

A stylized paper airplane icon in blue and grey is positioned above a dashed grey line that forms a curved flight path across the upper middle section of the cover.

CIVIL AVIATION DIRECTIVES – 6004

ISSUANCE AND RENEWAL REQUIREMENTS FOR AOC

CIVIL AVIATION AUTHORITY OF MALAYSIA

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Introduction

In exercise of the powers conferred by section 24O of the Civil Aviation Act 1969 [Act 3], the Chief Executive Officer makes this Civil Aviation Directive 6004 – Air Operator Certificate (CAD 6004 – AOC), pursuant to Regulation 56, 110, 111, 112, 113, 189 and 193 of the Malaysian Civil Aviation Regulations (MCA 2016).

This CAD contains the standards, requirements and procedures pertaining to the provisions for an air operator certificate. The standards and requirements in this CAD are based mainly on the Standards and Recommended Practices (SARPs) contained in the International Civil Aviation Organisation (ICAO) Annex 6 – Operation of Aircraft.

This Civil Aviation Directive 6004 – Air Operator Certificate (“CAD 6004 – AOC”) is published by the Chief Executive Officer under Section 24O of the Civil Aviation Act 1969 [Act 3] and come into operation on 15th November 2021.

Non-compliance with this CAD

Any person who contravenes any provision in this CAD commits an offence and shall on conviction be liable to the punishments under Section 24O (2) of the Civil Aviation Act 1969 [Act 3] and/or under Malaysia Civil Aviation Regulation 2016.



(Captain Chester Voo Chee Soon)
Chief Executive Officer
Civil Aviation Authority of Malaysia

Civil Aviation Directive components and Editorial practices

This Civil Aviation Directive is made up of the following components and are defined as follows:

Standards: Usually preceded by words such as “*shall*” or “*must*”, are any specification for physical characteristics, configuration, performance, personnel or procedure, where uniform application is necessary for the safety or regularity of air navigation and to which Operators must conform. In the event of impossibility of compliance, notification to the CAAM is compulsory.

Recommended Practices: Usually preceded by the words such as “*should*” or “*may*”, are any specification for physical characteristics, configuration, performance, personnel or procedure, where the uniform application is desirable in the interest of safety, regularity or efficiency of air navigation, and to which Operators will endeavour to conform.

Appendices: Material grouped separately for convenience but forms part of the Standards and Recommended Practices stipulated by the CAAM.

Definitions: Terms used in the Standards and Recommended Practices which are not self-explanatory in that they do not have accepted dictionary meanings. A definition does not have an independent status but is an essential part of each Standard and Recommended Practice in which the term is used, since a change in the meaning of the term would affect the specification.

Tables and Figures: These add to or illustrate a Standard or Recommended Practice and which are referred to therein, form part of the associated Standard or Recommended Practice and have the same status.

Notes: Included in the text, where appropriate, Notes give factual information or references bearing on the Standards or Recommended Practices in question but not constituting part of the Standards or Recommended Practices;

Attachments: Material supplementary to the Standards and Recommended Practices or included as a guide to their application.

It is to be noted that some Standards in this Civil Aviation Directive incorporates, by reference, other specifications having the status of Recommended Practices. In such cases, the text of the Recommended Practice becomes part of the Standard.

The units of measurement used in this document are in accordance with the International System of Units (SI) as specified in CAD 5. Where CAD 5 permits the use of non-SI alternative units, these are shown in parentheses following the basic units. Where two sets of units are quoted it must not be assumed that the pairs of values are equal and interchangeable. It may, however, be inferred that an equivalent level of safety is achieved when either set of units is used exclusively.

Any reference to a portion of this document, which is identified by a number and/or title, includes all subdivisions of that portion.

Throughout this Civil Aviation Directive, the use of the male gender should be understood to include male and female persons



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Summary of Changes

ISS/REV no.	Item no.	Revision Details
ISS01/REV01	Subchapter 4.4	Change of title to add "Charter"
	Paragraph 4.4.2	Added Reference to charter and CAGM 6004.



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1 General

1.1 Citation

1.1.1 These Directives are the Civil Aviation Directives 6004 – Air Operator Certificate (CAD 6004 AOC), Issue 01/Revision 01, and comes into operation on 15th November 2021.

1.1.2 This CAD 6004 – AOC, Issue 01/Revision 01 will remain current until withdrawn or superseded.

1.2 Applicability

1.2.1 This CAD shall apply to any person engaged in, or intending to engage in, continuing operations for the purpose of commercial air transport.

1.3 Revocation

1.3.1 *RESERVED*

1.4 Definitions

For the purpose of this CAD, in addition to the interpretations as specified under Regulation 2 of the MCAR 2016, the under mentioned definitions shall also apply:

Aircraft Operating Manual means a manual, acceptable to the CEO, containing normal, abnormal and emergency procedures, checklists, limitations, performance information, details of the aircraft systems and other material relevant to the aircraft operations.

Aircraft operations means any class of operations by the aircraft as classified under Part XII, XIV and XVII of the MCAR 2016.

Air Operator Certificate (AOC) means a Certificate issued by the CEO authorising an operator to engage in specified aircraft operations.

Charter carrier means a non-scheduled air carrier that operates only charter flight.

Holder means a person or a body corporate that is likely to be or has been issued with an AOC by CAAM.

Maintenance control means in respect to an aircraft, means, the exercise of Authority to ensure timely accomplishment of all maintenance as per the approved maintenance schedules/maintenance program and procedures.

Main operation base means the place where the operator's company headquarters, training establishments and majority of company personnel are located.

Non-scheduled air carrier means an Operator whose primary activity is non-scheduled operations.

Operational control means the exercise of Authority over the initiation, continuation, diversion or termination of a flight in the interest of the safety of the aircraft and the regularity and efficiency of the flight.

Operational flight plan means the Operator's plan for the safe conduct of the flight based on considerations of aircraft performance, other operating limitations and relevant expected conditions on the route to be followed and at the aerodromes concerned.

Operations Manual means a manual of the Operator approved under Regulation 111 of the MCAR 2016, for the use and guidance of the operational personnel of the Operator in the execution of their duties.

Operations Specifications means the conditions imposed by the CEO on the AOC and includes any authorisation, limitations and procedures that form part of the licence.

Operator means a person, organisation, entity or enterprise engaged in or offering to engage in an aircraft operation.

Scheduled air carrier means an Operator who has undertaken to operate an air transport service between the same two or more places and operate according to a published time table or flights that constitute a recognisably systematic series, each flight being open to use by members of the public, though such an operator may also operate non-scheduled flights.

