

CIVIL AVIATION AUTHORITY, PAKISTAN

AIR NAVIGATION ORDER
NO. : 91.0016
Date : 7th April, 2010
Issue : Two

AIRCRAFT LEASING AND OPERATIONS WITH LEASED AIRCRAFT

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1. AUTHORITY

This Air Navigation Order (ANO) is issued by Director General, Civil Aviation Authority in pursuance of powers vested in him under Rule 4 and Rule 36 and 368A of Civil Aviation Rules 1994.

2. PURPOSE

This ANO provides the requirements, terms, conditions and responsibilities of the Operators concerning leasing of aircrafts and operation with leased aircrafts.

3. SCOPE

3.1 This ANO applies to all the Operators who are either engaged or offering to engage in aircraft leasing and /or operations with leased aircraft.

3.2 This ANO is applicable to all foreign aircraft taken on lease and engaged in public transport, aerial work and/or charter operations by or on behalf of Pakistani Operators.

4. DEFINITIONS

- 4.1 AOC means Air Operator Certificate issued under the Civil Aviation Rules (CARs) of Pakistan;
- 4.2 PCAA means Civil Aviation Authority of Pakistan;
- 4.3 Crew member means person(s) assigned by an Operator for duty on an aircraft during flight time;
- 4.4 Damp Lease means a wet lease with partial crew;
- 4.5 Dry Lease means a lease of aircraft without the crew. In this case the aircraft is normally registered in the AOC holders State, bears the lessees AOC holder name/ logo and is operated under the AOC of the Lessee;
- 4.6 Flight crew means a licensed crewmember charged with duties essential to the operation of an aircraft during flight;
- 4.7 Inspector means an Authorized Person for the purposes of Rule 4(2) and Rule 5 of the CARs 94, who is authorized to perform the duties and exercise the powers under said rules;
- 4.8 Leased Aircraft means an aircraft as one used under a contractual leasing arrangement;
- 4.9 Lessor means the person, party or the AOC holder from whom the aircraft is leased;
- 4.10 Lessee means the person, party or the AOC holder to which the aircraft is leased;
- 4.11 Long Term Lease means an operating lease for a period exceeding 90 days;
- 4.12 Operator means a person, organisation or the enterprise engaged in or offering to engage in an aircraft operation under an Air Operator Certificate issued by the CAA in accordance with Rule 187 of Civil Aviation Rules 1994;

- 4.13 Operational Control means the exercise of authority over initiating, conducting, and terminating a flight in the interest of the safety of the aircraft and the regularity and efficiency of the flight;
- 4.14 Short Term Lease means a lease designed to meet an AOC holders need for additional aircraft for seasonal or short period not exceeding 90 days;
- 4.15 State of Operator means the State in which the Operators principal place of business is located or, if there is no such place of business, the Operators permanent residence is located;
- 4.16 State of Registry means the State on whose registry the aircraft is entered;
- 4.17 Wet Lease means a lease of aircraft with the crew; under a contractual arrangement.

5. CONCERNS AND LIMITATIONS

- 5.1 Cross-border leasing, as a form of commercial arrangement and practice, can result in complex and varied regulatory situations requiring highly coordinated actions by the various States involved, to ensure that the entirety of safety oversight obligations and responsibilities, are adequately met. This fragmented approach to oversight may result in dilution of equivalent levels of safety oversight and a lack of transparency.
- 5.2 National regulations of the contracting States require that every aircraft on their registry, including those leased out to an Operator conducting flights under the authority of another State, operate in compliance with the regulations of the State of Registry. However, in discharging this responsibility, practical problems arise because the leased aircraft mostly operate in distant areas where the State of Registry finds it difficult to conduct their safety inspections. Compliance with the safety standards of the State of Registry may, therefore, diminish and violations of their regulations may occur. These may remain unknown to the State of Registry with the result the enforcement action to prevent such violations is unlikely to be taken with respect to operations of such leased aircraft.
- 5.3 Complex legal, safety, enforcement and practical problems may arise for both the State of Registry of the aircraft and the State of Operator, because of possible uncertainty as to which State is responsible for the safe operation and airworthiness of the aircraft and as to which States regulations are required to be complied with. The problems associated with leased aircraft operations may become more serious if the lessee has little or no previous experience in aviation industry.
- 5.4 To suitably address the foregoing problems, Article 83 bis was approved by the ICAO Assembly, as an amendment to the Chicago Convention, permitting the transfer of certain functions and duties from the State of Registry to the State of Operator in case of lease, charter, interchange or similar arrangement of aircraft. Accordingly, if an aircraft registered in a Contracting State is operated pursuant to an agreement for the lease, charter or interchange of the aircraft or any similar arrangements by an Operator who has his principal place of business or, if he has no such place of business, his permanent residence in another Contracting State, the State of Registry may, by agreement with such other State, transfer to it all or part of its functions and duties as State of Registry in respect of that aircraft under Articles 12, 30, 31 and 32 (a) of the Chicago Convention. The State of Registry shall be relieved of responsibility in respect of the functions and duties transferred, which can enhance safety in leased aircraft operations.
- 5.5 Pakistan has ratified Article 83 bis and has accordingly made necessary regulatory provisions for its implementation for transfer of responsibility for airworthiness and operational control of leased aircraft operations.
- 5.6 However, due to the possible safety implications, each application for any type of lease or commercial arrangements where an Operator proposes operation on behalf of another Operator will be assessed separately. An application for leasing an aircraft, primarily to increase an Operators fleet capacity will only be considered if a dry lease arrangement is proposed. A sub-lease, where the lease of an already dry leased aircraft is made to yet another third party will not be permitted. Wet lease of foreign Operators (wet lease-in), will only be permitted in exceptional circumstances, on provision of tenable justification and shall be for a short term period, not exceeding ninety days.

