# AMENDMENTS TO THE TRAVEL AGENTS ACT AND TRAVEL AGENTS REGULATIONS

#### INTRODUCTION

This guide provides information on the amendments to the Travel Agents Act (TA Act) and Travel Agents Regulations (TA Regulations), with effect progressively from 1 January 2018<sup>1</sup>.

#### **BACKGROUND**

There are about 1,200 licensed TAs currently. As important players in the tourism ecosystem and designers of travel experiences, TAs contribute to the vibrancy of Singapore's economy, provide good jobs for Singaporeans and deliver memorable experiences to visitors and locals.

The Singapore Tourism Board (STB)'s Travel Agent (TA) legislative framework comprises the TA Act and TA Regulations, which were introduced in 1976. The intent of the framework is to weed out fly-by-night TAs and to provide safeguards against malpractice by TAs that might pose risks to the traveling public. As TA businesses are by nature travel intermediaries that typically accept payment before service is delivered, STB regulates the industry to reduce risks (including errant TA activities) to which consumers are exposed.

Over the years, the travel industry has been evolving with rapid technological growth and changes in consumer travel habits. Prior to the 2017 legislative review, the TA Act and Regulations was last amended in 1993 and 2007 respectively; it is thus timely to update the TA Act and TA Regulations. The review was done with the objectives of facilitating a probusiness environment, enhancing consumer protection and strengthening the regulatory framework.

This quide is accurate as of 2 January 2018.

The contents of this guide are intended to provide an overview of the amendments to the travel agent legislation and do not contain binding legal advice. Please click on the links below to read the full legislation:

<u>Travel Agents Act</u>

Travel Agents Regulations

<sup>&</sup>lt;sup>1</sup> Effective date for each amendment will be indicated in this guide. For avoidance of doubt, the existing legislation will continue to apply until the relevant effective dates of the amended legislation.

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# SUMMARY OF THE MAIN CHANGES TO THE TRAVEL AGENTS ACT AND TRAVEL AGENTS REGULATIONS

#### Facilitating a pro-business environment

#### Removal of the requirement to purchase fidelity insurance

Effective 01 Jan 2018

The requirement for licensees to purchase fidelity insurance has been removed. From 1 Jan 2018 onwards, licensees are no longer required by law to purchase a fidelity insurance policy.

#### Removal of prohibition against sharing of premises

Effective 01 Jan 2018

The restriction on sharing business premises with any other business has been removed, and licensees can share their premises without requiring STB's approval.

Q: Does this mean that licensees do not need to seek STB's approval for their business premises?

A: No, STB's approval for business premises is still required. However, licensees no longer require STB's approval for sharing their premises with other businesses.

#### Display of signs at alternative locations

**Effective 01 Jan 2018** 

Licensees are already required to display signs carrying their registered name and logo at the entrance of their place of business. In cases where the display of signs is prohibited by any other legislation, the licensee may instead display their signs at a different location, subject to STB's approval.

#### Material changes to travel products and pro-rated refunds

Effective 01 Jan 2018

Where a licensee intends to make a material change to a travel product before the travel product is delivered, the licensee must offer the customer a choice of either accepting the change or a full refund of the travel product. Where the travel product has been partially delivered, the licensee will only be required to <u>refund for the portions of the travel product that have not been delivered</u>, or <u>where the travel product is reduced in value</u>, refund for the <u>reduction in value</u>.

This requirement only applies when the change is made by the licensee, whether or not the change is due to unforeseen circumstances.

### Q: Do I need to offer a refund if the terms & conditions of my travel package state that cancellations or changes are strictly non-refundable?

A: This requirement applies when the material change is initiated by the licensee (e.g. the licensee books a different class of hotel than what was previously committed to customers), including if the material change arises from unforeseen circumstances (e.g. bad weather resulting in flight delays). The terms and conditions of the travel product may continue to apply for changes initiated by customers.

