

# AIR OPERATOR CERTIFICATE REQUIREMENTS (AOCR)



**Second Edition - November 2012**

ISSUED BY  
CIVIL AVIATION AUTHORITY OF NEPAL

Adoption of the Standards of the Annexes to the Chicago Convention of ICAO under Article 81 and approved for publication by the Director General, Civil Aviation Authority of Nepal, under Article 82 of the Civil Aviation Rules, 2058 BS.

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**This Requirement is available at:**

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# FOREWORD

Air Operator Certificate Requirements, known hereafter as AOCR, is hereby issued by the Director General of Civil Aviation Authority of Nepal in pursuant the Article 82 of Civil Aviation Regulation 2058 B.S. (2002 A.D.).

These Requirements complement and amplify the Civil Aviation Regulation 2058 issued by Civil Aviation Authority of Nepal under the authority of Civil Aviation Authority Act. 2053 B.S. (1996A.D.) and applicable to the issuance and renewal of AOCR.

This second edition of AOCR is issued as required by ICAO Annex 6.

It shall be the obligation of the operator to adhere to and maintain flight operations in accordance with the provisions of this Requirement.

This Requirement has been prepared to maintain compliance with the Standards of the ICAO Annexes and Documents as far as practicable. The chapter on Operations with Leased Aircraft has been removed from the FOR and has been included in the AOCR.

This second edition shall be applicable immediately and will be amended as necessary. Any suggestions to improve this Requirement should be addressed to the DG, CAAN.



(T. R. Manandhar)

Director General

Civil Aviation Authority of Nepal

*Date: 2nd November 2012*



## RECORDS OF AMENDMENTS

This requirements shall be updated as and when necessary. It shall be the responsibility of the owner of the requirements to ensure that it is continuously updated and the entries to be recorded.

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## LIST OF EFFECTIVE PAGES

<b>AOCR 2<sup>nd</sup> Edition Amendment No. 06</b>	<b>Amendment Date: 05-07-2017</b>
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Replace the following pages:

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## CHAPTER 0

### ABBREVIATIONS and DEFINITIONS

#### ABBREVIATIONS

ACAS	Airborne Collision Avoidance System
AMO	Approved Maintenance Organization
AOC	Air Operator Certificate
AOCR	Air Operator Certificate Requirements
ATC	Air Traffic Controller
ATM	Air Traffic Management
ATO	Approved Training Organization
ATPL	Airline Transport Pilot License
ATS	Air Traffic Services
CAAN	Civil Aviation Authority of Nepal
CAME	Continuing Airworthiness Management Exposition
CAMMOE	Continuing Airworthiness Management and Maintenance Organization Exposition
CAST	Commercial Aviation Safety Team
CDL	Configuration Deviation List
CEO	Chief Executive Officer
CPL	Commercial Pilot License
CVR	Cockpit Voice Recorder
DG, CAAN	Director General, Civil Aviation Authority of Nepal
DGHR	Dangerous Goods Handling Requirements
EDTO	Extended Diversion Time Operations
EFB	Electronic Flight Bag
ELT	Emergency Locator Transmitter



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EVS	Enhanced Vision System
FOR	Flight Operations Requirements
FDR	Flight Data Recorder
FDTL	Flight Duty Time Limitations
FSTD	Flight Simulation Training Device
HUD	Heads Up Display
ICAO	International Civil Aviation Organization
MOE	Maintenance Organization Exposition
MEL	Minimum Equipment List
MMEL	Master Minimum Equipment List
NCAR	Nepal Civil Airworthiness Requirements
NOC	No Objection Certificate
NOTAM	Notice To Airmen
PBN	Performance Based Navigation
PELR	Personnel Licensing Requirements
RNP AR	Required Navigation Performance Authorization Required
SMS	Safety Management System
SOP	Standard Operating Procedures
SVS	Synthetic Vision System

## DEFINITIONS

**Aerodrome.** A defined area on land or water (including any buildings, installations and equipment) intended to be used either wholly or in part for the arrival, departure and surface movement of aircraft.

**Aeroplane.** A power-driven heavier-than-air aircraft, deriving its lift in flight chiefly from aerodynamic reactions on surfaces which remain fixed under given conditions of flight.

**Aircraft.** Any machine that can derive support in the atmosphere from the reactions of the air other than the reactions of the air against the earth's surface

**Aircraft – Category.** Classification of aircraft according to specific basic characteristics, e.g., aeroplane, helicopter, glider, free balloon.



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**Aircraft operating manual.** A manual, acceptable to the State of the Operator, containing normal, abnormal and emergency procedures, checklists, limitations, performance information, details of the aircraft systems and other material relevant to the operation of the aircraft.

**Air Operator Certificate (AOC).** A certificate authorizing an operator to carry out specified commercial air transport operations.

**Approval.** Approval by the Director General.

**Authority.** Civil Aviation Authority of Nepal

**Balloon/Free Balloon.** A non-power-driven lighter-than-air aircraft'

**Base.** Location of the operation centre from where the main operation is conducted.

**CAAN.** Civil Aviation Authority of Nepal.

**CAAN Inspector.** CAAN official employed for regulatory work or a person authorized by the Director General to perform a regulatory function.

**Cargo.** Things other than passengers carried on aircraft.

**Commercial Air Transport Operation.** An aircraft operation involving the transport of passengers, cargo or mail for remuneration or hire.

**Crew.** Person(s) assign by an operator for duty on an aircraft during flight time.

**Damp lease.** A Wet leased aircraft that includes a cockpit crew but not cabin attendants.

**Dry lease.** A lease of aircraft without the crew. In this case the aircraft is normally registered in the AOC holder's State, bears the lessee's AOC holder name/logo and is operated under the AOC of the Lessee.

**Director General.** Director General of Civil Aviation Authority of Nepal.

**Flight crew member.** A licensed crew member charged with duties, essential to the operation of an aircraft during a flight duty period.

**Flight plan.** Specified information provided to air traffic units, relative to an intended flight or portion of a flight of an aircraft.

**FSTD.** Flight Simulation Training Device which may include either Full Flight Simulator (FFS) or FTD (Flight Training Device).

**Glider.** A non-power-driven heavier-than-air aircraft, deriving its lift in flight chiefly from aerodynamic reactions on surfaces which remain fixed under given conditions of flight.

**Helicopter.** A heavier-than-air aircraft supported in flight chiefly by the reactions of the air on one or more power-driven rotors on substantially vertical axes.

**Leased Aircraft.** An aircraft as one used under a contractual leasing arrangements.

**Lesser.** The person, party or the AOC holder from whom the aircraft is leased.



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**Lessee.** The person, party or the AOC holder to which the aircraft is leased.

**Long term lease.** An operating lease for a period exceeding 90 days.

**Operations manual.** A manual containing procedures, instructions and guidance for use by operational personnel in the execution of their duties.

**Operator.** A person, organization or the enterprise engaged in or offering to engage in an aircraft operation under an Air Operator Certificate issued by the CAAN.

**Pilot-in-Command.** A pilot designated by the operator, or in the case of general aviation, the owner, as being in command and charged with the safe conduct of a flight.

**Private aircraft.** An aircraft engaged on private operations.

**Private Operations.** Flight operations other than aerial work, charter or commercial air transport in which no remuneration, hire or reward is given to the pilot, the owner or the operator of the aircraft in respect of the flight or the purpose of that flight.

**Short term lease.** A lease designed to meet an AOC holder's need for additional aircraft for seasonal or short period not exceeding 90 days.

**State of operator.** The state in which the Operator's principal place of business is located or, if there is no such place of business, the operator's permanent residence is located.

**State of registry.** The State on whose registry the aircraft is entered.

**Wet lease.** A lease of aircraft with the crew; under a contractual arrangement.



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## CHAPTER 1

### GENERAL INFORMATION

#### 1.1 Introduction

- 1.1.1 The responsibility on Government of Nepal is implicit in its acceptance of the International Standards and Recommended Practices for the safety of air navigation to which Article 37 of the Convention on International Civil Aviation refers. In order to discharge this responsibility, Civil Aviation Authority of Nepal (hereinafter called 'CAAN' or 'Authority') has decided to promulgate the following procedure as Air Operator Certificate Requirements (here in after called AOCR) consistent with the Annexes to the Convention. This document explains the procedures and various requirements to be followed for issuance/renewal of an Air Operator Certificate (hereinafter called 'AOC') which an applicant has to fulfill for issuance/renewal of AOC.
- 1.1.2 No Nepalese operator shall operate an aircraft for the purpose of commercial air transportation within and outside Nepal unless it holds an Air Operator Certificate issued by CAAN. Accordingly, exercising the powers conferred by Nepal Civil Aviation Authority Act 2053; CAAN has laid down requirements for the issuance of an AOC in its Civil Aviation Regulation 2058, Chapter 2 and any amendment to this Chapter is made thereof, an AOC shall be issued to the applicant who meets the laid down requirements for the specific type of air transportation.
- 1.1.3 No Nepalese operator shall operate a foreign registered aircraft for commercial operation within Nepal, unless there is an agreement between the State of Registry and CAAN.
- 1.1.4 AOC shall be granted to the holders of those fixed wing single engine aircraft for charter purpose, which fulfill the requirements specified by NCAR, FOR and other applicable rules and regulations of CAAN.
- 1.1.5 AOC shall be granted only to those applicants whose principal places of aviation related business are based in Nepal.
- 1.1.5.1 Foreign investment will be acceptable within the scope of National Aviation Policy 2063.



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- 1.1.6 CAAN requires that an AOC holder maintains its all-round standard of operation to the full satisfaction of the Authority while maintaining safety of operation as a top agenda.

An AOC shall be varied, cancelled, suspended or revoked if the CAAN is no longer satisfied that operator can maintain safe operations, does not comply the AOC requirements, violates the existing rules and regulations.

## 1.2 Responsibilities of the Operator

- a. The operator has a responsibility for the safe conduct of operations and for compliance with any laws or regulations which CAA Nepal may promulgate. These laws regulations, and requirements at safety instruction which are the means by which the CAAN implements the provisions of the Annexes, are not in themselves sufficient to provide the operator with comprehensive and detailed instructions on which to base an operation.
  - b. The responsibility for the development of operating instructions necessary for the safety, regularity and efficiency of an operation therefore rests upon the operator. These operating instructions must not conflict with the laws and regulations of the State of the Operator or those of other States into or over which operations are conducted. The primary means used by an operator to promulgate these operating instructions is the Operations Manual and the maintenance related manuals which are discussed in this Requirements.
- 1.2.1 The FOR Part I and Part III, mandatorily requires the implementation of a Safety Management System in accordance with *Annex 6 of the Chicago Convention*. This Safety Management System, which needs to be acceptable to the State, is required to cover, at least:
- a) the identification of safety hazards;
  - b) the necessary remedial action to maintain an acceptable level of safety;
  - c) continuous monitoring and regular assessment of the safety level achieved;
  - d) continuous improvement to the overall level of safety.
- 1.2.2 The safety management system is also required to clearly define the lines of safety accountability throughout the organization and the direct accountability for safety of the senior management.

## 1.3 Requirements to issue AOC



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## 1.3.1 General

- a) The issuance of the AOC for commercial operation shall be dependent upon the applicants demonstrating an adequate organization, financial soundness, technical capabilities consistent with the nature and extent of the operations specified. On compliance of the requirements, an AOC shall be issued to the applicant, setting forth the operational authorization and limitations to carry out the specified commercial air transport and special operations.
- b) Recreational Air Operator Certificate (RAOC) is issued for any other recreational type of operation such as Aviation Sports and other flying activities like Hot Air Balloon, Microlight/Ultralight, Hang Gliding, Para Gliding, Heli-Skiing, Skydiving etc. RAOC can be granted subject to the applicant showing satisfactory capability to undertake these types of operations.

## 1.3.2 Requirements of AOC for Domestic Air Transport Services

- a) An applicant for AOC to operate domestic air transport services shall fulfill the relevant requirements mentioned in 1.2.1 and other applicable provisions of this AOCC.
- b) An AOC applicant shall identify a suitable operations base in his/her application which shall satisfy the CAAN.

## 1.3.3 Requirements of AOC for International Air Transport Services

- a) An applicant for AOC to operate international air transport services shall fulfill the relevant requirements mentioned in 1.2.1 and other applicable provisions of this AOCC.
- b) An AOC to operate international air transport services may be issued to those air operators who have completed 5 years of successful domestic air transport services and their technical, operational, financial and management capabilities would show that they are capable to operate international air transport services safely; or

An AOC may be granted to applicants who can demonstrate their capability to comply this AOCC with CAAN and Nepal Government rules and regulations.

## 1.3.4 For initial issuance of an AOC, wet lease operations shall not be permitted.





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## 1.4 Applicable rules and regulations

1.4.1 In discharge of its responsibilities for regulating air transportation and ensuring safety of aircraft operations, CAAN has laid down detailed rules, regulations, requirements and procedures. The main responsibility for the safe conduct of the operations and for compliance with the law, rules, regulations, requirements and directions issued from time to time is that of the operator. These laws and regulations cannot in themselves provide the operator with comprehensive and detailed instructions on which to base its operations, the operator shall, therefore, develop its own detailed operating procedures necessary for safe, regular and efficient operations within the frame work of the law, rules, regulations, requirements and directions issued by CAAN from time to time.

### 1.4.2 RESERVED

1.4.3 As specified in the National Civil Aviation Policy, pressurized aircraft, to be imported for commercial air transport services, shall not be more than 15 years to date in age or have completed 75 percent of its design economic life or 45,000 pressurization cycles whichever is earlier. However this requirement shall not be applicable for acquisition of Nepalese registered aircraft maintained in accordance with CAAN requirements.

1.4.4 In case of non-pressurized aircraft as per National Civil Aviation Policy, generally permission will not be given to import those aircraft which are more than 20 years old; however, the permit for import of such aircraft more than 20 years old may be decided on a case-to-case basis and after full examination of all records of such aircrafts.

1.4.5 In case of both types of pressurized and non-pressurized aircraft as mentioned above whose life has reached more than half the economic design life, a structural integrity program will be prepared and flight operations will be allowed only on the basis of such program.

1.4.6 An applicant for an AOC shall allow the CAAN officials to examine all operational, airworthiness, air transport and safety aspects of the proposed operation.

1.4.7 An operator shall grant CAAN officials unrestricted access to his organization and aircraft to determine continued compliance with CAAN rules, regulations and requirements.

1.4.8 For Domestic Operators - An applicant intending to operate domestic flights shall have a fleet of minimum two aircrafts at the time of commencement of the operation – either by outright purchase or lease purchase or dry lease.



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## 1.5 Air Operator Certification Procedure

The procedure to be followed by CAAN for the issuance of an AOC is divided into following phases and checklists as mentioned in Appendix 10 will be used for each phase by the appropriate units:

- a. Pre - Application Phase
- b. Formal Application Phase
- c. Document Evaluation Phase
- d. Inspection Phase
  - i) Operational Demonstration and Inspection Phase
  - ii) Maintenance Control Demonstration and Inspection Phase
- e. Certification Phase

## 1.6 Application Processing Time

The applicant shall submit the application at least 04 to 06 months before the planned commencement date of operation, taking into consideration the time required on the completeness of the information submitted and the progress the applicant makes in demonstrating an adequate organization, method of control and supervision of flight operations, training programme, procurement of aircraft(s) and associated maintenance arrangements consistent with the nature and extent of operations specified. The process of issuance of an AOC should be accomplished within the targeted date.

## 1.7 Inter-departmental coordination

- a) Upon receiving an application for an AOC, the Flight Operations Division will commence the process for granting of an AOC in accordance with the provisions of the AOCR.
- b) The AOC Project Director will nominate one AOC Project Manager who will nominate members from the Flight Operations including Cabin Safety, Airworthiness Inspection Divisions, Security and Dangerous Goods Section to compose a core group of experts who will be involved in the AOC application evaluation process in the form of an AOC Certification Team. As far as possible, Team Members who are trained on the type should be nominated.
- c) The AOC Certification Team may also involve experts from other units of CAAN, if so required. Inspectors will conduct joint or separate inspections and submit their reports/checklists to the AOC Section.
- d) Each phase of the process will be completed in a similar manner. Inspectors shall use the checklists as included in their respective Inspector Manuals.
- e) The AOC Certification Team Members will study, inspect and evaluate every item the applicant submits according to their area of expertise. They will conduct joint meetings as necessary and report to the Project Manager as and when required. Each Phase requires thorough and detailed evaluation to ensure that all the



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requirements have been complied with prior to being recommended for proceeding to the next Phase.

- f) AOC applicants are strongly recommended to study ICAO Doc. 8335 *Manual of Procedures for Operations Inspection, Certification and Continued Surveillance* to gain detailed knowledge of this process.
- g) All members of the CAAN Certification Team must ensure that there is proper coordination between the applicable Sections within the CAAN on all matters associated with AOC certification that require input from more than one discipline.
- h) It will be the responsibility of the AOC Project Manager to ensure that there is proper coordination throughout the certification project in the applicable areas. The primary Sections that will be required to coordinate on certification activities are, Flight Operations, Airworthiness, and Personal Licensing. Where more than one discipline is involved in an approval then the inspectors that have been assigned from Flight Operations, Airworthiness, and PEL should initially meet to discuss the approval process.
- i) A clear division of responsibilities should be established prior to commencement of work. Generally, the checklists should guide the division of work but there may be times where the division of work needs to be more clearly defined. Meetings should be held as required throughout the approval process to ensure the work remains focused and that all aspects of the approval process are being properly completed.
- j) Finally, at the conclusion of the process, the inspectors from the applicable sections should meet together with the AOC Project Manager to ensure all work has been completed and to ensure that all parties are in agreement that a recommendation for approval can be made.

## 1.8 Rules applicable to international operators

- 1.8.1 Each certificate holder shall, while operating an aircraft in foreign country, comply with operational rules and regulation including the air traffic rules of the country concerned.
- 1.8.2 The operator engaged in international operations shall ensure that all its employees when posted abroad are fully aware and shall comply with laws, regulations and procedures of those countries in which operations are conducted.
- 1.8.3 No certificate holder may operate an aircraft in a foreign country unless authorized to do so by the concerned authority of that country or concerned mission.
- 1.8.4 An applicant intending to operate international scheduled flights may have a fleet of one aircraft at the time of commencement of the operation either by outright or lease purchase or through Damp or Dry Lease. However, a second



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aircraft must be inducted into the fleet within the next three months of operations.

- 1.8.5 No Nepalese operator shall operate a foreign registered aircraft in commercial operation outside Nepal, unless there is an agreement between State of registry and CAAN as per ICAO article 83bis.

## **1.9 ADDITION OF SAME AIRCRAFT TYPE TO FLEET**

- 1.9.1 For the addition of the same type of aircraft to an existing fleet, the Operator shall submit an application detailing the feasibility, business plan, adequacy of crew and maintenance resources and facilities.
- 1.9.2 The operator shall also submit the risk assessment associated with the addition of more aircraft to the fleet.

## **1.10 ADDITION OF NEW AIRCRAFT TYPE TO FLEET**

- 1.10.1 For the addition of a new aircraft type to its existing fleet, an applicant shall comply with the requirements of this AOCR following the five phase process.
- 1.10.2 In such cases, the entire five-phase process shall be completed satisfactorily using all relevant checklists of the AOCR and AOI manuals with the exception of the Prospective Operator's Pre-assessment Statement form.
- 1.10.3 The operator shall also submit the risk assessment associated with the addition of new aircraft to the fleet.

## **1.11 COMPLETE DEVELOPMENT OF LOCAL HUMAN RESOURCES**

- 1.11.1 An operator shall be required to completely develop local human resources in the areas of flight crew and maintenance within five years of commencing operations.
- 1.11.2 When the operator introduces a new type of aircraft in its fleet, it shall take all appropriate measures to ensure that all local human resources required for the safe conduct of operations in the new type are appropriately trained and capable within five years of introduction of the new type.



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## CHAPTER 2

### PRE-APPLICATION PHASE

2.0 In this phase, the CAAN will make the potential operator aware of all regulatory requirements which must be met in order to obtain an AOC and exact steps in the certification process which must be accomplished before the AOC may be issued. It is essential that the applicant has a clear understanding of the form, content, and documents required for the formal application.

#### 2.1 Initial Information

2.1.1 In this phase, CAAN shall advise the potential operator to thoroughly review the related CAAN regulations, Requirements, Directives, Guidance Materials etc. and provide guidance concerning personnel, facilities, equipment and technical data requirements.

2.1.2 CAAN shall provide the potential operator about the Government of Nepal and CAAN Policy relating to the operation of aircraft and an explanation of the certification process, in a standard information package for applicants for an AOC.

2.1.3 The applicant shall be conversant with the Rules and Regulations as applicable in connection with issuance/renewal of AOC and other operational requirements of CAAN prior to apply for AOC

#### 2.2 Detail Feasibility study Report

2.2.1 If the potential operator is willing to proceed for AOC process, he must submit a Detailed Feasibility Study (DFS) Report indicating the viability of the operation. The content of the DFS report should be as specified in Appendix 2.

2.2.2 CAAN will evaluate the DFS report based on financial, economic and legal status of applicant and the proposed operation.

2.2.3 While evaluating the report due consideration will be given to the existing operating environment such as aircraft fleet, airport capacity, route-sector, service in social sector etc. Different CAAN Departments/Divisions may be involved in the evaluation process of the DFS report.

2.2.4 If the DFS report is found unsatisfactory in terms of Clause 2.2.2, CAAN will give written notification to the potential operator stating that the illegibility criteria does not meet to run an airline business.

2.2.5 During the evaluation process if it is observed that there needs certain amendment in DFS report in terms of Clause 2.2.3, notification to the



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potential operator will be made specifying the areas need to be amended. The potential operator should submit the revised DFS report as soon as possible to the CAAN.

## **2.3 Pre-Application Meeting**

- 2.3.1 The pre-application meeting will be attended by the CAA project manager and certification team and the key management personnel of the applicant. The applicant should be prepared to discuss, in general terms, all aspects of the proposed operations.
- 2.3.2 The applicant shall be provided with an overview of the certification process and made aware of the government department responsible for financial, economic and legal matters, and for the necessary assessment of the applicant's financial resources and ability to support the proposed operations.
- 2.3.3 In case the certification team considers that the applicant is not ready to make a formal application, advice shall be given on further preparation and another pre-application meeting shall be scheduled or, alternatively, the applicant may be advised to withdraw the intent to apply for certification.
- 2.3.4 In case the certification team confirms that the information provided in the pre-application statement is satisfactory and that the applicant has a clear understanding of the certification process, the applicant will then be invited to prepare and proceed with a formal application.



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## CHAPTER 3

### FORMAL APPLICATION PHASE

**3.0** Any person/operator intending to operate commercial air transport service shall apply for an Air Operator Certificate to the Director General, Civil Aviation Authority of Nepal, Babar Mahal, Kathmandu in a prescribed form as per Appendix-1 APPLICATION FORM FOR THE ISSUE OF AOC and follow the instructions as described in this phase.

**3.1** The application should be signed by the applicant's Chairman of the Board and should contain at least the following information:

- a) a statement that the application serves as a formal application for an AOC;
- b) the name and address of the applicant;
- c) the location and address of the applicant's principal place of business and the main base of operations;
- d) a description of the applicant's business organization and corporate structure and names and addresses of those entities and individuals having a major financial interest;
- e) the name and address of the applicant's legal representative;
- f) the identity of key management personnel. For example: Chief Executive Officer/Accountable Manager, Operations Manager, Safety Manager, Maintenance Manager, CAMO Manager and Quality Manager/Quality Assurance Manager; etc as mentioned in FOR and NCAR.
- g) the nature of the proposed operations — passenger/cargo/mail, day or night, VFR or IFR, whether or not dangerous goods are to be transported; and the desired date for the operation to commence.

**3.2.1** The attachments which need to accompany the formal application are:

- a) the identification of the operation specifications sought, with information on how associated conditions will be met;
- b) the schedule of events in the certification process with appropriate events addressed and target dates;
- c) an initial statement of compliance or detailed description of how the applicant intends to show compliance with each provision of the air navigation regulations.
- d) the management structure and key staff members including titles, names, backgrounds, qualifications and experience, with regulatory requirements satisfied;
- e) the details of the safety management system;
- f) a list of designated destination and alternate aerodromes for scheduled services, areas of operation for non-scheduled services and bases for operations, as appropriate to the intended operations;
- g) a list of aircraft to be operated;





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- h) documents of purchase, leases, contracts or letters of intent;
- i) arrangements for crew and ground personnel training and qualification and the facilities and equipment required and available;
- j) the operations manual;
- k) the maintenance related manuals;
- l) details of the method of control and supervision of operations to be used; and
- m) the status of the assessment of financial, economic and legal matters by the appropriate government department.

3.2.2 The applicant shall submit all required manuals listed below:

- Aircraft Flight Manual(s);
- Operations manual (individual manuals and items listed below that form part of the Operations Manual);
- Standard Operating Procedures (SOP) for every intended aircraft type;:
- Aircraft Operating Manual or Pilot Operating Handbook;
- Minimum Equipment List (MEL); Configuration Deviation List (CDL);
- Aircraft performance manual;
- Mass and balance control manual;
- Aircraft loading and handling manual or Ground Handling Manual;
- Aerodrome Operating Minima for every airport to which the operates intends to fly to as destination or alternate; and the method of establishing such minimas
- Training Manuals for flight crew, cabin crew, operations personnel and ground personnel;
- Route guide;
- Dangerous Goods Manual;
- Safety Management System Manual, including a description of the Flight Safety Documentation System; Emergency Response Plan (ERP) for every airport to which the company operates and which shall form part of the SMS;
- Security programme manual;
- Continuing Airworthiness Management Exposition (CAME) or Continuing Airworthiness Management and Maintenance Organization Exposition (CAMMOE) Manual;
- Maintenance programme including maintenance schedule;
- Training manual for maintenance personnel;
- Plan for emergency evacuation demonstration;
- Plan for ditching demonstration; and
- Plan for demonstration flights.

## 3.3 Overview of the Formal Application

3.3.1 Certification process may be initiated only after receiving properly and correctly completed AOC application forms.



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3.3.2 The application shall contain all the required information along with the supporting documents and the necessary fee. Incomplete application or application without supporting documents is liable to be rejected.

## 3.4 General Requirements

3.4.1 An AOC applicant intending to conduct commercial air transport service must apply through the prescribed Application Form (Appendix-1) duly filled in three copies. The Application Form and any further information that may be required shall be obtained from CAAN Head Office.

3.4.2 The application must be submitted to the Authority at least 90 (ninety) days before the date of intended operation.

