

ALL-IN PRICING!

New Regulations for

2017



A significant change to Ontario's travel industry advertising requirements comes into effect on January 1, 2017. **Section 33** of Ontario Regulation 26/05 will now require all-in pricing.

All-In Pricing = Better Disclosure

All-in pricing means that any representation referring to a price must show the total amount that a customer will be required to pay for travel services, including all fees, levies, service charges, surcharges, taxes and other charges. This includes the retail sales tax and federal goods and services tax, and any counselling or service fees that registrants charge.

The intent is to ensure that consumers know exactly what they will be required to pay. It will also make it much easier to compare prices, which under the old rules was often a challenge. Sometimes what appeared to be the cheapest price was anything but, once all the add-on costs were included. Starting January, the change will help to promote fairer competition and a level playing field when registrants advertise the price of travel services in Ontario.

Important to note...

While TICO will be focusing on the obligations of registrants under the *Travel Industry Act, 2002* and Ontario Regulation 26/05, registrants are responsible for ensuring they comply with the requirements of any Act or Regulation under it in respect to taxes.

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MESSAGE FROM THE REGISTRAR



Hard to believe another year is almost over – it's been both an exciting and challenging year for TICO and all registrants, in this constantly changing global industry.

Following the Ministry of Government and Consumer Service's earlier announcement regarding a comprehensive review of the *Travel Industry Act, 2002* and Ontario Regulation 26/05, considerable activity has been taking place. A three-phase process, which includes public outreach at all stages, has been planned with implementation now underway. During phase 1, the Ministry has heard from a cross-section of registrants, big and small, as well as from consumers and other experts within the travel industry. A Phase 1 report will soon be released providing a summary of key challenges facing today's industry and registrants. The following phases will focus on key issues, priorities, options and ultimately a set of recommendations that will help shape the future legislation for years to come. While enhanced consumer protection is the primary goal, it should consider the appropriate balance of regulatory burden and operating efficiency. I look forward to providing further updates early in the New Year.

Please stay tuned for further Town Hall / public consultations also being planned for the New Year.

Earlier this year, new regulations related to a one-day tour exemption and filing timeframes for claims were introduced. One of the most important and impactful regulatory changes in years, previously announced, relates to disclosures associated with all-in pricing. This change will take effect January 1, 2017. The travel industry has been supportive of this disclosure model for many years, particularly since federally regulated airlines adopted this practice several years back. Once fully implemented, consumers will benefit from understanding the total price in clear, consumer-friendly representations, enabling price comparisons and understanding with greater ease. Although there are always normal growing pains with any change, registrants will also benefit from an enhanced customer relationship and more informed consumers. TICO recognizes this is a significant change for all registrants, and has prepared an explanatory paper which can be found on our website. Other communications, roundtables and advisories are planned, and our team is preparing to assist registrants with this new requirement.

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Overhauling the Travel Industry Act, 2002 and Ontario Regulation 26/05: an Update!

The comprehensive review of Ontario's *Travel Industry Act* and Regulation is well underway. This is an excellent opportunity to review the sale of travel services in Ontario, to identify challenges and consider solutions.

As explained in the last issue of *TICO Talk*, this is a government-led review that is being undertaken by the Ministry of Government and Consumer Services. The government's intention is to focus on three main areas – improving consumer protection, reducing regulatory burden, and increasing regulatory efficiency.

As a key stakeholder, TICO is extremely aware of the shortfalls in the current legislation. The travel industry has undergone seismic changes since the legislation was first crafted. Some of the main developments to impact the travel industry are: the wide use of credit cards; e-commerce and e-tickets; websites; home-based travel agencies and travel agents; outside sales representatives; virtual travel agencies; and call centres.

TICO is hopeful that this review will result in forward-thinking legislation that ensures greater protection for the consumer and an efficient, accountable operating environment for TICO registrants.

As there is unlikely to be another opportunity to review the legislation for years to come, this is the time to consider not only the present but potential future developments.

Phase 1: Information-gathering and issue identification

This phase is close to completion. As an initial step, the government reached out to both the general public/individuals and to stakeholder groups/associations within the travel industry to hear as many perspectives as possible. TICO posted a notice on its homepage encouraging everyone who visits www.tico.ca to share their experiences with booking travel in Ontario at www.ontario.ca/TravelActReview. The online survey was geared towards both the travel industry and consumers, and was available until December 3, 2016. A report of the findings from the first phase of the consultation is expected in early 2017.

