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<th>NAME</th>
<th>DESIGNATION</th>
<th>SIGNATURE</th>
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<tr>
<td>M. AMJAD MUKHTAR MALIK</td>
<td>AdID Commercial &amp; LD (North)</td>
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<tr>
<td>JAFAR ABBAS CHEEMA</td>
<td>AdID Commercial (P&amp;P)</td>
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<tr>
<td>MUHAMMAD JAMAL</td>
<td>AdID Commercial &amp; LD (South)</td>
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<td>PREPARED BY</td>
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<td>ALQERA ATIQ</td>
<td>Director Commercial &amp; Estates</td>
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<td>VERIFIED BY</td>
<td>Air Cdre NASIR RAZA HAMDANI</td>
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<td>RECOMMENDED BY</td>
<td>AVM TANVEER ASHRAF BHATTI</td>
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<td>APPROVED BY</td>
<td>Sqn Ldr (R) SHAHRUKH NUSRAT</td>
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<td>TYPE OF DOCUMENT</td>
<td>CIVIL AVIATION AUTHORITY ORDER (CAAO)</td>
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<td>STATUS OF DOCUMENT</td>
<td>CONTROLLED</td>
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A. PURPOSE:
   A1. This CAAO will revise the existing policies & procedures for award / grant / allotment of Concessions/ License hereunder (except license/concessions which are dealt under the relevant—CAAOs e.g. Ground Handling Services / Flight Catering Services etc.) to Commercial / Semi Commercial entities and Government agencies at PCAA airports and to bring it in line with the National Aviation Policy (NAP-2019).
   A2. Revision in CAAO-004-CMPP-1.0 issued on 26th October, 2012 effective from 1st November, 2012, to cater contemporary requirements.

B. SCOPE:
   B1. Pakistan Civil Aviation Authority (PCAA) control and regulates the civil airports of the Pakistan. These airports provide for business opportunities within the Terminal Building and at the landside and airside for the development of aeronautical and non-aeronautical assets in and around the airport.
   B2. PCAA as a facilitator will also add quality services for the passengers and meters and greeters at all airports.

C. CORE RESPONSIBILITIES:
   C1. At HQCAA, Director Commercial & Estates (DC&E) is responsible for implementation of this CAAO and to award concessions accordingly.
   C2. Commercial Officer at the respective airports and, in the absence of such officer(s) at any airport, the respective Chief Operating Officer (COO) / Airport Manager (APM), or an officer designated by him, shall be responsible to carry out functions under this CAAO.
   C3. Additional Director Commercial (Policy & Projects) at HQCAA shall review the CAAO periodically for any change / improvement in view of prevailing conditions at that time or for any immediate amendment in the light of any Federal Government Directive, Rules or CAA Board decision.

D. DESCRIPTION:
   D1. POLICY FOR AWARD/ GRANT OF CONCESSIONS:
      D1.1 For award / grant of concessions, in light of the clarification issued by PPRA vide letter No.F.No.2(13)DD-I/PPRA/10 dated 26th June, 2013 Annexure-“A”PCAA will only follow broad principles of PPRA Rules, 2004 except certain specific provisions to ensure fairness, transparency, value / revenue, efficiency and economy while granting commercial concessions on the following grounds:-
         D1.1.1 Contrary to the definition of 'Public Procurement' given in Public Procurement Ordinance, 2002, no expenditure is incurred from public fund, but revenue is earned from award of commercial concessions conversely.
         D1.1.2 Licenses of commercial concessions to be awarded to highest evaluated bidder instead of lowest evaluated bidder as in normal procurement process.
      D1.2 Notwithstanding above, the underlying basic principles set out in PPRA, 2004 need to be followed in this regard:
         D1.2.1 Fair and Transparent process to be adopted;
         D1.2.2 Procurement of Services (commercial concessions) brings value / revenue for CAA; and
         D1.2.3 Process involved is efficient and economical.
D1.3 The principle procurement method in award of commercial concessions is described in D4.1.4, whereas other general provisions of PPRA, 2004 to be followed are either referred in this CAAO or may be invoked on 'as and when applicable' basis.

