

July – September 2018

INS AND OUTS OF **SINORAMA HOLIDAYS'** **CLOSURE**

*By voluntarily terminating its license to sell travel services in Ontario on August 8, 2018, Markham-based **Sinorama Holidays Inc.** is no longer registered to do business as a travel retailer and travel wholesaler. The impact is significant, with in excess of 5,000 consumers booked to travel with the company over the upcoming months. The following points have been developed by TICO, to help registrants develop a clear understanding of the situation, including how they can best help any clients who have booked travel with Sinorama Holidays.*

● **What does this mean for Sinorama Holidays consumers in Ontario?**

Some consumers who booked travel with the company prior to this termination did receive their travel services, but in most cases the trips have been cancelled. TICO has assisted some consumers with immediate departures and trip completion, and will be administering claims against the Compensation Fund for travel services that will not be provided.



● **What about Ontario consumers who are currently on vacation with Sinorama Holidays?**

Based on current knowledge, TICO believes that no consumers currently en route or on vacation are at risk. However, Ontario consumers will not receive their upcoming travel services.

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TICO BOARD OF DIRECTORS 2018/2019

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Hanover Holiday Tours
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MESSAGE FROM THE REGISTRAR

As summer winds down, I hope everyone took time off to enjoy the warm weather with family and friends.

TICO has had a very busy summer. Recently, we have been dealing with the closure of Sinorama Holidays Inc., the Ontario-based travel agency that voluntarily terminated their registration. This was a major event, as Sinorama provided multi-faceted trips to the East, and with this closure, many consumers have been affected.

TICO staff have been working around the clock to ensure that consumers are aware of the closure and begin the process to receive refunds. While many credit card companies are already providing reimbursements, some consumers will be claiming against TICO's Travel Industry Compensation Fund.

It's an unfortunate situation when a registrant terminates their business, but consumer protection is the reason we are here. Our priority over the next six months is to ensure that consumers are compensated for the travel services they did not receive.

On June 26, TICO held its Annual General Meeting, presenting our 2017/2018 business accomplishments and TICO's audited financial statements. A new by-law was also presented to members and a vote passed that will see the size of TICO's Board of Directors reduced from fifteen members to eleven following next year's AGM, allowing for even greater efficiency and effectiveness. Several other related best-practices in corporate governance were also passed. Two new Board members – Nicole Bursey and Robert Townshend – were also welcomed to TICO's Board of Directors. All in all, the meeting was a success, although we remain committed to finding innovative ways to engage more registrants at future meetings.

On June 29th, Ontarians voted Premier Doug Ford into office. Soon after, Premier Ford announced his cabinet, naming the Honourable Todd Smith as Minister of Government and Consumer Services (MGCS) and Government House Leader. Minister Smith has oversight over TICO and most other delegated administrative authority organizations across the province. TICO's Board of Directors and I have welcomed the minister in his new role and look forward to working with his team in advancing consumer protection across our province. TICO will continue to liaise with the Ministry of Government and Consumer Services to determine next steps for the Travel Industry Act review, subject to decision-making by the new government.

As you are aware, Bill-166 (*Strengthening Protection for Ontario Consumers Act, 2017*) received Royal Assent in December 2017. Many changes were reflected in this Bill which have been addressed in



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Introducing Online Payments for Registration Renewal

Until very recently, registrants paid TICO by cheque for registration renewals. However, TICO has been working hard to enhance its online capabilities, and the latest step in TICO's evolution towards full e-commerce has been to set up online bill payment services for TICO registrants' annual renewals. The arrangement has been made with five Canadian banks – RBC Royal Bank, CIBC, TD Canada Trust, Bank of Montreal, Scotiabank, and all credit unions.

The online payment to TICO is like paying other bills online, such as hydro or cable. You simply set up "**TICO-Reg Renewal**" as a new payee on your online banking services. This can ONLY be used for your annual TICO registration renewal, **not** for payments for new registration applications or Form 1 Compensation Fund Assessments.

Please note that the renewal process will not be considered complete until TICO's Registration Department has received and processed your completed and signed annual registration renewal form.

To sum up, the process to set up your online payment to TICO is as follows:

1. Sign in on your bank's Online Banking.
2. Select bill payment.
3. Select set up payee.
4. Search for **TICO-Reg Renewal** and select.
5. Type in your TICO Registration Number (refer to your Renewal Form).
6. Make your payment.

The Benefits

From a registrant's perspective, once the account has been set up, making a payment is fast, easy and convenient. You can enjoy the reliability and security associated with online payment systems, and avoid the challenges and costs associated with issuing payments by cheque.

From TICO's perspective, payment by cheque is costly, inefficient, and vulnerable to fraud. Virtually all TICO's supplier payments are online through e-commerce platforms provided by its financial institutions, as is the management of funds for TICO's investment portfolios. Consequently, TICO is very pleased to introduce online registration renewal payments, as a next step in enhancing online capabilities in all the services it provides to registrants.

