

# Laws and Regulations

Applicable to the

# TRAVEL INDUSTRY

Textbook for Travel Professionals

INSTITUT DE TOURISME ET D'HÔTELLERIE DU QUÉBEC (ITHQ)

4th edition



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**Laws and Regulations Applicable to the Travel Industry:  
Textbook for Travel Professionals**

Centre d'expertise et de recherche en hôtellerie et restauration

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Publishing and coordination: Nadia Carufel

Proofreading, 2011 edition: Jocelyne Hamel, Louis Jolin, Benoît Legault,  
and Jean-Louis Renaud

Proofreading, 2018 edition: Marie-Josée Boutin, Nadia Carufel, Sonia Carufel,  
and Isabelle Proulx

Proofreading, 2019 edition: Marilou Bélanger-Simoneau, Julie Bilodeau,  
Marie-Josée Boutin, and Isabelle Proulx

Graphic Design and computer graphics: Marquis Interscript

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du Québec

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**Institut de tourisme  
et d'hôtellerie**

**Québec** 

3535, rue Saint-Denis

Montréal (Québec)

Canada H2X 3P1

Telephone: 514-282-5111

Toll-free in Canada and United States: 1-800-361-5111

For more information, please visit: <https://www.ithq.qc.ca>

Other relevant websites: <https://www.opc.gouv.qc.ca>

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# FIRST FOREWORD

One of the mandates entrusted by the Office de la protection du consommateur (OPC) to the Centre d'expertise of the Institut de tourisme et d'hôtellerie du Québec (ITHQ) is the publication of a pedagogical tool intended for travel professionals.

This publication is the outcome of a collaboration with the OPC and it represents an accomplishment of which the ITHQ can be proud. By using information technologies to provide training and certification services, the ITHQ enables travel industry professionals to access the knowledge that is essential to their practice through the Internet, regardless of their location in Québec.

This textbook is perfectly suited to the industry's current needs: it brings together information on the legislative and regulatory components pertaining to this sector of economic activity, as well as on travel agency management.

*Laws and Regulations Applicable to the Travel Industry: Textbook for Travel Professionals* is an essential pedagogical aid for all instructors, whether they teach at training institutions, business consultation workshops, or in a context of online learning. It is also an excellent reference manual for all professionals working in the travel industry.

Finally, I would like to thank the authors, Nathalie Gilbert and Isabelle Proulx, tourism management professors, for their outstanding work!

**Liza Frulla**

General Director

Institut de tourisme et d'hôtellerie du Québec



## SECOND FOREWORD

The Office de la protection du consommateur, in collaboration with the Institut de tourisme et d'hôtellerie du Québec, is proud to present this essential and updated study guide.

In this fourth edition, travel industry professionals will find all of the most recently updated information to prepare for the examination to obtain their certificate.

In addressing topics such as distance contracts, the rules that govern authorized forms of advertising, the Compensation Fund for Customers of Travel Agents, and the pricing of tourism services, this document aims to ensure you are fully aware of the obligations and responsibilities inherent in the sale of tourism services. In doing so, it serves as a guarantee of protection for Québec travellers.

Once you have passed your examination, there is no doubt that this study guide will remain a valuable tool to have on hand throughout your professional practice. Do not hesitate to refer to it as often as necessary.



**Denis Marsolais**

President

Office de la protection du consommateur

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# A WORD FROM THE AUTHORS

This textbook,<sup>1</sup> now at its fourth edition, is intended as a reference guide for matters relating to your everyday duties. It will also help you to prepare for the mandatory examination administered by the Institut de tourisme et d'hôtellerie du Québec (ITHQ), leading to the certification of travel agency managers and travel counsellors. In preparing this textbook, the first of its kind in Québec, our primary concern was to make it helpful and accessible. With this practical purpose in mind, the laws and regulations that apply to the travel industry are explained in simple and straightforward terms. Throughout the textbook, the text is addressed directly to you. For example, your current or upcoming workplace practices are challenged with assessment grids. To ensure a direct link between your practices and the rules to be followed, topics are presented in chronological order, from the start of a travel agency's business activities to the closing of a customer's file. However, regardless of number sequence, topics may be read in any order. If prior knowledge of a topic is required, you will be automatically redirected to the topic concerned. In order to simplify the content and focus on key areas, case law and obligations applicable to restricted licence holders are not covered. These licence holders, as well as their counsellors, are not required to hold a travel counsellor certificate or a travel agency manager certificate.

## Textbook features

This textbook is made up of two modules. The first is **Operating a Travel Agency: Responsibilities and Obligations**, followed by **Dealing With Customers: Responsibilities and Obligations**. Every topic in these modules is presented in the same manner, thereby making the information easier to assimilate and quicker to locate. The sections intended exclusively for travel agency managers bear the indication “**Manager**.” This indicates to readers that only managers will be questioned about this aspect of the manual during the examination. For each topic, first come the learning objectives, which are reviewed at the end with a “**Self-Assessment Grid**” allowing you to check how well you learned the material. On the first page, the right-hand column identifies the sections of the *Travel Agents Act* (the “Act”) or the *Regulation respecting travel agents* (the “Regulation”) that the topic addresses more specifically. The initial **background information**, subsequently referred to in the topic section, is the starting point enabling you to familiarize yourself with the content. This background information is also used to **test your knowledge** and then check your

<sup>1</sup> Research for this publication is current as of January 1, 2023.

score against the answer key provided at the end of each topic section. In addition to **tables**, **figures**, and **examples**, during your reading you will come across keywords that are defined in the **glossary** and you will be referred to **appendices**. Finally, **supplementary readings and exercises** are provided for you to delve deeper into the topics covered.

## Supplementary material

This textbook would be incomplete if not read with reference to the *Travel Agents Act* and the *Regulation respecting travel agents*. We recommend printing these documents, the full texts of which are available via the following links:

- <https://legisquebec.gouv.qc.ca/en/ShowDoc/cs/A-10>
- <https://legisquebec.gouv.qc.ca/en/ShowDoc/cr/A-10,%20r.%201>

These official reference documents will enable you to do the exercises and suggested readings at the end of each topic. This will facilitate your study for certification.

## Acknowledgments

Preparing a textbook is no small matter. Taking on such a task requires a dash of daring and, above all, the trust of those who granted us this privilege, most notably François Therrien, Director of the Centre d'expertise of the ITHQ, whom we thank for the latitude he allowed us throughout the project. We also extend our thanks to the members of the reading committee whose insightful comments based on their respective areas of expertise improved the quality of this document. Topic reviews were provided by:

- Jocelyne Hamel, Professor, Tourism Techniques, Collège Montmorency
- Louis Jolin, Professor, Department of Urban Studies and Tourism, Université du Québec à Montréal
- Benoît Legault, Tourism Journalist, regular contributor to *Le Devoir*, the *Ulysse* guides, and *L'Express de Toronto*
- Jean-Louis Renaud, Allard, Renaud et associés, Office de la protection du consommateur (OPC), Legal Affairs



The second, third and fourth editions were carefully reviewed by the Office de la protection du consommateur. We wish to extend our warmest thanks to all those involved.

Finally, we are grateful to Marquis Interscript for their valuable collaboration and skill in creating a graphic presentation that reflects our pedagogical intent.

Nathalie Gilbert and Isabelle Proulx,  
Professors, Tourism Management

# TOPIC OUTLINE

## AT THE END OF THIS TOPIC

Outlines the learning goals targeted by the topic.

## CONTEXT or BACKGROUND

Introductory explanation of learning objectives and realities of the travel industry.

## EXAMPLE

Illustrates the topic by using examples.

### 3 OPERATING AN ESTABLISHMENT WITH A LICENCE

**By the end of this section, you will be able to:**

- determine for whom the travel agent licence is intended;
- differentiate the various types of travel agent licences;
- distinguish the procedures to obtain or renew a general licence;
- complete a licence application;
- understand the grounds and recourse options available in the event of a licence refusal, suspension, or cancellation;
- demonstrate your knowledge of the penalties and offences associated with failure to comply with the Act and the Regulation;
- explain the legal liability associated with performing the duties of a travel agent.

A travel agent licence or travel consultant certificate must be obtained in order to perform the duties of a travel agent, such as operating a business that organizes travel and sells tourism services. This section looks at the standards, obligations, and procedures involved in the issuance and renewal of a general or restricted licence, as well as the reasons for suspending, cancelling or refusing to issue or renew a licence. The penalties and recourse options following an offence are also addressed.

Before going any further, let's test your knowledge of this topic.

**Context**

Mr. Fortinault has long loved his career as a travel counsellor. At a certain point in his life he decided to own and operate his own travel agency to achieve his goal. He seized the opportunity presented by his employees the four firms Agencies, offering to sell him the company's assets. He is now starting the process of becoming a travel agent. Help him!

**Regulation respecting travel agents (CQLR, chapter A-10.1)**

- Division 1 - Definitions and application (ss. 1 and 2)
- Division 2 - Licences and certificates (ss. 3 to 11)
- Division 3 - Suspension, cancellation or refusal to issue or renew licences (ss. 12 to 14)
- Division 4 - Penalties (ss. 15 to 18)
- Division 5 - Recourse (ss. 19 to 21)
- Division 6 - Regulations (ss. 22)
- Division 7 - Provisions (ss. 23 to 25)
- Division 8 - General and final provisions (ss. 26 to 28)

**Regulation respecting travel agents (CQLR, chapter A-10.1)**

- Division 1 - General (ss. 1 and 2)
- Division 2 - Licences (ss. 3 to 11)
- Division 3 - Suspension, cancellation or refusal to issue or renew licences (ss. 12 to 14)
- Division 4 - Penalties (ss. 15 to 18)
- Division 5 - Recourse (ss. 19 to 21)
- Division 6 - Regulations (ss. 22)
- Division 7 - Provisions (ss. 23 to 25)
- Division 8 - General and final provisions (ss. 26 to 28)

## THIS TOPIC REFERS TO

Designates which sections of the Travel Agent Act or Regulation are covered by the topic.

## TEST YOUR KNOWLEDGE

Evaluates your initial knowledge and introduces you to the topic.

### Test Your Knowledge

True or False?

1. An individual must have a travel agent licence from the Régie de l'éducation to apply for a general travel agent licence. **False**
2. A person must be at least 18 years old to become a travel agent in Quebec. **True**
3. The application fee for the licence is \$100. **True**
4. A person must have at least two years of full-time work experience in the travel industry to obtain a travel agent licence. **False**
5. An individual can have his/her own travel agent licence in Quebec in addition to being a member of the Association of Travel Agents of Quebec. **True**
6. The general travel agent licence is issued to the holder of the licence. **True**

**3.1 THE ISSUANCE OF A LICENCE**

#### 3.1.1 Who needs a licence?

Does your job include renting or booking accommodation or transportation services, or **organizing trips** for your customers? If so, you are performing travel agent operations. Under the Act (P.A.A.), a travel agent is a person, a partnership, or an association that, on account of a third party or on account of its members, engages in or offers to engage in or issues vouchers for or offers to issue vouchers for any of the following operations:

- the booking or reservation of lodging accommodations, e.g. selling overnight stays in a hotel to your customers or those of another agency;
- the booking or reservation of transportation services, e.g. selling airplane tickets to your customers or those of another agency;
- the arranging of travel services, e.g. signing agreements with tourism service **suppliers** to plan and coordinate package trips or tours in order to sell them to your customers or those of another agency.

Whether any of these operations are carried out individually or at the same time, the *Travel Agents Act* requires that you hold a travel agent licence issued by the president of the Office de la protection du consommateur. If you operate more than one **establishment**, you must ask for a duplicate licence for each additional **establishment**. The president issues the owner of the licence, he or she can **refuse** to issue, cancel, or refuse to issue or renew the licence.

## TERMS IN BOLD

Words that are found in the glossary.

## ! Did you know?

Emphasizes specific information.

\* Accommodation conditions - Assessment of categories and effects on check-out times.

The procedures relating to travel documents - Passports, visas, and tourist stamps.

Below are two examples of websites that include information which is useful to customers and consistent with the interest of the law:

**Example 1**

Notice on the website of a travel agency.

**IMPORTANT**

If you do not understand the terms stipulated, please contact a representative of [www.voyageprotection.com](http://www.voyageprotection.com) or any other person of your choice in order to clarify the point of issue before booking.

By booking you acknowledge that you understand and agree to the general conditions listed below.

**Example 2**

Notice on the website of a service provider.

**CANCELLATION CHARGES**

**Tour packages and flights:**

- 45 days or more prior to the departure date: \$300 per person;
- 45 to 22 days prior to the departure date: 50% of the total tour package cost per person, including taxes and service charges;
- 21 days or less prior to the departure date: 100% of the total tour package cost per person, including taxes and service charges.

**Interest flights:** up to 100% non-refundable.

**Did you know?**

Under articles 1523 and 1529 of the Civil Code of Quebec and section 41 of the Consumer Protection Act, any agreement or contract entered into with the travel agent is subject to the terms and conditions listed in the travel agent's brochure and binding on the travel agent.

**MANAGER**

To differentiate the sections concerning the readers taking the travel agency manager examination.

**CHECKLIST**

Validates the compliance level of your work practices.

**TEST YOURSELF**

Rates your level of proficiency on selected topics.

**7.5 OFFENCES AND PENALTIES**

The same is used for inspectors and investigators consider compliance with various aspects of the Travel Agents Act and the Regulation regarding travel agents. When offences are discussed, they can incur several **penal charges**. The following checklist can help you to assess your level of compliance and find out what fines you are exposed to for failing to abide by the law. In addition, **penal charges** can have their license suspended or cancelled by the president of the Office de la protection du consommateur. Please refer to the material content in this section to confirm your accuracy on this topic.

Penal Liability	Compliant	Non-Compliant	First Offence	Repeat Offence
Have you included all the necessary items on the invoice?	\$400 to \$4,000	\$4,000 to \$1,000 to \$2,000 (in other cases)	\$1,000 to \$4,000 (in other cases)	\$2,000 to \$4,000 (in other cases)
Have you reimbursed customers who chose their option following a price increase?	\$400 to \$4,000	\$4,000 to \$1,000 to \$2,000 (in other cases)	\$1,000 to \$4,000 (in other cases)	\$2,000 to \$4,000 (in other cases)

This topic deals mainly with the issuing required to confirm the sale of a tourism service by a travel agent or a travel professional. At this point, you are engaged in a commercial transaction with your customer. The service serves as a contract to which you are bound for the remainder of the customer service process. Now it's your turn to assess your knowledge of the material covered in this section.

**MANAGER**

**Fancy-free Agency Inc. PLEADS GUILTY**

The Office de la protection du consommateur reports that Fancy-free Agency Inc. pleaded guilty to using trust account funds to pay for business operation expenses and personal accounts (RITA, s. 25). The Agency used the funds to pay rent and telephone expenses. The company will have to pay a \$3,000 penalty.

Being familiar with the responsibilities and obligations of travel agents will enable you to secure your customers' trust as you as a reliable travel agent. Once you comply with the requirements outlined in this section, you can move forward in the process of obtaining the license you need to operate a travel agency.

Now it's your turn to assess your knowledge of the material covered in this section.

**Self-Assessment Grid**

After reading this section, I am able to:

1. define what are the individual security of trust account and the Compensation Fund for Customers of Travel Agents (the Fund);
2. understand the purpose of the individual security of trust account and the Compensation Fund for Customers of Travel Agents (the Fund);
3. determine the amount of individual security to be provided and how to provide it;
4. determine the amount of the contribution to the Compensation Fund for Customers of Travel Agents (the Fund) when required;
5. present accounting records;
6. cite the penalties for offences due to non-compliance with the law.

Keep up the hard work! Review this topic or go on in the next section.

Topic 2 - Fund Administration • Stroussopoulos

**Table 3.1**

**Minimum Working Capital Required Based on Turnover**

Turnover	Minimum Working Capital
Up to \$1 million	\$5,000
Up to \$3 million	\$7,500
Up to \$5 million	\$10,000
Up to \$10 million	\$15,000
Up to \$25 million	\$25,000
Up to \$50 million	\$50,000
Up to \$75 million	\$75,000
Up to \$100 million	\$100,000
More Than \$100 million	\$150,000

Table 3 - Operating an Establishment With a License • Unauthorised reproduction is prohibited.

**TABLE**

Represents the information succinctly, in tabular form.

**Answers Test Your Knowledge**

1. **True.** A regulatory is intended to resolve the implementation of an act or law based on civil legislation. The act or law is based on civil legislation. The act or law is based on civil legislation. The act or law is based on civil legislation.
2. **True.** Agent is a natural person, assisted by a legal entity, that represents the client.
3. **False.** The Office de la protection du consommateur is a public body that exercises its powers in order to ensure the act and regulation that are under its responsibility (Chap. 1, art. 10 (1) and (2)).
4. **True.** The Code of Ethics of Quebec, which governs the Code of Ethics, requires agents to disclose their interests and to disclose their interests within the framework of the Code. The Code of Ethics of Quebec, which governs the Code of Ethics, requires agents to disclose their interests and to disclose their interests within the framework of the Code.
5. **False.** The Court of Quebec, which is a court of first instance, has the jurisdiction to hear and decide on appeals from the decisions of the Office de la protection du consommateur.
6. **True.** In order to represent the commercial activities of the travel industry as permitted, the agent must be a person making up the ordinary (commercial) turnover from that industry. A person's commercial activities are permitted in the travel industry that represents commercial activities other than ordinary (RITA, s. 25).
7. **True.** A customer has three years to file a complaint in court.
8. **False.** Among the agencies that exercise various activities, the only one that is permitted to provide the Office de la protection du consommateur, the Consumer Protection Act and the Travel Agents Act.

**ANSWERS**

"Test your knowledge" answer key

**Supplementary readings and exercises**

- Office de la protection du consommateur, <https://www.opc.gouv.qc.ca/en>. To learn more about the Office.
- *Travel Agents Act*, Chapter A-10, <https://legisquebec.gouv.qc.ca/en/ShowDoc/ce/A-10>.
- *Regulation respecting travel agents*, C.R.J., chapter A-10, c. 1, <https://legisquebec.gouv.qc.ca/en/ShowDoc/ce/A-10/526/2011>.
- *Consumer Protection Act*, Chapter P-40, <https://legisquebec.gouv.qc.ca/en/ShowDoc/ce/P-40>.
- *Code of Ethics of Quebec*, C.R.J., chapter C-10, <https://legisquebec.gouv.qc.ca/en/ShowDoc/ce/CEQ-1991>.
- Ministère de la Justice, <https://www.justice.gouv.qc.ca/en>. To learn more about justice in Quebec.
- Société québécoise d'information juridique, <https://socioy.com/ceq/qc>. To learn more about decisions handed down by the courts.

**SUPPLEMENTARY READINGS AND EXERCISES**

Complements and further enhances your knowledge of covered topics.

**ITALICS**

Refers to a specific section of an act or regulation.

# MODULE I

**OPERATING A TRAVEL AGENCY:**  
Responsibilities and Obligations



# 1 DEALING WITH THE RELEVANT LAWS AND AUTHORITIES

## By the end of this section, you will be able to:

- explain the role of the Office de la protection du consommateur under the legislation that applies to the travel industry;
- understand the fundamentals of the *Travel Agents Act* and the *Regulation respecting travel agents*;
- understand how the *Civil Code of Québec* and the *Consumer Protection Act* apply in the context of the travel industry;
- define certain legal terms.

This first topic describes the role and responsibilities of the Office de la protection du consommateur (as well as those of its president), which is the main authority regarding the legislation pertaining to the travel industry. Also included is the main legal terminology used in dealing with the acts and regulations that apply to this industry.

Before going any further, let's test your knowledge of this topic.

## Context

Excerpt from the indexation notice of required fees, effective July 1, 2022, presented by the Office de la protection du consommateur.

Published on February 12, 2022 in the *Gazette officielle du Québec*, Part 1, 154th year, No. 7, page 122.

"In accordance with the first paragraph of section 4.1 of the *Regulation respecting travel agents* (chapter A-10, r. 1), the Office de la protection du consommateur hereby gives notice of the cost, effective July 1, 2022, of the duties referred to in subparagraphs *a*, *b*, and *d* of the first paragraph of section 4, section 31.9 as well as paragraph *b* of section 43.8 and paragraph *c* of section 43.10 of this Regulation, following their indexation based on the rate of variation in the general average consumer price index for Canada, established for 2021 at 3.4% by Statistics Canada, namely:

This section refers to the following legal provisions:

### *Travel Agents Act* (CQLR, chapter A-10)

- Division I – Definitions and application (ss. 2 and 3)
- Division II – Licences and certificates (ss. 4, 11, and 11.1)
- Division III – Suspension, cancellation or refusal to issue or renew licences; proceeding before the Administrative Tribunal of Québec (ss. 12 to 13.2)
- Division III.1 – Provisional administration (ss. 14 to 16)
- Division III.2 – Fonds d'indemnisation des clients des agents de voyages (ss. 30.1 and 30.4 to 30.7)
- Division IV – Obligations of a travel agent (s. 33.2)
- Division V – Inspection (ss. 34 to 35.2)
- Division VI – Regulations (s. 36)
- Division VII – Penal provisions (ss. 37 to 40.1)
- Division VIII – Final provisions (ss. 41.1 to 43)

### *Regulation respecting travel agents* (CQLR, chapter A-10, r. 1)

- Division I.1 – Exceptions (ss. 1.1 and 1.2)
- Division IV – Licences (ss. 5 to 8, 8.3, 9, and 10)

- Division IV.1 – Travel Counsellors (ss. 11.2, 11.4, 11.7, and 11.8)
- Division IV.3 – Travel agency manager (ss. 11.11 and 11.12)
- Division IX – Trust account (ss. 22 and 23)
- Division X – Individual security and indemnity fund (s. 28)
- Division XI – Individual security (ss. 29, 32, 35.1, and 36)
- Division XII – Indemnity fund (ss. 39.1 and 43 to 43.14)
- Division XV – Penal (ss. 46 and 47)
- Division XVI – Advisory committee (ss. 48 to 57)

**Consumer Protection Act (CQLR, chapter P-40.1)**

- Ss. 224 and 292

**Civil Code of Québec (CQLR, chapter CCQ-1991)**

- Art. 1432, 1458, 2098, and 2925

• General travel agent licence (s. 4(a))	\$996
• General travel agent licence	
• Renewal (s. 4(b), according to turnover)	
– Up to \$0.5M	\$373
– Up to \$2M	\$498
– Up to \$5M	\$684
– Up to \$10M	\$933
– Up to \$20M	\$1,244
– More than \$20M	\$1,618
• Duplicate licence per establishment Issuance (s. 4(d))	\$622
• Duplicate licence per establishment Renewal (s. 4(d))	\$311
• Travel counsellor certificate Issuance (s. 11.5)	\$62
• Travel counsellor certificate Renewal (s. 11.5)	\$31
• File opening (s. 31.9)	\$311
• Daily living and accommodations expenses (s. 43.8(b) i. and 43.10(c) i.)	\$217

## ? Test Your Knowledge

### True or False?

1. Drafted in connection with an act of legislation, a regulation defines the application of that legislation. \_\_\_\_\_
2. Passed by Parliament, an act dictates the expected work behaviour in a given field. \_\_\_\_\_
3. The Office de la protection du consommateur is a private association of informed consumers that defends the rights of other consumers. \_\_\_\_\_
4. Companies selling tourism-related products and services in Québec are subject to provisions of the *Civil Code of Québec* and the *Consumer Protection Act*. \_\_\_\_\_
5. Customers can file a complaint against their travel agency with the Small Claims Division for amounts over \$15,000. \_\_\_\_\_
6. Travel agents are formally consulted on amendments to the *Travel Agents Act* and the *Regulation respecting travel agents*. \_\_\_\_\_
7. A customer has 12 months to file a complaint with the court. \_\_\_\_\_
8. Among the legislation that is specifically relevant to you, four laws are under the responsibility of the Office de la protection du consommateur. \_\_\_\_\_

*The answers are found at the end of this section.*

## 1.1 THE OFFICE DE LA PROTECTION DU CONSOMMATEUR

The Office de la protection du consommateur (“the Office”) is a public body that monitors the application of the *Travel Agents Act* and the *Regulation respecting travel agents*.

### 1.1.1 What is the Office’s role?

#### Mission

The Office was created in 1971 in order to protect consumers and thus promote a better balance of power between customers and merchants. This is when the *Consumer Protection Act* came into force in Québec, and it has subsequently been subject to annual improvements. Since then, the mission of the Office has been to enforce acts and regulations that fall within its jurisdiction, in particular the legislation pertaining to travel agents.

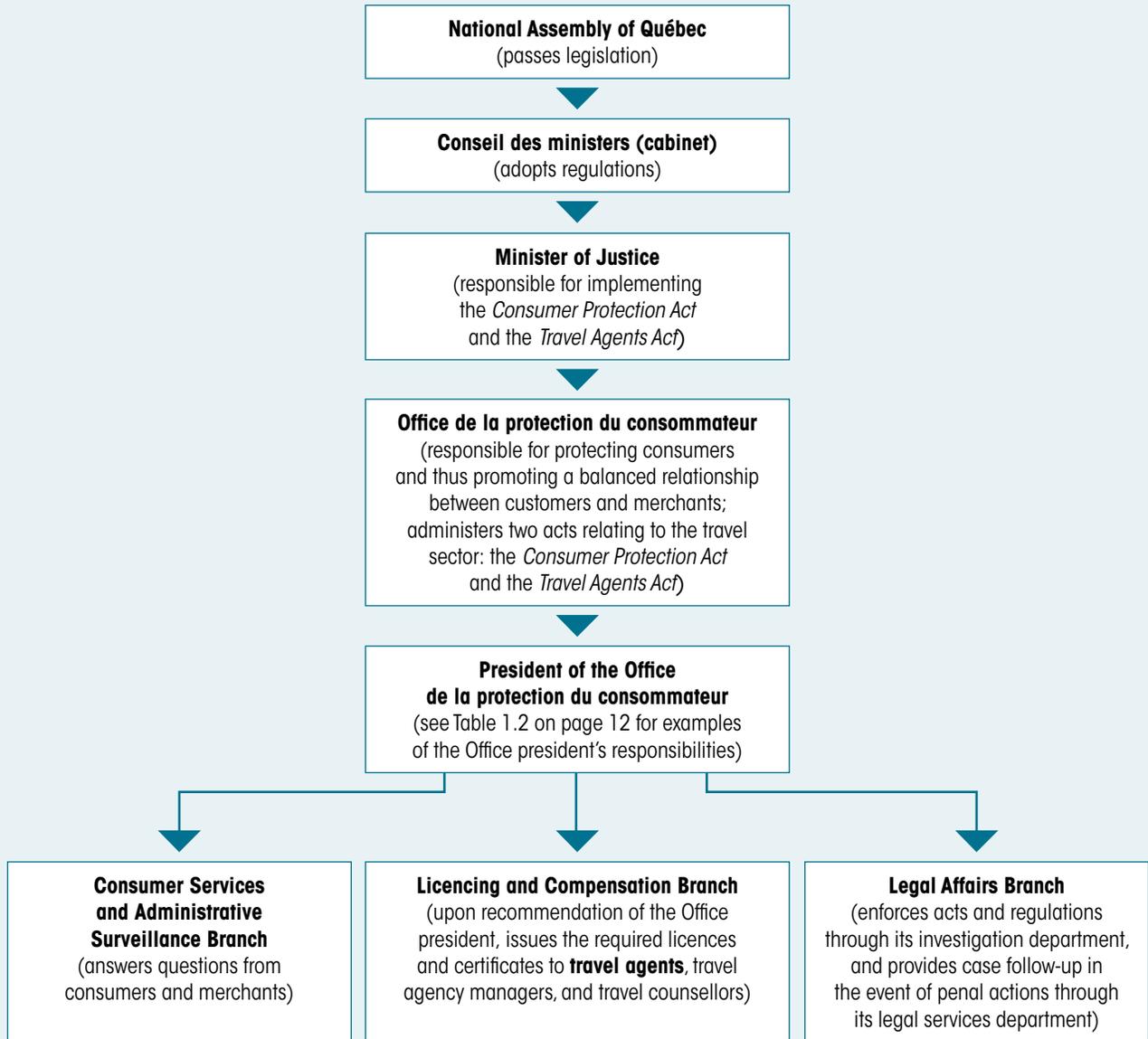
Its role does not end there, however. The Office also informs consumers collectively and individually, it educates consumers, and receives their complaints. In addition, the Office fosters concerted action between players in the consumer market. The distribution of informative publications and appearances at certain public events, such as travel fairs and tradeshow, reflect the mission of this public body.