D2. All commercial licenses (except Semi-commercial concessions and licenses awarded to Government Departments / Agencies) exceeding the value of PKR 30,000/- per month shall be disposed-off through inviting open / public tenders, after publication in the national / international Newspapers (as required), PCAA and PPRA websites. Samples of advertisement/ notice for Inviting Tenders, in News Paper and PPRA/ PCAA website, are attached as Annexure “B”.

D3. DGCAA shall be the competent authority for approval of any modification or change or amendment in this CAAO as per clause C.3.

D4. TYPES OF CONCESSIONS:
Licenses shall be issued for Concessions categorized as follows:

a) Commercial Concessions
b) Semi-Commercial Concessions for Aeronautical Activities [operational and non-operational on airside or landside]
c) Licenses to Government Departments / Agencies
d) Utilization of Lands & Open Spaces for Commercial Concession

D4.1 COMMERCIAL CONCESSIONS:
Commercial Concessions includes Retail Outlets, Restaurants / Food Outlets, Rent-a-Car / Radio Cab / Cab Counters, Car Parking, Visitor’s Galleries, Meet & Assist Services, Waiting / CIP Lounges, Bank Branches, Advertisement Sites, Duty Free Shops, Mobile Charging Stands, Foreign Currency Exchange Booths/ Counters, Cargo Throughput Charges, Lifting of garbage and Entertainment Areas etc.

D4.1.1 PROCEDURE FOR AWARD OF COMMERCIAL CONCESSIONS:
The pre-requisites for award of Commercial Concessions are as follows:

D4.1.1.1 The respective COO/ APM in coordination with Commercial Officer will be responsible to identify business opportunity, as per passenger requirement[s] and subject to availability of space[s] as per the respective airport layout plan.

D4.1.1.2 Approval for inviting tenders alongwith Tender Notice, Tender Documents / Terms & Conditions is to be exercised as per clause-D4.1.1.6.

D4.1.1.3 Reserve License Fee and period of license of all commercial concessions is to be mentioned in Tender Notice. Reserve License Fee of running concessions shall be calculated after adding 05% over & above the current year’s monthly license fee.

D4.1.1.4 Reserve License Fee of new concessions will be determined on the basis of data of similar business at other airports of same category, market potential and future business growth relying on factors prevailing in the business areas. However, reserve License Fee shall not be less than the applicable PCAA prescribed space charges of respective airport for the respective concession.

D4.1.1.5 In case the license agreement is terminated within one third (1/3rd) period, reserve License Fee shall be kept equivalent to
the license fee being paid by the licensee at the time of termination, provided that the termination period does not expire at the due time of application of annual enhancement. Provided that the other condition of the respective business at the airport is unchanged, otherwise the reserve price shall be recalculated accordingly.

D4.1.6 Approval to fix reserve License Fee / award of commercial concessions shall be granted by the following on the recommendations of concerned C.O.O/Airport Manager:

Director Commercial & Estates : Upto PKR 0.75 million license fee per month.

Director General : Above PKR 0.75 million license fee per month.

D4.1.2 PERIOD OF LICENSE:

D4.1.2.1 Initial period of license shall be upto five (05) years depending on nature of the business and initial investment. Generally, a license of Commercial Concession(s) shall not be Renewed after the expiry of initial five (05) years except as per clause D4.1.3 and it shall be placed for disposal through open tender at least ninety (90) days prior to the expiry of the license agreement and the premises/space will stand vacated on the date of expiry and possession of the concession will stand reverted to PCAA forthwith.

D4.1.3 EXCEPTIONS:

D4.1.3.1 This clause may be invoked sparingly, on case to case basis upon considering the nature of business / facility or service, capital invested by the licensee. Following parameters shall have to be considered for grant of extension in period of any concession subject to approval of DGCAA:-

(i) Investment above Rupees 25 Million incurred by the licensee.

(ii) Provision of uninterrupted Quality Services during the initial license period.

(iii) Positive feedback of the passengers / customers.

(iv) Above average performance / conduct of the licensee & no default in CAA payments during currency of license agreement.

(v) Necessity of the concession to be continued by same licensee; and

(vi) Any other factor deemed relevant as a performance indicator.

