

ADM EMISSION POLICIES



*Jet*SMART
2024-2025



The following list shows the points that will be addressed in this handbook

- Introduction
- ADM Emission policies
- Administrative Charge
- Disputes
- Definition of penalties
- ADM Penalties for Agencies
- Gloss Reasons for issuing ADM/ACM
- Contact channels





INTRODUCTION

This document defines the policies and procedures for ticket reservations, which applies to JetSMART companies. For the purpose of this document, JetSMART refers to JetSMART Chile (“JAT”), JetSMART Argentina (“JES”), JetSMART Colombia (“JEC”) and JetSMART Peru (“JAP”).

The policies and procedures set forth herein take into consideration and are based on the resolutions issued in industry forums (IATA-APJC, IATA-PaConf); the obligations of travel agents are described in IATA Resolutions 824, 830a, 850m and 049x.

In paragraph 3.2 of resolution 824, it is established that the travel agency must adhere to the policies and regulations of the airline, for this reason this document is published in JetSMART.com. We expect the cooperation of our travel agents (internal and external, IATA/ARC and non-IATA/non-ARC) to adhere to these policies and procedures, as they serve a mutual benefit including our customers.

Consolidating agencies and/or agencies making sales or issuing tickets on bookings made by third party agencies, shall be solely responsible to JetSMART for ensuring compliance with this policy, in the event that such bookings do not comply with the requirements of this policy and/or JetSMART's published procedures and regulations, the consolidating and/or ticket issuing agencies shall be subject to the penalties set forth in this policy.

Pursuant to the above, JetSMART audits all booking transactions to identify possible violations of these policies and procedures. These violations may result in fines, Agent Debit Memos (ADMs) or invoices.

Repeated policy violations and/or failure to pay any fines/ADMs/invoices may result in modification or loss of access to JetSMART inventory for viewing, booking and issuing.

It should be noted that the policies and procedures set forth herein do not constitute a closed list of non-compliances, but are merely enunciative; in this sense, any practice that has the effect or purpose, directly or indirectly, to restrict, prevent or distort the correct availability of seats for sale and / or Ancillaries on JetSMART flights, will constitute a violation of our booking policies that could result in fines, Agent Debit Memos (ADMs) or invoices.



ADM EMISSION POLICIES

- JetSMART is governed by IATA resolutions 850m and 890 for the issuance of ADMs.
- ADMs will be charged for any type of irregularity, non-compliance or error related to fare rules, booking policies, issuance, refund, tax calculation, sale settlement, commissions, taxes and penalties.
- JetSMART may include administrative charges associated with the issuance of the ADM or the type of irregularity. This charge is non-refundable.
- The minimum ADM amount established by JetSMART is 10 USD or its equivalent in local currency and may be modified if frequent irregularities are detected.
- The exchange rate used for the ADM will correspond to the exchange rate on the day of issuance of the ADM.

ADMINISTRATIVE CHARGE

The administrative charge applied will be per PNR with a value of 15USD per ADM.

The administrative charge is not refundable, unless the agency dispute is accepted due to an error attributable to JetSMART.

The administrative charge may be identified within the ADM under the code (TX).

The omissions of information in the issuance of Tickets that as a consequence generate ADMs, will be subject to the administrative charge, even if the amount of the irregularity is subsequently disputed. Therefore, even if the ADM is reversed, the administrative charge will continue to be charged.



DISPUTES

The WMD dispute process shall consider the following:

- Disputes and appeals will be made through the only open channel the company has available, which is currently BSP LINK (where this functionality is enabled).
- If the ADM is not yet billed, the agency can search for the ADM by number and within the options will appear “Dispute”.
- If the ADM has already been invoiced, they must make the dispute through the PBD (Post Billing Disputes) option.
- The timeframes associated with disputes are as indicated in the IATA resolutions mentioned above and are summarized below:

SLA Dispute/Response	Pre-Billing	Post-Billing
Travel Agency	14 days post-issuance ADM	12 months post-issuance ADM
Airline	60 days post dispute	30 days post dispute

Disputes must include all necessary documentation for case review.

