

**Please submit applications by mail or courier only**

**When submitting the completed licence application, please ensure this checklist, the appropriate forms and documents are included along with your original security document, financial statements, and payment in Canadian funds.**

**Incomplete applications will be returned without review.**

**BUSINESS QUALIFICATION**

In order to apply for a licence, an applicant must submit the forms, documents and other information required by the Director in accordance with section 144 of the *Business Practices and Consumer Protection Act*.

**YOU MUST INCLUDE:**

- A completed application form. A licensee must have a licence for each location from which they conduct business in British Columbia. Applicants must be 19 years of age or older.

If you plan on operating from a residence, you must complete and have notarized the Statutory Declaration – Residence Is A Place of Business form and include with your application. This form is available at [www.consumerprotectionbc.ca](http://www.consumerprotectionbc.ca) – travel – forms.

Under section 9(1)(b) of the Travel Industry Regulation, all licensees must carry on business only using names under which they are registered. All corporations, partnerships, proprietorships and trade/business names must therefore be registered with BC Registry Services.

**YOU MUST INCLUDE:**

- If you are incorporated, a current copy of your incorporation certificate or other evidence of registration for corporations obtained through BC Registry Services;
- If you are a partnership or proprietorship or use any additional business name other than your incorporated name, a current copy of any trade/DBA name registration(s) under which you intend to operate. You can obtain these documents from the BC Registry Services.
- Municipal Licence. Some municipalities will not issue a business licence until they see that you've secured one of our licences. If this is the case, please apply for your municipal licence and forward us a copy of the municipal application and receipt.

**BACKGROUND**

**YOU MUST INCLUDE:**

- A completed criminal record check for senior corporate officers, partners, or proprietor. ALL APPLICANTS that reside in Canada MUST complete an online criminal record check within one day of sending the licence application to Consumer Protection BC by going to the following link: <http://www.sterlingtalentsolutions.ca/Consumer-Protection-BC> and following the instructions for completion. (Please note, once complete a copy will be sent directly to Consumer Protection BC. For more information please visit our website <https://www.consumerprotectionbc.ca/component/content/article/163-about-cpa/general/1359-criminal-record-check>

- ALL APPLICANTS that do not reside in Canada MUST submit a certified criminal record check from their home jurisdiction.

## FINANCIAL QUALIFICATIONS

The applicant must have a sufficient working capital position to reasonably be expected to be able to operate as a travel service business in accordance with Travel Industry Regulation 3 (b).

### WORKING CAPITAL REQUIREMENT GUIDELINES:

The following table sets out suggested minimum amounts of working capital based on certain characteristics of the business model to be used by the applicant:

Business Model	Franchised? Y/N	Home-based Minimum Working Capital	Commercial Space Minimum Working Capital
Travel Agent	N	\$10,000	\$20,000
Travel Agent	Y	\$5,000 plus cost of the franchise	\$15,000 plus cost of the franchise
Travel Wholesaler	N	\$10,000 plus cost of the 1 <sup>st</sup> 3 months of travel services purchased for resale	\$20,000 plus cost of the 1 <sup>st</sup> 3 months of travel services purchased for resale
Accommodation Provider/Wholesaler	N	\$10,000	\$20,000

1. The amounts specified above are guidelines only. Each application for a travel service licence will be considered on its own merits;
2. The amounts of working capital specified above assume the travel service business will operate in a manner typical of the business model indicated. If the applicant has unusual plans for the start-up or operation of the business that will require additional funds, the director can determine that more working capital is required;
3. The security requirement(s) of the applicant is in addition to the amount of working capital set out above as the security will be held throughout the terms of all licences issued plus a further claim limitation period of 6 months following the cancellation or expiry of the last licence issued. **The security cannot be considered a current asset of the applicant;**
4. Receivables owed to the applicant by shareholders or related parties must be excluded from the calculation of current assets;
5. Amounts owed by the applicant company to owners/shareholders and/or related parties must be formally subordinated by both parties to be excluded from the calculation of current liabilities;

A credible cash flow statement for one year indicating sufficient working capital may be accepted in lieu of the suggested amount of start-up working capital;

### IN THE CASE WHERE THE APPLICANT IS A NEW BUSINESS, YOU MUST INCLUDE:

- An opening balance sheet that identifies the applicant's legal name; that is dated and certified correct by an authorized signing officer(s) of the applicant.
- The balance sheet must be current to within 90 days of the application and demonstrates:
1. Current assets -see #3 in chart above;
  2. Liabilities;
  3. Equity;

**IF THE APPLICANT HAS BEEN IN BUSINESS OVER A YEAR, YOU MUST INCLUDE:**

- Financial statements that are certified correct by the authorized signing officer(s) of the applicant. They must be current to within 90 days of application.