### 3.4.3 RESERVED

3.4.4 The applicant must submit in the name of CAAN a cash deposit or a bank guarantee of an amount of:

- a) Rs 5 crore against security deposit money to operate international commercial air transport service;
- b) Rs 1 crore against security deposit money to operate domestic commercial air transport service;
- c) Rs 50 lakh against security deposit money to operate helicopter services
- d) Rs 10 lakh against security deposit money to operate other small commercial aviation activities such as ultra-light/micro-light, power glider, hot air balloon etc; and
- e) Rs 5 lakh against security deposit money to operate UAVs.

Cash security deposit is a pledge by the operator who agrees that the CAAN is authorized to use these amounts to recover debts accrued in the event that the operator fails to pay its debts, outstanding dues, fulfill its obligations to CAAN or in case(s) of default(s).

3.4.5 The applicant for the issuance of AOC must pay the fee as specified in the Civil Aviation Regulations 2058 at the time of application.

## 3.5 Operational Requirements

3.5.1 The applicant shall have adequate operational management organization to the satisfaction of CAAN and shall be adequately staffed with qualified and trained personnel to conduct operations safely and efficiently.

3.5.2 The applicant shall have in possession of all the necessary operational documents and publications of CAAN like Flight Operations Requirements (FOR), Nepalese Civil Airworthiness Requirements (NCAR) Part 145, NCAR Part M, Aeronautical Information Publications (AIP), National Civil Aviation Security Programme, NOTAMS, Civil Aviation Policy 2063 (2006), aeronautical maps and



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charts etc for reference by flight crew personnel at the main base and also at the night stopping stations. The operator shall have a system to maintain these documents up to date and disseminate the information to all concerned operational personnel.

## 3.6 General

3.6.1. The applicant shall establish and maintain a method of control and supervision of flight operations, as one of the pre-requisites for the issuance and continued validity of an air operator certificate (AOC). The operator therefore needs to have the capability of organizing, conducting and supervising the intended or existing commercial aviation operation.

3.6.2 The number of management and supervisory personnel required depends upon the size and complexity of the operation. The operator shall establish the responsibilities and functions of the different officers involved in their relationship with officers and their relationship within the operations area and the organization as a whole. The authority, tasks, responsibilities and relationships of each key position are to be clearly understood and followed by the individuals occupying these positions.

## 3.7 Organization and administration

3.7.1 The operational management should have proper status in the organization and be in suitably experienced and competent hands. Clear lines of authority and specific duties and responsibilities of subordinate elements and positions need to be established.

3.7.2 Acceptable procedures are to be established and followed for conveying company decisions, procedures and operating instructions to affected personnel to keep them informed at all times of items relevant to their activities.

3.7.3 The operator needs to develop a complete description of the qualifications required for and the duties and responsibilities of the key management positions. These include:

- Chief Executive Officer (CEO) / Accountable Manager
- Chief of Flight Operations
- Fleet Chief Pilot
- Safety Manager
- Chief of Flight Safety
- Chief of Training
- Cabin Crew Manager
- CA Manager
- Quality Assurance Manager



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3.7.4 Some of the above positions may be combined, depending on the size and complexity of the operation, if the management structure is acceptable to the CAAN.

## 3.8 Operations manual

3.8.1 The operations manual is the means used to define the company structure and individual duties and responsibilities.

3.8.2 With respect to the company organization the operations manual will contain:

- a) a description of the organizational structure including the general company organization and the operations department organization. The relationship between the operations department and the other departments of the company and the subordination and reporting lines of all divisions, departments, etc. which pertain to the safety of flight operations should be defined;
- b) the name of each manager responsible for flight operations, airworthiness and maintenance, crew training and ground operations, with a description of their function and responsibilities and their contact details;
- c) a description of the duties, responsibilities and authority of operations management personnel pertaining to the safety of flight operations and in compliance with applicable regulations;
- d) a description of the system for supervision of the operation by the operator including how the safety of flight operations and the qualifications of personnel involved in all such operations are supervised and monitored. In particular, it contains the procedures related to the competence of operations personnel and the control, analysis and storage of records, flight documents and safety related data; and
- e) a system for the promulgation of additional operational instructions and information, supplementary to that in the operations manual, including the applicability of this information and the responsibilities for its promulgation.

## 3.9 Continuing Airworthiness Management Exposition (CAME) / Continuing Airworthiness Management and Maintenance Organization Exposition (CAMMOE)

3.9.1 The Continuing Airworthiness Management Exposition / Continuing Airworthiness Management Maintenance Organization Exposition (CAMMOE) Manual should describe the operator's procedures necessary to ensure the continuing airworthiness of the operator's aircraft.

3.9.2 The Continuing Airworthiness Management Exposition / Continuing Airworthiness Management and Maintenance Organization Exposition (CAMMOE) Manual will contain information as per NCAR Part M and NCAR Part 145.



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- a) a statement signed by the accountable manager to confirm that the organisation will work in accordance with NCAR Part-M and the exposition at all times, and;
- b) the organisation's scope of work, and;
- c) the title(s) and name(s) of person(s) referred to in NCAR M.A.706(a), NCAR M.A.706(c), NCAR M.A.706(d) and NCAR M.A.706(i);
- d) an organisation chart showing associated chains of responsibility between all the person(s) referred to in NCAR M.A.706(a), NCAR M.A.706(c), NCAR M.A.706(d) and NCAR M.A.706(i).
- e) a list of the airworthiness staff referred to in NCAR M.A.707, specifying, where applicable, the staff authorised to issue permits to fly in accordance with NCAR M.A.711(c).
- f) a general description and location of the facilities, and;
- g) procedures specifying how the continuing airworthiness management organisation ensures compliance with NCAR Part-M, and;
- h) the continuing airworthiness management exposition amendment procedures.
- i) The list of approved aircraft maintenance programmes, or, for aircraft not involved in commercial air transport, the list of "generic" and "baseline" maintenance programmes.

3.9.3. The applicant must submit at least two copies of the following manuals, which requires approval from CAAN before being effective:

## **a) Operations Manual**

The Operations Manual shall be prepared as specified in the Flight Operations Requirements. The manual shall contain the operational procedures and policies to be adopted during operations

## **b) Continuing Airworthiness Management Exposition and Continuing Airworthiness Management and Maintenance Organization Exposition (CAMMOE) Manual**

The Continuing Airworthiness Management Exposition (CAME) shall be prepared as specified in NCAR Part M and Continuing Airworthiness Management and Maintenance Organization Exposition Manual (CAMMOE) shall be prepared as specified in NCAR Part M and NCAR Part 145. This manual should describe the operators continuing airworthiness management; aircraft maintenance procedures and the maintenance system to be followed.

If applicant is not able to set up their maintenance organization as per NCAR Part 145, an agreement with maintenance Organization as per NCAR Part M should be submitted by applicant to maintain aircraft as per requirements.

## **c) Training Manual**



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The Training Manual or Operations Manual Part D-Training, shall describe in detail the training policy and training requirements for Flight Crew, Cabin Crew and Flight Dispatchers together with adequate guidance to check pilot, instructors, and examiners to the best satisfaction of CAAN. It should be ensured that all personnel are given required training to perform their duties.

Furthermore, the organization shall prepare Training Manual for its Continuing Airworthiness Personnel. This Training Manual can be part of CAME/ CAMMOE.

The Inspector shall address the following items when reviewing a Training Manual:

- a) Training Policy and Directives
- b) Administrative support of air operator
- c) List of designated instructors and line check airmen
- d) Comprehensive syllabi, including ground and flight lesson plans for approved training
- e) Procedures for the conduct of examination and maneuver tolerance
- f) Procedures to require that flight crew members are properly trained and examined on abnormal and emergency conditions
- g) Procedures for remedial training and subsequent examination of flight crew unable to achieve or maintain required standards.

## **d) Security Manual**

The Security Manual shall be prepared as per the guidelines laid down by CAAN in its document National Civil Aviation Security Programme, Nepal.

In addition, the Security Training Program for the flight and cabin crew should contain as a minimum:

- (i) Security of the flight crew compartment
- (ii) Aircraft search procedure checklist
- (iii) Determination of the seriousness of any occurrence
- (iv) Crew communication and coordination
- (v) Appropriate self-defense responses
- (vi) Use authorized by the State of the Operator of non-lethal protective devices assigned to crew member
- (vii) Understanding of behavior of terrorists
- (viii) Live situational training exercises regarding various threat conditions
- (ix) Post-flight concern for the crew

## **e) Safety Management System (SMS) Manual**

The Safety Management System Manual shall describe in detail the policies and procedures for ensuring safety of operations, investigation of occurrences, implementation of safety recommendations, accident/incident prevention programmes and safety enhancement measures. A Flight Safety Manual, if prepared separately, shall be a part of the SMS Manual.





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## f) Dangerous Goods Manual

The Dangerous Good Manual shall be prepared in accordance with Dangerous Goods Handling Requirements, CAAN and ICAO Doc 9284 which shall describe in detail the policies and procedures in regard to dangerous goods handling practices and knowledge.

## g) Any other Manuals as required by CAAN

### 3.10 Aircraft and Airworthiness Requirement

3.10.1 The applicant shall furnish the necessary information to show that the specific aircraft proposed to be imported meets the necessary CAAN requirements and that all mandatory modifications, Airworthiness Directives and mandatory equipment required to be installed have been complied with.

3.10.2 Acquisition of aircraft by local purchase/lease within the country shall also be done with the approval of the CAAN.

3.10.3 The proposed aircraft should be type certificated to the satisfaction of CAAN as specified in NCAR.

3.10.4 The applicant shall have adequate basic maintenance arrangements for the aircraft to be operated in accordance with NCAR Part 145 and NCAR Part M.

3.10.5 The aircraft shall be maintained by CAAN approved maintenance organization in accordance with NCAR 145 and shall comply with the various requirements as specified from time to time.

*Note: Operator is required to provide maintenance history and record of the aircraft*

### 3.11 Financial Requirements

3.11.1 Applicants for AOC shall have 'Financial Investment', exclusively for the type of aviation activity, to the minimum paid-up capital for:

International Air operator	- 50 Crore Rupees
Domestic Air Operator	- 15 Crore Rupees
Flight School Operator	- 10 Crore Rupees
Aviation Sports Operator	- 1 Crore Rupees

#### 3.11.2 Financial Information Required

The applicant must submit the following financial information using the checklist of Appendix 9:

- a) A provisional balance sheet that shows assets, liabilities and net worth, as of a date not more than 60 days before the date of application;



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- b) An itemization of liabilities more than 60 days due on the balance sheet date, if any, showing each creditor's name and address, a description of the liability, and amount and due date of liability;
- c) An itemization of claims in litigation, if any, against the applicant as of the date of application showing each claimant's name and address and a description and the amount of the claim;
- d) A detailed projection of the proposed operation covering 6 complete months after the month in which the certificate is expected to be issued including:
  - 1. estimated amount and source of both operating and non operating revenue, including identification of its existing and anticipated income producing contract and revenue per mile or hour of operation by aircraft;
  - 2. estimated amount of operating and non operating expenses by expense objective classification; and
  - 3. estimated net profit or loss for the period.
- e) An estimate of the cash that will be needed for the proposed operations during the first 6 months after the month in which the certificate is expected to be issued, including:
  - 1. acquisition of property and equipment (explain);
  - 2. retirement of debt (explain);
  - 3. operating losses other than depreciation and amortization (explain); and
  - 4. others (explain).
- f) Any other financial information that the CAAN requires to enable him to determine that the applicant has sufficient financial resources to conduct his operation with required degree of standard and safety; and
- g) Other financial resources as applicable.

3.11.3 The applicant and/or the promoters of the applicant must not have any financial liabilities to CAAN, Nepal Government and/or Nepal Government owned corporations. Also, the applicant and/or the promoters must not be black listed in Nepal Rashtra Bank, Applicants shall declare by written statement to CAAN that they are free of any financial liabilities.

## 3.11.4 Foreign Investment

Foreign Investment may be permitted for foreign individuals or organizations wishing to invest in joint ventures with Nepalese counterparts as per the following:

- a. for international airlines - up to 80%
- b. for domestic airlines - up to 49%
- c. for flight schools / training organization - up to 95%
- d. for maintenance organizations - up to 95%





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## 3.12 Details of insurance arrangements

3.12.1 Before the commencement of the intended commercial operation the applicant must submit a paper document on insurance evidence showing the details of Insurance companies (if more than one), policy number; types, amounts and period of coverage and special conditions, exclusions and limitations.

3.12.2 No operator shall operate an International air service or a domestic air service or recreational aviation operation unless fulfilling the requirements as mentioned in Appendix 8.

## 3.13 Other relevant information

### 3.13.1 Documents on leasing of aircraft

Prior to conducting operations, each certificate holder must provide to the CAAN a copy or a written Memorandum of Understanding of any leasing arrangements.

### 3.13.2 Schedule of activities

The application must contain detailed schedule of activities, listing when the aircraft and facilities will be ready for inspection by CAAN and when the operation will commence etc.

### 3.13.3 Any other documents required by CAAN.

## 3.14 Attachments to the formal application

3.14.1 **Identification of operations specifications sought** – Requirements for and guidance on the operations specifications are provided in FOR Aeroplane and Helicopters. The CAAN has standard operations specifications, to ensure that operators conducting similar operations with comparable equipment function to the same standards. The applicant must identify the desired operations specifications appropriate to the intended operation, from the CAA's standard operations specifications provided at the pre-application meeting. These desired operations specifications will include the applicant's intended authorizations, conditions and limitations specific to the aircraft type, or types, and to the proposed operations and will form the basis for the operations specifications that will ultimately be issued in association with the air operator certificate.

3.14.2 **Schedule of events** – The schedule of events is a key document that lists items, activities, programmes, aircraft and facility acquisitions that will be made ready for inspection by the CAAN before certification. The schedule should include: dates when crew members and maintenance personnel will commence training; when maintenance facilities will be ready for inspection; when each of the required manuals will be ready for evaluation; when aircraft will be ready for inspection; when terminal facilities will be ready for inspection; if and when emergency evacuation demonstrations, ditching demonstrations and demonstration flights are planned; and the dates of proposed assessments of training staff and other persons subject to



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CAAN approval. The dates should be logical in sequence and provide time for CAAN review, inspection and approval of each item. The overall plan is to be kept under constant review to maintain control of the certification process.

*Note. — Data from reliable analytical methods or from demonstrations by other operators can be used in the emergency evacuation or ditching demonstrations as described in 5.3.11.2 and 5.3.12.1 of this Part.*

**3.14.3 Initial statement of compliance (Compliance Checklist)** – The initial statement of compliance should be a complete list of all CAAN regulations applicable to the proposed operation. Each regulation, or sub-part, should be accompanied by a brief description or a reference to a manual or other document. The description or reference should describe the method of compliance in each case. The method of compliance may not be finalized at the time of the formal application, in which case a date should be given by which the information will be provided. The purpose of the statement of compliance is to ensure that the applicant has addressed all regulatory requirements. It aids the CAAN certification team to assess where the regulatory requirements have been addressed in the applicant's manuals, programmes and procedures.

**3.14.4 Management structure and key staff members** – The CAAN regulations should establish basic management positions and the qualifications for these positions, with some variation in the requirement dependent upon the complexity of the proposed operation. The requirements should cover the following positions: Chief Executive Officer/ Accountable Manager; Operations Manager; Chief Pilot; Safety Manager; Flight Safety Manager; Maintenance Manager; CAMO Manager and Quality Manager/ Quality Assurance Manager etc. The list should include the management positions, the names of the individuals involved and their qualifications and relevant management experience and, where appropriate, their licenses, ratings and aviation experience.

**3.14.5 Safety management system** – The details of the applicant's safety management system including: the safety policy; safety organization; safety assessments; occurrence reporting; hazard identification; risk assessment and risk management; event investigation and analysis; performance monitoring; safety promotion; and safety assurance.

**3.14.6 Aerodromes and areas** – A list should be provided of the destination and alternate aerodromes designated for proposed scheduled operations and areas of operation for non-scheduled operations.

**3.14.7 Aircraft to be operated** – A list of the aircraft to be operated should be provided with the make, model, series and the nationality and registration marks for each aircraft and details of the origin and source for each aircraft, if these details are known. It is possible that the details for individual aircraft may not yet be available, in which case, evidence should be provided as described in Appendix-1 para 4.



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**3.14.8 Documents of purchase, leases, contracts or letters of intent –** Documents of purchase, leases, contracts or letters of intent should provide evidence that the applicant is actively procuring aircraft, facilities and services appropriate to the operation proposed. If formal contracts are not completed, letters or other documents showing preliminary agreements or intent should be provided. These documents should relate to: aircraft; station facilities and services; weather reporting; communications facilities; maintenance; aeronautical charts and publications; aerodrome analysis and obstruction data; and outsourced training and training facilities.

**3.14.9 Crew and ground personnel training and required facilities –** Details of the facilities required and available for training company personnel and of the training programme with dates for commencement and completion of the initial programme.

Trainings will include:

- Human Performance;
- Threat And Error Management;
- The Safe Transport Of Dangerous Goods
- Security.

Specific attention should be paid, with respect to crew members on:

- company procedures indoctrination;
- Safety and Emergency Equipment Procedures (SEEP) drills;
- aircraft ground training;
- flight simulators and other flight simulation training devices;
- aircraft flight training.

All these aspects should cover both initial and recurrent training.

**3.14.10 Operations manual –** The operations manual, which may be provided in separate parts, should set out the applicant's general policies, the duties and responsibilities of personnel, operational control policy and procedures, and the instructions and information necessary to permit flight and ground personnel to perform their duties with a high degree of safety. The size, as well as the number of volumes, of the operations manual will depend upon the size and complexity of the proposed operations.

**Note. —FOR Part I and Part III —International Operations —Helicopters, Attachment H provide the organization and content of an operations manual.**

**3.14.11 CAME / CAMMOE –** The CAME/ CAMMOE should describe the administrative arrangements between the applicant and the approved maintenance organization and should define the procedures to use, the duties and responsibilities of operations and maintenance personnel and the instructions and information to permit maintenance and operational personnel involved to perform their duties with a high degree of safety.



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**3.14.12 Maintenance programme** – The maintenance programme, including a maintenance schedule, will detail the maintenance requirements for individual aircraft.

**3.14.13 Method of control and supervision of operations** – This should set out the applicant's proposals for control and supervision of operations including dispatch, flight watch or flight following, and communication procedures.

**3.14.14 Assessment of financial, economic and legal matters** – The status of the assessment of financial, economic and legal matters should be clearly identified in the formal application package since a successful outcome of this assessment is essential to the issuance of an air operator certificate.

**3.14.15 Maintenance contract** - A formal maintenance contract shall be provided by the applicant. The contract will be reviewed by CAAN for the satisfactory demonstration by applicant for the proposed scope of undertaking. Such information related to the maintenance contracts will be part of the operations specification authorization

**3.14.16 Carriage of Dangerous Goods** – Further to 3.14.1, air operators shall complete all the required Rules and Regulations commensurate to ICAO Annex 18, Technical Instructions for the Safe Transport of Dangerous Goods by Air (DOC 9284) and Dangerous Goods Handling Requirements (DGHR) of CAAN which are in force (applicable) for obtaining permission in AOC Operations Specifications in order to transport Dangerous Goods by air.



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## CHAPTER 4

### DOCUMENT EVALUATION PHASE

**4.0** The intention of the preliminary assessment of the application is to ascertain the applicant demonstrating an adequate organization, financial soundness and technical capabilities consistent with the nature and extent of the operations.

#### **4.1 General**

The preliminary assessment consists of two phases:

- a) Administrative and Financial Assessment
- b) Technical and Document Review

#### **4.2 Administrative and financial assessment**

**4.2.1** The CAAN will ensure that the applicant has ability to:

- a) establish and maintain an adequate organization;
- b) establish and maintain a quality system in accordance with NCAR;
- c) comply with required training programme;
- d) comply with operational and maintenance requirements consistent with the nature and extent of the operation specified; and
- e) comply with rules and regulations of CAAN.

**4.2.2** The CAAN will ensure that the applicant has outlined the duties and responsibilities of management and key executive personnel with sufficient precision to provide a reasonable assurance that the conduct of the flight operations will not be adversely affected through lack of organization and management control endangering safety.

**4.2.3** The CAAN will ensure that the nominated post holders possess the appropriate experience and qualification which are mentioned in FOR, PELR, NCAR and other CAAN requirements and documents. The Authority may accept a nomination which does not meet the requirements in full but, in the circumstances, the nominee should be able to demonstrate skill which the CAAN will accept as being compatible and that he will have the ability to perform effectively the functions associated with the post commensurate with the scale of specification. Nominated post holders should have:



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- a) practical experience and expertise in the application of aviation safety standards; and
  - b) comprehensive knowledge of civil aviation rules and regulations, and any associated requirements and procedures.
- 4.2.4 The CAAN will ensure that any proposed leasing arrangements will be examined thoroughly.
- 4.2.5 The CAAN will assess that sufficient financial resources are available to the operator so that the operator is able to obtain all required equipment, facilities and manpower and would be able to fully support operations in the early stages when revenues are difficult to predict and may, in any case, be very low. Marginal or severely limited resources adversely affect safety and efficiency of operation. Experience indicates that operators tend to shortcut vital matters on such as required maintenance, acquiring adequate spare parts, training of personnel and other similar matters associated with safety implications.
- 4.2.6 The CAAN shall be satisfied that each financial statement, submitted by the applicant, contain financial information that must be based on accounts prepared and maintained on an accrual basis in accordance with generally accepted accounting principles. Each financial document submitted must contain the name, address of the chartered accountant and must be signed by chartered accountant, owner and/or partner(s) of the applicant.
- 4.2.7 In assessing the application intended for international operation, the Authority shall ensure that the applicant has proposed a type and level of operation that is in accordance with bilateral or multilateral air transport agreements relating to air traffic rights, frequencies, capacity, routes, etc., to which the state is a party.
- 4.2.8 If the proposed operation is not considered by the Authority to be viable in respect of financial, economical and legal factors, further action should be suspended until it is determined that the deficiencies can be rectified.

## 4.3 Technical and Document Review

After the necessary assessment of administrative and financial information submitted in the application, the CAAN will undertake assessments of technical information provided by the applicant and will review the documents submitted by the applicant in support of policy and equipment.





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4.3.1 To ensure the highest degree of competence and safety, the CAAN will check that the applicant has qualified technical personnel serving full time in the following or equivalent positions:

- a) Chief Executive Officer/ Accountable Manager
- b) Operation Manager
- c) Safety Manager/Flight Safety Manager
- d) Maintenance Manager
- e) CAMO Manager
- f) Quality/ Quality Assurance Manager

The personnel intending to be engaged in each of the above b), c), d), e) and f) positions needs approval from CAAN. Also, the proposed personnel must produce 'no objection letter' from present employer, if applicable

*Note 4: Appendix 4 specifies the qualifications and experience of the key personnel.*

4.3.2 The CAAN will ensure that the manuals submitted by the applicant are prepared in accordance with the requirements specified in CAAN documents.

4.3.3 The CAAN will ensure that the applicant has presented traffic studies or other data to indicate that the proposed operation is economically viable.

4.3.4 The CAAN will assess that the:

- a) aircraft for the intended operation are fitted with mandatory equipments;
- b) aircraft are suitable for the intended airports and type of operation;
- c) aircraft have a Certificate of Airworthiness issued in accordance with NCAR;
- d) the pilots, Maintenance certifying personals, and flight dispatchers are properly certified and qualified to perform their assigned duties in accordance with applicable rules and regulations of CAAN; and
- e) all applicable operations and airworthiness requirements have been met by the applicant.

## 4.4 General



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- 4.4.1 After the formal application has been accepted, the CAAN certification team will commence a thorough evaluation of all the documents and manuals that are required by the regulations to be submitted to the CAAN. The CAAN should endeavor to complete these evaluations in accordance with the schedule of events prepared by the applicant and agreed at the formal application meeting. If a document or manual is incomplete or deficient, or if non-compliance with regulations or safe operating practices is detected, the document or manual should be returned to the applicant for corrective action.
- 4.4.2 Documents or manuals that are satisfactory will be approved or accepted, as required by the regulations. Approval should be indicated by a signed document or certificate. Acceptance of material that does not require formal approval should be indicated either by letter or by the absence of any CAAN objection to the material within a previously specified period.
- 4.4.3 The complexity of the information that needs to be addressed in the applicant's documents and manuals depends upon the complexity of the proposed operation.

## 4.5 Examples of documents and manuals to be evaluated

- 4.5.1 The following is a non-exhaustive list of the documents and manuals that should be provided by the applicant and evaluated by the CAAN during this phase:

- Draft operations specifications;
- Statement of compliance;
- Management personnel *résumés* providing qualifications and aviation experience;
- Aircraft Flight Manuals;
- Operations manual (individual manuals and items listed below form part of the operations manual):
  - Aircraft Operating Manual;
  - Minimum Equipment List (MEL);
  - Configuration Deviation List (CDL);
  - Aircraft performance manual;
  - Mass and balance control manual;
  - Aircraft loading and handling manual or ground handling manual;
  - Aerodrome Operating Minima for every airport to which the operates intends to fly to as destination or alternate; and the method of establishing such minimas
  - Training Manuals for flight crew, cabin crew, operations personnel and





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- ground personnel;
- Route guide;
- Dangerous goods manual including DG Training Plan and Program;
- Passenger briefing cards;
- Aircraft search procedure checklist;
- Operational control procedures, dispatch, flight following, etc.;
- Safety Management System Manual, including a description of the Flight Safety Document System.
- Security programme manual.
- Maintenance Organization Exposition Manual
- Continuing Airworthiness Management Exposition Manual
- Maintenance programme including maintenance schedule.
- Training manual for maintenance personnel.
- Plan for emergency evacuation demonstration.
- Plan for ditching demonstration, and
- Plan for demonstration flights.
- Quality management / quality system.

*Note 1. — Data from reliable analytical methods or from demonstrations by other operators can be used in the emergency evacuation or ditching demonstrations as described in 5.3.11.2 and 5.3.12.1 of this Part.*

*Note 2. — FOR Part I and Part III - International Operations — Helicopters, Attachment G provide guidance material on the flight safety document system that is required to be established.*

4.5.2 All manuals are to be provided with procedures for the development, control and distribution of each manual, the means to keep the manual up to date and the means for the publication and distribution of amendments.

4.5.3 Manuals will require appropriate revision and amendment when new requirements, operations or equipment are introduced.

## 4.6 Evaluation of the documents

4.6.1 **Draft operations specifications** – Operations specifications form part of the AOC. The CAAN draft standard operations specifications will have been given to the applicant at the pre-application meeting and a list of desired operations specifications identified to form the draft operations specifications. This draft will have been edited by the applicant and the CAAN certification team to add necessary authorizations, conditions and limitations to produce operations specifications appropriate to the applicant's intended operation. Information



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on the operations specifications should be available in the operations manual. Subsequent amendments to the specifications can be initiated later by the operator or the CAAN as required by changing circumstances.

