

Subject:

ECTAA Newsletter September 2024



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September 2024

What's happening in Brussels

German Court refers question on the VAT treatment of negative margins to the European Court

In a decision of 20 June 2024, the German Supreme Tax Court asked the ECJ for a preliminary ruling as to whether the margin taxation for travel agents must also be applied in a case of „bus excursions“ organized by a company with the intention of promoting the sale of its goods. With the second question, the Supreme Tax Court asks whether a travel service within the meaning of Article 306 of the VAT Directive also exists in the case of a negative margin. If a negative margin does not change the qualification as a travel service, the Supreme Tax Court raises the third question as to whether a negative margin can lead to a “negative tax”, i.e. to a refund for the taxpayer. This case is not yet available in on the website of the ECJ.

New requirements to travel to Europe for non-EU nationals imminent

The Entry/Exit System (EES) is an automated IT system for registering non-EU

nationals travelling for a short stay, each time they cross the external borders of any of the 29 Schengen states (EU countries, except Ireland and Cyprus + EFAT countries, i.e. Iceland, Liechtenstein, Norway and Switzerland). The aim is to identify overstayers and combat identity fraud by collecting biometric data. The EES is scheduled to go live in autumn 2024, after which non-EU nationals travelling to Europe will be required to register within the scheme, which will involve having their passport details and biometrics recorded – including finger prints and facial scans - at border crossings. Movements into and out of the EES area will then be tracked electronically. The launch date will soon be announced. The official website for the EES is available [here](#).

New requirements to travel to the UK for EU nationals

[ETA](#) is a travel authorisation permit that is/will be required by non-British/non-Irish nationals visiting the UK who do not require a UK visa e.g. EU/EFTA (excluding Ireland), Japan, Canada and USA. Start date varies by nationality – see [here](#). It is already effective for GCC countries. Nationals of EU (except Ireland), EFTA and other European microstates (e.g. Vatican City, Andorra, etc.) will be able to apply as from 5 March 2025 for travel from 2 April 2025. Applications can be done [here](#). The ETA costs £10. Everyone travelling needs to get an ETA, including babies and children.

Germany reintroduces border checks

Germany has [notified](#) the temporary reintroduction as of 16 September 2024 of checks at all its land borders, including now Germany's western and northern borders. Border checks were already in place at Germany's borders with Poland, Austria, Switzerland and the Czech Republic, which will continue unchanged. The Federal Police will conduct border checks in a targeted way to combat cross-border crime and further limit irregular migration. This may have temporary negative impacts on cross-border traffic. Travellers and commuters are asked to have official identification (national ID card or passport) with them. This is a requirement for all cross-border travel, regardless of any checks. Nationals of non-EU countries must meet the requirements for entering Germany, including a visa, if necessary. Further information on the border checks is available from the Federal Ministry of the Interior and Community [here](#).

Announcement of new Commission composition and portfolio

On 17 September Commission President Ursula von der Leyen unveiled her 26 European Commissioner candidates for 2024-2029. She has entrusted the new portfolio Sustainable Transport and Tourism to Commissioner-designate Apostolos Tzitzikostas from Greece. He will have the mission to "help maintain Europe's standing as a leading tourist destination, while ensuring the sector's resilience, sustainability and competitiveness". He will also be responsible for passenger rights and presenting a 'Single Digital Booking and Ticketing Regulation'. The portfolio for consumer protection goes to Irish Commissioner-designate Michael McGrath. He will be responsible for updating the Consumer Agenda 2025-2030 and proposing a new Action Plan for consumers in the Single Market. GDPR will also be in his remit. Further information on the Commissioner-designates is available [here](#).

The Commissioner-designates will present themselves to the Members of the European Parliament, who will be able to question the candidates. After that, the Commission as a whole is approved in a single vote of consent by the Parliament. The European Council, acting by qualified majority, formally appoints the Commission's new leadership. The new Commission will then take office before end of the year.

Debates over linked travel arrangements in Council, Saliba reappointed Rapporteur in the European Parliament

The revision of the Package Travel Directive's provisions on linked travel arrangements (LTAs) is causing divisions among EU Member States. The European Commission aimed to simplify definitions by eliminating the distinction between packages and LTAs bought at a single point of sale, but this change has led to confusion among industry professionals and various governments.