### <u>Submission of Gross Annual Turnover aligned with Audited</u> Accounts

Effective 01 Jan 2018

Licensees are now required to submit their Gross Annual Turnover (GAT) within 6 months of the close of their financial year. This is now aligned with the submission deadline for audited accounts. The term "GAT" has been renamed to "Annual Business Profile Returns" (ABPR) to better reflect the information that licensees are required to submit.

### Q: Is there any difference in the information required for ABPR submission as compared to GAT submission?

A: No, all information that licensees are required to submit as their GAT submission remain the same for the ABPR submission.

#### Q: What is the submission deadline for ABPR if I change my financial year?

A: For licensees who change their financial year, they may, for the first financial year affected by the change, submit their ABPR within 6 months after the end of their new financial year.

For example, if a licensee's current financial year is 1 Jan - 31 Dec 2017, but wishes to change their financial year end to 31 Mar 2018. The new submission deadline for the licensee is September 2018, and the reporting period for their next ABPR will be 1 Jan 2017 - 31 Mar 2018. Subsequent ABPR submissions will be on a 1 Apr - 31 Mar basis.

#### Q: Do I need to notify STB if I change my financial year?

A: Yes. Licensees must, before changing their financial year, inform STB of the intended change within 6 months after the end of their previous financial year.

For example, if a licensee's current financial year is 1 Jan - 31 Dec 2018, and wishes to change their financial year end to 31 Mar 2019. STB must be informed by 30 June 2018 (i.e. 6 months after 31 Dec 2017, the end of the previous financial year).

#### Increased penalty for unlicensed travel agent activities

Effective 01 Jan 2018

To deter unlicensed TAs, the maximum fine for carrying out unlicensed TA activities has been increased from \$10,000 to \$25,000 per offence. The maximum term of imprisonment remains at 2 years per offence.

# <u>Enhanced investigation and compliance enforcement powers for STB</u>

Effective 01 Jan 2018

From January 2018 onwards, STB officers have the power to take <u>photographs</u>, <u>audio or video recordings at all places where TA activities are carried out</u>, including aboard vehicles and vessels, and <u>of all individuals who are reasonably acquainted to any contravention</u>. STB officers will also have the power to <u>seize documents that may be relevant for the purposes of investigation or compliance</u> from any relevant third party and not merely the licensee.

These enhanced powers will allow STB officers to more effectively enforce against both errant licensees and unlicensed TAs.

#### Q: Why does STB need such enforcement powers?

A: Errant licensees and unlicensed TAs tarnish the tourism industry and the image of Singapore. The enhanced enforcement powers allow STB to carry out more effective enforcement and deter errant behaviour, as well as expedite the investigations and compliance checks, and mete out appropriate and timely enforcement actions. This will also bring STB's powers in line with similar regulatory regimes.

#### Definition of "tour"

Effective 01 Jan 2018

The term "tour" has been defined to provide more clarity:

"A visit to one or more places or points of interest, whether in Singapore or elsewhere, in which the participant or participants in the visit is or are, for any part of the visit, accompanied by an individual who is not a participant of the visit."

#### Q: Why is there a need to define "tour"?

A: Tours constitute a key TA activity for most TA businesses, and is a travel product that takes various forms with the evolving tourism landscape. A definition is thus introduced to provide clarity on the types of activities that will be regulated. In relation to tours, any person who sells or arranges a tour, and who is not exempted, must obtain a TA licence.

## <u>Introduction of the Niche licence with lower minimum financial</u> requirements

Effective 01 Mar 2018

A new licence tier, the Niche licence, is introduced for TAs that sell, arrange or advertise <u>only local tours with conveyance but without accommodation</u> (e.g. local sit-in coach tours). Licensees holding a Niche licence will be required to maintain a minimum paid-up-capital and net asset value of \$50,000.

Q: Are there any other differences between a Niche and General licence? For example, am I exempt from the requirement to submit audited accounts?