6. GENERAL REQUIREMENTS FOR AIRCRAFT LEASING

- 6.1 **Regardless of the type of lease**, an AOC holder may be allowed to lease aircraft provided that any lease arrangement entered into and operation of leased aircraft thereafter, satisfies the following conditions:
- 6.1.1 That such arrangements shall not be equivalent to giving a lessor of another country access to traffic rights not otherwise available to that lessor;
 - 6.1.2 The responsibility of the continued airworthiness and the adequacy of operating and maintenance standards of the leased aircraft having registration other than the State of Operator or of the State of Operator, shall be established to the satisfaction of the CAA of both Contracting States;
 - 6.1.3 The Operator (lessee) shall be responsible for the operational control of leased aircraft;
 - 6.1.4 For leased aircraft operations in Pakistan, the aircraft should have been type certificated by Federal Aviation Administration of USA or Joint Airworthiness Authority of Europe or Civil Aviation Authority of UK or any other authority acceptable to CAA;
 - 6.1.5 The lessee shall provide to CAA information as stipulated in Appendix-1 about the aircraft proposed to be leased;
 - 6.1.6 The restrictions on age and origin of aircraft proposed for induction shall be governed as per instructions/policy/directives issued by Federal Government, Ministry of Defence, and/or DGCAA;
 - 6.1.7 CAA may refuse import or operation of any aircraft under lease if reasonable doubt exists regarding airworthiness of the aircraft;
 - 6.1.8 CAA may withdraw permission for operation of a particular aircraft in Pakistan under lease agreement if during service it is found that safety of the aircraft operations is in doubt or the requirements of this ANO or any other safety rules and regulations are not being complied with;
 - 6.1.9 CAA may stipulate such additional requirements as may be considered necessary from time to time to do so with a view to ensure and enhance the safety of operations, which shall be complied with;
 - 6.1.10 That leased aircraft shall meet the Noise Certification as applicable;
 - 6.1.11 That, for the purpose of ensuring safety standards and compliance, all leasing arrangements, shall have prior approval from the CAA;
 - 6.1.12 That wet leasing of foreign registered aircraft, shall not be approved for operation until all requirements of CARs 1994, ANOs and transfer agreement under ICAO Article 83 bis are met.

7. AIRCRAFT LEASING PROCESS

- 7.1 Application for Aircraft Lease Prior to leasing of any aircraft; an Operator shall apply to CAA in writing at least 30 days in advance, and shall obtain approval before using any leased aircraft;
- 7.2 Particulars of Aircraft and Lessee / Lessor: The Operator shall provide CAA with following information along with his application:
- 7.2.1 Name and address of the parties/persons (Lessee and Lessor) to the proposed agreement;
 - 7.2.2 Type and Duration of the proposed Lease agreement with dates;

7.2.3 Name and address of the registered owner;

7.2.4 Aircraft Details and related Information (Refer to Appendix 1)

- a) Type of Aircraft;
- b) Registration Mark(s);
- c) Manufacturer;
- d) Manufacturer Serial Number (MSN);
- e) Date of Manufacture;
- f) Number of Cycles Regulatory body of Initial Certification;
- g) State of Registry;
- h) Previous Operator;
- i) Whether the present Operator is an AOC holder or not.

