



ASSURED

The beam Code of Practice

2023

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Code of Practice Toolkit: the following documents are referenced in the Code of Practice and are available to download from the **beam** website.

- A: [Working agreements between Agency Members & Supplier Members](#)
- B: [Letter of Authority](#)
- C: [beam's Terms of Ethics](#)
- D: [Industry recognised Standard Industrial Classification \(SIC\) Codes](#)
- E: [beam Payment Toolkit](#)
- F: **Enquiry Handling – Best Practice Guidance (to follow)**
- G: [Recommended Agreement for the Serviced Apartment sector](#)

A: The Association

1. Introduction

beam, formerly known as the Hotel Booking Agents Association is a not-for profit trade association and was formed in 1997. Its original membership was made up of independent, well-established agencies which specialised in making event, accommodation, and meeting reservations as their core business.

The Association was formed as a united forum to address common issues and to promote improved standards in product and service delivery by suppliers to the agents' clients.

The Association has evolved to encompass a full cross-section of the industry, including agencies specialising in event delivery, and the meeting and events divisions of travel management companies as well as a range of hotel and venue suppliers such as hotels, conference centres, academic, historic, and sporting venues, and apartment providers.

In 2022 membership was opened to tourist boards and convention bureaux, destination management companies, representation companies, production companies and technology companies.

All **beam** members specialise in providing services, facilities and products relating to the business events, accommodation, and meetings sector.

beam Vision

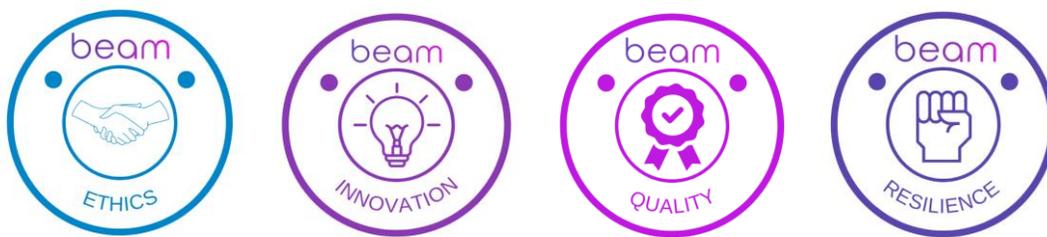
To be recognised as the leading Association for the Business Events, Accommodation and Meetings Industry.

beam seeks to promote professionalism, ethical and sustainable practices, diversity, education, innovation and thought leadership, whilst acting as a unified and powerful voice for our members.

beam Mission

To ensure **beam** membership is seen as a hallmark of quality and that the association remains relevant, financially secure, and future fit.

Association pillars



2. Governance

beam, formerly known as HBAA, is a company limited by guarantee and so does not have a share capital. This means that rather than owning a share, each member is entitled to a membership in the company.

Under the articles of association, each member of the company accepts a limited liability of £1.00 in the event of the company being wound up or dissolved. All members carry the same rights and privileges as set out in the articles of association of the Company including the right to attend the AGM.

The affairs of the association are overseen by the board of directors who make decisions on engaging suppliers and contractors to support the administrative and legislative management of **beam**, and who may form action groups, project groups and sub-committees to carry out activities in line with the association's strategic objectives.

The board is responsible for the legal governance of the association in accordance with the **beam** articles of association. Board members have a duty to uphold the articles and ensure compliance in the way the association operates.

Board of Directors - structure: The board is entirely voluntary, and each appointee becomes a director of the association, registered with Companies House, for the duration of their term.

The board consists of three or more members of the association who ideally commit to serving three years on the board and includes those taking the roles of Chair and Finance Director. Agency members make up much of the board, holding 60% of the available roles regardless of the overall size of the board, which varies according to the association's objectives. Additional board members may be co-opted on from time to time by a majority vote of the existing board.

The association Chair is a board member elected by members of the board. It is preferable that the association Chair serves at least one year on the board prior to taking the chair.