**4.6.2 Statement of compliance** – The certification team will evaluate the statement of compliance, the purpose of which is to ensure that the applicant has met all regulatory requirements applicable to the proposed operation. The statement also indicates to the certification team where the regulatory requirements have been addressed in the applicant's manuals, programmes and procedures. The final statement of compliance needs to be completed and accepted by the CAAN prior to the commencement of the flight operations inspection described in 5.4 of this Part. **4.3.3 Management personnel résumés providing qualifications and aviation experience** – The list should include the management positions, the names of the individuals involved and their qualifications and relevant management experience and their licenses, ratings and aviation experience.

**4.6.3 Aircraft flight manuals** – Flight manuals are required to be provided specific to individual aircraft and are subject to the control of the State of Registry. Procedure shall be developed by an AOC applicant to ensure that the Aircraft Flight Manual is regularly updated by implementing changes made mandatory or approved by the State of Registry. Arrangements for the administration control and amendment of copies of the flight manuals should be examined together with the means for providing aircraft performance and limitations information to the flight crew. The flight manual should contain at least the information required by Annex 8.

## **4.7 Operations manual**

**4.7.1** The operations manual is the means by which the applicant intends to control all aspects of the intended operation. Its structure normally consists of four parts: a general section; aircraft operating information; areas, routes and aerodromes; and training. The arrangements for the administration and control of the operations manual should have already been evaluated during the cursory review in the formal application phase of the certification process.

**4.7.2** Requirements for the provision of an operations manual, including indication of specific items which require the approval of the DG, CAAN, structural organization and mandatory content, are in FOR Part I and Part III. The minimum subjects to be addressed in an operations manual are listed in Appendix 1 of the FOR. Guidance on the development of an operation manual is contained in the manual *Preparation of an Operations Manual* (Doc 9376).



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- 4.7.3 The operations manual and subsequent amendments have to be submitted to the CAAN for scrutiny and where required acceptance or approval. The CAAN will require revision of the manual as necessary to achieve compliance with State regulations and safety requirements.
- 4.7.4 Prior to initiating the ground or flight operations phase of the inspection, a detailed review of the operations manual should be completed by the certification team. The operations manual should provide in a clear and concise manner the necessary policy guidance and instructions to the applicant's personnel on how operations are to be conducted. The operations manual should not contain information which is not relevant to the proposed operations. Thus, at the outset, a determination should be made as to the adequacy of the operations manual. The subsequent ground and flight operational inspections will determine the capability of the applicant's organization to effectively carry out the policies and instructions set forth in the operations manual.
- 4.7.5 An adequate operations manual should at least:
- a) implement the regulations of the State of the Operator and AOC conditions and the corresponding Operations Specifications including any specified mandatory material and not conflict with the regulations of any other State where operations will be conducted;
  - b) provide clear, complete and detailed operating instructions, policies and procedures so that operational staff, i.e. crew members and ground operations, loading, maintenance, operational control and administrative personnel, etc., are fully informed of what is required of them. Through the proper use of this material, it will be expected that such personnel perform their duties to a high degree of precision, thus resulting in safe and efficient operations. Procedures should be effective, represent sound safety philosophy and be capable of being accomplished;
  - c) make provisions for revision to ensure that the information contained therein is kept up to date by including a Record of Amendments with the revision dates; the revised texts or diagrams to be marked by specific marks or signals and a copy of the List of Effective Pages;
  - d) present the necessary guidance and instructions to personnel in a suitable and convenient format. It should be ascertained that the applicant has provided the required instructions following the guidance provided regarding the form and content of these documents; and
  - e) outline standardized procedures for all crew member functions.



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- 4.7.6 In connection with the detailed review of the operations manual, the CAA inspector should ascertain that effective procedures have been established by the applicant for the revision, distribution and use of the operations manual. Each manual should be numbered and issued according to a specific distribution list, and each holder made responsible for its prompt and accurate update. The distribution list should contain all operations personnel and others requiring the information therein for proper performance of their duties. Those parts of the manual required to be carried on board each aircraft should be designed for convenient use and all parts should permit ready and accurate reference.
- 4.7.7 Examples of manuals or other items which may be included in the operations manual and which require evaluation are:
- 4.7.7.1 **Safety management system manual** – A safety management system manual is required and documents all aspects of the safety management system, including: the statement of safety policy and objectives, which clearly describes the safety accountabilities and emergency response planning; the safety risk management, which includes hazard identification processes and risk assessment and mitigation processes; the safety assurance, including safety performance monitoring with an investigation capability; and safety promotion and training.
  - 4.7.7.2 **Aircraft operating manuals** – Aircraft operating manuals for each type of aircraft to be operated are required by FOR Part I and Part III. Aircraft operating manuals are required to contain normal, abnormal and emergency procedures, details of the aircraft systems and the checklists to be used.
  - 4.7.7.3 **Minimum equipment list (MEL)** – An MEL is required for each type and model of aircraft to be operated which provides for the operation of the aircraft, subject to specified conditions, with particular equipment inoperative. This list, prepared by the applicant, in conformity with, or more restrictive than, the master minimum equipment list (MMEL) for the type approved by the State of Design, is tailored to the applicant's aircraft and installed equipments. The MEL is required to be approved by the State of the Operator. The MEL needs to be available to flight crew, maintenance personnel and personnel responsible for operational control. The MEL also needs to include instructions for its use.
  - 4.7.7.4 **Configuration deviation list (CDL)** – A CDL, for each aircraft type and model, may be established by the organization responsible for



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the type design and approved by the State of Design, to provide for the commencement of a flight without specified external parts. The CDL contains any necessary information on associated operating limitations or performance corrections and should be available to flight crew, maintenance personnel and personnel responsible for operational control. A CDL needs to include instructions for its use.

- 4.7.7.5 **Aircraft performance manual** – Aircraft performance manuals are required for each type and model of aircraft to be operated. The manuals need to contain adequate performance information and procedures for the calculation of performance for all phases of flight to enable aircraft to be operated within the performance limitations specified in the aircraft flight manual. The manual should cover performance limitations for take-off, en-route and landing in all engines operating and in appropriate engine inoperative situations, and should take into consideration appropriate factors affecting performance, such as line-up distance for take-off, runway conditions (wet, contaminated, etc.), aircraft configuration and technical status, environmental conditions, etc. The applicant should have a system for the provision of current performance and obstacle data for the aircraft, routes and aerodromes/heliports in use.
- 4.7.7.6 **Mass and balance control manual** – The manual provides for a system to obtain, maintain and distribute to operational personnel information on the mass and balance of each aircraft operated and the means to keep this information up to date. The manual includes procedures for the preparation of load sheets, for the distribution of passengers and cargo, for determining passenger, baggage and cargo mass and for the use of standard mass, as well as last minute change procedures.
- 4.7.7.7 **Aircraft loading and handling manual or Ground Handling Manual** – This manual contains procedures and limitations for servicing, fuelling, loading and unloading, pre-flight preparation and post flight securing, applicable to the aircraft type and model. The manual needs to be available to flight crew, maintenance personnel, ground handlers and handling agents.
- 4.7.7.8 **Training manuals for flight crew, cabin crew, operations personnel, ground personnel and maintenance personnel** – Training manuals are required for all operational, maintenance and ground personnel. These should cover all aspects of initial and recurrent training and conversion and upgrading training.



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- 4.7.7.9 **Route guide** – The route guide is required to ensure that the flight crew and personnel responsible for operational control have the necessary information for communications, navigation aids, aerodromes/heliports, instrument procedures for departure, en-route and arrival for the conduct of the particular operation.
- 4.7.7.10 **Dangerous goods manual** – All applicants will require a manual containing procedures for the handling of dangerous goods, emergency response to dangerous goods incidents and the training of personnel. The detail required will depend upon the intended status of the applicant with respect to the transport of dangerous goods. If a declaration has been made that dangerous goods will be carried as cargo, the applicant will require comprehensive material on the control, loading and carriage of dangerous goods and on response to dangerous goods incidents and emergencies. If it is not intended to transport dangerous goods as cargo, the applicant will still need to cover dangerous items that form part of the normal aircraft equipment, dangerous items that are permitted to be carried by passengers and dangerous items that may be carried in the form of company material. In both cases the operators will require procedures for the handling of dangerous goods, emergency response information and details of the required training appropriate to the level of activity proposed.
- 4.7.7.11 **Passenger briefing cards** – Passenger briefing cards need to be provided to supplement oral briefings and be particular to the type and model of aircraft and the specific emergency equipment in use.
- 4.7.7.12 **Aircraft search procedure checklist** – The checklist needs to be carried on board and describes the procedures to be followed in searching for a bomb in case of suspected sabotage and for inspecting aircraft for concealed weapons, explosives or other dangerous devices when a well-founded suspicion exists that the aircraft may be the object of an act of unlawful interference. The checklist should be supported by guidance on the appropriate course of action to be taken should a bomb or suspicious object be found and information on the least-risk bomb location specific to the aircraft.
- 4.7.7.13 **Operational control procedures, dispatch, flight following etc.** – The manual is required to contain the details of the applicant's operational control procedures and procedures for dispatch and





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flight following. It should cover procedures for use in emergency situations and all communication procedures.

- 4.7.7.14 **Rules limiting the flight time and flight duty periods and providing adequate rest periods for flight and cabin crew members** – These rules are included in the operations manual and need to be in accordance with the regulations of the State of the Operator or approved by that State. The applicant should state in its scheme the minimum times allocated to pre-flight preparation and immediate post-flight activities. There should be procedures to take into account duty periods, which include flight duty periods but also activities other than flight duties, such as ground school, simulator training, attendance at emergency drill practice, management or office duties, etc., particularly with respect to rest periods and the subsequent commencement of a flight duty period. Responsibility should be clearly defined for issuing instructions and decisions on questions relating to flight time, flight duty periods and rest periods and for processing reports when the pilot-in-command makes use of discretion to extend duty or reduce rest periods. Provisions in the operations manual for a fatigue risk management system may complement these rules, with the approval of the State of the Operator.
- 4.7.8 **Security programme manual** – The manual should describe the operator security programme, which should meet the requirements of the national civil aviation security programme of the State of the Operator. The manual should include the security procedures applicable to the type of operations.
- 4.7.9 **MOE Manual/ CAMMOE Manual** – This manual sets out the applicant's intentions and procedures with regard to maintaining the airworthiness of the aircraft used, during their operational life. This applies whether or not the applicant for an AOC also intends to apply for approval as an Approved Maintenance Organization (AMO) or intends to contract out maintenance to an AMO as per NCAR Chapter 145.
- 4.7.10 **Maintenance programme, including maintenance schedule** – A maintenance programme, approved by the State of Registry, is required for individual aircraft, taking into account the requirements of the type design authority.
- 4.7.11 **Plans for demonstrations which require evaluation:**
- 4.7.12 **Plan for emergency evacuation demonstration** – The applicant needs to have a plan for demonstrating aircraft evacuation. Evacuation demonstrations



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carried out by the aircraft manufacturer or other operators, for the same type and model of aircraft, may be taken into account by the CAAN when a decision is made on the actual demonstration required. A description of the emergency equipment installed on the aircraft needs to be attached to the plan.

- 4.7.13 **Plan for ditching demonstration** – Where over-water flights are included in the proposed operation the applicant needs to have a plan to demonstrate ditching equipment and the ability to carry out ditching procedures including the preparation of the passengers, the aircraft, and the ditching equipment.
- 4.7.14 **Plan for demonstration flights** – Where the CAAN has determined that demonstration flights are required at least one route for already operated aircraft in Nepal or more than one route in new fleet aircraft, a plan for these demonstration flights should be prepared so that the applicant can demonstrate the ability to operate and maintain aircraft and to conduct the type of operation specified. The determination by the CAAN whether or not demonstration flights will be required, and if such flights are required, their number and type, will depend upon the CAAN's assessment of the capabilities of the operational and maintenance systems established by the applicant.

*Note. — Data from reliable analytical methods or from demonstrations by other operators can be used in the emergency evacuation or ditching demonstrations as described in 6.1 Operational Demonstration and Inspection Phase of this Part.*





## CHAPTER 5

### NO OBJECTION CERTIFICATE

#### 5.1 Issuance of NOC

5.1.1 After the preliminary assessment of the application as mentioned in chapter 4, if the proposals are found satisfactory and if the applicant has fulfilled the other initial requirements, a No Objection Certificate shall be issued by CAAN.

5.1.2 The real preparation for developing the capability for operation of aircraft commences after issuance of NOC to the applicant. Although, completion of some of the under mentioned actions may be possible only after acquisition of the aircraft, the applicant should initiate and complete actions, to the extent possible, before acquisition of the aircraft as mentioned below.

#### 5.2 Action to be taken by Applicant before Acquisition of Aircraft

##### 5.2.1 Management Personnel Requirement

The applicant must have enough management personnel in its operations and must ensure that these personnel are competent and qualified in the respective areas as specified in Para 4.3.1. The names, qualifications and experiences of aforesaid management personnel should be submitted to the CAAN.

The duties and responsibilities of the managers and senior executives must be clearly defined in writings and chain of responsibilities should be firmly established. The applicant must satisfy CAAN during the operational inspection that management organization is adequate and properly matched to the operating network and commitments.

##### 5.2.2 Preparation of Policy Documents

The applicant must have the documents describing the rules, regulations and requirements promulgated by this manual.

The applicant should also develop its own instructions or documents for the guidance of the personnel on the details essential for the conduction of the operation.

##### 5.2.3 Recruitment and Training of Personnel

The applicant should recruit and start training of adequate number of required technical personnel on the type of aircraft to be conducted.

##### 5.2.4 Setting up of Operation Department and Safety Cell/Division



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The applicant shall set up adequately staffed and equipped operation office and safety cell to support and monitor the flight operations.

## 5.2.5 Setting up of Maintenance Facilities and Systems

The applicant should start setting up the basic maintenance facilities for the type of aircraft to be operated in accordance with the requirements of NCAR Part 145 or NCAR Part M.

## 5.2.6 Setting up Quality System/Quality Assurance

The applicant should start setting up the quality system for the type of aircraft to operate as per NCAR Part 145 or NCAR Part M.

## 5.2.7 Setting up of Commercial Department

The applicant should set up adequately staffed and well equipped commercial department that will perform all aspects of the commercial operations of the organization.

## 5.2.8 Setting up CVR and FDR Read out Facility

The applicant should set up a CVR and FDR readout facility of their aircraft fleet if application aircraft required CVR and FDR installation.

## 5.3 Issuance of NOC for Import/Acquisition of Aircraft

5.3.1 The No Objection Certificate shall be issued after all required documents have been submitted to CAAN. The submitted documents or manuals will be issued final approval after completion of the demonstration flight.

5.3.2 The NOC shall remain valid for one year from the date of issue during which the applicant should take further steps to comply with the other requirements to acquire the AOC.

## 5.4 Action to be taken by Applicant after Getting NOC for Import/Acquisition of Aircraft

### 5.4.1 Certificate of Registration and Certificate of Airworthiness of the aircraft

After import/acquisition of aircraft, the applicant shall register the aircraft in Nepal and should obtain the Certificate of Registration, and C of A/ RML for the aircraft in accordance with the NCAR.

### 5.4.2 Approval of Maintenance Organization

The applicant shall comply with all the requirements and obtain approval of the maintenance organization in accordance with NCAR Part 145 and NCAR Part M.



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If applicant is not able to set up their maintenance organization as per NCAR Chapter 145, an agreement with approved maintenance Organization as per NCAR 145 holder should be submitted by applicant to maintain aircraft safely. If so, applicant must able to show their own Continuing Airworthiness Management Maintenance Organization as per NCAR Part M and must submit CAMMOE Manual for approval.

## 5.4.3 Type Endorsement and Approval of Personnel

The applicant shall complete all the trainings and checks for the following categories of personnel and obtain their type endorsement and approval from CAAN wherever applicable:

- a) Flight Crew
- b) Aircraft Certifying personnel
- c) Cabin attendants
- d) Flight Dispatchers
- e) Load and Trim sheet personnel



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## CHAPTER 6

### INSPECTION PHASE - I

After the issuance of No Objection Certificate, the applicant shall proceed to the Inspection Phase after the acquisition of aircraft. Furthermore the inspection phase shall consist of Operational and Maintenance Parts which may be conducted simultaneously.

#### 6.1 Operational Demonstration and Inspection Phase

##### 6.1.1 General

6.1.1.1 CAAN regulations should require an applicant to demonstrate the ability to comply with regulations and safe operating practices before beginning revenue operations. These demonstrations will include actual performance of activities and/or operations while being observed by inspectors of the certification team. This will also involve on-site evaluations of aircraft maintenance equipment and support facilities. During these demonstrations and inspections, the CAAN evaluates the effectiveness of the policies, methods, procedures and instructions as described in the manuals and other documents developed by the applicant. During this phase emphasis should be placed on the applicant's management effectiveness. Deficiencies should be brought to the attention of the applicant and corrective action taken before an AOC can be issued.

6.1.1.2 The preliminary assessment of the application, as described earlier in Chapters 3 and 4, should provide the DG CAAN with a general appreciation of the scope of the proposed operation, and the potential ability of the applicant to conduct it safely. However, before authorizing the issuance of the AOC, the DG CAAN will need to thoroughly investigate the operating ability of the applicant. This important and more detailed phase of the investigation and assessment will require the applicant to demonstrate thorough day-to-day administrative and operational capabilities, including in some cases proving flights over proposed routes, the adequacy of facilities, equipment, operating procedures and practices, and the competence of administrative, flight and ground personnel. Demonstration flights may include any aspect to be covered by a special authorization in the operations specifications which will be associated with the AOC when issued. Training or positioning flights observed by a CAAN inspector, may be credited towards meeting demonstration flight requirements. Emergency evacuation and ditching demonstrations also may be required during this phase of the investigation of the applicant's capabilities.



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- 6.1.1.3 The operational demonstration phase should encompass all aspects of the proposed operation. However, such matters as the inspection of the passenger services organization, though necessary, is not covered in this manual.
- 6.1.1.4 Since the precise details of inspections will be determined by many factors, such as the nature, scope and geographical areas of operations, the type of airborne and ground equipment to be used and the method of operational control and supervision, it is not practicable to prepare comprehensive material adaptable to universal use. Consequently, the material which follows in this chapter should be regarded as a listing of the more important aspects of the operation to be investigated, the exact procedure for inspection being determined by the circumstances of each case. Further guidance on the conduct of inspections is given in Part I, Chapter 5.
- 6.1.1.5 It will also be necessary to ascertain that facilities located in other States, which are to be utilized, are adequate and that crew licenses are acceptable to other States where operations will take place. Arrangements for this determination are a matter of agreement between the State of the Operator and the other States concerned.

## 6.1.2 Organization and administration

- 6.1.2.1 During the operational demonstration and inspection phase the applicant's organizational structure, managerial style, direction and philosophy will be evaluated to ensure that necessary and proper control can be exercised over the proposed operation. A sound and effective management structure is essential; it is particularly important that the operational management should have proper status in the applicant's organization and be in suitably experienced and competent hands. Through discussions with key management personnel and through observation, the CAAN certification team will evaluate the appropriateness of the management structure and determine whether or not clear lines of authority and specific duties and responsibilities of subordinate elements and individuals are established. These duties and responsibilities need to be clearly outlined in the applicant's operations and maintenance control manuals and other company documents. It should also be determined that acceptable processes are established for conveying company procedures and operating instructions to the personnel involved to keep them appropriately informed at all times. The authorities, tasks, responsibilities and relationships of each position need to be clearly understood and followed by the individuals occupying these positions.



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- 6.1.2.2 At all levels, it is necessary that the applicant's personnel are thoroughly integrated into the operation and are made fully aware of the channels of communication to be used in the course of their work and of the limits of their authority and responsibility.
- 6.1.2.3 The applicant's staffing need to be evaluated to determine whether an adequate number of personnel are employed at the management and other levels to perform necessary functions. The number and nature of personnel will vary with the size and complexity of the organization. Through a sampling questioning process, the CAA certification team will determine whether or not management personnel are qualified, experienced and competent to perform their assigned duties.
- 6.1.2.4 Experience has shown that the quality of an operation is directly related to the standards maintained by its management. Competent management usually results in safe operations. An excess of managers can lead to fragmentation of responsibility and control and to as much difficulty and inefficiency as a shortage. Either case can result in a lowering of operational standards. Thus, the evaluation of an applicant's organization is a very significant phase of the certification inspection process. Once it has been determined that the applicant's organization is adequately staffed and managed, a detailed examination of the organization should be initiated and the suitability and use of the associated operations and maintenance control manuals should be assessed.

## 6.1.3 Ground Operations Inspection

### 6.1.3.1 General

- 6.1.3.1.1 The purpose of this phase of the certification inspection is to ascertain, through on-site inspections, the adequacy and suitability of the applicant's staffing, training program, ground equipment, facilities and procedures to conduct the operations specified in the application.
- 6.1.3.1.2 Although the inspection of maintenance facilities and procedures is part of the ground inspection, it will be carried out separately by airworthiness inspectors who are part of the CAA certification team.
- 6.1.3.1.3 Inspectors should ensure that the air operator has developed Ground Handling Training Requirements, subcontracting policies, Handling processes, procedures and practices for all Ground Handling performance and operations.



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6.1.3.1.4 Inspectors should ensure that an air operator maintains permanent ground handling responsibility when all or part of the functions and tasks related to Ground Handling services have been contracted to a service provider.

6.1.3.1.5 Inspectors shall verify that the line of responsibilities is clearly defined for Ground Handling functions and associated with the following, when applicable:

- i. Ramp operations
- ii. Passenger services
- iii. Baggage services
- iv. Cabin services
- v. Weight and balance control
- vi. Ground support equipment
- vii. Fuel services

## 6.1.3.2 Fixed facilities

6.1.3.2.1 **Buildings** – This inspection should be designed to determine that the buildings to be utilized by the applicant at each base and terminal, including those located in other States, are properly equipped, are provided with the necessary sanitary facilities and security and emergency controls, warnings and equipment, and are adequate for the operation to be conducted. Such an inspection would include the inspection of hangars, maintenance and overhaul workshops, administrative staff and operations personnel accommodation, passenger service areas and cargo storage and handling buildings. Inspection on site may be replaced by an assessment of the buildings from the State's Aeronautical Information Publication information, charts or diagrams, complemented by documents, describing the facilities and ground handling arrangements, or by a review of existing usage by other operators.

6.1.3.2.2 **Aerodromes and heliports** – The destination and alternate aerodromes or heliports to be utilized in the operation should be inspected to determine their adequacy for operational use. However, this inspection requirement may be waived in those cases where the CAAN inspector is already familiar with the aerodrome or heliport and its associated facilities and is satisfied that they are adequate for the proposed operation. In those cases where the proposed operation is covering a large area of the world, it will not be feasible for the CAAN certification team to make a determination as to the adequacy of all of the aerodromes or heliports of potential use. Accordingly, the CAAN certification team should consider inspecting only those considered by the applicant to be for major use and recommend to the DG CAAN that, before awarding the AOC, the operations manual should contain the list of





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aerodromes that are considered adequate for use and should specify that the use of other aerodromes or heliports in the approved area be prohibited without prior approval of the CAAN.

6.1.3.2.3 Approval of a particular aerodrome or heliport may be granted without inspection by the CAAN if the operator evaluates the facility as adequate for its operations, using an acceptable documented process, possibly as part of its safety management system, and establishes operating minima and appropriate procedures.

6.1.3.2.4 Inspections or evaluations should cover at least the following items as applicable:

- a) runways;
- b) clearways;
- c) stopways;
- d) taxiways;
- e) apron and parking areas;
- f) lighting (including approach lighting);
- g) visual and non-visual approach h) navigation facilities;
- i) communications services;
- j) air traffic services;
- k) meteorological services;
- l) aeronautical information services;
- m) aerodrome service equipment (e.g. runway contaminant sweepers, snowplows, etc.);
- n) ground de-icing installations and equipment;
- o) rescue and firefighting equipment and services ; aids;
- p) availability of, equipment and handling procedures for fuel and lubricants;
- q) public protection, including security precautions;
- r) obstacles affecting flight operations;
- s) instrument departure, arrival and approach procedures and associated charts; and
- t) aerodrome/heliport operating minima.

*Note 1. — Instrument approach procedures should be in conformity with PANS-OPS, Volume II (Doc 8168).*



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*Note 2. — The Manual of All-Weather Operations (Doc 9365) provides guidance to the operator and the State on the determination of aerodrome operating minima.*

6.1.3.2.5 In conjunction with the aerodrome inspection, the CAA inspector should determine the adequacy of the applicant's procedures for acquiring current aerodrome data and instrument procedure charts and distributing these to all personnel who require such information in their performance of duty.

## **6.1.3.3 Mobile equipment**

6.1.3.3.1 The mobile equipment to be utilized in the operation should be inspected with primary emphasis on adequacy, suitability and the safety aspects of its use. Such equipment would include fuelling vehicles, ground power units, oxygen and compressed gas servicing equipment, towing tugs, cargo and baggage handling equipment, catering vehicles, sanitary servicing trucks, de-icing equipment, etc.

6.1.3.3.2 An evaluation of the mobile equipment and the procedures for its use, performed by an audit organization, using suitable and recognized evaluation systems, may be acceptable at the discretion of the State. For example, equipment inspections conducted as part of industry-recognized fuel quality audits, de-icing/anti-icing quality control audits or audits for ground operations may be acceptable to the State.

*Note. — Commercial organizations or associations, such as the International Air Transport Association, generally manage these recognized evaluation systems.*

## **6.1.3.4 Operational control organization**

6.1.3.4.1 *General* – Evaluation of the overall effectiveness of an operational control organization should include a thorough analysis of the following factors:

- a) FOR Part I and Part III require an operator to establish and maintain a method of control and supervision of flight operations which is approved by the DG, CAAN. Responsibility for operational control can be delegated only to the pilot-in-command and to a flight dispatcher if the approved method of control and supervision of flight operations requires the use of flight dispatcher personnel. Because of the nature and extent of the duties and responsibilities involved in the supervision of flight operations, the State and the operator should consider the advantages of an approved method of control and supervision of flight operations requiring the services of a flight dispatcher. In such a system the flight dispatcher is assigned to duty in the company operations control centre and is



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responsible, while on duty, for carrying out the operational control procedures and policies specified in the operations manual. The Flight Dispatcher must be licensed by CAAN.

