

260 Tour Operators Barred from Foreign Market

By [The Moscow Times](#)

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Two hundred and sixty tour operators have been excluded from the Federal Tourism Agency's register and barred from the foreign travel market for failing to join a trade association, Vedomosti reported Tuesday, citing the agency's website.

As a result, the number of companies in the sector has fallen by more than 10 percent.

All travel agencies selling tours overseas were obliged by law to join the association, named Turpomoshch, by June 1. Those that did not, including 134 companies in Moscow alone, were struck from the register. It is now illegal for them to provide travel services outside the country.

The aim of the legislation, passed last April, is to provide a compensation fund for travelers in the event of the bankruptcy of tour providers. The trigger for the initiative was the bankruptcy of two tour operators in 2010 and 2012, each of which had thousands of clients

overseas and more than 1 billion rubles (\$30 million) in debt when they went under. Last year, Vladimir Putin was forced to step in to provide a loan to a struggling travel agency to allow it to bring its clients home.

The fund will not be responsible for all the liabilities of tour operators experiencing difficulties. It will, in emergencies, pick up the tab for travelers to return to Russia, said a source in the Federal Tourism Agency. The association will then in turn be compensated by insurers.

Members of the association were obliged to contribute 100,000 rubles to the fund upon entry, and will pay in 0.1 percent of their yearly revenue, with a minimum payment of 100,000 rubles.

Before the June 1 deadline, 1799 tour operators joined the association, giving the compensation fund starting capital of almost 180 million rubles.

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