A: Apart from the lower minimum financial requirements and the types of TA activities that they are able to supply, licensees holding a Niche licence are subject to the same regulations and requirements as licensees holding a General licence. The introduction of the Niche licence tier is to inject greater vibrancy and innovation into the local tour scene.

Q: When can I apply for a Niche licence?

A: Persons interested in applying for a Niche licence can do so from <u>January 2018</u> <u>onwards</u>, and the Niche licence will be granted from March 2018 onwards.

#### Entities that do not require a travel agent licence

Effective 01 Jan 2018

Under the TA legislation prior to 2018, the following entities already do not require a TA licence:

- a) A person supplying travel on a conveyance, if it is a conveyance that the person owns.
- A person supplying travel on any conveyance to, and accommodation at a hotel or similar boarding premises at, one or more places (whether in Singapore or elsewhere), if:
  - i. It is conveyance that the person owns, and
  - ii. It is accommodation that the person owns or operates.

From 1 Jan 2018, the legislation clarifies that the following entities similar to those listed above will also not require a TA licence:

- a) A person supplying travel on a conveyance, if the conveyance travels only within Singapore and the person does not supply any tour<sup>2</sup> (e.g. solely transport operators)
- b) A person purchasing, or reserving, for resale travel on any conveyance, if the conveyance travels only within Singapore and the person does not supply any tour<sup>2</sup>

- Those providing regular route services within the meaning of the Bus Services Industry Act 2015 (e.g. SBS bus services)
- Those providing community bus services or courtesy bus services within the meaning of the Bus Services Industry Act 2015, and only if the services travel within Singapore (e.g. free shuttle services from hotels to shopping malls)
- Those providing train services within the meaning of the Public Transport Council Act (Cap. 259B) (e.g. MRT)

<sup>&</sup>lt;sup>2</sup> Such entities include the following:

c) A person supplying any tour (whether or not organised by the person), if it is a tour for a place or point of interest that the person owns or operates

To foster more differentiated and innovative offerings to tourists and locals, the following entities are exempted from requiring a TA licence with effect from 1 Jan 2018:

- a) Any person who supplies a tour where participants only visit places or points of interest within Singapore without passenger-carrying conveyance. This means
  - i. The person does not provide any conveyance to the participants of the tour (e.g. walking tours); or
  - ii. Every participant is required to contribute to the movement of the conveyance provided (e.g. cycling or tandem cycling tours).
- b) Any person who supplies services to a licensee for the purposes of a tour (e.g. a TG providing guiding services to a licensee for the licensee's tour)

The following entities are not required to hold a TA licence as they do not carry on the business of a TA in their main course of work, and are not likely to be fly by night operators:

- a) Government<sup>3</sup> and statutory boards
- b) Institutions of a Public Character<sup>4</sup>

#### Q: Are there any other changes as to who needs a TA licence?

A: No. The business of a TA remains the same, i.e. a person who carries on the business of any of the following requires a TA licence, unless exempted as mentioned above:

- a) Supplying any person a right to travel on any conveyance;
- b) Supplying any person
  - i. A right to travel on any conveyance to; and
  - ii. A right of accommodation at a hotel or similar boarding premises at, one or more places, whether in Singapore or elsewhere;
- c) Purchasing, or reserving, for resale to a person a right to travel on any conveyance
- d) Supplying any tour (whether or not organised by the person) to any other person:
- e) Such other similar activity as may be prescribed

For avoidance of doubt, the terms "supply" or "supplying" in relation to a travel product, as used in the legislation and this guide, include selling or arranging.

<sup>&</sup>lt;sup>3</sup> Comprising Ministries, Organs of State and Government departments.

<sup>&</sup>lt;sup>4</sup> Institutions of a Public Character (IPC) are charities that can issue tax deductible receipts for qualifying donations to donors. To qualify as an IPC, the charity must be dedicated to serving the needs of the community in Singapore as a whole.

Q: Does this mean that if I own a coach, I do not need a TA licence to sell or arrange coach tours?