The following figure summarizes the structure and responsibilities of the Office as they relate to the travel sector.

#### ! Did you know?

An act is a written, general, and permanent rule of law, adopted by the National Assembly. Regulations are intended to ensure the implementation of an act, without infringing on it.

### Public Bodies Involved in the Drafting and Implementation of Acts and Regulations



## Mandates

The **mandates** of the Office, described in section 292 of the *Consumer Protection Act*, fall into four categories:

### Information and education

You may obtain answers to your queries concerning **obligations** associated with operating a travel agency (Module I) or transactions with customers (Module II). This information can be obtained by telephone or by consulting the Office website at <https://www.opc.gouv.qc.ca/en>, where you will find useful information regarding consumer **rights** and **recourse options** as well as the obligations of merchants.

The Office is present in the media. Its spokesperson answers questions from journalists and gives interviews. Press releases and news items featuring consumer tips, advisories, or solutions to difficult situations, are published regularly to make information available to you and your customers. The Office may also conduct information campaigns focused on a specific topic. Every year, it can use \$250,000 or 5% of investment income, whichever is greater, from the Compensation Fund for Customers of Travel Agents (the Fund) to set up information and education projects for customers of travel agents, relating to the laws of which it monitors the application. These projects can include, for example, participating in a travel show or publishing an advertisement in a travel-related magazine. Finally, its website offers educational materials for instructors.

### Monitoring

The Office plays an especially important role with respect to travel agencies in Québec. Its president issues travel agent licences, travel agency manager certificates and travel counsellor certificates. The president has the power to withdraw any such licence or certificate in cases specifically prescribed by the Act and the Regulation. The Office also receives and handles certain complaints from consumers (in relation to operating without a licence, for example). After conducting an inspection and audit, the Office can undertake legal action, where appropriate. The Office's Legal Services Department can file penal charges. The merchant has a 30-day deadline to enter a plea. If the merchant **pleads guilty**, it must pay a fine and associated costs. If the merchant pleads not guilty, the matter is referred to the Court of Québec, Criminal and Penal Division and, following a trial, the defendant may be found guilty or not guilty.



### Operating a travel agency without a licence

Whatatrip and its president found guilty

Québec City, December 10, 2016 –

The Office de la protection du consommateur announces that the Hello Travel Association, also known as Whatatrip, and its president pleaded guilty last April to charges brought against them under the *Travel Agents Act*.

The Office accused the president and her agency, doing business at 123 Chemin Commun, Montréal, of having acted in April 2015 as a travel agent in Québec without holding the licence required under the *Travel Agents Act*. They were thus assessed identical fines totaling \$2,000 by the court.

A **penal charge** is filed by the Director of Criminal and Penal Prosecutions (or its representative) against a person who violates a Québec act or regulation. If convicted, the defendant is liable to be fined.



### The OPC charges Airways Air with 17 law violations

“The Office de la protection du consommateur (“the Office”) has just filed a complaint against Airways Air for having sold airplane tickets at prices higher than those appearing in its advertisements. The complaint involved 17 violations noted between November 2015 and January 2016. If the carrier is found guilty, it will have to pay fines totaling more than \$42,000. The Office sent a formal notice to Airways Air in early fall, and the carrier replied by letter that it was refusing to comply. [...]”

Three other carriers, Transport Jet, Air Public, and Happy Airlines were also given formal notice to comply with the provisions of subparagraph c of the first paragraph of section 224 of the *Consumer Protection Act*, which provides that no company may charge a price higher than the one advertised. [...] “However, these carriers notified us of their intention to comply with the law.”

## Collaboration

The Office de la protection du consommateur does not act alone. It works in collaboration with consumer groups, retail associations, Québec government departments and agencies, and partners from all sectors. Various associations, including the Association of Canadian Travel Agents (ACTA Québec), the Association des agents de voyages du Québec (AAVQ), the Association of Retail Travel Agents (ARTA Canada), and the Association of Tour Operators of Quebec (ATOQ) cooperate with the Office, which consults them and shares information with them as part of fulfilling its mission. The Office also maintains contacts with authorities in Ontario and British Columbia in the context of a concerted effort to harmonize legislation regarding travel agents.

## Conciliation, court jurisdictions, and compensation

One of the Office's mandates is to defend the interests of consumers and listen to the demands of retailers. The Office sometimes plays a conciliatory role between a retailer and a consumer upon having processed a complaint.

Since conciliation does not always lead to the expected compensation, some consumers choose to take their complaint to the Small Claims Division, which hears cases where a sum of money is in dispute, as well as cases involving the cancellation or termination of a contract where the value of the contract and, as applicable, the amount claimed do not exceed \$15,000 each. In small claims cases, citizens represent themselves, without counsel (<https://www.quebec.ca/en/justice-and-civil-status/small-claims>).

The Court of Québec, Civil Division, handles cases where the amount in dispute is less than \$100,000 (<https://www.quebec.ca/justice-et-etat-civil/systeme-judiciaire/tribunaux-du-quebec/cour-du-quebec/chambre-civile>).

**Class action** cases in matters of travel and appeals where the amount in dispute exceeds \$75,000 are heard by the Superior Court (<https://coursuperieureduquebec.ca/en>).

When the amount claimed is at least \$75,000 but less than \$100,000, the claimant can either turn to the Court of Québec, Civil Division, or the Superior Court of Québec.

Customers have three years to file a complaint in court.

The Office also manages various financial protection plans, such as the **individual security** and the Compensation Fund for Customers of Travel Agents (the Fund) and oversees consumer compensation. These protection mechanisms will be presented in detail in Topic 2, under the heading Administering Funds.

### ! Did you know?

How much time do customers have to file a complaint in court?  
Three years.

## 1.1.2 What statutes are under the Office's responsibility?

Among the statutes that concern you more specifically, two acts fall under the responsibility of the Office de la protection du consommateur:

- The *Consumer Protection Act* (CQLR, chapter P-40.1)
- The *Travel Agents Act* (CQLR, chapter A-10)

The *Consumer Protection Act* “is intended to protect Quebecers in a large number of consumer sectors. It establishes a fundamental guarantee for all goods and services offered to consumers. It governs all contracts between consumers and merchants and establishes a specific protection system for contracts entered into with itinerant merchants (door-to-door sales, for example), credit contracts (such as the deferred payment of a travel package), and distance contracts (in e-commerce, for example). [...] This law identifies the business categories whose operation requires a licence or permit. It prohibits merchants, manufacturers, and advertisers from engaging in certain practices that could mislead consumers. In some circumstances, it requires merchants to deposit funds that they collect from consumers in a **trust account**. Finally, in addition to providing for penal penalties in cases of non-compliance with the law, it specifies the remedies available to consumers when merchants, manufacturers, or advertisers violate the law.”<sup>2</sup>

As for the *Travel Agents Act*, it is “intended, first, to ensure that those who work in this industry respect the rules of conduct and, second, to protect consumers when a supplier defaults. Travel agents must be licensed, and customer funds must be deposited in a trust account until **suppliers** are paid for services. They are also required to provide an **individual security** bond proportional to their **turnover**. The Act also sets forth the rules governing the Compensation Fund for Customers of Travel Agents.”<sup>3</sup>

Each act is complemented by a corresponding regulation:

- The **Regulation** respecting the application of the *Consumer Protection Act*, (CQLR, c. P-40.1, r. 3)
- The *Regulation respecting travel agents* (CQLR, c. A-10, r. 1)

<sup>2</sup> Office de la protection du consommateur, *Rapport annuel de gestion 2009-2010* (annual management report 2009-2010), Annexe 1 – Présentation des lois, p. 65 [translation].

<sup>3</sup> Ibid.

Regulations are presented as more detailed documents to complete and clarify the provisions of the acts. Table 1.1 presents an example of details provided by a regulation.

Table 1.1

Clarifications provided by the Regulation	
Travel Agents Act	Regulation respecting travel agents
Subsection 2 of section 4 of Division II (Licences and certificates) deals with the obligation for travel counsellors to have a certificate. The second paragraph states that “a travel counsellor who is in the employ of a travel agent or has entered into an exclusive service contract with a travel agent may engage in the operations referred to in section 2 and deal with clients if the counsellor holds a certificate issued for that purpose by the Office de la protection du consommateur and meets the conditions prescribed by regulation.”	As mentioned in the Act, the Regulation presents the conditions and procedure for the application of section 4 of the Act. Sections 11.1 to 11.9 of Division IV.1 of the Regulation are entirely dedicated to travel counsellors. For example, section 11.2 indicates that “the president issues a travel counsellor certificate where the applicant (a) has passed an examination on the knowledge of the laws and regulations applying to the travel sector; [...] (f) has sent the information required under section 11.4.”

An **act** is a written, general, and permanent rule of law, adopted by the National Assembly. A **regulation** is designed to ensure the implementation of an act and may not infringe on it.

### 1.1.3 What is the role of the president of the Office de la protection de consommateur?

The **president** of the Office plays an essential role in the overall application of the *Travel Agents Act* and the *Regulation respecting travel agents*. His or her responsibility covers the issuance, renewal, suspension and cancellation of licences, permits and certificates. As **trustee**, the president is also responsible for the administration of funds provided for individual security and for the Compensation Fund for Customers of Travel Agents (the Fund). The president has exclusive authority to appoint a **provisional administrator** to temporarily administer or terminate current business affairs of an agency when, for example, it fails to meet the conditions set forth in the Act or Regulation, goes into bankruptcy or jeopardizes **customer** rights (e.g. a travel agent ceases to make payments to a supplier because a trust account is running a deficit).

**Some examples of the Office president’s responsibilities**

Issue, suspend, cancel or refuse to issue or renew a licence.
Authorize, or refuse to authorize, a request for a licence transfer or duplication.
Issue, suspend, cancel or refuse to issue or renew a travel agency manager certificate or a travel counsellor certificate.
As trustee, manage the individual security (if it is not submitted in the form of a security policy) and the Fund.
Use, if he or she so chooses, investment income from the Fund to finance information and education campaigns for travel agency customers with regard to their rights and obligations under the laws the application of which the Office is responsible for monitoring.
Appoint, where necessary, a provisional administrator.
The president or the provisional administrator he or she has appointed: <ul style="list-style-type: none"> <li>• refunds customers the amount paid to the travel agent for a service that wasn’t delivered, i.e., if the agent goes bankrupt;</li> <li>• compensates customers in certain cases where a final court decision was rendered in their favour;</li> <li>• pays the amount required to ensure immediate departure or repatriation of a customer.</li> </ul>

### 1.1.4 Travel agents advisory committee

#### Who are the members of the committee?

The *Regulation respecting travel agents* provides for the creation of a travel agents advisory committee with a view to representing the commercial activity of the travel industry as faithfully as possible. In addition to the Office president, the committee is composed of eight members appointed for a fixed term by the Minister responsible for the Office de la protection du consommateur: four individuals representing the travel industry, two consumer representatives, and two government representatives. The Office president chairs the committee but can designate a substitute.

#### What is the role of the committee?

The committee meets at least three times per year to discuss and subsequently advise the Minister responsible for the Office de la protection du consommateur on all legal aspects surrounding travel agent activities. It also analyzes and provides its opinions on specific issues submitted by the Minister. The committee sends a yearly report on its activities to the Minister no later than June 30, for the previous fiscal year.

## 1.2 WHAT IS THE ROLE OF THE CIVIL CODE OF QUÉBEC IN THE TRAVEL INDUSTRY?

The *Civil Code of Québec* plays a key role in your activities. This general law, which governs life in Québec society, regulates relationships such as those between neighbours or spouses, as well as between travel agents and their customers with regard to matters of **civil law**. For example, article 1458 provides that “every person has a duty to honour his contractual undertakings” and article 1432 indicates that “in case of doubt, a contract is interpreted in favour of the person who contracted the obligation and against the person who stipulated it. In all cases, it is interpreted in favour of the adhering party or the consumer.” In addition, article 2098 reads as follows: “A contract of enterprise or for services is a contract by which a person, the contractor or the provider of services, as the case may be, undertakes to another person, the client, to carry out physical or intellectual work or to supply a service, for a price which the client binds himself to pay to him.” The *Civil Code* is therefore an essential part of travel sector legislation and will be cited in relation to specific elements in this textbook.

Through their roles and responsibilities, the Office president, the travel agents advisory committee, and the laws governing the travel sector influence the commercial activities of travel agents. The acts and regulations, which are reviewed in light of new realities in the industry, apply to you as reference tools. They constitute the foundation for sound commercial harmony between the customers and their travel agents.

Now it’s your turn to assess your knowledge of the material covered in this section.



### Self-Assessment Grid

After reading this section, I am able to:	Totally 	Partially 	Minimally 
1. Explain the role of the Office de la protection du consommateur in the legislation that applies to the travel industry;			
2. Understand the fundamentals of the <i>Travel Agents Act</i> and the <i>Regulation respecting travel agents</i> ;			
3. Explain the role of the <i>Civil Code of Québec</i> and the <i>Consumer Protection Act</i> with regard to the travel sector;			
4. Define certain legal terms.			
<b>Total</b>			

**Keep up the hard work!**

**Review this topic or go on to the next section.**

## Answers Test Your Knowledge

1. **True.** A regulation is intended to ensure the implementation of an act. It is based on and supplements this act.
2. **True.** An act is a set of rules, enacted by a given authority, that everyone must follow.
3. **False.** The Office de la protection du consommateur is a public body. It protects consumer rights by enforcing the acts and regulations that are under its responsibility (TAA, s. 43 and CPA, s. 292).
4. **True.** The *Civil Code of Québec*, which governs life in Québec society, regulates relations between travel agents and their customers within the framework of **civil law**. The *Consumer Protection Act* also establishes, among other things, a fundamental guarantee for all goods and services offered to consumers.
5. **False.** The Small Claims Division of the Court of Québec handles disputes involving amounts of \$15,000 or less. Other disputes are transferred to the Court of Québec, Civil Division or to the Superior Court.
6. **True.** In order to represent the commercial activities of the travel industry as faithfully as possible, four of the eight persons making up the advisory committee come from that industry. A broader consultation among stakeholders involved in the travel industry and consumer associations may also be conducted (RRTA, s. 49).
7. **False.** A customer has three years to file a complaint in court.
8. **False.** Among the legislation that concerns you more specifically, two acts fall under the jurisdiction of the Office de la protection du consommateur: the *Consumer Protection Act* and the *Travel Agents Act*.

Score: \_\_\_\_\_ / 8

### Supplementary readings and exercises

- Office de la protection du consommateur,  
<https://www.opc.gouv.qc.ca/en>.  
To learn more about the Office.
- *Travel Agents Act*, CQLR, chapter A-10,  
<https://legisquebec.gouv.qc.ca/en/ShowDoc/cs/A-10>.
- *Regulation respecting travel agents*, CQLR, chapter A-10, r. 1,  
<https://legisquebec.gouv.qc.ca/en/ShowDoc/cr/A-10,%20r.%201>.
- *Consumer Protection Act*, CQLR, chapter P-40.1,  
<https://legisquebec.gouv.qc.ca/en/showdoc/cs/P-40.1>.
- *Civil Code of Québec*, chapter CCQ-1991,  
<https://legisquebec.gouv.qc.ca/en/showdoc/cs/CCQ-1991>.
- Ministère de la Justice,  
<https://www.justice.gouv.qc.ca/en>.  
To learn more about justice in Québec.
- Société québécoise d'information juridique:  
<https://citoyens.soquij.qc.ca>.  
To learn more about decisions handed down by the courts.

# 2 FUND ADMINISTRATION

## By the end of this section, you will be able to:

- define what is an individual security, a trust account, and the Compensation Fund for Customers of Travel Agents (the Fund);
- understand the purpose of the individual security, the trust account, and the Compensation Fund for Customers of Travel Agents (the Fund);
- determine the amount of **individual security** to be provided and how it is provided;
- calculate the contribution amount to be collected, as applicable, for the Compensation Fund for Customers of Travel Agents;
- present accounting records;
- cite the penalties for offences due to non-compliance with the law.

Establishing procedures to carry out your management activities is of paramount importance when operating a travel agency. The National Assembly and the Québec government have introduced three consumer protection measures. First, the travel agent must open a **trust account** in order to separate the money belonging to the customer from the travel agent's own funds. The second protection consists in providing an individual security guaranteeing the travel agent's obligations to his or her customers. The third is the creation of a Compensation Fund for Customers of Travel Agents (the Fund).

Before going any further, test your knowledge as it would apply to the story of Ms. Fairbrother.

## Context

Ms. Fairbrother's long-time dream was to go on a Mediterranean cruise. One day she dropped by Fancyfree Agency Inc. Based on the information she received from the counsellor, she booked and paid an amount of \$4,407.36 for her trip. Several weeks following this purchase, she returned to the agency for additional details regarding her trip. Surprise! She found

This section refers to the following legal provisions:

### **Travel Agents Act (CQLR, chapter A-10)**

- Division III.1 – Provisional administration (ss. 14.3, 15, and 16)
- Division III.2 – Fonds d'indemnisation des clients des agents de voyages (ss. 30.1 to 30.5, and 30.7)
- Division IV – Obligations of a travel agent (ss. 32 to 33.2)
- Division V – Inspection (ss. 35 and 35.1)
- Division VI – Regulations (s. 36)
- Division VII – Penal provisions (ss. 37 to 40.1)

### **Regulation respecting travel agents (CQLR, chapter A-10, r. 1)**

- Division IV – Licences (ss. 4.1 and 6)
- Division V – Obligations of travel agents (ss. 12 and 12.1)
- Division VII – Accounting (s. 17)
- Division IX – Trust account (ss. 21 to 27)
- Division X – Individual security and indemnity fund (s. 28)
- Division XI – Individual security (ss. 29, 30 to 31.1, 31.6, 31.7, and 31.9 to 36)
- Division XII – Indemnity fund (ss. 39 to 40, 43.2, and 43.6 to 43.14)
- Division XV – Penal (ss. 46 and 47)

a note on the door saying that the agency had closed... until further notice! Ms. Fairbrother is worried and wonders what will become of her trip and her money.

In fact, Fancyfree Agency Inc. (contrary to its name!) had financial problems. To keep the agency running, management paid its rent and telephone bills from the trust account.

## ? Test Your Knowledge

### True or False?

1. Ms. Fairbrother has lost her money and will be unable to take the trip she had planned. \_\_\_\_\_
2. The counsellor who did business with Ms. Fairbrother is responsible and will have to reimburse her. \_\_\_\_\_
3. The Office could reimburse Ms. Fairbrother through the Compensation Fund for Customers of Travel Agents (the Fund).  
\_\_\_\_\_
4. Travel agency managers can use the money from a trust account to pay their bills, as long as they pay it back.  
\_\_\_\_\_
5. Fancyfree Agency Inc. no longer had a valid permit. Therefore Ms. Fairbrother no longer has any recourse against this agency. \_\_\_\_\_
6. Fancyfree Agency Inc. was permitted to withdraw the amount of its commission as soon as the customer had paid for her trip. \_\_\_\_\_

*The answers are found at the end of this section.*

## 2.1 TRUST ACCOUNT

### 2.1.1 What is the purpose of a trust account?

Travel agents must deposit in a trust account their customers' "[...] cash, cheques, or other negotiable instruments, as well as any amount representing the monetary equivalent of all or part of a payment by credit card or debit card or of any other form of payment" (RRTA, s. 21). The trust account must be opened Québec, in a Canadian chartered bank or in another institution authorized to receive deposits under the laws of Canada or Québec. A travel agent must, within seven days of the event, notify the Office president of the opening, closing, and transfer of a trust account and provide the name and address of the financial institution, as well as the account number. Changes in the list of the individuals authorized to carry out operations in the account must also be reported to the Office within 15 days.

The travel agent may only use the trust account to administer it as **trustee**. The agent is prohibited from using these **funds** for personal or corporate purposes. Accordingly, money belonging to the company or its directors must be deposited in a different bank account, to be used for current transactions. Holders of a travel agent licence may provide written authorization allowing an **executive** or a member of their staff to carry out banking transactions in the trust account.

To fill out the travel agent trust account application form, go to <https://www.opc.gouv.qc.ca/commercant/permis-certificat/agents-devoyages/permis/fideicommiss> (in French only).

The travel agent is authorized to withdraw funds by cheque or bank transfer (withdrawal at the counter is not authorized), under certain conditions, for each customer file, only in the following situations:

- To render services to customers (renting or booking accommodations and transportation or **organizing trips**).
- To pay suppliers on behalf of customers.
- To reimburse or pay service fees incurred on behalf of customers.
- To reimburse amounts owed to customers.
- To collect the **gross income** (commission) owed to the agent for each customer file, but only after suppliers have been paid.

Your trust account must never be overdrawn or show a deficit. Travel agents are not allowed to use the money available in one customer's account to pay for another customer's expenses, nor are they allowed to use a customer's account to pay operating or personal expenses. Accordingly, Fancyfree Agency Inc. was not allowed to use funds in the trust account to pay its operating expenses.

## 2.2 INDIVIDUAL SECURITY

Customers who buy all-expense-paid packages or specific services (hotel stay, plane ticket, guided tour, etc.) from a travel agency want to benefit from the agency's advice and expertise. Furthermore, customers expect to obtain assurance that their trip, including all booked services, will run smoothly, and to be able to receive assistance if necessary. In other words, customers want to make sure that the agency provides and guarantees professional services and that the funds will be available in the event of a **recourse** or a claim.

### 2.2.1 Who must provide the individual security?

To protect your customers and instill customer confidence in the travel agency, an **individual security** is required. This type of security is a contract whereby the **surety** agrees to fulfill the travel agent's obligations in case of default. The security must accompany the general licence and it allows for the customer to be reimbursed or receive compensation. It is therefore the travel agent's responsibility to provide it. In the event financial problems should arise, such as those experienced by Fancyfree Agency Inc., Ms. Fairbrother is protected! The security makes it possible, if required, to reimburse amounts paid for tourism services that were not delivered and to compensate customers should they obtain a judgment against the agency. This security also covers administrative fees and the expenses of the **provisional administrator**, i.e. the person appointed to follow up on customer accounts and see to the agency's complete closing.

### 2.2.2 How is individual security paid?

There are three ways to provide the individual security required in order to obtain a **general travel agent licence**.

- Through the purchase of an individual security policy from an insurance company. A premium based on the amount of the policy must be paid.
- By depositing the amount in cash, by cheque, postal money order, bank money order or a transfer of funds.
- By depositing bearer bonds that you own, issued or guaranteed by the Government of Canada or the government of a Canadian province.

In the first case, the company that issues the security policy must fill out the "Police de cautionnement individuel" form (in French only). In the second and third cases, the deposit may be made by the licence applicant or a third party and the "Engagement du commerçant" form (in French only) must be filled out. Both forms are available at <https://www.opc.gouv.qc.ca/commercant/permis-certificat/agentsdevooyages/permis/cautionnement>.

If the security is provided in the form of bearer bonds payable to the holder, a fee to open the file is also charged to cover administration fees. The amount of this fee, indexed on July 1 every year, can be found at <https://www.opc.gouv.qc.ca/commercant/permis-certificat/agentsdevooyages/permis/demande> (in French only).

### 2.2.3 How much security should be provided?

To obtain a general licence, the individual security to be provided varies between \$25,000 and \$225,000.

When applying for a general licence, therefore in the first year of operation, a security of \$25,000 must be provided.

Once a year, on the anniversary of the date on which the licence was issued, the amount of the security is determined on the basis of the **turnover** as indicated in the agency’s most recent financial statements, combined with the number of years the agency has been in operation. This means that, for a same turnover, the security to be provided could decrease as the agency accumulates operational experience.

Example: Your fiscal year ends on April 30, 20XX.

Your **turnover** for the fiscal year ending on April 30, 20XX is \$1.9 million.

As indicated in Table 2.1 below, on the first anniversary of the licence being issued, you must provide a security of \$40,000.

Table 2.1

Security Amount for a General Licence Based on Turnover <sup>4</sup>				
Turnover	First Anniversary	Second Anniversary	Third Anniversary	Fourth and Subsequent Anniversaries
Up to \$1M	\$25,000	\$25,000	\$25,000	\$25,000
Up to \$2M	\$40,000	\$35,000	\$30,000	\$25,000
Up to \$3M	\$55,000	\$45,000	\$40,000	\$30,000
Up to \$4M	\$70,000	\$60,000	\$50,000	\$40,000
Up to \$5M	\$90,000	\$75,000	\$60,000	\$50,000
Up to \$6M	\$105,000	\$90,000	\$70,000	\$60,000
Up to \$7M	\$115,000	\$100,000	\$80,000	\$70,000
Up to \$8M	\$125,000	\$115,000	\$90,000	\$80,000
Up to \$9M	\$135,000	\$125,000	\$100,000	\$90,000
Up to \$10M	\$150,000	\$140,000	\$110,000	\$100,000
Up to \$11M	\$160,000	\$150,000	\$120,000	\$110,000
Up to \$12M	\$170,000	\$160,000	\$130,000	\$120,000
Up to \$13M	\$180,000	\$170,000	\$140,000	\$130,000
Up to \$14M	\$190,000	\$180,000	\$150,000	\$140,000
Up to \$15M	\$200,000	\$190,000	\$160,000	\$150,000
Up to \$16M	\$225,000	\$200,000	\$180,000	\$160,000
Up to \$17M	\$225,000	\$215,000	\$200,000	\$170,000
Up to \$18M	\$225,000	\$225,000	\$215,000	\$180,000
Up to \$19M	\$225,000	\$225,000	\$225,000	\$200,000
Up to \$20M	\$225,000	\$225,000	\$225,000	\$215,000
Over \$20M	\$225,000	\$225,000	\$225,000	\$225,000

<sup>4</sup> Upon renewal of a general licence, if the security is paid using cash or bonds, only the difference between the security already provided and the amount of the new security must be paid.

