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 HONG KONG SPECIAL ADMINISTRATIVE REGION PEOPLE'S REPUBLIC OF CHINA AERONAUTICAL INFORMATION SERVICE

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 (ISO 9001 CERTIFIED)

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 AIR TRAFFIC MANAGEMENT DIVISION

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 CIVIL AVIATION DEPARTMENT

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 HONG KONG INTERNATIONAL AIRPORT

AIC 20 / 25 18 July 2025

<u>PERMISSION TO CONDUCT TRIAL OPERATIONS OF</u> <u>UNCONVENTIONAL AIRCRAFT IN HONG KONG</u>

1. Introduction

- 1.1 Low-altitude economy ("LAE"), which refers to economic activities in airspace generally below 1 000 metres, presents a wide array of application scenarios including rescue, surveys and delivery of goods and passengers. The Government has launched the LAE Regulatory Sandbox, which aims to serve as a testing ground by providing clear objectives, operational requirements and flight conditions for eligible project proponents to conduct trial operations while ensuring aviation and public safety.
- 1.2 Under Part IXA of the Air Navigation (Hong Kong) Order 1995 (Cap.448C) ("AN(HK)O") the Director-General of Civil Aviation ("DGCA")¹ may permit trials of unconventional aircraft in Hong Kong. The new provisions aim to facilitate exploration of various low-altitude flying application scenarios, while also safeguarding aviation and public safety.
- 1.3 This Aeronautical Information Circular ("AIC") is an instrument issued pursuant to Article 82C of the AN(HK)O for specifying the class or description of aircraft for the purposes of Part IXA and for providing practical guidance in respect of that Part. Due to the broad range and possibly unique characteristics of the different types of unconventional aircraft, this AIC may not be exhaustive and applicants are expected to demonstrate an equivalent level of safety commensurate with their proposed trial operations. The specific means of compliance will be considered on a case-by-case basis upon evaluation of each application.
- 1.4 It is an offence under the AN(HK)O to endanger the safety of aircraft, person or property. It is the responsibility of the applicant to exercise appropriate and effective safety precautions and risk mitigating measures for each flight.
- 1.5 It is important to note that a permission issued in accordance with Article 82B ("Permission") does not exempt or confer any immunity on the permitted aircraft and permitted person under Article 82B(3) from other applicable legal provisions and regulatory requirements under the AN(HK)O and other legislation, such as the Telecommunications Ordinance (Cap.106) and the Personal Data (Privacy) Ordinance (Cap.486), etc.
- 1.6 Where the proposed area of operations necessitates express consent from land/property owner and/or manager, it is the responsibility of the applicant to obtain such consent and to comply with any requirements and guidelines imposed by the owner and/or manager to ensure the safe operations of the aircraft.

¹ The DGCA is authorised to exercise or perform any of the Chief Executive's powers or duties under the AN(HK)O, other than the power to make regulations under Article 97.

2. Specification of Unconventional Aircraft for Trial Operations

- 2.1 An unconventional aircraft is characterised by its unique methods of generating lift and propulsion, innovative technologies and novel concept of operations ("Conops"). For the purpose of an application under Part IXA, an unconventional aircraft is specified in accordance with Article 82C(2) as any power-driven
 - a) heavier-than-air aircraft other than <u>aeroplane</u> or <u>rotorcraft with up to two power-driven</u> rotors on substantially vertical axes, for example, powered-lift and multicopter; or
 - b) unmanned aircraft*.

* For the avoidance of doubt, an unmanned aircraft that does not exceed 150 kg at all times during the flight is not governed by the AN(HK)O.² Applicants intending to operate such unmanned aircraft shall refer to the Small Unmanned Aircraft Order (Cap.448G) and its related documents, as amended, for information and guidance.

As technologies on unconventional aircraft are still evolving, CAD will keep in view of the development from time to time and suitably revise the above when appropriate.