A: No, you will still require a TA licence for selling or arranging the tour, whether or not the tour is conducted on a coach that you own. Please refer to page 5 for the definition of a tour.

Q: What do you mean by "tours without passenger-carrying conveyance"?

A: This refers to tours that use modes of conveyance (if at all) that do not carry passengers, i.e., these modes of conveyance involve every tour participant contributing to the movement of the conveyance provided. Examples include a participant pedalling his or her own bicycle, or riding his or her own kick-scooter, or 2 participants operating a tandem bicycle.

Q: For the walking tours that I sell, my participants sometimes wish to take the MRT or public bus to travel between the destinations of the walking tour. Would I be exempted from requiring a TA licence?

**A:** A TA licence is not required if transportation is not provided for tour participants.

#### Freelance agents hired by licensees

**Effective 01 Jan 2018** 

A freelance agent who is hired by a licensee to sell travel products on behalf of the licensee is not required to hold a TA licence.

Q: Am I allowed to sell travel products without a TA licence, as long as I have a freelance contract with a licensed TA?

A: A freelancer who does not hold a TA licence may only sell travel products offered by the licensee that has engaged the freelancer as an agent; meaning that, the licensee is contractually obliged to fulfil terms of the travel product to customers who purchase travel product from the freelancer. The sale or resale of any travel product where the freelancer is not an agent will require him to have a TA licence.

### **Strengthening consumer safeguards**

## Show cause period and disclosure requirements for licensees facing suspension or revocation

Effective 01 Jan 2018

From January 2018 onwards, a licensee served with a notice of suspension or revocation is given a reduced period of <u>14 days</u> to show cause as to why its licence should not be suspended or revoked.

#### Q: Why is the show cause period for licensees reduced?

A: During the show cause period, licensees are still able to carry out TA activities, and customers may be at risk. The reduced show cause period will limit the period during which customers are exposed to risk, while giving such licensees the right to fair hearing. Such notices of suspension or revocation are only served in appropriate deserving cases.

In addition, STB may require any such licensee to inform its customers, in writing, that it has been served with a notice of suspension or revocation:

- For <u>existing customers</u>, the licensee must <u>inform them within 2 working days</u> after the notice has been served
- For <u>new customers</u>, the licensee must <u>inform them within 2 working days</u> after they
  receive any form of query in relation to the licensee's travel products, <u>or before</u>
  <u>entering into a contract with them, whichever comes first</u>

Q: Why is STB introducing a requirement to inform customers of the notice of suspension/revocation?

A: This requirement helps to ensure that customers can make informed decisions on whether or not to proceed with their transactions with such licensees.

Q: Will all TAs have to disclose that they are facing suspension or revocation?

A: No, STB will only impose the requirement on TAs when it is appropriate to do so e.g. in an egregious case.

Q: How will TAs have to disclose this fact to customers?

A: Licensees required to disclose to their customers must do so in writing and in such form and manner that STB may require. A verbal notification is insufficient.

STB will also be able to publish information relating to any notices of suspension or revocation, or financial penalties, imposed on a licensee.

Q: What is STB's intent in publishing information relating to notices of suspension/revocation, or financial penalties?

A: Publishing information would help ensure that customers can make informed decisions on whether or not to proceed with their transactions with such licensees.

#### Prohibition against receiving payment to personal bank accounts

Effective 01 Jun 2018

Licensees are now prohibited from using personal bank accounts to receive payments in Singapore for their travel products.

#### Q: What is the purpose of this prohibition?

A: With the prohibition, licensees can only use their corporate bank accounts, and not any personal bank account (e.g. of the directors or employees), to receive payments in Singapore. This protects licensees and customers from potential fraud.

Q: I carry on my TA business as a sole proprietorship/partnership. How will this prohibition apply to me?

A: The prohibition does not apply to licensees who are sole proprietorships or partnerships, where the bank account is held in the name or names of the sole proprietor or of one or more of the partners.