If the individual security is provided in cash, by cheque, postal money order, bank money order or a transfer of funds, the Office president holds the funds in trust and deposits them in an account at a financial institution. The amount of the security may be placed in investments deemed sound, within the meaning of the *Civil Code of Québec*, or with the Caisse de dépôt et placement du Québec. The income from this investment remains in the trust and may be used for such purposes as management fees. No investment income is given to the travel agent.

### 2.2.4 How can security be terminated?

The travel agent or the **surety** may terminate the security by notifying the Office president in writing at least 90 days in advance. Even when expired, the security remains in full effect for obligations undertaken while it was in force for a period of at least three years. This period may be extended in the case where a customer has filed a complaint against the travel agent within the prescribed deadline. As a result, if the security is provided in cash, by cheque, postal money order, bank money order, a transfer of funds or in bearer bonds, the Office will maintain it for at least three years after the agency has ceased its operations. For detailed information concerning remittance of the security, refer to the Office website at <https://www.opc.gouv.qc.ca/commercant/permis-certificat/agentsdevoyages/permis/cautionnement> (in French only).

## 2.3 COMPENSATION FUND FOR CUSTOMERS OF TRAVEL AGENTS

### 2.3.1 What is the purpose of the Compensation Fund for Customers of Travel Agents?

Customers benefit from an additional source of protection. Under the Act, the Compensation Fund for Customers of Travel Agents (the Fund) is to be used to compensate or reimburse customers, or to pay the amounts required for their departure or repatriation, in cases where the travel agent's individual security is insufficient. Even if the individual security is sufficient, when the supplier fails to provide the service as required, or when the customer is unable to benefit from the service for a reason outside the customer's control, it is provided that Fund be used for the purpose of compensation, reimbursement, or ensuring the departure or repatriation of the customer. The Fund is also used to pay administrative fees and expenses of the **provisional administrator**, i.e. the person appointed to look after customer accounts in the event an agency has closed. Ms. Fairbrother would therefore be protected by the Fund if Fancyfree Agency Inc. had exhausted its individual security.

#### ! Did you know?

It is in a traveler's best interest to book through a licenced travel agency in Québec, Ontario, or British Columbia. In Québec, if a problem arises, the licence ensures that the traveler is compensated or reimbursed from the travel agent's trust account, the individual security, and the Compensation Fund for Customers of Travel Agents.

It is therefore in a traveler's best interest to book reservations through a travel agency that holds a Québec licence. If a problem should arise, the licence ensures that the traveler is compensated or reimbursed from the travel agent's trust account, the individual security provided, or the Fund.

### 2.3.2 Who must contribute to Fund?

Customers of travel agents are required to contribute to the Fund. The travel agent or travel counsellor who deals directly with customers is responsible for collecting the required contribution amounts that accumulate in the Fund. However, customers getting a discount are not required to pay the contribution and you do not have to collect it (see the explanation on discounts in section 2.3.5).

There is one exception: diplomats and diplomatic personnel are exempt from paying the contribution to the Fund. They must provide a copy of their exemption certificate, which is issued by the Office president upon request from the Ministère des Relations internationales. Individuals who are exempt are not eligible for the Fund's benefits.

### 2.3.3 What is the amount of the contribution?

Your customer could be required to pay a percentage of the total cost, before GST and QST, of tourism services purchased through your agency as a contribution to the Fund. This does not include travel insurance, handling fees charged by the agency, or travel accessories (e.g. purchase of tourism maps).

However, this contribution must be calculated on the basis of the tourism services purchased by a customer from a travel agency, whether or not that customer is a resident of Québec. For example, this could include:

- travel tickets, including airport fees and air fare;
- car rental fees;
- accommodation services (hotel room);
- meals included in a trip;
- recreational and sports activities booked through the travel agent, such as tickets to visit an amusement park;
- seat reservation fees;
- fees to obtain a visa;
- fees associated with more flexible contractual conditions. These usually involve changing the date of a trip, cancelling a trip or transferring a trip to a loved one.

#### ! Did you know?

Each year, the Office is allowed to use \$250,000 or 5% of the investment income from the Fund, whichever is greater, to organize information and education activities for customers of travel agents.

Under the *Regulation respecting travel agents* the percentage used to calculate the contribution varies according to the surplus accumulated<sup>5</sup> in the Fund, as indicated in Table 2.2.

The percentage currently in effect is indicated at <https://www.opc.gouv.qc.ca/commerçant/permis-certificat/agentsdevoyages/indemnisation/contribution/perception> (in French only).

Table 2.2

Contribution to the Fund <sup>6</sup>	
Accumulated Fund Surplus	Percentage Collected From Tourism Services Sold
Up to \$75 million	0.35% (e.g. \$3.50 for \$1,000 in purchases)
Up to \$100 million	0.20% (e.g. \$2.00 for \$1,000 in purchases)
More than \$100 million	0.10% (e.g. \$1.00 per \$1,000 in purchases)
Starting from \$125 million	0.10% (e.g. \$1.00 per \$1,000 in purchases) but equivalent remitted to the customer

**! Did you know?**

When adjustments are made to the Fund contribution amount, the Office notifies all travel agents by email.

In addition, press releases are sent to the media, in particular newspapers and trade magazines.

In all cases, the amount and percentage of the contribution must appear on the invoice given to the customer. If a discount is applicable, as was the case from January 1, 2019 to October 31, 2021, it must be indicated (see Topic 7).

Therefore, supposing the percentage of the contribution to the Fund was set at 0.10%, the Fancyfree Agency Inc. calculated fees of \$4.41 (i.e. 0.10%), multiplied by the cost of a \$4,407.36 vacation package, before GST and QST) for Ms. Fairbrother's contribution.

### 2.3.4 What is the travel agent's role?

The travel agent must send the Office a report and remit the contributions collected from customers, minus 5% it keeps in administrative fees.

If the tourism service sales amount to \$5 million or less,

- the agent must remit the contributions twice per year, before the end of the month that follows each semester (period of six consecutive months) of the fiscal year.

If the tourism service sales exceed \$5 million,

- the agent must remit the contributions four times per year, i.e. before the end of the month that follows each quarter (period of 3 consecutive months) of the fiscal year.

<sup>5</sup> The surplus accumulated represents the Fund's total income minus the total expenditures accumulated since its establishment in 2004. The Fund's revenues come from travel agent customer contributions and Caisse de dépôt et placement du Québec investment earnings. The amount of this surplus appears in the Fund's financial statements, which are published in the Office de la protection du consommateur's annual management report, made available (in French only) on its website a few months after March 31.

<sup>6</sup> In the context of the COVID-19 pandemic, the government adopted a regulation respecting certain temporary measures. Among other things, it set the customer contribution to the Compensation Fund for Customers of Travel Agents at 0.35% of the amount of tourism services purchased, from November 1, 2021 to December 31, 2023.

If the report is sent or the contributions remitted late, the agent will have to pay a penalty that corresponds to the higher of the following two amounts: \$50 or 10% of the amount of the contributions that should have been remitted. The agent may also be subject to **penal charges** for being in violation of the Regulation.

As was mentioned above, the travel agent may no longer be required to collect the customer's contribution to the fund as of January 1 of a given year because of a surplus accumulated as of March 31 of the previous year. In this case, the report and contributions collected before January 1 must be sent and remitted to the Office no later than February 28 of that year.

#### How is the contribution remitted to the Office?

The amount is remitted to the Office either by cheque, postal money order, bank money order or by electronic transfer, along with a report signed by the licence holder or an **executive officer**, indicating:

- the amount of the sales subject to the contribution (the cost of tourism services purchased at the agency before GST and QST, excluding travel insurance and travel accessories);
- the total amount of the contributions to the Fund paid by customers;
- the amount remitted.

The report can be produced via an online service or a paper form, both of which are available on the Office de la protection du consommateur website at <https://www.opc.gouv.qc.ca/commerçant/permis-certificat/agentsdevoyages/indemnisation/contribution/remise> (in French only).

### 2.3.5 Remittance of the contribution to the customer

Based on contributions accumulated in the Fund, investment earnings, and compensation provided to customers, the surplus can reach a balance of \$125 million. In this case, travel agency customers benefit from Fund's sound financial health.

When the Fund's surplus as of March 31 (end of its fiscal year) is equal to or greater than \$125 million, the Office informs travel agents that their customers can be credited their Fund contribution as per their invoice, as of the following January 1.

On the customer's invoice, the amount of the contribution must still be indicated. On the following line, you must subtract that same amount and indicate "Credit applicable." The amount of the credit is equivalent to the amount of the contribution. The credit cancels the customer's contribution to the Fund. However, it does not reduce the protection provided to the customer, who continues to be protected by the Compensation Fund for Customers of Travel Agents.

### ! Did you know?

An Office inspector may visit your agency, at any reasonable hour, to review any document, book, record, or account containing information pertaining to your business operations.

In the event where the surplus accumulated in the Fund became equal to or less than \$125 million as of March 31 of a given year, the Office informs travel agents that their customers will no longer benefit from a credit as of January 1 of the following year. Customers of travel agents would then be required to resume paying the amount of the contribution to the Fund (see section 2.3.3).

## 2.4 ACCOUNTING

### 2.4.1 Bookkeeping

In order to comply with administrative rules, the travel agent must keep books, records and accounts regarding his or her activities up to date by entering, among other information:

- all payments received, whether in cash, by cheque, by credit card or by debit card, or by other forms of payment from or on behalf of a customer for services rendered or to be rendered;
- all expenditures made from the trust account;
- the total amount of the funds held in trust and, shown separately, the balance of each customer account.

You must be able to show your books, records and bank accounts for each establishment located in Québec at all times.

An Office inspector or investigator may visit the agency, at any reasonable hour, to review any document, book, record, or account containing information pertaining to your establishment's operations.

On request of the Office president, the travel agent must provide interim financial statements including a trust account statement. A review engagement report and other information or documents pertaining to your travel agent operations may also be requested.

## 2.5 PENALTIES AND OFFENCES

The *Travel Agents Act* and the *Regulation respecting travel agents* provide for fines in the case of specific offences. Your **penal liability** consists in being issued a penalty under the terms and conditions prescribed by the Act. The following checklist allows you to assess your compliance and indicates the corresponding fines that you may be facing. The table can be used as a memory aid.

**Fund Administration**

Penal Liability	Compliant	Non-Compliant	First Offence	Repeat Offence
Have you notified the Office of the opening or closing of the trust account?			\$600 to \$6,000 (for a natural person) \$1,000 to \$40,000 (in other cases)	\$1,200 to \$12,000 (for a natural person) \$2,000 to \$80,000 (in other cases)
Do you deposit the money paid by customers in a trust account?			\$600 to \$15,000 (for a natural person) \$2,000 to \$100,000 (in other cases)	\$1,200 to \$30,000 (for a natural person) \$4,000 to \$200,000 (in other cases)
Do you withdraw money from the trust account for situations specific to a particular customer?			\$600 to \$15,000 (for a natural person) \$2,000 to \$100,000 (in other cases)	\$1,200 to \$30,000 (for a natural person) \$4,000 to \$200,000 (in other cases)
Do you withdraw money from the trust account only by cheque, transfer, or bank transfer?			\$600 to \$15,000 (for a natural person) \$2,000 to \$100,000 (in other cases)	\$1,200 to \$30,000 (for a natural person) \$4,000 to \$200,000 (in other cases)
Do you withdraw amounts from the trust account without exceeding those provided by your customer?			\$600 to \$15,000 (for a natural person) \$2,000 to \$100,000 (in other cases)	\$1,200 to \$30,000 (for a natural person) \$4,000 to \$200,000 (in other cases)

**Fund Administration (continued)**

Penal Liability	Compliant	Non-Compliant	First Offence	Repeat Offence
Do you use the trust account only for one or more of the following purposes? <ul style="list-style-type: none"> <li>• pay suppliers on behalf of the customer;</li> <li>• reimburse or pay service fees incurred on behalf of the customer;</li> <li>• reimburse amounts owed to the customer;</li> <li>• collect your commissions?</li> </ul>	-	-	\$600 to \$15,000 (for a natural person) \$2,000 to \$100,000 (in other cases)	\$1,200 to \$30,000 (for a natural person) \$4,000 to \$200,000 (in other cases)
Do you make sure that the trust account is not overdrawn or showing a deficit?			\$600 to \$15,000 (for a natural person) \$2,000 to \$100,000 (in other cases)	\$1,200 to \$30,000 (for a natural person) \$4,000 to \$200,000 (in other cases)
Do you make sure that only authorized persons conduct transactions in the trust account?	-	-	\$600 to \$15,000 (for a natural person) \$2,000 to \$100,000 (in other cases)	\$1,200 to \$30,000 (for a natural person) \$4,000 to \$200,000 (in other cases)
Do you keep your accounting books and records up to date?			\$600 to \$6,000 (for a natural person) \$1,000 to \$40,000 (in other cases)	\$1,200 to \$12,000 (for a natural person) \$2,000 to \$80,000 (in other cases)
If applicable, do you remit Fund contributions to the Office on time?	-	-	\$600 to \$6,000 (for a natural person) \$1,000 to \$40,000 (in other cases)	\$1,200 to \$12,000 (for a natural person) \$2,000 to \$80,000 (in other cases)

### Fancyfree Agency Inc. PLEADS GUILTY

The Office de la protection du consommateur reports that Fancyfree Agency Inc. pleaded guilty to using trust account funds to pay for business operation expenses and personal accounts (RRTA, s. 25). The Agency used the funds to pay rent and telephone expenses. The company will have to pay a \$3,000 penalty.

Being familiar with the responsibilities and obligations of travel agents will enable you to secure your customers' trust in you as a reliable travel agent. Once you comply with the requirements outlined in this section, you can move forward in the process of obtaining the licence you need to operate a travel agency.

Now it's your turn to assess your knowledge of the material covered in this section.

 Self-Assessment Grid

After reading this section, I am able to:	Totally 	Partially 	Minimally 
1. define what are the individual security, a trust account, and the Compensation Fund for Customers of Travel Agents (the Fund);			
2. understand the purpose of the individual security, a trust account, and the Compensation Fund for Customers of Travel Agents (the Fund);	-	-	-
3. determine the amount of individual security to be provided and how to provide it;			
4. calculate the amount of the contribution to the Compensation Fund for Customers of Travel Agents (the Fund), where required;	-	-	-
5. present accounting records;			
6. cite the penalties for offences due to non-compliance with the law.	-	-	-
<b>Total</b>			

**Keep up the hard work!**  
**Review this topic or go on to the next section.**

## Answers Test Your Knowledge

- 1. False.** The customer has done business with a travel agent holding a travel agent licence in Québec. She is therefore protected by the **surety**. If the security amount is insufficient, the Fund could reimburse or compensate Ms. Fairbrother or pay the amounts required for her departure (RRTA, ss. 28 and 43.13).
  - 2. False.** The counsellor is not the travel agent licence holder; therefore, he cannot be held liable. The licence holder is required to provide individual security. This security makes it possible to reimburse the amounts collected for tourism services that were not delivered to the customer (RRTA, s.28(1)(b)).
  - 3. True.** Under the Act, Fund must be used to compensate or reimburse Ms. Fairbrother should the individual security of Fancyfree Agency Inc. be exhausted (RRTA, s.43.13).
  - 4. False.** The regulations specify that the trust account must be used exclusively to administer amounts paid by customers. Fancyfree Agency Inc. revenues are deposited in a current bank account (RRTA, ss. 23 and 25).
  - 5. False.** Despite the fact that the security ends with the closing of the travel agency, it remains available for the purpose of compensating customers for a period of at least three years (RRTA, ss. 31.7 and 33).
  - 6. False.** Travel agents are only authorized to withdraw the amount of their commission after the suppliers have been paid (RRTA, s. 23(2)(e)).
- Score: \_\_\_\_\_ /6



### Supplementary readings and exercises

- How should the money collected on the sale of a tourism service be administered? Answer: TAA, s. 33 and RRTA, s. 22.
- Define the term “**fund**” within the meaning of the Regulation? Answer: RRTA, s. 21.
- A travel agent claims: “Administering the Fund incurs additional management expenses for my business.” Is this true or false? Explain. Answer: RRTA, s. 40.
- Do you need to hold the amount required for the individual security in cash? Justify your answer. Answer: RRTA, s. 30.
- What are the powers of the **provisional administrator** with respect to using the funds held in trust? Answer: TAA, s. 14.3.

# 3 OPERATING AN ESTABLISHMENT WITH A LICENCE

## By the end of this section, you will be able to:

- determine for whom the travel agent licence is intended;
- differentiate the various types of travel agent licences;
- distinguish the procedures to obtain or renew a general licence;
- complete a licence application;
- understand the grounds and recourse options available in the event of a licence refusal, suspension, or cancellation;
- demonstrate your knowledge of the penalties and offences associated with failure to comply with the Act and the Regulation;
- explain the legal **liability** associated with performing the duties of a travel agent.

A travel agent licence or travel counsellor certificate must be obtained in order to perform the duties of a travel agent, such as operating a business that organizes travel and sells tourism services. This section looks at the conditions, obligations, and procedures involved in the issuance and renewal of a general or restricted licence, as well as the reasons for suspending, cancelling or refusing to issue or renew a licence. The penalties and recourse options following an offence are also addressed.

Before going any further, let's test your knowledge of this topic.

## Context

Mr. Fortunato has long loved his career as a travel counsellor. At a certain point in his life, he decided to own and operate his own travel agency. To achieve his goal, he seized the opportunity presented by his employer, the Four Suns Agency, offering to sell him the company's assets. Mr. Fortunato is now starting the process of becoming a travel agency owner. Can you help him?

This section refers to the following legal provisions:

### ***Travel Agents Act*** **(CQLR, chapter A-10)**

- Division I – Definitions and application (ss. 2 and 3)
- Division II – Licences and certificates (ss. 4 to 11.1)
- Division III – Suspension, cancellation or refusal to issue or renew licences; proceeding before the Administrative Tribunal of Québec (ss. 12 to 13.2)
- Division III.1 – Provisional administration (ss. 14 to 14.5)
- Division IV – Obligations of a travel agent (s. 31)
- Division V – Inspection (s. 35.1)
- Division VI – Regulations (s. 36)
- Division VII – Penal provisions (ss. 37 to 40.1)

### ***Regulation respecting travel agents*** **(CQLR, chapter A-10, r. 1)**

- Division I.1 – Exceptions (ss. 1.1 and 1.2)
- Division II – Classes of travel agent licences (s. 2)
- Division III – Classes of restricted licences (s. 3)
- Division IV – Licences (ss. 4 to 8 and 8.2 to 11)
- Division IV.1 – Travel counsellors (s. 11.1)
- Division IV.2 – Operation of an establishment at home (s. 11.10)
- Division V – Obligations of travel agents (ss. 12, 13.1, and 13.1.1)
- Division XV – Penal (s. 47)

## ? Test Your Knowledge

### True or False?

1. Mr. Fortunato must have a travel agent diploma from the Ministère de l'Éducation to apply for a general travel agent licence. \_\_\_\_\_
2. A person must be at least 18 years old to apply for a travel agent licence. \_\_\_\_\_
3. The Association des agents de voyages du Québec is the body authorizing Mr. Fortunato to apply for a travel agent licence. \_\_\_\_\_
4. A person must have acquired two years of full-time work experience as a travel counsellor to obtain a travel agent licence. \_\_\_\_\_
5. Mr. Fortunato can have his employer's licence transferred to him in order to take over operating the Four Suns Agency. \_\_\_\_\_
6. The general licence fee is calculated according to the number of employees working for the travel agency. \_\_\_\_\_

*The answers are found at the end of this section.*

## 3.1 THE ISSUANCE OF A LICENCE

### 3.1.1 Who needs a licence?

Does your job include renting or booking accommodation or transportation services, or **organizing trips** for your customers? If so, you are performing travel agent operations. Under the Act (TAA, s. 2), a travel agent is a person, a partnership, or an association that, on account of a third party or on account of its members, engages in or offers to engage in or issues vouchers for or offers to issue vouchers for any of the following operations:

- the booking or reservation of lodging accommodations, e.g. selling overnight stays in a hotel to your customers or those of another agency;
- the booking or reservation of transportation services, e.g. selling airplane tickets to your customers or those of another agency;
- the arranging of travel services, e.g. signing agreements with tourism service **suppliers** to plan and coordinate package trips or tours in order to sell them to your customers or those of another agency.

Whether any of these operations are carried out individually or at the same time, the *Travel Agents Act* requires that you hold a travel agent licence issued by the president of the Office de la protection du consommateur. If you operate more than one business establishment, you must ask for a duplicate licence for each additional **establishment**. The president remains the owner of the licence; he or she can therefore withdraw, cancel, or refuse to issue or renew the licence.

## What distinguishes a travel agent from a travel counsellor?

Travel counsellors act on behalf of a travel agent who holds a Québec general travel agent licence. They perform travel agent activities as part of their duties, but only for the travel agency for which they work. They must hold a travel counsellor certificate, be affiliated with an agency that holds a general licence, and respect the following conditions:

- Have an employment contract (examples of which can be found in Appendix 1) with a single travel agent.
- Work in one of the establishments operated by their travel agent.
- Not meet customers in their home, unless the agency has obtained a duplicate licence for that establishment.
- Collect funds from customers and deposit them in the travel agency trust account.
- Provide an invoice on behalf of the agency in accordance with the Regulation (see Topic 7).
- Advertise using the agency's contact information while providing their own mobile telephone number as the only personal contact information, if they wish.

### 3.1.2 Who does not need to obtain a licence?

There are certain situations where travel agent operations are conducted that do not require a travel agent licence. For example:

- An association (e.g. a sports association), a company (e.g. a partnership), or a legal entity (e.g. an incorporated company) does not need a travel agent licence to organize occasional<sup>7</sup> trips within Québec. However, the length of such group trips must not exceed 72 hours if only group members participate, or 48 hours if there are non-member participants.
- A person operating a tourist accommodation establishment governed by the *Act respecting tourist accommodation establishments* (CQLR, chapter E-14.2) who offers nearby tourism services in addition to accommodation services in his or her establishment (e.g. museum visits, golf, etc).
- A carrier whose transportation services can be leased or booked.

Section 3 of the Act and section 1.1 of the Regulation list the cases for which a licence is not required.

#### ! Did you know?

A travel agent must maintain an up-to-date list of travel counsellors employed by his or her agency and counsellors with whom the travel agent has signed an exclusive service contract (including outside counsellors). The travel agent must also make sure that these travel counsellors hold a certificate (see details in Topic 4).

<sup>7</sup> The term "occasional" is important in this context. If such an activity is carried out on a regular basis, every year for example, this exemption does not apply.

### 3.1.3 Licence classes and fees

The Office president issues two classes of licences:

- the **General licence**;
- the **Restricted licence**.

Depending on your commercial activities, you must apply for a licence class corresponding to your case.

The general travel agent licence allows you to offer any of the tourism services listed in section 3.1.1.

Are you an adventure tourism producer, an outfitter, or a regional tourism association? The restricted licence allows you to offer certain tourism services that are complementary to your main activities under certain conditions. This licence enables the holder to deal directly with the general public, with members of a particular group, or through another travel agent with a general licence. There are three classes of restricted licences:

- **Restricted licence for adventure travel organizers**

This licence allows an adventure tourism organizer in Québec to organize and sell packages that include ancillary accommodation services in addition to their own services. These accommodation services must be offered in establishments governed by the *Act respecting tourist accommodation establishments* (CQLR, c E-14.2). To obtain this licence, the organizer cannot offer transportation tickets as part of the package and the activities planned must only take place in Québec.

- **Restricted licence for outfitting operations**

This licence authorizes an outfitter to organize and offer, in addition to its outfitting services, a shuttle service from the airport of destination to the outfitter's location, as well as accommodations near the airport, both after arrival and before departure.

- **Restricted licence for a regional tourism association**

This licence authorizes a regional tourism association recognized under the *Act respecting the Ministère du Tourisme* (CQLR c M-31.2) to market tourist accommodation establishments and tourist attractions in its region, as well as packages not including transportation within its administrative boundaries.

For information on obtaining or renewing a restricted licence, please visit the Office website at <https://www.opc.gouv.qc.ca/commerçant/permis-certificat/agentsdevoyages/permis/renouvellement> (in French only). Special attention must be paid to the documents required for an application for a restricted licence, which are different from those needed for an application for a general licence.

### Cost of an initial licence application (general and restricted)

The initial licence is issued for a period of 10 to 21 months. Its renewal date is determined on the basis of the end date of your fiscal year, i.e., 7 months before that date. The cost for a first licence application therefore varies according to the number of months for which it is issued, based on the rates currently in effect. These rates are reassessed on July 1 of every year, based on the Canada Consumer Price Index.

In addition, if your licence application concerns more than one establishment (branch), additional fees apply for each of these establishments.

For more detailed information on the cost of an initial licence application, refer to the Office website: <https://www.opc.gouv.qc.ca/commerçant/permis-certificat/agentsdevoyages/permis/demande> (in French only).

Keep in mind that if you hold a licence and you continue to operate your agency year after year, you must renew your licence every year.

### 3.1.4 The first general travel agent licence

You will be able to obtain a general travel licence if you satisfy the various requirements. If you fail to provide all the information and documents, your licence application will be refused. Don't forget that you are responsible for informing the Office of any changes to the information or documents submitted in support of the licence application within 15 days of the change. This may be a change of managers, **investors**, the fiscal year-end, documents or signatories of the **trust account**, your address, etc. For more details, see section 12 of the Regulation. You will find the forms to notify the Office of these changes at <https://www.opc.gouv.qc.ca/commerçant/permis-certificat/agentsdevoyages/permis/modification> (in French only).

#### ! Did you know?

Every year, the Office de la protection du consommateur publishes a notice in the *Gazette officielle du Québec* indicating licence costs.