2.2 Where the proposed trial operations involve the carriage of persons on board, whether as passenger or pilot, applications for a Permission will only be considered for an aircraft that has obtained design and production approvals from the relevant civil aviation authority of the respective State of Design ("SoD"), and airworthiness and operational approvals from the State of Registry ("SoR") or State of Operator with evidence of such to the satisfaction of the DGCA. In cases otherwise, the applicant should demonstrate, to the satisfaction of DGCA, that the aircraft has achieved a certain level of design, production, airworthiness and operational assurance with the support of the respective civil aviation authorities.

3. General Requirements for Applications

- 3.1 An application for trial operations should include documents for demonstrating compliance and/or ability to comply with the requirements in paragraphs 4-15, which comprise at least the following:
 - a) Details of the make and model of the aircraft on trial;
 - b) Copies of the applicant's (or its collaborating organisation's) operational approval issued by the civil aviation authority of the State of Operator (if applicable);
 - c) Copies of the Type Certificate, Type Certificate Data Sheet ("TCDS"), Production Certificate, aircraft registration certificate / document, and Certificate of Airworthiness of the aircraft on trial (if applicable);
 - d) Details of the maintenance programme and maintenance arrangement made, or proposed to be made, by the applicant for the purpose of paragraph 4.2;

² According to Article 100(2) of the AN(HK)O, the AN(HK)O does not apply to a small unmanned aircraft within the meaning of section 3 of the Small Unmanned Aircraft Order (Cap.448G).

- e) Detailed Conops, including flight plan(s)³ and test plan(s)⁴;
- f) Operations Manual;
- g) Details of the Accountable Manager to be appointed by the applicant, including his/her role in the organisation and resume;
- h) List of flight crew, maintenance personnel and supporting crew, copies of their applicable licence and summary of their qualifications and experience;
- i) A risk assessment identifying hazards specific to the trial operations and the corresponding risk mitigating measures; and
- j) Any other supporting information / documentation specific to the trial operations.
- 3.2 The CAD may request the applicant to supplement other required information and documents to substantiate the application within a specified time frame. The CAD will also advise the applicant if the application or the submitted documents contain significant deficiencies, and the applicant may withdraw and amend their application. In the case that the applicant has not responded to the CAD's comments and/or request for information for the specified period of time, the application will be considered as withdrawn.
- 3.3 Upon receipt of the complete submission of all supporting documents by the CAD, the DGCA will evaluate the application on its own merits. It is possible that the DGCA may at any time before giving a Permission impose any additional requirements on the applicant after considering the specific mode of operations or flight route, etc. The applicant should demonstrate compliance or ability to comply with such requirements prior to the Permission being issued.
- 3.4 A Permission will be issued to the successful applicant subject to any conditions that may be specified pursuant to Article 82B(7) of the AN(HK)O. Depending on the particular circumstances in each individual case, the DGCA will normally specify conditions to require that the applicable requirements as mentioned in paragraphs 4-15 are to be complied with in respect of the permitted aircraft and by the permitted person. It has to be noted that failure to comply with any of the conditions as specified in the Permission may lead to any actions as mentioned in paragraph 16 to be taken.

4. Airworthiness and Equipage

- 4.1 At all times during the trial, the aircraft should be marked, for the purpose of identification, in a way acceptable to the CAD.
- 4.2 At all times during the trial, the aircraft should be maintained in accordance with the Original Equipment Manufacturer's ("OEM") instructions for the type and model of aircraft.

³ Flight Plan to include, at a minimum, times and duration of operations, take-off/landing sites, flight route, planned emergency landing sites, location of remote pilot station, buffer zones along the flight route, number and location of observers, if any, etc.

⁴ Test Plan to define, at a minimum, scenarios (e.g. vertical flights, dummies on board) and objectives/ deliverables (e.g. feasibility of emergency maneuvers, detect-and-avoid methodologies) of one or a series of test phases, and specific test cases to cover normal operations and emergency scenarios for the purpose of demonstrating the robustness of the trial operations.