Schedule of events means a list of items, activities, aircraft, and/or facility acquisitions, which must be accomplished or made ready, including the dates on which they will be ready for inspection by the officials of the CAAM.

1.5 Application for an Air Operator Certificate (AOC)

- 1.5.1 No person shall engage in commercial air transport unless in possession of a valid AOC issued by the CAAM, and in accordance with this CAD.
- 1.5.2 Each person having operational control for a commercial air transport operation shall hold, and comply with, an AOC issued under Regulation 110 of the MCAR 2016 and this CAD.
- 1.5.3 For the purpose of paragraph 1.5.2, a person has responsibility for operational control if the person has any one of the following functions as the part of his responsibilities:
- a) Assigning crew members for the operation and determining whether the operation may be operated safely;
 - b) Employing, contracting, or otherwise engaging crew members for the operation;
 - c) Making a decision to vary the operation, other than a decision by the pilot-in-command taken on the grounds regarding safety.
- 1.5.4 The applicant shall, upon an application for the issuance of the AOC, cause the CAAM inspector to be trained and rated on the type of aircraft listed in the application form.
- 1.5.5 The operator shall, upon an application for the variation of the AOC to include additional type of aircraft, cause the CAAM inspector to be trained and rated on the type of aircraft listed in the application form.

1.6 Proposed type(s) of operations for AOC

- 1.6.1 The types of operations for AOC's are as below (combination of operations are acceptable):
- a) Scheduled;
 - b) Non-scheduled;
 - c) Cargo or Mail;
 - d) Passenger;
 - e) Others as required by the CAAM.
- 1.6.2 For the purpose of issuance or renewal of an AOC under paragraph 1.6.1, the fleet shall consist of minimum 2 (two) aeroplanes/helicopters for scheduled operation. This specification may, however, be reduced to one aircraft/helicopter for non-schedule operation.

- 1.6.3 Applicants that plan to meet the requirements of 1.6.2 by utilising leased aircraft cannot satisfy the certification procedures of the CAAM. The CAAM shall revoke or suspend the AOC of an organisation that operates only leased aircraft during a period longer than six (6) months.

Note: - Leased aircraft in paragraph 1.6.3 means any wet/dry/damp aircraft lease as stated in CAD 6014 – Lease.

1.7 Criteria for the issuance of AOC

- 1.7.1 An applicant is entitled to Air Operator Certificate for commercial air transport activities if it is approved by the CEO and is satisfied that:
- a) each applicant has demonstrated and meets the applicable requirements of the Chapter 3 of this CAD; and
 - b) the granting of the AOC is not contrary to the interests of aviation safety.

1.8 Privileges of an AOC holder

- 1.8.1 An Air Operator Certificate authorises the holder to perform operations and associated training covered under CAD 6 Part 1 and CAD 6 Part 3 Section 1, including the following:
- a) air transport services/operations listed in the holder's Air Operator Certificate;
 - b) ground or flight training appropriate to the aircraft operated or intended to be operated;
 - c) test or check flights to determine the competence of flight crew; and
 - d) tests or checks to determine the competence of other persons providing the operations or carrying out the operations listed in the holder's Operations Manual, Maintenance Procedures Manual and where applicable Continuing Airworthiness Management Exposition.

2 Requirements for the Issuance of AOC

2.1 Operator's Responsibilities

2.1.1 The operator shall:

- a) satisfy the CAAM that it is able, fit and competent to conduct safe operations;
- b) not operate base, hub and station without an approval from the CAAM;
- c) perform CAT over domestic and international routes as specified in the OM Part C and route(s) as approved by the CAAM;
- d) operate aircraft in accordance with the provisions of the operations specification;
- e) comply with directives, notices, circulars and requirements issued by the Chief Executive Officer;
- f) establish and maintain a system for operational control over its flights;
- g) ensure its crew is qualified for the area and type of operations as approved by the CAAM;
- h) ensure that its personnel are properly instructed, have demonstrated their abilities in their particular duties and are aware of their responsibilities and the relationship of such duties to the operation as a whole;
- i) ensure the maintenance of proper standards by contractors that provide air and ground operations to the AOC holder;
- j) ensure that its personnel comply with the Malaysian legislations and procedures of those States in relation to the operations and related to the performance of their duties;
- k) comply with the provisions of the Aircraft Flight Manual ("AFM") or equivalent document and other manuals approved by the CAAM;
- l) ensure that all foreign licenses are validated or issued with appropriate Malaysian license prior to operating a 9M registered aircraft;
- m) ensure all inspections and processing will be conducted at no cost to CAAM;
- n) ensure that unless specifically authorised by CAAM, shall not permit the use of their organisation's callsign, or ICAO designated code, by any other operator or organisation;
- o) to have an adequate and sound financial practice to ensure operational and maintenance cost and expenditure are covered; and
- p) pay all fees and charges as required under the Civil Aviation (Fees and Charges) and such other fees and charges as may be determined by the Minister.

2.2 Management System

2.2.1 The operator shall establish, implement and maintain a management system that includes:

- a) organisation structure acceptable to the CAAM with define lines of responsibility and accountability throughout the operator, including a direct safety accountability of the Accountable Manager (AM);
- b) a description of the overall philosophies and principles of the operator with regard to safety, referred to as the safety policy;
- c) the identification of aviation safety hazards entailed by the activities of the operator, their evaluation and the management of associated risks, including taking actions to mitigate the risk and verify their effectiveness;
- d) maintaining trained and competent personnel to perform their tasks;
- e) documentation of all management system key processes, including a process for making personnel aware of their responsibilities and the procedure for amending this documentation;
- f) a function to monitor compliance of the operator with the relevant requirements. Compliance monitoring shall include a feedback system of findings to the AM to ensure effective implementation of corrective actions as necessary;
- g) to have an adequate and sound financial practice to ensure operational and maintenance cost and expenditure are covered; and
- h) any additional requirements as directed by the Chief Executive Officer.

2.2.2 The management system shall correspond to the size of the operator and the nature and complexity of its activities, taking into account the hazards and associated risks inherent in these activities.

2.3 Personnel

2.3.1 For the grant of an Air Operator Certificate for commercial operations, the operator shall nominate persons responsible for the management and supervision of the AOC.

2.3.2 The operator shall develop a complete description of the qualifications required for and the duties and responsibilities of the key management personnel.

