# LEGAL REPORTS IN THE CONTEXT OF HORECA: OWNER OF THE BOOKING PLATFORM, HOTEL, END CUSTOMER

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#### Abstract

Legal relationships in the field of HoReCa involve specialized contractual partners for this activity. Among them we mention: the owner of the reservation platform, called wholesaler, hotel, client. The specificity of these contractual legal relationships is also determined by their complexity, both in their conclusion and in their development. Through the tourism contract, a complex activity is performed which involves contractual legal relations of: transport, accommodation, curative treatments, rest, seasonal sports, tourist circuits of historical or leisure interest, medical assistance, etc. Of course, the paper involves a brief presentation of some categories of legal relationships.

Keywords: wholesaler, hotel, hotel services, reservation platform, tour operator, accommodation, markup.

JEL Classification: K22, K41

#### 1. Introduction

In the field of HoReCa<sup>2</sup>, in particular in the hotel and catering industry, contractual legal relationships are established between the following parties<sup>3</sup>:

- 1. the owner of the reservation-hotel-client platform (called wholesaler),
- 2. the hotel service provider,
- 3. the final beneficiary customer of hotel services.

The activities performed by each contractual partner in this field highlight the particular legal relationships.

The legal nature of these relations will be further analyzed, from the perspective of the services that form the object of the considered contract<sup>4</sup>.

## 2. The owner of the reservation platform (called "wholesaler" in the hospitality industry)

Is a party organization, which sells accommodation nights, rooms in tourist<sup>5</sup> reception structures with accommodation functions (which we hereinafter call hotel/hotels).

In Romania, Government Decision no. 1328/2001, with subsequent amendments and completions, regulates the classification of tourist<sup>6</sup> reception structures with accommodation functions.

Wholesaler is a company that buys the nights of accommodation-hotel rooms wholesale, in packages, adding other services, after which it negotiates the rates and sells them to the online travel agencies (called "OTA"). This allows hotels to make more sales, so more profit.

A wholesaler is basically an intermediary between an accommodation/travel service provider (Hotel) and an OTA (travel agent)<sup>8</sup>.

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<sup>&</sup>lt;sup>2</sup> Hospitality industry.

<sup>&</sup>lt;sup>3</sup> Elise Valcu, Brief consideration of the impact of the regional development policy ond tourism in Romania, "The Annales of the "Stefan cel Mare" University Suceava. Fascicle of the University of Economics and Public Administration"; volume 9, Special/2009, p. 60-65.

<sup>&</sup>lt;sup>4</sup> Elise Valcu, Sustainable Development and Sustainable Tourism in the European Union, The Annales of the "Ştefan cel Mare" University Suceava. Fascicle of the University of Economics and Public Administration, volume 9, 2009, Special/2009, p. 66-70.

<sup>&</sup>lt;sup>5</sup> Ludmila Noni, Tourist services contract - comparative aspects Romania - Republic of Moldova, https://ibn.idsi.md/sites/default/ files/imag\_file/132-138\_3.pdf.

<sup>&</sup>lt;sup>6</sup> The mentioned structures are the following: 1,2,3,4,5 star hotels; 2,3,4,5 star apartment hotels; 1,2,3-star motels (motors-hotels), on tourist routes); 1,2,3,4,5 star villas; 1,2,3 star cottages; 1,2,3 star bungalows; 2.3 star holiday villages; 1,2,3,4 star campsites; tourist pensions and agrotourism farms of 1,2,3 stars; Rooms for rent in 1,2,3-star family homes, etc.

<sup>&</sup>lt;sup>7</sup> https://revenue-hub.com/how-hoteliers-deal-wholesale-distribution-dilemma, consulted on 1.07.2021.

<sup>&</sup>lt;sup>8</sup> We mention examples of wholesalers: Tourico Holidays, AOTGroup, CN Travel, FollowMe2Africa, Helloworld Travel, MikiTravel, ExpediaGroup and Hotelbeds.

OTA<sup>9</sup> is an online company whose websites allow consumers/customers final beneficiaries of services to book various travel-related services, directly via the internet. These are third-party agents who resell trips, hotels and rent cars, arrange flights, vacation packages, etc. provided or organized by other legal entities.