The general licence can be issued in your name. In this case, you must work in the **principal establishment**. The licence can also be issued to the person, association, or company that operates the travel agency. In this case, you must obtain from the person or entity operating the agency a written authorization to apply for a licence and confirm your mandate. You are also required to have as your main activity the duty of managing the principal establishment. As licence holder, your name will appear on the licence in addition to the agency's name. You must also be at least 18 years old.

### How do you file your first application?

First, the person applying for the general licence must meet the two following conditions:

- The applicant must have passed, within the last five years, the travel agent manager examination.<sup>8</sup> The Institut de tourisme et d'hôtellerie du Québec is responsible for administering this examination.
- The applicant must hold a travel agency manager certificate. In the two-year period after passing the examination, the person must apply for this certificate and be linked to a travel agent by virtue of an employment or exclusive service contract as manager. Otherwise, the examination must be retaken.

The applicant must then fill out the “Demande de permis d'agent de voyages” (travel agent licence application) form (see the example starting on page 36). The form is provided by the Office and can be found at <https://www.opc.gouv.qc.ca/commerçant/permis-certificat/agentsdevoyages/permis/demande> (in French only). Once completed, the applicant must send the form to the Office, making sure to pay the prescribed duties and include the following supporting documents with their mailing.

#### To obtain the following document, please refer to a chartered professional accountant:

- The opening balance sheet, showing working **capital** of at least \$5,000. This financial statement must include an auditor's certificate or a review engagement report.

#### To obtain the following documents, please refer to your financial institution (see Topic 2 for more details):

- The opening documents and signature log for each trust account.

<sup>8</sup> Applicants for a restricted licence are not required to take the examination or hold this certificate.

To obtain the following document (depending on the type of security you wish to provide), please refer to an insurance company or a financial institution (see Topic 2 for more details):

- A security.

To obtain the following document, please refer to your board of directors (see Topic 2 for more details):

- Where applicable, a copy of the resolution provided by the company's board of directors authorizing you to apply for a licence on its behalf.

To obtain the following document, please refer to your municipality:

- If you conduct travel agent activities at home, a photocopy of a certificate of occupancy issued by your municipality or a letter authorizing you to conduct these activities at home.

Are you applying for a licence in order to continue operating an existing agency as a new legal entity? If so, you must also attach the financial statements, including the former travel agent's trust account statements, showing the figures as of the date of your licence application. Mr. Fortunato, who is taking over his employer's active business assets, must complete the travel agent licence application presented below. In this example, the amount of the security that must be provided and the minimum working capital required will have to match the **turnover** of the former agency.



## Sample: Travel Agent Licence Application Form (in French only)

Office  
de la protection  
du consommateur



### Demande de permis d'agent de voyages

Réservé à l'Office	Réservé à l'Office
N° de permis :	
N° de commerçant :	
NEQ :	
Examiné par :                      Date :	

1

#### Section 1 : Type de demande

Type de permis :

Général
  Restreint de pourvoyeur
  Restreint d'organisateur de voyages de tourisme d'aventure
  Restreint d'association touristique régionale

Traitement prioritaire :

Oui
  Non

Note : Des frais supplémentaires s'élevant à 50 % du coût du permis sont exigés pour un traitement prioritaire.

2

#### Section 2 : Renseignements sur le requérant

Nom : <b>Lachance</b>	Prénom : <b>Lucky</b>
Adresse du domicile (numéro, rue) : <b>77, de la Colline</b>	
Ville : <b>Québec</b>	Province : <b>Québec</b> Code postal : <b>G1R 4T9</b>
Téléphone : <b>418 658-1148, poste 411</b>	Télécopieur : <b>418 658-1147</b>
Date de naissance (aaaa-mm-jj) : <b>1970-07-21</b>	Courriel : <b>llachance@net.com</b>

**Permis général seulement : le requérant doit réussir un examen de gérant d'agences de voyages avant de demander un permis. Pour obtenir de l'information à ce sujet, visitez la page portant sur l'examen, dans le site Web de l'Office de la protection du consommateur.**

Numéro d'identifiant CCV utilisé lors de l'inscription à l'examen (15 caractères, débutant par « CCV20 ») : **CCV201612326983**

#### Section 3 : Immatriculation légale du commerçant

Nom de l'entité légale au Registraire des entreprises du Québec, s'il y a lieu :  
**4203565 CANADA inc.**

Numéro d'entreprise du Québec (NEQ) : **2579145298**

Date de fin d'exercice financier : **30 octobre 20XX**

Autres noms qui doivent figurer sur le permis : **Agence 4 Soleils**

3

**Veillez inscrire ci-dessous l'adresse de l'établissement principal et, dans le cas où le requérant exploite plus d'un établissement, l'adresse des autres établissements à l'annexe A. Veillez prendre note que tous les établissements que le requérant exploite doivent être immatriculés au Registraire des entreprises du Québec, s'il y a lieu.**

Adresse de l'établissement principal (numéro, rue, bureau) : <b>1324, des Jardins</b>	
Ville : <b>Québec</b>	Province : <b>Québec</b>
Code postal : <b>G1R 6P7</b>	Téléphone : <b>418 658-4455, poste 225</b>
Courriel : <b>4soleils@net.com</b>	Télécopieur : <b>418 658-4452</b>

4

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**1** Your licence does not have an expiry date, but it must be renewed every year, no later than two months before the first day of the eighth month following the end of your fiscal year (RRTA, s. 5).

**2** See Section 3.1.3 Licence classes and fees (RRTA, s. 6(a)).

**3** The NEQ is the number assigned to companies registering with the enterprise registrar in order to simplify dealings between companies and the various Québec government departments and agencies.

**4** A travel agent may operate an establishment at his or her home or the home of a travel counsellor on the conditions presented in Appendix D of the travel agent licence application form (RRTA, s. 11.10).



Sample: Travel Agent Licence Application Form (continued)

Office de la protection du consommateur



Demande de permis d'agent de voyages

Section 4 : Déclaration et certification

A. Les établissements où l'agent de voyages fera des affaires sont-ils conformes à la réglementation municipale relative aux usages?	<input type="radio"/> Oui <input checked="" type="radio"/> Non	1
B. Avez-vous comme principale activité celle d'exercer des fonctions de gérance à l'établissement principal de la personne, l'association ou la société au bénéfice de laquelle le permis est demandé?	<input type="radio"/> Oui <input checked="" type="radio"/> Non	2
C. Au moment de la demande, la personne, la société ou l'association s'est-elle conformée aux dispositions relatives à la publicité légale, si elle est constituée en vertu des lois du Québec?	<input type="radio"/> Oui <input checked="" type="radio"/> Non	3

Pour toute réponse positive aux déclarations suivantes, veuillez joindre un document explicatif en annexe comportant la signature du requérant de permis.

D. Avez-vous déjà été condamné :		
- pour escroquerie, pour faux ou pour opération frauduleuse en matière de contrat de commerce?	<input type="radio"/> Oui <input checked="" type="radio"/> Non	4
- pour une infraction à la Loi sur les agents de voyages?	<input type="radio"/> Oui <input checked="" type="radio"/> Non	5
Si oui, précisez :		
E. Un dirigeant ou un bailleur de fonds a-t-il déjà été condamné, ou été dirigeant ou bailleur de fonds d'un agent de voyages qui a été condamné :		
- pour escroquerie, pour faux ou pour opération frauduleuse en matière de contrat de commerce?	<input type="radio"/> Oui <input checked="" type="radio"/> Non	6
- pour une infraction à la Loi sur les agents de voyages?	<input type="radio"/> Oui <input checked="" type="radio"/> Non	7
Si oui, précisez :		
F. Avez-vous déjà été titulaire d'un permis, ou occupé une fonction de dirigeant ou de bailleur de fonds pour un agent de voyages qui a été la cause du paiement d'une réclamation par l'un des fonds du cautionnement collectif ou par le Fonds d'indemnisation des clients des agents de voyages, et qui n'a pas remboursé ce fonds?	<input type="radio"/> Oui <input checked="" type="radio"/> Non	8
Si oui, précisez :		

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- 1 You must fill out Appendix D. Required under the *Regulation respecting travel agents*, ss. 6(f) and 11.10.
- 2 Required under the *Regulation respecting travel agents*, s. 6(l) and (m).
- 3 Required under the *Regulation respecting travel agents*, s. 6(n)(vi).

- 4 Required under the *Regulation respecting travel agents*, s. 6(h).
- 5 Required under the *Regulation respecting travel agents*, s.6(i).
- 6 Required under the *Regulation respecting travel agents*, s. 6(n)(iv).
- 7 Required under the *Regulation respecting travel agents*, s. 6(n)(ii).
- 8 Required under the *Regulation respecting travel agents*, s. 6(j).



Sample: Travel Agent Licence Application Form (continued)

Office de la protection du consommateur



Demande de permis d'agent de voyages

Section 4 : Déclaration et certification (suite)

G. Un dirigeant ou bailleur de fonds a-t-il déjà été titulaire d'un permis, ou occupé une fonction de dirigeant ou de bailleur de fonds pour un agent de voyages qui a été la cause du paiement d'une réclamation par l'un des fonds du cautionnement collectif ou par le Fonds d'indemnisation des clients des agents de voyages, et qui n'a pas remboursé ce fonds?	<input type="radio"/> Oui <input checked="" type="radio"/> Non	<b>1</b>
Si oui, précisez :		
H. Avez-vous fait faillite au cours des 5 années précédant la demande ou occupé une fonction de dirigeant ou de bailleur de fonds pour un agent de voyages qui a fait faillite au cours des 5 années précédentes?	<input type="radio"/> Oui <input checked="" type="radio"/> Non	<b>2</b>
Si oui, précisez :		
I. Un dirigeant ou un bailleur de fonds a-t-il fait faillite à titre d'agent de voyages ou à titre de dirigeant ou de bailleur de fonds d'un agent de voyages qui a fait faillite, au cours des 5 années précédentes?	<input type="radio"/> Oui <input checked="" type="radio"/> Non	<b>3</b>
Si oui, précisez :		

Certification

**JE DÉCLARE** que les renseignements fournis dans la présente demande et dans toutes les pièces ci-annexées sont véridiques et complets.

Je reconnais que l'agent de voyages doit, dans les 15 jours de l'événement, aviser le président de l'Office de la protection du consommateur par écrit de tout changement aux renseignements fournis et aux documents transmis.

Requérant de permis : **LUCKY LACHANCE**  
[en lettres moulées]

Signature du requérant de permis : *Lucky Lachance* Date : **30 octobre 20XX**

À tout moment, des pièces justificatives peuvent être demandées pour valider les renseignements présentés dans les déclarations.

- 1** Required under the *Regulation respecting travel agents*, s. 6(n)(v).
- 2** Required under the *Regulation respecting travel agents*, s. 6(k).
- 3** Required under the *Regulation respecting travel agents*, s. 6(n)(iii).
- 4** Required under the *Regulation respecting travel agents*, s. 12.



Sample: Travel Agent Licence Application Form (continued)

Office de la protection du consommateur



Demande de permis d'agent de voyages

Annexe A : Renseignements sur les établissements

Inscrire l'adresse de tous les établissements que le requérant exploite au Québec et pour lesquels un duplicata de permis est demandé. S'assurer que les renseignements fournis ci-dessous sont conformes à ceux déclarés au Registraire des entreprises du Québec.  
(Si l'espace est insuffisant, veuillez joindre une annexe.)

1

Nom utilisé :	
Adresse (numéro, rue, bureau) :	
Ville :	Province :
Code postal :	Courriel :
Téléphone :	Télécopieur :

Nom utilisé :	
Adresse (numéro, rue, bureau) :	
Ville :	Province :
Code postal :	Courriel :
Téléphone :	Télécopieur :

Nom utilisé :	
Adresse (numéro, rue, bureau) :	
Ville :	Province :
Code postal :	Courriel :
Téléphone :	Télécopieur :

Nom utilisé :	
Adresse (numéro, rue, bureau) :	
Ville :	Province :
Code postal :	Courriel :
Téléphone :	Télécopieur :

Nom utilisé :	
Adresse (numéro, rue, bureau) :	
Ville :	Province :
Code postal :	Courriel :
Téléphone :	Télécopieur :

Nom utilisé :	
Adresse (numéro, rue, bureau) :	
Ville :	Province :
Code postal :	Courriel :
Téléphone :	Télécopieur :

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1 M. Lachance only operates one establishment, (RRTA, s. (6)(e)).



Sample: Travel Agent Licence Application Form (continued)

Office de la protection du consommateur



Demande de permis d'agent de voyages

Annexe B : Identification des dirigeants et bailleurs de fonds

Inscrire le nom, la date de naissance, l'adresse du domicile, le numéro de téléphone, la fonction et le pourcentage de participation des dirigeants et bailleurs de fonds (associés et administrateurs). S'assurer que les renseignements fournis ci-dessous sont conformes à ceux déclarés au Registraire des entreprises du Québec.

(Si l'espace est insuffisant, veuillez joindre une autre annexe.)

1

Prénom : <b>Lucky</b>	Nom : <b>Lachance</b>
Adresse du domicile (numéro, rue, appartement) :	<b>77, de la Colline</b>
Ville : <b>Québec</b>	Code postal : <b>G1R 4T9</b> Province : <b>Québec</b>
Téléphone : <b>418 658-1148, poste 411</b>	Date de naissance (aaaa-mm-jj) : <b>1970-07-21</b>
Fonction dans l'entreprise : <b>Président-directeur général</b>	Pourcentage de participation dans l'entreprise : <b>70%</b>

2

Prénom : <b>Joanne</b>	Nom : <b>Labonne</b>
Adresse du domicile (numéro, rue, appartement.) :	<b>101, des Tulipes</b>
Ville : <b>Québec</b>	Code postal : <b>G1R 6P7</b> Province : <b>Québec</b>
Téléphone : <b>418 658-5421</b>	Date de naissance (aaaa-mm-jj) : <b>1970-03-23</b>
Fonction dans l'entreprise : <b>Vice-présidente</b>	Pourcentage de participation dans l'entreprise : <b>30%</b>

Prénom :	Nom :
Adresse du domicile (numéro, rue, appartement) :	
Ville :	Code postal : Province :
Téléphone :	Date de naissance (aaaa-mm-jj) :
Fonction dans l'entreprise :	Pourcentage de participation dans l'entreprise :

Prénom :	Nom :
Adresse du domicile (numéro, rue, appartement) :	
Ville :	Code postal : Province :
Téléphone :	Date de naissance (aaaa-mm-jj) :
Fonction dans l'entreprise :	Pourcentage de participation dans l'entreprise :

Prénom :	Nom :
Adresse du domicile (numéro, rue, appartement) :	
Ville :	Code postal : Province :
Téléphone :	Date de naissance (aaaa-mm-jj) :
Fonction dans l'entreprise :	Pourcentage de participation dans l'entreprise :

Prénom :	Nom :
Adresse du domicile (numéro, rue, appartement) :	
Ville :	Code postal : Province :
Téléphone :	Date de naissance (aaaa-mm-jj) :
Fonction dans l'entreprise :	Pourcentage de participation dans l'entreprise :

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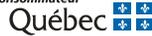
1 M. Lachance has a business partner who has contributed funds to finance the activities of the Four Suns Agency.

2 Required under the *Regulation respecting travel agents*, s. 6(1)(n)(i).



Sample: Travel Agent Licence Application Form (continued)

Office de la protection du consommateur



Demande de permis d'agent de voyages

Annexe C : Déclaration d'ouverture d'un compte en fidéicommis

1

L'agent de voyages doit informer l'Office de la protection du consommateur de l'ouverture, de la fermeture et du transfert d'un compte en fidéicommis, ainsi que de tout changement de signataires. (Si l'espace est insuffisant, veuillez joindre une annexe.)

Le pourvoyeur qui verse un cautionnement supplémentaire n'est pas tenu d'ouvrir un compte en fidéicommis; il n'a pas à remplir cette annexe. Le montant de ce cautionnement est présenté dans le site Web de l'Office, sur la page portant sur les tarifs applicables à une demande de permis.

Renseignements sur le compte en fidéicommis

Nom de l'agence de voyages : <b>4203565 CANADA inc.</b>		
N° de l'institution financière (3 chiffres) : <b>832</b>		
N° de transit de l'institution (5 chiffres) : <b>26601</b>		
N° du compte (7 chiffres) : <b>05-586-60</b>		
Nom de l'institution financière : <b>Banque Secure</b>		
Devise : <input checked="" type="radio"/> Dollars canadiens <input type="radio"/> Dollars américains <input type="radio"/> Autre devise (spécifiez) :		
Adresse de l'institution financière (numéro, rue, bureau) : <b>2458, de la Monnaie</b>		
Ville : <b>Québec</b>	Province : <b>Québec</b>	Code postal : <b>G7R 6P3</b>
Courriel : <b>alcain.poupart@bs.com</b>	Téléphone : <b>418 555-2222</b>	Télécopieur : <b>418 555-2221</b>
<b>Important :</b> Veuillez joindre une copie des documents d'ouverture et de la fiche de signature de chaque compte en fidéicommis.		

Personnes autorisées (dirigeant ou membre du personnel) à effectuer les transactions bancaires dans le compte en fidéicommis

Titulaire de permis : <b>Lucky Lachance</b>		
Adresse personnelle (numéro, rue, appartement) : <b>77, de la Colline</b>		
Ville : <b>Québec</b>	Province : <b>Québec</b>	Code postal : <b>G1R 4T9</b>
Date de naissance (aaaa-mm-jj) : <b>1970-07-21</b>	Téléphone : <b>418 658-1148</b>	Télécopieur : <b>418 658-1147</b>
Autre signataire : <b>Joanne Labonne</b>		
Type : <input type="radio"/> Signataire seul <input checked="" type="radio"/> Cosignataire <input type="radio"/> Autre type (spécifiez) :		
Adresse personnelle (numéro, rue, appartement) : <b>101, des Tulipes</b>		
Ville : <b>Québec</b>	Province : <b>Québec</b>	Code postal : <b>G1R 6P7</b>
Date de naissance (aaaa-mm-jj) : <b>1976-03-23</b>	Téléphone : <b>418 658-5421</b>	Télécopieur :
Autre signataire :		
Type : <input type="radio"/> Signataire seul <input type="radio"/> Cosignataire <input type="radio"/> Autre type (spécifiez) :		
Adresse personnelle (numéro, rue, appartement) :		
Ville :	Province :	Code postal :
Date de naissance (aaaa-mm-jj) :	Téléphone :	Télécopieur :

Certification

J'autorise l'Office de la protection du consommateur à vérifier en tout temps l'état du compte en fidéicommis.	
Titulaire ou requérant de permis : <b>LUCKY LACHANCE</b>	
Signature : <i>Lucky Lachance</i>	Date : <b>30 octobre 20XX</b>

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1 Required under the Regulation respecting travel agents, s. 6(p).



## Sample: Travel Agent Licence Application Form (continued)

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### Demande de permis d'agent de voyages

#### Annexe D : Attestation de conformité à la réglementation municipale relative aux usages

##### AVIS

Pour chacun des établissements pour lesquels un permis est demandé, vous devez remplir une attestation de conformité dûment signée par le requérant du permis.

Si l'une des déclarations ci-dessous est fautive, veuillez préciser tout renseignement pertinent en annexe.

JE DÉCLARE avoir vérifié auprès de la Ville ou de la Municipalité que l'établissement situé au :

**1324, des Jardins**

(Numéro, rue, bureau)

**Québec**

(Ville)

**G1R 6P7**

(Code postal)

respecte la réglementation municipale relative aux usages.

JE DÉCLARE que mon établissement d'agent de voyages respecte effectivement la réglementation municipale relative aux usages. Sur demande, je pourrai fournir à l'Office de la protection du consommateur le certificat obtenu du greffier de la Ville ou de la Municipalité.

JE DÉCLARE être informé que la délivrance du permis d'agent de voyages, par l'Office de la protection du consommateur, ne me dispense pas de respecter la réglementation municipale relative aux usages.

J'AUTORISE, le cas échéant, l'Office de la protection du consommateur à vérifier la conformité de la présente déclaration d'attestation de conformité auprès de la Ville ou de la Municipalité concernée.

#### Dans le cas d'un agent de voyages exploitant un établissement à son domicile ou au domicile d'un conseiller en voyages seulement :

JE DÉCLARE qu'une pièce du domicile est réservée à cette activité.

JE DÉCLARE que les numéros de téléphone, de télécopieur ainsi que l'adresse électronique utilisés pour les activités d'agents de voyages sont au nom de l'agent de voyages et sont différents des numéros et de l'adresse électronique personnels du propriétaire du domicile.

**Note :** Pour les requérants de permis exploitant une agence de voyages à domicile, veuillez joindre un certificat ou une lettre de confirmation de la Ville pour l'exploitation de cet établissement.

Nom : **LACHANCE**

Prénom : **LUCKY**

Signature du requérant de permis : *Lucky Lachance*

Date : **30 octobre 20XX**

À tout moment, des pièces justificatives peuvent être demandées pour valider les renseignements présentés dans les déclarations.

Office de la protection du consommateur • 400, boul. Jean-Lesage, bureau 450, Québec (Québec) G1K 8W4  
Téléphone 418 643-1484 • Télécopieur 418 646-4891 • infopermis@opc.gouv.qc.ca

2019-04-03 • 7

1 Required under the *Regulation respecting travel agents*, s. 6(f).

2 Required under the *Regulation respecting travel agents*, s. 11.10(b).

3 Required under the *Regulation respecting travel agents*, s. 11.10(c).

4 Required under the *Regulation respecting travel agents*, s. 11.10(a).



Sample: Travel agent licence application

**Office de la protection du consommateur**  
**Québec**

**Mise en garde**

La délivrance du permis n'est pas une garantie d'honnêteté ou de compétence, mais est basée sur le dépôt d'un cautionnement qui sert d'abord à garantir l'observance de la loi et qui, dans certaines conditions, peut indemniser les consommateurs en tout ou en partie en cas d'insolvabilité. En aucune façon, l'Office de la protection du consommateur ne se prononce sur la qualification des représentants.

AGENCE 4 SOLEILS  
LACHANCE, LUCKY  
1324 DES JARDINS  
QUÉBEC (QUÉBEC) H2J 1Z2

**Office de la protection du consommateur**  
**Québec**

**Permis d'agent de voyages**

GÉNÉRAL

Numéro du permis : **700000**

Valable du : **20XX-05-01 au 20XX-04-30**

Titulaire : **LACHANCE, LUCKY**  
**4203565 CANADA INC.**  
**1324 DES JARDINS**  
**QUÉBEC (QUÉBEC) H2J 1Z2**

Autres noms du commerçant :  
- Agence 4 Soleils


---

Président



Ce permis est délivré par le président de l'Office de la protection du consommateur. Toute personne peut en vérifier la validité et consulter la fiche de ce commerçant, qui inclut les interventions de l'Office à son endroit, en balayant le code QR suivant ou en consultant <https://www.opc.gouv.qc.ca/se-renseigner/123456>.

**! Did you know?**

You must display your licence in full view of customers in all of your establishments.

After having obtained the licence (or duplicate), travel agents must display it in full view of their customers in each of their establishments.

Travel agents are also required to maintain an up-to-date list of travel counsellors they employ and those with whom they have signed an exclusive service contract (including outside counsellors). The list must include the name, certificate number, and certificate expiry date for each travel counsellor. They must also ensure that their counsellors hold a certificate (see details in Topic 4): they are prohibited from employing counsellors or sign service contracts with individuals who do not hold a valid certificate. Lastly, when a travel counselor is no longer employed or under an exclusive service contract with the travel agent, the agent must so notify the Office president within five days after the employment or contract is terminated.

### 3.1.5 General travel agent licence renewal

If you hold a licence and continue to operate your agency year after year, you must renew your licence annually and file the required documents for this purpose at least two months before the **anniversary date** of your licence. If you operate more than one establishment, you must renew your duplicate licences at the same time. Just like you, Mr. Fortunato will have to apply for a licence renewal if he decides to continue operating his agency for a second year.

Four months before the anniversary date of your licence, the Office de la protection du consommateur will notify you, by email, that it is time to renew it.

You can renew your licence via an online service available on the website of the Office.

You must then:

- Certify that the information and documents held by the Office concerning you are up to date.
- Send a money transfer or enclose payment for duties payable to the Minister of Finance. For detailed information regarding the cost of a licence renewal, refer to the website of the Office at <https://www.opc.gouv.qc.ca/commerçant/permis-certificat/agentsdevoyages/permis/renouvellement> (in French only). The amount payable is reassessed on July 1 of each year, based on the Canada Consumer Price Index.

- Provide the following documents (prepared by a member of a recognized Canadian professional accounting order): your financial statements from the last fiscal year, including the trust account balance sheet, and an auditor’s certificate or a review engagement report. Financial statements must include the following information:
  - The amounts of tourism services sales subject to contribution to the Compensation Fund for Customers of Travel Agents;
  - The amount of tourism services sales carried out **through another travel agent**;
  - The amount collected from customers residing outside Québec (if you are a travel agent providing services through a travel organization located outside Québec);
  - The balance sheet showing a minimum amount of **working capital**, based on your turnover. This amount must be calculated excluding accounts payable and accounts receivable existing between the travel agent and a person, an association, or a company to which the agent is bound or that is under the agent’s control (see Table 3.1);
- Provide the documents required for an adjustment if justified by your turnover (see Table 2.1 in Topic 2).

Table 3.1

Minimum Working Capital Required Based on Turnover	
Turnover	Minimum Working Capital
Up to \$1 million	\$5,000
Up to \$3 million	\$7,500
Up to \$5 million	\$10,000
Up to \$10 million	\$15,000
Up to \$25 million	\$25,000
Up to \$50 million	\$50,000
Up to \$75 million	\$75,000
Up to \$100 million	\$100,000
More than \$100 million	\$150,000

## 3.2 DUPLICATE LICENCE AND LICENCE TRANSFER

### 3.2.1 Duplicate licence

If you own other business establishments in addition to your **principal establishment**, you must obtain, for a fee, a duplicate licence to display in each of your establishments. As with the general licence for your principal establishment, the cost thereof is re-assessed each year on July 1, based on the Canada Consumer Price Index.

### 3.2.2 Licence transfer

You can apply for a licence transfer if the licensee:

- is deceased;
- has resigned;
- has been dismissed;
- no longer satisfies the requirements of the Act or Regulation to be a licence holder.

In any of these situations, you have a maximum of 10 days to submit the form available on the Office website (in French only): <https://www.opc.gouv.qc.ca/commercant/permis-certificat/agentsdevoyages/permis/modification>).

The information to be provided through this form consists of all the updates to the licence application form. The cost represents 50% of the price paid at the general licence application or last renewal, including the duplicate to be displayed in each establishment. You must also provide a copy of the resolution of the company's board of directors authorizing the new licence holder to apply for the licence.