2.3.3 The operator shall appoint an Accountable Manager (AM) approved by the CAAM who has corporate authority for ensuring that all activities can be financed and carried out to the standard required by the CAAM and any other requirements defined by the operator.



- 2.3.4 A person or group of persons shall be nominated by the operator and approved by the CAAM, with the responsibility of ensuring that the operator remains in compliance with the applicable requirements. Such person(s) shall be ultimately responsible to the Accountable Manager (AM).
- 2.3.5 The operator shall have sufficient qualified personnel for the planned tasks and activities to be performed in accordance with the applicable requirements.
- 2.3.6 The operator shall maintain appropriate experience, qualification and training records to show compliance with paragraph 2.3.4.
- 2.3.7 The operator shall ensure that all personnel are aware of the rules and procedures relevant to the exercise of their duties.
- 2.3.8 The operator shall employ a station manager or equivalent to oversee the operations at all hubs or stations.
- 2.3.9 Appointed AM
- a) The operator shall appoint AM as approved by the CAAM who has corporate authority for ensuring that all operations and maintenance activities can be financed and carried out to the standard required by the CAAM and any additional requirements defined by the operator.
 - b) The AM is an essential part of the AOC holder's management organisation. The term 'AM' is intended to mean the Chief Executive/Executive Chairman/Managing Director/CEO/General Manager, etc. of the operator's organisation, who by virtue of his position has overall responsibility (including finance) for managing the organisation.
 - c) Delegation of authority. The AM may delegate his authority especially in the scope of finance to senior member(s) of his management team in order to ensure effective and safe operation. The senior member(s) who hold the delegation are known as the Delegated AM.
- 2.3.10 Nominated Post Holders (NPH)
- 2.3.10.1 The operator shall appoint NPH as approved by the CAAM, who are responsible for the management and supervision of the following areas:
- a) Flight Operations;
 - 1) Director of Flight Operations (DFO)/Flight Operations Manager (FOM) or equivalent;
 - 2) Chief Pilot Operations (CPO) or equivalent;
 - 3) Cabin Crew Manager or equivalent;
 - 4) Operation Control Centre (OCC) Manager or equivalent;
 - b) The Continuing Airworthiness Manager or equivalent;

- c) Head of Quality or equivalent;
- d) Crew Training Manager or equivalent;
- e) Ground Handling Manager or equivalent;
- f) Safety Manager or equivalent; and
- g) Others as required by the CAAM.

Note: - CAAM shall not approve a nomination which does not meet the requirements.

2.3.10.2 NPH shall have practical experience and expertise in the application of aviation safety standards and safe operating practices; comprehensive knowledge of CAA 1969, MCAR 2016 and any associated requirements and procedures, operations specification, operations manual (OM), safety management system (SMS) or Maintenance Management Manual where applicable. Minimum of five years relevant experience in management of which at least two years shall be from the aviation industry. This requirement shall be met in addition to the specific requirements as applicable in 2.3.10.3, 2.3.10.4, 2.3.10.5 and 2.3.10.6.

2.3.10.3 Flight Operations

- a) DFO/FOM or equivalent shall hold or have held a Malaysian licence appropriate to the type of operation conducted under the AOC in accordance with the following:
 - 1) If the AOC includes aircraft certificated for a minimum crew of two (2) pilots - An Airline Transport Pilot's Licence (ATPL) issued or validated by the CAAM.
 - 2) If the AOC is limited to aeroplanes certificated for a minimum crew of one (1) pilot - A Commercial Pilot's Licence (CPL), and if appropriate to the operation, an Instrument Rating issued or validated by the CAAM.
- b) Cabin Crew Manager
 - 1) A Nominated Post holder approved by CAAM as required under Civil Aviation Regulation 2016. Responsible for the management and supervision of cabin crew operations activities in the passenger cabin.
 - 2) Qualification:
 - i) Hold a degree with relevant qualification, or equivalent.
 - ii) a minimum of 10 years' experience as a cabin crew.
 - iii) Good knowledge of cabin safety, rule and regulation
 - iv) Possess good knowledge, skills and working experience of airline industry
 - v) Possess strong, visible and supportive management and leadership skills.
 - vi) Good command of the English language.

- vii) Able to make effective decisions regarding risk tolerability with respect to safety and security of cabin operations

2.3.10.4 Continuing Airworthiness Manager post holder acceptance shall be subjected to Airworthiness requirements.

2.3.10.5 Crew Training Manager or equivalent shall hold a current Type Rating on a type operated under the AOC, and have experience as a CAAM Designated Flight Examiner (DFE) or a Flight Instructor (FI). The NPH shall have a thorough knowledge of the AOC holder's crew training concept for flight crew and cabin crew where applicable.

2.3.10.6 Others Post Holders. This requirement shall be determined by the CAAM depending on the size and complexity of the operations. The NPH shall have a thorough knowledge and qualification relevant to their duties and responsibilities.

2.3.10.7 Combination of NPH's Responsibilities

- a) The acceptability of a single person holding several posts, possibly in combination with being the AM as well, will depend upon the nature and scale of the operation. The two main areas of concern are competency and an individual's capacity to meet his responsibilities.
- b) With regards to competency in the different areas of responsibility, there shall not be any difference from the requirements applicable to persons holding only one post.
- c) The capacity of an individual to meet his responsibilities will primarily be dependent upon the scale of the operation. However, the complexity of the organisation or of the operation may prevent, or limit, combinations of posts which may be acceptable in other circumstances.
- d) In most circumstances, the responsibilities of a NPH will rest with a single individual. However, in the area of ground operations, it may be acceptable for these responsibilities to be split, provided that the responsibilities of each individual concerned are clearly defined.
- e) The AM and NPH shall be Malaysian citizens unless local expertise is not available for the safety of its operation. In cases where foreign expertise is required, approval shall be granted in accordance with the local employment terms and conditions and approved by CAAM.

2.4 Facilities

2.4.1 The operator shall have facilities allowing the performance and management of all planned tasks and activities at each base, hubs and stations, including those located in other States, are properly equipped; are provided with the necessary sanitary facilities and security and emergency controls, warnings and equipment;

and are adequate for the operation to be conducted. Such facilities would include hangars, maintenance and overhaul workshops, administrative staff and operations personnel offices, passenger service areas, cargo storage, and handling buildings all of which must be approved by CAAM.