The Finance Director conducts the role of the association's treasurer. The Finance Director is a board member elected by members of the board and it is preferable that they have served at least one year on the board prior to taking the role.

Board of Directors – activities: The board is responsible for determining and delivering the strategic objectives of the association and is chaired by the association Chair. In the absence of a Chair, a rotating Chair role operates across all board members.

Board members commit to attending both in-person and virtual board meetings and strive to attend all association meetings and events relevant to their role, including the AGM.

Action groups, project groups and sub-committees are each led by a board member who recruits and selects volunteer members according to the nature of the activities involved and may include the appointment of relevant voluntary non-members to support and assist with specific projects.

3. Conditions of Membership

This section contains conditions of membership that are to be observed by both the Agency Members and Supplier Members.

- 3.1 As a **beam** member, you are accepting the terms and conditions of the Code of Practice as a Condition of Membership.
- 3.2 All members agree to having their organisation promoted as a **beam** member on the association's website.
- 3.3 All members will pay the annual membership fee within the requested time limit, which from time to time may change. An overdue payment interest charge of 5% over the Bank of England base rate will be applicable.
- 3.4 Members must give written notice to the **beam** Membership Services team of the member's intention to resign from the **beam** at least 28 days prior to the automatic annual membership renewal at the end of the membership year. There will be no entitlement to any refund of fees paid.
- 3.5 Members are to advise the **beam** Membership Services team of key contacts within their organisation who will be available to resolve issues raised with their respective organisations, and both a contact email address and a contact phone number for communications from the association. The **beam** Membership Services team will review this contact list regularly. Any changes to the primary and secondary member contact details shown on the **beam** website should be made by the member using the member profile tool.
- 3.6 **beam** members carry an assurance of quality for their Clients, and it is recommended that the **beam** logo is used on all appropriate promotional material and members' own websites, in accordance with **beam** brand guidelines.
- 3.7 Only members holding a valid certificate of membership are entitled to use **beam** logos and to reference the association on printed and digital collateral, including social media channels.
- 3.8 **beam** logos must be removed within seven days of cessation of membership. Any inappropriate use of **beam** logos should be reported to the **beam** Membership Services team.

B. The Code of Practice for beam Members (“The Code of Practice”)

beam is made up of company members who operate within the business accommodation, event and meetings supply profession, and who wish to improve standards and service delivery within the sector. **beam** actively encourages collaboration across the industry and fosters relationship building to support a harmonious and positive approach to working together.

This Code of Practice sets out the principles by which **beam** Agency and Supplier Members operate and sets out in general terms the standards and duties that it is reasonable to expect both agencies and suppliers to observe.

The document can be used as a point of reference when dealing with potential breaches of the Code of Practice by any member; this is intended to protect the profession, individual practitioners, and their clients.

The Scope of the Code of Practice

1. The protection and guidance offered by the Code of Practice applies to UK trading and only to **beam** Agency and Supplier Members. It is recognised by the wider industry, and is endorsed by the MIA, Advantage Business Travel.
2. The Code has been drawn up to provide the minimum standards to be maintained by all Agency Members and Supplier Members and applies to all business transacted between members.
3. All Agency Members and Supplier Members shall observe the Code of Practice as far as it applies to their business, with all members demonstrating a mutual understanding and respect.
4. Agency Members and Supplier Members are required to sign up to the Code of Practice to confirm their acceptance of the terms and conditions of the Code of Practice as a condition of membership.
5. **beam** may issue changes and appendices to the Code of Practice from time to time.
6. The association commits to conducting regular full reviews of the Code of Practice at intervals of no more than three years.
7. Points within the scope of this document may not be relevant to meetings and events bookings made via online platforms, and specific guidance will be included in a future appendix.

4. Obligations of Membership

This section contains obligations to be observed by all members.

