

Code of Practice

- **Introduction**
 - Scope of the code of practice
 - Definition of the hotel contract
- **Reservations**
 - Vouchers
 - Rates
 - Commissions
 - Groups and Individuals
- **Cancellation**
 - General Terms
 - Cancellation of Groups
 - Cancellation of Individuals
- **Information Required**
 - To the Travel Agent and Client
 - Quality of Services Provided
 - Force Majeure
 - Multiple Bookings

Introduction

Scope of the Code of Practice

The code of practice is intended to govern contracts known as “hotel contracts” between travel agents and hoteliers.

If any of the articles of the code of practice conflicts with national or international law, the signatories acknowledge that such article would not apply.

Definition of the Hotel Contract

The “hotel contract” is a contract by which a hotelier agrees with a travel agent to provide hotel services, at a specified price, to a traveller or a group of travellers who are client/s of the travel agent.

Reservations

Vouchers

If so agreed between the hotelier and the travel agent, the hotelier must accept a voucher.

The travel agent acknowledges that the voucher issued to his/her client – for the hotelier - is guarantee of payment, unless clearly specified otherwise.

Services to be specified on the voucher should include at least: dates of arrival and departure, hotel services to be provided and possibly the means of transport.

Vouchers covering an extension of hotel services are subject to prior written agreement between the hotelier and the travel agent.

Rates

The hotelier shall abide by the agreed contractual rates in the currency of the country where the hotel is located or any other currency stated in the contract. Long term contracts may contain a clause concerning adjustment of the rates.

Commissions

The hotel policy regarding payment of commission and terms of such payment must be clearly indicated and agreed upon by the travel agent before or at the time of the confirmation.

Information regarding commission policy should normally include:

- ✚ Whether a commission will be paid and on which services.
- ✚ The rate/s of commission.
- ✚ Whether commissions are payable on any extension of stay agreed by the hotel and/or on reservations effected by the client during his stay, for a further period where the payment is guaranteed by the travel agent.

Groups and Individuals

✚ Groups

A group is minimum of fifteen (15) persons arriving and departing together, considered by the travel agent and the hotelier as one entity.

Allotments, congresses, conferences, seminars, incentive tours, exhibitions...etc. may require specific written agreements.

The group confirmation from the hotelier shall specify identical services for each member of the group. The total charge shall be presented in one invoice.

If, after the confirmation the group is reduced to less than fifteen persons, the hotelier must notify the travel agent whether he/she still considers this party as a group.

✚ Individuals – (FIT)

An individual client is the person who cannot benefit from group conditions. Invoices will be prepared individually even if the traveller arrived with other persons belonging to the same travel agent and having the same staying details.

Cancellations

General Terms

The terms and time-limits governing total or partial cancellation of the hotel contract, together with the amount of any possible compensation due in case of a late cancellation, shall be agreed upon at the time of confirmation.

All cancellations shall be signified in writing and dated. Where applicable, the hotelier may issue a cancellation reference number to be retained by the travel agent.

Cancellation of Groups

In the absence of agreement to the contrary the following rules shall apply in the event of a group cancellation;

- ✚ The entire group (100%) may be cancelled validly up to thirty (30) days prior to the arrival date.
- ✚ A maximum of 50% of the initial reservation may be cancelled at least twenty-one (21) days prior to the arrival date.
- ✚ A maximum of 25% of the initial reservation may be cancelled at least fourteen (14) days prior to the date of arrival.

Cancellation Fees

When cancellations are made outside the above-mentioned time-limits, the hotelier is entitled for compensation as follows;

- ✚ A fee which has been agreed in advance.
- ✚ In the absence of any agreements: two-thirds of the price of the reserved services *(minimum of one night)
- ✚ In the case of a cancellation three days prior to the date of arrival then the compensation will be of three-quarters of the price of the reserved services. *(minimum of one night)

*(All cancellation fees are p.p.p.n)

Reclaiming of Rooms by Hoteliers

When a reserved group occupies more than 30% of the total room capacity, the hotelier will notify the travel agent between 30 and 60 days prior of the arrival, that he (the hotelier) intends to dispose of all or some of the rooms which the travel agent does not guarantee.

The hotelier cannot dispose of any rooms that the agent has guaranteed.

Cancellation for FIT

In the absence of a contractual condition which states the contrary, the following rules shall apply:

- ✚ Fourteen (14) days prior to the date of arrival in low season.
- ✚ Thirty (30) days prior to the date of arrival in high season.

Guaranteed and non-guaranteed reservation

In the case of a non-guaranteed reservation the hotelier is obliged to keep the room until 1800hrs of the date of arrival unless it is stated in advance that it is a late arrival. In the contrary the hotelier can dispose of the room.

In the case of a guaranteed reservation where the travel agent has paid an amount in advance, the hotelier is bound to keep the room until 1200hrs of the next day from the date of arrival. In this case after, the hotelier can dispose of the room.

Premature departure (Under stay)

In the event of a premature departure, the travel agent shall compensate the hotel for the actual loss suffered, except in those cases where the hotelier is responsible for the premature departure of the guest.

Other solutions can be agreed upon by both parties concerned.

Information Required

To the Travel Agent and Client

The hotelier shall provide the travel agent with relevant, precise information concerning the category/standards, location and services of the hotel.

The travel agent is obliged to transmit to his client the information exactly as supplied by the hotelier.

Quality of Service

The service provided by the hotelier to the travel agent's clients, in accordance with the hotel contract, shall be of the same quality as those provided by the

hotelier, on the same conditions, to his direct clients, unless otherwise stated in the contract.

Force Majeure

Whenever one of the parties to the hotel contract finds it impossible to fulfill his obligations owing to a case of force majeure that is a “circumstances that are unforeseen, irresistible and beyond his/her control” he/she is exonerated from the obligations without having to pay any compensation.

When the hotelier or the travel agent find him/herself unable to fulfill his/her obligation for reasons of force Majeure, he/she shall immediately notify the other party by all means of his/her disposal in order to limit potential damages.

Multiple Bookings

Even if a travel agent has simultaneously requested reservations for the same stay of a client or a group from different hotels he/she shall refrain from finalizing several hotel contracts for the same stay of a client or a group, with the intention of canceling, at a later date and within the time-limits mentioned, the reservations he/she decides not to retain, he shall refrain from finalizing more than one contract.

In such cases the hotelier can unilaterally cancel the reservation concerned and not refund any paid reservation fee.

In the case of a series of group reservations, all reservations concerned may be cancelled.

The above notes are extracts from the
Code of Practice
on relations between the
Hoteliers and Travel Agents drawn up by the **International Hotel &
Restaurant association (IH&RA)** and the
Universal Federation of Travel Agents' Associations (UFTAA)