The Hungarian Presidency has presented three options regarding the future of LTAs. The first option, favoured by several countries including France and Italy, suggests abolishing LTAs altogether, on grounds that they lack consumer protection and are difficult to understand. The second option, supported by Austria and Germany, proposes retaining the LTA definition to ensure consumer protection remains intact, despite its complexities. The third option, backed by Cyprus, Spain, and Slovenia, would integrate LTAs into the overall package definition, emphasizing clarity in booking processes; however, it faces opposition from Italy, France, and Germany due to potential definitional issues.

As of now, no consensus has been reached, leaving Member States confused about the next steps.

At European Parliament level, [Alex Saliba \(MT, S&D\)](#) has been appointed rapporteur on 17 September. Mr Saliba will organise a workshop with interested stakeholders on this topic in October. He aims at publishing a draft report by the end of November.

Spanish Royal Decree: Urgent Action Required - Contact Spanish Authorities

As you may be aware, the Royal Decree is set to come into effect on 1st October 2024. This new legislation could have significant implications for travel agents and tour operators across Europe.

To ensure your concerns are heard, the Secretariat has developed a series of model letters aimed at addressing the potential challenges posed by this burdensome and intrusive regulation. These resources are now available in your inbox (dated 18 July 2024) and on the ECTAA website.

We strongly encourage you to use these materials to voice your concerns and engage with the Spanish authorities promptly.

Interpretive guidelines 261/20004

The Commission published on 22 July 2024 the English texts of the revised Interpretative Guidelines on Regulations (EC) No 261/2004 (air passenger rights), 2027/97 (air carrier liability in the event of accidents) and 1107/2006 (rights of disabled persons and persons with reduced mobility when travelling by air). Once adopted in all the remaining EU official languages, these texts will be published in the Official Journal of the EU and will replace the current interpretative guidelines for these Regulations from 2016.

The Interpretative Guidelines now to be adopted update the previous Guidelines on air passenger rights to include the relevant Court rulings handed down between 2016 and July 2024. Among other things, they aim to provide greater clarity on a number of provisions contained in Regulation (EC) No 261/2004, in particular in the light of the

Court's case-law.

These Guidelines are intended to tackle the issues most frequently raised by national enforcement bodies, passengers and their associations, the European Parliament and industry representatives. They do not seek to cover all provisions in an exhaustive manner, nor do they create any new legal provisions. The new interpretive guidelines can be found here.

IATA Corner

IATA BSP figures for first half 2024

The average sales development for Europe was +2,4% in the first 6 months of 2024 vs 2023. The strongest growth rates were seen in the BSPs of Denmark +11,3%, Russia +11,1%, Kazakhstan +10,8% and Lithuania +10,1%. Close to 10% growth rates were also seen in the Netherlands and Turkey. The BSPs in the following markets showed the weakest development for the first half of 2024 vs 2023: Ukraine with -13,4%, Kosovo -5,2% and North Macedonia -5%. There were also declined sales in the BSPs of Switzerland, Greece, Finland, Norway, Austria, Albania, Israel, Belgium, Malta and Romania.

Comparing the first six months of 2024 with the same period of 2019 Azerbaijan is at +102,2%, Greece +85,7% and Latvia +51,2%. The weakest markets are Finland at -38,2%, Kosova -22,4% and Austria -15,2% resulting in an average for Europe of -5,9%.

The BSP statistics can be found in the member section of the website [here](#).

Sustainability Corner

EU aviation sector forced to report vapour contrail effects from 2025

New EU regulations will see airlines required to measure and report non-CO2 emissions from flights from January 2025. That would include contrails, nitrogen oxides and sulphur. Contrails or condensation trails are created when ice crystals form around tiny particles of carbon emitted by a plane's engines when they fly through layers of humidity. Studies have indicated that contrails could be responsible for over half (57%) of global warming effects from aviation, a sector estimated to be the cause of 2% of worldwide CO2 emissions. A 2019 research paper meanwhile, forecasts that radiative effects from contrails could triple by 2050. Gathering more data as a result of the new regulations is expected to help scientists understand how to better reduce global warming.

Preferred Destination



Bulgaria's development into a MICE tourism destination

We spent the past few months focusing on Bulgaria as ECTAA's Preferred Destination for 2024, during which we have showcased the country's amazing and abundant opportunities for summer activities, cultural trips, SPA retreats, hikes in the mountains, and explorations of this treasure trove of cuisine. What we noticed is that the resources that allow Bulgaria to provide such great travel options also allow for the development of a strong MICE setting. Here are the key factors which should make you consider Bulgaria for your next upcoming conference. [View more](#)



Webinar "Unlocking Bulgaria's Heritage: A Deep Dive into Culture, Wine, and Culinary Excellence"

Home to one of the oldest cultures in Europe with evidence of wine production dating back to 4000 BCE, Bulgaria is a lively blend of millennium-old folk traditions and rich culinary legacy. The beauty of this country is unspoiled and waiting to be discovered. Feel free to share this webinar invite with your Members.