#### Requirement to state contact details on all advertisements

Effective 01 Jan 2018

Licensees are now required to include the following information in all advertisements (including online advertisements):

- a) Name of the licensee
- b) TA licence number
- c) At least 1 of the following contact details: telephone number, email address or fax number

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Licensees are now required to include the following information in all contractual documents with a customer:

- a) Name of the licensee
- b) TA licence number
- c) Address of one or more of the licensee's places of business
- d) At least 1 of the following contact details: telephone number, email address, or fax number

#### Prohibition against publishing inaccurate advertisements

Effective 01 Jan 2018

In addition to the prohibition on false and misleading advertisements, a new prohibition against publishing inaccurate advertisements is in force from January 2018 onwards.

#### Q: What is considered inaccurate?

A: Any information published (e.g. pamphlet, picture, brochure, advertisement, flyer, etc) relating to a travel product that is not factually correct at the time of publication may be regarded as inaccurate, whether or not the inaccuracy was made deliberately.

Q: Will I be penalised for inaccurate advertisements if there is a change to the travel product after the customer has already purchased it?

A: Information published must be factually correct at the time of publication. After entering into a contract, any change to the travel product thereafter may be made by the licensee, but the licensee must inform customers of the change, and allow the customers to choose between accepting the changes or receiving a refund. Please refer to page 3 on the requirement to inform customers of material changes to travel product.

#### **Prohibition against touting**

**Effective 01 Jan 2018** 

Licensees are <u>prohibited from touting</u>. Under the TA Regulations, a licensee must not, in the course of carrying out its business of a TA, solicit or cause the soliciting of any person persistently or in a manner that causes or is likely to cause annoyance to the person. This applies to any location where the licensee is carrying out its business, including temporary booths at travel fairs.

Q: If I distribute flyers at travel fairs or outside my business premises, is that considered touting?

A: The distribution of flyers is not considered touting, unless the person distributing the flyers is soliciting business persistently or in a manner that causes or is likely to cause annoyance.

#### Provisions on the granting, suspension or revocation of a licence

Effective 01 Jan 2018

Grounds for which STB already can reject an application for a new or renewal of licence are as follows:

- a) If the applicant or relevant individual<sup>5</sup> is unsuitable to be involved in the management or operation of a TA
- b) If STB has reason to believe that the applicant or relevant individual has committed any offence involving dishonesty or moral turpitude
- c) If the application contains any untrue or misleading information
- d) If STB considers it to be in public interest to reject an application

Added grounds clarify when STB can reject an application for a new or renewal of licence:

- a) [new] If the applicant is unable to meet the minimum financial requirements for a TA
- b) [new] If STB has reason to believe that the applicant or relevant individual has contravened the TA Act or Regulations, including licensing conditions that may have been imposed on the applicant
- c) [new] If STB has reason to believe that a relevant individual of the applicant is responsible for another licensee's contravention of the TA Act or Regulations, including licensing conditions that may have been imposed on the other licensee
- d) [new] If all relevant individuals of the applicant are incapable of carrying on the business of a TA (e.g. due to illness)

Grounds for which STB already can suspend or revoke a licensee's TA licence are as follows:

- a) If the licensee or relevant individual is unsuitable to be involved in the management or operation of a TA, including by reason of the manner the licensee is carrying on its business
- b) If STB has reason to believe that the licensee or relevant individual has committed any offence involving dishonesty or moral turpitude
- c) If STB has reason to believe that the licensee or relevant individual has contravened the TA Act or Regulations, including licensing conditions that may have been imposed on the licensee
- d) If an application for the grant or renewal of a licence contains any untrue or misleading information
- e) If the licensee has ceased to carry on the business of a TA
- f) If STB considers it to be in public interest to suspend or revoke a licensee's TA licence

a) the licensee, in the case of sole proprietorships;

<sup>&</sup>lt;sup>5</sup> Relevant individual refers to:

b) a partner, in the case of partnerships;

c) a member of the governing body of the unincorporated association (e.g. a member of the executive committee), in the case of an unincorporated association; and

d) any director or officer holding a managerial or an executive position (e.g. General Manager or Managing Director), in the case of a company, limited liability partnership or other body corporate.