## 3.3 LICENCE REFUSAL, SUSPENSION, OR CANCELLATION

### 3.3.1 Grounds

- An offence under the *Travel Agents Act* or the *Regulation respecting travel agents* has been committed.
- The conditions required to obtain a licence are no longer satisfied.
- A false statement has been made or information has been changed to obtain or renew the licence.
- Travel agent activities have been carried out without ascertaining that such activities are performed honestly and competently in the public interest.
- The travel agent's financial situation prevents him or her from meeting the obligations stemming from his or her activities.
- No valid **corporate charter** has been established or maintained.
- The business has been officially partly or completely liquidated.
- The principal establishment is closed.
- The rules for applying for a licence transfer have not been respected.
- A **voluntary undertaking** made or an **extended undertaking** under the *Consumer Protection Act* has not been respected.

The licence may be refused, suspended or cancelled by the president of the Office. In such cases, the Office president will send you a notice indicating his or her intention and the reasons justifying this intention. Upon receiving the notice, the licence holder has 10 days to send his or her observations to the president and, if applicable, produce documents to complete the file, if the licence holder believes that the licence should be issued or renewed or that it should not be suspended or cancelled.

### 3.3.2 Recourse options

If, as a licence holder, you disagree, the Office president may decide to reject your explanations and render his or her decision regarding your licence in accordance with the intention expressed in his or her notice. You may appeal this decision if you feel that such a step is appropriate.

In this case, you must file your appeal with the Administrative Tribunal of Québec within 30 days after receiving the decision. The cost of an appeal against a decision of the Office president under the *Travel Agents Act* is approximately \$80. The required form and a description of the entire recourse process are found on the Administrative Tribunal of Québec website at <https://www.taq.gouv.qc.ca/en>. The length of the process and the process itself from the time your application is received until the Tribunal renders its decision are variable.

It is important to know that under the *Act respecting administrative justice* (CQLR chapter J-3, Division IV, s. 36) the Administrative Tribunal of Québec hears appeals against decisions relating to the travel agent licence, the travel agency manager certificate, and the travel counsellor certificate.

### 3.3.3 Provisional administration

The Office president can appoint a competent person to temporarily administer a travel agency or terminate its current business, in particular where the agency fails to fulfill its obligations and responsibilities under the *Travel Agents Act* or its attendant regulation. This appointment ensures that customers are protected.

### 3.3.4 Offences and penalties

Offences and penalties fall under the responsibility of the Office de la protection du consommateur and the Director of Criminal and Penal Prosecutions. To specifically oversee the application of the *Travel Agents Act*, inspectors or investigators monitor compliance with various aspects of the Act and the Regulation. When these investigators observe offences, they can, for example, recommend bringing **penal charges**. The following checklist enables you to assess your degree of compliance and the fines to which you may be exposed. We recommend that you refer to this section as a memory aid.

Licence				
Penal Liability	Compliant	Non-Compliant	First Offence	Repeat Offence
Have you performed travel agent activities without holding a licence?			\$600 to \$15,000 (for a natural person) \$2,000 to \$100,000 (in other cases)	\$1,200 to \$30,000 (for a natural person) \$4,000 to \$200,000 (in other cases)
Has the travel agent failed to notify the Office president of any change in the declaration of the fiscal year-end date?			\$600 to \$6,000 (for a natural person) \$1,000 to \$40,000 (in other cases)	\$1,200 to \$12,000 (for a natural person) \$2,000 to \$80,000 (in other cases)
Has the travel agent failed to notify the Office president of any change in the trust account opening documents and signature log?			\$600 to \$6,000 (for a natural person) \$1,000 to \$40,000 (in other cases)	\$1,200 to \$12,000 (for a natural person) \$2,000 to \$80,000 (in other cases)
Has the travel agent failed to notify the Office president of a change of the name under which he or she conducts business?			\$600 to \$6,000 (for a natural person) \$1,000 to \$40,000 (in other cases)	\$1,200 to \$12,000 (for a natural person) \$2,000 to \$80,000 (in other cases)
Has the travel agent provided air transportation tickets for trips whose point of departure or arrival is located in Canada or the United States without the carrier holding flight licences and approvals for these countries?			\$600 to \$6,000 (for a natural person) \$1,000 to \$40,000 (in other cases)	\$1,200 to \$12,000 (for a natural person) \$2,000 to \$80,000 (in other cases)
Has the travel agent failed to keep an updated list of travel counsellors in his or her employ or with whom he or she has signed an exclusive contract?			\$600 to \$6,000 (for a natural person) \$1,000 to \$40,000 (in other cases)	\$1,200 to \$12,000 (for a natural person) \$2,000 to \$80,000 (in other cases)

The Office maintains a list of all travel agent licence holders on its website. Customers can find information such as their contact information, the validity of their general licence, and copies of formal notices the Office has received from, among other individuals, customers who were dissatisfied with a service received. The business of operating a travel agency is possible only by means of a licence.

Now it's your turn to assess your knowledge of the material covered in this section.

 Self-Assessment Grid			
After reading this section, I am able to:	Totally 	Partially 	Minimally 
1. determine for whom the travel agent licence is intended;			
2. differentiate the various types of travel agent licences;			
3. differentiate the procedures for obtaining or renewing a general licence;			
4. fill out a licence application;			
5. understand the grounds for refusing, suspending, or cancelling a licence and the available recourse options;			
6. cite certain offences and penalties associated with a failure to comply with the Act and the Regulation;			
7. understand the legal <b>liability</b> associated with performing the duties of a travel agent.			
<b>Total</b>			

**Keep up the hard work!**

**Review this topic or go on to the next section.**

## Answers Test Your Knowledge

1. **False.** Mr. Fortunato is required to hold a travel agency manager certificate obtained upon passing an examination taken fewer than five years ago. The examination tests knowledge of the legislative and regulatory provisions applicable to the travel industry and to the management of a travel agency (RRTA, s. 6(1)(g)).
2. **True.** You must be of legal age (18 years old) to obtain a licence, whether the application is made for yourself or on behalf of any other natural person, association, partnership, or legal entity (TAA, s. 6).
3. **False.** It is the Office president who issues the travel agent licence. The **applicant** must satisfy the conditions laid out in the Act and the Regulation (TAA, s. 11).
4. **False.** Holding a travel agency manager certificate is required. The certificate must be obtained upon passing an examination taken within the previous five years (RRTA, s. 6(1)(g)).
5. **False.** Mr. Fortunato is buying the assets of his employer, including the Four Suns Agency name, furniture, office lease, customer contracts, and more. In this case, he must reapply for a licence since the agency that will continue operations as a new legal entity. If the Four Suns Agency is an incorporated company, Mr. Fortunato would be able to purchase the proprietary equity, i.e. the assets and liabilities of the company, which would remain the same legal entity (RRTA, s. 8.4).
6. **False.** The number of employees does not influence the cost of the licence. The cost depends on the turnover appearing in the financial statements (RRTA, s. 4(1)(b)).

Score: \_\_\_\_\_ /6

## Supplementary readings and exercises

Answer the following questions by referring directly to the relevant sections of the *Travel Agents Act* and the *Regulation respecting travel agents* (CQLR, chapter A-10 and CQLR, chapter A-10, r. 1).

- Under what conditions does the *Travel Agents Act* not apply when the travel agent books a hotel room for a tourist? Answer: RRTA, s. 1.1 (1)(g)
- Explain why a travel agency sales representative doesn't require a travel counsellor certificate. Answer: TAA, s. 4(3)
- What is the fee required by the Office for a travel agent licence transfer? Answer: RRTA, s. 4(1)(e)
- Can the holder of a restricted licence sell an all-inclusive package in the Dominican Republic to a customer? Answer: RRTA, s. 3
- Under the *Travel Agents Act*, what is the maximum fine in case of a repeat offence? Answer: TAA, s. 39



# 4 PRACTICING WITH A CERTIFICATE

## By the end of this section, you will be able to:

- determine for whom the certificates are intended;
- understand the purpose of the certificate examination;
- differentiate the procedures for obtaining or renewing a certificate;
- understand the grounds for refusing, suspending, or cancelling a certificate;
- identify the offences and penalties associated with a failure to abide by the Act and the Regulation;
- understand the legal **liability** associated with performing the duties of a travel agency manager or travel counsellor.

This section addresses certification, in particular the conditions, obligations, and procedures that apply thereto, in regard to both travel agency managers and travel counsellors. You will learn how to obtain and renew a certificate.

Before going any further, let's test your knowledge of this topic.

## Context

The following is a translated excerpt from the Association des agents de voyages du Québec (AAVQ) website (in French only: <https://www.aavq.ca>). The AAVQ has supported the professionalization of this sector since 2011.

"The AAVQ brings together all Québec travel agents: 12,000 individuals who generate \$5 billion in turnover.

It is a non-profit association whose purpose is to create a community within the industry and defend the rights of travel agents both within the industry and with government authorities. The AAVQ intends to implement several initiatives to help its members grow their networks and optimize their professionalism in order to meet the expectations of today's consumers."

This section refers to the following legal provisions:

### **Travel Agents Act (CQLR, chapter A-10)**

- Division I – Definitions and application (s. 2)
- Division II – Licences and certificates (ss. 4 and 8)
- Division III – Suspension, cancellation or refusal to issue or renew licences; proceeding before the Administrative Tribunal of Québec (s. 13.2)
- Division V – Inspection (ss. 35 and 35.1)
- Division VI – Regulations (s. 36)
- Division VII – Penal provisions (ss. 37 to 40.1)

### **Regulation respecting travel agents (CQLR, chapter A-10, r. 1)**

- Division I.1 – Exceptions (s. 1.2)
- Division IV – Licences (s. 6)
- Division IV.1 – Travel counsellors (ss. 11.1 to 11.9)
- Division IV.3 – Travel agency manager (ss. 11.11 to 11.13)
- Division V – Obligations of travel agents (ss. 13.1 and 13.1.1)
- Division XV – Penal (s. 47)

## ? Test Your Knowledge

### True or False?

1. Only new travel counsellors and outside counsellors require a certificate. \_\_\_\_\_
2. You can submit your observations to the Office de la protection du consommateur after receiving a notice of intent to cancel or suspend your certificate. \_\_\_\_\_
3. Your travel counsellor certificate is suspended if you are dismissed by your employer or if you terminate your employment. \_\_\_\_\_
4. The examination is mandatory for all travel counsellors. \_\_\_\_\_
5. General travel agent licence holders must hold a certificate. \_\_\_\_\_
6. The certificate must be visibly displayed. \_\_\_\_\_
7. Once obtained, a certificate is valid forever. It has no expiry date. \_\_\_\_\_
8. The cost of the certificate varies according to the length of time it is in force. \_\_\_\_\_

*The answers are found at the end of this section.*

### ! Did you know?

A student can undertake an internship in an agency WITHOUT holding a certificate.

### ! Did you know?

If you are an outside counsellor, you need a travel counsellor certificate. Consequently, you must be bound by contract to a SINGLE employer and you may NOT serve customers in your home, unless you have obtained a duplicate licence.

## 4.1 OBTAINING A CERTIFICATE

### 4.1.1 Who is required to obtain a certificate?

Are you a travel counsellor linked to a travel agency by an employment contract or a service contract? Do you deal directly with customers over the telephone, online, or in person? Do you hold a **travel agent** licence? Under the Act, you are required to hold a certificate to perform these duties. In fact, all managers who hold a travel agent licence as well as all travel counsellors in the Province of Québec must obtain a certificate, which is an official document issued by the Office de la protection du consommateur. Like Ontario, Québec wants to ensure that workers in the travel industry are aware of the obligations and responsibilities related to their profession. Accordingly, travel agent licence holders must make certain that their staff members hold this mandatory certificate. However, this requirement does not apply to student interns working at the agency.

If you are an **outside travel counsellor**, you also need a certificate. Consequently, you must be bound by contract to a single employer and you may not serve customers at home unless the travel agent operates an establishment at your residence, for which a duplicate licence has been issued.

## Initial certificate

In order to obtain a travel counsellor certificate or a travel agency manager certificate, applicants are required to pass an examination. This examination focuses specifically on knowledge of legislative and regulatory provisions applicable to the travel industry. The conditions and procedures regarding the exam and issuance of the certificate are posted on the Office website at <https://www.opc.gouv.qc.ca/commercant/permis-certificat/conseiller/certificat/examen> (in French only). You must request your initial certificate within two years of passing the exam.

Failing to satisfy the conditions or to provide the required information and payment may result in your application being refused. Once issued, your certificate is valid for a period of one year. It is your responsibility to inform the Office of any change in your personal contact information (e.g. home address, telephone number, or email address) or the fact that you are working for a new travel agent, no later than 15 days following the change. It is important to note that an employment or exclusive service contract is mandatory for an employee to obtain a certificate and for an employer to hire a counsellor. A sample employment contract is provided in Appendix 1.

### ! Did you know?

After you pass the examination, you must apply for your certificate within two years.

### ! Did you know?

An exclusive employment contract is mandatory for an employee to obtain a certificate and for an employer to hire a counsellor. You will find a sample employment contract in the appendix.

## Typical example



### Sample: Travel Counsellor Certificate (in French only)

**Office de la protection du consommateur Québec**

**Certificat de conseiller en voyages**

**Renseignements sur la certification**

Numéro de dossier	<b>CCV201712345678</b>
Titulaire	<b>M. Marco Polo</b>
Statut du certificat	<b>Valide</b>
Période de validité	<b>20 janvier 20XX au 19 janvier 20XX</b>

**Agent de voyages auquel le titulaire est lié**

Numéro de permis	<b>700000</b>
Nom de l'agence	<b>Agence 4 Soleils</b>
Adresse	<b>1324 des Jardins Québec (Québec) H2J 1Z2</b>

Données en date du 2023-05-04 15:16:10  
Ce certificat est délivré par le président de l'Office de la protection du consommateur.  
Toute personne peut en vérifier la validité au [opc.gouv.qc.ca](https://www.opc.gouv.qc.ca).



## Sample: Travel Agency Manager Certificate (in French only)

Office de la protection du consommateur Québec

Certificat de **gérant d'agence de voyages**

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**Renseignements sur la certification**

Numéro de dossier	<b>CCV201712345678-G</b>
Titulaire	<b>M. Marco Polo</b>
Statut du certificat	<b>Valide</b>
Période de validité	<b>20 janvier 20XX au 19 janvier 20XX</b>

**Agent de voyages auquel le titulaire est lié**

Numéro de permis	<b>700000</b>
Nom de l'agence	<b>Agence 4 Soleils</b>
Adresse	<b>1324 des Jardins Québec (Québec) H2J 1Z2</b>

Données en date du 2023-05-04 15:16:42

Ce certificat est délivré par le président de l'Office de la protection du consommateur. Toute personne peut en vérifier la validité au [opc.gouv.qc.ca](https://opc.gouv.qc.ca).

### ! Did you know?

You will be issued a certificate if you meet the following conditions: having passed the examination, having paid the certificate issuance duties, and having submitted the information required under the Regulation, such as the information concerning the travel agent to whom you are bound. If you are no longer bound to a travel agency, your certificate will be suspended. It will become valid again if you are bound to a travel agency within two years.

### Certificate renewal

The certificate is renewed every year on the date on which it was first issued. Every year, the counsellor receives a notice two months in advance by email. This annual renewal is necessary to keep the certificate active. However, you do not have to take the exam again. The renewal fee is posted online at <https://www.opc.gouv.qc.ca/commerçant/permis-certificat/conseiller/certificat/demande> (in French only). This amount must be paid every year on the certificate issuance date. Remember to update the data in your file. The Office will send you a reminder to your personal email address if your file is not up to date.

Your certificate is valid if the following conditions are met:

- you have passed the examination;
- you have paid the fees (initial certificate or renewal);

- you are bound to a travel agency. In the event you are no longer bound to a travel agency, your certificate will be suspended. It will become valid again if you are bound to a travel agency within two years;
- you have provided the required information, including your name, home address, and personal and professional telephone numbers.

If you stop working for more than two years (to go back to school or try another career, for example), you will not be able to renew your certificate. To obtain a new certificate, you will have to take the examination again and submit a new application.

## 4.2 REFUSAL, CANCELLATION OR SUSPENSION

### 4.2.1 Grounds

- In the last five years, have you committed an offence under the *Travel Agents Act* or the *Regulation respecting travel agents*?
- In the last five years, have you been found guilty of fraud, forgery, or fraudulent operations in contractual or commercial matters?
- Have you made a false declaration or falsified information to obtain or renew your certificate?
- Have you failed to comply with any of the obligations provided for in the *Travel Agents Act* or the *Regulation respecting travel agents*?

If you answered “yes” to any of these questions, your certificate can be refused, cancelled or suspended by the Office. The same is true if the president has reasons to believe that you are not conducting your activities in an honest and competent manner.

In each of these cases, the Office president sends you a notice explaining his or her intention, the grounds for the decision, and the corrections required to regularize your file. Upon receiving this notice, you have a maximum of 10 days to submit observations.

However, the Office president may dismiss your explanations and maintain the refusal to issue, or the decision to suspend or cancel your certificate.

## 4.2.2 Recourse options

In the event that the Office president maintains his or her decision despite your explanations, you can contest this decision by filing an appeal with the Administrative Tribunal of Québec within 30 days of receiving the notice, along with the required fee. The required form and a complete description of the recourse process are posted on the Administrative Tribunal of Québec website. The length of the process and the process itself from the time your application is received until the Tribunal renders its decision may vary.

## 4.2.3 Offences and penalties

Offences and penalties are under the responsibility of the Office de la protection du consommateur and the Director of Criminal and Penal Prosecutions. To specifically monitor the application of the *Travel Agents Act*, inspectors and investigators verify compliance with the various aspects of the Act and Regulation. These inspectors and investigators report offences and can recommend that **penal charges** be issued. Acting as a counsellor without holding a certificate can result in fines ranging from \$600 to \$15,000 for a first offence. Amounts are doubled for a repeat offence. Failing to inform the president, within 15 days, of a change in the information provided in an application to issue or renew a certificate can result in fines ranging from \$600 to \$6,000 for a first offence. Fines are doubled for a repeat offence.

## 4.3 RESPONSIBILITY RELATED TO HOLDING A CERTIFICATE

Your certificate attests to your knowledge of the legislative and regulatory provisions applicable to the travel industry.

Furthermore, the Office makes available online a list of all certified travel agency managers and travel counsellors. Your certificate allows you to officially appear on this list as a person authorized to deal with customers. You must be able to prove that you do in fact hold a certificate if requested by a customer, when you act elsewhere than at the travel agent's establishment.

As a certificate holder, your responsibility extends well beyond your knowledge of the *Travel Agents Act* and the *Regulation respecting travel agents*. Various laws and regulations designed to ensure consumer protection supplement the Act and the Regulation. Having this document allows you to officially deal with customers, as explained in the second module of this textbook.

Now it's your turn to assess your knowledge of the material covered in this section.

## Self-Assessment Grid

After reading this section, I am able to:	Totally 	Partially 	Minimally 
1. determine for whom the certificates are intended;			
2. understand the purpose of the certificate examination;			
3. differentiate the procedures for obtaining or renewing a certificate;			
4. understand the grounds for refusing, suspending, or cancelling a certificate;			
5. identify the offences and penalties associated with a failure to abide by the Act and the Regulation;			
6. understand the legal <b>liability</b> associated with performing the duties of a travel agency manager or travel counsellor.			
<b>Total</b>			

**Keep up the hard work!**  
**Review this topic or go on to the next section.**

## Answers Test Your Knowledge

1. **False.** All travel counsellors must hold a certificate. Outside counsellors must also hold a certificate, just like a counsellor who physically works at one of the travel agency's establishments (TAA, s. 4).
  2. **True.** Upon receipt of the Office president's notice, you have 10 days to submit your observations. However, he or she may maintain the decision, despite your explanations. The president will inform you in writing of his or her decision as well as the grounds for that decision (RRTA, s. 11.8).
  3. **True.** Your travel counsellor certificate is valid only while you are employed by a travel agency that holds a licence. Otherwise, your certificate is suspended. It becomes valid again, without the need to retake the examination, once you enter into a new employment relationship or exclusive service contract within two years after the end of your last employment (RRTA, s. 11.9).
  4. **True.** Under the Act, all travel counsellors must pass an examination to obtain the certificate (RTA, s. 11.2(1)(a)).
  5. **True.** Holders of a general travel agent licence must also hold a travel agency manager certificate (RRTA, s. 6(1)(g)).
  6. **False.** Counsellors must be able to produce their certificates upon request when working at a location other than the travel agent's establishment (TAA, s. 4(4)).
  7. **False.** Your certificate is valid for a period of one year and its renewal is subject to the following conditions: paying the annual renewal fee, providing the information required under the Regulation, and avoiding the situations described in section 11.7 of the Regulation (RRTA, ss. 11.2, 11.4, 11.5, and 11.7).
  8. **False.** The cost of the certificate is not related to its validity period. The cost is based on a validity period of one year, regardless of whether the certificate is valid or not (RRTA, s. 11.5).
- Score: \_\_\_\_\_ /8



## Supplementary readings and exercises

Answer the following questions by referring directly to the relevant sections of the *Travel Agents Act* and the *Regulation respecting travel agents* (CQLR, chapter A-10 and CQLR, chapter A-10, r. 1).

- What is the difference between a licence holder and a certificate holder? Answer: TAA, ss. 4 and 8; RTA, s. 11.1.
- How are travel counsellor operations defined under the TAA? Answer: TAA, ss. 2 and 4.
- What information should travel counsellors provide when applying for the issue or renewal of a certificate? Answer: RRTA, s. 11.4.
- Within what time frame should travel counsellors notify the Office of any change in the information provided in their application for the issuance or renewal of a certificate in order to avoid having to pay a fine? Answer: RRTA, s. 11.6.

# MODULE II

**DEALING WITH CUSTOMERS**  
Responsibilities and Obligations



# 5

## ADVERTISING YOUR PRODUCT OR SERVICE

### By the end of this section, you will be able to:

- recognize an advertisement that complies with regulations;
- distinguish the characteristics of written and print advertisements;
- create an advertisement that complies with regulations;
- take your responsibilities and obligations into account;
- identify the penalties that apply to offences.

Advertising is an essential tool for marketing a tourism service. However, it is important to ensure compliance with the laws and regulations in force. In this section, we examine the mandatory features of written and print advertising.

Before going any further, let's test your knowledge of this topic.

### Context

The Four Suns Agency has negotiated unbeatable prices for the Hôtel du Grand Palais in Paris. The owner has decided to run the ad presented on page 64 in the local newspaper to boost sales in the coming weeks.

This section refers to the following legal provisions:

#### ***Travel Agents Act (CQLR, chapter A-10)***

- Division VI – Regulations (s. 36)
- Division VII – Penal provisions (ss. 37 to 40.1)

#### ***Regulation respecting travel agents (CQLR, chapter A-10, r. 1)***

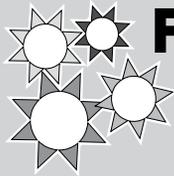
- Division V – Obligations of travel agents (s. 13.2)
- Division VI – Advertising (ss. 14 to 16)
- Division XV – Penal (s. 47)

#### ***Consumer Protection Act (CQLR, chapter P-40.1)***

- Ss. 41, 215 et seq.; 278, 311, and 312



## Non-Compliant Advertisement



# Four Suns Agency

**Places  
are limited!**

## PARIS MUSEUMS

**\$2,499.99**

15 days/14 nights



### Included:

- Round-trip flight Montreal-Paris
- A stay at the 5-star Hôtel du Grand Palais
- Airport-hotel shuttle service (arrival and departure)
- Handling of 2 suitcases per person (arrival and departure)
- All breakfast meals
- Tours: 10 admission tickets per person (choice of museums)
- GST and QST
- Contribution to the Compensation Fund for Customers of Travel Agents

Price valid for new reservations only.

Four Suns Agency Inc.  
1324, rue des Jardins, Québec City (Québec) G1R 6P7  
Telephone: 418-658-4455 • Email: 4soleils@net.com

## ? Test Your Knowledge

Based on your current knowledge of advertising regulations, identify the six mistakes that the Four Suns Agency made in their advertisement.

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

6. \_\_\_\_\_

The answers are found at the end of this section.

### 5.1 GENERAL RULES TO BE RESPECTED

Does your strategy call for advertising in a magazine or newspaper, in French, English, or other languages? Do you prefer to use inserts, brochures, leaflets, or storefront window displays? Do you focus on your own website or on the site provided by your suppliers? All of these forms of advertising are governed by the *Consumer Protection Act* and the *Regulation respecting travel agents*. The *Regulation respecting travel agents* applies to all forms of advertising. In the *Consumer Protection Act*, “advertiser” means a person who prepares, publishes or broadcasts an advertisement or who causes an advertisement to be prepared, published or broadcast.”

The *Consumer Protection Act* regulates all contracts entered into by consumers and merchants to the extent that it:

- provides for a basic conventional warranty given gratuitously with the purchase of all goods and services;
- provides special protection for certain types of contracts (credit contracts, distance contracts, and contracts for the sale of prepaid cards);
- identifies business activities that require a permit or licence;
- regulates advertising aimed at children under 13 years of age;
- prohibits merchants from engaging in misleading representations.

### ! Did you know?

The Canadian Radio-television and Telecommunications Commission (<https://crtc.gc.ca/eng/home-accueil.htm>) is the public agency responsible for regulating radio and television advertising.

## 5.1.1 Mandatory contents

All forms of advertising must:

- include the mention “Québec licensee” (designating the travel agent publishing the advertisement as well as any other travel agent cited in the advertisement);
- highlight the total price of products and services payable before departure and indicate separately the service fees charged by the travel agency;
- when an advertisement makes reference to a cost that does not include all of the amounts to be paid, the total cost of the services must be made more obvious. The *Regulation respecting travel agents* stipulates that the total advertised price must be printed in characters twice as large as any other amount mentioned;
- specify whether the price shown in the advertisement includes or excludes taxes (GST and QST) and the amount of the customer’s contribution to Compensation Fund for Customers of Travel Agents (the Fund). If this contribution is not included, the amount thereof that applies per \$1,000 in purchases must nevertheless be specified. In situations where you are not required to collect the Fund contribution because of the accumulated surplus in the fund, it is recommended to state in your advertisements that the contribution is included in the amount and that it is not charged. Displaying the total price of a product or service is mandatory, because it provides a figure with no surprises for customers. In addition, section 224(1)(c) of the *Consumer Protection Act* prohibits merchants from selling a product or service at a higher price than the price advertised;
- indicate the time period during which the trip can be purchased at the advertised price;
- indicate the price in relation to occupancy. Thus, it is made clear that the price displayed relates to the mentioned occupancy type only. It is also possible to indicate a price range based on single, double, triple, or quadruple occupancy types (the wording “prices starting from” may be used in the advertisement if the proposed trip is available at the time of publication);
- list the services (transportation, accommodations, meals, etc.) included in the advertised package;
- indicate the name of the scheduled air **carrier** at the time of publication;
- specify the duration of the advertised trip;
- include important information such as the fact that the trip will be available at the advertised price only for set departure and return dates or that there is ongoing renovation work at the hotel, including the work completion date;
- indicate if the advertised trip is offered in limited quantities, as well as the number of places available at the advertised price. The merchant could be held liable for failing to include this information. In the event

of a dispute, the court may order the defendant to offer a similar trip of equal or greater value at the advertised price;

- include your business contact information (full address, not just a post office box);
- comply with the rules that apply in the country towards which you are directing your advertising.

