



Ethiopian Civil Aviation Authority

*Procedure for Issuance and Exercising Rights
of
Air Operator Certificate and Business License*

Directive No. 659/2021

ECAA
June 30/2019
Addis Ababa

Contents

1	Short title	2
2	Objectives	2
3	Scope of Application	2
4	AOC and Business License Issuance, Application and Reporting	
	4.1 Issuance.....	2
	4.2 Exercise of Rights granted under AOC and Business License.	2-3
	4.3 Operation with Leased Aircraft.....	3
	4.4 Performance Reporting.....	3
5	Entry into Force, Review and Amendment	3
	Annex-I: Prerequisites for Issuance of an AOC & Business License	5-10

1. Short title

This Directive may be cited as the “Procedure for Issuance and Exercing Rights of Air Operator Certificate (AOC) and Business License Nc 659/2021

2. Objectives

- 2.1 To establish a transparent & fair regulatory framework for processing,issuance and application of Air Operators Certificate(AOC) and Business License,
- 2.2 To protect against illegal practices in relation to holding and exersing rights granted under AOC and Business License; and
- 2.3 To ensure operational and state revenue issues are properly addressed.

3. Scope of Application

This Procedure shall be applicable to any indigenous air operator engaged in commercial air transport services.

4. AOC and Business License Issuance, Application and Reporting

4.1 Issuance

- 4.1.1 Any legal person/entity applying for an AOC¹ shall, in addition to technical and legal evidences specified under Ethiopian Civil Aviation Regulations, submit
 - i) Investment Permit(if any)
 - ii) Certificate of Principal Registration
 - iii) Business Plan
- 4.1.2 Upon securing an AOC,an entity is required to apply for and hold a business License with the following requirements to be fulfilled:
 - i) Complete the Application Form prepared by the Authority,
 - ii) A copy of the newly issued or renewed Principal Registration Certificate,
 - iii) Certificate of Taxpayer Identification Number(TIN),
 - iv) Copies of the Company’s Memorandum and Articles of Association,
 - v) Should own at least 1(one) Ethiopian registered aircraft,
 - vi) Copies of Certificates of ownership or lease agreement on Head Office,
 - vii) Copy of Employment Contract Agreement(including employee address),
 - viii) Occupational Certification & CVs,
 - ix) To ensure the availability of reliable financial resources to operate the air transport service, the Bank shall provide a deposit of not less than Birr 2.5 million in a blocked account to be reimbursed after one year of the start of operations.

4.2 Exercise of Rights granted under AOC and Business License

4.2.1 General provision

- i) Any flight shall be performed only if a business license is secured at least within a month after AOC has been issued.
- ii) A document attesting a contractual agreement between the airline and the entity using the service shall be submitted ahead of a flight permit for non-scheduled(charter) flights.
- iii) Any AOC holder operating commercial flights without a business license shall be fined in line with Commercial Registration and business Licensing proclamation No.980/2016.
- iv) If an operator returns the leased aircraft to the owner,ECAA shall be notified of same immediately and the operator will be given no morethan 30(thirty) days to acquire another aircraft.Failure to register amother aircraft within this period of time shall be ground to suspend an AOC.

¹ Air Operator Certification has 5(five) phases: Pre-Application Phase, Formal Application Phase, Documentation Phase, Demonstration and Inspection Phase and Certification Phase; and each phase has its own requirements to be fulfilled..

4.2.2 Air Transport scheduled services within Ethiopia

Any AOC holder shall serve at least 3(three) destinations in Ethiopia per week within the validity period (a year) of an AOC.

4.2.3 Air Transport Services outside Ethiopia

- i) Any Air Operator shall secure permit from foreign CAAs and notify same to ECAA prior to further commitment to commence flights abroad.
- ii) No flights may be performed abroad without similar permit from ECAA.

4.3 Operation with Leased Aircraft

Any lease agreement, including leasing out to any other carrier shall be filled with ECAA.

4.4 Performance Reporting

Any Air Operator shall submit

- 4.4.1 Traffic loaded/unloaded every 3(three) month,
- 4.4.2 Its Annual Financial Statement prior to renewal of its AOC,
- 4.4.3 All supporting documents for renewal of its business licence as stated under Commercial Registration and business Licensing proclamation No.980/2016(as amended).