Registration

Unlocking Bulgaria's Heritage:

"A Deep Dive into Culture, Wine, and Culinary Excellence"

Friday 20 September 2024

10:00 CEST

Join the webinar



Mr. Stefan Bozadzhiev
From the Association of the
Bulgarian Tour guides



Mrs. Ekaterina Hristova
From the Association of wine
professionals of Bulgaria



Travel Industry Ambassador Programme

Industry Partner



Transforming the Future of Travel with Mize

We are pleased to share that Mize has become a valued member of our Travel Industry Partner Programme. Mize is set to transform the travel sector through its innovative fintech solutions, which have the potential to enhance travel companies' profitability by up to 40%.

[To know more](#)

Ambassador

In the frame of the ECTAA Travel Industry Ambassador Programme, we are happy to introduce:

Vincent Snauwaert, Public Affairs Manager TUI Group

Vincent Snauwaert, a Belgian professional in aviation and tourism based in Brussels. He currently represents TUI Belgium as the Public Affairs Manager and holds the position of Secretary General at the Belgian Air Transport Association (BATA). With a solid educational and professional background in tourism, aviation, and



European politics, Vincent has honed his expertise in aeropolitical and governmental affairs, initially being introduced to the public affairs field during his time as a Public Affairs Officer at the Airport Regions Council (ARC).

Drawing from various experiences, including his time as a trainee at the Belgian embassy in Chile, the European Parliament, and a language institute in Argentina, Vincent Snauwaert applies his valuable insights to navigate the fascinating landscapes of aviation, tourism, and politics. His dedication to improving and positively influencing the industry is rooted in a diplomatic approach that nurtures mutual respect and cooperation

Events

Webinar on European Tourism Statistics

Did you know that 12% of the nearly 3 billion nights spent in the EU in 2023 were spent in only 4 top regions? Canarias, Ile de France, Cataluña, and Adriatic Croatia recorded the same number of nights spent as Austria, Portugal, and the Netherlands together. If you want to learn more on European tourism statistics, then join the [online webinar](#) organised by Eurostat on 18 September 2024, from 15h00 to 16h00 (CET). This webinar will introduce you to European tourism statistics, including the recent innovative project on data sharing with Airbnb, Booking, Expedia Group, and Tripadvisor. They will also discuss recent innovations in tourism statistics and how statistical data interact with policymaking.

Webinar on 'How EMAS Can Support Improving the Sustainability of the Tourism Sector'

The EU Eco-Management and Audit Scheme, short EMAS, was established by the European Commission and is a voluntary management tool that helps companies and organizations evaluate, report, and improve their environmental performance. The Commission is organising a webinar on Friday, 27th September 2024, from 10:00 to 12:00, with the following objectives:

- Introduction to EMAS and why joining EMAS can help tourism companies reduce their environmental impacts while ensuring transparency to their customers.
- Learn about the sustainability policies of key actors, such as booking platforms and be informed about the latest related Climate Ambassadors' actions for promoting more environmentally friendly tourism in Europe.
- Learn from the experiences of EMAS-registered organizations good practices in the sustainability sector

Registration can be made [here](#).

ASTA River Cruise Expo 2025 for ECTAA Members

ASTA - American Society of Travel Advisors- is organizing the [River Cruise Expo 2025](#), scheduled for March 12-15, 2025, in Vienna, Austria. The event aims to connect

European travel companies with over 1,500 U.S.-based travel advisors, providing a platform for networking and understanding the European market. To encourage participation, ASTA is offering ECTAA members a discounted rate of \$1,000 off the standard registration fee. Each registering company will also receive an additional event badge valued at \$499, granting access to various events including the Welcome Reception and the Tradeshow. Exhibitor booths will be reserved for ECTAA members, located near a significant group of Austrian attractions. Contact ECTAA or the national association for access to the promotion code and registration.

Save the Date

18 September: Webinar on European Tourism Statistics

20 September: Webinar: Unlocking Bulgaria's Heritage - registration

24-25 September: Airline & Travel Payments Summit B2B – London

8-10 October: World Aviation Festival, Amsterdam

24-25 October: 129th ECTAA semi-annual meeting, Sofia/Bulgaria

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