2.4.2 The operator shall:

- a) make use of appropriate ground handling facilities to ensure the safe handling of all its flights;
- b) arrange operational support facilities at the main operating base, hub or station(s) including those located in other States, appropriate for the area and type of operation; and
- c) ensure that the available working space at each operating base is sufficient for personnel whose actions may affect the safety of flight operations. Consideration shall be given to the needs of ground crew, personnel concerned with operational control, the storage and display of essential records and flight planning by crews.
- d) To this effect an aircraft handling manual has to be developed which shall include training requirements, subcontracting policies (if any), handling processes, procedures and practices for all ground handling operations. Inspections may be conducted by CAAM inspectors and satisfactory standard must be attained. The inspection shall be conducted in a manner that is acceptable to the CEO.

2.5 Documentation

2.5.1 The operator shall arrange for the production of flight safety documents according to criteria which ensure easy access to information required for flight and ground operations contained in the various operational documents comprising system which facilitate management of the distribution and revision of operational documents.

2.5.2 Operations Manual

2.5.2.1 Each applicant is required to submit an Operation Manual as per the Regulation 111 of MCAR 2016. The manual will be subjected to scrutiny and either the whole manual or any part thereof, as determined by the CEO, shall have to be approved.

2.5.2.2 The operator shall have arrangements for the production of flight safety documents according to criteria which ensure easy access to information required for flight and ground operations contained in the various operational documents comprising system which facilitate management of the distribution and revision of operational documents.

- 2.5.2.3 The operator shall include in their OM the provisions related to special observations made by all aircraft whenever meteorological conditions are encountered or observed and reporting of volcanic activity.

2.6 Operational Control

- 2.6.1 The operator shall delegate the responsibility for operational control to the pilot-in-command (PIC) and to a flight operations officer/flight dispatcher if an operator's approved method of control and supervision of flight operations requires the use of flight operations officer/flight dispatcher personnel.

2.7 Checklist System

- 2.7.1 The operator shall establish a checklist system for each aircraft type to be used by crew in all phases of flight under any conditions to ensure that the operating procedures in the OM are followed. The design and utilisation of checklists shall observe human factors principles and take into account the latest relevant documentation from the aircraft manufacturer.

2.8 Flight Planning Procedure

- 2.8.1 The operator shall specify flight planning procedures for the safe conduct of the flight based on considerations of aircraft performance, other operating limitations and relevant expected conditions on the route to be followed and at the aerodromes or operating sites concerned. These procedures shall be included in the OM.

2.9 Flight Monitoring and Aircraft Tracking

- 2.9.1 The operator shall establish policy, procedures and requirements for flight monitoring and aircraft tracking as a method of flight supervision.

2.10 Dangerous Goods Training

- 2.10.1 The operator shall establish and maintain dangerous goods training programmes for personnel which shall be subject to review and approval by the CAAM. Training programmes shall commensurate with the responsibilities of personnel.

2.11 Route Qualification

- 2.11.1 The operator shall obtain a route qualification from the CAAM in order to conduct a domestic and/or an international operation.

2.12 Operation of Single-Engine Aeroplane

- 2.12.1 The operator shall ensure that a single-engine aeroplane be operated in conditions of weather and light, and over such routes and diversions there from, that permit a safe forced landing to be executed in the event of engine failure. An operator

intending to operate single-engine turbine-powered aeroplane at night and/or in IMC shall satisfy the requirements as specified in CAD 6 Part 1 and 3.

2.13 Aircraft Design Standards and Certification

2.13.1 The aircraft must be certified in accordance with Regulation 21 of MCAR 2016.

2.14 Training and Checking Organisation (Flight Crew and Cabin Crew)

2.14.1 Each applicant, if applicable, must provide training and checking organisation as in the Regulations of MCAR 2016. The training and checking organisation shall provide the required facilities and must be acceptable to the CEO. Inspections may be conducted by CAAM inspectors and satisfactory standard must be attained. The inspection shall be conducted in a manner that is acceptable to the CEO. For more information, refer to CAD 1011.

2.14.2 All turbo jet aeroplane and turboprop aeroplane above 9,000kg MCTOM (Maximum Certified Take-Off Mass), require simulator training devices (if available). The CAAM may accept equivalent training on real aircraft.

2.15 Emergency Evacuation Demonstration

2.15.1 Each applicant must demonstrate that it can meet the relevant prescribed requirement, an emergency evacuation for each aircraft type, model and aeroplane seating configuration, location and operation of emergency equipment and exits, and crew training and procedures to permit a successful evacuation of passengers in an emergency situation. Inspections may be conducted by CAAM inspectors and satisfactory standard must be attained. The Demonstration shall be conducted in a manner that is acceptable to the CEO.

2.16 Ditching Demonstration

2.16.1 Each applicant must demonstrate that it can meet the relevant prescribed requirement, competency in removing and launching life-rafts or slide-rafts and in the use of emergency and survival equipment contained in those rafts for each aircraft type, model and configuration that will be operated on extended flights over water. Inspections may be conducted by CAAM inspectors and satisfactory standard must be attained. The Demonstration shall be conducted in a manner that is acceptable to the CEO.

2.17 Demonstration Flight or Tests

2.17.1 Each applicant is required to perform demonstration flights or tests as applicable that it can meet the relevant prescribed requirement. The demonstration flight or test shall be conducted in a manner that is acceptable to the CEO.

2.18 Maintenance Responsibilities

2.18.1 Each applicant shall establish procedures to ensure the continued airworthiness of its aircraft, including airframes, engines, propellers, rotors, appliances, emergency equipment, and parts.

2.18.2 Maintenance organisation based in Malaysia shall be approved by the CAAM. Any organisation supporting 9M registered aircraft or authorised operators shall be required to become a CAAM Approved Maintenance Organisation.

2.18.3 Each applicant that contracts with another person to perform its maintenance shall include in its Continuing Airworthiness Management Exposition (CAME) details of:

- a) the functions to be transferred to the another person;
- b) the scope of the maintenance to be carried out by the other person; and
- c) CAAM of the other person in respect of the functions and maintenance to be carried out.

2.18.4 For the requirements of contract maintenance, MCAR 2016 and CAD 6802 shall be referred to for compliance.

2.19 Maintenance Organisation Requirements

- 2.19.1 The applicant is required to comply with the requirements of MCAR 2016 and may have its own or contract their maintenance and repair facilities required to carry out maintenance of aircraft.

2.20 Maintenance Program

- 2.20.1 Each applicant shall submit for approval of the CEO, a maintenance program as per CAD 6801.

2.21 Continuing Airworthiness Management Exposition (CAME)

- 2.21.1 Each applicant shall submit CAME to CAAM as per CAD 6802 for approval.

