

December 2023

What's happening in Brussels

PTD: New proposal published / ECTAA in the European Parliament

On 29 November the European Commission adopted a proposal to revise the Package Travel Directive as part of the <u>Passenger Mobility Package</u>. The proposal contains some improvements (rules on refunds by service suppliers to package organisers) but also raises a number of concerns (limitation of prepayments, scope, consideration of the situation at departure in respect of the right to cancel a package...). The Legal Committee met on 6 December to analyse the text and start preparing an ECTAA position. It is still unclear whether the European Parliament will try to adopt a report in first reading before the end of its mandate in 2024 (elections are due in June 2024).

On the same topic, ECTAA participated to a Hearing on the revision of the Package Travel Directive in the European Parliament, organised by the Internal Market and Consumer (IMCO) Committee on 4 December. More information is available

here.

Strengthened passenger rights and new multimodal passenger rights

On 29 November 2023 the European Commission adopted the <u>Passenger Mobility Package</u>, which includes not only the revision of the Package Travel Directive, but also a proposal to amend the unimodal passenger rights regulations as well as a proposal for a new regulation on passenger rights in the context of multimodal journeys. The proposal addresses aspects like standard EU-wide reimbursement and compensation forms and more rights for passengers with reduced mobility (PRMs). Most relevant for intermediaries like travel agents and tour operators are proposed new rules concerning reimbursements when flights or multimodal journeys are booked via

intermediaries. Also important here are proposed new obligations to share passenger contact data with air carriers while at the same time limiting the use of such information by airlines and the obligation for air carriers to delete them after 72 hours. Passengers should also be better informed about the reimbursement procedures which have to be free of charge. Passengers who booked through an intermediary should be reimbursed within 14 days and that should be facilitated by airlines having to reimburse to the intermediary within days.

In a multimodal context, passengers should receive more information concerning the type of contract before making the purchase. Passenger contact details should also be shared with transport operators under the same limitations and obligation to delete them after 72 hours as suggested in the air passenger rights. Refunds through intermediaries is also addressed as in unimodal passenger rights with the same timelines. For PRMs access to information and easier notification of assistance is included in the proposal. The delegates of the Air Matters Committee and Technology Working Group will prepare the ECTAA position on the passenger rights package during an inperson meeting in January 2024.

ViDA – Clarification on the scope of the Deemed Supplier Regime (DSR)

A meeting with the European Commission DG TAXUD confirmed that the Deemed Supplier Regime proposed in the ViDA package would not apply to travel companies selling in their own name and operating under the special VAT scheme for travel agents (undisclosed agents). This means they can continue to include accommodation services, which have not been charged with VAT (because they are, for example, VAT exempt), in the margin calculation. However, travel companies facilitating the supply of 'untaxed' accommodation services (disclosed agents) will be caught by the new rules and will have to charge VAT on the supply of the accommodation service on behalf of the accommodation provider, if the rules are adopted.

In the meantime, the Spanish Council Presidency was not able to reach an agreement on the platform rules, as they hoped to do. They issued a progress report which specifies that while the majority of member states are in favor of the DSR, some suggested an optional application of the DSR, with a few of them suggesting the substitution of the DSR by reporting obligations. The file is now handed over to the Belgian Council Presidency.

Better driving and rest times rules in sight for coach tourism

Despite strong opposition from the unions, the EP adopted its opinion backing

the much-needed changes to driving and rest time rules for occasional bus and coach passenger transport proposed by the Commission. These changes include: possibility for coach tourism drivers to split their 45-minute break into two breaks of at least 15 minutes each; extension of the 12-day derogation, previously applicable only to international transport, to domestic transport; and possibility for coach tourism drivers to postpone their daily rest by one hour once during a trip lasting six days. The general approach of the Council and the EP position are not very different, so we could expect a speedy adoption of these new rules.

Agreement on sustainability due diligence obligations

The Council and the European Parliament reached a provisional deal on the corporate sustainability due diligence directive (CSDDD) proposal. The due diligence directive will set obligations for large companies regarding actual and potential adverse impacts on human rights and the environment, with respect to their own operations, those of their subsidiaries, and those carried out by their business partners in the supply chain. The directive also lays down rules on penalties and civil liability for infringing those obligations; it requires companies to adopt a plan ensuring that their business model and strategy are compatible with the Paris agreement on climate change. The agreement fixes the scope of the directive on large companies that have more than 500 employees and a net worldwide turnover of €150 million and a worldwide turnover higher than €150 million. It will also apply to companies with over 250 employees and with a turnover of more than €40 million if at least €20 million are generated in certain sectors. The latter does not include the tourism sector, which was at one point tabled as amendment in the EP. While the obligations under CSDDD rest with large companies, it is likely that obligations trigger down to smaller companies in their supply

European Commission raises ceilings per company for small amounts of aid

The European Commission has adopted a <u>regulation</u> amending the general rules for small amounts of aid (de minimis Regulation). The current de minimis Regulation exempts small amounts of aid of up to €200.000 over three years, since they are deemed to have no impact on competition and trade in the Single Market. With the amendment, the ceiling per company is increased to €300,000 over three years, in order to cater for inflation. The new de minimis rules will enter into force on 1 January 2024 and will apply until 31 December 2030.

