



IATA-FIATA Air Cargo Program (IFACP)

Background

Freight forwarding companies operated within the IATA Cargo Agency Program' rules for several decades; their services gradually evolved in time from being "IATA selling-agents" for the airlines' services to becoming their customers.

In 2012, IATA and FIATA having joined forces to review, refine and re-engineer IATA Agency Program to reflect these changes.

The IATA-FIATA Air Cargo Program was agreed by both organisations in 2016.

The new program moves decision-making on the rules governing the airline-forwarder relationship to a governance body jointly managed by forwarders and airlines, which reflects today's market conditions.

Overview of IFACP



Vision

To reengineer the IATA Cargo Agency Program and develop a modernized program that meets the needs of today's air cargo community, ensuring mutual benefits for Airlines and Freight Forwarders alike.



Key Highlight (1 of 3)

- The current IATA Cargo Agency/Intermediary Programmes will be replaced by the new IATA-FIATA Air Cargo Program (IFACP) under the governance of IATA-FIATA Governance Board (IFGB). Once it is implemented, the Cargo Agency/Intermediary Programme Rules will be suspended.
- Future regional or national Joint Councils will be established to provide feedback and to discuss and submit proposals to the IATA-FIATA Governance Board (IFGB).
- This new streamlined governance will replace the current local Assemblies, Councils and ICAPs, established by today's IATA Conference governance structure.



Key Highlight (2 of 3)

- The new Joint Councils may propose to IFGB the minimum criteria of financial standing required for endorsement and retention of Freight Forwarders in their respective country/ies or Region.
- The financial criteria as applicable today in the IATA Cargo Agency Program will be reviewed by an independent legal for the competition law compliance and be transferred to IFACP. After that point, changes will be dealt through the Joint Council & IFGB.
- One of the agreed conditions between IATA and FIATA, prior to launching the IFACP in a particular country, is that the corresponding financial criteria will undergo a competition-law review to ensure that each such criteria are objectively justified, fair, transparent and non-discriminatory



Key Highlight (3 of 3)

- The CASS remains separate ‘as is’ and under the jurisdiction of the IATA Cargo Agency Conference.
- Ready for carriage conditions, operational criteria (e.g. Dangerous Goods 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.
- THE IFACP Handbook has been developed.
- Program Officers – roles and responsibilities.



IATA-FIATA Governance Board (IFGB)

- Govern the IATA-FIATA Air Cargo Program (IFACP).
- Voting Members: 4-6 equal number of members from both the airlines and freight forwarders. Appointment of Airline representatives through IATA Cargo Agency Conference, with 2 representatives coming from Cargo Committee. FIATA will appoint the freight forwarder representatives. The voting members serve a two year terms, renewable for up to four terms.
- Four Non-Voting Members may be appointed: one must be the IATA Global Head of Cargo and one the Chairman of Airfreight Institute of FIATA.
- Decisions by the IFGB require the concurrence of a majority of the representatives of each voting constituency, provided that the quorum necessary to take action shall be four or more members of each side.
- Responsible to establish guidelines for endorsement of IFACP Forwarders related to the operational and financial criteria, and to determine relevant industry standards and procedures.
- Consider and adopt, where appropriate, recommendations from the regional and national Joint Councils;
- Engage in commonly agreed industry projects and initiatives;
- Develop and maintain the program rules



Regional/National Joint Council (JC)

- 4-6 equal number of members from the airlines and freight forwarders.
- Airlines representatives appointed by IATA Cargo Agency Conference for two-year term, up to 4 terms.
- Freight Forwarder representatives appointed by FIATA, drawing from the respective national or regional cargo or forwarder associations.
- The Joint Council, actions are in the form of recommendations made by a majority present of each of the two constituencies, and meetings as necessary either in person or via conference call.
- Any JC members who miss two consecutive meetings will be subject to removal from membership, and replaced by other airlines or freight forwarders.
- The IATA Global Head of Cargo and the Chairman of AFI-FIATA, or their appointed representatives to be non-voting members of the Joint Council. In addition, the IFACP Program Secretariat (presently performed by IATA) to act as the secretary.
- Set up temporary local working groups as appropriate



What is involved during the implementation?

(1 of 3)

IATA

- Regional/National campaigns to introduce the new program together with local Freight Forwarders Associations.
- Send IFACP Freight Forwarder Agreement all current IATA Agents
- Send the new General Concurrence to non-IATA airlines members
- Control of return of new agreement
- Follow up action if not signed / returned
- No financial assessment is required for current IATA Agents transferring to the new program

What is involved during the implementation?

(2 of 3)

FIATA

- Brief and coordinate with the local FIATA Freight Forwarders Associations about the IFACP and roll out activities.
- Support the local Freight Forwarder Associations to inform the local freight forwarders about the IFACP and its implementation.
- The local Freight Forwarder Associations will work together with IATA local office for the road show.

What is involved during the implementation?

(3 of 3)

Forwarders / IATA Cargo Agents

- Attend the information session held by IATA and local Freight Forwarders Associations to explain the new program rules in detail, the implementation timeline and the deadline of suspending current IATA Cargo Agency Programme.
- If the freight forwarder would like to take part of Regional Joint Council, submit the nomination to FIATA.
- Sign and return the Freight Forwarder Agreement by the defined deadline.



Key milestones

1. Launch IFACP pilot in Canada – August 2017
2. Approval of final version of the IFACP Forwarder Agreement
3. April 2019 – tentative date for resuming implementation
4. 1st phase – AU, NZ & South West Pacific, Hong Kong, Chinese Taipei and Macao, Europe (includes EACP, Russia and other European countries)
5. April 2020 – tentative end date for IFACP implementation

Thank you
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