- b) The operations manual should specify the responsibilities and functions assigned to flight dispatchers. The actual responsibilities assigned are part of the approved method of control and supervision of flight operations. Annex 6, Part I and Part III, Section II, give information on the duties of flight operations officers/flight dispatchers. The duties assigned will be very similar for all such operations personnel, whether licensed or unlicensed.
- c) The responsibilities of a flight dispatcher include the provision of assistance to the pilot-in-command in flight preparation; completion of operational and ATS flight plans; liaison with the air traffic, meteorological and communication services; and the provision to the pilot-in-command during flight of information necessary for the safe and efficient conduct of the flight. Flight dispatchers should also be responsible for monitoring the progress of each flight under their jurisdiction and for advising the pilot-in-command of company requirements for cancellation, re-routing or re-planning, should it not be possible to operate as originally planned. In connection with the foregoing, it should be understood that the pilot-in-command is the person ultimately responsible for the safety of the flight.
- d) In the evaluation of the structure, the responsibilities and the performance of the operational control organization, it should be borne in mind that:
  - 1) rapidly improving communications capabilities and advances in weather forecasting and reporting in some areas have brought about a trend towards consolidation and centralization of operational control facilities;
  - 2) availability of computerized or stored flight plans and fuel load determination and the use of direct pilot/operations control centre communications have facilitated the performance of the operational control of flights; and
  - 3) the pilot-in-command may, in many cases, have more up-to-date information and may be in a better position to evaluate evolving flight conditions than personnel in a distantly located operations control centre.



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6.1.3.4.2 **Additional considerations** – In addition to the factors listed in 5.3.4.1, items such as the type of operation and its geographical scope and size should also be evaluated in relation to the level of support required. The guidelines below are provided to assist the CAAN inspector in determining the adequacy of operational control:

a) **Staffing.** The CAAN inspector should determine that:

- 1) the operational control centre is staffed with sufficient personnel to competently handle the assigned workload in accordance with State regulations;
- 2) the applicant observes the daily duty time limitations prescribed by State regulations for flight dispatchers;
- 3) the applicant is not using flight dispatchers to perform other functions such as that of clerks, maintenance personels, etc., to the detriment of the primary function; and
- 4) the conditions at the operational control centre facilities such as space, temperature, lighting, noise level and controlled access are adequate for carrying out dispatch and operational control responsibilities.

b) **Communications.** The CAAN inspector should determine that:

- 1) the communications facilities meet the requirements of the proposed operation;
- 2) the procedures to be used to notify flights regarding hazardous conditions relating to aerodromes or navigation aids, etc., are adequate;
- 3) NOTAMs will be made available to flight crew personnel in a timely manner;
- 4) emergency communications procedures and facilities are adequate;
- 5) flight dispatchers are able to establish rapid and reliable voice communications with the flight crew at the gate;
- 6) communications between the operational control centre and appropriate ATS facilities are adequate;



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- 7) air-ground communications and point-to-point circuits used for flight safety messages are adequate and are reasonably free of congestion to ensure rapid and reliable communications throughout the geographical area of operations;
- 8) flight dispatchers are familiar with all facets of operations within their geographical areas of responsibility and are properly authorized and qualified in the use of all communications channels required by the approved method of control and supervision of flight operations;
- 9) the necessary emphasis is placed on the timely receipt of messages both in the aircraft and at the operational control centre or en-route stations; and
- 10) facilities for the communication of weather information to en-route stations and to aircraft are adequate.

### **c) *Meteorology.* The CAA inspector should:**

- 1) determine whether adequate procedures have been established to ensure the availability of weather forecasts and reports needed by the applicant for flight planning purposes;
- 2) determine that the applicant has procedures to utilize all useful weather information pertinent to the area with which the operational control is concerned;
- 3) give particular attention to the level of knowledge possessed by individual flight dispatchers with respect to meteorology in general and to the weather conditions in the area with which they are concerned;
- 4) determine that the applicant has provided the means whereby the pilots and the flight dispatchers are provided with timely information pertaining to clear air turbulence, thunderstorms, icing conditions and volcanic ash, as well as to the best routes and altitudes for avoiding such occurrences;
- 5) give particular attention to procedures to be employed by operational control for disseminating information pertaining to clear air turbulence, thunderstorms, volcanic ash, icing conditions and other significant weather phenomena;



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- 7) determine that the necessary procedures have been established for providing adequate weather information to the pilot-in-command at en-route stops; and
- 8) determine the adequacy of the procedures to be employed throughout the applicant's system with respect to in-flight meteorological reporting.

**d) Procedures. The CAAN inspector should:**

- 1) give particular attention to the exercise of responsibility by pilots-in-command and flight dispatchers in their analysis of all factors pertaining to the flight. In this context, the CAAN inspector should determine that the Flight Dispatchers will be able to perform their functions in accordance with the terms of the applicable operating instructions and procedures. It is emphasized again that the flight dispatcher is responsible for assisting the pilot-in-command in the pre-flight planning, authorization of delay and release of flights, in accordance with the approved method of control and supervision of flight operations;
- 2) determine that the applicant has established procedures to ensure that flight operations officers/flight dispatchers are adequately trained and informed on important aspects of flight planning such as weather forecasts and reports, fuel requirements, aerodrome limitations, NOTAM, navigation equipment, navigation facilities, ATM procedures, aircraft performance data, etc.;
- 3) determine the adequacy of procedures and methods to be used to comply with State regulations concerning aircraft performance, i.e. the computation of the mass of the aircraft and the centre of gravity location, critical speeds, climb gradients, runway and obstacle clearance limitations, etc.;
- 4) determine that procedures for the release of a flight are established which will ensure that the aircraft and its load are in conformity with the relevant flight release documents, e.g. aircraft maintenance release, minimum equipment list, configuration deviation list, aircraft mass and balance form, manifest, etc.; and
- 6) determine that the procedures to be used for flight monitoring are adequate and meet the requirements of State regulations.



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## **e) Operational and ATS flight plans. The CAAN inspector should:**

- 1) determine the adequacy of the data to be included in the operational flight plans to be used by the applicant; and
- 2) review the policy with regard to operational flight plans and ATS flight plans to determine compliance with State regulations.

6.1.3.5 Flight crew qualifications, licensing and training – The CAAN inspector should determine that the applicant has established procedures and training programmes to ensure that flight crew qualifications meet the requirements of CAAN regulations and that personnel are duly licensed and hold appropriate and valid ratings. In this regard, CAAN regulations should be based on Annex 1 and Annex 6, Part I or Part III, Section II.

6.1.3.6 Cabin crew competency and training – The CAAN inspector should also determine that the applicant has established a training programme to ensure that cabin crew members are competent in executing those safety duties and functions to be performed in the event of an emergency including a situation requiring emergency evacuation.

### **6.1.3.7 Training programmes**

6.1.3.7.1 The training programme should be described in detail either in the operations manual or in a training manual which, whilst it will form part of the operations manual, will be issued as a separate manual. The choice will generally depend upon the extent of the operations and the number and types of aircraft in the operator's fleet. Most applicants find it convenient to set forth their training programmes in a training manual, itself of one or more volumes, to facilitate easy application and updating. Depending on the scope and complexity of the proposed operation, the training programmes required by Annex 6, Part I or Part III, Section II, may be carried out under the direct control of the applicant or conducted by other training facilities under contract to the applicant, or a combination thereof. In any event the CAAN certification team will need to carry out a thorough analysis and inspection of all phases of the applicant's ground and flight training programmes. This analysis and inspection should permit a determination as to whether the training methods, syllabi, training aids/devices, training standards, related facilities and record keeping are adequate. The qualifications of ground and flight instructor personnel should be established and their effectiveness evaluated.

6.1.3.7.2 Factors to be considered in the assessment and inspection of an applicant's training programme are:





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- a) the completeness of the training syllabus and adequacy of facilities, aids, equipment and related training material. These items should satisfactorily provide for the particular type of training required and be utilized in such a manner as to achieve desired training standards and objectives. Particular attention should be given to the availability of approved flight simulation training devices appropriate to the flight training syllabus;

*Note. — Guidance on the suitability, use and approval of flight simulation training devices is contained in the Manual of Criteria for the Qualification of Flight Simulation Training Devices (Doc 9625), Volume I — Aeroplanes and Volume II — Helicopters, 3d Edition (in preparation).*

- c) the adequacy and effectiveness of audio visual training systems that use computer-based instructions, slides, video and/or movie films for presenting instructions on aircraft systems, aerodrome qualifications and other related subjects;
- d) the existence of provisions to obtain necessary training material and to instruct personnel whenever new types of operations, new aircraft and/or equipment, or new or revised maintenance methods or procedures are introduced;
- e) the competency of the applicant's instructors, check pilots and training supervisors;
- f) the competency of personnel designated as examiners by an applicant, to whom the DG CAAN intends to delegate responsibility for type ratings, instrument ratings and pilot proficiency checks (See Part I, 5.3.2); and
- g) the competency of training and checking personnel of training organizations to which the applicant intends to contract training.

6.1.3.7.3 In assessing the scope, quality and effectiveness of the training programme, the CAAN inspector should observe actual training or instruction being given so that it can be determined that:

- a) the applicant adheres to the prescribed syllabus;
- b) the applicant's ground and flight instructors and check pilots are competent; and
- c) training personnel are able to recognize and appropriately deal with weak or unsatisfactory trainees.





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6.1.3.7.4 During the inspection of the training programme, the applicant's plan for the maintenance of pilot qualifications, for conversion and for pilot upgrading should also be reviewed to ensure that:

- a) the training and associated qualification checks are carried out in a conscientious manner by properly qualified and authorized personnel;
- b) in flight training, no manoeuvre that might result in an accident is prescribed, taking into account the aircraft involved and the experience and qualifications of the pilot(s) under training and also of the instructor or check pilot;
- c) initial and recurrent training and checking is conducted in a systematic manner and in accordance with the training syllabus, without undue reliance upon the individual skill or preferences of the instructor or check pilot; and
- d) simulation of abnormal or emergency situations is not permitted when passengers or cargo are carried.

*Note. — The State of the Operator should encourage a policy whereby hazardous flight maneuvers which are required to be performed should be carried out in an approved flight simulation training device rather than in actual flight.*

6.1.3.7.5 The CAAN inspector will normally find it convenient to approve the applicant's training programme in discrete self-contained sections such as initial training, recurrent training, transition training, conversion training and upgrading training, which can then be further divided into sub-sections such as ground training, simulator training, flight training, etc. Should any section or sub-section of the training programme not meet the required standards, it should be referred back to the applicant with a detailed explanation of its deficiencies and of the corrective action necessary. When all requirements for the training programme have been fully met, the applicant should be notified officially that the training programme has been approved. In this regard it should be made clear to the applicant that any subsequent change to the training programme will require the approval of the CAAN.

## 6.1.3.8 Record keeping

6.1.3.8.1 **General** – During the review of records to be maintained by the operator, the following factors should be taken into consideration:



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- a) In accordance with Annex 6, Part I and Part III, Section II, the State regulations will require an operator to maintain certain records pertaining to the conduct of the operations for a specified period. The primary objective of inspection of operations and flight records is to ensure that operators comply with established procedures and appropriate State regulations. The procedures for the keeping of records need to be evaluated as part of the certification inspection process to indicate the manner in which records will be kept and whether or not such recording will be conducted in compliance with relevant regulations.
- b) The review should cover at least the proposals for the maintenance of the following:
  - 1) flight crew member records;
  - 2) cabin crew member records;
  - 3) flight operations officer/flight dispatcher records;
  - 4) flight and cabin crew member duty periods, flight duty periods, rest periods records and, for flight crew members, flight time records;
  - 5) operational flight planning records; and
  - 6) financial records.
- c) Procedures for record keeping should be examined for:
  - 1) potential accuracy and care in preparation;
  - 2) classification and effectiveness of filing system;
  - 3) completeness of coverage;
  - 4) compliance with required recording periods; and
  - 5) security of access to records and protection from disasters.

6.1.3.8.2 **Flight crew member records** – An inspection should be conducted prior to the commencement of operations and should include a review of flight crew records to determine that the qualifications of flight crew members are current. The flight crew records should make provision for the following information:

- a) full name;
- b) current assignment;
- c) flight crew member license — State issuing the license and, if appropriate, the validation or conversion, license type, number and ratings, including instrument rating, and the language proficiency endorsement;



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- d) medical assessment and date;
- e) record of last proficiency check;
- f) record of last instrument rating check;
- g) flight time records, including flight time in aircraft for which currently qualified;
- h) route and aerodrome qualifications (pilot-in-command, and co-pilot if required by the operator);
- i) training record, type of training, total time, dates and certification of satisfactory completion; and
- j) crew member certificate, including the number and expiration date, if such certificates are issued.

6.1.3.8.3 **Cabin crew member records** — These records should make provision for the following information:

- a) full name;
- b) current assignment;
- c) if a licence is required by the State regulations, licence, number and expiration date;

*Note. — There is no requirement in ICAO Annexes for a licence for cabin crew members.*

- d) crew member certificate, including the number and expiration date, if such certificates are issued;
- e) initial training, including dangerous goods, general indoctrination and aircraft emergency procedures training; and
- f) recurrent training, including dangerous goods, emergency and evacuation procedures training on specific aircraft.

6.1.3.8.4 **Flight operations officer/flight dispatcher records** — An inspection should be conducted prior to the commencement of operations and should determine compliance with applicable regulations pertaining to licensing and current qualifications. Flight operations officer/flight dispatcher records should contain the following information:

- a) full name;
- b) licence and validity (if a licence is required by State regulations);



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- c) aircraft qualifications;
- d) route or area qualification;
- e) maintenance of competency; and
- f) duty time records (if required by State regulations).

6.1.3.8.5 ***Flight time, duty period, flight duty period and rest period records for flight and cabin crew members*** — The proposals for keeping these records should permit to check compliance with the operations manual and State regulations relating to flight time, duty period, flight duty period and rest period limitations. In addition, the proposals should cover the recording of reports when the pilot-in command makes use of discretion to extend duty or reduce rest periods.

6.1.3.8.6 ***Operational flight planning records*** — This part of the inspection should cover the procedures for the keeping of records relating to individual flights to ensure that:

- a) an operational flight plan will be completed and retained;
- b) the operational flight plan provides for all of the information required by the operations manual;
- c) flight preparation forms will be completed and recorded; and
- d) oil and fuel records will be kept.

6.1.3.8.7 ***Operational control records*** — The proposals for operational control system records should be checked to ensure that:

- a) an operational control log will be maintained and that all watch-keeping will be adequately documented; and
- b) all flights will be planned and conducted with the active participation of the flight operations officer/flight dispatcher on duty in accordance with the procedures laid down in the operations manual, if the approved method of control and supervision of flight operations requires the use of flight operations officer/flight dispatcher personnel.

6.1.3.8.8 ***Financial records*** — The procedures for keeping and reviewing financial records are beyond the scope of this manual but should be covered by appropriate instructions issued by the DG CAAN.

## 6.1.3.9 Fuel computation procedures



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6.1.3.9.1 The objective of this inspection is to determine whether the applicant's aircraft will be dispatched with adequate fuel loads calculated in accordance with statutory regulations and the policy set forth in the operations manual. To make this determination, the fuel computation policy and sample operational flight plans for flights to be dispatched from different bases, on routes and route sectors calling for wide differences in fuel requirements and including sectors on which aircraft fuel capacity is critical, should be examined and the fuel to be carried validated against expected aircraft performance, with appropriate corrections for wind conditions and flight levels en-route.

6.1.3.9.2 The fuel policy should consider the additional fuel necessary to proceed to an adequate aerodrome in the event of failure of one engine or loss of pressurization, at the most critical point while en-route, whichever is higher.

## 6.1.3.10 Aircraft mass and balance procedures

6.1.3.10.1 This part of the inspection is to ascertain that aircraft will be safely and correctly loaded in accordance with:

- a) the requirements for the computation of aircraft mass and balance in the operations manual;
- b) regulations restricting mass to meet aircraft performance requirements;
- c) mass and centre of gravity limitations as specified in the aircraft flight manual and the operations manual;
- d) limitations on deck and bulkhead loading as specified in the aircraft flight manual and the operations manual; and
- e) limitations in respect of the transport of dangerous goods as specified in the current edition of the ICAO *Technical Instructions for the Safe Transport of Dangerous Goods by Air* (Doc 9284).

6.1.3.10.2 In addition to the foregoing, another important feature of this evaluation is an investigation of the applicant's method of exercising overall mass control. The CAAN inspector should examine the system and methods whereby aircraft mass is checked and maintained to ensure that mass fluctuations due to modifications and other causes are fully taken into account and that the mass statement is accurate.

## 6.1.3.11 Emergency evacuation demonstration

6.1.3.11.1 An operator is required to assign to each crew member the necessary functions to be performed in an emergency or in a situation requiring emergency evacuation. Annex 6, Part I and Part III, Section II, require that the training, which includes instruction in the use of all emergency and life-



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saving equipment and drills in the emergency evacuation of the aircraft, be performed on an annual basis. It is considered that the most effective crew training in this regard would be accomplished by combined training of flight crew and cabin crew. Therefore, State regulations should require an applicant to establish, to the satisfaction of the DG CAAN, procedures to be followed, assignment of duties, qualifications of crew members and equipment to be used that will permit emergency evacuation, in ninety seconds or less, of the maximum number of persons, including crew members, authorized to be carried on each type of aircraft used in commercial air transport operations.

6.1.3.11.2 Unless reliable analytical methods or previous demonstrations by the aircraft manufacturer or other operators of the same type and model of aircraft are available to satisfy the CAAN inspector of the applicant's emergency evacuation capability, the certification inspection should require a demonstration of the adequacy of aircraft emergency procedures, crew member emergency evacuation training and emergency equipment. Specific points to be noted during an evacuation demonstration are:

- a) the adherence by crew members to the execution of assigned duties and responsibilities both in the aircraft and on the ground;
- b) the location of each crew member during the evacuation;
- c) the effectiveness of the pilot-in-command in the exercise of command responsibilities;
- d) the succession to command in event of casualties;
- e) the effectiveness of crew members in performing their assigned evacuation duties; and
- f) the shortcomings, deficiencies or delays encountered.

6.1.3.11.3 In making their report on the demonstration, inspectors should record the following from the time each phase of the evacuation demonstration begins:

- a) time to open each approved exit door;
- b) time to deploy and inflate emergency evacuation slides;
- c) time before the slide receives its first evacuees;
- d) time for first evacuees to leave over-the-wing exits; and
- e) total number of persons evacuating each exit.

6.1.3.11.4 If the applicant cannot satisfactorily demonstrate emergency evacuation for each particular type, model and configuration of aircraft within the time limit specified by the State, the applicant should be required to take steps to correct the deficiency which could include the following:



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- a) revising evacuation procedures;
- b) improving crew training;
- c) modifying or changing the equipment used;
- d) changing the passenger compartment arrangement; and
- e) reducing total passenger seating capacity.

## 6.1.3.12 Ditching demonstration

6.1.3.12.1 Unless data from reliable analytical methods or from previous demonstrations by the aircraft manufacturer or other operators of the same type and model of aircraft is available to satisfy the CAAN inspector that the applicant's procedures, equipment and training for a ditching situation are adequate, the CAAN certification team should require a simulated ditching demonstration during the operational inspection phase of the certification process for each aircraft type, model and configuration which will be operated on extended flights over water. The CAAN inspectors should first determine whether the aircraft has an airworthiness certification covering ditching. If the aircraft is not certificated for ditching, extended flights over water should not be authorized.

6.1.3.12.2 The following are specific points to be noted and evaluated during a simulated ditching demonstration:

- a) was adequate preparation of the passengers and aircraft for a premeditated ditching conducted?
- b) were there adequate items of emergency equipment, i.e. life rafts, inflatable slides, life jackets, medical kits, first aid kits, emergency locator transmitter, etc., carried on board in sufficient number?
- c) was emergency equipment properly stowed and could it be readily removed or ejected from the aircraft in the time specified?
- d) were means provided and utilized to prevent emergency equipment from drifting away from survivors?
- e) did slides, life jackets and life rafts inflate fully within acceptable time limits, did the slides deploy properly and did other emergency equipment function properly?
- f) were the emergency exits to be utilized selected and could such exits be opened readily?
- g) were emergency procedures and related checklists adequate and were they properly used by the crew members?





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- h) was the crew properly trained?
- i) were crew members familiar with and did they adhere to the timely execution of their assigned duties and responsibilities?
- j) could crew members, using available emergency equipment and following the procedures outlined in the operations manual, facilitate the evacuation of the aircraft under the critical conditions expected during the short period of time the aircraft would remain afloat?
- k) were adequate safety precautions followed by the crew members to prevent possible injury to passengers or themselves?

6.1.3.12.3 In the observation of the demonstration, to assist in the assessment of the ditching demonstration, the CAA inspectors should record the following:

- a) time from start of the simulated ditching demonstration until each exit door or emergency exit to be utilized was open;
- b) time when each life raft was launched;
- c) time required to inflate each life raft; and
- d) time when life rafts were boarded by all passengers and crew members.

6.1.3.12.4 Any deficiencies identified during the evaluation conducted by the CAA certification team or noted during the ditching demonstration regarding the evacuation procedures or related emergency equipment such as inflatable slides, emergency exits, life rafts, etc. are to be rectified by the applicant. This may require additional evaluation or demonstrations before these emergency procedures can be considered acceptable by the CAAN certification team.

## 6.1.3.13 Ground inspection deficiencies

6.1.3.13.1 Unsatisfactory conditions noted by the CAAN certification team during the ground inspection need to be brought to the attention of the applicant for corrective action. The opportunity should be provided for the applicant to remedy any deficiencies affecting the safety of the operation before the commencement of any flight operations inspection. All discrepancies and items of non-compliance need to be corrected or resolved, with acceptable records of the corrective actions taken being kept, to the satisfaction of the CAAN certification team and the DG CAAN prior to the inauguration of commercial service.





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## 6.1.4 Flight Operation and Airworthiness Inspection

### 6.1.4.1 General

6.1.4.1.1 Following the ground operations phase of the inspection programme prior to certification, it may be necessary, particularly in the case of new operators, to carry out a series of inspections in the course of flight. Such inspection flights provide an opportunity for the applicant to demonstrate the ability to carry out the proposed operations in accordance with applicable regulations. Passengers should not be carried during inspection flights prior to certification and observer personnel on board the aircraft should be kept to a minimum. However, it is generally desirable for the applicant to have on board company personnel who can take decisions and make commitments on behalf of the applicant concerning action to correct deficiencies.

6.1.4.1.2 All demonstration flights are to be conducted using the methods and procedures proposed by the applicant in the formal application package.

### 6.1.4.2 Planning

6.1.4.2.1 The applicant and the CAAN certification team should plan well in advance for the conduct of the flight operations inspection programme. All concerned need to have a clear understanding and agreement as to what needs to be accomplished by the applicant to show compliance with the applicable operating regulations and rules. General objectives for pre-certification inspection flights should include the determination of the adequacy of:

- a) in-flight procedures laid down in the operations manual and compliance with those procedures;
- b) the facilities and equipment provided to the flight crew to conduct the flight safely and in accordance with regulations;
- c) the support provided by the operational control system to the flight crew;
- d) the general provision made for ground handling of the aircraft and assisting the flight crew to carry out their duties at all aerodromes utilized by the applicant along the routes; and
- e) en-route facilities.

### 6.1.4.3 Pre-flight inspection



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6.1.4.3.1 The pre-flight procedures followed by the flight crew and the assistance rendered by the ground organization during the pre-flight phase should be observed for compliance with the operations manual. These procedures relate to the following:

- a) meteorological and route briefing, provision of NOTAMs;
- b) filing of the ATS flight plan;
- c) flight planning;
- d) fuel computation;
- e) measures taken by the pilot-in-command concerning the:
  - 1) airworthiness of the aircraft, including the maintenance release, and use of the minimum equipment list (MEL) and, if available, the configuration deviation list (CDL);
  - 2) complement of instruments and equipment required to be on board;
  - 3) preparation of the operational flight plan;
  - 4) fuel required and the fuel and oil on board the aircraft;
  - 5) mass of the aircraft and the centre of gravity location;
  - 6) capability to comply with the aircraft mass and performance limitations, climb gradient and obstacle clearance requirements;
  - 7) correct calculation of critical speeds ( $V_1$ ,  $V_r$ ,  $V_2$ , etc.) appropriate to the runway and take-off conditions;
  - 8) security of the load and its correct distribution;
  - 9) information concerning dangerous goods;
  - 10) completion and signing of the operational flight plan and the aircraft mass and balance form;
  - 11) carriage of the required publications and manuals, e.g. aircraft operating manual, aircraft flight manual, route guide, minimum equipment list, configuration deviation list (if available), etc., and their correct amendment; and
  - 12) carriage on board of required documents or appropriate copies of documents, e.g. certificate of registration, certificate of airworthiness, crew licenses, aircraft radio station licence, journey log or technical log and noise certification attestation (when commercial operations commence, after issuance of an AOC, this list will include the AOC and its associated operations specifications, and passenger and/or cargo manifests as appropriate).
    - a) boarding of all crew including supernumerary personnel and their briefing on the location and use of emergency equipment,



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no smoking signs, use of seat belts, location and use of emergency exits, etc.;

- b) external and internal aircraft inspection by flight crew, and cabin inspection by cabin crew;
- c) procedures preparatory for radio and navigation equipment setting, including data entry in flight management avionics (if available);
- d) procedures for inertial equipment initializing and cross-checking;
- e) flight deck preparation and procedures and use of checklists; and
- f) crew co-ordination.

## 6.1.4.4 In-flight inspection

6.1.4.4.1 Prior to take-off, the CAAN inspector should observe the following:

- a) procedures preparatory to starting engines;
- b) engine start-up procedures;
- c) proper communication and co-ordination with the ground crew regarding:
  - 1) engine start-up procedures;
  - 2) removal of chocks; and
  - 3) push back and ground towing, if so required, prior to taxiing.
- d) taxiing and use of aerodrome chart;
- e) use of checklists;
- f) acceptance and recording of ATC clearance; and
- g) briefing of the flight crew for take-off, departure and initial climb including use of navigation aids.