5. Entry into Force,Review and Amendment

- 5.1 This Procedure shall enter into force as of July 1/2019 as approved by the Director General, Ethiopian Civil Aviation Authority.
- 5.2 Office of the Deputy DG, Aviation Regulation, shall review and evaluate the implementation of this procedure every 2(two) years.
- 5.3 This Procedure shall be revised/amended, as deemed necessary, every 4(four) years.
- 5.4 Office of the Deputy DG, Aviation Regulation, may establish ad-hoc team entitled for impact assessment of this procedure with technical advice of responsible Departments.
- 5.5 Joint Consultation Forum may be held, including the formal stakeholders' consultation forum thrice every year, and feedbacks will be submitted to DGCA for further action.

Annex-I:
Prerequisites for Issuance of an AOC & Business License

Procedures for issuance of an Air Operator Certificate (AOC)

A prospective air operator should approach Air operator certification and surveillance Directorate for inquiry on the requirements to obtain an AOC. The Authority personnel in charge will provide detailed information to the operator and advise the operator to submit a written application to the Director General Civil Aviation Authority. At the same time the operator will be informed that, after the application is received by the office of the Director General, he/she will nominate three inspectors and assign them for the certification process which will be based on the Ethiopian Civil Aviation Rules & Standards (ECARaS) and Directives. When the assignment letter reaches the committee members, the committee will advise the operator to go-ahead with the certification process.

The prospective operator will be informed to proceed to the Investment bureau for registry ahead of the start of the certification process. After obtaining the Investment permit. He/she will be given detailed briefing on the five phases of the certification process:

1. Pre-application phase;
2. Formal application phase;
3. Documentation phase;
4. Demonstration and Inspection phase;
5. Certification phase;

The prospective operator will be required to have general knowledge on Ethiopian Civil Aviation Rules and Standards (ECARaS), the required Directives and International Rules and Standards relevant to the Annexes and to comply with them during its entire operation. The prospective operator will be briefed on the following items and submit required documents on the initial phase of the certification process.

1. Certificate of principal Registration,
2. Investment Permit
3. Should produce ownership certificate, lease, or lease purchase agreement
4. Type of aeroplane and number intended for use,
5. Base of operation, its location and address,
6. Names of Management members, their position, qualifications, licenses and rating including the organizational structure,
7. List of sufficient number of trained personnel to carry on the operation,
8. Articles of Association and Articles of Memorandum
9. Bank certificate attesting blocked account. Tenancies statement from legal Ethiopian Banks, Insurance certificate and Business plan
10. A document verifying a well developed control system for the follow-up of the movements of the aircrafts.(Dispatch office)
11. Identify the type of operation he/she intended to apply for:- i.e, commercial air transport, general aviation, aerial work or cargo transport,
12. Must own or provide agreement made with an approved maintenance organization,.
13. Operational and Maintenance Manuals,
14. Should be able to demonstrate the operational capability before obtaining the air operator certificate.(Demonstration flight)
15. Should make arrangement for inspection visit of the approved maintenance organization (AMO) and approved training organization (ATO).

When he/she confirm clarity on briefings given and intend to proceed with the certification, the certification process will resume.

Pre-Application Phase:-

During this phase, the prospective operator management personnel will be invited for a meeting and will be given the prospective pre-assessment statement (POPS) Form. The Certification Committee will give detailed instructions on how to fill the Form. If the management team has any doubt on the Form, further explanation will be given. The POPS should be completed, signed by the prospective operator and submitted to the Authority. If the information is incomplete or erroneous, the POPS will be returned to the operator with the reasons for its return in writing. If the information is complete and acceptable the operator will be advised to proceed to the next phase. The following application packages will be provided during this session.

1. Certification Job aid
2. Schedule of events
3. a Sample of operations specifications.

Statement of Compliance will be provided to the prospective operator with instructions how to fill the Form. After Completion, the Form will be submitted to the Authority and then they will be advised to submit the following Manuals

1. Operation Policy Manual,
2. Training and Checking Manuals,
3. Management structure and Qualification,
4. Purchase or lease agreement and other items as essential for the operation.