2.22 Maintenance Records

- 2.22.1 Each applicant shall maintain accurate records of each aircraft, engine, propeller, and component as outlined in CAD 6801, even in case of contact maintenance by other approved aircraft maintenance organisation.

2.23 Maintenance Training Program

- 2.23.1 Each applicant shall ensure that maintenance personnel are properly trained and approved training courses are imparted to the maintenance personnel.

2.24 Record Keeping

- 2.24.1 The operator shall establish a system of record-keeping that allows adequate storage and reliable traceability of all activities developed.
- 2.24.2 The format of the records shall be specified in the operator's procedures.
- 2.24.3 Records shall be stored in a manner that ensures protection from damage, alteration and theft.

2.25 Flight Authorisation and Control

- 2.25.1 Each applicant shall establish procedures to ensure that the initiation, continuation, diversion and termination of a flight or series of flights is contained in the Operations Manual and is authorised by the person (Director Flight Operations) required by the paragraph 2.3.10.1(a)(1) of this CAD.

2.26 Operator's Security Program Manual

- 2.26.1 This manual shall describe the operator security programme, which shall meet the requirements of the national civil aviation security programme of Malaysia. The manual shall include the security procedures applicable to the type of operations. Procedures for the review of the security manual are not contained in this CAD as

this review will be completed by the Aviation Security (AVSEC) Division in the CAAM. This manual shall meet the requirements of the Regulation 168 of MCAR 2016.

2.27 Operations Specifications

- 2.27.1 Operation specification: The holder of an Air Operator Certificate shall comply with the Operations Specifications issued as part of the AOC. The Operations Specifications shall satisfy the conditions outlined in CAD – 6 Part I.
- 2.27.2 Acquisition of New Type of Aircraft: In case of acquisition of new type of aircraft or additional aircraft of the current type(s), the holder of AOC shall apply for inclusion of the acquired aircraft on the Operations Specifications, and must ensure that any operation with the aircraft shall be effective only after appropriate endorsement has been made in the Operations Specification of the AOC issued to the applicant. Refer to CAGM 6004 for more information.
- 2.27.3 Procedure for Inclusion of any aircraft (New Type/Existing Type) in the Operations Specification: is similar to the original certification process specific to satisfactory inspection of the aircraft, assessment of maintenance capability, technical-personnel and establishments/facilities commensurate with the type of aircraft, approval/revision of documents/manuals, completion of CAAM inspectors training and/or other applicable requirements. The procedure and requirements mentioned in the CAGM 6004, will be assessed by CAAM inspectors.
- 2.27.4 Operation of Leased Aircraft: The holder of AOC shall ensure that operations with leased aircraft, shall be effective only after appropriate endorsements has been made in the Operations Specification of the AOC issued to the applicant following compliance of all applicable regulations. Refer to CAD 6014 – Aircraft Leasing.
- 2.27.5 Non-commercial operations of aircraft listed in the operations specification by the operator: The operator may conduct non-commercial operations with an aircraft otherwise used for CAT operations that is listed in the operations specification of its AOC, provided that the operator:
- a) describes such operations in detail in the OM, including:
 - 1) identification of the applicable requirements;
 - 2) a clear identification of any differences between operating procedures used when conducting commercial and non-commercial operations;
 - 3) a means of ensuring that all personnel involved in the operation are fully familiar with the associated procedures;
 - b) submits the identified differences between the operating procedures referred to in (a)(2) to the CAAM for prior approval.
- 2.27.6 Operators shall require to carry a certified true copy of the AOC and its Operations Specification in its registered aircraft while operating.



- 2.27.7 Any addition or amendments to the Operations Specifications will incur a fee as per the Civil Aviation (Fees and Charges).

3 Certification Process

3.1 Introduction

- 3.1.1 As a signatory to the ICAO Convention on International Civil Aviation, Malaysia has an obligation to promulgate regulations and standards in accordance with the ICAO Standards and Recommended Practices (SARPs) as outlined in the ICAO Annexes. In this regard, Civil Aviation Act 1969 (Act 3) authorised the Chief Executive Officer (CEO) to issue and amend regulations, orders and procedures in the interest of safety. The CEO may also authorise the performance by any officer, employee or administrative unit under the CEO's jurisdiction of any function under the Act 3.
- 3.1.2 The certification process requires the CAAM to ascertain through a systematic process whether or not a prospective applicant has both the required aptitude and resources to comply with the applicable legislative requirements and to fulfill the applicant's actual and potential obligations for operation of safe, secure, efficient and regular public air transport services as proposed. CAAM performs this task in fulfilling one of its primary obligations to the members of the public in regard to the entry certification of prospective applicants for air services operations in order to ensure provision of safe and dependable air services. This process involves five distinct phases as detailed below.
- 3.1.3 The issue of an air operator certificate by CAAM shall be dependent upon the operator demonstrating an adequate organisation, method of control and supervision of flight operations, training programme as well as ground handling and maintenance arrangements consistent with the nature and extent of the operations specified.

3.2 Pre-application Phase

- 3.2.1 During this phase, the applicant shall conduct initial studies, prepare plans, make inquiries from the CAAM with regards to the opportunities available under the existing air services agreements and seeks advice as to the validity of different proposals. A standard information package (CAGM – 6004) has been developed to provide information to applicants and is available for download from the CAAM website (www.caam.gov.my). The prospective applicant at this stage is required to submit a letter of intent to the CAAM outlining the proposals and the CAAM will then invite the applicant for a pre-application meeting. Based on the initial information provided to the CAAM, by the applicant, an estimate of costs for the certification will be computed according to the Civil Aviation (Fees and Charges).