7.2.5 Evidence for passenger and third party insurance in accordance with Rule 199 and 179(2)(c) of CARs 94;

7.3 Inspection of Aircraft / Evaluation of Operational Aspects by CAA

7.3.1 Data submitted by the Operator along with the application shall be reviewed by CAA and if found in accordance with requirements of rules and regulations, an inspection team (Flight Operations Inspector and Airworthiness Surveyor) shall be detailed. Operator shall be notified on details of Inspectors and their date of availability, and he shall arrange visa (if applicable) and air travel for the inspection team. Inspection of aircraft/ Evaluation and scrutiny of documents shall be conducted by the Inspection team at no cost to the CAA;

7.3.2 Flight Inspector shall inspect the aircraft, check the documents, required publications, evaluate training devices / simulator and confirm all operational approvals in accordance with Air Safety Circular No.1 and other relevant ANOs;

7.3.3 An inspection/evaluation of aircraft/documents shall be carried out by Airworthiness Surveyor in accordance with Airworthiness Notice No. 21 and other related Air Navigation Orders;

7.3.4 The results of the above inspection shall be deciding factor for approving the induction of aircraft. Operator shall be informed on it in either case. With satisfactory report on the inspection, the subsequent part of the process shall apply.

7.4 Operators Lease Agreement

7.4.1 A lease Agreement between the Lessor and Lessee shall be signed and a copy of this lease agreement shall be provided to CAA when all documents are submitted for inclusion of the aircraft in Operations Specification.

7.4.2 The lessor shall give an undertaking in the lease agreement that he will comply with all the applicable rules and requirements of CAA.

7.5 Transfer Agreement (Wet or Damp Lease)

7.5.1 Where wet or damp leasing of foreign registered aircraft is proposed, a transfer agreement shall be signed between CAA Pakistan and State of Registry in accordance with Rule 368A of CARs 94 and ICAO Article-83 bis;

7.5.2 Civil Aviation Authority of State of Registry shall enter into an agreement with CAA Pakistan to transfer all or part of the duties and functions pertaining to Articles 12, 30, 31 and 32(a) of the Chicago Convention to enhance surveillance and safety of operations keeping in view the guidelines and the model agreement prepared by the ICAO Secretariat on the implementation of Article 83 bis. Functions and duties of both CAAs shall be clearly defined in this agreement. A model agreement prepared in the light of guidelines is placed as Appendix B to this ANO. The specific responsibilities to be transferred and the particular aircraft to which they will apply shall be included in the agreement.

7.5.3 All arrangements for meetings, discussions and signing of the Agreement shall be made by the Operator at no cost to CAA. Operator shall either ask the proposed lessor or initiate the process himself for arranging this agreement;

7.5.4 The CAA team may consist of one representative each from the following Directorates:
a) Flight Standards,
b) Airworthiness, and
c) Licensing

Note: Where no delegation of responsibility has been agreed to between the States concerned, the operation shall not take place.

7.5.5 In case, a transfer agreement already exist between CAA Pakistan and the State of Registry, an arrangement shall be made by the lessee to have the proposed aircraft included in the list of transfer agreement.

7.5.6 ICAO shall be notified on completion of Transfer Agreement between CAAs of both the States by the Operator.

7.6 Provision of Documents: Upon receipt of Approval for Induction, the Lessee shall provide following documents, in English, to FSD, CAA.

7.6.1 Draft Operations Specification for inclusion of the proposed aircraft;

7.6.2 Operations Manual including Customized FCOM;

7.6.3 Aircraft Flight Manual;

7.6.4 Exposition Manual of the Company (Lessor), Maintenance Manuals and Maintenance Control Manual to Airworthiness;

7.6.5 Photocopies of licenses of all Flight crew and Maintenance Engineers deployed on leased aircraft to Licensing Branch;

7.6.6 The Minimum Equipment List (MEL), Configuration Deviation List (CDL) and MMEL of leased aircraft.

8. OPERATIONS WITH AIRCRAFT TAKEN ON DRY LEASE

The lease of an aircraft without crew is normally referred to as a dry lease.

8.1 In Dry Lease Operator (the lessee), shall:

8.1.1 Have the commercial control of the aircraft;

8.1.2 Use his/her airline designator code; and

8.1.3 Have the traffic rights related to that/those aircraft in accordance with the Aviation Policy and Directives issued by Federal Government, Ministry of Defence or DGCAA.

8.2 Operator (the lessee), shall be responsible:

8.2.1 To provide licensed/certificated and competent crew for the operation of leased aircraft;

8.2.2 To exercise operational control over the aircraft with all the related responsibilities;

8.2.3 For custody of the aircraft and control of all operations;

8.2.4 For the airworthiness and maintenance of the aircraft;

Note: In dry lease, when aircraft is placed on Pakistan Register, all other requirements as specified by CAA shall be applicable.