(vii) Interim Continuation/Renewal in License Agreement for a period not exceeding 03 months can also be granted for continuity of the concession with 10% enhancement in license fee. However tender proceeding must be completed within three months.
TENDER METHOD:

D4.1.4.1 Commercial concessions shall be disposed-off through open competitive Bidding as per 'Single Stage-Two Envelope Procedure i.e. Technical & Financial Proposal / offer as outlined in Rule 36(b) of Public Procurement Rules, 2004).

D4.1.4.2 All tenders shall be initiated by Joint / Deputy Director Commercial or an officer designated by respective COO / APM after obtaining operational clearance from all concerned Sections for consideration at Commercial & Estates Directorate HQCAA.

D4.1.4.3 Location shall also forward Technical Evaluation / Weightage Sheet containing Marks for each documents with draft Tender notice & Tender documents for approval of HQCAA and shall ensure to provide approved Technical Evaluation / Weightage Sheet to prospective bidder (s) with the approved tender documents.

D4.1.4.4 Tenders shall be processed in accordance with clause D4.1.1.6, as applicable.

D4.1.4.5 Tenders are to be opened by a Tender Opening Committees at Locations / HQCAA, followed by an evaluation report / Comparative Statement (CST) for submission to concerned Approving Authority.

D4.1.4.6 Specimen of Tender Form and Terms & Conditions for major concessions are placed at Annexure “C & D” to this CAAO.

D4.1.4.7 A period of at least fifteen (15) days shall be provided between the date of the publication of advertisement and the last date of submission of the tenders. In case of advertisement in international newspapers period would not be less then 30 days.

D4.1.4.8 Technical bid shall be opened on the last date of submission of tender.

D4.1.4.9 The technical evaluation shall be completed by the location within 05 working days and case should be forwarded to HQCAA for approval with the same period.

D4.1.4.10 Financial bids shall be opened within fifteen (15) working days of opening of Technical bid.

D4.1.4.11 Financial offer/Bid below the reserve price of the concession shall not be entertained/accepted.

TENDER OPENING COMMITTEE (TOC):

D4.1.5.1 For tender opening at Airports, following Committee shall be constituted:

<table>
<thead>
<tr>
<th>COO / APM</th>
<th>President</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jt / Dy Dir. Commercial</td>
<td>Member / Secretary</td>
</tr>
<tr>
<td>Jt / Dy Dir. Finance</td>
<td>Member</td>
</tr>
<tr>
<td>Jt / Dy Dir. Legal</td>
<td>Member</td>
</tr>
</tbody>
</table>

OR duly Authorized representative

D4.1.5.2 For Tender opening at HQCAA, following Committee shall function:-

<table>
<thead>
<tr>
<th>Director Commercial &amp; Estate</th>
<th>President</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respective AdID Commercial</td>
<td>Member / Secretary</td>
</tr>
<tr>
<td>AdID Finance (nominee of D. Fin)</td>
<td>Member</td>
</tr>
<tr>
<td>AdID Director Legal (APS)</td>
<td>Member</td>
</tr>
</tbody>
</table>

OR duly Authorized representative
D4.1.5.3 Approval of DGCAA will be required for inclusion of any other Member or Co-opted Member of any other Directorate(s) /Branches as part of tender Opening Committee.

D4.1.6 TENDER RECEIPT / OPENING PROCEDURE:
D4.1.6.1 Tenders in a sealed cover will be dropped in Tender Box to be sealed at deadline given in the tender notice, which will be opened (after 30 minutes as per PPRA Rules) by the TOC in the presence of the Bidders who wish to attend the tender proceedings.

D4.1.6.2 After opening, the contents of the tenders are to be tabulated in the Form of Comparative Statement (CST).

D4.1.6.3 After evaluation, CST duly signed by all members of the TOC will be forwarded to the Competent Authority, alongwith tenders and recommendations. These documents are to be treated as confidential.

D4.1.6.4 Bidders qualifying the technical criteria shall be declared eligible by the Competent Authority for having their financial bids to be opened on a date and time specified in a letter.

D4.1.7 DEPOSITION OF CASH SECURITY:
D4.1.7.1 The bidders along with the bid shall submit two separate Pay Orders/ Bank Drafts i.e. one for Cash Security equivalent to four months license fee / rent @ as applicable on the last year of license period and second for advance License Fee equivalent to one month offered bid with their bids. For the concessions having reserve License fee equal to or above Rs. 20 million per month, the amount of security deposit shall be calculated on the basis of two months' license fee of the last year of the license period.