Ultimately, TICO plans to expand the online payment capability from renewals only, later this fiscal year. It is also working to gradually include other self-service capabilities as TICO moves towards a paperless environment. ▲



News from the Board

Following TICO's AGM on June 26, 2018, the new Board of Directors named **Brett Walker** as Vice Chair of the Board. Brett Walker is General Manager, Canada of Collette Vacations in Mississauga. The Vice Chair appointment is for one year until TICO's next Annual General Meeting, to be held in 2019.

A warm welcome was extended to **Robert Townshend**, founder of Total Advantage Travel and Tours in Toronto. He was acclaimed as an elected Director, to serve a three-year term on the TICO Board of Directors replacing retiring Board member **Tisha Saunders**.

TICO also welcomes **Nicole Bursey**, Commercial Director, Transat Tours Canada to the Board, who was named by the Canadian Association of Tour Operators (CATO) to be part of the TICO Board. Nicole is replacing **Denise Heffron**, formerly of Transat Tours Canada, who is also retiring from her position as Director.

"On behalf of TICO's Board of Directors, we are confident that both Nicole and Robert will provide excellent contributions to the TICO Board," said Richard Smart, TICO President and CEO. "The Board also extends its sincere appreciation to Tisha Saunders and Denise Heffron for their service over the years."

INTRODUCING



The Honourable Todd Smith, Minister of Government and Consumer Services, and MPP, Bay of Quinte

First elected as an MPP in October 2011, the Hon. Todd Smith was re-elected in June 2014 and again in June 2018. In addition to serving as the Minister of Government and Consumer Services, he holds the position of Government House Leader.

During the 40th and 41st Parliaments, he served on the Justice Policy, Legislative Assembly, Estimates, and General Government Standing Committees. He was also a Member of the PC Job Creation Task Force; Energy Critic; and Critic for Natural Resources and Forestry, Small Business and Red Tape, Citizenship and Immigration, and for the Pan Am Games.

Minister Smith's accomplishments during the two previous Parliaments included:

- Introducing legislation aimed at reducing red tape in the alcoholic beverage sector;
- Effectively having legislation passed permitting e-signatures to speed up real estate transactions;
- Introducing legislation to eliminate the sale of illegal cigarettes, specifically cracking down on the practice in school zones; and
- Tabling legislation to restore planning authority to municipalities in cases involving renewable energy projects.

Update On TICO's Learning Centre

It has been a busy summer at the Learning Centre, with webinars being offered – free of charge – on a variety of important topics. The fall schedule is currently being prepared, but look out for the following:



● **Financial Compliance Webinar**

With a focus on trust accounting, this one-hour webinar highlights areas in which the legislation requires compliance by all registrants. Those who are responsible for financial compliance under the *Travel Industry Act, 2002* and Ontario Regulation 26/05 would benefit the most from attending this webinar.

● **Advertising Webinar**

This 45-minute webinar reviews the advertising rules and regulations, specifically focusing on where and how they apply to the various forms of representations – including print, digital and social media. All necessary materials will be provided as part of the webinar, including useful tools for future reference. You will also have an opportunity to ask questions.

● **Disclosure and Invoicing Webinar**

This 30-minute session is a refresher on the importance of providing proper disclosure to clients at the time of booking. Besides being a regulatory requirement, it is critical for customer satisfaction. Invoicing requirements and the benefits of providing customers with a proper invoice will also be reviewed. Again, useful tools for future reference and an opportunity to ask questions will be provided.

● **Tools for Success Webinar**

TICO's Compliance Department has prepared an informative and interactive 30-minute presentation about the tools available to assist you with advertising, disclosure at the time of booking, invoicing, websites and social media. Some interactive tools and resources will be made available to those who register, along with an opportunity to ask any compliance-related questions.

● **In your own time...**

For those who have particularly demanding schedules, there are several online tutorials in TICO's Learning Centre that can be undertaken at an individual's own convenience:

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Highlights from the 21st Annual General Meeting

TICO's 21st Annual General Meeting took place on June 26, 2018 at the Corporate Event Centre in Mississauga, where the 2018 Annual Report & Business Plan was released. The meeting was chaired by Jean Hébert, Chair of TICO's Board of Directors.

● From the President and CEO

Richard Smart first reviewed the preceding year, beginning with the renewed Vision and Mission Statements, which has guided TICO – Board of Directors, and staff – through its ongoing commitment to consumer protection in Ontario.

