

GUIDELINE OF FILLING AND SUBMITTING THE REPORT ON TOTAL SALES OF PACKAGES AND LINKED TRAVEL ARRANGEMENTS

1. Competence

Pursuant to § 14 (10) of the Statute of the Consumer Protection Board, the Board has the right to issue, within the limits of its competence, recommended guidelines for compliance with consumer protection requirements arising from legislation.

2. Purpose

The purpose of this guideline is to give explanations about filling and submitting the report on total sales of packages and linked travel arrangements.

Tourism Act and Law of Obligations Act have transposed the Package Travel and Linked Travel Arrangements Directive nr 2015/2302 (hereinafter also referred to as the Directive), which aims to bring the scope of protection into line with market trends, to harmonize the requirements for package travel and linked travel arrangements and to improve consumer protection.

3. Legal basis

The following legal acts have been used to prepare the guideline:

- Directive (EU) 2015/2302 of the European Parliament and of the Council of 25 November 2015 on package travel and linked travel arrangements, amending Regulation (EC) No 2006/2004 and Directive 2011/83/EU of the European Parliament and of the Council and repealing Council Directive 90/314/EEC
- Tourism Act
- 14.03.2018 Decree nr 12 of Minister of Economic Affairs and Infrastructure “The form of the Report on total sales of packages and linked travel arrangements”

4. Report on total sales of packages and linked travel arrangements

Obligation to submit a report on total sales of packages and linked travel arrangements comes from TurS § 15² (1) which enacts that a travel undertaking engaged in an area of activity set out in § 6 of Tourism Act shall submit to the Consumer Protection and Technical Regulatory Authority:

- 1) **once a quarter by the 20th day of the month following the reporting quarter**, a report on the total sales of packages and linked travel arrangements whereby the updated total sales of packages and linked travel arrangements planned for the following quarter are also submitted;

- 2) **upon commencement of activities and henceforward every year together with the report on the total sales of packages and linked travel arrangements of the fourth quarter of the previous year**, information on the planned annual total sales of packages and linked travel arrangements used as the basis for the calculation of security, which includes the quarterly sale of packages and linked travel arrangements.

Obligation to submit the report is directly linked to obligation to provide a security (the website of Consumer Protection and Technical Regulatory Authority also contains guideline of obligation to provide security). Consumer Protection and Technical Regulatory Authority controls the existence and adequacy of a security established under the Tourism Act and the data presented in the report have great importance on supervising travel undertakings. Namely, based on reports, it is possible to identify the adequacy and sufficiency of the security established under the Tourism Act and also assess possible doubts on inadequacy performance of the security obligation.

TurS § 15² (2) defines **total sales** which enacts that the total sales of packages and linked travel arrangements mean the gross amount of all payments made to a travel undertaking by or on behalf of travellers on the basis of package travel contracts or contracts on linked travel arrangements, including the amount received as prepayment and unused package gift vouchers.

It should be noted that in the report must add only data of packages and linked travel arrangements. That is, data of individual travel services (for example, if only flight tickets are offered and sold) must not be added in the report.

Previously, submitting the report was based only on payments made by consumers, then from 1 July 2018 payments made by all travellers (both natural and legal persons) must be added, except when the package or linked travel arrangements are purchased under a general contract. The general contract is concluded between the trader and a person engaged in his/her economic or professional activity and its object is to offer and organize future business trips.

It should also be noticed that relevant are not only the invoices of packages and linked travel arrangements drawn and issued by travel undertaking but received payments. Therefore, fulfilling and submitting the report must be based on cash-based (not accrual-based) calculation.

4.1 Who need to submit the report?

Obligation to submit a report on total sales of packages and linked travel arrangements lies on those travel undertakings who are engaged in one or several following areas of activity (set out in § 6 of Tourism Act):

- 1) organisation of packages which include travel services provided in Estonia;
- 2) organisation of packages which include travel services provided outside of Estonia and charter flights;

- 3) organisation of packages which include travel services provided outside of Estonia and scheduled flights;
- 4) organisation of packages which include travel services provided outside of Estonia, except for charter flights or scheduled flights;
- 5) intermediation of packages combined by a travel undertaking of a state outside the European Economic Area;
- 6) offer of linked travel arrangements and facilitation of entry into contracts.

Therefore, the report must be submitted by:

- tour operators;

Tour operators are obliged to submit in the report the data of packages sold by itself and by travel retailers regardless whether traveller has made the payments to the tour operator or travel retailer. It means that submitting the report there is no longer difference whether tour operator sells packages by itself or through travel retailer and how is organized transferring the payments between tour operator and travel retailer. Tour operator has duly fulfilled the obligation to submit a total sales report if he/she has taken into account both - the payments made to the tour operator and to travel retailers. **A travel retailer which offers packages combined by a travel undertaking established in Estonia or in another state in the European Economic Area no longer has the obligation to submit the report.**

- Travel retailers which offers packages combined by a travel undertaking established outside the European Economic Area;

Although such travel undertaking is considered as a travel retailer, it must comply all the requirements which are imposed to the tour operator since this travel undertaking is subject to the requirements provided by Tourism Act for tour operators.