6.1.4.4.2 During the flight, the CAAN inspector should check the following items:

- a) compliance with rules of the air;
- b) flight crew knowledge of:
  - 1) aircraft limitations;
  - 2) aircraft normal and emergency procedures;
  - 3) aircraft systems and equipment; and
  - 4) cruise control;



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- c) adequacy of flight deck procedures;
- d) crew discipline, co-ordination and vigilance;
- e) altitude control and procedures for altitude/level change;
- f) the operations manual, including the aircraft operating manual, to confirm that it will meet requirements that may arise during flight;
- g) use of flight deck security procedures;
- h) competence of crew members, including the language proficiency of flight crew members in the language used for radiotelephony communications;
- i) flight crew use of company frequencies and operational control of the flight;
- j) use of en-route and terminal navigation facilities;
- k) pilot knowledge of routes and aerodromes, including departure contingency procedures;
- l) adequacy of weather information and environmental data provided and their use by the flight crew;
- m) use of air/ground communications;
- n) use of navigation procedures and equipment;
- o) use of checklists for each phase of flight;
- p) adherence to ATC clearances and to changes to clearances;
- q) compliance with meteorological reporting procedures and with procedures for reporting hazardous flight conditions;
- r) use and availability of flight documents, whether these are provided electronically or as hard copy. Special notice should be taken of the manner in which the maps and charts contained in the route guide section of the operations manual are used in flight and in the conduct of departure, arrival, approach and missed approach procedures;
- s) adequacy and use of breathing oxygen in flight;
- t) flight crew use of safety harnesses;
- u) use of passenger cabin “no-smoking” and “seat belt” signs;
- v) general compliance with the regulations of the State of the Operator and other States concerned with the operation;
- w) flight crew management of the flight, including human performance , threat and error management and decision making, and proficiency in the manual and automatic control of the aircraft in all phases of flight;
- x) conduct of flight crew arrival, approach and landing briefing;
- y) adherence to aerodrome/heliport operating minima; and



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- z) conduct of approach and landing procedures, after landing procedures, taxi and shut-down procedures and use of appropriate checklists.

*Note. — All of the foregoing checks are to be conducted without interfering with crew duties and vigilance in flight. In some cases, particularly with respect to b) above, it may be necessary for the CAA inspector to complete the check during the post-flight phase.*

## **6.1.4.4.3 Cabin crew**

- 6.1.4.4.3.1 During the in-flight inspection, the CAAN inspector should observe the procedures used by the cabin crew for passenger briefing on:

- a) stowage of carry-on baggage;
- b) observing the “no-smoking” signs;
- c) how and when to use seat belts;
- d) when seat backs are required be in the full upright position;
- e) procedures for donning oxygen masks and restrictions during use of oxygen;
- f) emergency procedures including the location and use of emergency exits;
- g) location and use of life jackets;
- h) restrictions on the use of toilets; and
- i) location and content of passenger emergency briefing cards.

- 6.1.4.4.3.2 The CAAN inspector should note that cabin crew members are provided with, and occupy, for take-off and landing, forward or rearward facing seats equipped with safety harnesses and that such seats are located near floor level and other emergency exits, as required by the State of Registry.

- 6.1.4.4.3.3 Cabin crew should be questioned regarding their familiarity with the location and use of various types of emergency equipment, i.e. life rafts, emergency locator transmitter, medical kits, first aid kits, etc., and with their specific duties in the event of an emergency such as a ditching or an emergency evacuation. This discussion with the cabin crew members provides an opportunity for the CAAN inspector to assess the effectiveness of their training. The performance of cabin crew will be evaluated with regard to their effectiveness in performing their assigned duties and the fulfillment of their responsibilities for requiring passengers to comply with their instructions and the applicable regulations.



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**Note. – A cabin inspection checklist, which lists the various cabin items to be checked by CAAN inspectors, is included in the Flight Operations Inspector Manual.**

## 6.1.4.5 Post-flight inspection

6.1.4.5.1 The following should be observed:

- a) use of appropriate after shut-down checklists;
- b) completion by the pilot-in-command of the journey log book or technical log and the reporting of any aircraft unserviceability;
- c) availability and if necessary, completion of appropriate reports regarding incidents, near misses, bird strikes, lightning strikes, volcanic ash encounters or ingestion and any other unusual occurrences of operational significance;
- d) where a stopover is scheduled for crew rest, the adequacy of the accommodation provided and the actual rest period available; and
- f) where the stop is an intermediate stop, the arrangements made to assist the crew in the preparation for the next stage of the flight.

## 6.1.4.6 Flight inspection deficiencies

6.1.4.6.1 Unsatisfactory conditions noted by the CAAN inspector, during any part of the flight inspection, should be brought to the attention of the applicant for corrective action. The opportunity should be provided for the applicant to remedy any deficiencies affecting the safety of the operation before any further flights are undertaken. All discrepancies and items of non-compliance need to be corrected or resolved, with acceptable records of the corrective actions taken being kept, to the satisfaction of the CAAN certification team and the DG CAAN prior to the inauguration of commercial service.

6.1.4.6.2 Some examples of deficiencies requiring corrective action are:

- a) flight crew member not properly trained, e.g. assistance from applicant supervisors or a CAAN inspector required;
- b) flight crew member not familiar with aircraft, systems, procedures or performance;
- c) cabin crew member not properly trained in emergency evacuation procedures or in the use of emergency equipment or not familiar with the location of that equipment;
- d) numerous aircraft deficiencies and/or system malfunctions;
- e) inadequate mass and balance or load control;



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- f) unsatisfactory operational control, e.g. improper flight planning and flight release procedures;
- g) unacceptable maintenance procedures or practices; and
- h) improper aircraft servicing and ground handling procedures.

## 6.2 Maintenance Control Demonstration and Inspection Phase

### 6.2.1 General

6.2.1.1 The applicant (operator) is required to demonstrate that a continuing Airworthiness Maintenance organization as per NCAR Part M with the necessary qualified staff or Maintenance organization as per NCAR 145 with sufficient certifying staffs, equipment and facilities, is set-up and responsible for ensuring that the aircraft remain in an airworthy condition for the duration of their operational life. This is also referred to as managing the continuing airworthiness of the aircraft.

6.2.1.2 It is also assumed that in the case of an applicant seeking authority to operate leased aircraft registered in a different State, suitable arrangements have been made between the State of the Operator and the State of Registry regarding responsibility for the continuing airworthiness of the aircraft.

6.2.1.3 Further detailed guidance on the maintenance control aspects of air operator certification, as well as approval of the maintenance control manual and the preparation of maintenance-related operations specifications associated with an AOC, is contained in the ICAO *Airworthiness Manual* (Doc 9760) which should be considered as supplementary to the material contained in this manual.

### 6.2.2 Continuing Airworthiness Management Organization/ Maintenance Organization

The CAA inspector should determine that the structure of the applicant's Continuing Airworthiness Management Organization and Maintenance Organization is set forth, clearly delineating duties and responsibilities for all key personnel including the manager(s) for maintenance and quality. The names of all incumbents should be listed. The details of the organizational structure should be included as a part of the Continuing Airworthiness Management Organization Exposition Manual and Maintenance Organization Exposition Manual and, if necessary, also promulgated separately.

### 6.2.3 Continuing Airworthiness Management Organization Exposition Manual (CAMOE) and Maintenance Organization Exposition Manual





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- 6.2.3.1 CAAN regulations require the applicant, in accordance with NCAR Part 145 and NCAR Part M, to prepare a detailed Continuing Airworthiness Management Organization Exposition Manual and Maintenance Organization Exposition Manual for the use and guidance of maintenance organization personnel. This manual needs to be acceptable to the DG, CAAN and, if different, to the State of Registry, although it does not need to be formally approved by those States. The operator needs to ensure that the maintenance control manual is revised as necessary to keep the information contained therein up to date. Copies of all revisions will be furnished promptly to all organizations or persons to whom the manual has been issued. Accordingly, one of the first steps in the maintenance inspection is a thorough analysis of the maintenance control manual, the correction of any discrepancies and the tentative acceptance by the CAAN inspector. During the course of the maintenance inspection, the CAAN inspector, assisted by qualified CAAN airworthiness inspectors, should determine that the major provisions of the Continuing Airworthiness Management Organization Exposition Manual and Maintenance Organization Exposition Manual are being followed in practice.
- 6.2.3.2 The details in the Continuing Airworthiness Management Organization Exposition Manual and Maintenance Organization Exposition Manual and number of volumes of the manual will vary depending upon the type, complexity and number of aircraft involved. However, CAAN inspectors should use the following as a checklist to verify that the maintenance control manual meets requirements and provides clear instructions, procedures and information covering:
- a) operations and maintenance personnel duties, responsibilities and authorities relating to maintenance, inspection and servicing;
  - b) details of the maintenance system to be followed, including procedures for performing routine and non-routine maintenance inspections, alterations, repairs and servicing;
  - c) airworthiness certification and inspection standards and procedures for aircraft, parts and components;
  - d) details of the reliability programme;
  - e) procedures for preparing the maintenance release, the circumstances under which this release is issued and the personnel authorized to sign it;
  - f) methods, technique and practices for accomplishing preventive maintenance and alterations;



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- g) procedures to ensure that required maintenance or inspections are handled by appropriately trained, qualified and certificated/licensed personnel;
- h) procedures to assess the cause and any potentially hazardous effects of defects or combination of defects, and to analyse occurrences in order to initiate any necessary further investigation and analysis. Mandatory occurrence reporting to the CAAN may be required by State regulations;
- i) procedures to prevent the personnel who performed maintenance work on aircraft from also conducting required inspections of such work;
- j) procedures to ensure that work interruptions do not adversely affect maintenance work and required inspections;
- k) methods used for designating critical items requiring inspection;
- l) the responsibilities, CAAN and names of personnel who have been duly appointed to conduct inspections;
- m) procedures to ensure that inspections are completed satisfactorily before aircraft are released to service;
- n) procedures for refueling and defueling aircraft;
- o) fire precaution procedures during refueling and defueling;
- p) procedures for preventing or eliminating fuel contamination;
- q) methods for servicing and maintenance prescribed by, or requiring the prior approval of, the chief of maintenance;
- r) procedures for ensuring that the organization responsible for type design, usually the manufacturer, receives adequate reports of occurrences involving that aircraft type so that it can issue changes to the instructions for continued airworthiness; and
- s) procedures for assessing and incorporating instructions for continued airworthiness and maintenance or inspection information issued by:
  - the organization responsible for the type design; or
  - the State of Design; or
  - the State of Registry.



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6.2.3.3 As a minimum, the following should be covered in the manual in respect of each type and model of aircraft used:

- a) frequency schedules of each check, overhaul or inspection of airframes, engines, propellers (where applicable), equipment, instruments and component systems;
- b) procedures and standards for maintenance, inspection and servicing;
- c) approved service life, where applicable, for various components, parts, accessories, etc.;
- d) list of approved permissible unserviceability (configuration deviation list (CDL), if available, and minimum equipment list (MEL));
- e) arrangements whereby personnel or organizations other than the applicant's can be approved to perform maintenance and/or inspections of aircraft;
- f) time limits between required inspections;
- g) procedures for maintaining the aircraft mass and centre of gravity report;
- h) procedures and standards for acceptance or rejection of items requiring inspection;
- i) procedures for preventive maintenance and servicing;
- j) time limitations for replacing instruments, components, appliances, etc.;
- k) procedures to ensure that certain aircraft systems and navigation equipment are fully serviceable for the appropriate special authorizations in the operations specifications;
- l) procedures for the procurement and sourcing of replacement parts;
- m) procedures to ensure that appropriate maintenance, records and inspection have been complied with; and
- n) details of performing various inspection tests, checks, etc.

6.2.3.4 The CAAN Airworthiness inspector should check the Continuing Airworthiness Management Organization Exposition Manual and Maintenance Organization Exposition Manual to ensure that it is complete and up to date and distributed to those who require it. The CAAN inspector should also ascertain the efficiency and promptness of the amendment service and determine that all instructions for continued airworthiness issued by the organization responsible for the type design and the States concerned are promptly assessed and circulated to all those who need such information.



## CHAPTER 7

### Inspection Phase - II

#### 7.1 General

During this phase, inspection is to be conducted jointly by Flight Operations and Airworthiness Inspectors of CAAN as regards to company infrastructure, manpower, training institutions, aircraft, aircraft spares, associated equipment, tools, etc. which shall be evaluated to the satisfaction of CAAN commensurate with the type of operation sought by the applicant. Inspection of the following infrastructures and establishment shall be conducted:

- a) Organizational Structure/ Management Evaluation
- b) Maintenance Management
- c) Records and Store Inspection
- d) Training Program Inspection
- e) Emergency Equipment and Evacuation Demonstration
- f) Ditching Demonstration (Optional for Domestic Operations)
- g) Proving Flights

*Note 5: Appendix 3 specifies the applicant's facilities to be inspected.*

#### 7.2 Organizational Structure and Management Evaluation

- 7.2.1 The CAAN will conduct a thorough analysis of the adequacy and qualifications of management personnel and overall organizational structure. The number and nature of personnel will vary with the size and complexity of the organization.
- 7.2.2 The adequacy of the aircraft crew shall not be assessed against a set formula, as there shall clearly be a wide variation in requirements according to circumstances, though it shall be expected that minimum sets of properly qualified crews to conduct the proposed operations, while observing Flight Duty Time Limitation (FDTL) as mentioned in the FOR, shall be employed by the operator.
- 7.2.3 The CAAN will inspect and review the applicant's facilities, equipments, service arrangements, manuals, personnel background, training program and qualifications.
- 7.2.4 The CAAN will ensure that the operator has:
  - a) the potential capability and resources to conduct the proposed operation safely;



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- b) adequate setup of crew scheduling mechanism, while having a system of maintaining their Flight Duty Time and rest Period Limitations Records, currency of licenses, medical and proficiency checks, and refreshers courses done/due etc; and
- c) adequate number of flight dispatchers and other staff for operational and flight planning, pre-flight briefing of flight crew etc.

## 7.3 Maintenance Management inspection

- 7.3.1 The CAAN will confirm that the applicant have sufficient number of aircraft maintenance certifying holder issued by CAAN in various categories and will ensure that the certifying personals are supported by sufficient number of technicians in each category.
- 7.3.2 The operator shall have sufficient technical certifying staffs as per their aircraft fleets and human factors principles. At least Operator must have CAMO (Continuing Airworthiness Management Organization) as per NCAR Part M. Operators must have maintenance Organization as per NCAR Part 145 or must have submit an agreement with CAAN approved Part 145 organization holder to maintain their aircraft.
- 7.3.3 Applicant shall have adequate ground handling facilities to ensure the safe handling of its flight
- 7.3.4 The CAAN will ensure that the applicant has prepared:
  - a) Continuing Airworthiness Management Organization Exposition Manual as per NCAR Part M.
  - b) Maintenance program based on the requirements of manufacturer and in accordance with NCAR.

## 7.4 Record and Store Inspection

- 7.4.1 The CAAN shall assess that the operator has adequate staff and facilities for record keeping of major components.
- 7.4.2 The CAAN shall confirm that the operator has suitable bonded stores with environmental control and approved personnel for proper upkeep of stores and records.



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## 7.5 Training program inspection

The CAAN shall carry out a thorough inspection/analysis of all phases of applicant's training programmes to the satisfaction of Director General.

The training manual shall contain all such information and instructions as may be necessary to enable a person appointed by the operator to give or to supervise the training, experience, practice and periodical tests to perform their duties.

## 7.6 Emergency Equipment and Evacuation Demonstration

The CAAN shall ensure that each applicant must demonstrate to meet the relevant prescribed requirement as regards to the location, knowledge, operation and use of the emergency equipment as well as the procedure of emergency evacuation for each aircraft type, model etc. The demonstration shall be conducted by the CAAN inspectors (operations and airworthiness) and satisfactory standard must be attained during the demonstration drill to fulfill the requirements for issue of AOC.

The demonstration shall be conducted in a manner that is acceptable to the Director General.

## 7.7 Ditching Demonstration

The CAAN shall ensure that each applicant must demonstrate to meet the relevant prescribed requirement as regards to ditching demonstration. The demonstration shall be conducted by the CAAN inspectors (Operations, Airworthiness and Air Transportation Directorate) and satisfactory standard must be attained during the demonstration drill to fulfill the requirements for issue of AOC.

The demonstration shall be conducted in a manner that is acceptable to the Director General.

## 7.8 Proving Flight or Tests

The CAAN shall ensure that each applicant performs proving flights or demonstration flight so as to ensure that it can meet the relevant prescribed requirement. The proving flights or tests shall be conducted by the CAAN inspectors (Flight Operations and Airworthiness) and satisfactory standard must be attained during all phases of proving flights and tests including diversion to fulfill the requirements for issue of AOC.

The proving flights or tests shall be conducted in a manner that is acceptable to the Director General.

## 7.9 Dangerous Goods On-site Inspection

Prior to the issuance of an Authorization for the transport of Dangerous Goods by air, the DG inspectors of CAAN shall conduct an on-site inspection of the applicant to the satisfaction of the DG.



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## CHAPTER 8

### CERTIFICATION PHASE

#### 8.1 Decision on application

8.1.1 After reviewing the assessment and inspection report submitted by the CAAN authorized team as mentioned in Chapter 6, CAAN will determine that the applicant is either:

- a) properly equipped and capable in all respects of conducting the proposed operation safely, efficiently and reliably in accordance with the CAAN rules and regulations; or
- b) is not, or not yet (pending correction of specified deficiencies), capable of conducting the proposed operation in acceptable manner.

8.1.2 In those cases where the applicant is successful, the CAAN will proceed with the process of issuance of an AOC and operating specifications.

8.1.3 In those cases, where the applicant is considered not yet capable of conducting the proposed operation in the required manner, an AOC will not be issued and the applicant will be advised by letter, indicating the reasons for the lack of approval.

8.1.4 The CAAN will give an opportunity to remedy all the deficiencies found during the inspection and will once again conduct an inspection on applicant's request to verify that all the deficiencies have been rectified to the satisfaction of the CAAN. If CAAN is satisfied after the inspection, it will proceed with the process of issuance of an AOC and operating specifications.

#### 8.2 Denying an AOC

An application for an AOC may be denied if the DG, CAAN finds that:

- a) the applicant previously held an AOC, which was revoked;
- b) the applicant intends to or fills a key management position listed in paragraph 4.3.1, with an individual who exercised control over or who held the same or a similar position with a certificate holder whose certificate





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was revoked, or is in the process of being revoked, and that individual materially contributed to the circumstances causing revocation or causing the revocation process;

- c) the applicant is not properly or adequately equipped or is not able to conduct safe operations; and
- d) An individual who will have control over or have a substantial ownership in the company, who had the same or similar control or interest in a certificate holder whose certificate, was revoked, or is in the process of being revoked, and that individual materially contributed to the circumstances causing revocation or causing the revocation process.

## 8.3 Compliance Statement

The applicant must submit a Compliance Statement confirming that the applicant has clear understanding of the legislative requirements applicable to the proposed operation. The compliance Statement is a tool to convince the CAAN that the applicant understands the requirements and has put in place the appropriate instructions, procedures and practices to ensure compliance.

## 8.4 Issuance of an AOC

An Air Operator Certificate to operate commercial air transport service may be issued to an applicant by CAAN, if it is satisfied that the applicant for the issuance of the AOC has;

- a) met all the requirements;
- b) established the necessary infrastructures and systems;
- c) required qualified manpower;
- d) deposited required fee as per Civil Aviation Regulation 2058; and
- e) submitted specified amount as a security deposit money.

## 8.5 Contents of an AOC

An AOC shall contain the information as specified in Appendix-5

## 8.6 Issuance of Operations Specifications

- 8.6.1 Operations specifications and limitations and general conditions applicable to an AOC will be issued in conjunction with the issue of certificate. These operating specifications and limitations hereinafter referred to as operations specifications are utilized to supplement the general provisions of the basic certificate and to list authorizations and limitations not specified by CAAN



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regulations. The combined issuance of the AOC and operations specifications constitutes CAAN approval of the operation.

*Note 7: Appendix 6 specifies the General conditions.*

8.6.2 For the purpose of standardization and administrative convenience, the operations specifications shall contain:

- a) Part A -- General provisions, describing general operating conditions and lists the make and model of the aircraft which the operator is approved to operate along with the maximum seating capacity of the aircraft. This part also contains any other general authorizations or limitations not covered in other parts.
- b) Part B – En-route authorizations and limitations, describing en-route authorizations and limitations including a description of the types of route segments which may be used, adherence to instrument flight rules and operations at aerodromes without control towers.
- c) Part C – Aerodrome authorizations and limitations, describing aerodrome authorizations and limitations including the types of approach procedures which the operator is approved to conduct, standard takeoff minima, and minima for circling and straight in approaches. This part also lists all aerodromes to which the carrier is approved to operate including Alternate Aerodromes.
- d) Part D – Maintenance, describing the operator's maintenance programme including maintenance authorizations on inspections, overhauls and rework of components.
- e) Part E – Mass and balance, specifying all authorizations of standard mass quantities and mass and balance control.
- f) Part F – Interchange of equipment operations (if relevant). It specifies the authorized interchange of aircraft between the operator and other operators; the type of equipment is specified; the crews to be utilized; the routes and aerodromes to be used; the operations manual and aircraft operating manual to be utilized (i.e., which operator's manual) and applicable aerodrome (or heliports) operating minima.
- g) Part G – Aircraft leasing operations (if relevant). It specifies the parties to the agreement and the duration thereof; the type of lease (i.e., wet or dry); in the case where two operators are involved, the operator responsible for operational control; the routes, area of operation and aerodromes (or



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heliports) involved; the type and registration numbers of the aircraft involved; the party responsible for maintenance and reference to state's approval letter/order of the lease.

h) Part H -- Any other item CAAN determines is necessary

## 8.6.3 Contents of Operations Specifications

An Operations Specification shall contain the information as specified in Appendix-7.

## 8.7 Period of validity of an AOC

8.7.1 An Air Operator certificate issued by CAAN is valid for a period of two years unless it is surrendered, suspended or revoked.

8.7.2 Continued validity of AOC shall depend on compliance of all the conditions by the operator under which it was issued. Non-compliance with operating conditions or failure to maintain an adequate standard shall result in the suspension or revocation of the AOC.

## 8.8 Variation in AOC

8.8.1 The holder of an AOC shall, at all times, comply with the conditions contained in his air operator certificate and the requirements stipulated in the AOCR and any amendments thereto. The holder of AOC must notify CAAN as soon as practicable of any changes to the information submitted in accordance with Chapter 3 during the formal application phase.

8.8.2 If the holder of the AOC wishes to apply for any variation of its certificates, the holder of the AOC must file an application addressed to Director General, CAAN giving full details of the amendment proposed, 30 days prior to the date proposed by the applicant for the amendment to become effective.



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8.8.3 Considering all the material presented and after an assessment, if CAAN approves the amendment, the amendment shall be effective from the date of such approval.

## 8.9 Renewal of AOC (refer Appendix 10, part 6 Checklist for AOC Renewal)

8.9.1 The Air Operator Certificate shall be renewed by CAAN as per CAR 2058 against payment of a fee as specified in the Civil Aviation Regulation 2058. The application for the renewal along with the specified fee must be submitted at least 60 days prior to expiry of the certificate.

8.9.2 An Air Operator Certificate issued by CAAN gets terminated if it is not renewed as per the Civil Aviation Regulation 2058.

8.9.3 An AOC holder for the renewal of the AOC shall submit the financial information as required in paragraph 3.11.2 chapter 3 of this AOCR

8.9.4 The AOC holder is required to submit the documents on clearance of dues of CAAN and dues of government of Nepal. A written statement must be submit to CAAN regarding there is no any dues of CAAN and government of Nepal from CEO or Accountable Manager with application.

8.9.5 The operator shall submit a copy of its internal safety audit report and internal surveillance report carried by Quality Manager and Flight Safety Manager along with the action taken thereon within 30 to 60 days prior to expiry of the AOC.

8.9.6 The operator must submit copies of current insurance policy of the aircraft fleet.

8.9.7 The operator shall submit a valid copy or written memorandum of the terms of the lease arrangements if applicable.

8.9.7.1 The operator shall demonstrate continued capability to conduct the operations authorized under the Air Operator Certificate and operations specification.

8.9.8 The AOC holder shall submit any other documents or information required by CAAN

## 8.10 General Responsibility of an AOC holder

8.10.1 The certificate holder shall carry out operations in accordance with the scope of the Air Operator Certificate and operations specifications.



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- 8.10.2 Each certificate holder shall keep each of its employees informed of the provisions of its operations specifications that apply to the employee's duties and responsibilities.
- 8.10.3 Each certificate holder shall make its operating certificate and operations specifications available for inspection by the CAAN at its principal operation base. Photocopies of the same shall be carried on board aircraft(s) at all times.
- 8.10.4 a) An AOC shall not be transferable.
- b) Any change in the Board of Directors or Chairman/CEO at any time shall be intimated to CAAN along with the details of new Chairman/CEO or Director.
- 8.10.5 The certificate holder shall regularly submit to CAAN, information relating to their operational, technical, commercial and financial performance.
- 8.10.6 The certificate holder shall regularly submit to CAAN the statistical data regarding its operation such as passengers carried, aircraft hours flown, cargo carried etc as required by CAAN on monthly basis.
- 8.10.7 The certificate holder shall get its flight schedule approved by CAAN at least 30 days in advance and operate services in accordance with the flight scheduled so approved.
- 8.10.8 The certificate holder shall comply with the new rules and regulations promulgated by CAAN from time to time for commercial air transport services.
- 8.10.9 The certificate holder shall maintain a current insurance for an amount adequate to cover its liabilities towards passengers and their baggage, crew, cargo, hull loss and third party risks in compliance with the CAAN requirements or any other applicable law.
- 8.10.10 Each Certificate holder shall allow the Authority, at any time or place to make any inspections or tests to determine its compliance with CAAN rules and regulations, its operating certificate and operations specifications, or its eligibility to continue to hold its certificate.
- 8.10.11 Tariffs to be charged by the operator for transportation of passengers, freight and mail shall be those approved by Government of Nepal.



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## 8.11 Compliance with the provisions of AOCR

- 8.11.1 This Air Operator Certificate may be suspended, revoked or terminated by the Civil Aviation Authority of Nepal in case of non-compliance of the provisions made under the Nepal Civil Aviation Authority 2053 (1996), Nepal Civil Aviation Authority – Civil Aviation Regulations 2058 (2001), National Civil Aviation Policy 2063 (2006), and its subsequent amendments as well as commitments made by the operator to CAAN and also, if any other terms/conditions/limitations and instructions issued by DG-CAAN are not complied and/or in the opinion of the CAAN, if the operations are conducted or, are to be conducted which might jeopardize the safety of the aircraft.
- 8.11.2 If the certificate holder does not wish conduct a kind of operation for which it is authorized in its operations specifications continuously for more than 90 days, it shall not conduct such kind of operation unless it advises CAAN before initiation of that kind of operation. If CAAN decides to conduct a full inspection to determine whether the certificate holder remains properly and adequately equipped and able to conduct a safe operation, the certificate holder shall make itself available and accessible and permission may be accorded by CAAN if found safe and suitable.
- 8.11.3 An operator who is unable to conduct operation continuously for 180 days in a calendar year, for which the operator is authorized in its operations specifications, the operator must inform CAAN as such. Failing to do so, the AOC of such operator shall be suspended, revoked or terminated by CAAN. The holder shall normally be given at least one month's prior notice of the CAAN's intention before taking such action.
- 8.11.4 Degradation of the operator's capability below the required level or breach of any of the rules and regulations of CAAN and any other applicable rules shall render the operating permit liable to alteration, suspension or cancellation.