- a) The applicant should demonstrate that maintenance arrangement has been established with persons acceptable to CAD. Requirements or recommendations of the SoD and SoR should be observed as far as possible.
- b) For the purpose of this AIC, maintenance includes the accomplishment of scheduled and unscheduled tasks, as well as the repair, replacement or modification of any parts associated with the aircraft. A maintenance schedule and technical log system should be devised to form the programme for maintaining and servicing the aircraft. All maintenance work should be performed in accordance with the established instructions so as to ensure the continuous airworthiness of the aircraft. Reference should be made to OEM's instructions and requirement as far as practicable.
- 4.3 At all times during the trial, the aircraft should be equipped in accordance with the TCDS or the OEM's specifications (whichever is applicable) and conditions relating to equipage as specified in the Permission, and the applicant is required to ensure that all such equipment is installed and will perform as intended under the operating conditions for which it is designed for.
- 4.4 The aircraft should comply with any applicable or appropriate requirements for radio equipment and the use of radio frequency spectrum. In addition, the permitted person should at all times during the trial ensure that the following requirements are complied with:
 - a) Effective surveillance is in place enabling the aircraft to:
 - (i) detect and avoid other aircraft, terrain, obstacles (e.g. structure, buildings, etc.) and moving objects (e.g. vessels, vehicles, birds, etc.) in the proximity of the operating area and flight routes. The applicant should demonstrate the availability and use of onboard detection and avoidance system (e.g. vision sensors, LiDAR, etc.) that meets the accuracy requirements in relation to the proposed trial operations. In the event that the aircraft is not equipped with such equipment, special consideration should be sought from the CAD, and the applicant should propose alternative measures, including but not limited to operational measures (e.g. visual observers), that would be effective to ensure safe operations in the intended environment; and
 - (ii) continuously monitor air traffic information in proximity of the operating area and flight route (e.g. ADS-B In, web-based real time tracking services), or other alternative means of compliance;
 - b) Geospatial and map data necessary for navigation is accurate to a level sufficient for the safe operations of the aircraft, and updated in a timely manner;
 - c) The command and control link ("C2L") are designed to protect against electrostatic lightning and electromagnetic emission hazards. The applicant should also demonstrate that the C2L system is capable of preventing unauthorised access or seizing of control;
 - d) Operational procedures are in place to compensate for any degradation of external reference source for the aircraft's navigation systems (such as Global Navigation Satellite System ("GNSS")) and C2L;
 - e) Flight recording systems are in place and records are preserved for a period specified by the CAD, and can be played back or exported in a manner acceptable to and upon request by the CAD; and

f) The applicant should be able to maintain real-time flight data monitoring of the aircraft through the ground terminal or other forms of surveillance system during flight, and make provision for the same by the CAD and other relevant authorities if necessary. Such flight data should include, but not limited to, the aircraft's position (latitude, longitude, and altitude), speed, heading, status of critical systems, etc. The data format, means and frequency of transmission of the data should be determined and agreed with the CAD.

5. **Operating Areas**⁵

- 5.1 Unless operational justifications with evidence can be provided to the satisfaction of the CAD to minimise air risk associated with the trial operations, the proposed operating areas should be away from aviation activities. In particular, the aircraft should normally not operate:
 - a) in controlled airspace;
 - b) in the Prohibited Area / Restricted Area / Danger Area as published in the AIP Hong Kong (available on <u>https://www.ais.gov.hk/</u>);
 - c) within 500 m from aerial sporting area such as flying sites for paragliding activities;
 - d) within 1 km from Aerodrome Traffic Zone as shown on local flying chart;
 - e) within 500 m from helicopter landing sites (unless consent from relevant helicopter operator(s) is obtained); and
 - f) in a way that will affect operations of aircraft to/from Hong Kong International Airport ("HKIA") and low-flying aircraft / helicopters of the Government Flying Service ("GFS") and any other aircraft operators.
- 5.2 Unless operational justifications with evidence can be provided to the satisfaction of the CAD to minimise ground risk associated with the trial operations, operating areas that will pose higher risks to people and properties on the ground should be avoided. In particular, the aircraft should normally not overfly, or conduct emergency landing in:
 - a) congested areas, highways, railways or strategic routes; and
 - b) areas where uninvolved people, vehicles, vessels or structures are likely to be present (e.g. piers, footpaths, roads).
- 5.3 The aircraft should be entirely confined within the operating area accepted by the CAD at all times when in flight. This can be achieved either through technologies or operational limitation. There should be effective means to ensure that the aircraft will not fly beyond the intended operating areas (such as through the use of geo-fence, waypoint operations, etc.), and for the flight crew to maintain situational awareness of the aircraft and its surroundings in the air and on ground.
- 5.4 When planning for flight routes, accuracy of the navigation system, detect and avoid system or equivalent means, latency of telecommunication technology adopted, etc. should be taken into consideration.