- 8.3 All aircraft intended to be operated by a Pakistani Operator under dry lease agreement must be registered in Pakistan and entered in the Operations Specifications of the Operator, and must have valid documentation.
- 8.4 Pakistan registration of the aircraft shall be valid so long as the lease is in force and the aircraft is operated and maintained in accordance with the regulations of CAA, the terms and conditions specified in the Operators AOC and the Operators operations and maintenance control manuals. Pakistani Operator shall be responsible for complete operational and airworthiness control over the aircraft with all the attendant responsibilities.
- 8.5 All flight crew shall be in possession of current appropriate licences with IR on type and valid proficiency checks. They shall also fully familiarise themselves with the routes they intend to fly. They shall operate under the operational control of the Pakistani Operator.
- 8.6 The Operator shall have an operations manual for the type of leased aircraft. All the flight crew shall be made thoroughly familiar by the Operator with the contents of the manual before they start flying the aircraft type. The manual shall be updated from time to time incorporating the latest instructions and operating procedures, which shall also be brought to the notice of each crew member.
- 8.7 The leased-in aircraft shall be subjected to airworthiness certification, maintenance and inspection procedures prescribed by CAA Pakistan as in the case of any other Pakistani registered aircraft.
- 8.8 In order that the Pakistani Operator could exercise effective maintenance and airworthiness control of the aircraft, it is necessary to know the history of the aircraft. The lessor should, therefore, provide history cards of all components.
- 8.9 The Operator shall train his flight crew and engineers and shall obtain necessary approvals or endorsements before they are allowed to operate or maintain the aircraft. The training programme should be approved by CAA prior to sending the engineers and crew for training.
- 8.10 Pakistani Operator importing aircraft on lease shall ensure that all the airworthiness directives, modifications and inspections declared mandatory by CAA, Pakistan are complied with even if their compliance is not mandatory in the country from where the aircraft is imported.
- 8.11 The leased-in aircraft shall be fitted with the instruments and equipments in accordance with the Pakistani regulations detailed in CARs 94, ANOs, Airworthiness Notices and ASCs besides the requirements of the country of manufacture. Specifically, the Operator must ensure that the aircraft is equipped with ACAS, GPWS and floor path lighting.
- 8.12 The Pakistani Operator should ensure that the ground equipment such as battery cart, trestles, tools, special tools specific to the aircraft/engines for carrying out the inspections and schedules within the country are available with him before start of the operations.
- 8.13 If the Operator has to use foreign licenced crew or engineers for a limited period, it shall be done with the prior approval of the competent authority and only after grant of validation/approval of current foreign licences held by the flight crew or engineers and necessary security clearance. Such foreign crew and engineers shall also comply with the conditions stipulated in subsequent para 6 for wet lease operations.
- 8.14 The cabin crew shall successfully undergo the CAA approved training as Approved for the Operator.
- 8.15 The flight dispatchers (if applicable) shall undergo requisite CAA approved training.
- 8.16 The commercial / traffic staff shall be adequately trained for the preparation of load and trim sheet and proper loading of the aircraft.

- 8.17 Dry leasing of an aircraft type not presently in service with any Pakistani Operator will require training of CAA personnel also so as to enable CAA to exercise operational and airworthiness control on the new type of aircraft. The lessee will, therefore, arrange initial/recurrent training of CAA officers at the facilities of the aircraft manufacturer or any other approved agency with whom he has made arrangement to train its personnel.
- 8.18 Dry Leasing of Pakistan Registered aircraft may be allowed either from an AOC holder or from an owner/company provided all the applicable requirements given in Clauses 6, 7 and 8 are met.
- 8.19 Regulatory requirements on aircraft, equipment, crew and documentation shall be adequately satisfied as required by the State of Operator for leasing out an aircraft. Unless the transfer of oversight responsibilities are not agreed to or not signed between CAAs of both States, aircraft lease-out shall not be allowed.