D4.1.8 GRIEVANCES REDRESSAL COMMITTEE:
D4.1.8.1 Complaint of bidder with regards to tender proceedings and complaints in general will be referred to CAA Grievances/ Redressal Committee for necessary addressing. However this should not be an adverse effect on CAA tender proceedings.

D4.1.9 LICENSE AGREEMENT EXECUTION PROCEDURE:
D4.1.9.1 The License Agreement will be executed upon the approved format of the Competent Authority. The license agreement shall be vetted by Legal & Finance Branches of respective location before execution.

D4.1.9.2 In case of any deletion / addition in standard format of License Agreement prior approval of the Competent Authority will be sought after clearance from Legal (APS) Branch HQCAA.

D4.1.9.3 Subject to tender requirement where any concession is awarded for multiple Airports, License Agreement shall be executed at HQCAA. However license fee / security deposit of each airport should be mentioned in the said agreement.

D4.1.9.4 Respective COO/Airport Manager shall sign/execute license agreements at their location and Director Commercial & Estates will sign/execute the agreement in case of HQCAA.
D4.2  

SEMI-COMMERCIAL CONCESSIONS:

D4.2.1 These concessions includes Airline[s] offices, briefing & checking counters, spaces for GHAs / General Aviation Companies / Flying Clubs Schools / Training & Educational Institutes / Charter Operators/ Aircraft Manufacturing Industry, Aircraft Maintenance & Manufacturers, Cargo complex[s], Cargo Sheds, Aircraft Hanger, High Value Cargo Handlers, etc.

D4.2.2 CONDITIONS FOR ALLOTMENT OF SEMI COMMERCIAL CONCESSIONS: The conditions for grant/allotment of Semi Commercial Concessions are as follows:

D4.2.2.1 The period of License of Semi Commercial Concessions shall generally be five (05) years, extendable on request of the Licensee with due justification(s) and recommendations of concerned COO/ APM.

D4.2.2.2 Provided that office and open spaces concession / license [Airlines/ GHAs / General Aviation Companies / Flying Clubs Schools / Training & Educational Institutes / Charter Operators/ Aircraft Manufacturing Industry, Aircraft Maintenance & Manufacturers, Cargo complex[s], Cargo Sheds, Aircraft Hanger, High Value Cargo Handlers, etc.] shall be categorized as “Aeronautical /Operational”. For said concession/ License, fee will be calculated on the basis of open space rates categorized as Operational [OPs]. Provided that any construction on such open space by Licensee at its own cost and expense same rates (open space charges) will continue to be applied during the term of the License.

D4.2.2.3 The offices / spaces shall be allotted on availability and subject to payment of CAA prescribed charges as per the space charges of respective Airport Category as provided below.-

<table>
<thead>
<tr>
<th>S. #</th>
<th>Category of Space</th>
<th>Figues in Rs. per sq.ft/ month</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Category</td>
<td>‘A’</td>
</tr>
<tr>
<td>1.</td>
<td>Open space</td>
<td>Ops</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Ops</td>
</tr>
<tr>
<td>2.</td>
<td>Paved space</td>
<td>Non-Ops</td>
</tr>
<tr>
<td>3.</td>
<td>Covered Space Outside Terminal Building</td>
<td>Ops</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Ops</td>
</tr>
<tr>
<td>4.</td>
<td>Covered Space inside Terminal Building (A/C)</td>
<td>Ops</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Ops</td>
</tr>
<tr>
<td>5.</td>
<td>Covered Space inside Terminal Building (Non-A/C)</td>
<td>Ops</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Ops</td>
</tr>
</tbody>
</table>
Note:-

(i) Only Open space rates (Ops) as tabulated at Sr. No. "1" will be applicable to stakeholders mentioned in clause D4.2.2.2 for all aeronautical/operational use along with applicable 10% enhancement on every 1st of January for all categories of airports.

(ii) Paved rates (Non-Ops) as tabulated at Sr. No. "2" will be applicable to such stakeholders (other than above) for the spaces which were allotted by CAA as "paved".