● Legislative Review

One of the most noteworthy activities was the continued co-operation demonstrated by registrants, industry and government during the review of the *Travel Industry Act, 2002* and Ontario Regulation 26/05. Due to TICO's hard work and leadership, together with the strong collaboration of the Ministry's policy team, Bill 166, *Strengthening Protection for Ontario Consumers Act, 2017* received Royal Assent in December. Since then, the Ministry completed consumer, registrant and stakeholder consultations to review the supporting Regulation. TICO is now working closely with the Ministry, examining the results of the consultations and providing input regarding the future regulations.

● 2018 Annual Report

In the fiscal year 2017-2018, TICO's revenues and operating expenses exceeded expectations, generating a healthy net surplus for the full year. Overall, the net surplus of revenue over expenses was approximately \$1.5 million, a significant increase from the prior year's net surplus of close to break-even.

- Total revenues have grown by 35% to \$6 million since 2016, reflecting a robust market place and the final phase of a fee increase that has been phased in over the past two years. This revenue increase was achieved despite a smaller registrant base of 2,359 (2,418 in 2017).
- Total expenses of \$4.4 million were also below budget, and 5% lower than the prior year's expenses (\$4.7 million).
- 2017-2018 saw the lowest number of consumer claims filed against the Compensation Fund in a single year. The Board approved total payouts of \$27,585. The Compensation Fund Balance as of March 31, 2018 was \$21.7 million, an increase of \$1.1 million from \$20.6 million in 2017.

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TICO Makes a Difference!



Two years ago, TICO joined the City of Mississauga's

Don't Be A Litterbug

program, by committing to clean up Max Ward Park three times a year. The program was designed to promote a positive image as well as discourage litter. TICO adopted Max Ward Park due to both its proximity to TICO's offices and its connection with the travel industry – since the park is named after the founder of the legendary airline Wardair.

At the completion of the two-year term, a special sign (see photo) was erected in Max Ward Park, which recognized TICO's efforts in its adopted park.



Highlights from The 21st Annual General Meeting... continued from page 5

TICO's accomplishments and 3-year Business Plan financial projections are fully detailed in the Annual Report, which is now available for review and download online [\(click here\)](#). ▲



Court Matters

REVOCATIONS

Between May 11 and July 30, 2018, two companies had their registrations revoked: 3141667 Canada Inc., o/a Andes Travel, Toronto; and Greatwinner Travel Inc., Scarborough.

For further information on Charges and Convictions, [click here](#). ▲

Important Reminder

TICO's 2018 Annual Report and Business Plan was released at the recent Annual General Meeting. In addition to reviewing the document online, registrants may also download a copy from TICO's website at www.tico.ca, or call us at 1-888-451-TICO, or write us at tico@tico.ca to request a copy.

New Ways To Target Ontario's Consumers

Continuing its commitment to reach out to Ontario's travel consumers, TICO has embarked on a brand-new partnership with Metroland Media. Starting in June with the *Orangeville Banner*, TICO is providing a monthly blog, penned by TICO's President and CEO Richard Smart, that covers various key aspects of travel. In each case, the value of working with a TICO-registered travel agency or website is a core component of the message. Each column is approximately 400 words and covers topics such as *Preparing for your U.S. road trip* and *Getting an early start on your vacation*.

The blog has already moved online [click here](#), and is now available to all of Metroland Media's 100-plus community publications in southern Ontario, reaching more than 5.6 million readers. It provides an exciting and important avenue for TICO to present the benefits of having Ontario registrants look after every aspect of consumers' travel needs. ▲

OPINION Jul 17, 2018
Get an early start on your vacation
Orangeville Banner | 0 Comments | by Richard Smart

OPINION Jun 05, 2018
Preparing for your U.S. roadtrip
Independent Free Press | 0 Comments | by Richard Smart

OPINION May 02, 2018
Travel agents must provide vacation essentials
The relationship with your travel agent is key to a successful vacation. That's why TICO (Travel Industry Council of...
Erin Advocate | 0 Comments | by Richard Smart

BLOG

Consumer Awareness Campaign

TICO is currently working closely with **tag**, our new marketing and public relations services company, to develop plans for the 2018-2019 Consumer Awareness Campaign. The aim is to create a campaign that is even more impactful and memorable, targeting the right audiences throughout Ontario. "Consumer protection is at the heart of what we do and we're confident that tag will help us create a Consumer Awareness Campaign to inform travellers about TICO's role in the travel industry," says Richard Smart, President and CEO of TICO.

The finalized plans will be detailed in the next issue of *TICO Talk*, so stay tuned! ▲



● **How can registrants find out which tours have been cancelled?**

For an updated list of trips that have been cancelled, [click here.](#)

Travel agents should advise their clients to file a claim with TICO. As part of the claims process, consumers are required to first contact their credit card company to request a refund if they originally paid for their trip with a credit card. Travel agents may direct their customers to TICO's website to download the claim form.

● **Is there a claim filing deadline?**

TICO must receive all claims by the claim filing deadline, which is February 11, 2019.

