

## REGULATIONS

On the accounting practices and financial statements of travel agencies.

### *Article 1*

#### *Aims, scope and implementation*

The aim of these regulations is to ensure that necessary information is available in order to ensure that the insurance of travel agencies with regard to package tours complies with the Tourism Act No. 73/2005 since the sale of package tours entails the legal obligation of insurance.

The regulations apply to all those who have obtained a licence from the Icelandic Tourist Board to operate a travel agency, cf. the Tourism Act No. 73/2005 and are hereinafter referred to as licence holders.

The Icelandic Tourist Board estimates the insurance amount on the basis of available documentation. Before an estimate is issued, the board shall seek the opinion of a certified auditor.

### *Article 2*

#### *Accounting system*

The licence holder's accounting system must be well organised and in accordance with current legislation on book-keeping at any given time.

### *Article 3*

#### *The annual account*

When compiling the annual account, a special operational account covering the sales of package tours is to be included. All operational expenses are to be classified according to operational categories and comments accompanying the annual account shall include explanations of the methods used to assign revenue and expenses to specific operational headings. In the event that those methods are changed from the previous year, such changes must be specifically explained.

### *Article 4*

#### *Revenue*

Income from the sale of package tours is to be entered when it has been earned and the service for the most part rendered. Special care must be exercised that income be correctly assigned to each month within the year. In the accounting system it should be possible to monitor the monthly division of revenue for each revenue category within the account code.

In the accounts, income from the sales of package tours shall be kept separate from other revenue and entered under special account codes. It must always be clear which account codes are used for entering income from the sales of package tours.

*Article 5*  
*The provision of information*

Before the 1<sup>st</sup> of October each year, licence holders are to provide the Icelandic Tourist Board with the following information:

- a) The audited annual account of the previous operating year
- b) A survey of monthly turnover for the previous operating year where estimated turnover due to the sales of package tours is specified. The survey is to be confirmed by the account holder's registered auditor.
- c) A survey of estimated monthly operating revenue during the current year where estimated turnover with regard to package tours is specially indicated.
- d) Confirmation by the account holder's auditor that the accounting system complies with the provisions of these regulations.

*Article 6*  
*Estimate of insurance amount*

The insurance amount shall be estimated by the Icelandic Tourist Board after seeking the opinion of a registered auditor. While the estimate is being carried out, the auditor must have unrestricted access to the licence holder's book-keeping documents and account system.

*Article 7*  
*Fees*

The Icelandic Tourist Board is authorised to collect fees from the licence holder which are payable to the Icelandic Tourist Board for the financing of supervision with regard to the legislation; the fee shall amount to a maximum of ISK thirty thousand for each licence holder per annum. The fees are to cover the cost of monitoring accounts and other actions necessary to verify the insurance amount at any given time.

*Article 8*  
*Validity*

These regulations, laid down in accordance with Paragraph 2, Article 17 of the Tourism Act 73/2005 take effect 1 January 2006, and replace regulations No. 530/1998.

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