Wholesaler operates in the "business to business" segment, which means that they do not sell directly to the public, respectively to the final customer of the accommodation, but to third party sites and various distribution channels.

Before accessing the internet, a Hotel could sell accommodation to a wholesaler, who would further sell it to a travel agency, which in turn could then sell it to the end customer.

Each sale implies an improvement of the purchased service, which the buyer adds, so that the final sale has as its object a much improved service, compared to the primary sale, because it adds value to the initial service. These operations, respectively successive sales that imply improvements of the previous service are called generic markup.

Through this process, the parties have to win, because with each improvement made, the price of the service increases.

In the revenue management of the hotel industry, markup<sup>11</sup> is used to show that OTA increases the net room rate in order to establish the sales rate.

Therefore, OTA buys hotel services from more hotels at a certain price which it will increase later, thus OTA marking an increase to establish a sales rate related to the improved service. For example, the Hotel offers OTA a rate of EUR 80 and OTA marks it, ie increases it by EUR 20, to sell it further by EUR 100; In this case, the percentage increase is 25%.

Therefore, the markup formula is: markup = Sale price - Net room rate.

In the hotel industry, however, there is erroneous confusion between markup and margin, due to the fact that the OTA, which uses a net rate model per room, also charges a commission provided in the contract or in the distribution agreement with the hotels. This example shows that with an increase of EUR 20 and a final sales rate of EUR 100, the margin is 20% (while the increase is 25%)<sup>12</sup>.

Through the internet, wholesalers will usually sell their accommodation to any type of OTA (large, small or unknown). This is confusing for hotels and reduces profit margins, and to address this, hotels are turning their efforts into marketing their property and developing their own online booking systems to make direct bookings.

Some hotel chains provide in their operating policy, respectively in the contracts that the price adjustment guarantee completes. This means that if a customer of the Hotel identifies a price for the same room on another site, the Hotel will adjust it accordingly (at a lower rate that another person can access), as it does not include surcharges and commissions. of the OTA.

At present, it is recommended that hotels be more diligent when concluding contracts with wholesalers in order to guarantee the clarification of the resale process of the room in advantageous conditions for them.

The advantages of collaborating with a wholesaler hotel are the following:

- they specialize in providing access to a wide range of markets and services that the Hotel cannot reach directly; through the shoulders, hotel owners are supported to promote their hotels in several markets that they are not able to access directly. For example, the wholesaler distribution model is advantageous, especially when hotel owners intend to have customers who are difficult to access and maintain in their portfolio, for example international customers (especially those on the Russian market).
  - collaboration with them is similar to a kind of "free marketing" for the Hotel;
- opportunities for hotels to access customers from a wider range of areas (e.g. business, continuing vocational training, accommodation, artistic, sporting events, etc.) and nationalities;

<sup>10</sup> Also called "b2b" in practice.

<sup>11</sup> https://www.xotels.com/en/glossary/markup, consulted on 1.07.2021.

<sup>&</sup>lt;sup>9</sup> For example, Expedia.

<sup>&</sup>lt;sup>12</sup> "On average, OTAs working on the basis of agreements with the hotel recorded tariffs 5% to 6% lower than the direct rate. It shall be increased to 10% for non-contracted sellers who advertise for delivery periods of less than 14 days and 11% for delivery periods of more than 14 days." https://dreptmd.wordpress.com/2015/03/05/ tourism-contract/, consulted on 1.07.2021.

- allow the Hotel to anticipate the occupancy rate of the accommodation rooms;
- helps hotel owners to maximize the occupancy of their accommodation, with a guaranteed minimum occupancy rate, for years they suffer losses;
  - when hotel owners own high-value assets (ex fixed or inventory assets);
- the fragmentation of the demand for accommodation in the source markets of clients is avoided;
- the Hotel's ability to conclude as many contracts as possible for the sale of accommodation and to be paid in advance.