9. OPERATIONS WITH AIRCRAFT TAKEN ON WET LEASE

The lease of an aircraft with crew is normally referred to as a Wet lease. The regulatory requirements and the obligations of lessee for wet lease short or long term, are as follows:

- 9.1 Operation of foreign aircraft leased by Pakistani Operators is normally permitted on dry lease basis. Import of aircraft for domestic air transport operations on wet lease basis, from an AOC holder of a contracting State by a Pakistani AOC Holder shall not be permitted except in emergency situations and circumstances mentioned below:
- Existing aircraft of an Operator is grounded for maintenance/inspection checks or due to any other unforeseen reasons. In such cases, wet leasing shall be permitted only for the duration of grounding of aircraft;
 - Existing aircraft is involved in some accident/incident resulting in reduction in capacity of the Operator;
 - There is reduction of capacity due to expiry of lease and delay in finalisation of new lease agreement;
 - For initial start-up or revival of sick Operators who should have an agreement with the lessor initially for wet lease for a period not exceeding six months and thereafter automatic conversion to dry lease for the remaining period of lease;
 - Short-term induction of capacity required meeting emergency situation such as natural calamity, industrial unrest or any other similar situation;
 - To augment available capacity for purposes of transporting pilgrims during Haj.
- 9.2 Wet leased aircraft may / only operate on ATS routes in Pakistan airspace. In special circumstances such as emergency / humanitarian operations the DGCAA may grant permission for operations for a maximum of 90 days.
- 9.3 In wet lease operation, Operator (the lessee), shall:
- 9.3.1 Comply with relevant requirements of this ANO.
 - 9.3.2 Have the commercial control of the aircraft;
 - 9.3.3 Use his/her airline designator code (if applicable); and
 - 9.3.4 Have the traffic rights related to leased aircraft.
- 9.4 In wet lease operation, Operator (the lessee), shall be responsible for:
- 9.4.1 Exercising operational control over the aircraft with all the related responsibilities;
 - 9.4.2 Custody of the aircraft and control of all operations;
 - 9.4.3 The maintenance of airworthiness of the leased aircraft.
- 9.5 Operator shall follow the process and comply with the requirements provided in clause 6, 7 and 8 (applicable sub-clauses) of this ANO.

- 9.6 In Transfer Agreement, the State of Registry shall confirm that their legislation enables them to divest themselves of the functions and duties that are the object of the transfer agreement.
- 9.7 Wet Lease Agreement between the lessee and lessor shall be a well defined agreement stipulating that the Pakistani Operator and CAA Pakistan will have the authority to exercise operational and airworthiness control, in accordance with the transfer agreement on the wet lease aircraft operations.
- 9.8 The operating conditions in Pakistan are more demanding because of severe weather conditions, hot, humid and dusty environment, hilly terrain around airports, limited runway length of some of the airports and non-availability of precision approach facilities at many airports. It is, therefore, necessary to adopt more stringent safety norms. The Pakistani Operators using wet leased foreign aircraft should, therefore, comply with the following requirements:
- 9.8.1 The foreign licenced Pilots, shall have a minimum of 50hours flying experience on the type in case of fixed wing aircraft and 25hours in case of rotary wing aircraft and meet recency requirements of CAA.
- 9.8.2 The flight crew and the cabin crew (if applicable) shall comply with the Flight and Duty Time Limitations of the Pakistani Operator and in no case exceed the FDTL laid down by CAA, Pakistan.
- 9.8.3 The flight crew shall follow the weather minima of the Pakistani Operator as approved by CAA.
- 9.8.4 It will be the responsibility of the Pakistani Operator to give thorough briefing to the foreign crew, about the Pakistani rules and regulations, standard departure and arrival procedures at Pakistani airports, standard operating procedures, prohibited areas and precautions to be exercised while operating at various airports in Pakistan. Route familiarization will also be provided, as deemed necessary.
- 9.8.5 The flight crew and the maintenance personnel shall comply with the instructions issued by the Pakistani Operator and the CAA. In case of any violation, their validation or approval to operate or maintain the aircraft in Pakistan may be withdrawn.
- 9.8.6 The Flight Operations Inspectors and other officers authorised by DGCAA shall carry out random inspection/check of the operations and:
- a) Cabin crew training;
 - b) Operational control;
 - c) Dispatch and flight watch;
 - d) Crew members scheduling.
- 9.8.7 In case of any violation or accident/incident attributable to crew proficiency, the validation granted to foreign crew for operating aircraft of Pakistani Operator may be withdrawn.
- 9.8.8 The foreign crew and maintenance engineers holding current valid and appropriate Licences / Certificates issued by state of Registry, can be deployed by the Pakistani Operators for operating and maintaining aircraft, only after they are cleared by the security agencies (as applicable) and on issue of validation or approval.
- 9.8.9 If the Operator wishes to use some cabin crew of the foreign Operators, they should undergo the differences training necessary to meet the requirements of CAA. The cabin crew should be trained and approved on the aircraft type.
- 9.8.10 The commercial staff shall be adequately trained for the preparation of load and trim sheet and proper loading of the aircraft.

