





**more than 9000
members**



Alain Verwilghen, Secretary General.

INSOLVENCY PROTECTION

AND

TRAVEL GUARANTEE FUNDS

New European Directive 2015/2302/EU 'principles'

Art. 17 (1) : refund of all money paid over + repatriation (confirmation of the CJEU case law)

Art. 17 (2) : The security shall be effective (covering reasonably foreseeable costs)

Recital 40 gives details of what is effectiveness (high percentage of the turnover, factors, obligation to adapt if increased risks, limitation only for “highly remote risks”)

Art. 17 (3) : insolvency protection shall benefit all travelers regardless of their place of residence, the place of the departure or where the package is sold

Art. 17 (4) : Direct activation (as soon as the performance of travel services is affected by the insolvency). See also recital 39.

EGFATT Travel Guarantee Funds: Comparative Analysis :

9 criteria

- Public (State) , Private or mixed**
- First or second level guarantee**
- Mandatory membership or no**
- Market share of the Funds**
- Member to be established in the country or no**
- Sources of funding**
- Submission and check of the financial accounts of the members**
- Counter guarantees to be supplied**
- Relationship with the State**

1/ Public , Private or mixed

- **APST** (France) : Private (Foundation)
- **SGR** (Netherlands) : Private (Foundation)
- **GFG** (Belgium) : Private (civil mutual insurance)
- **FGS** (Switzerland) : Private (Foundation)
- **RGF** (Norway) : Private (Foundation)
- **TPF&CAR** (Ireland) : Public (Commission for Aviation Regulation)
- **ATT&ATOL** (UK) : Public (Civil Aviation Authority &CAA.CO.UK)
- **DTGF** (Denmark) : mixed : self governing institution registered through a royal decree (May 14th 1997)

2/ First or second level Guarantee

- **APST** (France) : first
- **SGR** (Netherlands) : first
- **GFG** (Belgium) : first
- **FGS** (Switzerland) : first
- **RGF** (Norway) : first
- **TPF&CAR** (Ireland) : second (mandatory to first provide a bond)
- **ATT&ATOL** (UK) : second (mandatory to first provide a bond)
- **DTGF** (Denmark) : second (mandatory to first provide a bond)

3/ Mandatory membership or no :



UK, Ireland, Denmark (no competition)



France, Belgium, Norway, Switzerland,
Netherlands*

N.B. : The SGR (Netherlands) has 97% of the market

4/ Market share of the Funds (compared with Banks and Insurances)

- APST (France) : 78%
- SGR (Netherlands) : 97%
- GFG (Belgium) : 60% in sales points and 76% in turnover
- FGS (Switzerland) : 80% in sales points and 90% in turnover first
- TPF&CAR (Ireland) : 100% (mandatory and delivering also the licences)
- ATT&ATOL (UK) : 100% (mandatory , delivers also the ATOL licence)
- RGF (Norway) : 82%
- DTGF (Denmark) : 100% (no competition : only valid interlocutor for consumers&passengers victims of TO's insolvency.

5/ Members to be established in the country of the Fund

- APST (France) : Yes, or at least package contract done in France.
- SGR (Netherlands) : Yes , but may insure subsidiaries if HO. in NL .
- GFG (Belgium) : Yes , enrolment in the Trade Register of Belgium.
- FGS (Switzerland) : Yes, enrolment in the Trade Register of Switzerland.
- RGF (Norway) : No.
- TPF&CAR (Ireland) : No.
- ATT&ATOL (UK) : No, ATOL licences may be delivered abroad (ex.Expedia)
- DTGF (Denmark) : Yes.

6/ Sources of funding (where is the money coming from ?)

- **APST (F)** : one fixed annual membership fee (1.500 eur) allocated to the working budget and one varying fee allocated to the guarantee budget according to the turnover and the risk. 3.200 members generate a annual revenue of 14 millions euros.
- **SGR (NL)** : one fixed annual fee (257 eur for travel agencies and 1.286 eur for the Tour operators. Since 1999 the SGR guarantee is free for the consumers. From 1982 to 1998, each package was taxed by 3 euros generating a total provision of 80 millions euros. The SGR has 1150 members.

- **GFG (B)** : membership fee is 0,2% on turnover for a T.O., 0,01% for a retailer, with a minimum of 1.250 eur for a TO, 1.000 eur for a travel agency and 750 eur for a little retailer. The GFG counts 680 members. Financial reserves = 11 millions euros.
- **FGS (CH)** : Entry fee of 1.500 CHF (agencies employing less than 20 staff members) and 3.000 euros for the others. The annual fee is fixed according the turnover of the previous year.
- **RGF (N)** : annual fee of 230 euros for all members and individual guarantee fee according turnover.

- **TPF&CAR (IRL)** : no fee, but contribution to the Fund = IRE 4 in respect of each passenger who books an overseas travel contract.
- **ATT& CAA (UK)** : annual fee to get an ATOL licence = 640 eur for a Travel Agency and 1.045 eur for a T.O. The ATT Fund is abounded with a fee of 2,5 euros on each booking.
- **DTGF (DK)** : from 2009 the organizers must pay a contribution per pax of 3 euros. There are 600 organizers registered in the Fund.

7/ Submission + check of the financial accounts of the members

- APST (F) : Yes and least 6 months after civil year.
- SGR (NL) : Yes and least 6 months after civil year.
- GFG (B) : Yes, provisional balance after 3 months, definitive after 6 months .
- TPF&CAR (IRL) : Yes and least 4 months after civil year.
- FGS (CH) : Yes, annual + sporadics cheks.
- RGF (N) : Yes.
- ATT&ATOL (UK) : Yes for the big organizers, no for turnover less than 600 000 euros.
- DTGF (Dk) : Yes.

8/ Counterguarantees to be provided by the members

- APST (F) : Yes, various : personal commitments or bank guarantees for big organizers .
- SGR (NL) : Yes, for all : mandatory bank guarantee on 1,5% of the turnover . This bank guarantee may amount to 10% of the turnover for the members who can not justify a solvency ratio of 20% equities and a positive liquidity.
- GFG (B) : 30% of the members do not have to provide any guarantee because of the quality of their balance sheet. A starting T.A. = bank guarantee of 25.000 euros, a TO = 50.000 euros. The amount of the bank guarantees is calculated by the risk committee of the Fund.

- **FGS (CH) : Mandatory bank guarantee of min. 40.000 euros, and generally on 1% of the turnover.**
- **TPF&CAR (IRL) : Bank guarantee of 1% of the turnover until 4% for risk agencies and 10% for TO's.**
- **ATT&ATOL (UK) : Bank guarantee on 15% of the turnover and min. 40.000 euros .**

9/ Relationship with the State

Generally good for all the Funds (good cooperation)

In UK and IRL, the Fund is the State...

The Danish Fund is reinsured by the State



**THANK YOU
FOR
YOUR ATTENTION**

Alain Verwilghen, secretary general EGFATT

Any Questions?





