

# Guidance On ADVERTISEMENT OF AIR FARE

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## **PART A: OVERVIEW**

## 1. Background

## Purpose and policy objective of the Guidance

- 1.1 The Commission is mandated by the Malaysian Aviation Commission Act 2015 [*Act 771*] to promote competition and consumer protection in the civil aviation industry.
- 1.2 This Guidance is intended to provide guidance to airlines in the implementation of paragraph 3(2) of the Malaysian Aviation Consumer Protection Code [MACPC] to ensure a level competitive environment for airlines and to safeguard consumers against false, misleading, or deceptive advertisements of air fares.

## Legal framework and applicability of the Guidance

- 1.3 Paragraph 3(1) of the MACPC requires airlines to publish an all-inclusive price of the air fare at the point of advertisements which consists of the following:
  - (a) the base fare, including all charges payable to the airline;
  - (b) any government-imposed taxes and fees;
  - (c) any fees and charges prescribed under any written law;
  - (d) fuel surcharge; and
  - (e) such other fees or charges as determined by the Commission to be imposed on consumers by providers of air services.
- 1.4 Paragraph 3(2) of the MACPC requires that the advertisement shall not be false, misleading or deceptive.

- 1.5 The Commission shall assess airline advertisements in accordance with paragraphs 3(1) and 3(2) of the MACPC by reference to this Guidance.
- 1.6 This Guidance applies to airlines.
- 1.7 This Guidance covers advertisements that are communicated through print, broadcast, digital, or any other means, regardless of form or medium. This includes but is not limited to, digital interactive media, direct mail, electronic messaging, television, radio, telemarketing, social media, mobile applications, websites, podcasts, streaming services, and any emerging digital or social platforms.
- 1.8 This Guidance is not exhaustive, and the examples are for illustrative purposes only. The Commission may revise this Guidance from time to time to take into account developments in consumer protection and the civil aviation industry.
- 1.9 The parameters for advertisements of air fare are detailed in part B of this Guidance.

## PART B: GUIDANCE ON ADVERTISEMENT OF AIR FARE

## 2. General Guidance

- 2.1 Advertisements must not be false, misleading, or deceptive, or be likely to be so.
- 2.2 Advertisements must not mislead consumers by omitting or hiding material information. Advertisements must not be presented in an unclear, unintelligible, ambiguous, or untimely manner.
- 2.3 Advertisements must not claim products or services are available unless airlines can guarantee the provision of the said products or services.
- 2.4 Advertisements must be presented clearly to enable consumers to identify the terms and conditions of the offer including stating any limitations and qualifications.
- 2.5 Airlines must demonstrate good practice in their advertising of air fare with a sense of responsibility to consumers.
- 2.6 Advertisements must not be so framed as to abuse the trust of or exploit consumers who are vulnerable and lack experience or knowledge.
- 2.7 Airlines must provide data, statistics, information or documents in the form and manner as determined by the Commission for advertisements published in all communication channels when required in accordance with paragraph 21 of the MACPC.

#### Disclosure of air fare

- 2.8 All quoted air fare in advertisements shall consist of base fare including all charges payable to the airline, and any government-imposed taxes and fees, any fees and charges prescribed under any written law, fuel surcharge, as well as such other fees or charges as determined by the Commission to be imposed on consumers by providers of air services.
- 2.9 For consistency and clarity, terminology for all fees, charges, taxes, surcharges, etc. used in advertisements should correspond with the terminology in air tickets. (For example, "MAVCOM fee" should be substituted with "Regulatory Service Charges").

#### Illustration:



Airlines are not permitted to publish only base fare in advertisements. Airlines must publish all-inclusive fares in accordance with paragraph 3(1) of MACPC

## Illustration:



Airlines should not substitute "Regulatory Service Charges" with "MAVCOM fee" and "Passenger Service Charges" with "Airport taxes"

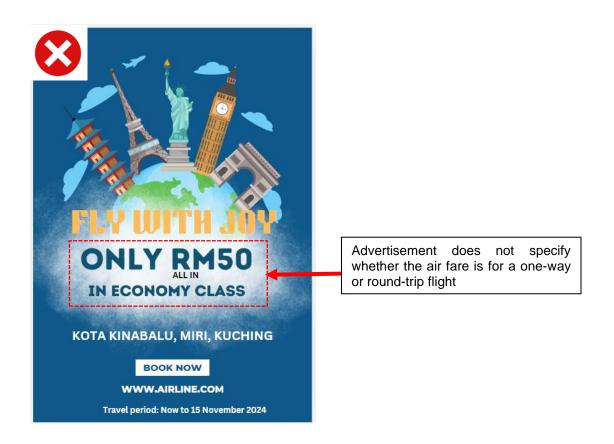
## Seat availability

- 2.10 Airlines must not mislead consumers as to the availability of seats as advertised.
- 2.11 The available seats must be sufficient to meet the anticipated demand consistent with the advertisements.
- 2.12 The advertised seats must be available at the time the advertisements commence, and the advertisements must cease once the seats are no longer available for sale.