The disadvantages of collaborating a Hotel with wholesaler are the following:

- requesting low net rates or high commissions to the Hotel, there is a decrease in profit;
- the difference in the accommodation rate. A Hotel negotiates a certain accommodation rate with a wholesaler, but does not have control over the final price displayed to the final beneficiary customer who is the tourist, due to the (long) distribution chains. This is possible due to the fact that we are in the presence of two different contracts one concluded between the Hotel and the wholesaler and the other concluded between the wholesaler and third parties <sup>13</sup>.

Once the service packages are resold, the OTAs will apply an increase in the final price of the Hotel's rooms, depending on their marketing policies.

- the business model of some of the wholesalers is not transparent; imposing collaboration contracts with disadvantageous clauses for the Hotel;
- wholesaler does not honor its commitments because it does not complete the allocations on reserved hotel rooms; when rooms are offered at lower rates for some or all of the OTAs than the rates mentioned on the Hotel's website, the latter assumes the risk of being mistaken for hotels and losing potential customers.
- the price offered to the Hotel per room is the same, for long periods of time, thus limiting the profitability of the hotel.

All these factors not only have a negative impact on the Hotel's profits but can also have a serious impact on the Hotel's reputation, therefore, Hotels should conclude collaboration agreements with wholesalers who have the same business<sup>14</sup> ethical ideal.

If hotels are able to enter this market on their own or contact local OTAs directly, they can easily eliminate working with a wholesaler. Hotels should also select their list of wholesalers and sign collaboration agreements only with those who agree with the pricing strategy corresponding to that Hotel.

At the same time, the reduction of rates per accommodation room could allow the Hotels to maximize their profit and keep their rooms available for those loyal customers of that Hotel.

Today, many well-known wholesalers take contracted offline rates and distribute them through connectivity to various search engines and OTA partners. But many hotel owners are not convinced by the good faith of their wholesalers.

In this sense, the problem is that of collaborating with wholesalers because it affects the direct reservations of a hotel.

Since 2016, hotel owners have managed relationships with some of the international wholesalers directly through employees with employment contracts to conduct negotiations and sales of hotel services. This is a different approach from many other hotels and groups of hotels, trying to reduce the number of cases of wholesale search engine tariffs through smaller and unknown OTAs.

There are many such cases on the market, but they have not completely eliminated the relationship with top wholesalers. Instead, work was done to train hotel teams on the application of revenue management techniques in all segments based on forecasts <sup>15</sup>.

Collaboration agreements have also been concluded with some of the partner wholesalers, in order to act in favor of both parties.

<sup>&</sup>lt;sup>13</sup> https://www.siteminder.com/r/hotel-distribution/hotel-channel-management/hotel-wholesalers-property-advantages-disadvantages-tips/, consulted on 1.07.2021.

<sup>&</sup>lt;sup>14</sup> https://dreptmd.wordpress.com/2015/03/05/ tourism-contract/, consulted on 1.07.2021.

<sup>15</sup> When the occupancy forecast is at a certain percentage, it means that all segments at certain price points must be closed automatically.

The biggest challenge for the hotel industry is whether all stakeholders can accept this business model.

If the guilty distributor is identified, the partnership with wholesalers could be abandoned, which would lead other hotel owners to give up the collaboration with these wholesalers.

Therefore, it is necessary to work directly between several hotels, without intermediaries, because the costs would be lower, less onerous for customers/beneficiaries. In this sense, search engines should make available to potential customers, stay offers that present the most advantageous rates, avoiding as much as possible, these OTAs unknown even to a search engine.

It is recommended to give up the services of wholesalers, because through them, hotel services become much too expensive.

Progressive web applications will be the next step, in simplifying the access to more advantageous hotel services in terms of price/quality. This implies a leitmotif for both customers and specialized hotel teams in drafting digital contracts.

## 3. Provider of tourist reception services with accommodation functions or "Hotel"

The regulation of the hotel activity in Romania is offered by:

- Decision no. 1267/2010 on the issuance of classification certificates, licenses and tourism patents<sup>16</sup>,
- Order no. 65/2013 for the approval of the Methodological Norms regarding the issuance of the classification certificates of the tourist reception structures with accommodation and catering functions, of the tourism licenses and patents the tourist reception structures with accommodation functions.

The owners and administrators of tourist reception structures with accommodation and/or public catering functions, have the obligation to authorize themselves, obtaining a Classification Certificate in this respect.

