



CIVIL AVIATION AUTHORITY

Directorate of Safety, Security and Economic Regulation

GUIDELINES

PROCEDURE AND STANDARD REQUIREMENTS FOR THE LICENCE TO OPERATE SCHEDULED/NON-SCHEDULED PASSENGER/CARGO SERVICES IN AND OUT OF UGANDA

1. PROCEDURES

- (i) The intending operator submits to CAA a written expression of interest to invest in air transport sector.
- (ii) CAA opens a file and forwards an application form to the operator to complete and return with a non-refundable fee of US \$200 or its equivalent in Uganda Shillings.
- (iii) On receipt of the completed form, CAA evaluates the information supplied therein.
- (iv) If the information is lacking, the operator is invited for interaction during which all possible assistance is given to him/her.

- (v) Once all the required information has been obtained, the operator may be invited to appear before the Air Services Licensing Committee of the Board of Directors of CAA to present his investment plan. For purposes of transparency this interaction with the Board is done publicly and members of the public are free to comment, ask questions or participate in any other way they wish.
- (vi) The applicant is issued with an Air Service Licence subject to the fulfillment of the requirements stated.
- (vii) Before air services are finally mounted, the successful applicant must in addition to an Air Service Licence be granted an Air Operator's Certificate (AOC) in accordance with the Civil Aviation (Air Operator Certification and Administration) Regulations 2006.
- (viii) Following the issuance of the ASL and AOC, the applicant must commence operations as stipulated below:
- ***New applications – six (6) Months from the date of Offer to grant ASL***
 - ***Renewal Application – three (3) Month from the date of Offer***
 - ***Resumption of services – six (6) months from the date of suspension, that is, the suspended services may be resumed without fresh application provided the suspension does not exceed six months and provided that the suspension was immediately communicated to the Authority.***

2. REQUIREMENTS

The applicant is required to submit the following:

- (i) A Business Plan – ***An applicant must submit a business plan that covers the first 2 years of operation, in order, to demonstrate that it is able to handle its actual and potential obligations for a period of 24 months from the start of the operations, and its fixed and operational costs for a period of six (06) months without taking into account earnings from its operations.***
- (ii) Provide evidence of ownership of the aircraft or a long term aircraft lease agreement. The Aircraft must be under full control of the applicant and fulfill the flight safety standards of Uganda.
- (iii) A copy of the aircraft Certificate of Airworthiness
- (iv) A copy of Certificate of Registration
- (v) Copies of Insurance Certificates (Hull, Third Party, Passenger and Cargo Liability).
- (vi) Evidence of the applicant's financial capacity to finance the proposed air transport services and meet CAA financial obligations.
 - ***A business plan for the enterprise that sets out its objectives and the resources available to achieve them, including the total amount of paid up capital of the airline at the time it is expected to commence services, any banking accommodation arranged, and any planned capital-raising programmes.***
 - ***A budgeted statement of financial performance of the airline for the first year of operation that is in tabular format and shows income and expenditure levels itemized by major items, together with a schedule that sets out the key assumptions made (e.g, flight frequency, load factors, fares and rates to be charged, etc.) in arriving at the figures.***
 - ***A statement of financial position that shows the different forms of assets and liabilities of the enterprise immediately***

prior to the date of application and as predicted over the airline's first year of operation.

- ***A cash flow analysis on a month-by-month basis for the airline's first year of operation, and information on the financial arrangements to deal with those months, if any, in which there are negative cash flows.***
- ***A list of commitments and guarantees given by the enterprise and/or its directors and management team, together with contingent liabilities; and***
- ***A summary of the history of the airline/ company and relevant qualifications and work experience of the senior management personnel of the airline (other than technical and operational personnel).***

(vii) A Performance Bond through a reputable bank.

(ix) Conduct of operations - Proper Airport Operating procedures relating to handling of cargo and/or passengers must be complied with at all times in accordance with the Convention on International Civil Aviation (Chicago Convention of 1994).

Notes: *Subject to the particular nature of services being applied for and or the prevailing situation at the time of application, additional requirements may be demanded.*

DATRS, 12 SEPTEMBER 2007