#### Example



### Information in compliance with the Regulation

Brochures generally contain the following information, in compliance with the Regulation:

“Certain conditions apply. The prices advertised in this brochure include all taxes and service charges. The prices shown exclude the contribution to the Compensation Fund for Customers of Travel Agents, which is \$XX per \$1,000 of tourism products or services purchased. Prices may vary due to an increase in the exchange rate or a fuel surcharge imposed by the carrier. Refer to the general conditions found at the end of this brochure.”

#### Example



### Conviction for failure to comply with advertising rules

Press Release

Vacation Bound Ltd. Travel Agency Found Guilty

Québec City, January 13, 2017

“The Office de la protection du consommateur is announcing that the Vacation Bound Ltd. travel agency [...] was found guilty of charges pursuant to the *Regulation respecting travel agents*. The agency has been ordered to pay fines totaling \$3,760.

In October 2014, the Office charged the travel agency with having published advertisements that failed to comply with sections 14.1 and 15 of the Regulation. These advertisements failed to provide information on whether the prices advertised included the applicable taxes. The Office also charged the agency with not having disclosed the name of the air carrier for a package trip or the period during which package deals were available at the advertised price.

The Office wishes to point out that travel advertisements must contain certain items of information, such as the list of services for transportation, accommodations, and meals included in the package, the name of the scheduled air carrier at the time of publication, the duration of the trip, as well as how long the trip will be available at the advertised price.”

### ! Did you know?

It is widely known that children can influence their parents' choice of a vacation. Did you know that the *Consumer Protection Act* clearly prohibits you from directing your advertising at children under the age of 13?

### ! Did you know?

You are prohibited from using ads suggesting to customers that payment for the advertised trip can be made by an endorsed cheque issued in their name by a municipality, or the Québec or Canadian governments?

## 5.1.2 Prohibited content

Under Title II, Business Practices of the *Consumer Protection Act*, in any form of advertising, it is PROHIBITED to:

- include the statement “prices are subject to change without notice.” It is therefore prohibited to charge a higher price than the one advertised. However, the price may be modified in a contract under certain circumstances, such as when a fuel surcharge (see Topic 7) is imposed by a carrier or in the event of an increase in the exchange rate;
- include the statement “prices are valid at the time of printing” (to be valid, such a practice must specify the beginning and the end of the price validity period);
- indicate the amount per instalment to be paid without including the total price of the tourism product or service (e.g. an advertisement promoting a package trip payable in 10 monthly payments of \$99 must also indicate the total price of \$990). Your customer must know the exact total amount to be paid;
- not specify the credit applicable at the end of a period “with no interest or fees” if the amount owed is not paid in full;
- claim that the product or service advertised is offered at a discounted price if this is not the case (e.g. the wording “special offer” suggests that the price offered is actually lower than the regular price);
- make false statements (e.g. attribute a non-existent benefit to a product or service by using the wording “book early” without any actual benefits for the customer, or the wording “last minute specials” to falsely suggest that the price is lower than the regular price);
- publish a misleading advertisement (e.g. including a photograph of a cabin that is more luxurious than the one actually offered at the advertised price);
- present illegible or incomprehensible information;
- distort the meaning of information, an opinion, or a testimonial obtained with a view to incorporating it into future advertising. Be careful! The information you report must be accurate;
- include a travel counsellor’s personal contact information. Only the cell phone number may be used in an advertisement on behalf of the travel agent to whom the counsellor is bound by an employment contract or an exclusive service contract;
- falsely claim to be certified, approved, recommended, sponsored, affiliated, or associated with a third party (e.g. claiming to be associated with a religious organization without their consent in order to solicit customers to book your pilgrimage package);
- discredit the goods or services offered by a competitor;
- run advertisements specifically targeting children under the age of 13.

### 5.1.3 Compliant written or print advertising

The following checklist will help you to verify the compliance of each item in the advertisements that you publish in newspapers.

#### Checklist: Written or print advertising

All written or print advertisements published by my agency must include the following mandatory information:

Mandatory	Compliant	Non-Compliant
<ul style="list-style-type: none"> <li>the mention "Québec licensee";</li> </ul>		
<ul style="list-style-type: none"> <li>the list of included transportation services;</li> </ul>		
<ul style="list-style-type: none"> <li>the name of the scheduled air carrier at the time of publication;</li> </ul>		
<ul style="list-style-type: none"> <li>the category of accommodations included;</li> </ul>		
<ul style="list-style-type: none"> <li>the price in relation to occupancy type;</li> </ul>		
<ul style="list-style-type: none"> <li>the travel dates where advertised prices apply;</li> </ul>		
<ul style="list-style-type: none"> <li>the included meals;</li> </ul>		
<ul style="list-style-type: none"> <li>the trip's duration;</li> </ul>		
<ul style="list-style-type: none"> <li>if applicable, an indication that the advertised trip has a limited number of places and indication of the number of places available at the advertised price;</li> </ul>		
<ul style="list-style-type: none"> <li>the time period during which the trip is available at the advertised price (for example, if booked before October 31, 20XX);</li> </ul>		
<ul style="list-style-type: none"> <li>the full contact information of the travel agent;</li> </ul>		
<ul style="list-style-type: none"> <li>a single TOTAL price for the advertised tourism product or service, including all fees, duties, and taxes, as well as the customer contribution to the Compensation Fund for Customers of Travel Agents (the Fund), AND an indication that taxes and the Fund contribution are included;</li> </ul>		
OR		
<ul style="list-style-type: none"> <li>the total price of tourism services to be paid, including fees and duties, printed in characters that are twice as large as the characters used to indicate the cost of any components displayed;</li> </ul>		
<ul style="list-style-type: none"> <li>a clear mention of whether or not taxes (GST and QST) are included (at least 10-point Helvetica font);</li> </ul>		
<ul style="list-style-type: none"> <li>a clear mention of whether or not the Fund contribution is included (at least 10-point Helvetica font). If the contribution is not included in the total price, you must nevertheless specify the cost per \$1,000 in purchases. In situations where you are not required to collect the Fund contribution because of the accumulated surplus in the Fund, it is recommended to state in your advertisements that the contribution is included in the amount and that it is not charged (see Topic 2).</li> </ul>		

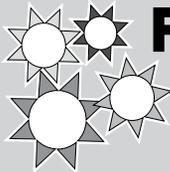
#### ! Did you know?

You've discovered the lookout located at Highway Exit 54 and you think it would be a great place to put up an advertisement for your company? Contact the Ministère des Transports (<https://www.transports.gouv.qc.ca/en>), which issues the permit required for advertisements displayed near service areas, lookouts, and along roads maintained by this government department. This process is governed by the *Roadside Advertising Act* (CQLR, c. P-44).

The following is an example of an advertisement that complies with the rules. Compare the two examples and circle the non-compliant items in the advertisement on page 71.



Compliant advertisement



**Four Suns  
Agency**



**Book  
now!**

## PARIS MUSEUMS

**\$2,499.99**

per person in double occupancy

- 15 days/14 nights
- July 31 to August 14 20XX



### Included:

- Round-trip flight Montreal-Paris with Air France
- A stay at the 5-star Hôtel du Grand Palais
- Airport-hotel shuttle service (arrival and departure)
- Handling of two suitcases per person (arrival and departure)
- All breakfast meals
- Tours: 10 admission tickets per person (choice of museums)
- GST and QST
- Contribution to the Compensation Fund for Customers of Travel Agents

Quantities are limited (150 places available).

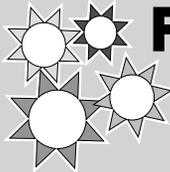
Price is valid until March 31, 20XX for new bookings only.

Four Suns Agency Inc.  
1324, rue des Jardins, Québec City (Québec) G1R 6P7  
Telephone: 418-658-4455 • Email: 4soleils@net.com

Québec licensee



Non-compliant advertisement



**Four Suns  
Agency**

**Places  
are limited!**

## PARIS MUSEUMS

**\$2,499.99**

15 days/14 nights



### Included:

- Round-trip flight Montreal-Paris
- A stay at the 5-star Hôtel du Grand Palais
- Airport-hotel shuttle service (arrival and departure)
- Handling of 2 suitcases per person (arrival and departure)
- All breakfast meals
- Tours: 10 admission tickets per person (choice of museums)
- GST and QST
- Contribution to the Compensation Fund for Customers of Travel Agents

Price valid for new reservations only.

Four Suns Agency Inc.  
1324, rue des Jardins, Québec City (Québec) G1R 6P7  
Telephone: 418-658-4455 • Email: 4soleils@net.com

### ! Did you know?

If you want to include a contest, hold a draw, or offer a gift, prize, or discounted article in your advertisement, all conditions and procedures for winning must be specified. For information on how to comply with these rules, please visit the Régie des alcools, des courses et des jeux website at <https://www.racj.gouv.qc.ca/en>.

### ! Did you know?

If, for your advertisement to be published on your website home page and in the regional weekly you use, without authorization, in part or in whole, written material from a travel magazine, a picture found on the Internet, and you add an excerpt from a movie or a video clip, and a catchy tune, you may end up in court! The *Copyright Act* (R.S.C., 1985, c. C-42) governs the use of material protected by intellectual property rights. The available criminal and **civil remedies** can result in penalties ranging from injunctions to fines and even a prison sentence!

## 5.2 INTERNET ADVERTISING

Advertising on your website is also subject to the rules mentioned above. However, clarification is required regarding transactional websites, where trips can be purchased online. Inasmuch as on these sites price adjustments are easier and made in real time, there is an additional requirement under the *Regulation respecting travel agents*. In this case, the following mandatory notice must appear prominently on the homepage along with the indication that you are a Québec licensee: “Prices on our website are valid if you purchase services in a same session. If you log off our website, prices may be different the next time you log on.”

In addition, the same rules apply if you wish to include a contest, hold a draw, or offer a gift, a prize, or a discounted article in your advertisement. Regardless of whether your advertisement is published online or not, all conditions and procedures for winning must be specified. Don't take any chances! Information on how to comply with these rules is available on the *Régie des alcools, des courses et des jeux* website ([www.racj.gouv.qc.ca/en](http://www.racj.gouv.qc.ca/en)).

## 5.3 RESPONSIBILITIES AND OBLIGATIONS

Where advertising is concerned, your responsibilities are far from trivial. Travel agents do not control every component of a customer's purchase. They sell or organize products and services based on the offerings of various suppliers. They are thus an essential intermediary between their customer and the purchased product or service. Yet, despite the little control they have over the complete chain of supply leading to delivery of the tourism product or service sold, they are legally responsible for ensuring that the service received by the customer complies with the service presented in the advertisement, as provided for under section 41 of the *Consumer Protection Act*. They are therefore required to validate all information appearing in their advertisement prior to publishing. When a travel agent's advertisement is based on a supplier's advertisement, the travel agent is jointly and severally liable. If the services delivered fail to comply with the advertisement, they are both liable. In actual fact, and notwithstanding section 41, it is important to note that the liabilities and obligations of the various intermediaries are ultimately determined by the Court.

In cases where travel agents act as resellers of an advertised tourism service, they are responsible for checking the legality and veracity of the published information. They should therefore never use brochures or any other documents produced by another travel agent or a supplier without checking the information presented in them. The travel agent could be held liable, along with the travel agent or supplier from whom they obtain the tourism produce or service sold, if the customer files a complaint regarding any aspects of the document provided.

Selling a non-compliant package from another travel agent is equivalent to endorsing the product yourself! In reference to the advertisement shown above, it would be a shame to be held responsible for incorrect information concerning the supposed five-star rating of Hôtel du Grand Palais, for example, if it's actually a two-star establishment!

## 5.4 OFFENCES AND PENALTIES

Customers have countless choices when purchasing travel services. In order to enable customers to compare their choices and make informed decisions, all of the necessary information should be made available to them. Your advertisements are an essential tool to achieve this objective. Consequently, failure to respect rules governing advertisements is severely punishable by law. Inspectors and investigators from the Office ensure that laws are being followed, as do your customers, who are increasingly well informed about their rights. In addition, consumers can file complaints with the Office, which may result in a lawsuit.

### MANAGER

What happens if you violate a provision of the *Regulation respecting travel agents* in regard to advertising? For a first offence, fines vary between \$600 and \$6,000 for a natural person, and between \$1,000 and \$40,000 in other cases. For a repeat offence, these amounts are doubled! The president of the Office can demand access to any advertisement that you or your advertising agency run, as well as proof of its veracity. The *Consumer Protection Act* also seeks to discourage you from undertaking illicit practices, which are subject to fines. Hence the importance of complying with the law and reviewing your ad carefully before putting it out there.

Regardless of the medium used, your advertisement constitutes a commitment to your future customers. While you seek to stand out, it is also paramount to respect the established legal framework. Advertising is in fact a commitment that can jeopardize the future of your business. Don't try to sell at all costs!

Now it's your turn to assess your knowledge of the material covered in this section.

### ! Did you know?

If your customers book by way of your website, it is your responsibility to protect their personal information. Your website must disclose your company's policy regarding the use, processing, and protection of requested information. Sections 8 and 27 of the *Act respecting the protection of information in the private sector* (CQLR, c. P-39.1) requires you to grant access to a customer's file (online, for example) upon the customer's request. Customers to whom such access is refused can appeal to the Commission d'accès à l'information.

### ! Did you know?

If you receive a commending email from a customer, pleased with the service offered by your escort guide in Asia, and you decide to include this testimonial in your next advertisement – watch out! Be sure to convey the customer's message faithfully. The *Consumer Protection Act* prohibits you from distorting the meaning of a report, opinion, or testimonial.



### Self-Assessment Grid

After reading this section, I am able to:	Totally 	Partially 	Minimally 
1. recognize an advertisement that complies with regulations;			
2. distinguish the characteristics of written and print advertisements;			
3. create an advertisement that complies with regulations;			
4. take my responsibilities and obligations into account;			
5. identify the penalties that apply to offences.			
<b>Total</b>			

**Keep up the hard work!**  
**Review this topic or go on to the next section.**

## Answers Test Your Knowledge

- Wrong wording. The advertisement must include the mention "Québec licensee" (RRTA, s. 14).
- The occupancy type in connection with the advertised price is not indicated (CPA, s. 228).
- The number of places available at the advertised price is not indicated (CPA, s. 231).
- The name of the scheduled air carrier at the time of publication is not provided (RRTA, s. 15(a)).
- The trip dates must be specified (CPA, s. 228).
- The period during which the trip may be purchased at the advertised price is missing (RRTA, s. 15(b)).

Score: \_\_\_\_\_ /6

# 6

## DEALING WITH CUSTOMERS

### By the end of this section, you will be able to:

- identify the various obligations of travel agents;
- distinguish between civil and penal **liabilities**;
- cite the supplementary forms of customer protection;
- assume the role of insurance contract distributor.

Travel agents or counsellors are directly involved with customers from their first encounter until after the customers return from their trip in the context of informing, organizing package deals, and selling tourism services. This topic looks at essential legal aspects of your relationship with customers.

Before going any further, let's test your knowledge of this topic.

### Context

Raya, a travel counsellor at Interstellar Travel, has been given an important assignment. She has been asked to represent the agency at a business meeting with executive officers of a multinational company in order to market an incentive trip to Australia. The customer is seeking assistance in finding attractive travel options to reward his employees. To stand out from its competitors, Interstellar Travel has joined forces with various Australian suppliers to organize a unique itinerary (bus, hotels, attractions, and activities). Raya has prepared accurate descriptions of the itinerary and attractions, as well as a full price breakdown and specifics on the contract terms and conditions. Aside from the documents, this information will also be presented verbally at a meeting with the customer. Before her presentation, Raya makes sure that she has covered all aspects involved in this trip in order to enable the customer to make an informed choice.

Answer the questions that this potential customer might ask Raya.

This section refers to the following legal provisions:

#### **Travel Agents Act (CQLR, chapter A-10)**

- Division III.2 – Fonds d'indemnisation des clients des agents de voyages (s. 30.4)
- Division VI – Regulations (s. 36)

#### **Regulation respecting travel agents (CQLR, chapter A-10, r. 1)**

- Division X – Individual security and indemnity fund (s. 28)
- Division XII – Indemnity fund (s. 43.7)

#### **Consumer Protection Act (CQLR, chapter P-40.1)**

- Ss. 2, 10, 16, 40, 42, and 54.14

#### **Civil Code of Québec (CQLR, chapter CCQ-1991)**

- Art. 1458, 1470, 1523, 1525, 1693, 1694, 2098, and 2100

#### **Act respecting the distribution of financial products and services (CQLR, chapter D-9.2)**

- Ss. 408 and 429 et seq.

#### **Carriage by Air Act (R.S.C., 1985, chapter C-26)**

- Schedule VI, art. 19

## ? Test Your Knowledge

### True or False?

1. Interstellar Travel could be held liable for the use of outdated equipment by its scuba-diving supplier. \_\_\_\_\_
2. For this group trip organized by Interstellar Travel, Raya has an obligation to provide assistance, such as a guide, for instance. \_\_\_\_\_
3. Should Interstellar Travel not deliver one of the services provided in the contract and should a court ruling grant the customer an indemnity, the individual security could be used to pay this indemnity. \_\_\_\_\_
4. If the customers experience a flight delay depriving them of two days of planned activities in Australia, they cannot file a lawsuit on these grounds. \_\_\_\_\_
5. Customers are entitled to compensation if discrepancies are found between the verbal description of the package presented by the representative and the actual tour product delivered at destination. \_\_\_\_\_
6. In the event that Interstellar Travel concludes this sale by telephone, Raya must specify any additional fees that might be charged by Australian suppliers. \_\_\_\_\_

*The answers are found at the end of this section.*

## 6.1 OBLIGATIONS AND RESPONSIBILITIES OF TRAVEL AGENTS

With respect to contracts between travel agents and their customers, the legislation distinguishes two levels of contractual obligations: the **obligation of means** and the **obligation of result**. These obligations, explained below, imply that travel agents are subject to civil liabilities. Under the *Civil Code of Québec*, travel agents bear **civil liability** in relation to their duty to customers. In addition, the *Consumer Protection Act* specifies that “a written or verbal statement by the representative of a merchant or of a manufacturer respecting goods or services is binding on that merchant or manufacturer.” Therefore, by virtue of its civil liability, Interstellar Travel is responsible for the information provided by Raya, its travel counsellor.

Under the *Civil Code of Québec* and the *Consumer Protection Act*, travel agents’ civil liability refers to their obligation to provide services as stipulated in the contract. The *Travel Agents Act* and the *Consumer Protection Act* govern the travel sector in regard to penal matters, and travel agents are liable for offences they commit under these laws. Finally, under the *Travel Agents Act*, if you are operating an agency, you are required to hold a valid licence in order to avoid **penal sanctions**, i.e. a fine. You must therefore answer for your own actions and the actions of your employees!

MANAGER

What are obligations of means and obligations of result as applied to your role as a merchant?

- An **obligation of means** entails using the necessary means to achieve the result stipulated in the contract and to employ prudence and diligence (i.e. the degree of care in regard to customer requests), but without guaranteeing the outcome. A business offering a safari holiday in Kenya has an obligation of means towards its visitors: it must make every effort to ensure that they can safely observe animals wandering freely in the wild, but it cannot be held responsible if animals are discreet and difficult to observe, unless this fault can be attributed to the supplier. In a formal complaint, the dissatisfied customer would have to prove that you and your supplier did not use the necessary means to honour your commitment.
- An **obligation of result** is more consequential than the obligation of means. In fact, it requires the supplier to achieve a result or risk a penalty, unless prevented by **force majeure**, which is an unforeseeable and irresistible event, as defined in article 2100 of the *Civil Code of Québec*. This type of obligation, as its name indicates, is based on the result or outcome stipulated in the contract. In other words, your customers expect you to provide exactly what they purchased. For example, the obligation of result of a carrier is to transport people or cargo. Both carrier and travel agent incur **joint and several liability** for any delay or **damage** inflicted on the passengers or property being transported.

It is important to remember that courts generally apply the obligation of result to travel agent-customer contracts. For example, in the case of force majeure, such as a hurricane, that would require travelers to cut short their stay, suppliers in charge of repatriating them must meet their obligation of result. Since the trip was shortened, the travel agent only partially fulfilled his or her obligations and the customer should be reimbursed for the undelivered portion of the trip (i.e. hotel nights not used).



### Joint and several liability of the travel agent and the supplier

The **plaintiff** (customer) is claiming \$5,685.38 in **damages** from Bon Voyage Agency and Airlines Inc. for alleged flight delays during a trip purchased from Bon Voyage. His itinerary included a Montréal-Venice-Montréal round trip, with stops in London and Rome. Having suffered inconveniences and lost time resulting from the disappearance of his return flight reservation from the computer system, the customer is claiming living expenses, prepaid hotel expenses for the period he was in transit, and compensation for loss of enjoyment of his vacation.

Claiming that it had done all that was necessary to book a seat on another flight, the air carrier invoked the *Montreal Convention* provisions, as well as specific ticket conditions, to contest the claim.

In the example presented above, Airlines Inc. is citing article 19 of the *Convention for the Unification of Certain Rules for International Carriage by Air*, also referred to as the *Montreal Convention*, which states that “the carrier is liable for damage occasioned by delay in the carriage by air of passengers, baggage or cargo. Nevertheless, the carrier shall not be liable for damage occasioned by delay if it proves that it and its servants and agents took all measures that could reasonably be required to avoid the damage or that it was impossible for it or them to take such measures.”

On the other hand, in this specific example, the court might not be convinced that all reasonable and necessary steps were taken to avoid prejudice to the customer. Thus, Airlines Inc. might be obliged to compensate the **plaintiff** for damages resulting from delays. By virtue of the nature of the contract, Bon Voyage Agency was jointly and severally responsible and could therefore also be found liable.

The possibility that the court might settle the matter in this way calls attention to the fact that agreements with customers are binding on the travel agent jointly and severally with the obligations of suppliers or tour operators. It also shows that the air carrier is governed by international conventions. As an integral part of the *Carriage by Air Act* (R.S.C., 1985, c. C-26), the *Montreal Convention* establishes uniform rules for international air carriage of passengers, baggage, and cargo. Accordingly, air carriers must state their terms in compliance with the law.

According to **case law**, travel agents are held liable in cases of non-compliance in the following areas as they relate to the obligations of means or result:

- choice of **service providers**;
- assistance;
- information;
- compliance;
- safety.

What do these obligations entail?

### 6.1.1 Choice of service providers

In choosing **service providers**, whether you serve as an intermediary or an organizer, you are working with suppliers to provide your customers with tourism services as stipulated in the contract. You must ensure that these suppliers are competent, reliable, and able to provide the services promised in the contract. You could be held liable for arranging flights on a carrier that violates local, national, or international regulations, or for booking with **suppliers** using outdated equipment.

### 6.1.2 Assistance

If you are selling tours of Peru or package holidays to the Fiji Islands, for example, you must book a guide, local representative, or local supplier who is able to assist customers whenever the need arises. This is particularly important with respect to travel packages to countries where language, customs, and laws differ from ours.

### 6.1.3 Information

You must disclose all known, important, and necessary information to guide your customer's decision. Once a package trip is purchased, your responsibility to inform the customer extends until the end of his or her trip. For example, it is your duty to adequately inform your customer about mandatory travel documents (passport, visa, etc.), required vaccinations and insurance; to recommend having on hand a letter of consent from the parents or guardians of a child traveling alone before departure; to contact your customer ahead of time if changes are made to his or her initial flight schedule; or once at destination, to ensure communication through your local representative in the event of a hurricane requiring an emergency evacuation.

### ! Did you know?

The *Consumer Protection Act* provides that in case of doubt or ambiguity, a contract must be interpreted in favour of the consumer. The conditions indicated by suppliers, whatever the medium used (Internet, brochure, ticket, etc.), must therefore be clearly worded.

### Example



#### Duty to inform

Raphael, a travel counsellor, has booked flights comprising “illegal connections” (not respecting the mandatory time between connecting flights) although fully aware of the risks that his customers were facing as a result. The carrier was not involved in the itinerary choice. Despite systematic refusals by the booking systems, Raphael kept after the supplier, insisting on approval of the flight itinerary. As a result, his customers were refused boarding on a connecting flight, because their luggage had been delayed. Prudent and diligent professionals cannot ignore their responsibility to inform customers of the risks associated with the itinerary sold. The customers can claim compensation from the travel agency because of its employee’s incompetence and carelessness.

## 6.1.4 Compliance

You have a duty to provide your customers with a service that is consistent with the description made thereof in the contract. The *Consumer Protection Act* provides that in case of doubt or ambiguity, the contract must be interpreted in favour of the consumer. The conditions indicated by suppliers, regardless of the type of medium used (Internet, brochure, leaflet, etc.) must be worded clearly. Special attention must be paid to commitments stipulated in the contract, on the website, or in the reference brochure of the product sold. Stating that a hotel is located “on the beach” when in fact a main road separates it from the beach, is a valid reason for the customer to bring legal action against you!

## 6.1.5 Safety

The tourism services to be provided to your customers must not threaten their health, safety, or life. Before agreeing to purchase a trip, your customers must be forewarned of situations that could compromise their safety. As a merchant, you must specify all known hazards that are in any way life-threatening or that could jeopardize travelers’ health (e.g. avian flu epidemic) and safety (e.g. riots).

## 6.2 OTHER CUSTOMER PROTECTIONS

As explained in Topic 2, the *Travel Agents Act* provides three levels of customer protection: the **trust account**, the **individual security**, and the Compensation Fund for Customers of Travel Agents (the Fund). The latter can be used in cases such as agency closure, the defaulting of a travel agent or service provider (transportation and accommodation, for example), a natural disaster, or political unrest. Two types of supplementary protection are also available: travel insurance and chargeback requests for purchases made by credit card.

In order to avoid any inconveniences, you should inform your customers of the advantages of having travel insurance and making the purchase by credit card.

