

NATIONAL AVIATION POLICY

2019



“My message to you all is of hope, courage and confidence. Let us mobilize all our resources in a systematic and organized way and tackle the grave issues that confront us with grim determination and discipline worthy of a great Nation.”

Quaid-e-Azam Muhammad Ali Jinnah

(Eid-ul-Azha message to the Nation, October 24, 1947)

Prime Minister's Message



The National Aviation Policy 2019 is based on modern aviation concepts and is aligned with the vision of the present Government to revive Aviation Sector and to promote tourism and religious tourism in Pakistan.

The National Aviation Policy 2019 aims to induce competitiveness in the industry and enhance regional air connectivity. The new initiative of tourism promotion, embedded in the Policy, will not only bring economic benefits to the country but also project the image of Safe, Secure and Beautiful Pakistan across the world.

I am confident that the new policy will open new vistas of success and would also bring about dynamic change in the Aviation Sector, while attracting direct and indirect investments. This Policy will also act as a catalyst for broad based economic development with significant contribution towards our goal of "Naya Pakistan".

I congratulate the Federal Minister for Aviation, Secretary Aviation Division and his team for finalizing this progressive document aimed to turn around the Aviation Sector in the country.

Imran Khan
Prime Minister of Pakistan

Message from Minister for Aviation



“Previous National Aviation Policy was formulated in 2015. This policy served its purpose for that time; however, the dynamic nature of aviation necessitates appropriate and timely adaptation to the required changes. Under the dynamic leadership of Prime Minister of Pakistan and his strategic vision to widen the base of aviation sector by reducing the cost of doing business, this policy embraces globally accepted best practices and draws a road map for implementation of safety, security and quality standards, while ensuring growth.

The impact created by the aviation industry goes way beyond economic benefits. More importantly, growth in aviation brings people and countries of the world closer. The new policy is cognizant of the challenges that this sector in general and our domestic operators in particular faces and is resolute to undertake bold steps to enhance consumer confidence and growth of the aviation sector while staying compliant to the ICAO standards.

I am highly indebted to my predecessor Mr. Muhammad Mian Soomro ex Minister for Aviation for providing impetus to its visualization and smooth approval process. At the same time wholehearted involvement of Aviation Division, Civil Aviation Authority and valuable involvement of all stakeholders at every stage of its formulation is commended for the success of the new Aviation Policy 2019.”

Ghulam Sarwar Khan
Minister for Aviation

Message from Secretary Aviation / DG CAA



National Aviation Policy 2015 was implemented in March 2015 after a gap of 15 years. Immediately after its implementation a number of inadequacies which included, very high cost of doing business due to high paid up capital and security deposit requirements, stringent aircraft age/life requirement, unfavourable land lease/rent policy and high PCAA/FBR charges etc. came to light. In order to remove these impediments, Prime Minister of Pakistan tasked Aviation Division to revise and rationalize National Aviation Policy.

Since then a lengthy Policy review process started at Aviation Division and PCAA was tasked by Aviation Division to steer the whole process. It is heartening to mention that at all stages of the review process, all aviation stakeholders were kept on board to make the policy more encompassing and forward looking. As per the directives of the Prime Minister, the PCAA charges have been reviewed and totally rationalized in the domestic sector. This has been done to reduce the cost of doing business and ensuring the ease of doing business.

The main purpose of revising this policy was to ensure growth of aviation business in Pakistan, create new business opportunities with widening base which in turn would increase revenue and more importantly attract direct and indirect investments along with job opportunities. Another important aspect was to safeguard the interest of our national and other domestic carriers against unhealthy competition while at the same time to provide opportunity to international carriers to make Pakistan a dream destination. It is hoped that the new National Aviation Policy 2019, will go a long way in addressing the hold-ups in growth of National Aviation Sector.

Shahrukh Nusrat
Secretary Aviation / DG CAA

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PREAMBLE

Aviation plays a pivotal role in the growth of trade, tourism and economy. The equivalent of more than half of the world's population (4.1 billion travelers) flew safely on 41.8 million flights in 2017. The demand for air passenger services grew strongly in 2017, with industry-wide Revenue Passenger Kilometers (RPKs) increasing 8.1%. This is the fastest growth in more than a decade, since 2005 and is well above the long-run average of 5.5%. International tourists traveling by air are estimated to have spent $711 billion in 2017, an increase of almost 6% over 2016. More and cheaper city connections also boost trade in goods and services and heighten Foreign Direct Investment and other important economic flows. Although more than Approx. 99% of world trade by weight is by surface transport, whereas, more than one-third by value is transported by air. International Air Transport Association (IATA) estimates the value of goods carried by air in 2017 to have been $5.9 trillion, representing almost 7.5% of world GDP. Passenger growth in 2017 was supported by a broad-based improvement in global economic conditions and by lower airfares, mainly earlier in the year. Lower fares have been a tailwind for passenger demand since late 2014 and have helped to drive the RPK/GDP multiplier above its long-term median level for three years in a row (IATA Annual Review 2018).

Airport and airspace capacity has already saturated. The existing air passenger traffic of 4.1 billion (ICAO) will double in the next 15 years globally (IATA/ICAO forecast). This will pose challenges in terms of safety, security, efficiency, capacity and environment. As such, Pakistan will face the same challenges as the rest of the world. In Pakistan, aircraft movements on an average grew by 7.1% and passenger traffic by 6.3% (PCAA Statistics) in the last five years and it is expected that air traffic will grow even more in view of economic progress and socio-economic stability being pursued by the present government.

A clear policy framework for Aviation Sector needs to be incorporated for sustained growth and to meet the emerging challenges narrated above. This policy framework is therefore aimed at aligning with ICAO strategic objectives related to safety, air navigation capacity & efficiency, security, passenger facilitation, economic development, aircraft manufacturing, licencing, maintenance & repair, environmental protection, etc.

The existing regulatory mechanism of aviation safety and security oversight will be strengthened. Airports and airspace infrastructure will be developed for efficient and sustainable air transportation in the country. Quality of airport services will be improved through state-of-the-art technology, modern infrastructure, improved logistics and the best international work practices. The procedures and processes will be made simple,

transparent and hassle-free through e-Governance. Public-Private Partnership (PPP) models may also be introduced for the operation, management and development of airports. Air Navigation infrastructure will also be upgraded in the light of ICAO Global Air Navigation Plan (GANP) to achieve objectives of safety, efficiency, capacity and environmental protection.

In order to improve the quality of air travel and to make it affordable, incidence of taxation on tickets will be rationalized. The competition between domestic operators will be promoted through provision of a level playing field for all. For the growth of air travel, domestic carriers will be given incentives through exemption of duties and taxes on the import of aircraft and/or its spare parts through a simple procedure. Airline operators will be encouraged to induct fuel-efficient aircraft. Efforts will be made to improve air travel connectivity across all parts of the country and at the regional level. Airline operations on feeder service routes will also be incentivized. Foreign Direct Investment (FDI) will be encouraged in the airline sector. Aviation Sector in the country will be liberalized by allowing market forces to determine the price, quality, frequency and range of air service options.

General Aviation (GA) is vital for the growth and promotion of aviation activities in the country. It is also one of the drivers of the national economy. Therefore, besides routine training of aviation personnel, potential of GA will be exploited for other areas like aero-sports and tourism etc. Befitting incentives shall be offered for the growth of this sector.

Keeping in view the fast-changing technology of aviation industry, training and skill development of personnel will be given high importance. Therefore, the whole value chain of the Aviation Sector, including regulatory body, airports, flying clubs, flying/ground schools, airlines/operators, AMOs, MROs, ground handlers, aircraft manufacturers and human resource, will be synchronized for the growth of safe air travel and the national economy at large.

Vision

"Safe, secure, efficient, profitable, sustainable and facilitating Aviation Sector in Pakistan at par with best international aviation practices, contributing to national development based upon the organic market growth"

Key Objectives

- To improve governance and oversight for the compliance with ICAO standards of aviation safety, security, efficiency, climate change and facilitation.
- To ensure safe, secure, efficient and a commercially viable Aviation Sector including aircraft design/manufacturing and to develop state-of-the-art infrastructure, which contributes positively towards the national economy.
- To provide a level playing field for all national operators to grow and compete successfully in both domestic and International markets ensuring commercial reciprocity based upon organic growth.
- To incentivize the Aviation Sector for socio-economic growth.
- To create conditions conducive to affordable general aviation activities, i.e., sports flying and inter-city air travel by private aircraft/air-taxi service/Charter & Aerial Work operations, etc.

CHAPTER-1

REGULATORY ENVIRONMENT















For the purpose of Regulatory and Administrative functions/oversight Aviation Division under the Secretary Aviation and Pakistan Civil Aviation Authority (PCAA) under Director General Civil Aviation Authority shall have the Executive/Administrative Authority to ensure safe, secure, efficient, profitable, sustainable and facilitating Aviation Sector. Efforts would be made to ensure operations and regulatory oversight in Pakistan at par with best international aviation practices. The ultimate aim would be to contribute to national development based upon the organic market growth.

1.1 Safety

Pakistan Civil Aviation Authority (PCAA) will implement the State Safety Program (SSP) and Safety Management System (SMS) as per ICAO requirements. Under this program, it will be ensured that relevant service providers implement the Safety Management Systems (SMS), proactively identify safety hazards and apply risk management principles for mitigation of these hazards. A State-Safety database will be developed to act as a basis for the identification of safety risks.

PCAA shall regulate safety activities of Aviation Sector. State Safety Goals shall be aligned with ICAO Global Aviation Safety Plan (GASP).

From specific aviation safety perspective, major focus shall remain on areas of runway safety, Controlled Flight Into Terrain (CFIT), Loss of Control in Flight (LOC-I), ramp safety, ATCOs and flight crew trainings and licences, enhancement of language proficiency of pilots and controllers, aerodrome certifications, transportation of dangerous goods, continuing airworthiness and human factors.

1.1.1 Continuous Monitoring Approach

Pakistan shall prepare for the Continuous Monitoring Approach stipulated in ICAO SMS, such as Manual 9859 of ICAO and other relevant ICAO documents for safety audits published from time to time.

1.1.2 Aircraft Accident Investigation Board (AAIB)

The Aircraft Accident Investigation Board shall be independent. It is essential that the board, commission or any other body tasked with carrying out investigations of aircraft accidents and serious incidents should be qualified professionals so that the findings and safety recommendations of the investigation are of high standards, undiluted and beneficial for the Aviation Sector.

AAIB would carry out investigations pertaining to aircraft accidents and serious incidents involving any aircraft operating in Pakistan. However, if a Pakistan registered aircraft encounters any accident and/or incident outside Pakistan, it may also be investigated by AAIB, if requested

by the state where accident/incident occurs, on the authorization of the Aviation Division. Adequate financial resources shall be provided to the AAIB through the Aviation Division. The investigations will be completed within a specific time-frame. Findings & recommendations of AAIB shall be shared with all stakeholders including joint user airfield, to help adopting a proactive approach to avoid future recurrence wherever required. Implementation of recommendations of these investigations will be reviewed periodically by the Ministry/Division concerned.

1.2 Security

PCAA shall be the Security Regulator and shall conduct audits, tests, surveys and inspections on a regular basis to verify compliance with the National Civil Aviation Security Program (NCASP) and National Civil Aviation Quality Control Program (NCAQCP). In order to safeguard security services, the ASF shall ensure security of all airports and allied infrastructure as per ASF Ordinance 1975 which dictates, "ASF is responsible to Federal Government for ensuring security of all airports/aerodromes, aircraft, civil aviation installations belongs to operator, Government/Non-Government organization and safe-guarding civil aviation against act of unlawful interference within limit of civil airports and maintenance of law and order therein, and matters connected thereto".

Existing security mechanism at airports shall be strengthened by introducing state-of-the-art technology and pertinent security equipment. This, however, should not add inconvenience to the passengers.

For efficient security management at airports, coordination will be improved amongst PCAA, ASF, local military authorities, paramilitary forces, intelligence agencies and local police as per the Airports Security Policy.

Airport policing would also be made more effective and efficient. Capacity-building of PCAA Aviation Security & ASF shall be enhanced with training, equipment and best work practices. Special training modules for all type of threats and emergencies shall be developed for ASF.

Compliance with ICAO facilitation standards related to Travelers Identification Program (TRIP), Machine Readable Travel Documents (MRTDs) and Biometrics shall be implemented.

Layered security system shall be implemented in letter and spirit and its quality should also be enhanced. This system shall be made as hassle-free as practically possible for all travelers.

The Government will formulate appropriate mechanism to monitor and regulate land use activity including construction and other activities, outside the perimeter wall up to a distance of 100 meters for all airports and to address security and safety concerns arising there from.

Suitable policy guidelines will be developed for operation of Remotely Piloted Aircraft Systems (RPAS)/Drones and their use for civil operations, in consultation with the Ministry of Defense and the Ministry of Interior.

1.3 Role of PCAA as a Regulator & Service provider

PCAA is a service provider of Airport Services and Air Navigation Services. Simultaneously, it is also a regulator of these two services. This inherently creates a conflict of interest. Therefore, the role of PCAA as a regulator shall be made independent of service providers with financial and administrative autonomy within a period of two years. By setting up a Regulatory Cell within PCAA, organizational change modalities and structure of the regulator shall be achieved with minimal adverse collateral disadvantage.

