
STATUTORY INSTRUMENTS

1992 No. 3288

**The Package Travel, Package Holidays
and Package Tours Regulations 1992**

Security in event of insolvency—requirements and offences

16.—(1) The other party to the contract shall at all times be able to provide sufficient evidence of security for the refund of money paid over and for the repatriation of the consumer in the event of insolvency.

(2) Without prejudice to paragraph (1) above, and subject to paragraph (4) below, save to the extent that—

- (a) the package is covered by measures adopted or retained by the member State where he is established for the purpose of implementing Article 7 of the Directive; or
- (b) the package is one in respect of which he is required to hold a licence under the Civil Aviation (Air Travel Organisers' Licensing) Regulations 1972⁽¹⁾ or the package is one that is covered by the arrangements he has entered into for the purposes of those Regulations,

the other party to the contract shall at least ensure that there are in force arrangements as described in regulations 17, 18, 19 or 20 or, if that party is acting otherwise than in the course of business, as described in any of those regulations or in regulation 21.

(3) Any person who contravenes paragraph (1) or (2) of this regulation shall be guilty of an offence and liable:—

- (a) on summary conviction to a fine not exceeding level 5 on the standard scale; and
- (b) on conviction on indictment, to a fine.

(4) A person shall not be guilty of an offence under paragraph (3) above by reason only of the fact that arrangements such as are mentioned in paragraph (2) above are not in force in respect of any period before 1 April 1993 unless money paid over is not refunded when it is due or the consumer is not repatriated in the event of insolvency.

(5) For the purposes of regulations 17 to 21 below a contract shall be treated as having been fully performed if the package or, as the case may be, the part of the package has been completed irrespective of whether the obligations under the contract have been properly performed for the purposes of regulation 15.