(iii) In case of existing Paved/Covered space intended to be used for operational purpose, CAA will determine the book value of the entire facility for payment by the stakeholders as mentioned in para-i above, thereafter open space charges shall be applied as applicable at that time. In case any stakeholder mentioned at D4.2.2.2 not agree/willing to pay the book value than space charges as per physical status covered and paved will be charged accordingly.

(iv) Provided that stakeholders as mentioned in clause D4.2.2.2 providing operational services would be allotted offices in the terminal building at operational rates as tabulated at Sr. No. "4 & 5" whichever is applicable, whereas all other stakeholders will be charged non-operational rates of Sr. No. "4 & 5" whichever is applicable for their respective spaces.

(v) All constructed spaces outside terminal building (landside) shall be charged covered rates as tabulated at Sr. No. "3", except open space constructed at the cost and expense of licensee under clause D4.2.2.2 for aeronautical/operational use.

(vi) All Private Jet Operator's allotted spaces on airside shall be charged open/paved space (non-operational) rates. In case of already covered space, para-iii above will be applicable before charging open space (Non-Ops) rates.

D4.2.2.4 Annual enhancement @ 10% for operational spaces (on every 1st January) and non-operational spaces (on every 1st July) shall be equally applicable to all CAA Airports irrespective of their Category A, B, C and D as provided in D 4.2.2.3.

D4.2.2.5 All requests for initial allotment of semi commercial concessions shall be forwarded by APM’s for approval to DC&E, HQCAA with proper working and full justification.

D4.2.2.6 In case of any variation from the initial allotment at any stage of the license, approval shall be sought from DC&E, HQCAA on case to case basis.

D4.2.2.7 Concerned COO/ APM is to ensure that the Licensee shall deposit Cash Security as per clause D.4.1.7.1.

D4.2.2.8 The condition of levy of rationalized charges specified under clause 4.2.2.3 shall also be mutatis mutandi applicable only to all existing semi commercial concessions provided in clause 4.2.2.2 with effect from commence of this CAAO. In case of any outstanding dues the same shall need to be cleared in whole or in installments prior to applicability of the said clause after approval of DGCAA or his delegated authority.
D4.3 LICENCES TO GOVERNMENT DEPARTMENTS:

D4.3.1 Spaces / Rooms / Counters are allotted to Government Departments, directly connected to the aeronautical / operational functioning of the airports, passenger's facilitations, Embarkation and Dis-embarkation of passengers, safety and security of passengers, safety and security of aircrafts, safety of equipment / Government assets, safety and security of airport premises, Clearance of passenger’s baggage and emplaning and deplaning of air cargo (Cargo/AFU). Departments in this class are ASF, Pakistan Customs, Airport Police / Special Branch/Traffic police, Military Intelligence (MI), Pak Rangers, Excise & Taxation department, Export Promotion Bureau, FIA, Health Department, Anti Narcotics Force, Met Department, ISI, Intelligence Bureau (IB), Bomb Disposal, Protectorate of Emigrants, QPF, Marine Fisheries, Plant Protection, or any other department. Addition or deletion in the list above shall be approved by DGCAA.

D4.3.2 However, charging for operational areas under occupation of Govt. Departments as enumerated above will be as per following:-

D4.3.2.1 **Operational Spaces within the Operational Areas:** No space rent and utility charges shall be charged from government departments occupying operational spaces within the operational area.

D4.3.2.2 **Operational Spaces Outside the Operational Areas:** No space rent shall be charged from government departments occupying operational spaces outside the operational areas but shall pay the utility charges of such spaces.

D4.3.2.3 **Non-Operational Spaces:** Rent shall be charged for all non-operational spaces on prescribed space rental charges along with utility charges.

D4.3.3 LAND USE LICENSE TO ASF, PAKISTAN CUSTOMS & MET DEPARTMENT:

D4.3.3.1 Land use to ASF for operational purposes (Camps & Barracks) at all airports shall be allotted on gratis basis and same will not be used by ASF for private and commercial purposes. Utilities / maintenance / up keeping charges shall be borne by ASF.

D4.3.3.2 Areas under occupation of Pakistan Custom and Met Department for official / operational purposes are to be dealt in light of Custom Act 1969 and MoU signed between CAA and MET Department respectively **Annexure “F & G”**.