1.4 Aviation & Economic Oversight

1.4.1 Aviation Oversight Committee

In order to address the suggestions/grievances of stakeholders, Aviation Oversight Committee will be formed and shall consist of members, to be notified by Aviation Division, comprising of all the relevant stakeholders, who will meet quarterly under the chairmanship of Secretary Aviation. Aviation Oversight Committee shall have advisory responsibility of oversight of Pakistan's Aviation Sector in both domestic and international markets. The committee will examine the collected, collated and analyzed relevant data on Aviation Sector for performance analysis of existing operators so as to monitor impediments and anti-competitive trends. The roles and tasks of the Committee shall be governed by relevant instructions issued by Aviation Division.

1.4.2 Economic Oversight Cell

Economic Oversight is an essential requirement of the Aviation Sector and is also recommended by ICAO. As the involvement of private sector for the operations and management of airports is being encouraged, therefore, the role of Economic Oversight will assume greater significance. It will also oversee financial stability of airlines and other related issues including airline mergers, acquisitions, domestic and international code-share alliances and other joint venture agreements, immunized international alliances between Pakistani and foreign carriers and biases or preferential routing, frequency allocation, slots, etc. allocated to airlines, thus ensuring a fair and competitive environment, in the larger interest of passengers and other stakeholders.

The main purpose of Economic Oversight Cell shall be to achieve a balance between the interests of Airports Services (APS) and Air Navigation Service Providers (ANSPs) including Government-operated providers and those public policy objectives that include but are not limited to the following:

a. Minimize the risk of Airports Services (APS) and ANSPs engaging in anti-competitive practices or abusing any dominant position they may have.

b. Ensure non-discrimination and transparency in the application of charges.

c. Ascertain that investments in capacity meet current and future demands in a cost -effective manner.

d. Protect/facilitate the interests of passengers and other end-users.

1.5 Effect of Taxation on Aviation

Excessive taxation on air transport usually has an adverse impact on the growth of Aviation Sector as well as economic and social development. When a new tax on aviation is introduced, it is transferred to the consumer by increasing the price of the ticket/air-travel/cargo. During the course of revision of aviation policy it has been learnt that excessive taxation by FBR has led to restricting the growth of civil aviation activities in Pakistan. To foster growth and incentivize consumers, effect of taxation has been given due consideration to rationalize its impact.

1.6 Total Economic Impact of Aviation

The total economic impact of aviation activity is the sum of direct, indirect and induced impacts. Employing labor, purchasing locally produced goods and services and contracting for construction and capital improvements are all activities that generate **direct impacts.** The **Indirect impacts** derive from off-site economic activities that are attributable to the business activities of the aviation companies. It is the number of jobs created at those firms that supply ancillary services for individuals who are employed in aviation industries and for customers of the firms. **Induced impacts** are the result of the spending of wages and salaries of the direct and indirect employees on items such as food, housing, transportation and medical services. These are the multiplier effects caused by successive rounds of spending throughout the economy as a result of the direct and indirect effects.

The above examples clearly indicate that aviation supports economic growth much more than commonly understood. Liberalization, tax abolishment as well as other incentives have a long lasting positive impact on the national economy, particularly for countries with developing economies.

1.7 Taxes/Charges Incentives for Aviation Sector

In principle, tax relief would be on investment and to incentivize air travel. For airline taxes would be commensurate and levied on revenue taking into consideration the profitability. Fiscal

incentives on Aviation Sector will be announced through Budget after due approval of Parliament. Tax relief/incentives by FBR shall be applicable with effect from 1st July of the budget year. The FED rates would be made reasonable to support the airline operators.

1.7.1 F.E.D/PCAA Charges

In order to revive the Aviation Sector in Pakistan, the Federal Government (FBR) may consider exemption of taxes and duties on the investments made in Aviation Sector such as airport infrastructure development, flight catering services, aircraft manufacturing industry, Maintenance Repair Organizations, import of aircraft including aircraft engines, spare parts & supplies of all specification and ground support equipment. The Federal Government intends to grant a tax-holiday of 10 years for existing and new aircraft manufacturing industry set up, Maintenance Repair Organizations, airport operational equipment manufacturers, etc.

The Federal Government may consider reducing the Federal Excise Duty (F.E.D) on air travel/air-cargo. Initially, the policy of substantial reduction in F.E.D by FBR be introduced for a period of two years to analyze the impact of such a measure to revive the air transportation business in Pakistan and may be reviewed after two years. F.E.D on distance of 500 Km or less may be exempted as these are mostly Socio-Economic Routes. F.E.D on Air-Ambulance/Medevac may also be exempted. This arrangement may continue accordingly subject to positive results in the growth of Aviation Sector with its contribution to national economy.

The main impediments in the flourishment of the Aviation Sector are the charges levied on the Aviation Sector/operators in one form or other; CAA shall review and rationalize the Aeronautical charges. Moreover, Non-Aeronautical charges are also to be rationalized in accordance with the market and competitors. Additionally, Pakistan CAA charges for domestic operations shall be in Pak-Rupee (PKR) and implemented for period as mentioned **Annex-C (Note 'g').**

Parking charges for the non-operational/life-expired/salvaged aircraft shall not be levied from the time of its declaration under such category. However, preferably these aircraft shall be parked at any area other than apron side declared for such purpose. The operator must make all endeavors for early disposal of such aircraft in coordination with FBR/Customs-Wing.

1.7.2 Custom Duties and Taxes

In addition to incentives mentioned at Para 1.7.1 above the import or lease (wet/damp/dry) of aircraft may be exempted from tax and duties. Custom Duties may also be abolished on the import of maintenance kits and associated parts of aircraft including aircraft engines, tyres, spare parts, supplies etc. Import of technical manuals and ground support equipment, aircraft paint for

all aircraft will also be exempted from import duties. In addition, tools, boarding cards, repair and exchange of parts, services from foreign vendors, testers and equipment for support shops, ground support equipment, special purpose vehicles like cherry lifters, scissor lifts etc. shall also be included in the exempt list **Annex-A.**

To encourage the flying clubs who have a very small revenue base, the incentives shall be provided. Exemption of custom duty on aircraft and its parts shall be applicable to the General Aviation aircraft as well.

To facilitate and expedite clearance of import consignment of Aviation Sector one window 24/7 custom clearance facility will be established at all major airports, sea ports and dry ports.

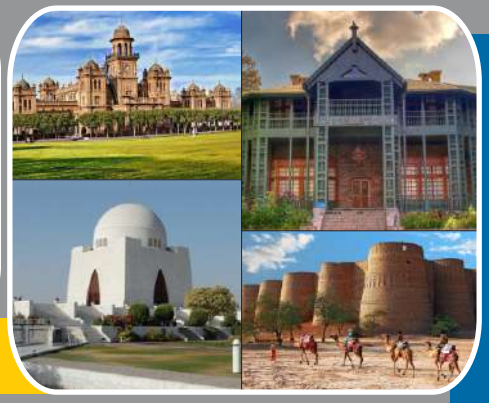
Considering that excessive taxation on air transport usually has an adverse impact on Aviation, the above mentioned tax/duties exemptions are likely to facilitate long lasting growth and stability in Aviation Sector.

CHAPTER-2

LIBERALIZATION & ECONOMIC DEVELOPMENT

















2.1 Bilateral Air Traffic Rights

The bilateral rights have their origin in the Chicago Convention 1944. At present, Pakistan has Air Services Agreements (ASAs) with 98 countries, covering aspects relating to the number of frequency, seats, landing points and code-share. Utilization of bilateral rights at any point of time differs from country to country and is subject to periodic re-negotiation. In this regard, the policy will be as follows:

2.1.1 Bilateral Air Services Agreements

Pakistan shall pursue bilateral liberalized policy with other countries on the principle of commercial reciprocity upon organic market growth, number of seats and code sharing, when it is in the national interest. However, measures would be in place to mitigate detrimental effects of any capacity dumping.

The existing cargo policy shall continue but restricted to third, fourth and fifth Freedom Traffic Rights for the designated airlines of our bilateral partners.

2.1.2 Ownership Liberalization

To promote local participation in the Aviation Sector, airlines will be encouraged to be owned by Pakistani Nationals. Foreign equity partnership in domestic commercial air transport carriers shall not exceed 49% or to the extent where controlling interest remains in local hands. At the same time to promote aircraft manufacturing industry and AMOs/MROs, Pakistani Nationals will be encouraged to invest in the same. However, FDI and JV (Joint Venture) will also be permitted.

2.1.3 Protection of Rights

To protect the rights of consumer travelling by air, all the binding international commitments shall be adhered to.

CHAPTER-3

AIRPORTS & AIR NAVIGATION INFRASTRUCTURE








KAZAKHSTAN
Burqin
Lake Balkhash
Almaty
Ürümqi
UZBEKISTAN
Tashkent
Bishkek
KYRGYZSTAN
TURKMENISTAN
Ashgabat
TAJIKISTAN
Dushanbe
Kashi
Yinchuan
Golmud
Lanzhou
Mashhad
Kabul
Herāt
AFGHANISTAN
Islamabad
1972 Line of Control
Indian claim
Line of Actual Control
Xi'an
Chengdu
Wuhan
PAKISTAN
New Delhi
Jaipur
Bandar 'Abbās
Abu Dhabi
Karāchi
Udaipur
Muscat
Fuzhou
Kunming
Guangzhou
Hong Kong
Special Administrative Region
Macau
Special Administrative Region
LAOS
Vientiane
Hanoi
Hainan Dao
Da Nang
Mumbai
Hyderābād
Arabian Sea
Bay of Bengal
Andaman Islands (INDIA)
Andaman Sea
CAMB.
Lakshadweep (INDIA)
Cochin
Nicobar Islands (INDIA)
Phuket
Colombo
Male
Banda Aceh
Medan



3.1 Development of Airport Infrastructure

Airport infrastructure in the country needs to be modernized in line with global standards to cater for the needs of passengers, tourists (including religious tourists) and shippers. The following policy guidelines shall be observed for the infrastructure development of airports:

a. Airports will further be made safer and user-friendly. In order to commensurate with the anticipated increase in traffic demand, optimum capacity utilization and efficient management, it shall be ensured that appropriate world-class airport infrastructure is provided.

b. The private sector will also be encouraged to construct and/or operate new/existing airports, airstrips, helipads, heliports, including cargo complexes on BOO, BOT basis or any other suitable Public-Private Partnership (PPP) and to raise non-aeronautical revenues from these premises.

c. State-of-the-art equipment would be imported to enhance safety, security and efficiency of air transport operations and passenger facilitation.

d. Operators and interested parties for the development and facilitation of Aviation Sector will be provided open spaces, if available, both on the airside and/or land side at rationalized rates to develop engineering, operational infrastructure and other allied/supporting facilities.

e. As the new Aerotropolis are expected to be constructed outside the Metropolitan cities which require establishment of terminal at city centers where all the pre-departure formalities may be undertaken and the passengers may then be transported through efficient metro systems connected to Aerotropolis.

f. For the purpose of promotion of tourism including religious tourism PPP model would be followed to establish small strips and helipads close to targeted locations of important and far flung/inaccessible tourism areas, to ensure air connectivity from Trunk/Primary stations/Routes.

3.1.1 Airports Land Utilization Policy

a. Land at all airports owned by PCAA may be utilized more effectively for commercial purposes with the involvement of the private sector. Development of Aerotropolis in the private sector will be encouraged.

b. PCAA shall formulate policy to make it commercially viable for private investors and/or provincial governments without jeopardizing aviation activities.

c. PCAA will ensure that standardized model for the utilization of land at the airports. It should consist of components mentioned in the commercial strategy which shall also cater for each category/stakeholder in Aviation Sector separately. Rates for the land/spaces rented/leased/licenced shall be rationalized according to the type of business model/aviation activity (RPT, General Aviation, Charter/Aerial Work Operations, TPRI, Flying Clubs, AMOs/MROs, Aircraft Manufacturing/Design Industry, etc.).

3.1.2 Public-Private Partnership (PPP) Models for Airports

In order to exploit the commercial and tourism potential of small and medium sized airports like Gilgit, Skardu, Chitral, etc., PCAA may enter into suitable Public-Private Partnership (PPP) models for operation, management and development of these airports. Equity partnership models would be preferable with mandatory management-level local employment for growth of in-country talent and knowledge base.

For major airports, these Public-Private Partnership (PPP) models would also be followed to improve revenue streams and quality of services. The airport's terminal side may be outsourced to world class operators of international standing through transparent and competitive bidding. Appropriate consultants shall be hired for outsourcing of such facilities at airports. PCAA shall yield revenue either in shape of annual fee structure or through appropriate equity partnership models.

3.1.3 Development of Socio-Economic Airports

Development and expansion of Socio-Economic Routes for the purpose of promotion of tourism including religious tourism and regional integration would require development of airports and their associated facilities. Socio-Economic airports shall be developed, if required. Moreover, PCAA will encourage on priority the development of private airports/helipads, if they are economically viable from the perspective of socio-political integration and tourism promotion.

