



# Economic regulation of licensing and consumer protection in Civil Aviation

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**Public Authority for Civil Aviation**

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# Chapter I: Purpose and Definitions

## Part 1: Purpose

These regulations provide for the licensing of air carriers and set out the commercial rules and conditions for the operation of air transport services. The provisions of these Economic Regulations shall apply to any person operating or seeking authorisation to operate scheduled or non-scheduled air transport services as specified within these Regulations within the Sultanate of Oman or between points in the Sultanate of Oman and an international destination.

Chapter 1 sets out the purpose of the regulations and provides interpretation of the terms used.

Chapter 2 sets out the conditions for licensing of air carriers and other commercial aviation, procedures for allocation of international traffic rights, and provisions around foreign carrier permits.

Chapter 3 sets out conditions for the protection of passenger rights in the following areas:

- i. Part 1 : Delays, Cancellations, Denied Boarding
- ii. Part 2 : Passengers with Reduced Mobility
- iii. Part 3 : Air Carrier Liability in relation to passengers, cargo and baggage
- iv. Part 4 : Pricing

Chapter 4 sets out conditions for Public Service Obligations, i.e. the government-supported provision of certain air services for economic development purposes.

Chapter 5 sets out responsibility for the enforcement of this regulation and Chapter 6 provides relevant contact information.

## Part 2: Definitions

For the purposes of these Regulations:

- (a) 'aerial work' means an aircraft operation in which an aircraft is used for specialized services such as agriculture, construction, photography, surveying, observation and patrol, search and rescue, aerial advertisement, etc.;
- (b) 'air carrier' a person, natural or juridical, offering or operating an air service for the transport of passengers, mail or cargo with a valid Economic Operating Licence or equivalent authorisation issued by the competent authorities in the operator's home country;
- (c) 'air fares' means the prices to be paid to air carriers or their agents or other ticket sellers for the carriage of passengers on air services and any conditions under which those prices apply, including remuneration and conditions offered to agency and other auxiliary services;
- (d) 'air operator' means an undertaking to which an air operator certificate has been issued by the competent national safety authority;
- (e) 'Air Operator Certificate (AOC)' means a certificate issued by the competent safety authority confirming that the operator has the professional ability and organisation to ensure the safety of operations specified in the certificate, as stated in the relevant provisions of national law and regulations;

- (f) 'airport' means a defined area on land or water (including buildings, installations, and equipment) intended to be used either wholly or in part for the arrival, departure and surface movement of aircraft;
- (g) 'airport user' means any natural or legal person responsible for the carriage of passengers or cargo by air from or to the airport in question;
- (h) "Air Services Agreement" or "ASA" means an agreement between Oman and another state or states which establishes rights and obligations of each state in relation to air services between the two states, and all amendments made to such an agreement from time to time;
- (i) 'air transport services' or 'air services' means flights performed by aircraft for the carriage of passengers, cargo or mail, operated on a scheduled or non-scheduled basis, where at least some of the capacity is sold directly to the public without the involvement of a charterer;
- (j) "Authority" means the competent authority officially in charge of civil aviation affairs in the Sultanate of Oman, currently the Public Authority for Civil Aviation (PACA), or its successors;
- (k) 'baggage', unless otherwise specified, means both checked and unchecked baggage within the meaning of Article 17(4) of the Montreal Convention;
- (l) 'business plan' means a detailed description of the intended commercial activities of an air carrier for the period in question, including financial plan;
- (m) 'cancellation' means the non-operation of a flight which was previously planned and on which at least one place was reserved;
- (n) 'capacity' means the quantitative measure of air transport services offered or proposed to be offered by one or more air carriers in a city-pair or country-pair market or over a route. It may be expressed in terms of aircraft size, aircraft type, number of seats and/or cargo space (by weight and/or volume), frequency of operation, or some combination of such terms;
- (o) 'charter services' means non-scheduled commercial air transport of persons and their accompanied baggage, and of property, on a time, distance, or trip basis where the entire planeload capacity of one or more aircraft has been engaged for hire or reward;
- (p) 'commercial air service' means an air service performed by aircraft for the transport of passengers, mail or cargo for hire or reward;
- (q) 'Contracting Party' means, in relation to public service obligations, the entity entering into a contract with an air operator for the provision of air services and responsible for any subsidisation thereof;
- (r) 'denied boarding' means a refusal to carry passengers on a flight, although they have presented themselves for boarding under the conditions laid down in Article 3(2), except where there are reasonable grounds to deny them boarding, such as reasons of health, safety or security, or inadequate travel documentation;
- (s) 'disabled person' or 'person with reduced mobility' means any person whose mobility when using transport is reduced due to any physical disability (sensory or locomotory, permanent or temporary), intellectual disability or impairment, or any other cause of disability, or age, and whose situation needs appropriate attention and the adaptation to his or her particular needs of the service made available to all passengers;
- (t) 'Economic Operating Licence' (EOL) means an authorisation issued by the Authority, permitting an Omani air carrier to undertake the carriage by air of passengers, mail and/or cargo, or aerial work for hire and reward, in accordance with the conditions stated in the Economic Operating Licence, for remuneration and/or hire or reward;

- (u) 'final destination' means the destination on the ticket or boarding pass presented at the check-in counter or gate or, in the case of directly connecting flights, the destination of the last flight; alternative connecting flights available shall not be taken into account if the original planned arrival time is respected;
- (v) 'flight' means
  - i. with regard to passengers and unchecked baggage, the period of transport of the passengers by aircraft including their boarding and disembarkation;
  - ii. with regard to cargo and checked baggage, the period of transport of baggage and cargo from the moment the baggage or cargo is handed to the air carrier until the moment of delivery to the entitled recipient,
  - iii. with regard to third parties—
    - a. the use of an aircraft from the moment when power is applied to its engines for the purpose of taxiing or actual take-off until the moment when it is on the surface and its engines have come to a complete stop; or
    - b. the movement of an aircraft, by towing and/or push-back vehicles, or by its own propulsion, to allow a departure from a specified airport towards a specified destination;
- (w) 'Foreign Carrier Permit' means a permit issued by the Authority to foreign international airlines that are in possession of the necessary safety authorisations, that authorises them to operate air transport services in conformity with the provisions of an air services agreement between the Sultanate of Oman and the operator's home country;
- (x) 'international airport' means any airport designated as an airport of entry and departure for international air traffic where the formalities incident to customs, immigration, public health, animal and plant quarantine, and similar procedures are carried out;
- (y) 'managing body of the airport' or 'managing body' means a body which notably has as its objective the administration and management of airport infrastructure, and the coordination and control of the activities of the various operators present in an airport or airport system;
- (z) 'Montreal Convention' means the 'Convention for the Unification of Certain Rules Relating to International Carriage by Air', signed at Montreal on 28 May 1999.
- (aa) 'other commercial aviation' means any purpose, other than an air service, for which an aircraft is flown for hire or reward;
- (bb) 'operate', in relation to an aircraft, means to fly or use the aircraft, or to cause or permit the aircraft to fly, be used, or be in any place, whether or not the person is present with the aircraft, and 'operator' has a corresponding meaning;
- (cc) 'operating air carrier' or 'operator' means an air carrier that performs or intends to perform a flight under a contract with a passenger or on behalf of another person, legal or natural, having a contract with that passenger, or for the carriage of cargo;
- (dd) 'person entitled to compensation' means a passenger or any person entitled to claim in respect of that passenger, in accordance with applicable law;
- (ee) 'principal place of business' means the head office or registered office of an air carrier within which the principal financial functions and operational control, including continued airworthiness management, of the air carrier are exercised;
- (ff) 'private flight' means a flight which is not undertaken for hire or reward, or on behalf of a State (e.g. State flights, military, police);

- (gg) 'thin route' means an air route with too few passengers to sustain, on a commercial basis, air services linking an airport in a remote or development region with another airport;
- (hh) 'ticket seller' means the seller of an air ticket who arranges a contract of carriage with a passenger, whether for a flight on its own or as part of a package, other than an air carrier or a tour operator;
- (ii) 'tour operator' means an undertaking that combines two or more travel services (e.g., transport, accommodation, meals, entertainment, sightseeing) and sells them through travel agencies or directly to final consumers as a single product (called a package tour) for a single price;
- (jj) 'traffic right' means a certain right to operate an air service between airports, in accordance with the provisions of an air services agreement;
- (kk) 'remote or development region' means a region or area within Oman for which air services are assessed as being vital to economic development or maintenance;
- (ll) 'reservation' means the fact that the passenger has a ticket, or other proof, which indicates that the reservation has been accepted and registered by the air carrier or tour operator;
- (mm) 'scarce traffic rights' are traffic rights limited in scale and scope by the provisions of the applicable bilateral or multilateral air services agreement, or related arrangements, under which they arise;
- (nn) 'scheduled air service' is typically an air service open to use by the general public and operated according to a published timetable and with such a regular frequency that it constitutes an easily recognizable systematic series of flights;
- (oo) 'SDR' means a special drawing right as defined by the International Monetary Fund;
- (pp) 'ticket' means a valid document giving entitlement to transport, or something equivalent in paperless form, including electronic form, issued or authorised by the air carrier or its authorised agent;
- (qq) 'significant change' and/or 'material change', mean any substantial change in operations, ownership, or management' including, but is not limited to, the following events:
  - i. changes in operations from charter to scheduled service, cargo to passenger service, short-haul to long-haul service, or small-aircraft to large-aircraft operations;
  - ii. the acquisition by a new shareholder or the accumulation by an existing shareholder of beneficial control of ten percent (10%) or more of the outstanding voting stock in the corporation; and
  - iii. a change in the president, chief executive officer or chief operating officer, and/or a change in at least half of the other key personnel within any twelve (12)-month period or since its latest fitness review, whichever is the more recent period;
- (rr) 'undertaking' means any natural or legal person, whether profit-making or not, or any official body whether having its own legal personality or not;
- (ss) 'volunteer' means a person who has presented himself for boarding under the conditions laid down in Article 3(2) and responds positively to the air carrier's call for passengers prepared to surrender their reservation in exchange for benefits;
- (tt) 'Warsaw Convention' means the Convention for the Unification of Certain Rules Relating to International Carriage by Air, signed at Warsaw on 12 October 1929, or the Warsaw Convention as amended at The Hague on 28 September 1955 and the Convention; supplementary to the Warsaw Convention done at Guadalajara on 18 September 1961;

- (uu) 'wet lease' means an agreement under which one operator (the wet lessor) makes available an aircraft with its flight crew to another operator (the wet lessee) and where the wet lessor operates the aircraft on its AOC for the benefit of the wet lessee.