Formal Application Phase

It is recommended that the formal Application is submitted at least 90 days ahead of the commencement of the intended operations. The Authority will review the Application to determine that it contains the required information. If there are omissions or errors, the formal Application will be returned with a letter stating the reasons for its return. The operator's key management personnel should attend the meeting to discuss and resolve omissions &/or deficiencies observed during formal Application, or answer questions from either party.

Documentation Evaluation Phase

A thorough evaluation will begin on approximately 25 Manuals and documents submitted to the committee on this phase. The committee will endeavor to complete these evaluations in accordance with the operator's schedule of events and the statement of compliance forwarded to the operator during the previous Certification phases. When filling the statement of Compliance the chapters in the Manuals or documents should be referenced with the Ethiopian Civil Aviation Rules and Standards (ECARaS). If satisfactory, the Manuals and documents will be approved or accepted. Approvals may be indicated by letter as appropriate, or by approval of Operations specifications (Ops Specs)

Demonstration and Inspection Phase

On this phase the operation Department and the maintenance areas and facilities will be thoroughly examined. Besides, the operator will be required to demonstrate its ability to comply with Rules and Standards by flying for about 100hrs in the presence of the inspectors. If the inspection and the flight demonstration are satisfactorily completed the Certification will proceed to the final phase.

Final(Certification) Phase

After the document Compliance and the demonstration and inspection phases have been completed satisfactorily, the Authority will prepare an Air Operator Certificate and approve the Ops Specs. The operator must acknowledge receipt of these documents. The Certificate holder is responsible for continued compliance with the Authority and the Authorizations, limitations, and provisions of its certificate and Ops Specs. The operator will be on continuous surveillance.

Air Transport Investment Permit &/or Business License Requirements

I. Passenger Air Transport Services

A. For Investment by Sole Proprietorship

- i) Complete the application form prepared by the Authority
- ii) A copy of the newly issued or renewed Principal Registration Certificate
- iii) Taxpayer Identification Number(TIN)
- iv) Photocopy of applicant's ID card or local investor certificate (must be an Ethiopian)
- v) Two passport sized recent photographs of 6 months
- vi) To ensure the availability of reliable financial resources to operate the air transport service, the Bank shall provide a deposit of not less than Birr 2.5 million in a blocked account to be reimbursed after one year of the start of operations.
If the application is signed by an agent, a photocopy of power of attorney
(The power of attorney must provide the right to invest on behalf)

B) For investment by a Company

- i) Complete the application form prepared by the Authority
- ii) A copy of the newly issued or renewed Principal Registration Certificate
- iii) Copies of the Company's Memorandum and Articles of Association
- iv) If the Company is new, photocopy of ID of the share holders or local investor certificates (the Company must be an Ethiopian)
- v) To ensure the availability of reliable financial resources to operate the air transport service, the Bank shall provide a deposit of not less than Birr 2.5 million in a blocked account to be reimbursed after one year of the start of operations

II. Full Freighter Air Transport Services

A) For Investment by Sole Proprietorship

- i) Complete the application form prepared by the Authority
- ii) A copy of the newly issued or renewed Principal Registration Certificate
- iii) Taxpayer Identification Number
- iv) Photocopy of applicant's ID card or local investor certificate (must be an Ethiopian)
- v) Two passport sized photographs of 6 months
- vi) To ensure the availability of reliable financial resources to operate the air transport service, the Bank shall provide a deposit of not less than Birr 2.5 million in a blocked account to be reimbursed after one year of the start of operations.
- vii) If the application is signed by an agent, a photocopy of power of attorney (The power of attorney must provide the right to invest on behalf)

B) For investment by a Company

- i) Complete the application form prepared by the Authority
- ii) A copy of the newly issued or renewed Principal Registration Certificate
- iii) Copies of the Company's Memorandum and Articles of Association
- iv) If the Company is new, photocopy of ID of the share holders or local investor certificates (the Company must be an Ethiopian)
- v) To ensure the availability of reliable financial resources to operate the air transport service, the Bank shall provide a deposit of not less than Birr 2.5 million in a blocked account to be reimbursed after one year of the start of operations

III. Passenger and Cargo Air Transport Services

A) Investment by Public Enterprise

- i) Complete the application form prepared by the Authority
- ii) A copy of the newly issued or renewed Principal Registration Certificate
- iii) Photocopy of Regulation establishing the Company and the Company's Memorandum and Articles of Association
- iv) To ensure the availability of reliable financial resources to operate the air transport service, the Bank shall provide a deposit of not less than Birr 2.5 million in a blocked account to be reimbursed after one year of the start of operations.