3.1.4 Marketing of Airports

Fair and equal opportunities shall be accorded to airports both in public and private sectors to market themselves within the framework of the National Aviation Policy and Bilateral Air Services Agreements. Aeronautical charges shall be in accordance with ICAO guidelines stipulated in ICAO Doc. 9082. However, PCAA shall have the responsibility of Regulatory Oversight of all airports.

3.1.5 Greenfield & Brownfield Airports

The Development of Greenfield and Brownfield Airports in private sector shall be encouraged. The Pakistan Civil Aviation Authority shall promulgate easy and friendly procedure to attract private sector towards developing Greenfield airports.

To encourage this investment, the Civil Aviation Authority may provide incentives for the private investor.

The customs duty on the equipment imported for Greenfield and Brownfield airports may be exempted by FBR as per the procedure in vogue.

3.2 Development of Air Navigation Infrastructure

Pakistan will upgrade its communication, navigation and surveillance infrastructure in the light of ICAO Global Air Navigation Plan (GANP). As we attract global aviation to fly to and/or through Pakistan, the requirement to continuously upgrade our current navigation systems' infrastructure cannot be over-emphasized. To enhance safety as well as air navigation modernization, ICAO has also provided guidelines for said up-gradation process. This concept of Aviation System Block Upgrades (ASBU) allows realization of global interoperability, greater safety, sustained growth and increased efficiency. The Block Upgrades describe a way to apply the concepts defined in the ICAO GANP with the goal of implementing regional performance improvements. They will include the development of technology roadmaps to ensure that standards are mature and to facilitate synchronized implementation between air and ground systems with an ultimate goal is to achieve global interoperability.

One of the fundamental considerations is to ensure that airspace capacity is fully capable of meeting the ongoing and future demands. This can be achieved by improving the Air Traffic Services (ATS) route structure using Performance-Based Navigation (PBN) and Air Traffic Flow Management (ATFM). Parallel routes using specific PBN specifications will allow increased traffic flow within specific areas. PBN will also be implemented in terminal areas. This would allow optimum profiles for Arrival and Departure trajectories as well as approaches to runways using satellite navigation. PBN will help in improving safety, efficiency and in controlling carbon emissions. More Area Control Centers (ACCs) will be considered for safe and efficient handling of air traffic.

The concept of Flexible Use of Airspace (FUA) will also be implemented to ensure optimum utilization of airspace. This will allow greater routing possibilities, reducing potential congestion on Trunk Routes and busy crossing points, thereby resulting in reduced flight length and fuel burn.

Besides, efforts will be made to ensure optimum facilities addressing Communication, Navigation and Surveillance – the basic enablers of air navigation. In this connection, Pakistan airspace is required to be provided with back-up communication and surveillance facility for the provision of ATS. PCAA will upgrade radar infrastructure and technology to provide effective surveillance and navigation throughout the country. These radars should be augmented by advanced surveillance sensors of ADS-B and ADS-C, where appropriate. This would provide redundant surveillance coverage throughout the national airspace. Provision of Controller-Pilot Data Link Communications (CPDLC) facility in Area Control Centers (ACCs) will also be considered for augmentation.

Although the satellite navigation is being used by majority of commercial aircraft, the existing navigation aid infrastructure in Pakistan lacks the desired navigational capability and redundancies in case of failures or operational issues. Considering the pace of development, the VORs being used for en-route navigation would be maintained and upgraded.

The Instrument Landing System (ILS) facility has a pivotal role in providing access to aerodromes during poor visibility conditions. It also enhances safety during approach to landing. The ILS facility shall be provided at all major aerodromes with its category corresponding to relevant condition/requirement and frequency of traffic.

Sequel to installation/up-gradation of latest navigation aids and procedures, capacity building of industry human resource shall also be enhanced. Pakistani scheduled operators will be encouraged to train cockpit crew and equip the fleet with latest technologies and systems.

Socio-Economic Routes with potential of tourism such as Northern Area airports shall be made accessible by air by introducing satellite based route navigation systems and Instrument Landing Systems based on Ground Based Augmentation Systems (GBAS & RNP 0.1) enabling aircraft to land/take-off in inclement route and destination weather conditions.

3.3 Development of Cargo Village Facilities

A single-window clearing mechanism and facilities for warehousing, weighing scales, airline offices, freight forwarders, Customs House agents, Government and regulatory bodies' offices, ground-handling agents, insurance and banking facilities, etc., may be made available under one roof for efficient and quick transit of cargo. This infrastructure will also include points for multi-modal transport, cargo terminals, cold storage centers, automated storage and retrieval systems, mechanized transport of cargo, dedicated express cargo terminals with airside and city-side openings, computerization and automation.

The available land at all major airports especially at Lahore, Islamabad & Karachi shall be given to private companies through competitive bidding process to develop:

i. Perishable facility.
ii. Cold Chain facility.
iii. Common facility for housing banks, freight forwarders and shipping agencies, etc.

The PPP model will also be encouraged for the development of cargo facilities. All major international airports shall be promoted as trans-shipment hubs through the development of requisite infrastructure.

For efficient supply chain management of cargo, concept of e-freight or near-paperless environment will be introduced. Electronic Data Interchange (EDI) will be employed for efficient flow of information among stakeholders of cargo operation.

3.4 Development of Aircraft Maintenance Organizations (AMOs) & Maintenance Repair & Overhaul (MROs)

Aircraft and engines require periodic maintenance and overhaul according to certain maintenance schedule. Not all types of aircraft can be maintained in Pakistan. These aircraft are sent abroad for maintenance and major overhauls, involving huge expenses and outflow of foreign exchange. Development of AMOs/MROs requires huge investment; therefore, certified AMOs/MROs shall be incentivized to establish such facilities in Pakistan. This will accrue foreign exchange, create local jobs, bring in technology, and save aircraft down-time for the local operators. The validity of organization's approval once issued shall be perpetual; however, each organization must be completely reviewed for compliance with applicable regulations at period not exceeding 24 months.

3.4.1 Incentives for AMOs/MROs

The multi-million dollar AMO/MRO market has been untapped in Pakistan where it is operating at less than 0.05% business. Therefore, following incentives shall be offered to investors in AMO/MRO business:

a. Tax incentives to be offered by FBR.

b. Discounted PCAA charges for the piece of land leased or licence for AMOs/MROs.

c. Up to 100% Foreign Direct Investment (FDI) shall be permitted. However, JV with a local business entity shall be preferred.

3.5 Development of Aircraft Manufacturing Industry

The global commercial aircraft manufacturing industry market has enrolled a new step of growth over the past five years. During the global economic downturn, growing unemployment, declining per capita disposable income and overall economic uncertainty negatively affected leisure travel and weakened downstream demand from commercial air carriers. However, fast economic growth and increased air travel in rising markets, combined with the need to replace aging aircraft with new, more fuel-efficient ones in developed markets, has greatly increased demand for industry products.

Aircraft manufacturing industry contains space vehicles, engines of different aircraft, propulsion units etc. The aircraft manufacturing industry manufactures all of the above and correlated aircraft structures. Aircraft design and manufacturing is a high technology and cost intensive industry that takes decades to mature. World over establishment and growth of this industry is dependent on support and patronage of the Government. However, once matured it is known to make sizeable contribution to the national GDP through earnings/savings in foreign exchange. The Pakistan Aeronautical Complex is a Pakistani aerospace, defence, aviation contractor and Military Corporation producing aerial systems and undertaking aerospace designing for both military and civilian usage.

Keeping in view the huge gap of aircraft manufacturing industry in the country investment including Foreign Direct Investment in aircraft manufacturing shall be encouraged and Civil Aviation Authority through Aviation Division shall prescribe conditions to setup, regulate and control the manufacturing, sale, import and export of aircraft. The Federal Government will negotiate with global Original Equipment Manufacturer (OEM) to facilitate establishment of a complete aircraft assembly plant in Pakistan along with its ancillary industries.

Aircraft manufacturing/design Industry once approved by PCAA, the approved organization for aircraft design/manufacturing should not require annual renewals; the validity of organization's approval once issued shall be perpetual, however, each organization must be completely reviewed for compliance with applicable regulations at period not exceeding 24 months. Non-conformances and observations pointed out during the audit are to be rectified within specified time. Failure to address the observations within the specified time may entail financial/administrative penalties in accordance with relevant regulations.

Investment including Foreign Direct Investment in aircraft manufacturing shall be encouraged to setup, manufacture, sale, import and export of aircraft and its spare parts including engine and related equipment in adherence to best industry practices and procedures. Incentives shall be offered to investors by FBR in setting up aircraft manufacturing/design-related equipment as per **Annex-B.**

3.6 Development of Aircraft Simulator

PCAA shall encourage development of certified aircraft simulator infrastructure in Pakistan. The simulator installation should cater for aircraft in use of Pakistan's Aviation Sector in particular. Such simulator set-up shall be entitled for the following incentives:

a. PCAA shall provide land for simulator set-up at rationalized rates as per revised land-lease policy.

b. Up to 100% Foreign Direct Investment (FDI) shall be permitted. However, JV with a local business entity shall be preferred.

c. Tax exemption may be offered by FBR for setting up of an aircraft simulator set-up.

d. Exemption of customs duty on import of simulator and its parts may also be considered by FBR.

CHAPTER-4

POLICY GUIDELINES FOR OPERATORS










POLICY
GUIDELINES
PRACTICES
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COMPLIANCE







4.1 Commuter Air Services/Operations, for Tourism Promotion and Regional Integration (TPRI)

Commuter Air Services/Operations for Tourism Promotion and Regional Integration (TPRI); licence will be issued to promote tourism (including religious & medical tourism) and regional connectivity including helicopter services. The operator/licencee in this particular category will be encouraged to operate scheduled commuter services on Socio-Economic Routes and shall be entitled to the following facilities/incentives by PCAA:

a. No landing, housing and air navigation charges at both ends of the selected Socio-Economic Routes/destinations **(Annex 'E').**

b. The TPRI licence shall be issued within 60 days from the acceptance of completed application. The licence shall be valid for a period of 5 years. The eligibility criteria are mentioned at **Annex-C.**

c. No rent will be levied for the use of aeronautical services, office space by these operators at Socio-Economic airports subject to scheduled operation.

d. TPRI licence operator shall not be allowed to operate between Trunk/Primary Routes however; the flight may originate/terminate to/from any of the Trunk/Primary stations.

e. Tax incentives may be provided to TPRI licencee by FBR for the Socio-Economic Routes.

f. Charter operators would be required to obtain TPRI licence in addition to Charter Licence, for commuter operation on Socio-Economic Routes. For these operations Charter operators would also be entitled for the above mentioned incentives.

g. TPRI operators can conduct flight operations on Socio-Economic Routes in accordance with aircraft seats capacity stated in **Annex-C,** Para-e of this policy.[1]

4.2 Aircraft Registration, Fleet Size and Age

In order to incentivize Aviation Sector especially with respect to the calendar age and operational life of aircraft, following revised conditions are stipulated below (Refer to **Annex-G):**

a. Fleet registration for all Pakistani operators shall be mandatory.

b. Foreign nationals shall be permitted to take equity stakes up to 49% in domestic commercial air operations.

1. Amendment approved by Federal Cabinet; Aviation Division Letter No. AT-10(4)/2019 dated 02nd October, 2019

c. Minimum fleet size to start domestic operation (RPT) shall be three (03) airworthy aircraft of minimum similar capacity on purchase/dry-lease, whereas, minimum of five (05) airworthy aircraft on purchase/dry-lease for international operations (RPT) would be required.

d. Operators shall have aircraft that meet international noise and environmental standards.

e. To start TPRI/Charter operations of passenger aircraft minimum requirement shall be two (02) airworthy aircraft of minimum similar capacity as per its licence category.

f. For Charter cargo operations, one (01) airworthy aircraft shall be acceptable as per its licence category.

g. For aircraft age/life limitations as per type/category of operations refer to **Annex-G**

4.3 Paid-up Capital and Security Deposit for Operators

For the grant and validity of RPT and other categories of Air Transport licences minimum paid-up capital shall be in accordance with the limits specified in **Annex-C.** Validity regarding issuance/renewal period of all kind of Air Transport licences shall be for 02 years/24 months, subject to all existing/new annual evaluation/inspection for compliance with mandatory requirements. Competent Authority (s) for issuance/renewal is given in **Annex-D.**

4.3.1 Paid-up Capital & Security Deposit for New Operators

Any applicant applying for issuance of RPT, Charter, TPRI, Aerial Work, Flying School or Ground School licence, shall have to meet the loss-free paid up capital and security deposit limits mentioned at Annex-C of the policy. The security deposit shall be in the form of 100% cash deposit. CAA shall ensure issuance of licence within 30 days after approval by the Federal Cabinet/DGCAA and fulfillment of security deposit requirement by the operator. Upon obtaining AOC, RPT operators shall deposit an amount equal to 03 billing cycles as advance within 30 days as security against default in payment of PCAA dues. However, if the amount of 03 Billing Cycles is less than security deposit as mentioned in Annex-C than security deposit shall prevail/override the 03 Billing Cycles. The initial security deposit submitted by RPTs before issuance of licence shall be credited towards their three (03) billing cycle security deposit. Advance Billing Cycles for RPTs would be revised with the change in the scheduled operations during summer and winter seasons, accordingly.