- 4.1 Members must be fully aware of the **beam** Code of Practice and adhere to the code throughout their business. Members sign up to and must uphold all terms and conditions of the Code of Practice and are responsible for ensuring all their relevant employees are aware of and abide by the Code of Practice.
- 4.2 Members agree to uphold the [beam Terms of Ethics](#) as a condition of membership.
- 4.3 Members should ensure that any activity relating to the promotion or receipt of products and services for the purpose of encouraging bookings, is fully compliant with The Bribery Act 2010 and with their own company policies, and their clients' company policies.
- 4.4 Members agree to support **beam** meetings and events with relevant and appropriate representation.
- 4.5 The rate of commission agreed between an Agency Member and a Supplier Member is a matter of commercial negotiation.

beam fully understands that global brands and franchises or those organisations that work with a managing partner model cannot dictate commercial terms to the hotels and venues within their portfolio. Therefore, agents working with these types of suppliers should ensure they have their own mutually agreed terms of business in place.

In a situation where commission is due and no rate of commission has expressly been agreed, it is recommended that the minimum rate of commission is calculated as follows:

- 4.5.1 The most widely spoken of figure, which is commonly acceptable to both sides, is 10%.
For example:

Supplier rate: £100.00 + VAT @ 20% = £120.00.

Commission @ 10% on the net amount = £10.00 + VAT@ 20% = £12.00

Commission @ 10% on the gross amount = £12.00 + VAT @ 20% = £14.40

- 4.5.2 It is recommended that unless otherwise agreed, commission shall be paid on, but is not limited to, pre-booked accommodation, room hire, day delegate rates, 24-hour delegate rates, food and beverage, whether pre-booked by the Agency Member or the Client.
- 4.5.3 Where an agent has placed a piece of business that subsequently repeats at the same venue for the following year without the agent's involvement, best practice is that the venue pays commission for that subsequent booking but not for any further years unless the agent is involved in the entire booking process. Billback alone for a repeat booking does not entitle the agency to claim commission, and agencies should respect that requesting commission which has not been accrued from the outset of the repeat booking may prove challenging for the supplier.

- 4.6 To increase visibility and support of the sector, all member organisations should include an industry-recognised Standard Industrial Classification (SIC) Code when defining their business activities with Companies House. More information can be found [here](#).

4a. Agency Member Obligations

Being a professionally operated organisation, **beam** requires its Agency Members to conform to the following obligations of membership. These obligations have been established to ensure the interests of all members are protected.

beam Agency Members will:

- 4a.1 Hold IATA accreditation or a TIDS code in order to claim and collect commission payments.
- 4a.2 Qualify enquiries as per 'Enquiry Handling - Best Practice Guidance' from [the Code of Practice Toolkit](#).
- 4a.3 During the enquiry process, identify themselves as an agent, and state clearly their requirement for commission, if no existing arrangement is in place.
- 4a.4 Disclose at enquiry stage any specific client terms and conditions applicable.
- 4a.5 Advise the Supplier Member of the payment method at enquiry stage. As differing payment methods for settlement and deposits involve varying costs to the supplier, once a booking is confirmed, the agreed payment method should not be changed without mutual agreement.
- 4a.6 Either identify their Client by name or issue a form of reference and industry sector if they are not able to identify their Client for confidentiality reasons.
- 4a.7 Not alter any rate quoted or offered by a Supplier, without the Supplier's consent, other than for the demonstration of taxes, or currency exchanges.
- 4a.8 Issue confirmation of all booking details to Supplier Members and Clients within an agreed time frame. Such confirmations to be in a clear format, with reference to any relevant terms and conditions of booking and including any booking reference issued.
- 4a.9 Deduct commission at source only with prior arrangement or justifiable cause and when doing so, advise the Supplier Members of the amounts deducted and follow correct invoicing procedures for reconciliation purposes as set out by HMRC.
- 4a.10 Commit to providing pre-arranged access to Supplier Members where mutual educational benefit can be demonstrated. The format of this access is at the Agency Members' discretion.
- 4a.11 Ensure the accuracy of commission invoicing and submit claims in a timely manner. See also Section 7.

4a.12 In the case of a dispute over client billing, the Agency will mediate to support the best outcome for all parties.