Added grounds clarify when STB can suspend or revoke a licensee's TA licence:

- a) [new] If STB has reason to believe that a relevant individual of the licensee is responsible for another licensee's contravention of the TA Act or Regulations, including licensing conditions that may have been imposed on the other licensee
- b) [new] If all relevant individuals of the applicant are incapable of carrying on the business of a TA (e.g. due to illness)

#### Q: What is an offence involving moral turpitude?

A: Offences involving moral turpitude include but are not limited to offences related to cheating, making false statements, corruption and violent crime.

## Requirement to inform customers of material changes to travel products

Effective 01 Jan 2018

After a contract has been formed between the licensee and customer for a travel product (e.g. after contract is signed by the customer), licensees are now required to inform customers if they intend to make any material changes to the travel product.

#### Requirement to state cancellation terms & conditions

Effective 01 Jan 2018

Licensees are now required to inform their customers, in writing, of the cancellation terms & conditions <u>before entering into a contract</u> with the customer (e.g. before contract is signed by the customer).

#### Requirement for licensees to settle disputes

Effective 01 Jan 2018

Licensees must not neglect to settle disputes with customers over whether there was a contract, and disputes with customers on any cancellation or contractual obligations of a travel product.

Q: Does the requirement mean that the licensee must agree to the customer's demands?

A: No. The requirement is that the licensee cannot wilfully refuse or without reasonable excuse, neglect to settle a dispute, but does not require the licensee to agree to the customer's demands.

#### Requirement to issue receipt and a list of components

Effective 01 Jun 2018

When licensees <u>receive a payment or deposit amounting to \$500 or more per person</u> for a travel product, they are required to issue a <u>receipt and an itemised list of components</u> for the amount paid, as soon as possible after receiving the payment.

Q: Am I required to display the cost of each component in the receipt?

A: No, only an itemised list of components for the total amount that the customer paid under the receipt must be provided.

#### Requirement to carry itinerary

Effective 01 Jun 2018

Licensees that supply tours in Singapore must ensure an individual accompanying the tour group, such as the tour leader or tourist guide, carries an itinerary or schedule for the tour. The itinerary must contain the <u>name(s)</u> and <u>badge number(s)</u> of <u>any tourist guide(s)</u> providing guiding services for the group.

Q: What is the purpose of this requirement?

A: The requirement is intended to ensure that licensed TGs are hired, and ensure the professionalism and service quality of tours.

Q: Does the itinerary need to be a hard copy?

A: The itinerary can be in any form, as long as it can be viewed at any time.

#### No unlicensed tourist guide for local tours

Effective 01 Jan 2018

If a licensee supplies guiding services in a tour within Singapore, and any participant of the tour is a tourist, the licensee must ensure that the guiding services are only provided by:

- a) A tourist guide who holds a valid licence granted or renewed under the Singapore Tourism Board Act (Cap. 305B); or
- b) A tourist guide who is exempt under the Singapore Tourism Board Act.

#### <u>Travel insurance requirement</u>

Effective 01 Jan 2018

With effect from 1 Jan 2018, the Additional Licensing Condition on Travel Insurance will be legislated as part of the TA Regulations. Where applicable, licensees are required, before receiving any payment, to ask their customers to consider buying travel insurance that includes coverage for each traveller in the group against failure or disruption in the provision of the travel product arising out of travel agent insolvency, and inform their customers of one or more insurers from which the customer may purchase such travel insurance.