*Note : Some of the examples of the degradation are; deficiencies observed during inspection which may be considered as immediate threat to safety, a frequent loss of operational or maintenance control by the air operator, not correcting the defects as mentioned in 'report of findings', etc.*



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## 8.12 SUSPENSION OR REVOCATION OF AOC

- 8.12.1 Failure on the part of the operator to comply with the applicable requirements may result in either the imposing of administrative penalties or suspension/cancellation or revocation of the AOC.
- 8.12.2 If an operator having suspended or revoked AOC intends to recertify it, the application should be submitted to the DG, CAAN who may, after considering the cause behind the suspension or revocation may determine the recertification process of a suspended or revoked AOC.
- 8.12.3 Any breach of condition of the AOC is liable for enforcement action by the DG, CAAN. The guidance for enforcement is given in detail in the Enforcement Policy and Procedures Manual.
- 8.12.4 If CAAN suspends or revokes a certificate or it is otherwise terminated, the holder of that certificate shall return it to the CAAN.





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## CHAPTER 9

### AIRCRAFT LEASING REQUIREMENTS

These requirements apply to the following persons in respect of the operation of a leased aircraft by the lessee if the aircraft is registered in the name of the lessor:

- a) A Nepalese air operator that leases a Nepalese registered aircraft from another Nepalese air operator;
- b) A Nepalese air operator holding a valid air operator certificate that leases an aircraft registered to another operator in a foreign state;
- c) A Nepalese air operator holding a valid Air Operator Certificate that leases a Nepalese registered aircraft to a foreign air operator.

#### 1. Leasing Operations — General

1.1. No person who is not the registered owner of an aircraft shall operate the aircraft as part of a leasing operation without an authorization issued pursuant to these requirements unless:

- a) the lessor and the lessee each hold an operator certificate issued in respect of the aircraft type to be operated;
- b) the lessee is qualified to be the registered owner of such an aircraft in the State of the operator;
- c) the maintenance control system used during the term of the lease satisfies the NCAR requirements and the maintenance schedule approved by the Civil Aviation Authority of Nepal (CAAN) in relation to a Nepalese registered aircraft.

1.2. The CAAN Director General, on receipt of an application from a Nepalese air operator that conforms with the *Nepalese regulations and requirements* and includes evidence establishing that the applicant air operator meets those standards, may issue a written authorization to the air operator permitting the operation of such a leased aircraft, and specify in the authorization those conditions governing the operation that are necessary to ensure aviation safety;

1.3. An authorization issued pursuant to subsection 1.2 expires on the earliest of:

- i. The date on which the lease is terminated,
- ii. The date specified by the Director General in the authorization,
- iii. The date on which the certificate of registration of the aircraft is cancelled,



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- iv. The date on which the operator certificate is suspended or cancelled, and
- v. The date on which there is a change in any of the information that was submitted in support of the application referred to in subsection f) and on which the issuance of the authorization was based.

1.4. Where an authorization is required under subsection 1.2 and has been issued, no person shall operate a leased aircraft unless the authorization is carried on board.

## 2. Definitions

**Dry lease:** A dry lease is a leasing arrangement whereby a lessor provides an aircraft without crew, ground staff or insurance. The aircraft is operated under the AOC of the lessee who provides flight crews, maintenance and all other operational aspects of the aircraft;

**Wet lease:** A wet lease is a leasing arrangement whereby an air operator (the lessor) provides an aircraft with complete crew, maintenance, and insurance (ACMI) to another air operator (the lessee). The aircraft is operated under the AOC of the lessor.

**Damp lease:** A lease arrangement where the lessor provides the aircraft, flight crew, maintenance, and insurance to another air operator (the lessee) who provides the cabin crew. The aircraft is operated under the AOC of the lessor.

## 3. Dry lease between two Nepalese operators

- a) The lessor and the lessee each hold an air operator certificate issued in respect of the aircraft type to be operated;
- b) The lessee is qualified to be the registered owner of a Nepalese aircraft;
- c) The maintenance control system referred to in the NCAR and the maintenance schedule approved by the CAAN are, during the term of the lease, equivalent for the lessor and the lessee;
- d) The crew members of the aircraft are employed by the lessee; and
- e) The registered owner shall apply in writing to the Director General no later than ten days before the intended start of the lease and include the following information:
  - i. The registration mark, manufacturer model designation and serial number of the aircraft,
  - ii. The names, addresses and telephone numbers and facsimile numbers of the air operator being the lessor;



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- iii. The names, addresses and telephone numbers, and facsimile numbers, if any, of the registered owner if different from the air operator being the lessor,
- iv. The written authorization of the registered owner if different from the air operator being the lessor
- v. The names, addresses and telephone numbers, and facsimile numbers, if any, of the lessee
- vi. The air operator certificate number and the approved maintenance organization certificate numbers of the lessor and the lessee,
- vii. The commencement and termination dates of the lease,
- viii. The name of the person who is responsible for the maintenance of the aircraft during the term of the lease, and
- ix. The address of the main maintenance base for the aircraft.

## 4. Dry Lease in between a foreign operator and a Nepalese operator

### 4.1. The leased aircraft is being registered in Nepal

- a) No person shall operate a leased aircraft if one of the lessor and the lessee of the aircraft is not a Nepalese operator, unless the Director General of the Civil Aviation Authority of Nepal has authorized such operation.
- b) The lessee shall apply in writing to the Director General no later than thirty days before the intended start of the lease and include the following information:
  - i. The foreign registration mark, manufacturer model designation and serial number of the aircraft
  - ii. The names, addresses and telephone numbers and facsimile numbers of the lessor;
  - iii. The names, addresses and telephone numbers, and facsimile numbers, if any, of the registered owner if different from the lessor,
  - iv. The written authorization of the registered owner if different from the lessor
  - v. The names, addresses and telephone numbers, and facsimile numbers, if any, of the lessee
  - vi. The Air Operator Certificate number of the lessee;
  - vii. The Approved Maintenance Organization certificate numbers the lessee intends to use for the maintenance of the leased aircraft;



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- viii. The commencement and termination dates of the lease,
  - ix. The name of the person who is responsible for the maintenance of the aircraft during the term of the lease, and
  - x. The address of the main maintenance base for the aircraft.
- c) The lessee is qualified to be the registered owner of a Nepalese aircraft;
  - d) The aircraft complies with a Type Certificate accepted by Nepal rendering it eligible for registration in Nepal;
  - e) The foreign authority has confirmed that the aircraft has been removed from the foreign registry;
  - f) The lessee has applied to register the aircraft in Nepal;
  - g) The lessee maintenance control system as required by the NCAR and the maintenance schedule is approved by the CAAN for the duration of the lease;
  - h) The crew members of the aircraft are employed by the lessee; and
  - i) The lessee has paid all applicable fees and taxes.

## **4.2. The leased aircraft remains on a foreign registry**

- a) No person shall operate a leased aircraft if the lessor of the aircraft is not a Nepalese operator, unless the Director General of the civil aviation authority of Nepal and the civil aviation authority the state of registration have authorized such operation.
- b) No person who is not the registered owner of an aircraft shall operate the aircraft as part of a leasing operation without an authorization issued pursuant to subsection 4.2 a )
- c) No person shall operate an aircraft under the authorization referred to in subsection 4.2 a) in a third state, other than Nepal and the state of registry, except in accordance with the laws of the third state.
- d) The lessor and the lessee each hold An Operator Certificate issued in respect of the aircraft type to be operated;
- e) The lessee shall apply in writing to the Director General no later than thirty days before the intended start of the lease and include the following information:
  - i. The foreign registration mark, manufacturer model designation and serial number of the aircraft
  - ii. The names, addresses and telephone numbers and facsimile numbers of the lessor;



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- iii. The names, addresses and telephone numbers, and facsimile numbers, if any, of the registered owner if different from the lessor,
  - iv. The written authorization of the registered owner if different from the lessor
  - v. The names, addresses and telephone numbers, and facsimile numbers, if any, of the lessee
  - vi. The Air Operator Certificate number of the lessee;
  - vii. The Approved Maintenance Organization certificate numbers the lessee intends to use for the maintenance of the leased aircraft;
  - viii. The commencement and termination dates of the lease;
  - ix. The name of the person who is responsible for the maintenance of the aircraft during the term of the lease, and
  - x. The address of the main maintenance base for the aircraft.
- f) The lessee is qualified to be the registered owner of a Nepalese aircraft
  - g) The aircraft complies with a Type Certificate accepted by Nepal rendering it eligible for registration in Nepal;
  - h) The maintenance control system referred to in the NCAR and the maintenance schedule approved by the Director General of the CAAN are, during the term of the lease, equivalent for the lessor and the lessee;
  - i) The registered owner of the aircraft shall, immediately on receipt of the authorization, forward to the lessee all Airworthiness Directives that apply to the aircraft;
  - j) The lessee shall ensure that all applicable Airworthiness Directives will be complied with;
  - k) The crew members of the aircraft are employed by the lessee;
  - l) Both the Civil Aviation Authority of Nepal and the Civil Aviation Authority of the State of registry agree to the proposed lease operation;
  - m) The State of Registry and Nepal have agreed upon their respective regulatory safety oversight responsibilities;
  - n) The crew member licences are validated by the State of Registry if there is no transfer of responsibility agreement.



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## 5. Dry lease out between a Nepalese operator and a foreign operator

### 5.1. The leased aircraft remains registered in Nepal

- a. The lessor shall apply in writing to the Director General no later than thirty days before the intended start of the lease and include the following information:
  - i. The registration mark, manufacturer model designation and serial number of the aircraft;
  - ii. The names, addresses and telephone numbers and facsimile numbers of the lessor;
  - iii. The names, addresses and telephone numbers, and facsimile numbers, if any, of the registered owner if different from the lessor;
  - iv. A description of maintenance responsibilities;
  - v. A description of how the maintenance arrangements will ensure compliance with the maintenance control system and the maintenance schedule approved by the Director General of the CAAN for the aircraft during the entire lease period;
  - vi. The written authorization of the registered owner if different from the lessor;
  - vii. The names, addresses and telephone numbers, and facsimile numbers, if any, of the lessee;
  - viii. The Air Operator Certificate number of the lessee;
  - ix. The commencement and termination dates of the lease;
  - x. The approved maintenance organization certificate numbers the lessee intends to use for the maintenance of the leased aircraft;
  - xi. The name of the person who is responsible for the maintenance of the aircraft during the term of the lease; and
  - xii. The address of the main maintenance base for the aircraft.
- b. The lessee maintenance will satisfy the maintenance control system as required by the NCAR and the maintenance schedule is approved by the CAAN for the duration of the lease;
- c. The registered owner of the aircraft shall, immediately on receipt of the authorization, forward to the lessee all airworthiness directives that apply to the aircraft;
- d. Both the Civil Aviation Authority of Nepal and the Civil Aviation Authority of the State of the foreign operator agree to the proposed lease operation;



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- e. The Civil Aviation Authority of Nepal and the Civil Aviation Authority of State of the foreign operator and Nepal have agreed upon their respective regulatory safety oversight responsibilities in relation to the leased aircraft;
- f. The crew members of the aircraft are employed by the lessee; and
- g. The crew member licences are validated by Nepal if there is no transfer of responsibility agreement.

## 5.2. The leased aircraft is being registered in the State of the lessee

- a) The lessor shall apply in writing to the Director General no later than ten days before the intended start of the lease and include the following information:
  - i. The registration mark, manufacturer model designation and serial number of the aircraft;
  - ii. The names, addresses and telephone numbers and facsimile numbers of the lessor;
  - iii. The names, addresses and telephone numbers, and facsimile numbers, if any, of the registered owner if different from the lessor;
  - iv. The written authorization of the registered owner if different from the lessor;
  - v. The names, addresses and telephone numbers, and facsimile numbers, if any, of the lessee;
- b) The lessor submits an application to the Director General for deregistration of the Aircraft in accordance with the provisions of the Civil Aviation Regulation 2058 (2002);
- c) The lessor has paid all applicable fees and taxes.

## 6. Wet lease between two Nepalese operators

- a) The lessor holds a valid Air Operator Certificate in respect of the aircraft type to be operated;
- b) The lessee holds a valid Air Operator Certificate issued in respect of the category of aircraft to be operated;
- c) The aircraft is operated under the AOC of the lessor;
- d) The crew members of the aircraft are employed and trained by the lessor;
- e) Evidence that the lessor flight crews have been trained to conduct operations on routes and airports presenting particular difficulties or safety risks as identified by the lessee and the CAAN;
- f) The lessor shall apply in writing to the Director General no later than ten days before the intended start of the lease and include the following information:

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- i. The registration mark, manufacturer model designation and serial number of the aircraft,
- ii. The names, addresses and telephone numbers and facsimile numbers of the air operator being the lessor;
- iii. The names, addresses and telephone numbers, and facsimile numbers, if any, of the lessee
- iv. The commencement and termination dates of the lease,

## 7. Wet Lease in between a foreign operator and a Nepalese operator

- a) The lessor holds a valid air operator certificate in respect of the aircraft type to be operated;
- b) The lessee holds a valid air operator certificate issued in respect of the category of aircraft to be operated;
- c) The aircraft is operated under the AOC of the lessor;
- d) The operational control remains with the lessor;
- e) The crew members of the aircraft are employed and trained by the lessor;
- f) Evidence that the lessor flight crews have been trained to the satisfaction of CAAN to conduct operations on routes and airports presenting particular difficulties or safety risks as identified by the lessee, the lessor and more specifically on airports considered to be of category B or C;
- g) The lessor operates the routes authorized for the lessee;
- h) The lessor uses the lessee flight numbers;
- i) The aircraft maintenance remains the responsibility of the lessor;
- j) The hull, passenger and third party liability insurance remains the responsibility of the lessor;
- k) The lessee shall apply in writing to the Director General no later than thirty days before the intended start of the lease and include the following information:
  - i. The foreign registration mark, manufacturer model designation and serial number of the aircraft
  - ii. The names, addresses and telephone numbers and facsimile numbers of the lessor;
  - iii. The names, addresses and telephone numbers, and facsimile numbers, if any, of the lessee
  - iv. The air operator certificate number of the lessee;
  - v. The routes intended to be operated by the lessor on behalf of the lessee;
  - vi. The commencement and termination dates of the lease;



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- l) The lessee provides the Director General with a copy of the lessor air operator certificate;
- m) Both the Civil Aviation Authority of Nepal and that of the State of the foreign operator agree to the proposed lease operation;
- n) The State of Registry and Nepal have agreed upon their respective regulatory safety oversight responsibilities;
- o) A copy of the authorization granted by the Director General is carried on board the aircraft while the lessor operates flights on behalf of the lessee.

## 8. Wet Lease out between a Nepalese operator and a foreign operator

- a) The lessor holds a valid air operator certificate in respect of the aircraft type to be operated;
- b) The aircraft is to be operated under the AOC of the lessor;
- c) The operational control is to remain with the lessor;
- d) The crew members of the aircraft are employed and trained by the lessor;
- e) Evidence that the lessor flight crews have been trained to the satisfaction of CAAN to conduct operations on routes and airports presenting particular difficulties or safety risks as identified by the lessee, the lessor and more specifically on airports considered to be of category B or C;
- f) The lessor operates the routes authorized for the lessee;
- g) The lessor uses the lessee flight numbers;
- h) The aircraft maintenance remains the responsibility of the lessor;
- i) The hull, passenger and third party liability insurance remains the responsibility of the lessor;
- j) The lessor shall apply in writing to the Director General no later than thirty days before the intended start of the lease and include the following information:
  - i. The registration mark, manufacturer model designation and serial number of the aircraft
  - ii. The names, addresses and telephone numbers and facsimile numbers of the lessor;
  - iii. The names, addresses and telephone numbers, and facsimile numbers, if any, of the lessee
  - iv. The Air Operator Certificate number of the lessor;
  - v. The routes intended to be operated by the lessor on behalf of the lessee;
  - vi. The commencement and termination dates of the lease;



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- k) The lessor provides the Director General with a copy of the lessee Air Operator Certificate;
- l) Both the Civil Aviation Authority of Nepal and that of the State of the foreign operator agree to the proposed lease operation;
- m) The State of the foreign operator and Nepal have agreed upon their respective regulatory safety oversight responsibilities;
- n) A copy of the authorization granted by the Director General is carried on board the aircraft while the lessor operates flights on behalf of the lessee.

## 9. Maximum Number of Leased Aircraft

- (a) No Nepalese air operator shall operate a number of leased aircraft registered in a foreign state that exceeds the authorized number established in the following table on the basis of the number of aircraft registered in the name of the Nepalese operator:

Number of aircraft registered in the name of the Nepalese air operator	Number of foreign registered aircraft permissible for use by the Nepalese air operator
1 to 5	1
6 to 9	2
10 and above	25 per cent of the total number of aircraft registered to the Nepalese air operator, rounded to the next highest whole number

- (b) No Nepalese air operator shall lease to foreign air operators a number of Nepalese registered aircraft that exceeds the authorized number established in the following table on the basis of the number of aircraft registered in the name of the Nepalese operator:

Number of aircraft registered in the name of the Nepalese air operator	Number of Nepalese registered aircraft permissible for use by a foreign air operator
2 to 5	1
6 to 9	2
10 and above	25 per cent of the total number of aircraft registered to the Nepalese air operator, rounded to the next highest whole number



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## 10. Damp lease

In case of a damp lease, either in or out, all wet lease requirements related to the intended lease remain applicable with the addition of the following requirements applicable to the cabin crew provided by the lessee:

- a) The lessee cabin crew and the lessor flight crew must share a common language;
- b) The lessee cabin crew must be trained and qualified in accordance with the lessor approved training programme.
- c) The lessee cabin crew must be conversant with the normal, abnormal and emergency procedures and appropriate communication codes of the lessor.

## 11. Limits on Period of Operation under Authorization

No authorization shall be issued to a Nepalese air operator with respect to the operation of an aircraft registered in a foreign state that would result in, either:

- (a) The Nepalese air operator being issued with one or more such authorizations in respect of aircraft registered in a foreign state for 24 months or more during any period of 30 consecutive months; or
- (b) The aircraft being the subject of one or more such authorizations issued to a Nepalese air operator for 24 months or more during any period of 30 consecutive months.

## 12. Submission of Signed Lease

A Nepalese air operator that has been issued with an authorization by the Director General shall, within seven days after the day on which the authorization was issued, submit to the Director General a signed copy of the lease.

## 13. Dry Lease-in from a Leasing or Financial Institution

When a Nepalese operator dry leases an aircraft from a leasing or financial institution and the aircraft is to be entered on the Nepalese aircraft registry in the name of the Nepalese operator, the Nepalese Operator is not required to comply with Article 9 and Article 11 of the leasing requirements.



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## CHAPTER 10

### CONTINUING SURVEILLANCE OF CERTIFICATED OPERATORS

#### 10.1 General

- 10.1.1 The CAAN Flight Operation and Airworthiness safety audit teams shall exercise continuing surveillance and inspection of the operator to ensure safe operation. The operator's Quality system is also required to conduct his own internal safety audit, surveillance, and inspection program.
- 10.1.2 The areas covered in all surveillance and inspection may include at least a re-evaluation of the operator's organization, facilities, equipment, aircraft maintenance, operational control and supervision, maintenance of flight crew standards, passenger-cargo safety procedures, security precautions, checking of operational and personnel records, training, company manuals, and compliance with the provisions of the AOCR, related operations specifications and pertinent operating regulations and rules.

#### 10.2 Surveillance and Inspection Programme

- 10.2.1 During the first six months of new operation, the operator shall be monitored for any irregular procedures or evidence of inadequate facilities or equipment. Authority shall also examine any conditions that may indicate a significant deterioration in the operator's financial condition.
- 10.2.2 When /financial deterioration is observed, the CAAN shall increase technical surveillance of the operation with particular emphasis on the maintenance of safety standards and shall take any action deemed necessary.
- 10.2.3 A prime objective of the surveillance and inspection programme is to confirm that the method the operator intended or systems are being followed and are effective regarding operator compliance and achievement of safety objectives.
- 10.2.4 Aircraft leases and contractual arrangements entered into by the operator for aircraft maintenance, servicing or training, etc. shall be thoroughly examined and shall ensure that these arrangements are producing satisfactory results as far as safety standards and regulatory compliance are concerned.



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- 10.2.5 The CAAN shall ensure that the training standards demonstrated in the training programme initially approved are being maintained. If there are indications that the training provided is not achieving desired objectives or has resulted in a high failure rate on various tests or examinations CAAN shall make certain that the operator takes necessary measures to revise the approved training programme in order to ensure that trainees reach the required level of competence.

## 10.3 Remedial action required

When, in the course of operator's surveillance, deficiencies are observed, prompt corrective action shall be initiated by the operator to correct the deficiencies within a specified time as specified by CAAN. If the operator fails or is unable to meet or maintain the required standards, the operator's privileges may be temporarily or permanently withdrawn or restricted. Failure on the part of the operator to revert back to normal standard through follow-up inspection may result into termination of the privilege.

### 10.3.1 Surveillance and Inspection Cost

The operator must provide all facilities including free passage or tickets and also must bear all the expenses like transportation, lodging, meals, and incidental cost of the Flight Operation and Airworthiness Inspector authorized by CAAN to perform necessary surveillance and inspection duties relating to the air operation and maintenance of the operator's aircraft.

### 10.3.2 Insurance of the CAAN personnel

The operator shall provide the insurance coverage of the persons authorized by CAAN to perform necessary surveillance and inspection duties as specified by CAAN.



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## CHAPTER 11

### STATE RESPONSIBILITIES REGARDING COMMERCIAL AIR TRANSPORT OPERATIONS BY FOREIGN OPERATORS

#### The principles of the surveillance of foreign operators

##### 11.1 Introduction

- 11.1.1 CAAN regulations and procedures for the approval, surveillance and resolution of safety issues, associated with commercial air transport operations by an operator from another State (herein after referred to as a “foreign operator”) should be in conformity with the Annexes to the Convention.
- 11.1.2 It is of particular importance to recognize that the primary role in the safety oversight of any operator is that of the State of the Operator which issued the Air Operator Certificate (AOC) in accordance with Article 12 to the ICAO Convention to ensure that every aircraft flying over or maneuvering within its territory shall comply with the rules and regulations relating to the flight and manoeuvre of aircraft there in force.
- 11.1.3 Article 33 to the ICAO Convention provides that certificates of airworthiness and certificates of competency and licenses issued, or rendered valid, by the State in which an aircraft is registered, shall be recognized by other States, provided that the requirements under which such certificates or licenses were issued or rendered valid are equal to or above the minimum standards which may be established by ICAO.
- 11.1.4 This requirement for recognition is now extended by Annex 6, Part I and Part III, Section II, such that Contracting States shall recognize as valid an AOC issued by another Contracting State, provided that the requirements under which the certificate was issued are at least equal to the applicable Standards specified in Annex 6, Part I and Part III.
- 11.1.5 To assist in the approval and monitoring of the activities of foreign operators, States undertake under Article 21 to the Convention to provide information on the registration and ownership of individual aircraft. It is intended that this information, together with the identification of the State of the Operator and





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the operator, will be available on the ICAO secure site in the form of an international register of air operator certificates.

## 11.2 Safety Clause

11.2.1 The model clause addresses safety requirements that each party to an agreement would need to maintain and helps to ensure that the aircraft using airspace and airports in Nepal are operated and maintained in accordance with ICAO Standards. Ongoing dialogue, as well as surveillance of air operations, would be required to maintain the validity of such an agreement.

## 11.3 The right of States to inspect aircraft from other States

11.3.1 CAAN may, according to Article 16 to the Convention on International Civil Aviation, search aircraft from other States on landing and departure and to inspect the certificates and other documents prescribed by the Convention and its Annexes, provided there is no unreasonable delay to the operation.

11.3.2 Annex 6 Part I Part III, *International Commercial Air Transport*, paragraph 2.2.2.2 require that States shall establish a programme with procedures for the surveillance of operations in their territory by a foreign operator and for taking appropriate action when necessary to preserve safety.

11.3.3 CAAN shall advise the State of Registry immediately to prevent a damaged foreign aircraft from resuming its flight operation. The State of Registry will consider the airworthiness of the aircraft and prohibit the aircraft from resuming flight until it is restored to an airworthy condition or permit the aircraft to resume its flight, if considered airworthy, or permit the aircraft to conduct a non-commercial air transport operation, under prescribed limiting conditions, to an aerodrome at which it will be restored to an airworthy condition.

11.3.4 A foreign registered aircraft flying in Nepal shall carry the following documents:

- its certificate of registration and certificate of airworthiness;
- the licenses for each flight crew member including transit Certifying holder.
- its journey log book (often referred to as the technical log);
- if it carries passengers, a list of names and places of embarkation and destination; and
- if it carries cargo, a manifest and detailed declarations of the cargo.



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- Operating Authorization issued by Ministry of Tourism and Civil Aviation of Nepal

## 11.3.5 A foreign registered aircraft further requires the carriage of:

- a certified true copy of the operator's AOC and a copy of the associated operations specifications relevant to the aircraft type with a required minimum content, which includes the location on board the aircraft where the contact details, at which operational management can be contacted without undue delay, are listed;
- if subject to the requirements of ICAO Annex 16, Volume I, a document attesting noise certification;
- the aircraft flight manual or other document containing performance data;
- the operator's operations manual or those parts of it that pertain to flight operations, which shall include the aircraft operating manual, checklists for normal, abnormal and emergency procedures and the minimum equipment list (MEL);
- current and suitable charts to cover the route of the flight;
- a copy of the RNP-AR approval issued by its State authority and a copy of the RNP-AR authorization issued by CAA Nepal if it intends to conduct RNP-AR operations into Tribhuvan International Airport, Kathmandu.
- an aircraft search procedure checklist; and
- information and instructions relating to the interception of civil aircraft.

## 11.3.6 When the licenses of the flight crew, the AOC and associated operations specifications, the document attesting noise certification, the Certificate Of Registration or the Certificate Of Airworthiness are issued in a language other than English, Annex 1, Annex 6, Part I and Part III, Section II and Annexes 7 and 8, require that these documents shall include an English translation.

## 11.4 **CAAN approval for a foreign operator to operate within Nepalese territory**

### 11.4.1 If CAAN accepts that the safety oversight of foreign operators is in a manner acceptable to the national regulatory system, it may provide authorization to operate the flight.