4a.13 For best practices in 'Out booking' see points 4b.16 and 4b.17

4b. Supplier Member Obligations

Being a professionally operated organisation, **beam** requires its Supplier Members to conform to the following obligations of membership. These obligations have been established to ensure the interests of all members are protected.

beam Supplier Members will:

- 4b.1 Alert the Agency Member if a specific enquiry has already been received from another agency, or direct from the Client, where it can be verified that it is for the same piece of business. Supplier Members are not obliged to disclose the name of the other agency/agencies involved or that of the Client booker.
- 4b.2 Check that an agency is IATA/TIDS registered if required for business processes.
- 4b.3 Respond to the Agency Member on any specific client terms and conditions applicable to the enquiry.
- 4b.4 Establish the method of payment during the enquiry process.
- 4b.5 Honour commission agreements in place.
- 4b.6 Ensure rate parity is given regardless of the booking source - whether Agency Member or Client - when it can be verified that it is for the same piece of business.
- 4b.7 Pay commission to an Agency Member who places a piece of business, and a provisional/tentative booking is made, even if the Client ultimately confirms the booking directly. See also Section 6.
- 4b.8 Establish the payment method at enquiry stage. As differing payment methods for settlement and deposits involve varying costs to the supplier, once a booking is confirmed, the agreed payment method should not be changed without mutual agreement.
- 4b.9 Agree to pay commission, at the rate(s) agreed between the parties, on all commissionable business. Commission will be due and payable to the Agency Members in accordance with the following:
 - 4b.9.1 Where the Client pays the Supplier Member direct: The Supplier Member should pay commission following receipt of the Agency Member's post-event invoice within 30 days of the invoice date, or within the agreed mutual terms.

- 4b.9.2 Where the Client makes payment through 'disclosed agency' billback, the Supplier Member should pay commission following receipt of the Agency Member's post-event invoice within 30 days of the invoice date, or within the agreed mutual terms, or by deduction of commission at source as per point **4a.9**
- 4b.9.3 Where the Agency Member is acting as Principal: commission will be paid once settlement of the account is received, within 30 days of the commission invoice date, or within agreed mutual terms, or by deduction of commission at source as per **4a.9**
- 4b.10 When requested, provide copy invoices to the Agency Member within 5 working days of the request, or as agreed after departure of guests/final day of event with the Client's permission as appropriate.
- 4b.11 Pay commission due to Agency Members as contracted or confirmed in relation to cancellation charges, 'no show' charges, early departure charges, and other amendments with financial implications.
- 4b.12 Agreed recommended best practice for Supplier Members charging cancellation fees is
 - 4b.12.1 where a Supplier resells the contracted cancelled facilities at the same or higher rates than those contracted, cancellation charges should be waived entirely.
 - 4b.12.2 where a Supplier resells the contracted cancelled facilities at lower rates than those contracted, the cancellation charges should be the difference between the original contracted value of the booking and the achieved resale value.
- 4b.14 In the event of a disputed commission invoice, pay all undisputed amounts within the stipulated time, as referred herein, leaving the disputed amounts outstanding. The Supplier Member shall have a period of 14 days, or as agreed, from the date of the Agency Member's invoice to dispute any amount on the invoice. Once disputed amounts have been resolved such agreed amounts shall be payable within 14 days of the agreement. The amount to be disputed shall not be the total amount of the invoice but shall be the individual amounts unless the total amount is made up of one entry.
- 4b.15 In the event of a venue delivering unsatisfactory service pay commission on the full commissionable value as booked by the Agency if a Supplier Member reduced a client's invoice by an amount representing a discount or credit, the reason for the discount or credit being without doubt due to the Supplier Member's failure to provide a service, unsatisfactory service, or similar circumstance.

