

November 2006

## **Fair Trading Act**

### **Travel Club Business Licence**

#### **Definition:**

Travel Club Business means soliciting, negotiating, concluding and performing travel club contracts. These contracts will provide members with access to goods, services, discounts or other benefits on the future purchase of transportation, accommodation or other services related to travel.

#### **Licensing Requirements:**

**PLEASE NOTE:** Failure to provide complete information will delay processing of your application and may result in a refund of your fees and closure of your file.

To get a licence for a travel club business you must provide the following:

1. Completed [application](#) form.
2. Completed [Statutory Declaration](#), where independent contractors are utilized.
3. Security in the amount of \$150,000\*. You may get this security in one of two ways:
  - [General Surety Bond](#)
  - [Cash Security Agreement](#) accompanied by
    - an [Irrevocable Letter of Credit](#), or
    - cash (including payment by bank draft, money order, certified cheque – all of these are payable to the Minister of Finance), or
    - a term deposit or other similar instrument in the name of the Minister of Finance, c/o Alberta Government Services, 3<sup>rd</sup> Floor, 10155 102 Street, Edmonton, Alberta, T5J 4L4, in trust for (name of licensee).

\*Note: The amount of security given is a minimum security requirement. The amount could increase at the discretion of the Director of Fair Trading. When setting the security amount, the Director can consider the following: the department's previous history with the business and its partners or directors, the business's financial history, and criminal convictions.

4. A licensing fee of \$200 for the travel club business and \$200 for each additional location. Your cheque should be made payable to the Minister of Finance. If you are applying in person, you can also pay this fee using Visa, MasterCard or cash. This fee is for a one-year licence. Licences take effect the date they are issued.

The department will send you a notice and the appropriate form(s) before your licence needs to be renewed. Licence holders must notify Alberta Government Services in writing if their business licence address changes.

5. A copy of the sales contract(s), which must have the Travel Club Contract Cancellation Schedule (attached) as part of the contract.

### **General Information:**

1. All records, files, books, papers and other related documents must be maintained for 3 years after creation.
2. A business must have a licence and must produce it when asked by a peace officer, a customer or potential customer, or an officer of Alberta Government Services.

### **Contract Requirements:**

9(1) A Travel Club contract must be in writing and include:

- (a) the consumer's name and address;
- (b) the travel club operator's name, business address, telephone number and, if available, facsimile number and e-mail address;
- (c) where the travel club operator employs a salesperson to solicit, negotiate, conclude or perform travel club contracts on its behalf, the salesperson's name;
- (d) the date and place at which the travel club contract is entered into;
- (e) the period in which the travel club contract is to have effect;
- (f) a description of the goods, services, discounts or other benefits offered under the travel club contract that is sufficient to identify the goods, services, discounts or other benefits;
- (g) the total consideration to be paid by the consumer to enter into the travel club contract, including any ongoing periodic fees;
- (h) the terms of payment;
- (i) where credit is extended:
  - (i) a statement of any security taken for payment, and
  - (ii) the disclosure statement required under Part 9 of the Act.

- (2) A travel club contract must include on the front of the contract,
- (a) a statement about the consumer's right to cancel the contract, as set out in the Schedule, or
  - (b) a notice, in not less than **12-point bold type**, indicating where in the contract a statement about the consumer's right to cancel the contract, as set out in the Schedule, is located.
- (3) In the statement referred to in subsection (2), the heading and the statement of cancellation rights must be printed in **not less than 12-point bold type**.

**Legislation:**

[Fair Trading Act](#)  
[Travel Clubs Regulation](#)

Copies of legislation can be obtained from the [Queen's Printer Bookstore](#) at:

Park Plaza  
5 floor, 10611-98 Avenue  
Edmonton, Alberta  
T5K 2P7  
Telephone: (780) 427-4952

**To call a Government of Alberta office toll free (in Alberta), dial 310-0000 and follow the instructions.**

## **SCHEDULE**

### **CONSUMER'S RIGHT TO CANCEL A TRAVEL CLUB CONTRACT**

The Travel Clubs Regulation specifies that a consumer who enters into a travel club contract may cancel the contract from the day it is entered into until 10 days after the consumer receives a copy of the signed contract. A consumer does not need a reason to cancel the contract.

If a consumer cancels a travel club contract within the 10-day period described above, the travel club operator has 15 days to refund the consumer's money. To cancel, the consumer must give a notice of cancellation to the travel club operator by any means that enables the consumer to prove that notice was given, including registered mail, facsimile, courier or personal delivery.

A consumer may be entitled to additional cancellation rights in accordance with the Travel Clubs Regulation.

A consumer who wishes more information about canceling a travel club contract or who feels unfairly treated with regard to a travel club contract may contact Alberta Government Services at 427-4088 or toll free at 1-877-427-4088 if calling from outside Edmonton.