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**REQUIREMENTS FOR AN APPLICATION FOR ACCREDITATION AS AN  
ACCREDITED BODY**

**1 Introduction**

- 1.1 The requirements for an application for accreditation as an Accredited Body<sup>1</sup> (AB) established in accordance with Regulation 33 of The Civil Aviation (Air Travel Organisers' Licensing) Regulations 2012 are set out in the Civil Aviation Authority's (CAA) Official Record Series 3 (ORS3).
- 1.2 ORS3 states that an AB will be subject to the normal fitness and financial criteria for a standard ATOL holder. It also states that, in order to qualify as an AB, the CAA needs to be satisfied on the AB's ability to carry out the function of an AB, with particular regard to finances, overall governance and its ability to supervise its members (AB members).
- 1.3 This document outlines the CAA's normal approach to the requirements set out in ORS3. Specifically, these are that an AB must have control over client monies, have a robust system for accepting AB members, have a strong risk management culture and have control over the activities of its AB members.

**2 Control of Client Monies**

- 2.1 An AB needs to be able to demonstrate that it has sufficient supervision over client monies. This should include:
- control over credit/debit card, cheque and cash receipts and payments;
  - a robust process of reconciliation, with any reconciling items being dealt with quickly;
  - appropriate limitations of access to the client money; and
  - appropriate segregation of client monies from the AB's other funds and working capital, such as operation of a trust account, segregated client monies account or similar.

**3 Accreditation of an AB member**

- 3.1 An AB's process for accepting new AB members must be robust. The CAA will wish to review processes and be satisfied that, as a minimum, the following are in place:
- a suitable process for accepting and granting membership which includes an assessment of an AB member's fitness and financial strength; and
  - appropriate contractual "terms of membership" which govern an AB member's operation.

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1.The term Accredited Body or AB means an existing Accredited Body or an applicant for a new accreditation as an Accredited Body, unless otherwise stated.

#### **4 Risk Management**

- 4.1 An AB must be able to demonstrate a strong risk management culture, which should, at least, include:
- a process for identifying, reporting and addressing business and operational risks;
  - a process where the AB can learn lessons from the default of an AB member; and
  - a process to identify and address issues of non-compliance by AB members.
- 4.2 The CAA may additionally require an AB to have a comprehensive insurance policy negotiated and maintained annually that includes fraud and failure of an AB member.

#### **5 Business Operations**

- 5.1 An AB must have sufficient control over the activities of its AB members and must be able to demonstrate those controls to the CAA. As a minimum, the CAA needs to be satisfied that the AB:
- has processes in place to ensure the consistency and quality of the documentation issued by an AB member;
  - is able to demonstrate the contractual arrangements between ABs, AB members and suppliers;
  - is able to report information accurately to the CAA;
  - ensures AB members have suitable business systems in place which report accurately into the AB;
  - operates a complaints handling process that is accessible to customers of AB members;
  - maintains an up to date list of AB members which should be published on its website; and
  - has formal procedures for dealing with a default or failure of an AB member and is able to demonstrate compliance with those procedures.