

FREQUENTLY ASKED QUESTIONS

1. Why is MTI/STB amending the TA Act and Regulations?

The Travel Agent legislations were enacted in 1976 to weed out fly-by-night travel agents and provide consumer safeguards. The TA Act (TAA) and TA Regulations (TAR) were last amended in 1993 and 2007 respectively.

Since then, there have been major changes to the travel industry driven by the rapid growth in technology and changes in consumer travel habits in addition to new business operating models. It is thus timely to review and update the TA legislation to enhance the current consumer protection measures, facilitate a more conducive business environment and ensure updated licensing and regulatory oversight.

2. Was the industry consulted on the proposed amendments prior to the public consultation exercise? Who has the Government spoken to and who else will it engage?

Prior to this public consultation exercise, STB has been engaging industry members including travel agents, tourist guides and industry associations through focus groups and discussions to gather feedback on areas to be amended in the legislation.

Over the past few years, STB had consulted with industry stakeholders including National Association of Travel Agents Singapore (NATAS), Consumer Association of Singapore (CASE), TAs and tourist guides on issues related to the TA Act and TAR. All in all, 17 discussion sessions involving more than 180 participants were conducted.

In addition, we have also been studying the models of various overseas travel agent legislation, and local licensing legislation such as that for employment agencies and private education.

3. What are the areas of the Act and Regulation changes that the public can look forward to?

The amendments to the Travel Agents Act and its related legislation aim to update and enhance our regulatory to ensure a vibrant and responsible travel industry.

The public can look forward to enhanced consumer protection measures, such as that STB can also require TAs to disclose that they are facing suspension and/or revocation to ensure existing and potential consumers make informed decisions.

STB will also be amending the prohibition for TAs to publish “false or misleading” advertisements, to a prohibition for TAs to publish “inaccurate or erroneous” advertisements. This will allow STB to take swifter enforcement action to provide consumers with protection against general malpractices.

In addition, STB will be strengthening our regulatory framework, such as raising the maximum fine for TAA contraventions, introducing administrative financial penalties for errant licensees and shortening the show cause period from 21 to 14 days for suspension and revocation cases to ensure timely action against errant TAs.

Lastly, the exemption of certain entities such as walking tour operators, and a tiered licensing regime, will also create a more diversified and innovative business environment with more travel options and products to be made available.

4. How will the feedback be collected for the consultation on the proposed amendments to the TA Act and its related legislation?

MTI and STB seek to engage both public and industry stakeholders to understand their views and concerns through a public consultation, which will be held for 3 weeks between 21 June to 12 July 2017.

During this consultation, members of the public and industry can view the proposed legislation amendments via the official REACH platform at <http://reach.gov.sg> or provide feedback via email to mti_feedback@mti.gov.sg.

All feedback gathered will be reviewed and surfaced to the relevant personnel and agencies for consideration, after which appropriate approaches will be considered or adopted. In addition, MTI will consolidate and publish a summary of the key comments received on the REACH website after the close of the public consultation.

MTI and STB will review the feedback submitted during the public consultation and incorporate relevant suggestions into the revised Bill before presenting the final proposed Bill in Parliament.

5. When will the revised TA Act and its related legislation take effect?

MTI and STB aim to complete the amendments to the TA Act and Regulations by 1H 2018, with changes to be operationalised progressively thereafter.

OVERVIEW OF KEY PROPOSED CHANGES TO THE TAA

This is not an exhaustive list of all proposed changes to the TAA. Please refer to the draft TAA (Amendment) Bill at Annex B-2 for the detailed proposed changes.

