



TRAVEL AGENTS & TOUR OPERATORS:

RIGHTS & LIABILITIES

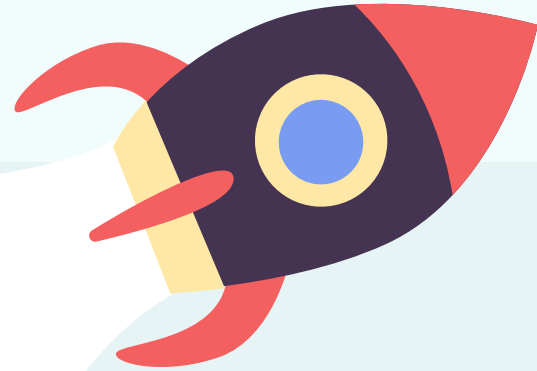


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- ❖ **TOUR OPERATORS:** buys travel services from suppliers & combines them into package tours.
- ❖ **TRAVEL AGENT:** sells for commission, the travel services of various suppliers & package tours of tour operators.
- ❖ All travel agent businesses, tour operator businesses & tourism training institutions must be licensed by the Commissioner of Tourism under the **Tourism Industry Act 1992**.

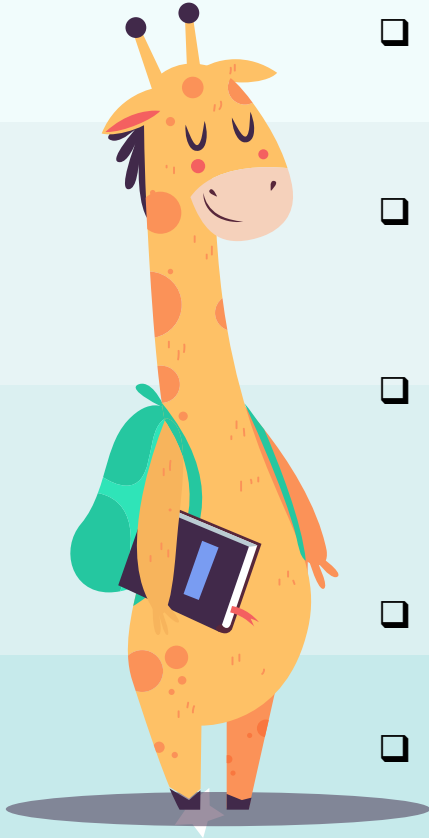
- ❖ A travel agent is generally considered the agent of the client. However, once a client purchases a tour package, the travel agent is the agent of the tour operator.
- ❖ A travel agent should disclose the identity of the tour operator when selling a package tour.
- ❖ Otherwise, he may be considered the tour operator & becomes liable in respect of loss/ damage that arises from the tour package.



TRAVEL AGENT'S DUTIES

- To act in the client's best interest.
- If misrepresents/ inflates the service under a package tour, may be liable for misrep & s17 of Trade Description Act 2011.
- Deemed to have provided his services w/o reasonable care & skill-contravene s53 of Consumers Protection Act 1999.
- Usually, travel agents who may be liable for breach of contract, rarely being sued in tort. Client is more likely to sue the supplier of services/ the tour operator instead.

TOUR OPERATOR'S DUTIES



- ☐ Duty to use reasonable care & skill in performing his services. Failing to do so, is in breach of an implied term of the booking contract.
- ☐ Alternatively, failure to perform his duty with reasonable care & skill may result in negligent acts. In which case, the tour operator may be sued in tort.
- ☐ When an incident happened abroad, we use the safety regulations in that country (as opposed to Malaysia) as benchmark in determining whether a tour operator has carried out his services with reasonable care & skill.
- ☐ A tour operator has a duty to select his contractors with reasonable care & skill, as well as duty to inspect the destinations for safety.
- ☐ However, he is not under a duty to protect clients against obvious risks. A client is presumed to be aware of such risk & is able to assess for himself w/r to proceed with the activity.

STANDARD TERMS & CONDITIONS



- ❑ For outbound tour packages, the standard T&C are provided under the **Fourth Schedule** of the Tourism Industry (Tour Operating Business & Travel Agency Business) Regulations 1992.
- ❑ Briefly, a booking contract must state the following:
 - A deposit is required upon booking & shall not exceed 25% of the tour fare per person. The balance sum is due later.
 - Changes to reservation are allowed, but must be made within the permissible time frame.
 - Cancellation is allowed. But there are charges, in the form of partial forfeit of the tour deposit OR tour fare. Where cancellation occurs 2 working days or less before the date of departure, 100% tour fare will be forfeited.
 - Travel company may cancel the booking contract; act of God, war, strike, riot, order from M'sian govt. (client entitled to full refund of the tour fare + compensation).

STANDARD TERMS & CONDITIONS (continued)



- Responsibility of tour members to ensure that they have valid travel documents. Travel company's role is only to advise them on the necessary documentations.
- Tour information & prices in brochures website, etc are subject to change. A travel comp may increase prices, but must inform the tour members before the booking contract.
- If tour member failed to utilise some services due to his personal reason, the travel comp is NOT required to refund him the price of the unused service. ★
- Tour members are advised to purchase travel insurance to safeguard themselves against sickness, loss of money, cancellation, flight delays or lost baggage.
- Travel comp can make changes to services where necessary.
- Travel comp has right to cancel/withdraw any itinerary/ reservation if he thinks necessary for health/safety/comfort/enjoyment of other travellers/ tour members.

STANDARD TERMS & CONDITIONS (continued)



- Travel comp is NOT required to adopt the Fourth Schedule as its terms & conditions in respect of INBOUND tour packages.
- However, most T&Cs for inbound tour packages are very similar to the Fourth Schedule for 2 main reasons:
 - 1. All travel comps with operating licenses are members of the Malaysian Association of Tour and Travel Agents (MATTA). Thus, required to comply with MATTA's Code of Ethics for members which endorses many standards laid down in the schedule.
 - 2. For administrative convenience, many travel companies use the same T&Cs for both inbound & outbound tours.
- Only a member of MATTA is eligible for an operating licence from the Commissioner. This is why all licensed travel companies in the country are members of MATTA & subject to its disciplinary powers.
- A tour guide who wants to work in Malaysia must be licensed under the TIA & must follow the code of ethics in the Fifth Schedule of the Tourism Industry (Licensing & Control of Tourist Guides) Regulations 1992.

THANK YOU