The Managing Authority in the field is the Ministry of Tourism which issues the Classification Certificate.

The classification certificate and its annex regarding the structure of the accommodation/catering spaces, are located at the headquarters of the tourism company, in the structure of tourist reception in question, to be presented to the control bodies when requested.

The hotel is the tourist reception structure arranged in buildings or in buildings, which offers to the tourists single or double rooms, studios or apartments, providing services specific to the field. It has a reception and public catering facilities.

By tourist reception structures with public catering function is meant: any constructions and arrangements intended, by design and execution of serving meals for tourists <sup>17</sup>.

According to the legislation in force, mentioned, in Romania, within such a location whose main activity is accommodation, other secondary activities can be carried out in favor of the beneficiary clients, namely 18:

- food units inside the reception structures with accommodation functions <sup>19</sup>,
- transport of customers by car, etc.<sup>20</sup>, relaxation facilities<sup>21</sup>,

<sup>&</sup>lt;sup>16</sup> Official Monitor no. 866 of December 23, 2010.

<sup>&</sup>lt;sup>17</sup> According to the national statistical classification of economic activities in Romania (acronym "CAEN CODE"), the provision of services in the field of hospitality is found in the following caen codes: Hotels and other similar accommodation facilities - 5510; Restaurante- 5610; Event catering activities - 5621; Other food activities nec 5629; Bars and other beverage service activities - 5630. <sup>18</sup> Ludmila Noni, *op. cit.* 

<sup>&</sup>lt;sup>19</sup> Here it is provided: breakfast restaurant, lunch, brunch (breakfast + lunch), dinner, festive events such as wedding, baptism, conferences, symposia, etc.), bar, confectionery/pastry, according to caen codes: "Restaurants" - 5610; Event catering activities - 5621; Other food activities nec 5629; Bars and other beverage service activities - 5630; "Making bread; making cakes and fresh pastries" - 1071; "Manufacture of biscuits and biscuits; manufacture of cakes and preserved pastry goods" – 1072.

<sup>20</sup> "Other land passenger transport n.c.a" – 4939.

<sup>&</sup>lt;sup>21</sup> For example, hairdressing, spa, massage, fitness, etc.: "Hairdressing and other beauty activities" - 9602; "Body maintenance activities" - 9604; "Activities of the sports bases" - 9311; "Fitness center activities" 9313; "Other sports activities" - 9319;

- laundry/cleaning/ironing services for linen belonging to customers<sup>22</sup>.

Thus, a Hotel usually concludes a collaboration contract (respectively for the provision of services) with a wholesaler, based on which the Hotel sells its accommodation services existing rooms within the respective Hotel, through this intermediary, to the client/tourist, final beneficiary of the services. It should be mentioned that the sale of services is done through a platform belonging to the wholesaler<sup>23</sup> intermediary.

Simultaneously with the sale of accommodation rooms, other services related to them are sold, for example: catering services, customer transfers with special cars, transport from/to the airport to the hotel and vice versa, excursions, events (conferences, etc.), rental/car parking, access to the swimming pool, spa and/or fitness centers, ironing service, dry cleaning, laundry, etc.

According to the terms of the collaboration contract, the Hotel will be obliged to provide the wholesaler with information on:

- total number of accommodation rooms, rates for accommodation nights, accommodation conditions, types of rooms available (single room, double room, executive room, presidential apartment-presidential suite, etc.);
- accommodation period, discounts (discounts) granted for certain accommodation periods/ nights (depending on the number of nights booked per number of guests); most of the times a discount is granted to a number greater than or equal to 15 clients/tourists actually accommodated within the Hotel;
- the arrangements for check-in (accommodation) and check-out (release) per room and the time slot within which they may be carried out, including payment terms;
- the indication whether or not the accommodation rates include related taxes (city tax imposed by the local town hall, breakfast tax, etc.); it is also specified whether or not the Hotel accepts the vouchers offered by the wholesaler for the loyalty of its customers;
- similar alternatives (under the same conditions of number of stars, etc.) of accommodation in the area, in case of overbooking, ie if the hotel is 100% occupied and there are no more rooms available;
- the terms and conditions specifying that either party may cancel a reservation (ie within what time frame: days, hours, etc.); penalties charged by the parties, if the cancellation of the reservation (no show clause) is not made under the agreed conditions (the value of one or more nights of accommodation may or may not be charged);
- the way of communication between the parties (certain email addresses are indicated, usually of the staff of the hotel sales department as well as that of the wholesaler<sup>24</sup>);
- the fact that the Hotel holds all valid licenses, authorizations, legal insurance policies, necessary for the safe provision of services according to the contract, etc.;
- the modalities and terms in which the parties may decide to terminate the contract; the modalities for settling disputes<sup>25</sup> in case the parties do not reach their amicable settlement in advance and the competent court (this is the place where the accommodation services are provided);
- clauses on: force majeure and the conditions under which it may be invoked, confidentiality, on antibodies and the prevention of terrorism, money laundering, on the protection of personal data, in accordance with the law applicable to the country where the services are provided, in conjunction with international/European legislation (where applicable).

## 4. The final beneficiary of the services of the accommodation units

The client/tourist final beneficiary can be a natural person or a legal person.

The individual customer, traveling to a specific location, will seek to benefit from services

<sup>&</sup>lt;sup>22</sup> "Washing and cleaning (dry) of textile articles and fur products" - 9601.

<sup>&</sup>lt;sup>23</sup> Simona Marcela, *Intermediation contracts in tourism*, https://www.academia.edu/9126981/Contractele\_de\_intermediere\_in\_turism, consulted on 1.07.2021.

<sup>&</sup>lt;sup>24</sup> https://dreptmd.wordpress.com/2015/03/05/ tourism-contract/, consulted on 1.07.2021.

<sup>&</sup>lt;sup>25</sup> Law no. 115/2012 for the amendment and completion of Law no. 192/2006 on mediation and organization of the mediator profession, Text published in the Official Gazette, Part I no. 462 of July 9, 2012.

in the hospitality industry, namely accommodation and/or catering services as well as other services, from accommodation units, as detailed above and, consequently, will contact a travel agency (tour operator) to offer him a package with several services.

In this situation, the client/tourist final beneficiary of the services will conclude, for example, a contract for the marketing of travel packages with the travel agency (hereinafter referred to as "the Contract"), which will include the following types of clauses relating to:

- the contracting parties (travel agency-company legal entity) and the client / beneficiary tourist-natural person;
- the object of the contract the sale by the agency of the package of tourist services registered in the voucher, rest ticket, treatment, trip ticket, other document attached to the contract as well as the issuance of payment and travel documents;
  - contracted services/number of persons/name and surname of beneficiary clients;
  - conclusion of the contract; the contract produces its effects as follows:
- a) at the time of signing by the tourist, by accepting the contractual conditions of tourist services, including in the case of those purchased remotely by electronic means;
- b) when the tourist receives the written confirmation of the reservation from the Agency. The travel agency is responsible for informing the tourist by any means agreed in writing with him (phone, email, etc.) if the reservation he requested has been confirmed. For processing a reservation of services, the agency may request an advance of between 20-50% of the package price or full payment of the package, depending on the date on which the tourist requests the services or the type of services (non-refundable). If the registration takes place less than 45 days before the start of the stay, the tourist package will be paid in full. In case of non-compliance with the payment terms, the agency has the right to cancel the reservation. In case the tourist decides to give up the stay at the expiration of the mentioned cancellation terms (depending on each reservation), he owes the agency penalties according to the contractual provisions.

If the tourist has not paid for the stay or has paid in part, the subsequent cancellation is subject to free cancellation of invoices, the stay is considered not to have been booked and he is entitled to a refund of all amounts already paid;

c) at the time of issuing the travel documents (voucher, rest and/or treatment ticket, trip ticket, etc.), including in electronic format, if the packages of tourist services are part of the standard offer of the travel agency or there is already booking confirmation from other providers.

