
DRAFT STATUTORY INSTRUMENTS

2018 No.

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

PART 5

Insolvency protection

Monies in trust

23.—(1) Where an organiser, for the purpose of regulation 19(5), relies on the arrangements under this regulation, the organiser must ensure that—

- (a) all monies, or
- (b) where regulation 24(3) applies, a lesser sum in accordance with that regulation,

paid by or on behalf of a traveller under or in contemplation of a package travel contract are held in the United Kingdom or a member State by a person as trustee for the traveller.

(2) The monies are to be held under paragraph (1) until—

- (a) the contract has been fully performed; or
- (b) any sum of money paid by or on behalf of the traveller in respect of the contract—
 - (i) has been repaid to the traveller; or
 - (ii) has been forfeited on cancellation by the traveller.

(3) The person appointed as trustee for the purposes of paragraph (1) must be independent of the organiser.

(4) The costs of administering the trust mentioned in paragraph (1) must be paid for by the organiser.

(5) Any interest which is earned on the monies held by the trustee pursuant to paragraph (1) must be held for the organiser and must be payable to the organiser on demand.

(6) Where there is produced to the trustee a statement signed by the organiser to the effect that—

- (a) a package travel contract, the price of which is specified in that statement, has been fully performed,
- (b) the organiser has repaid to the traveller a sum of money specified in that statement which the traveller had paid in respect of a package travel contract, or
- (c) the traveller has on cancellation forfeited a sum of money specified in that statement which the traveller had paid in respect of a package travel contract,

the trustee must release to the organiser the sum specified in the statement.

(7) Where the trustee considers it appropriate to do so, the trustee may require the organiser to provide further information or evidence of the matters mentioned in sub-paragraph (a), (b) or (c) of paragraph (6) before the trustee releases any sum to the organiser pursuant to that paragraph.

(8) In the event of the organiser's insolvency, the monies held in trust by the trustee pursuant to paragraph (1) of this regulation must be applied to meet the claims of travellers who are creditors of that organiser in respect of package travel contracts in respect of which the trust mentioned in paragraph (1) has been established and which have not been fully performed.

(9) If there is a surplus after those claims have been met, it is to form part of the estate of the organiser for the purposes of insolvency law.