JetSMART reserves the right to withdraw the issuance authorization in case of refusal in the payment of ADMs included in the corresponding settlement.



ADM Penalty Definitions

Incorrect Rates

If a case is detected where an incorrect rate is misapplied or is not equal to your rate construction, the agency will be charged an administrative fee plus the difference that may occur plus a FEE.

Fees, Penalties and Surcharges

Erroneous application of codes, rate amounts and penalties made by the agency which will not allow a charge to be made will generate an ADM with an administrative charge value plus the difference that occurs in rate difference, penalty or surcharge.

Penalties for incorrect changes

Request channel error (GDS or BSP) and amount refunded. Refunds entered by BSP that meet the requirements to be processed through GDS or incorrect refund amounts.

Commissions

JetSMART Airlines does not pay any commission to the agencies, in case an agency places in BSP a percentage higher than the established 0.00% JetSMART will generate an ADM for administrative charge equivalent to 15 USD per ticket, plus the value of the calculated commission.

Tour code

The Tour Code is a unique five-character alphanumeric identifier used on travel fares, whether published fares or special negotiated fares.

If a single fare component contains tour codes from different categories, the code with the highest priority is used for ticketing.



Use of Agency Cards

Resolution 890 issued by IATA that establishes the rules for the sale of customer cards (the “IATA Resolution 890”), is considered the basis for the construction and application of the procedures described.

JetSMART does not authorize the use of travel agency credit cards, travel agency owners and/or travel agency executives in lieu of the customer's credit card or the customer's chosen means of payment, without JetSMART's express written consent.

All terms defined below in IATA Resolution 890 are applicable to this procedure. Notwithstanding the foregoing, JetSMART will not copy the entire resolution, but only the relevant and applicable paragraph for the purposes of this document.

IATA Resolution 890, Customer Card Acceptance section 3.4. “3.4 This Resolution grants authorization to accept only one Customer Card when using the Member/Carrier's card acceptance merchant agreement to collect payment for the sale of passenger air transportation and ancillary services. Agent may not accept any other card or form of payment using the Member/Carrier's card acceptance merchant agreement, including any card issued in the name of the Agent or a person authorized to act on behalf of the Agent, unless specifically authorized by such Member/Carrier. The Agent shall be entirely and exclusively liable for any breach of this Paragraph 3.4 to the Member/Airline in question.”

To avoid this type of irregularities, we recommend the following:

- Do not change the card that the customer originally used to make payments.
- If an exception or authorization is required, JetSMART's express authorization for card use must be requested beforehand. The request may be reasonably approved or rejected.
- Exceptions may be authorized by JetSMART in a general or specific manner.
- Authorizations for general exceptions will be authorized if the alternative means of payment requested by the agency has a cost equal to or less than the cost of JetSMART's means of payment. Authorizations for specific exceptions will be evaluated on a case-by-case basis by JetSMART.



In case JetSMART detects the irregularity described above, fines or Agent Debit Memos (“ADMs”) may be generated to travel agencies for an amount equivalent to an administrative charge of USD 15 per ADM issued.

In those countries in which, according to the current and applicable legislation, these fines or ADMs are not applicable, they will not be imposed on the travel agencies.

Churning

Up to four bookings and four cancellations will be allowed for the same passenger segment, same travel date, same or different flight number and class of service, in one or more PNRs or GDSs. From the fifth booking onwards, it will be considered Churning. Transactions made by the airline are excluded from this count.

If any case of Churning is detected, the agency will be charged USD 25 per passenger-segment, regardless of whether the ticket was issued or not (plus administrative fee for ADM).

Example: 9th CHURNING

RESERVATION OF 2 PAX ROUND TRIP, SCL / ANF

2 (PASSENGER) * 2 (SEGMENT) * 25 USD = 100USD * 5 (number of Churning from the fifth) = 500 USD.



Recommendations:

Before closing the reservation or making changes to the class of service, verify the availability of the desired class in advance, so as not to make unnecessary bookings.

Do not evade issuance deadlines by canceling and rebooking segments.