4b.16 In the case of **transient accommodation**: Supplier Members should not book out an Agency Member's Client. However, in the unfortunate circumstance that this happens, the Supplier Member will:

- 4b.16.1 Contact the Agency Member immediately and prior to taking action.
- 4b.16.2 Accept full responsibility for the out-booking to the Client and absolve the Agency Member of such responsibility.
- 4b.16.3 Book the Client into an alternative Supplier in close proximity to the out-booking Supplier of at least the same standard or better, or as previously agreed, with all original billing arrangements honoured.
- 4b.16.4 Pay any difference in cost between the originally confirmed costs and those charged by the new supplier.
- 4b.16.5 Arrange and pay the cost of a taxi or appropriate transportation to and from the new Supplier to the out-booking Supplier, if required.
- 4b.16.6 Write to the agent or client, as agreed. The contents of such communication to be mutually agreed.
- 4b.16.7 The out-booking Supplier must ensure that the Agency Member's commission is paid, as per the original commercial arrangements. If the new supplier cannot provide the same commission as the original supplier, then the original supplier must make up the difference.
- 4b.16.8 The out-booking Supplier should ensure that the value of the out-booked business is included towards any commercial agreements. The agent is not entitled to claim duplicate commission amounts from both the original supplier and the new supplier.
- 4b.16.9 In cases of force majeure both parties should refer to their booking contracts.

4b.17 In the case of **meetings and events**: Supplier Members should not book out an Agency Member's Client. However, in the unfortunate circumstance that this happens, the Supplier Member will:

- 4b.17.1 Contact the Agency Member immediately and prior to taking action.
- 4b.17.2 Accept full responsibility for the out-booking to the Client and absolve the Agency Member of such responsibility.
- 4b.17.3 Mutually agree with the Agency Member who will manage the out-booking process to a new venue. If the Supplier Member does this, the new venue must be of at least the same standard or better, and all previous billing arrangements must be agreed and confirmed.
- 4b.17.4 Pay any difference in cost between the originally confirmed costs and those charged by the new supplier.
- 4b.17.5 Write to the agent or client, as agreed. The contents of such communication to be mutually agreed.
- 4b.17.6 The out-booking Supplier must ensure that the Agency Member's commission is paid, as per the original commercial arrangements. If the new supplier cannot provide the same commission as the original venue, then the original supplier must make up the difference.
- 4b.17.7 The out-booking Supplier should ensure that the value of the out-booked business is included towards any commercial agreements. The agent is not entitled to claim duplicate commission amounts from both venues.
- 4b.17.8 In cases of force majeure both parties should refer to their booking contracts.

4b. 18 Agree to having the **beam** association logo automatically included in their displayed content on platforms such as, but not limited to, venuedirectory.com. Supplier Members can opt out of this requirement by informing the **beam** membership services team in writing.

5. Enquiry Process and Options Policies

This guidance serves to:

- Create clearer identification of a Client’s requirements, through improved enquiry qualification and understanding of client brief;
- Provide clients with the best and most suitable match to their requirements;
- Increase conversion rate of provisional booking to confirmed status;
- Minimise the demand that exists within the market as a result of multiple option holding, whereby demands can inflate rates above the “true” market conditions.

Please refer to the “Enquiry Handling - Best Practice Guidance” in the Code of Practice Toolkit to support the below.

Mutual Recommendations

- 5.1 Supplier Members should not amend or cancel provisional bookings prior to the agreed option date/time deadline, unless agreed with the Agency Member.
- 5.2 Agency Member and Supplier Member enquiry/option holding protocol:
 - 5.2.1 Upon receiving an enquiry, where space is available and subsequently offered by the Supplier Member to the Agency Member, the Supplier will provide the Agency Member first requesting the space with a provisional booking for the stated period.
 - 5.2.2 Where a Supplier Member subsequently “denies” or “turns down” business, a Supplier Member should communicate the reason.
 - 5.2.3 When requesting to hold space at venues, Agency Members should support the options policy where appropriate by proposing 2nd or shared options to Clients.
 - 5.2.4 Agency Members commit to working with their Clients towards reducing the number of options held per enquiry with the aim of increasing booking conversions and improving efficiencies.
 - 5.2.5 Agency Members agree to transparency over the number of options held per enquiry and must be mindful of the implications of multiple option holding.
 - 5.2.6 Supplier Members are encouraged to discuss consistently low conversion with relevant Agency Members prior to restricting them from holding space.
- 5.3 At the outset of the enquiry, information which may impact the business/event should be shared between Agent and Supplier Members.

