



## *An update on the Travel Industry Act of Ontario (2002), & our meetings with the Travel Industry Council of Ontario.*

Quarterly Communication

March 27, 2012

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# TICO, TIA, and Events

*BEICC Official Communication on this initiative.*

After weeks of confusion and concern about possible registration requirements under the Travel Industry Act (TIA), Ontario's business event planners now have clarity on the issue, and may well breathe a sigh of relief.

Representatives from the Business Events Industry Coalition of Canada (BEICC) met with the Travel Industry Council of Ontario's (TICO) Registrar, on March 12 to discuss compliance for event planners deemed to be "travel agents". These concerns stemmed from an Ontario Court of Appeal decision on the David Gray case, which seemed to indicate that all planners doing business in the province were required to undertake an education program, and registration steps which could prove financially onerous.

After Monday's meeting, it's clear that only a small group of independent planners may need to do that. Event Planners are not required to register with TICO provided that the following guidelines are adhered to:

- a) The Event Planner cannot sign agreements on behalf of the client. The Event Planner may source & recommend the choice and location of the event but may not sign contracts, agreements or addenda; only the client may do so.
- b) The Event Planner may not disburse money on behalf of the client. Supplier invoices must be made out to the client and must be paid by the client directly to the supplier. The client cannot pay the planner to disburse funds to suppliers on its behalf.
- c) It is the responsibility of the client to pass on full disclosure from the supplier to those attending the planned event.
- d) The Event Planner cannot make bookings for accommodation or travel services nor include accommodation and/or travel services in any advertising to prospective clients.

If these guidelines are followed, planners **DO NOT** require TICO registration.

Event Planners whose business model aligns with the above points, need change nothing. They are considered compliant with TIA, and need not pursue registration through TICO. Event Planners whose business model includes the sale of, or organizing of, travel services, such as transportation and/or accommodation, must pursue TICO registration, and will be considered non-

compliant until registration requirements are completed.

That said, Michael Pepper, TICO's CEO and Registrar confirmed that the standard process when handling member complaints about non-compliance is to:

- ✓ inform the business that they are not in compliance
- ✓ indicate what is required in order to become compliant
- ✓ require compliance by a certain date (a 'grace' period, if you will)
- ✓ revisit the complaint at the conclusion of the grace period

Only then, if the business remains non-compliant, will further action be considered.

Before the meeting concluded, BEICC agreed to offer participation on TICO's Advisory Board, which meets regularly with the Registrar, in order to discuss pertinent industry matters. BEICC will identify a suitable representative as soon as possible.

In summary, many business Event Planners won't need to change a thing about the way they currently operate, those who will understand a little more about the implications, and the relationship between 'our' industry and 'theirs' is stronger and more open. If that doesn't demonstrate the power of meetings, nothing will!



## Guidelines for Ontario Business Event Planners with respect to the Travel Industry Act 2002 & Ontario Regulation 26/05

It is hereby agreed that meeting planners (Event Planners) in Ontario do not require registration as a "travel agent" under the *Ontario Travel Industry Act 2002*, if the following guidelines are adhered to:

- a) The Event Planner cannot sign agreements on behalf of the client. The Event Planner may source & recommend the choice and location of the event but may not sign contracts, agreements or addenda; only the client may do so.
- b) The Event Planner may not disburse money on behalf of the client. Supplier invoices must be made out to the client and must be paid by the client directly to the supplier. The client cannot pay the Event Planner to disburse funds to suppliers on its behalf.
- c) It is the responsibility of the client to pass on full disclosure from the supplier to those attending the planned event.
- d) The Event Planner cannot make bookings for accommodation or travel services nor include accommodation and/or travel services in any advertising to prospective clients.

If these guidelines are followed, planners do not require TICO registration.

**Planners must register as a Travel Agency under the *Ontario Travel Industry Act 2002 (TIA)* in any of the following circumstances:**

- a) If the Event Planner signs any contracts or agreements on behalf of their client.
- b) If the Event Planner makes payments on behalf of any client to any supplier.
- c) If the Event Planner makes arrangements for transportation to and from the event, or arranges to make reservations for rooms on behalf of the client.
- d) If the Event Planner includes accommodation or travel services in any advertising of its event planning services.

If an Event Planner is found to contravene the TIA, the individual or entity will be informed by TICO of the contravention, and will be afforded reasonable time to take corrective measures to either make necessary changes in how business is conducted or to become compliant with the TIA.

Attached is an outline of different scenarios that should help clarify whether an Event Planner is required to be registered under the TIA.

A handwritten signature in black ink, appearing to read "Michael Pepper".

Michael Pepper  
President & CEO Travel Industry Council

A handwritten signature in black ink, appearing to read "Rita Plaskett".

Rita Plaskett  
Chairperson BEICC

## Ontario Travel Industry Act 2002

### Definitions

#### Definition of “Travel Agent” means:

“A person who sells, to consumers, travel services provided by another person”

#### Definition of “Travel Services” means:

“Transportation, sleeping accommodation or other services for the use of a traveller, tourist or sightseer”

### Interpretation

How do these definitions apply to Event Planners?

In what circumstances would event planners come under the scope of the *Ontario Travel Industry Act 2002*?

### Three Scenarios

#### Scenario 1.

Event Planner organizes and takes money from the client and pays the suppliers for the travel services.

Under this scenario Registration under the TIA is required. The Event Planner (individual or entity) would be required to meet all aspects of TICO’s registration criteria.

#### Scenario 2.

Event Planner arranges and books travel services on behalf of the client and the client pays the suppliers or travel agent.

Affiliation of the Event Planner with a registered travel agency is required.

Under this scenario the Event Planner would be required to have an agreement with a registered travel agency, as a contractor and meet TICO’s Education Standard for Travel Counsellor.

#### Scenario 3.

Event Planner provides advice to the client which hotel or accommodation to utilize and which transportation to utilize. The client makes the reservations and pays the suppliers or pays the travel agent.

Under this scenario, provided the Event Planner does not make any reservations and only advises the client which travel services it should utilize, no action is required in respect of compliance with TICO.