This requirement is applicable to any licensee that receives payment for a travel product that is delivered wholly or partly outside Singapore, and where:

- a) The licensee requires part payment of \$500 or more per traveller; or
- b) The price of the travel product per traveller is \$1,000 or more;

Despite the above, this requirement is not applicable to any licensee where:

- a) The customer is purchasing a travel product on behalf of another person registered under the Business Names Registration Act 2014 (Act 29 of 2014) or on behalf of a body corporate (e.g. for corporate travel);
- b) The travel product includes such travel insurance; or
- c) No payment for the travel product is made to the licensee until after the date of departure from Singapore

Where the requirement is applicable, the licensee is required to keep a record of the following information for at least 12 months from the date the payment is received:

- a) The name of the customer;
- b) The licensee's reference number in respect of the travel product;
- c) The names of all travellers under the travel product;
- d) The customer's decision on purchasing such travel insurance;
- e) The particulars of each certificate of insurance in respect of the travel product, including the name of the insurer, the name of the policy, the policy reference number and the names of the insured travellers (if the customer chooses to purchase such travel insurance); and
- f) The customer's acknowledgment that the licensee has complied with this requirement.

#### **Updating Provisions**

### Removal of Banker's Guarantee as an option to supplement shortfall in net value

Effective 01 Jan 2018

The Banker's Guarantee (BG) will no longer be an option available to licensees to supplement any shortfall in net value to meet the minimum financial requirement.

Q: Why is the BG option being removed?

A: The BG option does not provide direct recourse for customers in the event that a licensee becomes insolvent.

Q: What options do licensees have to meet the minimum financial requirement?

A: There are several ways that licensees can supplement their net value, and one of the common options is to inject capital.

Q: What if I have an existing BG that is expiring after 1 Jan 2018?

A: Licensees with existing BGs are allowed to retain the BGs until its expiry date. Licensees will not be allowed to furnish new BGs after 1 Jan 2018.

#### Requirement to inform STB of changes in contact details

Effective 01 Jan 2018

Licensees are required to maintain the following contact details with STB, and to notify STB of any changes in these details within 14 days after the change:

- a) Telephone number
- b) Email address
- c) Fax number

# Requirement to inform STB of any change in financial year of the <u>licensee</u>

Effective 01 Jan 2018

Licensees are required to notify STB of any change in their financial year, within 6 months after the end of the previous financial year.

### Requirement to obtain STB's approval before carrying on business of a TA at any premises

Effective 01 Jan 2018

Licensees are required to obtain STB's approval before carrying out TA activity at any premises. In addition, licensees are required to notify STB within 14 days of ceasing to use any such premises for their business.

Q: Do I need to seek STB's written approval apply if I am moving my office to a different location?

A: Yes. Any licensee that intends to change the location of their place of business is required to seek STB's written approval before operating at the new location.

Q: Do I need to seek STB's approval to operate a booth at a travel fair?

A: No, there is no need to seek STB's approval to operate a booth at a travel fair.

#### Revised licensing fees

Effective 01 Jan 2018

The licensing fees, last adjusted in 1993, have been revised for partial costs recovery for resources incurred to administer TA licences. The updated fee structure is as follows:

Type of fee	Original Fee	Revised Fee
Application fee for a new TA licence	-	\$200
Licence fee for a new licence or a renewed licence	\$300	\$400
Fee for a certified copy of a licence	\$100	\$40
(previously known as duplicate licence fee)		
Fee for replacement of licence or previously issued certified	\$100	\$10
copy of a licence		
(previously known as duplicate licence fee)		

Q: Do I need to pay an application fee to renew my licence?

A: No. The application fee applies to those who are applying for a new TA licence.

#### <u>Updated penalty framework</u>

Effective 01 Jan 2018

The maximum fines liable for committing an offence under the TA Act and Regulations have generally been <u>doubled</u>; the maximum composition sum that can be imposed for a compoundable offence is increased to \$5,000 or half of the maximum fine prescribed for the <u>offence</u>, whichever is lower. Further, an Administrative Financial Penalty (AFP) of up to \$2,000 may now be imposed for minor contraventions of the TA Act and Regulations.

#### Q: Why have the fines and composition sums been increased?

A: The fines and composition sums were last amended in 1976 and 1993 respectively. The amounts have been increased to account for inflation and retain their intended deterrent effect.