The travel agent must cancel a reservation and release its inventory immediately when it is no longer required by the passenger. Failure to cancel these reservations promptly will be considered a breach of these policies. No show status under these circumstances generates loss to the airline by capturing its inventory under unproductive segments.

Reservations will be charged for No Show:

That does not have a ticket issued, where an ADM will be generated for the full fare plus 20 USD penalty per passenger-segment plus its administrative charge.

Reservations with a ticket issued in Void status, which remain active until the flight date, in which case the charge will be the full fare plus 20 USD per passenger-segment and its administrative charge.

In the case of No-Show reservations with tickets issued in Void or Refund status, the charge will be the full fare plus a penalty of 20 USD per passenger-segment, in addition to the administrative fee.

To avoid this type of irregularities, we recommend the following:

Immediately issue tickets associated with reservations generated on the same day of the flight.

Have internal control of unissued reservations, so that they do not remain active longer than necessary.

Confirm the flight intention of passengers with tickets not yet issued.

Cancel unissued reservations shortly before flight departure.



Create separate PNRs for separate tickets to avoid cancellations of non-concatenated trips (e.g. when using one-way fares).

- Timely cancellation of segments derived from different statuses, e.g. Refund (tickets with refund).

Misuse of Waivers

JetSMART, through its authorized contact channels, will be the one to grant waivers. Waivers may be for any of the reasons JetSMART stipulates, as follows:

- Withdrawal
- Change of date for affected flights
- Total refund for affected flights
- Commercial Authorization
- Cases applied by law

The reasons for waivers may be dynamic and will be notified by JetSMART through the established channels.

JetSMART will periodically conduct audits to validate the correct and proper use of the waivers granted.

Improper use of waivers will generate an ADM for administrative charge equivalent to 15 USD per ADM issued, plus the value of the ticket on which the waiver was misused and a fine fee of 10 USD.

Inactive segments

Segments canceled by the airline that are sent to an agency queue, with any of the following statuses: UC, UN, US, NO, HX. These segments must be modified or removed from the GDS inventory by the agency to avoid incurring in this improper practice no later than 48 hours before the flight time.

Some of the reasons why the airline cancels reservations are:

- Ticket issuance deadline expiration
- Duplicate segments
- Abuse of married segments
- Speculative bookings



- **Expiration of ticketing time limit.**

The ticketing time limit refers to the time limit established to request the issuance of a ticket on a specific date and time. This limit varies depending on the conditions of each PNR (Passenger Name Record) and it is important to respect it to avoid inconveniences. If this time limit is missed, there may be penalties, such as the need to cancel and reinstate flight segments

- **Married Segment Abuse.**

Married segment abuse refers to improper practices related to the cancellation or modification of flights whose segments are interconnected. If segments of an itinerary are married, they cannot be cancelled, priced, rebooked or reissued individually. Reservation systems manage this to ensure the integrity of the passenger's journey.

- **Speculative bookings**

These are bookings that are created without the actual intent to travel, such as to quote prices or without a concrete plan. These reservations may be fraudulent, fictitious or duplicate, and are usually prohibited by the policies of many travel agencies and airlines. It is important to refrain from making these types of reservations to avoid problems.

It is the travel agent's responsibility to check queues and cancel segments daily in order to avoid ADMs for uncancelled segments.

The applicable charge for uncancelled segments will be 25 USD per passenger segment (plus ADM administrative charge).

- **Fictitious Connections**

When the travel agency forces the issuance of several segments within the same PNR that the airline does not recognize as a general connection with multiple errors and complications for the passenger, the applicable charge will be USD 20 per passenger segment plus administrative fee.