Financial statements must be prepared in accordance with generally accepted accounting principles (GAAP) or International Financial Reporting Standards (IFRS). Consumer Protection BC cannot assist you in providing conforming documents.

**Please note: Applicants are strongly encouraged to use a qualified person to prepare their financial statements.** The leading cause of application rejections are financial statements not prepared to Canadian standards of generally accepted accounting principles (GAAP) or the International Financial Reporting Standards (IFRS). If you are unsure of the necessary requirements or are unable to prepare statements to either of these standards, we suggest you have the statements prepared by an accounting professional. Failure to provide statements in a correct format may result in the return and/or rejection of your application.

**A Subordination of Shareholder & Principal Loans/Shares and Postponement of Claim (if applicable).** If the company owes money to its owners or parties that are related to the owners and the debt is either payable on demand or without any repayment provisions, the debt will be deemed by our office to be a current liability of the company. This will negatively affect the working capital position of the company by decreasing the amount of working capital by the amount of the debt. However, if both the company and the lenders formally agree that the debt will not be paid unless our office approves the payment and execute a subordination agreement provided by our office to that effect, the debt will be deemed to be a long term liability. As a long term liability, the debt will not have a negative effect on the company's working capital. However, we must first receive the original of the duly completed, signed and witnessed subordination agreement for safekeeping in our office. This form is available at [www.consumerprotectionbc.ca](http://www.consumerprotectionbc.ca) – travel – forms.

Applicants must provide and maintain security acceptable to the Director, pursuant to section 14 of the Travel Industry Regulation

**YOU MUST INCLUDE:**

- Security of \$15,000 in the appropriate format and amount. The original issued document provided by the financial institution or insurer must be included with the application. Sample forms available at [www.consumerprotectionbc.ca](http://www.consumerprotectionbc.ca) – travel - forms.

**Acceptable forms of security:**

1. Cash, presented as a bank draft or money order held in trust by Consumer Protection BC. (Please note that interest is not paid on cash securities.)
2. A letter of credit in favour of Consumer Protection BC issued by a financial institution,
3. A safekeeping agreement in the form of a GIC or similar investment issued in favour of Consumer Protection BC by a financial institution. A safekeeping agreement form is available at [www.consumerprotectionbc.ca](http://www.consumerprotectionbc.ca) – travel – forms.
4. A surety bond (insurance policy) issued through an insurance company authorized to operate in BC.

Applicants acting as a “travel wholesaler” “accommodation provider/wholesaler” must open, operate and maintain a consumer trust account at their financial institution in accordance with section 13 of the Travel Industry Regulation.

**APPLICANTS MUST INCLUDE:**

- Verification of Financial Information (i.e. banking) form. The financial institution and applicant must complete and return a Verification of Financial Information form as part of the application package. (The trust account information on the form is required of travel wholesalers and accommodation provider/wholesalers only.)

**LICENCE APPLICATION FEES**

In order to apply for a licence, an applicant must submit the appropriate fee in accordance with section 144 of the *Business Practices and Consumer Protection Act*.

**YOU MUST INCLUDE:**

- Payment of the applicable application fee. See current fee schedule at [www.consumerprotectionbc.ca](http://www.consumerprotectionbc.ca) – travel - forms.
- Payment of the initial Travel Assurance Fund contribution. This is a one-time payment required of all new applicants and for all new branch applications. See current fee schedule at [www.consumerprotectionbc.ca](http://www.consumerprotectionbc.ca) – travel – forms.

Payment of the application fee and initial contribution to the Travel Assurance Fund may be combined.

Payments may be made using credit card, cheque or money order.

1. Cheques are payable to Consumer Protection BC.
2. Credit card payments may be submitted using the credit card payment authorization form available at [www.consumerprotectionbc.ca](http://www.consumerprotectionbc.ca) – travel – forms.

**IMPORTANT NOTES AND DATES**

- Application processing time is approximately 2-3 weeks.
- All licences expire annually on March 31.
- The annual assessments for contribution to the Travel Assurance Fund are due within 90 days from the end of your fiscal year end. A notification reminder will be sent to the licence holder advising of payment due date.
- Financial declarations must be filed within 90 days from the end of your fiscal year. . A notification reminder will be sent to the licence holder advising of financial filing due date.
- Travel agent/wholesaler, accommodation provider/wholesaler licences are registered to one entity or person and are non-transferable.
- A copy of the *Business Practices and Consumer Protection Act* and Travel Industry Regulation is available online at [www.consumerprotectionbc.ca](http://www.consumerprotectionbc.ca).
- Travel agents selling travel related insurance products should contact the Insurance Council of British Columbia at 604.688.0321 for licensing requirements.

**INCOMPLETE APPLICATION PACKAGES WILL BE RETURNED WITHOUT REVIEW**