If an operator (RPT/Non-RPT) fails to obtain AOC within a maximum of two (02) years time-frame from the date of issuance of respective licence, then a 10% of the total security deposit will be levied as non-conformance charge. Subsequently, a fresh licence has to be applied while its

remaining security deposit shall be refunded. The fresh application would require renewed security deposit.

Since, Non-RPT operators do not have scheduled operations; advance billing cycles cannot be calculated for Non-RPT operators. Therefore, their security deposit shall be retained with PCAA, even after obtaining AOC, as safeguard against default in payment of PCAA dues.

4.3.2 Paid-up Capital & Security Deposit for Existing Operators

Any applicant applying for renewal of RPT licence shall have to meet the loss-free paid up capital limits mentioned at **Annex-C** of the policy. For all other categories including Charter, Aerial Work, TPRI, Flying School or Ground School licence, both loss-free paid up capital and security deposit limits (as per **Annex-C**) are to be ensured within 90 days of implementation of this policy or at the time of renewal of licence, whichever is earlier.

RPT operators shall ensure deposit of an amount equal to current 03 billing cycles as advance security against default of PCAA dues within 30 days of the implementation of this policy. However, if the amount of 03 Billing Cycles is less than security deposit as mentioned in **Annex-C** than security deposit shall prevail/override the 03 Billing Cycles. For Non-RPT operators the security deposit shall be in the form of 100% cash deposit. CAA shall ensure renewal of licence within 30 days after approval by the Federal Government and fulfilling security deposit requirement by the operator. Advance Billing Cycles for RPTs would be revised with the change in the scheduled operations during summer and winter seasons, accordingly.

4.3.3 Clearance of Outstanding Dues RPT/Non-RPT

If any operator defaults on outstanding dues for a period equivalent of two (02) Fortnightly Bills, its operation shall be suspended and recovery shall be made from attachment and/or sale of its tangible and intangible assets. In case of non-compliance the onus will lie on the regulator while operators' security shall be forfeited with markup.

4.3.4 Airline/Operators Licence Conditions

Issuance: PCAA before issuance shall consider managerial competence of the applicant's key personnel to determine whether they have sufficient business and aviation experience to operate an airline/air transport business, and whether the management team, as a whole, possesses the background and experience necessary for the specific kind of operations proposed.

PCAA shall review the applicant's operating and financial plans to see whether the applicant has a reasonable understanding of the costs of starting its operations and either has on hand or has a specific and verifiable plan for raising the necessary funds to commence operations. Before being granted licence, the applicant must submit third-party verification that it has acquired the necessary capital to conduct its operations.

PCAA shall consider the applicant's compliance record to see whether it and its owners and managers have a history of safety violations or consumer fraud activities that would pose a risk to the travelling public, or whether other factors indicate that the applicant or its key personnel are likely to be unable or unwilling to comply with the applicable laws, rules, regulations and directives.

All Air Transport Licences (Other than Private Aircraft Operator Licence) shall only be granted to companies Registered with SECP as private or public limited by shares. Only exception to this regulation will be Federal or Provincial Government offices applying for Aerial Work licence.

Renewal: Renewal of licence shall also take into account regulatory compliance including operational performance with 80% Punctuality & 90% Regularity (RPT only), customer satisfaction (estimated by pax complaints) as well as financial performance of operator as per the submitted business plan. Any operator not fulfilling the stipulated criteria will be subjected to cancellation of one or more international/domestic routes or cancellation of licence or liable to pay penalty to PCAA during such period of non-compliance.

The following financial requirements shall be mandatory:

- Paid-up capital shall be free of losses and the same shall be monitored on annual basis.
- Owner's equity (net worth) shall not be negative at any point in time.
- Minimum Equity (net worth) to Assets Ratio should be at least 15%, gradually increasing by at least 1% per annum up to a minimum of 20% over a period of the next five years.

All Pakistani AOC/AC holders shall be required to arrange for insurance coverage (as required in CARs 1994) from a local Pakistani insurance company having sound financial strength. The comprehensive insurance policy should cover aircraft, crew, passenger, cargo and third-party risks. Compliance of insurance requirements is to be ensured at the time of issuance/renewal of AOC/Ops Specs. Aviation Division would describe detailed requirements for insurance and prepare regulations for approval from Federal Cabinet.

4.3.5 One Window Operation for RPT/Non-RPT Licence

For ease of RPT and Non-RPT operators during their initial issuance/renewal of licence, PCAA shall issue instructions to facilitate all stakeholders through One Window Operation. Efforts will be made to ease out the process of issuance/renewal of licences.

4.3.6 Security Clearance

The security clearance of operators/applicants and airport services providers from concerned agencies shall be mandatory. Aviation Division shall directly communicate with relevant Ministry/agency (Intelligence Bureau and Special Branch) for each case.

Security clearance for the import of fixed/rotary wing aircraft on purchase/lease basis shall not be required for Pakistani companies and nationals holding valid licences.

Already security cleared operators shall need no further security clearance for the import of aircraft, provided there is no change in their board of directors. However, such aircraft could be subject to security check on arrival.

4.4 Policy Guidelines for Operations on Primary & Socio-Economic Routes (RPT Operators)

A liberalized market structure and reliance on competition is the best way to deliver efficient aviation services for the benefit of consumers. This would be achieved through bare minimum Government imposed restrictions on the commercial behavior of air carriers. However, public service obligation requires that the Government and the airline/operator work together in establishing air link on Primary and Socio-Economic Routes. RPT operators when operating on Socio-Economic Routes shall have facilities/incentives as granted to TPRI licencees i.e. no space and air navigation charges while possessing the same RPT licence.

a. Pakistani scheduled air carriers shall be required to[2] operate part of their total capacity — Available Seat Kilometers (ASKs) – floated on domestic Trunk Routes to Primary & Socio-Economic Routes as under:
    I. Primary Routes: At least 5% of the total capacity (ASKs) floated on Trunk routes, and,
    ii. Socio-Economic Routes: At least 5% of the total ASK capacity floated on Trunk routes.[3]

b. PCAA shall allow joint ventures or commercial agreements between Pakistani scheduled air carriers and Pakistani Charter operators for operations on Primary & Socio-Economic routes by allowing a Pakistan-registered aircraft to operate on the AOC of two different

2. Amendment approved by Federal Cabinet; Aviation Division Letter No. AT-10(4)/2019 dated 02nd October, 2019
3. Amendment approved by Federal Cabinet; Aviation Division Letter No. AT-10(4)/2019 dated 02nd October, 2019

Pakistani operators to fulfill the obligations under Para (a) above.

c. In case of non-compliance with stipulation of Para 'a' above, the RPT(s)/airline(s) not operating on the Primary and Socio-Economic Routes shall compensate the RPT/airline(s) operating on these routes for the loss suffered from subject operations.[4] (Note: For definition of routes, please refer to **Annex-E).**

4.5 Policy Guidelines for International Operations

The interest of users will be best served if airlines are free to compete according to their commercial judgment. However, following parameters shall have to be met:

a. Pakistani designated airlines shall be eligible to commence operations on international routes after one year of continued satisfactory operations on domestic routes. Continued satisfactory operations would entail the following performance parameters:

   i. Flight Punctuality above 80%.
   ii. Flight Regularity above 90%.
   iii. No outstanding complaints of more than 30 days on account of Air Passenger Rights as specified by PCAA/Government.
   iv. Satisfactory operations on Primary & Socio-Economic Routes as specified in this policy (Para 4.4).
   v. No dues of PCAA are outstanding.

b. Qualifying airlines shall be eligible to operate on international routes, to countries pursuing liberal Air Services Agreements or where there are no bilateral constraints on capacity.

c. In the interest of travelling public, adequate balance between domestic and international operations by RPT operators is vital. Therefore, a reasonable proportion of continuous domestic operations shall be mandatory in relation to international operations, which means that capacity floated by airlines on domestic routes should be sufficient to meet the requirement of domestic sector. The required percentage constituting a reasonable proportion of domestic operations in comparison to international/total operations of the airlines' will be monitored and governed by Aviation Division periodically by taking commercial interests of the airline and the national interest into consideration. In this regard, necessary guidance shall be given by Aviation Division to PCAA; which in turn will issue/amend relevant regulations.

d. Where there are bilateral constraints on capacity, the available capacity shall be allocated amongst the competing airline/operators proportionate to their capacity [Available Seat Kilometers (ASK)] floated on domestic routes in the previous two

4. Amendment approved by Federal Cabinet; Aviation Division Letter No. AT-10(4)/2019 dated 02nd October, 2019

scheduling periods. Additionally, airlines' regularity, punctuality, safety record, fleet registration and financial condition shall also be quantified and considered while allocating capacity.

e. Allocated capacity unutilized by an airline/operators for two scheduling periods shall be allocated to another Pakistani airline/operators willing to utilize it, unless the airline/operators was in a force majeure situation or due to other lawful cause defined by PCAA.

f. Where there are bilateral constraints on multiple designations of airline/operator the designation of an offline Pakistani airline/operator shall be replaced with an airline/operator willing to operate on such destinations.

4.6 Policy Guidelines for Tariff Oversight

a. PCAA as the regulator shall intervene in the interest of air passengers' rights/public traveling by air in cases where there is a reasonable ground to presume that a case of predatory pricing or collusion exists, by a group of airlines/operators. Such cases shall be referred to the Competition Commission of Pakistan, which is the appropriate forum to adjudicate matters pertaining to anti-competitive practices.

b. To attract masses towards travel by air, the air-fare will be made affordable for middle class consumers. All fares on domestic routes shall be monitored by PCAA up to a rationalized limit.

c. PCAA shall make rules, regulations and procedures to redress public grievances and adjudicate these on merit. PCAA shall develop a mobile app/citizens' portal for lodging of complaints related to airports and airlines etc.

4.7 Policy Guidelines for Dry and Wet Lease of Aircraft

Dry lease will be encouraged over wet lease arrangements. There shall be no permanent addition to capacity by inducting foreign registered aircraft on wet lease.

In case the required aircraft are available with local Charter & other operators, the airlines will be encouraged to first explore the possibility of leasing local aircraft.

4.7.1 Wet Lease Special Conditions

Temporary induction of foreign-registered aircraft on wet lease may be permitted under the following conditions:

a. Extra ordinary/special circumstances (such as aircraft accident or Hajj, Umra, Ziarat operations or temporary expansion, etc.).

b. Permissible up to maximum of 90 days extendable to 180 days in one year starting from induction of aircraft on wet-lease; not extendable further.

c. Aircraft age shall be in line with paragraph 4.2.

d. Wet-leased aircraft capacity (ASKs) shall never exceed total dry-leased/purchased aircraft capacity (ASKs) at any point in time.

4.8 Policy Guidelines for General Aviation Operations

Role of General Aviation (GA) is primarily for the training of aviation personnel, tourism, plant protection, cloud seeding, aviation sports, Medevac (Air Ambulance), etc. Not only incentives will be provided for the growth of GA, but also regulatory framework will be strengthened for the safety and growth of this sector. Following steps shall be taken to enhance GA operations:

a. Private-sector investors shall be encouraged to develop supporting infrastructure, like airstrips for GA outside control zone area. PCAA will provide free guidance and advice to all prospective entrepreneurs and investors on selection, siting of airstrips and business plan.

b. Uniform curriculum requirements of training shall be developed and implemented for ground studies of pilots. In this regard, consultancy from aviation experts shall be sought.

c. PCAA will patronize/incentivize training of female pilots up to a prescribed limit.

d. Liberalized guidelines shall be formulated in consultation with users to promote and encourage private investment in flying clubs, air taxi service, private ownership of aircraft, including helicopters and gyrocopters, airships, light sports aircraft, amphibian aircraft and aero-sports activities, i.e., hand-gliding, ballooning, heli-skiing and para-jumping etc.

e. Flying clubs shall be facilitated to overcome shortage of pilots in the country. For example, PCAA facilities to flying clubs, where available, will be leased to develop airstrips outside control zones exclusively for training flights.

f. PCAA may take the initiative to ignite the dormant market of General Aviation by investment in low-cost modern technology training aircraft and lease them to flying clubs in order to reduce flying training cost by about 50%. Grass airstrips, up to 3,000 feet long, may also be developed in every district under PPP to encourage sports flying and air taxi

service. Provincial Governments' interest in ownership, administration and use of these airstrips may also be explored and considered.

4.9 Policy Guidelines for Helicopter/Gyrocopter Operations

Private investors shall be encouraged to develop heliports and purchase/lease helicopters. These aircraft shall provide access to areas where fixed-wing aircraft cannot fly.
Helicopter/gyrocopter operation shall be encouraged for:

a. Emergency operations, Search and Rescue operations.

b. Tourism to places including Northern Areas.

c. Adventure sports in Pakistan etc.

d. Facilitating off-shore drilling operations.

PCAA will create incentives for helicopter operators willing to establish heliport at the international airports. Helicopter operations can also be set up in a joint venture with foreign companies and/or investors in similar pattern as prescribed for the aircraft registration and operations. The following incentives by PCAA will be provided:

a. PCAA shall not levy any charges on such operation.

b. PCAA shall provide evaluation of business plan to all prospective entrepreneurs and investors.

c. PCAA shall assist (to the extent possible) in site selection of heliports. Induction of gyrocopters shall also be encouraged in a similar manner.

4.10 Policy Guidelines for Charter Operations

The following guidelines shall be observed for all Charter operations:

a. Domestic Charter operations shall be allowed to Pakistani operators using Pakistani registered aircraft. Rules, regulations and policy on commercial charges will be elaborated to differentiate between RPT, Charter, GA and Flight Training in line with International Standards.

b. International Charters originating from Pakistan shall be allowed to Pakistani operators only (except Hajj, Umra and other religious pilgrimage operations to/from other countries which may be regulated as per bilateral arrangements/agreements).

c. There shall be no restriction on round trip tourist passenger Charter groups on all international routes irrespective of the scheduled operations.

d. On routes adequately served by scheduled operators, one-way passenger Charter operations will also be allowed with an aircraft having up to 19 seats. This is to protect the interest of scheduled operators on these routes. On Primary Routes, where no RPT operator conducts operations, Charter operators may operate Scheduled Commuter Service with more than 19 seats aircraft, however, if any of the RPT operator intends to operate on any of such Primary Routes then the priority would be given to RPT operators.

e. Private-sector investor/entrepreneur other than Charter operators shall be encouraged to develop executive lounges for Charter operations at Lahore, Islamabad and Karachi airports. These lounges shall also include facilities of Customs and Immigration on 24/7 basis.

f. Policy Guidelines for dry and wet lease of aircraft will also apply to Charter Class II operators.

g. Operation for night Charter/Aerial Work shall be permitted to single engine aircraft on case to case basis.

4.11 Guidelines for Personnel Licences

a. A transparent, standardized and online examination system shall also be introduced for pilots, air traffic controllers, technicians and engineers. Revised syllabi for all personnel licences (pilots) would be implemented as per the best international standards.

b. All Personnel licences shall be issued Machine Readable Document (MRD) with all details on record. The validity of the personnel licence for initial/renewal shall be for 05 years subject to clearance of all checks and fulfillment of all the conditions (such as simulator currency, instrument rating, medical validity, etc). The onus of any violation to the prescribed conditions shall lie on the operator as well as the individual. Any violation shall be liable to financial/administrative penalty to the order of PKR 500,000/- or suspension of operator/personnel licence. Subsequent violations will compound the penalty.

c. For conversion of foreign licences to PCAA licences, rational and logical process of conversion shall be adopted in line with best international practices. Conversion of FAA, JAA and Australian licences shall be introduced to compensate flying hours of PPL/CPL/ATPL holders for induction in commercial flying operations.

d. Multi Crew Pilot Licence (MPL) training shall be introduced. The MPL syllabi shall be more focused on multi-crew training under supervision. (Reference IATA PANS-TRG doc 9868).

CHAPTER-5

POLICY GUIDELINES FOR OTHER SERVICE PROVIDERS

















5.1 PCAA Charges Levied to All Service Providers

Taxes, fees and charges for the suppliers of air transport services increase tariff and adversely impact the growth in Aviation Sector. Hence, charges levied to suppliers of air transport services by PCAA shall be rationalized according to the type of business model/aviation activity. The suppliers of air transport include airport service and air navigation service providers, airline/aircraft operators, aircraft lessors, ground handling agents, AMOs/MROs, aviation related training/education institutions, fuel suppliers, travel/cargo handling agents, catering services and aircraft/aviation related manufacturing facilities.

5.2 Ground Handling Service Providers

Ground handlers have a very important role for the safety and efficiency of aircraft operation at airports. Only financially sound ground handlers with quality equipment would be allowed to operate/enter the industry and ground handlers can set up a joint venture with foreign companies and/or investors for provision of quality services. Accordingly, the requirement of minimum paid-up capital shall be specified to improve safety and quality of oversight of ground handlers by PCAA. At the same time PCAA would also develop necessary infrastructure on airside and landside for efficient ground-handling and passenger-handling. For both Ground Handling Service Providers and self-handling by GHOC holders, duty and tax exemption on import of fully refurbished equipment will be provided.

5.2.1 Self-Handling for Domestic Airlines

Domestic airlines will be permitted by the relevant authority to undertake self-handling, or outsource services to licenced Ground Handling Operator and Certificate (GHOC) holders. Ground-handling services to foreign airlines shall also be provided through agencies holding valid GHOC.

5.3 Policy Guidelines for Other Suppliers of Air Transport Services

All other service providers (agents), including GSA-Pax, GSA-Cargo, DGH Agents, AFP Agents, etc., shall have recourse to complaints or suggestions through an online portal managed by PCAA. PCAA shall also facilitate information for requirements from PCAA perspective for new entrants and continuing relevant suppliers.

5.4 Policy Guidelines for Fuel Supply Services

Aviation fuel is an essential industry input. Pricing of fuel is important component of cost of flights by all operators. Fuel cost is a major component of variable cost for airlines and commercial

aviation. Fuel needs to be supplied reliably, with continuity and through competitive market conditions where possible. The responsibility for fuel (jet fuel or 100LL for general aviation light aircraft) supply of all categories will not be in a monopolistic manner and if prevalent due to non-availability of forth coming suppliers, excessive pricing is not charged to the operators. Aviation Division on behalf of the Government shall support improved planning and communication among fuel suppliers at all airports. Aviation Division shall continue to monitor fuel prices at comparable Asian airports to monitor the trend in fuel prices. Aviation Division and Ministry of Petroleum and Natural Resources will work together to prevent monopolistic trends in the ownership of fuel supply infrastructure at all airports and may allow new market entrants of aviation fuel.

Additionally, PCAA shall encourage induction of aircraft operating with alternative fuels (for example, Rotax engines with non-100LL fuel, motor-gasoline and other alternatives, e.g., CAAFI [Commercial Aviation Alternative Fuels Initiative] which is a cooperative effort among interested stakeholders to bring commercially viable, environment-friendly alternative aviation fuels. Tax on all aviation fuels would be taken up for reduction by FBR for reduction such that a corresponding impact on tariff is assured. Initially, this policy could be a "tax holiday" to domestic operators for a period of one year to analyze the impact of such a measure. The tax holiday can continue for more years if positive results in traffic increase are evident.

5.5 Policy Guidelines for Flight Catering Services

This aspect is a focal point to ensure hygienic uplift of Flight Catering Services by all airlines. To meet high standards, only accredited companies shall be eligible for provision of Flight Catering Services to airlines. The flight catering services have to mandatorily undergo certification on Quality Standards and Food Management System. Preference will be given to flight-kitchen meals from licenced flight-kitchen operators. Additionally, the meal royalty presently imposed by Competition Commission of Pakistan per meal would be waived-off. To satisfy international carriers' requirement and to encourage uplift of Flight Catering and F&B from Pakistani airports, international catering companies shall also be encouraged to participate in joint ventures with local companies. The same provision shall also apply to establishment of catering/food outlets or such services within all major airport premises. Successful Flight Catering Services may be provided tax incentives by FBR for initial period of five (05) years.

5.6 Pakistan Meteorological Department (PMD)

Pakistan Meteorological Department (PMD) is both a scientific and a service department and functions under the Cabinet Secretariat (Aviation Division). PMD is responsible for providing meteorological service throughout Pakistan to wide variety of interest and numerous other projects which require climatic information. This also includes Aviation Sector.

Apart from meteorology, the department is also extending services in the fields of Hydrology, Earthquake Seismology and Geomagnetism. PMD operates under World Meteorological Organization (WMO) umbrella as 198 member states of the world and act as National Meteor Hydrological Service of Pakistan. WMO has divided the globe in to 8 meteorological regions and Pakistan lies in Region #2 known as Regional Association II (RA-II) which includes Asia and Pacific. Director General of PMD is Vice President of RA-II and Permanent Representative of Pakistan.

Main objectives of PMD are to provide information on weather, climate and geophysical phenomenon with the aim of traffic safety in air, on land and sea, mitigation of disasters, agriculture development based on climatic potential of the country, climate change, impact assessment and future projections of climate and adaption options in different sectors.

Main Areas of Operation related to Aviation Sector

a. Aviation meteorological services.

b. Safety of civil, armed forces aviation operations, VVIP flights and marine activities.

c. Early warning of natural hazards such as Tropical Cyclones, Heavy Rains, Heat Waves, Floods & Earthquakes, etc.

PMD provides Aeronautical forecasting for Landing for Airports of Pakistan, route forecast for national/international routes and individual met briefing to pilots.

PMD transmits data through national & international communication system, AFTN and Data Distribution System (DDS). National and international aeronautical forecast is also provided in the written form to the user agencies.

5.7 Airport Security Force (ASF)

Airport Security Force (ASF) safeguards Civil Aviation Industry of Pakistan against unlawful interference adopting counter-terrorism measures, preventing crimes and maintaining law and order within the limits of airports in Pakistan. ASF works continuously improve the standard of aviation security in Pakistan. The key to AVSEC is reliability which is prioritized as Human Reliability - Technical Reliability - System Reliability.

ASF was established in 1976 under ASF Act 1975, initially as the tenth directorate of the Department of Civil Aviation. Later, ASF was separated in December 1983 and was placed under the Ministry of Defence and is currently working under Cabinet Secretariat (Aviation Division).

ASF is mandated by Government of Pakistan to ensure security at airports in accordance with standards set forth by International Civil Aviation Organization (ICAO).

Functions

a. Security of all airports, aerodromes and civil aviation installations against acts of unlawful interference or threats of such interference.

b. Security of all structures, equipment, material and installations belonging to operators and other Government or Non-Government organizations.

c. Security of aircrafts, passengers, cargo and mail.

d. Proper conduct of persons at the airports and aerodromes including control of surface vehicles.

e. General maintenance of law and order within the limits of airports and aerodromes in conjunction with the Police and taking cognizance of all offences committed at the airports and aerodromes under any law for the time being in force.

f. Such other functions which the Federal Government may require the force to perform.

CHAPTER-6

RESEARCH & DEVELOPMENT, HUMAN RESOURCE DEVELOPMENT: TRAINING & EDUCATION

















6.1 Research & Development, Human Resource Development: Training & Education

In order to meet future needs of the Aviation Sector in Pakistan, a well-trained and skillful human resource shall be developed through aviation institutions in public and private sectors. Civil Aviation Training Institute (CATI), Hyderabad, will be developed into a world-class training center for the training needs of PCAA officials and the global aviation community. Capacity-building of PCAA officials will be enhanced through in-land and foreign trainings. Train-the-trainer programs will be initiated in PCAA. Foreign-qualified and competent trainers will also be invited to train PCAA officials.

PCAA shall arrange to participate in all essential foreign courses, conferences, seminars and workshops pertaining to safety and professional efficiency of its employees.

For technical training of engineers and aircraft technicians, institutes will be established at various locations in the country.

Privately-held aviation institutes and universities will be engaged in enhancing knowledge base of all aviation stakeholders, wherever deemed appropriate and plausible. These institutes will be encouraged to conduct Research and Development (R&D) so as to bind the industry and the academia in closer collaboration. R&D will help the institution, while the industry will also benefit from the research conducted. These institutes will adopt curriculum for aviation education according to the industry needs. Students of these universities will be given opportunities of Internships in PCAA and the Aviation Sector. Over and above, PCAA shall also facilitate in formation of an Aviation Institute/University duly recognized by Higher Education Commission (HEC) by offering available land at various airports in Pakistan at subsidized lease/licence rates in line with Commercial Policy. It could train and educate candidates in the disciplines of aircraft engineering, flying, air traffic control, aerospace, information technology and aviation business management. The university shall award, certification, diplomas and degrees as per recognized and approved curriculum and duration of course. HEC and PCAA may be involved in authorization of recommended courses.

Aviation Cities/Clusters & Aerospace Research Parks will be established through allocation of requisite resources and patronage of Government of Pakistan. Such parks and clusters will bring about paradigm change towards indigenization of Pakistan's aviation and aerospace industry. Aviation Cities/Clusters would aim to be world class smart facilities with state-of-the-art National Aerospace Science & Technology Parks (NASTP), having public/private, national/international aviation industry leaders, MRO facilities for commercial and military aircraft, aviation, logistics, EXPO centres, R & D centres, Aviation Training Academy, Varsities, Vocational institutes, small and medium enterprises and otherassociated and ancillary facilities. Aviation City projects will be built in accordance with prevailing international best practices and models. The aviation

city projects will introduce the 'Triple Helix Model' in Pakistan, to usher innovation and growth through interactions between academia, industry and governments, to foster development and growth of Aviation and Aerospace Sector.

Additionally, Internships, scholarships and collaborated Training and Education Needs Assessment (TNA) as well as syllabi and curricula adaptation to the industry needs will be a regular feature between the institutions (academia) and the Aviation Sector.

CHAPTER-7

GREEN AVIATION ENVIRONMENT

















7.1 Green Aviation Environment

Aviation impacts environment in terms of noise pollution and carbon (CO_2) emissions. At present, aviation carbon emissions contribute approximately 2% of Global Green House Emissions. Different long-term and short-term initiatives have been taken by the industry to reduce impact of aviation carbon emissions on the environment. A basket of measures has been proposed which includes improvement in aircraft technologies, operational improvements, sustainable alternative fuels and Global Market-Based Measures (GMBM).

Growth in Pakistan's aviation and its effect on the environment is an important aspect to consider. In order to reduce or possibly eliminate as much potential harm to the environment as possible and make air travel as efficient and economical as it can be, the Government and the Aviation Sector shall work together for a number of environmentally beneficial or "green" aviation initiatives described as under:

a. PCAA shall regulate the Aviation Sector to minimize adverse impact of aviation-related CO_2 and other harmful emissions and noise pollution.

b. ICAO guidelines shall be followed to develop a roadmap for tackling issues of CO_2 emissions.

c. Quieter and fuel efficient aircraft shall be inducted as per specification stipulated in the relevant ANO and age limit of aircraft induction shall be enforced as specified in Para 4.2 above.

d. Viable substitution of existing fuels i.e. bio-fuels, shall also be explored.

e. Low carbon modes of transportation to access airports shall be developed and promoted.

f. Cleanliness and hygiene of all passenger/cargo aircraft is to be ensured through recommended standards of insecticides/antibacterial agents as per international best practices and procedures.

g. Water recycling and solid waste recycling plants shall be developed by outsourcing or by a suitable PPP model at major airports. The outsourced/leased commercial ventures in the vicinity of airport shall also be required to ensure recycling of water and solid waste management.

h. Solar, wind power and rain water shall be harnessed for airports to generate at least 5% of the requirement.

i. Landscaping and green belt cultivation shall be encouraged.

j. As far as possible, paper-less aviation environment shall be encouraged and implemented.

k. Coordination between civil and military aviation authorities with respect to Flexible Use of Airspace (FUA) shall be implemented and enhanced/improved to shorten ATS routes and optimize flight profiles in terminal areas, thereby saving fuel, enhancing capacity and reducing carbon emissions.

l. Performance Based Navigation (PBN) procedures will be implemented in terminal areas and en-route.

CHAPTER-8

CONSUMER PROTECTION

















8.1 Consumer Protection

Following aspects shall be the guidelines for implementation of Economic Oversight for Consumer Protection and also in conjunction with Para 1.4.2:

a. PCAA shall ensure transparent Economic Oversight for the protection of aviation consumer. Fundamental principle as given in ICAO Doc. 9082 will be followed. This means that while primary aim of charges must be to cover costs incurred by the aviation authority in providing the services and for future expansion, but in order to promote Aviation Sector rationalized rates for PCAA charges shall be implemented for an initial time-period as mentioned at **Annex-C (Note 'g').** However, there shall be no discrimination in application of aeronautical charges on international flight operations.

b. ICAO Doc. 9082 shall be the guideline for the application and revision of charges. The infrastructure constraints at some of our airports result in aircraft parking problems and congestion in passenger lounges, baggage/cargo handling areas and land side parking/traffic areas. This could lead to administrative, operational and security-related issues. This problem can be partially resolved by introducing variable charges at these airports to stagger the flights evenly over a period of 24 hours for optimum utilization of airports. Aeronautical charges will be reviewed periodically on the basis of peak and off-peak periods.

c. The service providers (APS & ANS) shall be responsible for review of aeronautical charges in light of ICAO recommendations as and when tasked by DGCAA. PCAA shall also ensure that there is no overcharging and abuse of dominant position.

d. Airports shall start web-based reporting to present a full picture of the quality of experience and charges the passengers can expect at the airports.

e. Airlines shall be required to submit data on a monthly basis, very similar to Air Travel Consumer Report (ATCR) in the United States. Said report (submitted regularly and posted on the web) shall assist consumers with information on the quality of service provided by the airlines. Delays, lost baggage record, customer complaints, technical delays and cancellation of flights, safety violations, etc. of all airlines shall be monitored and displayed online for information of all consumers. Based on identified parameters airlines' rating system for consumers may also be adopted by PCAA.

f. In order to perform oversight function efficiently and in an effective manner the Economic Oversight and Consumer Protection Cell may be made an independent entity under PCAA.

g. PCAA shall ensure all RPTs make SOPs and ensure its implementation on handling of physically challenged persons on priority.

CHAPTER-9

NAP-2019: Process & Strategy

















9.1 Formation Process

The National Aviation Policy 2019 has been formulated with full involvement of Aviation Division and all Directorates of PCAA as well as inputs from stakeholders of Aviation Sector. Due deliberations, discussions, reviews and comments were also received from aviation business consultants.

9.2 Strategy and Long-term Goals

The impact of liberalization, tax and other pertinent strategic policy decisions has been analyzed. To meet the future requirements periodic reviews of NAP-2019 shall follow to ensure optimal strategic directions for sustained growth of all identified segments of the Aviation Sector. Implementation and timely audits will also ensure on track navigation as we move forward with greater safety and security to be an efficient, dynamic and result oriented industry. Customer centric, user-friendly and forward looking aviation business is what NAP-2019 aims to achieve.

9.3 Responsibility for Implementation

The implementation of National Aviation Policy 2019 shall be the responsibility of Aviation Division & PCAA. NAP-2019 supersedes all other previous policies on the subject. An action plan based on this policy must be prepared in a timely manner and action items may be identified and grouped into projects.

9.4 Power to Amend or Modify

The Federal Government shall be the Competent Authority for any alteration, modification or relaxation in the National Aviation Policy 2019. However, the Annexes may be modified and altered by PCAA with the approval of Aviation Division.

GLOSSARY OF TERMS







Acrobatic Flight: *means maneuvers intentionally performed by an aircraft involving an abrupt change in its attitude, an abnormal attitude, or an abnormal variation in speed.*

ADS-C Agreement: *A reporting plan which establishes the conditions of ADS-C data reporting (i.e. data required by the air traffic services unit and frequency of ADS-C reports which have to be agreed to prior to using ADS-C in the provision of air traffic services).*

Aerial work: *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.*

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

Aeronautical Information publication: *Aeronautical Information Publication means the publication published under these Civil Aviation Rules.*

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

Aerotropolis: *A new urban form where cities are built around airports speedily connecting time-sensitive suppliers, manufacturers, distributors, and business people to distant customers, clients, and marketplaces.*

Agricultural Operations: *Agriculture operations mean the broadcasting of chemicals, seeds, fertilizers and other substances from aircraft for agricultural purposes, including purposes of pest and disease control.*

Air Operator Certificate (AOC): *AOC is a certificate authorizing an operator to carry out specified commercial air transport operations. AOC is the key link to safety oversight. It attests an airline's competence as to its safe operation, and it determines who is responsible for an airline's safety oversight. In Pakistan it is the Flight Standard Directorate of the Pakistan Civil Aviation Authority. An AOC is one of the criteria required in order for the PCAA to grant an operating licence.*

Air Passenger: *Air Passenger is a person receiving air transportation from the air carrier for which remuneration is received by the carrier.*

Air Service: *Air Service means any scheduled air service performed by aircraft for the public transport of passengers, mail or cargo.*

Air Traffic Flow Management (ATFM): *A service established with the objective of contributing to a safe, orderly and expeditious flow of air traffic by ensuring that ATC capacity is utilized to the maximum extent possible and that the traffic volume is compatible with the capacities declared by the appropriate ATS authority.*

Airborne Collision Avoidance System (ACAS): *An aircraft system based on secondary surveillance radar (SSR) transponder signals, which operates independently of ground-based equipment to provide advice to the pilot on potential conflicting aircraft that are equipped with SSR transponders.*

Aircraft: *Any machine that can derive support in the atmosphere from the reactions of the air other than the reactions of the air against the earth's surface. For the purpose of this document, aircraft shall include all fixed and rotary wing aircraft as well as lighter than air vehicles (balloons).*

Aircraft Component: *Aircraft Component means any part or equipment for an aircraft, being a part or equipment that, when fitted to, or provided in an aircraft, may, if it is not sound or not functioning correctly, affect the safety of the aircraft or cause the aircraft to become a danger to person or property, but does not include a part or equipment of a kind that the Director-General may direct not to be an aircraft component for the purposes of Civil Aviation Rules.*

Aircraft Maintenance Engineer Licence: *Aircraft Maintenance Engineer Licence means an aircraft maintenance engineer licence issued under rule 51 of CARs.*

Air Navigation Order (ANO): *ANO means orders issued by the Director General under CARs. Air Navigation Order is a secondary legislation covering legal requirements under which Pakistan-registered aircraft/airlines operate; providing that operating permits should be required for foreign airlines operating commercial services (scheduled and Charter) to Pakistan and setting out the grounds on which permits may be refused and the penalties levied for infringements of the ANO.*

Air Route: *Air Route means the navigable airspace between two points and the terrain beneath such airspace identified, to the extent necessary, for application of flight rules.*

Air Traffic: *Air Traffic means all aircraft in flight or operating on the maneuvering area of an aerodrome.*

ANF: *The Anti-Narcotics Force is deployed at all major airports in the country. The force acts under the Control of Narcotic Substances Act 1977.*

Area Control Centre: *A unit established to provide air traffic control service to controlled flights in control areas under its jurisdiction.*

Area Navigation (RNAV): *A method of navigation which permits aircraft operation on any desired flight path within the coverage of ground- or space-based navigation aids or within the limits of the capability of self-contained aids, or a combination of these.*

ASA: *Air Services Agreement (ASA) is a treaty containing bilaterally-agreed legal framework upon which scheduled air services may operate. This is negotiated by the Government with other governments on a bilateral basis.*

ASF: *Airport Security Force (ASF) is a special force deployed for the security of all major airports.*

ASK: *Available Seat Kilometers (ASKs) are calculated by multiplying available passenger seats and kilometers flown.*

Authority: *Authority means the Civil Aviation Authority established under Section 3 of the Pakistan Civil Aviation Authority Ordinance, 1982.*

Authorized Agent: *A person who represents an aircraft operator and who is authorized by or on behalf of such operator to act on formalities connected with the entry and clearance of the operator's aircraft, crew, passengers, cargo, mail, baggage or stores and includes, where national law permits, a third party authorized to handle cargo on the aircraft.*

Authorized Person: *Authorized Person means for the purpose of rule 91, a person authorized by the Director-General or by the Manager.*

Automatic Dependent Surveillance — Broadcast (ADS-B): *A means by which aircraft, aerodrome vehicles and other objects can automatically transmit and/or receive data such as identification, position and additional data, as appropriate, in a broadcast mode via a data link.*

Automatic Dependent Surveillance — Contract (ADS-C): *A means by which the terms of an ADS-C agreement will be exchanged between the ground system and the aircraft, via a data link, specifying under what conditions ADS-C reports would be initiated, and what data would be contained in the reports.*

Note: *- The abbreviated term "ADS contract" is commonly used to refer to ADS event contract, ADS demand contract, ADS periodic contract or an emergency mode.*

Balloon: *Balloon means a non-power-driven lighter-than-air aircraft.*

B.O.O & B.O.T: *Build-Own-Operate & Build-Operate-Transfer*

Business to Consumer (B2C): *Business to Consumer (B2C) is business or transactions conducted directly between a company and consumers who are the end-users of its products or services. The business-to-consumer as a business model differs significantly from the business-to-business model, which refers to commerce between two or more businesses.*

CAA (PCAA): *Civil Aviation Authority (Pakistan Civil Aviation Authority) is abbreviated as PCAA. It is Pakistan's aviation safety, security and economic regulator.*

Cabin Crew Member: *Cabin Crew Member means a crew member who performs, in the interest of safety of passengers, duties assigned by the operator or the pilot-in-command of the aircraft but who shall not act as a flight crew member.*

CATI: *Civil Aviation Training Institute located in Hyderabad.*

Certificate of Airworthiness: *Certificate of Airworthiness means a certificate of airworthiness issued or in force under rule 18 of CARs.*

Certificate of Approval: *Certificate of Approval means a certificate of approval granted under rule 23 and rule 25 of CARs.*

Charter: *A non-scheduled flight operated according to the national laws and regulations of the country being served, as provided for in Article 5 of the Chicago Convention. A flight on which all (or almost all) the capacity which is occupied by passengers or cargo has been sold to one or more Charters for resale.*

Charter Operations: *Charter Operations means flight operations in which an aircraft is used for the carriage of passengers or cargo for hire or reward; any reference to "Charter" has a corresponding meaning; or*

to and from any place but not in accordance with fixed schedules to and from fixed terminals; or

in accordance with fixed schedules to and from fixed terminals in circumstances in which the accommodation in the aircraft is not available for use by members of the public.

Charter Aircraft: *Charter Aircraft means an aircraft engaged on Charter operations.*

Cloud Ceiling: *Cloud Ceiling means the vertical distance from the elevation of an aerodrome to the lowest part of the cloud which obscures more than half the sky above the aerodrome.*

Code-Sharing: *An increasingly common marketing device whereby an airline places its designator code on a service operated by another airline. When selling a service, the marketing carrier is required to tell passengers that the service will be operated by another carrier.*

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

Commercial Flight Operation: *Commercial Flight Operation means a flight operation other than a private operation.*

Contracting State: *Contracting State means a country other than Pakistan that is a Party to the Convention.*

Controlled Flight into Terrain (CFIT): *CFIT occurs when an airworthy aircraft is flown, under the control of a qualified pilot, into terrain (water or obstacles) with inadequate awareness on the part of the pilot of the impending collision.*

Controller-Pilot Data Link Communications (CPDLC): *A CPDLC means of communication between controller and pilot, using data link for ATC communications.*

Co-terminalization: *The right to serve two or more specified points in the territory of a party to an air-transport services agreement on the same flight provided these points are contained in the same route. If two or more separate routes are granted, the right to co-terminalize points on separate routes must be specifically established.*

Crew Member: *Crew Member means a person assigned by an operator for duty on an aircraft during flight time, and any reference to "crew" has a corresponding meaning.*

Dangerous Goods: *Articles or materials capable of posing significant risk to people, health, property or environment when transported in quantity. It also includes items of common use, such*

as aerosol cans, perfumes, and paints.

Designation: *Designation is a nomination by a state of the airline or airlines to operate a particular route. The bilateral partner can be informed of the nomination by letter, diplomatic note or inclusion of the details in a Memorandum of Understanding (MoU)/Agreed Record.*

Director-General: *Director General means Director General of the Pakistan Civil Aviation Authority.*

Dry-Lease: *A dry lease is a leasing arrangement whereby an aircraft financing entity provides an aircraft without insurance, crew, ground staff, supporting equipment, maintenance, etc. Dry lease is typically used by leasing companies and banks, requiring the lessee to put the aircraft on its own AOC and provide aircraft registration. A dry lease arrangement can also be used by a major airline and a regional operator, in which the regional operator provides flight crews, maintenance and other operational aspects of the aircraft, which may be operated under the major airline's name or some similar name.*

Examination: *Examination means a medical examination or an examination by way of a test of theoretical knowledge or a practical test of knowledge and skill.Damp Lease: An arrangement where the lessor provides the aircraft, flight crew and maintenance but the lessee provides the cabin crew.*

Flight: *Flight means*

a. *in the case of a heavier-than-air aircraft, the operation of the aircraft from the moment at which the aircraft first moves under its own power for the purpose of taking-off until the moment at which it comes to rest after being airborne; and*

b. *in the case of a lighter-than-air aircraft, the operation of the aircraft from the moment when it becomes detached from the surface of the earth until the moment when it becomes again attached to the surface of the earth or a fixed object on the surface of the earth.*

Flight Frequency: *Flight Frequency is defined as the number of scheduled flights operated during a period of time (e.g. daily, weekly, monthly, or yearly).*

Flight Operations: *Flight Operations means operation involving aircraft in flight.*

Flight Punctuality: *For air traffic, airport flow management and benchmarking purposes flight punctuality is expressed in percentage of flights delayed less than 15 minutes during a specified period (e.g. weekly, monthly or yearly). For purposes of determining airline efficiency, force majeure flight delays not attributable to the airline are excluded.*

Flight Regularity: *Flight Regularity is defined as the percentage of scheduled flights operated (flown) during a specified period of time (e.g. daily, weekly, monthly, or yearly). For purposes of determining airline efficiency, force majeure flight cancellations not attributable to the airline are excluded.*

Freedoms of the Air: *(These definitions relate to aircraft registered in state A):*

- *1st freedom: The right to flight over state B without commercial or technical stops.*
- *2nd freedom: The right to land in state B for technical purposes, e.g., refueling.*
- *3rd freedom: The right to set down traffic from state A in state B.*
- *4th freedom: The right to pick up traffic in state B destined for state A.*
- *5th freedom: The right to pick up traffic in state B destined for state C or disembark traffic in state B originating in state C.*
- *6th freedom: Taking passengers between states B and C but flying via state A.*
- *7th freedom: Service between state B and state C operated by airline of state A "free-standing fifth freedom".*
- *8th freedom: 'Cabotage' domestic services in one country operated by a carrier of another country.*

General Aviation Operation: *An aircraft operation other than a commercial air transport operation or an aerial work operation.*

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

Global Air Navigation Plan: *Strategic document that describes the methodology for global air navigation harmonization. It contains guidance on the ATM improvements necessary to support a uniform transition to the ATM system envisioned in the ICAO Global ATM Operational Concept.*

Greenfield Airport: *Greenfield Airport means a new airport which is built from scratch in a new location because the nearby airport is either unusable/non-existent or is unable to meet the projected requirements of traffic.*

Ground Handling: *Services necessary for an aircraft's arrival at, and departure from, an airport, other than air traffic services.*

Heavier-than-Air Aircraft: *Heavier than air Aircraft means an aircraft deriving its lift in flight chiefly from aerodynamic forces.*

Helicopter: *Helicopter means a heavier-than-air aircraft supported in flight [chiefly] by the reaction of the air on one or more normally power driven rotors on substantially vertical axis.*

Holder: *Holder in relation to a licence or a certificate granted or issued under these rules, means a person to whom the licence or the certificate has been granted or issued.*

Interlining: *Changing at an intermediate point on a journey from one aircraft to an aircraft of a different airline but without any sharing of the airline codes. (Compare with code sharing)*

International Air Service: *International Air Service means an air service which passes through the airspace over the territory of more than one country.*

International Civil Aviation Organization (ICAO): *A United Nations body formed in December,*

1944 under the auspices of the Chicago Convention with the objectives of developing the principles and techniques of international air navigation and fostering the planning and development of international air transport so as to: ensure safe and orderly growth of international aviation throughout the world; encourage the arts of aircraft design and operation for peaceful purposes; encourage the development of airways, airports and air navigation facilities for civil aviation; meet the needs of people of the world for safe, regular and efficient and economical air transport; prevent economic waste caused by unreasonable competition; ensure the rights of states are respected; avoid discrimination between states; and promote the safety of flight. Detailed standards and recommendations are included in the Annexes to the Convention, e.g. Annex 6 on safety and Annex 9 on "facilitation" (customs, immigration, security checks, etc).

Kite: *Kite means a glider normally moored to the ground.*

Lease: *The right to occupy certain defined premises or possess some equipment for a fixed period, which may be used for business purposes. The premises or equipment are returned to the owner on expiry of the lease, generally without paying any compensation.*

Licenced: *Licenced means licenced under Civil Aviation Rules;*

Lighter-than-Air Aircraft: *Lighter than air aircraft means an aircraft an aircraft supported chiefly by its buoyancy in the air.*

Limit of Validity (LOV): *LOV is a maintenance precept that is established on the basis of Widespread Fatigue Damage (WFD) considerations; it is intended that all maintenance actions required to address fatigue, corrosion, and accidental damage up to the LOV are identified in the structural-maintenance program.*

Loss of Control: *The term, loss of control, refers to emergency situations from which a pilot may have been able to recover but did not, such as problems with situation awareness, recovery from wind shear, mishandling of an approach, and recovery from a stall.*

Maintenance: *Maintenance means, in relation to an aircraft or an aircraft component, the performance of tasks required to ensure the continuing airworthiness of an aircraft or an aircraft component, including any one or combination of overhaul, inspection, replacement, defect rectification and the embodiment of a modification or repair.*

Multimodal Transport: *Combination of two or more modes of movement of goods, such as air, road, rail, or sea. Also called combined transport.*

Multiple-Designation: *Multiple-Designation arrangements permit an unlimited number of scheduled carriers to operate. Dual designation allows only two carriers from each side to operate and single designation permits only one carrier from each side to operate.*

Navigation: *Conventional ground-based radio and visual aids to navigation, Global Navigation Satellite System (GNSS) and its associated augmentation systems in support of all phases of flight.*

NDB: *NDB is a Non-Directional (radio) Beacon. It is a radio transmitter at a known location, and is used as a navigational aid.*

Night Flight: *Night Flight means flight during night.*

Notice to Airmen: *Notice to Airmen means notices to airmen published under Civil Aviation Rules.*

Non-Commercial Operations by Welfare/Non-Profit Organizations: *Non-Profit/Welfare Organizations may be allowed to conduct 'non-commercial' operation under Aerial Work Licence. Non-commercial operations would be restricted to natural-calamity, search & rescue, medical–evacuation/ambulance and Government Aerial missions/surveys of Public interest or natural calamities.*

Open Skies: *Open Skies is an international policy concept that calls for the liberalization of the rules and regulations of the international aviation industry - especially commercial aviation - in order to create a free-market environment for the airline industry. Its primary objectives are:*

- *To adjust the regime under which military and other state-based flights may be permitted.*
- *To liberalize the rules for international aviation markets and minimize government intervention as it applies to passenger, all-cargo, and combination air transportation as well as scheduled and Charter services.*

For open skies to become effective, a bilateral, and sometimes multilateral, Air Transport Agreement must be concluded between two or more nations.

Operating Licence: *Granted by the Civil Aviation Authority, the operating licence attests to the competence of an airline to operate air services. The criteria for granting a licence, covered by PCAA Rules on Licencing of Air Carriers, relate principally to the place and nature of business; nationality of ownership and control; adequacy of financial resources; the holding of an Air Operator's Certificate; fitness; and passenger and third party insurance.*

Operating Permit: *A permit issued allowing a carrier to operate a service to Pakistan. Permits are required for scheduled and non-scheduled passengers, cargo and combi services where these services are operated for reward. Empty flights to position aircraft or for aircraft maintenance and flights operated on a non-commercial basis (e.g. a corporate-owned aircraft flying company members) does not require permits. Pakistani airlines similarly need to seek permits from the aviation authorities of the country to which they wish to operate.*

Operator: *The person, organization or enterprise engaged in or offering to engage in an aircraft operation.*

Performance-Based Navigation (PBN): *Area navigation based on performance requirements for aircraft operating along an ATS route, on an instrument approach procedure or in a designated airspace.*

Note:- *Performance requirements are expressed in navigation specification (RNAV specification, RNP specification) in terms of accuracy, integrity, continuity, availability and functionality needed for the proposed operation in the context of a particular airspace concept.*

Predatory Fare or Price: *A below-cost fare set by an airline with the intention of forcing competitors out of the market.*

Private Operations: *Private Operations mean flight operations, other than Aerial Work, Charter or Regular Public Transport, in which no remuneration, hire, or reward is given to the owner, or the operator of the aircraft in respect of that flight or the purpose of that flight.*

Prohibited Area: *Prohibited Area means an area designated by the Director-General under rule 67 of CARs to be a prohibited area.*

Public Transport Service: *Public Transport Service means a service for the carriage of persons or cargo for hire or reward.*

Regular Public Transport (RPT) Operations: *Regular Public Transport Operations means flight operations in which an aircraft is used for the carriage or passengers or cargo for hire or reward in accordance with fixed schedules to and from fixed terminals over specific routes with or without intermediate stopping places between terminals, and any reference to "Regular Public Transport" has a corresponding meaning.*

Regular Public Transport Aircraft: *Regular Public Transport Aircraft means an aircraft engaged on Regular Public Transport operations.*

Registered Aircraft: *Registered Aircraft means an aircraft registered under CARs.*

Route: *The permitted points to or through which a carrier may fly under the bilateral arrangements with third/fourth freedom traffic rights. It is usually contained in the route schedule/annex to an ASA but amendments to the route may be set out in subsequent exchanges of notes.*

RPK: *Revenue Passenger Kilometers (RPKs) are calculated by multiplying revenue passengers and kilometers flown.*

RPM: *Revenue Passenger Miles (RPMs) are calculated by multiplying revenue passengers and statute miles flown.*

Runway: *A defined rectangular area on an aerodrome prepared for the landing and take-off of aircraft.*

Safety Management System (SMS): *A systematic approach to managing safety, including the necessary organizational structures, accountability, responsibilities, policies and procedures.*

Scarce Capacity: *Where bilateral restrictions prevent Pakistani airlines from operating all of the services they plan to provide. The PCAA will allocate scarce capacity between competing Pakistani airlines.*

Scheduled Service: *An air service operated on a regular basis by a carrier in accordance with a published timetable or with flights so regular or frequent that they constitute a recognizably systemic series. International scheduled service requires bilateral agreement to operate by virtue of Article 6 of the Chicago Convention.*

State Safety Programme (SSP): *An integrated set of regulations and activities aimed at improving safety.*

Supplementary Inspection Document (SID): *A supplementary maintenance schedule intended to be used after the aircraft reaches a specified number of flights or hours. SIDs provide additional maintenance and inspections to ensure the continuing airworthiness of ageing aircraft.*

Supplementary Inspection Program (SIP): *Supplementary Inspection Programs (SIPs) are used to ensure the continuing airworthiness of ageing aircraft. Maintenance becomes more complex as an aircraft increases in age. Additional maintenance is required in areas where experience has shown fatigue or environmental degradation to be greater than predicted.*

Tariff: *The price charged for the public transport of passengers, baggage and cargo (excluding mail) on scheduled air services, including the conditions governing the availability or application of such price and the charges and conditions for services ancillary to such transport.*

Taxiing: *Taxiing means movement of an aircraft on the surface of an aerodrome under its own power, excluding takeoff and landing, but including, in the case of helicopters, operation over the surface of an aerodrome within a height band associated with ground effect and at speeds associated with taxiing.*

Taxiway: *Taxiway means a defined path on an aerodrome established for the taxiing of aircraft and intended to provide a link between one part of the aerodrome and another.*

Tourism Promotion & Regional Integration (TPRI) Licence: *Flight Operations in which an aircraft is used for the carriage of passengers or cargo for hire or reward in accordance with fixed schedules to and from Socio-Economic routes, and any reference to "Tourism Promotion & Regional Integration" has a corresponding meaning. TRPI licencee shall not be allowed to conduct flight operations between Trunk/Primary routes, however, flight may originate or terminate from/to any Trunk/Primary airport declared as hub in their schedule already submitted.*

Track: *Track means the projection on the earth's surface of the path of an aircraft the direction of which at any point is expressed in degrees from North.*

Visibility: *Visibility means the ability, as determined by atmospheric conditions and expressed in units of distance, to see and identify prominent unlighted objects by day and lighted objects by night.*

VFR: *The symbol used to designate the visual flight rules.*

VOR: *VHF Omni Directional Radio Range (VOR) is a type of short-range radio navigation system*

(using Very High Frequency, VHF) enabling aircraft with a receiving unit to determine their position and stay on course by receiving radio signals transmitted by a network of fixed ground radio beacons.