D4.3.3.3 Agreement / MoU may be executed with Govt. Departments for all the areas under occupation for operational purpose in order to maintain record or as provided in the Land Lease Policy.

D4.4 LANDS & OPEN SPACES (COMMERCIAL CONCESSIONS):

D4.4.1 CAA has to focus on its non-aeronautical revenue by optimizing land assets around major Airports which shall be dealt under the land leased policy.

D4.4.2 Concessions which involve capital expenditure for construction of building and infrastructure etc shall be awarded through tenders for a period of 10 years on open space charges and after completion of 10 years prescribed space charges as per physical status i.e. open, paved, covered will be charged. This condition shall also be appropriately included in the License, except incase of semi commercial concession as per clause D 4.2.2.3 Note (v).

D4.4.3 Approval for award of concession shall be obtain as per clause D4.1.1.6
D4.4.4 Consequent to any grant for development of airport infrastructure worth more than 05 Million dollar, space will be provided upon request for the exclusive use, subject to availability, with the approval of DGCAA. In that case, only utility charges will be applicable and the allotted space/premises will not be utilized for any commercial purpose.

D5. **TEMPORARY BRANDING / LOCAL QUOTATIONS AT THE AIRPORTS:**
D5.1 Policy for Temporary Airport Branding/ Local Quotation is part & parcel of this CAAO Appendix “A”.

D6. **MOBILIZATION PERIOD:**
D6.1 Mobilization period is to be granted for concessions wherein licensee requires rationalized time period for establishment of their business. The period is to be determined based on the quantum / nature of the work required and is to be pre-mentioned in the tender documents.

D6.2 However, in case mobilization period is not pre-determined/ extension is required, respective COO/ APM may forward the case to Commercial & Estates Directorate alongwith full justification(s) for consideration/ approval of Competent Authority i.e. DGCAA.

D6.3 The Mobilization period if granted, will start from handing/taking over the concession/premises. Extension, if so approved, from expiry of original mobilization period. The period of license agreement shall start from the date of handing/taking over of the concession. The annual enhancement as per the license agreement shall also be applied form the handing/taking over date of the concession.

D6.4 The licensee shall not be allowed to conduct business during mobilization period and shall pay utility charges in the mobilization period.

D7. **REBATE IN LICENSE FEE:**
D7.1 Request for rebate in license fee in exceptional cases only shall be considered upon due recommendations / justification of concerned APM/COO.

D7.2 A committee under the chairmanship of DC&E along with members comprising of representatives from Legal, Finance & Audit shall recommend the case for approval of DGCAA.

D8. **ANNUAL ENHANCEMENT IN LICENSE FEE:**
D8.1 The monthly license fee of commercial concessions either awarded through Tenders or Local Quotation shall be enhanced @ 10% annually on cumulative basis or at such higher rate as may be decided by the Competent Authority, depending upon nature and potential of any particular business/ concession. Enhancement rate shall be incorporated in Tender Documents and License Agreement accordingly.

D9. **REDUCTION IN RESERVE LICENSE FEE:**
D9.1 Upon nil participation in last three (03) tender actions, the COO/ APM concerned shall constitute a committee at location level under his chairmanship having members from Finance, Legal & Commercial Branches of said location to re-visit/review the reserve price of said concession or change in nature of business, as applicable and forward a comprehensive report with firm recommendations of the Committee to HQCAA for perusal of the Competent Authority. The final approval for reduction in reserve price or change in nature of business will be obtained from DGCAA.

D10. **UTILITY CHARGES:**
D10.1 Licensees shall pay utility charges (as applicable) for the spaces/ concessions occupied by them.

D11. **DEDUCTION OF INCOME TAX:**
D11.1 Provisions / Instructions regarding deduction of Income (with-holding) Tax from the licensees as contained in the Income Tax Ordinance, 2001 or issued by Government of Pakistan (Federal Board of Revenue) shall be complied with in letter
and spirit. Provisions / Instructions on all other taxes / charges shall also be followed accordingly.

D11.2 Income tax will be recovered from the successful bidder/licensee under section 236-A of Income Tax Ordinance, 2001 adjustable against the tax liability of the licensee for that Tax year, however, no such income tax u/s 236-A will be recovered from the successful bidder provided the licensee produces exemption certificate from the Commissioner Income tax where his tax liability is assessable.