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We Want to Know!

As part of TICO's ongoing effort to improve the ways in which we conduct business with registrants, we have developed an online survey, to assess the value of the customer service provided by our Registration Department. Specifically, we would like to know what kind of experience registrants have had, whether registering for the first time, or renewing your registration.

We encourage all registrants to take the time to complete the survey. Your feedback is extremely important – we need to learn about the registration process from your perspective to make any enhancements that are deemed necessary. Please be sure to participate. You can take the survey by [clicking here](#).



All-In Pricing = Better Disclosure
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For example, **subsection 40(1)** of the *Retail Sales Tax Act* requires vendors to show the amount of the tax payable under the *Act* separately, in addition to the representation that refers to the total price.

As TICO staff are not experts with respect to the requirements of other statutes, TICO is unable to provide registrants with legal advice regarding these obligations. Therefore, registrants should seek legal advice if they are unsure about their responsibilities under other statutes.



How TICO can help...

Feel free to contact TICO's Compliance Department if you have any questions or concerns regarding the new advertising requirements. TICO has revised its Advertising Guidelines to reflect the new requirements, to review them please [click here](#).

In addition, we have updated our Advertising Checklist, please [click here](#) and the Website & Social Media Compliance Checklist to correspond with the new requirement, please [click here](#).

For full information on what the new rules on advertising will mean to you, please refer to pages 7 and 8 in the Explanatory Paper prepared by TICO, which can be accessed by [clicking here](#). ▲



Overhauling The Travel Industry Act, 2002 and Ontario Regulation 26/05: An Update! continued from page 3

Phase 2: Public Consultation to develop solutions

Based on the information gathered during Phase 1, the government will circulate a report that identifies the key issues to be explored. All stakeholders are encouraged to provide their comments and feedback via written submissions and e-mail.

The government will be holding in person public sessions around the province to examine the issues and to discuss how to update the *Act*. TICO will also be providing opportunities for registrants to discuss the issues at a series of Open Forum Sessions. (Please see Page 5 for more details on the Open Forums.)

Besides consulting with Ontario's travel industry, TICO is also looking at other jurisdictions that have travel regulations – including British Columbia, Quebec and California – to learn how well their legislation is working.

Final stages

During Phase 3, a report will be posted online with a set of recommendations for people to review and provide feedback. The goal is for the review to be thoughtful and all-encompassing. ▲

Message From the Registrar continued from page 2

With the first two quarters now complete, TICO continues to make good progress according to our three-year Business Plan. Consumer claims against the Compensation Fund remain low, and TICO otherwise remains on track with its annual budget commitments. Our Information Technology initiatives are also progressing well and several exciting changes that will enhance organizational effectiveness are expected before the end of the fiscal year. Employees continue to amaze with their creativity and support of TICO's important Corporate Social Responsibility initiatives, and other important engagement activities.

In summary, this fiscal year is proving once again to be equally challenging and exciting. I look forward to reporting on future progress of the comprehensive review and the many other initiatives underway.

As this will be my last update of this year, I would like to wish you and your family a heartfelt, happy and safe holiday season.



Richard Smart, President and CEO

Your Voice Counts... So Have Your Say!

A series of Open Forum Sessions are to be held through January and February, at which TICO plans to share information on the all-in-pricing requirement that comes into force on January 1, 2017. In addition, TICO hopes to obtain feedback from registrants on the comprehensive review of the *Travel Industry Act, 2002*, and Ontario Regulation 26/05 – particularly on topics such as registration, financial requirements, the Compensation Fund, e-Commerce and education standards.

The sessions are free of charge and all Ontario travel agency owners and travel agents are welcome to attend.

The Open Forum Sessions will take place in the following locations:

CITY	DATE	LOCATION	TIME
Toronto/ Mississauga	Tuesday, January 10, 2017	TICO Offices 2700 Matheson Blvd E Suite 402, West Tower Mississauga, ON	4 pm to 6:30 pm (Snacks & refreshments will be provided)
Scarborough	Wednesday January 11, 2017	Radisson Hotel Toronto East 55 Hallcrown Place Scarborough, ON	4 pm to 6:30 pm (Snacks & refreshments will be provided)
Toronto/ Mississauga	Tuesday, January 24, 2017	TICO Offices 2700 Matheson Blvd E Suite 402, West Tower Mississauga, ON	2 pm to 4:30 pm (Snacks & refreshments will be provided)
London	Thursday January 26, 2017	Delta London Armouries 325 Dundas Street London, ON	4 pm to 6:30 pm (Snacks & refreshments will be provided)
Cambridge/ Kitchener	Wednesday, February 8, 2017	Four Points by Sheraton 210 Preston Parkway Cambridge, ON	4 pm to 6:30 pm (Snacks & refreshments will be provided)

TICO plans to hold further sessions around Ontario in early 2017, which will be announced soon. If you are interested in attending one of the above sessions, please confirm by replying to TICO at tico@tico.ca no later than Friday December 16, 2016. Space is limited so please RSVP as soon as possible.

