



IATA-FIATA Air Cargo Program (IFACP) – Frequently Asked Questions (FAQ)

1. Why the need to change now?

To meet the evolving needs of the air cargo industry and better reflect the change in relationships and the transformed role of the freight forwarder, IATA and FIATA joined forces to review, refine, and re-engineer the current Cargo Agency Program and to develop a new and modernized Program. The IATA-FIATA Air Cargo Program (IFACP) is the result. It recognizes that the vast majority of forwarders are no longer 'selling-agents' for and on behalf of airlines but are 'purchasing-customers' of airlines and their business relationship is often that of a buyer and seller.

The IFACP is an endorsement program based on financial and operational criteria that will replace the current Agency Accreditation Programs globally, in a phased approach.

The IFACP will provide a framework of industry standards for endorsement that are relevant, in line with best cargo operation practices, safety regulations and are fit for purpose. The IFACP endorsement program will be administered and managed as a joint program, by airline and forwarder participants.

2. How is the new IFACP different to the current IATA Cargo Agency Program?

The Cargo Agency Conference has agreed to relinquish its control over the current Cargo Agency Program which sets the rules for accreditation and governed the airline-cargo agent relationship. The new program moves the decision-making authority regarding the rules of the airline-freight forwarder relationship and endorsement to a jointly managed and business inspired governance with a balance of both forwarders and airlines represented on the IATA-FIATA Governance Board (IFGB), supported by regional/national Joint Councils.

The CASS will continue to be governed by the Cargo Agency Conference and it continue to establish the Resolutions that cover the CASS operations and participation terms and conditions.

3. What is the benefit of the IATA-FIATA Air Cargo Program (IFACP)?

The structure of the new program better reflects the 'principal to principal' business model and the buyer-seller relationship that exists between most forwarders and airlines. Establishing a global joint IATA-FIATA Governance Board (IFGB) and improving joint consultations between the parties also at regional levels, via joint councils, will ensure continued relevance of the IFACP.

Simplifying the governance structure will reduce the administrative requirement to manage a global program.

The IFGB will encourage its respective members to apply recommended practices and industry initiatives such as those intended to facilitate e-commerce, increase quality, safety and security.



4. What is the impact on the current individual IATA Cargo Agents?

Current IATA Accredited Cargo Agents will automatically qualify for IFACP endorsement and will be provided with a new IFACP Forwarder Agreement, upon implementation of the IFACP in their country. Upon execution and receipt of the signed new Agreement, they will then transfer and join the new program as an IFACP Endorsed Forwarder. No further formalities, nor re-assessment will be required at the time of transition to the new Program.

There will be no change to terms and conditions of IATA CASS participation. Also the current IATA codes remain valid.

5. How will the IFACP impact appointments and the Statement of General Concurrence that the Airline has signed?

IATA Member Airlines adopted new Resolution 849 – Tie in Transferal Resolution via the Cargo Agency Conference in March 2015. Therefore IATA member airlines will transfer to the new program without the need to sign a new General Concurrence. Although Airlines will no longer 'appoint Agents' the transferal considers that Airlines will continue to do business and accept freight tendered from IFACP Endorsed Forwarders.

Non-IATA carriers participating in CASS will be required to sign a new 'Concurrence' at the head office since they are not airline members represented at the Conference, nor bound by Conference Resolutions.

6. How, in future, will Forwarders be endorsed to join the IATA-FIATA Air Cargo program? What are the operational requirements for forwarders?

The operational criteria as applicable today in the Cargo Agency Program will continue and be transferred to IFACP upon its launch in any country. Subject to legal review and approval, the existing local financial criteria will also be incorporated into the IFACP. After that point, changes will be agreed through a new IFACP Joint Council process and will be subject to the IFGB's approval.

7. It is stated that Forwarders in the IFACP will not pay more than they pay today. Does this mean fees will not increase?

Current levels of fees will continue while the IFACP is being rolled out and implemented worldwide. In the future, program fees will be paid by airline and forwarder participants, as decided by the IATA-FIATA Governance Board. Fees will of course need to cover the full costs of running the joint IATA-FIATA Air Cargo Program.



- 8. In the future, IATA Cargo Agency Program will be replaced by IATA-FIATA Air Cargo Program, how can we address the needs of some governments licensing requirements or private commercial contract bids that require that a Freight Forwarder to be an “IATA Cargo Agent”?**

Under the new program we will refer to ‘endorsement’ of forwarders rather than ‘accreditation’ of agents. The term endorsement however is the functional equivalent of ‘accreditation’, and a vetting process will be maintained to ensure forwarders seeking endorsement meet minimum levels of financial and operational criteria. For reasons of nomenclature, contract bids or fulfilling government licensing requirements, the term “IATA-FIATA Freight Forwarder” is equivalent to the term “IATA Cargo Agent” or “IATA Cargo Intermediary”.

- 9. How will the adoption of the IFACP impact the current Cargo Agency Rules and Resolutions?**

There is a planned phased implementation of the IFACP globally. As entire markets/countries move to the IFACP, the current Agency Rules will be suspended, for example Canada and Resolution 803. The Cargo Agency Rules will cease to be applicable when ‘accredited Agents’ are replaced by ‘IFACP endorsed Forwarders’ in each market.

- 10. What will be included in the handbook of IATA-FIATA Air Cargo Program?**

In principle, the new program rules will include:

- a) The financial and operational requirements for endorsement as an IFACP Forwarder
- b) Fee structure
- c) Details of the Terms of reference of the IATA FIATA Governance Board and Joint Councils and the role and responsibilities of the various IFACP Officials, such as the Program Secretariat, Governance and Operations Manager.
- d) Ready for carriage conditions, operational criteria (e.g. DGR training requirements) and best business practices (e.g. cargo standards) will be referenced in the IATA-FIATA Air Cargo Program Handbook helping to raise the Airline and Freight Forwarder’s awareness of their responsibilities and compliance to agreed industry operational requirements
- e) Details of the IFACP procedures and processes, for new applications, changes etc.

- 11. Will there be a simplified and standard Governance structure to manage the IFACP globally?**

Yes. The IFGB will set up a number of new Regional Joint Councils that will replace the various groups, such as Executive Councils, Assemblies, ICAPs and Joint Councils that today provide regional input for the various Cargo Agency Programmes. This new standardized governance structure will also ensure local consultations, with input from local markets in respect of the Program.



12. Who is on the new IATA-FIATA Governance Board?

It consists of 4-6 airline members to be appointed by IATA and 4-6 freight forwarder members to be appointed by FIATA. The appointment is for two-year term.

13. Who will select the members of the Regional Joint council?

Airlines representatives appointed by Cargo Agency Conference for two-year term. Freight Forwarder representatives appointed by FIATA, drawing from the respective national or regional cargo or forwarder associations.

14. Will CASS be affected by the IFACP?

No. The CASS remains under the Cargo Agency Conference and the CASS operations with the same participation rules and procedures continue to apply between Forwarders and Carriers regarding settlements through CASS. The current IATA Resolutions 801r & 801re and current provisions have been consolidated however into a single new Resolution 851r that will apply in conjunction with the IFACP.