

July 31, 2015

## Paving the road to “Global Standard Tourism”

Japanese travel agents operate on the basis of the “General terms and conditions of travel contracts.” The Travel Agency Law postulates that to conduct travel business travel agencies have to prepare and submit for the approval of the Commissioner of the Japan Tourism Agency a travel contract with terms and conditions which ensure strict consumer protection. However, the general terms and conditions of travel contracts have also been criticized for preventing travel agents from responding to and acting in accordance with international business practices.

While engaging in consumer protection activities JATA holds a firm belief that aligning with global business practices will improve the overseas travel market in Japan and thus has stood for the relaxation of the requirements imposed on travel agencies applying for approval of their travel contracts.

The conditions described below have been relaxed as a result.

1. Order-made package tours for groups and individual travelers: revision of the guarantee of tour itinerary

When the “Hotel List” (a list of overseas hotels compiled by the travel agency) is published in the tour pamphlet and the travel agency upgrades the initially booked hotel, the agency will not have to pay compensation to the customer for the change. (This, however, will be the case only when both hotels are included in the “Hotel List.”) This change rescinds the “compensation payment for *the change of hotel*” and as a result improves hotel booking conditions.

2. Group package tours: revision of the terms and conditions regarding cancellation charges

Under the new terms and conditions it will be possible to charge customers with the airfare for tours starting from and ending in Japan (limited to APEX, PEX, and LCC fares) as cancellation fee for tour cancellations made by them. This revision will avert “multiple simultaneous reservations” and reservations made “just in case.” In addition to the change described in (1) above, the revision of the terms and conditions of cancellation charge is expected to result in making feasible hotel and air seat reservations only.

3. The above changes will be included in the general terms and conditions of travel contracts. Travel agents, however, have to obtain a supplementary approval from the Commissioner of the Japan Tourism Agency to become eligible to implement them.

- Applications will be accepted by local authorities in charge of travel business authorization (district transport bureaus) from August 1<sup>st</sup>, 2015.
- Travel agents that have obtained a supplementary approval can implement the relaxed terms and conditions from October 1<sup>st</sup>, 2015 onward.