⁵ Throughout this AIC, operating areas include the intended flight route, any emergency landing sites and/or alternates, areas designated as buffer zones along the flight route, and the area cordoned off for the trial operations.

- 5.5 The applicant should ensure the adequacy of GNSS and mobile network signal strength and coverage and integrity for C2L throughout the intended operating areas.
 - a) The applicant should avoid planning operations in areas with strong signal interference, especially in locations surrounded by high-rise buildings, where signal coverage is generally weakened. Similar considerations should be given for operations in proximity to boundary control area where network switching may inadvertently happen.
 - b) The C2L should not be adversely affected by the terrain. Appropriate assessment should be conducted before the operations to ascertain the signal strength and levels of interference at the operating areas.
- 5.6 The approach and take-off areas of the aircraft should be free of obstruction and loose debris, and of sufficient size and strength to support safe operations of the aircraft. Appropriate assessment should be conducted prior to each operation, paying particular attention to the size, shape, surroundings, slope and surface of the take-off/landing site to ascertain its suitability for aircraft operations with regard to the prevailing conditions.
- 5.7 All take-off/landing sites and emergency landing sites detailed in the flight plan should allow effective rescue and fire-fighting services and the recovery of the aircraft in an expeditious manner with adequate safety considerations. The emergency landing sites should be located within the area accepted by the CAD and at a safe distance from areas with high level of ground risk.
- 5.8 When planning for the operating areas, the applicant should take appropriate measures to minimise the potential noise impacts of the aircraft operations on local communities.

6. **Operating Requirements**

- 6.1 No operations should be conducted for the purposes of public transport.⁶
- 6.2 The proposed trial operations should not exceed any operating limitations as specified on the TCDS or by the OEM, whichever is more restrictive.
- 6.3 Unless with justifications and evidence can be provided to the satisfaction of the CAD to minimise ground and air risk associated with the operations, trials can only be conducted in daylight hours.
- 6.4 The applicant should, at a minimum, specify in the Operations Manual:
 - a) Appropriate policies and procedures, including normal, abnormal and emergency operations as specified in paragraph 11, considering its specific operating requirements and complexity (e.g. vertical flights versus overflying (if justified) uninvolved people, vehicles, vessels or structures);
 - b) The minimum number of flight crew⁷ and supporting crew to ensure sufficient manpower for the safe operations as specified by the SoD, SoR or OEM (whichever is more restrictive);

⁶ As defined by Article 98(6) of the AN(HK)O.

⁷ "Flight crew" in relation to this AIC covers the pilots (including remote pilots) and Visual Observer(s) assigned to the proposed trial operations.

- c) Designation of a Pilot in Command ("PIC") and clear definition of roles and responsibilities for each crew member with reference to paragraph 7. In particular, the designated PIC, whether on board or at remote pilot station(s), should be in charge with the safe conduct of each flight under all anticipated operating conditions;
- d) Policies and procedures to ensure that all crew members are competent to perform their tasks and in sound physical and mental condition that will enable safe operations;
- e) Mechanism to ensure that the PIC would, in a timely manner, be made aware of system failures and/or unsafe conditions that will affect the risk level of the trial operations, including but not limited to the following;
 - (i) Degradation of flight performance such that the aircraft is unable to maintain its flight route or current location;
 - (ii) Loss of capability to maintain situational awareness of airspace traffic, terrain, obstacles and/or weather;
 - (iii) Loss of communication; and
 - (iv) Loss of power.
- f) Energy management policies and procedures that will enable safe operations;
- g) C2L management policies and procedures that will enable safe operations;
- h) Procedures on how to enable containment of the aircraft. As the main determinant of risk is dependent on the area of operations, the applicant should ensure that the aircraft will be confined within the operating area accepted by the CAD during normal operation;
- i) Procedures to conduct pre-flight safety briefing in case persons on-board are involved;
- j) Procedures to conduct comprehensive safety risk assessment and establish mitigating strategies with reference to the specific equipment, personnel competency, types of operations, and environmental conditions of each operation. In identifying the risks of the intended trial operations, the applicant should assess the severity and probability of air risk and ground risk associated with the operations;
- k) Site management procedures to ensure adequate security provisions are in place to protect the aircraft (and any such installation for its sources of energy) against unlawful interference or unauthorised access, and cordoning considerations as are appropriate to minimise nuisance;
- 1) Provisions for immediate communications with the CAD and other relevant parties and authorities as required by the CAD during the operations;
- m) Details of external services as required under paragraph 10, if applicable; and
- n) Policies and procedures for incident and accident reporting and handling (see paragraph 12).