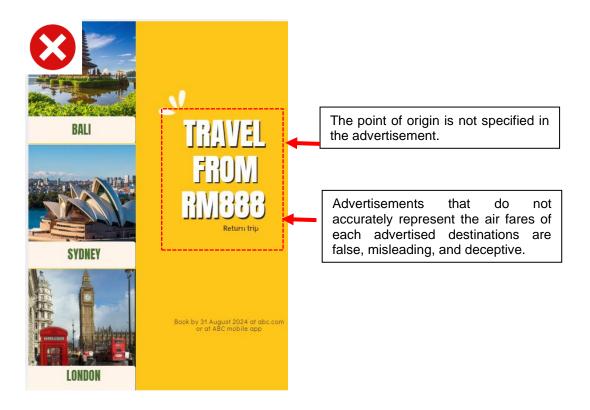
## One-way or round-trip

- 2.13 Airlines are allowed to advertise air fare for one-way (a journey from one destination to another destination in one direction) or round-trip (a journey from one destination to another and return).
- 2.14 However, the advertisement must state clearly whether the advertised air fare is a one-way or round-trip journey and include full disclosure on air fare.



## Points of origin and destination

- 2.15 Advertisements must clearly indicate the point of origin and point of destination between which the advertised air fare is applicable.
- 2.16 Advertisements that promote more than one destination must set out clearly the key information and the air fare relating to each destination in such a way that consumers can distinguish between the air fares for the different destinations.



## Disclaimer or qualifying information

- 2.17 Disclaimer is any statement that informs consumers about the limits or conditions of advertisements.
- 2.18 Any disclaimer or qualifying information included in advertisements must:
  - a) be prominent, visible and presented in such a way as to ensure consumers are made aware, before making a purchase, of conditions likely to affect their decision to purchase;
  - b) be placed as closely as possible to the main message of the advertisements;
  - c) be worded in language that is understandable to the intended consumers;
  - d) not be obscured by images, graphics or text; and
  - e) not contradict the advertisement.
- 2.19 Airlines must ensure that all key terms and conditions are disclosed to the consumer before the purchase of a ticket, in accordance with paragraph 7 of the MACPC.

#### Illustration:



Small font size and hazy colour, making it difficult to read

The disclaimer is obscured by a graphic shadow

#### Use of words such as "free"

- 2.20 Advertisements must not use the words "free", "without charge" or similar descriptions where there are any payments that have to be incurred by the consumer. Where such payments need to be made, consumers must be made clearly aware of all the payments involved. (For example, government-imposed taxes, etc.)
- 2.21 In making a "free" offer that is conditional on the purchase of other products or services, consumers must be made clear of the air fare that will be incurred and any other relevant details for the consumer's consideration.
- 2.22 Increasing the airfare of the first (paid) ticket to cover the second (free) ticket is misleading and deceptive.



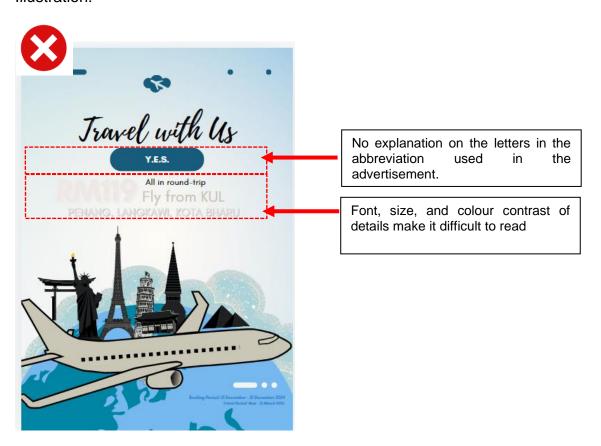
## Illustration:



Advertisement does not clearly indicate the air fare that will be incurred and other relevant details for the consumer's consideration.

## Specifications of visual

- 2.23 The contents of any advertisement should be clear having regard to the dimensions or size of the form, medium or device used.
- 2.24 Advertisements which contain any abbreviations or acronyms must clearly state what the letters mean (For example, Y.E.S Year End Sale, etc).
- 2.25 Advertisements must be sufficiently clear in relation to the image of the main message. This includes the appropriate contrast to avoid difficulty in reading the message (For example, light-on-light colour combinations).
- 2.26 Small print or footnotes in advertisements must be clearly legible.



## Blackouts and time limit period

- 2.27 Advertisements must accurately state the duration during which the products or services will be provided at the advertised air fare. (For example, the start and/or end date applicable to the availability period at the advertised air fare).
- 2.28 Advertisements must disclose the specific "blackout dates" where products or services are not available within the published promotional period.
- 2.29 Airlines must not make changes to any dates stated in the advertisements (For example, travel period and blackout dates).

#### Illustration:



Advertisement does not explicitly specify blackout dates nor describes accurately that the promotional air fare only runs for a limited period of time

## Use of words such as "all" and "everything"

2.30 Advertisements that use words such as "all" and "everything" or similar descriptions must be avoided unless the air fares apply to all the flight destinations described in the advertisements. (For example, "30% discounts to <u>all domestic destinations"</u> should not be used when some of the destinations are excluded from the promotional air fare.)

#### Illustration:



The use of the word 'all' in air fare advertisements that exclude selected destinations or seat categories (i.e. business class) from the advertised airfare is prohibited.

## Cancellation or route cessation

2.31 Advertisements must not include any destinations or flights that the airline plans to cease or cancel.

## **Glossary**

1.	Act	Malaysian Aviation Commission Act 2015 [Act 771]
2.	MACPC	Malaysian Aviation Consumer Protection Code 2016
3.	Commission	Malaysian Aviation Commission
4.	Guidance	Guidance on advertisement of air fare
5.	Air Fare	As defined in the interpretation of MACPC
6.	Airline	As defined in the interpretation of MACPC
7.	Consumer	As defined in the interpretation of Act 771