3.2.2 Sequence of Events for Pre-Application Phase:

- 3.2.2.1 The sequence of events starting from the submission of application for issue of No-objection for establishment of Commercial Air Transport Services shall be as follows:

- a) operator will be required to establish contact with CAAM to understand procedures and gather information relevant to AOC;
- b) the name and address of the applicant;
- c) prepare financial data/evidence indicating financial solvency as per government policy;
- d) a description of the applicant's business organisation, corporate structure, and names and addresses of those entities and individuals having a major financial interest;
- e) the nature of the proposed operations, passenger, cargo and others (mail, EMS and etc), day or night operations, Visual Flight Rules (VFR) or Instrument Flight Rules (IFR), whether or not dangerous goods are to be transported;
- f) prepare a feasibility report and submit plan indicating the trend of traffic and load factor that would be economically viable commensurate with the proposed operation;
- g) establish place(s) of business with adequate installation and equipment;
- h) the identity of key management personnel, which include but not limited to chief executive officer, operations manager; chief pilot; fleet manager(s); cabin crew manager; safety manager; training manager; maintenance manager; ground handling manager; security manager and quality manager;
- i) the desired date for the operation to commence;
- j) collect the application and other related documents/forms;
- k) submit the application along with the associated documents:

3.2.2.2 An applicant shall submit the Prospective Operator's Pre-Assessment Statement (POPS) for issue of No-objection for establishment of Commercial Air Transport Services along with the required fees to the CEO indicating the type of operation of AOC (as described in paragraph 1.6.1). The application shall be submitted as early as possible before the planned commencement date of operation. The entire certification process usually takes 9 months, subject to compliance by the applicant and taking into consideration the time required among others, the following:

- a) preparation and submission of manuals;
- b) the Continuing Airworthiness Management Exposition;
- c) the status of the assessment of financial, economic and legal matters by the appropriate government department;
- d) details of the method of control and supervision of operations to be used;

- e) inspection of all relevant facilities by Airworthiness and Flight Operations Inspectors and other relevant CAAM Inspectors.
- f) documents of purchase, leases, contracts or letters of intent;
- g) ownership of the aircraft which must be legally established for inclusion on the Certificate of Registration;
- h) the identification of the operation specifications sought, with information on how associated conditions will be met;
- i) an initial statement of compliance or detailed description of how the applicant intends to show compliance with each provision of the air navigation regulations;
- j) the details of the SMS as specified in CAGM 6004;
- k) a list of designated destination and alternate aerodromes for scheduled services, areas of operation for non-scheduled services and bases for operations, as appropriate to the intended operations;
- l) a list of aircraft to be operated;
- m) arrangements for crew and ground personnel training and qualification and the facilities and equipment required and available; and
- n) inspection of the aircraft by Airworthiness and Flight Operations.

3.2.2.3 After examining the application/documents, if it is found that the applicant:

- a) has the financial resources to conduct its planned operations, including resources for the disruptions that can be reasonably expected in daily operations by the CAAM or an appropriate organisation accepted by the CAAM and be assigned responsibility to provide an assessment related to economic aspects of the proposed operation;
- b) is competent having regard in particular to his previous conduct and experience, his equipment, facilities, organisation, staffing, maintenance of aircraft and other arrangements, to secure the safe operation of an aircraft of the type specified in the certificate on flights of the description and for the purposes so specified;
- c) meets the requirements as stated in paragraph 1.6;

the CEO may issue No-objection Certificate to the applicant allowing to proceed further for establishing the required facilities, organisation and procurement of equipment and related assets. Such No-objection shall remain valid for a period of one year and its validity will be extended for another one-year period only if there is sufficient evidence of progress and satisfactory preparation towards obtaining AOC, after which the applicant will be considered as disqualified for attaining AOC.

3.3 Formal application Phase

3.3.1 During this phase, the applicant is expected to submit the complete application to CAAM together with the cost of certification established during the previous phase and relevant documents to support the intended operation.

3.3.2 CAAM will then make a formal assessment of the completeness of the applicant's proposal and invite the applicant for a Formal Application meeting where the details relating to the certification process would be formally discussed.

3.3.3 **Sequence of Events for Formal Application Phase, issue of Air Operator Certificate (AOC):**

3.3.3.1 On receipt of No-objection, an applicant must fulfill the following requirements towards achieving a sound status as assessed by CAAM for issuance of AOC:

- a) Set up the main base and operations base as applicable with a principal place of business and, the registered office is located in Malaysia. Such bases will be subjected to inspection by Inspectors of CAAM consistent with the type of operations sought;
- b) Recruit adequately Key Management Officials commensurate with the type of operation (administrative, operational, maintenance, financial etc). The competence of these officials will be subjected to verification by CAAM;
- c) Must be a registered Malaysian national company which holds a valid Air Service License (ASL) or Air Service Permit (ASP);

Note: - A conditional ASL or ASP may be issued for applicants without a valid AOC with the related conditional ASL or ASP validity as specified.

- d) Prepare company manuals (policy, operations, airworthiness etc) for CAAM review followed by acceptance/approval. The review of the documents is likely to be repeated for several times;
- e) Obtain information on aircraft as well as aircraft purchase/lease documents for onward submission to CAAM. The purchase/lease documents at this stage could be provisional one;
- f) submit all required technical documents and manuals to CAAM as outlined in Paragraph 3.4.2.1;
- g) initiate training of flight crew, cabin crew and other personnel as applicable;
- h) prepare the company for inspection/evaluation by CAAM of local establishment;
- i) arrange for inspection of aircraft by CAAM (operations and airworthiness) at aircraft location;
- j) prepare for the formalities to be observed for the aircraft to be flown/brought to Malaysia;

- k) prepare for aircraft inspection, emergency equipment procedure, evacuation and ditching demonstration;
- l) prepare for demonstration flights as applicable;
- m) complies with MCAR 2016 and all the applicable requirements of CAD 6 Part 1 and 3, as applicable;
- n) has a valid certificate of airworthiness for all of the operated aircraft;
- o) any other additional requirements that is deemed necessary by CAAM; and
- p) submit application with relevant documents for issuance of AOC.

Note: – The applicant must submit a schedule of events (CAGM 6004 – Attachment G) to CAAM which are agreeable to both parties to demonstrate that the applicant has the capability and competency to comply with all the requirements for issuance of AOC within the validity period of the No-objection certificate. The dates shall be logical in sequence and provide time for review, inspection and approval of each item.

3.3.3.2 The criteria for a formal application for issue of an AOC shall depend upon the applicant having been assessed by CAAM to have attained satisfactory standard as regards to the sequence of events observed and the requirements mentioned in Paragraph 3.3.3.1 duly complied with. At this stage applicant shall submit application along with the required fees to the CEO in a prescribed form indicating the category of AOC (as described in paragraph 1.6.1) for issuance of AOC.

3.3.3.3 For renewal of an AOC, the process will start from the Formal Application Phase as mentioned in paragraph 3.3.3.1. For all other applicants the process will start from Pre-Application Phase.

3.4 Documents Evaluation Phase

3.4.1 During this phase, CAAM will undertake a detailed study of the applicant's manuals and other documents, which accompanied the formal application. The documentation must be complete, accurate and current to satisfy the CAAM's requirements before the inspection phase can commence. There will be series of discussions between CAAM and the applicant at this stage with regards to establishing the validity/acceptability of the applicant's proposals. It must be understood that the documents shall reflect precisely the mode and manner in which the applicant intends to conduct the proposed operations and once approved, they shall form a part of the understanding between CAAM and the operator with regards to future functions of the operator.

3.4.2 Sequence of Events for Submission of Documents

3.4.2.1 The applicant shall submit to the Project Manager one set of following manuals/documents for review and corrections as applicable. After

reviewing/correcting, applicants will submit two final copies of the manuals for CAAM approval.

- a) Airworthiness Requirement
 - 1) Continuing Airworthiness Management Exposition (CAME);
 - 2) Master Minimum Equipment List - MMEL
 - 3) Minimum Equipment list - MEL;
 - 4) Configuration deviation list – CDL;
 - 5) Maintenance Schedule;
 - 6) Flight Manual;
 - 7) Aircraft performance manual;
 - 8) Mass and balance control manual;
 - 9) Aircraft loading and handling manual or ground handling manual;
 - 10) Maintenance Manual;
 - 11) Wiring Diagram;
 - 12) Illustrated Parts Catalogue;
 - 13) Such other manuals/documents/particulars relating to each aircraft as may be required as per the Airworthiness requirements issued by the CEO;

- b) Operations Requirement
 - 1) Company Operations Manuals;
 - 2) Operator's Security Program Manual;
 - 3) Safety Emergency Procedures (SEP) Manual;
 - 4) Operator's Safety Management System Manual (SMSM);
 - 5) Dangerous Goods Manual;
 - 6) Flight Dispatch Manual;
 - 7) Ground Handling Manual; and
 - 8) Such other manuals/particulars relating to each applicant as may be required by Flight Operations/Safety Division of CAAM.

3.4.2.2 The Flight Safety Documents System will comprise of the documents outlined in paragraph 3.4.2.1 and these documents shall be prepared in accordance with the MCAR 2016, CAD 6 Part 1 and 3, and applicable Circulars and Notices issued by the CAAM.

3.5 Demonstration and Inspection prior to certification phase

- 3.5.1 During this phase, the applicant needs to demonstrate to CAAM that the applicant is in a position to conduct the proposed operations in accordance with the procedures detailed in the documents/manuals reviewed during the previous phase utilising the personnel/facilities/equipment identified in the formal application. Qualifications and experience of the nominees for Nominated Post Holders will be evaluated and interviewed. Aircraft, maintenance facilities and arrangements will be inspected. Training facilities, programmes and training personnel will be evaluated.
- 3.5.2 Company's organisational structure, channels of communication, delegation of powers, financial strength and sources of funding will be subjected to detailed scrutiny to ensure that the company has sufficient resources, effective arrangement and control to satisfy its obligations.
- 3.5.3 Facilities for flight operations, ground handling, facilities and services for passenger, baggage and cargo handling including dangerous goods and security arrangements would be evaluated.
- 3.5.4 Flight, cabin and technical crew, operations and maintenance staff, flight operations officers, designated check pilot/flight engineers and load controllers will also be assessed according to the type of operations.
- 3.5.5 If CAAM is satisfied with the above arrangements, demonstration flight(s) as applicable will be conducted to one or more destinations of intended operations, as determined by the CAAM. This phase may reveal the need for some operational changes, which in turn may require the applicant to make amendments to the documents originally submitted. All elements must be satisfactorily completed before proceeding to the certification phase.

3.6 Certification phase

- 3.6.1 When all the previous phases have been satisfactorily completed, CAAM will take the necessary administrative action to approve formally the nominees for Nominated Post Holders, the aircraft, facilities and procedures specified in the Operations Manual, Continuing Airworthiness Management Exposition, Training & Checking organisation and formally issue the Air Operator Certificate and the associated Operations Specifications. It must be noted that although the CAAM inspectors may indicate to the applicant regarding acceptability of the applicant's arrangements in respect of personnel, equipment, facilities, services, procedures or process in relation to the proposed operations as and when evaluations on such matters are completed, the final decision of CAAM in regard to each such arrangement would be conveyed to the operator formally during the certification process only.

- 3.6.2 The entire process will be followed as per “Certification Flow Chart” which has been detailed in the CAGM 6004.

3.7 Validity, suspension and revocation of AOC

- 3.7.1 An AOC and associated operations specification is valid up to a maximum of five (5) years. For the initial grant of an AOC, the period of validity shall be one year (1). The date of issuance and an expiry date are to be entered on the AOC.
- 3.7.2 An AOC shall remain in force during the validity period until it is suspended or revoked by the CEO in accordance with the Regulation 193 of the MCAR 2016.
- 3.7.3 Any Certificate that is suspended or revoked must be surrendered forthwith to the CEO.
- 3.7.4 The Certificate that expires shall forthwith be deposited by the holder to the CEO.

3.8 Surrender of AOC

- 3.8.1 Each holder of an Air Operator Certificate may surrender the Air Operator Certificate by giving a written notice to the CEO not less than six months prior to its proposed date of surrender in accordance to MCAR 2016 Regulation 192.

3.9 Renewal of AOC and Audit

- 3.9.1 The holder of the Air Operator Certificate shall deposit prescribed fees and submit an application for renewal of the Air Operator Certificate using the AOC application /renewal form along with the required statements and documents as per the requirements of the Formal Application Phase.
- 3.9.2 The application required by paragraph 3.9.1 shall be submitted to the CEO at least four (4) months prior to the expiry date of the Certificate, along with a statement in the application regarding the current capability and competency of the Operator.
- 3.9.3 The capability and competency shall be assessed by conducting a thorough Audit by CAAM in the areas of Commercial Air Transport, Finance, Operations and Airworthiness.
- 3.9.4 Following the audit, if there are any findings the AOC holder shall demonstrate corrective action implementation to a satisfactory level within a period stipulated by CAAM.
- 3.9.5 Renewal of AOC will be denied in case the AOC holder fails to come up with adequate corrective actions to a satisfactory level. Lack of timely corrective action or non-conformance with the regulatory requirements may result in enforcement action wherever applicable.

4 Operating Requirements

4.1 Continued compliance

- 4.1.1 For the duration of its air operator certificate, an AOC holder shall comply with:
- a) the requirements of Chapter 3;
 - b) all procedures and programmes detailed in the CAAM approved manuals;
 - c) the number of aircraft stated in paragraph 1.6.2;
 - d) the air operator certificate and associated operations specifications, including the conditions and authorisations granted therein and;
 - e) allow the CAAM to examine all safety aspects of the proposed organisation as laid down in the MCAR 2016 and CAD 6 Part 1 and 3.