- Undertaking which facilitates the conclusion of contracts on linked travel arrangements.

Undertaking which facilitates the conclusion of contracts on linked travel arrangements submit the same data about linked travel arrangements as tour operator about packages. That means the data about total sales of previous quarter, prepayments and planned total sales for the following quarter.

However, there is no obligation to submit a report for those travel undertakings who has no obligation to provide security according to TurS § 15 (5) and who has also carried a note of such exclusion to the register of economic activity.

4.2 When and which data must submit in the report?

Report is submitted to Consumer Protection and Technical Regulatory Authority four times year, on the 20th day of the month following the reporting quarter.

- 1) First quarter 1.01-31.03 - Submitting period is 1.04-20.04;

This means that the report of the first quarter must be submitted by **April 20th** at the latest.

- 2) Second quarter 1.04-30.06 - Submitting period is 1.07-20.07;
This means that the report of the second quarter must be submitted by **July 20th** at the latest.
- 3) Third quarter 1.07-30.09 - Submitting period is 1.10-20.10;
This means that the report of third quarter must be submitted by **October 20th** at the latest.
- 4) Fourth quarter 1.10-31.12 – Submitting period is 1.01-20.01.
This means that the report of fourth quarter must be submitted by **January 20th** at the latest.

The easiest and the most convenient way to submit reports is to do it via package report module - PRAM (To join PRAM, you must submit to the Agency a request of travel undertaking to join PRAM).

Submitting the report shall be based on the **activity of the travel undertaking**: travel undertaking engaged in activities specified in TurS § 6 p 1 - 5 must provide **information about packages** and travel undertaking engaged in activity specified in point 6 must provide **information about linked travel arrangements**. If travel undertaking operates only as tour operator, it does not have to submit the data about linked travel arrangements (by leaving relevant boxes empty) and vice versa, travel undertaking who operates only as undertaking which facilitates the conclusion of contracts on linked travel arrangements does not have to submit the data about packages (by leaving relevant boxes empty).

It is important to notice that in the case where there is nothing to fill in the box (for example there are no prepayments as of the last day of the quarter); the relevant box cannot be left empty - the box must be filled with "0".

The form of the Report on total sales of packages and linked travel arrangements is imposed by 14.03.2018 Decree nr 12 of Minister of Economic Affairs and Infrastructure “The form of the Report on total sales of packages and linked travel arrangements”, which has set out two following tables:

4.2.1 First table of the report on total sales

Guideline of filling and submitting the report on total sales of packages and linked travel arrangements

Majandus- ja taristuministri
14.03.2018 määrus nr 12
„Pakettreiside ja seotud reisirakenduste kogumüügi aruande vorm”
Lisa

PAKETTREISIDE JA SEOTUD REISIKORRALDUSTEENUSTE KOGUMÜÜGI ARUANNE

Aruanne esitatakse Tarbijakaitseametile aruandekvartalile järgneva kuu 20. kuupaevaks.

Reisiettevõtja nimi

Majandustegevuste number

Aadress, telefon, e-post

Aasta I kvartal II kvartal III kvartal IV kvartal

Pakettreiside ja seotud reisirakenduste kogumüük

Aruandeperioodi kogumüük* eurodes		Ettemaksed aruandeperioodi viimase päeva seisuga** eurodes		Järgneva kvartali täpsustatud planeeritav kogumüük* eurodes	
Pakettreisid	Seotud reisirakendusteenused	Pakettreisid	Seotud reisirakendusteenused	Pakettreisid	Seotud reisirakendusteenused

* Aruandeperioodil pakettreisilepingutest või seotud reisirakenduste lepingutest tulenev reisijate poolt või nimel reisiettevõtjale tasutud kõigi maksete kogusumma (pakettreisilepingu puhul ka maksed reisirakendaja poolt volitatud reisivahendajale), sealhulgas sel perioodil ettemaksetena saadud summa ning huastamata pakettreiside kinkekaardid.

** Aruandeperioodi viimase päeva seisuga nii aruandeperioodil kui varasema(te)l aruandeperioodi(de)l reisijalt saadud ettemaksed järgneva(te)l kvartalil(to)l toimivate pakettreiside ja seotud reisirakenduste eest, sealhulgas huastamata pakettreiside kinkekaardid (pakettreisilepingu puhul ka maksed reisirakendaja poolt volitatud reisivahendajale).

This table must be filled every quarter while submitting the report by providing the following information:

- 1) total sales of packages and linked travel arrangements for the reporting quarter.

Total Sales – the total payments made by or on behalf of travellers to travel undertaking for packages and linked travel arrangements in the reporting period (in case of packages also the payments made to travel retailer who is authorized by the tour operator), including the prepayments received during that period and unused package gift voucher.

This means payments received during previous quarter regardless whether the trip has already taken place or is going to take place in the future and whether the payments are transferred to the actual service providers or not. Tour operators are also required to submit the data about payments of packages made to travel retailers.