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11.4.2 *Bilateral or multilateral agreements* – In the case where bilateral or multilateral agreements have been established, approvals should be granted on the basis of such an agreement. Such agreements should consider the provisions outlined below and should include appropriate safety provisions.

11.4.3 Where no bilateral or multilateral agreement exists, an administrative review of the relevant documentation of the operator should be performed at a minimum, and should be supplemented by safety related information, if available, from ICAO or from safety programmes by States (such as ramp checks). An approval should be granted in the absence of any significant negative findings / major deficiencies.

*Note. — Examples of significant or major findings during a ramp inspection are given in Chapter 6.*

11.4.4 In the case of any significant negative findings / major deficiencies, the document review should be followed by discussions with the State of the Operator seeking resolution of such deficiencies prior to granting an approval. This information can be supplemented, in part, by the consideration of audits, including operator audits. The DG, CAAN may consider audits performed by other States, by internationally recognized audit organizations or by its CAA inspectors.

11.4.5 In case of significant negative findings / major deficiencies, CAAN Inspector should deny the approval to a foreign operator and should consider appropriate additional measures, such as those described in Chapter 6.

11.4.6 Flight Schedule of a foreign air operator shall not be approved without CAAN's approval to operate schedule flight in Nepal.

11.4.7 A satisfactory Airworthiness and Flight Operations inspection should be carried out in the base facility of foreign air operators intending to operate commercial flights to Nepal.

## 11.5 **Validity and renewal of approvals**

11.5.1 Approvals to foreign operators should normally be subject to a limited time period taking into consideration the validity of the operator's AOC and should be renewed in accordance with the same procedures as detailed above.

11.5.2 In order to maintain an approval, foreign operators should be subject to appropriate surveillance by CAAN. This should include regular ramp checks and documentation reviews. In case any significant negative finding / major deficiency is encountered during this process, CAAN shall take appropriate



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measures, including consultations with the CAA of the State of the Operator and, if acceptable to the concerned State, an audit of the foreign operator. If significant negative findings / major deficiencies remain, CAAN may withdraw the approval of a foreign operator and should consider appropriate additional measures.

11.5.3 A foreign operator may re-apply for approval following a withdrawal.

## **11.6 Sharing of safety information**

Safety relevant findings regarding foreign operators should be shared between Contracting States.

## **11.7 Approval process and continued surveillance**

The approval process shall be as per the various Phases described in this AOCR and continued surveillance shall be carried out according to Annex 6.

## **11.8 Application by a foreign operator**

### **11.8.1 Action by the Operator**

11.8.1.1 The operator will need to make applications to CAAN to fly into or over Nepalese airspace. The operator will also need to keep its own CAA, as the Authority of the State of the Operator, informed of all applications to operate into Nepalese territory.

11.8.1.2 Applications should be made direct to the DG, CAAN. In some cases it will be possible to download information and both the instructions for making an application and the necessary forms, from a website maintained by the CAAN in question.

## **11.9 Evaluation of an application by a foreign operator**

11.9.1 When evaluating an application by an operator from another State to operate within its territory, CAAN will examine both the safety oversight capabilities and record of the State of the Operator and, if different, the State of Registry, as well as the operational procedures and practices of the operator. This is necessary in order for the DG, CAAN, in the terms of Article 33 to the Convention, to have confidence in the validity of the certificates and licenses associated with the operator, its personnel and aircraft, in the operational capabilities of the operator and in the level of certification and oversight applied to the activities of the operator by the State of the Operator.



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## **11.10. Approval of an application**

- 11.10.1 Following receipt of an application by a commercial air transport operator from another State to provide an air service over or into its territory, CAAN will review it as per 1.4 of this Part, in light of its regulations. If the DG, CAAN decides to approve the service, it should issue an appropriate written authorization to the operator. This document may include additional authorizations, conditions and limitations for elements not listed in the operator's AOC and its associated operations specifications, but considered necessary for compatible operations within Nepal.
- 11.10.2 These authorizations, conditions and limitations, that may be included, are intended to provide more detailed information and may address unique and special requirements associated with the airspace of Nepal. The issue of these authorizations, conditions and limitations is part of CAAN approval or authorization of the operations. Such authorizations, conditions and limitations should not conflict with the AOC and the operations specifications issued by the State of the Operator.

## **11.11. Continued surveillance of a foreign operator from other States**

### **11.11.1 General**

- 11.11.1.1 Continued safety surveillance by CAAN as State of Operations of foreign operators within its territory is inherent in the system of authorization and an essential part of CAAN's responsibility to ensure that the required operational safety standards are maintained within its territory.
- 11.11.1.2 The necessary safety inspections should therefore be planned by the CAAN inspectors and conducted when aircraft from other States are within the territory of Nepal. These inspections should be planned such that they do not cause unreasonable delay in the operation of the aircraft.

## **11.12 Inspections**

- 11.12.1 The documents to be covered at any one inspection of a foreign operator are the following:
- Certificate Of Registration;
  - Certificate Of Airworthiness;
  - Certificates Of Competency, licenses and medical assessment of the flight crew;
  - Air Operator Certificate and associated operations specifications relevant to the aircraft type, which are required information to be carried on board



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until an international register of AOCs may eventually provide an alternative way to access this information;

- Aircraft Flight Manual or other document containing performance data;
- radio station licence;
- journey logbook or technical log or general declaration;
- maintenance release;
- fuel and oil records; and
- document attestent noise certification.

11.12.2 The overall condition of the aircraft should be covered at every inspection:

- out-of-tolerance leakage of fuel, engine oil or hydraulic fluid;
- landing gear and wheel well areas;
- fuselage and pylons (as applicable);
- wings and pylons (as applicable);
- engines, their intakes, exhaust cones and reverser systems;
- propellers (as applicable); and
- empennage or tail assembly.

11.12.3 Documents that should be covered over a defined number of inspections include:

- minimum equipment list (MEL);
- aircraft operating manual;
- airfield performance data;
- checklists for normal, abnormal and emergency procedures;
- aeronautical charts (route guide);
- aeroplane search procedure checklist;
- visual signals for use by intercepting and intercepted aircraft.
- mass and balance forms and their completion;
- weather reports and forecasts;
- operational flight plan; and
- Notices-To-Airmen (NOTAMS).

11.12.4 Aircraft equipment that should be covered over a defined number of inspections:

- adequate oxygen supply for crew and passengers;
- passenger briefing cards and contents;
- portable fire extinguishers – flight crew compartment and cabin;



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- life rafts and life jackets or individual flotation devices (as applicable);
- pyrotechnical distress signaling devices (as applicable);
- first-aid kits and medical kits (as applicable);
- penetration resistant cockpit door (as applicable); and
- emergency exit signs and lighting.

11.12.5 The following additional aircraft equipment should also be covered over a defined number of inspections and as applicable to the aircraft and the operation:

- Airborne Collision Avoidance System (ACAS);
- Emergency Locator Transmitter (ELT);
- Flight Recorders (FDR) and Cockpit Voice Recorder (CVR); and
- Ground Proximity Warning System with forward looking terrain avoidance capability.

## 11.13 Action on findings – Resolution of safety issues

### 11.13.1 General

11.13.1.1 After a ramp inspection of a foreign operator, the inspector action resulting from findings will depend on the seriousness of the safety finding. Action may also involve the State of Registry of the aircraft, if different from the State of the Operator.





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## APPENDIX 1

### Civil Aviation Authority of Nepal

### APPLICATION FORM FOR THE ISSUE OF AOC

#### 1. Applicant's Detail

Item	Description
a. Name of the company/corporate body	
b. Address with telephone, telex, fax numbers and email of the registered office	
c. Details of permission and registration issued by respective Ministries	
d. Address of principal office of business, including operation and maintenance base	
a. Full details of any other business the company engaged in	
b. Name and nationality of the Board of Directors and Chairman/CEO	
c. Details of share holding of the company	
d. Percentage share of foreign nationals or company, if any, in the capital of the company	
e. Details of experience in civil aviation field/activities	

#### 2. Details of Organization

Item	Description
a) Description of applicant's business organization	
b) Corporate structures	
c) Overall set-up of Administrative, Maintenance and Operational Management	



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d) Name of the key managements personnel including their title, background, qualifications and experience	
e) Source of pilot and engineers	
f) Details of arrangements for maintenance and inspection of aircraft and associated equipment	
g) Details of operational control and supervision methods to be used (a copy of company's organization manual or exposition manual describing above details may be enclosed separately)	

## 3. Details of Proposed Base and Flight Operation

Item	Description
a) Name of the proposed base for the operation	
b) Type of operation (Nature of operation)	
c) Area of operation and route structure	
d) Proposed time of operation	
e) Name of the proposed base for the operation	

## 4. Details of Aircraft Proposed

Item	Description
a) Whether Aircraft is acquired on outright purchase or lease or lease finance (indicate wet lease or dry lease)	
b) Number and type of the aircraft	
c) Passengers capacity of each aircraft	



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d) Maximum all up weight	
e) Type certificate of the aircraft	
f) Whether Aircraft is acquired on outright purchase or lease or lease finance (indicate wet lease or dry lease)	



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## APPENDIX 2

### FEASIBILITY STUDY REPORT

The feasibility study shall contain the following information:

- a) The applicant's background and credentials
- b) Estimates of market demand
- c) Proposed kind of operation, route; pattern
- d) Aircraft type, number and source including aircraft lease/purchase terms
- e) Suitability of the proposed aircraft
- f) Source of crew and technical personnel
- g) Source of deployment of funds
- h) Profitability projections
- i) Details of foreign investment/equity participation
- j) Arrangements for maintenance and training of aircraft maintenance certifying staff and crew
- k) Ownership pattern and proposed financial structure
- l) Applicable proof of the applicant's ability to run air transport services on a sustained basis
- m) Time frame in which the project would be operational, schedule of activities and time frame for each activities.



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## APPENDIX 3

### APPLICANT'S FACILITIES TO BE INSPECTED

Applicant's facility Inspection will be carried out broadly in following areas:

- a) Organization structure and Management inspection
  - 1. Operation planning and crew scheduling offices
  - 2. Management and administrative offices
  - 3. Flight planning and dispatch offices
  - 4. Training facility
  - 5. Records offices
  - 6. Passengers handling facility
  - 7. Load control and baggage/cargo handling facility
  - 8. Aircraft maintenance facility and quality management system
- b) Management Evaluation
  - 1. Adequacy of the required manuals to cover all aspects of operation
  - 2. Adequacy and suitability of the staffing
  - 3. Establishment of system for supervision and control over operation
  - 4. Adequacy and qualifications of crew and other operation personnel
  - 5. Arrangements for maintaining records of crews and other records
- c) Maintenance Management Inspection
  - 1. Arrangements for day to day administration and engineering operation
  - 2. Adequacy of the company Engineering Manual
  - 3. General facilities
  - 4. Manpower
  - 5. Sufficient work area
  - 6. Technical library
  - 7. Equipment, tools, and tests equipments
  - 8. Company quality audit system
  - 9. Approved maintenance schedule
  - 10. Surveillance and supervision of maintenance arrangements
- d) Records Inspection
  - 1. Adequacy of staff and facility for record keeping
  - 2. Suitability of bonded stores
  - 3. Arrangements for proper upkeep of stores and records



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- e) Training programme inspection
  - 1. Adequacy of Training Manual
  - 2. Training programme for required manpower



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## APPENDIX 4

### QUALIFICATIONS AND EXPERIENCE OF NOMINATED POST HOLDERS

Upon receiving their nominations from the concerned organization, CAA Nepal may accept the following nominated post holders for an interview after reviewing their documents. The documents must be submitted with evidence. CAA Nepal will take an oral interview for the nominated post holders for the following posts.

Chief Executive Officer (CEO) / Accountable Manager  
Chief of Flight Operations  
Fleet Chief Pilot  
Safety Manager  
Chief of Flight Safety  
Chief of Training  
Cabin Crew Manager  
CA Manager  
Quality Manager/Quality Assurance Manager

#### a) ACCOUNTABLE MANAGER

The organisation shall appoint an accountable manager who has corporate authority for ensuring that all Flight Operation, Safety, Continuing Airworthiness and maintenance operation required by the customer can be financed and carried out to the standard as required by FOR, AOCR and NCAR Part-M.

The Accountable Manager shall:

- i) ensure that all necessary resources are available to accomplish Operation, Safety and maintenance in accordance with AOCR, FOR and NCAR Part M. to support the organisation approval.
- ii) establish and promote the safety and quality policy as specified in FOR, AOCR and NCAR
- ii) demonstrate a basic understanding of NCAR, FOR and AOCR and Safety management Systems.

The Accountable Manager shall appoint a person with responsibility for monitoring the quality and safety system and, including the associated feedback system as required by requirement. The appointed person shall have direct access to the Accountable Manager to ensure that the Accountable Manager is kept properly informed on quality and compliance matters.





# Air Operator Certificate Requirements-2012

Must be familiar with the company policy, AOCR, aircraft operation, quality principles, CAME procedures, NCAR Part M, Human Factor principles and CAAN rules, regulation and requirements.

He/she must have received previous experience on technical, safety or management issues on aviation.

He/she must be fluent in either English or Nepali language without the assistance of a translator.

Must be Nepalese Citizen. Alternate can only be accepted if appropriate evidences are provided and justified that Nepalese citizens are not available for this post or for other justified valid reason.

**b) CHIEF OF FLIGHT OPERATIONS** (eg. Director of Flight Operations/Operations Director/Operations Manager etc.)

The organisation shall appoint a Chief of Flight Operations who has authority for ensuring that all aircraft and Flight Operations activities are conducted in a manner as required by FOR and AOCR. The Chief of Flight Operations shall be directly under the CEO.

No person may serve as Chief of Flight Operations, unless his experience, qualifications and background are acceptable to the DG, CAAN. The person is required to:

- (i) Have knowledge regarding the responsibility for the conduct and standard of flight operations;
- (ii) Have knowledge about the contents of the Air Operator's Operations Manual (OM), the AOC and Operations Specifications for the proper functioning of his/her duties;
- (iii) Hold or have held CAAN Air Transport Pilot License (ATPL); or

Hold or have held CAAN Commercial Pilot License (CPL) for small (5700 KG or less) fixed wing and/or helicopter air operators;

- (iv) Have a proven service record that the candidate's performance within the past three years leaves no doubt as to his efficiency, character, integrity or judgment in relation to flight operations and maintenance of regulatory requirements.
- (v) Have committed no wilful or intentional violation of regulations within the past year.



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## c) CHIEF OF TRAINING

The organisation shall appoint a Chief of Training who shall ensure that all training activities related to Flight Operations personnel are being conducted in a manner that meets at least the CAAN regulations. The post shall be directly under the CEO.

No person shall serve as Chief of Training unless his/her experience, qualifications and background are acceptable to the DG, CAAN and the person is required to:

- (i) Have 1000 hours experience in aircraft of the same type or similar types to be operated;
- (ii) Have Instructor Pilot or Type Rating Instructor (TRI) on similar types of aircraft to be operated;
- (iii) Hold or has held CAAN ATPL and rating(s) appropriate to the operations being undertaken; or

For small (5700 KG or less) fixed wing and/or helicopter air operators, hold or has held CAAN Commercial Pilot License (CPL);

- (iv) Have a proven service record that the candidate's performance within the past 3 years leaves no doubt as to his efficiency, character, integrity or judgment in relation to flight operations and maintenance of regulatory requirements;
- (v) Have received training on SMS principles and implementation;
- (vi) Have committed no wilful or intentional violation of regulations within the past year.

## d) CONTINUING AIRWORTHINESS MANAGER (CA Manager)

The organisation shall appoint a CONTINUING AIRWORTHINESS MANAGER who has authority for ensuring that all continuous Airworthiness and maintenance of aircraft activities as required by NCAR are being complied with. He/she shall be directly under the CEO.

- (i) Must hold relevant engineering degree i.e. Aeronautical, Mechanical, Electrical and Electronics etc. with 7 years of aviation experience of which at least 4 years should be practical experience in CAMO or Quality System; or



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holder of CAA Nepal Licence with rating on relevant sample of type(s) of aircraft or components maintained by the organization with certifying experience of 5 Years; or

12 Years of aviation experience of which at least 5 years should be practical experience in CAMO or Quality System and 5 years of maintenance Experience.

- (ii) Comprehensive knowledge of CAME, NCAR Part-M and any associated requirement and procedure;
- (iii) Comprehensive knowledge of relevant parts of operational requirements and procedures;
- (iv) Comprehensive knowledge of the AOC holder's Operations Specifications and relevant parts of Operations Manual;
- (v) Formal training on Quality Systems and auditing technique;
- (vi) Fuel Tank Safety Training; if applicable
- (vii) Human Factors Initial Training;
- (viii) Knowledge of the relevant sample of the type(s) of aircraft maintained by the organization, demonstrated by documented evidence and by an oral assessment performed by CAA Nepal;

## e) QUALITY MANAGER/ QUALITY ASSURANCE MANAGER

The organisation shall appoint an QUALITY MANAGER/ QUALITY ASSURANCE MANAGER who has authority for ensuring that quality of all continues Airworthiness and maintenance of aircraft activities required by NCAR are being complied with. He/she shall be directly under the CEO.

- (i) Must hold relevant engineering degree i.e. Aeronautical, Mechanical, Electrical and Electronics etc. with 7 years of aviation experience of which at least 4 years should be practical experience in CAMO or Quality System; or

holder of CAA Nepal Licence with rating on relevant sample of type(s) of aircraft or components maintained by the organization with certifying experience of 5 years; or



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12 Years of aviation experience of which at least 5 years should be practical experience in CAMO or Quality System and 5 years of maintenance experience.

- (ii) Comprehensive knowledge of CAME, NCAR Part-M and any associated requirement and procedure;
- (iii) Comprehensive knowledge of relevant parts of operational requirements and procedures;
- (iv) Comprehensive knowledge of the AOC holder's Operations Specifications and relevant parts of Operations Manual;
- (v) Formal training on Quality Systems and auditing technique;
- (vi) Fuel Tank Safety Training; if applicable
- (vii) Human Factors Initial Training;
- (viii) Knowledge of the relevant sample of the type(s) of aircraft maintained by the organization, demonstrated by documented evidence and by an oral assessment performed by CAA Nepal;

## f) Safety Manager

The organisation shall appoint a **Safety Manager** who shall be responsible for the administration of the company Safety Management System (SMS) program and functions as the Chairman of the Safety Committee. This position monitors safety issues, provides safety education, investigates incidents and accidents, acts as a resident expert on safety matters, helps to develop loss control standards, and makes recommendations to improve safety in the workplace. The Safety Manager shall report directly to the Accountable Manager.

To qualify as a Safety Manager a person should have:

- (i) full-time experience in aviation safety in the capacity of an aviation safety investigator, safety/quality manager or safety risk manager;
- (ii) sound knowledge of the organization's operations, procedures and activities and broad aviation technical knowledge;
- (iii) an extensive knowledge of safety management systems (SMS) and have completed appropriate SMS training;
- (iv) an understanding of risk management principles and techniques to support the SMS;
- (vi) experience implementing and/or managing an SMS;



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- (vii) experience and qualifications in aviation accident/incident investigation and human factors;
- (viii) experience and qualifications in conducting safety/quality audits and inspections;
- (ix) sound knowledge of aviation regulatory frameworks, including ICAO Standards and Recommended Practices (SARPS) and relevant civil aviation regulations;
- (x) the ability to communicate at all levels both inside and outside the company;
- (xi) the ability to be firm in conviction, promote a just and fair culture and yet advance an open and non-punitive atmosphere for reporting;
- (xii) the ability and confidence to communicate directly to the accountable executive as his advisor and confidante;
- (xiii) well-developed communication skills and demonstrated interpersonal skills of a high order, with the ability to liaise with a variety of individuals and organizational representatives, including those from differing cultural backgrounds;
- (xiv) ten years aviation experience with at least five years of sound technical management experience with computer literacy and superior analytical skills

## QUALIFICATIONS AND EXPERIENCE OF OTHER POST-HOLDERS

The organisation shall appoint other post holders under respective post-holders who has corporate authority. Organization shall have a policy to accept other post-holders after satisfactory evaluation of the candidate with evidence in their documents.

### g) CHIEF OF FLIGHT SAFETY

Chief of Flight Safety must have the ability to coordinate with Operation Chief and Training Chief. No person shall serve as Chief of Flight Safety unless his/her experience, qualifications and background are acceptable to the DG, CAAN and the person is required to:

- (i) Have sound knowledge of the air operator's AOC, associated Operation Specifications, company operations manual, Safety Management System and Flight Data Management.
- (ii) Have received specialized training in safety related courses which, in the opinion of the DG, CAAN, is sufficient for him to perform the duties



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and responsibilities of Chief of Flight Safety. For this nominated post, the DG, CAAN will consider the scope and size of the complexity of the air operator's operations.

- (iii) Hold or have held an ATPL; or

For small (5700 KG or less) fixed wing and/or helicopter air operators, hold or have held CAAN Commercial Pilot License (CPL);

- (iv) Have knowledge of the SMS programme of the Air Operator.
- (v) Have the proven service record that the candidate's performance within the past 3 years leaves no doubt as to his efficiency, character, integrity or judgment in relation to flight operations and maintenance of regulatory requirements.
- (vi) Have committed no wilful or intentional violation of regulations within the past year
- (vii) Shall report to the Safety Manager

## **h) CABIN CREW MANAGER (if applicable)**

No person shall serve as Cabin Crew Manager unless his/her experience, qualifications and background are acceptable to the DG, CAAN and the person is required to:

- (i) Have at least five years' experience as a Cabin Crew;
- (ii) Have knowledge regarding the responsibility for the conduct and standard of Cabin Safety & Services;
- (iii) Have knowledge about the contents of the air operator's Manuals related to Flight Operations, Cabin Safety Manual, Cabin Crew Training Manual and company AOC and Operations Specifications for the proper functioning of his/her duties;
- (iv) Have a proven service record that the candidate's performance within the past 3 years leaves no doubt as to his/her efficiency, character, integrity or judgment in relation to flight operations and maintenance of regulatory requirements;
- (v) Have committed no wilful or intentional violation of regulations within the past year;
- (vi) Work under Chief of Operations



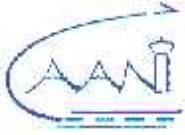
# Air Operator Certificate Requirements-2012

## i) FLEET CHIEF PILOT

No person shall serve as Fleet Chief Pilot unless his/her experience, qualifications and background are acceptable to the DG, CAAN and the person is required to:

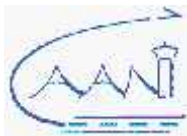
- (i) Hold current CAAN ATPL for aeroplanes or CAAN CPL for helicopters with appropriate ratings of the aircraft of which he/she will serve as Fleet Chief Pilot. For new Operators, the Fleet Chief Pilot must obtain appropriate ratings on the aircraft within 02 months from the start of operations;
- (ii) Have accumulated not less than 1000 hours as Pilot-In-Command of which not less than 500 hours on similar types of aircraft that he/she will serve as Fleet Chief Pilot;
- (iii) Know the contents of the air Operator's Manual (OM) and operations specifications associated with the AOC necessary to perform his/her duties;
- (iv) Have a proven service record that the candidate's performance within the past 3 years leaves no doubt as to his efficiency, character, integrity or judgment in relation to flight operations and maintenance of regulatory requirements;
- (vii) Have committed no wilful or intentional violation of regulations within the past year;
- (viii) The person shall report to the Chief of Operations.





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## APPENDIX 5

### Specimen of Air Operator Certificate

AIR OPERATOR CERTIFICATE		
1	STATE OF THE OPERATOR <sup>2</sup>	1
	ISSUING AUTHORITY <sup>3</sup>	
AOC # <sup>4</sup> : Expiry date <sup>5</sup> :	OPERATOR NAME <sup>6</sup>  Dba trading name <sup>7</sup> : Operator address <sup>8</sup> : Telephone <sup>9</sup> : Fax: Email:	OPERATIONAL POINTS OF CONTACT <sup>10</sup>  Contact details, at which operational management can be contacted without undue delay, are listed in _____ <sup>11</sup>
This certificate certifies that _____ <sup>12</sup> is authorized to perform commercial air operations, as defined in the attached operations specifications, in accordance with the operations manual and the _____ <sup>13</sup>		
Date of issue <sup>14</sup> :	Name and signature <sup>15</sup> : Title:	

Notes.— This is only a Sample, detailed procedure for filling out this form for the Inspector is in AOCI Manual Vol. II, Appendix 45.

- For use of the State of the Operator.
- Replace by the name of the State of the Operator.
- Replace by the identification of the issuing authority of the State of the Operator.
- Unique AOC number, as issued by the State of the Operator.
- Date after which the AOC ceases to be valid (dd-mm-yyyy).
- Replace by the operator's registered name.
- Operator's trading name, if different. Insert "dba" before the trading name (for "doing business as").
- Operator's principal place of business address.
- Operator's principal place of business telephone and fax details, including the country code. Email to be provided if available.
- The contact details include the telephone and fax numbers, including the country code, and the email address (if available) at which operational management can be contacted without undue delay for issues related to flight operations, airworthiness, flight and cabin crew competency, dangerous goods and other matters, as appropriate.
- Insert the controlled document, carried on board, in which the contact details are listed, with the appropriate paragraph or page reference, e.g.: "Contact details are listed in the operations manual, Gen/Basic, Chapter 1, 1.1" or "... are listed in the operations specifications, page 1" or "... are listed in an attachment to this document".
- Operator's registered name.
- Insertion of reference to the appropriate civil aviation regulations.
- Issuance date of the AOC (dd-mm-yyyy).
- Title, name and signature of the authority representative. In addition, an official stamp may be applied on the AOC.



# Air Operator Certificate Requirements-2012

## APPENDIX 6

### **SPECIMEN OF GENERAL CONDITIONS CIVIL AVIATION AUTHORITY OF NEPAL Head Office, Babar Mahal, Kathmandu, Nepal**

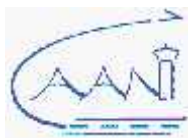
Name:

Certificate Number:

#### GENERAL CONDITIONS

An AIR OPERATOR CERTIFICATE is issued subject to the following conditions, and shall remain valid as long as these conditions are complied with:

- a) The air operator shall conduct flight operations in accordance with its company operations manual;
- b) The air operator shall maintain adequate organizational structure;
- c) The air operator shall employ managerial personnel who meet the requirements of civil aviation authority of Nepal;
- d) The air operator shall conduct training in accordance with its training program approved;
- e) The air operator shall maintain aircraft that are properly equipped for the area of operation and type of operation;
- f) The air operator shall employ crew members who are qualified for the area of operation and type of operation;
- g) The air operator shall maintain its aircraft in accordance with the requirements of Nepalese Civil Airworthiness Requirements;
- h) The air operator shall maintain operational support services and equipment that meet the Flight Operations Requirements of CAAN;
- i) The Air Operator shall operate the flights in accordance with the flight schedule approved by CAAN;
- j) The air operator shall conduct a safe operation;
- k) The Authority may suspend, ground, de-register or transfer the aircraft operated by the operator at the request of the owner of the aircraft; and
- l) The air operator shall, at all times, comply with the general condition and operational specifications contained in his air operator certificate and the requirements stipulated in the Air Operator Certificate Requirements and any amendments thereto.