WetLease: *A wet lease is a leasing arrangement whereby one airline (lessor) provides an aircraft, complete crew, maintenance, and insurance (ACMI) to an airline or other type of business acting as a broker of air travel (the lessee), which pays by hours operated. The lessee provides fuel and covers airport fees, and any other duties, taxes, etc.*

Widespread Fatigue Damage (WFD): *WFD is fatigue damage in a structure (aircraft or engine) to the extent that the structure no longer meets its damage tolerance requirements. WFD looks for the presence of cracks of a sufficient size and density in a structure, to the extent that it can no longer maintain the structure's required residual strength.*

ANNEXURES







Exemption on Taxes/Duties on Import of Aircraft Parts and Related Equipment

Annex-A

(Reference: Chapter 1 Para 1.7.2 & Chapter 3 Para 3.4.1 & Para 3.6)

NAP-2019

a. FBR may exempt Aircraft parts/items from taxes and duties on their import, as per list given below:

i. Engine.

ii. Auxiliary Power Unit (APU).

iii. Landing gears / aircraft tyres.

iv. Aircraft structural parts & avionics.

v. Aircraft Oil and Lubricants.

vi. Services from foreign venders.

vii. Paints used in aircraft.

viii. Aircraft carpets and fabric.

ix. In-flight entertainment hard & soft materials.

x. Hangar equipment, tools, fixtures and test benches.

xi. Ground Support Equipment.

xii. Tools, testers and equipment for support shops.

xiii. Special purpose vehicles like cherry lifters, scissors lift, etc.

xiv. Publications/manuals and training material (soft/hard).

xv. Aircraft full mission & training simulators and simulator parts.

xvi. Life-saving equipment and fire engines (vehicles).

b. Any other part / item / material not mentioned in the above list but directly related to aviation maintenance may also be exempted by FBR with the prior approval of Aviation Division.

Incentives for Aircraft Manufacturing Industry

Annex-B

(Reference: Chapter 3 Para 3.5)

NAP-2019

a. Total tax exemption may be offered by FBR for setting up of an Aircraft Manufacturing Industry.

b. Exemption of customs duty on import of under mentioned:

i. All equipment required for aircraft manufacturing.

ii. Raw materials imported for manufacturing of aircraft or aircraft parts.

iii. Molds, jigs, fixtures imported for manufacturing of aircraft parts or aircraft.

iv. Precision laser cutting equipment used in composite parts.

v. N-axis CNC machines for engine parts manufacturing.

vi. 3D Scanners, 3D Printers and CMM machines.

vii. Non-Destructive testing machines.

viii. Aircraft Manufacturing related hardware, tools, dyes, consumables and fixtures.

ix. Materials imported for Infrastructure growth purely used for aircraft manufacturing industry.

x. Display System (FIDS) including Electronic Flight Information Systems (EFIS), Engine Management System (EMS), Wide Area Augmentation System (WAAS), Weather Information Systems (WIS), IFR panels, etc.

xi. Rescue and Fire-fighting Emergency Equipment which is already tax free, shall also include Emergency Locator Transmitters (ELT), Ballistic parachute Recovery System (BRS), Emergency Medical Kits (EMK), ADS-B and GPS/DGPS equipment.

c. Any other part / item / material not mentioned in the above list may be exempted with the approval of Aviation Division.

Paid-up Capital and Security Deposit

Annex-C

(Reference: Chapter 1 Para 1.7.1 & Chapter 4 Para 4.1, 4.3.1, 4.3.2)

NAP-2019

Licence Class/Category with Minimum Paid-Up Capital & Security Deposit Requirements

LICENCE	CLASS/ CATEGORY	PAID-UP CAPITAL (PKR)	Cash Security Deposit (PKR)
Regular Public Transport (RPT) Domestic/International	Passengers & Cargo	300 Million	100 Million
Tourism Promotion & Regional Integration (TPRI)	Passengers & Cargo	10 Million	05 Million
Charter International/Domestic	Class-I	25 Million	05 Million
Charter International/Domestic	Class-II	50 Million	10 Million
Aerial Work Domestic/International	Class-I	10 Million	2.5 Million
Aerial Work Domestic/International	Class-II	20 Million	05 Million
Flying School	Class-I	07 Million	2.5 Million
Flying School	Class-II	15 Million	05 Million
Ground School	N/A	05 Million	02 Million

Note:-

a. Operator with higher category licence, within same type of operations, will not be required to fulfill loss-free paid-up capital requirements in addition to the same higher category licence.

b. Minimum paid-up capital requirement shall not apply to Federal or Provincial Government Organizations applying for Aerial Work Licence for VIP/VVIP flight operations but would not be allowed to undertake Aerial Work for commercial activities. However, security deposit requirement shall be applicable.

c. Non-Profit / Welfare organizations may be allowed to operate without fulfilling the requirements of loss-free paid-up capital and security deposit for the purpose other than ''Commercial''. However, this does not include Flying Clubs. For ''Non-Commercial Operations by Welfare / Non-Profit Organizations'' see Glossary of Terms.

d. Only Paid-up capital requirements for Flying Clubs in respect of Flying School licences (class I/II) shall be waived off subject to maintaining 50% of the applicable paid-up capital requirement under "General Reserve/Surplus" in their Balance Sheet/Statement of Financial Position. In return to this waiver in paid-up capital, Flying Clubs would be required to fulfill Social Responsibilities stated in Annex-F of this policy.

e. The TPRI licence holder may authenticate the paid-up capital through annual audited financial statements. TPRI licence holder will not be allowed to operate on Trunk and Primary Routes however, the flight may originate/terminate at Trunk/Primary airport. Seating capacity for aircraft operations by TPRI operators shall be limited to aircraft as decided by the Authority.[5]

f. The Paid-up Capital & Security Deposit requirements as mentioned in the above table shall be implemented for an initial period 02 years and if found feasible or otherwise the same shall be reviewed.

g. The PCAA Charges shall also be implemented for an initial period of 02 years and if found feasible or otherwise the same shall be reviewed.

5. Amendment approved by Federal Cabinet; Aviation Division Letter No. AT-10(4)/2019 dated 02nd October, 2019

Licence Approval Authorities

Annex-D

(Reference: Chapter 4 Para 4.3)

NAP-2019

License Class / Category &Competent Authority for Issuance/Renewal

LICENCE	CLASS/ CATEGORY	ISSUANCE	RENEWAL
Regular Public Transport (RPT)	Passengers & Cargo	Federal Government	Minister for Aviation[6]
Tourism Promotion and Regional Integration (TPRI)	Passengers & Cargo	DGCAA	DGCAA
Charter International	Class-II	Federal Government	Minister for Aviation
Charter Domestic	Class-II	Federal Government	Minister for Aviation
Charter International	Class-I	Federal Government	Minister for Aviation
Charter Domestic	Class-I	DGCAA	DGCAA
Aerial Work International	Class-II	Federal Government	Minister for Aviation
Aerial Work Domestic	Class-II	DGCAA	DGCAA
Aerial Work International	Class-I	Federal Government	Minister for Aviation
Aerial Work Domestic	Class-I	DGCAA	DGCAA
Flying School	Class-II	DGCAA	DGCAA
Flying School	Class-I	DGCAA	DGCAA
Ground School	N/A	DGCAA	DGCAA
Private Aircraft Operation Domestic	Class-I	DGCAA	DGCAA
Private Aircraft Operation International	Class-I	Federal Government	Minister for Aviation
Private Aircraft Operation Domestic & International	Class-II	Federal Government	Minister for Aviation

6. Amendment approved by Federal Cabinet; Aviation Division letter No. 80-23(19/85) dated 08th November, 2019

Categories of Routes

Annex-E

(Reference: Chapter 4 Para 4.1, 4.4)

NAP-2019

1. Trunk Routes

Routes between any two of the following cities would form a Trunk Route:

Karachi, Lahore, Islamabad, Peshawar and Quetta.

2. Primary Routes

Air link with the following destinations would form a Primary Route:

Faisalabad, Multan, Sialkot, Sukkur, D.G. Khan, Rahim Yar Khan, Bahawalpur, Nawabshah, D.I. Khan and Hyderabad

3. Socio-Economic Routes

Socio-Economic Routes: Category-A

Gwadar, Zhob, Mohenjo-Daro, Mirpur Khas, Muzaffarabad, Skardu, Gilgit, Chitral, Saidu Sharif and Bannu

Socio-Economic Routes: Category-B

Turbat, Panjgur, Khuzdar, Dalbandin, Rawalakot, Parachinar, Sehwan Sharif, Ormara, Jiwani, Pasni, Jacobabad, Sibi, Mangla, Kohat, Bhagtanwala, Mianwali and Talhar

Note:

a) There shall be no landing and housing charges at Socio-Economic airports for scheduled services.

b) The inclusion/deletion of airports in any of above category of Routes would be at the discretion of DGCAA with the approval of Aviation Division.

Social Responsibility of Flying Clubs

Annex-F

(Reference: Annex C, Note 'd')

NAP-2019

To make certain that level playing field is available to all the stakeholders, in return to Waiver on Paid-up capital requirements for Flying School Licences; Flying Clubs would be required to conduct following activities for the promotion of aviation sector in Pakistan:

a. Bi-annual visit to Flying Clubs by school students as educational visits.

b. During training each Flying Club shall select 01 outstanding student; the selected student shall be given 20 hours free of cost as scholarship during the training.

c. Providing Air-Journey experience to newly inducted Civil Aviation Air Traffic Controllers for familiarization of the aerodrome traffic zone and surrounding built-up areas & obstacles for airspace comprehension. Air experience to potential candidates may also be considered (optional basis).

d. Promotion of Aviation activities through Workshops/Seminars at colleges.

e. Aircraft Model show by all the clubs collectively once in a year on Pakistan Day i.e. 23rd March every year.

Note:

a) Flight Standards Directorate through Additional Director-General Aviation shall be responsible for the compliance of Annex-F.

Aircraft Age / Life Limits

Annex-G[7]

(Reference: Chapter 4 Para 4.2, 4.3)
NAP-2019

Aircraft Age / Life Limitations

LICENCE / Category of Operations	Maximum Induction Age	Maximum Operation/ Retirement Age
Regular Public Transport (RPT) Domestic / International	18 Years (with 35% Ops life remaining)	25 years
RPT/Non-RPT Cargo Domestic / International	35% of Operational life remaining	*OEM Recommended Age/Cycles
Charter Pax/Aerial Work Pax/ Private Aircraft (Pressurized) Domestic / International	18 Years (with 35% Ops life remaining)	*OEM Recommended Age/Cycles
TPRI (Domestic)-Pressurized	18 Years (with 35% Ops life remaining)	*OEM Recommended Age/Cycles
TPRI/Aerial Work/Charter/Flying School (Unpressurized)	25 years with 35% of Operational life remaining OR 50% of Operational life remaining	*OEM Recommended Age/Cycles

Note: *Original Equipment Manufacturer (OEM) recommended Age/Cycles subject to Air Worthiness.

a. RPT: Calendar age of all aircraft, used as passenger transport for Scheduled/Non-Scheduled passenger-carrying services (RPT), shall not be more than 18 years at the time of induction with minimum of 35% remaining operational life as defined by OEM. Operational life expectancy shall be based on international standards considering limitations on maximum hours, flight cycles and chronological age etc. Operations would be permissible up to a maximum calendar age of 25 years.

b. Pressurized Non-RPT Pax: For Charter Passenger, TPRI, Aerial Work Passenger and Private Aircraft Operations calendar age of all aircraft shall not be more than 18 years at the time of induction with minimum of 35% remaining operational life as defined by OEM. Operations would be permissible up to a maximum calendar age/life cycles as defined by OEM subject to airworthiness.

c. **RPT/Non-RPT Cargo:** For freighter/cargo aircraft, minimum of 35% remaining operational life would be required as given by OEM at the time of induction. Operations would be permissible up to a maximum calendar age/life cycles as prescribed by the manufacturer of the aircraft provided the aircraft is airworthy.

7. Amendment approved by Aviation Division letter No. AT-10(4)/19 dated 31st October, 2019

d. **Unpressurized CH (Pax.) AW & FS:** For unpressurized aircraft/helicopters being used for TPRI, Charter (Pax.), Aerial Work and Flying School operations, the calendar age at the time of induction shall not be more than 25 years with 35% of Operational life remaining OR minimum of 50% remaining operational life would be required as given by OEM at the time of induction; operations would be permissible up to a maximum calendar age/life cycles as prescribed by the manufacturer of the aircraft provided the aircraft is airworthy.



