



DERES REF

VÅR REF  
14884/ AV

ANSVARLIG PARTNER  
Aki J. Viitala

## GUIDE TO MEMBERSHIP IN THE NORWEGIAN TRAVEL GUARANTEE FUND

### 1. Application for membership

Travel packages may be advertised and sold only when the necessary travel guarantees have been issued and the annual fee to the Norwegian Travel Guarantee Fund has been paid, cf. the Package Travel Act section 42 and the Package Travel Regulations section 1. Consequently, membership in the Fund is one of the first things a package travel organiser must get in order.

To start the process, the Fund asks that organiser first send an e-mail to [firmapost@rgf.no](mailto:firmapost@rgf.no) which state the company name, business registration number, and the e-mail of the designated contact person. Confirmation is then given that the organiser is registered in the our systems. After registration, the organiser must submit a self-declaration form.

The organiser must enclose the following in the self-declaration form:

- Budgeted turnover – including turnover during high season(s)
- Information about the current level of prepayments and estimated prepayments
- Information about payment procedures:
  - a. payment of deposit (deposit per traveller and average number of days between the payment of deposit and departure)
  - b. average number of days between the last payment and departure
- The company's equity
- Travel program or description of the travel services
- Confirmation from company top management (chairman of the board/general manager)

The application must also include:

- Certificate of registration, and
- A short statement about the company's financial conditions, equity and short- and long-term financing

We note that all our members are obliged to voluntarily give the Fund the necessary information which may influence the size of the guarantee, whether it is increased turnover or economic circumstances in the company which may increase the risk of bankruptcy.

Any breach of duty to disclose information which results in an insufficient travel guarantee size, the trader's representatives with the general manager or the board of directors may be held personally responsible for any losses the Norwegian Travel Guarantee Fund may suffer due to the breach.

## 2. Travel Guarantee

The main principle of the travel guarantee is to cover the Fund's exposure, which mainly constitutes the travellers' advance payments at all times. The Fund's most important task is to make sure that organisers of package travels and linked travel arrangements provide the travel guarantee, and that the travellers get refunded their advance payments or an alternative repatriation when the organiser goes bankrupt.

Pursuant to the Package Travel Regulations section 2, the travel guarantee is calculated from one month's budgeted or actual guaranteed turnover. Guaranteed turnover is set to the average of budgeted guaranteed turnover for three consecutive calendar months for the coming year, where the second month is the one with the year's highest budgeted guaranteed turnover.

If the guarantee-liable turnover is determined according to section 2 (2) and (3), the size of the guarantee is set at:

- 100 per cent of guarantee-liable turnover under NOK 2,000,000 and thereafter:
- 75 per cent of guarantee-liable turnover between NOK 2,000,000 and NOK 5,000,000
- 50 per cent of guarantee-liable turnover between 5,000,000 and 10,000,000

*If the guarantee-liable turnover is NOK 10,000,000 or more in one month, the guarantee's size is calculated as  $X \cdot (N/30) + (M-N)/30 \cdot A \cdot D + X \cdot 0.25$ , where*

*X = guarantee-liable turnover pursuant to section 2 (4)*

*N = average no. of days between last payment and departure*

*M = average no. of days between payment of the deposit and departure*

*A = budgeted no. of travellers participating in guarantee-liable travel arrangement in the calendar month with the highest guarantee-liable turnover*

*D = deposit paid by each traveller at booking.*

After receiving the self-declaration form, the certificate of registration, and the statement on financial conditions, the Fund will calculate the size of the travel guarantee based on the information given by the organiser, in addition to information from the Fund's research.

The decision on the travel guarantee will be sent in a separate letter to the applicant.

A travel guarantee may be provided in three alternate ways (*or in combination*):

- 1) letter of guarantee by a bank,
- 2) letter of guarantee by an insurance company, and/or
- 3) a pledged deposit on a closed account

Templates for letter of guarantee is available in English, and in Norwegian for the pledge declaration. The guarantor must agree to the conditions set by the Fund.

The guarantee document must be submitted in its **original** document to our office in Oslo (*Reisesegarantifondet, Postboks 1807 Vika, 0123 OSLO*), and as a copy (PDF) to [firmapost@rgf.no](mailto:firmapost@rgf.no).

**Membership is established only after approved travel guarantee is provided and annual fee to the Norwegian Travel Guarantee Fund is paid.**

### 3. Annual fee to the Norwegian Travel Guarantee Fund

Before membership can be established, the organiser must pay an annual fee to the Norwegian Travel Guarantee Fund – payment is a general condition for membership, pursuant Package Travel Act section 42.

The fee depends on the size of the travel guarantee, see Package Travel Regulation section 8:

- a. NOK 4,000 if they issue travel guarantees of less than NOK 250,000
- b. NOK 7,000 if they issue travel guarantees of between NOK 250,000 and NOK 1,000,000
- c. NOK 20,000 if they issue travel guarantees of between NOK 1,000,001 and NOK 10,000,000
- d. NOK 40,000 if they issue travel guarantees of between NOK 10,00,001 and NOK 100,000,000
- e. NOK 100,000 if they issue travel guarantees of more than NOK 100,000,000.

The fee shall be paid with the issuing of the travel guarantee, and no later than **December 1<sup>st</sup>** in each subsequent year.

We ask that a receipt of the paid fee is readily transmitted. When membership is established, the organiser will receive an invoice with said fee amount marked as 'paid'.

### 4. Right to offer package travel and fee to the Package Travel Complaints Board

After travel guarantee is provided and the annual fee to the Fund is registered, the organiser will receive a written confirmation of membership in the Norwegian Travel Guarantee Fund.

After receiving the confirmation of membership, the organiser will be allowed to advertise and sell package travel as a package travel organiser.

**After establishing the membership**, the organiser will receive an additional invoice which must be paid – this is the annual fee to the Package Travel Complaints Board, see Package Travel Regulation section 9:

- a. NOK 1,088 if they issue travel guarantees of NOK 250,000 or less
- b. NOK 2,610 if the issue travel guarantees of between 250,001 and NOK 10,000,000
- c. NOK 13,050 if they issue travel guarantees of between NOK 10,000,001 and NOK 40,000,000
- d. NOK 43,500 if they issue travel guarantees of more than NOK 40,000,000

The fee shall be paid when the membership is established, and no later than **April 1<sup>st</sup>** in each subsequent year.

Best regards,

**The Norwegian Travel Guarantee Fund**



Aki Johannes Viitala

General Manager

Tlf: 51 85 99 40

Dir: 416 50 321

E-mail: firmapost@rgf.no