# Air Operator Certificate Requirements-2012

## APPENDIX 7

### SAMPLE OPERATIONS SPECIFICATIONS

OPERATIONS SPECIFICATIONS (subject to the approved conditions in the operations manual)				
ISSUING AUTHORITY CONTACT DETAILS <sup>1</sup>				
Telephone: _____		Fax: _____		Email: _____
AOC# <sup>2</sup> : _____		Operator name <sup>3</sup> : _____		Date <sup>4</sup> : _____ Signature: _____
Dba trading name: _____				
Aircraft model <sup>5</sup> : _____				
Types of operation: Commercial air transportation <input type="checkbox"/> Passengers <input type="checkbox"/> Cargo <input type="checkbox"/> Other <sup>6</sup> : _____				
Area(s) of operation <sup>7</sup> : _____				
Special limitations <sup>8</sup> : _____				
SPECIFIC APPROVAL	YES	NO	DESCRIPTION <sup>9</sup>	REMARKS
Dangerous goods	<input type="checkbox"/>	<input type="checkbox"/>		
Low visibility operations				
Approach and landing	<input type="checkbox"/>	<input type="checkbox"/>	CAT <sup>10</sup> : _____ RVR: _____ m DH: _____ ft	
Take-off	<input type="checkbox"/>	<input type="checkbox"/>	RVR <sup>11</sup> : _____ m	
Operational credit(s)	<input type="checkbox"/>	<input type="checkbox"/>	<sup>12</sup>	
RVSM <sup>13</sup> <input type="checkbox"/> N/A	<input type="checkbox"/>	<input type="checkbox"/>		
EDTO <sup>14</sup> <input type="checkbox"/> N/A	<input type="checkbox"/>	<input type="checkbox"/>	Threshold time <sup>15</sup> : _____ minutes Maximum diversion time <sup>16</sup> : _____ minutes	
AR navigation specifications for PBN operations	<input type="checkbox"/>	<input type="checkbox"/>	<sup>18</sup>	
Continuing airworthiness	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<sup>17</sup>	
EFB	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<sup>18</sup>	
Other <sup>19</sup>	<input type="checkbox"/>	<input type="checkbox"/>		

The appropriate boxes are marked with an X.



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Notes.— This is only a sample. Detailed procedures for Inspectors for filling out this form is laid out in AOCI Manual Volume II, Appendix 45.

1. Telephone and fax contact details of the authority, including the country code. Email to be provided if available.
2. Insert the associated AOC number.
3. Insert the operator's registered name and the operator's trading name, if different. Insert "dba" before the trading name (for "doing business as").
4. Issuance date of the operations specifications (dd-mm-yyyy) and signature of the authority representative.
5. Insert the Commercial Aviation Safety Team (CAST)/ICAO designation of the aircraft make, model and series, or master series, if a series has been designated (e.g. Boeing-737-3K2 or Boeing-777-232). The CAST/ICAO taxonomy is available at: <http://www.intlaviationstandards.org/>.
6. Other type of transportation to be specified (e.g. emergency medical service).
7. List the geographical area(s) of authorized operation (by geographical coordinates or specific routes, flight information region or national or regional boundaries).
8. List the applicable special limitations (e.g. VFR only, day only).
9. List in this column the most permissive criteria for each approval or the approval type (with appropriate criteria).
10. Insert the applicable precision approach category (CAT II, IIIA, IIIB or IIIC). Insert the minimum RVR in metres and decision height in feet. One line is used per listed approach category.
11. Insert the approved minimum take-off RVR in metres. One line per approval may be used if different approvals are granted.
12. List the airborne capabilities (i.e. automatic landing, HUD, EVS, SVS, CVS) and associated operational credit(s) granted.
13. "Not applicable (N/A)" box may be checked only if the aircraft maximum ceiling is below FL 290.
14. If extended diversion time operations (EDTO) approval does not apply based on the provisions in Chapter 4, 4.7, select "N/A". Otherwise a threshold time and maximum diversion time must be specified.
15. The threshold time and maximum diversion time may also be listed in distance (NM), as well as the engine type.
16. Performance-based navigation (PBN): one line is used for each PBN AR navigation specification approval (e.g. RNP AR APCH), with appropriate limitations listed in the "Description" column.
17. Insert the name of the person/organization responsible for ensuring that the continuing airworthiness of the aircraft is maintained and the regulation that requires the work, i.e. within the AOC regulation or a specific approval (e.g. EC2042/2003, Part M, Subpart G).
18. List the EFB functions with any applicable limitations.
19. Other authorizations or data can be entered here, using one line (or one multi-line block) per authorization (e.g. special approach authorization, MNPS, approved navigation performance).



# Air Operator Certificate Requirements-2012

## OTHER DETAILS OF OPERATIONS SPECIFICATIONS

### Part A – General provisions

a) Principal Base of operation: \_\_\_\_\_

b) Aircraft authorization

The operator is authorized to operate the following makes and models of aircraft in scheduled commercial air transport.

MAKE	MODEL	REGISTRATION NUMBER	NUMBER OF AIRCRAFTS

### Part B – En – route authorizations and limitations

a) Aircraft operations within/outside the territory of this state  
Aircrafts are authorized to operate ..... air services in accordance with the AIP Nepal, Flight Operations Requirements and other CAAN rules and regulations. The operator is authorized to operate on following routes:

S.N	FLIGHT SECTOR (ROUTE)	SEAT CAPACITY
TOTAL		

### Part C – Aerodrome authorizations and limitations



# Air Operator Certificate Requirements-2012

Operators shall be permitted to use any aerodrome for an alternate that is suitably equipped with adequate provisions for the type of aircraft in operation, is conducive to the nature of operations being conducted and has adequate facilities for passenger safety.

## Part D – Maintenance

Every aircraft operated under this certificate shall be maintained in accordance with the relevant provisions of Nepalese Civil Airworthiness Requirements (NCAR).

Irrespective of the type of operation to be conducted by the holder's of this certificate, the continuous airworthiness and inspection programme which are described and specified in NCAR shall be applicable to all aircraft listed and authorized in this certificate.

## Part E -- Aircraft mass and balance control

Mass and balance control of this aircraft operated under this certificate shall be accomplished in accordance with the approved mass and balance programme manual.

## Part F--Interchange of equipment operations

The holder of these operations specifications shall conduct all operations authorized under the terms of the interchange of equipment agreement between ABC Airline Company and XYZ Airline Company dated \_\_\_\_\_ in accordance with the applicable provisions of the regulations and rules of Civil Aviation Authority of Nepal and these operations specifications. Such operations are authorized between the interchange points

of \_\_\_\_\_ and \_\_\_\_\_ over the routes specified in Part B of ABC Airline Company operations specifications and to and from the pertinent aerodromes and in accordance with the operating minima specified in Part C of ABC Airline Company operations specifications. Such operations shall be conducted with \_\_\_\_\_ type of aircraft and Airline Company flight crews. The Airline Company shall be responsible for the operational control of such flights. The aircraft utilized in such operations shall be operated and maintained in accordance with Airline Company operations and maintenance manuals (provisions of FOR and NCAR) and the AOC's operations specifications.





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## Part G – Aircraft leasing operations

### Aircraft leasing operations

#### (Wet Lease)

The holder of this AOC's operations specifications shall conduct all operations authorized under the lease agreement between the ABC Airline Company and the XYZ Airline Company dated \_\_\_\_\_ in accordance with the provisions of the Civil Aviation Authority of Nepal operating regulations and rules and these operations specifications. Such operations are authorized over the rules and areas specified in Part B of these operations specifications and to and from the pertinent aerodromes listed in Part C of these operations specifications, in accordance with the operating minima specified in these operations specifications. Such operations shall be conducted with \_\_\_\_\_ type aircraft and ABC Airline Company flight crews. The ABC Airline Company shall be responsible for the operational control of such flights.

## Part H – Any other item the Authority determines is necessary



# Air Operator Certificate Requirements-2012

## APPENDIX 8

### Insurance Requirements

(Subject to 3.12.2 of this AOCR)

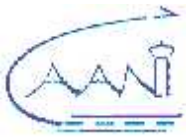
- a) liability insurance covering the risks in an amount determined by the Montreal Convention 1999 for international operations;
- b) liability insurance covering the risks in an amount determined by the Warsaw Convention 1929 (as amended by the Hague Protocol 1955) for domestic operations;
- c) a current comprehensive insurance policy covering passengers and their baggage, crew and other persons authorized to be on board including cargo, hull loss etc;
- d) liability insurance covering war risk; and
- e) Third party liabilities shall be required as mentioned bellow;
  - i) Airlines operated to and from International Airports.

	Weight of Aircraft	Third Party Limit
1	10,000 kg or less	US \$ 25 Millions
2	10,001 kg -35,000kg	US \$ 35 Millions
3	35,001 kg - above	US \$ 60 Millions

- ii) For International Operation - 60 Millions irrespective of weight of the aircraft.
- iii) Airlines that has operation base on outside Kathmandu Valley at Domestic Airports.

	Weight of Aircraft	Third Party Liability Limit
1	Up to 2000 kg	US \$ 2 Millions
2	2001kg -6,000kg	US \$ 5 Millions
3	6,001 kg -30,000kg	US \$ 12 Millions
4	30,001 kg and over	US \$ 40 Millions

- iv) Ultralight, Hot air balloon, Paramotor, Powerglider and all other equipments driven with power - US \$ 1 Million



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## APPENDIX 9

### CHECKLIST OF FINANCIAL DATA

See chapter 3.11.2

#### PART 1 – PROFIT AND LOSS STATEMENT

DESCRIPTION		AMOUNTS	
		SUB ACCOUNTS	MAIN A/C'S & RESULTS
REVENUES	<b>1. Scheduled services (total)...</b> 1.1 Passenger... 1.2 Excess baggage... 1.3 Freight, express and diplomatic bags... 1.4 Mail..... <b>2.Non-Scheduled flights (total).....</b> 2.1 Passenger & excess baggage..... 2.2 Freight (including express and diplomatic bags) and mail... <b>3.Incidental revenues (total).....</b> 3.1 Air transportation activities (gross) ..... 3.2 Other incidental revenues (net).... <b>4.TOTAL OPERATING REVENUES.....</b>		
	<b>5.Flight operations (total).....</b> 5.1 Flight crew salaries and expenses..... 5.2 Aircraft fuel and oil..... 5.3 Flight equipment Insurance and uninsured loss..... 5.4 Rental of flight equipment..... 5.5 Flight crew training (when not amortized)..... 5.6 Other flight expenses ..... <b>6.Maintenance and Overhaul.....</b> <b>7.Depreciation and Amortization (total).....</b> 7.1 Normal depreciation of flight equipment..... 7.2 Normal depreciation of ground property and equipment.... 7.3 Extra depreciation (in excess of cost)..... 7.4 Amortization of development and pre-operating costs..... 7.5 Flight crew training (when amortized)..... <b>8.User charges and station expenses (total).....</b> 8.1Landing and associated airport charges..... 8.2 Route facility charges..... 8.3 Station expenses..... <b>9.Passenger Services...</b>		

Prepared By



# Air Operator Certificate Requirements-2012

	<b>10. Ticketing, sales and promotion.....</b> <b>11. General and administration.....</b> <b>12. Other operating expenses.....</b> <b>13. TOTAL OPERATING EXPENSES.....</b>		
	<b>14. OPERATING RESULTS.....</b>		
<b>NON-OPERATING</b>	<b>15. Retirement of property and equipment.....</b> <b>16. Interest.....</b> <b>17. Payments from public funds not allocated elsewhere (total).....</b> 17.1 Direct subsidies..... 17.2 Other payments..... <b>18. Affiliated companies...</b> <b>19. Other non-operating items.....</b> <b>20. NON-OPERATING ITEMS (balance).....</b>		
<b>PROFIT/LOSS</b>	<b>21. PROFIT OR LOSS (-) BEFORE INCOME TAXES...</b> <b>22. Income taxes.....</b> <b>23. PROFIT OR LOSS (-) AFTER INCOME TAXES...</b>		
Remarks, Part 1 (include description of any unavoidable deviations from reporting instructions)			

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## PART 2 – BALANCE SHEET

ASSETS & LIABILITIES	AMOUNTS	
	SUB ACCOUNTS	MAIN ACCOUNT & TOTAL
<b>ASSETS</b>		
1. Current assets.....		
2. Equipment purchase funds.....		
3. Other special funds.....		
4. Flight equipment before depreciation.....		
Less: Reserve for depreciation.....		
Flight equipment after depreciation (item 4 minus item 4.1)		
5. Ground property and equipment before depreciation.....		
Less: Reserve for depreciation.....		
Ground property and equipment after depreciation (item 5 minus item 5.1)		
6. Land.....		
7. Investments in affiliated companies.....		
8. Deferred charges (total)		
Development and pre-operating costs.....		
Other deferred.....		
9. Intangible assets.....		
10. Other assets.....		
11. <b>TOTALASSETS</b> (equal to item 24 below)		



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<b>LIABILITIES</b>		
12. Current liabilities (Other than reported in item 13).....		
13. Unearned transportation revenues.....		
14. Deferred credits.....		
15. Operating reserves.....		
16. Self-insurance reserves.....		
17. Other reserves (specify).....		
18. Advance from affiliated companies.....		
19. Other liabilities.....		
20. Long-term debt.....		
21. Capital stock.....		
22. Capital surplus.....		
23. Net balance of unappropriated retained earnings (identical to item 6 of part 3 below, “Statement of Retained Earnings”.....		
24. <b>TOTAL LIABILITIES</b> (equal to item 11 above.).....		

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## PART 3 – STATEMENT OF RETAINED EARNINGS

DESCRIPTION	SUB-ACCOUNTS	MAIN ACCOUNTS AND RESULTS
1. Net balance of unappropriated retained earnings for previous years, as shown in item 6 of last Year's Statement of Retained Earnings..... 2. Adjustments to previous years retained earnings (total)..... Transfer to reserves..... Amount paid as bonus, dividends, etc..... Other (Specify)..... Other (Specify)..... 3. Profit or loss (-) after income taxes for this year (as shown in item 23 of part 1, Profit and loss statement)..... 4. Appropriations (total –specify items below) ..... (.....) ..... (.....)..... (.....) ..... 5. Dividends..... 6. Net balance or unappropriated retained earnings for the current and previous years (same as item 23 of part 2 above).....		
Remarks, Part 2 and 3 (include description of any unavoidable deviations from reporting instructions)		

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## **ATTACHMENT 'A'**

### **CONTINUING SAFETY OVERSIGHT OF THE OPERATOR BY THE STATE OF THE OPERATOR**

#### **Chapter 1. General**

- 1.1 Continuing safety oversight of an operator by the State of the Operator is inherent in the system of certification. It is an essential part of the responsibility of a State to ensure that the required standard of operation is maintained in order to provide a safe and reliable commercial air transport service to the public. Authority for this continuing process should be contained in the provisions of the basic aviation law of the State.
- 1.2 Detailed requirements for a State safety oversight organization and the training of inspectors are set out in Part I, Chapter 5 and 6 of this manual.
- 1.3 The CAAN should have the authority and responsibility for exercising continuing safety oversight of commercial air transport operations to ensure that accepted safety practices and proper procedures for the promotion of safety in operations are maintained. To achieve this objective, the CAAN, through its inspectorate staff, is responsible to continuously monitor operations conducted by each operator. Such surveillance could result in the revision of operations specifications or in the temporary suspension of an AOC and, in an extreme case, could result in the revocation of an AOC.
- 1.4 Required surveillance and the related inspections should be planned and conducted by CAAN inspectors assigned to an operator as responsible for the standard of conduct of the operations. Whenever specialized assistance is required, the inspectors should request such help from the DG CAAN. All inspectors authorized to conduct safety oversight need to be in possession of credentials identifying them as inspectors employed or authorized by CAAN.
- 1.5 The safety oversight of operators is to be conducted on a continuous basis, whether or not the AOC has a specific duration with an expiration date. It should be based on periodic random inspections of all aspects of the operation. Should a State's regulations prescribe a specific duration for an AOC, an operator needs to apply for renewal of the AOC prior to the expiration date, as per Chapter 8 para 8.9 Renewal of AOC.
- 1.6 The areas to be covered in the surveillance activities over a period of time should be similar to those examined during the original certification process. They should include at least a re-evaluation of the operator's organization, management effectiveness and control, facilities, equipment, aircraft maintenance, operational control and supervision, maintenance of flight and cabin crew standards, passenger and cargo safety procedures, dangerous goods procedures, security procedures,



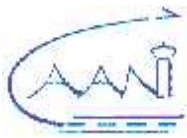
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operational and personnel records, training, company manuals, financial viability and record of compliance with the provisions of the AOC, the associated operations specifications and pertinent operating regulations and rules.

- 1.7 During the surveillance activity, CAAN inspectors should conduct headquarters, station facility, aerodrome (or heliport), apron and en-route inspections to ensure that all important areas are covered and should record all surveillance activity in order to be able to answer any question that may arise concerning the factual basis for the inspector's recommendations.
- 1.8 All safety oversight activity, with respect to a particular operator, should be carefully planned. It will not be possible to cover all aspects of an operation during every inspection, but as much as possible should be covered over a specific period of time and appropriate records should be maintained. Inspections should also be planned on the basis of a risk assessment exercise so that aspects of the operation that involve the greatest risk should receive more frequent attention. The planning of inspections by CAAN inspectors should take into account the results of the hazard identification and risk assessment conducted and maintained by the operator as part of the operator's safety management system (SMS).
- 1.9 Guidance on the conduct of a ramp inspection is provided in Attachment B.

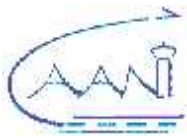
## Chapter 2. Safety Oversight Programme

- 2.1 In the first few months of a new operation, CAAN inspectors should be particularly alert to any irregular procedures, evidence of inadequate facilities or equipment, or indications that management control of the operation may be ineffective. They should also carefully examine any conditions that may indicate a significant deterioration in the operator's financial condition. Examples of trends which may indicate problems in a new operator's financial condition are:
  - a) significant lay-offs or turnover of personnel;
  - b) delays in meeting payroll;
  - c) reduction of safe operating standards;
  - d) decreasing standards of training;
  - e) withdrawal of credit by suppliers;
  - f) inadequate maintenance of aircraft;
  - g) shortage of supplies and spare parts;
  - h) curtailment or reduced frequency of revenue flights; and
  - i) sale or repossession of aircraft or other major equipment items.



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- 2.2 When any financial difficulties are identified, CAAN inspectors should increase technical surveillance of the operation with particular emphasis on the upholding of safety standards. The inspectors should also refer the matter to the DGCAAN for any action deemed necessary, such as a financial audit.
- 2.3 During the certification process, the CAAN inspector will have determined the methods, systems or procedures that the operator intended to use to ensure compliance with the applicable regulations, the AOC and its associated operations specifications and the operator's operations and maintenance control manuals. A prime objective of the safety oversight programme is to confirm that such methods, systems or procedures are being followed and are effective in the demonstration of operator compliance and achievement of safety objectives.
- 2.4 Aircraft leases and contractual arrangements entered into by the operator for training, aircraft maintenance or servicing, etc. need to be thoroughly reviewed and a determination made of whether these arrangements are producing satisfactory results as far as the maintenance of safety standards and regulatory compliance are concerned.
- 2.5 The training programme should also come under close scrutiny during oversight to ensure that the training standards, which were demonstrated when the programme was initially approved, are being maintained. If there are indications that the training provided is not achieving the desired training objectives, or has resulted in a high failure rate on various tests or examinations, CAAN inspectors need to make certain that the operator revises the training programme to ensure that trainees will reach the required level of competence.
- 2.6 If the CAAN has approved flight crew proposed by an operator as designated examiners, their performance needs to be observed and evaluated during the course of the surveillance programme. This evaluation should be conducted, where possible, by an inspector qualified on the specific type of aircraft utilized by the operator. The evaluation may be accomplished either during an instrument rating or a proficiency check in an aircraft or a flight simulation training device approved for the purpose. Flight crew approved as designated examiners need to satisfactorily demonstrate knowledge of the aircraft and related systems, operator procedures, authorized route structure and pertinent regulations. Such individuals are to also demonstrate competency in evaluating the performance of other flight crewmembers. The personal ability and integrity of flight crew approved as designated examiners should be exemplary and their requirement for the prescribed standard of performance from flight crew being tested should not be in doubt. A similar but less thorough process is required for the oversight of operator flight crew approved only for line check functions.
- 2.7 As indicated previously, the oversight function should be accomplished on a continuing basis, planned and performed at specified times or intervals or conducted in conjunction with the renewal of an AOC. Regardless of the method used, all significant aspects of the operator's procedures and practices should be evaluated and appropriate inspections, commensurate with the scale of the operator's activities, conducted at least once in every twelve-month period.



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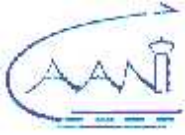
- 2.8 The safety oversight programme of an operator should:
- a) establish that the operator has conducted, and is likely to continue to conduct, operations in accordance with good operating practices, the AOC's operations specifications, operations and maintenance control manuals and the relevant operating regulations and rules;
  - b) ensure that all changes in the applicable operating regulations and rules, in any amendments to the AOC or associated operations specifications, or otherwise any improvements in operating procedures, are put into practice and reflected in appropriate amendments to the operations manual or the maintenance control manual;
  - c) keep the CAAN informed of the competency, current operating practices and record of compliance of the operator;
  - d) afford the CAAN the opportunity to recommend CAAN regulatory or policy changes if the safety oversight inspections indicate such action would result in improvements in operating safety standards in general; and
  - e) establish whether the exercise of the privileges of an AOC and the associated operations specifications, by a particular operator should be continued, made the subject of further operating limitations, or be suspended, or revoked.
- 2.9 Throughout all phases of the surveillance programme, the standards of capability and competence should equal or exceed that required at the time of original certification of the operator. CAAN inspectors conducting surveillance and related inspections should carry out such activities in a thorough manner and require the operator to convincingly demonstrate that operations are being conducted in accordance with the AOC and associated operations specifications, the operator's manuals and appropriate civil aviation regulations.
- 2.10 In summary, the safety oversight programme should provide a comprehensive and conclusive assessment of an operator's continuing competence. Moreover, the associated inspection reports should indicate whether the safety oversight system and procedures employed by the CAAN are effective in determining an operator's competence, record of compliance and over-all capability.



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## CHAPTER 3. RESOLUTION OF SAFETY ISSUES

- 3.1 When deficiencies are observed in the course of the safety oversight programme for a particular operator, the cause should be determined, prompt action taken to rectify the deficiency and appropriate follow-up initiated to determine the effectiveness of the corrective action. Additional inspections should be planned and conducted whenever problems in particular areas are repeated.
- 3.2 Should the safety oversight programme and related inspection reports reveal that an operator has failed to meet, or is unable to meet or maintain the required standards for certification or the conditions specified in the AOC and its associated operations specifications, the CAAN inspector responsible for the safety oversight programme is to advise the operator of the deficiency observed and of the remedial action required. Remedial action will normally be required within a specified time. If an operator does not correct a deficiency as required, the CAAN inspector should inform the CAAN and, if necessary, make a recommendation that the AOC and its associated operations specifications be restricted, temporarily withdrawn or permanently withdrawn.
- 3.3 Whenever the CAAN inspector responsible for oversight of an operator believes that safety considerations dictate immediate action to suspend or revoke an AOC, the inspector should inform the DG CAAN. If, after careful review of all circumstances involved and necessary co-ordination and consultation within the CAAN, there is agreement on the need to suspend or revoke the operator's AOC, the DG CAAN should advise the operator in writing, summarizing both the proposed action and the reasons for it. When an AOC is suspended or revoked for any reason, the operator is required to promptly return the AOC to the issuing official. The ICAO international register of AOC, when operational, should be updated by the CAAN with the status of the operator.



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## ATTACHMENT 'B'

### RAMP INSPECTION CHECKLIST

Refer to AOCI Manual Vol II Chapter 15.



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## APPENDIX 10

### CHECKLIST FOR AOC RENEWAL

Name of Airlines:

Address:

S.N.	ITEMS	OBSERVATION	REMARKS
1	Financial Report audited by Chartered Accountant: a) An audited balance sheet that shows assets and liabilities (latest) b) An audited profit and loss statement with separation of items (latest) c) An audited cash-flow statement (latest)		a separate financial data according to Appendix 9 shall be produced.
2	<b>The documents on clearing dues</b>		
3	<b>The submission of Operator's Reporting form "D" or "I"</b>		
4	Valid documents on <b>insurance coverage</b> including Third Party Liabilities showing insurance companies policy numbers, types, amounts and periods of coverage, special conditions, exclusions and limitations.		
5	<b>Valid document on proper dealing and continuity of leasing aircraft</b> (In case of taking aircraft on lease)		
6	<b>Latest documents on submission for clearance of income tax.</b>		
7	<b>Receipt of payment of appropriate renewal fee.</b>		
8	<b>Operational Audit Report</b> Total findings till date Total findings close till date		



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9	<b>Engineering (Airworthiness) Audit Report (Latest)</b> Total findings till date Total findings close till date <b>Following documents:</b> i) A copy of Current PAN or VAT Registration ii) A copy of Current Company Registration iii) A copy of Current Industry Registration iv) A copy of Current owners citizenships and their address. v) A Copy of Existing Air Operator Certificate vi) Copy of Certificate of Registration of all the existing aircraft vii) A copy of License issued by Ministry of Tourism & Civil Aviation		
10	<b>Address of Airlines Office, Phone No. &amp; Fax No.</b> a) Address : b) Tel No.: c) Fax No.: d) Post Box No.:		
11	<b>Approved Aircraft Fleet (No. &amp; Type)</b>		
12	<b>Existing No. &amp; Type of Aircraft in Operation</b>		
13	<b>Grounded (not in operation) Number of Aircrafts and Type</b>		
14	<b>Document Related to Para 8. 9. 4.</b>		
15	<b>Document Related to Para 8. 9. 5.</b>		
16	<b>Security Deposit as per para 3.4.4</b>		

Name and signature of AOC officer:

Date: