

MALTA'S INTERNATIONAL ADVISORY FIRM

Malta - Aircraft Operator Certificate & Licence

What is an Aircraft Operator Certificate (AOC)?

Air transport organisations are required to have an AOC - which authorises them to **carry out any air service within the EU** in accordance with <u>Council Regulation 1008/2008 on common rules</u> for the operation of air services in the Community (**Regulation**).

AOC Conditions

The AOC allows an operator to perform specific operations of commercial air transport. The Regulation defines an AOC as:

a certificate delivered to an undertaking confirming that the operator has the professional ability and organisation to ensure the safety of operations specified in the certificate, as provided in the relevant provisions of Community or national law, as applicable.

The requirements to obtain the AOC are centred on the operational and technical aspects of the business, covering equipment (including aircraft and their support equipment), the organisation and its employees.

The AOC attests the operator's professional ability and that it has the ability to ensure the safety of its operations, as specified in the AOC.

AOC holders are also required to obtain an Air Operator's Licence (\mathbf{AOL}) – see below.

In Malta, the competent authority to regulate the aviation sector is the Civil Aviation Directorate (CAD) of Transport Malta.

AOC - Main Requirements

- The principal place of business and, if any, the registered office must be in Malta
- The applicant must satisfy the CAD that they are able to conduct safe operations



- Applicants must appoint an accountable manager, who will be responsible for establishing and maintaining an effective management system
- Applicants must nominate persons to be responsible for the management and supervision of flight operations, crew training, ground operations and continuing airworthiness

5 Stages to AOC

The process to obtain AOC in Malta entails 5 stages. The application must be filed **ninety (90)** days before the date on which the applicant intends to begin operations.

1. Pre-Application Stage

- Preliminary discussions with the Flight Operations Inspectorate of the CAD. The CAD provides applicants with complete information concerning the type of operations which may be authorised, details of the data that the applicant needs to provide and the procedures that will be followed in the processing of the application.
- Submission by the applicant of a Pre-Assessment Statement (POPS form) to the Flight Operations Inspectorate, part of CAD, in order to establish its intent to pursue the issue of an AOC.
- A parallel assessment by CAD of the financial, economic and legal status of the applicant and the proposed operation.

2. Application Stage

Upon completion of the assessment concerning the financial, economic and legal aspects of the application and adjustment

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of any, CAD will make a provisional determination on the general feasibility of the operation.

This phase will only commence if the operation is found to be provisionally acceptable, and an AOL has been cleared (see below).

It is at this stage that the formal AOC application is filed. The application should demonstrate the operator's method of compliance with the applicable requirements.

The application will be evaluated in depth, including a demonstration and inspection concerning the required manuals, training programmes, operational and maintenance facilities, aircraft, support equipment, record keeping, dangerous goods programme, flight crew, and key management personnel, including the functioning of the administrative and operational organisation.

3. Document Evaluation Phase

This stage involves the detailed examination of all the applicant's documentation and manuals, to establish that every aspect required by the regulations has been dealt with.

All aspects of the development of the required documentation must be co-ordinated with the Flight Operations Inspectorate of the CAD before submitting the formal application - this will facilitate the evaluation of both the application and the documents.

4. Inspection and Demonstration Phase

Inspections will cover base and station facility, the operational control and supervision facilities as well as the inspection of training programmes and training facilities.

The applicant will also be required to carry out demonstrations of the operational control system and flights demonstration.

5. Certification Phase

Once the Flight Operations Inspectorate has determined that all operational certification requirements have been completed in a satisfactory manner and is satisfied that the operator (i) will

comply with the applicable regulations and (ii) is fully capable of fulfilling its responsibilities and of conducting a safe and efficient operation, the AOC can be issued.

Obtaining an AOL

As mentioned above, every AOC holder is also required to obtain an **AOL**. Article 3 of the Regulation states that:

No undertaking established in the Community shall be permitted to carry by air passengers, mail and/or cargo for remuneration and/or hire unless it has been granted the appropriate operating licence.

Any undertaking that fulfils the requirements as listed in the Regulation are entitled to be granted an AOC.

The granting and validity of an AOL is **dependent** upon the possession of a valid AOC specifying the activities covered by the AOL.

Therefore, an assessment is carried out to ensure that an undertaking fulfils the requirements, and once this is assured, the AOC application process takes place. Upon issuance of the AOC, which specifies the activities that will be indicated in the AOL, the applicant can proceed to formally apply for an AOL.

Conditions for AOL

Applicant must:

- have its principal place of business located in Malta
- hold a valid AOC issued by the CAD
- have one or more aircrafts at its disposal through ownership or a dry lease agreement
- have as its main occupation the operation of air services in isolation or in combination with any other commercial operation of aircrafts, or the repair and maintenance of aircrafts
- have a company structure which allows CAD to implement the provisions of the Regulation
- be owned and effectively controlled by an EU Member States and/or nationals of EU Member States, holding at least 50% of the undertaking, whether directly or indirectly

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through one or more intermediate undertakings, except as provided for in an agreement with a third country to which the EU is a party

- meet the financial conditions as specified in Article 5 of the Regulation
- comply with the insurance requirements specified in Article 11 of the Regulation and in Regulation (EC) No 785/2004
- comply with the provisions on good repute as specified in Article 7 of the Regulation

Process for issue of AOL

An AOL may be obtained within a maximum time frame of **three (3) months** from receipt by CAD of all necessary information. The CAD is required in all cases to observe this time frame in advising the undertaking whether or not an AOL will be issued.

Acumum Legal & Advisory

How can Acumum help?

Acumum is an award-winning boutique set of advisory, corporate and fiduciary firms - with an associated barristers' chambers, located in the EU tax & fiscal efficient jurisdiction of Malta.

Our senior management of lawyers, accountants & tax advisers provide expert, trusted and cost efficient, bespoke services to an international clientele: individuals, family offices, corporations, Governments and other service providers.

Believing in long term relationships, we provide holistic, sustainable and practical solutions to clients, whilst being committed to a superb and personalised level of client service.

To find out more or have a no-commitment initial conversation contact one of our Acumum offices.

Key Contact

Dr Geraldine Spiteri Director, Advocate



Dr Geraldine Spiteri graduated from the University of Malta (2001) and subsequently obtained her warrant to practice in Malta (2002), after which she obtained her Magister Juris in European and Comparative Law (2003) and her LL.M. in International Maritime Law.

Geraldine leads the marine and aviation teams at Acumum, with her main practice areas being maritime and yachting, aviation and transport, and corporate law. Geraldine also lectures In these fields.

Geraldine has hands-on experience in the management of yachts and yachting companies, assisting several yachts with their administrative and corporate requirements, under the Malta flag and other jurisdictions.

Qualifications

B.A. (Legal & Humanistic Studies), Dip. Notary Public LL.D., Dip. Eccles. Trib., Mag. Jur. (EU & Comparative) LL.M. (IMLI)

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