Sustainability Corner

The power of citizens to help marine conservation ECTAA is supporting the Sea Sentinels project, which is a citizen science project that consists of asking citizens to report after their diving activity the presence and abundance of Mediterranean marine organisms through a userfriendly questionnaire, to obtain an environmental quality index of surveyed areas. This is a project carried out by the University of Bologna, Italy, and was created by the Marine Science Group. The collaboration of research with citizens is advantageous for both sides, promoting environmental awareness among the general public while allowing scientists to gather significant amounts of reliable data for scientific studies. This project methodology can be applied in various contexts, and Sea Sentinels goal is to expand the collaboration network to promote even more awareness among citizens and to assess environmental quality in the whole Mediterranean Sea. ECTAA Members interested in helping to replicate this project in their country with the help of their members are invited to contact us. More information about the project here.







COP28 - the end of fusil fuels, but when?

The COP28 negotiations resulted in an agreement to transition away from fossil fuels. The parties "call" for "a transition away from fossil fuels in energy systems, in a fair, orderly and equitable way, accelerating climate action in this critical decade, so as to achieve climate neutrality by 2050". However, while this mention of fossil fuels is a first, there is no precise and binding timetable for phasing out oil, coal and gas. On the positive side, the parties have decided to triple the world's renewable energy capacity and double the rate of improvement in energy efficiency by 2030, as advocated by the EU.

Particular emphasis has been placed on reducing methane emissions and gases other than CO2, as well as phasing out inefficient fossil fuel subsidies.

ECTAA Insights

Visa have signed an agreement to work alongside ECTAA, through a new strategic partnership. With an estimated 4.4bn air travellers set to take to the skies through 2023, this partnership enables Visa and ECTAA to place an important lens on travel payment, a critical aspect of the traveller journey. Andrea Caulfield-Smith, Director of B2B Travel Partnerships said 'I am delighted we are partnering with ECTAA and their members to amplify the value of the payment flow and to understand how Visa can support consumers when paying for travel. This important partnership acknowledges the criticality of a frictionless payment experience when customers book and pay for holidays via travel intermediaries'.



Events



ECTAA Travel Payment Summit 2024

An adept payment strategy not only mitigates risks but also enables higher revenues and heightened customer satisfaction, constituting a linchpin for sustainable growth within the industry. Within the labyrinth of travel and payment complexities, frameworks, especially the EU regulatory legislation, loom large, setting the tone and guidelines for the industry's operational landscape. Set against this backdrop, the forthcoming ECTAA Travel Payment Summit, scheduled for 21 February 2024 in Brussels, will bring together travel and payment experts alongside EU policymakers and stakeholders from the "Brussels bubble" with multifaceted goals:

* understand the complexities of travel payment

- * understand the diverse spectrum of stakeholder perspectives
- * explore novel approaches * enable a collaborative environment fostering discussions beyond siloed dialogues prevalent today.

If you are interested in the ECTAA Travel Payment Summit and wish to register, you can find more information on our <u>webpage</u>

Opportunity for European incoming tour operators to participate in ASTA (American Society Of Travel Advisors) Global Convention 2024

The ASTA trade show and annual ASTA Global Convention is taking place on 29-31 May 2024 in Dallas, Texas. ASTA has kindly opened their trade show to European incoming tour operators members of ECTAA at a discounted fee. By enrolling in the trade show that will take place on the afternoon of the 29th of May, exhibitors will have access to over 1,000 American qualified travel professionals. In addition, by attending the entire conference, exhibitors will obtain many hours of networking, valuable industry updates, compelling keynotes, and education sessions presented throughout the conference. Companies of ECTAA member associations interested in participating in this event are invited to complete the following the online registration form.

Save the Date

January: Sustainability Committee, online
January 2024 (date tbd): Air Matters Committee & Technology Working
Group,
Brussels
21 February: ECTAA Travel Payment Summit, Brussels - registration

29-31 May: ASTA Travel Convention 2024, Dallas/USA13-14 June: 128th ECTAA semi-annual meeting, Braşov/Romania

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