



## Exemption Guidelines

The Travel Industry Council of Ontario (TICO) is responsible for administering the provincial legislation governing the travel industry in Ontario: the *Travel Industry Act, 2002 (Act)* and Ontario Regulation 26/05 (Regulation). TICO's mandate is to ensure that anyone involved with selling travel services in Ontario is doing so in accordance with the Act.

**Travel Services** are defined as transportation or sleeping accommodation for the use of a traveler, tourist or sightseer or other services combined with that transportation or sleeping accommodation.

Section 4 of the Act prohibits persons from acting as travel agents or travel wholesalers unless they are registered under the Act. However, there are some groups of persons that are exempted from having to register under the Act. The exemptions are set out in Section 2 of the Regulation. A person who falls within the exemptions may act as a travel agent or travel wholesaler or carry out such activities of a travel agent or a travel wholesaler as prescribed by the Regulation. Please note that since these entities do not require registration, their customers are not protected by the Ontario Travel Industry Compensation Fund (the Fund).

The groups which do not require registration include:

### END SUPPLIERS OF ACCOMMODATION

This exemption relates to end suppliers of accommodation who also provide local travel services purchased from another person.

There are limits to this exemption as follows:

- The additional services sold must be **local** services.
- TICO interprets "local" to be within 25 km of the accommodation.
- If the distance is greater than 25 km, TICO would have to review the matter on a case by case basis.

**Example:** A hotel, which provides its own services, can also package local theatre tickets and transportation to the theatre. The hotel may sell this package to its guests without requiring registration under the *Act*.

### END SUPPLIERS OF OTHER TRAVEL SERVICES

This exemption is for end suppliers of other travel services who also provide local travel services purchased from another person as long as they do not accept payment of more than 25% of the cost of the travel services sold to a customer more than 30 days before the travel services are to be provided.

Details about this exemption:

- This exemption was added by the government to assist local tourism businesses. As such, it does not apply to airlines, cruise lines or bus lines.
- The limit on the amount of funds that such businesses may collect in advance is an attempt to reduce the risk to consumers in the event such a business failed to deliver the services.
- The additional services sold must be local services.
- TICO interprets local to be within 25 km of the main service being offered by the end supplier. If the distance is greater than 25 km, TICO would have to look at the matter on a case by case basis.

## PUBLIC CARRIERS

This exemption is for public carriers holding operating licenses under the Public Vehicles Act. There are three categories for this exemption.

### Scheduled Transportation

This applies to public carriers who sell scheduled transportation.

**Example:** An end supplier coach company travelling from Toronto to New York 4 times per day.

### Appointed Agents

This applies to agents, appointed by public carriers holding operating licenses under the Public Vehicles Act, who sell bus travel services.

**Example:** An agent appointed by (working for) a public carrier such as a ticket booth agent selling bus travel.

## ONE DAY TOURS (Effective July 01, 2016)

### One Day Tours

**This applies to persons who exclusively sell one day tours. Please note that other travel services, e.g. hotel accommodation, must not be included with the tour.**

**“one-day tour” means a tour that:**

- (a) commences at a departure point and concludes at the same point within a 24-hour period, and
- (b) includes travel services, except for accommodation.

**Example:** A company exclusively selling organized sightseeing day trips / tours travelling by bus that **do not** include over night accommodations.

**NOTE: If you are selling one day tours and multi-day tours, the exemption would not apply and you would still need to be registered under the Act and meet all of the regulatory requirements.**

If you are required to be registered, you would need to report your one day tour sales as part of your Ontario sales and pay into the Compensation Fund on those sales. The Compensation Fund would cover one day tours of registered travel agents and wholesalers pursuant to the requirements of the Regulation.

**NOTE:** If you are uncertain or have questions as to whether your company qualifies for the one day tour exemption, please ensure you contact TICO to seek guidance at Tel: 1-888-451-TICO (8426) or email: [tico@tico.ca](mailto:tico@tico.ca)

## GUIDES & SIGHTSEEING

This exemption is for persons selling guide or sightseeing services in Ontario.

**Example:** A person that sells guide services showing visitors various points of interest. The key requirement for this exemption is that the person selling guide or sightseeing services must not include other travel services, i.e. transportation and/or accommodation.

## EDUCATIONAL INSTITUTIONS

This exemption is for educational institutions that include occasional scholastic excursions requiring travel.