- 6.5 The applicant should ensure that equipage, maintenance, recordings and their preservation, etc., of the aircraft and any remote pilot station are as per approved by the SoD, SoR or specified by OEM, and in a manner acceptable to the CAD.
- 6.6 Before commencing each flight, the PIC should ensure that the prevailing weather conditions are suitable for the operations with reference to weather forecast. Weather minima as specified by the OEM must be fulfilled. Under normal circumstances, operations should not be conducted unless the following weather criteria is fulfilled:
 - a) 5 km visibility;
 - b) 1,000 feet vertically clear of cloud base;
 - c) Not within 5 km of thunderstorm; and
 - d) Wind speed below the maximum resistance as specified by the OEM.
- 6.7 Prior to and during the operations, the meteorological conditions within the operating areas should be closely monitored. If the meteorological conditions deteriorate beyond the weather minima specified by the OEM, the PIC should cease the operations immediately.
- 6.8 The aircraft should not carry any goods or substances to which the Dangerous Goods Ordinance (Cap. 295) applies under section 3 of that Ordinance during flight, except those goods or substances that are (a) used as or form part of the power source of the aircraft for the flight; (b) necessary to be carried by the aircraft for the flight for complying with the equipage requirements; or (c) otherwise necessary for the aircraft to be fit for flying.
- 6.9 Aircraft weight and balance and loading schedules should be maintained and preserved.
- 6.10 The PIC should be able to maintain control of the aircraft at all times. Autonomous operations by the aircraft is not allowed, except in cases of emergency scenarios where the aircraft is preprogrammed for certain course of action.
- 6.11 Throughout the trial operations, the permitted person should collect and analyse the relevant data and results, which will be submitted to the CAD for the purpose of validating whether the operations can meet the relevant safety, stability and reliability requirements.

7. Personnel

- 7.1 An Accountable Manager should be appointed by the applicant to take overall responsibility for the trial operations. Responsibilities of the Accountable Manager should include but are not limited to the following:
 - a) Act as the point of focal and coordinate with the CAD on all matters arising from the trial operations as necessary;
 - b) Ensure that applicable regulatory requirements and conditions of the Permission are duly observed, and all operations are conducted in accordance with documents accepted by the CAD;
 - c) Ensure the competency of personnel, including flight crew and supporting crew;