4.2 Personnel Qualifications

- 4.2.1 For all operations personnel assigned to operational duties in connection with the preparation and/or conduct of a flight shall meet the respective requirements of CAD 1. An air operator may not use, nor may any person serve in a required crew member capacity or operational capacity unless that person meets the requirements established by the CAAM for that respective position.

4.3 Business or Trading Name

- 4.3.1 Each holder of an Air Operator Certificate shall conduct its air operations using and displaying the trading or business name that appears on the holder's AOC.
- 4.3.2 No person shall perform a commercial air transport operation unless the trading or business name of the holder conducting the operation is displayed in such a manner that it is clearly identifiable, visible, and legible to any intending passenger before they board the aircraft.
- 4.3.3 When advertising its commercial air transport operations, an AOC holder shall clearly indicate the business or trading name that appears on its air operator certificate.

4.4 Leasing, Charter and interchange of aircraft

- 4.4.1 An AOC holder must obtain the approval of the CEO before leasing any of the AOC holder's aircraft to, or interchanging any of the AOC holder's aircraft with, another party. Refer to CAD 6014 for additional requirements on leasing.
- 4.4.2 An AOC holder must obtain the approval for Charter operations. Refer to CAGM 6004 for guidance on the approval of charter operations.

4.5 Variation to Existing AOC

- 4.5.1 If the holder of an AOC wishes to apply for the variation of its certificate (e.g. inclusion of an additional aircraft type, inclusion of a specific approval, etc.) the holder of the AOC shall submit full details of the requested amendments and may go through the certification process as stated in Chapter 3. The minimum notice required is 60 working days, but the AOC holder is advised to give as much notice as possible. No undertaking can be given that an application will be dealt with within any requested timeframe.
- 4.5.2 Variation to the AOC also includes changes to the following but may not be subjected to the full certification process as stated in Chapter 3:
- a) Name of the organisation specified in the Air Operator Certificate.
 - b) Address of the organisation specified in the Air Operator Certificate.
 - c) The applicant's/operator's Operational Point of Contact details.
 - d) The approved facilities or capabilities.
- 4.5.3 On receipt of the submission of the requested amendments, special inspections may be conducted which may include a demonstration flight. After all documentation is complete and upon satisfactory completion of any special inspection, the relevant amended page of the AOC or the operations specifications will be issued to the operator as approval for the requested variation to the AOC.

4.6 Changes to Manuals

- 4.6.1 Each holder of an AOC shall:
- a) ensure that manuals required under the paragraph 3.4.2 of this CAD are amended so as to remain a current description of its organisation;
 - b) ensure that any amendments made to the CAAM approved manuals meet the applicable requirements of the CADs or any other CAGMs and comply with the amendment procedures contained in its exposition;
 - c) forward to the CAAM for retention a copy of each approved amendment to the applicable manuals as soon as practicable after the amendment is incorporated into the respective manual;
 - d) make such amendments and revisions required to all the manual as CAAM considers necessary in the interests of aviation safety; and
 - e) update the flight manual by implementing changes made mandatory by CAAM.

4.7 Emergency Response Plan

- 4.7.1 An AOC holder shall ensure that plans are developed for the handling of any crisis or emergency that may occur when an aircraft operated by the AOC holder is in flight or on the ground, so as to minimise the risk of injury to any person.
- 4.7.2 When developing the plans required in paragraph 4.7.1, the following data and information must be taken into account:
- a) the type and length of routes over which the AOC holder's operations are carried out;
 - b) the aerodrome's ground facilities;
 - c) the aerodrome's emergency planning and emergency facilities;
 - d) the air traffic control facilities;
 - e) the aircraft type, seating configuration, and payload of any aircraft operated by the AOC holder that is likely to be involved;
 - f) such other information considered relevant by the AOC holder.
- 4.7.3 Each plan required in paragraph 4.7.1 shall include procedures for the compliance of the AOC holder's management personnel when those personnel become aware of an emergency situation arising in an aircraft during flight that requires an immediate decision and action.
- 4.7.4 The procedures required under paragraph 4.7.3 shall ensure the AOC holder's management personnel are able to achieve the following outcomes:
- a) if the management personnel are able to communicate the emergency situation to the pilot-in-command of the aircraft involved —
 - 1) the pilot-in-command is advised of the emergency;
 - 2) the decision of the pilot-in-command is ascertained; and
 - 3) the decision is recorded;
 - b) if the management personnel are unable to communicate the emergency situation to the pilot-in-command of the aircraft involved —
 - 1) an emergency is declared; and
 - 2) the management personnel take such action as the management personnel consider necessary under the circumstances.
- 4.7.5 The AOC holder must ensure that appropriate personnel respond in accordance with the plans required in paragraph 4.7.1, and the personnel are trained to respond competently during an emergency.

4.8 Immediate reaction to a safety problem

- 4.8.1 The operator shall implement:
- a) any safety measures directed by the CAAM; and

- b) any relevant mandatory safety information issued by the CAAM.

4.9 Flight Data Analysis Programme (FDAP)

- 4.9.1 An operator of an aeroplane of a maximum certificated take-off mass (MCTOM) in excess of 27 000 kg shall establish and maintain a FDAP as part of its safety management system.
- 4.9.2 An operator of a helicopter of a certified take-off mass in excess of 7 000 kg or having a passenger seating configuration of more than 9 and fitted with a flight data recorder shall establish and maintain a FDAP.

Note: - An operator may contract the operation of a FDAP to another party while retaining overall responsibility for the maintenance of such a programme. Establishment of FDAPs shall be in accordance to CAD 19.

4.10 Insurance Coverage

- 4.10.1 Each holder of an AOC engaged in air transportation shall maintain valid insurance to cover its liability towards passengers and their baggage, crew, cargo, hull loss and third party liability in compliance with the requirements of the Carriage by Air Act, 1974 (Act 148 Article 50) or any other applicable law.
- 4.10.2 The insurance coverage should also cover an AOC Holder's liability towards the cost involved in salvage, recovery and storage of aircraft wreckage in the event of an accident.

4.11 Exemptions

- 4.11.1 There may be some circumstances where the person who holds air operator certificate, may not be able to comply with the established requirements and may request for an exemption to such requirements, taking into account the impact on safety. Such request is made to the CEO and is subjected to the CAAM exemption policy and procedure.

Note: - Foreign states will be notified if an AOC holder does not comply with ICAO Annex 6 standards.