ADM AGENCY PENALTIES

ADMs generated by non-compliance with fare rules result in amounts that are the difference between the issued fare and the published fare applicable on the date of issuance, for the class of reservation issued or the next higher applicable class. These irregularities include:

Concept	Characteristics	ADM Application
Incorrect Rate	Incorrect application of amounts and Fare	Difference in Tariff + administrative charge + Fee 10 USD
Fees, Penalties and Surcharges	Incorrect application of codes, rate amounts and penalties	Differences found +Administrative charge + Fee 10 USD
Penalties for Incorrect Changes	Incorrect calculation of penalties, fees or remitted rates	Differences found +Administrative charge+ Fee 10 USD
Incorrect Commission	Commission charged exceeds that established by the Market.	Commission Difference + Administrative Fee + Fee 10 USD
Incorrect Tour code	Misuse of field and code delivered (only agreements)	Fare difference + Administrative fee + 15 USD
Incorrect Refund*	Request channel error (GDS or BSP) and amount refunded Refunds entered by BSP that meet the requirements to be processed via GDS	-Total Refund + Administrative Fee +Fee 10 USD -Administrative fee +Fee 10 USD



Use of credit cards Agencies**	Use of travel agency credit card, affiliates, employees, agency executives, etc., in replacement of the one selected by the passenger at the time of purchase, in accordance with IATA Resolution 890, section 3.4. Exception: with prior and clearly authorized by JetSMART.	2.5% on the value used with the agency T/C + Administrative charge
Churning	Use more than 4 Booking for the same passenger segment.	25 USD per passenger/segment + administrative fee
Counter charges	Non-recognition of purchases by the passenger will be considered as a chargeback.	Ticket price + administrative fee + Fee 10 USD
NO-show	Same passenger in several reservations at the same time generating a No show.	20 USD per passenger/segment + administrative fee
Waivers Misuse	<ul style="list-style-type: none"> - Waiver misuse 	Ticket price + administrative fee + Fee 10 USD
Inactive Segment	<ul style="list-style-type: none"> Expiration of ticket issuance time limit -Abuse of Married Segments Speculative bookings 	25 USD per passenger/segment + administrative fee
Fictional connection	Force connections not recognized by JetSMART	20 USD per passenger/segment + administrative fee

* According to a statement dated June 30, 2023

** "IATA Resolution 890, Section 3.4 This Resolution authorizes the acceptance of only one customer card when the Member/Airline's card acceptance merchant agreement is used to collect payment for the sale of passenger air transportation and ancillary services. The Agent may not accept any other card or payment method that uses the Member/Airline's card acceptance merchant agreement, including any card issued in the name of the Agent or a person authorized to act on behalf of the Agent, unless specifically authorized by such Member/Airline. The Agent shall be fully and exclusively liable for any breach of this Paragraph 3.4 to the Member/Airline in question."



Gloss Reasons for issuing ADM/ACM

Tipo	Concepto	Concepto	Motivo
ADM	Incorrect Rate	IRTAR	Incorrect application of amounts and Fare
ADM	Fees, Penalties and Surcharges	IRTAR	Incorrect application of codes, rate amounts and penalties
ADM	Penalties for Incorrect Changes	IRTAR	Incorrect calculation of penalties, fees or remitted rates
ADM	Incorrect Commission	COMIS	Commission charged exceeds that established by the Market.
ADM	Tour code Incorrecto	IRTAR	Misuse of field and code delivered (only agreements)
ADM	Incorrect Refund	REFND	Incorrect Refund
ADM	Use of credit cards Agencies	IRVTA	Use of credit cards Agencies
ADM	Churning	CHRNG	Use more than 4 Booking for the same passenger segment.
ADM	Counter charges	IRVTA	Non-recognition of purchases by the passenger
ADM	NOshow	IRVTA	Same passenger in several reservations
ADM	Waivers Misuse	IRVTA	Waiver misuse
ADM	Inactive Segment	SEGIN	Expiration of time limit, married segment abuse, speculative reserves.
ADM	Fictional connection	COFIC	Force connections not recognized by JetSMART
ACM	Incentive	INCEN	Incentive
ACM	Charge without issue	IRVTA	Charge without issue
ACM	Duplicity of Position	IRVTA	Duplicity of Position
ACM	REFUND	REFND	Reimbursement payment regularization / Expired sale
ACM	Charge error	IRVTA	Incorrect charge amount



Contact Channels

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-  01 311 0005
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