



INTERNATIONAL COMMISSIONS

Quick Reference for Travel Agents (non-US)

This overview provides essential information to help travel agents maximise their benefits from Hilton's central commission processing and from Travel Agency Commission Settlement ("TACS"), a division of NTT Data. This document supplements the information distributed by Hilton Sales and posted on www.hiltontravelagents.com and www.hiltonUKcommissions.com (UK agents only).

Introduction

Hilton Worldwide pays commissions on individual bookings, also known as transient bookings, through TACS to give agents one payment, one statement and one contact for logging inquiries for all participating hotels. Commissions on groups and C&E bookings are paid directly by hotels to agents. Hilton and the hotels reserve the right not to pay commissions on bookings made through non-accredited online travel agencies.

Hilton automatically pays individual commissions *wherever possible*. However, in many countries, domestic commissions must be held until the agent sends the hotel an invoice; in some of these countries, domestic commissions can be paid without being held, subject to certain 'self-billing' conditions. Hilton has developed functionality to accommodate these various scenarios. For additional information regarding the requirements of specific countries, please contact international.commissions@hilton.com.

There are brand specific commission limit policies applicable to Home2 Suites, Homewood Suites and Embassy Suites. For these extended stay brands, commission will be paid for each night at an eligible rate, up to the first 29 consecutive nights of a guest's stay. This applies to bookings made on or after September 1, 2017.

The Commissions Process

Hotel Commission Processing. Hilton is installing centrally networked *property management systems* at its hotels worldwide. For these hotels, more than 99% of the estate, Hilton centrally calculates commissions and sends records to TACS for the weekly payment run based on the hotels' daily check-out records. Stand-alone hotels are responsible for submitting commission calculations directly to TACS; these payments are not centrally automated.

'Hold & Release' Functionality. This is available for networked hotels in countries where Hilton must hold domestic commissions until the hotel receives a VAT invoice from the agent. TACS notifies agents each time they have a commission that is on hold. TACS holds these commissions until the hotel receives the agent's invoice and manually releases payment through TACS.

'Self-Billing' Functionality. Some countries allow Hilton to create 'Self-Billed Invoices' or 'Recipient Created Tax Invoices', in order to automatically pay commissions plus VAT, by invoicing itself on behalf of the agency for the commissions due. Various forms of self-billing exist in certain countries, including the *UK, Australia, New Zealand and the Nordic region*.

TACS Services

TACS Payments and Reporting. All payments are accompanied by a paper or electronic statement that includes the property name, guest name, hotel PMS confirmation number, the arrival and departure date, the commissionable revenue, the gross commission amount and the commission paid (the latter is in the agent's currency). Commissions are processed on a weekly cycle, and the payment cycle takes approximately 10 days from the weekly cut-off, so depending on timing, payments should generally be received 2-3 weeks after check-out.

TACS Service Offering

- Consolidated, weekly payments for all participating Hilton Worldwide hotels
- Consolidation of multiple locations' payments as selected by the agent
- Payment in the agent's preferred currency and preferred method, including ACH, wire and cheque
- Real-time, online ability to check commission status and payment detail
- Online ability to open inquiries and check status and automatic return of inquiry closure responses to agents
- Electronic statements of commissionable and non-commissionable bookings
- Online reporting and ad hoc report capability
- Live travel agent help desk, plus automated 24-hour help desk
- No tiered membership structure and no contractual obligation
- 'Self-Billing' functionality and creation of VAT Invoices *on behalf of the agents* in relevant jurisdictions

Recommendations for Agents

1. **Register With an Industry Association.** Hilton only pays bona fide agencies that are registered with an accredited organisation such as IATA or TIDS. Other acceptable associations are ARC, TSI, CLIA, ERSP, SATO, TRUE and TS. The use of pseudo-IATA numbers is severely restricted for control and regulatory reasons. Agents must quote their membership number when booking.
2. **Register Payment, Reporting and User Preferences with TACS.** Agents should go to <http://ce.tacsnet.com> to register for electronic payments and statements, and select preferences, including payment method, currency, frequency and consolidated payments for multiple branches. Agents must 'register' in order to have TACS verify their identity in order to provide access to their payment records online. There is no registration fee.
3. **Register VAT / Tax ID's with TACS where needed.** Agents in relevant countries (e.g. Australia, New Zealand, Germany and the Nordic countries) should provide TACS with their tax ID (VAT# or ABN) and relevant IATA/TIDS numbers so that TACS can include the tax ID on Hilton's statements and self-billed invoices, without having to put any Hilton commissions on hold.
4. **Sign a Self-Billing Agreement ("SBA").** In countries where Self-Billing is allowed and agreements are required for automatic payments, such as in the UK, agents should sign a SBA so their commissions will be paid immediately without being put on hold. TACS will create tax invoices on behalf of these agents based on the check-out data and immediately process their commissions automatically. Agents who opt in to self-billing *must not* also deduct commissions at source. For detailed information regarding UK requirements and SBA's please see <http://www.hiltonukcommissions.com>. UK SBA registration is done online via <http://ce.tacsnet.com>.
5. **Do Not "Deduct Commissions at Source".** Hilton does not support this for individual guest stays due to potential duplication of payments through standard commission channels. Direct-billed companies should pay *in full*, and the hotel should pay the commission through TACS. Exceptions require explicit hotel agreement, subject to a strict internal approval process.
6. **Reconcile Payments and Reporting Records with Booking Files.** TACS provides agents with a detailed file of all transactions processed by Hilton and other participating chains, including non-commissionable records, no-shows and cancellations. Agents should reconcile this against their booking files. All Hilton commissions are subject to a 3% processing fee for all Hilton hotels and for all agents worldwide. This applies regardless of whether agents opt for Self-Billing.
7. **Research Payments on TACSnet.** Agents should reconcile the TACS reports with their booking files, and then research unreconciled transactions or missing payments on TACSnet. This requires registration with TACS.
8. **Log Inquiries and Disputes with TACS.** Agents should log inquiries with TACS, not directly with the hotels, so that we can centrally monitor inquiries and responses. Agents must log inquiries within 365 days of check-out. Inquiries outside this period must be addressed directly with the relevant hotels. TACS will research inquiries against Hilton's check-out and payment records and forward unresolved inquiries to hotels for investigation.
9. **Identify Disputed Commissions Separately from Standard Inquiries.** Agents may raise disputes where they have evidence that contradicts Hilton's reported payment amount, commissionable status, or stay status (no-shows or cancellations). Agents must advise TACS they are raising a *dispute*, not an inquiry, by e-mail, fax or telephone with details of the records. Failure to do so may result in the disputed record simply being closed as previously reported.
10. **Advise TACS of Agency Address Changes.** Please provide full detail to TACS to ensure your contact details are kept current.
11. **Contact Hilton With Questions.** Please direct any questions to your account manager or the commission team. *Payment inquiries must be logged with TACS, not Hilton, as the first point of contact.*

Contacts

TACS

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