There are limits to this exemption as follows:

- The person arranging the trip must be employed to teach in an elementary or secondary school, university or college of applied arts and technology.
- Exemption applies to **one-day** tours for students of the school as part of the curriculum or other travel services made through a registered travel agent as part of the curriculum.
- Travel services or the **trip** must be approved by the appropriate board, principal, governing body or official.
- The person employed by the educational institution must receive no direct or indirect gain or profit from arranging for the travel services other than participating in the travel services.

Example of what a teacher may arrange without using a registered travel agent:

- Class day trip to the Royal Ontario Museum

School trip that must go through a TICO registered travel agent:

- 4 day trip to Montreal which includes hotel accommodations and bus transportation

Please review TICO's School Trip Guidelines for more information – [click here](#)

## ORGANIZATIONS & ASSOCIATIONS

This exemption is for Religious Organizations, Amateur Sports Teams or Unincorporated Associations.

This exemption applies only to **overland travel** services if **all** of the following conditions are satisfied:

- The travel services are provided only to members of the organization, team or association.
- The group exists primarily for educational, cultural, religious or athletic purposes and the travel services are provided for those purposes.
- Any funds received for the travel services are deposited into a trust account and disbursed to pay the suppliers of the travel services or a travel agent.
- The organization, team or association, its members and employees receive no direct or indirect gain or profit from the provision of the travel services other than participating in the travel services.
- The travel services do not include a destination located more than 2,000 km from the departure point.
- The vehicle that is used for transportation remains at the destination to ensure that return transportation is available.

TICO interprets overland travel services to mean travel by, on or across land. It does not include travel by air or by sea.

Example of what the group may arrange without using a registered travel agent:

- Church group bus trip to Martyr's Shrine

Trip that must go through a TICO registered travel agent:

- Week long religious journey to see churches in Europe including hotel accommodations, bus transfers, and airfare.

## NOT FOR PROFIT CLUB

This exemption is for not-for-profit corporations without share capital, operating as a club.

This exemption applies only to **overland travel** services if **all** of the following conditions are satisfied:

- The travel services are provided only to members of the club.
- The corporation exists primarily for educational, cultural, religious or athletic purposes and the travel services are provided for those purposes.
- Any funds received for the travel services are deposited into a trust account and disbursed to pay the suppliers of the travel services or a travel agent.
- The corporation, its members, officers, directors and employees receive no direct or indirect gain or profit from the provision of the travel services other than participating in the travel services.
- The travel services do not include a destination located more than 2,000 km from the departure point.
- The vehicle that is used for transportation remains at the destination to ensure that return transportation is available.

TICO interprets overland travel services to mean travel by, on or across land. It does not include travel by air or by sea.

Example of what the not-for-profit club may arrange without using a registered travel agent:

- Not-for-profit ski club arranging a multi-day ski trip provided that the trip is overland, no more than 2000 km from the departure point, bus remains with the group and the money collected is deposited into trust account.

Trip that must go through a TICO registered travel agent:

- Not-for-profit ski club arranging a week long ski trip from Toronto to Zermatt, Switzerland including airfare and hotel accommodations.

***The guidelines above provide some examples but are not exhaustive. If you are uncertain whether an activity would require registration or have questions related to these guidelines, please contact TICO for more information.***

### **DISCLAIMER**

*These guidelines have been developed to assist registrants in complying with the requirements and prohibitions found in the Travel Industry Act, 2002 (the "Act") and Ontario Regulation 26/05 (the "Regulation"). The document contains information regarding TICO's interpretation of the legislative and regulatory provisions and suggested best practices. If you have any questions regarding the information in this document, you should contact TICO.*

*The information provided is for general informational and educational purposes only and is not intended to provide legal advice to any individual or entity. These guidelines are not exhaustive and cannot hope to address the complexities of every travel business in the province. Further, registrants are subject to other federal, provincial and municipal laws that impact their businesses. We urge you to consult with your own legal advisor regarding the specifics of your business and compliance with the Act and Regulation. You should not rely on information in this document as an alternative to legal advice.*

*The content in these guidelines is current as of the date of publication. While TICO strives to keep the information as timely and accurate as possible, it makes no claims, promises or guarantees about the accuracy, completeness or adequacy of the content. In the event of a conflict, the requirements in the Act and Regulation will prevail.*

*If you have any questions, please contact TICO's Compliance Department at 1-888-451-TICO (8426).*