B) Investment by Cooperatives

- i) Complete the application form prepared by the Authority
- ii) A copy of the newly issued or renewed Principal Registration Certificate
- iii) Photocopy of the Cooperatives' Memorandum and Articles of Association
- iv) To ensure the availability of reliable financial resources to operate the air transport service, the Bank shall provide a deposit of not less than Birr 2.5 million in a blocked account to be released after one year of the start of operations.

IV. Aviation Consultation Service:

- i) Complete the application form prepared by the Authority
- ii) Taxpayer Identification Number (TIN)
- iii) A copy of the newly issued or renewed Principal Registration Certificate
- iv) If consultation is by a Company, a copy of the company's Memorandum and Articles of Association
- v) Copies of Certificates of ownership or lease agreement on HQs
- vi) copy of Employment Contract Agreement (including employee address)
- vii) A bank deposit in a blocked account not less than ETB500,000.00 to be released a year after the start of the operation;
- viii) Occupational Certification & CVs.
- ix) Meet other relevant standards issued by the Authority

V. Aviation Education and Training Institutions

A) For Investment by Sole Proprietorship/a Company

- i) Complete the application form prepared by the Authority
- ii) A copy of the newly issued or renewed Principal Registration Certificate
- iii) Taxpayer Identification Number (TIN)
- iv) Photocopy of applicant's ID card or local investor certificate (must be an Ethiopian)
- v) Two passport sized recent photographs of 6 months
- vi) To ensure the availability of reliable financial resources to operate the air transport service, the Bank shall provide a deposit of not less than Birr 2.5 million in a blocked account to be released after one year of the start of operations
- vii) If the application is signed by an agent, a photocopy of power of attorney (The power of attorney must provide the right to invest on behalf)
- viii) Copies of Certificates of ownership or lease agreement on HQs,
- ix) Details of training facilities, services, and Simulator / equipment including specification.
- x) Details of core & support staff (with special emphasis on Instructors and other staff profiles).
- xi) Details of training documents including Curriculum, STP-Standard Training Packages, Academic Code of Conduct, Student attendance policy & recording system, testing & grading system & other related Manuals.
- xii) Fulfill other relevant standards issued by the Authority

VI. Flight Support & Facilitation

(Licensing exclusively reserved for Ethiopian Nationals (citizenship) only.)

Where business is to be made by individual person

- i) Fill and submit the Application Form as issued by the CAA;
- ii) Photocopy of newly issued or renewed commercial registration certificate;
- iii) Tax Payer Identification Number;
- iv) Photocopy of identity card or a photocopy of identity card evidencing his domestic investor status;
- v) The applicant's or the manager's passport size photographs taken within six months time;
- vi) Registered/authorized capital of not less than ETB 150,000.00 evidencing the financial capacity of an applicant initially to run the business ;
- vii) A profile of the applicant and its technical personnel with certificate of competency at least in one of civil aviation fields with a minimum of 5 years experience;
- viii) A copy of Employment Contract attesting with whom and how many employees the company is to run the business;
- ix) A document attesting permanent address and a recommendation given by competent government office testifying that the premise in which the business is to be made is suitable for the intended business;

Where business is to be made by a business organization¹

- i) Fill and submit the Application Form as issued by CAA;
- ii) Photocopy of newly issued or renewed commercial registration certificate;
- iii) Tax Payer Identification Number;
- iv) Authenticated original copies of Memorandum and Articles of Association of the company;
- v) Passport size photographs of the manager taken within six months time;
- vi) Registered/authorized capital of not less than ETB 500,000.00 evidencing the financial capacity of an applicant initially to run the business;
- vii) A document attesting permanent address and a recommendation given by competent government office testifying that the premise in which the business is to be made is suitable for the intended business;
- viii) A profile of the company's shareholders and its technical personnel with certificate of competency at least in one of civil aviation fields with a minimum of 5 years experience;
- ix) A copy of Employment Contract attesting with whom and how many employees the company is to run the business;