
DRAFT STATUTORY INSTRUMENTS

2018 No.

**The Package Travel and Linked Travel
Arrangements Regulations 2018**

PART 5

Insolvency protection

Insolvency protection for packages

19.—(1) The organiser of a package who is established in the United Kingdom must provide effective security to cover, in the event of the organiser’s insolvency, the reasonably foreseeable costs of—

- (a) refunding all payments made by or on behalf of travellers for any travel service not performed as a consequence of the insolvency, taking into account the length of the period between down payments and final payments and the completion of the packages; and
 - (b) if the carriage of passengers is included in the packages, and the performance of any package is affected by the insolvency, repatriating the traveller and, if necessary, financing the traveller’s accommodation prior to the repatriation.
- (2) The organiser must provide the security under paragraph (1) to benefit travellers—
- (a) regardless of their place of residence, their place of departure or where the package is sold;
 - (b) irrespective of the member State where the entity in charge of the insolvency protection is located.
- (3) The organiser must provide the security—
- (a) under paragraph (1)(a), without undue delay after the traveller’s request;
 - (b) under paragraph (1)(b), free of charge.
- (4) The organiser of a package who—
- (a) is not established in the United Kingdom or in any other member State, and
 - (b) sells or offers for sale a package in the United Kingdom, or by any means directs such activities to the United Kingdom,

must provide security in accordance with this Part.

(5) Without prejudice to paragraphs (1) to (4), and subject to paragraphs (6) to (8), the organiser must at least ensure that arrangements as described in—

- (a) regulation 20,
- (b) regulation 21,
- (c) regulation 22, or
- (d) regulations 23 and 24,

are in force.

- (6) Paragraph (5) does not apply to a package to the extent that—

- (a) the package is covered by measures adopted or retained by the member State where the organiser is established for the purpose of Article 17 of the Directive; or
 - (b) the package is one—
 - (i) in respect of which the organiser is required to hold a licence under the Civil Aviation (Air Travel Organisers' Licensing) Regulations 2012⁽¹⁾; or
 - (ii) that is covered by the arrangements the organiser has entered into for the purposes of those Regulations.
- (7) For the purposes of regulations 20 to 24, a contract is to be treated as having been fully performed if the package or, as the case may be, the part of the package, has been completed.
- (8) For the purposes of paragraph (7), a package is to be deemed to have been completed whether or not there has been a lack of conformity.
- (9) An organiser who fails to comply with any provision of paragraphs (1) to (5) commits an offence and is liable—
- (a) on summary conviction, to a fine in England and Wales, or in Scotland and Northern Ireland to a fine not exceeding the statutory maximum;
 - (b) on conviction on indictment, to a fine.
- (10) In the event of the organiser's insolvency, travellers may agree to continue the package where—
- (a) it is possible to do so; and
 - (b) a person, other than that organiser, agrees to carry out the responsibilities of the organiser under the package travel contract.
- (11) The Civil Aviation Authority is designated as a central contact point for the purposes of Article 18(2) and (3) of the Directive and may perform the duties imposed on central contact points by that Article.

⁽¹⁾ S.I. 2012/1017, amended by S.I. 2012/1134.