If you have any questions, please contact Susan Janko at (905) 624-6241 ext. 233 or toll free at 1-888-451-8426 Ext 233 or email. ▲

How Can You Provide Feedback after December 3, 2016?



If you were unable to complete the online survey by the December 3, 2016 deadline, or if you have thought of other issues that you would like to be considered, it is still possible for registrants to provide feedback to the Ontario Government. Whatever your questions or concerns regarding Ontario's travel legislation, you are invited to submit them directly to the government by emailing TravelIndustryAct@ontario.ca, or for further information, go to ontario.ca/TravelActReview.



Save the Dates

February 24 – 26, 2017



Toronto Outdoor Adventure Show

International Centre, Hall 5
6900 Airport Road,
Mississauga

March 15 – 19, 2017



Toronto Sportsmen's Show

International Centre,
Halls 1, 2 and 5,
6900 Airport Road, Mississauga

March 25 – 26, 2017

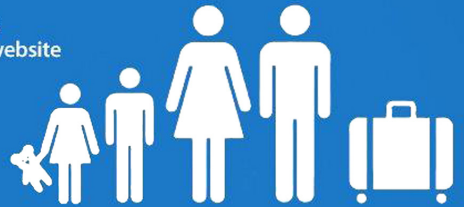


The Travel and Vacation Show

Shaw Centre
55 Colonel by Drive,
Ottawa



Because you don't know what you don't know,
book with a **TICO** registered travel agency or website



Relaunching the

Consumer Awareness Campaign

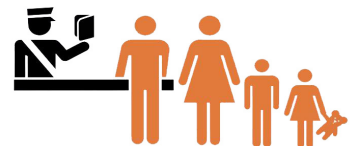
Building on the success of last year's Consumer Awareness Campaign, TICO will continue to feature those commonly seen travel icons in ads that highlight how to avoid disappointment when travelling. The mainstream television campaign is being launched earlier than previous years, running from December 19, 2016 to January 22, 2017. The ads will be shown on multiple major Ontario stations including, but not limited to, CTV, Global, CBC Ontario, City Television and YES.

A new approach

The big change is that TICO has redesigned last year's 30-second ad by editing it down into a 15-second ad, and creating a new 15-second ad. The reason for this is two-fold. A 15-second ad works well on television as they can be played as a stand-alone ad, or TICO can purchase what's called a "top and bottom of commercial cluster" package, in which the two 15-second ads can be played at the beginning and end of a show. This provides versatility in the media buy, as delivering two ads within a 30-minute show substantially increases the chance of viewers noticing the ad and its message.

The ads are targeting women age 25 – 54.

To view the ads, please [click here](#) and [here](#).



Pre-Roll advertising

Another advantage of having the 15-second ads is that they lend themselves to the online, pre-roll advertising that are shown in front of videos, movies or television shows that are watched online. The online pre-roll ads will commence in January and run for four weeks. These ads will target adults 18 to 49 years old in Ontario, along with people who have been flagged as travel, hotel and vacation intenders by their online history.

As in previous years, once the campaign has ended, TICO will launch a comprehensive omnibus survey across Ontario to measure how effective it has been in raising awareness of TICO and the benefits of booking with an Ontario registrant. The results will be reported in the next issue of *TICO Talk*. ▲



Court Matters

CONVICTIONS

501159 Ontario Limited o/a Executive Worldwide Travel (Executive Worldwide) and Zakaria Sheikh each pled guilty and were convicted of two counts of failing to hold customer funds in trust, contrary to **Section 27(6)** of Ontario Regulation 26/05 made under the *Travel Industry Act, 2002*. Mr. Sheikh was sentenced as follows:

1. A fine in the amount of \$7,000 plus Victim Surcharge Fees, for a total of \$8,750;
2. A Probation Order for two years; and
3. A Free Standing Restitution of \$39,735.38 payable to TICO.