### 6.2.1 Insurance

What do you say to a customer asking to cancel his or her trip due to health problems or the death of a loved one? Without insurance, your customers can find themselves in a precarious situation. For customers who are unable to travel, must interrupt their trip, or require health care, this precautionary step will make it possible for them to be reimbursed. By selling insurance to customers, the travel agency is acting as a “distributor” within the meaning of the *Act respecting the distribution of financial products and services* (CRLQ, c. D-9.2). In this capacity, the person distributing the product must meet certain obligations towards their customers or be subject to the penalties provided for in the Act.

This person must:

- provide the customer with a description of the insurance product and specify the nature of the warranty;
- clearly indicate the warranty exclusions so that customers can be sure that they are not covered by those exclusions;
- disclose to the customer the remuneration the distributor receives for the sale of the product if it exceeds 30% of its cost;
- keep confidential all information of a medical nature or associated with customers’ lifestyle that appears in a form or a claim and only send such information to the insurer. The distributor is not allowed to keep a copy of the form;
- inform the customer of claim procedures and deadlines;

#### ! Did you know?

Are you familiar with the Autorité des marchés financiers? This is a government agency that oversees compliance with the *Act respecting the distribution of financial products and services* (CRLQ, c. D-9.2) which governs, among other matters, the sale of travel insurance.

### ! Did you know?

An air carrier whose flight lands or takes off in Canada must compensate its customers in certain cases where the flight is cancelled. Information on this subject is available from the Canadian Transportation Agency.

- inform the customer of the deadline for the insurer to pay the the amounts insured;
- inform the customer of the procedure to undertake and deadline for initiating it if the insurer refuses to reimburse the customer;
- respect the customer's choice. The use of abusive pressure or dishonest methods of persuasion in sales is prohibited;
- if the customer purchases insurance, give him or her a notice in accordance with the requirements set forth by the Autorité des marchés financiers (see Schedule 5 of the *Regulation respecting Alternative Distribution Methods*), indicating that he or she can cancel the insurance contract within 10 days after his or her signature.

## 6.2.2 Credit cards

It should be noted that some companies that issue credit cards also offer protection to customers. In fact, most card issuers offer guarantees, travel insurance, and compensation in specific cases. In addition, customers may ask the credit card issuer for a reimbursement of the purchase to the extent that the tourism product or service was not provided.

In the specific case of distance purchases (completed by telephone or over the Internet), the *Consumer Protection Act* provides a remedy referred to as **chargeback**, which is a reimbursement mechanism whereby customers ask the credit card issuer to credit the purchase. This mechanism applies in cases where the service or product purchased was not provided.

Dealing with customers is a key moment in business. It requires having to be well acquainted with the customers and the products offered for sale, as well as with the obligations and liabilities associated with potential transactions. The travel industry is a closely monitored sector that requires its representatives to be well informed in order to market their products to well-protected customers.

Now it's your turn to assess your knowledge of the material covered in this section.



### Self-Assessment Grid

After reading this section, I am able to:	Totally 	Partially 	Minimally 
1. identify the various obligations of travel agents;			
2. distinguish between civil and penal liabilities;			
3. cite the supplementary forms of customer protection;			
4. assume the role of insurance contract distributor.			
<b>Total</b>			

**Keep up the hard work!**  
**Review this topic or go on to the next section.**

## Answers Test your Knowledge

- 1. True.** The choice of **service providers** is associated with the obligation of result (CPA, ss. 10 and 16).
- 2. True.** The obligation to provide assistance involves arranging for local assistance to be made available during your customer's trip.
- 3. True.** The individual security is used to compensate customers who have obtained a judgment against the travel agent, the agent's employee, or travel counsellor with whom the agent has a contractual relationship, excluding **punitive damages**, to the extent that Interstellar Travel cannot pay further to the judgment rendered (RRTA, s. 28). Since the individual security cannot be used to cover punitive damages, the owner must compensate customers from the agency's own **funds**, which are distinct from the trust account funds.
- 4. False.** The group can file a lawsuit. Article 19 of the *Montreal Convention* states that the carrier is responsible for damages resulting from a delay, unless the carrier can prove that all reasonable measures were taken to avoid this situation. The customer can also ask to be reimbursed from the Compensation Fund for Customers of Travel Agents to cover the cost of the two lost activity days that had been paid to the travel agent (RRTA, s. 43.9(a)) and 43.10(a).
- 5. True.** Pursuant to the **obligation of compliance**, the description of products and services, whether written or verbal, must accurately correspond to the tourism product or service provided (CPA, ss. 16, 40, and 42).
- 6. True.** When a travel contract is entered into, given their obligation to inform, travel agents must inform customers of any supplementary expenses that may be charged by suppliers of which they are aware.

Score: \_\_\_\_\_ /6



## Supplementary readings and exercises

- *Act respecting the distribution of financial products and services* (CQRL, c. D-9.2)  
<https://legisquebec.gouv.qc.ca/en/ShowDoc/cs/D-9.2>
- *Carriage by Air Act* (R.S.C., 1985, chapter C-26)  
<https://laws-lois.justice.gc.ca/eng/acts/C-26>
- Société québécoise d'information juridique – Jugements  
<https://soquij.qc.ca/fr/english>  
To learn more about decisions handed down by various authorities in matters relating to the travel industry.

# 7 PREPARING THE CUSTOMER'S DEPARTURE

## By the end of this section, you will be able to:

- explain the information contained in an invoice;
- apply invoicing rules;
- describe the terms and conditions set forth in a contract;
- provide the required information when signing a distance contract;
- explain the circumstances under which price modification is permitted;
- cite the grounds permitting the cancellation of a trip;
- identify the offences associated with a failure to comply with the law and the corresponding penalties.

When a customer makes a reservation, a contract in accordance with the customer's requests and the terms and conditions of suppliers concerned must be prepared. An invoice can serve as a contract for travel services. Once the reservation has been made, the documentation required for the trip must be put together and given to the customer prior to departure. As part of this preparation, the travel agent will sometimes have to work through special situations, including instances of force majeure, in compliance with the laws and regulations in effect. Preparing a customer's departure is a key step in the work of travel agents and counsellors. Accomplishing these duties with care at this stage will help avoid potential problems.

Before going any further, let's test your knowledge of this topic.

## Context

### **Oil prices: Air Canada introduces a \$10 fuel surcharge**

Excerpt from the consumer affairs program "Argent" which aired on March 8, 2011 [translation].

Air Canada has increased fares on domestic flights to mitigate the effects of rising oil prices caused by the current uprisings in the Middle East.

This section refers to the following legal provisions:

### ***Travel Agents Act*** **(CQLR, chapter A-10)**

- Division III.2 – Fonds d'indemnisation des clients des agents de voyages (s. 30.5)
- Division V – Inspection (ss. 35 and 35.1)
- Division VI – Regulations (s. 36)
- Division VII – Penal provisions (ss. 37 to 40.1)

### ***Regulation respecting travel agents*** **(CQLR, chapter A-10, r. 1)**

- Division V – Obligations of travel agents (s. 13.2)
- Division VI – Advertising (s. 16)
- Division VII – Accounting (s. 18)
- Division VIII – Special provisions (ss. 19 and 20)
- Division XII – Indemnity fund (s. 43.10)
- Division XV – Penal (s. 47)

### ***Consumer Protection Act*** **(CQLR, chapter P-40.1)**

- Ss. 2, 41, and 54.4

### ***Civil Code of Québec*** **(CQLR, chapter CCQ-1991)**

- Art. 1470, 1523, 1525, 1693, 1694, and 2098

The airline introduced a \$10 fuel surcharge per flight for an economy class seat. For a round trip, travelers will have to disburse an additional \$20. In business class, the surcharge is \$15 per flight. The surcharge applies to domestic flights and those bound for the United States. The tax was previously implemented to international flights only. "Like all airlines, Air Canada is very sensitive to variations in oil prices," indicated Peter Fitzpatrick, the airline's spokesperson. Fuel represents Air Canada's single largest expense, which amounted to \$2.65 billion last year.

"For every \$1 rise in the price per barrel, Air Canada's fuel expenses go up \$25 million over one year," added Mr. Fitzpatrick. WestJet, Air Canada's main rival, has not introduced a fuel charge yet but instead, the company has already increased its fares by \$5 to \$10 three times this year. According to WestJet, the volatility of oil prices precludes the development of long-term fare strategies. Porter Airlines has not announced a surcharge either. Nevertheless, a spokesperson has indicated that this regional airline "is evaluating market conditions in terms of oil prices and competition."

Canadian airlines are actually following a trend that began south of the border. Ticket prices at United Airlines, Continental, and U.S. Airways rose by about \$10 this week. At Delta, increases were between \$10 and \$14.

All Canadian carriers introduced fuel surcharges when the oil price per barrel soared to \$110 in 2008, and they withdrew them once prices dropped."

## ? Test Your Knowledge

### True or False?

Since the airline price increase story was published, the phone at Four Suns Agency has been ringing off the hook! Customers are calling to inquire whether they will have to pay a surcharge before their departure. What do you tell them?

1. Travel agents can ask customers to pay an extra fee 40 days prior to departure, as a result of a fuel surcharge imposed by the carrier. \_\_\_\_\_
2. A **travel agent** may impose a surcharge on customers 40 days prior to departure following a 4% Mexican Peso devaluation. \_\_\_\_\_
3. Travel agents may not claim an additional charge in the event of a \$136 increase on the price of a tour of Western Canada, originally offered at \$1,700, due to a fuel surcharge. \_\_\_\_\_
4. Travel agents are not required to indicate reimbursement conditions on the invoice if they are outlined in the brochure given to the customer that the customer used in order to choose the service. \_\_\_\_\_
5. Prior to departure, travel agents can cancel their customers' stay in the event of a situation of **force majeure** at destination that would require the airline to cancel its flights. \_\_\_\_\_

*The answers are found at the end of this section.*

## 7.1 DOCUMENT DELIVERY

### 7.1.1 The invoice

The invoice is an important document. It bears witness to any amounts owed by the customer in exchange for tourism services, as well as the associated obligations and conditions. It is also needed for issuing the sales tax collection reports required by the government.

The invoice may serve as a travel **service contract**. Under the *Civil Code of Québec*, “a contract of enterprise or for services is a contract by which a person, the contractor or the provider of services, as the case may be, undertakes to another person, the client, to carry out physical or intellectual work or to supply a service, for a price which the client binds himself to pay to him.” As a merchant, you must comply with the provisions of the *Consumer Protection Act* (CQLR, chapter P-40.1). This Act applies to any contract concerning goods or services entered into between a consumer and a merchant as part of its business activities. This contract creates substantial obligations for the customer and the agency, as discussed previously under Topic 6.

#### Invoicing guide

An invoice must be produced upon receipt of funds from a customer, whether it is a partial deposit or the final payment. These invoices must be pre-numbered and used consecutively. A copy of each invoice must be kept in order to be able to present them to an inspector or investigator upon request. A copy must also be given to the customer.

The invoice must include the following information:

- the day, month, and year of the transaction;
- the customer’s name and address, i.e. the name of each traveler as well as the address of one customer on file, even if the travelers do not all reside at the same address;
- a description of the tourism service provided or to be provided: each of the services must be listed and described or a copy of the **tour operator’s** brochure must be given to the customer with the product name indicated on the invoice (e.g., group tour, Discovering French Wines, Horizon Vacations Tour – 14 days). The price of the tourism service provided or to be provided must also be included, along with the corresponding description, clearly stating the applicable taxes;
- the amount and percentage of the contribution to the Compensation Fund for Customers of Travel Agents (see Topic 2);
- the amount of the “Credit applicable” in the event where the contribution to the Compensation Fund for Customers of Travel Agents was not to be collected (because of the surplus accumulated in the Fund). The amount of the credit must be negative, and it must correspond to the amount of the contribution to the Fund indicated in the previous line (see Topic 2);

### ! Did you know?

Airport fees should be included in tourism services in the same way as hotel stays.

### ! Did you know?

If your customer, a business traveler, makes a reservation two nights prior to departure for Los Angeles, you must inform him or her verbally of the reimbursement and non-reimbursement conditions pertaining to the purchase. You must also send his or her travel documents as early as possible before the departure date.

- the amounts received and balance payable: a deposit or the balance payable according to the travel agent's or supplier's terms and conditions of payment;
- next to the amount received and the balance payable, the following statement must appear: "Tourist services paid but not received may be reimbursed by the Fonds d'indemnisation des clients des agents de voyages. It is administered by the Office de la protection du consommateur. It is a financial protection for travelers. For more information: [www.ficav.gouv.qc.ca](http://www.ficav.gouv.qc.ca)."
- an indication that the amounts are collected in trust by the travel agent (see Topic 2);
- the conditions for reimbursement of the amounts received;
- the last name and first name of the travel counsellor who concluded the sale with the customer.

To apply these invoicing rules, complete the two exercises found in the "Supplementary readings and exercises" segment of this section.

### Terms and conditions

Given that the terms and conditions of the agency and service provider are mutually binding, it is important to be well acquainted with them. This is in your and your customer's best interests! The terms and conditions generally correspond to the headings below and they are governed by the *Consumer Protection Act*, the *Travel Agents Act*, and their attendant regulations.

- The price – Includes information on the selected product as described in the brochure. This heading usually lists hotel and room amenities according to category, service type, and number of meals, as well as the activities, air transportation, transfers, and at-destination representation services.
- The price validity period – The date up to which the price of services and the applicable taxes are valid.
- The payment terms to confirm the reservation – Deadlines for making the deposit and final payment.
- The cancellation conditions – Deadlines and related charges.
- Conditions for reservation changes – Deadlines and related charges.
- Air carrier conditions – Check-in, seat assignment, schedule changes, connection flights, baggage limits and fees, and other information, as the case may be.

- Accommodation conditions – Assignment of room categories, and check-in and check-out times.
- The procedures relating to travel documents – Passports, visas, and tourist maps.

Below are two examples of websites that include information which is useful to customers and consistent with the intent of the law:

#### Example



#### Notice on the website of a travel agency

##### **IMPORTANT!**

If you do not understand the terms stipulated, please consult a counsellor at [www.voyagesarabais.com](http://www.voyagesarabais.com) or any other person of your choice in order to clarify the point at issue before booking.

**By booking you acknowledge that you understand and agree to the general conditions listed below.**

#### Example



#### Notice on the website of a service provider

##### **CANCELLATION CHARGES**

##### **Tour packages and flights:**

- 46 days or more prior to the departure date: \$300 per person;
- 45 to 22 days prior to the departure date: 50% of the total tour package cost per person, including taxes and service charges;
- 21 days or less prior to the departure date: 100% of the total tour package cost per person, including taxes and service charges.

**Indirect flights:** up to 100% non-reimbursable.

#### **! Did you know?**

Under articles 1523 and 1525 of the *Civil Code of Québec* and section 41 of the *Consumer Protection Act*, your obligation as travel agent is solidary with that of the tour operator. In other words, the terms and conditions listed in the tour operator's brochure are binding on the travel agent.

## 7.1.2 Travel documents

What documents must you give your customer prior to departure?

The *Regulation respecting travel agents* provides that the customer must be given all documents associated with products and services booked and paid in advance, such as transportation tickets (plane tickets, train tickets, etc.), itinerary, and **vouchers** (for accommodations, transfers, and activities).

When must you give the required travel documents to the customer?

No later than seven days prior to departure. However, there is an exception for customers using your services fewer than seven days prior to departure. In this case, section 19 of the *Regulation respecting travel agents* applies: these travel documents must be provided as early as possible prior to the customer's departure.

## 7.2 DISTANCE CONTRACT

When entering into an agreement with customers without being physically in the same place (e.g. by telephone or online), you are entering into a distance contract. This type of contract needs to be reviewed in detail since it is very common in the travel industry. Using the following checklist, assess your level of compliance with the provisions of the *Consumer Protection Act* that apply to such transactions. In this context, you are required to provide certain items of information to the customer before he or she makes the purchase. If the offer is made in writing, posted on a website for example, you must make it possible for your customer to save and print this information.

### Checklist

Distance Contract		
BEFORE concluding a distance contract, I make sure to mention:	Compliant	Non-compliant
<ul style="list-style-type: none"> <li>the agency's name and any other name used;</li> </ul>		
<ul style="list-style-type: none"> <li>the agency's address;</li> </ul>		
<ul style="list-style-type: none"> <li>the agency's telephone number, fax number and email address;</li> </ul>		
<ul style="list-style-type: none"> <li>a detailed description of each product or service listed in the contract, including their characteristics;</li> </ul>		
<ul style="list-style-type: none"> <li>a breakdown of the price of each product or service and related charges, any duties applicable by law, such as taxes, and the amount of the contribution to the Compensation Fund for Customers of Travel Agents;</li> </ul>		

**Distance Contract (continued)**

<b>BEFORE concluding a distance contract, I make sure to mention:</b>	<b>Compliant</b>	<b>Non-compliant</b>
<ul style="list-style-type: none"> <li>a description of any supplementary fees that may be charged by suppliers;</li> </ul>		
<ul style="list-style-type: none"> <li>the total price and the terms of payment;</li> </ul>		
<ul style="list-style-type: none"> <li>the currency in which the payment is required (if not Canadian);</li> </ul>		
<ul style="list-style-type: none"> <li>the conditions for cancellation;</li> </ul>		
<ul style="list-style-type: none"> <li>the date on which the services will be rendered;</li> </ul>		
<ul style="list-style-type: none"> <li>any other restrictions or conditions applicable to the contract;</li> </ul>		
<ul style="list-style-type: none"> <li>the possibility of accepting or refusing the offer, and of correcting any errors.</li> </ul>		

**! Did you know?**

Revenu Québec can provide answers to any questions you might have regarding invoicing your customers and changes in the Québec sales tax (QST) and the goods and services tax (GST).

## 7.3 PRICE CHANGES

As with all types of businesses, prices of tourism services are affected by fuel price fluctuations and exchange rate variations. This begs the question as to whether the tourism service price indicated on the invoice can be changed. The answer is yes, if the customer is notified before completing the sale, verbally and in writing (by including a clause in the contract), about the reasons that may justify additional charges. As a travel agent or counsellor, you are required to inform your customer of this possibility.

When customers book by email (remotely and in writing), you are not required to inform them verbally of the terms relating to potential price changes before the transaction. However, you must ensure that this clause appears in the documents and is brought to their attention before the transaction.

When customers book by telephone (remotely and orally), you are not required to inform them in writing of the price change clause before the transaction, on condition that a copy of the contract containing the clause is forwarded to them within 15 days of the booking.

On what grounds could you change price?

- A fuel surcharge imposed by a carrier is a legitimate reason.
- An exchange rate increase can also justify the price change to the extent that the exchange rate applicable 45 days prior to the service delivery date has increased by more than 5% since the date on which the contract was entered into.

When can you make a price change?

- Price increases are allowed up to 30 days prior to departure. Past this deadline, no changes to the price indicated in the contract are permitted.

Is there a maximum amount that you can request as a surcharge?

- No, but the customer may refuse any increase of 7% or more of the price of the tourism services listed on the invoice, excluding the Québec Sales Taxes (QST) and the Goods and Services Tax (GST).

What options can be offered to customers who exercise their right to refuse the change?

- In such a case, you can offer a full and immediate reimbursement of the services OR substitute services that are similar to those that were originally booked.

## 7.4 CANCELLATION

Travel agents can cancel a customer's trip by providing notice at least seven days prior to departure. However, there must be a valid reason for doing so (safety issues or other conditions). In the event of **force majeure**, specifically, the trip may be cancelled fewer than seven days prior to departure. Furthermore, the agent is liable for damages for canceling a trip if the related advertising failed to indicate the minimum number of travelers required to ensure departure ("guaranteed departure").

### 7.4.1 Force majeure

Force majeure refers to an event that is unforeseeable and irresistible (impossible to avoid), such as a strike, lock-out, bankruptcy, fire in a hotel, terrorist attack, hurricane, flood, earthquake, epidemic, or aircraft breakdown. However, such events are not automatically considered instances of force majeure; this depends on the circumstances associated with each situation. For example, an air carrier strike is not always a case of force majeure since such events are often publicized well in advance. Natural disasters such as hurricanes are generally, but not systematically, considered a case of force majeure. In fact, it would not be considered force majeure if it had been forecast two days prior to a trip or occurred a week beforehand, allowing the host infrastructures to resume operations. The same is true for cases of political instability. In this type of cancellation, the supplier is obliged to reimburse travel agent's customer on condition that the supplier has been paid and has not fulfilled its primary obligation (i.e. transporting, accommodating, guiding the traveler, etc.). Certain suppliers may, with the customer's consent, offer a product or service equal to or better than what had been initially booked. The customer may also choose to claim a reimbursement from the Compensation Fund for

Customers of Travel Agents, in particular for the amounts paid to the travel agent for services the customer was not able to receive. The following example will help you better understand the point in question.

#### Example



### Natural disaster

#### Eruption of the Eyjafjallajökull volcano

Source: Office de la protection du consommateur

April 16, 2010 – The eruption of a volcano under a glacier in Iceland had repercussions reaching Québec yesterday, when some ten flights were cancelled at Montréal's Trudeau Airport. In Europe, the thick cloud of volcanic ash paralyzed air transport in the northern part of the continent, keeping a large number of aircraft on the ground. The airspace of 24 European countries was closed.

The situation also disrupted air traffic between Montréal and Europe. Air Canada had to cancel all its flights to and from the European airports of London/Heathrow, Paris/Charles-de-Gaulle, and Frankfurt, Germany.

At Transat, flights between Canada and the United Kingdom were delayed until further notice. [...] In addition to flight cancellations, passengers may see their connections to other departures affected. The situation may also have repercussions on southbound flights.

It seems that most tour operators and air carriers are already offering to refund tickets or to replace cancelled flights at no extra charge.

The reimbursement of additional expenses incurred due to the cancellations (hotel, meals, taxi, etc.) will be decided on a case-by-case basis.

The airline industry bases its response on the Montreal Convention, which does not provide for other forms of compensation during "extraordinary circumstances," as is currently the case with the eruption of a volcano.

#### Question:

Your customer, who has been waiting for hours at the airport, realizes that his trip is compromised. The airline has announced that flights are cancelled indefinitely. The customer is calling you at the agency to find out what his rights are. What are the available options?

The airline is obliged to refund the customer. You could offer the option of applying the future reimbursement to an alternate destination. Refer to Topic 6, which presents the Montreal Convention in connection with the conditions that apply to air carriers.

If your customer is not otherwise reimbursed (by the airline or his or her insurance, for example), he or she can claim a reimbursement of certain amounts (cancelled flights, services not received, meals and accommodations, etc.) from the Compensation Fund for Customers of Travel Agents.

## 7.5 OFFENCES AND PENALTIES

Be sure to avoid fines! Inspectors and investigators monitor compliance with various aspects of the *Travel Agents Act* and the *Regulation respecting travel agents*. Where offences are discovered, they can recommend **penal charges**. The following checklist can help you to assess your level of compliance and find out what fines you are exposed to for failing to abide by the law. In addition, licence holders can have their licence suspended or cancelled by the president of the Office de la protection du consommateur. Please refer to the material covered in this section to refresh your memory on this topic.

### Checklist

Penal Liability	Compliant	Non-Compliant	First Offence	Repeat Offence
Have you included all the necessary items on the invoice?			\$600 to \$6,000 (for a natural person)	\$1,200 to \$12,000 (for a natural person)
			\$1,000 to \$40,000 (in other cases)	\$2,000 to \$80,000 (in other cases)
Have you reimbursed customers who chose that option following a price increase?			\$600 to \$6,000 (for a natural person)	\$1,200 to \$12,000 (for a natural person)
			\$1,000 to \$40,000 (in other cases)	\$2,000 to \$80,000 (in other cases)

This topic deals mainly with the invoicing required to confirm the sale of a tourism service by a travel agent or a travel counsellor. At this point, you are engaged in a commercial transaction with your customer. The invoice serves as a contract to which you are bound for the remainder of the customer service process.

Now it's your turn to assess your knowledge of the material covered in this section.



### Self-Assessment Grid

After reading this section, I am able to:	Totally 	Partially 	Minimally 
1. explain the information contained in an invoice;			
2. apply invoicing rules;			
3. describe the terms and conditions set forth in a contract;			
4. provide the required information when signing a distance contract;			
5. explain the circumstances under which price modification is permitted;			
6. cite the grounds permitting the cancellation of a trip;			
7. identify the offences associated with a failure to comply with the law and the corresponding penalties.			
<b>Total</b>			

**Keep up the hard work!**  
**Review this topic or go on to the next section.**

## Answers Test Your Knowledge

- 1. True.** To the extent that all the conditions outlined in section 13.2 of the Regulation have been met, in particular informing the customer verbally and in writing before concluding the contract and inserting a clause in the contract that either allows for a price increase or mentions the possibility of such an increase (announced more than 30 days prior to the date on which the services must be provided) (RRTA, s. 13.2).
- 2. False.** The exchange rate did not increase by more than 5% between the date of the sale and the 45th day before the departure (RRTA, s.13.2(1)(a)(i)).
- 3. True.** When the price increases by 7% or more, the travel agent cannot force the customer to pay the corresponding amount. The customer has the choice of paying the requested increase, demanding an immediate full refund, or accepting replacement services similar to those initially booked, offered by the travel agent (RRTA, s.13.2(1)(a)(ii)).

**4. True.** Travel agents are exempt from entering this information on the invoice if they attach the brochure describing the services purchased or another written document outlining the conditions for reimbursement (RRTA, s.18).

**5. True.** When, for a reason of force majeure, travel agents cannot perform their obligation to provide a service, they can cancel the contract and reimburse the customer or offer replacement services, which the customer is not obligated to accept (RRTA, s.20; CCQ, art. 1693 and 1694).

Score: \_\_\_\_\_ /5



## Supplementary readings and exercises

### EXERCISE 1: Applying the invoicing rules

Read the situation below involving the Four Suns Agency and complete the two standard invoices including each of the headings shown in the “Invoicing Guide” section.

The first invoice must be completed on the assumption that the percentage of the contribution to the Compensation Fund for Customers of Travel Agents is established at 0.35% of the tourism services purchased by the customer.

The second invoice must be completed on the assumption that the contribution to the Fund is established at 0.10% of the tourism services purchased by the customer and that a credit is applicable.

The answer key for these exercises is provided in Appendix 2.

### Background: Sale of a vacation package

At Mr. Fortunato’s Four Suns Agency, a new counsellor, Ruth Wright, has met with a couple and offered them a vacation package provided by ABC Tours. After she went over the product, following the detailed description in the **supplier’s** brochure, the customers purchased the package that included a double occupancy seven-night stay at the Coco Beach Vacation Resort in Punta Cana, Dominican Republic.