Section No.	Current Provisions	Proposed Provisions	Reason for Amendments
Section 3	<p>3. —(1) Nothing in this Act shall be construed as requiring any executor, administrator, trustee, liquidator, official receiver, trustee in bankruptcy of a bankrupt estate, trustee under a composition or scheme of arrangement or under a deed of arrangement or under a deed of assignment, committee of the estate or person of a mentally ill person, or manager of the property of an incapable person, for the purpose of performing his functions, exercising his powers or carrying out his duties as such, to hold a licence.</p> <p>(2) Notwithstanding anything in subsection (1), it shall not be lawful for any of the persons referred to in that subsection in whom is vested the management of the business of any travel agent to carry on that business at any time after the expiration of 3 months from the date on which the management of that business was so vested, unless that person holds a licence.</p> <p>(3) Nothing in this Act shall be construed as relieving any person from the obligation to take out a licence under any written law for the performance of any function, the exercise of any power or the carrying out of any duty for which a licence shall have been required if this Act had not been passed or to pay the fee payable in respect of any such licence.</p> <p>(4) Nothing in this Act shall be construed as requiring the Official Assignee performing his duties as the trustee in bankruptcy of the property of a bankrupt to hold a licence.</p>	<p>3. —(1) Nothing in this Act shall be construed as requiring any executor, administrator, trustee, liquidator, official receiver, trustee in bankruptcy of a bankrupt estate, trustee under a composition or scheme of arrangement or under a deed of arrangement or under a deed of assignment, committee of the estate or person of a mentally ill person, or manager of the property of an incapable person, for the purpose of performing his functions, exercising his powers or carrying out his duties as such, to hold a licence.</p> <p>(2) Notwithstanding anything in subsection (1), it shall not be lawful for any of the persons referred to in that subsection in whom is vested the management of the business of any travel agent to carry on that business at any time after the expiration of 3 months from the date on which the management of that business was so vested, unless that person holds a licence.</p> <p>(3) Nothing in this Act shall be construed as relieving any person from the obligation to take out a licence under any written law for the performance of any function, the exercise of any power or the carrying out of any duty for which a licence shall have been required if this Act had not been passed or to pay the fee payable in respect of any such licence.</p> <p>(4) Nothing in this Act shall be construed as requiring the Official Assignee performing his duties as the trustee in bankruptcy of the property of a bankrupt to hold a licence.</p> <p>(5) This Act does not apply to the Government or a statutory body established by or under a public Act for a public purpose in the discharge of its functions.</p>	<p>Government bodies do not carry out travel agent activities as part of their ordinary course of business, and are incidental players in the TA industry that should be excluded.</p>
Section 6	<p>Persons carrying on business of travel agent to be licensed</p> <p>6. —(1) No person shall carry on the business of a travel agent unless he is the holder of a licence granted to him or any other person on his behalf.</p>	<p>Persons acting as travel agent to be licensed</p> <p>6. —(1) A person must not act as a travel agent unless the person is authorised to do so by a licence granted to the person by the Board under section 7(2).</p>	<p>The maximum fine of \$10,000 was set in 1976, and its deterrent effect has diminished over time.</p>

	(2) Any person who contravenes or fails to comply with subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 2 years or to both.	(2) Any person who contravenes or fails to comply with subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 2 years or to both.	
New section 7A	(Not applicable. New provision.)	<p>“Travel agent licence</p> <p>7A.—(1) A licence granted or renewed under section 7(2) is subject to such conditions as the Board may specify in the licence.</p> <p>(2) The conditions of a licence may include the assignment to the licensee of such description or classification as a travel agent as the Board considers appropriate to define or circumscribe the type of travel products the licensee is authorised to provide under the licence.</p> <p>(3) The Board may, at any time, vary or revoke any of the conditions of a licence or impose new conditions.</p> <p>(4) The Board must, prior to taking any action under subsection (3) in a manner that is to the disadvantage to the licensee, notify its intention to take such action to the licensee concerned and must give the licensee an opportunity to submit reasons, within a reasonable period after the date that the licensee receives the written notice, as to why the conditions of the licensee’s licence should not be so varied or revoked.</p> <p>(5) An appeal made under section 12 against the Board’s decision under subsection (4) does not affect the operation of the decision or prevent the taking of any action to implement the decision unless directed by the Minister in any particular case.</p>	This provision allows for the introduction of a restricted TA licence, which could encourage more entrants to the TA industry and broaden the range of tourism options for consumers.
Section 11	<p>Revocation and suspension of licence</p> <p>11.</p> <p>—(1) The Board may by order revoke or suspend a licence —</p> <p>(a) if the Board is satisfied that the licensee —</p> <p>(i) has ceased to carry on the business for which he has been licensed or, if the licensee being a company, goes into liquidation or is wound up or otherwise dissolved;</p> <p>(ii) improperly obtained his licence contrary to the provisions of this Act;</p> <p>(iii) is no longer a fit and proper person to continue to hold the licence;</p> <p>(iv) has been convicted of any offence involving dishonesty or moral</p>	<p>“Suspension or revocation of licence</p> <p>11.—(1) The Board may suspend for a period not exceeding 6 months or such longer period as may be prescribed in substitution, or revoke, a licence, if —</p> <p>(a) the licensee has ceased to act as a travel agent in relation to the travel product for which the licensee has been licensed to provide or, where the licensee is a company, the licensee goes into liquidation or is wound up or otherwise dissolved;</p> <p>(b) the licensee has improperly obtained the licensee’s licence contrary to the provisions of this Act or any regulations made under this Act;</p> <p>(c) the licensee is no longer a fit and proper person to continue to hold the licence or the Board has reason to believe that a relevant individual of the licensee may conduct the affairs of the licensee in such a manner as to render the licensee to</p>	These amendments have been made for better readability.