Executive Worldwide was sentenced as follows:

1. Restitution, in the amount of CAD\$13,656.77 and USD\$2,290.85 payable to TICO.
2. A fine of \$5,000, per count, for a total of \$10,000 plus Victim Surcharge Fees.

Zakaria Sheikh was Manager and President of Executive Worldwide, a registered travel agent under the *Act*, which voluntarily terminated its registration effective July 13, 2015. The Ontario Travel Industry Compensation Fund paid \$56,390.10 to reimburse consumers who paid Executive Worldwide for travel services not provided. Zakaria Sheikh and Executive Worldwide operated in Ottawa and elsewhere in Ontario.



In November of 2014, TICO began receiving complaints from consumers who booked 2014 Hajj Tour Packages with 1176630 Ontario Inc. o/a Esna Travel and Tours (Esna Travel), Ghulam Mustafa Wahabi or Rollah Zahir. Consumers made cash and cheque payments, but failed to receive travel services. Esna Travel was registered as a travel agent and travel wholesaler until January 18, 2016, when it voluntarily terminated its registration. Mr. Wahabi and Mr. Zahir have never been registered as travel agents. All three operated in Toronto and elsewhere in Ontario.

TICO laid charges against all parties involved. Ultimately all consumers who made a claim to the Ontario Travel Industry Compensation Fund were reimbursed in full. \$290,100 was reimbursed to consumers through the Fund, Esna Travel and Mr. Wahabi. The Fund paid \$142,300, of which \$50,000 will be recovered through the restitution paid by Mr. Zahir.

The total sentence imposed on all parties includes:

- Fines, including Victim Fine Surcharge, totaling \$47,500,
- Restitution of \$197,800, and
- A Probation Order.

For a detailed breakdown on the convictions and sentences imposed, please [click here](#).

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A New Look!

TICO has been overhauling its website over the past few months, and we are pleased to announce that the revamp will be launched very shortly. One of the main goals was to make the website more responsive to both registrants and consumers. As well, we wanted to ensure that www.tico.ca became much more mobile-friendly. We believe that we are achieving these goals and hope that you will agree.

Lead-in page for consumers when they visit www.tico.ca on their cell phone.



Lead-in page for the travel industry as it now appears on cell phones.

Upcoming Issues

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

- Update on Legislative & Regulatory Review
- Results of the Omnibus Survey
- Trade Shows and upcoming events

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Mahendran Sivakolunthu plead guilty and was convicted of one count of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Mr. Sivakolunthu operated in Toronto and elsewhere in Ontario. Mr. Sivakolunthu was sentenced as follows:

1. A fine in the amount of \$3,000 plus Victim Surcharge Fees, for a total of \$3,750, payable over two years.
2. A Probation Order for one year, starting September 21, 2016 and ending September 21, 2017, with the following conditions:
 - Report to the Probation Officer within 5 days from the date of the Order and thereafter as required by the Officer.
 - Pay restitution to the consumer in the amount of \$2000, payable monthly at not less than \$170 per month until paid in full.
 - Prior to accepting employment in the travel industry, inform the employer of this conviction under the *Act*.
 - Within 5 days from accepting employment in the travel industry, inform the Registrar, *Travel Industry Act, 2002*, in writing, of the name of the agency.

John Douglas Mills, Sole Proprietor operating as Algonquin Travel, plead guilty and was convicted of one count of failing to deposit customer funds into the trust account, contrary to **Section 27(3)** of Ontario Regulation 26/05 made under the *Travel Industry Act, 2002*. Mr. Mills was a registrant under the *Act* and terminated his registration on June 4, 2015. Mr. Mills operated in Oshawa and elsewhere in Ontario.

The plea and conviction under the *Act* was joined with the plea and conviction of one count of Possession Over \$5,000 under the Criminal Code of Canada. Mr. Mills was sentenced on both charges as follows:

1. Four months' custody to be served conditionally in the community.
2. Two years' Probation with the condition (in addition to statutory conditions) not to be employed in the travel industry with or without remuneration.
3. Stand alone Restitution Orders for \$10,200 (relating to the Criminal charge) and \$8,084.58 (relating to the charge under the *Act*).

REVOCATIONS

Between August 11 and November 7, 2016, one company had its registration revoked: **Canadian Travel Company Limited o/a A2Z Travel, CTCL, Golden Holidays and Punjabi Travel, Brampton.**

For further information on Charges and Convictions, click here:

www.tico.ca/enforcement-compliance/charges-convictions.html. ▲