6. Whose Client Is It?

There are four areas to consider when the issue of ‘**whose Client is it?**’ might arise and more particularly who is entitled to receive any commission due from the Supplier Members, and who can make approaches to the Client for business. These areas can be categorised as follows:

- A. Agency Member & Agency Member – Where two agents disagree as to who owns the Client and therefore who is entitled to receive the commission
- B. Agency Member & Supplier Member – Examples such as whether the Supplier Members are entitled to approach the Client, introduced by an Agency Member, directly for business
- C. Agency Member & Client – Examples of whether the Agency Member has been properly instructed to act on behalf of the Client
- D. Supplier Member and Client – Examples such as concerns as to whether the Supplier Member has been properly instructed to act on behalf of the Client.

The following provisions of this section are to be considered as best practice and it is the intention of this section, as it is throughout this document that Supplier Members and Agency Members operate in a fair and ethical manner. Furthermore, the provisions of this section should be used to protect Agency Members/ Supplier Members who invest in developing strong client relationships.

In all cases it is recommended that **beam** Agency Members should disclose a commission-based business model to their clients

- 6.1 It is accepted by Agency Members and Supplier Members that the Agency Member who has been authorised by the Client to enter into a contractual relationship to place business (“Confirmation of Business”) is the Agency Member who is entitled to receive any commission due from the business.
- 6.2 Where there are two Agency Members handling the same booking on behalf of a Client, commission is paid to the Agency Member who confirms the business with the authority of the Client, not necessarily the agency that makes the first enquiry.

In the case of a commercially contracted client transitioning from one agent to a newly appointed or mandated agent after a booking has been confirmed and contracted but prior to the date of arrival, then as part of any de-implementation process, the agent that the venue pays commission to should be agreed between the client and both agents mutually. **beam** recommends that commission is paid to the agent that originally booked and confirmed the business but there may be instances where this does not suit the client, and therefore agreement by all parties must be obtained. Venues are not expected to pay commission to more than one agent.

- 6.3 In the case of a contracted (mandated or rostered) Client, the authority of the Client supersedes that of the client booker.
- 6.4 Where two agencies are involved, the Supplier is not expected to ‘double-up’ commission payments nor mediate the outcome between the parties.

- 6.5 When a client Booker makes a provisional booking direct with a venue, whether for new or repeat business, Agency Members should not declare the bookings as their own and subsequently claim commission from a Supplier Member without the prior agreement of the Supplier Member.
- 6.6 If a Client previously introduced by an Agency Member advises a venue that they would like to re-book, the Supplier Member should inform the Agency Member accordingly. In the case of recurring repeat bookings see **Obligations of membership**, point **4.5.3**
- 6.7 Should a Client at site inspection or post-event discuss further bookings with the Supplier Member, the Supplier Member is to honour the agent/client relationship by providing rate parity (see 4b.6) on the assumption that the Agency Member will be involved, unless otherwise stated by the Client.
- 6.8 Supplier Members are not obligated to pay commission to organisations which are not IATA/TIDS registered.
- 6.9 It is not acceptable practice for a Supplier Member to incentivise a Client introduced by an Agency Member to place subsequent bookings direct by using price, added value items or other beneficial factors.
 - 6.9.1 This does not restrict Supplier Members from maintaining existing and building new relationships with any bookers within any Client organisations.
 - 6.9.2 This does not restrict Supplier Members from signing up Clients to loyalty programmes or reward schemes which are not used specifically to incentivise a Client to book a Supplier directly.

7. Billback, Credit and Handling Client Funds

For an agent to operate billback, approval must be obtained from participating Suppliers.

Given the importance of financial best practice within the accommodation, meetings and events industry, **beam** has set out below the basis on which financial transactions should take place between Agency Members, Supplier Members and Clients, subject to individual commercial agreements between them.

Billback is a service which may be offered by the Agency Members to their respective Clients, whereby invoices for the services provided by the Supplier Member are not settled directly by the client but are sent to the Agency Members for payment. There are numerous variations to the operation of a billback service, but the common definition which exists within the industry should be applied.

Agency Members can act in either of two legal capacities, as a **'Disclosed Agent'** or as a **'Principal'** and have a right to elect which capacity they wish to operate under.

- As a **'Disclosed Agent'**, the Agency Member has no financial liability as this rests with the Client. Where the Agency Member is acting as **'Disclosed Agent'** in order to satisfy requirements imposed by the Tour Operators Margin Scheme (TOMS), then the Supplier Member's invoiced charges must be addressed to the Client 'care of' (c/o) the Agency Member.
- As a **'Principal'**, the Agency Member assumes financial liability for the Supplier's contractually invoiced charges. The Supplier Member's invoiced charges must be addressed solely to the Agency Member.

The billing instructions of the Agency Member should be clearly established with the Supplier Member at the outset of every transaction, either periodically or on a transaction-by-transaction basis. Furthermore, the Agency Member can elect to hold different capacities depending upon the Client.

The Agency Member should identify how they intend to operate billback during the enquiry process, before the booking is confirmed or contracted.

Agency Members agree to operate under one of the following capacities:

7.1 The Agency Member acts as a **'Disclosed Agent'**

This means that the contractual and financial liabilities for the transaction rests with the Client and any debt collection or liability issues or obligations are between the Supplier Member and the Client.

7.1.1 Standard Credit Agreement

There is a credit agreement between the Supplier Member and the Client. The Client empowers the Agency Member in writing to access the Client's credit facility for the fulfilment of the services provided by the Agency Member. The Supplier Member is provided, if requested, with a copy of a letter/contract, (a template for a Letter of Authority can be found [here](#)) prior to any business being placed.

7.1.2 Deferred Liability Agreement

The Agency Member forwards to the Supplier Member details of any Clients to whom it wishes to offer a billback facility. This can be done by transaction or as an ongoing facility.

It is the responsibility of the Supplier Member to carry out the necessary credit checks on the Client. In line with their own policies, the Supplier Member then confirms back to the Agency Member the acceptable credit limit they would offer the Client/s in question.

The Supplier Member may provide a standard credit agreement for signature by the Client. The Agency Member then provides the Supplier Member with evidence of authority from the Client to act on their behalf. This unambiguously confirms:

- The Client's liability for making all payments and settling any debts which may arise in connection with the services provided by the Agency Member, in the fulfilment of the Client's accommodation, meeting and event booking requirements. The Agency may direct the Supplier to pursue the Client directly in the event of default;
- The Supplier Member's right to bring a direct claim against the Client in the event of default;
- The Supplier Member's right to take any necessary steps to recover the debt from the Client in the event of default.

A template for a Letter of Authority is available to download [here](#).

7.1.3 Separate commercial agreements exist between the parties.

The parties establish a separate commercial agreement, wherein the Agency Member acts as a '**Disclosed Agent**', which overrides the provisions of 7.1.1 and 7.1.2 above and thus agree with each other on the terms and conditions particular to their circumstances.

7.2 The Agency Member acts as a 'Principal'

This means that the contractual financial liability for the transaction rests with the Agency Member, and any debt collection issues or obligation is between the Supplier Member and the Agency Member.

7.2.1 Standard Credit Agreement

A credit agreement exists between the Agency Member and the Supplier Member. The credit limit is set at a level advised by the credit checking agencies of the Supplier Member. The Agency Member must abide by the terms of the agreement.

7.2.2 Extended Credit Agreement

Where the Agency Member requires a credit limit beyond the limits recommended by the credit checking agencies of the Supplier Member, the Agency Member will be required, if requested by the Supplier Member, to provide evidence of “credit guarantee insurance” to cover the additional amount of credit required for all the Supplier Members with which the Agency Member places business.

7.2.3 Separate commercial agreements exist between the parties

The parties establish a separate and legal commercial agreement, wherein the Agency Member acts as ‘**Principal**’, which overrides the provisions of 7.2.1 and 7.2.2 above and thus agree with each other on the terms and conditions particular to their circumstances.

Best Practice Guidance Notes

1. If the Agency Member acts outside the scope of their authority, and the Client has not ratified their acts, the Client will incur no liability to the Supplier, but the Agency Member will. It is therefore important to clearly identify the scope of the Agency Member’s authority.
2. The Agency Member shall undertake to hold its Client’s funds in a non-trading account and shall undertake to only use those funds for the purpose of settling the Client’s accounts in accordance with the Client’s remittance.
3. Once in funds from the Client, the Agency Member must make prompt settlement to the Supplier Member within the payment terms agreed.
4. Where an Agency Member is acting as a ‘**Disclosed Agent**’ and the Client transfers money to the Agency Member to pay the Supplier Member on its behalf, and the Agency Member subsequently becomes insolvent or does not use the money to pay the Supplier Member, then the Supplier Member may still pursue the Client for the payment so that the Client may effectively pay twice.
5. Where the Agency Member has not been involved in the initial enquiry and subsequent confirmation, operating billback does not automatically qualify the Agency Member for commission.
6. Agency Members operating billback and deducting commission at source should refer to 4a.9
7. Supplier Members are encouraged to apply these best practice guidelines in their billback dealings with all agencies and not just those who are **beam** Agency Members exclusively.

8. Breach of the Code of Practice

beam does not offer a dispute resolution process for matters which fall outside of the Code of Practice, or between parties where one party is not a member of the Association.

As part of the **beam** Code of Practice, this Process must be recognised and upheld by members: If a member involved in a dispute or potential breach chooses not to follow the Process, they run the risk of expulsion from the Association.

When a member considers that there has been a breach, the recommendation in all cases is that both parties use best endeavors to remedy that breach.

For informal advice on matters relating to the Code of Practice, members can contact [beam membership services](#)

If this does not result in a satisfactory outcome for either, both parties have a right to access the **beam** Dispute Resolution Process as shown below.

Any member found to be in breach of the Code of Practice, or whose professional conduct contravenes our [Terms of Ethics](#) (see point 4.2 in ‘**Obligations of Membership**’) may be expelled from the Association at the decision of a **beam** Dispute Resolution panel.

It is important to recognise that this process relates only to potential breaches of the Code of Practice and any dispute arising from or relating to contractual law is beyond the remit of the Association.

The **beam Dispute Resolution Process**, which is considered as best practice, is summarised as follows, with an infographic shown on Page 21: -

Step 1

Negotiation: As a starting point, **beam** recommends that the parties resolve any dispute arising out of or relating to this Code of Practice without the involvement of the Association, through negotiations between senior executives of the parties, who have authority to settle the same.

If the matter is not resolved, then the party raising the dispute should write to the other party to formally request ‘an invitation to negotiate’ within the next 30 days. At this point there is still no involvement from **beam**.

If at the end of this period the dispute remains unresolved, then the party raising the dispute can take the dispute to Step 2.

Step 2

Consultation: The next stage is to bring before the Governance Director substantiated evidence and background to the breach/potential breach. The Governance Director will then ask a mentor from **beam** – either an agency or Supplier member – to provide advice to both or either party on how to resolve the issue. This will be informal advice, based on best practice. If the matter is not resolved to the satisfaction of both parties following the advice of the mentor, the mentor will refer the matter back to the Governance Director for the final step in the Process.

Step 3

Conciliation & resolution: This is a formal process which commences within 30 days of referral from Step 2. A panel of a minimum of three members of the current **beam** board with representation from both agency and Supplier membership will be appointed by the Governance Director. The panel will hear the dispute and based on the issues presented will propose a resolution for the parties. This resolution is deemed as final, and failure by either party to accept and implement it may result in expulsion from **beam** membership and all benefits of membership being removed with immediate effect.

NB: Nothing in this Process prevents either party, having given written notice to other parties, from seeking further advice from the Chartered Institute of Arbitrators and/or the legal system.