D12. CHANGE OF PURPOSE:

D12.1 No change in the purpose of any license either in whole or in part shall be allowed during the currency of license agreement.

D13. REMOVAL OF LICENSEE:

D13.1 COOs/ APMs have the power under Ordinance No. LIV of 1965 read with notification No.SRO 595 (1) 84, dated 26-06-1984 to remove a licensee from the licensed premises, if his license is terminated / expired or if he is found in default of payment of license fee or contravening the conditions of the license. Before taking such action APM concerned shall follow para “D13” below.

D14. REPORT IN CASE OF DEFAULT OR NON-UTILIZATION OF SPACE:

D14.1 It is the personal responsibility of the COO/ APM concerned to ensure that all charges on account of license fee etc are realized from the licensees, as soon as they become due. Following steps shall be taken in case of default:-

D14.1.1 1st Notice be issued by JtD/ Dy. Director Commercial at the respective or an officer designated by COO/ APM upon 15 days delay in payment, giving 15 days to clear the outstanding dues. The same shall be included in the Terms & Conditions of the license agreement.

D14.1.2 2nd Notice by the concerned COO/ APM giving seven (07) days to clear the outstanding dues with the warning for disconnection of utilities and subsequent cancellation of License Agreement. The same shall be included in the Terms & Conditions of the license agreement.

D14.1.3 3rd Notice by the COO/ APM for personal meeting with the licensee within seven (07) days for recovery of outstanding dues with the intimation about intended cancellation of license with a mandatory intimation to DGCAA in case of delinquency.

D14.1.4 Premises shall be sealed and the billing stopped after seven (07) days of 3rd Notice. Cancellation Notice of license through letter from concerned COO/ APM shall be served after seven (07) days of sealing of premises, with prior approval of HQCAA, on the ground of default under relevant clauses of the license agreements. At the same time APM concerned will also get prior clearance of Commercial & Estates Directorate to issue LIV Notice to the defaulting concessionaire/licensee.

D14.1.5 On clearance of HQCAA, LIV Notice will be issued by the COO/ APM by the end of 2nd month of outstanding dues for recovery of premises/ dues as per LIV ordinance 1965.

D14.2 In any case a commercial space remains unutilized for more than 30 days after award of allotment, concerned location has to process case for its cancellation for the approval of Competent Authority and CAA shall take over the possession forthwith.

EVIDENCES (ACRONYMS / RECORDS / REFERENCES):

D15. ACRONYMS:

CAA CIVIL AVIATION AUTHORITY
E2. RECORDS:
E2.1 Notice for Inviting Tenders
E2.2 Form of Financial Offer.
E2.3 Pre Bid Terms & Conditions of tender.
E2.4 Post Bid Terms & Conditions of tender
E2.5 Specimen of License Agreement
E2.6 Specimen of award letter for concession/premises
E2.7 Handing over report of Commercial concession/premises CAAF-001-CMPP-1.0
E2.8 Inventory Form while handing over concession/premises CAAF-002-CMPP-1.0
E2.9 Taking over report of Commercial concession/premises CAAF-003-CMPP-1.0
E2.10 Inventory Form while taken over concession/premises CAAF-004-CMPP-1.0
E2.11 Complaint Notice CAAF-005-CMPP-1.0
E2.12 Site Inspection Report CAAF-006-CMPP-1.0
E2.13 Specimen for Final Notice for clearance of outstanding dues CAAF-007-CMPP-1.0
E2.14 Report of CAA outstanding dues CAAF-008-CMPP-1.0

E3. REFERENCES:
E3.1 Ordinance No. LIV of 1965
E3.2 DG’s Directive No.31/2009 regarding disposal of special permits to carry on business and trade at Airports.

IMPLEMENTATION:
This CAAO shall be implemented with effect from 1st May, 2019 and supersedes CAAO-004-CMPP-1.0 dated 1st November 2012.

Dated: 17th May, 2019

(SHARUKH NUSRAT)
Director General
Pakistan Civil Aviation Authority

Dated: 17th May, 2019

(ALQERA ATIQ)
Director Commercial & Estate
Dated: 17th May, 2019
File No. HQCAA/1921/001/CMPP