9.8.11 The flight crew shall ensure reporting of all incidents / accidents to CAA in accordance with.

9.8.12 The flight crew should be fully proficient to communicate in English language with the Air Traffic Control Units.

9.8.13 Airworthiness requirements for maintenance on leased aircraft are met in accordance with the CAA and the State of Registry as agreed with in Transfer agreement;

10. WET LEASING OF FOREIGN REGISTERED AIRCRAFT FROM A PERSON OR A COMPANY

Wet leasing of foreign registered aircraft from a person or company (not in possession of AOC from State of Registry), may be allowed only for those Pakistani AOC holders who:

10.1 Are in possession of their own (not contracted) infrastructure, maintenance set up, staffing, operational control and approved crew training programme;

10.2 Fulfill the applicable requirements of this ANO and any other condition applied to, by CAA.

11. WET LEASING OF PAKISTANI REGISTERED AIRCRAFT FROM AN AOC HOLDER

Wet Leasing of Pakistani Registered aircraft from an AOC holder may be allowed provided:

11.1 The lessee is an AOC holder; and

11.2 The applicable requirements of this ANO are met.

12. DAMP LEASE

Where wet leasing of aircraft is without crew or with partial crew, the lessee shall be responsible to provide licensed/certificated crew and shall meet all the applicable requirements as given in this ANO.

13. OPERATORS OBLIGATIONS: The Lessee (Operator) shall ensure:

13.1 Not to operate any aircraft, until such time that aircraft is placed in the Operation Specification of the AOC issued by the State of Operator;

13.2 Compliance with the provisions, applicable to the aircraft and operations, of the Civil Aviation Rules -1994, the Air Navigation Orders and directives issued there under;

13.3 That all flights are operated under the applicable Flight Rules as per Flight Plan Clearance, and procedures/ requirements of the Pakistan Aeronautical Information Publication (AIP) are complied with;

13.4 That crew is in possession of a valid permits, certificates, licenses duly validated in accordance with the requirements specified in the relevant ANOs;

13.5 That the pilot-in-command and other crew members, for safe conduct of flight operations, are aware of their responsibilities for compliance with statutory requirements of CAA;

13.6 Free and uninterrupted access to CAA Inspectors, in accordance with Rule 4 of CARs 1994 and the Transfer Agreement to any premises in the occupation in control of the holder of this Certificate for the purpose of examining the premises and any document, equipment, tool, material or other things of whatsoever nature, relating to the operation of aircraft there-under, kept or used or intended to be used in connection with the operation of the aircraft;

13.7 That the minimum number of Cabin crew required where applicable for safety in accordance with ANO 91-0018, are:

a) All Pakistani by nationality;

b) Qualified, fit and competent for the duties on the type of aircraft.

- 13.8 That all In-flight announcement are made in National language in addition to the Operators requirement;
- 13.9 That all Placards and Safety Cards in cabin area are displayed in National language;
- 13.10 That the contents of First Aid Kit and Medical Kit (if applicable) on board are listed in English language;
- 13.11 That the pilot reported defects as contained in Airworthiness Notice (AN) No. are intimated to the CAA in English within period as specified in the Airworthiness Notice;
- 13.12 That Notification procedure as specified in Rule 27 and 271 of CARs 94 are followed;
- 13.13 To maintain a comprehensive insurance policy, within and outside Pakistan at the level specified in Rule 179(2)(c) and 19of CARs 1994.

14. REFERENCES

- a) ICAO Annex 6 Part 1
- b) ICAO Convention - Article 83bis
- c) ICAO Circular 295-LE/2 Feb. 2003
- d) ICAO letter EC U93, AN 11141-05183 12 August 2005

15. IMPLEMENTATION

This Air Navigation Order shall be implemented with immediate effect and supersedes ANO 91.0016 Issue 1.

--S/d--

(M. JUNAID AMEEN)
Air Commodore (Retd.)
Director General,
Pakistan Civil Aviation Authority

Dated:7th April, 2010

APPENDIX A

INFORMATION TO BE SUPPLIED ABOUT PROPOSED AIRCRAFT FOR LEASE

1. The aircraft type and serial number _____

2. Date of manufacture _____

3. Registration details: _____

4. Total aircraft flying hours/cycles logged since new: _____
5. Cycles/hours logged by each engine since new and last overhaul: _____

6. Status of compliance of mandatory modifications/service Bulletins: _____

7. The areas of previous operation: _____
8. Details of maintenance programme followed and approved by the airworthiness authority of the State of Registry: _____

9. Name and address of the owner/Operator: _____

10. Details of accidents/incidents, if any: _____

11. Details of repairs carried out: _____

12. TBOs and lives of all lived components: _____

13. History cards of all components _____

14. A statement from the owner/Operator that the aircraft fully complies with the airworthiness requirements of the State of Registry: _____