A list of offences and penalties is as follows:

#### **Criminal Offences**

Act/Regulation	Penalty for contravention	Is the offence compoundable?
Section 6 – Persons	• Fine of up to \$25,000; or	Yes.
carrying on business of	<ul> <li>Imprisonment of up to 2 years; or</li> </ul>	
travel agent to be	Both	Maximum composition
licensed		sum of \$5,000.
Section 10 – Board may	Fine of up to \$4,000	Yes.
require licensees to		
inform customers of		Maximum composition
notice under section 9		sum of \$2,000.
Section 13 – Furnishing	Fine of up to \$10,000	No.
false, etc., information		
Section 14 – Wrongful	Imprisonment of up to 3 years	No.
conversion and false		
accounts		N.
Section 19 – Obstruction	• Fine of up to \$4,000; or	No.
of search, etc.	Imprisonment of up to 12 months; or	
	Both	
Section 21 – Disclosure of	• Fine of up to \$4,000; or	Yes.
information	• Imprisonment of up to 6 months; or	
	Both	Maximum composition
		sum of \$2,000.
Regulation 5 – Licence	• Fine of up to \$10,000; or	Yes.
not to be assigned	Imprisonment of up to 6 months; or	
	Both	Maximum composition
- I II I		sum of \$5,000.
Regulation 7 – Cessation	• Fine of up to \$10,000; or	Yes.
of business	Imprisonment of up to 6 months; or	
	Both	Maximum composition
		sum of \$5,000.

Regulation 8 – Surrender of licence on revocation	<ul> <li>Fine of up to \$10,000; or</li> <li>Imprisonment of up to 6 months; or</li> <li>Both</li> </ul>	Yes.  Maximum composition sum of \$5,000.
Regulation 16 – No unlicensed tourist guide for local tours	<ul> <li>Fine of up to:         <ul> <li>\$5,000 (first offence)</li> <li>\$10,000 (subsequent offences)</li> </ul> </li> </ul>	Yes.  Maximum composition sum of:  \$2,500 (first offence) \$5,000 (subsequent offences)
Regulation 19(2)(a) – Advertisements (publishing of false or misleading advertisements)	<ul> <li>Fine of up to \$10,000; or</li> <li>Imprisonment of up to 6 months; or</li> <li>Both</li> </ul>	No.
Regulation 28 – Board may require licensee to cease conducting tours	<ul> <li>Fine of up to \$10,000; or</li> <li>Imprisonment of up to 6 months; or</li> <li>Both</li> </ul>	Yes.  Maximum composition sum of \$5,000.

### **Contraventions punishable by Administrative Financial Penalties**

Act/Regulation	Penalty for contravention	
Section 7A – Travel agent licence		
(breaching any licensing condition)		
Regulation 6 – Display of licence		
Regulation 9 – Minimum financial requirements for licensees		
Regulation 10 – Place of business		
Regulation 11 – Contact information		
Regulation 12 – Display of signs		
Regulation 13 – Change in financial year		
Regulation 14 – Financial and other information required by Board		
Regulation 15 – Appointment of key executive officer		
Regulation 17 – Carrying of itinerary		
Regulation 18 – Prohibition against touting	Administrative Financial	
Regulation 19(1) – Advertisements	Penalty of up to \$2,000	
(particulars required in advertisements)		
Regulation 19(2)(b) – Advertisements		
(publishing inaccurate advertisements)		
Regulation 20 – Particulars required in contract documents		
Regulation 21 – Travel insurance		
Regulation 22 – Licensee must inform of cancellation terms		
Regulation 23 – Licensee must issue receipt with breakdown		
Regulation 24 – Prohibition of payment to personal bank accounts		
Regulation 25 – Changes to travel products, etc.		
Regulation 26 – Settlement of disputes		
Regulation 27 – Duties of key executive officer		

If you require further information, you may email us at <a href="mailto:stb.gov.sg">stb ta@stb.gov.sg</a>.