

2nd edition, December 2004

Translation

O

Framework principles and conventions governing relationships between parties involved in passenger rail transport with respect to accounting and financial arrangements for international transport services and ancillary services

Principes et conventions cadres régissant les relations entre les acteurs du trafic ferroviaire voyageurs, pour la répartition comptable et financière des prestations de transport internationales et des services associés

Grundsätze und Rahmenvereinbarungen zur Regelung der Beziehungen zwischen den Akteuren des Eisenbahnpersonenverkehrs für die Verteilung der internationalen Verkehrsleistungen und Zusatzleistungen aus abrechnungs- und finanztechnischer Sicht



UNION INTERNATIONALE DES CHEMINS DE FER
INTERNATIONALER EISENBAHNVERBAND
INTERNATIONAL UNION OF RAILWAYS

Leaflet to be classified in Volume:

III - Finances, Accountancy, Costs, Statistics

Application:

With effect from 1 December 2004

All members of the International Union of Railways

Record of updates

1st edition, December 2000 First issue

2nd edition, December 2004 Minor modifications

The person responsible for this leaflet is named in the UIC Code

Contents

Summary	1
1 - Parties involved.....	2
1.1 - General outline of relationships	2
1.2 - Definition of parties and their responsibilities	2
1.2.1 - Service provider	2
1.2.2 - Issuer	2
1.2.3 - Allocator	3
2 - The principles and conventions governing relationships	4
2.1 - Relationships between UIC members	4
2.2 - Other relationships.....	4
2.2.1 - Accounting relationships	4
2.2.2 - Relationships between a UIC issuer and a sales office	4
2.2.3 - Relationships between a UIC issuer and an external accounting body	5
2.2.4 - Relationships between a UIC issuer and a non-UIC issuer	5
2.2.5 - Relationships between a non-UIC issuer and a UIC service provider	6
2.2.6 - Sub-apportionment between UIC service providers or between UIC and non-UIC service providers	6
2.2.7 - Relationships between a UIC allocator and an external accounting body	7
Appendix A - Diagram of international relations	8
Appendix B - Options for outsourcing accounting activities	9
Appendix C - Choice between joint or separate rail/air ticketing systems	13
Glossary	16
List of abbreviations	17
Bibliography	18

Summary

The purpose of *UIC Leaflet 306* is to identify the different relationships which may exist between those involved in passenger rail transport with respect to accounting and financial arrangements for international transport services and ancillary services.

For each type of relationship affecting at least one UIC member railway undertaking (RU), the leaflet indicates the reference text setting out the regulations and specifies the corresponding basic principles. Moreover, it contains a precise definition of the parties involved (service providers, issuers and allocators), their roles and responsibilities.

1 - Parties involved

1.1 - General outline of relationships

There are two types of relationship:

- accounting transactions (for the purpose of this leaflet, accounting transactions cover all information exchanged between players to justify financial settlements, e.g. sales advice slips and checks and international apportionment statements),
- financial transactions.

There are three distinct categories of parties:

- the service provider: who carries out the service,
- the issuer: who sells the service,
- the allocator: who manages seating availability and price.

More detailed definitions are given in point 1.2 below.

The general outline of relationships is presented in diagram form (see Appendix A - page 8).

1.2 - Definition of parties and their responsibilities

1.2.1 - Service provider

A RU (see List of abbreviations - page 17) involved in providing transport or a service and which, in return, directly receives part of the sales price.

The service provider may be:

- a UIC RU identified by a UIC code,
- a non-UIC RU, which therefore has no UIC code (e.g. a private RU or EEIG (see List of abbreviations - page 17) acting on behalf of carriers).

1.2.2 - Issuer

A company which distributes products to customers. Distribution takes place via the RU's own stations, a travel agency accredited by the RU (either in the RU's own country or abroad) or through stations owned by another RU which have been approved by the "issuing" RU and, as such, are considered to be direct outlets thereof for sale of the services in question. Organisation of the process may involve using a system other than the issuer's, GDS (see Glossary - page 16 and List of Abbreviations - page 17) or other.

The **issuer** is obliged to transfer to the **service providers** their share of services sold. This is done on the basis of accounts drawn up by either the issuer or the allocator in accordance with the provisions set down in the texts governing relationships between issuer and service provider (see point 2 - page 4).

The issuer is therefore responsible for the proper management of tickets sold by its sales outlets and the corresponding collection of revenue from these outlets.

The issuer may be:

- a UIC company identified by a UIC code,
- a non-UIC company which, consequently, does not have a UIC code (e.g. subsidiary of a RU responsible for distribution in a given sales area or a distributor EEIG).

A UIC issuer may, while retaining responsibility, contract out part of the accounting work to a third party in accordance with the conditions and restrictions set out in Appendix B - page 9. Such a decision must in no way affect its responsibility vis-à-vis UIC allocators or service providers.

The issuer bears the exchange risks associated with the sale of a service in a currency other than that used to pay service providers.

The sales office liaises directly with the customer and hands over the ticket. It may be a station, agency, outlet or subsidiary, etc. and may or may not be situated in the same country as the "issuing" company to which it is attached for a given sales area.

1.2.3 - Allocator

A company whose IT system has a record of available seats and corresponding prices (for its own services or those of other RU) and which can transmit in real time to another "issuing" company either the seating details and price of the service or merely its price (open ticket).

The sale of a given service may involve the functions of issuer and allocator being carried out by one and the same company.

It makes no difference to the issuers if the allocator's product is stored in a GDS or another company's system. They can still access the product as if it were present in the allocator's system and the latter accepts fully its incumbent responsibilities (in particular, as regards accounting).

The allocator must be a UIC company identified by a UIC code.

The UIC allocator may, while retaining responsibility, outsource part of its accounting work to a third party.

2 - The principles and conventions governing relationships

2.1 - Relationships between UIC members

Accounting transactions and financial settlements are governed by *UIC Leaflet 301, 301-1 and 311* (see [Bibliography - page 18](#)), and the *accounting provisions set out in the special appendices to the TCV*.

However, sub-apportionment between UIC service providers is not covered by the above texts (see [point 2.2.6 - page 6](#)).

2.2 - Other relationships

2.2.1 - Accounting relationships

Extension of the principles governing accounting, financial relationships and anti-fraud measures in passenger traffic to non-UIC companies:

A model cooperation agreement between a UIC member RU and a non-UIC company concerning the reciprocal application of procedures conforming to UIC leaflets has been foreseen and appears in the appendix to UIC leaflets series 301.

2.2.2 - Relationships between a UIC issuer and a sales office

2.2.2.1 - Stations

These relationships are addressed in the issuer's **internal regulations**.

2.2.2.2 - Agencies

These relationships are regulated by the provisions laid down in the **accreditation contract** between the agency and the issuer.

The accreditation contract must fulfil the regulations set out in *UIC Leaflet 130* (see [Bibliography - page 18](#)).

2.2.2.3 - Link-up via an external system (for stations and agencies)

An issuer may agree to some of its points of sale being linked into its distribution network via an external system (GDS or other) with a view to carrying out operations:

- either using its own distribution system,
- or using the distribution systems of foreign RUs.

If an issuer authorises a link-up between its distribution system and certain points of sale situated in a foreign country (with or without a UIC company), these points of sale become part of the issuer's distribution system.