Date:

Authorised Signatory

**Transfer Agreement between
State Of Registry and State of Operator
concerning the transfer of
Regulatory Oversight Functions and Duties
Under
ICAO Article 83bis**

**Agreement between (State) ----- and (State) ----- on
Implementation of Article 83 bis of the Convention**

WHEREAS the Protocol relating to Article 83 bis of the Convention on International Civil Aviation (Chicago, 1944) (hereinafter referred to as "the Convention"), to which [State 1] and [State 2] are parties, entered into force on 20 June 1997;

WHEREAS Article 83 bis, with a view to enhanced safety, provides for the possibility of transferring to the State of the Operator all or part of the State of Registry's functions and duties pertaining to Articles 12, 30, 31 and 32 a) of the Convention;

WHEREAS, in line with Doc 9760 (Airworthiness Manual), Volume II, Part B, Chapter 10, and in light of Doc 8335 (Manual of Procedures for Operations Inspection, Certification and Continued Surveillance), Chapter 10, it is necessary to establish precisely the international obligations and responsibilities of [State 1] (State of Registry) and [State 2] (State of the Operator) in accordance with the Convention;

WHEREAS, with reference to the relevant Annexes to the Convention, this Agreement organizes the transfer from [State 1] to [State 2] of responsibilities normally carried out by the State of Registry, as set out in Sections 3 and 4 below;

The Government of [State 1], represented by its [Civil Aviation Authority], and The Government of [State 2], represented by its [Civil Aviation Authority], Hereinafter referred to as "the Parties", have agreed as follows on the basis of Articles 33 and 83 bis of the Convention:

ARTICLE I - SCOPE

Section 1. [State 1] shall be relieved of responsibility in respect of the functions and duties transferred to [State 2], upon due publicity or notification of this Agreement as determined in paragraph b) of Article 83 bis.

Section 2. The scope of this Agreement shall be limited to [types of aircraft] on the register of civil aircraft of [State 1] and operated under leasing arrangement by [Operator], whose principal place of business is in [State 2]. The list of aircraft concerned, identified by type, registration number and serial number, is reproduced in Attachment 1, which also indicates the term of each leasing arrangement.

ARTICLE II – TRANSFERRED RESPONSIBILITIES

Section 3. Under this Agreement, the Parties agree that [State 1] transfers to [State 2] the following functions and duties, including oversight and control of relevant items contained in the respective Annexes to the Convention:

Annex 1 — Personnel Licensing, issuance and validation of licences.

Annex 2 — Rules of the Air, enforcement of compliance with applicable rules and regulations relating to the flight and manoeuvre of aircraft.

Annex 6 — Operation of Aircraft (Part I - International Commercial Air Transport - Aeroplanes), all responsibilities which are normally incumbent on the State of Registry. Where responsibilities in Annex 6, Part I, may conflict with responsibilities in Annex 8 - Airworthiness of Aircraft, allocation of specific responsibilities is defined in Attachment 2.

Section 4. Under this Agreement, while [State 1] will retain full responsibility under the Convention for the regulatory oversight and control of Annex 8- Airworthiness of Aircraft, the responsibility for the approval of line stations used by the [Operator], which are located away from its main base, is transferred to [State 2]. The procedures related to the continuing airworthiness of aircraft to be followed by the [Operator] will be contained in the Operator's maintenance control manual (MCM). Attachment 2 hereunder describes the responsibilities of the Parties regarding the continuing airworthiness of aircraft.

ARTICLE III - NOTIFICATION

Section 5. Responsibility for notifying directly any States concerned of the existence and contents of this Agreement pursuant to Article 83 bis b) rests with [State 2] as the State of the Operator, as needed. This Agreement, as well as any amendments to it, shall also be registered with ICAO by [State 1] as the State of Registry or [State 2] as the State of the Operator, as required by Article 83 of the Convention and in accordance with the Rules for Registration with ICAO of Aeronautical Agreements and Arrangements (Doc 6685).

Section 6. A certified true copy [in each language] of this Agreement shall be placed on board each aircraft to which this Agreement applies.

Section 7. A certified true copy of the air Operator certificate (AOC) issued to [Operator] by [State 2], in which the aircraft concerned will be duly listed and properly identified, will also be carried on board each aircraft.