Vacation dates: December 19 to December 26, 20XX

Flight itinerary:

- December 19, departure from Montreal (YUL), 3:45 p.m., arrival 8:55 p.m., Airiel, Flight 972, Economy class (Y)
- December 26, departure from Punta Cana (PUJ) 3:30 p.m., arrival 8:55 p.m., Airiel, Flight 973, Economy class (Y)

Rate: \$1,508.00 per person in double occupancy + \$668.00 in taxes

The customers have refused the insurance.

Customer names: Mr. Joe and Ms. Jane Murphy, 10, chemin du Village, St-Lac, Québec, G9P 3P6

To conclude the sale in the absence of Mr. Fortunato, the counsellor must prepare the invoice indicating the administration and document issuance charges as specified in the agency’s standard procedures.

Please complete the invoice below.



**Exercise 1 – Completing a standard invoice:  
percentage of the contribution to the Compensation  
Fund for Customers of Travel Agents established  
at 0.35% of the tourism services**

<b>INVOICE</b>							
<b>Four Suns Agency Inc.</b> 1324, rue des Jardins Québec (Québec) G1R 6P7 Telephone: 418-658-4455, ext. 225 Fax: 418-658-4452 Email: foursuns@net.com				Date:  Invoice No. 120000 File No.: GST No.: QST No.:  Address:			
<b>Customer(s):</b>							
<b>Counsellor:</b>							
DESCRIPTION	Product No.	Quantity	Price	Taxes	GST	QST	TOTAL
1.							
DETAILS:							
2.							
DETAILS:							
3.							
DETAILS:							
						<b>TOTAL:</b>	
						<b>Deposit:</b>	
						<b>Balance due:</b>	
<b>ITINERARY:</b>							
Date	Departure	Departure time	Destination	Arrival time	Flight	Class	
<b>OTHER:</b>							



**Exercise 2 – Completing a standard invoice:  
percentage of the contribution to the Compensation  
Fund for Customers of Travel Agents established at  
0.10% of the tourism services with applicable credit**

INVOICE							
<b>Four Suns Agency Inc.</b> 1324, rue des Jardins Québec (Québec) G1R 6P7 Telephone: 418-658-4455, ext. 225 Fax: 418-658-4452 Email: foursuns@net.com				Date:  Invoice No. 120000 File No.: GST No.: QST No.:			
<b>Customer(s):</b>				Address:			
<b>Counsellor:</b>							
DESCRIPTION	Product No.	Quantity	Price	Taxes	GST	QST	TOTAL
<b>1.</b>							
DETAILS:							
<b>2.</b>							
DETAILS:							
<b>3.</b>							
DETAILS:							
					<b>TOTAL:</b>		
					<b>Deposit:</b>		
					<b>Balance due:</b>		
<b>ITINERARY:</b>							
Date	Departure	Departure time	Destination	Arrival time	Flight	Class	
<b>OTHER:</b>							

# CONCLUSION

Operating a travel agency and dealing with customers are serious responsibilities. This commercial activity, like every other, requires a good understanding of the applicable laws and regulations on the part of agency owners and their employees. Poor knowledge of these rules can result in embarrassing situations which can be easily avoided. No company wants to be famous for its mistakes! Why tarnish a reputation that takes years of hard work to build by violating the substantial body of law governing the travel industry? As a travel agency manager or a travel counsellor, it is your duty to be well acquainted with the legislation that pertains to your activity. The purpose of this textbook has been just that. Now it's your job to apply what you've learned!





# APPENDICES

## Travel Counsellor Employment Contract (in French only)

Le « DATE » \*

« PRÉNOM et NOM »  
 « ADRESSE »  
 « VILLE » (Québec)  
 « CODE POSTAL »

Objet: Contrat de conseiller en voyages avec « NOM DE L'EMPLOYEUR »

« MONSIEUR OU MADAME »,

Cette lettre confirme les termes de notre contrat exclusif concernant votre emploi chez « NOM DE L'ENTREPRISE », sise au « ADRESSE DE L'ENTREPRISE ».

### A – Poste

Vous êtes embauché(e) à titre de conseiller(ère) en voyages. Votre statut sera celui d'un(e) vendeur(se) à commission salarié(e) à temps plein, à raison de 35 heures par semaine. À ce titre, vous relevez du (de la) soussigné(e).

### B – Terme

Votre entrée en fonction se fera le « DATE » et comprend une période de probation de trois mois.

### C – Rémunération

Votre rémunération hebdomadaire est fixée au taux horaire de « \$ » plus « % » des revenus produits par les commissions. Le paiement des commissions sera versé une fois que les montants à recevoir et à payer, en lien avec le dossier-client, auront été réglés. Les déductions à la source seront retenues sur votre paie conformément à la Loi.

### D – Dépenses

Toutes les dépenses relatives à votre poste sont soumises à la politique de l'entreprise.

\* Complete the requested information highlighted in blue.

## Travel Counsellor Employment Contract (continued)

### E – Vacances annuelles

Une année complète de travail vous donne droit à dix (10) jours de vacances.

### F – Confidentialité et conflits d'intérêts

Il est convenu qu'en acceptant le poste de conseiller(ère) en voyages chez « NOM DE L'EMPLOYEUR », vous vous engagez à une entente d'exclusivité et à traiter l'information acquise dans le cours normal de votre fonction de manière confidentielle en tout temps et en tout lieu. Il est aussi convenu qu'en acceptant votre poste, vous vous engagez à dénoncer au (à la) soussigné(e) toutes les situations pouvant constituer un conflit d'intérêts.

### G – Obligations

Entendu que le ou la conseiller(ère) en voyages :

- est lié(e) par contrat de travail exclusivement avec « NOM DE L'ENTREPRISE »;
- ne reçoit pas de clients à domicile;
- perçoit les fonds d'un client pour le compte de « NOM DE L'ENTREPRISE »;
- remet à un client dont il perçoit les fonds un reçu conforme;
- fait de la publicité exclusivement au nom de « NOM DE L'ENTREPRISE »;
- détient le certificat officiel de conseiller(ère) en voyages délivré par l'Office de la protection du consommateur.

Lu et accepté,

\_\_\_\_\_  
« PRÉNOM ET NOM DE L'EMPLOYÉ »

\_\_\_\_\_  
Date

\_\_\_\_\_  
« PRÉNOM ET NOM DE L'EMPLOYEUR »

\_\_\_\_\_  
Date

\* Complete the requested information highlighted in blue.

**Answer Key – Exercise 1**

INVOICE							
<b>Four Suns Agency Inc.</b> 324, rue des Jardins Québec (Québec) G1R 6P7 Telephone: 418-658-4455, ext. 225 Fax: 418-658-4452 Email: foursuns@net.com				Date: xx-yy-2xxx			
5 <b>Customer(s)</b> : Ms. Jane Murphy Mr. Joe Murphy				Invoice No.: 120000 File No.: 000089 GST No.: 815936847 QST No.: 1352684712			
6 <b>Counsellor</b> : Ruth Wright				Address: 10, chemin du Village St-Lac (Québec) G9P 3P6			
DESCRIPTION	Product No.	Quantity	Price	Taxes	GST	QST	TOTAL
1.	409520	2	\$1,508.00	\$668.00			\$4,352.00
DETAILS: Hotel Coco Beach package – all-inclusive – double occupancy – description and conditions as per ABC Tours brochure							
2.		1	\$15.23	\$0.00			\$15.23
DETAILS: Compensation Fund for Customers of Travel Agents (The Fund) (0.35% of tourism services)							
3.	410259	2	\$50.00	\$0.00	\$5.00	\$9.98	\$114.98
DETAILS: Administration and document issuance charges							
Tourist services paid but not received, may be reimbursed by the Fonds d'indemnisation des clients des agents de voyages. It is administered by the Office de la protection du consommateur. It is a financial protection for travelers. For more information: <a href="http://www.ficav.gouv.qc.ca">www.ficav.gouv.qc.ca</a> .					<b>TOTAL:</b> \$4,482.21 <b>Deposit:</b> \$4,482.21 <b>Balance due:</b> \$0		
<b>ITINERARY:</b>							
Date	Departure	Departure time	Destination	Arrival time	Flight	Class	
Dec 19	YUL (Montreal) QC	3:45 p.m.	PUJ (Punta Cana) Dom. Rep.	8:55 p.m.	Airciel	972 Y	
Dec 26	PUJ (Punta Cana) Dom. Rep.	3:30 p.m.	YUL (Montreal) QC	6:50 p.m.	Airciel	973 Y	
<b>OTHER:</b>							
You can use this space to include the following mandatory information:							
11 1. <b>Conditions:</b>							
Cancellation charges before departure:							
46 days or more before the departure date: up to \$100 per person;							
45 to 22 days before the departure date: up to 50% of the total cost of the package per person, including taxes and service charges;							
21 days or fewer before the departure date: up to 100% of the total cost of the package per person, including taxes and service charges.							
Cancellation charges after departure: up to 100% of the total cost of the package per person, including taxes and service charges.							
12 2. The funds charged by the Four Suns Agency are collected in trust.							
13 3. Travel insurance refused: Signature: _____							

**Answer Key – Exercise 1 (continued)****INVOICE (continued)****Explanation of the calculations of the Fund, GST, and QST**

The contribution to the Fund is calculated as follows:

You sell a package at \$4,352.00.

Price of tourism products including taxes: \$4,352.00

**14** Fund  $(0.35\% \times \$4,352.00) = \$15.23$      $(\$4,352.00 + \$15.23) = \$4,367.23$

**Sub-total: \$4,352.00**

Details: (administration and document issuance charges): \$100.00

GST  $(\$100 \times 5\%) + \$5.00$

QST  $[(\$100 + \$5) \times 9.975\%] + \$9.98$

**Sub-total**  $(\$100 + \$5 + \$9.98) = \mathbf{\$114.98}$

**Total:**  $(\$4,352.00 + \$114.98) \mathbf{\$4,482.21}$

- 1** Keep a copy and give one copy to the customer (RRTA, ss. 18(1) and (3)).
- 2** Enter the invoicing date (RRTA, s. 18(2)(a)).
- 3** Use consecutively pre-numbered invoices and keep one copy in numerical sequence for inspection purposes (RRTA, s. 18(1)).
- 4** If you have to collect GST and QST, you must register for the GST and QST by completing the Registration Form (LM-1) provided by Revenu Québec (<https://www.revenuquebec.ca/en>).
- 5** Enter the last and first name of all customers as well as the address of one of the customers (RRTA, s. 18.2b).
- 6** Enter the last name and first name of the counsellor who concluded the sale (RRTA, s. 18(2)(h)).
- 7** Businesses and employers have the mandate to collect taxes where applicable. In this exercise, the tourism products and services are not taxable (GST-QST). For additional information, please visit <https://www.revenuquebec.ca/en>.
- 8** Indicate the amount of the contribution to the Compensation Fund for Customers of Travel Agents (the Fund), which applies only on tourism products before applicable taxes (excluding insurance, travel guides, etc.). The total of tourism services for this invoice: \$4,352.00 (RRTA, s. 18(2)(g)). The Fund contribution amount may be claimed in addition to or included in the price charged for the product. Wherever you do not have to collect the contribution because of an accumulated surplus in the Fund, the amount thereof must nevertheless be included in the invoice that you give to the customer. On the following line, you must indicate the "credit applicable," the amount which is equivalent to the contribution above (See Topic 7).
- 9** For the purposes of the preceding exercises, the rate used to calculate the Fund contribution is provided for illustration purposes only. It is established at 0.35% for the first invoice and 0.10%, with credit applicable, for the second invoice. The actual rate to use in a customer's invoice is indicated at <https://www.opc.gouv.qc.ca/commerçant/permis-certificat/agentsdevoyages/indemnisation/contribution/perception> (in French only).
- 10** Specify the amount received and the balance owing, as applicable (RRTA, s. 18(2)(c)). Enter the mandatory statement regarding the Fund.
- 11** Include this information or give the customer the brochure along with the invoice (RRTA, ss. 18(2)(f), 18(4), and 16).
- 12** Inform the customer that these amounts are collected in trust (RRTA, s. 18(2)(e)).
- 13** Insurance provides compensation for amounts not reimbursed. (See Topic 6).
- 14** When tourism services are taxable, the amount of the Fund contribution, if applicable, is also taxable. In this exercise, the tourism products and services are not taxable (GST-QST); therefore, the Fund contribution is not taxable either. For additional information, please visit [www.revenuquebec.ca/en](http://www.revenuquebec.ca/en).

**Answer Key – Exercise 2**

<b>INVOICE</b>							
<b>Four Suns Agency Inc.</b> 324, rue des Jardins Québec (Québec) G1R 6P7 Telephone: 418-658-4455, ext. 225 Fax: 418-658-4452 Email: foursuns@net.com				Date: xx-yy-2xxx			
				Invoice No.: 120000			
				File No.: 000089			
				GST No.: 815936847			
				QST No.: 1352684712			
<b>5</b> <b>Customer(s):</b> Ms. Jane Murphy Mr. Joe Murphy				Address: 10, chemin du Village St-Lac (Québec) G9P 3P6			
<b>6</b> <b>Counsellor:</b> Ruth Wright							
DESCRIPTION	Product No.	Quantity	Price	Taxes	GST	QST	TOTAL
1.	409520	2	\$1,508.00	\$668.00			\$4,352.00
DETAILS: Hotel Coco Beach package – all-inclusive – double occupancy – description and conditions as per ABC Tours brochure							
2.		1	\$4.35	\$0.00			\$4.35
Credit applicable		-1	\$(4.35)	\$0.00			\$(4.35)
DETAILS: Compensation Fund for Customers of Travel Agents (the Fund) (0.10% of tourism services)							
3.	410259	2	\$50.00	\$0.00	\$5.00	\$9.98	\$114.98
DETAILS: Administration and document issuance charges							
Tourist services paid but not received, may be reimbursed by the Fonds d'indemnisation des clients des agents de voyages. It is administered by the Office de la protection du consommateur. It is a financial protection for travelers. For more information: <a href="http://www.ficav.gouv.qc.ca">www.ficav.gouv.qc.ca</a> .					<b>TOTAL:</b> \$4,466.98		
					<b>Deposit:</b> \$4,466.98		
					<b>Balance due:</b> \$0		
<b>ITINERARY:</b>							
Date	Departure	Departure time	Destination	Arrival time	Flight	Class	
Dec 19	YUL (Montreal) QC	3:45 p.m.	PUJ (Punta Cana) Dom. Rep.	8:55 p.m.	Airciel	972 Y	
Dec 26	PUJ (Punta Cana) Dom. Rep.	3:30 p.m.	YUL (Montreal) QC	6:50 p.m.	Airciel	973 Y	
<b>OTHER:</b>							
You can use this space to include the following mandatory information:							
1. <b>Conditions:</b>							
Cancellation charges before departure:							
46 days or more before the departure date: up to \$100 per person;							
45 to 22 days before the departure date: up to 50% of the total cost of the package per person, including taxes and service charges;							
21 days or fewer before the departure date: up to 100% of the total cost of the package per person, including taxes and service charges.							
Cancellation charges after departure: up to 100% of the total cost of the package per person, including taxes and service charges.							
2. The funds charged by the Four Suns Agency are collected in trust.							
3. Travel insurance refused: Signature: _____							

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**Answer Key – Exercise 2 (continued)****INVOICE (continued)****Explanation of the calculations of the Fund, GST, and QST**

The contribution to the Fund is calculated as follows:

You sell a package at \$4,352.00.

Price of tourism products including taxes: \$4,352.00

**14** Fund  $(0.10\% \times \$4,352.00) = \$4.35$   $(\$4,352.00 + \$4.35) = \$4,356.35$

Applicable discount (Fund equivalent) =  $-\$4.35$

**Sub-total: \$4,352.00**

Details: (administration and document issuance charges): \$100.00

GST  $(\$100 \times 5\%) + \$5.00$

QST  $[(\$100 + \$5) \times 9.975\%] + \$9.98$

**Sub-total**  $(\$100 + \$5 + \$9.98) = \mathbf{\$114.98}$

**Total:**  $(\$4,352.00 + \$114.98) = \mathbf{\$4,466.98}$

- 1** Keep a copy and give one copy to the customer (RRTA, ss. 18(1) and (3)).
- 2** Enter the invoicing date (RRTA, s. 18(2)(a)).
- 3** Use consecutively pre-numbered invoices and keep one copy in numerical sequence for inspection purposes (RRTA, s. 18(1)).
- 4** If you have to collect GST and QST, you must register for the GST and QST by completing the Registration Form (LM-1) provided by Revenu Québec. (<https://www.revenuquebec.ca/en>)
- 5** Enter the last and first name of all customers as well as the address of one of the customers (RRTA, s. 18.2b).
- 6** Enter the last name and first name of the counsellor who concluded the sale (RRTA, s. 18(2)(h)).
- 7** Businesses and employers have the mandate to collect taxes where applicable. In this exercise, the tourism products and services are not taxable (GST-QST). For additional information, please visit <https://www.revenuquebec.ca/en>.
- 8** Indicate the amount of the contribution to the Compensation Fund for Customers of Travel Agents (the Fund), which applies only on tourism products before applicable taxes (excluding insurance, travel guides, etc.). The total of tourism services for this invoice: \$4,352.00 (RRTA, s. 18(2)(g)). The Fund contribution amount may be claimed in addition to or included in the price charged for the product. Wherever you do not have to collect the contribution because of an accumulated surplus in the Fund, the amount thereof must nevertheless be included in the invoice that you give to the customer. On the following line, you must indicate the "credit applicable," the amount of which is equivalent to the contribution above (See Topic 7).
- 9** For the purposes of the preceding exercises, the rate used to calculate the Fund contribution is provided for illustration purposes only. It is established at 0.35% for the first invoice and 0.10%, with credit applicable, for the second invoice. The actual rate to use in a customer's invoice is indicated at <https://www.opc.gouv.qc.ca/commerçant/permis-certificat/agentsdevoyages/indemnisation/contribution/perception> (in French only).
- 10** Specify the amount received and the balance owing, as applicable (RRTA, s. 18(2)(c)). Enter the mandatory statement regarding the Fund.
- 11** Include this information or give the customer the brochure along with the invoice (RRTA, ss. 18(2)(f), 18(4), and 16).
- 12** Inform the customer that these amounts are collected in trust (RRTA, s. 18(2)(e)).
- 13** Insurance provides compensation for amounts not reimbursed. (See Topic 6).
- 14** When tourism services are taxable, the amount of the Fund contribution, if applicable, is also taxable. In this exercise, the tourism products and services are not taxable (GST-QST); therefore, the Fund contribution is not taxable either. For additional information, please visit [www.revenuquebec.ca/en](http://www.revenuquebec.ca/en).



# GLOSSARY

## A

**Act:** In the strict legal sense, a written, general, and permanent rule of law, passed in the National Assembly.

**Anniversary date:** For travel agents, the first day of the 8th month after the end of the travel agent's fiscal year.

**Applicant:** Person who submits a request in a motion.

## C

**Carrier:** Any person or company that operates a commercial business consisting of the transportation of travelers.

**Case law:** Set of decisions rendered by the courts.

**Chargeback:** Crediting the credit card account of a consumer with the amount payable by a merchant who has failed to reimburse a purchase.

**Civil law:** Branch of private law that contains the fundamental rules governing individuals, the family, property, and obligations. It constitutes the law that usually applies to relations between individuals.

**Civil liability:** Obligation of a person to repair the harm caused to another by his or her own fault or by the act or fault of another person, or by the act of things in his or her custody.

**Civil remedy:** Recourse available under civil law.

**Class action:** Procedure that enables a person to assert before the courts not only his or her own rights but also those of a group of individuals without having received from them a **mandate** to represent them,

when their claims are sufficiently similar to justify combining them in the same lawsuit.

**Corporate charter:** A legal document creating a company or a stock corporation, issued by the government at the request of the shareholders and specifying the shareholders' rights and obligations.

**Customer:** Any person receiving tourism services from a travel agent, excluding any direct or indirect supplier of a travel agent.

## D

**Damages:** Money paid as compensation for damage to the victim of an act performed by a person whose civil **liability** was incurred OR amount of money that a **debtor** must pay to his or her creditor for failure to perform or for negligent performance or delay in performance of the debtor's obligation.

**Debtor:** Person who is required to fulfill an obligation towards another person.

## E

**Establishment:** Place of business, located in Québec, that is distinct from any other and is equipped with autonomous facilities.

**Executive officer:** A director, member of a partnership, person exercising duties of management, as well as any person who in fact performs such duties on behalf of an association, corporation, or person.

**Extended undertaking:** In cases where several members of an industry sign an identical voluntary undertaking, the government may extend this undertaking to the whole industry.

## F

**Force majeure:** Unforeseeable or irresistible event from a cause that is external to the debtor and that frees the debtor of his or her obligation.

**Funds:** Includes cash, cheques, or other negotiable instruments, as well as any amount representing the monetary equivalent of all or part of a payment by credit card or debit card, or of any other form of payment.

## G

**General licence:** Licence that authorizes a person dealing with the general public or the members of a particular group, directly or through another travel agent, to perform the operations outlined in section 2 of the *Travel Agents Act*.

**Gross income:** The total amount paid or payable for the benefit of the travel agent.

**Guilty plea:** Declaration in which a defendant admits being guilty of the charge brought against him or her.

## I

**Individual security:** Contract by which a person, the **surety**, assumes an obligation to a creditor, at no charge or for remuneration, to fulfill the obligation of the **debtor** if the debtor fails to fulfill it. Individual security may also refer to a deposit of money or securities intended to guarantee future claims.

**Investor:** The word "investor" refers to all shareholders of a travel agent. However, in the case of a travel agent whose shares are listed on a stock exchange, "investor" refers only to a shareholder holding 10% or more of voting shares.

## J

**Joint and several liability:** Liability of more than one person, where each person is legally responsible for the others' actions.

## L

**Liability:** Obligation of a person to answer for his or her actions or to repair the harm caused to another by his or her own fault or by the act or fault of another person or by the act of things in his or her custody.

## M

**Mandatory:** Person to whom a **mandate** is conferred by another person.

**Mandate:** Contract by which a person, the **mandator**, gives the power to be represented in the execution of a legal transaction with a third party to another person, the **mandatory**, who by accepting this office, undertakes to perform it.

**Mandator:** Person who confers a **mandate** on someone else.

## O

**Obligations:** In the broad sense, synonym of duties imposed in general by law or contract.

**Obligation of compliance:** Obligation to deliver goods or provide a service in accordance with the description thereof in the contract.

**Obligation of means (or obligation of diligence):** Obligation by which the debtor is required only to apply all possible means to achieve a specific result without necessarily obtaining said result.

**Obligation of result:** Obligation by which the **debtor** is required to achieve a specific result and is held liable therefore, unless the debtor can prove the existence of a fortuitous event.

**Organizing trips:** The negotiation of various rates with suppliers of tourism services in order to combine the components purchased (accommodation, transportation, meals, tours, etc.) and manage all the steps in the organization and sale of the trip.

**Outside counsellor:** A travel counsellor who does not physically work at one of the travel agency's establishments. An outside

counsellor answers customers and sells them services, but is physically located at his or her residence or resides outside Québec.

## P

**Penal charges:** Legal procedures filed against a presumed offender under a provincial law or a municipal bylaw.

**Penal liability:** Obligation of a person to answer for his or her infringement of the rules established to protect public peace and order in society and, where applicable, to suffer the penalty prescribed by law.

**Penal sanction:** Sanction imposed by law on the perpetrator of an offence.

**Plaintiff:** Person who brings an action.

**President:** President of the Office de la protection du consommateur.

**Principal establishment:** Main establishment at which the licensee performs his or her operations.

**Provisional administrator:** Person appointed by the president of the Office de la protection du consommateur to temporarily manage or terminate the business of a travel agent, if the situation so requires.

**Punitive damages:** **Damages** awarded to a victim not in compensation for the harm actually incurred, but to punish the malicious conduct or the intention to harm of its perpetrator.

## R

**Recourse:** The right or the act of appealing to a judicial or administrative authority to overturn or review a prior ruling or administrative decision.

**Regulation:** Normative legislation, general and impersonal in nature, enacted by an executive power pursuant to an enabling statute, which is enforceable when in effect (for example, a government regulation or a municipal bylaw).

**Restricted licence:** Licence allowing a person to deal with the general public or with members of a particular group, directly

or through another travel agent holding a general licence, to perform the operations covered by the class of the restricted licence issued for the account or benefit of said travel agent.

**Rights:** By extension, any prerogative or fundamental right recognized by objective law to the members of a society in general.

## S

**Service contract:** A business or service contract is a contract by which a person, the contractor or the provider of services, as the case may be, undertakes to carry out physical or intellectual work for another person, the customer, or to provide a service, for a price which the customer commits to pay.

**Service provider:** In a service contract, the person who undertakes to provide a service to another for a price which the other person undertakes to pay.

**Supplier:** Person who provides merchandise or services to another person.

**Surety:** Person who agrees to take responsibility for the fulfillment of an undertaking of a **debtor** if that debtor defaults.

## T

**Tour operator:** Person who negotiates various rates with suppliers of tourism products and combines the purchased components (accommodation, transportation, tours, etc.) to create a package that the operator offers to wholesale travel agents, retailers, and consumers (at the retail price, base price, or preferential price, as appropriate).

The tour operator manages all steps in the organization and sale of the package. A retail or wholesale travel agent or a host tourism agency can be a tour operator.

**Travel agent:** A person, partnership, or association that, on behalf of a third party or of its members, engages in or offers to engage in, or issues vouchers for, any of these operations: a) the booking or rental of lodging accommodations; b) the booking or rental of transportation services; or c) organizing trips.



**Trust account:** Account opened with a financial institution in which are deposited sums of money remitted to a person authorized to hold them on behalf of another and to use them for the specific purposes laid down.

**Trustee:** Person who administers a trust and who must accordingly act with integrity, good faith, diligence, and competence in the best interests of the beneficiary that the trustee represents.

**Turnover:** Total amount of money paid or payable by the customers of the travel agent, including the amounts paid directly to another agent or to a supplier.

## V

**Voluntary undertaking:** Under the *Consumer Protection Act*, when the Office president deems that a merchant has violated the legislation, whose implementation is monitored by the Office, the president may accept a voluntary undertaking by this merchant to apply the corrective measures listed in the undertaking.

**Voucher:** Document that informs the supplier of a tourism service that the holder of the voucher is authorized to exchange it for the service in question.

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## Complementary references

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# Laws and Regulations

## Applicable to the

# TRAVEL INDUSTRY

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- Institut de tourisme et d'hôtellerie du Québec
- Office de la protection du consommateur



Nathalie Gilbert  
Professor of Tourism Management  
at the ITHQ



Isabelle Proulx  
Professor of Tourism Management  
at the ITHQ