	<p>turpitude or, if the licensee is a company, any of its officers holding a managerial or an executive position or, if the licensee is a firm, any member of the firm has been convicted of any offence involving fraud or moral turpitude;</p> <p>(v) is carrying on or has carried on the business of a travel agent in such a manner as renders him unfit to continue to hold a licence;</p> <p>(vi) is contravening or has contravened any of the provisions of this Act or any regulations made thereunder; or</p> <p>(vii) has been convicted of any offence under this Act or any regulations made thereunder or, if the licensee is a company, any of its officers holding a managerial or an executive position has been convicted of any offence under this Act or any regulations made thereunder; or</p> <p>(b) if the Board considers it in the public interest to do so.</p> <p>(2) The Board shall, before revoking or suspending any licence under subsection (1), give the licensee concerned notice in writing of its intention to do so, specifying a date, not less than 21 days after the date of the notice, upon which such revocation or suspension shall take effect and calling upon the licensee concerned to show cause to the Board why his licence should not be revoked or suspended.</p> <p>(3) When the Board has revoked or suspended a licence under subsection (1), the Board shall forthwith inform the licensee concerned by notice in writing of the revocation or suspension.</p> <p>(4) The person whose licence has been revoked or suspended may, within 14 days after the receipt of the notice referred to in subsection (3), or such extended period of time as the Minister may allow, appeal in writing against the</p>	<p>not be a fit and proper person to continue to hold the licence;</p> <p>(d) the licensee is carrying on or has carried on the business of a travel agent in such a manner as renders the licensee unfit to continue to hold a licence;</p> <p>(e) the Board has reason to believe that a relevant individual of the licensee has committed any offence involving dishonesty or moral turpitude;</p> <p>(f) the Board has reason to believe that the licensee is contravening or has contravened, whether before or after the date of commencement of section 9 of the Travel Agents (Amendment) Act 2017 —</p> <p>(i) any provision of this Act or any regulations made under this Act;</p> <p>(ii) any condition of the licensee’s licence or any code of conduct applicable to the licensee;</p> <p>(g) the Board has reason to believe that a relevant individual of the licensee is contravening or has contravened, or has caused another licensee to be contravening or to have contravened, whether before or after the date of commencement of section 9 of the 30 Travel Agents (Amendment) Act 2017—</p> <p>(h) all the relevant individuals of the licensee are 5 incapable, by reason of illness, infirmity or any other cause, of acting as a travel agent; or</p> <p>(i) the Board considers it in the public interest to do so.</p> <p>(2) Subject to subsection (3), in the case where a licensee contravenes —</p> <p>(a) any provision of this Act; or</p> <p>(b) any condition of the licensee’s licence or any code of conduct applicable to the licensee,</p> <p>the Board may, instead of suspending or revoking the licensee’s licence under subsection (1)(f), require the licensee to pay a financial penalty of such amount not exceeding \$2,000, by such date, as the Board may determine.</p> <p>(3) Subsection (2) does not apply in respect of any contravention which is prescribed to be an offence under this Act.</p> <p>(4) The Board must, before suspending or revoking a licence under subsection (1) or imposing a financial penalty under subsection (2), give the licensee written notice of its intention to</p>	<p>These amendments provide for the imposition of administrative financial penalties.</p>
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	<p>revocation or suspension to the Minister whose decision shall be final.</p> <p>(5) An order of revocation or suspension shall not take effect until the expiration of a period of 14 days after the Board has informed the licensee concerned of the order.</p> <p>(6) If within that period the licensee concerned gives due notice of appeal to the Minister, the order shall not take effect unless the order is confirmed by the Minister or the appeal is for any reason dismissed by the Minister or is withdrawn.</p>	<p>do so and an opportunity to submit reasons, within 14 days after the date that the licensee receives the written notice, as to why the licensee's licence should not be suspended or revoked or the financial penalty should not be imposed.</p> <p>(5) The Board may, in a written notice mentioned in subsection (4) given to a licensee whose licence the Board intends to suspend or revoke, also require the licensee to, during the specified period, inform each of the following in writing that the licensee has received the written notice:</p> <p>(a) a person who, as at the date the licensee receives the written notice, has a contract with a licensee for a travel product, and in respect of which the licensee has not fully performed the licensee's obligations under the contract, within 2 working days after the date the licensee receives the written notice;</p> <p>(b) a person who, in any way, communicates with a licensee during the specified period in relation to a travel product but has not, as at the date the licensee receives the written notice, entered into a contract with the licensee for the travel product, within 2 working days after the date of the communication.</p> <p>(6) Any decision of the Board to suspend or revoke a licence, or require the payment of a financial penalty, under this section does not take effect until —</p> <p>(a) the expiry of the period allowed under section 12 for the licensee to appeal to the Minister against the decision;</p> <p>(b) the withdrawal of the appeal;</p> <p>(c) the confirmation of the Board's decision by the Minister under section 12; or</p> <p>(d) where the Minister requires the Board to reconsider its decision under section 12, the Board confirms the decision upon reconsideration,</p> <p>whichever is the later.</p> <p>(7) Where any decision of the Board to suspend a licence becomes effective under subsection (6), the licensee concerned must not, during the period that the order of suspension is in force, act as a travel agent other than doing what is necessary to fulfil the licensee's obligations under a contract to provide a travel product, entered into before the date the order of suspension takes effect.</p>	<p>This provision reflects the shortened show cause period of 14 days, in line with other similar legislation.</p> <p>This provision empowers STB to require licensees to inform its customers of the notice of suspension or revocation.</p>
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New section 12A	(Not applicable. New provision.)	<p>Power of Board to publish information</p> <p>12A. The Board may, where it thinks it necessary or expedient in the interest of the public and in such form or manner as it thinks fit, publish information relating to —</p> <ul style="list-style-type: none"> (a) a licensee to whom the Board has given the written notice mentioned in section 11(4); and (b) the revocation and suspension of any licence. 	This provision empowers STB to publish information relating to licence suspension/revocation, ensuring transparency with consumers.
Section 18	<p>Powers of Board</p> <p>18. Any police officer and any officer of the Board duly authorised in writing in that behalf by the Board shall, for the</p>	<p>Powers of Board</p> <p>18. Any police officer and any officer of the Board duly authorised in writing in that behalf by the Board shall, for the</p>	These amendments enhance STB’s investigative and