ARTICLE IV - COORDINATION

Section 8. Meetings between [State 1-CAA] and [State 2-CAA] will be held at [three-] month intervals to discuss both operations and airworthiness matters resulting from inspections that have been conducted by respective inspectors. For the sake of enhanced safety, these meetings will take place for the purpose of resolving any discrepancies found as a result of the inspections and in order to ensure that all parties are fully informed about the [Operator's] operations. The following subjects will be among those reviewed during these meetings:

Flight operations

- a) Continuing airworthiness and aircraft maintenance
- b) Operator's MCM procedures, if applicable
- c) Flight and cabin crew training and checking
- d) Any other significant matters arising from inspections

Section 9. Subject to reasonable notice, [State 1-CAA] will be permitted access to [State 2-CAA] documentation concerning [Operator] in order to verify that [State 2] is fulfilling its safety oversight obligations as transferred from [State 1].

Section 10. During the implementation of this Agreement, and prior to any aircraft subject to it being made the object of a sub-lease, [State 2], remaining the State of the Operator, shall inform [State 1]. None of the duties and functions transferred from [State 1] to [State 2] may be carried out under the authority of a third State without the express written agreement of [State 1].

ARTICLE V - FINAL CLAUSES

Section 11. This Agreement will enter into force on its date of signature, and come to an end for aircraft listed in Attachment 1 at the completion of the respective leasing arrangements under which they are operated. Any modification to the Agreement shall be agreed by the parties thereto in writing.

Section 12. Any disagreement concerning the interpretation or application of this Agreement shall be resolved by consultation between the Parties.

Section 13

This agreement is made out in English and -----, and wherever any disagreement arises the English version will prevail.

Section 14. In witness thereof, the undersigned directors of civil aviation of [State 1] and [State 2] have signed this Agreement.

For the
Government of State of Registry

For the
Government of State of Operator

[Signature]

[Signature]

[Name, title, place and date]

[Name, title, place and date]

Attachment 2**RESPONSIBILITIES OF [STATE X] AND [STATE Y] RELATED TO AIRWORTHINESS AND OPERATIONS**

ICAO reference	Subject	Responsibilities of the State of Registry (State X)	Responsibilities of the State of the Operator (State Y)
Annex 8, Part II, Chapter 4; Doc 9642, Part II, Chapter 1; Doc 9389, Chapter 1, 1.1.4, and Chapter 6, 6.1.2	Continuing airworthiness of aircraft	Develop or adopt requirements to ensure the continuing airworthiness of the aircraft during its service life. This requirement also covers the maintenance requirements of Annex 6 mentioned below.	
Annex 8, Part II, Chapter 4, 4.2.3, 4.2.4, 4.2.5; Doc 9642, Part VI, Chapter I	Communication with the State of Design	Communicate with the State of Design	
Annex 8, Part II, Chapter 5: Doc 9642, Chapter 3	Validity of C of A.	Issue and reissue the C of A.	
Annex 8, Part I I, Chapter 6, 6.2	Damage to aircraft.	Determine the condition of airworthiness of the aircraft.	
Annex 6, Part I, Chapter 5.5.23 and 5.2.4	Operation of aircraft in compliance with the terms of its C of A		Assume responsibility of State of Registry as defined in 5.2.4.
Annex 6, Part 1: Chapter 8, 8.1	Operator's maintenance responsibilities		Ensure that the responsibilities are contained in the Operator's MCM
Annex 6, Part I, Chapter 8.8.2	Operator's MCM		Ensure that guidance is contained in an MCM acceptable to [State X].
Annex 6, Part 1, Chapter 8, 8.3	Maintenance programme	Approval of the Operator's maintenance programme	Ensure that maintenance programme responsibilities and development procedures are contained in the MCM.
Annex 6, Part I, Chapter 8, 8.4	Maintenance of records	Inspect maintenance records and documents every six months	Inspect in accordance with requirements of the AOC
Annex 6, Part I, Chapter 8, 8.5	Continuing airworthiness information	Ensure that all [State X] airworthiness requirements are understood by the Operator.	Ensure that airworthiness reports are provided to [State X].
Annex 6, Part I, Chapter 8, 8.6; Doc 9642, Part VIII, Appendix A, 3.7	Modifications and repairs	Ensure these are approved by the State of Design/Manufacture and issue approval	Ensure that procedures are contained in the Operator's MCM
Annex 6, Part 1, Chapter 8, 8.7	Approved maintenance organization	Approval of the Operator's base maintenance organization and procedures for Chapter 8, 8.7.	Approval of the Operator's line maintenance arrangements away from main base. Ensure that procedures are contained in the Operator's MCM
Annex 6, Part 1, Chapter 3, 4, 5, 6, 7, 9, 10,11, 12 and 13	Operation of aircraft	All responsibilities as State of Registry	Assume all responsibilities as State of Operator