If the Contract is made available to the client/tourist in the form of a catalog, leaflet, agency website or other means of electronic communication, the obligation to inform the tourist is considered fulfilled by entering this information in any of the travel documents or documents provided by the agency, it is not necessary to conclude in writing the contract for the marketing of tourist service packages. The situation presented is also applicable if the Contract presented to the tourist in the above ways, contains the information provided by law regarding the activity of marketing the packages of tourist services;

- termination of the contract. The contract terminates by right once the actual provision of the package of tourist services registered in the travel documents is completed;
- price and methods of payment whether or not the price includes VAT, whether or not an advance is paid and its amount, whether the payment is staggered (in installments, the amount and date of payment by the customer), the currency in which the payment is made (de usually in the national currency at a reference rate of the respective national bank plus a fixed percentage of foreign exchange risk);
- the rights and obligations of each of the parties, detailed; exceptions to performance of obligations;
- the clause of waivers, penalties, compensations, rights and obligations in case of travel of minors; claims clause, insurance (details of the agency's valid insurance policy in case of incidents);
- the dispute settlement clause between the parties, the protection of personal data, confidentiality, the prevention and combating of terrorism and money laundering, personal data, the date and place of signing the contract.

The client/individual client contracts the hotel services, most of the times, through tour operators/travel agencies in Romania<sup>26</sup> as follows:

- a. Directly accessing the reservation platform (site) of a hotel;
- b. through booking websites that provide online booking services<sup>27</sup>. They act as an intermediary (agent) between the clients/guests who want to book accommodation and the respective Hotel. Thus, the agreement is made directly between the Hotel and its guest/client. In this way, the Hotel has complete and direct control over its rates and availability and can offer its guests more transparency in terms of rules, policies and total offer.

Regardless of the way of concluding the contract, the guest pays the Hotel the reservation fee, before or after the stay (in case of a non-refundable reservation). The hotel thus has a direct agreement with the respective website for the possibility to use that online booking platform and must pay to that website a fixed commission for all confirmed stays and for non-refundable and partially refundable reservations made through the website platform. On a monthly basis, the Hotel will receive from the website, a fiscal invoice in which it is detailed on each reservation made on the platform, the commission due by the Hotel to the website. When a guest/client makes a reservation to a Hotel through a website platform, the reservation is confirmed immediately by that website, the Hotel cannot refuse reservations, except with certain clearly defined and determined exceptions.

In this situation, the client/tourist beneficiary of the accommodation services, by accessing the official website of the hotel/reservation website, and by actually making a final reservation<sup>28</sup>, expresses his agreement on the Hotel policy materialized in the contract clauses, namely: rights and obligations for both parties<sup>29</sup>. In this case, the final reservation, farm, in writing, on the hotel website, takes the place of the contract.

**The client, the legal person**, who usually wants to do business in a country, city/town, region, etc., is interested in benefiting from services in the hospitality industry, namely accommodation and/ or catering services as well as other services, from accommodation units, as detailed above, and will accordingly access:

a. a travel agency (domestic or international tour operator) offering a package with several such services;

In this situation, the client/tourist final beneficiary of the services will conclude, for example, a Contract for the marketing of tourist service packages with the travel agency (the "Contract"), in which the types of clauses (presented above) the case of the individual client.

The mentions in this case will be the following: for the parts of the contract, they will be: travel agency-company legal entity-provider and client/tourist beneficiary-legal entity and for the contracted Services/number of persons/name and surname of clients - the beneficiary of the contract will be a legal entity through its representatives designated for this purpose (usually listed in the contract or attached to the contract the information on these individuals, beneficiaries of accommodation and/or catering services to be provided within the Hotel).

b. contract for the provision of accommodation and/or catering services, which will be signed directly between the client legal entity - as Beneficiary and the Hotel - as Provider.

The service contract can be signed both with a Romanian legal entity and with a foreign legal entity (headquartered abroad) and both having as object only accommodation and accommodation and public catering.

For example, in the Contract for accommodation and catering services for the organization of an Event (hereinafter referred to as "the Contract") implies that, in addition to the accommodation

<sup>&</sup>lt;sup>26</sup> For example, Christian Tour, Cocktail Holidays, Dertour, Prestige Tours, Happy Tour, Exim Tour, TUI, etc.

