharge applies worldwide (subject to authorization from regulatory authorities where applicable) with following exemptions:

- Bookings created and issued by connecting to AF KL NDC APIs (available in January 2018) or on AF KL booking portal for travel agents (available in April 2018)
- Groups
- Infants without a seat
- For regulatory reasons, some markets may be exempted from Distribution Surcharge. The list will be confirmed and communicated as soon as available.
- Bookings created and issued on airline direct sales channels (website, call centers, airport and city ticket offices)