

Annex A: Summary of key responses and feedback on the proposed amendments to the Travel Agents Act and Regulations

S/N	Proposed Amendment	Feedback Received	MTI/STB's Response
<i>Facilitating pro-business environment</i>			
1.	Proposed introduction of a restricted licence tier for operators of local tours with conveyance but without accommodation.	<p>The term "Restricted" may have negative connotations tied to it.</p> <p>STB should consider introducing a tiered licensing regime based on travel agents' annual turnover. Travel agents in different tiers would be subject to scaled legislative obligations such as minimum paid-up capital (PUC) requirement and the requirement to submit audited accounts.</p>	<p>MTI/STB will rename the licence tiers to more accurately reflect the activities carried out by the travel agents.</p> <p>Making PUC proportionate to the travel agent's turnover will neither provide the necessary recourse for consumers in the event of travel agent insolvency, nor mitigate the risk of sudden closures. A tiered licensing regime based on the travel agent's turnover may also increase the PUC requirement, which will in turn increase the barrier to entry and stifle innovation.</p>
2.	Proposed allowance for travel agents to issue pro-rated refunds to changes to travel products.	Some stakeholders raised concerns that certain travel products may be non-refundable (e.g. air tickets bought at special rates). There were also concerns that the changes to travel products may arise from unforeseen circumstances outside the travel agent's control (e.g. inclement weather).	The regulation pertains to changes that are initiated by the travel agent, including changes arising from situation beyond the travel agent's control. As the intermediary responsible for the services that customers purchase, it is reasonable that travel agents must inform their customers of the changes and offer a refund if necessary.
3.	Proposed exemption of certain entities from requiring a travel agents licence.	There were some concerns that everyone would then be able to conduct tours, and this could reduce business for inbound travel agents. While the financial risk to consumers may be low for tours without passenger-carrying conveyance, such risks may be aggravated if volume increases. Some	Exempting entities that conduct tours without passenger-carrying conveyance (e.g. walking or cycling tours) seeks to foster innovation and vibrancy in the tourism landscape. Notwithstanding the possibility of a large volume of transactions managed by a single operator, the financial risk to an individual consumer remains low since prepayments are typically not collected for such tours.

		stakeholders suggested imposing some limits on volume, or ensuring that tour operators have sufficient financial resources to ensure recourse to consumers. In the case of cycling or similar tours, there may also be physical or safety risks.	MTI/STB will consider audits and various enforcement approaches to ensure compliance to the requirements. There are also other existing regulations that will address safety concerns, e.g. the Road Traffic Act and Active Mobility Act.
<i>Strengthening consumer safeguards</i>			
4.	Proposed amendment of the prohibition on “false or misleading” advertisements to “inaccurate or erroneous” advertisements.	"False or misleading" advertisements have malicious intent and travel agents carrying out such ads should still be prosecuted. As such, the prohibition on "false or misleading" ads should be retained as a criminal offence, while the prohibition on "inaccurate or erroneous" ads can be introduced as a new contravention punishable by administrative financial penalties (AFP).	MTI/STB is agreeable with the suggestion. The prohibition on publishing "false or misleading" advertisements will be retained as a criminal offence, and a new prohibition on publishing "inaccurate or erroneous" advertisements will be introduced as a contravention punishable by AFP.
5.	Proposed prohibition on collection of money via personal bank accounts.	The proposed prohibition is potentially disruptive to businesses, as certain business models may require accepting payments to personal accounts (e.g. where a foreign customer makes payment to the personal bank account of a foreign-based representative acting on behalf of the travel agents).	MTI/STB recognises the challenges faced by businesses and has intended for the prohibition to be confined to payment for a consumer's travel product that enter a Singapore bank account.
6.	Proposed legislation of the requirement to inform customers of travel insurance that protects	The requirement imposes administrative burden on travel agents, and travel agents may not be painting a positive picture of themselves when bringing up the possibility	The requirement is important to ensure that consumers take steps to protect their prepayments and deposits adequately. STB provides materials such as advisories and infographics to help travel agents explain the requirement to their customers.

	against travel agents' insolvency.	of travel agents' insolvency to their customers.	
		Travel agents should be required to include travel insurance in all travel packages. Travel agents can negotiate with insurers on the price of the insurance policies.	Consumers should have the discretion on purchasing travel insurance policies. Some may not wish to purchase travel insurance or may already have their own arrangements such as annual travel insurance policies.
		Consumers purchasing travel insurance may increase irresponsible behaviour from travel agents. Direct consumer protection measures such as trust accounts should be considered instead.	In considering consumer protection measures, there is a need to balance the benefits of such measures with the added business costs for travel agents. These additional business costs may also be passed on to consumers. In addition, similar irresponsible behaviour may also occur with direct consumer protection measures.
7.	Proposed requirement for travel agents, upon receiving payment or deposit amounting to \$500 or more, to issue itemised receipts and either: (i) a booking form in respect of which the payment or deposit was received; or (ii) the tickets in respect of which the payment or deposit was received.	Stakeholders raised concerns that requiring travel agents to provide an itemised breakdown of costs of the travel products could potentially affect a travel agent's commercial confidentiality, as some may have negotiated special rates with their suppliers that should not be disclosed publicly. In addition, cost breakdown may not be available from suppliers at the onset. It is also unclear if the minimum payment/deposit amount of \$500 is applicable on a per pax basis.	The intent of the requirement is to ensure that consumers are provided with proof of payment, and an itemised list of the travel products they have paid for, to facilitate queries, clarifications and claims. However, MTI/STB acknowledges the challenges relating to commercial sensitivity and will fine-tune the requirement such that travel agents, upon receiving payment or deposit amounting to \$500 per pax or more, will have to issue a receipt (which need not be itemised) and a separate itemised list of components of the travel product for which the payment or deposit was made.