- d) Report any compliance or safety issues to the CAD; and
- e) Implement safety assurance and quality assurance measures including the regular self-assessment.
- 7.2 All operations should be halted should the post of the Accountable Manager become vacant given the significance of this role.
- 7.3 All members of the flight crew should:
 - a) not perform any duties under the influence of psychoactive substances or alcohol, or when they are unfit to perform their tasks due to, for example, injury, fatigue, medication, sickness or other causes, thereby endangering the safe conduct of flights; and
 - b) be familiar with the Operations Manual accepted by the CAD for the operation, the operations of the aircraft, and, if applicable, the remotely piloted aircraft system (comprising the aircraft, remote pilot station and C2L).
- 7.4 The PIC should terminate, cancel or delay any or all flight operations under the following conditions:
 - a) the safety of persons is jeopardised;
 - b) property on the ground is jeopardised;
 - c) other airspace users are inside the operating area or would be placed in jeopardy; or
 - d) there is or there is likely to be a violation of any conditions of the Permission.
- 7.5 The PIC should be able to perform emergency recovery and implement the relevant corrective actions in response to scenarios including but not limited to those listed in paragraph 6.4 (e) above.
- 7.6 In addition to the above, the PIC should:
 - a) ensure that the aircraft is in a safe condition to complete the intended flight safely, and under effective surveillance at all times during the operations;
 - b) obtain updated information relevant to the intended operations about any geographical zones, environment or condition of the operating area, in particular, the flight route before the operations;
 - c) verify that the means to terminate the flight as well as the programmable operating parameters of the aircraft are operational before the operations;
 - d) notify relevant parties and authorities such as ATC and GFS as appropriate prior to operations;
 - e) ensure that any checks and procedures established and set forth in the Operations Manual has been complied with by each member of the crew; and
 - f) comply with all safety instructions of CAD officers.

8. Training and Qualification

- 8.1 All pilots should hold a valid certificate of class and type corresponding to the aircraft on trial, issued by a licensing authority of the SoR and accepted by the CAD, complemented by the completion of a pilot training course specific to the type and model of aircraft proposed to be operated for the trial, approved or recognised by the OEM. Subject to the risks and complexity of the proposed trial operations, experience in trials approved by other major civil aviation authorities may be required.
- 8.2 All members of the flight crew should be at least 18 years of age.
- 8.3 All flight crew and supporting crew should be trained specifically for the trial operations and the emergency procedures. The permitted person should maintain records of all relevant qualifications and training courses completed by the flight crew, supporting crew and maintenance staff essential to the trial operations for at least two (2) years from the date the Permission expires.

9. Cross-Boundary Operations

9.1 Permissions issued under Article 82B apply only in respect of trials within the Hong Kong territory. For trials involving cross-boundary operations, the applicant is responsible for obtaining prior permission from the respective civil aviation authorities and government departments for customs, immigration and quarantine arrangements, as well as any other necessary approvals. The risk assessment specified in paragraph 3.1 should also include assessment on network coverage and stability across the boundary.

10. External Services

- 10.1 If the operations involve any external services, such as ground handling or mobile networking, the applicant should, in his application, demonstrate that the performance and availability of the services are adequate for the intended operations. In particular, the relevant Operations Manual should document:
 - a) whether and how potential degradation or loss of services would affect flight safety;
 - b) any mitigating strategies and measures to manage such situation(s); and
 - c) the respective roles and responsibilities of the applicant and the external service provider in respect of the performance of the services.
- 10.2 Where a service provider is engaged by the permitted person for providing any external services, the permitted person should ensure that the level of performance of the services is adequate for the intended operations.

11. Emergency Procedures

11.1 The applicant should determine suitable responses and fail-safe mechanism for emergency during operations with reference to the procedures established by the OEM. These should be

proven and included in the Operations Manual including but not limited to the following scenarios:

- a) Inoperative motors / blades;
- b) Intermittent / degraded / permanent loss of C2L;
- c) Partial or total failure of flight critical systems, controlling systems, surveillance system, etc.;
- d) Navigation system failures, e.g. degradation or total loss of GNSS, sensors/ cameras;
- e) Flight planning failures that could result in a loss of containment, e.g. incorrect setting of waypoints;
- f) Flyaway, other malfunctions, and emergency scenarios that may arise specific to the proposed trial operations;
- g) Fire; and
- h) Low battery or battery failure.
- 11.2 The proposed emergency procedures (e.g. avoidance of other flying objects, Return to Home operations, etc.) may be subject to validation through on-site flight demonstration in the presence of CAD officers.