	<p>purposes of the execution of this Act, have power to do all or any of the following:</p> <ul style="list-style-type: none"> (a) to enter, inspect and examine, by day or by night, the place of business of any licensee; (b) to require the production of records, accounts and documents kept by a licensee and to inspect, examine and copy any of them; and (c) to make such inquiry as may be necessary to ascertain whether the provisions of this Act are complied with so far as regards any person employed by a licensee to assist in the work of a travel agent. 	<p>purposes of the execution of this Act, have power to do all or any of the following:</p> <ul style="list-style-type: none"> (a) to enter, inspect and examine, by day or by night, the place of business of any licensee; (b) to require any person to produce records, accounts and documents relevant to the provisions of this Act or any regulations made under this Act and to inspect, examine and make copies or retain any of them; (c) to make such inquiry as may be necessary to ascertain whether the provisions of this Act or any regulations made under this Act are complied with so far as regards any licensee or person employed by a licensee to assist in the work of a travel agent; and (d) take such photograph or audio or video recording as the police officer or authorised officer of the Board thinks necessary, of the premises and persons on the premises reasonably believed to be acquainted with the facts and circumstances relevant to any contravention of this Act or any regulations made under this Act. 	<p>enforcement powers to be on par with similar licensing regimes.</p>
Section 27	<p>Composition of offences 27. —(1) The Board may, in its discretion, compound any offence under this Act or any regulations made thereunder which is prescribed as a compoundable offence by collecting from a person reasonably suspected of having committed the offence a sum not exceeding \$1,000. (2) The Board may, with the approval of the Minister, make regulations to prescribe the offences which may be compounded.</p>	<p>“Composition of offences 27. —(1) The Board may compound any offence under this Act or any regulations made under this Act that is prescribed as a compoundable offence by collecting from a person reasonably suspected of having committed the offence a sum not exceeding the lower of the following: (a) one half of the amount of the maximum fine that is prescribed for the offence; (b) \$5,000. (2) On payment of such sum of money, no further proceedings are to be taken against that person in respect of the offence. (3) All sums collected under this section are to be paid into the Consolidated Fund.</p>	<p>The maximum composition sum of \$1,000 was set in 1993, and has lost its deterrent effect.</p>