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Economic Cooperation

Advancing
Free Trade for Asia-Pacific
Prosperity

The consumer protection mechanisms in regard to a flight being suspended or delayed

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Outline



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- Airlines ceased business in 2016
- Strengthening consumer protection mechanisms
- Conclusion

National airlines ceased business in 2016



- V air and TransAsia Airways terminated operation in 2016.
 - V Air : On August 8, V Air announced that two flight routes from Haneda and Ibaraki airports would be terminated from September 20, and then announced on August 9 that all flights would be terminated from October 1.
 - TransAsia Airways: On November 21, no warning was given, all flights were terminated for one day. Then on the next day , TransAsia Airways ceased business.

Protection Procedures of Consumer Rights



- Consumer disputes **should be resolved in a manner that benefits consumers**

Airlines
processing plans

CAA's
requirement
to airlines

- Transfer to other flights
- Ticket refund (TransAsia Airways set up a \$600 million trust to handle refunds)
- Compensation of passengers' derivative expenditures such as transportation and accommodation costs etc.
- Increasing manpower to help passengers to handle flights transfers and ticket refunds
- Providing appropriate compensation to additional expenditures due to flight cancellation or delay

Strengthening consumer protection mechanism(1/4)



■ Suspending/Terminating Operation :

Amending Article 48 of Civil Aeronautics Act

- An airline intending to suspend or terminate its operation **shall submit a plan to MOTC for approval through CAA.**
- The operation shall be suspended or terminated **no earlier than sixty days after MOTC approval.**

Strengthening consumer protection mechanism(2/4)



■ Suspension/Termination of flight routes :

Amending Article 13-1 of Regulations of Civil Air Transport Enterprise

- Suspending or terminating a scheduled domestic flight route
 - An airline intending to suspend or terminate a scheduled domestic flight route shall submit the consumer protection to MOTC for approval through CAA.
 - The suspension or termination shall be no earlier than sixty days after MOTC approval.

Strengthening consumer protection mechanism(3/4)



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- Suspending or terminating a scheduled international flight route
 - An airline intending to suspend or terminate a scheduled international flight route **shall file the consumer protection mechanisms to MOTC for record through CAA sixty days prior** to the suspension or termination. The submission procedure may not be subjected to above restriction of 60 days in case of force majeure.

The new regulation could make airlines not for only one-side operating consideration to suspend or terminate a flight route. It entrust airlines with the legal responsibility handling reservation passengers before a specific time.

Strengthening consumer protection mechanism(4/4)



■ Flight delayed :

Amending Article 3 of Regulations Governing the Mediation of Disputes Arising from the Transportation between Civil Aviation Passengers and Aircraft Carriers

- If the **flight delays more than 5 hours**, passengers who do not accept the arrangement of the carrier may claim to **refund their tickets from the original ticket sales office and the refund fee shall not be charged by the carrier.**

In the event of flight delays, passengers can not only accordance with relevant regulation to request compensation but also have the right to claim full ticket refund when a exceptionally long delay occurs.

Conclusion



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- It is expected that these new regulations will enhance the consumers protection and improve the quality of air transport service.



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THANKS FOR LISTENING