## Chapter II: Licensing of Air Carriers and other Commercial Aviation

### Part 1: Economic Operating Licences

#### Article 1: Requirement to hold a licence or permit

Subject to the provisions of this Part, carriage of passengers, cargo and mail or aerial work for hire and reward to, from or within Oman by an Omani-registered operator may only be undertaken following the issue of an Economic Operating Licence, or in the case of a foreign-registered operator, a Foreign Carrier Permit, or other permission issued by the Authority in accordance with this regulation.

#### Article 2: Safety

An Air Operators Certificate (AOC) granted by the Authority, or in the case of foreign operators granted by their national authority, is an essential precondition for the issue of an Economic Operating Licence or Foreign Carrier Permit and holders of an Economic Operator Licence must always be in compliance with the conditions of the relevant AOC.

#### Article 3: Types of Economic Operating Licence

1. Two classes of Economic Operating Licence are granted by the Authority – Type A and Type B, each of which will state the types of services it authorises.
  - (a) A **Type A** Economic Operating Licence is required by operators of aircraft with 20 or more seats (or with a maximum take-off weight of ten tonnes or more).
  - (b) A **Type B** Economic Operating Licence is required by operators of aircraft with 19 or fewer seats (or with a maximum take-off weight of less than ten tonnes). Type B licences may also be issued at the discretion of the Authority to operators of larger aircraft that does not involve the carriage of passengers.
2. A Type A or Type B Economic Operating Licence is required for the carriage of passengers, cargo or mail (or any combination of these) or aerial work for hire and reward by an Omani-registered air operator. Each enables the holder to engage in the sale and operation of air transport and/or charter services or aerial work, as specified by the licence.
3. An Economic Operating Licence authorises air operations subject to certain conditions (see below). It is a requirement for market entry and has to remain in force for the holder to be able to carry passengers, cargo or mail or perform aerial work for hire or reward.
4. The Authority reserves the right to withdraw an Economic Operating Licence if the activity for which it is granted is delayed beyond 12 months of the grant of the licence. Type A Economic



Operating Licence holders must inform the Authority promptly of any material change in their operations.

5. The submission of false or misleading information in the course of an application for an Economic Operating Licence, or as part of the Authority's ongoing review of an Economic Operating Licence holder's operations, or the failure to comply with any licence conditions specified by the Authority, may result in the withdrawal or amendment of the licence.

#### **Article 4: Place and Nature of Business**

An Economic Operating Licence may be granted only to an air carrier whose principal place of business and registered office (if any) are within the territory of Oman. Further, the main occupation of the licence holder must be solely air transport or air transport combined with other aviation-related activities.

#### **Article 5: Nationality of Ownership and Control**

1. A holder of an Economic Operating Licence must be majority owned (i.e. more than 50%) and effectively controlled by nationals of the Sultanate of Oman or the Government of the Sultanate of Oman. In order to ensure that the Authority can be satisfied that Economic Operating Licence holders continue to meet the ownership and control criteria on an ongoing basis, licence holders are required to provide the Authority with an updated Company Particular Form annually for Type B licences or every six months for Type A licences. Furthermore, all Economic Operating Licence holders are required to inform the Authority within 14 days of any significant change affecting the ownership of the licence holder and/or its parent or ultimate holding company. For the avoidance of doubt, note that nationality requirements pertain to parent and/or ultimate holding company, as well as the legal entity that is the Economic Operating Licence holder.
2. Applicants for an Economic Operating Licence must provide evidence that they are of "good repute" and that none of the persons managing the business is an undischarged bankrupt.

#### **Article 6: Financial Standing**

1. An applicant for a Type A Economic Operating Licence must be able to demonstrate that it can meet its obligations, established under realistic assumptions, and that it can meet its costs for the first three months of operation without any income. Applicants must provide the Authority with a business plan for the first five years of operation to enable the Authority to decide how much capital is necessary to ensure a reasonable chance of sustainable operation. Applicants are required to hold at least 25% equity across each year of operation and maintain share capital commensurate with the scale of operations, as determined by the Authority.
2. The Authority will grant an Economic Operating Licence only when the necessary financial arrangements and other requirements, including safety regulatory requirements, specified by the Authority have been executed or met.
3. Type B Economic Operating Licence holders are not required to provide the financial information set out in paragraph 1, except to the extent necessary to establish compliance with nationality requirements, and to demonstrate a minimum level of capitalisation of 20% equity

across each year of operation, and/or supply the Authority with other information on being requested to do so.

4. Holders of Type A Economic Operating Licences are required to notify the Authority of significant changes to their operations and, if requested to do so, to supply the Authority with revised business plans. The Authority will continue to monitor such licence holders' finances and may suspend or revoke a licence if it is no longer satisfied that the holder can meet its financial obligations for the next 12 months.
5. The Authority will review the finances of Type A Economic Operating Licence holders engaged solely in cargo, sole use charter or air taxi operations and Type B Economic Operating Licence holders once licences have been granted, requiring the provision of sufficient information to establish compliance with nationality restrictions and ongoing minimum capitalisation.

#### **Article 7: Insurance**

1. Holders of Economic Operating Licences must be insured against their liabilities arising from accidents. An applicant for such a licence must provide evidence to the Authority that it has in place adequate passenger insurance, to cover any potential liability in respect of death or injury to passengers and third parties in the event of an accident, as well as insurance against loss or damage to baggage, cargo and third parties.
2. Once an Economic Operating Licence is granted the holder must ensure that it keeps appropriate insurance in place and that the Authority is provided with confirmation of the renewal of insurance policies prior to the expiry of any existing policy. The Authority requires licence holders to provide it with evidence countersigned by the operator's broker that it has obtained the necessary insurance cover at every renewal.

#### **Article 8: Aircraft Leasing**

1. Holders of Economic Operating Licences must operate aircraft registered in Oman, unless granted authorization by the Authority (i.e. on a temporary basis, in exceptional circumstances) to operate non-Omani registered aircraft. In addition, any lease to or by the holder of an Economic Operating Licence granted by the Authority of an Omani or foreign registered aircraft must be approved by the Authority for the purpose of ensuring safety and liability standards in accordance with the applicable civil aviation safety regulations.
2. Aircraft may be "wet" leased by Economic Operating Licence holders from foreign companies for short periods of time, subject to approval by the Authority in accordance with its flight safety regulatory requirements. Requests must demonstrate compliance with one of three criteria:
  - a) Exceptional needs – which has approval duration of not more than 12 months.
  - b) Seasonal capacity needs – which cannot reasonably be satisfied with aircraft registered in Oman – for which the approval can be renewed, or

- c) Operational difficulties - which it is either not possible or reasonable to cover with aircraft registered in Oman – for which the approval will be limited to the duration strictly necessary for overcoming the difficulties.

#### **Article 9: Monitoring Information Required**

Annex I contains lists of the minimum information the Authority will require from licence holders. Part I comprises the items that are required from all licence holders for the purposes of monitoring nationality of ownership and control, financial fitness, tariffs, and insurance cover; Part II contains the aircraft fleet details needed; and Part III lists the financial information required from licence holders that are subject to monitoring. The Authority may require more or less information according to the particular circumstances of the applicant / licence holder. Annex II provides additional guidance on licensing and reporting procedures.

#### **Article 10: Fares and Cargo Rates**

The holder of an Economic Operating Licence or Foreign Carrier Permit may be required to file all or certain fares and cargo rates, together with related conditions for information, or for approval by the Authority. In general, the Authority does not require the filing of such fares and rates, but reserves the right to do so.

#### **Article 11: Statistics**

The Authority will specify detailed Operating Statistics to be provided, and collect these on a monthly, quarterly or annual basis from all Economic Operating Licence holders, with consideration that Type B holders will be required to provide less detailed figures.

#### **Article 12: Procedures**

The Authority will process an application for an Economic Operating Licence promptly and in any event reach a decision not later than three months after all the necessary information has been provided. It will provide written reasons in the case of a refusal. In the case of a refusal, the applicant may submit an appeal in accordance with Chapter 5.

#### **Article 13: Charges**

1. The Authority will set fixed charges for applications for Type A and Type B Economic Operating Licences.
2. The Authority will publish its licensing charges and any amendments to them.

#### **Part 2: Allocation of Scarce Capacity**

1. An Economic Operating Licence holder's ability to operate between Oman and another country can, in some cases, be constrained by restrictions in the relevant Air Services Agreement. These restrictions may limit the traffic rights available in terms of the number of airlines each country can designate, the routes those carriers can operate and the frequency or capacity they can offer.
2. Operation of services on routes for which traffic rights are limited will be subject to Scarce Capacity Allocation Certificates (SCACs). SCACs will specify the route, the level of service authorised, and the date from which services may commence. Economic Operating Licence

holders who wish to operate services on such routes must apply for a SCAC to authorise the service.

3. When there is more than one Economic Operating Licence holder requesting SCACs, and there is insufficient available capacity to meet the demands of all such airlines which want to serve the route or country in question, the Authority will decide how to allocate the scarce capacity.
4. The Authority will publish applications for scarce capacity.
5. An Economic Operating Licence holder may apply to the Authority for the grant of a SCAC (or variation of its SCAC) in order to operate all or some of the services already operated on a capacity-constrained route by another qualifying airline.
6. In reaching a decision on the allocation of scarce bilateral capacity, the Authority will seek to maximise economic efficiency, taking into account the interests of the consumers of the air services in question, the effect on competition and the impact on the Omani economy. When to do so would manifestly enhance the achievement of these objectives, the Authority may consider the substitution of one airline for another on a disputed route, in whole or in part, taking into account the length of time the incumbent has had to establish itself on the route and the degree of commitment it has shown in serving it. The Authority will pay particular attention to the quality of service (capacity, seat availability, frequency, timings and prices) offered by the newcomer relative to the incumbent's established standard, and may request relevant information from the incumbent carrier to assist its decision making. However, the Authority will expect to take a decision to replace an incumbent airline only when an exceptional case has been made.
7. The Authority reserves the right to withdraw SCACs if the activity for which they are granted is delayed more than 6 months beyond the activity commencement date stated in the SCAC allocation. SCAC holders must inform the Authority promptly of any material change in planned or actual operations for which SCACs have been allocated.

### **Part 3: Foreign Carrier Permits.**

1. All commercial air transport and charter services by foreign operators to, from and within Oman, with the exception of certain categories listed below, require a Foreign Carrier permit issued by the Authority. The following flights using non-Omani registered aircraft do not require such permit:
  - (a) private flights;
  - (b) overflights of Omani airspace;
  - (c) State flights undertaken on behalf of a foreign government (for example, flights carrying Heads of State/Government Ministers);
  - (d) flights by military-registered aircraft ('State' not 'Civil' flights);

- (e) positioning, ferry and delivery flights;
  - (f) a flight for the purposes of undertaking repairs, alterations, maintenance or salvage;
  - (g) test flights.
2. However, some of these flights may require approval/exemption from other Omani Government Departments and/or from the Authority in respect of flight safety (in the latter case, for example, with respect to aircraft without a full Certificate of Airworthiness).

## Chapter III: Consumer Protection

### Part 1: Consumer Protection - Delays, Cancellations and Denied Boarding

#### Article 1: Scope

1. This Regulation applies to passengers departing from an airport in Oman on the condition that passengers:
  - (a) have a confirmed reservation on the flight concerned and, except in the case of cancellation referred to in Article 3, present themselves for check-in,
    - i. as stipulated and at the time indicated in advance and in writing (including by electronic means) by the air carrier, the tour operator or an authorised travel agent, or, if no time is indicated,
    - ii. not later than 60 minutes before the published departure time; or
  - (b) have been transferred by an air carrier or tour operator from the flight for which they held a reservation to another flight, irrespective of the reason.
2. This Regulation does not apply to passengers travelling free of charge or at a reduced fare not available directly or indirectly to the public. However, it does apply to passengers having tickets issued under a frequent flyer programme or other commercial programme by an air carrier or tour operator.
3. This Regulation only applies to passengers transported by motorised fixed wing aircraft.
4. This Regulation applies to any operating air carrier providing transport to passengers covered by paragraphs 1 and 2. Where an operating air carrier which has no contract with the passenger performs obligations under this Regulation, it shall be regarded as doing so on behalf of the person having a contract with that passenger.
5. This Regulation does not apply in cases where a package tour is cancelled for reasons other than cancellation of the flight.

#### Article 2: Denied boarding

1. When an operating air carrier reasonably expects to deny boarding on a flight, it shall first call for volunteers to surrender their reservations in exchange for benefits under conditions to be agreed between the passenger concerned and the operating air carrier. Volunteers shall be assisted in accordance with Article 6, such assistance being additional to the benefits mentioned in this paragraph.
2. If an insufficient number of volunteers comes forward to allow the remaining passengers with reservations to board the flight, the operating air carrier may then deny boarding to passengers against their will in accordance with the following:

- (a) Every carrier shall establish priority rules and criteria for determining which passengers holding confirmed reserved space shall be denied boarding on an oversold flight in the event that an insufficient number of volunteers come forward.
  - (b) Such rules and criteria shall reflect the obligations of the carrier to minimize involuntary denied boarding and to request volunteers, and shall be written in such manner as to be understandable and meaningful to the average passenger.
  - (c) Such rules and criteria shall not make, give, or cause any unreasonable preference or advantage to any particular person or subject any particular person to any unjust or unreasonable prejudice or disadvantage in any respect whatsoever.
3. If boarding is denied to passengers against their will, the operating air carrier shall immediately compensate them in accordance with Article 4 and assist them in accordance with Articles 5 and 6.

### **Article 3: Cancellation**

1. In case of cancellation of a flight, the operating air carrier must offer to the passengers concerned:
  - (a) assistance specified in Article 5; and
  - (b) assistance in accordance with Article 6(1)(a) and 6(2), as well as, in event of re-routing when the reasonably expected time of departure of the new flight is at least the day after the departure as it was planned for the cancelled flight, the assistance specified in Article 6(1)(b) and 6(1)(c); and
  - (c) compensation in accordance with Article 4, unless passengers are informed of the cancellation at least two weeks before the scheduled time of departure.
2. An operating air carrier shall not be obliged to pay compensation in accordance with Article 4, if it can prove that the cancellation is caused by extraordinary circumstances which could not have been avoided even if all reasonable measures had been taken. The Authority will be responsible for determining whether or not circumstances are extraordinary, in accordance with Annex IV.
3. The burden of proof concerning the questions as to whether and when the passenger has been informed of the cancellation of the flight shall rest with the operating air carrier.

### **Article 4: Right to compensation**

1. Where reference is made to this Article, the operating air carrier shall provide passengers with compensation amounting to:
  - (a) OMR 108 for all flights of 1,500 kilometres or less;
  - (b) OMR 173 for all flights between 1,500 kilometres and 3,500 kilometres;
  - (c) OMR 260 for all flights not falling under (a) or (b).

In determining the distance, the basis shall be the last destination at which the denial of boarding or cancellation will delay the passenger's arrival after the scheduled time.

2. No compensation shall be provided when passengers are offered re-routing to their final destination pursuant to Article 5, the arrival time of which does not exceed the arrival time of the flight originally booked by one hour.
3. When passengers are offered re-routing to their final destination pursuant to Article 5, the arrival time of which does not exceed the scheduled arrival time of the flight originally booked:
  - a. by two hours, in respect of all flights of 1,500 kilometres or less; or
  - b. by three hours, in respect of all flights of between 1,500 kilometres and 3,500 kilometres; or
  - c. by four hours, in respect of all flights not falling under (a) or (b),the operating air carrier may reduce the compensation provided for in paragraph 1 by 50%.
4. Carriers may offer free or reduced rate air transport in lieu of the compensation due under paragraphs (1)-(3) of this section, if—
  - (a) The value of the transport benefit offered, excluding any fees or other mandatory charges applicable for using the free or reduced rate air transport, is equal to or greater than the compensation payment otherwise due;
  - (b) The carrier fully informs the passenger of the amount of cash compensation that would otherwise be due and that the passenger may decline the alternative transport and receive the cash payment; and
  - (c) The carrier fully discloses all material restrictions, including but not limited to, administrative fees, advance purchase or capacity restrictions, and blackout dates applicable to the offer, on the use of such free or reduced rate air transport before the passenger decides to give up the compensation payment in exchange for such transport.
5. The compensation referred to in paragraphs (1)-(3) of this section shall be paid within 7 days in cash, by electronic bank transfer, bank orders or bank cheques or, with the signed agreement of the passenger, in travel vouchers and/or other services.
6. The distances given in paragraphs (1) and (3) of this section shall be measured by the great circle route method.

#### **Article 5: Right to reimbursement or re-routing**

1. Where reference is made to this Article, passengers shall be offered the choice between:
  - a. reimbursement within seven days, by the means provided for in Article 4(5), of the full cost of the ticket at the price at which it was bought, for the part or parts of the journey not made, and for the part or parts already made if the flight is no longer serving any purpose in relation to the passenger's original travel plan, together with, when relevant, a return flight to the first point of departure, at the earliest opportunity.
  - b. re-routing, under comparable transport conditions, to their final destination at the earliest opportunity; or



- c. re-routing, under comparable transport conditions, to their final destination at a later date at the passenger's convenience, subject to availability of seats.

#### **Article 6: Assistance to Passengers of Delayed or Cancelled flights and for Denied Boarding**

1. Where reference is made to this Article or when an operating air carrier reasonably expects a flight to be delayed on departure for two hours or more, passengers shall be offered –free of charge- by the operating air carrier the following assistance:
  - (a) meals and/or refreshments in a reasonable relation to the waiting time;
  - (b) hotel accommodation in cases
    - where a stay of one or more nights becomes necessary, or
    - where a stay additional to that intended by the passenger becomes necessary;
  - (c) transport between the airport and place of accommodation (hotel or other).
2. In addition, passengers shall be offered free of charge two telephone calls, telex or fax messages, or e-mails. In applying this Article, the operating air carrier shall pay particular attention to the needs of persons with reduced mobility and any persons accompanying them, as well as to the needs of unaccompanied children.
3. Where a flight is delayed or cancelled due to extraordinary circumstances, the operating air carrier may limit the right to hotel accommodation referred to at Article 6(1)(b) to a maximum of three nights.

#### **Article 7: Upgrading and downgrading**

1. If an operating air carrier places a passenger in a class higher than that for which the ticket was purchased, it may not request any supplementary payment.
2. If an operating air carrier places a passenger in a class lower than that for which the ticket was purchased, it shall within seven days, by the means provided for in Article 4(4), reimburse:
  - a. 30 % of the price of the ticket for all flights of 1 500 kilometres or less, or
  - b. 50 % of the price of the ticket for all flights between 1 500 and 3 500 kilometres, or
  - c. 75 % of the price of the ticket for all flights in excess of 3 500 kilometres.

#### **Article 8: Further compensation**

1. This Regulation shall apply without prejudice to a passenger's rights to further compensation. The compensation granted under this Regulation may be deducted from such compensation.
2. Without prejudice to relevant principles and rules of national law, including case-law, paragraph 1 shall not apply to passengers who have voluntarily surrendered a reservation under Article 2(1).

#### **Article 9: Right of redress**

In cases where an operating air carrier pays compensation or meets the other obligations incumbent on it under this Regulation, no provision of this Regulation may be interpreted as restricting its right to seek compensation from any person, including third parties, in accordance with the law

applicable. In particular, this Regulation shall in no way restrict the operating air carrier's right to seek reimbursement from a tour operator or another person with whom the operating air carrier has a contract. Similarly, no provision of this Regulation may be interpreted as restricting the right of a tour operator or a third party, other than a passenger, with whom an operating air carrier has a contract, to seek reimbursement or compensation from the operating air carrier in accordance with applicable relevant laws.

#### **Article 10: Obligation to inform passengers of their rights**

1. The operating air carrier shall ensure that at check-in a clearly legible notice containing the following text is displayed in a manner clearly visible to passengers: "If you are denied boarding or if your flight is cancelled or delayed for at least two hours, ask at the check-in counter or boarding gate for the text stating your rights, particularly with regard to compensation and assistance".
2. An operating air carrier denying boarding or cancelling a flight shall inform each passenger affected of the rules for compensation and assistance in line with this Regulation. It shall also provide each passenger affected by a delay of at least two hours with an equivalent notice. The contact details of the Authority shall be given to the passenger in written form.
3. In respect of blind and visually impaired persons, the provisions of this Article shall be applied using appropriate alternative means.

## **Part 2: Passengers with Reduced Mobility**

#### **Article 1: Scope**

1. This Regulation establishes rules for the protection of and provision of assistance to disabled persons and persons with reduced mobility travelling by air, both to protect them against discrimination and to ensure that they receive assistance.
2. The provisions of this Regulation apply to disabled persons and persons with reduced mobility, using or intending to use passenger air services on departure from, or on transit through, or on arrival at an airport within the Sultanate of Oman.

#### **Article 2: Prevention of refusal of carriage**

1. An air operator or its agent or a tour operator shall not refuse, on the grounds of disability or of reduced mobility:
  - (a) to accept a reservation for a flight departing from or arriving at an airport to which this Regulation applies;
  - (b) to embark a disabled person or a person with reduced mobility at such an airport, provided that the person concerned has a valid ticket and reservation.
2. Notwithstanding paragraph 1, an air operator or its agent or a tour operator may refuse, on the grounds of disability or of reduced mobility, to accept a reservation from or to embark a disabled person or a person with reduced mobility:

- (a) in order to meet applicable safety requirements established by national law or in order to meet safety requirements established by the authority that issued the Air Operator's Certificate to the air operator concerned;
  - (b) if the size of the aircraft or its doors makes the embarkation or carriage of that disabled person or person with reduced mobility physically impossible.
- 3. A disabled person or a person with reduced mobility who has been denied embarkation on the grounds of his or her disability or reduced mobility and any person accompanying this person pursuant to paragraph 4 of this Article shall be offered the right to reimbursement or re-routing. The right to the option of a return flight or re-routing shall be conditional upon all safety requirements being met.
- 4. An air operator or its agent or a tour operator may require, on the grounds of disability or of reduced mobility, that a disabled person or person with reduced mobility be accompanied by another person who is capable of providing the assistance required by that person.
- 5. An air operator or its agent shall make publicly available, in accessible formats and in at least the same languages as the information made available to other passengers, the safety rules that it applies to the carriage of disabled persons and persons with reduced mobility, as well as any restrictions on their carriage or on that of mobility equipment due to the size of aircraft. A tour operator shall make such safety rules and restrictions available for flights included in package travel, package holidays and package tours which it organises, sells or offers for sale.
- 6. When an air operator or its agent or a tour operator exercises a derogation under paragraphs 1 or 2, it shall immediately inform the disabled person or person with reduced mobility of the reasons therefore. On request, an air operator, its agent or a tour operator shall communicate these reasons in writing to the disabled person or person with reduced mobility, within five working days of the request.

### **Article 3: Transmission of information**

- 1. Air operators, their agents and tour operators shall take all measures necessary for the receipt, at all their points of sale, including sale by telephone and via the Internet, of notifications of the need for assistance made by disabled persons or persons with reduced mobility.
- 2. When an air operator or its agent or a tour operator receives a notification of the need for assistance at least 48 hours before the published departure time for the flight, it shall transmit the information concerned at least 36 hours before the published departure time for the flight:
  - (a) to the managing bodies of the airports of departure, arrival and transit, and
  - (b) to the operating air operator, if a reservation was not made with that operator, unless the identity of the operating air operator is not known at the time of notification, in which case the information shall be transmitted as soon as practicable.
- 3. In all cases other than those mentioned in paragraph 2, the air operator or its agent or tour operator shall transmit the information as soon as possible.

4. As soon as possible after the departure of the flight, an operating air operator shall inform the managing body of the airport of destination of the number of disabled persons and persons with reduced mobility on that flight requiring assistance and of the nature of that assistance.

#### **Article 4: Assistance by air operators**

An air operator shall provide reasonable assistance, without additional charge, to a disabled person or person with reduced mobility departing from, arriving at or transiting through airports in Oman enabling the person to board or disembark a flight and shall coordinate that assistance with that provided by the airport, provided that the person in question has purchased a valid contract for carriage on that airline.

#### **Article 5: Assistance by airports**

1. When a disabled person or person with reduced mobility arrives at an airport for travel by air, the managing body of the airport shall be responsible for ensuring the provision of reasonable assistance, without additional charge, to enable the person is able to take the flight for which he or she holds a reservation, provided that the notification of the person's particular needs for such assistance has been made to the air operator or its agent or the tour operator concerned at least 48 hours before the published time of departure of the flight. This notification shall also cover a return flight, if the outward flight and the return flight have been contracted with the same air operator.
2. Where use of a recognised assistance dog is required, this shall be accommodated provided that notification of the same is made to the air operator or its agent or the tour operator in accordance with applicable national rules covering the carriage of assistance dogs on board aircraft, where such rules exist.
3. In the event that no notification is made in accordance with paragraph 1, the managing body of an airport shall make all reasonable efforts to provide assistance in such a way that the person concerned is able to take the flight for which he or she holds a reservation.
4. When a disabled person or person with reduced mobility transits through an airport to which this Regulation applies, or is transferred by an air operator or a tour operator from the flight for which he or she holds a reservation to another flight, the managing body shall be responsible for ensuring the provision of reasonable assistance to enable the person to take the flight for which he or she holds a reservation.
5. On the arrival by air of a disabled person or person with reduced mobility at an airport to which this Regulation applies, the managing body of the airport shall be responsible for ensuring the provision of reasonable assistance to enable the person to reach his or her point of departure from the airport.
6. The assistance provided shall, as far as possible, be appropriate to the particular needs of the individual passenger.

#### **Article 6: Responsibility for assistance at airports**

1. The managing body of an airport shall be responsible for ensuring the provision of assistance within the airport, without additional charge, to disabled persons and persons with reduced mobility.
2. The managing body may provide such assistance itself or may contract with one or more other parties (including any air operators) for the supply of the assistance.
3. The managing body of an airport may, on a non-discriminatory basis, levy a specific charge on all airport users for the purpose of funding this assistance.
4. This specific charge shall be reasonable, cost-related, transparent and established by the managing body of the airport in cooperation with airport users. It shall be shared among airport users in proportion to the total number of all passengers that each carries to and from that airport.
5. If such a specific charge is levied, the managing body of an airport shall make available to airport users, as well as to the Authority, an audited annual overview of charges received and expenses made in respect of the assistance provided to disabled persons and persons with reduced mobility.

#### **Article 7: Compensation for lost or damaged wheelchairs, other mobility equipment and assistive devices**

Where wheelchairs or other mobility equipment or assistive devices are lost or damaged whilst being handled at the airport or transported on board aircraft, the passenger to whom the equipment belongs shall be compensated, in accordance with rules of international and national law.

#### **Article 8: Exclusion of waiver**

Obligations towards disabled persons and persons with reduced mobility pursuant to Chapter III, Part 2 of this Regulation shall not be limited or waived.

#### **Article 9: Enforcement body and its tasks**

The Authority shall be responsible for the enforcement of this Regulation as regards flights departing from or arriving at airports situated in Oman. Where appropriate, it shall take the measures necessary to ensure that the rights of disabled persons and persons with reduced mobility and any person accompanying them are respected.

#### **Article 10: Complaint procedure**

1. A disabled person or person with reduced mobility who considers that this Regulation has been infringed must in the first instance bring the matter to the attention of the managing body of the airport or to the attention of the air operator concerned, as the case may be.
2. If the complaint is not satisfactorily resolved it should be referred to the Authority

## **Part 3: Air Operator Liability In The Event of Accidents**

### **Article 1: Scope**

1. This Regulation implements the relevant provisions of the Montreal Convention in respect of the carriage of passengers and their baggage by air and lays down certain supplementary provisions. It also extends the application of these provisions to carriage by air within the Sultanate of Oman.
2. Concepts contained in this Regulation which are not defined in Chapter 1 shall be equivalent to those used in the Montreal Convention.

### **Article 2: Application of Montreal Convention**

1. The liability of an air operator in respect of passengers and their baggage shall be governed by all provisions of the Montreal Convention relevant to such liability.
2. An air operator shall be insured up to a level that is adequate to ensure that all persons entitled to compensation receive the full amount to which they are entitled in accordance with this Regulation.
3. Article 22(2) of the Montreal Convention allows air carriers to charge a supplementary sum when a passenger makes a special declaration of interest in delivery of their baggage at destination. Such sum, if levied, shall be related to the additional costs involved in transporting and insuring the baggage concerned over and above those for baggage valued at or below the liability limit. The tariff shall be made available to passengers on request.

### **Article 3: Advance Payments**

1. The air operator shall without delay, and in any event not later than fifteen days after the identity of the natural person entitled to compensation has been established, make such advance payments as may be required to meet immediate economic needs on a basis proportional to the hardship suffered.
2. Without prejudice to paragraph 1, an advance payment shall not be less than the equivalent in Omani Rials of 16000 SDRs per passenger in the event of death.
3. An advance payment shall not constitute recognition of liability and may be offset against any subsequent sums paid on the basis of air carrier liability, but is not returnable, except in the cases prescribed in Article 20 of the Montreal Convention or where the person who received the advance payment was not the person entitled to compensation.

### **Article 4: Provision of Information**

1. All air operators shall, when selling carriage by air in the Sultanate of Oman, ensure that a summary of the main provisions governing liability for passengers and their baggage, including deadlines for filing an action for compensation and the possibility of making a special declaration for baggage, is made available to passengers at all points of sale, including sale by telephone and via the Internet.

2. In addition to the information requirements set out in paragraph 1, all air operators shall in respect of carriage by air provided or purchased in the Sultanate of Oman, provide each passenger with a written indication of:
  - i. the applicable limit for that flight on the operator's liability in respect of death or injury, if such a limit exists;
  - ii. the liability of the operator in respect of destruction, loss of or damage to baggage may be subject to convention limits, depending on the convention applicable, and a warning that baggage of high value should be brought to the airline's attention at check-in or fully insured by the passenger prior to travel;
  - iii. the applicable limit for that flight on the operator's liability for damage occasioned by delay.
3. In the case of all carriage performed by air operators, the limits indicated in accordance with the information requirements of paragraphs 1 and 2 shall be those established by this Regulation unless the air operator applies higher limits by way of voluntary undertaking. In the case of all carriage performed by non-Omani air carriers, paragraphs 1 and 2 shall apply only in relation to carriage to, from or within Oman.

## **Part 4: Pricing**

### **Article 1: Tariffs and Pricing**

1. Subject to the provisions of Chapter 2, Part 1, Article 10, Omani air operators and, on the basis of reciprocity, air operators of third countries shall freely set air fares for domestic and international air services operated from the Sultanate of Oman.
2. Air fares for air transport from airports located in the Sultanate of Oman that are available to the general public shall include the applicable conditions when offered or published in any form, including on the Internet. The final price to be paid shall at all times be indicated and shall include the applicable air fare as well as all applicable taxes, and charges, surcharges, and fees which are difficult or impossible for consumers to avoid, and foreseeable at the time of publication.
3. In addition to the indication of the final price, at least the following components of that price shall be specified:
  - a) air fare;
  - b) taxes;
  - c) airport charges;
  - d) payment option fees; and
  - e) other charges, surcharges or fees, such as those related to security or fuel;

where the items listed under (b), (c), (d) and (e) have been added to the air fare rather than presented as an all-inclusive fare. Where additional fees apply in respect of payment options (such as the use of credit cards), the price displayed shall include such fees unless the customer has 'opted-out' of paying them. Optional price supplements shall be communicated in a clear, transparent and unambiguous way at the start of any booking process and their acceptance by the customer shall be on an 'opt-in' basis.

Advertising for air services shall clearly indicate:

- (a) airports served;
  - (b) whether or not the flight involves a stop or connection, and the identity of the operating air carrier for each flight segment.
4. Travel agents and tour operators shall ensure that, in addition to their own applicable conditions, the applicable conditions of the operating air carrier are clearly displayed at the time of booking.
5. Nothing in this Regulation shall be deemed to exempt air carriers, travel agents or tour operators from the provisions of any relevant national and international laws, or the tariff filing provisions of Chapter 2, Part 1 Article (10).

#### **Article 2: Enforcement body and its tasks**

The Authority shall be responsible for the enforcement of Chapter III, Part 4 of this Regulation and for monitoring compliance by air operators, travel agents, and tour operators and, upon giving reasonable notice, may require the disclosure of information relating to flight advertising, pricing, ticket sales and bookings. An entity required to provide the Authority with information may request that some or all of it is treated as confidential and not published, and the Authority will give due consideration to that request.

#### **Article 3: Complaint procedure**

Any person who considers that this Regulation has been infringed must in the first instance bring the matter to the attention of the air carrier or tour operator concerned. The air carrier or tour operator must provide a written response to the complaint within thirty days.

If the complaint is not satisfactorily resolved it should be referred to the Authority.



## Chapter IV: Public Service Obligations

### Article 1: Purpose

1. To take into account the special characteristics and constraints of Oman's regions, in particular their remoteness, small population, and the need to properly link them with central regions; and
2. to provide for the establishment of a public service obligation in respect of scheduled air services between an airport located near an urban centre and an airport serving a remote or development region or on a thin route to any airport where such route is assessed, taking into account alternative modes of transport, as being vital for the economic and social development of the region which the airport serves.

### Article 2: General Principles for Public Service Obligations

1. An assessment of the need for establishing a public service obligation on a domestic route may be undertaken by the Authority, either on its own volition or in response to a request from a remote community seeking to establish air services.
2. The necessity for and the adequacy of an envisaged public service obligation shall be assessed by the Authority having regard to:
  - a) the proportionality between the envisaged obligation and the economic development needs of the region concerned;
  - b) the possibility of having recourse to other modes of transport and the ability of such modes to meet the transport needs under consideration, in particular when alternative modes serve the envisaged route with a travel time of less than three hours and with sufficient frequencies, connections and suitable timings;
  - c) the air fares and conditions which can be quoted to users;
  - d) the combined effect of all air carriers operating or intending to operate on the route.

The standards for frequency and capacity imposed on the route subject to a public service obligation shall be set in a transparent and non-discriminatory way.

3. In the event that the Authority determines that a public service obligation should be imposed on an air route, that obligation shall be imposed only to the extent necessary to ensure on that route the minimum service level that satisfies fixed standards of continuity, regularity, pricing or minimum capacity, which air carriers would not assume if their commercial interest was the sole consideration.
4. In cases where other modes of transport cannot ensure an uninterrupted service with at least two daily frequencies, the public service obligation may require that any air carrier intending to operate the route gives a guarantee that it will operate the route for a certain period, to be specified.

5. When the Authority wishes to impose a public service obligation, it shall communicate the text of the envisaged imposition of the public service obligation to the airports concerned and to any air carriers operating the route in question, and publish information on its website:
  - a) identifying the two airports connected by the route concerned;
  - b) specifying the date of entry into force of the public service obligation; and
  - c) indicating the complete address where the text and any relevant information and/or documentation related to the public service obligation shall be made available without delay and free of charge.
6. When a public service obligation has been awarded the air carrier or carriers to which the award has been made shall be able to offer services provided that the air service in question meets all the requirements of the public service obligation. Consequently that air service shall be considered as a scheduled air service.
7. When a public service obligation has been imposed in accordance with this regulation, any other air carrier shall at any time be allowed to commence scheduled air services on the route if this is operated on a commercial basis.
8. Notwithstanding paragraph 6, if no air carrier has commenced or can demonstrate that it is about to commence sustainable scheduled air services on a route in accordance with the public service obligation which has been imposed on that route, the Authority may limit access to the scheduled air services on that route to only one air carrier for a period of up to three years, after which the situation shall be reviewed.
9. The right to operate the services on a public service obligation route shall be offered by public tender, either singly or, in cases where justified for reasons of operational efficiency, for a group of such routes to any air carrier entitled to operate such air services.
10. A public service obligation shall be deemed to have expired if no scheduled air service has been operated during a period of 12 months on the route subject to such obligation.
11. In case of sudden interruption of service by the air carrier selected, the Authority may, in case of emergency, select a different air carrier to operate the public service obligation for a period up to twelve months, not renewable, under the following conditions:
  - a) the selection shall be made among air carriers in compliance with the principles of transparency and non-discrimination;
  - b) a new call for tender shall be launched.

### **Article 3: Public tender procedure for public service obligation**

1. The public tender required in Article 2(9) shall be conducted according to the procedure set out in paragraphs 2 to 7 of this Article.
2. The invitation to tender and the subsequent contract shall cover, inter alia, the following points:
  - (a) the standards required by the public service obligation;
  - (b) rules concerning amendment and termination of the contract, in particular to take account of unforeseeable changes;
  - (c) the period of validity of the contract;
  - (d) penalties in the event of failure to comply with the contract;
  - (e) objective and transparent parameters on the basis of which compensation, if any, for the discharging of the public service obligations shall be calculated.
3. The Authority shall make the invitation to tender known through an information notice published on its website, and communicated directly to the airports concerned and any airlines operating on the route(s) concerned. The deadline for submission of tenders shall not be earlier than two months after the day of publication of such an information notice. In case the tender concerns a route to which the access had already been limited to one carrier in accordance with Article 3(7), the invitation to tender will be published at least six months before the start of the new concession in order to assess the continued necessity of the restricted access.
4. The information notice shall provide the following information:
  - (a) air route concerned;
  - (b) period of validity of the contract;
  - (c) complete address where the text of the invitation to tender and any relevant information and/or documentation related to the public tender and the public service obligation shall be made available;
  - (d) deadline for submission of tenders.
5. The Authority shall communicate without delay and free of charge any relevant information and documents requested by a party interested in the public tender.
6. The selection among the submissions shall be made as soon as possible taking into consideration the adequacy of the service, including the prices and conditions which can be quoted to users, and the cost of the compensation required from government, if any.
7. The Contracting Party shall compensate an air carrier, which has been selected under paragraph 6, for operating a public service obligation imposed under Article 2 to the specified standards. Such compensation shall not exceed the amount required to cover the net costs incurred in

discharging each public service obligation, taking account of revenue from operation of the route kept by the air carrier and a reasonable profit.

#### **Article 4: Review of public service obligations**

1. Any decision taken to establish a public service obligation air route may be reviewed at any time the Authority believes that the circumstances requiring a public service obligation to be established have materially changed, and shall at minimum be reviewed:
  - a) in the case of any route where operation of services is restricted to a single air carrier, after three years;
  - b) in the case of any route with more than one air carrier operating services, after two years; and
  - c) in any case where an additional carrier commences services on a public service obligation route on a commercial basis, within one year of that additional carrier commencing operation.
2. Reviews of public service obligation routes shall take account of:
  - a) the need for the public service obligation and its compliance with the criteria mentioned in Article 2;
  - b) an analysis of the economy of the region;
  - c) an analysis of the proportionality between the envisaged obligations and the economic development objectives;
  - d) an analysis of the existing air services, if any, and of the other modes of transport available which could be considered a substitute for the continued imposition of a public service obligation air route.
3. At the request of an air carrier which considers that the development of a route is being unduly restricted by the terms of a public service obligation, or on its own initiative, the Authority shall carry out an investigation and, within six months of receipt of the request and in accordance with the procedure referred to in paragraph 2, shall take a decision on the basis of all relevant factors on whether a public service obligation shall continue to apply in respect of the route concerned.

## **Chapter V: Enforcement and Appeals**

### **Article 1: Responsibility for enforcement**

The Authority shall be responsible for the enforcement of this Regulation and shall take all measures to ensure that those rules are implemented.

### **Article 2: Penalties and sanctions**

The Authority shall be responsible for the investigation and determination of penalties for infringements of this Regulation, which shall be effective, proportionate and dissuasive.

The Authority will lay down rules on the penalties applicable to infringements, which may include fines or suspension or revocation of an Economic Operating Licence. The Authority shall notify the offender in writing about the type of the infringement and any penalty it intends to apply in accordance with the Law. Procedures in relation to the suspension and revocation of Economic Operating Licences are given in Annex II.

If the act involves a crime according to the laws, rules and regulations of the Sultanate of Oman, the Authority shall refer the issue to the competent authority.

### **Article 3: Appeals**

In the event that a Party wishes to appeal against any decision taken by the Authority under these Regulations, within 30 days of the relevant decision, the appellant should set out the substance of that appeal in writing and submit it to the relevant contact at the Authority (see Chapter 5).

The Authority will review the appellant's submission and will conduct a further assessment within 30 days of receipt of the appellant's submission. The Authority will advise the appellant in writing of any decision promptly following the decision being made, and will cite the reasons why it has decided not to review or the outcome of its review as appropriate.

## Chapter VI: Contact Information

Contact details for the Authority in relation to the provisions of this regulation are as follows:

<b>Topic</b>	<b>Contact</b>
Licensing of Air Carriers & Permits for foreign airlines	The Director General For Civil Aviation Regulations P.O. Box : 1 , P.C.: 111 , Muscat Sultanate of Oman
Scarce Capacity Allocation	
Consumer Protection: Persons with reduced mobility	
Consumer Protection: Delays & Cancellations	
Public Service Obligations	
Tariff filings	
General enquiries	

## Annex I: Monitoring Information to be provided by Economic Operating Licence Holders

The following table provides an indicative list of the Authority requirements for monitoring information to be provided by holders of Economic Operating Licences.

Information required from all Economic Operating Licence holders	Additional information required from all Type A Economic Operating Licence holders	Additional information required from all licence holders that the Authority has notified as requiring closer financial monitoring	Ad Hoc Requirements
<ul style="list-style-type: none"> <li>• Annual confirmation of Insurance arrangements</li> <li>• Six-monthly confirmation of corporate details (for example, directors, management and shareholders)*</li> <li>• Information on financial fitness as required</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly information on aircraft fleet and fleet financing</li> <li>• Quarterly details of future fleet commitments</li> </ul>	<ul style="list-style-type: none"> <li>• Annual audited accounts</li> <li>• Annual budget and cash flow forecast and supporting assumptions</li> <li>• Monthly management accounts, including cash flow statement and balance sheet</li> <li>• Notification of any significant changes to the nature or scale of operation</li> </ul>	<ul style="list-style-type: none"> <li>• A revised business plan reflecting significant changes to the nature or scale of operations</li> <li>• Airfare, capacity and route data as required</li> <li>• Copies of key documents such as major financing instruments, leases and other contracts</li> <li>• Information on covenants attached to major financing instruments</li> <li>• Information relating to flight advertising, pricing and bookings</li> </ul>

(\*) If significant changes have occurred which might affect the Authority's view of an airline's control, it needs to be notified of such changes as soon as possible; in particular changes to significant shareholdings (those which constitute more than 10% of the total) must be notified within 14 days of their occurring.

## **Annex II: Additional Information on Issue of Economic Operating Licences**

### **General**

This Annex provides additional guidance on the issue and revocation or suspension of Economic Operating Licences, as well as the allocation of scarce capacity.

### **Preliminary Discussion**

Prior to lodging a formal licence application for a Type A licence, intending applicants are invited to have a preliminary discussion with the Authority so that they can be briefed on the availability of traffic rights and any other relevant matters. For this purpose, applicants should contact the Authority via the address given in the Regulations. Applicants for Type B licences may also wish to have a preliminary discussion, if their intended operation includes scheduled or international services. Type B Economic Operating Licence holders are not expected to be eligible for the allocation of scarce traffic rights.

## **I: PROCEDURES FOR THE GRANT, SUSPENSION AND REVOCATION OF ECONOMIC OPERATING LICENCES**

### **Applications for Economic Operating Licences**

1. Applications must be made in writing, stating whether a Type A or a Type B licence is applied for. An application for a Type A Economic Operating Licence must include a full business plan, and include the following information concerning the services proposed:
  - (a) Route(s) to be followed, including all points to be served
  - (b) aircraft type(s) to be operated and, for passenger services, its seating configuration
  - (c) the frequency of the service(s) per week
  - (d) details of any code-share arrangements
  - (e) the date on which it is intended to commence the service(s)
  - (f) a schedule of full passenger fares

Business plans should include key elements of strategy, focus markets, target market segments, value proposition, business model, marketing, sales and distribution plan and high level network plan.

2. The Authority is not obligated to consider licence applications that do not contain all the information necessary to enable a decision to be made, but may inform the applicant of additional information to be supplied to enable the application to be considered. If the Authority proposes to refuse an application for an Economic Operating Licence, it will serve on the applicant notice of its proposal and of the reasons for the proposal. Before making a decision it will consider any representations the applicant may make within 21 days of the date of service of the notice.
3. A Type A or Type B Economic Operating Licence will not be granted to an airline unless it is substantially owned and effectively controlled by Omani nationals. The right of an airline to



operate international scheduled services can otherwise be challenged under most of Oman's bilateral air services agreements. Accordingly, an application must also include evidence showing:

- (a) that Omani nationals -
  - i. own more than 50% of the paid-up capital of the airline, and
  - ii. have effective control of the airline including holding a majority of the positions on the board;
- (b) that the airline's head office and operational base will be in Oman; and
- (c) whether arrangements relating to the operation of the proposed service in effect vest control of the airline in a foreign interest.

#### **Applications for amendment or variation of an Economic Operating Licence**

- 4. Applications for the amendment or variation of an Economic Operating Licence must be made in writing, clearly indicating the variation of licence sought and including all the information necessary to enable a decision to be made.

#### **Procedures where the Authority believes that the Holder of an Economic Operating Licence no longer meets the required conditions, or proposes to Suspend or Revoke an Economic Operating Licence**

- 5. Where the Authority believes that the holder of an Economic Operating Licence may no longer meet the nationality requirements of the Air Transport Regulations, or in cases where the Licence holder has failed to commence authorised services or ceases to operate authorised services, it will serve on the licence holder notice of its belief. It will consider any representations the licence holder may make within 21 days of the date of the notice.
- 6. In cases where the Authority reasonably believes that the company is unable to meet its financial obligations or has been declared bankrupt, that the company has operated services on a capacity constrained route without an appropriate SCAC or where serious consequences may arise from other infringements of this Regulation, it may suspend the Licence with immediate effect.
- 7. If the Authority proposes to revoke an Economic Operating Licence, it will serve on the licence holder notice of its proposal and of the reasons for it. Before making a decision to revoke the Licence, it will consider any representations the licence holder may make within six working days of the date of service of the notice of proposed revocation; and before making any final decision to revoke the Licence, it will consider any representations the licence holder may make within 21 days of service of the notice.

#### **Reasons for Decision**

- 8. The Authority will provide reasons for refusing an Economic Operating Licence to the applicant. In addition, if the Authority revokes or suspends an Economic Operating Licence, it will give the applicant or licence holder written reasons for its decision.

#### **Publication**

- 9. Decisions to grant or revoke Economic Operating Licences will be published by the Authority on its website.

## **Fees**

10. Applications for Economic Operating Licences are subject to a fee. In the event that the licence application imposes a significant workload on the Authority (for example, is unusually complex, or the applicant fails to provide the required information, or such information is not in an easily assessable form), then the Authority may levy a charge proportionate to the amount of work involved.

## **II: PROCEDURES RELATING TO SCARCE CAPACITY ALLOCATION CERTIFICATES**

### **Notifications of capacity constrained routes**

1. The Authority shall publish a list of countries with which it has air services agreements on its website, indicating which of these have constrained capacity and are subject to scarce capacity allocation. Further details of restrictions that apply and existing traffic rights allocations for any market an airline wishes to operate services to may be obtained by application to the contact address given in the Regulations.

### **Applications by qualifying carriers**

2. Applications for a SCAC can be made by any qualifying Omani carrier holding a Type A Economic Operating Licence.
3. Applications for the grant, revocation or variation of a SCAC should be made in writing to the Authority at the address given in the Regulations. All applications should be made on the appropriate form, which may be obtained from the same address. SCAC applications are subject to a fee. This charge will be reviewed periodically.
4. The Authority may refuse to consider an application for the grant, revocation or variation of a SCAC if it has been made less than four months before the SCAC (or variation) is proposed to take effect. The Authority may accept applications on shorter notice, at its discretion, although they will in most cases be subject to a minimum period to allow for the publication process as set out below. The Authority may also refuse to consider applications where the applicant has failed to provide all the information and documents required or failed to pay the applicable charge.

### **Revocation or variation of a SCAC without application being made**

5. There will be routes where the conditions of scarce capacity change or cease to exist, or where there are SCAC applications from carriers on an existing capacity-constrained route. In such cases the Authority may propose to revoke or vary any relevant SCAC. The Authority will publish any such proposal on its website and, where appropriate, advise affected carriers.

### **Objections and representations**

6. An "objection period" will be allowed after publication of any application or proposal, during which written objections or representations may be submitted to the Authority. The normal objection period is 21 days, unless the Authority is satisfied that for reasons of urgency it is desirable to specify a shorter period. A carrier making an objection or representation must

provide a copy to every applicant within 24 hours, and can require the applicant to provide a copy of the application.

### **Decisions of the Authority**

7. The length of time taken to reach a decision will depend on the circumstances of each application. The Authority will aim to issue its written decision and SCAC authorisation within 15 working days of the end of the hearing, or as quickly as possible thereafter. The Authority will publish its decision with reasons on its website and in writing to each applicant airline.

### **Enforcement**

8. The Regulations make it an offence to operate for reward any service on a capacity-constrained route without an appropriate SCAC, and they permit the Authority to impose sanctions which may include suspension or revocation of an Economic Operating Licence.

### **Appeals**

9. The Board of Directors of the Authority is the authority to which any appeal against the decisions of the Authority may be made in writing, providing that such appeal is made within 30 days of the date of the decision concerned.

## **III: GUIDANCE ON CASES RELATING TO THE ALLOCATION OF SCARCE BILATERAL CAPACITY**

### **Introduction**

1. The Authority's decisions regarding the grant of scarce bilateral capacity are based on all the evidence presented by the parties concerned. The evidence an applicant airline uses to support its case is a matter for its commercial judgement. This annex is intended to provide guidance on the evidence that would be most helpful to the Authority's consideration of the benefits to users of the proposed use of scarce bilateral capacity.
2. This guidance can only be set out in broad terms since detailed and precise guidelines are unlikely to be useful: international experience shows that circumstances differ from case to case and airlines differ in their views of market definition and other issues.
3. Note that in cases where there are competing requests for scarce capacity, or in the case where an air carrier is seeking the transfer of scarce capacity from another carrier, the Authority will expect detailed information on the forecast passenger benefits arising. Attention is therefore drawn to the guidance on passenger benefits below.

### **Passenger Benefits**

4. Oman's air transport policy expects that scarce capacity will be used in a way that sustainably produces the most benefit to passengers and supports continued development of Oman's aviation sector. The Authority will expect each applicant to have a section as part of its written submission which sets out the passenger benefits it intends to generate from its proposal.
5. An air route will often serve a number of different types of demand, such as point-to-point and connecting passengers. The benefits to passengers of a new service might stem from lower prices and/or from a more convenient and higher quality product. In some cases the benefits

may be restricted to those enjoyed by passengers who travel on the proposed service, but in other cases benefits may be enjoyed by all the passengers on the route, for example because of increased competition. In addition to the existing passengers travelling directly or indirectly, other passengers who may benefit are those who might otherwise have travelled but to another destination (“diverted” passengers) or those who would not have travelled at all without the new service (“generated” passengers).

6. The Authority will expect each applicant to set out what the benefit to passengers of its proposals will be, with supporting evidence on how this benefit is distributed among the different traffic flows and the different passenger types, distinguishing between fare and non-fare benefits.
7. This supporting evidence, quantified to the maximum extent possible, should indicate:
  - the main traffic flows affected by an applicant’s proposals;
  - the current size of those flows and their expected growth rate in the near future;
  - the current passenger mix in these flows;
  - the pricing and service proposals for each of the affected flows;
  - the extent to which traffic from these existing flows will use the proposed services;
  - the degree to which demand is stimulated;
  - the price and other benefits that the applicant’s proposals will bring compared with the existing situation; and
  - the way in which the benefits of these proposals split between Omani and foreign residents.
8. The applicant should state what assumptions have been made not only about its own proposal but also about the expected commercial responses of other airlines.
9. Airlines are required to submit a three-year cost/revenue forecast. The evidence on passenger benefits should reflect this forecast and indicate how the level of benefits may change over the forecast period.
10. It should be noted that the Authority will consider all information presented to it that is made available to all other parties seeking or holding the traffic rights in question. This means that the Authority will exclude from consideration any information presented by any party on a confidential basis. The Authority has adopted this policy in order to maximise the fair and transparent nature of the hearing process. However, as outlined in II (9) above, the Authority may at its discretion exclude the public from part or all of a hearing when dealing with confidential matters and not make confidential parts of the transcript available to the public.
11. Finally, it must be stressed again that it is the decision of each party to present the factors it considers most important and to put forward factors other than those described here if it believes them to be of relevance.

#### **IV: TARIFF FILINGS – FARE CONDITIONS AND FORMAT OF TARIFF FILINGS**

##### **Fare conditions to be filed**

1. The fare conditions (whether in the form of rules or footnotes) to be filed are those specifically supporting those fares that themselves may require filing. Where the fare rule is not described in a particular rule category, it will be assumed that there is no restriction in that category.

2. There is no requirement to file general tariff conditions that are not specific to a fare type. These include generalised fare construction rules, even those that potentially affect the fare level on more complicated journeys, for example mileage system or higher intermediate fare rules. They also include charges for excess baggage. However commission rates and related conditions may need to be filed.

#### **Format of tariff filings**

3. Tariff filings should conform to the format requirements specified by the Authority, who may refuse to accept filings unless they conform to such requirements.
4. Tariff filings must be submitted by e-mail, fax or post (in this order of preference), or by a filing agent for electronic tariffs to the address given in the Regulations as per previous agreement with the Authority on the means of submission.
5. An airline may appoint an agent to file on its behalf. Filings by that agent must clearly identify the airline(s) on behalf of which it is filing. An appropriate authorisation must be lodged with and agreed by the Authority before any such arrangements take effect.
6. The format of filings made electronically shall be agreed between the Authority and the filing agent concerned before filing commences.
7. Fares filed by post, fax or e-mail must include fare codes and levels in the currency of sale, together with supporting conditions (see "fare conditions to be filed" above) including any relevant add-on amounts. Each page should show the date of issue, the proposed date of effect, the expiry date and a sequential filing reference number. Further guidance can be provided to airlines on request.
8. All filings must be clear and unambiguous. References to IATA Resolutions will not be accepted. Filings must be accompanied by a clear summary of the changes being proposed.

## Annex III: Company Particulars Form

### General Information

<b>Name of Licence Holder (including any trading name)</b>	
<b>Address</b>	
<b>Telephone Number:</b>	
<b>Email Address:</b>	
<b>Website Address:</b>	

### Shareholders/ Ownership

Please provide current/ proposed shareholding arrangement between Omani and non-Omani entities

Shareholder/ Owner	Percentage Shareholding/ Ownership
Omani	
Non-Omani	

Please provide current/ proposed Board structure and control between Omani and non-Omani entities

Board Member	Percentage of Board's voting rights
Omani	
Non-Omani	

Please list below details of each person or company holding more than 5% of the total issued shares in the Applicant.

Full name of shareholder	Nationality	Number of Shares	% of Total Shares

**Name of parent company (if any) and date and place of incorporation**

**Name of ultimate holding company (if any) and date and place of incorporation**

If the Licence Holder is a subsidiary of another company, please list below details of each person or company which holds more than 5% of the total issued shares in the ultimate holding company.

<b>Full name of shareholder</b>	<b>Nationality</b>	<b>Number of Shares</b>	<b>% of Total Shares</b>

### ***Senior Management***

Please list below details of the Licence Holder's senior management:

<b>Full name of senior manager</b>	<b>Position</b>	<b>Nationality</b>

### ***Financial arrangements***

Please give details of any financial or other arrangements currently in place or proposed which may have a bearing on control of the Licence Holder.

<b>Funding</b>	<b>Amount</b>	<b>Source</b>
<b>Equity</b>		
<b>Debt</b>		

**List any guarantees or support undertakings that the Licence Holder currently has or proposes to get in the future:**

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**List any loans other than those provided by a bank or financial institution that the Licence Holder currently has or proposes to get in the future:**

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**List any aircraft leases other than those provided on normal commercial terms that the Licence Holder currently has or proposes to get in the future:**

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**Describe any operational or commercial agreements involving another airline that the Licence Holder currently has or plans to have in the future:**

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**Provide any additional information:**

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## Annex IV: Guidance on “Extraordinary Circumstances”

Extraordinary circumstances that may lead to the delay or cancellations of flights without incurring liability to compensate passengers are subject to the general principle that an extraordinary circumstance must meet the three criteria: **unpredictable, unavoidable and external**. The following list describes circumstances listed that are likely to constitute extraordinary circumstances for the purpose of the Regulation, however the Authority will examine individual cases to determine whether distinguishing factors exist. It should be noted that disruptions during busy periods, for example Hajj flights, are also subject to these criteria.

In any case of an extraordinary circumstance causing delay or cancellation of flights, the air carrier must provide proof of the circumstances alleged and it must also clearly demonstrate how these circumstances resulted in the flight disruption. After demonstrating the existence of extraordinary circumstances, the air carrier must also explain what reasonable measures it took to subsequently avoid the disruption.

No.	Category	Incident
1	War / Political	Unforeseen disruption arising from war & political instability of any kind where travel is not recommended.
2	War / Political	Where the supply of aircraft fuel is limited or unavailable at short notice and without pre-notification.
3	Unlawful acts	Unlawful acts (for example terrorism).
4	Sabotage	Acts of sabotage to the aircraft scheduled to operate the flight or the air carrier’s fleet.
5	Security	Closure of the airport of departure or the airport of arrival without pre-notification for security reasons.
6	Security	Bomb discovery or bomb scare either onboard the aircraft or at the airport of departure or the airport of arrival.
7	Security	Hi-jacking of the aircraft.
8	Security	Removal of unaccompanied baggage due to a serious security concern.
9	Security	Removal of an unruly passenger from the aircraft for security reasons - thereby causing either a flight delay or diversion.
10	Meteorological	Weather conditions incompatible with the safe operation of the flight. These weather conditions may be forecast to arise at either the airport of departure, the airport of arrival or along the intended flight path of the aircraft.
11	Meteorological	Closure of either the airport of departure or the airport of arrival due to meteorological conditions.
12	Meteorological	Weather conditions resulting in capacity restrictions at either the airport of arrival or the airport of departure.
13	Meteorological	Damage to the aircraft which could affect the safety of the flight or the integrity of the aircraft and requires immediate assessment and/or repair and caused by other meteorological events (for example: lightning strikes, hailstones, thunderstorms, severe turbulence etc).
14	Airport closure	Closure of either the airport of arrival or the airport of departure for non-security and non-meteorological reasons.
15	Medical grounds	Passenger or crew member becomes seriously ill or dies on-board or during the flight.
16	Bird strike	Bird-strikes to the aircraft during a flight which might cause damage which requires immediate compulsory checks and possible repair.
17	Manufacturing	Discovery of a hidden manufacturing defect by the air carrier (this is

	defects	often noted by unusual failure of the same aircraft part.
18	Unexpected flight safety shortcomings	Damage to the aircraft primary or secondary structure (e.g. metallic or composite structure) caused by third parties on the ground prior to the departure of a flight and requiring immediate assessment and/or repair. For example a collision between an airport vehicle and an aircraft.
19	Unexpected flight safety shortcomings	In-flight damage to the aircraft during the preceding flight, caused by a foreign-object, and which requires immediate assessment and/or repair.
21	Unexpected flight safety shortcomings	Any technical issues which cause the pilot to carry out an aircraft turnaround or diversion.
22	Unexpected flight safety shortcomings	Failure of the bleed-air system/environmental control system on an aircraft (which had been properly maintained) either immediately prior to departure or in-flight.
23	Unexpected flight safety shortcomings	Premature failure of life-limited parts (as referenced in applicable maintenance data, contained within the aircraft maintenance manual, or Maintenance Planning Document (MPD), or Maintenance Review Board Report (MRBR)) prior to their scheduled inspection/removal/retirement date (where those parts had been maintained in accordance with the required maintenance programme).
2	Unexpected flight safety shortcomings	Failure of on-condition/condition monitored parts i.e. parts which should not require unscheduled maintenance or replacement during normal operational service (for example propeller oil-temperature gauges. The premature failure of these parts during normal operational service when maintained in accordance with the maintenance programme is unpredictable).
24	Unexpected flight safety shortcomings	Failure of necessary or required aircraft systems (for example the cooling system, avionics system, flight control system, flaps, slats, rudders, thrust reverser, landing gear) either immediately prior to departure or in-flight (where those systems had been maintained in accordance with the required maintenance programme).
25	Unexpected flight safety shortcomings	Any other technical defects which become apparent immediately prior to departure or in-flight (where the system or part had been maintained in accordance with the required maintenance programme) and which require investigation and/or repair before the aircraft is airworthy for the intended flight.
26	Unexpected flight safety shortcomings	Smoke, fire or fumes on board the aircraft unless the problem has been caused by a part not being maintained in accordance with the required maintenance programme or due to a failure to follow appropriate operational procedures.
27	Industrial Relations issues	Strikes that affect the operation of an air carrier. For example strikes undertaken by Air Traffic Control.
28	Air Traffic Management	Where Air Traffic Control suspends or restricts operations out of the airport of departure or into the airport of arrival.
29	Air Traffic Management	Where Air Traffic Control suspends or restricts operations into or out of a block of air-space through which the air carrier must travel in order to operate the flight.

**List of circumstances which are NOT extraordinary**

Whilst the circumstances listed below are unlikely to constitute extraordinary circumstances for the purpose of the Regulation, where an air carrier alleges that the incident is in fact extraordinary and meets the unpredictable, unavoidable and external criteria for extraordinary circumstances, the Authority may examine individual cases to determine whether distinguishing factors exist.

No.	Category	Incident
1	Technical Issues	Technical issues which arise as a result of the air carrier's failure to maintain its aircraft in accordance with the required maintenance programme.
2	Technical Issues	Technical issues which were found during maintenance where the part or system in question was scheduled to be checked.
3	Crew Out- of- Hours	When this occurs as a result of poor operational planning by the air carrier and inadequate flight and turnaround times being allocated for the aircraft.
4	Absence of correct Flight Documentation	Where the failure to prepare and submit the documentation necessary to operate the flight was due to factors within the air carrier's control.
5	Safety Assessment of Foreign Aircraft (SAFA) Inspections	SAFA aircraft inspections which reveal technical issues which require immediate assessment and/or aircraft repair. (These are issues that should have been addressed during the normal maintenance or operation of the aircraft)
6	Industrial Relations Issues	Strike action by the operator's own staff