- 2) prepayments of packages and linked travel arrangements as of the last day of the reporting period;

Prepayments – as of the last day of the reporting period, payments received from travellers during the reporting quarter and previous quarters for the packages and linked travel arrangements that will take place in the following quarters, including unused package gift vouchers (in case of packages, also the prepayments made to travel retailer who is authorized by the tour operator).

This means payments made by travellers for trips that have not taken place yet, but here must distinguish prepayments between packages and linked travel arrangements.

Prepayments for packages are recorded as long as the trip has taken place which means that all travel services that are part of package are provided. However, prepayments for

travel services which are already provided do not have to submit anymore. Like for total sales, as for prepayments, tour operators are required to provide data on prepayments of packages made to travel retailers.

Prepayments for linked travel arrangements are submitted until:

- **travel service which is part of linked travel arrangements is provided by undertaking which facilitates the conclusion of contracts on linked travel arrangements**

If the undertaking which facilitates the conclusion of contracts on linked travel arrangements is also the actual service provider, then the travel payments must be marked as prepayments as long the travel service is provided.

- **undertaking which facilitates the conclusion of contracts on linked travel arrangements holds the payments for travel service which is part of linked travel arrangements, but which is provided by another undertaking**

In the situation where travel service is provided by another undertaking (actual service provider), received payments should be marked as prepayments until the undertaking which facilitates the conclusion of contracts on linked travel arrangements has transferred the travel payments to the actual service provider.

Example 1. Package

On 29.03 (in the first quarter), traveller bought the package for the same year at a cost of 500 euros for period 5.08-15.08. The traveller paid 29.03 first payment 100 euros; the remaining payments were paid by the traveller accordingly 20.04 (second quarter) - 100 euros; 20.05 (second quarter) - 100 euros; 20.07 (third quarter) - 200 euros.

How is this data reflected in the report?

- In the first quarter (29.03), the traveller paid the first installment of 100 euros – thus in the report of first quarter, the travel undertaking must mark received payments in both boxes - total sales and prepayment box.
- During the second quarter (20.04 and 20.05), the traveller paid two installments of a total of 200 euros - therefore, in the report of second quarter, the travel undertaking mark received payments so that in the box of total sales he/she will mark 200 euros (i.e. payments received in this quarter) and in the box of prepayment he/she will enter 300 euros (i.e. payments received in the previous and this quarter for the trip that will take place after the last day of the second quarter, i.e. 30.06).
- In the third quarter (20.07), the traveller paid the last installment of 200 euros – thus in the report of a third quarter, the travel undertaking marks received payments in the box of total sales. As of the last day of the third quarter (i.e. 30.09) the trip was already taken place, so received payments for this trip will not be marked in the box of prepayment.

Example 2. Linked travel arrangements

On 20.07 (in the third quarter), the traveller purchased linked travel arrangements: flight tickets and accommodation which are separately selected and separately paid on the same day. Undertaking which facilitates the conclusion of contracts on linked travel arrangements transferred the payments to the air carrier and accommodation establishment on the same day. How is this data marked in the report?

- In the report of third quarter, travel undertaking marks received payments in the box of total sales. Since the received travel payments were transferred to the air carrier and accommodation establishment as of the last day of the third quarter, then the payments for this trip are not marked in the box of prepayments.

Example 3. Linked travel arrangements

Example 2, but with the exception that undertaking which facilitates the conclusion of contracts on linked travel arrangements has not transferred the payments to the air carrier and accommodation establishments as of the last day of the third quarter. How is this data reflected in the report?

- In the report of third quarter, the travel undertaking must mark received payments in both boxes - in the total sales and prepayment box.
- 3) updated total sales of packages and linked travel arrangements planned for the following quarter

This is a possible specification compared to the initial planned annual total sales marked in the annual sales plan. These specifications may be due to, for example, sale offers and issued invoices.

4.2.2. Second table of the report on total sales

Planeeritav pakettreiside ja seotud reisirakenduste kogumüük . . . aastal (tuleb täita tegevuse alustamisel ja edaspidi koos eelmise aasta viimase kvartali aruandega)

	I kvartal	II kvartal	III kvartal	IV kvartal	Kokku
Pakettreisid					
Seotud reisirakenduste teenused					

(Allkirjagaõigusliku esindaja nimi ja ametikoht)

(Aruande esitamise kuupäev)

(Allkirjagaõigusliku esindaja allkiri)

This table is filled in two cases: firstly, upon commencement of activities and henceforward every year together with the report on the total sales of packages and linked travel arrangements of the fourth quarter of the previous year, publishing the following data: information on the planned annual total sales of packages and linked travel arrangements used as the basis for the calculation of security, which includes the quarterly sale of packages and linked travel arrangements.

It is important to notice that:

- The security is calculated on the basis of the travel undertaking's total sales of packages and linked travel arrangements during the previous calendar year if the sales exceed the travel undertaking's planned annual total sales of packages and linked travel arrangements (TurS § 151 lg 6)).
- The security corresponding the minimum obligatory security rate of travel undertaking is proper only then if it is sufficient for the performance of the obligations provided for in § 15 (3) and (4) of Tourism Act.

(More information on obligation to provide a security is found in the guideline of security obligation).