<sup>&</sup>lt;sup>27</sup> For example: booking.com, trivago.com, agoda.com, expedia.com, tripadvisor.com, etc.).

<sup>&</sup>lt;sup>28</sup> Which includes type of room (single room, double room, presidential suite, etc.), actual period of accommodation (time interval per day with number of nights included), whether or not the reservation includes breakfast/room service.

<sup>&</sup>lt;sup>29</sup> https://administrare.info/domenii/economie/7051-contractul-de-turism; details about the property of the hotel (where it is located in the locality, address, number and type of rooms, number of floors, etc.), if it has wifi internet services, free or not, and areas of the hotel where it can be accessed, rules on animal access company, whether or not smoking rooms and places in the hotel where smoking is possible, rules and rates for car parking, other services/facilities provided by the hotel (laundry/dry cleaning services linen and related rates, access to the center spa/fistness, access to existing restaurants/cafes/bars within the hotel, etc.).

room, the Hotel will also provide in favor of the beneficiary legal person, and event services. This means that, during the respective event that will be organized by the provider, respectively the Hotel within its location, the Hotel will make available to the beneficiary, both the specially arranged space (hall) where the conference will take place and the public catering services (serving months).

Within this Agreement, the following types of clauses will be detailed:

- parts of the contract: the Hotel as Provider and legal entity as Beneficiary; contact details of the parties (email, telephone number, etc.).
- object of the contract: The Provider undertakes to provide in favor of the Beneficiary, banqueting services (public catering) as well as accommodation services within the Hotel (belonging to the Provider), at the express request of the Beneficiary, according to the Event program (event name, event period) the location of the Hotel, the total value of the contract (event) with VAT or not included, which can be in lei or in foreign currency (euro, usd, etc.) and details the method of calculating the currency in relation to the national currency lei;
- the date until which the Beneficiary must confirm in writing to the Provider, the effective organization of the event; guarantee clause for the final number of participants in the event (an annex to the contract with the participants in the event can also be drawn up, in order to be able to confirm their presence by the organizer on the day of the event);
- detailing the total value of the contract/event-there will be separate values on the segments: the accommodation part, on the conference and catering part because, according to the legislation applicable in Romania in the field of hospitality, on each of these segments charge different VAT rates<sup>30</sup>:
- the method of paying for extra services (minibar, etc.) consumed by the Client's guests participating in the Event;
- payment conditions total value event: detailing the amount of the advance and the rest of the payment, payment terms, late payment penalties in case of non-payment/late payment (retention clauses for the advance paid), indicated payment bank accounts, methods of issuance and transmission of tax invoices, use of any payment guarantee instruments, etc.;
- the Provider's policy of canceling the Event in case of non-guarantee or non-payment on time; other clauses: force majeure, confidentiality, prevention and combating money laundering, anti-corruption, protection of personal data, annexes to the contract as an integral part thereof.

## 5. Conclusions

The most requested contract on the tourist market is the tourist services contract. Tourist services - object of the tourism contract, has undergone multiple adaptations in recent years, to meet the increasingly diverse needs of tourists - from leisure to medical services - and legal relationships that are born in the context of HoReCa, follow the same path of adaptation and, why not of permanent modernization, in the conditions in which the terms that are subject to the analysis are taken from the international tourism market. Thus, were born the terms wholesaler (owner of the reservation-hotel-client platform) or markup (an increase marked by a buyer - intermediary - by adding a tourist service to the one purchased). The contracts between the final consumers, in principle natural persons, and providers or intermediaries, are regulated by legal provisions that are updated as a result of the diversification of the tourist services, with special regard in the field of HoReCa. With all the takeovers of new and diversified services, including digitization, the relationship between tourists and providers/intermediaries retains its traditional legal nature.

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<sup>&</sup>lt;sup>30</sup> For example: for food and non-alcoholic beverages - 5% VAT is charged, 19% VAT for alcoholic beverages, etc.

- 2. Elise Valcu, Sustainable Development and Sustainable Tourism in the European Union, The Annales of the "Ştefan cel Mare" University Suceava. Fascicle of the University of Economics and Public Administration, volume 9, 2009, Special/2009, p. 66-70.
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