12. Accident and Incident Reporting

- 12.1 The applicant should include in its Operations Manual clear guidance and procedures of the reporting and handling of occurrence. This may include definition of occurrence, detailed procedures of reporting of occurrence (including but not limited to the time and level of management to be reported to), handling of occurrence, including but not limited to preservation of evidence, identifying the root cause of the occurrence, submission of investigation report, implementation of corrective action, etc.
- 12.2 In case of **accident or incident which caused any damage to property or injury to person**, the permitted person should **immediately** report the case to the Police at <u>999</u>, and the CAD Flight Standards Office Duty Officer.
- 12.3 Within 24 hours of any accident or incident (whether or not there was damage to third party property or injury), the permitted person should provide full details of the circumstances in writing to the CAD Flight Standards Office by email to <u>ops@cad.gov.hk</u>.⁸
- 12.4 A log of all accidents, incidents and occurrences should be properly maintained by the permitted person and should be made available upon the request by the CAD. Upon request from the CAD, the permitted person should provide additional details and/or investigation findings within three (3) calendar days, in writing by email to **ops@cad.gov.hk**.

⁸ To avoid doubt, where an occurrence is reportable under Article 86 of the AN(HK)O, the permitted person should, in addition to making a report in accordance with the same Article, make a report under paragraph 12.3.

12.5 If the occurrence indicates potential major deficiency or safety concern of the permitted person, or if the permitted person fails to report occurrences to the CAD in a timely manner, the CAD may suspend or revoke the Permission as detailed in paragraph 16.

13. Insurance

13.1 The applicant is reminded that a policy of insurance that insures the permitted person in accordance with the requirements of the Civil Aviation (Insurance) Order (Cap. 448F) shall be in force during the trial period for third party liabilities and, if applicable, liabilities for passenger, cargo, etc. arising out of or caused by the use of the aircraft.

14. Records

- 14.1 The permitted person should record and store operational information, including information related to the flights and associated systems (all operational data, crew coordination, meteorological conditions, etc.), aircraft and/or systems failures, inspections, repairs and maintenance, personnel training, assessments, shift handover records, accident / incidents, test reports, etc. The above-mentioned information should be provided to the CAD upon request.
- 14.2 Unless otherwise specified, all records should be maintained for at least 2 years from the date the Permission expires. They could be kept in either paper form or in electronic format or a combination of both, and should be made accessible within Hong Kong and available to the CAD for inspection in Hong Kong upon request.

15. Change of Information

15.1 After the Permission has been issued, the permitted person should notify and seek CAD's acceptance on any proposed changes to the information and/or documents submitted in support of the application, including but not limited to the name of the permitted person, Operations Manual, details of the Accountable Manager and the list of flight crew, maintenance personnel and support crew. In general, CAD should be notified about the proposed changes (with relevant supporting documents) at least 7 working days prior to the proposed effective date of such changes. As a longer processing time may be required depending on the complexity of the proposed changes, the permitted person is advised to seek CAD's acceptance as soon as a change is planned or required. In addition, depending on the nature and extent of the proposed changes, the prevailing Permission may be rendered invalid and a new application for another Permission may be required.

16. Suspension or Revocation of the Permission

- 16.1 The Permission under Article 82B may be suspended or revoked by the DGCA under but not limited to the following circumstances:
 - a) the CAD considers that the regulatory requirements cease to be met in part or in whole;
 - b) the conditions of the Permission have been contravened; and/or
 - c) the permitted person fails to rectify any identified non-compliance for a prolonged period of time.

- 16.2 The CAD may conduct oversight activities that are necessary to assess the permitted person's compliance with the conditions of the permission, which may include announced and unannounced inspections, audits, documents checks and any other appropriate activities.
- 16.3 Should objective evidence be identified by the CAD illustrating non-compliance of the applicable regulatory requirements and conditions of the permission, the CAD may issue a finding to the permitted person. The permitted person may then be requested to submit a corrective action and implementation plan to the satisfaction of the CAD within a period accepted by the CAD which should include the identification of the root cause leading to the non-compliance, as well as concrete and feasible measures for preventing reoccurrences of such deficiencies.

17. Enquiries

- 17.1 This AIC will be subject to review and update from time to time in the light of the accumulation of empirical data and operational experience, advancement of technology and prevailing international standards and best practices.
- 17.2 For enquiries, please contact the Flight Standards Office of the CAD at <u>ops@cad.gov.hk</u>.