



Subject line: ARC – Notice of Changes to the Agent Reporting Agreement (ARA)

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Following ARC's consultation with travel agency representatives, ARC's board of directors has approved certain updates to the Agent Reporting Agreement (ARA) and corresponding sections of the Industry Agents' Handbook (IAH) as provided below.

Summary of Changes

Item I: Refining Language to Remove Ambiguity Related to Amendments and Causes of Action

Background

ARC seeks to refine the language around how Agents may concur with future amendments to its reporting agreements. The new revised language ensures that Agents may continue to acquiesce to amendments through the use of existing ARC infrastructure. ARC also seeks to refine language about when it is considered a real party in interest to a cause of action. The revised language clearly states that ARC may enforce or defend against any and all claims arising out of the ARA. This is in keeping with historical precedence.

Changes can be found in Sections 5 and 6.9 of the ARA.

Item II: Refining Language to State Residency Requirements

Background

ARC seeks to refine the language about where Agents that are involved in the day to day operations of an agency and have access to monies from services issued may reside. ARC seeks to clearly state its historical precedent that any person involved in the day-to-day operation of an agency must reside in the United States. ARC's mandate is focused on Agents who operate in the United States, and to ensure that this goal is aligned with the ARA, ARC-accredited agents must operate within the United States.

Changes can be found in Section 8.3.2 of the ARA.

Item III: Updates to Provide Guidance on Proper Cybersecurity and Phishing Prevention

Background

As threats against agencies change, ARC aims to provide clear guidance on how Agents can protect themselves against phishing schemes and other cybersecurity threats. ARC also wishes to provide guidance on how Agents can be indemnified against losses by clarifying language in the ARA. ARC is including additional information on how reasonable care is defined by ARC in light of everchanging cybersecurity threats. These revisions include measures that all Agents should take to protect themselves and the entire travel industry from losses. ARC is making "reasonable care" a defined term to remove ambiguity as to the steps required of agents in protecting their systems.

Changes can be found in Sections 21, 36, and 39 of the ARA and Section B of the IAH.

Item IV: Updates to Financial Instrument and Bankruptcy

ARC is amending the ARA to allow for the use of a financial instrument in the event of a bankruptcy. This change is aimed at streamlining the bankruptcy process. This change also requires that those Agents that have a financial instrument drawn upon are required to replenish the surety in order to maintain accreditation.



Changes can be found in Sections 30.1 and 30.6-7 of the ARA.

These changes will take effect on January 30, 2024. Please note that, in accordance with Section 5 of the ARA, your continued participation with ARC after January 30, 2024, serves as your acceptance of the amendments.

If you have any questions, please contact ARC's Customer Care Center at 855-816-8003 or cchelp@arccorp.com.