● **What is the maximum payout that the Compensation Fund can make?**

The Regulations under the *Travel Industry Act, 2002* allow a maximum \$5 million payout for one event/failure. There is a possibility that the received claims could exceed the legislated maximum. If this is the case, all claims will be held until the claim filing deadline and the eligible claim amount will be pro-rated equally amongst all the claims.

While the failure of Sinorama Holidays is tremendously unfortunate for consumers, it is a good reminder about the benefits of booking travel services with Ontario travel agencies and websites. TICO received numerous calls and emails from consumers who booked trips with out-of-province travel agents and are unfortunately not eligible to claim against the Compensation Fund. To benefit from Ontario's consumer protection legislation, future travel must be booked with an Ontario travel agency or website.

Agents are reminded that the consumer protection applies to all consumers who purchased travel services from Ontario travel agencies and websites, regardless of where they reside, since there is no residency provision.

Any agent affected by Sinorama Holidays' closure may contact TICO at tico@tico.ca or by telephone at (905) 624-6241, or toll-free at 1-888-451-8426 if they need more information. ▲



earlier versions of TICO *Talk*. While these changes were welcome, there remain other enhancements to TICO's consumer protection framework, which includes the industry-financed Compensation Fund that the Board of Directors and management continue to reinforce with the Ministry. While management is focused on working collaboratively with the Ministry to finalize the detailed regulation, it has not lost sight of these additional, important changes.

The government also appointed Hillary Hartley as MGCS's new Deputy Minister, Consumer Services. A former Obama staffer, Hillary has a strong background in digitizing government services. In her role as Deputy Minister for MGCS, Hillary will focus on the end-to-end customer experience of government, bringing together the collective efforts of Service Ontario, Consumer Protection Ontario, the Ontario Digital Service, and more, to deliver simpler, faster, better government services to the people and businesses of Ontario.

TICO is in line with this direction as we continue to develop more streamlined services for registrants, most recently delivering online payments for annual registration fees. Further online services are planned later this fiscal year.

Despite continued volatility in the markets, threats of trade wars and waning consumer confidence, TICO's financial performance remains strong relative to our current budget commitment and prior year's performance. Like many other businesses we remain cautious, given the emerging economic and financial challenges.

With the fall not far away, we have much to be proud of as an industry. Everyone at TICO is committed to continuous improvement and implementing the changes ahead. I look forward to reporting on some exciting developments related to our 2018/19 Consumer Awareness Campaign, and other initiatives, in the coming months. I wish you and your families a safe and enjoyable end of summer.



Richard Smart,
President and CEO

Upcoming Issues

In future issues of *TICO TALK* we plan to include:

- Update on Legislative & Regulatory Review
- Trade Shows and upcoming events
- Update on Consumer Awareness Campaign
- Update on the closure of Sinorama Holidays Inc.
- TICO on the move!

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Update on TICO's Learning Centre... continued from page 4

● TICO Tips Tutorial on Trust Reconciliations

This 20-minute Trust Reconciliation tutorial provides the step-by-step procedures on the basic methodology to prepare a trust reconciliation. It will equip you with an understanding of trust balances and how to prepare a trust reconciliation.

● Tools for Success Compliance Tutorial

During this five-minute tutorial you will learn about the various interactive tools that TICO has developed to help you be compliant with the travel legislation. These important tools will help you check your invoicing and advertising, and will also prompt you to provide the required disclosure at the time of booking.

● TICO Tips for Working Capital

This five-minute tutorial will guide you through a sample calculation of working capital. By using the balances from your latest balance sheet, you will be able to determine the amount of working capital for your business. Based on the last reported annual Gross Ontario Sales, compare the amount of working capital that you calculated to the minimum amount that must be maintained, as shown on the working capital table in this TICO Tips lesson.

All webinars may be found on TICO's Learning Centre page ([please click here](#)), and more will be added over the coming months. ▲

By-Law Amendments Passed

The proposed amendments to TICO By-Law No. 1, as reported in the April – June 2018 issue of *TICO Talk*, were approved at the Annual General Meeting held on June 26, 2018. As a result, the following key changes will be taking place:

- The elimination of the Executive Committee;
- Following the AGM in June 2019, the size of the Board will be reduced from 15 individuals to 11 individuals – two named by ACTA, two named by CATO, one named by the OMCA, two elected by the registrant members, and up to four appointed at the pleasure of the Minister;
- Lengthening the term served by Directors appointed by trade associations from one year to two years;
- Changing the term served by new Elected Directors to two years, calculated from the date of the AGM at which they assume office; and
- The elimination of the Compensation Fund Committee.

The changes relating to the size of the Board and terms served will be phased in, to allow the government and industry associations time to consider the changes in their appointments going forward. It will also allow the current Board to complete its work on the review of the Regulation, and to see that project to completion, or near-completion. ▲